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**PREMIER OF MANITOBA**

Room 204  
Legislative Building  
Winnipeg, Manitoba CANADA  
R3C 0V8

October 18, 2018

Honourable Colleen Mayer  
Minister of Crown Services  
Room 314 Legislative Building  
Winnipeg, Manitoba R3C 0V8

Dear Colleague:

The people of this great province gave us a mandate two years ago to build a better Manitoba. As a government, we have listened, and we have learned. We have made real progress on the mandates we issued in May of 2016 to begin fixing our finances, repairing our services and rebuilding our economy.

The old way of doing things, where government just got bigger and more expensive is over.

For the first time in nearly two decades, our government is serving the interests of the people instead of the people working to serve the interests of government.

There is much more to do. I expect progress to continue as we work together on behalf of Manitoba taxpayers. Our government is about building safer, greener and more prosperous communities and our government must continue to earn the people's trust every hour of the day, every day of the week, and every month of the year.

This mandate letter is an opportunity to renew and refresh our commitment to a better, more affordable government for Manitobans. I expect each Cabinet Minister will provide leadership and effective management of their respective portfolios.

Not only will our ministers reflect the values of hard-working Manitobans, they will apply the kind of frugality, dedication and honesty the people expect from their elected representatives.

Our mandate from Manitobans includes a commitment to improve in key areas:

- Most improved job creation and economic growth.
- Most improved partnerships with business and industry.
- Most improved province in achieving outcomes from the delivery of quality services.
- Most improved province in public finances.

## Your Mandate

You are responsible for improving the performance of our Crown corporations as they provide important services to Manitobans. Working within our new governance framework, you will strengthen oversight and accountability, integrate Crowns into our summary budgeting process, enhance transparency in reporting outcomes and financial results, ensure consistency across our summary government, and secure better value for Manitoba ratepayers and taxpayers.

As Minister of Crown Services, you are responsible for the following commitments:

- Launching Efficiency Manitoba as a smaller, more efficient demand side management agency than the current PowerSmart program. Efficiency Manitoba will do a better job lowering energy consumption, cutting emissions and reducing costs for Manitoba ratepayers;
- Reviewing how and why decisions were made to construct Manitoba Hydro's Bipole III transmission line along the longer western route, and advance the Keeyask Generating Station and converter station projects. The review should discover why the ultimate cost of those projects were allowed to greatly exceed their forecasted budgets. Most importantly, your review should provide recommendations that improve decision making and restore the health of Manitoba Hydro as a publicly owned entity focused on producing clean energy at the lowest possible cost to Manitoba ratepayers;
- Ensuring that any spending on advertising and sponsorships by Crown corporations are justified in the pursuit of their mandate;
- Securing a sustainable future for the Manitoba Centennial Centre Corporation; and
- Ensuring the fairness of all consultative processes and damage remediation processes used by Manitoba Hydro.

As part of our Cabinet team, you will assist your colleagues in fulfilling the following commitments:

- Implementing our economic development strategy, led by the Minister of Growth, Enterprise and Trade;
- Fixing our finances, reducing red tape, transforming government and reporting outcomes, led by the Minister of Finance;
- Delivering our Made-in-Manitoba Climate and Green Plan, led by the Minister of Sustainable Development;
- Advancing reconciliation with Indigenous Manitobans, led by the Minister of Indigenous and Northern Relations; and
- Achieving more Open Government, led by the Minister of Justice.

I expect you to consult with your Deputy Minister and other senior officials in your department to ensure that decisions are based on the best advice and facts available. The province's professional public servants are a rich resource that is to be respected and nurtured under your leadership. In return, you should expect accurate and timely information to assist you in making the best decisions possible.

We are committed to ensuring all employees are treated with dignity and respect. There is no place for harassment of any kind in the civil service or any workplace, you must remain vigilant in ensuring there is no wrong door and not sit silent if you see others around you falling short of these standards.

The ability to fulfil our platform is predicated on that mutual respect. That respect will be extended to all members of Cabinet, Caucus and the Legislature. We must all display the highest ethical standards and individual ministers will maintain a professional, collegial tone.

I expect you to be knowledgeable about your files and ready to explain decisions to colleagues and citizens alike. We must never forget that citizens have placed their trust in us to carry out the duties as their elected officials, and the added responsibility of high office places an even greater burden on you to lead by example.

As a government, we have signaled our intention to be accountable for all of our summary government, including many of the government entities outside of your core departments that have lacked direction over the past decades. They are very much part of our government team and Manitobans have the same expectations of achievement of outcomes in the other services that these entities provide.

Our government works as a team, and you must listen carefully to your colleagues within Caucus. I remind you that it is equally critical to reach out beyond the walls of the Legislature so that our decisions are informed by Manitobans.

There will be no room for arrogance, presumption and high-handedness in our government. Ministers must remain connected to communities and understand their concerns. You will communicate our decisions and policies clearly, regularly and transparently.

The mandate I am setting out for you is not just a series of goals, they are the crucial building blocks for a better Manitoba. We promised a prosperous future for Manitobans – and with your dedication and passion we will succeed in delivering it to them.

We have been entrusted with the rare privilege of serving our province. I know you are as grateful as I am for this opportunity. Let us work hard every day to fulfil that responsibility.

Sincerely,

Original signed by

Brian Pallister



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**MINISTER  
OF Crown Services**

**Room 314  
Legislative Building  
Winnipeg, Manitoba CANADA  
R3C 0V8**

April 24, 2019

Dr. Jeannette Montufar, Chair  
Efficiency Manitoba Inc.  
Z01 – 155 Carlton Street  
Winnipeg MB R3C 3H8

Dear Dr. Montufar:

Manitobans have elected a government that is committed to improving the province of Manitoba. Our priorities include restoring prudent fiscal management, creating jobs, improving health care and education, improving our partnerships and relationships with business, communities and indigenous Manitobans, and increasing openness and transparency of our government. We are focused on achieving results on behalf of all Manitobans.

The Government of Manitoba has entrusted you and your Board to oversee the strategic operation of Efficiency Manitoba Inc. This letter sets out our expectations for you.

First and foremost, Manitoba Crown corporations are part of our government family, and must align with our government's mandate to fix our finances, repair our services and rebuild our economy. As referenced in our Ministerial mandates, the old way of doing things, where government just got bigger and more expensive is over.

Crown corporations finances are consolidated in Government's summary statements and we are moving towards a "whole of government" approach to budget processes. Fluctuations in your net income impact our net income on a dollar-for-dollar basis, and thus help or hinder our efforts to move towards balance. All Manitobans expect that you deliver your important services in a fiscally sustainable, predictable, transparent and reliable manner.

In the coming year, we will be taking more steps to fully integrate Crown corporations into our summary budget process. This may affect the timing of budget processes and other financial

matters. I am seeking your support in ensuring accurate, timely financial reporting to government, in particular your vigilance in providing clear and early notice of significant variances to budgets, or changes to your medium and long term forecasts. Please continue to work with Crown Services Secretariat and Treasury Board Secretariat to strengthen alignment with government overall.

The province's efforts to achieve fiscal sustainability requires all of us to work together. In the past, our Crown corporations have struggled to properly manage their costs and strayed outside of their mandates. As you develop your organizational structure please bear in mind our priority to streamline and reduce costs for all Manitobans.

In addition, we ask you to review all compensation agreements, including executive compensation practices and interchange agreements to ensure alignment with government policies and practices. The expectation is that compensation practices will reflect the principles of responsible fiscal management and protect the sustainability of services to customers and ratepayers.

We have a strong interest in reducing red tape for all Manitobans. As a Crown, we ask that you integrate the red-tape reduction process and reporting into your Board processes – whether by way of a new Committee or regular reporting mechanisms.

We ask that you limit advertising to responsible mandate focused advertising considered essential for you to successfully perform your core business.

We also ask that you assume ownership and leadership in respect of our following priorities for you:

- Establish the structure of the new corporation ensuring a leaner, more streamlined organization to deliver energy efficiency programs.
- Develop and submit for review and approval your initial 3-year plan for demand-side management initiatives to meet your mandated savings targets, while optimizing value for money.
- Work with the Public Utilities Board to develop streamlined processes, in an effort to reduce overall costs to ratepayers of regulatory hearings.
- Find ways to obtain the same or better outcomes as formerly obtained under the “Power Smart” program, but at a significantly smaller percentage of the cost and materially less labour costs.

**Government is committed to advancing reconciliation with Indigenous Manitobans through the renewal of its consultation framework to ensure respectful and productive consultations. All government organizations are expected to contribute to reconciliation in their interactions with Indigenous communities and individuals.**

I have also been tasked to achieve more open government through increased transparency in tendering and procurement practices. All Crown corporations should ensure their procurement practices reflect this priority and are aligned with the requirements of trade agreements to which

Manitoba is a signatory. In Government, we are centralizing our procurement practices and we urge you to pro-actively join us in this process so that we can shop smarter for all Manitobans.

Government is committed to ensuring all employees are treated with dignity and respect. It will be a priority for you to develop a Respectful Workplace Policy to ensure employees have safe and effective pathways to report disrespectful or harassing behaviour without fear of repercussion.

It is my expectation these priorities and initiatives, in addition to those included in your business plan, will be reported on in your 2019/20 Annual Report.

I know you and your colleagues on the Board understand that it is an important responsibility to guide and oversee Manitoba's publicly owned corporations. I know I can count on your hard work and dedication to fulfill your Board's duties and responsibilities. I look forward to hearing your advice and recommendations and to working together on achieving results that will make Manitoba the Most Improved Province and I sincerely thank you for taking on this role and for your dedication and efforts.

Respectfully,

Colleen Mayer  
Minister



# MANITOBA

## THE PATH TO RECONCILIATION ACT

C.C.S.M. c. R30.5

## LOI SUR LA RÉCONCILIATION

c. R30.5 de la *C.P.L.M.*

As of 2016-03-22, this is the most current version available. It is current for the period set out in the footer below.

It is the first version and has not been amended.

Le texte figurant ci-dessous constitue la codification la plus récente en date du 2016-03-22. Son contenu était à jour pendant la période indiquée en bas de page.

Il s'agit de la première version; elle n'a fait l'objet d'aucune modification.

## LEGISLATIVE HISTORY

*The Path to Reconciliation Act*, C.C.S.M. c. R30.5

Enacted by  
SM 2016, c. 5

Proclamation status (for provisions in force by proclamation)

## HISTORIQUE

*Loi sur la réconciliation*, c. R30.5 de la C.P.L.M.

Édictée par  
L.M. 2016, c. 5

État des dispositions qui entrent en vigueur par proclamation



## CHAPTER R30.5

### THE PATH TO RECONCILIATION ACT

(Assented to March 15, 2016)

RECOGNIZING that Manitoba is situated on the traditional lands and territories of Indigenous peoples;

FURTHER RECOGNIZING that Manitoba benefited and continues to benefit from the historical relationships and treaties with Indigenous peoples and nations;

FURTHER RECOGNIZING that Indigenous people within Canada have been subject to a wide variety of human rights abuses since European contact and that those abuses have caused great harm;

FURTHER RECOGNIZING that reconciliation is founded on respect for Indigenous nations and Indigenous peoples and their history, languages and cultures, and reconciliation is necessary to address colonization;

FURTHER RECOGNIZING that the Truth and Reconciliation Commission was established as part of a response to the abuses of colonization, and that the Commission has provided a path forward to reconciliation;

FURTHER RECOGNIZING that the Government of Canada also has a significant role in advancing reconciliation;

## CHAPITRE R30.5

### LOI SUR LA RÉCONCILIATION

(Date de sanction : 15 mars 2016)

Attendu :

que le Manitoba est situé sur les terres et les territoires traditionnels des peuples autochtones;

que le Manitoba a bénéficié des relations et des traités historiques qu'il a établis avec les peuples et les nations autochtones et qu'il continue d'en bénéficier;

que les droits de la personne des Autochtones du Canada ont été bafoués depuis les premiers contacts avec les Européens et que ces violations ont causé de grands torts;

que la réconciliation est fondée sur le respect envers les nations et les peuples autochtones et leur histoire, leurs langues et leurs cultures, et qu'elle est nécessaire pour qu'il soit fait face aux effets de la colonisation;

que la Commission de vérité et réconciliation a été mise sur pied en réponse à ces effets et qu'elle a fourni une voie de réconciliation;

que le gouvernement du Canada a aussi un rôle important à jouer pour favoriser la réconciliation;

AND AFFIRMING that the Government of Manitoba is committed to reconciliation and will be guided by the calls to action of the Truth and Reconciliation Commission and the principles set out in the United Nations Declaration on the Rights of Indigenous Peoples;

THEREFORE HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Manitoba, enacts as follows:

### Reconciliation

**1(1)** "Reconciliation" refers to the ongoing process of establishing and maintaining mutually respectful relationships between Indigenous and non-Indigenous peoples in order to build trust, affirm historical agreements, address healing and create a more equitable and inclusive society.

### Indigenous peoples

**1(2)** "Indigenous peoples" includes First Nations, Inuit and Metis peoples of Manitoba.

### Principles

**2** To advance reconciliation, the government must have regard for the following principles:

**Respect:** Reconciliation is founded on respect for Indigenous nations and Indigenous peoples. Respect is based on awareness and acknowledgement of the history of Indigenous peoples and appreciation of their languages, cultures, practices and legal traditions.

**Engagement:** Reconciliation is founded on engagement with Indigenous nations and Indigenous peoples.

**Understanding:** Reconciliation is fostered by striving for a deeper understanding of the historical and current relationships between Indigenous and non-Indigenous peoples and the hopes and aspirations of Indigenous nations and Indigenous peoples.

que le gouvernement du Manitoba est résolu à favoriser la réconciliation et sera guidé par les appels à l'action de la Commission de vérité et réconciliation ainsi que par les principes établis dans la *Déclaration des Nations Unies sur les droits des peuples autochtones*,

SA MAJESTÉ, sur l'avis et avec le consentement de l'Assemblée législative du Manitoba, édicte :

### Réconciliation

**1(1)** Le terme « réconciliation » s'entend du processus continu d'établissement et de maintien de relations mutuellement respectueuses entre les peuples autochtones et non autochtones qui permet d'instaurer un climat de confiance, de confirmer les ententes historiques, de favoriser la guérison et de créer une société plus équitable et inclusive.

### Peuples autochtones

**1(2)** Le terme « peuples autochtones » s'entend notamment des Premières nations, des Inuits et des Métis du Manitoba.

### Principes

**2** En vue de favoriser la réconciliation, le gouvernement tient compte des principes suivants :

**Respect :** La réconciliation est fondée sur le respect envers les nations et les peuples autochtones. Le respect repose sur la connaissance et la reconnaissance de leur histoire et la valorisation de leurs langues, cultures, pratiques et traditions juridiques.

**Collaboration :** La réconciliation est fondée sur la collaboration avec les nations et les peuples autochtones.

**Compréhension :** Les efforts déployés en vue d'une compréhension accrue des relations historiques et contemporaines entre les peuples autochtones et non autochtones ainsi que les espoirs et les aspirations des nations et des peuples autochtones contribuent à la réconciliation.

**Action:** Reconciliation is furthered by concrete and constructive action that improves the present and future relationships between Indigenous and non-Indigenous peoples.

**Action :** La réconciliation progresse grâce à des mesures concrètes et constructives qui améliorent les relations actuelles et futures entre les peuples autochtones et non autochtones.

### Minister

**3(1)** As a member of the Executive Council, the minister responsible for reconciliation must lead the government's participation in the reconciliation process, including by

- (a) making recommendations to the Executive Council about measures to advance reconciliation;
- (b) promoting initiatives to advance reconciliation across all sectors of society, including interdepartmental, intergovernmental, corporate and community initiatives;
- (c) promoting recognition of the contributions of Indigenous peoples to the founding of Manitoba for the purpose of advancing reconciliation; and
- (d) making recommendations to the government about financial priorities and resource allocation across the government in relation to reconciliation.

### Members of Executive Council

**3(2)** Each member of the Executive Council is to promote measures to advance reconciliation through the work of the member's department and across government.

### Strategy

**4** The minister responsible for reconciliation must guide the development of a strategy for reconciliation that

- (a) is to be guided by the calls to action of the Truth and Reconciliation Commission and the principles set out in the United Nations Declaration on the Rights of Indigenous Peoples;

### Ministre

**3(1)** En tant que membre du Conseil exécutif, le ministre chargé de la réconciliation dirige la participation du gouvernement au processus de réconciliation. Il fait notamment :

- a) des recommandations au Conseil exécutif sur les mesures visant à faire progresser la réconciliation;
- b) la promotion d'initiatives visant la progression de la question dans tous les secteurs de la société, y compris des initiatives interministérielles, intergouvernementales et communautaires ainsi que des initiatives prises par des personnes morales;
- c) la promotion de la reconnaissance des contributions des peuples autochtones à la fondation du Manitoba dans le but de faire progresser la question;
- d) des recommandations au gouvernement sur les priorités financières et l'allocation des ressources au sein de l'État en matière de réconciliation.

### Membres du Conseil exécutif

**3(2)** Les membres du Conseil exécutif font la promotion, par l'entremise des ministères qu'ils dirigent et de l'ensemble du gouvernement, de mesures visant à faire progresser la réconciliation.

### Stratégie

**4** Le ministre chargé de la réconciliation guide l'élaboration d'une stratégie visant la réconciliation :

- a) qui s'inspire des appels à l'action de la Commission de vérité et réconciliation ainsi que des principes établis dans la *Déclaration des Nations Unies sur les droits des peuples autochtones*;

(b) builds upon meaningful engagement with Indigenous nations and Indigenous peoples about the past, present and future relationships between Indigenous and non-Indigenous peoples;

(c) creates a framework for an ongoing and evolving process to advance reconciliation;

(d) establishes immediate and long-term actions that are responsive to the priorities and needs of Indigenous nations and Indigenous peoples, including those set out in the calls to action of the Truth and Reconciliation Commission;

(e) fosters the involvement of all sectors of society in the reconciliation process; and

(f) establishes transparent mechanisms to monitor and evaluate the measures taken by the government to advance reconciliation;

(g) ensures that survivors of residential school abuses have a role to play in its development.

b) qui s'appuie sur une véritable collaboration avec les nations et les peuples autochtones en ce qui a trait aux relations passées, présentes et futures entre les peuples autochtones et non autochtones;

c) qui donne lieu à un cadre de travail permettant un processus continu et évolutif en vue de l'objectif visé;

d) qui prévoit des mesures immédiates et à long terme répondant aux priorités et aux besoins des nations et des peuples autochtones, notamment ceux déterminés dans les appels à l'action de la Commission de vérité et réconciliation;

e) qui favorise la participation de tous les secteurs de la société au processus;

f) qui prévoit des mécanismes transparents de surveillance et d'évaluation des mesures prises par le gouvernement pour faire progresser la réconciliation;

g) qui veille à ce que les survivants de sévices subis dans les pensionnats participent à son élaboration.

### **Progress report**

**5(1)** For each fiscal year, the minister responsible for reconciliation must prepare a report about the measures taken by the government to advance reconciliation, including the measures taken to engage Indigenous nations and Indigenous peoples in the reconciliation process and the measures taken to implement the strategy.

### **Tabling report in Assembly and publication**

**5(2)** Within three months after the end of the fiscal year, the minister must table a copy of the report in the Assembly and make it available to the public. The minister must also arrange for the report, or a summary of it, to be translated into the languages of Cree, Dakota, Dene, Inuktitut, Michif, Ojibway and Oji-Cree, and make each translation available to the public.

### **Rapport d'étape**

**5(1)** Pour chaque exercice, le ministre chargé de la réconciliation établit un rapport sur les mesures prises par le gouvernement pour faire progresser la réconciliation, notamment celles visant la participation des nations et des peuples autochtones au processus et la mise en œuvre de la stratégie.

### **Dépôt du rapport à l'Assemblée et publication**

**5(2)** Dans les trois mois suivant la fin de l'exercice, le ministre dépose un exemplaire du rapport à l'Assemblée et le rend public. Le ministre prend également des arrangements pour que le rapport, ou un résumé de celui-ci, soit traduit dans les langues suivantes : cri, dakota, déné, inuktitut, michif, ojibwé et oji-cri. Les traductions sont rendues publiques.

**Translation and publication in Indigenous languages**

**6** Within 30 days after the coming into force of this Act, the minister responsible for reconciliation must arrange for its translation into the languages of Cree, Dakota, Dene, Inuktitut, Michif, Ojibway and Oji-Cree. Upon completion, each translation must be made available to the public.

**C.C.S.M. reference**

**7** This Act may be referred to as chapter R30.5 of the *Continuing Consolidation of the Statutes of Manitoba*.

**Coming into force**

**8** This Act comes into force on the day it receives royal assent.

**Traduction et publication en langues autochtones**

**6** Dans les 30 jours suivant l'entrée en vigueur de la présente loi, le ministre chargé de la réconciliation prend des arrangements pour qu'elle soit traduite dans les langues suivantes : cri, dakota, déné, inuktitut, michif, ojibwé et oji-cri. Les traductions sont rendues publiques dès qu'elles sont terminées.

**Codification permanente**

**7** La présente loi constitue le chapitre R30.5 de la *Codification permanente des lois du Manitoba*.

**Entrée en vigueur**

**8** La présente loi entre en vigueur le jour de sa sanction.

36 the Minister of Crown Services to the Chair of the Efficiency Manitoba Board of  
37 Directors on April 24, 2019. The framework letter builds upon on the mandate letter  
38 and articulates four priorities for Efficiency Manitoba:

- 39 1) establish the structure of the new corporation ensuring a leaner, more  
40 streamlined organization to deliver energy efficiency programs;
- 41 2) develop and submit for review and approval an initial three-year plan for  
42 demand-side management initiatives to meet mandated savings targets, while  
43 optimizing value for money;
- 44 3) work with the Public Utilities Board to develop streamlined processes, to  
45 reduce overall costs to ratepayers of regulatory hearings; and
- 46 4) find ways to obtain the same or better outcomes as formerly obtained under  
47 the "Power Smart" program, but at a significantly smaller percentage of the  
48 cost and materially lower labour costs.

As demonstrated through Attachment 3 – Technical tables (Natural Gas Program Cost-Effectiveness Metrics and Electric Program Cost-Effectiveness Metrics), recognizing unique barriers and challenges faced by Indigenous customers, indigenous programs are comparatively, not as cost effective to Efficiency Manitoba relative to programming for other customer segments. Reconciliation and an appreciation for the important role Efficiency Manitoba will play towards energy affordability in Manitoba was thus given important consideration relative to other priorities including cost effectiveness.

The startup work of Efficiency Manitoba has been guided by the mandate and direction set for the organization through the Efficiency Manitoba Act and corresponding Regulation, the Crown Corporations Governance and Accountability Act, along with mandate and framework letters issued by the Premier and Minister responsible respectively. Section 11 c) of the Efficiency Manitoba Regulation indicates, in reviewing Efficiency Manitoba's plan, the PUB will consider "whether, if it is practical to do so, at least 5% of Efficiency Manitoba's budget for demand side management initiatives is allocated to initiatives targeting low-income or hard-to-reach customers". Efficiency Manitoba has put forward a three-year plan that achieves this consideration inclusive of the organizations' work with Indigenous customers.

Through the creation of the Energy Efficiency Advisory Group (EEAG), Efficiency Manitoba was pleased to work collaboratively with Manitoba Keewatinowi Okimakanak Inc (MKO), the Southern Chiefs Organization (SCO), and the Manitoba Metis Federation (MMF) to ensure First Nation and Metis perspectives were heard and incorporated into the three-year plan. The Assembly of Manitoba Chiefs (AMC) was also invited to participate. Delivery of the plan anticipates ongoing collaboration with the EEAG and other indigenous communities and groups throughout the province in a spirit of reconciliation.

See also MKO/EM I-2a-c which addresses the topic of reconciliation.

**REFERENCE:**

Plan Application – Pages 14-15, and 182 of 591

**PREAMBLE TO IR (IF ANY):**

Equity is one of EM's guiding principles but does not appear in the alignment chart on Page 16 of the Plan Application.

**QUESTION:**

Please provide responses to the following:

- a) How did the principle of equity influence the selection of programs and the distribution of funds in the Plan for First Nations, and how was the principle of equity weighted against other priorities, such as cost-effectiveness?
- b) Please provide the DSM Scorecard and a detailed explanation of how program equity will influence, vis-à-vis other variables, the planning process and future program development and budgetary allocation;

**RATIONALE FOR QUESTION:**

The information will help AMC develop a clearer picture for the factors that influenced program design and budget allocations.

**RESPONSE:**

- a) Equity and access, one of Efficiency Manitoba's guiding principles, was a fundamental consideration in development of the three-year plan. This guiding principle for Efficiency Manitoba is aligned with 'accessible' noted on pdf page 16, section 2.3.

The establishment of an Indigenous customer segment which recognizes the unique barriers and challenges faced by Indigenous customers accessing programs links directly to Efficiency Manitoba's commitment to equity and access. The principle of equity and



October 25, 2019

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**3.2.2 PLAN DEVELOPMENT PROCESS**

98 Efficiency Manitoba was able to leverage research that had already been contracted  
99 by Manitoba Hydro in 2017<sup>3</sup> by reviewing and incorporating recommendations  
100 contained within the resulting Manitoba Hydro DSM Optimization report related to the  
101 various strategies that could be used to achieve greater electric and natural gas  
102 energy savings. The report recognized that an existing robust portfolio of programs  
103 would be important to set Efficiency Manitoba up for success in meeting the savings  
104 targets outlined by the Act, but identified both near- and mid-term strategies that  
105 could be considered based on the programs being offered by Manitoba Hydro in the  
106 2016/17 fiscal period.

107 When looking to achieve the mandated savings targets, Efficiency Manitoba started  
108 with an analysis of existing individual technologies and program bundles. Portfolio  
109 design decisions were based on measure or technology savings, program cost, cost  
110 effectiveness, the impact of codes & standards, and any interactive effects. This  
111 process yielded the selection of individual technologies, adjustments to planned  
112 incentive levels, or revised targeted participation levels. *Appendix A - Section A2.3.4*  
113 provides additional details of the approach taken with respect to the development of  
114 the electric and natural gas energy efficiency program savings and costs.

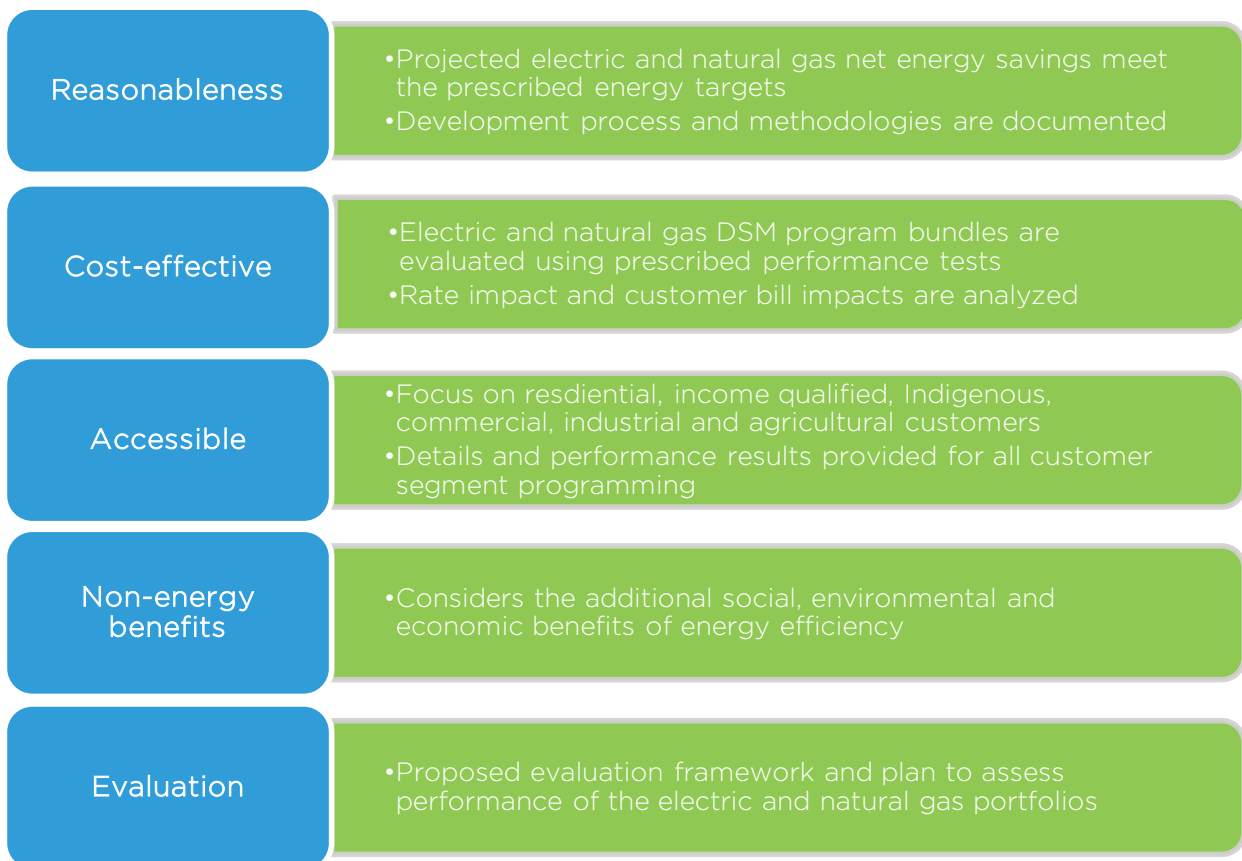
115 Paramount to achieving the longer-term cumulative energy savings identified in the  
116 Act, Efficiency Manitoba included budget for enabling strategies to ensure long-term  
117 success at Efficiency Manitoba for the benefit of Manitobans. The enabling strategies  
118 include customer support activities such as assisting to identify energy savings

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<sup>3</sup> *Optimizing Power Smart: Options to Achieve Manitoba's New Energy Savings Targets*, 2017, Dunsky Energy Consulting.

## 2.3 THE PLAN CONTAINS THE REQUESTED ELEMENTS OF THE ACT & REGULATION

49 The Plan contains the necessary elements required for regulatory review specified  
 50 within the Act, Regulation and directions from government including the elements  
 51 provided in the following figure. The points of alignment highlighted in the following  
 52 figure serve as a solid foundation to the Plan which will ensure a continued, long-term  
 53 strategy to support energy efficiency in Manitoba.



As demonstrated through Attachment 3 – Technical tables (Natural Gas Program Cost-Effectiveness Metrics and Electric Program Cost-Effectiveness Metrics), recognizing unique barriers and challenges faced by Indigenous customers, indigenous programs are comparatively, not as cost effective to Efficiency Manitoba relative to programming for other customer segments. Reconciliation and an appreciation for the important role Efficiency Manitoba will play towards energy affordability in Manitoba was thus given important consideration relative to other priorities including cost effectiveness.

The startup work of Efficiency Manitoba has been guided by the mandate and direction set for the organization through the Efficiency Manitoba Act and corresponding Regulation, the Crown Corporations Governance and Accountability Act, along with mandate and framework letters issued by the Premier and Minister responsible respectively. Section 11 c) of the Efficiency Manitoba Regulation indicates, in reviewing Efficiency Manitoba's plan, the PUB will consider "whether, if it is practical to do so, at least 5% of Efficiency Manitoba's budget for demand side management initiatives is allocated to initiatives targeting low-income or hard-to-reach customers". Efficiency Manitoba has put forward a three-year plan that achieves this consideration inclusive of the organizations' work with Indigenous customers.

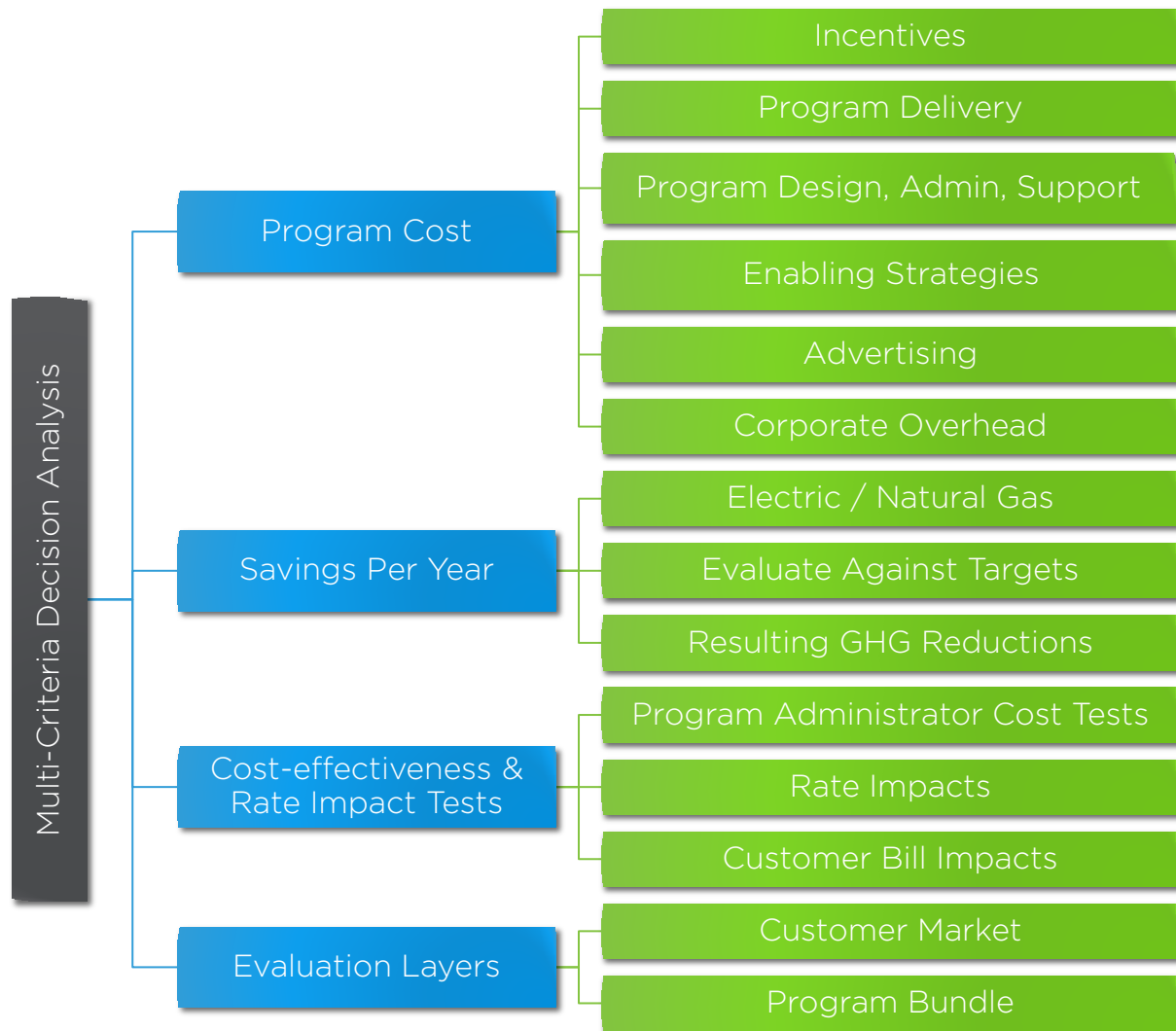
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See also MKO/EM I-2a-c which addresses the topic of reconciliation.

October 25, 2019

680 Program administrator cost-effectiveness tests demonstrate NPV and levelized cost  
 681 for both electric and natural gas program bundles. These tests, organized by  
 682 customer segment, allow for year-over-year comparison of individual and customer  
 683 segment cost-effectiveness.

**FIGURE A2.2 MULTI-CRITERIA DECISION ANALYSIS ILLUSTRATION**



**PORTFOLIO DESIGN DECISIONS**

684 While developing the electric and natural gas portfolios, Efficiency Manitoba  
 685 completed refinements based on the multi-criteria analysis. These refinements

The following tables have also been revised:

- Table 5.8 (2020/23 Efficiency Plan, Section 5.5.1, p.142 of 591)
- Table 5.9 (2020/23 Efficiency Plan, Section 5.5.2, p.142 of 591)
- Annual Natural Gas Participation and Annual Electric Participation (2020/23 Efficiency Plan, Attachment 3 – Technical Tables, pages 512 and 518 of 591)
  - Annual Natural Gas Participation (2020/23 Efficiency Plan, Attachment 3, p.512 of 591) – Please see the attachment to this response.
  - Annual Electric Participation (2020/23 Efficiency Plan, Attachment 3, p.518 of 591) – Please see the attachment to this response.

REVISED TABLE 5.1 ANNUAL AVERAGE ELECTRIC CUSTOMER PARTICIPATION & BILL SAVINGS

Customer segment / program bundle		Annual average electric bill savings	Total annual electric bill savings
<b>Indigenous</b>	Homes	\$470/house	\$147,000
	Small business	\$900/business	
<b>Income qualified</b>		\$410/house	\$203,000
<b>Residential</b>		\$80/house	\$1,769,000
<b>Commercial, industrial &amp; agricultural</b>	Small business	\$1,000/business	\$12,567,000
	Suites	\$60/suite	
	Other business	\$4,300/business	
<b>Emerging Technology Programs</b>		\$1,500/project	\$171,000
<b>Total annual electric customer bill savings</b>			<b>\$14,857,000</b>

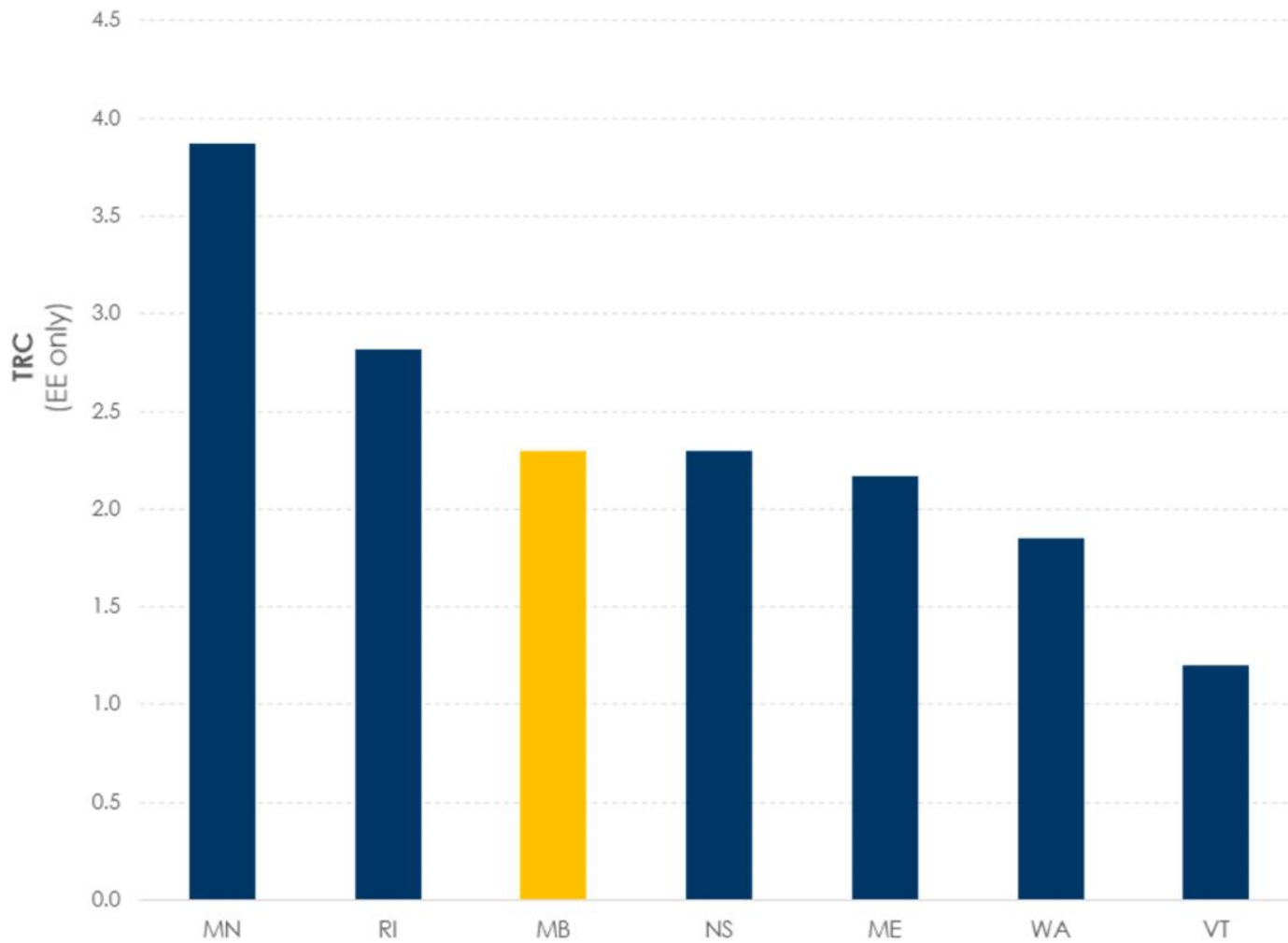
*Highlighted sections have been revised.*

**RESPONSE:**

- a) When screening measures and programs, Efficiency Manitoba included those non-energy benefits that were quantifiable.
- b) Currently, reduced greenhouse gas emissions and reduced water consumption are the only non-energy benefits quantified and included in the program selection and evaluation.
- c) Even though these factors would not enter into a PACT test, Efficiency Manitoba welcomes the opportunity to discuss with AMC any current data they may have on how energy efficiency leads to distributional equity and reductions in energy poverty, and non-quantitative factors such as energy security for First Nations.
- d) The value of non-energy benefits is only included as an additional benefit in the Total Resource Cost (TRC) test. As per the Efficiency Manitoba Regulation 119/2019 Section 12 (1) and (2), the cost-effectiveness of Efficiency Manitoba's portfolio will be measured by the Program Administrator Cost Test (PACT) which, by definition, does not include any non-energy benefits.
- e) Yes. Efficiency Manitoba welcomes the opportunity to work with AMC to discuss alternative non-energy benefits for consideration into program design and evaluation.

## MID-LEVEL ANALYSIS

# COST EFFECTIVENESS: TRC



At 2.3, Manitoba Hydro's overall TRC is well above 1, and among the highest of the programs studied.

However, the **definition of TRC may vary by jurisdiction**. For instance, non-energy benefits (NEBs) are often treated differently among jurisdictions.

## B. PLANNING FRAMEWORK & POLICIES

**WHY:** *Efficiency Manitoba has a unique opportunity to reset the clock on the energy efficiency planning framework, policies and culture that resided at Manitoba Hydro (this is arguably one of the key reasons the PUB recommended – and government created – an independent agency in the first place). Yet without a clear reset at the very outset, that opportunity may be lost, as inertia gains ground and former staff, stakeholders and the PUB assume “old ways” still apply. We urge that work be undertaken immediately to revamp the framework’s key components – from performance indicators to cost-effectiveness screening and evaluation planning – that will influence key decisions going forward.*

### B.1 BALANCED SCORECARD

An efficient organization should be driven by a balanced scorecard of KPIs and other measures of success. Manitoba’s legislature brought this foresight to the *Efficiency Manitoba Act*, which directs EM to establish, beyond the defined energy savings targets, other performance measures to evaluate success.

Before deciding what to measure (and how), EM needs to clearly define its desired outcomes: For example, is EM’s priority to reduce customer bills in the short-term, or to transform markets in the longer-term? Does it give more weight to the value it delivers for Manitoba Hydro (avoided energy and capacity costs) or for society (avoided energy bills, increased economic activity and/or carbon emission reductions)? Is it driven purely by bang-for-the-buck cost efficiency (e.g. lowest \$/kWh or \$/tCO<sub>2e</sub>), or does it also care about equity (e.g. benefitting low-income households)?

Designing a Balanced Scorecard is a critical opportunity for EM to “get off on the right foot” and set the tone regarding how its success will be measured.

**ACTION>** *Launch initial work toward developing a Balanced Scorecard of KPIs, beginning with a focus on clarifying issues, options and tradeoffs for board/CEO consideration, and then moving to prepare an appropriate scorecard for Efficiency Manitoba.*

### B.2 COST-EFFECTIVENESS SCREENING

Cost-effectiveness screening is a central element of the planning framework. Cost-effectiveness screening tells us how much energy efficiency returns a net benefit to – depending on the test – ratepayers, program administrators, and/or society. It can also be used to help determine whether it is economically efficient to use ratepayer funds to incentivize specific measure adoption (but not the extent to which they should be supported).

The wrong approach can introduce questions of accuracy (are the inputs to the test correct?), bias (are material costs or benefits neglected?), ratepayer value (is this the optimal level of investment from the perspective of ratepayers?), and policy conflict (is the test consistent with public policy goals?).





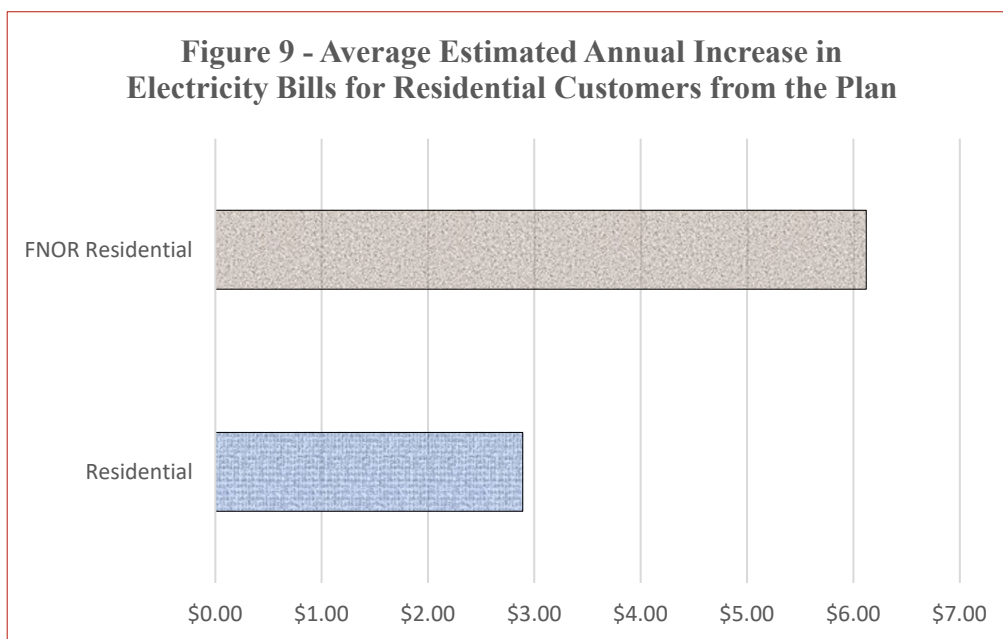
come at the expense of more expensive interventions, even when such programs can have greatest per person energy bill savings and non-energy benefits. The Plan clearly meets the efficiency criteria in that it reaches the required savings reduction within the allocated budget. Two related questions, however, are at what cost, and does the Plan meet either of the equity criteria outlined here? This section will examine the equity effects of the Plan on First Nations from two perspectives: (1) is the distribution of resources and benefits in relation to the distribution of First Nations within the province; and (2) is the distribution of resources and benefits for First Nations compared to the programs offered by Manitoba Hydro prior to the creation of EM.

## Horizontal Equity

There are two distinctive ways to define equity: the first is horizontal equity, which proposes that equals should be treated equally, i.e., the distribution of benefits should equal the distribution of the population; and vertical equity, which suggests that unequals should be treated unequally, i.e., that the disadvantaged should receive a greater proportion of benefits to offset their disadvantage.<sup>31</sup> For our purposes here, the question is, does the Plan meet either of those criteria? Figure 9 depicts the average estimated annual electricity bill increase as a result of the Plan. The estimates are based upon the Lifecycle Revenue Impact (LRI) analysis contained in the Plan, as well as average electricity consumption for residential and First Nation on reserve ratepayers found in the Information Requests.<sup>32</sup> As one can see, the average one-year increase in annual electricity bills as a result of the Plan will be more than *twice* as high for First Nation On Reserve customers



compared to the average residential customer. Although the percentage increase in the annual bill may seem minor, one should take into account the relative financial burden of energy bills: First Nation On Reserve ratepayers as nearly *four-and-a-half* times more likely to have missed a hydro bill payment as a result of financial difficulties and are more than *three times* more likely to have missed four hydro payments or more over the past two years as a result of financial difficulties.<sup>33</sup>



Given this inequitable financial burden posed by energy bills and the one-time increase in electricity rates as a result of the Plan, are the potential benefits of the Plan distributed equitably?

Figure 10 presents data ~~on~~ from the 2017 REUS and the Plan on First Nation On Reserve and Low-Income (LICO-125) shares of the Manitoba population, the total program budget residential dwellings (premises under the residential rate class, adjusted for average household size), participation in residential programs, and the residential program budgets contained in the Plan.<sup>34</sup>

**RESPONSE:**

- a) Please see the tables below for the number of participants, total budgets, and energy savings per year per participant for First Nations energy efficiency programs offered by Manitoba Hydro for the last three years.

First Nations Planned Participation Manitoba Hydro Community Geothermal Program	2017/18	2018/19	2019/20
<b>Number of Geothermal Systems</b>	135	125	75
<b>Budget</b>	\$900,000	\$900,000	\$500,000
<b>Avg Annual Energy Savings per Participant (kW.h)</b>	15,556	16,000	14,667

First Nations Planned Participation Manitoba Hydro Affordable Energy Program	2017/18	2018/19	2019/20
<b>Insulation Participants</b>	281	246	50
<b>Direct Install Participants</b>	1500	1500	200
<b>Budget</b>	\$ 861,237	\$ 841,305	\$160,511
<b>Avg Annual Energy Savings (Insulation Only) per Participant (kW.h)</b>	3,029	2,052	2,052
<b>Avg Annual Energy Savings (Direct Install) per Participant (kW.h)</b>	556	772	778

- b) The tables below summarize the number of participants, total budgets, and the anticipated annual energy savings by participants for offers targeted to First Nations on-reserve customers within the Indigenous customer segment. For the newly offered Indigenous Small Business Program, there was no assumed participation split between First Nations and Metis customers.

Planned Participation Efficiency Manitoba Community Geothermal Program	2020/21	2021/22	2022/23
<b>No. of Homes</b>	50	90	90
<b>Budget</b>	\$323,000	\$505,000	\$515,000
<b>Avg Annual Energy Savings per home (kW.h)</b>	15,400	13,777	13,777

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Planned Participation Efficiency Manitoba First Nation Insulation & Direct Install	2020/21	2021/22	2022/23
<b>Insulation</b>	50	75	80
<b>Direct Install</b>	50	75	100
<b>Budget</b>	\$196,000	\$256,000	\$272,000
<b>Avg Annual Energy Savings (Insulation Only) per Participant (kW.h)</b>	2,239	3,132	3,132
<b>Avg Annual Energy Savings (Direct Install) per Participant (kW.h)</b>	841	841	841

Planned Participation Indigenous Small Business	2020/21	2021/22	2022/23
<b>No. of Buildings</b>	30	30	40
<b>Budget</b>	\$313,000	\$370,000	\$472,000
<b>Avg Annual Energy Savings per Building (kW.h)</b>	12,333	12,333	11,000

- c) Please see the proposed enhancements including the costs and savings of the new eligible technologies in the First Nation Insulation and Direct Install Program below.

First Nation Direct Install Offer Enhancement	2021/22 Enhancement		2022/23 Enhancement	
	Cost	Savings	Cost	Savings
<b>Smart Thermostats</b>	\$2,675	1,847 kW.h	\$3,636	2,462 kW.h
<b>Clothes Washers</b>	\$4,077	2,348 kW.h	\$6,649	3,523 kW.h

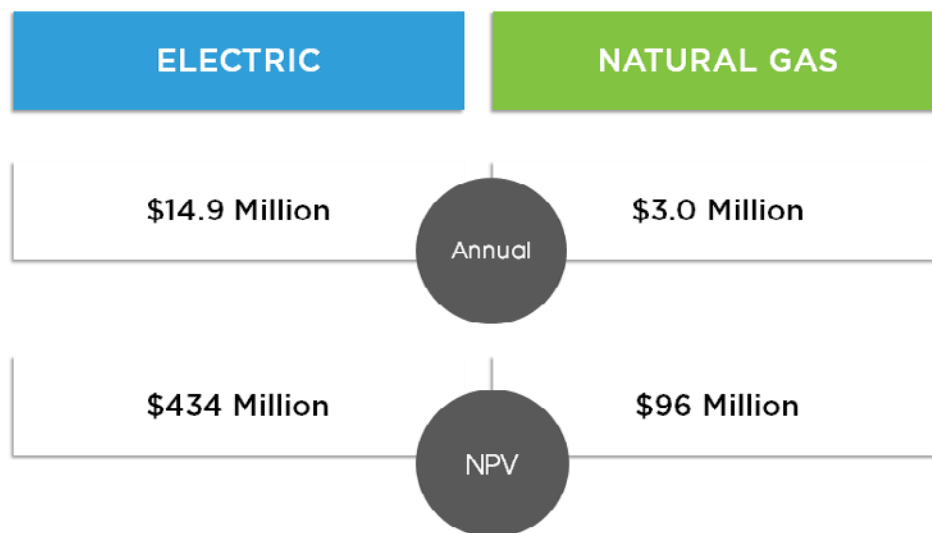
Efficiency Manitoba has also included new strategic approaches as noted on pdf pages 330-333, Appendix A – Section A6. To support Indigenous programs there will be an education component as well as Community Energy Efficiency Plans that will be funded out of the enabling strategies budget.

224 basis between utility revenue decreases, program costs, and the utility benefits  
 225 provided through the natural gas portfolio energy savings.

**TABLE 5.7 LIFECYCLE REVENUE IMPACT RESULTS - NATURAL GAS**

	One-time equivalent rate increase
Lifecycle revenue impact ( $\$/m^3$ )	$0.23\$/m^3$
Percent increase (using $19\$/m^3$ )	1.22%
Percent increase (using $21\$/m^3$ )	1.10%
Percent increase (using $23\$/m^3$ )	1.00%

**5.5 ANNUAL BILL SAVINGS FOR PARTICIPATING CUSTOMERS ARE PROJECTED AT \$15 MILLION FOR ELECTRIC CUSTOMERS & \$3 MILLION FOR NATURAL GAS CUSTOMERS**

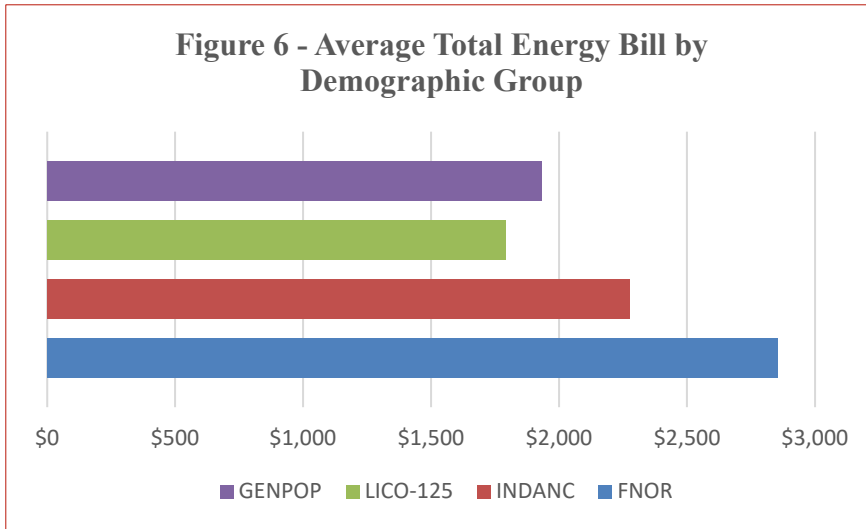


**5.5.1 ELECTRIC CUSTOMER BILL IMPACTS**

226 The estimated electric rate impacts will apply to all Manitoba electric customers as  
 227 summarized in Table 5.6. Customers that choose to participate in the programming  
 228 offered by Efficiency Manitoba will see the same rate impacts but will realize annual  
 229 bill reductions based on their respective energy savings.



ratepayers have the highest average annual energy bills. As Figure 6 demonstrates, on-reserve First Nation ratepayers have the highest annual energy bills of any population surveyed in the 2017



Residential Energy Use Survey. The on-reserve First Nation customers pay nearly 50% more than the average ratepayer in the province and pay nearly 60% more than the Low-Income Cut-Off (LICO-125) population in Winnipeg.

When the realities of low incomes, poor quality housing, geographic isolation, and high energy costs for on-reserve First Nations are combined, the result is energy burdens for on-reserve First Nation ratepayers that well exceed those of other populations, including the low income ratepayers. Figure 7 breaks down the energy burden utilizing the 6% and 10% thresholds. While the most common threshold for the measurement of energy poverty is 10% of income, Rezaei contends, based on the Survey of Household Spending administered by Statistics Canada, that the 10% figure is too high and that a threshold of 6% is more appropriate for the Canadian context.<sup>6</sup>



The number of people employed in the home was the only independent variable found to be significant in affecting energy-poor households (i.e. increased household income reduced the likelihood that a household was spending a disproportionate amount of total income on energy costs). On the other hand, the reason(s) that households are likely to be in arrears was not explained by the available survey or administrative data, including low income, region, nature of energy use, residence, or employment/unemployment history.

*An important conclusion of this research, therefore, is that the factors causing or leading to arrears are highly specific to individual households. Arrears are the outcome of a range of factors specific for each household, which likely includes income and the proportion of total income spent on energy. However, these factors are intertwined in complex ways that will require considerable further study to understand more fully.*

## 5.3 Existing programs for lower-income customers

### 5.3.1 Manitoba Hydro

At the present time, Manitoba Hydro's approach to bill affordability includes:

- **The Power Smart Affordable Energy Program (AEP)**, which subsidizes the cost of energy efficient upgrades and retrofits for low-income households, and in turn reduces energy bills.
- **Neighbours Helping Neighbours**, a program jointly administered with the Salvation Army that provides emergency assistance to low-income customers who are unable to pay their energy bills because of crisis or hardship.
- **The Equal Payment Plan (EPP)**, which helps customers manage their energy expenses by dividing their total estimated annual bill into equal monthly payments.
- **Deferred payment plans**, which enable customers who have fallen behind on their bills to repay outstanding amounts over time.
- **Arrears management**, which consists largely of standard bill collection processes, including deferred payment plans, although Manitoba Hydro has also adopted special measures to support customers who are vulnerable and/or in crisis.
- **Community outreach**, which involves working with community and non-profit organizations such as the Manitoba Metis Federation, Supporting Employment and Economic Development Winnipeg, Winnipeg Harvest, the Manitoba Non-Profit Housing Association, Building Urban Industries for Local Development and Brandon Energy-efficiency Program to deliver programming and increase awareness.

A review of the AEP demonstrated key strengths in:

- **Participation and savings**, with energy-efficiency retrofits completed in 17,998 homes to date and continued increases in program participation expected over time.
- **Accessibility**, addressing the unique barriers lower-income customers face in completing energy-efficiency retrofits by minimizing the financial burdens associated with upgrades.
- **Eligibility**, targeting gas and electric savings measures to low-income customers in single and multi-family homes and rental properties, in urban, rural and First Nations communities.
- **Savings**, demonstrating estimated annual bill reductions per customer of anywhere between \$37, as a result of basic water and energy-efficiency measures (LED bulbs, low-flow showerheads, etc.), and \$556, for insulation in electric heated homes, with additional savings increases expected over time .
- **Outreach**, delivering and expanding awareness of the value and benefits of the program through targeted marketing, community-based campaigns, customized information sessions, working with existing community and non-profit organizations and continually identifying opportunities for new partnerships.

Acknowledging these strengths as a key starting point for collaborative discussions, the Working Group provided insights and reviewed research to identify potential opportunities to enhance the existing success of Manitoba Hydro's programming and service offerings.

Both prior research and the results of the customer survey suggest the burden of energy poverty could at least be partially addressed if more customers participated in current bill affordability programs. However, past research with AEP participants and non-participants, as well as the customer survey

Approximately 115,000 homes in Manitoba fall below the LICO-125 threshold. The primary targets within this group are homes with poor or fair insulation levels and standard-efficiency natural gas furnaces, which account for 23% (27,051) and 8% (8,635) of the market, respectively.

The AEP provides:

- free insulation upgrades
- free basic energy efficiency measures
- subsidized heating system upgrades (furnace/boiler)

The AEP was extended to include multi-unit residential (apartment-style) buildings in 2013. 27,000 apartment suites in Manitoba fall below the LICO-125 threshold.

As of the writing of this report, this stream had assisted 2,183 tenants, accounting for 12.1% of AEP participation.

Savings at-a-glance:

Estimated annual bill reduction per customer for basic AEP upgrades:

Basic Measures (electric): \$37  
 Basic Measures (natural gas): \$25  
 Insulation (electric): \$556  
 Insulation (natural gas): \$230  
 Furnace (natural gas): \$243

The Neighbourhood Power Smart Project works with community organizations to connect energy advisors with customers in their neighborhoods, and encourage AEP participation. Local residents and social enterprises are employed to implement the improvements.





Numerous studies have demonstrated that energy efficiency programs can contribute to reductions in energy poverty, as well as the secondary effects of energy poverty, including mortality, physical and mental health, nutrition, relationships and isolation, and wellbeing and quality of life.<sup>9</sup> What this research generally does not address, however, is the distribution effects of energy efficiency programs on inequality between socio-economic and demographic groups. While the distributional impacts of energy efficiency programs remain underexamined, preliminary evidence suggests that such programs can increase inequalities between groups if they are not designed and implemented explicitly to counteract these effects.<sup>10</sup> The potential for energy efficiency programs to exacerbate inequality results from the greater capacity of middle and upper-income segments to afford energy efficiency improvements, difficulties in outreach and uptake among low-income and other disadvantaged groups, and other participation obstacles, such as the split incentive problem for rental properties and the barriers posed by the quality of housing stock.

A greater emphasis upon energy justice, as opposed to the narrower concept of energy poverty, can help to address the potential negative effects of energy efficiency programs on distributional equity. Energy justice focusses on the net distribution of benefits and costs within an existing energy system and how energy inequalities are constructed and embedded within a broader system of political, economic, and social-cultural inequalities.<sup>11</sup> There are two dominant views on energy conservation: the “efficiency” school, which states the objective should be to maximize the aggregate conservation gains per dollar spent; and the “equity” school, which contends that one must consider not simply the magnitude of conservation but its distribution as well.<sup>12</sup> Within the equity school, there are in turn two kinds of equity: horizontal, which states that equals should be

**FOSSIL FUEL SAVINGS**

362 Except as covered through the Affordable Energy Fund, the Plan or future efficiency  
363 plans will not include DSM initiatives for fossil fuels other than natural gas. Should  
364 Efficiency Manitoba obtain an additional funding source during any of the three Plan  
365 years and implement non-natural gas fossil fuel DSM initiatives, Efficiency Manitoba  
366 will count the resulting net fossil fuel savings towards the achievement of the natural  
367 gas savings target as per Section 8(3) of the Regulation.

**CLARIFICATION OF INCOME QUALIFIED, LOW INCOME OR HARD-TO-REACH CUSTOMERS**

368 The term “income qualified” customers is defined within the Plan as customers who  
369 meet the Low Income Cut-Offs<sup>5</sup> (“LICO”), as estimated by Statistics Canada, for urban  
370 centres with more than 500,000 residents. An additional 25 percent is added to the  
371 LICO qualifier (the “LICO 125 threshold”) to increase the number of Manitoba  
372 customers who are eligible for the income qualified offers.

373 The term “hard-to-reach” customers includes both income qualified customers and  
374 Indigenous customers as both segments face unique barriers to implementing energy  
375 efficiency opportunities. *Appendix A - Section A5 and A6* provides detailed customer  
376 segment descriptions and programming information for these customer segments.

**COST-EFFECTIVENESS TESTS**

377 The cost-effectiveness tests are the standard<sup>6</sup> Program Administrator Cost Tests  
378 (“PACT”), which capture the prescribed levelized cost comparisons. There are three

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<sup>5</sup> <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110024101>

<sup>6</sup> [https://www.cpuc.ca.gov/uploadedFiles/CPUC\\_Public\\_Website/Content/Utilities\\_and\\_Industries/Energy\\_-\\_Electricity\\_and\\_Natural\\_Gas/CPUC\\_STANDARD\\_PRACTICE\\_MANUAL.pdf](https://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/Utilities_and_Industries/Energy_-_Electricity_and_Natural_Gas/CPUC_STANDARD_PRACTICE_MANUAL.pdf)

October 25, 2019

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## APPENDIX A - SECTION A6

### INDIGENOUS PROGRAMS

1 Efficiency Manitoba will work with Indigenous partners, which can include  
2 communities, organizations, and government, to approach energy efficiency and  
3 conservation in a manner that is fair, collaborative, supportive, and contributes to the  
4 energy efficiency goals of all parties.

5 The objective of offering specific and targeted Indigenous programs is to assist with  
6 alleviating barriers to participation that may prevent energy efficiency upgrades or  
7 offers from being undertaken. Efficiency Manitoba also recognizes that creating  
8 programs and offers in coordination with, and targeted to, Manitoba's Indigenous  
9 population will have more supplementary positive impacts along with greater  
10 participation and overall energy savings.

### KEY CONSIDERATIONS

11 Efficiency Manitoba understands the barriers and challenges for Indigenous  
12 customers are not necessarily uniform.

13 The energy efficiency implementation barriers specific to First Nations have  
14 historically stemmed from a lack of available resources, including First Nation  
15 individuals to oversee and complete the work, as well as the availability of capital  
16 funds. The quality of the housing stock can also present a challenge as other home  
17 upgrades may be required before energy efficiency upgrades can occur. Other issues  
18 such as a lack of homeownership and higher than average occupancy can also affect  
19 both the rate at which participation occurs as well as the time it takes to complete

Nations Residential On-Reserve customers, including those customers in northern First Nations, which includes those in the Diesel Zone. Why or why not?

- b) If not, please explain the rationale behind making available less, rather than more DSM programs to this hard to reach customer group?
- c) Please explain whether the offers to the Indigenous customer segment are designed to increase awareness of energy-efficient technologies and practices and provide customers with rebates, incentives, and information to encourage them to make their homes more energy efficient. If not, why not? And if not, what are the offers to the Indigenous customer segment designed to do?

#### **RATIONALE FOR QUESTION:**

To understand whether the programs available to residential customers are available to residential First Nations customers, and if not whether such an approach complies with the Act and Regulations.

#### **RESPONSE:**

- a) First Nations Residential On-Reserve customers, including those in northern First Nations and those in the Diesel Zone are welcome to access the full suite of residential programs. Some initiatives will have a separate, specific First Nations approach, such as the education initiative, and Efficiency Manitoba would like to work with MKO and AMC, along with other potential Indigenous partners, to establish energy efficiency education pieces that are culturally relevant.
- b) Not applicable as per response to MKO/EM I-7a.
- c) As outlined in the Plan on page 331 of 591, Efficiency Manitoba aims to establish an Indigenous education initiative designed to increase awareness of energy-efficient technologies and practices.

**QUESTION:**

- a) Please confirm that the results of the PACT indicate that Efficiency Manitoba's overall electric DSM portfolio is expected to result in participating customers having lower costs for meeting their electricity needs through this portfolio.
- b) Please confirm that customer participation in programming offered by Efficiency Manitoba may be a product of availability of programs, and not entirely driven by customer choice.
- c) With respect to the electric DSM portfolio, please explain whether Efficiency Manitoba completed an analysis of the bill impacts associated with the Plan on each customer segment, including specifically the Indigenous customer segment.
  - I. Why or why not?
  - II. If yes to question 2, please provide the analysis completed;
  - III. If no to question 2, please prepare an analysis of the anticipated bill impacts of the Plan on each customer segment, including specifically the Indigenous customer segment.

**RATIONALE FOR QUESTION:**

To gain an understanding of the anticipated bill impacts of the Plan as proposed on each customer segment, including specifically the Indigenous customer segment

**RESPONSE:**

- a) As shown in the program administrator cost ratio (PACT) calculation shown in Section A2.3.1 of the 2020/23 Efficiency Plan ("Plan") (Appendix A2, p. 232 of 591), the PACT considers the present value of the marginal benefits against the present value of the program costs and incentives. As the overall electric DSM portfolio has PACT benefits exceeding the costs, means that based on this metric the electric portfolio over the 30-year time horizon considered will lower costs for the electric utility as compared to not pursuing any DSM. As summarized in Table 5.3 (Plan, Section 5.2, p. 135 of 591), the overall electric portfolio PACT is 3.27. Simply stated this means that based on the PACT, every \$1 spent realizes \$3.27 in benefits for electric ratepayers. The PACT does not

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consider utility lost revenue impacts which are considered within the Lifecycle Revenue Impact (LRI) analysis discussed in the Plan (Appendix A2, p. 234 of 591). The PACT does not consider participating customer bill savings discussed in Section 5.5 of the Plan (beginning on p. 141 of 591).

**b) Confirmed.**

- c) The Plan, Section 5.5.1 (Table 5.8, p. 142 of 591) provides a table that demonstrates the average electric customer bill savings, including specifically the Indigenous customer segment. This table has been subsequently revised within COALITION/EM I-102.
- I. This analysis was completed in order to assist the Public Utilities Board with the mandatory considerations of its review of the Efficiency Plan as per the Efficiency Manitoba Regulation 119/2019 Section 11 (g) impact of the plan on rates and average customer bill amounts.
  - II. The analysis can be found in the Plan, Section 5.5.1 (Table 5.8, p. 142 of 591) and in Attachment 3 – Technical Tables (Annual bill Reduction Per Program Bundle (p. 517 of 591). These table has been subsequently revised within COALITION/EM I-102.
  - III. Not applicable.

Please see additional analysis in response to AMC/EM I-10a.

**RESPONSE:**

- a) As part of an Indigenous Community Energy Efficiency Plan, Efficiency Manitoba will provide First Nations communities with a community energy profile that will provide an overview of historical energy use in the community. Efficiency Manitoba will also offer technical expertise, energy efficiency education resources, and funding towards a Community Energy Advocate. The programs within the Indigenous Program portfolio can be used as the starting point for energy efficiency in the community and assist in reducing energy consumption. Efficiency Manitoba's technical and program support staff will provide training to the Energy Advocate through sharing of materials and resources. As the Plan is implemented, Efficiency Manitoba will work with First Nations communities to assess if the design and delivery of the program is meeting the communities' needs.
- b) The total budget allocation for the development and ongoing support for the Indigenous Community Energy Efficiency Plans is \$247,000 for the first three years. The Indigenous Community Energy Efficiency Plan can leverage not only the programs under the Indigenous program portfolio but all Efficiency Manitoba energy efficiency programs. The budgets associated with these other programs are not reflected in the Community Energy Efficiency Plan budget.

	2020/2021	2021/2022	2022/2023
Total Annual Budget	\$63,000	\$92,000	\$92,000
Planned Participation (# of communities)	1	2	2
Budget Per Community	\$63,000	\$46,000	\$46,000
Budgeted Energy Advocate Compensation	\$25,000	\$50,000	\$50,000

\*Budgets outlined above include the initial program start-up costs as well as assistance with plan development and ongoing support for participating communities.

- c) Efficiency Manitoba estimates 2-3 communities will participate in the development of a Community Energy Efficiency Plan in the first three years. As this is a new initiative,

these are conservative estimates. In the event interest for the program is larger than anticipated, Efficiency Manitoba may re-evaluate the budget to accommodate additional interest.

- d) Efficiency Manitoba anticipates the commitment to a Community Energy Efficiency Plan will be 2 years. Efficiency Manitoba has budgeted \$25,000 for compensation for each Energy Advocate position per year.
- e) Efficiency Manitoba anticipates funding 2-3 First Nation Community Energy Advocates to participate in the development of Community Energy Efficiency Plans over three years. This is a preliminary budget and it will be adjusted as more information is gathered about the interest in the program.
- f) The budget has not been allocated per reserve. Over three years, \$83,000 has been allocated for on-reserve education programs. This is not captured in the Community Energy Plan budget, but in a separate First Nation Education Initiative budget.
- g) Efficiency Manitoba has been in preliminary discussions with the Manitoba Indigenous Housing Capacity and Enhancement Mobilization Initiative (MIHCEMI) Working Group on the potential to collaborate in the development of energy efficiency educational resources. This potential collaboration will be comprehensive as Efficiency Manitoba understands that there is representation from all 63 First Nations and the Tribal Councils in this initiative.



**REFERENCE:**

PDF 333, lines 92-98 Appendix A Section A6

**PREAMBLE TO IR (IF ANY):**

Efficiency Manitoba states "This initiative can enhance existing capacity by providing funding, technical, and other staff support towards a Community Energy Advocate who can focus on energy efficiency initiatives in the community and ensure programs and offers are accessed."

**QUESTION:**

- a) Please list any pre-existing community energy plans that have either been completed, or the development of which is underway, of which Efficiency Manitoba is aware.
- b) Please explain how the offer will complement or capitalize on any pre-existing community energy plans in eligible communities.

**RATIONALE FOR QUESTION:**

Understanding Efficiency Manitoba's assumptions in detail is necessary to assess the reasonableness of their program selections and projections.

**RESPONSE:**

- a) Efficiency Manitoba is aware of the Community Energy Plan pilot delivered in partnership by Manitoba Hydro and two communities: Dauphin and The Pas. Efficiency Manitoba is aware of intentions for Community Energy Plans for a few Northern First Nations communities as well as some rural communities. Efficiency Manitoba has yet to identify at what stage these communities are at for implementation.
- b) The aim of the Community Energy Efficiency Plan offer will be to complement or leverage any pre-existing community energy plan where possible. How specifically that will be accomplished will need to be determined in coordination with the specific community.

**RATIONALE FOR QUESTION:**

To consider Efficiency Manitoba's estimates and to consider whether Efficiency Manitoba has a plan to address the barriers to uptake of a potentially beneficial DSM program.

**RESPONSE:**

- a) Confirmed. Efficiency Manitoba has estimated that 100, 150, and 180 houses will benefit from insulation and direct installs in the first three years of the Plan.
- b) In order to estimate the market, Efficiency Manitoba looked at historical participation and data from similar programs previously offered through Manitoba Hydro. As of the 2019/20 Demand Side Management Plan, Manitoba Hydro had estimated that only 152 (3.8%) of homes that required insulation upgrades were remaining to be completed. Efficiency Manitoba used this as a reference point to forecast participation. As Efficiency Manitoba works with First Nation communities, projected participation numbers may increase as better information is available.

**RATIONALE FOR QUESTION:**

To consider whether Efficiency Manitoba has a plan to address the barriers to uptake of a potentially beneficial DSM program.

**RESPONSE:**

- a) As shown in the 2020/23 Efficiency Plan, Appendix A – Section A6, p.344 of 591 Community Geothermal Program is currently based on a Community Driven Outcomes model (CDOC) and First Nations are being onboarded by Aki Energy, an Indigenous Social Enterprise (ISE). As this concept is relatively new, it is only being offered in three First Nations communities. If this model is proven successful, it is Efficiency Manitoba's intent to work with Aki Energy to expand this model to other First Nations communities, including MKO member First Nations who express interest. For more information regarding the CDOC model, please see response to PUB/EM I-6.

With respect to the Diesel Communities, Efficiency Manitoba notes that any conversion of residential heating load from fuel oil to geothermal heating systems increases the load on Manitoba Hydro's diesel-powered generating system and may have significant implications on generation and distribution capacity requirements in that Diesel Community. Any consideration of implementing a Community Geothermal Program in Diesel Communities will therefore need to be reviewed in coordination with Manitoba Hydro and the respective community.

- b) Please see response to MKO/EM I-39a.
- c) The largest barrier for geothermal is the capital cost to purchase and install the system. In this current CDOC model, the cost of the system and installation is covered through the private sector investment. This alleviates the barrier to participate. As mentioned above in MKO/EM I-39a, Efficiency Manitoba's intent is to work with Aki Energy to broaden the program to all interested First Nations communities.

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these are conservative estimates. In the event interest for the program is larger than anticipated, Efficiency Manitoba may re-evaluate the budget to accommodate additional interest.

- d) Efficiency Manitoba anticipates the commitment to a Community Energy Efficiency Plan will be 2 years. Efficiency Manitoba has budgeted \$25,000 for compensation for each Energy Advocate position per year.
- e) Efficiency Manitoba anticipates funding 2-3 First Nation Community Energy Advocates to participate in the development of Community Energy Efficiency Plans over three years. This is a preliminary budget and it will be adjusted as more information is gathered about the interest in the program.
- f) The budget has not been allocated per reserve. Over three years, \$83,000 has been allocated for on-reserve education programs. This is not captured in the Community Energy Plan budget, but in a separate First Nation Education Initiative budget.
- g) Efficiency Manitoba has been in preliminary discussions with the Manitoba Indigenous Housing Capacity and Enhancement Mobilization Initiative (MIHCEMI) Working Group on the potential to collaborate in the development of energy efficiency educational resources. This potential collaboration will be comprehensive as Efficiency Manitoba understands that there is representation from all 63 First Nations and the Tribal Councils in this initiative.

51 inclusive of all activities represented within the Plan, is budgeted to be up to 75 full-  
52 time equivalent staff which is a reduction of approximately 30 percent from the  
53 average of 110 full-time equivalent positions at Manitoba Hydro when delivering  
54 demand-side management with a full staff complement.

55 Efficiency Manitoba is also procuring a customer relationship management/demand  
56 side management (CRM/DSM) system that will streamline historically manual  
57 processes. This will result in less paperwork, less administration, more automated  
58 reporting, and faster data availability. *Section 7.1* provides details regarding the  
59 CRM/DSM system.

60 *2) Develop and submit for review and approval your initial three-year plan*  
61 *for demand-side management initiatives to meet your mandated savings*  
62 *targets, while optimizing value for money.*

63 Submission of this Plan for the Public Utilities Board's (the "PUB") review represents a  
64 major milestone. Efficiency Manitoba is working diligently towards its April 1, 2020  
65 commencement date as an independent organization. Amid start-up activities and  
66 establishing the foundations of this organization, Efficiency Manitoba has developed  
67 and submitted this Plan, while working collaboratively with stakeholders.

68 The performance metrics and benchmarking contained within the Plan demonstrate  
69 the portfolio of electric and natural gas programs are cost effective and return value  
70 to Manitobans through incentives, customer bill savings, and a variety of non-energy  
71 benefits. *Section 3* provides further information on the achievement of the mandated  
72 energy savings. *Sections 4 and 5* provide the details of the budget, cost-effectiveness  
73 and rate implications associated with achieving these savings.

**REFERENCE:**

Efficiency Manitoba 2020/2023 Efficiency Plan Submission Pdf page 178 of 591

**PREAMBLE TO IR (IF ANY):**

At pdf page 178, Efficiency Manitoba states:

12 Section 12(5) within the Act allows Efficiency Manitoba to modify the Plan as deemed  
13 necessary during any approved three-year period, provided these changes maximize  
14 the amount or cost-effectiveness of net savings and do not exceed approved costs  
15 for the three-year plan in place.

**QUESTION:**

Assuming a 3-year plan is approved, please explain whether and how Efficiency Manitoba will notify the Board and consumers, including First Nation consumers, of modifications, if any, made to an approved Plan throughout the three-year period. Please include an explanation of the timeframe within which notification of such modifications, if any, will be made.

**RATIONALE FOR QUESTION:**

To understand if the Plan is modified, how and when First Nation consumers will be notified.

**RESPONSE:**

In section 7.4.1, pdf pages 189-192 of the three-year plan submission, Efficiency Manitoba outlines the process that will be utilized to acquire time sensitive and cost-effective energy savings through use of the contingency fund. This specific process has been established pertaining to the contingency fund recognizing the value of the contingency fund (10 percent of the overall annual average budget, or an overall cap of \$7 million across all three Plan years). Using the contingency fund and the process for use is thus envisioned for major revisions

and/or additions that were not specifically contemplated at the time of Plan preparation and approval.

MKO/EM I-2a and c and MKO/EM I-8 outline Efficiency Manitoba's commitment to ongoing engagement to ensure program design and implementation are guided with input of those who will be served by the Plan. Section 12(5) of the Act permits flexibility to make input-informed adjustments as the Plan is implemented. In this manner, rather than notification which may be carried out after adjustments are implemented, Efficiency Manitoba is fully committed to working collaboratively with communities on any adjustments that may be required.

**REFERENCE:**

Efficiency Plan p.178 of 591

**PREAMBLE TO IR (IF ANY):****QUESTION:**

- a. Explain how Efficiency Manitoba will know whether participation and achieved savings are below target in advance of receiving the independent assessor's report.
- b. If participation and achieved savings are lagging Efficiency Manitoba's expectations, explain how quickly Efficiency Manitoba can adapt existing programs or design and implement new programs to get back on track to meeting the savings targets.
- c. Explain how Efficiency Manitoba will make adjustments to the portfolios which may be necessary to address underachievement of savings, considering the requirements of paragraph 12(5)(b) of the Act which preclude increasing portfolio budgets.

**RATIONALE FOR QUESTION:****RESPONSE:**

- a. As discussed in Section 7.1 (p. 180 of 591) of the 2020/23 Efficiency Plan ("Plan") Efficiency Manitoba will use the CRM/DSM system to continuously monitor and report on savings and budget at the measure and program bundle level.
- b. As discussed in Section 7.5 (p. 188 of 591) of the Plan one of the benefits of the program bundling approach taken is that it provides a mechanism to alter or re-direct activities and/or incentives within a program bundle. The CRM/DSM system will enable the ongoing identification of performance gaps. Adjustments can then be made to marketing and delivery activities to ensure intended performance is being achieved on an ongoing basis within the Plan year.
- c. Since the largest component of the Plan budget is program incentives at 64.7% of the budget (Plan, Section 4.4.1, Table 4.5, p. 113 of 591), it is expected that if participation is



**REFERENCE:**

Refer to 2020/23 Efficiency Plan, Section 7, PDF page 178, lines 13 – 15.

**PREAMBLE TO IR (IF ANY):**

The Act allows EM to “modify the Plan as deemed necessary during any approved three-year period, provided these changes maximize the amount or cost-effectiveness of net savings and do not exceed approved costs for the three-year plan in place.”

**QUESTION:**

- a) In the event prior to any adjustment to the approved Plan, what is EM’s proposed methodology for measuring cost-effectiveness of the proposed changes?
- b) In any event of Plan adjustment, is there going to be program and savings adjustments across program bundle?

**RATIONALE FOR QUESTION:**

Understanding plan adjustment once it is approved.

**RESPONSE:**

- a. For individual measure, program or program bundle adjustments, Efficiency Manitoba will evaluate proposed deviations from an approved Efficiency Plan based on the incremental energy savings, cost (while maintaining within the overall approved Plan annual budget), acquisition cost metric and the program administrator cost test (“PACT”) metrics.
- b. Depending on the nature of the adjustment, changes to program and program bundle savings and costs may be realized.

Electric Program Cost-Effectiveness Metrics

	PACT		
	Ratio	NPV (000's \$)	Levelized Cost (cents/kWh)
<b>RESIDENTIAL PROGRAMS</b>			
Direct Install	1.53	\$861	4.15
Product Rebates	1.74	\$7,533	3.49
Home Renovation	2.90	\$14,705	3.67
New Homes & Major Renovation	6.56	\$16,885	1.84
Home Energy Efficiency Kits & Education	1.61	\$353	3.05
Subtotal	2.74	\$40,338	3.19
<b>INCOME QUALIFIED PROGRAMS</b>			
Income Qualified Offers	2.80	\$7,576	3.70
Subtotal	2.80	\$7,576	3.70
<b>INDIGENOUS PROGRAMS</b>			
Insulation and Direct Install	1.90	\$613	5.88
Small Business	1.31	\$1,803	5.31
Community Geothermal	4.03	\$3,816	2.86
Metis Income Qualified	2.58	\$559	4.23
Subtotal	1.84	\$6,792	4.67
<b>COMMERCIAL, INDUSTRIAL &amp; AGRICULTURAL PROGRAMS</b>			
Small Business & Appliances	3.61	\$7,680	1.43
In-Suite Efficiency	2.48	\$1,055	3.14
Renovation	4.97	\$187,957	1.67
HVAC & Controls	2.81	\$5,501	2.30
New Construction & High-Performance Buildings	2.95	\$9,311	2.36
Custom	5.18	\$37,133	1.17
Load Displacement	3.72	\$61,521	1.50
Subtotal	4.43	\$310,159	1.59
<b>EMERGING TECHNOLOGY PROGRAMS</b>			
Emerging Technology	2.96	\$4,156	2.11
Subtotal	2.96	\$4,156	2.11
Program Impact Totals	3.88	\$369,021	1.89
Program Support, Enabling Strategies & Corporate Overhead		(\$23,883)	
<b>Overall Portfolio Metrics</b>	<b>3.27</b>	<b>\$345,138</b>	<b>2.24</b>

Note: May not add up due to rounding.

**REFERENCE:**

Plan Application – Page 63 of 591

**PREAMBLE TO IR (IF ANY):**

EM states that if additional sources of funding become available these amounts will reduce the amount of funding provided by Hydro Manitoba and Centra Gas for the Plan.

**QUESTION:**

If Efficiency Manitoba receives funding from the federal government or Indigenous Services Canada as anticipated in certain programming under the Indigenous program bundle, will that funding also be used to offset the funding provided by Hydro Manitoba and Centra Gas for Indigenous programming?

**RATIONALE FOR QUESTION:**

The AMC wants to understand what assumptions have been made by EM about federal contributions to energy efficiency programs for First Nations, and what impact the assumptions will have on programming.

**RESPONSE:**

Efficiency Manitoba has not incorporated assumptions about federal contributions to energy efficiency programs for First Nations, including with limitation from Indigenous Services Canada, in the design of Indigenous programming within the Plan.

269 these enabling strategies. To satisfy the intent of the Act, in addition to the detailed  
270 cost breakdown provided, all budget dollars associated with enabling strategies are  
271 included within the overall electric or natural gas portfolio cost effectiveness analysis  
272 and testing. Enabling strategies are described in detail within *Appendix A - Section*  
273 *A9*.

## FUNDING

274 All activities within the Plan will be funded directly by Manitoba Hydro and Centra  
275 Gas, a wholly owned subsidiary of Manitoba Hydro. If additional sources of funding  
276 become available to support either electric or natural gas portfolio activities outlined  
277 within the Plan, it is understood that these amounts are to be used to reduce the  
278 electric or natural gas funding provided by Manitoba Hydro or Centra Gas,  
279 respectively. If additional sources of funding become available for Efficiency Manitoba  
280 activities not outlined within the Plan, it is understood that these amounts will not  
281 reduce the amount of funding provided by Manitoba Hydro or Centra Gas for the  
282 Plan.

### 2.3.3 EFFICIENCY MANITOBA REGULATION

283 The Regulation, registered in 2019, prescribes specific requirements to be addressed  
284 within the Plan and serves to further clarify and expand on the Act. The Regulation  
285 also prescribes the scope of PUB review of the Plan.

286 The Regulation details several DSM activities that may be counted towards  
287 determination of net energy savings and provides specific direction with respect to  
288 the determination of cost-effectiveness and performing an independent assessment.

October 25, 2019

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47 Efficiency Manitoba also considered changes to the energy conservation market while  
48 developing the Plan. Notably, many of the high-performing technologies that have  
49 traditionally accounted for substantial energy savings are reaching maturity and  
50 market saturation such as high-efficiency heating equipment and LED lighting  
51 technology. These changes required Efficiency Manitoba to explore new and forward-  
52 thinking opportunities to fill the gaps that will be left in the market over the next  
53 several years.

54 It is important to understand where technologies reside on the market adoption curve  
55 and identify new and emerging technologies with limited availability in the Manitoba  
56 market. Efficiency Manitoba will continue to allocate budget dollars and invest in  
57 emerging technologies, provide research and development opportunities, and pilot  
58 programs as outlined in *Appendix A – Section A9*. Efficiency Manitoba's investment  
59 ensures that each new technology is reviewed for feasibility and viability in the  
60 Manitoba market.

### **A2.1.1 CUSTOMER MARKET SEGMENTS**

61 Efficiency Manitoba's vision of reaching all, and maximizing the benefits for,  
62 Manitobans meant that it was imperative to ensure that Manitobans were considered  
63 during development of the Plan. As a result of this development process, four  
64 customer segments were created: residential, residential income qualified, Indigenous,  
65 and commercial/industrial/agricultural. These four segments were chosen due to their  
66 unique qualities as they relate to customer behaviour and consumption patterns,  
67 marketing approaches, and eligible technologies. Efficiency Manitoba recognizes that  
68 these segments have diverse sub-segments each with their own unique needs.

**REFERENCE:**

Efficiency Manitoba 2020/2023 Efficiency Plan Submission Pdf page 273 of 591

**PREAMBLE TO IR (IF ANY):**

At pdf page 275 of the Plan, Efficiency Manitoba states:

45 Rebates for energy-efficient lighting, insulation incentives, refrigerator and freezer  
46 retirement, and the distribution of free water and energy saver kits to Manitobans  
47 have been available through Manitoba Hydro for many years and have seen high  
48 levels of participation. Due to the high market penetration of these initiatives, the  
49 incremental acquisition cost to reach customers who have not yet participated may  
50 be higher than previous initiatives.

**QUESTION:**

Please explain how Efficiency Manitoba determined that the incremental acquisition cost to reach customers who have not yet participated in the well-established Rebates for energy-efficient lighting, insulation incentives, refrigerator and freezer retirement, and the distribution of free water and energy saver kits may be higher, and not lower, than previous initiatives?

**RATIONALE FOR QUESTION:**

To understand the reasonableness of Efficiency Manitoba's methodology to evaluate cost-effectiveness.

**RESPONSE:**

Rebates for various residential energy efficient technologies have been available through Manitoba Hydro's energy efficiency programs for many years as described in the submission (PDF page 275). These programs have seen high levels of participation and as a result, the associated products and technologies have experienced high market penetration.

Due to this high market penetration, the remaining market potential is on the decline as many of these products are in the maturity phase of the product life cycle. Generally, customer participation for these programs have been in decline year over year as many customers have already adopted these energy efficient technologies. As a result, it is expected that the acquisition cost to reach customers may increase considering the declining total remaining market, as more targeted (and therefore potentially more costly) methods of reaching these customers must be undertaken.

**REFERENCE:**

Plan Application – Page 207 of 591

**PREAMBLE TO IR (IF ANY):**

EM states that high-performing technologies which have traditionally accounted for substantial energy savings are reaching market saturation, such as high-efficiency heating equipment and LED lighting.

**QUESTION:**

What are the market saturation rates for these technologies for First Nations on-reserve residential customers, First Nations businesses, First Nations off-reserve residential customers, and First Nations community owned buildings, compared to non-Indigenous residential, business, and municipal buildings?

**RATIONALE FOR QUESTION:**

The AMC wants to know how First Nations programming is addressing market saturation rates for high performing technologies for First Nations customers in particular, and if there is room to promote these technologies for First Nations customers due to the lack of saturation of the technologies in First Nations homes and businesses.

**RESPONSE:**

First Nations on-reserve residential and commercial customers

Efficiency Manitoba believes there is still room to promote high-efficiency heating equipment and LED lighting for First Nations on-reserve for both residential and commercial customers.

This is evidenced by First Nations on-reserve residential customer responses to Manitoba

Hydro's 2017 Residential Energy Use Survey (2017 REUS) and by past program participation

including the 3,756 residential customers who participated in Manitoba Hydro's Direct Install

Program, which includes the installation of LED lighting (please see MKO-EM-I-13 Attachment

for background), and the 380 customers who participated in Manitoba Hydro's Community



Geothermal Program. Additionally, this is represented by past participation of approximately 200 First Nations on-reserve businesses through Manitoba Hydro's commercial energy efficiency programs.

Residential market saturation for high-efficiency heating equipment and LED lighting was measured in the 2017 REUS; please see the response to PUB/EM I – 8 for a link to the publicly available document. Market saturation is further detailed below.

#### *Residential High-Efficiency Space-Heating*

Respondents were asked “What is the main heating system used to heat this residence?” (PDF page 213 of the 2017 REUS). The heating type with number and percentage of homes is provided in the chart below. The data is broken down by Overall and First Nation on-reserve. The chart does not include natural gas furnaces, propane furnaces, or the other category as shown in the 2017 REUS as the number and percentages are 0 for First Nation on-reserve.

Heating Type	Electric Baseboard		Electric Furnace		Electric Boiler		Geothermal Heat Pump		Air Source Heat Pump		Wood Stove		Oil Furnace		Shared Heat	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
<b>Overall</b>	51,150	10.6%	9,990	64.6%	4,728	1.0%	7,556	1.6%	882	0.2%	2,342	0.5%	2,477	0.5%	36,289	7.5%
<b>First Nation On Reserve</b>	4,028	26.1%	2,027	13.1%	68	0.4%	783	5.1%	0	0.0%	262	1.7%	262	1.7%	63	1.4%

\*Source: PDF pages 38-39 of the 2017 REUS

#### *Residential LED Lighting*

Respondents were asked “Approximately how many of each type of light bulbs do you have installed at this residence? (including exterior lights but excluding seasonal or holiday lights – check one for each lighting type)” (PDF page 220 of the 2017 REUS). The number and percentage of homes by range of LED bulbs installed is provided below. The data is broken down for Overall and First Nation on-reserve.

## EFFICIENCY MANITOBA 2020-2023 EFFICIENCY PLAN

## PUB INFORMATION REQUESTS OF AMC

DECEMBER 13, 2019

Request:

Has WSSS considered whether saturation of the indigenous insulation and direct install markets could contribute to the “*dramatic decline in the estimated number of participants in the Insulation and Direct Install Programs offered by Manitoba Hydro compared to those offered by EM.*”? If not, please comment on how market saturation may limit Efficiency Manitoba program deliverables going forward.

**Response:**

It is possible that market saturation played a role in the significant declines in estimated First Nation On Reserve insulation and direct install offers referenced in the report. However, there are several considerations. The first is that market saturation is a more compelling argument for the decline in insulation, given that Manitoba Hydro claimed in December 2017 to have completed 86% of the estimated market for insulation. It should be noted, though, that there is potentially room to expand still, as the ‘market’ is an estimate, and, in the words of Collen Galbraith: “it’s a moving target essentially” (transcript page 2667). EM did not identify market saturation in the section on “Key Considerations” or “Customer Segment Descriptions” for Indigenous Programs (Plan, pp. 329-336) as an explanation for the estimated participation levels.

Market saturation is potentially less compelling in the case of direct installs. According to Manitoba Hydro’s figures at the end of 2017, only 31% of the estimated market had received direct installs. Even if we assume that Manitoba Hydro completed all of its planned direct installs between 2017/2018 and 2019/2020 (3,200), only 50% of the estimated market would have received direct installs by 2020. It is not clear, then, why market saturation would explain that the three-year number of planned participants in the First Nation On Reserve direct install program fell from 3,200 in the final three years of Manitoba Hydro’s program to 225 under the Plan. In response to AMC/EM I-28, EM responded: “Efficiency Manitoba believes there is still room to promote high-efficiency



A second notable feature is the distribution of ratepayers within the energy poverty continuum. Whereas the percentage of ratepayers whose energy burden falls in the 6-10% range is larger than those over 10% for the general population and the LICO-125 ratepayers, the opposite is true for on-reserve First Nations. Utilizing the 10% threshold, the rate of energy poverty among on-reserve First Nation ratepayers is more than eight times higher than the general population, more than three times higher than LICO-125, and two-and-a-half times higher than the self-declared Indigenous population. This greater concentration within those who spend more than 10% of their income on energy evidences the extreme nature of energy poverty faced by on-reserve First Nations.

There is one additional matter to address in this section: off-reserve First Nation ratepayers. At present, it is very challenging to find information on the energy profile of off-reserve First Nation ratepayers in Manitoba. One exception is the *Indigenous Voices Omnibus Survey 2017*, which was conducted by Manitoba Hydro. A clear caveat: one must be very careful in the interpretation of these findings because of the small sample sizes, but the survey provides preliminary evidence that suggests off-reserve First Nation ratepayers likewise suffer from disproportionately high levels of energy poverty. According to the survey, 46% of off-reserve First Nation ratepayers are energy poor utilizing the 6% threshold (compared to 75% for on-reserve First Nations, which is close to what the more reliable 2017 REUS found).<sup>8</sup> While this finding must be treated with great care, it is broadly consistent with the socio-economic profile of the off-reserve First Nation population and would suggest there is value in beginning to collect more reliable information on the energy profile and poverty of the off-reserve First Nation population.

## EFFICIENCY MANITOBA 2020-2023 EFFICIENCY PLAN

## PUB INFORMATION REQUESTS OF AMC

DECEMBER 13, 2019

- b) What does WSSS see as the barriers to participation in efficiency programs that are distinct to First Nations off-reserve customers as compared to non-First Nations income-qualified customers which would be addressed by a First Nation Income Qualified Program?
- c) Identify the elements WSSS recommends be included in a First Nations off-reserve, income-qualified efficiency program that would be distinct from EM's Income Qualified program.

**Response:**

a) The risk stems from two factors: (1) the fact that we have very little information about the potential barriers to the participation of off-reserve First Nation customers in energy efficiency programs or the ways in which those barriers are potentially specific to off-reserve First Nation customers and require specific programming to address; and (2) the existence of evidence that off-reserve First Nation populations face challenges – including challenges specific to First Nation populations – in accessing other kinds of programs and public services for a variety of reasons, including the lack of culturally appropriate services, language barriers, and fears of discrimination, and that services provided by Indigenous organizations and peoples can facilitate improved access.<sup>1</sup>

b) Again there is a lack of evidence to answer the question with respect to energy efficiency programs, but in health, education, and disaster management research, there is evidence that factors such as a lack of culturally appropriate providers or services provided in an environment in which some First Nation peoples might not be comfortable, to provide two examples, can impact access. The fact that EM designed a Métis-specific, income-qualified program suggests there is reason to believe there are specific obstacles faced by

<sup>1</sup> See Standing Senate Committee on Human Rights, *Recognizing Rights: Strengthening Off-Reserve First Nations Communities*, 2013; Coombes, J. et al., "Factors that Impact Access to Ongoing Health Care for First Nation Children with a Chronic Condition," *BMC Health Services Research* 2018, v. 18; Clark, T.D., *Rebuilding Resilient Indigenous Communities in the RMWB*, 2018.

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non-reserve Indigenous populations. These kinds of barriers could be addressed by an off-reserve First Nation program.

c) There is a lack of evidence related to energy efficiency programs specifically upon which one could make such recommendations. However, this lack of evidence did not stop EM from developing a Metis Income Qualified Program. Moreover, evidence from other sections suggests that there are several elements that could be considered, including programs that are run out of urban, First Nation organizations, programs that are staffed by First Nation individuals, culturally appropriate marketing and outreach efforts that focus on places where off-reserve First Nation hydro customers can be reached, to name just a few examples. Ultimately, however, the design and implementation of any such program is best left to discussions and negotiations between EM and Indigenous governments and organizations.

**PUB/AMC - 4** Reference: WSSS evidence p.38 of 57

Preamble:

According to the 2017 REUS Table 1.01, there are 15,456 residential on-reserve dwellings, compared with 158,967 income-qualified dwellings (based on Winnipeg LICO-125) and 484,811 total dwellings.

Request:

- a) Explain how WSSS derived the percentage of First Nations on-reserve customers of 4%.
- b) WSSS notes that First Nations programs only account for 0.6% of electric savings. Is it WSSS's view that First Nations program savings should be proportional to the number of First Nations on-reserve customers, ignoring the higher consumption of commercial and industrial customers? Is the proportion of on-reserve savings to the

- 307 agricultural customer segment with the ancillary benefit of capturing larger  
308 low acquisition cost energy savings outcomes resulting from this  
309 development;
- 310 • developing specific educational materials and offering presentations  
311 targeting new immigrants to Canada that may be eligible for Income  
312 Qualifying Offers;
  - 313 • developing the new Indigenous Small Business Program to First Nation  
314 communities through direct communication to the First Nation and in  
315 coordination with other Indigenous organizations such as Southern Chiefs  
316 Organization, Manitoba Keewatinowi Okimakanak, Assembly of Manitoba  
317 Chiefs and the several First Nation Tribal Councils (to ensure economic  
318 development opportunities are created, the third-party service provider  
319 responsible for program delivery will work with a local Indigenous electrical  
320 contractor whenever possible); and
  - 321 • developing the Metis targeted offerings including the new Indigenous Small  
322 Business Program to reach Metis small business and the new Metis Income  
323 Qualified Program. In order to learn what specific barriers may exist for the  
324 Metis Nation within Manitoba, and how to appropriately and cost-effectively  
325 address them, Efficiency Manitoba has proposed to work with the Manitoba  
326 Metis Federation to gain a better appreciation of these challenges.

### 3.3.1 ENERGY EFFICIENCY ADVISORY GROUP

327 Central to the overall Stakeholder Engagement Model is the EEAG. The EEAG worked  
328 with Efficiency Manitoba in advance of submitting the Plan to provide input and  
329 reflect opinions with respect to the composition of DSM actions and strategies. To

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- b) This data is not available. There is no method to identify who an off-reserve First Nation or Metis customer is by energy use data.
  
- c) This data is not available. There is no method to identify who low-income off-reserve First Nation or Metis customers are by energy use data.

**REFERENCE:**

Plan Application – Page 37 of 591

**PREAMBLE TO IR (IF ANY):**

EM estimates that 6% of the electric budget and 32% of the natural gas budget will go to hard-to-reach segments.

**QUESTION:**

Please provide the following:

- a) An explanation and evidence for why only 6% electric budget goes to hard-to-reach segments while 32% of the natural gas budget goes to the same segments;
- b) An explanation for why the Indigenous natural gas program is not made available to off-reserve First Nation customers.

**RATIONALE FOR QUESTION:**

As First Nations are underrepresented within the natural gas users, AMC would like an explanation and supporting evidence for the distribution of budget.

**RESPONSE:**

- a) For an explanation regarding the allocation of electric and natural gas budgets for hard-to-reach segments, see the response to PUB/EM I-5.
- b) As mentioned in PUB I-3c, specific First Nation off reserve programming has not been developed. Off-reserve First Nations customers can participate in any available program including the Income Qualified Program which has the same offers as the Metis Income Qualified Program.



**REFERENCE:**

Plan Application – Page 345 of 591

**PREAMBLE TO IR (IF ANY):**

EM has designed a specific Métis Income Qualified Program (MIQP) and give consideration to Métis businesses as part of the Indigenous Small Business (ISB) Offers.

**QUESTION:**

Please provide answers to the following:

- a) Why was no program similar to the MIQP designed for off-reserve First Nation customers? Please provide the rationale and support evidence as available.
- b) How many Métis commercial accounts does Manitoba Hydro have compared to off-reserve First Nation commercial accounts?
- c) What is the expected distribution of number of participants, budget, and energy savings between First Nation and Métis as part of the ISB program?

**RATIONALE FOR QUESTION:**

The AMC wants to know why EM considered Métis customers sufficiently distinct as to require a specific program but not off-reserve First Nation customers and to ensure that the distribution of resources is equitable.

**RESPONSE:**

- a) All residential programs are available to off-reserve First Nation customers.

With Efficiency Manitoba's legislated energy savings targets which are materially higher than past energy savings in Manitoba, new methods and approaches to program awareness and participation needed to be considered. Efficiency Manitoba included a Metis Income Qualified Program as a new approach to work with the Manitoba Metis Federation to capture a market that had been largely underserved and assist in reaching

the mandated energy savings targets. The Metis Income Qualified Program has the same offers as the Income Qualified Program. Therefore, off-reserve First Nation customers have access to the same program and the same offers as customers in the Metis Income Qualified Program. Efficiency Manitoba would be open to working with AMC to have them assist in the identification of off-reserve income qualified customers.

- b) The number of Metis commercial accounts and off-reserve First Nation commercial accounts cannot be provided as the energy use data that Efficiency Manitoba obtains from Manitoba Hydro does not categorize accounts by these characteristics.
- c) The Indigenous Small Business program is budgeted and energy savings are projected as whole and not divided between First Nation and Metis participants.

# Blueprint.

MMF: Re: Indigenous customer segment and residential savings, is this currently just tracked on reserve? A: Yes. However, EM is looking at ways to track urban residential Metis citizens, working with MMF.

MIPUG: Noted the differences in cost per kilowatt hour depending on customer segment re: electric investment summary.

MMF: Noted absence of Indigenous customer segment in the natural gas portfolio within this version of the 3-year plan? A: Updated version of the 3-year plan will include Indigenous Customer segment within the natural gas portfolio, EM is still working on how to include Metis communities and urban Metis residents.

AMM: Will municipalities be mentioned in the submission? A: Yes. AMM concerns will be included in 3 or 4 different sections concerning programming etc.

## Parking Lot Items

EM noted recent election promise made by PC party to spend \$25M on natural gas retrofits delivered by EM. EM clarified that they were not consulted on the campaign promise details. Promise may present some challenges since current plan does not include \$25M in spending on the Natural Gas portfolio within the plan. EM follow up with elected government post-election may be required.

GAC: Review of regulation for Electric Vehicles – the language is permissive in the Act, so if Hydro asked EM to look after transportation could EM do so without amending the regulation? A: EM not sure and has been told that transportation was taken out of EM purview. Perhaps GAC (and other groups) could draft regulation for an amendment to the EM Act at a future date .

MKO: What about diesel communities facing end of life diesel generating facilities (operated by Manitoba Hydro) - a group has been established to meet and look at how to address this. Is there a way for EM to assist with the process? MKO noted that there is a lot of bickering about what government has jurisdiction.

Dashboard reporting will be fully defined during the implementation phase, however, will include but is not limited to monthly and year-to-date cumulative results versus targeted results, as it relates to:

- electricity energy savings (kWh)
- electricity demand savings (kW)
- natural gas savings (m3)
- GHG reductions (CO2e)
- customer bill savings (\$)
- budget expenditures (\$)
- number of participants

The above dashboard reporting will be available for each program bundle as well as at the customer segment level for Residential; Income Qualified; Indigenous; and Commercial, Industrial, and Agricultural.

Budget development for the CRM/DSM system considered potential risks and associated costs during implementation, including but not limited to, delays as well as configuration and customization requirements.

# Blueprint.

	<p>EM noted that it is likely that larger customers may present less expensive (per unit energy) opportunities to offset the higher low-income program costs. As well, EM looking at technologies that offer biggest bang for the buck and noted that EM mandate is only for the energy use component.</p> <p><b>Social Benefits</b> Will EM include social benefits quantifier in calculation? EM clarified that the recognition of portfolio benefits gets dealt with in regulation and is currently, for PUB filing purposes, limited to the benefits to Manitoba Hydro. EM is able to report on (where quantifiable) other benefits (including social), but this would not be the focus of the PUB.</p> <p><b>ACTION:</b> CAC-MB will work with EM to connect to Winnipeg Harvest, Make Poverty History coalition, Social Planning Council regarding low-income customer segment.</p>
5. Break	
6. Indigenous communities	<p>EEAG members were asked to record questions/ideas for each segment on a sticky note for review at the end of the presentation.</p> <p>Following the presentation EEAG members went around the table to ask questions and provide comments on what was presented (captured on stickie notes, saved in folder). All questions were answered by EM and MB Hydro representatives.</p> <p><b>Engagement</b> EEAG noted that many communities do not currently access Manitoba Hydro Energy Efficiency programs. How will EM address this? EM stated that access is being worked on now during transition including pilots and working with communities to find out how to get them to participate and what they need to be engaged. Laying the foundation now.</p> <p><b>Housing</b> EEAG noted issue of low-quality housing is a huge issue in some communities – is there a way to improve the buildings? EM confirmed work can be done to improve building envelopes and new builds.</p> <p><b>Language and protocol</b> Following the presentation EEAG noted that the <i>Indigenous</i> strategy was not being communicated clearly in presentation nor discussion.</p>

# Blueprint.

	<p>In particular, a <i>First Nations</i> strategy as presented by MB Hydro is different than an <i>Indigenous</i> strategy. It was noted that EM was seeking guidance about the strategy. It was also noted by EEAG that over 100K people in Manitoba are Metis and that uptake in the program may improve if program addressed Metis specifically. Further, EM was cautioned not to characterize Indigenous and low-income segments as the same.</p> <p>A recommendation was made that EM coordinate an approach to leadership of Indigenous Nations (elected officials not communities) and that process will follow. There is a lot to be gained and that this is a significant opportunity for a new crown corporation.</p> <p><b>Indigenous involvement in development and delivery of EM</b> The question was asked whether there is/will there be Indigenous representation in EM, or just partnering with communities. It was recommended that representation in the development and delivery of EM would be beneficial.</p>
<p>7. EEAG schedule &amp; action items review</p>	<p>Consultation with respect to Sec. 35 Duty to Consult especially given the blackout. EM still doesn't have an answer on this.</p> <p><b>ACTION:</b> MMF is requesting a response on position re: Section 35 Duty to Consult from EM.</p>
<p>8. Parking Lot review, assignment, next steps</p>	<p>EEAG reviewed outstanding questions (go-around)</p> <p>KAP asked if they bring farmers together can EM be available in July? EM: Yes. EEAG is one forum for input, we want to meet with people/others along the way.</p> <p>What is process for EEAG members to present items?</p> <p><b>ACTION:</b> EEAG members who wish to present/provide information for the group can send info to Mike <a href="mailto:Michael.Stocki@efficiencymb.ca">Michael.Stocki@efficiencymb.ca</a> to be put in shared folder.</p> <p>Is there no plan to consult with consumers/public? EM clarified PUB process. It was recommended that EM ask PUB to maximize its own resources in this regard.</p>

**REFERENCE:**

Plan Application – Page 370

**PREAMBLE TO IR (IF ANY):**

EM discusses the marketing mix and strategies for commercial, industrial, and agricultural programs.

**QUESTION:**

Please provide answers to the following:

- a) What obstacles has EM identified to the participation of off-reserve First Nation businesses?
- b) What specific strategies has EM developed to market its offerings to off-reserve First Nation businesses and improve participation?

**RATIONALE FOR QUESTION:**

More than 40% of First Nation businesses in Manitoba are located off reserve. AMC would like to see a specific marketing strategy for off-reserve First Nation businesses to enhance their participation in EM's commercial offerings.

**RESPONSE:**

- a) Efficiency Manitoba welcomes input on specific participation barriers to off-reserve First Nation businesses. With business customers generally, barriers may include but are not limited to budgetary restrictions, limited time, staffing and other resources.
- b) As commercial program marketing strategies are still in development for implementation at Efficiency Manitoba, a specific strategy for off-reserve First Nation businesses has not been defined. Efficiency Manitoba would like an opportunity to receive more data from AMC on where First Nation businesses in Manitoba are located,

### 3.2.6 INDIGENOUS PROGRAMS

170 Efficiency Manitoba will work with First Nation and Métis partners to approach energy  
 171 efficiency and conservation in a manner which is fair, collaborative, and contributes to  
 172 the energy efficiency goals to the benefit of all parties. Table 3.4 provides a summary  
 173 of the programs, initiatives, and offers in the Indigenous customer sector which are  
 174 designed to alleviate the barriers to participation. Details with respect to the savings,  
 175 investment, cost effectiveness, projected participation, technologies, marketing  
 176 approach, implementation, and non-energy benefits are found in *Appendix A -*  
 177 *Section A6.*

**TABLE 3.4 2020/23 EFFICIENCY PLAN SUMMARY - INDIGENOUS PROGRAM BUNDLES**

PROGRAM BUNDLES	SUMMARY
INSULATION & DIRECT INSTALL OFFERS	Involves partnering with the 63 First Nations to identify on-reserve housing with high energy use and collaborating to reduce energy consumption. Two different participation paths are offered: insulation, and the direct install of small energy-saving items. Includes establishment of a dedicated First Nation energy advisor.
METIS INCOME QUALIFIED OFFERS	Includes all the residential income qualified offers but aims to partner with the Manitoba Metis Federation to administer, deliver and identify a network of Metis contractors to facilitate the upgrades.
SMALL BUSINESS OFFERS	Offered to First Nation on-reserve buildings and Métis businesses. Eligible small businesses receive free and easy-to-install devices, (such as faucet aerators and basic lighting measures), a lighting assessment, and an incentive on qualifying lighting retrofits identified in the assessment.
COMMUNITY GEOTHERMAL OFFER	A program to upgrade First Nations homes from electric furnaces to geothermal heat pumps. Includes training community members on how to install and maintain geothermal heat pump systems. The objective of this program is to attain energy savings while contributing to and supporting economic development in Indigenous communities through work with Indigenous Social Enterprises.

### 3.2.7 COMMERCIAL, INDUSTRIAL & AGRICULTURAL PROGRAMS

178 Offers in the commercial, industrial, and agricultural sectors are designed to increase  
 179 awareness of energy-efficient technologies and practices, and to provide customers  
 180 with information and incentives to encourage facilities and operations to become  
 181 more energy efficient. Table 3.5 provides a summary of the programs, initiatives, and



**RATIONALE FOR QUESTION:**

To consider how the retail rebate program for residential customers will apply for customers living on-reserve in northern Manitoba First Nations with limited internet availability.

**RESPONSE:**

- a) Yes, Efficiency Manitoba has recognized and anticipated that a lack of internet availability may be a barrier to participation in online rebates offers particularly in remote and northern areas of the province. Equity and access is a Guiding Principle for Efficiency Manitoba and as such, the organization has taken steps within the three-year plan to mitigate anticipated barriers to participation.
  
- b) As indicated in the 2020/23 Efficiency Plan, Section A4.4.3, p.293 of 591: “A paper version of the application form will be available for customers that do not have access to the internet or customers that choose not to apply online.” Customers without access to the internet may call Efficiency Manitoba to request a paper application form, which will then be mailed to them. The customer may fill out the form and mail it back to Efficiency Manitoba for submission and review.

In addition, to further promote accessibility, Section A6.3 (p.337-339 of 591) of the Plan outlines how two out of five online rebate products (smart thermostats and clothes washers) will be made available to on-reserve First Nations customers through the Insulation and Direct Install Offers.

**RATIONALE FOR QUESTION:**

To understand Efficiency Manitoba's Plan as it specifically relates to customers living on First Nation reserves.

**RESPONSE:**

- a) The rationale for a focus on community-led DSM initiatives is to create a collaborative relationship for First Nations communities to have an active and engaged voice in energy efficiency that is not solely influenced by Efficiency Manitoba. As the plan is implemented, understanding the goals and objectives of a First Nations community will help Efficiency Manitoba assess if the current programs are meeting needs and, if not, work with the First Nations communities to see how delivery or design can be modified and supported within the constructs of the Efficiency Manitoba Act and Regulation
- b) In the event a First Nation chooses not to partner with Efficiency Manitoba through the Indigenous program portfolio, First Nation On-Reserve residents can access the suite of available residential programs. It is Efficiency Manitoba's objective that through partnering with First Nations communities, program design and delivery can evolve to better suit a community's energy efficiency needs.
- c) Efficiency Manitoba's objective is to have the Indigenous partners decide how they want to access the suite of Indigenous programs. When or if at all, First Nations communities want to define goals and objectives that will be up to them. Efficiency Manitoba will not impose prerequisites or conditions that energy efficiency educational materials be read before goals and objectives are set or read prior to accessing programming.
- d) Efficiency Manitoba will work within the constructs of the Efficiency Manitoba Act and Regulation to assist First Nations communities with their energy efficiency goals and objectives. In the event, the goals and objectives do not completely align; Efficiency Manitoba would still like to support First Nations communities and assist them with pursuing those goals and objectives through other potential funding sources and additional partners where applicable. Please see p. 344 of 591 of the 2020/23 Efficiency

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		Annual Electric Advertising (000's \$)			
		2020/21	2021/22	2022/23	Annual Average
<b>RESIDENTIAL PROGRAMS</b>					
	Direct Install	\$25	\$25	\$26	\$25
	Product Rebates	\$581	\$593	\$585	\$587
	Home Renovation	\$283	\$317	\$306	\$302
	New Homes & Major Renovation	\$12	\$34	\$21	\$23
	Home Energy Efficiency Kits & Education	\$2	\$2	\$2	\$2
	Subtotal	\$903	\$972	\$940	\$939
<b>INCOME QUALIFIED PROGRAMS</b>					
	Income Qualified Offers	\$90	\$102	\$96	\$96
	Subtotal	\$90	\$102	\$96	\$96
<b>INDIGENOUS PROGRAMS</b>					
	Insulation and Direct Install	\$0	\$0	\$0	\$0
	Small Business	\$2	\$2	\$2	\$2
	Community Geothermal	\$0	\$0	\$0	\$0
	Metis Income Qualified	\$7	\$7	\$7	\$7
	Subtotal	\$9	\$9	\$9	\$9
<b>COMMERCIAL, INDUSTRIAL &amp; AGRICULTURAL PROGRAMS</b>					
	Small Business & Appliances	\$33	\$33	\$34	\$33
	In-Suite Efficiency	\$5	\$5	\$5	\$5
	Renovation	\$28	\$25	\$25	\$26
	HVAC & Controls	\$34	\$29	\$29	\$31
	New Construction & High-Performance Buildings	\$7	\$7	\$7	\$7
	Custom	\$2	\$2	\$2	\$2
	Load Displacement	\$1	\$1	\$1	\$1
	Subtotal	\$109	\$102	\$103	\$105
<b>EMERGING TECHNOLOGY PROGRAMS</b>					
	Emerging Technology	\$2	\$2	\$6	\$3
	Subtotal	\$2	\$2	\$6	\$3
<b>Program Totals</b>		<b>\$1,112</b>	<b>\$1,187</b>	<b>\$1,154</b>	<b>\$1,151</b>
Enabling Strategies: Program Support and Education		\$0	\$0	\$0	\$0
Enabling Strategies: Innovation, Codes & Standards and Evaluation		\$0	\$0	\$0	\$0
Corporate Overhead		\$0	\$0	\$0	\$0
<b>Total Electric Costs (000's \$)</b>		<b>\$1,112</b>	<b>\$1,187</b>	<b>\$1,154</b>	<b>\$1,151</b>

Note: May not add up due to rounding.

# Blueprint.

	<p><b>Engagement</b> Economic development and social, poverty perspectives will be important for a representative plan.</p> <p>EM provided an overview of who has been invited join the Advisory Group to date. Acknowledged that there was no representative from Economic Development groups at this point.</p> <p>EM is surveying channel partners and industry associations re: what they liked about Power Smart program to inform EM 3-year plan.</p> <p>Marginalized populations need to be engaged. Energy costs impact people living in poverty.</p> <p>Rural and northern communities have unique needs and specific challenges.</p> <p>It is important to engage with First Nations about unique challenges on- and off-reserve including quality of on-reserve housing and applying efficiency standards.</p> <p>Would it be useful to have sub-committees look at specific areas and report back to larger EEAG?</p> <p><b>ACTION:</b> EM to review feedback on engagement participants and structure under consideration and respond by next meeting.</p>
<p><b>4.</b> Advisory Group schedule, Terms of Reference</p>	<p>Terms of Reference were reviewed by the group. EM noted that an independent Demand Side Management (DSM) expert could attend meetings to support the work of the group if desired.</p> <p>It was noted that participation in this group does not preclude being an intervenor at the Public Utilities Board (PUB) hearing for the Efficiency Plan.</p> <p>It was further noted that the EEAG process is not to be considered consultation with First Nations and Indigenous people under section 35 of the Canadian Constitution.</p> <p>EM confirmed that participating in advisory group does not require 'signing off' on plan submitted for PUB consideration.</p>

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- 156           • flexibility to adjust mid-course within bundles in response to the market;
- 157           and
- 158           • more cost-effective in meeting energy savings targets.

#### **A2.1.4 PROGRAM DELIVERY CHANNELS & APPROACHES**

159 Leveraging Manitoba's experience in offering energy efficiency initiatives will be  
160 imperative to Efficiency Manitoba's success. A network of private sector delivery  
161 partners including contractors, retailers, suppliers, consultants, and industry  
162 associations is already established in Manitoba. Maintaining and continuing to  
163 strengthen these relationships is paramount to ensure the success of Efficiency  
164 Manitoba. In addition, many of the existing efficiency programs in Manitoba continue  
165 to experience high participation and energy savings. Efficiency Manitoba  
166 acknowledges these achievements and therefore plans to carry initiatives forward for  
167 sustained success of both Efficiency Manitoba and its industry partners working  
168 towards achievement of the legislated energy savings targets.

169 Industry Partners are one delivery channel used to promote energy efficiency projects  
170 in the province. These trade allies will have the opportunity to enhance their existing  
171 product and service offerings with programs available through Efficiency Manitoba.  
172 Industry Partners can be categorized broadly as retailers, contractors, architects,  
173 consulting engineers, distributors, and wholesalers. With the private sector actively  
174 engaged and assisting with program execution, Efficiency Manitoba staff will focus on  
175 design/modelling and strategy, program management and administration, technical  
176 support and customer relationships to continuously improve Efficiency Manitoba's  
177 offerings for Manitobans.

**REFERENCE:**

Plan Application – Page 212-216 of 591

**PREAMBLE TO IR (IF ANY):**

EM discusses program delivery approaches and lists key customer and industry associations.

**QUESTION:**

Please answer the following:

- a) Provide a list of existing and new First Nation businesses that will be relied upon as critical services providers and delivery partners for its electric and natural gas programs;
- b) What obstacles has EM identified to the participation of First Nation businesses as critical service providers and delivery partners?
- c) What strategies has EM developed to increase the participation of First Nation businesses as critical service providers and delivery partners?

**RATIONALE FOR QUESTION:**

This information will help AMC determine the potential non-energy benefits of the proposed Plan to First Nations.

**RESPONSE:**

- a) Efficiency Manitoba will rely on Aki Energy, a First Nation business, as an existing critical delivery partner for the Community Geothermal Program. Other specific critical service providers and delivery partners have not yet been determined.
- b) Efficiency Manitoba is currently unaware of any obstacles which may exist for First Nation businesses as critical service providers and delivery partners. Efficiency Manitoba welcomes feedback and input from the AMC to allow opportunities to anticipate and address obstacles AMC may be aware of.

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Suite Efficiency offer. <b>32) Installation Services</b> – a service provider will be required to install eligible energy efficient products in participating suites.	Install Provider - Spring 2020
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- c) Efficiency Manitoba has been collecting contact information for businesses interested in offering energy efficiency programs to their customers since the Spring of 2019. In early 2020, Efficiency Manitoba plans to communicate with these businesses as well as Manitoba Hydro's active participating program suppliers inviting them to sign a participating supplier agreement with Efficiency Manitoba. This will not be a limited time sign-up as new delivery partners will be able to register with Efficiency Manitoba at any time. Efficiency Manitoba will be in regular communication with these contacts as well as various industry associations providing them with updates and program materials as commencements of programs get closer.

Service provider procurement has been initiated and will be ongoing. Manitoba Hydro's existing program delivery contracts have transferability clauses related to Efficiency Manitoba that can be executed as needed. Several new initiatives are planned for commencement in years two and three of the plan to allow time for program planning, including the procurement of service providers.

The timeframe for onboarding new service providers is included in the chart (above) in response to DAYMARK/EM I-13 b.

- d) Please see the attached table for the response to this question.

Columns E through G include the assumed natural gas participation by measure for each year the technology is included in the plan along with a description of how this participation level is determined. Technologies with an N/A in the natural gas participation columns are technologies with electric savings only.

- e) Please see the attached table for the response to this question.

Outlined in column D are the program delivery partners that will be relied upon to convert these target customers to participants in each year.

- f) Please see the response to DAYMARK/EM I-77.

**RATIONALE FOR QUESTION:**

To obtain information regarding the procurement and management of third-party service providers.

**RESPONSE:**

- a) Efficiency Manitoba's Procurement Policy is under development and is expected to receive board of director's approval at the December 2019 meeting. Efficiency Manitoba has been procuring based on guidelines and consultation with Manitoba Hydro's procurement policies and personnel during the transitional period. This has included using Manitoba Hydro's online procurement tools, such as MERX to procure for services. The process was used, for example, with the procurement of a service provider to assist in the development of Efficiency Manitoba's Evaluation Framework.
- b) Efficiency Manitoba intends to include procedures in its Procurement Policy on when and how to weight First Nation's individuals and organizations as third-party providers of goods and services while recognizing required alignment with trade agreements to which Manitoba is a signatory.
- c) All contracts entered into to provide service on behalf of Efficiency Manitoba will detail respective responsibilities, specific oversight and management, performance expectations and issues management protocols.
- d) While a formal complaints process has not been established, there are many avenues to provide Efficiency Manitoba with feedback concerning third party providers. Complaints and feedback can be received by Efficiency Manitoba's customer service representatives. This feedback will be escalated to the relevant Efficiency Manitoba employees to address the concerns.
- e) All contractors, regardless of their intended work location or assignment, will undergo a Personnel Risk Assessment (PRA), which includes a criminal record check. Contractors



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<p>customers; install direct install items such as aerators, spray valves, showerheads, and A-line LED bulbs; conduct a lighting assessment of the business; and coordinate the product and scheduling of deeper retrofits with local electricians.</p>	
<p><b>First Nation Insulation and Direct Install</b></p> <p>24) <b>Appliances Service Provider</b> – a service provider to supply and install a front load clothes washer for participants.</p> <p>25) <b>Smart Thermostat Service Provider</b> – a service provider to supply and install a smart thermostat to eligible participants.</p> <p>26) <b>Energy and Water Saving Devices Service Provider</b>- a service provider to supply and distribute water and energy saving devices and LEDs.</p>	<p>Appliance provider - Spring 2021</p> <p>Thermostat provider - Spring 2021</p> <p>Devices provider - Spring 2020</p>
<p><b>Home Energy Efficiency Kits and Education</b></p> <p>27) <b>Energy Efficient Products</b> – A service provider will be required to supply energy efficient products provided through the Home Energy Efficiency Kits and Education offer.</p>	<p>Products provider- Spring 2020</p>
<p><b>Home Check Up</b></p> <p>28) <b>Energy Efficient Products provider</b> – A service provider will be required to supply energy efficient products provided through the Home Check Up offer.</p> <p>29) <b>Installation Services provider</b> – a service provider will be required to install eligible energy efficient products in participating customer’s homes.</p> <p>30) <b>Online questionnaire service provider</b> – A service provider will be required to develop and implement an online energy efficiency questionnaire.</p>	<p>Products provider - Spring 2020</p> <p>Install provider - Spring 2020</p> <p>Online Questionnaire provider – Fall 2020</p>
<p><b>In-Suite Efficiency</b></p> <p>31) <b>Energy Efficient Products</b> – A service provider will be required to supply energy efficient products provided through the In-</p>	<p>Products provider - Spring 2020</p>

Along with free basic energy savings measures and free insulation, the Indigenous Energy Efficiency Program provides the funding for labour to complete installations which creates employment for members of the community. With over 6,203 homes having received retrofits through the program, the equivalent of 28 full time jobs of Indigenous employment has been generated.

### Community Geothermal Program

The Community Geothermal Program provided funding and financing to support the installation of geothermal heat pump systems in Indigenous communities. Manitoba Hydro's PAYS Financing Program allowed community members to pay for the majority of the geothermal system through the energy savings realized by converting their heating/air conditioning systems to a geothermal system. Indigenous Services Canada made a decision to no longer consider the PAYS financing fee an eligible expense and it will no longer be used to cover the capital cost of the geothermal system. A different model to continue with the program has been created and is currently being piloted.

This new model will be a Community Driven Outcomes model, project managed by AKI Energy, where the desired outcomes, such as reduced energy bills and increased employment are predetermined by the communities.

### Solar Energy Pilot Program

Through the Solar Energy Pilot Program, Manitoba Hydro had discussions with a number of Indigenous communities or their consultants. Nelson House submitted applications for seven commercial projects totaling over 1,300 kW DC of solar PV. In 2018/19, Manitoba Hydro continued to work with Nelson House and their contractor directly to finalize a system design which will meet the parameters of the SEP while also being cost effective for the community. Nelson House plans to use their ATEC training centre to train local band members to install the solar PV system, creating social economic benefits for the community as a whole.

Fisher River Cree Nation and Northlands First Nation had initial inquiries into the program; however, these discussions have evolved into large scale solar projects outside of the program parameters.

### Small Business Program

The program's first visit to Opaskwayak Cree Nation was in fall of the 2016/17 fiscal year, at which time two direct installation projects (i.e. low-flow faucet aerators, low-flow spray valves, and basic LED screw-in lamps) were completed and 40 lighting assessments were conducted. There were 22 deeper lighting retrofits completed in the 2018/19 fiscal year with the services of a local electrician. The full material and installation costs associated with these deeper lighting retrofit projects were covered by the program.

### Metric 1: Program Equity

This metric aims to capture whether a program administrator has a long-term commitment that everyone has equal access to DSM programs and services, demonstrates leadership and a balanced portfolio.

Program Equity Sub-metrics		Maximum Score	EM's Year 0 (Baseline) Score
2.1.1	Robustness of low-income (LI) program savings and spending	1.5 ≥10,000 kWh/LI customer & ≥ 6.5% of total budget invested in LI programs	1.1
2.1.2	Programs or strategies for other residential hard-to-reach sectors (remote, indigenous)	1.0	0.5
2.1.3	Programs or strategies for C&I hard-to-reach sectors (small business, MURBs, farms)	1.0	0.7
2.1.4	Enabling strategies (codes & standards, financing, HERD/BERD, capacity building)	2.0	2.0
<b>TOTAL</b>		<b>5.5</b>	<b>4.3</b>

To score program equity, we award points on whether program administrators have programs or strategies in place to reach hard-to-reach sectors. For low-income programs where data is more readily available than other hard-to-reach sectors, we scored based on the degree of savings programs achieved and how much was spent on the program's implementation. In FY 2018, there was a fairly robust low-income program, with savings of almost 6,000 kWh/customer and low-income program spending of 6% the total DSM budget.

We gave additional points if strategies were in place to reach other hard-to-reach sectors. In FY2018, there were programs and strategies for Indigenous communities, small-business and multi-unit residential buildings (MURBs). There is currently no strategy for remote locations or farms.

### Metric 2: Data Use & Sharing

This metric consists of sub-metrics around improved data access and data sharing for program administrators and customers.

Data access is deemed important to highlight because customers with access to information regarding energy use are better able to manage consumption and engage in energy efficiency activities and programs. Program administrators that provide energy use information to residential households, owners and managers of large buildings, and communities help customers to better plan budgets, select and evaluate energy efficiency programs, and reduce overall energy consumption. Allowing customers to track their reduction in energy use and corresponding dollar savings demonstrates the value of energy efficiency and encourages further investments in it.

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95 DSM program evaluation involves undertaking various assessments, studies and  
96 activities to determine a program's effects. There are several types of evaluations  
97 outlined in Table 7.1 that will be utilized in assessing Efficiency Manitoba's initiatives.

**TABLE 7.1 SUMMARY OF EVALUATION TYPES**

EVALUATION TYPE	EVALUATION TYPE
IMPACT EVALUATION	Determines the energy savings, peak demand savings and non-energy benefits that result from a program
COST-EFFECTIVENESS ANALYSIS	An extension of the impact evaluation that uses the energy, demand and non-energy benefits and compares these benefits to the costs incurred to achieve those benefits
PROCESS EVALUATION	Gauges a program's effectiveness in achieving its objectives and the success of its implementation
MARKET EVALUATION	Assesses a program's influence on a market or sector by examining the evolution of the market and monitoring market transformation indicators

98 Evaluation activities will be prioritized. Considerations when developing the customer  
99 segment evaluation plan included: overall electric or natural gas portfolio savings;  
100 level of uncertainty; quality of data required; and timing of the evaluation. Table 7.2  
101 identifies several categories of initiatives where there is need for a specific type of  
102 evaluations or a specific level of rigor. These specific requirements were considered  
103 when the customer segment evaluation plan was developed. The Evaluation  
104 Framework report is available in *Attachment 5 - Evaluation Framework and Plan*.

**TABLE 7.2 DSM INITIATIVES REQUIRING ADDITIONAL ANALYSIS**

CATEGORY OF INITIATIVES	SPECIFIC REQUIREMENTS
PILOT PROGRAMS	Process and impact evaluations
INCOME QUALIFIED PROGRAMS	Additional evaluation of non-energy benefits
HARD-TO-REACH MARKETS	Additional evaluation of non-energy benefits
NEW TECHNOLOGIES	More rigorous impact evaluations given the relatively limited experience with their implementation



- › A socio-economic study to assess non-energy program impacts. The study could consist of two main components: (1) estimating the economic impacts, such as job creations attributable to Efficiency Manitoba's programs, initiatives and activities overall; and (2) determining the social-economic benefits of Efficiency Manitoba's programs, initiatives and activities, such as reducing operation and maintenance costs, conserving resources, or improving workplace safety, comfort and productivity. This study would be conducted once during the three-year plan and consider all of Efficiency Manitoba's activities.
- › A jurisdictional scan to collect data on appropriate non-energy benefits adder for cost-effectiveness analysis. This analysis would involve collecting data, either online or directly from utility staff, about the non-energy benefits adder they use for cost-effectiveness calculations, how they use it and how it was determined. This study would be conducted once during the three-year plan.

## 2.4 Estimated Costs of Evaluation Activities

EM&V best practices suggest spending between 3% and 5% of a DSM plan's total expenditure on EM&V activities, including evaluations as well as other studies, such as the ones recommended in Section 2.3 of Econoler's Portfolio Evaluation Plan. Evaluation typically accounts for 1% to 2% of the DSM budget. Based on the evaluation schedules provided in this plan, Econoler has estimated the evaluation costs for each fiscal year of the Efficiency Manitoba three-year Energy Efficiency Plan. The following table lists these estimated evaluation costs in relation to Efficiency Manitoba's total expected DSM expenditure, excluding those estimated costs for the recommended additional studies.

**Table 7: Estimated Evaluation Costs**

	Fiscal Year 2020/2021	Fiscal Year 2021/2022	Fiscal Year 2022/2023
Approximate Efficiency Manitoba DSM Expenditure	63.1 M\$	72.6 M\$	74.5 M\$
Estimated Evaluation Costs	1.15 M\$	1.25 M\$	1.10 M\$
Percentage of Estimated Evaluation Cost of DSM Expenditure	1.8%	1.7%	1.5%

**REFERENCE:**

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**PREAMBLE TO IR (IF ANY):**

The consult recommends “A socio-economic study to assess non-energy program impacts. The study could consist of two main components: (1) estimating the economic impacts, such as job creations attributable to Efficiency Manitoba’s programs, initiatives and activities overall; and (2) determining the social-economic benefits of Efficiency Manitoba’s programs, initiatives and activities, such as reducing operation and maintenance costs, conserving resources, or improving workplace safety, comfort and productivity. This study would be conducted once during the three-year plan and consider all of Efficiency Manitoba’s activities.”

**QUESTION:**

Please answer the following:

- a) Will EM commit to conducting a socio-economic study to assess non-energy benefits?
- b) Will EM commit to working with AMC to ensure that any socio-economic study to assess non-energy benefits captures benefits to First Nations?

**RATIONALE FOR QUESTION:**

AMC is concerned that the non-energy benefits of efficiency programs to First Nations are not adequately represented in the present selection and evaluation methodologies.

**RESPONSE:**

- a) Efficiency Manitoba will be reviewing the Additional Study’s section of Econoler’s Evaluation Framework Report with the intent to implement all recommendations that are deemed to have a valuable impact on the corporation’s ability to meet its mandate and strategic goals. This includes a review of the socio-economic study that was recommended to assess the non-energy benefits of energy efficiency.

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686 included rejection of individual technologies within a portfolio; adjustments to the  
687 planned incentive levels; and adjustment to the targeted participation and resulting  
688 savings.

## **A2.4 ENGAGEMENT**

689 To ensure the Plan considers the interests and provides optimal value to Manitobans,  
690 Efficiency Manitoba engaged with key stakeholders throughout the Plan development  
691 process. The engagement strategy included the formation of the EEAG in accordance  
692 with Section 27 of the Act, the development of a stakeholder survey, as well as  
693 engagement through program delivery activities with contractors, installers, retailers,  
694 customers, and associations. The engagement activities provided invaluable insight  
695 and perspectives to Efficiency Manitoba as strategies to meet mandated savings  
696 targets in a cost-effective manner were considered. Further information on  
697 engagement can be found in *Section 3*. Through implementation of the stakeholder  
698 engagement model, Efficiency Manitoba will continue to build strong and lasting  
699 relationships with organizations, government, community groups, industry, and  
700 experts.

### **A2.4.1 ENERGY EFFICIENCY ADVISORY GROUP**

701 Efficiency Manitoba worked with the EEAG in advance of the submission to ensure  
702 that the Plan includes input and optimizes actions and strategies while meeting the  
703 mandated savings targets in a cost-effective manner. To ensure a robust, impartial,  
704 and thoughtful process, Efficiency Manitoba retained a third-party service provider to  
705 facilitate the process.

706 The EEAG was formed to:

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**A2.4.2 EEAG REPORTS & MINUTES**

730 Six scheduled meetings were held between Efficiency Manitoba and the EEAG  
731 between end of May and September of 2019. Meeting reports are included in  
732 *Attachment 2*. In addition to the structured meetings, additional discussions with  
733 members of the EEAG occurred, and Efficiency Manitoba also presented material  
734 separately to member groups upon request.

**A2.4.3 OTHER STAKEHOLDER ENGAGEMENT ACTIVITIES****STAKEHOLDER ENGAGEMENT SURVEY**

735 To prepare for this initial three-year plan, Efficiency Manitoba surveyed stakeholders  
736 of Manitoba Hydro's energy efficiency programs to gain feedback on the programs  
737 and services offered, as well as to generate ideas for future programming. The  
738 information from the respondents was considered when formulating the offerings and  
739 enhancements described throughout the Plan. In total, over 2,500 contractors,  
740 suppliers, installers, consultants, engineering firms, architectural firms, government  
741 departments, and associations were contacted.

742 When asked about existing energy efficiency programs, stakeholders were very  
743 satisfied with the quality of customer service; technical support; timeliness of  
744 approval; and incentive amounts. Common responses related to areas for possible  
745 improvement, included:

- 746 1) paperwork is too onerous and not worth the customer or the contractor's time;
- 747 2) an online application process would be easier and less time-consuming; and
- 748 3) solar rebates should be brought back.



**RESPONSE:**

- a) Please see the tables below for the number of participants, total budgets, and energy savings per year per participant for First Nations energy efficiency programs offered by Manitoba Hydro for the last three years.

First Nations Planned Participation Manitoba Hydro Community Geothermal Program	2017/18	2018/19	2019/20
<b>Number of Geothermal Systems</b>	135	125	75
<b>Budget</b>	\$900,000	\$900,000	\$500,000
<b>Avg Annual Energy Savings per Participant (kW.h)</b>	15,556	16,000	14,667

First Nations Planned Participation Manitoba Hydro Affordable Energy Program	2017/18	2018/19	2019/20
<b>Insulation Participants</b>	281	246	50
<b>Direct Install Participants</b>	1500	1500	200
<b>Budget</b>	\$ 861,237	\$ 841,305	\$160,511
<b>Avg Annual Energy Savings (Insulation Only) per Participant (kW.h)</b>	3,029	2,052	2,052
<b>Avg Annual Energy Savings (Direct Install) per Participant (kW.h)</b>	556	772	778

- b) The tables below summarize the number of participants, total budgets, and the anticipated annual energy savings by participants for offers targeted to First Nations on-reserve customers within the Indigenous customer segment. For the newly offered Indigenous Small Business Program, there was no assumed participation split between First Nations and Metis customers.

Planned Participation Efficiency Manitoba Community Geothermal Program	2020/21	2021/22	2022/23
<b>No. of Homes</b>	50	90	90
<b>Budget</b>	\$323,000	\$505,000	\$515,000
<b>Avg Annual Energy Savings per home (kW.h)</b>	15,400	13,777	13,777

**2020-2023 Efficiency Plan  
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Planned Participation Efficiency Manitoba First Nation Insulation & Direct Install	2020/21	2021/22	2022/23
<b>Insulation</b>	50	75	80
<b>Direct Install</b>	50	75	100
<b>Budget</b>	\$196,000	\$256,000	\$272,000
<b>Avg Annual Energy Savings (Insulation Only) per Participant (kW.h)</b>	2,239	3,132	3,132
<b>Avg Annual Energy Savings (Direct Install) per Participant (kW.h)</b>	841	841	841

Planned Participation Indigenous Small Business	2020/21	2021/22	2022/23
<b>No. of Buildings</b>	30	30	40
<b>Budget</b>	\$313,000	\$370,000	\$472,000
<b>Avg Annual Energy Savings per Building (kW.h)</b>	12,333	12,333	11,000

- c) Please see the proposed enhancements including the costs and savings of the new eligible technologies in the First Nation Insulation and Direct Install Program below.

First Nation Direct Install Offer Enhancement	2021/22 Enhancement		2022/23 Enhancement	
	Cost	Savings	Cost	Savings
<b>Smart Thermostats</b>	\$2,675	1,847 kW.h	\$3,636	2,462 kW.h
<b>Clothes Washers</b>	\$4,077	2,348 kW.h	\$6,649	3,523 kW.h

Efficiency Manitoba has also included new strategic approaches as noted on pdf pages 330-333, Appendix A – Section A6. To support Indigenous programs there will be an education component as well as Community Energy Efficiency Plans that will be funded out of the enabling strategies budget.

through this initiative and 21 of those band members have been fully IGSHPA (International Ground Source Heat Pump Association) certified to install geothermal systems. In 2017/18, 54 geothermal heat pump systems were installed under this program, in four participating Indigenous communities including Peguis First Nation, Fisher River Cree Nation, Long Plain First Nation, and Sagkeeng First Nation.

### Solar Energy Pilot Program

Through the Solar Energy Pilot Program, Manitoba Hydro had discussions with a number of Indigenous communities or their consultants. Nelson House has submitted applications for seven commercial projects totaling over 1 300 kW dc of solar PV. Manitoba Hydro worked with Nelson House and their contractor directly over the past year to determine program eligibility and system sizing. Nelson House plans to use their ATEC training centre to train local band members to install the solar PV system, creating social economic benefits for the community as a whole.

Fisher River Cree Nation and Northlands First Nation had initial inquiries into the program, however, these discussions have evolved into large scale solar projects outside of the program parameters.

### Power Smart Shops Program

In addition to the program pilots recently conducted in The Pas and Dauphin, pilots of a similar nature were also conducted in two Indigenous communities in the 2017/18 fiscal year:

The program's first visit to Opaskwayak Cree Nation was in fall of the 2016/17 fiscal year, at which time two direct installation projects (i.e. low-flow faucet aerators, low-flow spray valves, and basic LED screw-in lamps) were completed and 40 lighting assessments were conducted. Forty deeper lighting retrofits will be completed in the 2018/19 fiscal year with the services of a local electrician. As with The Pas and Dauphin pilots, the full material and installation costs associated with these direct installation and deeper lighting retrofit projects are being covered by the program.

The program's first visit to Peguis First Nation was in spring of the 2016/17 fiscal year, at which time nine direct installation projects were completed and 24 lighting assessments were conducted. Twenty-four deeper lighting retrofits were completed in the 2017/18 fiscal year, with the help of a local electrical apprentice. Again, the full material and installation costs associated with these direct installation and deeper lighting retrofit projects are being covered by the program.

### New Homes Program

Indigenous Communities are frequently contacted to encourage participation in the New Homes Program by way of energy efficient new residential construction projects.

In 2017/18, 77 energy efficient new homes were completed and incentives paid through the New Homes Program. A further 97 applications were received over the year and these new homes are expected to be completed in 2018/19.

The New Homes Program is involved in a green building code project known as the Cross Lake Sustainability Guide. It is expected that 29 new homes at Cross Lake will receive certification and incentives from the program, and that future residential construction projects will also be eligible due to increased levels of energy efficiency.

Program staff participates in regular meetings with CMHC, Manitoba Housing, and Indigenous Services Canada to discuss and share information about First Nations housing initiatives, programs, and procedures. A coordinated process flow document is being created to help Indigenous Communities take advantage of the various funding and program benefits available. Presentations at the CMHC First Nations Housing Symposium provided information about the program to approximately 45 different communities.

All new residential homes being constructed for Indigenous Communities are eligible to apply for incentives and energy modeling assistance, provided the homes are designed to meet the minimum requirements of the program.

### Power Smart for Business

#### **Waywayseecappo Community School benefits from Power Smart**

With technical assistance and financial support from Manitoba Hydro Power Smart, Waywayseecappo Community School in Waywayseecappo First Nation, received upgrades to its lighting system resulting in increased energy efficiency, enhanced learning experience, and ongoing comfort and safety for students, staff, and visitors.

Throughout the school, inefficient lighting systems were upgraded to modern, energy efficient LED systems. Fluorescent lamp fixtures were upgraded – cutting energy consumption in half while tripling product life. Halogen and incandescent lamps that lit various washrooms, storage rooms and change rooms were upgraded – reducing energy consumption by 80 per cent and increasing product life by 10 times. Lastly, metal halide fixtures in the gym and on school exterior walls were upgraded – reducing energy consumption by half and tripling product life.

The installation of these lighting technologies will provide estimated annual energy savings of 130,000 kWh, resulting in annual lighting bill reductions of \$7,000 while reducing greenhouse gas emissions by an estimated 100 tonnes of CO<sub>2</sub>e annually, which is equivalent to taking 20 cars off the road for a year.

### LED Lighting Program

In 2018/19, an annual spring rebate campaign was offered province-wide through the LED Lighting Program. Customers received instant rebates on a variety of energy efficient products including ENERGY STAR® certified LED bulbs and fixtures in 2018/19. This offer was available in approximately 20 all-electric communities at 29 participating stores.

### Refrigerator Retirement Program

Launched in June 2011, the Refrigerator Retirement Program offers residential homeowners free in-home pick-up of older working refrigerators and freezers. Homeowners also receive a \$50 incentive for each unit retired. The program's contracted service provider travels to all areas of the province to pick up these old and inefficient units.

During 2018/19, the program saw 2,039 participants who heated their homes with electricity.

### New Homes Program

The New Homes Program encourages the construction of energy efficient residential buildings by offering financial incentives to homebuilders. Rebates for the costs of energy modeling work are also provided under the Program. During 2018/19, the program saw 134 homes constructed using electricity as their primary space heating fuel, of which 114 were in all-electric areas, and 20 located in gas available areas. The majority of the electric projects in gas available areas were built by Habitat for Humanity. The New Homes Program is open to participants province-wide, including band-owned and on-reserve housing. In total, 104 new homes in First Nations communities were certified by the New Homes Program in the 2018/19 fiscal year.

### Solar Energy Pilot Program

The introduction of the Solar Energy Pilot Program (SEP) in spring 2016 expanded on existing renewable energy options to Manitobans. The two year pilot offered incentives to help offset the capital cost of installing Solar Photovoltaic (PV) systems to displace customers' electricity load, targeting residential and commercial customers throughout the province. The SEP pilot stopped accepting applications after April 30, 2018, and in total over 1,600 applications were pre-approved. This year saw 325 completed projects for all electric rural customers and 10 completed all electric urban customers.

### Water & Energy Saver Program

The Water and Energy Saver Program (WESP) is offered throughout Manitoba whereby customers can apply to receive a free kit in the mail. In addition, as part of the Program, contracted technicians go door-to-door in target areas offering on-the-spot installation of energy efficient devices. The kit includes low-flow showerheads, bathroom and kitchen faucet aerators, pipe wrap, plumber's tape and

Additionally, there were 15 direct installation projects and 15 deeper retrofit projects completed in Long Plain First Nation with the help of a local electrician. Again, full material and installation costs associated with these direct installation and deeper lighting retrofit projects were covered by the program.

### New Homes Program

Indigenous Communities are frequently contacted to encourage participation in the New Homes Program by way of energy efficient new residential construction projects.

In 2018/19, 104 energy efficient new homes were completed and incentives paid through the New Homes Program. A further 130 applications were received during the fiscal year and these new homes are expected to be completed in either 2019/20 or 2020/21.

Program staff participates in regular meetings with CMHC, Manitoba Housing, and Indigenous Services Canada to discuss and share information about First Nations housing initiatives, programs, and procedures. Presentations at the CMHC First Nations Housing Symposium and other First Nations conferences provided information throughout the year to invitees from the 63 Manitoba First Nation communities.

All new residential homes being constructed for Indigenous Communities are eligible to apply for incentives and energy modeling assistance, provided the homes are designed to meet the minimum requirements of the program.

### Energy Efficiency for Business

#### **Sagkeeng First Nation benefits from Energy Efficiency New Buildings Program**

Made possible through technical assistance and financial support from Manitoba Hydro, the emergence of energy modelling as a design tool for local new construction developments is seeing increased uptake in Manitoba First Nation community projects – which will result in saved energy and reduced operating costs.

Sagkeeng First Nation is constructing Anicinabe Community School in the community of Fort Alexander. The 42,000 square foot facility consists of classrooms for all grade levels, a gymnasium, offices and supporting spaces.

Designed to be over 20% more energy efficient than a code-compliant building, the energy efficient design will provide estimated annual energy savings of approximately 200,000 kWh, resulting in annual

**REFERENCE:**

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**PREAMBLE TO IR (IF ANY):**

EM estimates that for the Indigenous Insulation and Direct Install program, that “Once efficiency opportunities are identified, qualifying upgrades will be pursued at little to no cost to the resident of the home.”

**QUESTION:**

What does EM estimate the average cost will be for participants in the Indigenous Insulation and Direct Install program? What funding does EM anticipate will be provided by the federal government or Indigenous Services Canada? What will the average cost be for participants if no funding is received from the federal government or Indigenous Services Canada?

**RATIONALE FOR QUESTION:**

AMC would like clarification as to what is meant by “little to no”.

**RESPONSE:**

The incentives provided for the Insulation and Direct Install program are sufficient to cover the material costs and also to pay First Nation community members to do the installations without a cost to participants. Efficiency Manitoba has not considered potential federal funding in the design of this offer. If Federal funding dollars become available, Efficiency Manitoba anticipates the potential to either enhance or increase the reach of programming provided the requirements set by the federal government to access the funds are met.