



Minister's Office  
PO Box 2703, Whitehorse, Yukon Y1A 2C6

May 18, 2021

Richard Buchan, Chair  
Yukon Utilities Board  
Box 31728  
Whitehorse, Yukon Y1A 6L3

Dear Richard. Buchan,

**Re: Referral of the Electricity Purchase Agreement with Tlingit Homeland Energy LP to the Yukon Utilities Board for review under s.18 of the *Public Utilities Act***

---

I have recently been advised that Yukon Energy Corporation (YEC) is in the process of developing an Electricity Purchase Agreement (the "Agreement") with Tlingit Homeland Energy LP (THELP) to acquire power from the Atlin Hydro Expansion Project. In order to assist in its review, the Government of Yukon has decided that the Agreement should be subjected to a detailed review by the Yukon Utilities Board (the "Board").

I am therefore directing the Board, pursuant to subsection 18(1) of the *Public Utilities Act* (the "Act"), with the attached Terms of Reference to carry out a public review of the Agreement and provide a report within 180 days of when the Agreement is finalized and provided to the Board by YEC.

Section 50 of the *Public Utilities Act* requires written ministerial approval in advance of any inquiry or public hearing under the Act. With this letter I authorize the Board to conduct any public hearings that it considers necessary for its review and I approve any necessary expenditure for the Board's review and reporting. I also recognize that under section 56 of the Act, the Board can make any order for the recovery of its costs of the proceeding that it considers appropriate.

Thank you for your attention to this matter. I look forward to your report.

Yours truly,



Tracy-Anne McPhee  
Minister of Justice and Attorney General

Attachment

- c. Andrew Hall, Yukon Energy Corporation President and CEO

## TERMS OF REFERENCE

**IN THE MATTER OF the *Public Utilities Act*  
and  
IN THE MATTER OF an Energy Purchase Agreement between Yukon Energy  
Corporation and Tlingit Homeland Energy Limited Partnership**

### Background

- A. I have recently been advised that Yukon Energy Corporation (Yukon Energy, or YEC) and Tlingit Homeland Energy Limited Partnership by its general partner Tlingit Homeland Energy Limited (THELP) will enter into an electricity purchase agreement (the "Agreement") for the sale by THELP to YEC of electricity generated from the proposed Atlin Hydro Expansion Project (the "Atlin Project"). THELP is owned by the Taku River Tlingit First Nation ("TRTFN"). The term of the Agreement will extend until 40 years from the first date for delivery of electricity to YEC from both the Upper Power Plant and the Lower Power Plant of the Atlin Project, with provisions in the Agreement whereby YEC can continue to receive electricity from the Atlin Project until the end of its useful life.
- B. The Atlin Project and Agreement were identified in YEC's December 2020 - 10 Year Renewable Electricity Plan Technical Report as a key near term project to secure additional renewable capacity and energy to meet Yukon's growing needs while displacing thermal generation. In particular, the Technical Report states that the Atlin Project is expected to deliver annual energy and dependable capacity during winter to address YEC's existing capacity shortfall under emergency conditions, beginning in 2024 or 2025.
- C. The Agreement will outline the key commercial and operations terms under which YEC would purchase electricity from the Atlin Project. YEC and THELP are actively collaborating on securing government grant funding necessary for the Atlin Project to proceed.
- D. On December 31, 2020 THELP submitted a proposal for construction and operation of a 42 km, 3-strand, 69 kV transmission line from Jakes Corner to the British Columbia border to the Yukon Environmental and Socio-economic Assessment Board (YESAB) under the *Yukon Environmental and Socio-economic Assessment Act* (Canada). This process will lead to a recommendation by the Designated Office, and a response by the Government of Yukon and any other decision bodies in the form of a "decision document". Any government authorizations issued in support of the Project or the Agreement will have to conform to the decision document.

- E. During 2020, THELP submitted to British Columbia assessment authorities a proposal for construction and operation of the Atlin Project hydro generation and transmission facilities located in British Columbia.

THEREFORE, pursuant to s.18(1) of the *Public Utilities Act*, I am requesting a public review by the YUB of the Electricity Purchase Agreement as follows:

**General purpose of the investigation**

1. The general purpose of the review and hearing is to obtain the YUB's report and any recommendations on the potential benefits, costs, risks and customer impacts that influence whether the Agreement should proceed as proposed by YEC.

**Public hearing**

2. The YUB shall hold a public hearing in a format to be determined by the YUB and it shall receive submissions from any person or groups or classes of persons who, in the opinion of the YUB, have an interest in the matter.

**Specific aspects of the Project to be reviewed**

3. The YUB shall report on, and make recommendations about, the necessity for the Agreement, its timing, and proposed terms and conditions, with particular regard to:
  - a. The public need for the Agreement under various reasonable electric load forecasts.
  - b. The effect of the proposed commitments on the rates of customers and the reliability of electricity service provided to customers.
  - c. The capability of existing and currently committed and expected generation and transmission facilities including thermal generation facilities to provide reliable electric power generation to meet the forecast load requirements in (a) and the effect of the Agreement on this capability.
  - d. The risks associated with the Agreement, including its potential impacts on YEC and rates for customers and on the reliability of electricity service provided to customers.

- e. Evidence that all reasonable alternative options have been considered, and that proposed spending commitments have been selected on reasonable grounds.
- f. Whether it is prudent to enter into the Agreement as proposed at this time.

**Timing of report and recommendations**

- 4. The YUB shall submit its report and recommendations to the Minister of Justice no later than 180 days from the date that the YUB receives a final version of the Agreement from the Yukon Energy Corporation.

**Other Recommendations**

- 5. The YUB may make any other recommendations or provide any other information that it considers advisable in the circumstances.

Issued by

Tracy-Anne McPhee

Minister of Justice

***May 18, 2021***