



What We Heard: Clean Energy Act

July 2022



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About the Clean Energy Act

The purpose of the Clean Energy Act is to legislate our greenhouse gas commitments, provide the Government of Yukon with the regulatory tools needed to meet those greenhouse gas commitments and ensure long-term climate change accountability through public reporting.

By legislating greenhouse gas emissions targets and renewable electricity targets, this new clean energy legislation will bring the Yukon in line with the most progressive energy and climate change accountability legislation in North America. The Clean Energy Act will ensure public accountability and transparency as we work towards achieving our climate change objectives. Additionally, associated regulations to follow under the Clean Energy Act will enable the Government of Yukon to build on and maintain the momentum needed to deliver on our commitments.

The following provisions were proposed for inclusion in the Clean Energy Act:

1. Statement of clean energy objectives
2. Reporting requirements
3. Greenhouse gas reduction targets and ability to set sector-specific targets
4. Renewable electricity standard
5. Zero-emission vehicle sales targets
6. Ability to set renewable fuel content standards
7. Renewable heating target
8. Ability to set energy efficiency criteria for products

The details of the specific proposals on the Clean Energy Act framework are covered in the specific 'What we heard' sections, along with the main themes from the engagement process.

Engagement process

The Government of Yukon released a discussion document on October 25, 2021, for public comment. The initial deadline for submitting feedback was January 7, 2022. This was extended to February 7, 2022, for Yukon First Nations, the Assembly of First Nations (Yukon Region) and the Council of Yukon First Nations.

We received 26 written submissions from a variety of citizens, local non-profit organizations, national organizations, three First Nation governments and two First Nation regional organizations.

Thank you to everyone who participated and submitted feedback.

What we heard

The target-setting provisions (including the renewable energy requirement) that make up the bulk of the proposed Clean Energy Act were part of extensive public engagement activities during the development of *Our Clean Future*. These targets are public commitments for several years as part of *Our Clean Future* (2020) and the *Confidence and Supply Agreement* (2021). As such, there is an expectation that these commitments will not change significantly in substance or scale.

1. Statement of clean energy objectives

What was proposed

The Government of Yukon proposes that the Clean Energy Act include a statement of objectives on the government's values and intentions relating to matters included in the legislation. The following were examples of statements proposed for inclusion in the Yukon's clean energy legislation.

- To use and foster the development of innovative technologies in the Yukon that support energy conservation and efficiency, as well as the use of clean or renewable resources.

- To support green economic development for Yukon First Nations governments, municipalities and rural communities through clean or renewable resources.

What we heard

The Government of Yukon received many specific suggestions, additions and proposed rewordings of the objectives.

Summary of comments

- Greenhouse gas reductions should be a key priority.
- Innovative technologies should not take precedence over existing technologies that are effective in reaching the Act's objectives.
- Objectives should empower inclusivity for governments, private sector, non-government organizations and the public to make changes in support of climate change objectives. This should include financial assistance.
- Government should be inclusive of First Nations' jurisdictions and experiences in the proposed objectives.

2. Reporting requirements

What was proposed

Reporting requirements were proposed to ensure that the Government of Yukon shares information on progress, whether on track or falling short, towards meeting its climate change commitments. These requirements are essential to ensure long-term transparency and accountability to the public. The Government of Yukon proposed that the Clean Energy Act requires the government to table a report in the Legislative Assembly each year that includes:

- the territory's most recent greenhouse gas emissions and energy data;
- the most recent information on the risks the Yukon faces from climate change, updated through a climate risk assessment every five years;
- progress on current and newly-proposed actions to reduce greenhouse gas emissions, enhance energy security and manage climate risks; and

- how current and newly proposed actions are expected to achieve the climate change and energy targets set in legislation or policy.

What we heard

Feedback on the reporting requirements reaffirmed the importance of ensuring timely, transparent updates on how the government is progressing toward the greenhouse gas emissions reduction targets laid out in the Act.

Summary of comments

- Include reporting requirements in the Act.
- Reporting should be as up-to-date as possible.
- Reporting should capture emissions for each sector and progress towards meeting the emission targets.
- Reporting should include gaps between emission targets and real emissions, as well as actions to get back on track with targets.
- Reporting should be transparent.
- A role for judicial oversight should be included in legislation and could include substantial procedures for addressing non-compliance.
- Reporting should be included at the community level, on- and off-grid.
- Government should report on progress towards climate-informed Chapter 11 regional land use plans annually in a transparent and consistent way that allows other agencies to use the same methods to allow for comparability.
- Government should report on how Yukon First Nations contribute to using and generating energy as well as greenhouse gas reductions resulting from Yukon First Nation owned and/or operated electrical generation, storage and transmission facilities.
- Reporting should include information on the progress the Yukon has made to minimize risks to the energy sector that were identified in the *Climate Change Risk Assessment (2022)*.

3. Greenhouse gas reduction targets and ability to set sector-specific targets

What was proposed

Legislating greenhouse gas emissions reduction targets ensures long-term government accountability and sets the benchmark for developing measures to reach those targets. Although legislating emissions reduction targets does not guarantee that the Government of Yukon will meet those targets, it does set clear standards and the course for implementing policies and programs to achieve those standards. The Government of Yukon proposes including the following greenhouse gas reduction targets in the Clean Energy Act.

- Reduce the Yukon's greenhouse gas emissions from transportation, heating, electricity generation, waste and other areas (not including mining emissions) by 45 per cent by 2030 compared to 2010 levels.
- Reduce the Yukon's total greenhouse gas emissions (including mining) to achieve net-zero emissions by 2050.

In addition to the two targets above, the Government of Yukon proposes that the Clean Energy Act give it the authority to set sector-specific emissions targets in regulations under the Act.

What we heard

Much of the feedback received offered up specific programs or projects to reduce emissions for consideration. These ideas were incorporated in a policy list (see Appendix A) for further consideration as part of the ongoing effort to meet reduction targets. Feedback specific to the greenhouse gas emission targets sought additional consequences for not meeting them.

Summary of comments

- The 45 per cent greenhouse gas target should include mining emissions.
- Targets should be 'hard' and have consequences for not meeting them.
- Government should consider interim greenhouse gas targets on the pathway to 2030 and 2050.

- Government should communicate existing or planned actions to meet targets (echoed in the section on reporting requirements).
- Government should consider emissions budgets.
- Government should consider co-developing community-based targets.
- Government should develop enabling legislation for a new greenhouse gas regulator or empower administrative decision makers to apply climate change-informed conditions within water licences.
- Government should explain and provide examples of how net-zero can be modelled and achieved.
- Government should look at impacts the pandemic has had on energy and emissions in the Yukon.

4. Renewable electricity standard

What was proposed

The following renewable energy generation provision was proposed to be included in the Clean Energy Act.

- At least 93 per cent of electricity generated on the Yukon Integrated System comes from renewable resources, calculated as a 25-year rolling average.

While we propose legislating a minimum of 93 per cent renewable electricity generation, the Government of Yukon aspires to reach a long-term average of 97 per cent electricity generated from renewable resources on the Yukon's main grid by 2030.

What we heard

There was strong support in principle for the renewable electricity standard. Responses noted the importance of ensuring clarity on the meaning of the 'rolling average.'

Summary of comments

- A 25-year rolling average is long. Five, ten or fifteen year averages were proposed.

- Government should promote renewable projects in both on-grid and off-grid communities.
- The Yukon Utilities Board needs to be in alignment with the Government of Yukon on renewable energy.
- The Yukon Energy Corporation should be empowered to develop renewable energy projects.
- Yukon First Nations should be involved in energy generation discussions early on and at a high level.
- Nuclear energy generation options should not be considered.
- Government should wave property taxes on renewable energy projects.

5. Zero-emission vehicle sales targets

What was proposed

The following zero-emissions vehicle sales targets were proposed for inclusion in the Clean Energy Act.

- Ten per cent of light duty vehicles sold in the Yukon will be zero-emission vehicles by 2025; and
- Thirty per cent of light duty vehicles sold in the Yukon will be zero-emission vehicles by 2030.

We also asked: which approach would you prefer for reaching the Yukon's zero-emission vehicle sales target, a voluntary or regulatory approach?

What we heard

Responses varied in recommending an approach to meeting zero-emissions sales targets. The regulatory approach was the most preferred choice, though a number of submissions stated a preference for the voluntary approach. Many respondents emphasized the importance taking a multi-faceted approach to zero-emission sales adoption and recommended policies for consideration (see Appendix A).

Summary of comments

- Sales targets are not the best way to gauge zero emission vehicle adoption, with vehicle registration representing a more accurate mechanism.
- Deterrents for internal combustion vehicles, e.g., taxes or increased registration fees.
- Electric vehicle infrastructure (including residential) and incentives (offsetting extra costs) for purchases are key to adoption.
- Government should increase the favourability for electric vehicles through incentives such as parking privileges in Government of Yukon lots.
- Government should include off-road electric vehicle targets.
- Government should include a broader category of transportation that includes active and public transportation.

6. Ability to set renewable fuel content standards

What was proposed

We propose that the Clean Energy Act include language that will enable the Government of Yukon to establish renewable fuel requirements in regulation at a later date. The regulations would specify the requirements and details.

The proposed renewable fuel content standards were not an item for review during the public engagement. The Government of Yukon will coordinate a separate engagement process to review the details of the proposed standards during the development of a renewable fuels regulation under the Clean Energy Act.

7. Renewable heating target

What was proposed

The renewable heating target proposed for inclusion in the Clean Energy Act is that the Yukon will meet 50 per cent of its heating demand through renewable resources by 2030.

What we heard

Much of the feedback on the renewable heating target was ideas-based and either outside the scope of the Clean Energy Act or already being developed or implemented through non-legislative government action (e.g., financing energy efficiency and renewable electricity for residential and commercial buildings through grants and funding). A compilation of these ideas is included in Appendix A.

Summary of comments

- Government should set a more ambitious target of 80 to 90 per cent.
- Desire to see more biomass integration. Other respondents stated that biomass should not actually be considered low carbon.
- Tendering processes should require renewable heating system installations.
- Government should subsidize retrofits.
- Stronger incentives may be required for increased adoption.
- Government should include a provision to encourage tree planting.

8. Ability to set energy efficiency criteria

What was proposed

The Clean Energy Act will enable the Government of Yukon to set energy efficiency criteria for energy products. This will enable the Energy Branch to develop policies that reflect new and improved technologies available for public consumption. The purpose of developing our own criteria for energy efficiency products is to ensure that those products meet Yukon-specific energy needs (e.g., products are appropriate for cold climates).

The following provision was proposed for inclusion in the Clean Energy Act.

- Authority to set energy efficiency standards or criteria in policy for products manufactured or sold in the Yukon.

What we heard

There was general support for the ability for the Government of Yukon to create and set energy efficiency criteria. There were also suggestions on the potential criteria the Government of Yukon might create.

Summary of comments

- Generally in favour of the provision, but some questioned the need for Yukon-focused criteria for a small market.
- There was a concern that energy efficiency incentives may cause old appliances to be thrown out while they are still operational.
- Government should include consideration of the carbon emissions associated with the embodied energy of products.
- Government should include consideration of carbon emissions reductions, energy security and economic benefits of locally made products.

9. Additional feedback

What we heard

There were additional suggestions and recommendations provided by respondents that were not specific to the proposed provisions.

Summary of comments

- Government should legislate actions and programs in the proposed Clean Energy Act framework or requirements to develop detailed plans.
- There is a need for 'hard' targets with consequences. This could involve creating an oversight body with a clear role on transparency and accountability.
- Holistic changes are needed to reduce greenhouse gases.
- Government should add a regulatory authority to set energy efficiency targets for buildings.



- Government should include review requirements in the Act.
- Government should include in the Act the principle of non-regression to ensure targets are not diminished in the future.
- ATCO Electric Yukon should be included in the renewable portfolio standard regime.
- Government should apply the First Nations Climate Lens to the definition of "net-zero carbon."

Next steps

The Government of Yukon will consider the feedback received and move forward with drafting an Act for tabling in the Legislative Assembly in October 2022.



Appendix A: Policies considered

Among the responses received during the Clean Energy Act public engagement were suggestions to legislate specific actions that support the Act's objectives.

These ideas are presented below exactly as received, with no prejudice or analysis of feasibility.

General

- Provide training or subsidies for transition to renewable sectors through Yukon University.
- The Government of Yukon should set a date for complete elimination of fossil fuels.
- All aircraft emissions should be included in emissions records.

Electricity

- The Government of Yukon should subsidize the transition of the energy grid to renewable sources.
- Introduce loans to expand opportunities under the Independent Power Production policy and fairer prices for Independent Power Producer electricity.
- Provide a mandate to the Yukon Utilities Board to consider greenhouse gas reducing measures.
- Require all new housing, commercial and industrial buildings to use renewable technologies to power needs.
- Place solar panels on power poles.
- Increase low impact community based renewable energy capacity in on- and off-grid communities.
- Long-term solution needed regarding clean electricity supply. This could be new hydro, nuclear, or British Columbia grid attachment.
- Develop separate targets for each off-grid community.



Mining

- Mines should fund renewable projects to offset their emissions.
- Require new projects to offset emissions, no approvals without doing so, through YESAB.

Transport

- All Government of Yukon or Government-financed vehicles should be zero-emission vehicles. Where not feasible, Government should buy carbon credits.
- Encouraging car-pooling and public transportation still critical.
- Introduce a Yukon tax on internal combustion vehicle purchases, to use for renewable infrastructure. Increasing registration fees for internal combustion vehicles, scaling upwards from small to large vehicles. Increase registration fees but offer 50 per cent less for electric vehicles and 25 per cent less for hybrids.
- Two or more charging stations at every community are needed.
- The Government of Yukon could subsidize Level 1 charging stations for electric vehicles to recharge at work.
- Subsidize electrifying public transportation.
- Observes significant idling of vehicles in parking lots. The Government of Yukon could implement idling regulations.
- Require Yukon government facilities to designate 50 per cent of parking for zero-emission vehicles only, or other parking privileges.

Heating and buildings

- Heating appliances with less than 80 per cent efficiency should receive credits for new unit.
- Map out milestones for 2030 and tie in with apprenticeship programs for heating techs.
- Whistle Bend should require biomass boilers and air source heat pumps.
- Respondent lives in new building that emits no carbon using rooftop solar panels. Give credits/incentives for other developments of this kind.

- Suggest setting requirement that all new Government of Yukon grid-connected buildings use renewables as primary heat source. Commit to converting all existing grid-connected Yukon government buildings to renewable energy by 2030. All new Government of Yukon funded in grid-connected communities use renewables as primary heat source.
- Consider establishing an Energy Infrastructure Bank for retrofitting.

Other

- Mines and aircraft companies should pay twice the maximum carbon tax.
- A provision to encourage tree planting to reduce succession times in the reestablishment of forests that are supporting a biomass industry.

