

ASSEMBLY OF MANITOBA CHIEFS FINAL SUBMISSIONS

EFFICIENCY MANITOBA 3-YEAR ENERGY EFFICIENCY PLAN SUBMISSION (2020-2023)
PUBLIC UTILITIES BOARD OF MANITOBA

“...It is also well established that there exists a special relationship between the Crown and Aboriginal peoples of Canada, qualified as a *sui generis* relationship. This special relationship stems from the fact that Aboriginal peoples were already here when the Europeans arrived in North America.”

First Nations Child and Family Caring Society of Canada et al v Attorney General of Canada

OVERVIEW

1. Introduction to Assembly of Manitoba Chiefs
2. Equity and Accessibility
3. Balance: Accessibility and Rate Impacts
4. Engagement with First Nations Governments and Citizens
5. Evaluation and Methodology: Consideration of Non-Energy Benefits
6. Data Collection and Disaggregation

ASSEMBLY OF MANITOBA CHIEFS



Political organization that aims to present a common front to pursue issues relevant and important to **Manitoba First Nations**



Governing authority: **Chiefs in Assembly**



Affirms **First Nations** rights to exercise and practice self-determination and self-government



Protects the integrity and authority of each **First Nation's** customs, laws and practices



The **AMC's** funding is proposal based and dedicated to specific activities outlined in each successful proposal



At all times, the **AMC** aims to provide a mechanism that balances the respect for local and regional **First Nations'** autonomy with the need for collective positions and decisions



EQUITY AND ACCESSIBILITY

THE CASE FOR MORE EQUITABLE FUNDING AND PROGRAMMING FOR FIRST NATIONS CUSTOMERS



IS THE PLAN ACCESSIBLE AND EQUITABLE?

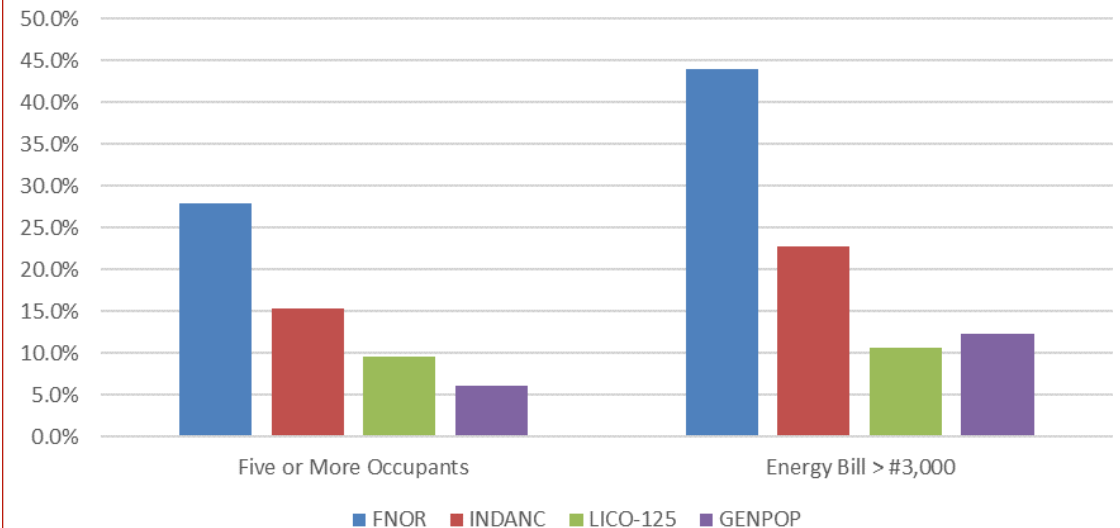
- The Plan is not accessible in an equitable manner for First Nations customers
- The consideration of accessibility by EM appears to be based on the existence of programming rather than the robustness of programming
- Data, measurement and evaluation is key to equitable access: “when you start to measure these things and include them, they become sort of more tangible and more real”
- The Plan runs the risk of further exacerbating inequalities between First Nations and non-First Nations populations

DISPARITIES AND INEQUALITIES

Disparities between First Nations non-Indigenous populations:

- Significantly lower levels of economic participation
- More likely to be in the lowest income decile and qualify as low-income
- Significantly higher levels of overcrowding
- Significantly lower housing stock
- More likely to experience energy poverty

Figure 5 - Percentage of Homes with 5 or More Occupants and Energy Bills Above \$3,000 by Demographic Group



A BALANCED APPROACH TO ENERGY EFFICIENCY

- Efficiency Manitoba is an agent of the Crown (EM Act, S.3(3)) and mandated to advance reconciliation (PTRA, Mandate and Framework Letters)
- **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** (PTRA)*
- The PUB must consider whether the Plan is accessible to all Manitobans (EM Act, S. 11(4))
 - “Accessible” is not the same as “available”
 - Accessible – able to be easily obtained or used.
- *Reconciliation is furthered by concrete and constructive action that improves the present and future relationship between Indigenous and non-Indigenous peoples. (PTRA)*

HORIZONTAL AND VERTICAL EQUITY

A method of ensuring that First Nations customers have equitable access to programming:

- Equity school: ensures that one must not consider only the magnitude of conservation but its distribution
- Horizontal equity (low end): Program participation is equal to share of customers
- Horizontal equity (high end): Targeted energy savings from efficiency programs match energy consumption of the targeted population; Or percentage of bill savings compared with share of energy bills
- Vertical Equity: Attempts to address the socioeconomic and energy inequalities embedded in society so that the benefit of energy efficiency programming would disproportionately favour customers with inequalities

UNDERREPRESENTATION OF FIRST NATIONS CUSTOMERS

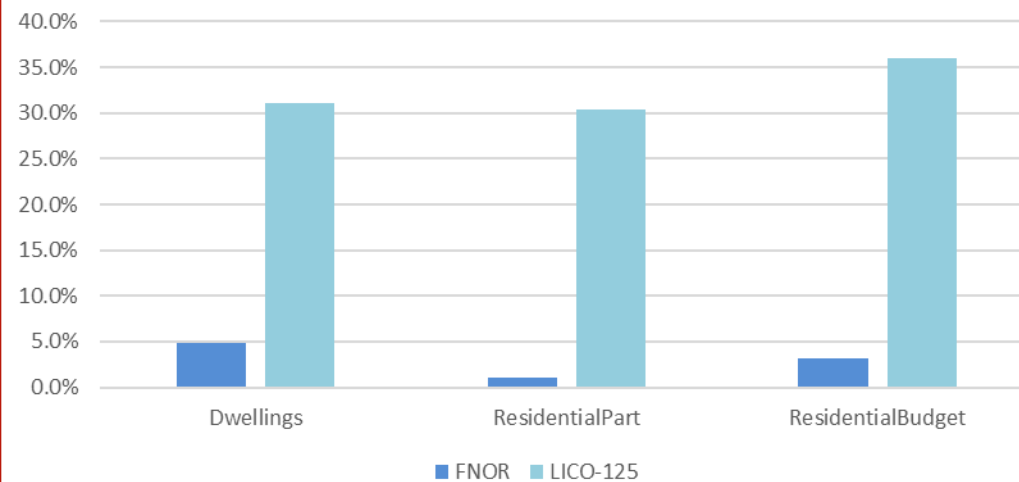
- First Nations on-reserve customers consume 4% of annual electric energy
- Plan projects 0.5% of electric energy savings will be targeted by Indigenous customer segment
- Indigenous electric programming budget is 3% of overall budget
- “Indigenous” = both First Nations and Metis customers

Customer Segment	Annual Electric Energy Consumed (GWh)	% of Total	# of Electric Customers	% of Total	Annual Natural Gas Consumed (million m ³)	% of Total	# of Natural Gas Customers	% of Total
Agricultural	811	4%	4,040	1%				
Commercial	6,122	27%	57,863	10%				
Industrial	7,502	33%	6,656	1%				
Residential	7,454	33%	494,237	85%				
First Nations	845	4%	20,451	4%				
Total	22,734	100%	583,246	100%		100%		100%

UNDERREPRESENTATION OF FIRST NATIONS CUSTOMERS

- First Nations on-reserve dwellings account for 5% of premises under the residential rate class (adjusted for household size)
- Residential programs for First Nations on-reserve customers account for 1.1% of program participants in the residential programs and 3.2% of costs for residential programs
- One factor is the gas budget for the IQP, which First Nations on-reserve customers will not be participating in

Figure 10 - First Nation on Reserve and Low-Income Shares of Dwellings and Residential Programs



UNDERREPRESENTATION OF FIRST NATIONS CUSTOMERS

Figure 11 - First Nation On Reserve Shares of Electricity Consumption and Savings

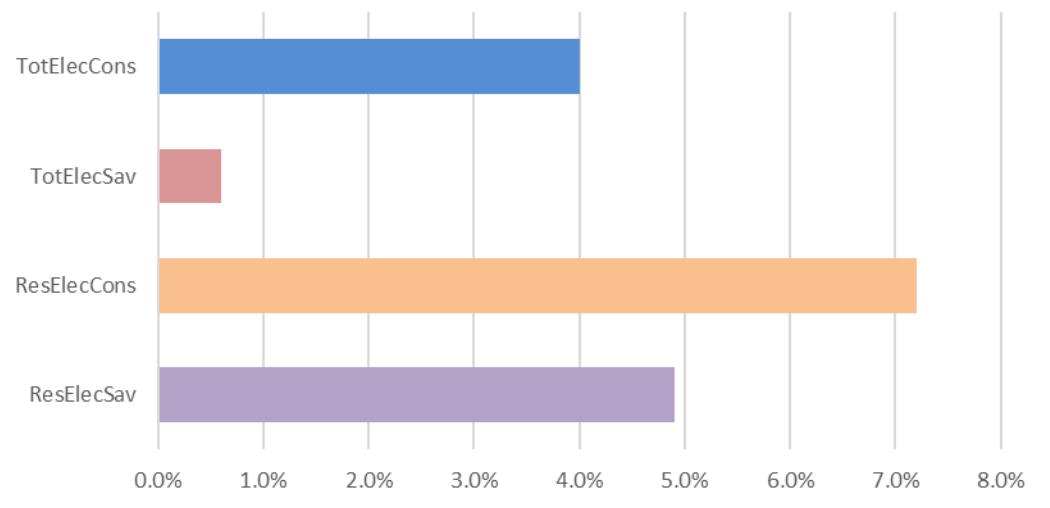
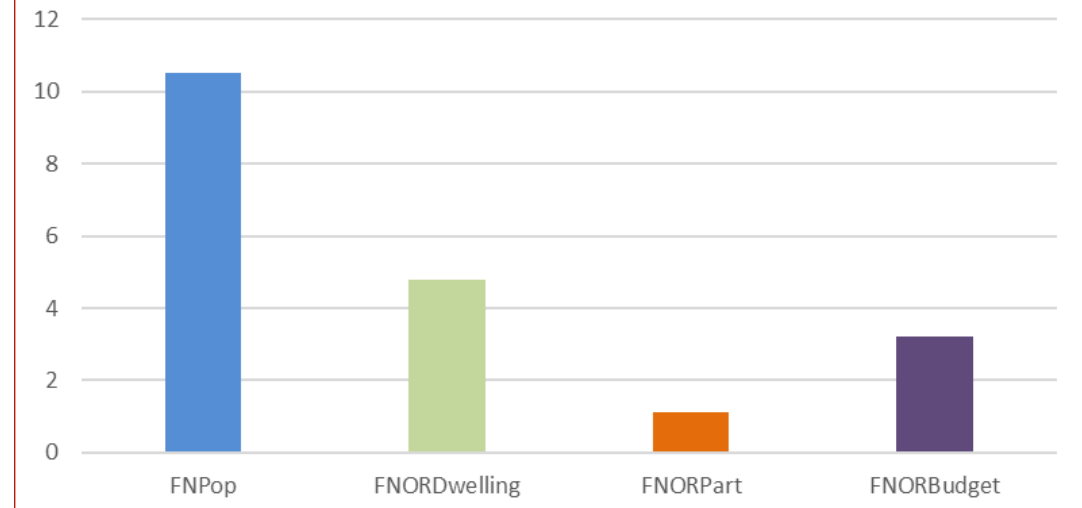


Figure 12 - First Nation and First Nation On Reserve Shares of the Population, Dwellings, and Plan Programs



A MORE SIGNIFICANT AND STABLE FUNDING PACKAGE FOR FIRST NATIONS ON-RESERVE PROGRAMS

1. Access to general programming does not fix underrepresentation of First Nation's customers in the Plan: First Nations customers face barriers to accessing general programming
2. Unmitigated risks in EM's engagement strategy may lead to reduced participation instead of anticipated increased participation – further enhancing underrepresentation of First Nations on-reserve customers
3. It is unclear whether budget flexibility can accommodate increased participation by First Nations customers on measures of horizontal or vertical equity

ROOM FOR GROWTH IN FIRST NATIONS PROGRAMMING

77% of on-reserve homes were not eligible for insulation under Manitoba Hydro's Power Smart Program

- Is there room for growth in insulation programming?
- Is there room to add further programs for First Nations on-reserve customers?
- Importance of Community Energy Plans for identifying new programming

Gaps in programming for high performing technologies

- Room to add higher targets for high performing technologies

EQUITY SHOULD BE BUILT IN BY DESIGN AND NOT AS AN AFTERTHOUGHT

Submissions and Recommendations:

- Electric savings targets and associated budgets for First Nations on-reserve programs should be increased
- Comprehensive approaches that improve energy efficiency for First Nations on-reserve homes and buildings should be expanded
- Data for First Nations off-reserve customers should be collected and an IQP program created
- Clear programming targets and reporting for access by First Nations on-reserve customers to general programming should be added to future reports

EQUITY SHOULD BE BUILT IN BY DESIGN AND NOT AS AN AFTERTHOUGHT

Submissions and Recommendations (con't):

- Efficiency Manitoba should be directed to report on measures of equity for both proposed plans and evaluation of implemented plans:
 - Comparison of energy savings v energy consumption for First Nations customers
 - Comparison of program participation compared with share of customers (adjusted for household size)
 - Percentage of bill savings compared with share of energy bills
- Create a project management plan for First Nations programs

EQUITY SHOULD BE BUILT IN BY DESIGN AND NOT AS AN AFTERTHOUGHT

Submissions and Recommendations (con't):

- Increase First Nations Energy Advisor positions and make them regionally based
- Expand and allocate stable funding to enabling strategies like the Community Energy Plans
- Efficiency Manitoba should conduct additional research to consider potential benefits or disadvantages to moving to a dedicated funding model for each First Nation, and track the issue for consideration at the next hearing



BALANCE: ACCESSIBILITY AND RATE IMPACTS

IMPACTS FROM RATE INCREASES ASSOCIATED WITH ENERGY EFFICIENCY PROGRAMMING WILL HAVE A DISPROPORTIONATE IMPACT ON FIRST NATIONS CUSTOMERS



The Plan will require additional revenue from Manitoba Hydro and is likely to result in rate increases



Rate increases disproportionately impact First Nations ratepayers



The lack of equitable accessibility to programming means that First Nations customers will have less ability to access the benefits of bill reductions than other customers

RATE IMPACTS

BILL SAVINGS FOR FIRST NATIONS CUSTOMERS

- Community geothermal program is a pilot programming that will target 2-3 communities
- Gap in bill savings between Metis Income Qualified customers and First Nations insulation and direct install customers
- Majority of First Nations customers will not have access to significant bill savings from First Nations programming

Program	Annual Average Electric Bill Savings	Total Annual Electric Bill Savings
Insulation and Direct Install (First Nations program)	\$140/retrofit	\$20,000
Community Geothermal (First Nations program)	\$1100/system	\$84,000
Metis Income Qualified	\$470/home	\$14,000

EM Exhibit #27 / Undertaking #6

INCREASED ACCESS TO PROGRAMING WILL MITIGATE RATE INCREASES FOR FIRST NATIONS CUSTOMERS

AMC Submissions and Recommendations:

- The disproportionate negative impact of rate increases on First Nations customers is another factor that supports increasing program for First Nations customers
- Efficiency Manitoba should conduct research and direct engagement on the gaps between bill savings for the installation and direct install programs and income qualified programs to determine what further can be done to reduce the gap and increase bill savings for more First Nations on-reserve customers



ENGAGEMENT WITH FIRST NATIONS CITIZENS AND GOVERNMENTS

DIRECT ENGAGEMENT WITH FIRST NATIONS GOVERNMENTS AND CITIZENS SHOULD BE PRIORITIZED



IMPORTANCE OF ENGAGEMENT

- The *Efficiency Manitoba Act* is clear that public and stakeholder engagement are separate items (EM Act, ss. 9(h))
- The EEAG does not, and cannot, replace direct engagement with First Nations and First Nations citizens
- First Nations have a unique and distinct relationship with the Crown, including Crown agencies that extends from the inherent rights of First Nations
- First Nations in Manitoba are incredibly diverse with unique historical backgrounds and living conditions, it is the AMC's position that bypassing direct engagement ignores the individual and distinct sovereignty of each First Nation
- “Reconciliation is founded on engagement with Indigenous nations and Indigenous peoples” (PTRA)
- Lack of direct engagement with the public and with First Nations will negatively impact the accessibility of plans, particularly for hard-to-reach customers

THE ROLE OF THE EEAG MUST BE CLEAR

- To be successful the EEAG must have a clearly defined mandate that is agreed upon and understood by its members
- For the EEAG to be effective, EM must listen to it: the meeting notes from all six meetings indicate that First Nations organizations requested EM to directly engage with First Nations at every meeting – this is not a new issue

...it needs to be clear to the people who become part of your committee what they're required to do and how much time they're going to spend doing it, how their ideas will be listened to and responded to by the Crown corporation, and any other number of factors in setting up the terms of reference.

Dr. Fitzpatrick, Transcript, Jan 14, p. 1695

BARRIERS FOR PARTICIPATION IN THE EEAG

- Efficiency Manitoba must recognize the barriers to participation in the EEAG by First Nations organizations, specifically issues of funding and staffing capacity
- The EEAG should be funded commensurate with its role – EM should not be using the EEAG to do its work at no cost
- Time spent on EEAG activities is time not spent on other important initiatives
 - For the AMC this includes initiatives, such as Bringing Our Children Home, education and health among many other projects

...what they usually offer me or my university is certainly per diems for meetings, expenses to attend meetings, usually they feed us, and either an annual retainer or a per diem to allow people to prepare in advance of the meetings. So that would be something that I'm seeing is becoming increasingly applied for advisory boards, particularly for organizations that are not for profit.

Dr. Fitzpatrick, Transcript, Jan 15, p. 1902-1903

ENGAGEMENT STRATEGY

- The AMC is pleased to hear that EM is considering retaining a community liaison to engage directly with First Nations customers
- Efficiency Manitoba could adopt some engagement approaches from the IESO Report (Tab 4, AMC BOA)
 - Feedback from First Nations gathered for engagement and at community meetings
 - Third party evaluation report for programming
 - Online survey
 - In-person engagements, such as regional meetings, seminars or symposiums, working groups (such as the EEAG), Community visits, webinars
 - Interviews with community representatives and industry representatives

ROLE OF THE AMC

- The AMC may be a valuable intermediary for EM's engagement strategy or to help marketing of engagement and efficiency materials
- The AMC has limited resources to assist in these initiatives
- To be involved, the AMC requires that the EEAG have a clear mandate and processes and capacity funding. The AMC will need to pass a resolution by the Chiefs-in-Assembly for their consent to participate

ENGAGEMENT SHOULD BE BOLSTERED

Submissions and recommendations:

- A mandate and processes for the EEAG should be created and passed by its members
- Efficiency Manitoba should engage with members of the EEAG about resourcing or funding options and come to an agreement regarding the same
- Efficiency Manitoba must engage directly with First Nations governments and citizens



EVALUATION AND METHODOLOGY

CONSIDERATION OF NON-ENERGY BENEFITS



NON-ENERGY BENEFITS – METHODOLOGY & EVALUATION

- The *Efficiency Manitoba Act* does not preclude the use of measurements for consideration of non-energy benefits in addition to the PACT, and in fact supports it: EM Act (s. 9(1)(g) and 11(4)(b))
- Non-energy benefits are currently considered after portfolio design, but could be considered through use of the TRC during portfolio design
- The TRC can consider factors like customer bill reduction, reduction in energy poverty levels, or calculation of economic benefits
- Measures of robustness must be included in evaluation of First Nations programming
- Clear plans and targets for economic participation by First Nations should be a priority for Efficiency Manitoba

NON-ENERGY BENEFITS SHOULD BE MORE PROMINENTLY FEATURED

AMC Submissions and Recommendations:

- Efficiency Manitoba should use the Total Resource Cost test with adders for non-energy benefits such as bill reductions and quantifiable economic benefits in its process for selection and rejection of demand-side management programs, and in its evaluation of program implementation
- Efficiency Manitoba should include measures of robustness in its evaluation of First Nations programming moving forward, the AMC understands that Efficiency Manitoba has accepted this recommendation
- Efficiency Manitoba should set clear plans and targets for economic participation for First Nations and First Nations citizens and report on the same at the next application



DATA COLLECTION AND DISAGGREGATION



DATA AND PROGRAM REPORTING

- The AMC is strongly opposed to a pan-Indigenous approach to programming: all EM programming must reflect the unique and distinct qualities of First Nations and Metis customers
- Data should be disaggregated as between First Nations and Metis customers to allow a clear view of the impact and deficiencies of programming for First Nations customers
- Lack of information and data is an issue in this Plan, which the AMC hopes will be remedied by the CRM/DSM system
- A clearer picture is necessary to determine why Manitoba Hydro's higher participation targets for First Nations programs were not met, and why this has resulted in lower targets for programming by EM: are there programming deficiencies that have not been addressed?

DATA AND UNBUNDLING

AMC Submissions and Recommendations:

- Efficiency Manitoba should unbundle First Nations and Metis customer programs into separate programs in recognition of the distinct customer segments
- Efficiency Manitoba should make an effort to collect more information and data about energy consumption of and use of energy efficiency programming by First Nations customers



THANK YOU FOR YOUR CONSIDERATION