



2020/23 EFFICIENCY PLAN
REPLY SUBMISSIONS

January 28, 2020

Outline

1. Consumers' Coalition Recommendations
2. Manitoba Industrial Power Users Group Recommendations
3. Assembly of Manitoba Chiefs Recommendations
4. Manitoba Keewatinowi Okimakanak Recommendations

Consumers' Coalition Recommendations Summary

(Recommendations 1 to 7)

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1. Measure Level Detail to be provided in future filings
2. CSI Process should be improved
3. Public Participation Filing Requirement/Plan
4. EEAG Compensation
5. Savings Targets/ DSM Adjustments
6. Portfolio Development Criteria/IRP
7. Marginal Values

Consumers' Coalition Recommendations 1 & 2

Measure Level Detail & CSI Process

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1. Efficiency Manitoba has provided measure level detail to Daymark including all workpapers. In addition, Efficiency Manitoba provided intervenors with significant measure level detail during the Information Request process.
2. In addition, Efficiency Manitoba has committed to providing measure level detail in future submissions.
3. Any issue with Commercially Sensitive Information (“CSI”) should be addressed with Manitoba Hydro as the only CSI in Efficiency Manitoba’s possession is provided under a non-disclosure agreement and therefore Efficiency Manitoba has no control as to whether it can be disclosed.

Consumers' Coalition Recommendation 3

Public Participation Filing Requirement / Plan

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1. The Efficiency Manitoba Act does not require the PUB to analyze the scope of Public Participation in its analysis of section 9(h).
2. Daymark has determined that Efficiency Manitoba met the requirements of section 9(h).
3. Efficiency Manitoba has outlined a plan for engagement strategies and educational initiatives. There are social media accounts that are already operating and a general e-mail for public inquiries that is easily accessible on the website.
4. Efficiency Manitoba would contract appropriate professionals to prepare and analyse surveys as required.
5. Efficiency Manitoba has also already committed to utilizing a more robust issues tracking table for input from stakeholders and the public (PDF Page 14).

Consumers' Coalition Recommendation 4

EEAG Compensation

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1. The issue of compensation for EEAG members should be a determination of the Efficiency Manitoba Board of Directors.
2. Furthermore, Manitoba Hydro did not pay members of comparable groups such as the Bill Affordability Stakeholder Group.
3. This issue also has to be considered in the context of Efficiency Manitoba's limited budget and its mandate to do more with less.

Consumers' Coalition Recommendation 5

Savings Targets / DSM Adjustments

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1. Efficiency Manitoba agreed in its rebuttal evidence to develop a standardized methodology for consistently reporting on the projected energy savings targets for use in future efficiency plans.

2. The revised calculations on the electric side can be found at page 12 of Efficiency Manitoba's Rebuttal Evidence.

Consumers' Coalition Recommendation 6

Portfolio Development Criteria / IRP

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1. As we have seen in this proceeding, there are many competing interests. Efficiency Manitoba does not believe it will be possible to achieve a consensus with respect to the appropriate portfolio development evaluation criteria let alone the weighting that should be applied to this criteria.
2. Efficiency Manitoba submits that the screening process utilized is reasonable and that Efficiency Manitoba should be trusted to utilize its expertise in this regard in determining the appropriate programming for its portfolio.
3. Efficiency Manitoba's Plan contemplated a Conservation Potential Study to be completed during the Three-Year Plan.
4. Efficiency Manitoba's position with respect to recommendations relating to an IRP process will be outlined later in this presentation.

Consumers' Coalition Recommendation 7

Marginal Values

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1. The Efficiency Manitoba Act requires Efficiency Manitoba to obtain and rely upon marginal values provided by Manitoba Hydro.
2. Any issue relating to Marginal Values should not be determined to be in scope of a future Efficiency Plan review.
3. Any issue relating to the calculation of marginal values should be addressed in a General Rate Application.

Consumers' Coalition Recommendations Summary

(Recommendations 8 to 14)

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8. Cost Effectiveness

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9. Risk Management

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10. Codes and Standards

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11. Increased Budgets

12. Air Source Heat Pumps

13. Cost Allocation

14. Amended Two-Year Plan

Consumers' Coalition Recommendation 8

Cost Effectiveness

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1. Efficiency Manitoba included natural gas PACT analysis both with and without interactive effects in the Submission. A refinement suggested by Daymark was adopted and Efficiency Manitoba will continue to provide the PACT ratio in future filings.
2. Efficiency Manitoba does not take issue with providing TRC results in future hearings on the understanding that the legislation requires cost-effectiveness to be determined based on PACT.
3. Efficiency Manitoba has committed to including a calculation of LRI on a 10-year basis in future filings.

Consumers' Coalition Recommendation 9

Risk Management

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1. Contrary to Coalition's submissions, Efficiency Manitoba had adequately acknowledged and addressed its risks as determined by Daymark.
2. For example, Efficiency Manitoba testified that if there is a delay with the CRM system, Efficiency Manitoba will continue to utilize the systems available from Manitoba Hydro.
3. There has been unequivocal evidence that Manitoba Hydro will continue to provide support until the transition to Efficiency Manitoba is complete.

See evidence of Colleen Kuruluk - Page 302 at Line 15 to 22.

4. Respectfully, Efficiency Manitoba submits that time is of the essence and the focus should be on the implementation of the plan. The creation of a Risk Management Strategy or Plan to satisfy a corresponding filing requirement provides no meaningful benefit and simply takes time away from implementation at a critical stage.

Consumers' Coalition Recommendation 10

Codes and Standards

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1. The Efficiency Manitoba Act contemplates that an independent assessor will evaluate the savings associated with Codes and Standards. The assessor's report must be filed with the PUB in accordance with section 16(3) of the Act. Imposing a timeline on the filing of this Report would be short-circuited given that the appointment of the Independent Assessor is a responsibility of the EEAG and one that is important and should not be done in haste.

16(3) Efficiency Manitoba must, within the prescribed time,

- a) submit the assessment report to the PUB; and*
- b) publish the report on its website, or through other public means*

Consumers' Coalition Recommendation 11

Increased Budgets

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1. Efficiency Manitoba is obligated to stay within its approved budget in accordance with the legislation and in accordance with its mandate to do more with less.

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12(5) For certainty, in implementing an approved efficiency plan, Efficiency Manitoba may adjust the activities to be undertaken during the three-year period of the efficiency plan, provided the adjustments

- a) are reasonably required to maximize the amount or cost-effectiveness of the net savings to be achieved under the approved plan; and*
- b) do not result in Efficiency Manitoba's total costs exceeding the total costs specified in the approved efficiency plan.*

Consumers' Coalition Recommendation 12

Air Source Heat Pumps

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1. It was suggested during Consumers' Coalition's Final Submissions at slide 102 that studies show 55% average savings versus electric resistance heat.
2. We would suggest that no weight should be provided to the Preliminary Results of the study referred to by Mr. Neme and relied upon by Consumers' Coalition. Mr. Neme confirmed that this data was still preliminary, it is not publicly available and it is unclear as to the appropriate category for Manitoba's climate. There is also no information provided as to the equipment specifications of the tested equipment.
3. Consumers' Coalition also suggested that there was no real evidence provided by Efficiency Manitoba from contractors. This is not an accurate representation of the evidence. Efficiency Manitoba provided evidence during cross-examination with respect to information provided from contractors including survey results and anecdotal information.

See evidence of Michael Stocki – Page 755 to 759 and Dale Friesen on Page 2262 Lines 2 to 7

Consumers' Coalition Recommendation 13

Cost Allocation

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1. Efficiency Manitoba respectfully submits that it is not practical to make these amendments given the current time restraints for the 2020/2023 Plan.

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2. Efficiency Manitoba asks to be provided the opportunity to consider the methodology outlined by Mr. Harper as it relates to this issue in preparation of the next three-year plan.

Consumers' Coalition Recommendation 14

Amended Two-Year Plan

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1. Consumer Coalition suggested during Final Submissions that a two-year plan should be filed less than twelve months from now with an Information Request Process and written submissions.
2. This is contrary to the legislation, contrary to Efficiency Manitoba's mandate to do more with less and streamline the regulatory process and would impose significant budget and operational issues.
3. Efficiency Manitoba relies on the comments made with respect to the operational and delivery challenges of a one-year plan during its Final Submission.

MIPUG Recommendations - 2020/2023 Plan

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The 2020/2023 Plan should be amended as follows:

1. Programming should be accepted but Efficiency Manitoba should be directed to work to minimize spending on programs that exhibit unfavourable economics (except hard to reach) and, if possible, increasing prioritization on programs that exhibit very favourable economics including removing barriers for participation.
2. Contingency funding should be available to address added allocation to programs that may already have budget allocated.

MIPUG - Recommendation 1

2020/2023 Plan - Portfolio Mix

1. Recommendation requires legislative amendment with respect to the energy savings targets.
2. Eliminating programs based only on cost-effectiveness ignores other important considerations including ensuring that the portfolio provides initiatives that are accessible to all Manitobans and introduces risks regarding achievement of savings targets.
3. The removal of technologies or measures may create inequity between the electric and natural gas portfolios. Strictly adhering to measure screening would result in offering specific technologies / measures to customers with electric heat while preventing customers with gas heat from participating in an identical offer. This cannot be practically implemented.

MIPUG - Recommendation 2

2020/2023 Plan - Contingency Fund

1. Efficiency Manitoba has included a three-year Contingency Fund in its current Plan.
2. The Contingency Fund adds flexibility to the Plan to respond to unplanned, and therefore unbudgeted, DSM opportunities that arise during the Plan years.
3. The proposed Contingency Fund budget is for \$7 million dollars over the three years of the Plan and provides Efficiency Manitoba with the flexibility and nimbleness to pursue cost effective energy savings from an unplanned DSM opportunity.
4. An unplanned DSM opportunity could be considered a technology that has become ready for the market earlier than anticipated or the emergence of an energy efficiency opportunity that was not budgeted or planned for such as a new industrial plant expansion.

Also see evidence of Michael Stocki - Page 992 at Line 12 to Page 993 at 15.

MIPUG Recommendations – Future Plans

1. Efficiency Manitoba's future plans should be based on need and opportunity as determined through an Integrated Resource Planning Process.
2. Efficiency Manitoba's future plans should include alternative plans including alternative savings targets and different priorities/programming bundle.
3. Efficiency Manitoba's future plans should calculate savings for new industrial customers compared to baseline of what technologies would have been reasonably adopted absent Efficiency Manitoba's programming.
4. In considering the measurement of attained and projected energy savings, Efficiency Manitoba should include energy price elasticity impacts.
5. Efficiency Manitoba's future plans should include a material component relating to rate impacts.
6. Efficiency Manitoba's industrial-focused programming must allow for flexibility in terms of timelines on participation.

MIPUG - Recommendations 1 & 2

Future Plans - Integrated Resource Planning Process & Alternative Portfolios

1. Efficiency Manitoba has confirmed throughout this proceeding that it would participate in an Integrated Resource Planning Process if one was initiated by Manitoba Hydro or the Government.
2. Alternative Portfolios would likely be developed within an Integrated Resource Planning process that reflect various energy savings targets. Creating alternative portfolios within this context is reasonable.
3. Creating alternative portfolios to achieve the prescribed energy savings targets is inconsistent with a streamlined public hearing process. Evidence has been provided on the unlimited number of alternative portfolios that are possible through different measure combinations (Neme, Transcript 1800, Lines 18 – 22).

MIPUG - Recommendations 4 & 5

Future Plans - Elasticity & Rate Impacts

1. Efficiency Manitoba disagrees with the recommendation to include electric or natural gas price elasticity impacts and / or counting resulting energy reductions towards Efficiency Manitoba's Electric or Natural Gas savings targets. This recommendation places responsibility of hitting the Efficiency Manitoba savings targets on Manitoba Hydro econometric models. No evidence has been provided to identify the magnitude of electric reduction resulting from price elasticity effects. The potential for unknown or unintentional impacts from this recommendation has not been tested and is not consistent with the legislation.
2. A detailed analysis of rate impacts as suggested by MIPUG would have to be completed by Manitoba Hydro. We respectfully submit that this should not form part of an Efficiency Plan Review Hearing and would be better addressed, if required, at a General Rate Application.

MIPUG Recommendations - Legislative Changes

1. The Annual Savings Target of 1.5%.
2. The Legislation should be changed to allow all energy efficiency codes and standards savings to be included in the calculation of savings.
3. It should be made clear that the cumulative targets are based on a simple sum of the annual target.

MIPUG - Recommendation 1 & 2

Legislative Changes - Savings Target and Codes and Standards

1. Efficiency Manitoba's position is that the savings target was included in the legislation by government to create a provincial energy efficiency resource standard delivered by an independent and singularly focused organization.
2. Daymark has recommended that the Panel should not consider a change to the savings targets (see Daymark Direct Evidence- Slide 84).
3. Efficiency Manitoba does not have any position with respect to MIPUG's recommendation to remove the term "material contribution" as it relates to Codes and Standards.

Assembly of Manitoba Chiefs Recommendations

(Recommendations 1 to 5)

1. Electric savings targets and associated budgets for First Nations on-reserve programs should be increased.
2. Comprehensive approaches that improve energy efficiency for First Nations on-reserve homes and buildings should be expanded.
3. **Data for First Nations off-reserve customers should be collected and an IQP program created.**
4. **Clear programming targets and reporting for access by First Nations on-reserve customers to general programming should be added to future reports.**
5. Efficiency Manitoba should be directed to report on measures of equity for both proposed plans and evaluation of implemented plans and should prepare a Project Management Plan for First Nations Programs.
6. Increase First Nations Energy Advisor positions and make them regionally based and expand funding to enabling strategies like the Community Energy Plans.

Assembly of Manitoba Chiefs Recommendations 1, 2 & 6

Increased Budgets and Programming

1. Participation Targets were set by Efficiency Manitoba based on actual Manitoba Hydro participation rates for the most recent years. As opportunities arise Efficiency Manitoba will pursue those opportunities which will increase participation and the budget accordingly.

See evidence from Amy Tuck - Page 44 at Lines 1 to 12.
2. Efficiency Manitoba will have technical resources to support the First Nations Energy Advisory. If a need for additional First Nations Energy Advisors is found, Efficiency Manitoba will re-consider this for the next plan. Efficiency Manitoba believes that this is a reasonable approach.

Assembly of Manitoba Chiefs Recommendations 5

Equity & Project Management

1. We understand and acknowledge the importance of the principles of equity. As we understand the evidence of Dr. Clarke these principles had not been applied practically in any other jurisdiction.
2. Efficiency Manitoba intends to continue to incorporate the principles of respect, engagement, understanding and action in all of its interaction with Indigenous Communities.
3. Efficiency Manitoba has committed to working with Indigenous Communities to collaboratively develop a strategy that is culturally appropriate, meets the distinct needs of this customer segment and overcomes barriers to participation.

Assembly of Manitoba Chiefs Recommendations

(Recommendations 8 to 11)

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8. Efficiency Manitoba should conduct additional research to consider potential benefits or disadvantages to moving to a dedicated funding model for each First Nation, and track the issue for consideration at the next hearing.
 9. Efficiency Manitoba should conduct research and direct engagement on the gaps between bill savings for the installation and direct install programs and income qualified programs to determine what further can be done to reduce the gap and increase bill savings for more First Nations on-reserve customers.
 10. A mandate and processes for the EEAG should be created and passed by its members including funding options (see Slide 6).
 11. Efficiency Manitoba must engage directly with First Nations governments and citizens.

Assembly of Manitoba Chiefs Recommendations

(Recommendations 12 to 16)

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12. Efficiency Manitoba should use the Total Resource Cost test (*as an information piece in addition to the PACT*).
 13. Efficiency Manitoba should include measures of robustness in its evaluation of First Nations programming moving forward.
 14. Efficiency Manitoba should set clear plans and targets for economic participation for First Nations and First Nations citizens and report on the same at the next application.
 15. Efficiency Manitoba should unbundle First Nations and Metis customer programs into separate programs in recognition of the distinct customer segments.
 16. Efficiency Manitoba should make an effort to collect more information and data about energy consumption of and use of energy efficiency programming by First Nations customers.

Manitoba Keewatinowi Okimakanak Recommendations

(Recommendations 1 to 5)

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1. The Board should recommend that the Minister approve the Plan on a one-year interim basis (See Slide 17).
2. The Board should recommend that the Minister direct Efficiency Manitoba to amend the Plan to: explicitly set out Efficiency Manitoba's commitment to contributing to reconciliation between Indigenous and non-Indigenous peoples in Manitoba.
3. The Board should recommend that the Minister direct Efficiency Manitoba to file a First Nation Direct Engagement Strategy.
4. The Board recommend that the Minister direct Efficiency Manitoba to increase the budget to enable Efficiency Manitoba to employ at least two Indigenous Energy Advisors (see slide 27).
5. **The Board recommend that the Minister direct Efficiency Manitoba to amend the Plan to include a concrete requirement that all employees document all interactions with First Nations.**

Manitoba Keewatinowi Okimakanak Recommendations 2 & 3

1. The Plan and Efficiency Manitoba's evidence reflect that Efficiency Manitoba has committed to working with Indigenous Communities to collaboratively work with Indigenous Communities consistent with the principles of Reconciliation.
2. A First Nation Direct Engagement Strategy as suggested by MKO is unrealistic and unpractical given the time, staffing and budgetary restraints. The concerns raised with respect to a one (1) year plan equally apply to this recommendation.

Manitoba Keewatinowi Okimakanak Recommendations

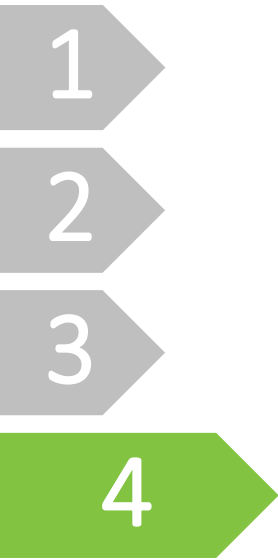
(Recommendations 6 to 9)

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6. The Board recommend that the Minister direct Efficiency Manitoba to amend the Plan and budget for enabling strategies to specify that participants on both the EEAG and the Indigenous Energy Efficiency Working Group will be compensated for their time and efforts spent working with these groups (see slide 6).
 7. **The Board recommend that the Minister direct Efficiency Manitoba to populate the post-approval implementation iteration of the EEAG.**
 8. The Board recommend that the Minister direct Efficiency Manitoba to increase the budgets, participation targets, and savings targets for programs targeting the income qualified and Indigenous customer segments, which for the Indigenous customer segment includes both small business and residential customers (See Slide 27).
 9. The Minister direct Efficiency Manitoba to conduct preliminary research into internet availability in northern Manitoba First Nations, and provide the results of their research to the EEAG and the Indigenous Energy Efficiency Working Group.

Manitoba Keewatinowi Okimakanak Recommendations 9

1. Efficiency Manitoba respectfully submits that the issue of internet availability is outside the scope of its mandate.

Manitoba Keewatinowi Okimakanak Recommendations 10

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10. The PUB recommend to the Minister that Efficiency be directed to amend the Plan to explicitly set out in the Plan that:
- All residential programs are accessible to Indigenous residential customers – and that the Indigenous residential programs are available in addition to the residential programs;
 - All small business programs are accessible to Indigenous small business customers –and that the Indigenous small business programs are available in addition to the small business offers; and
 - Energy Efficiency Loans are available to customers whose accounts are in arrears, including First Nation on-reserve residential customers within the Indigenous customer segment whose accounts are in arrears.

Manitoba Keewatinowi Okimakanak Recommendations

(Recommendations 12 to 13)

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12. The Board find that further research and data are required regarding energy efficiency programs and consumers in the Diesel Zone for future reviews by the Board or Government. The Board and Government would be well-served by further, and more extensive, industry-wide, and consumer-based research with Indigenous consumers in the Diesel Zone, including potential options for fuel switching away from diesel.
13. The Board find that there is insufficient data with respect to the prevalence of fuel oil and propane for heating in First Nations in northern Manitoba, and as a result, analysis and decision making with respect to this unique customer group is not yet possible and accordingly further research and data are required regarding consumers using fuel oil and/or propane, and potential options for fuel switching away from fuel oil and/or propane.

Manitoba Keewatinowi Okimakanak Recommendations 12 & 13

1. Efficiency Manitoba has committed to work with the Diesel communities to put in place the programming that best meets their needs.
2. As part of the Conservation Potential Study, Efficiency Manitoba could consider fuel switching options for propane and fuel oil heated customers.

Manitoba Keewatinowi Okimakanak Recommendations

(Recommendations 14 to 17)

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14. The Board recommend to the Minister that Efficiency Manitoba be directed to amend the Plan to increase the budget for overhead costs to account for an increase in regulatory costs arising from the review of the Progress Report (see slide 17).
15. The Board find that, in preparing the Plan, Efficiency Manitoba did not meaningfully engage with northern First Nations.
16. The Board find that Daymark's conclusion in the Daymark report that all the requirements of the Act and regulation had been addressed by Efficiency Manitoba, should be disregarded.
17. The Board find that Daymark's conclusion in the Daymark report that Efficiency Manitoba has produced a Plan that should successfully present programs that are highly accessible to the Hard to Reach Manitobans, should be disregarded.

Manitoba Keewatinowi Okimakanak Recommendations (Recommendations 14 to 17)

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1. Efficiency Manitoba submits that engagement is an ongoing process and this commitment has been clearly laid out in the Plan. Efficiency Manitoba has committed to engagement with all First Nations.
2. Respectfully, Daymark was hired by the Board and has significant knowledge and experience with respect to the issues that it was asked to assess as part of its scope of work including statutory compliance and their findings should be given significant weight.

Manitoba Keewatinowi Okimakanak Recommendations

(Recommendations 18 to 20)

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18. The Board find that, in the Plan, Efficiency Manitoba has not explicitly complied with the direction from the Minister to contribute to reconciliation.
19. The Board find that for the purposes of reviewing whether the Plan is “accessible to all Manitobans”, that “accessible” means financially accessible and physically accessible, meaning affordable and available
20. The Board find that, given that information about market size in the Indigenous customer segment is unreliable, Efficiency Manitoba’s estimates and projections relating to the Indigenous residential and small business programs under the Plan should be deemed unreliable.

Manitoba Keewatinowi Okimakanak Recommendations

(Recommendations 18 to 20)

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- The Path to Reconciliation is an ongoing process. Efficiency Manitoba respectfully suggests that its Plan has demonstrated a respect for the spirit of reconciliation and has highlights its plans to engage First Nations Government and Communities directly to understand the specific interests for energy efficiency of community members and leadership in order to take the most appropriate actions to ensure barriers to access have been addressed.
- Testimony from Dr. Clarke confirmed that off-reserve customers are extremely difficult to identify and also stated that no one entity has successful accomplished this goal. Efficiency Manitoba has used the data it has accumulated from Manitoba Hydro's end use database as well as the program database that tracked participation, detailed to the individual home, in First Nations Programming.



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