

From: Sally Wright

Sent: March 26, 2015 7:18 PM

To: ~Aboriginal Affairs and Northern Development/Affaires autochtones et développement du Grand Nord

Subject: Speaking notes regarding Bill S-6

Dear Mr. Jean-Marie David,

Since our group, Yukonners Concerned, has not been allowed to present to the Standing Committee on Aboriginal Affairs and Northern Development while they are in Whitehorse next week, I will take this opportunity to share my speaking notes and supporting documents for the committee's information.

“Honourable Members of the Standing Committee on Aboriginal Affairs and Northern Development,

I write to you today as a Concerned citizen of the Yukon Territory and Canada. I and the people who support me, feel strongly that Bill S-6 the Amendments to the YESSA Act represent a form of “Agency Capture Phenomena”. This phenomenon occurs when agencies such as YESSA, that are supposed to protect us from corporate waste, pollution and inefficiency, become puppets for the industries that they are supposed to regulate.

By shortening the project assessment timelines, delegating important decision making powers to people who can easily be manipulated by politics and relegating First Nations governments to being interest groups, Bill S-6 essentially takes us back to the time 20 years ago when our territory was nothing more than a colonial welfare state managed from afar.

The Senate Standing Committee on Energy, the Environment and Natural Resources held hearings into S-6 last fall and it is telling who presented. Hard Rock miners, Placer Miners, the Canadian Association of Petroleum Producers, our Premier, and the CEO of Yukon Energy Corporation (YEC). The Grand Chief of Yukon First Nations was shamefully treated like a lobbyist, not as a partner in a tripartite agreement entrenched in the Canadian Constitution.

I used to be on the Board of Yukon Energy Corporation so that is where my expertise is focused. I read with interest, bordering on alarm, the presentation that then YEC CEO Mr. David Morrison, put forward to the Senate.

I take issue with many of Mr. Morrison's comments about the YESSA process but the most egregious in my eyes is the complaint about the amount of time it took YEC to get through it two biggest projects, the Mayo B Hydro Enhancement from 2010 and the more recent YEC LNG project.

I was not heavily involved in the YESSA review of the Mayo B project instead focused my expertise on the intervention and the presentation of evidence to the Yukon Utilities Board (YUB) during the oral hearing for Mayo B's Part 3 Application. Mr. Morrison, in his presentation to the Senate, bemoans the fact that it took 62 days between the draft YESSA Screening report and the final report. Mr. Morrison painted a picture of Mayo B as being a benign project. There is no question that Mayo B was rushed through the regulatory process to

take advantage of the Federal Green Infrastructure grant of \$71 million for half of the project cost.

The consequences of this rush is that the alternatives to the project were suppressed, the hydro turbines were ordered before regulatory approval and therefore the regulators were held hostage by a front loaded project proposal. Mr. Morrison went so far as to mislead the YUB as to the viable alternatives to the Mayo B Hydro project by suppressing the 2009 Mount Sumanik Wind Energy Feasibility Study. Mayo B was a \$120 million project, for only 10MW of increased capacity which has never been realized because of design flaws. Flaws that were never picked up by YESSA and were ignored by the YUB when the Yukon Conservation Society's intervention pointed it out at the time.

The consequences of this rushed process is now the Yukon Development Corporation (YDC), YEC's parent company, now has a \$100 million debt, Mayo B is underperforming and there are problems with winter flooding in Mayo.

Mr. Morrison also mentioned the 82 days between the YESAB draft screening report and the final recommendation for the YEC Liquefied Natural Gas (LNG) last year. He failed to mention the overwhelming public opposition to this project, YEC's deeply flawed safety protocols for this project, the over 100 written submission to YESAB and 20 oral presentations at the YUB hearing, all, save one, against the project.

YEC insisted that this rushed project was necessary because we needed to replace some of the oldest diesel backup generators to meet winter demand during peaking and in times of emergency. I am not disputing that YEC needs back up diesel at this moment in time, it is a well known fact that when an islanded grid is heavily dependent on hydro it needs fossil fuel backup during times of peak load. What I am disputing is the rush, YEC knew it had to change out those generators back in 2005. Now LNG is made out to be the only option that would be less expensive to run. There was no time or resources to explore alternative peak shaving technologies such as load shifting, Electrical Thermal Storage and a Smart grid.

Here are the consequences of that rush. Now the LNG project is about to be completed, the original \$36 million price tag has ballooned to \$42.9 Million. The economic case for the project was dependent on a forecast by the U.S. Energy Information Administration (EIA) that the price spread between oil and natural gas would stay that way for the next 30 years. The subsequent crash in oil prices has re-written the economic payback of this project substantially. Where is the accountability?

More importantly, why is Mr. Morrison once again testifying to the Senate and the House of Commons as a self described expert on northern energy issues? From the very beginning of his appointment as chair of YDC in 2003 he has systematically disassembled the energy conservation and efficiency programs of the Energy Solutions Center, totally neglected the wind energy research and development program and as the appointed YEC CEO (he never went through hiring process for his YEC CEO position) he has spent over \$22 million on energy supply studies that have amounted to nothing, he has misled the regulators (attached is my report to the RCMP from June 11, 2014, and my proposed report to the Yukon Ombudsman) and all the organisations that have pointed out the problems have been penalized in one way or another.

I am a concerned Yukon person who recognizes the use of fossil fuel is impacting our water, our atmosphere and our children's future. I have lived in the Yukon for 30 years surrounded by the most resilient, innovative and progressive people. We worked together in good faith to create the YESSA Act. The First Nations of the Yukon are part of the land, part of the water and we all have a duty to our ancestors to protect it for all our children's sake.

I and many other Yukon people stand behind the Yukon First Nations opposition to the Bill S-6. We are not going back to colonial rule, we are fed up with our First Nation friends and neighbours having to go to court to protect our rights. There is no going back when we all have had the taste of the promise of self-governance.

I have no quarrel with the Canadian people, most are law abiding, honest and earnest. But there are some people in power who shouldn't be and the flaws in Bill S-6 illustrate this perfectly.

Thank you,

Sally Wright