



“When You Talk - We Listen!”



MANITOBA PUBLIC UTILITIES BOARD

re:

MANITOBA EFFICIENCY
3-YEAR ENERGY EFFICIENCY PLAN
(2020/21 - 2022/23)

Before Board Panel:

Robert Gabor	- Board Chairperson
Marilyn Kapitany	- Board Vice Chair
Hugh Grant	- Board Member
Irene Hamilton	- Board Member

HELD AT:

Public Utilities Board
400, 330 Portage Avenue
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Pages 627 to 897

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1 --- Upon commencing at 9:01 a.m.

2

3 CONTINUED EFFICIENCY MANITOBA PANEL NO. 1:

4

5 COLLEEN KURULUK, Previously Sworn

6 MICHAEL STOCKI, Previously Affirmed

7 KYLA KRAMPS, Previously Sworn

8 ROBERTO MONTANINO, Previously Affirmed

9 AMY TUCK, Previously Affirmed

10 TRACY STERDAN, Previously Affirmed

11 CHERYL PILEK, Previously Sworn

12

13 THE CHAIRPERSON: Good morning,
14 everyone. Ms. Stein -- Ms. Hart, would you like to
15 take us through today?

16 We'll -- we'll have an arm wrestle to
17 see which one goes. Okay.

18 MS. DAYNA STEINFELD: All right. I've
19 been -- I've picked the short straw.

20 We will be continuing today with cross-
21 examination of the Efficiency Manitoba panel by the
22 Consumers' Coalition. The plan is that the Consumers'
23 Coalition cross-examination will conclude this
24 afternoon, and then the Assembly of Manitoba Chiefs
25 cross-examination will commence.

1 I'm advised by counsel that if we do
2 happen to be ahead of schedule and there is time in
3 the schedule today following the Assembly of Manitoba
4 Chiefs' cross-examination, Mr. Wheeler for MKO will
5 commence their cross-examination of this panel.

6 THE CHAIRPERSON: Thank you.

7

8 (BRIEF PAUSE)

9

10 MS. JESSICA SCHOFIELD: Mr. Chair, yes
11 -- yesterday, I believe, Ms. Steinfeld asked Ms. Tuck
12 a question with respect to a page reference, and so we
13 have that page reference, and we'd just like to put it
14 on the record.

15 THE CHAIRPERSON: Okay.

16 MS. JESSICA SCHOFIELD: So it is page
17 333 of the PDF of Efficiency Manitoba's plan, and
18 specifically, lines 86 and 87, which state:

19 "Efficiency Manitoba also aims to
20 establish an ongoing volunteer
21 working group with First Nation and
22 Metis representation to discuss and
23 address the unique energy efficiency
24 needs in this customer segment."

25 THE CHAIRPERSON: Thank you. Ms.

1 Dilay...?

2

3 CONTINUED CROSS-EXAMINATION BY MS. KATRINE DILAY:

4 MS. KATRINE DILAY: Thank you, Mr.

5 Chair, and good morning. Good morning to the

6 Efficiency Manitoba witnesses. Welcome back.

7 I'm going to start my questions this

8 morning with some potential deliverability risks to

9 the Efficen -- Efficiency Manitoba plan, and those

10 questions will be separated in a few different

11 sections. So again, I would invite whoever is best

12 placed on the panel to answer the questions.

13 So I'll start with a few questions

14 about the customer relationship management tool. And

15 I would propose to refer to this tool as CRM in these

16 questions, if that's acceptable to the panel.

17 And so generally, you will agree that

18 the procurement and implementation of the CRM tool is

19 foundational to the success of Efficiency Manitoba?

20 MR. MICHAEL STOCKI: Yes, I believe

21 that's the way we've characterized it within our

22 submission.

23 MS. KATRINE DILAY: And that the CRM

24 tool is an integral and overarching strategy that will

25 provide optimal performance of Efficiency Manitoba

1 from both customer facing and internal operations
2 perspectives?

3 MR. MICHAEL STOCKI: Yeah, I would
4 agree with that. And again, for a bit of context,
5 because we're essentially a new Crown corporation, we
6 have the benefit of somewhat starting from a clean
7 slate.

8 And when we looked at other similar
9 organizations, certainly consolidating all customer
10 data and energy performance data with respect to
11 programs, participation, energy savings in a single
12 data warehouse was certainly a -- a key consideration
13 that we wanted to take advantage of with respect to
14 obtaining operational efficiencies.

15 And when compared to existing program
16 databases, for example, we kind of took a -- a quick
17 look and saw that right now, program data is being
18 stored in a number of different independent systems
19 that don't necessarily even talk to each other, that
20 sometimes there is duplication of efforts with regards
21 to tracking participation savings. And so we wanted
22 to eliminate some of that duplication overlap. So
23 that's kind of why it's foundational.

24 MS. KATRINE DILAY: Thank you. And
25 Kristen, if we could turn to Coalition EM-I-23.

1 (BRIEF PAUSE)

2

3 MS. KATRINE DILAY: And if we look at
4 page 2 of that IR, where the response is located.

5

6 (BRIEF PAUSE)

7

8 MS. KATRINE DILAY: And if we just go
9 down to the bulleted list. Thank you.

10 Mr. Stocki, you'll agree that there,
11 Efficiency Manitoba has listed aspects of customer and
12 contractor relationship that will be managed through
13 the CRM tool?

14

15 (BRIEF PAUSE)

16

17 MR. MICHAEL STOCKI: That's correct.
18 We'll be using it as a -- a tracking tool. I -- I
19 don't know if it would necessarily manage all -- we've
20 characterized it there as managing all aspects of
21 customer and contractor relationships.

22 So I'm just wondering -- the -- the
23 contractor relationships -- certainly in terms of
24 contractors meeting their performance criteria and
25 tracking their -- their deliverability, but it

1 wouldn't necessarily -- I mean, there's -- there's
2 lots of different pieces that may contribute to
3 managing contractor relationships.

4 So I wouldn't necessarily say that it's
5 all going to be done during the -- or through the
6 CRM/DSM tracking system. Certainly, there will also
7 have to be face-to-face conversations and meetings as
8 appropriate.

9 MS. KATRINE DILAY: Thank you. And
10 can you clarify how Efficiency Manitoba is planning to
11 manage the transition that participants and
12 contractors will have to make between program launch,
13 which is currently scheduled for April, and the point
14 at which the CRM system will be functional, which I
15 understand is currently scheduled for later in 2020?

16

17 (BRIEF PAUSE)

18

19 MR. MICHAEL STOCKI: So we've given
20 this obviously a lot of thought, because we want this
21 system -- this transition to be as -- as invisible as
22 possible to customers. So internally, we're going to
23 be leveraging Manitoba Hydro's existing multiple
24 databases. In the interim, those systems, even though
25 they may not be ideal, they are in existence, and we

1 can continue to uti -- utilize them until the CRM
2 system is up and running.

3 Throughout the development of the --
4 the software and implantation, there's going to be a
5 phased approach. And so we've got multiple phases
6 throughout. So, for example, I believe the first
7 phase, by August 2020, we're going to be developing
8 the -- one (1) of the vendor portals. And so that
9 would give us an opportunity to work with a specific
10 program. It's going to be a -- within a specific
11 program bundle, and enable vendors to start accessing
12 the system that way, so there's going to be a very
13 phased and structured approach, with, of course, all
14 the -- the corrections needed along the way.

15 MS. KATRINE DILAY: And Mr. Stocki,
16 would that phased approach include providing
17 information to customers and contractors as its transi
18 -- as the transition is taking place?

19 MR. MICHAEL STOCKI: Exactly. For
20 example, with the -- the vendor portion, we would need
21 a couple vendors to actually come, test the system,
22 we're going int -- before we can get to that stage,
23 have test scripts that we'll have to run the software
24 through, the -- giving prototype type of examples,
25 make sure the system is working robustly, do all the -

1 - the data validation, and so we make sure that it's
2 running.

3 And that's all kind of part of the --
4 to be honest, part of the RFP that's being drafted,
5 those requirements are going to be all laid out. I am
6 going to be working closely with the vendor to make
7 sure that's implemented successfully.

8 MS. KATRINE DILAY: Thank you. And if
9 we could turn to Efficiency Manitoba's rebuttal
10 evidence for a moment at page 8.

11

12 (BRIEF PAUSE)

13

14 MS. KATRINE DILAY: And I'd like to
15 turn to line 26 on this page, and this is probably
16 going to be for you, Mr. Stocki, but you'll see there
17 at line 26 that Efficiency Manitoba indicated that
18 while it is undertaking the acquisition of the CRM
19 system, that is -- that is targeted to be in operation
20 by the fall of 2020, Manitoba Hydro is maintaining its
21 existing information systems and databases which will
22 enable Efficiency Manitoba to track activity until the
23 CRM system is operational. You see that?

24 MR. MICHAEL STOCKI: Yes, that's
25 correct. Those are the individual databases that I

1 alluded to earlier.

2 MS. KATRINE DILAY: And you will
3 confirm that there are certain changes from the
4 Manitoba Hydro demand side management programs as
5 compared to the programs that are currently being
6 proposed by Efficiency Manitoba, correct?

7 MR. MICHAEL STOCKI: That's correct,
8 but with respect to some of the basic customer
9 information, that isn't changing because it's
10 dependent on, say, customer account number, location.
11 Some of that information, yeah, is going to be just
12 transferred over to the new CRM/DSM database.

13 It's more the program specific data
14 that would be unique and that would be new, with the
15 program bundling new offers or initiatives, for
16 example, but we're fortunate that the -- most of the --
17 -- the staff and the databases that are in use are
18 within the DSM Department at Manitoba Hydro currently,
19 and so then those additional initiatives can be
20 tracked through the existing Manitoba Hydro systems.

21 MS. KATRINE DILAY: And are you able
22 to -- so I think what I'm understanding is that even
23 if there are program and incentive changes that
24 Efficiency Manitoba will be providing, those will
25 still be able to be tracked through Manitoba Hydro's

1 system?

2 MR. MICHAEL STOCKI: Correct. Either
3 directly through Manitoba Hydro's systems, or if need
4 be, through simple spreadsheets that can then later be
5 uploaded to the CRM/DSM tracking system.

6 MS. KATRINE DILAY: And so Efficiency
7 Manitoba is confident that it will be able to
8 essentially start tracking all programs and
9 initiatives from the start date?

10 MR. MICHAEL STOCKI: That's correct,
11 and -- and one (1) of the advantages that we've had
12 throughout the development of the RFP for the CRM/DSM
13 tracking system is we've -- we have a project manager
14 that's primarily responsible for that that's
15 implemented this in various -- not specific to DSM but
16 CRM systems in -- in other jurisdictions, and so
17 they're familiar and they're starting to set the --
18 set the expectations for what we'll need to be
19 recording and how we'll need to be recording data so
20 that it'll be most easily uploaded at a future date
21 into that CRM/DSM tracking system.

22 So we continue to work through that so
23 that if we do, say, have to do an offline spreadsheet
24 to track some participant information, we'll be doing
25 it in a way that can then later be uploaded into the

1 CRM/DSM system.

2 MS. KATRINE DILAY: Thank you. I now
3 have a question about the online home energy
4 questionnaire. And if we could turn to Coalition EM
5 I-85.

6

7 (BRIEF PAUSE)

8

9

10 MS. KATRINE DILAY: And in this
11 Information Request, you'll agree that Efficiency
12 Manitoba indicated that it expects to procure a
13 service provider to develop and implement an online
14 energy efficiency questionnaire in the spring of 2020,
15 with a targeted rollout for fall of 2020?

16 MS. TRACY STERDAN: Yes, that's the
17 current time frame.

18 MS. KATRINE DILAY: Thank you. And
19 then if we go to the next IR, which is 86 -- and I
20 believe it's 86(b), on the next page.

21 You'll agree that Efficiency Manitoba
22 also indicates that customers will be required to
23 complete a questionnaire to be eligible for the home
24 energy checkup?

25 MS. TRACY STERDAN: Yes, they will be

1 required to complete the home energy questionnaire,
2 and we anticipate that it will be fairly smooth in
3 terms of securing that software. It's something that
4 is readily available by vendors and something that can
5 be implemented, you know, over top -- kind of layered
6 on top of the CRM system or directly on Manito --
7 Efficiency Manitoba's website.

8 MS. KATRINE DILAY: And while
9 Efficiency Manitoba believes it will be a fairly
10 smooth system to implement, can you clarify what will
11 happen if the online questionnaire is delayed? For
12 example, would the -- will the home energy checkup
13 program also be delayed?

14 MS. TRACY STERDAN: We would actually
15 be able to roll out the home energy efficiency checkup
16 even in the absence of the online survey, if that were
17 the case. However, we do anticipate that we are on
18 full schedule and on track to have that questionnaire
19 ready in time.

20 MS. KATRINE DILAY: Thank you. Next
21 I'd like to spend a few minutes on program ramp-up and
22 budgets. Now Board counsel went to this, I believe
23 yesterday or the day before with you, but if we turn
24 to the Efficiency Plan at PDF page 178, and if you
25 look at line 12 on that page.

1 And so you'll agree that Efficiency
2 Manitoba -- says here that Section 112, Sub 5, pardon
3 me, of the Act allows it to modify the plan as
4 necessary during any approved three (3) year period as
5 long as these changes maximize the cost-effectiveness
6 or amount of net savings and do not exceed approved
7 costs for the three (3) year plan in place, correct?

8 MS. KYLA KRAMPS: That's correct.

9 MS. KATRINE DILAY: And so in other
10 words, Efficiency Manitoba is saying that it has some
11 flexibility once the plan is approved, but not to
12 increase the approved budget for the three (3) year
13 plan, correct?

14 MS. KYLA KRAMPS: That's correct.

15 MS. KATRINE DILAY: And if we turn to
16 page 533 of the Efficiency Plan, and if you look at
17 Figure 4 on the second half of this page -- and you'll
18 agree that this was a document produced by Dunsky
19 Consulting?

20 MR. MICHAEL STOCKI: That's correct.

21 MS. KATRINE DILAY: And you'll confirm
22 that in Figure 4, Dunsky Consulting provided a chart
23 comparing Efficiency Manitoba proposed 2020/2021 plan
24 costs per kilowatt hour saved with those of nearly
25 fifty (50) US states?

1 MR. MICHAEL STOCKI: That's correct.
2 There's some details of course that it was based on a
3 ACEEE 2018 study, but basically, yes, it's comparing
4 acquisition costs -- I think that it's in conversion
5 to US dollars, for example, but essentially that's
6 what they were trying to show there.

7 MS. KATRINE DILAY: And I think I'm
8 actually referring to Figure 5, which is regarding the
9 electricity chart. But you'd agree that's what --
10 that's what we're looking at in terms of kilowatt
11 hours saved?

12 MR. MICHAEL STOCKI: Yes, that's
13 correct.

14 MS. KATRINE DILAY: And while noting
15 that Dunsky Consulting did flag some comparability
16 issues with respect to this chart, you'll agree that
17 according to this chart, Efficiency Manitoba's plan
18 cost at approximately 10 cents US -- or 0.1 US dollar
19 per kilowatt hour, is lower than all the other
20 portfolios that are included in this chart?

21

22 (BRIEF PAUSE)

23

24 MR. MICHAEL STOCKI: Yes, I'd agree
25 with that. I -- I'm trying to remember the context

1 because at one (1) point we were contemplating
2 actually putting this graph with -- within our plan,
3 and there were a number of caveats that when we -- we
4 were doing that, we were discussing with Mr. Dunsky,
5 and ultimately we opted to -- to leave this within the
6 Dunsky memo.

7 Instead, what we've provided is
8 actually found on page 146 of the PDF, and it shows
9 the -- Figure 5.3 is the electricity and natural gas
10 program savings versus acquisition cost comparison.

11 This was a little bit more of a
12 detailed analysis that Dunsky undertook himself, so it
13 wasn't relying on ACEEE data. And the problem with
14 that is, it's a little bit more. They had more
15 control over what specifically they were comparing to
16 which jurisdictions, and so there you'll see -- say,
17 for example, if we're looking at the electric
18 portfolio, that the electric portfolio, the 2020 plan,
19 is based on a 1.5 savings targets. It's in that box
20 right in the middle in the blue dot, and it's saw
21 comparable to BC, for example, just a little bit
22 higher than BC, bit lower than Nova Scotia and New
23 Brunswick, for example.

24 MS. KATRINE DILAY: Thank you for
25 pointing -- pointing us to this page.

1 MR. MICHAEL STOCKI: And I was just
2 reminded what some of the concerns were with -- with
3 regards to the ACEEE. It was specifically with
4 regards to the treatment of codes and standards, and
5 so other jurisdictions -- from the ACEEE scorecard,
6 for example, don't necessarily include codes and
7 standards within that acquisition cost analysis.

8 So when you're including that, that
9 certainly brings the acquisition cost of Efficiency
10 Manitoba down. So it wasn't necessarily an apples-
11 to-apples comparison in that previous ACEEE chart
12 where this is more comparable.

13 MS. KATRINE DILAY: Thank you. And
14 that does bring me to a couple additional questions I
15 have on this. So I just want to go back to -- for a
16 second, to the chart, the Dunsky chart we were looking
17 at.

18 Just to confirm here in this chart,
19 you'll agree that the US 2017 average was 0.26 US
20 dollar per kilowatt hour.

21 MR. MICHAEL STOCKI: Yes, I'd agree
22 that's the value in the chart. Again, some of those
23 jurisdictions are like -- likely, very likely not
24 including codes and standards within that acquisition
25 cost.

1 MS. KATRINE DILAY: And if we look to
2 a coalition EMI-123B, and if we look at the question
3 for just a moment, you'll agree that in this question
4 the Coalition asked Efficiency Manitoba to provide its
5 average cost per kilowatt hours saved with the codes
6 and standards savings excluded, correct?

7 MR. MICHAEL STOCKI: That's correct.

8 MS. KATRINE DILAY: And if we look at
9 the response, Efficiency Manitoba -- or part of the
10 response at least -- Efficiency Manitoba responded
11 that the first year acquisition cost at the generator
12 level, excluding costs and savings associated with
13 codes and standards, ranged from 0.15 to \$0.17 per
14 kilowatt hour for electricity.

15 MR. MICHAEL STOCKI: That's correct.
16 And I -- I seem to recall there was some confusion
17 over why Efficiency Manitoba provided a range of those
18 values.

19 But effectively it's just representing
20 each of the different three (3) years of the plan, and
21 so that's comparable to table 510 found on page 146 of
22 the PDF, where we gave the acquisition costs for each
23 of the three (3) years of the efficiency plan.

24 So for example, if you include codes
25 and standards, we were at an acquisition cost between

1 12 cents to 13 cents per kilowatt hour. So then this
2 would be the comparable 15 to 17 cents per kilowatt
3 hour, removing the effects of codes and standards.

4 MS. KATRINE DILAY: And you'd agree
5 that in the range of 0.15 to \$0.17 per kilowatt hour
6 for electricity, these values are still less than the
7 2017 US average of 0.26 US dollar per kilowatt hour?

8

9 (BRIEF PAUSE)

10

11 MR. MICHAEL STOCKI: With the
12 conversion to US dollars it's -- I just very quickly
13 came up with about .24, so just -- just a smidge below
14 the average.

15 MS. KATRINE DILAY: Thank you for
16 that. And then if we turn to the Efficiency plan.
17 The Efficiency plan at page 150, and --

18 THE CHAIRPERSON: Sorry, Ms. Dilay,
19 can you go back to the last graph? I just want to
20 make sure -- Kristen can you -- yes.

21 Do we -- we are on 5, do we just have a
22 typo here? Because one (1) of them is kilowatt per
23 hour and the other isn't. Is that just a typo of
24 Dunsky?

25 MR. MICHAEL STOCKI: It -- it does

1 appear that way, yes.

2 THE CHAIRPERSON: Okay. I just want
3 to make sure that we're not -- we're not talking
4 different things. Okay, thank you.

5 MS. KATRINE DILAY: And yes, thank you
6 for pointing that out and for the clarification.

7 THE CHAIRPERSON: Yes.

8

9 CONTINUED BY MS. KATRINE DILAY:

10 MS. KATRINE DILAY: So if we look at
11 figure 5.6 at page 130 of the Efficiency plan, you'll
12 agree here that Efficiency Manitoba shows that its
13 2020/2023 average acquisition cost for electricity
14 savings is expected to be 39 percent less than
15 Manitoba Hydro's 2015/2016 electric acquisition cost.

16 MR. MICHAEL STOCKI: That's correct.

17 MS. KATRINE DILAY: And that it's
18 2020/2023 average gas -- gas savings acquisition cost
19 will be 10 percent less than Manitoba Hydro's
20 2015/2016 gas acquisition cost?

21 MR. MICHAEL STOCKI: That's correct.
22 And if we go to page 152, the beginning of that page
23 says there are several factors driving those
24 differences. So I'd just like to -- to quickly point
25 to -- to a couple of those.

1 With respect to the -- yes, kind of --
2 again, we mentioned this yesterday, but with regards
3 to the interactive effects a point of consideration is
4 that both -- because of the increased electric energy
5 savings, that actually results in more natural gas
6 interactive effects, that makes that gas target a
7 little bit harder there to achieve.

8 But if you scroll down a little bit
9 farther, specifically with respect to the lower
10 acquisition costs, there's a couple main driving
11 forces behind that, and we pointed to a couple of
12 those in these following bullets.

13 One (1) of the significant ones being
14 that the roadway lighting conversion program, from
15 Manitoba Hydro, is basically wrapping up this year.
16 It won't be continued under Efficiency Manitoba, but
17 that was an \$11 million program with a comparable
18 acquisition cost of \$1.17.

19 So when you remove a significant
20 program such as that, that's some of the driving
21 force. Of course, you're also losing the 9.4 gigawatt
22 of hours of saving associated with that, so you have
23 to make up that savings shortfall with other programs.
24 And what Efficiency Manitoba has put forward is that
25 we're making it up with a portfolio of projects, but

1 in general that portfolio of projects is much less
2 than the \$1.17 acquisition cost.

3 MS. KATRINE DILAY: Thank you. And I
4 have a few questions about the contingency budget, so
5 these may go to Ms. Kramps.

6 Ms. Kramps, you'll recall the
7 discussion from Monday about Efficiency Manitoba's
8 contingency fund?

9 MS. KYLA KRAMPS: Yes.

10 MS. KATRINE DILAY: And we can go
11 there if you need, but you'll confirm that Efficiency
12 Manitoba indicated on Monday that the contingency fund
13 is not for unplanned costs resulting from shortfalls
14 in the plan, correct?

15 MS. KYLA KRAMPS: That's correct.

16 MS. KATRINE DILAY: And you'll agree
17 that similarly, Efficiency Manitoba does not have a
18 contingency fund in its budget relating to potential,
19 unexpected costs of a start-up organization?

20 MS. KYLA KRAMPS: There isn't --
21 that's right, there isn't a separate contingency
22 budgeted line in our -- in our budget.

23 MS. KATRINE DILAY: And this is
24 because the contingency fund that is contemplated is
25 specifically for unplanned opportunities that

1 Efficiency Manitoba may want to pursue, that you are -
2 - that you were not aware of today, correct?

3 MS. KYLA KRAMPS: That's correct.

4 MS. KATRINE DILAY: Thank you. I have
5 a few questions relating to the savings from codes and
6 standards. And we can go to a reference if -- if you
7 need, but you'll agree that the percentage of electric
8 savings from codes and standards in the Efficiency
9 plan hovers around 25 percent of total electric
10 savings for the three (3) years of the plan?

11 MS. COLLEEN KURULUK: Yes, I believe
12 Ms. Steinfeld might have quoted about 23 percent, but
13 that's in the range.

14 MS. KATRINE DILAY: Thank you. And
15 the percentage of natural gas savings from codes and
16 standards in the Efficiency plan is higher than the
17 savings for electricity?

18 MS. COLLEEN KURULUK: I believe it was
19 in the range of about 32 percent.

20 MS. KATRINE DILAY: And if we turn to
21 the Information Request, Daymark EMI-62B, you'll agree
22 that Efficiency Manitoba states there that it will
23 rely on its third party evaluator to implement the
24 methodology to assess the success and impact of
25 Efficiency Manitoba's participation in codes and

1 standard committees?

2 MS. COLLEEN KURULUK: I would agree
3 with that.

4 MS. KATRINE DILAY: And you'll agree
5 that the third party evaluator who will be hired will
6 be independent?

7 MS. COLLEEN KURULUK: That's correct.

8 MS. KATRINE DILAY: And this means
9 that the third party evaluator will not be bound by
10 the projections that Efficiency Manitoba has included
11 in its plan, correct?

12 MS. COLLEEN KURULUK: That is correct.

13 MS. KATRINE DILAY: And you'll agree
14 that Efficiency Manitoba has included savings from
15 codes and standards for the three (3) years of the
16 plan, starting in April 2020, correct?

17 MS. COLLEEN KURULUK: Yes, that's
18 correct.

19 MS. KATRINE DILAY: And this is before
20 any third party evaluator has assessed the success and
21 impact of Efficiency Manitoba's participation in codes
22 and standards?

23 MS. COLLEEN KURULUK: Yes, that --
24 that is correct, and I think I had mentioned yesterday
25 as well that we've taken somewhat of a conservative

1 approach, especially in comparison to other utilities
2 and service providers and what their experience is in
3 Canada with respect to what we're planning to claim.

4 MS. KATRINE DILAY: And while keeping
5 what you just said in mind, it is possible, however,
6 that the third party evaluator will disagree with
7 Efficiency Manitoba's interpretation of which savings
8 from codes and standards can be counted towards
9 Efficiency Manitoba's savings target?

10 MS. COLLEEN KURULUK: I -- I guess
11 that would be entirely possible, yes.

12 MS. KATRINE DILAY: And in the event
13 that the codes and standards savings assumption
14 projected by Efficiency Manitoba are too high,
15 according to the third party evaluator, how does
16 Efficiency Manitoba plan to adjust the programs so
17 that they can still hit the savings targets?

18 MS. COLLEEN KURULUK: So there would
19 be a couple things that we'd have some options for.
20 So we have potential -- we've put some programs out in
21 years two (2) and three (3) of our program, so we
22 might be able to bring some of those forward to bring
23 the targets forward.

24

25

(BRIEF PAUSE)

1 MS. COLLEEN KURULUK: So, I think
2 yesterday when we were asked a similar question we did
3 -- we did state that the risk of this happening is low
4 but, of course, there are a fu -- as I mentioned,
5 future programs that have been pushed out in -- in
6 terms of their implementation date in the plan.

7 But there's also the contingency fund
8 that we could use for cost effective opportunities
9 that do materialize.

10 One (1) of the things that we haven't
11 accounted for in terms of savings in our plan is any
12 savings that might occur due to pilot projects that
13 we're implementing because, as of now, we don't know
14 what those pilot projects are.

15 But if -- if there are some pilot
16 projects we do to test some technologies, those do
17 result in measurable and verifiable savings. And,
18 again, I -- I don't believe the risk is -- is very
19 high for them not allowing us to claim any savings.

20 There's some legislation in terms of
21 section 8(c) that allows for us to claim those codes
22 and standards, and it's -- we don't believe it's going
23 to be a significant risk.

24 MS. KATRINE DILAY: Thank you for
25 that. And just with your reference to the contingency

1 fund being available, you'd agree that, given that
2 those are for unplanned opportunities, that there are
3 currently no guaranteed savings coming from that
4 contingency fund, correct?

5 MS. COLLEEN KURULUK: That's correct.
6 And I -- I mean, we -- we know that opportunities for
7 energy savings will materialize. That -- we've been
8 in the business for, you know, thirty (30) years, and
9 those things do occur, and so we're -- don't know
10 exactly what they are.

11 I -- I think there's been some evidence
12 put forward that air source heat pumps could be a
13 potential saver. And we would look at things such as
14 that to determine where we could get more savings.
15 And those would be the types of opportunities that
16 we'd use a contingency fund for.

17 MS. KATRINE DILAY: And in the event
18 that the third-party evaluator does note -- or does
19 come to a different conclusion than Efficiency
20 Manitoba with respect to codes and savings -- codes
21 and standards, pardon me, savings, how will this
22 impact Efficiency Manitoba's overall budget for the
23 plan?

24

25

(BRIEF PAUSE)

1 MS. COLLEEN KURULUK: So, there would
2 be no change to the budget per se. The only change
3 would be is if we were to make up that shortfall
4 utilizing the contingency fund.

5 MS. KATRINE DILAY: And just to
6 clarify, but if you do move programs that are
7 currently scheduled for later years to earlier years,
8 that could have an effect on the -- the yearly
9 budgets.

10 But -- but I believe you're -- what
11 you're alluding to is that the overall budget wouldn't
12 change, correct?

13 MS. COLLEEN KURULUK: That's correct.

14 MS. KATRINE DILAY: Thank you. I just
15 have a couple of questions regarding staffing given
16 that PUB counsel has covered most of this already.

17 You'd agree generally that Efficiency
18 Manitoba did not file a plan with the Public Utilities
19 Board in this proceeding identifying what it would do
20 in the event that it is not fully staffed by April
21 1st, 2020, which is the implementation date of the
22 plan?

23 MS. KYLA KRAMPS: Could you repeat
24 that?

25 MS. KATRINE DILAY: Certainly. You'd

1 agree that Efficiency Manitoba did not file a plan
2 with the Public Utilities Board in this proceeding
3 identifying what it would do in the event that it is
4 not fully staffed by the April 1st, 2020,
5 implementation date of the plan?

6 MS. KYLA KRAMPS: No, that's not in
7 the plan.

8 MS. KATRINE DILAY: Sorry, do --

9 MS. KYLA KRAMPS: I'd agree. I would
10 agree.

11 MS. KATRINE DILAY: Thank you. And
12 can you confirm who at Efficiency Manitoba is in
13 charge of change management and managing the
14 transition of staffing?

15 MS. KYLA KRAMPS: There would be an
16 overall responsibility by all of the executive, so
17 myself, Mr. Stocki, and Ms. Kuruluk. We also have a
18 member of our staff who is our director of government
19 relations and human resources, and she obviously plays
20 a very major role in this issue.

21 MS. KATRINE DILAY: Thank you. I have
22 a couple of questions next about third-party program
23 implementers.

24 And if we turn to Coalition EMI-81(c),
25 and if we look at the response which is on page 2 of

1 this IR, you'll agree that Efficiency Manitoba stated
2 here that it will require third-party service
3 providers to meet its first year savings target, but
4 this is not a risk to Efficiency Manitoba as
5 procurement has already begun for the earliest offers
6 and contracting is on schedule for initiation in early
7 2020, correct?

8 MR. MICHAEL STOCKI: That's correct.

9 MS. KATRINE DILAY: And I -- I believe
10 you may have gone through this with PUB counsel but
11 just to confirm, at this time, is it still Efficiency
12 Manitoba's position that it does not see third-party
13 pro -- procurement as a risk to the implementation to
14 the plan?

15

16 (BRIEF PAUSE)

17

18 MR. MICHAEL STOCKI: That's correct.

19 As we provided in our rebuttal evidence, I think there
20 was some misunderstanding with respect to un --
21 Daymark EM I-13 in particular.

22 We identified approximately thirty-two
23 (32) different service provider type of agreements or
24 RFPs that would have to go out from Efficiency
25 Manitoba over, essentially, the first couple years of

1 the plan.

2 And there was concern that was raised
3 in particular by a Coalition independent expert on
4 Efficiency Manitoba's ability to actually get say -- I
5 think it was around the order of twenty-one (21) RFPs
6 out the door prior to April 1st.

7 And so, what we did in rebuttal is we
8 qualified that 21 because, certainly, if we had to get
9 twenty-one (21) individual RFPs out the door by April
10 1st, that would be a momentous effort indeed.

11 But what we did in -- in the rebuttal
12 evidence is we -- we clarified some of that list
13 because, for example, off the top of my head, I
14 believe it was seven (7) of those twenty-one (21), for
15 example, are essentially already on continuation of
16 ongoing contracts that Manitoba Hydro currently has
17 with vendors and that those can be transferred to
18 Efficiency Manitoba.

19 There was additional combinations of
20 different RFPs that we listed out of that twenty-one
21 (21). So, there's one (1) case where six (6)
22 different RFPs may all be un -- rolled under one (1).

23 There was also the -- we included in
24 that list service providers. So, in that case, I
25 think there was four (4) approximately that would be

1 just going out for service providers to get pre-
2 qualified contractors to sign an agreement.

3 There's no formal RFP that's required.
4 And additional context is Efficiency Manitoba isn't
5 necessarily developing these and putting them on to
6 market unsupported. We also have the support of
7 Manitoba Hydro's procurement department.

8 MS. KATRINE DILAY: Thank you. And I
9 believe we did go through -- through that PUB counsel,
10 as well.

11 You'll agree that Efficiency Manitoba
12 did not file with the Public Utilities Board in this
13 proceeding a plan which identifies what it will do in
14 the event that all the contracts that need to be
15 executed prior to April 1st, 2020, are not executed?

16

17 (BRIEF PAUSE)

18

19 MR. MICHAEL STOCKI: Again, within the
20 context that Efficiency Manitoba has -- that
21 additionally Efficiency Manitoba provided that context
22 within rebuttal. We didn't see that as a risk so, no,
23 we didn't file a specific plan to address that risk.

24 MS. KATRINE DILAY: Thank you. I now
25 have a few questions about the savings targets that

1 are included in the efficiency plan. And PUB counsel
2 did go through some of these numbers with you already,
3 but I just want to confirm a few numbers to make sure
4 we are on the same page.

5 If we could turn to the re -- revised
6 response to PUB EM I-39.

7

8 (BRIEF PAUSE)

9

10 MS. KATRINE DILAY: And you'll agree
11 that in this revised response, Efficiency Manitoba
12 provided a -- a revised response, adjusted to provide
13 the updated codes and standards electric energy
14 savings, which were identified in PUB/EM-I-28,
15 correct?

16 MR. MICHAEL STOCKI: That's correct.
17 Sorry, that's correct.

18 MS. KATRINE DILAY: And you'll agree
19 that the revised response was due to a data input
20 error, which resulted in overstatement of electric
21 energy savings from residential general service
22 lighting standards of 43 gigawatt hour over the three
23 (3) years of the plan?

24 MR. MICHAEL STOCKI: That's correct.
25 That was seen in years 2 and 3 of the plan year.

1 MS. KATRINE DILAY: And so to confirm,
2 the result is that the current electric savings
3 projected in the three (3) year plan are lower than
4 originally projected in the application, correct?

5 MR. MICHAEL STOCKI: That is correct.
6 And as we discussed with Board counsel, with respect
7 to the achievement of the targets, there's various
8 different ways in which you can actually project out
9 what that prior-year base consumption comparison is.
10 So we've done that within our rebuttal evidence to
11 compare these revised energy savings forecasts to what
12 the projected savings target achievement would be.

13 And so there's various different
14 methodologies that you can use to project that.
15 Adopting some of the recommendations from Coalition
16 expert Bill Harper, we came up with a range of
17 approximately one point four nine (1.49) to one point
18 five one (1.51), again, depending on the exact
19 methodology chosen.

20 MS. KATRINE DILAY: And if we go to
21 page 2 of this IR, you'd agree that the average saving
22 is now 0.05 percent lower in this -- using this
23 methodology?

24 MR. MICHAEL STOCKI: Again, subject to
25 this original methodology that was put forward in our

1 plan, that's correct. And subsequent, we re-file --
2 we filed alternate methodologies in the rebuttal. But
3 based on these two (2) comparisons, yes, there was a
4 reduction from one point five one (1.51) to one point
5 four six (1.46) just using this methodology in this
6 table.

7 MS. KATRINE DILAY: Thank you. And
8 you'll agree, generally speaking, that typically, a
9 reduction in electric or natural gas energy savings
10 from what is projected in the plan would also lead to
11 a reduction in the savings as a percent of load
12 projected in the plan?

13

14 (BRIEF PAUSE)

15

16 MR. MICHAEL STOCKI: That's correct.
17 Again, you need to have a consistent methodology of
18 how to determine that percent savings, so I think once
19 we're in agreement of -- of that methodology, that
20 statement will be true.

21 MS. KATRINE DILAY: And sima --
22 similarly, increases in electric or natural gas energy
23 savings from what is projected would also lead to an
24 increase in the savings as a percent of load, with a
25 caveat of using the consistent methodology, correct?

1 MR. MICHAEL STOCKI: That's correct.

2

3 (BRIEF PAUSE)

4

5 MS. KATRINE DILAY: And you'll agree,
6 generally speaking and without elaborating on this,
7 that there are numerous factors that will impact the
8 electric and natural gas savings that will actually be
9 achieved, correct?

10 MR. MICHAEL STOCKI: Yes, that's
11 correct.

12 MS. KATRINE DILAY: And one (1) of
13 this -- one (1) of these factors could include
14 participation levels in programs?

15 MR. MICHAEL STOCKI: Correct.

16 MS. KATRINE DILAY: And this would
17 also include the budgets at which programs can be
18 delivered?

19 MR. MICHAEL STOCKI: Typically,
20 participation levels would drive budgets, as we've
21 spoken to before. The incentive budget is
22 approximately 65 1/2 or 65 percent of our overall
23 budget. So if the participation is lower, we're
24 paying less incentive, so that would definitely impact
25 budget as well.

1 MS. KATRINE DILAY: And if certain
2 elements of the plan go over the projected budget and
3 these costs cannot be recovered in other areas of the
4 plan, you'll agree that this could impact the ability
5 of Efficiency Manitoba to deliver all the im --
6 elements of the plan?

7

8 (BRIEF PAUSE)

9

10 MR. MICHAEL STOCKI: So again, if
11 we're talking an increase in customer participation,
12 absolutely. If customers are participating within a
13 specific program bundle or a program that's greater
14 than expected, we'd expect within that individual
15 program that the spend on incentives, for example,
16 would be higher. Because of the diversity of the
17 portfolio, I'd say it'd be highly unlikely that across
18 the board, we'd see greater participation in every
19 single measure across every single customer segment at
20 the -- exactly the same time.

21 MS. KATRINE DILAY: Thank you. And if
22 the increase in costs was not relating to incentives
23 but other costs such as third-party costs to deliver
24 the programs, what would be the impact on the ability
25 of Efficiency Manitoba to deliver all the elements of

1 the plan?

2

3

(BRIEF PAUSE)

4

5

MR. MICHAEL STOCKI: So a couple
6 pieces of context. Once a contract is executed with a
7 vendor, all those terms and conditions and price, for
8 example, for the performance are outlined within that
9 con -- contract, so there wouldn't be a risk of
10 overage.

11

Also for a piece of context -- so our
12 program delivery costs are approximately 20 percent of
13 the budget, so again, within the context of the
14 overall budget, you'd be talking about individual
15 program delivery partners, which would be a portion --
16 a small portion of that, 20 percent. So just for some
17 context.

18

MS. KATRINE DILAY: Thank you. And
19 just going back to the factors that would impact the
20 actual savings to be achieved, you'll agree that the
21 methodology from the third-party assessor with respect
22 to codes and standards could also impact the savings
23 that will be realized by Efficiency Manitoba, correct?

24

MS. COLLEEN KURULUK: Yeah, I -- I
25 think we -- we said that that would certainly impact,

1 but again, I -- I think it's important to note that we
2 -- we don't see a big risk there, and we have also
3 taken a very conservative approach to what we're
4 claiming from codes and standards.

5 MS. KATRINE DILAY: But to confirm,
6 Efficiency Manitoba will end up relying on its third-
7 party evaluator to provide expertise on assessing
8 Efficiency Manitoba's contribution towards savings
9 from codes and standards, correct?

10 MS. COLLEEN KURULUK: Our third-party
11 assessor will be assessing both Efficiency Manitoba's
12 contribution as well as Manitoba Hydro's past
13 contributions with respect to any impacts that they
14 might have on codes and standards, yes.

15 MS. KATRINE DILAY: Thank you. And so
16 I'd like to now take you to a link that Mr. Grevatt
17 included in his evidence, and we won't be going in
18 detail through it, but it's just to provide some
19 context. And so at page 21 of Mr. Grevatt's evidence,
20 he provided a link which brings us to the page that
21 Kristen already has on the screen -- thank you.

22 And so you'd agree, generally, that
23 this document discusses risk management planning?
24 That's the -- the title of the document, correct?

25 MR. MICHAEL STOCKI: That is correct.

1 That is the title.

2 MS. KATRINE DILAY: And are you
3 generally familiar with what a risk management process
4 would consist of?

5

6 (BRIEF PAUSE)

7

8 MR. MICHAEL STOCKI: I -- I would
9 submit, at a very high level, yes.

10 MS. KATRINE DILAY: And at a high
11 level, you'll agree that a risk management process
12 would include risk identification, correct?

13 MR. MICHAEL STOCKI: That's correct.

14 MS. KATRINE DILAY: It would also
15 include risk evaluation?

16 MR. MICHAEL STOCKI: That seems
17 reasonable, correct.

18 MS. KATRINE DILAY: And it would
19 include risk mitigation?

20 MR. MICHAEL STOCKI: Correct.

21 MS. KATRINE DILAY: As well as a
22 contingency plan or multiple conding -- contingency
23 plans?

24 MR. MICHAEL STOCKI: Potentially, that
25 would make sense.

1 MS. KATRINE DILAY: And at a high
2 level, you'd agree that Efficiency Manitoba has not
3 filed, either as part of the Efficiency plan or in
4 responses to IRs, a risk management process or
5 framework, correct?

6

7 (BRIEF PAUSE)

8

9 MS. COLLEEN KURULUK: While Mr. Stocki
10 is looking up the reference, I -- I'll just add that
11 under Section 9 of the Efficiency Manitoba Act, there
12 was no requirement for the plan to include a risk
13 management strategy or contingency options.

14 MR. MICHAEL STOCKI: I'd like to draw
15 the Board's attention to the rebuttal evidence that
16 Efficiency Manitoba filed, particularly section 3,
17 which basically covers the -- the benefits that
18 Efficiency Manitoba will -- realizes, because of the
19 decades of DSM experience in Manitoba and the -- the
20 transitional support afforded through Manitoba Hydro.

21 Within the section of the rebuttal, it
22 talks about several different aspects, but certainly a
23 couple of the highlights from that section include
24 that there is existing DSM expertise in the province
25 that has been garnered through about thirty (30) years

1 of experience at Manitoba Hydro.

2 There's ongoing support provided to
3 Efficiency Manitoba in different areas from Manitoba
4 Hydro, including IT, procurement, for example. And so
5 that it -- in combination, there's -- because of that
6 support and that legacy, that level of risk needs to
7 be taken a bit into context as well.

8 MS. KATRINE DILAY: Thank you for that
9 information.

10 But just to confirm, Efficiency
11 Manitoba has not filed a risk management process or
12 framework, correct?

13 MR. MICHAEL STOCKI: That's correct,
14 as Ms. Kuruluk mentioned that we -- we weren't
15 required to.

16 MS. KATRINE DILAY: Thank you. My
17 next number of questions relate to residential
18 programming, and so they may be for Ms. -- Ms.
19 Sterdan.

20 And if we could just start to provide
21 some context going to the Efficiency Manitoba Act,
22 starting at section 4(3)(c), and of course I'm not
23 looking for a legal opinion, just simply looking to
24 confirm some of the elements that are included in the
25 Act and Regulations.

1 And you'll agree that in section
2 4(3)(c), Efficiency Manitoba may aim to provide
3 initiatives that are accessible to all Manitobans,
4 correct?

5 MS. TRACY STERDAN: Yes.

6 MS. KATRINE DILAY: And if we turn to
7 section 11(4)(c), you'll agree that as part of its
8 review of the plan, the Public Utilities Board must
9 consider whether Efficiency Manitoba is reasonably
10 achieving the aim of providing initiatives that are
11 accessible to all Manitobans?

12 MS. TRACY STERDAN: Yes, that's right.

13 MS. KATRINE DILAY: And if we go to
14 the Efficiency Manitoba regulations, at section 11,
15 and specifically 11(b), you'll agree that the Public
16 Utilities Board must consider whether the plan
17 adequately considers the interests of residential,
18 commercial, and industrial customers?

19 MS. TRACY STERDAN: Yes, that's
20 correct.

21 MS. KATRINE DILAY: And subsection (c)
22 indicates that the Public Utilities Board must
23 consider whether, if it is practical to do so, at
24 least 5 percent of Efficiency Manitoba's budget for
25 demand side management initiatives is allocated to

1 initiatives targeting low-income or hard to reach
2 customers, correct?

3 MS. TRACY STERDAN: Yes.

4 MS. KATRINE DILAY: And I believe
5 Efficiency Manitoba agreed to this yesterday, but to
6 confirm, you'll agree generally that having access to
7 energy efficiency programs can be beneficial to
8 residential customers?

9 MS. TRACY STERDAN: Yes, I agree with
10 that.

11 MS. KATRINE DILAY: And one (1) reason
12 for this would be because certain programs can assist
13 customers in reducing their energy bills by conserving
14 energy, correct?

15 MS. TRACY STERDAN: Yes, that is --
16 that is one (1) benefit, as well as other benefits
17 that may include increasing the comfort of the home,
18 things like that.

19 MS. KATRINE DILAY: And I believe some
20 of those other benefits have been listed in your plan,
21 correct?

22 MS. TRACY STERDAN: Yes, it is.

23 MS. KATRINE DILAY: And the benefits
24 that you've outlined both in your response and in the
25 plan would be one (1) of the reasons for Efficiency

1 Manitoba to endeavour for programs to be accessible to
2 all Manitobans, correct?

3 MS. TRACY STERDAN: Yes, I agree.

4 MS. KATRINE DILAY: And you'll agree
5 generally that the Public Utilities Board has
6 previously found that low income energy efficiency
7 programs are important.

8 MS. TRACY STERDAN: Yes, that is the
9 case.

10 MS. KATRINE DILAY: Thank you. And on
11 -- on that topic, I'd like to bring you through a few
12 statements that the Public Utilities Board has made
13 previously.

14 And can you confirm that -- so if we
15 could turn to Public Utilities Board order from 2008,
16 so from a few years ago, specifically order 116 of
17 2008.

18 And can you confirm that your legal
19 counsel advised you that I may be referring to this
20 order today in my questions?

21 MS. TRACY STERDAN: Yes.

22 MS. KATRINE DILAY: And just to -- to
23 make sure that we are all on the same page, Kristen,
24 can we just look at the title of this order? I don't
25 know if it's -- thank you.

1 So you'll agree that this was an Order
2 setting out further directions, rationale, and
3 background for or related to the decisions in Board
4 Order 90 of 2008, with respect to an application by
5 Manitoba Hydro for increased rates and for related
6 matters?

7 MS. TRACY STERDAN: Yes, I understand
8 that.

9 MS. KATRINE DILAY: And if we turn to
10 page 219, at the very bottom. So Kristen, I believe
11 this is 2 -- potentially to page 214 of the Order
12 itself. So if we could go to 219 at the top-right
13 corner. Thank you.

14 And right at the bottom you'll see
15 there that the Public Utilities Board was outlining
16 what it believed Manitoba Hydro's -- who is the
17 utility in this case -- what their demand side
18 management focus should be, correct?

19

20 (BRIEF PAUSE)

21

22 MS. COLLEEN KURULUK: So, Efficiency
23 Manitoba, in particular, wasn't a party to this
24 specific Order, but we do believe that the document
25 should speak for itself, and I do see a -- a

1 recommendation that Utility's DSM focus should be
2 fourfold as listed on page 220 of that document.

3 MS. KATRINE DILAY: Thank you, and --
4 and that's all I'm asking for, just -- I'm going to be
5 putting a couple statements to Efficiency Manitoba to
6 see if they do agree with them. But definitely we
7 understand that Efficiency Manitoba was not a party to
8 this proceeding.

9 And so if we go to the next page, the
10 bullet D here. Do you see there that one of the focus
11 that the Public Utilities Board outlined was social?

12 MS. COLLEEN KURULUK: I can see that -
13 - item (d) on that page.

14 MS. KATRINE DILAY: And you'll see
15 that the PUB described this as:

16 "Increasing the energy efficiency of
17 low-income households will allow
18 more families to remain in their
19 homes and to have more disposable
20 income available for necessities
21 other than energy."

22 MS. COLLEEN KURULUK: Yes, that's what
23 the document says. And I also believe that the
24 Efficiency Manitoba plan accomplishes that.

25 MS. KATRINE DILAY: And so, to

1 confirm, Efficiency Manitoba would agree with this
2 focus of energy efficiency as outlined by the Public
3 Utilities Board?

4 MS. COLLEEN KURULUK: The activities
5 in our plan meet some of those requirements, as stated
6 in that document.

7 MS. KATRINE DILAY: And the Public
8 Utilities Board went on to specify in this -- in this
9 document you'll see that the total cost of energy has
10 soared for all households but the cost increases have
11 been particularly devastating for households in the
12 bottom four (4) deciles of househum -- household
13 income levels.

14 You see that?

15 MS. COLLEEN KURULUK: I also see that.

16 MS. KATRINE DILAY: And would your
17 understanding be that this statement would relate to
18 the disproportionate impact to lower income customers
19 through cost increases in energy rates?

20

21 (BRIEF PAUSE)

22

23 MS. COLLEEN KURULUK: I would concur
24 with what the document is stating.

25 MS. KATRINE DILAY: And I believe we

1 talked about this yesterday, but you can correct me if
2 I'm wrong. But would Efficiency Manitoba agree that
3 lower income households can be disproportionately
4 affected by energy efficiency programs because energy
5 costs can represent a larger proportion of their
6 income?

7 MS. COLLEEN KURULUK: That is
8 certainly a possibility.

9 MS. KATRINE DILAY: And would you
10 agree that this is in part because energy costs are
11 based on flat rates?

12

13 (BRIEF PAUSE)

14

15 MS. COLLEEN KURULUK: I'm not -- I'm
16 not certain I understand what you mean by energy costs
17 are being on -- on flat rates. Maybe you could re-
18 frame that.

19 MS. KATRINE DILAY: Sure. And maybe
20 we can compare it to, for example, taxes which would
21 be based on level of income. You'll confirm that
22 energy rates are not based on the level of income of
23 the household, correct?

24 MS. COLLEEN KURULUK: That's correct.
25 I believe residential rates -- I'm not at Manitoba

1 Hydro, but I believe residential rates are equal to
2 all residents with the exceptions of -- of a First
3 Nations rate that's being contemplated.

4

5

(BRIEF PAUSE)

6

7 MS. KATRINE DILAY: Thank you. And if
8 we go Public Utilities Board Order 90 of 08 at page
9 22. And you'll agree that -- do you see that the
10 Public Utilities Board found that it is very aware of
11 the energy burden faced by low-income customers and
12 the vital importance of Manitoba Hydro providing
13 effective energy efficiency and comprehensive low
14 income programs?

15

Do you see that statement?

16

17

MS. COLLEEN KURULUK: I do see that
statement.

18

19

20

MS. KATRINE DILAY: And would
Efficiency Manitoba agree with this statement by the
Public Utilities Board?

21

22

23

MS. COLLEEN KURULUK: I would say that
we would definitely agree that there's an energy
burden for low-income households.

24

25

MS. KATRINE DILAY: And would you
agree with the importance of providing effective

1 energy efficiency and comprehensive low-income
2 programs?

3 MS. COLLEEN KURULUK: I -- I believe
4 we do, which is -- is why we have put forward a very
5 comprehensive income qualified program in our plan.

6 MS. KATRINE DILAY: Thank you. Now
7 I'd like to take a look -- we're going to move off of
8 these Public Utilities Board orders thankfully. So,
9 I'd like to take a look at the programs that are being
10 proposed to residential customers in Efficiency
11 Manitoba's plan.

12 So, if we turn to PDF page 249 of the
13 application -- or the efficiency plan, pardon me...
14 And if we look at figure A3.1, you'll agree that this
15 is a visual representation of the proportion of annual
16 electric energy savings per program bundle -- or per
17 program cu -- per customer segment?

18 MR. MICHAEL STOCKI: That's correct.
19 Those are the electric savings summary, and so it --
20 it definitely isn't indicative of the -- for example,
21 the electric budget summary as it's proportioned by
22 various customer segments.

23 MS. KATRINE DILAY: And would I be
24 right in understanding that the detailed numbers
25 underlying this table can be found in attachment 3,

1 the technical table specifically at page 513?

2 And maybe, Kristen, we can turn there.

3

4 (BRIEF PAUSE)

5

6 MR. MICHAEL STOCKI: That is correct.

7

8 (BRIEF PAUSE)

9

10 MS. KATRINE DILAY: Thank you. If we
11 just go through some of these numbers, you'll agree --
12 if we look at the codes standards and regulations
13 which is towards the bottom of the page, you'll agree
14 that electrical savings from codes and standards range
15 from eighty (80) -- eighty-eighty (88) gigawatt hour
16 to one-o-eight (108) gigawatt hour in the three (3)
17 years of the plan?

18 MR. MICHAEL STOCKI: No. Actually,
19 that's been revised in PUB I-39, so the range is now
20 eighty-two (82) to eighty-eight (88) gigawatt hours.

21

22 (BRIEF PAUSE)

23

24 MS. KATRINE DILAY: And maybe,
25 Kristen, we can -- and maybe we'll stay here for now.

1 I'm going to go through a few other numbers. But if
2 they also have been revised, then maybe we can go to
3 I-39.

4 For residential programs, the annual
5 electric energy savings range from twenty-one point
6 nine (21.9) to twenty-four point five (24.5) gigawatt
7 hour for the three (3) years of the plan?

8 MR. MICHAEL STOCKI: That's correct.

9 MS. KATRINE DILAY: And that was,
10 essentially, the first subtotal that we're looking at
11 on this table, correct?

12 MR. MICHAEL STOCKI: That's correct.
13 That's the residential program subtotal line.

14 MS. KATRINE DILAY: And for income
15 qualified programs, the annual electric energy savings
16 range from -- or hover around two point five (2.5) to
17 two point seven (2.7) gigawatt hour, correct?

18 MR. MICHAEL STOCKI: That's correct.
19 Again, with respect to the electric energy savings,
20 those are the values. I'm not sure if we're going to
21 be looking at the -- the budget values, so it might be
22 worthwhile while we're here just to flip two (2) pages
23 to page 515 of the filing.

24 I think it's important context to also
25 provide the -- the magnitude of the overall budget

1 dollars that correspond to achieving those energy
2 savings.

3 So, for example, it se -- seems like
4 we're trying to do the comparison between codes and
5 standards and residential programs. So, the -- the
6 codes and standards budgets is a small component that
7 is within the enabling strategies.

8 I believe, off the top of my head, it's
9 on the order for four hundred (400) to five hundred
10 thousand dollars (\$500,000) per year. So, that would
11 again kind of be the indic -- dicative comparison.
12 You're talking energy savings, but it's also important
13 to put in context with budget dollars.

14 And then if we compare the same
15 equivalent values on this table using the residential
16 programs, the subtotals in terms of millions of
17 dollars are \$7.5 million to \$8.7 million, that's the
18 range, and for income qualified programs it's \$1.2
19 million to about \$1.66 million.

20 MS. KATRINE DILAY: Thank you. And
21 while I was looking at codes and standards as well as
22 reg -- residential programs, I also wanted to look at
23 the commercial, industrial, and agricultural programs.
24 And maybe we'll go back to the page 513.

25 And so, just to -- to close the loop,

1 we went through income qualified programs. Under
2 Indigenous programs, you'll agree that the savings
3 range from one point five (1.5) to two point two (2.2)
4 gigawatt hours?

5 MR. MICHAEL STOCKI: That's correct.

6 MS. KATRINE DILAY: And if we compare
7 that to the savings from commercial, industrial, and
8 agricultural programs, those savings would range from
9 258.7 to 269.9 gigawatt hours, correct?

10 MR. MICHAEL STOCKI: That's correct.

11 So if you look at those savings numbers, it's -- I
12 mean, using some average -- averaging here, it's about
13 a factor of ten (10), for example.

14 And again, then, if we flip to pages --
15 to 515, from the perspective of what Efficiency
16 Manitoba's proposing to spend to achieve those
17 savings, again, if you compare the residential program
18 subtotals around, say, 8, 8 1/2 million, you can see
19 that it's not a factor of ten (10) that we're
20 proposing to spend on the commercial industrial; it's
21 more of a factor of about three (3) to three and a
22 half (3 1/2), for example.

23 MS. KATRINE DILAY: Would the
24 commercial, industrial, and agricultural programs
25 being, I believe what you're saying, about three (3)

1 times higher in terms of budget than the residential,
2 income-qualified, and Indigenous programs?

3 MR. MICHAEL STOCKI: Correct, to
4 achieve that ten (10) times the savings value.

5 MS. KATRINE DILAY: Thank you. That's
6 very helpful. And if we turn to page 250 of the
7 Efficiency plan, you'll agree that this represents the
8 electric savings of each program bundle by customer
9 segment?

10 MR. MICHAEL STOCKI: That's correct.
11 That's basically a graphical summary of the same data
12 we were just looking at.

13 MS. KATRINE DILAY: And for the
14 residential customer segment, electrical savings from
15 codes and standards are higher than the other program
16 bundles for that customer segment, correct?

17 MR. MICHAEL STOCKI: That's correct,
18 yes.

19 MS. KATRINE DILAY: And would also be
20 higher than the program bundles under the Indigenous
21 and income-qualified customer segments, correct?

22 MR. MICHAEL STOCKI: That's correct.
23 And again, with respect to putting that perspective of
24 cost, those are very-low-cost savings to -- to achieve
25 in comparison.

1 It's probably also worthwhile, while
2 we're doing this comparison, to perhaps flip to page
3 518, again within that Attachment 3, just at a high
4 level, just to take a look at the number of program
5 participants.

6 Again, this is an important piece of
7 context, so certainly savings are a part of it, budget
8 is part of the -- the consideration, but it's also the
9 reach of our programs and how many active participants
10 we -- we're actually anticipating.

11 And so within that residential program
12 sector, you can see that, for example, a direct-
13 install program is targeting between eight hundred
14 (800) ramping up to about sixteen hundred (1,600)
15 different homes, and products and appliances range
16 from about a hundred and ninety -- or, decrease,
17 actually, from three hundred and fifty-four thousand
18 (354,000) down to a hundred and ninety-five thousand
19 (195,000).

20 And then again, if we're looking at a
21 comparison to the commercial, industrial, and
22 agricultural programs, in general, those numbers are -
23 - are a little bit smaller, because again, we're
24 targeting fewer individual customers in that customer
25 segment, but the intent is to reach a lot more

1 residential customers in general.

2 MS. KATRINE DILAY: Thank you. And
3 just going back to page 250 of the application, if we
4 look at the commercial customer segment -- which is
5 the third customer segment in the middle of the table,
6 essentially -- you'll agree that the largest program
7 bundle in terms of savings would be renovation,
8 correct?

9 MR. MICHAEL STOCKI: That's correct.
10 And that just made me realize also that in that
11 appendix table, we've actually combined the condus --
12 commercial, industrial, and agricultural in that data
13 table, but here we've split it out.

14 MS. KATRINE DILAY: Yes, agreed.
15 Thank you. And you'll agree that under the industrial
16 customer segment in this chart, load displacement
17 would be the largest program bundles in term --
18 program bundle in terms of savings, correct?

19 MR. MICHAEL STOCKI: That's correct.

20 MS. KATRINE DILAY: Followed by
21 renovation and custom program bundles?

22 MR. MICHAEL STOCKI: That's correct.

23 MS. KATRINE DILAY: And I'm just
24 hoping to go through -- this was very helpful from our
25 clients' perspective -- I'm hoping to go through some

1 of these numbers as well for natural gas savings. If
2 we turn to page 252 of the application, you'll agree
3 that this is a visual of the proportion of annual
4 natural gas energy savings per program -- per customer
5 segment?

6 MR. MICHAEL STOCKI: That's correct.

7 MS. KATRINE DILAY: And you'll agree
8 that the detailed numbers underlying this chart are in
9 Attachment 3, technical table, page 507.

10 MR. MICHAEL STOCKI: That's correct,
11 and I will point out that that previous graph also
12 included within each customer segment the impact
13 within that customer segment of interactive effects,
14 so that alters the -- the graphics a little bit -- or,
15 that impacts the graphics a little bit; whereas in
16 this table, I believe we've captured all of the
17 interactive effects in a single line item at the --
18 the very bottom, yes, at this table here.

19 MS. KATRINE DILAY: Thank you for that
20 -- that clarification. So if we stay on this chart
21 here and just go through some of the numbers.

22 So if we go to the bottom of the -- the
23 table, where we see the codes, standards, and
24 regulations, you'll agree that natural gas savings
25 from codes and standards range from 3.51 to 4.36

1 million cubic metres in the three (3) years of the
2 plan?

3 MR. MICHAEL STOCKI: Yes, I'd agree
4 with that.

5 MS. KATRINE DILAY: And if we look at
6 the top of this chart, under 'residential programs',
7 the annual natural gas energy savings range from 1.08
8 to 2.01 million cubic metres for the three (3) years
9 of the plan?

10 MR. MICHAEL STOCKI: That's correct.

11 MS. KATRINE DILAY: For income-
12 qualified programs, the annual natural gas savings
13 range -- hover around 1.07 to 1.09 million cubic
14 metres?

15 MR. MICHAEL STOCKI: That's correct.
16 And so again, I think it's valuable to provide some
17 context both in terms of the dollar spend and the
18 participation within those different customer
19 categories. So for example, if we flip to page 508,
20 the next page, we can see the comparison of the costs.

21 So again for -- for comparing to codes
22 and standards, the value four hundred (400) to five
23 hundred thousand (500,000) that I previously gave was
24 actually -- I was including the entire portfolio, both
25 electric and natural gas, that those costs are spread

1 out. But again, it's rel -- relatively insignificant
2 in that comparison.

3 But you can see a comparison on
4 residential programs. We're spending, starting at 2.5
5 million and going up to about 5.4 million in program
6 spend between 2021 -- 2020/2021 through '22/'23. And
7 then in the income-qualified programs, spending is
8 around six (6) to six point six million dollars (\$6.6
9 million).

10 If we got to page 518 -- sorry, 510 --
11 sorry, 512, that would be the participation, so again,
12 you can see relative comparisons of the participation
13 that we're seeking from residential programs within
14 each of the customer bundles, both for income-
15 qualified and residential.

16 MS. KATRINE DILAY: And thank you. I
17 appreciate those additional information. And just
18 going back to page 507 to -- to finish off those
19 numbers, for Indigenous programs, you'll agree the
20 savings are pretty much consistent at 0.05 million
21 cubic metres for natural gas?

22 MR. MICHAEL STOCKI: Yes, I'd agree
23 with that.

24 MS. KATRINE DILAY: And if we look at
25 the savings from commercial, industrial, and

1 agricultural programs combined, those would range from
2 7.22 to 8.1 million cubic metres over the three (3)
3 years?

4 MR. MICHAEL STOCKI: Yes, that's
5 correct.

6 MS. KATRINE DILAY: And if we turn to
7 page 253 of the Efficiency plan, you'll agree that for
8 the residential customer segment, natural gas savings
9 from codes and standards are higher than the other
10 program bundles?

11

12 (BRIEF PAUSE)

13

14 MR. MICHAEL STOCKI: Yes, that's
15 correct. I was just trying to see if -- how
16 interactive effects were qualified in here, but it
17 looks like interactive effects have been kind of
18 categorized as a independent category there.

19 Oh, actually, no, they are within the
20 residential sector. I just was looking for the
21 magnitude of that value, but it's relatively low
22 within that customer segment, but -- so that's
23 correct.

24 MS. KATRINE DILAY: Right, and inter -
25 - we can see interactive effects just two (2) columns

1 over from the codes and standards, correct?

2 MR. MICHAEL STOCKI: Yes, that's --

3 MS. KATRINE DILAY: For residential?

4 MR. MICHAEL STOCKI: That's correct.

5 MS. KATRINE DILAY: And if we look at
6 the commercial customer segment -- sorry -- if we look
7 at the commercial customer segment, you'll agree that
8 the renovation program bundle makes up the largest
9 proportion of savings?

10

11 (BRIEF PAUSE)

12

13 MR. MICHAEL STOCKI: That's correct.

14 MS. KATRINE DILAY: And under the
15 industrial customer segment, you'll agree that the
16 custom program bundle makes up the majority of the
17 savings, correct?

18 MR. MICHAEL STOCKI: That's correct.

19 MS. KATRINE DILAY: And I just want to
20 clarify a few things about codes and standards in
21 particular. You'll agree that codes refer to building
22 codes, which are a set of rules that specify the
23 minimum acceptable level of safety for constructed
24 buildings?

25 MS. COLLEEN KURULUK: I'll -- I'll

1 accept that definition. It doesn't -- doesn't
2 specifically pertain to energy codes, but that would
3 be a -- a -- an overall code definition.

4 MS. KATRINE DILAY: Right. And this
5 was pertaining to building codes more generally,
6 correct?

7 MS. COLLEEN KURULUK: Yes, correct.

8 MS. KATRINE DILAY: Thank you. And
9 while historically, building codes have focused on
10 health and safety, in 2012 you'll agree that energy
11 efficiency was added as an objective of building
12 codes?

13 MS. COLLEEN KURULUK: That is correct.

14 MS. KATRINE DILAY: And you'll agree
15 that building codes apply in the design and
16 construction of new buildings as well as to the
17 alteration, change of use, and demolition of existing
18 buildings?

19 MS. COLLEEN KURULUK: Yes, I -- I
20 believe there's a caveat on that renovation component,
21 but largely, that's correct.

22 MS. KATRINE DILAY: And are you able
23 to clarify what that caveat would be for the
24 renovation component?

25 MS. COLLEEN KURULUK: So I'm going to

1 have to go off the top of my head, but I -- I believe
2 it was situations and renovations where fift -- it was
3 going to cost 50 percent of the cost of new
4 construction, is when the energy code would apply, and
5 I would have to correct that. I -- I didn't quite
6 make it.

7 MS. KATRINE DILAY: And maybe we can
8 take that --

9 MS. COLLEEN KURULUK: It's relevant
10 here.

11 MS. KATRINE DILAY: -- subject to
12 check?

13 MS. COLLEEN KURULUK: Sure. That's
14 fine.

15 MS. KATRINE DILAY: That would be very
16 helpful if --

17 MS. COLLEEN KURULUK: Okay.

18 MS. KATRINE DILAY: -- if you could
19 check on that. So would this mean, then, that unless
20 a customer is buying a new house or doing renovations
21 to their existing house, the building code would not
22 apply to them, correct?

23 MS. COLLEEN KURULUK: That is correct
24 for residential customers that live in a -- in a
25 single family dwelling, or -- or buildings that would

1 be part of a -- what's called Part 9 commer --
2 residential construction.

3 However, renters or people in multi-
4 unit residential buildings would gain the benefit of
5 those codes through the commercial aspects of the
6 energy code.

7

8 (BRIEF PAUSE)

9

10 MS. KATRINE DILAY: And would that be
11 when their landlord or the building owner is -- is
12 doing renovations to the building?

13 MS. COLLEEN KURULUK: When -- when a
14 major renovation is occurring on a -- a multi-unit
15 residential building, or when a new multi-unit
16 residential building is being constructed.

17 MS. KATRINE DILAY: Thank you. And
18 you'll agree that when we referred to standards and
19 the -- the codes and standards term, that would refer
20 to a standard specification which is an explicit set
21 of requirements for an item, material, component,
22 system, or service?

23 MS. COLLEEN KURULUK: I would accept
24 that, subject to check. I'm not exactly sure where
25 you're drawing the reference from, but...

1 MS. KATRINE DILAY: It's actually from
2 your application at page 430. We can turn there if
3 you -- if you would like to check the definition.

4 MS. COLLEEN KURULUK: That would be
5 great.

6 MS. KATRINE DILAY: So at -- at the
7 bottom of the page is the standards.

8

9 (BRIEF PAUSE)

10

11 MS. KATRINE DILAY: And so you'll
12 agree with the definition at lines 297 to 298?

13 MS. COLLEEN KURULUK: Yes, I would.
14 Thank you.

15 MS. KATRINE DILAY: And so that means
16 that a standard would impact a customer if they are
17 buying or replacing an item, material, component,
18 system, or service, correct?

19 MS. COLLEEN KURULUK: That's correct.
20 So a residential customer that is buying a new
21 refrigerator, for example, will attain the benefits of
22 new energy -- minimum energy performance standards of
23 that refrigerator. And once the standards are in
24 place, it actually has the added benefit of reducing
25 the cost of what typically would have been more

1 expensive, higher performing products. So once
2 they're regulated, the costs typically come down. So
3 there's a benefit from the energy savings as well as
4 the price of the purchase of a higher performing
5 product.

6 MS. KATRINE DILAY: Thank you. So
7 moving off of specific definitions for codes and
8 standards, you'll agree generally that there exists
9 some barriers for low income consumers to participate
10 in energy efficiency programs that may not exist for
11 other customers?

12

13 (BRIEF PAUSE)

14

15 MS. KATRINE DILAY: And if it --
16 sorry.

17 MS. COLLEEN KURULUK: I'm sorry. Can
18 you repeat that? Sorry.

19 MS. KATRINE DILAY: Sure. And if it
20 helps, we can turn to your application at PDF page 315
21 to 316.

22 And my question is whether you'd agree
23 that generally, there exists some barriers for low
24 income consumers to participate in energy efficiency
25 programs that may not exist for other customers?

1 MS. COLLEEN KURULUK: That is correct.
2 And -- and that's why the plan is putting forward
3 programs that largely cover the majority of the costs
4 of participating in our programs because of those
5 barriers that -- that we recognize and identify.

6 MS. KATRINE DILAY: Thank you. And I
7 think what you're alluding to is that one (1) barrier
8 that low-income customers may face is that they may
9 not have sufficient income to pay the upfront costs of
10 energy efficiency upgrades, correct?

11 MS. COLLEEN KURULUK: That -- that is
12 the major barrier as we understand it. We have
13 identified further barriers through conversations with
14 our customers and our stakeholders, and I might refer
15 to Ms. Sterdan to elaborate on that if it's required.

16 MS. KATRINE DILAY: And the -- the
17 upfront cost barrier that we just went through, this
18 is where financial incentives to assist consumers in
19 investing in energy efficiency programs can help to
20 remove or alleviate this barrier, correct?

21 MS. COLLEEN KURULUK: Yes, that's
22 correct. As I just said, the -- the requesting barely
23 any input or any customer contribution for our income
24 qualified program is -- is primarily trying to address
25 that barrier.

1 MS. KATRINE DILAY: And another
2 barrier for low-income customers would be that a lar -
3 - a large proportion of low-income customers are
4 renters, correct?

5 MS. COLLEEN KURULUK: I'm not -- I'm
6 not sure if that's a barrier. Low-income customers
7 can access programs through our -- our rental
8 component of our income qualified.

9 MS. KATRINE DILAY: Are you familiar
10 with the term split incentive as it refers to tenants
11 and landlords?

12 MS. COLLEEN KURULUK: I -- I indeed
13 am.

14 MS. KATRINE DILAY: And if we just go
15 through what that means for the benefit of the record,
16 you'll agree that the split incentive means that
17 landlords own the dwellings and are typically the only
18 ones who can sign off on energy efficiency upgrades
19 such as improved furnaces, or windows, correct?

20 MS. COLLEEN KURULUK: For major
21 components, that's correct.

22 MS. KATRINE DILAY: And if the tenant
23 is the one paying the power bill, landlords have
24 little or no economic incentive to pay for the
25 renovations, because the landlord will not be impacted

1 by the reduced power bill as a result of the
2 efficiency upgrades, correct?

3 MS. COLLEEN KURULUK: Yes, we are
4 aware of that particular issue, and I believe our
5 program design has addressed it.

6 MS. KATRINE DILAY: And just to close
7 the loop on the split incentive, it also works the
8 other way in the sense that if the landlord is paying
9 the power bill, then the tenant does not have an
10 economic incentive to change their behaviour with
11 respect to energy consumption or to make smaller
12 energy efficiency upgrades that may be within their
13 own control, correct?

14 MS. COLLEEN KURULUK: There may not be
15 an economic reason for them to do, no. There might be
16 other qualitative benefits that they'd -- they might
17 be interested in attending.

18 MS. KATRINE DILAY: But they wouldn't
19 see the economic benefit of the reduced energy bill
20 there?

21 MS. COLLEEN KURULUK: Yeah. If
22 they're not paying the bill, they won't see the energy
23 savings.

24 MS. KATRINE DILAY: And in light of
25 the importance of low-income energy efficiency

1 programming, and as well as barriers to participation
2 that we've just gone through, can you elaborate on how
3 Efficiency Manitoba concluded that relying on codes
4 and standards as the large proportion -- the largest
5 proportion of savings for residential customers would
6 meet the needs of residential customers?

7 MS. COLLEEN KURULUK: So I -- I
8 wouldn't concur that we relied on the codes and
9 standards savings to meet the needs of residential
10 customers. We built our programming from the ground
11 up and from the end-use consumption, in where energy
12 is consumed in a residential household, and built our
13 programs around that.

14 So I -- I wouldn't agree that we're
15 relying on codes and standards to make up the
16 residential portfolio of energy savings.

17 MS. KATRINE DILAY: But as we just
18 went through, you'll agree that codes and standards
19 make up the largest proportion of energy savings for
20 residential customers, correct?

21 MS. COLLEEN KURULUK: Yes. I -- I do
22 agree with that but, again, I -- I think I have more
23 issue with the -- the characterization that we're
24 relying on it for meeting our needs with the
25 residential customers.

1 MS. KATRINE DILAY: Thank you. Mr.
2 Chair, that brings me to the end of one (1) section.
3 It could be an appropriate moment to take a break if
4 that would be acceptable to the Panel.

5 THE CHAIRPERSON: Thank you. We'll
6 break for fifteen (15) minutes.

7

8 --- Upon recessing at 10:30 a.m.

9 --- Upon resuming at 10:50 a.m.

10

11 THE CHAIRPERSON: Ms. Dilay, if you'd
12 like to continue.

13

14 CONTINUED BY MS. KATRINE DILAY:

15 MS. KATRINE DILAY: Thank you very
16 much. My next number of questions are going to be
17 about cost-effectiveness and marginal values, and I'd
18 like to ask some questions to clarify the marginal
19 values that were provided by Manitoba Hydro to
20 Efficiency Manitoba. I don't expect to go into any
21 confidential information, but of course if -- if you
22 do flag that there are some, in your answers please --
23 please let us know.

24

I'm sorry, I believe actually
25 Efficiency Manitoba, in particular Mr. Stocki, you had

1 a clarification to an answer that was provided
2 earlier. Sorry about that.

3 MR. MICHAEL STOCKI: No problem.
4 Thank you. I was trying to do some quick math and I
5 got the US to Canadian conversion wrong, so I think
6 when we were doing the -- comparing the Dunsky to the
7 ACEEE version of the acquisitions costs, it should be
8 lower in US dollars than it is in Canadian dollars. I
9 just had to inverse that conversion.

10 So then the only factors that are
11 really -- make this a difficult comparison, are really
12 the inclusion of codes and standards that make it a --
13 a difficult comparison, and then, of course, the
14 timing of the data.

15 MS. COLLEEN KURULUK: Ms. Dilay, I
16 also have some information I think would be beneficial
17 to the Panel and your client that I wanted to put to
18 the record, if that's okay.

19 So under the current Manitoba Hydro
20 program for affordable energy, which we're planning to
21 continue with enhancements under Efficiency Manitoba,
22 and this pertains specifically to the situation with
23 the split incentive that Ms. Dilay explained earlier
24 where there's a landlord and a tenant, and we do have
25 a tenant component -- or a landlord, sorry, component

1 to our Affordable Energy Program that states that:

2 "If the building is a rental
3 property and the electricity and
4 natural gas accounts for the
5 building are in the owner's name,
6 the owner agrees to transfer any
7 savings realized as a result of
8 upgrades completed pursuant to the
9 Affordable Energy Program to the
10 tenant."

11 So in that situation, when the tenant's
12 not paying the bill, the landlord would have to
13 transfer benefits in terms -- by way, for example, of
14 decrease rental rates. That's a requirement for --
15 for them to sign -- sign before we assist them in
16 improving efficiency of their -- of their rental
17 property.

18 MS. KATRINE DILAY: Thank you for
19 those clarifications.

20 And so going back to marginal values,
21 and just some clarification questions, if we turn to
22 Daymark/Efficiency Manitoba I-20, and specifically
23 part (a) of the response. And so you'll agree that
24 Manitoba Hydro -- Efficiency Manitoba, pardon me,
25 stated that:

1 "Manitoba Hydro provides Efficiency
2 Manitoba with a forecast of thirty
3 (30) years of generation,
4 transmission, and distribution
5 marginal values. The generation
6 marginal values for each year are
7 broken out between marginal energy
8 values and marginal capacity values,
9 that are then each differentiated
10 between summer and winter seasons."

11 You see that answer?

12 MR. MICHAEL STOCKI: Yes, I do.

13 MS. KATRINE DILAY: And I just want to
14 focus on where Efficiency Manitoba refers to both
15 marginal energy values as well as marginal capacity
16 values, correct?

17 MR. MICHAEL STOCKI: That's correct.
18 So those are distinct values that we received.

19 MS. KATRINE DILAY: And when we refer
20 to energy values, you'll agree, simply put, that this
21 would be the amount of electricity a generator
22 produces over a period of time?

23

24 (BRIEF PAUSE)

25

1 MR. MICHAEL STOCKI: Well, the
2 marginal values are typically provided as a -- a
3 dollar per kilowatt -- megawatt hour, for example, or
4 kilowatt per year.

5 MS. KATRINE DILAY: And if we stay
6 away from kind of the -- the marginal values, that if
7 we focus on energy, when we refer to energy, would
8 that be the amount of electricity that generator
9 produces over a period of time?

10 MR. MICHAEL STOCKI: It certainly
11 could be or in terms of energy savings it could be the
12 quantity of energy that's saved over a period of time.

13 MS. KATRINE DILAY: Thank you. And
14 then if we contrast that, or compare that rather, to
15 capacity, would that be referring to the maximum
16 output an electricity generator can physically produce
17 at any specific point in time?

18 MR. MICHAEL STOCKI: That's correct
19 with respect to generation capacity, but obviously we
20 also receive capacity values on the distribution and
21 transmission system, so then those values are actually
22 not referring back to generation but they're actually
23 talking about the capacity of lines -- physical line
24 capacity on the distribution or transmission system of
25 Manitoba Hydro.

1 MS. KATRINE DILAY: And so you'll
2 agree that both marginal energy values and marginal
3 capacity values are important because they represent
4 different sources of savings and benefits?

5 MR. MICHAEL STOCKI: I'd agree with
6 that, correct.

7 MS. KATRINE DILAY: And if we turn to
8 Coalition/Daymark I-9, and just looking at the
9 questions for a second.

10 Do you see there, that the Coalition
11 asked Daymark to qua -- to clarify whether Manitoba
12 Hydro provided peak and off-peak marginal values,
13 correct?

14 MR. MICHAEL STOCKI: That's correct.

15 MS. KATRINE DILAY: And Daymark's
16 response was that:

17 "The measure level work papers
18 reviewed by Daymark included
19 seasonal on-peak and off-peak
20 marginal values developed by
21 Manitoba Hydro."

22 Correct?

23 MR. MICHAEL STOCKI: That's correct.

24 MS. KATRINE DILAY: Can you please
25 clarify whether Manitoba Hydro provided peak and off-

1 peak marginal energy values to Efficiency Manitoba as
2 well as marginal capacity values by season?

3 MR. MICHAEL STOCKI: It might be
4 easiest to refer to a previously submitted redacted
5 table, just kind of for -- for purposes of walking
6 through. It was submitted by Manitoba Hydro in the
7 2017/18, '18/19 GRA. It's PUB-MH Round 2-11 -- or -
8 57, the revised version. I believe Patrick Bowman
9 from MIPUG also referred to that table. And it might
10 also be in the PUB Book of Documents. No, it's not.
11 Okay.

12 But essentially, there's -- it's a
13 reproduction of the table of marginal values that at
14 that time was provided too for DSM planning purposes.
15 So just to kind of go through some of the -- the
16 titles basically -- for the purpose of this, the
17 values aren't important and they're all -- mostly
18 redacted anyways.

19 But for a summer season, there is a
20 generation energy value that's provided on an annual
21 basis, for summer generation energy and a dollar per
22 megawatt hour basis. There's also generation capacity
23 that's provided and a dollar per kilowatt per year
24 basis. That's the summer season.

25 And then for the winter season, there's

1 multiple value, so there's generation energy,
2 generation capacity, transmission capacity, and
3 distribution capacity.

4 And so when were talking about on peak
5 versus off peak, there's a couple different
6 considerations here. So it's up now. If we just
7 scroll down to the next page.

8 Basically just listed off the -- the
9 column -- the column headings there. So the
10 generation energy capacity, generation energy capacity
11 for winter season, and the capacity for distribution
12 and transmission capacity for winter.

13 So on the energy values, we have summer
14 energy values for both summer and winter. For
15 capacity, we have generation in the summer, and for
16 winter seasons we have generation, transmission, and
17 distribution.

18 And so those capacity values -- those -
19 - because there are -- they kind of speak to
20 limitations of existing distribution or capac --
21 transmission systems, those are on-peak values.
22 They're specifically -- if you see -- there's no
23 summer values for distribution and transmission
24 because Manitoba Hydro doesn't hit a summer peak on
25 the distribution and transmission system during the

1 summer months. It's a winter peaking value.

2 And so -- so as much as our programs,
3 for example, align with those time periods, that
4 provides a distinction between the on and off periods
5 in combination of both the energy and the capacity
6 values.

7 MS. KATRINE DILAY: That's very
8 helpful. And so would your answer then be that,
9 essentially, the numbers that are provided in this
10 table would have been provided to Efficiency Manitoba
11 by Manitoba Hydro?

12 MR. MICHAEL STOCKI: I can't confirm
13 what the -- the individual values that are shown, but
14 the -- essentially, the same columns were provided to
15 Efficiency Manitoba.

16 MS. KATRINE DILAY: Thank you for the
17 clarification.

18 MR. MICHAEL STOCKI: Yeah.

19 MS. KATRINE DILAY: My next few
20 questions are aimed at getting clarification with
21 respect to the lost revenue calculation and the life
22 cycle revenue impact analysis. And I'd like to turn
23 to Coalition EM I-33, and specifically the response to
24 part D of this IR on page 2.

25 And so, you'll agree that for purposes

1 of determining the lost revenue to be included in the
2 life cycle revenue impact analysis, Efficiency
3 Manitoba assumed that electricity and natural gas
4 rates would both increase at a rate of 1.92 percent
5 per year over the thirty (30) year period?

6 MR. MICHAEL STOCKI: Yes, I'd agree.
7 That's exactly what we did. I think there was some
8 confusion from the independent expert, Harper, on what
9 that actually means.

10 For example, all our -- all our cost
11 benefit analysis was done on a nominal dollar value.
12 And so, we've discounted -- the weighted cost of
13 capital for Manitoba Hydro is 4 percent.

14 If you add an additional 1.92 percent
15 onto that 4 percent, you essentially get a nominal
16 discount rate of 6 percent.

17 And so, what we've done because we were
18 wanting to hold the electric and natural gas rates
19 constant over that period and keep our analysis
20 consistent on a nominal dollar value basis, we used
21 that 1.92 percent to inflate the electric natural gas
22 rates, but then we discounted it by the full nominal
23 discount rate of 6 percent, which again would include
24 that 1.92.

25 So, effectively, you're cancelling that

1 1.92 out and having a flat rate crease over that time
2 period considered.

3 MS. KATRINE DILAY: And we can pull it
4 up if -- if you require, but do you recall that the
5 PUB approved an average rate increase for Manitoba
6 Hydro of 3.36 percent effective August 1st, 2016?

7 And if you'd like the reference, we can
8 pull it up.

9 MR. MICHAEL STOCKI: That sounds
10 right.

11 MS. KATRINE DILAY: And the PUB also
12 approved a 3.36 percent rate increase effective August
13 1st, 2017?

14 MR. MICHAEL STOCKI: That's correct.

15 MS. KATRINE DILAY: And the PUB
16 approved an average 3.6 percent rate increase
17 effective June 1st, 2018?

18 MR. MICHAEL STOCKI: I believe that's
19 correct.

20 MS. KATRINE DILAY: And most recently,
21 the PUB ordered a 2.5 percent rate increase effective
22 June 1st, 2019, correct?

23 MR. MICHAEL STOCKI: That's correct.

24 And so, our -- our intent of holding those rates
25 constant for the purpose of doing the lost revenue

1 calculation, we didn't want to start projecting out
2 future rate increases. We wanted to use a level
3 playing field so that the impact of the programs and
4 the -- the LRI metric would be from a clear base.

5 If we started projected out, for
6 example, an additional 2.5 going forward for a certain
7 number of years, that would really complicate the
8 comparison.

9 And so, basically, we wanted to have
10 the LRI based on a constant rate project in our flat
11 zero rate projection so that the impact of our
12 programs would be incremental to a flat.

13 And then whatever Manitoba Hydro when
14 they come forward in the next GRAs for both Manitoba
15 Hydro and Centra, they can do the full analysis and
16 determine what that actual rate impact should be.

17 MS. KATRINE DILAY: And...

18

19 (BRIEF PAUSE)

20

21 MS. KATRINE DILAY: And I'd just like
22 you to bring -- I'd like to bring you to a few
23 Manitoba Hydro numbers from the General Rate
24 Application from two (2) years ago, specifically
25 Manitoba Hydro's 2017/'18 and 2018/'19 General Rate

1 Application at appendix 3.3.

2

3 (BRIEF PAUSE)

4

5 MS. KATRINE DILAY: And do you see
6 here that Mani -- this was Manitoba Hydro's projected
7 operating statement based on the integrated financial
8 forecast MH16.

9 Do you see that at the top?

10

11 (BRIEF PAUSE)

12

13 MR. MICHAEL STOCKI: I'm not as
14 familiar with this document, but, yes, I see that at
15 the top.

16 MS. KATRINE DILAY: And if we go down
17 six (6) rows from the bottom, do you see the row that
18 entitled, "Percent increase"?

19

20 (BRIEF PAUSE)

21

22 MR. MICHAEL STOCKI: Yes, with some
23 assistance, I see that now.

24 MS. KATRINE DILAY: It is very small
25 numbers on this table. Would your understanding be

1 that that row would refer to the projected rate
2 increases by Manitoba Hydro at the time?

3 MR. MICHAEL STOCKI: That's correct.

4 And I think, as you pointed out, those -- for at least
5 the period of 2018 and 2019, that actually wasn't what
6 was approved.

7 MS. KATRINE DILAY: And so, as we see
8 here, what you're referring to, if we just walk
9 through it, you'll -- we see Manitoba Hydro was
10 projecting 7.9 percent rate increases for the five (5)
11 years of this document, from 2018 to 2022, correct?

12 MR. MICHAEL STOCKI: Again, not having
13 participated in that process, that seems to be what
14 this table is depicting, yes.

15 MS. KATRINE DILAY: And that's
16 definitely what I'm -- what I'm asking, just to
17 confirm that that's what you see on the table. And
18 those 7.9 percent rate increases on this table you'll
19 see are project -- are followed by 2 percent rate
20 increases for the rest of the forecast period,
21 correct?

22 MR. MICHAEL STOCKI: That's correct.

23 MS. KATRINE DILAY: And you've already
24 referred to this, but you'll agree that, based on the
25 approved rate increases we just went through, the 7.9

1 percent rate increases that were projected by Manitoba
2 Hydro were not approved by the Public Utilities Board,
3 correct?

4 MR. MICHAEL STOCKI: That's correct.

5 MS. KATRINE DILAY: And if we turn to
6 Manitoba Hydro's 2017/'18 and 2018/'19 General Rate
7 Application, appendix 3.4, you'll agree -- or you'll
8 see at the top of this page that this was the
9 projected operating statement based on the integrated
10 financial forecast MH-16 but at MH-15 projected rate
11 increases, correct?

12 MR. MICHAEL STOCKI: That's correct.

13 MS. KATRINE DILAY: And if we go down
14 to the same row we were looking at in the other -- on
15 the other table, six (6) rows from the bottom, do you
16 see the row entitled, "Percent increase"?

17 MR. MICHAEL STOCKI: Yes, I do.

18 MS. KATRINE DILAY: And, again, your
19 understanding would be that this refers to the
20 projected rate increases by Manitoba Hydro at the
21 time?

22 MR. MICHAEL STOCKI: Yes, that's
23 correct.

24 MS. KATRINE DILAY: And the project
25 rate increases were 3.95 percent for each of the

1 fiscal years 2018 to 2029, correct? And we may have
2 to go to the next page to see the 2029 fiscal year.

3 MR. MICHAEL STOCKI: That's correct.

4 MS. KATRINE DILAY: And this was
5 followed by 2 percent rate increases for the remainder
6 of the forecast period, correct?

7 MR. MICHAEL STOCKI: That's correct.
8 And so, I mean, at a high level, kind of looking at
9 the difference between the two (2), that is probably
10 one (1) reason that we didn't want to start getting
11 into rate projections within our LRI, because that
12 forecast may change.

13 It's not at our discretion. It's
14 certainly at the discretion of the Board and working
15 with Manitoba Hydro. So, that's exactly why we just
16 had a flat rate assumed, so that we could isolate the
17 impact of our portfolio of programs.

18 MS. KATRINE DILAY: But you'll agree,
19 based on the numbers we just saw, that in the short-
20 term, at least for the next ten (10) years, the rates
21 projected by Manitoba Hydro at the time were at least
22 3.95 percent, correct?

23 MR. MICHAEL STOCKI: That's correct.
24 And just kind of looking at these tables, it's -- the
25 sophistication of the models that's required to

1 analyse that rate impact includes things like domestic
2 revenue, you know, extra-provincial revenue, operating
3 expenses, financing expenses all in the purview of
4 Manitoba Hydro and all requiring modelling by Manitoba
5 Hydro that we don't necessarily have expertise, and
6 certainly not the data required to project out future
7 rate increases independently of Manitoba Hydro. So
8 that's another reason why we wouldn't have -- have
9 done that and incorporated into the LRI.

10 MS. KATRINE DILAY: Thank you. I have
11 a couple of clarification questions with respect to
12 the response to Coalition EM-33.

13 And I'd like to start by looking at the
14 response to part (f).

15

16 (BRIEF PAUSE)

17

18 MS. KATRINE DILAY: And can you
19 clarify whether the analysis what was provided in
20 response to part (f) just looked at the program costs,
21 lost revenues, and marginal benefits for the first ten
22 (10) years?

23 MR. MICHAEL STOCKI: Yes, I believe
24 this was a sensitivity analysis that was requested by
25 Coalition and so Efficiency Manitoba endeavoured to

1 provide a ten-year one-time equivalent rate increase,
2 as -- looking at the benefits, costs, and lost
3 revenue, only over a ten (10) year period.

4 MS. KATRINE DILAY: And if we look at
5 part (g), the answer to part (g), would this analysis
6 have just looked at the program costs, loss revenues,
7 and marginal benefits for the first five (5) years?

8 MR. MICHAEL STOCKI: That's correct.
9 And we got into this a little bit yesterday, I
10 believe.

11 Daymark has proposed a somewhat
12 different approach in which they're not -- in this
13 case, for example, you would look at the entire
14 portfolio of measures, and then restrict that net
15 present value period to a five (5) year or a ten (10)
16 year in -- in this -- that's the case of the
17 sensitivities that were run here versus the Daymark
18 approach, which was proposing that you would take --
19 limit the number of measures that you look in that
20 period.

21 So for example, in the first five (5)
22 year period, you'd only be looking at measures that
23 had a one (1) to five (5) year measure life. For the
24 next five (5) year period you'd only be looking at
25 measures within the six (6) to ten (10) year period.

1 So there's definitely some subtleties with respect to
2 those methodologies as well.

3 MS. KATRINE DILAY: Thank you. And if
4 we look at the revised response to part (e) of this
5 IR, which is on page 3 of the -- of the IR, are you
6 able to clarify how the ten (10) year value based on
7 3.9 percent rate increase was calculated?

8 And just to -- to kind of clarify what
9 I mean, was the analysis done in part (e) similar to
10 the one done on part (f)? In other words, based on
11 program costs, lost revenues, at 3.9 percent annual
12 rate increase, and marginal benefits for the first ten
13 years?

14 MR. MICHAEL STOCKI: Yes, I recall
15 this question now.

16 When we read this question, what we
17 were -- there was two (2) requests, basically, in the
18 -- the question from Coalition in the revised question
19 from Coalition, looking at a 3.9 percent per annum.

20 They were looking to re-run this on a
21 ten (10) year and a -- for 3.9 percent per -- per year
22 increase for ten (10) years and thirty (30) years.

23 And so what Efficiency Manitoba did was
24 we took that rate increase and applied that to the
25 analysis. So we did a case where we ran 3.9 percent,

1 did the loss revenue calculation off that for a thirty
2 (30) year period, and then we also applied a 3.9
3 percent per year for ten (10) years, but still used
4 the full thirty (30) year net present value period.
5 So we basically held the rates flat after that tenth
6 year of rate increases.

7 And I -- I think based on my
8 recollection that wasn't necessarily what Coalition
9 had intended we do, but that's certainly the way we --
10 we interpreted the -- that question.

11 MS. KATRINE DILAY: And this is
12 probably just me not completely understanding, but can
13 you just clarify, so what we just -- what you
14 indicated was done in part (f) and (g) in the
15 responses, was the same analysis essentially used in
16 the revised response to part (e)?

17 MR. MICHAEL STOCKI: No, it was
18 different. So part (f) actually truncated the -- the
19 period which we are looking at the net present value
20 analysis on. So as requested by Coalition, we
21 truncated it to a ten (10) year analysis and a five
22 (5) year.

23 In part (e) the analysis was done over
24 a thirty (30) year time period with the rate impacts
25 being either thirty (30) or ten (10) years, based on

1 Coalition's request.

2 MS. KATRINE DILAY: But the analysis
3 was done similar to part (f) in a sense that it was
4 based on program costs, lost revenues, and marginal
5 benefits for the first ten (10) years?

6 MR. MICHAEL STOCKI: It was done on a
7 thirty (30) year MPV basis. So it -- it considered
8 those factors, but on a thirty (30) year basis with
9 the rate impa -- the rate increases only coming in the
10 first ten (10) or the first thirty (30) based on
11 Coalition's request.

12 MS. KATRINE DILAY: Thank you. Sorry
13 about my inelegant way of asking that.

14 I'm wondering if it might be possible
15 to get an undertaking from Efficiency Manitoba to do
16 the same analysis that is provided in part (e), using
17 the 3.9 percent per annum increase for thirty (30)
18 years and ten (10) years, do that analysis for the
19 first five (5) years at 3.9 percent per annum?

20 MR. MICHAEL STOCKI: So just so we're
21 crystal clear, so you want a 3.9 percent increase for
22 the first five (5) years, but you still want it done
23 on a thirty (30) year present value basis?

24 MS. KATRINE DILAY: Yes.

25 MR. MICHAEL STOCKI: Absolutely, yes,

1 we can undertake that.

2

3 --- UNDERTAKING NO. 4: Efficiency Manitoba to do the
4 same analysis that is provided in
5 part (e), using the 3.9 percent per
6 annum increase for thirty (30) years
7 and ten (10) years, do that analysis
8 for the first five (5) years at 3.9
9 percent per annum.

10

11 CONTINUED MS. KATRINE DILAY:

12 MS. KATRINE DILAY: Thank you. And so
13 just to clarify, it would be Efficiency Manitoba
14 providing -- I guess we could put a third table in
15 part 33E of Coalition's IR to EM, which would hold a
16 3.9 percent per annum increase for five (5) years.

17 Is that acceptable to Efficiency
18 Manitoba?

19 MS. JESSICA SCHOFIELD: Yes.

20 MS. KATRINE DILAY: Thank you. I just
21 have a few more questions relating to cost
22 effectiveness before we move on. And Board counsel
23 did ask similar questions to this yesterday, but I
24 just wanted to make sure that our client understands
25 Efficiency Manitoba's position.

1 And so you'll agree that the cost
2 effectiveness of the energy efficiency portfolio was
3 an important consideration when Efficiency Manitoba
4 was developing its plan?

5 MR. MICHAEL STOCKI: That's correct.
6 Cost effectiveness of the overall portfolio was
7 definitely one (1) of the key considerations.

8 MS. KATRINE DILAY: But you'll agree
9 that it was not the only consideration, correct?

10 MR. MICHAEL STOCKI: That's correct,
11 it certainly wasn't. Again, we've talked about this a
12 couple of times, but providing continuity of programs,
13 hitting our energy savings targets, reducing overall
14 costs of -- of our programs, that -- those were also
15 certainly considerations as well.

16 MS. KATRINE DILAY: And just to go
17 through -- just to go through a few more
18 considerations, you'll agree that accessibility of the
19 plan to Manitobans was also a consideration that
20 Efficiency Manitoba looked at?

21 MR. MICHAEL STOCKI: Yes.
22 Accessibility, making sure we're reaching all customer
23 segments so that we're inclusive in a -- in our
24 portfolio design and -- and reach. Absolutely.

25 MS. KATRINE DILAY: And another

1 consideration was spending at least 5 percent of the
2 budget on hard-to-reach customer segments?

3 MR. MICHAEL STOCKI: Yes, that's
4 correct, that's within the regulations.

5 MS. KATRINE DILAY: And would you
6 agree generally that environmental considerations can
7 play a part in developing an energy efficiency plan?

8

9 (BRIEF PAUSE)

10

11 MR. MICHAEL STOCKI: So within our
12 submission in section 6.3.3 on page 173 of our plan,
13 we talk about some of the environmental benefits of
14 our portfolio, in particular, our natural gas DSM
15 portfolio offers domestic GHG emission reductions
16 benefits, and we've quantified that in table 6.3 found
17 on page 174.

18 So that gives a quantification of those
19 GHG reductions.

20 MS. KATRINE DILAY: And so thank you
21 for -- for that clarification. And so you'd agree
22 that in developing an energy efficiency plan,
23 environmental considerations can play a part or be a
24 consideration.

25 MR. MICHAEL STOCKI: It's within the

1 Act that Manitoba should consider any resulting GHG
2 impacts resulting from our -- our activities, so
3 insomuch that we're capturing that as a result, that's
4 correct.

5 MS. KATRINE DILAY: And you'd agree
6 that emerging technologies can be another factor to
7 consider in developing an energy efficiency plan?

8

9 (BRIEF PAUSE)

10

11 MR. MICHAEL STOCKI: Certainly,
12 Appendix A, Section A-8 outlines our emerging
13 technology programs, so yes, Efficiency Manitoba would
14 agree that that should be part of our portfolio.

15 MS. KATRINE DILAY: Thank you. And in
16 essence, in developing an energy efficiency plan,
17 there are a number of objectives that need to be
18 balanced. You'll agree with that?

19 MR. MICHAEL STOCKI: Yes, that's
20 correct.

21 MS. KATRINE DILAY: And you'll agree
22 that there is a difference between a cost-effective
23 portfolio and a lowest-cost portfolio?

24

25 (BRIEF PAUSE)

1 MR. MICHAEL STOCKI: Yes, those should
2 be considered somewhat independently.

3 MS. KATRINE DILAY: And if we talk
4 through what the difference would be between those two
5 (2), would you agree that the difference could be
6 characterized as lowest-cost being the cheapest way to
7 achieve a specific goal versus cost-effective being
8 that the benefits outweigh the costs?

9

10 (BRIEF PAUSE)

11

12 MR. MICHAEL STOCKI: It -- it's a
13 little bit difficult to take those in isolation. Say,
14 for example, if you were to achieve the cheapest
15 portfolio -- for example, MIPUG had us run a scenario
16 that removed three (3) different residential program
17 bundles, and yes, that would be a cheaper alternative
18 than delivering the portfolio that Efficiency Manitoba
19 has -- has proposed.

20 But then again, there's tradeoffs.
21 You're not going to hit your savings targets. You're
22 going to sacrifice potentially reaching a large number
23 of residential customers. So there's balance.

24 With respect to the cost-effectiveness,
25 certainly, there's also an independent balance there

1 that has to be struck between, in our case, using the
2 prescribed cost-effectiveness test, so trying to
3 achieve a balance between the marginal values to
4 Manitoba Hydro versus our -- the costs of our --
5 delivering our plan.

6 MS. KATRINE DILAY: And so if we just
7 walk through a few parts of that answer, you'll agree
8 that Efficiency Manitoba did not necessarily pursue a
9 lowest-cost portfolio, correct?

10

11 (BRIEF PAUSE)

12

13 MR. MICHAEL STOCKI: I'd say that's
14 correct. I think we've hit a balanced portfolio,
15 again, trying to take all the considerations into an
16 appropriate balance.

17 MS. KATRINE DILAY: And when you refer
18 to that balance, would it be a balance between
19 multiple objectives?

20 MR. MICHAEL STOCKI: That's correct.

21 MS. KATRINE DILAY: And to Efficiency
22 Manitoba's knowledge, there's nowhere where it is
23 mandated to pursue a lowest-cost portfolio, correct?

24

25 (BRIEF PAUSE)

1 MR. MICHAEL STOCKI: Certainly, within
2 the regulations, it's to deliver a cost-effective
3 portfolio. We also have the directive from the
4 provincial government to reduce costs as compared to
5 Manitoba Hydro.

6 MS. KATRINE DILAY: But you'll agree
7 that's not specifically a mandate to pursue a lowest-
8 cost portfolio to reach a specific level of energy
9 savings, correct?

10 MR. MICHAEL STOCKI: That's correct.

11 MS. KATRINE DILAY: And rather, there
12 are multiple objectives that are contained in the Act
13 and regulation in addition to cost-effectiveness,
14 correct?

15 MR. MICHAEL STOCKI: That's correct.
16 Within the Act, within the regulations, within the
17 mandate, absolutely.

18 MS. KATRINE DILAY: Thank you. I'd
19 like to move on to an issue that relates to how
20 Efficiency Manitoba's methodology -- or, method,
21 rather, to select or reject initiatives.

22 And if we ju -- I'd just like to start
23 with a few contextual questions, starting to look at
24 the Efficiency Manitoba Act, Section 4(a). And again,
25 I am not looking for a legal opinion here; just

1 looking to establish some of the provisions that are
2 contained within the Act.

3 And you'll agree, if we look at Section
4 4 -- you'll agree that Section 4 is the mandate of
5 Effici -- of Efficiency Manitoba?

6 MS. COLLEEN KURULUK: Yes, I would
7 agree with that.

8 MS. KATRINE DILAY: And Section 4(a)
9 states that:

10 "Efficiency Manitoba is to implement
11 and support demand side management
12 initiatives to meet the savings
13 targets and achieve any resulting
14 reductions in greenhouse gas
15 emissions in Manitoba."

16 Correct?

17 MS. COLLEEN KURULUK: That's correct,
18 and -- and I just further add that 'demand side
19 management initiative' is a defined term on -- on page
20 2 of the Act as well.

21 MS. KATRINE DILAY: Thank you. And I
22 -- I just want to focus on the last part of this -- of
23 (a), the reduction of greenhouse gas emissions.

24 Would you agree that the reduction of
25 greenhouse gas emissions is one (1) way that has been

1 identified to fight the impacts of climate change?

2 MS. COLLEEN KURULUK: Yes, I would
3 definitely agree with that.

4 MS. KATRINE DILAY: Are you aware that
5 the threat of climate change has been described as a
6 national climate emergency by the Canadian House of
7 Commons?

8 MS. COLLEEN KURULUK: I have heard
9 that similar characterizations.

10 MS. KATRINE DILAY: And are you aware
11 that Manitoba's premier, Mr. Brian Pallister, has said
12 that fighting climate change is a unifying project?

13 MS. COLLEEN KURULUK: I -- I think I
14 recall something like that, sure.

15 MS. KATRINE DILAY: And generally,
16 Efficiency Manitoba does not disagree that climate
17 change is a serious environmental issue.

18

19 (BRIEF PAUSE)

20

21 MS. COLLEEN KURULUK: Yes, I would
22 agree with that.

23 MS. KATRINE DILAY: If we could turn
24 to Daymark Efficiency Manitoba IR-5.

25

1 (BRIEF PAUSE)

2

3 MS. KATRINE DILAY: And we can turn to
4 the question if you'd like, but you'll recall this was
5 an IR from Daymark which asked for materials from the
6 Energy Efficiency Advisory Group meetings?

7 MS. COLLEEN KURULUK: Yes, I recall
8 that.

9 MS. KATRINE DILAY: And what Kristen
10 has in front of us here, starting at page 211 of
11 Attachment 1, would be the report of the expert
12 advisory council to the minister of sustainable
13 development, A Carbon Savings Account for Manitoba,
14 dated June 2019. You see that?

15 MS. COLLEEN KURULUK: Yeah, I see
16 that. That was a report that the EEAG had requested a
17 copy of.

18 MS. KATRINE DILAY: And so to confirm,
19 this report was provided to the EEAG.

20 MS. COLLEEN KURULUK: That's correct.

21 MS. KATRINE DILAY: And was this also
22 because the Expert Advisory Council for Climate and
23 Green Plan made a presentation to the EEAG on August
24 20th, 2019?

25 MS. COLLEEN KURULUK: I believe it was

1 requested from the EEAG independent of that
2 presentation. I think there was an interest in the
3 EEAG with this report, but yes, the EEA -- or, the --
4 the --

5 MS. KATRINE DILAY: And we --

6 MS. COLLEEN KURULUK: -- savings
7 account representative came and did do a presentation
8 in addition to the report being given to the
9 committee.

10 MS. KATRINE DILAY: Thank you. And
11 I'd just like to point to a few excerpts from this
12 report, if you'll bear with me. If we could turn to
13 page 247 of this attachment, and maybe if we just go
14 one page back, Kristen, just to give some context.

15 And so you see there that these were
16 recommendations contained within this report, correct?

17 MS. COLLEEN KURULUK: I do see that.

18 MS. KATRINE DILAY: And if we turn to
19 the next page, you'll agree that if we look at
20 recommendation number 9, one (1) of the
21 recommendations made by the Expert Advisory Council
22 was that:

23 "Efficiency Manitoba has a key role
24 in offering energy efficiency
25 solutions to Manitoba businesses and

1 consumers to reduce emissions.
2 Ensuring this tool is used to its
3 maximum potential in support of
4 achieving the carbon emission
5 reductions set out in the CSA is
6 necessary. This will require
7 ongoing coordination and alignment
8 of approaches between the
9 governments, CSA, and Efficiency
10 Manitoba."

11 Do you see that recommendation?

12 MS. COLLEEN KURULUK: Yes, I see that,
13 and I do believe that this Council also looked at
14 Efficiency Manitoba's natural gas savings targets to
15 project what the impact of Efficiency Manitoba would
16 be for their targets.

17 MS. KATRINE DILAY: And if we go to
18 page 222 of this attachment.

19

20 (BRIEF PAUSE)

21

22 MS. KATRINE DILAY: 222, please.

23 Thank you, Kristen -- Kristen.

24 And if we look at the third paragraph
25 from the bottom of this page, the paragraph that

1 starts with, "Our aim."

2 You will agree that the Expert Advisory
3 Council says that:

4 "Its aim was to advise on greenhouse
5 gas emissions, reduction goals, and
6 actions that fundamentally bend the
7 carbon curve once and for all, and
8 deliver both cumulative and absolute
9 emissions reductions over time in
10 Manitoba."

11 Correct?

12 MS. COLLEEN KURULUK: I -- I do see
13 that passage.

14 MS. KATRINE DILAY: And then if we
15 turn to page 228 of this attachment, at the very top
16 of the page, you'll see that Expert Advisory Council
17 goes on to say that:

18 "Without specific emiss -- emissions
19 reduction action, Manitoba's
20 emissions will continue to rise."

21 You see that?

22 MS. COLLEEN KURULUK: I also see that.

23 MS. KATRINE DILAY: And would
24 Efficiency Manitoba disagree with these
25 characterizations by the Expert Advisory Council

1 relating to the need for specific emissions reduction
2 actions?

3

4 (BRIEF PAUSE)

5

6 MS. COLLEEN KURULUK: I'll just
7 characterize that I'm not an expert in -- in climate
8 reductions and climate strategies, but I would suspect
9 that the folks that did draft this report would --
10 would have some specific exp -- expertise in that
11 area. So I'll -- I'll concede to that.

12 MS. KATRINE DILAY: And I don't think
13 I'm necessarily asking for whether they were right in
14 -- in making these statements, but would Efficiency
15 Manitoba disagree with these characterizations?

16 MS. COLLEEN KURULUK: Given that
17 they're coming from experts, no, I -- I would not
18 disagree with these characterizations.

19 MS. KATRINE DILAY: Thank you. I now
20 have some questions about heat pumps. And of course,
21 I'm familiar with PUB counsel's cross on this area, so
22 I have tried to remove any duplication in terms of
23 questions.

24 You're aware generally that three (3)
25 of the recommendations from the Consumers' Coalition

1 witness Mr. Chris Neme related to increase the
2 emphasis of Efficiency Manitoba on heat pumps in its
3 plan, just generally at a high level?

4 MR. MICHAEL STOCKI: Yes, I'm aware of
5 that.

6 MS. KATRINE DILAY: And you will
7 confirm that Efficiency Manitoba has not modelled any
8 savings from ductless mini split heat pumps, correct?

9

10 (BRIEF PAUSE)

11

12 MR. MICHAEL STOCKI: To the best of my
13 knowledge, it was for cold climate air source heat
14 pumps, but I can't confirm that it was -- did not
15 include the -- the mini splits.

16

17 (BRIEF PAUSE)

18

19 MS. KATRINE DILAY: And...

20

21 (BRIEF PAUSE)

22

23 MS. KATRINE DILAY: I'd like to turn
24 to PUB/Efficiency Manitoba First Round IR 2(b) and the
25 attachment to that IR in specific.

1 (BRIEF PAUSE)

2

3 MS. KATRINE DILAY: And Kristen, I
4 believe there was an attachment to part (b) of this
5 IR, if we could pull that up.

6

7 (BRIEF PAUSE)

8

9 MS. KATRINE DILAY: And I believe this
10 is part (a), and so there should be a separate
11 attachment for part (b).

12

13 (BRIEF PAUSE)

14

15 MS. KATRINE DILAY: Thank you. And if
16 we could turn to page 19 of this attachment.

17

18 (BRIEF PAUSE)

19

20 MS. KATRINE DILAY: And this might be
21 for Mr. Stocki or -- or someone else on the panel, but
22 you'll agree that this was a report by Dunsky
23 Consulting entitled 'Quick Hits, Change Options for
24 Current Power Smart Portfolio', dated April 16th,
25 2018, correct?

1 MS. COLLEEN KURULUK: That's correct.

2 MS. KATRINE DILAY: And if we turn --

3 MS. COLLEEN KURULUK: And just for the
4 record, this -- this was not produced for Efficiency
5 Manitoba while -- might -- I was in -- in its employ.

6 MS. KATRINE DILAY: And indeed, it is
7 addressed to a representative of the Government of
8 Manitoba, correct?

9 MS. COLLEEN KURULUK: That's correct.

10 MS. KATRINE DILAY: And if we turn to
11 page 24 of the attachment, you'll agree that this was
12 a recommendation by Dunsky that Efficiency Manitoba
13 develop guidelines tying -- guidelines, pardon me, for
14 cold climate air source heat pumps tying to the
15 Northeast Energy efficiency partnership
16 specifications.

17 And if we go down a little bit, you'll
18 see the -- how -- and number 2 was developing
19 guidelines, tying into the Northeast Energy efficient
20 -- efficiency partnership's cold climate heat pump
21 initiative, correct?

22

23 (BRIEF PAUSE)

24

25 MS. COLLEEN KURULUK: Yes, I see that

1 in -- in Dunsky's memo.

2 MS. KATRINE DILAY: And are you
3 generally aware of the specification requirements that
4 are referred to here from the Northeast Energy
5 efficiency partnership's cold climate heat pump
6 initiative?

7 MR. MICHAEL STOCKI: Not personally,
8 no.

9 MS. KATRINE DILAY: And so you'll
10 confirm that Efficiency Manitoba did not implement
11 this recommendation to adopt an air source heat pump
12 initiative that ties into the Northeast Energy
13 efficiency partnerships specification, correct?

14

15 (BRIEF PAUSE)

16

17 MR. MICHAEL STOCKI: I'd agree with
18 that, certainly. And then to add, I'm not sure that -
19 - without reviewing it, I'm not sure that the -- the
20 Northeast group proposed the -- the Northeast Energy
21 efficiency partnership cold climate heat pump
22 initiative would properly reflect Manitoba's climate.

23 As we talked a bit about yesterday
24 Efficiency Manitoba is watching this technology
25 closely. We were taking some measured steps forward

1 with respect to air source heat pumps. We think
2 certainly, we understand the perspective and the
3 recommendation of -- of Mr. Dunsky here, and Mr. Neme
4 as well, with respect to air source heat pumps.

5 We are taking a -- a very judicious
6 approach with respect to air source heat pumps. We
7 are starting slowly to make sure that we understand
8 and work with contractors in particular to understand
9 what are some of the barriers that they're currently
10 facing with regards to Manito -- installing these
11 technologies in Manitoba, and that would certainly
12 include both cold climate air source heat pumps and
13 the mini split systems that were referenced.

14 But until we do further work and gather
15 that information, we feel that we don't have enough
16 information. We don't have enough certainty in that
17 technology.

18 That said, we are offering a program
19 for air source heat pumps to start gathering some
20 limited data, so we would have fairly limited
21 participation that we'd project, again, because of
22 some of these barriers and concerns that contractors
23 have with installing these systems in Manitoba, but we
24 hope over time to better understand those and to get a
25 better sense of the long-term energy savings and the

1 long-term reliability associated with these
2 technologies in particular within the Manitoba
3 context.

4 We are most certainly aware that these
5 technologies have been used successfully in the
6 northeast in particular, both where Mr. Dunsky resides
7 and where Mr. Neme resides.

8 So, we understand that there -- there
9 is a strong passion for these technologies in the
10 northeast and the northwest, but, again, we want to
11 balance it and make sure we're -- we're taking a
12 judicious approach to that technology and not jumping
13 in too aggressively.

14 MS. KATRINE DILAY: Thank you. And
15 just a few follow-up questions with respect to
16 Efficiency Manitoba's plan for air source heat pumps.
17 If we turn to Efficiency Manitoba's rebuttal evidence
18 at page 10.

19 And so, if we look at the four (4)
20 bullets on this page, this would characterize
21 Efficiency Manitoba's approach to the promotion of air
22 source heat pumps in Manitoba?

23 MR. MICHAEL STOCKI: At present time.
24 Again, this is a technology certainly of interest for
25 Efficiency Manitoba when we've got fifteen (15) years

1 energy savings target to achieve and there's potential
2 for an emerging technology to impact materially our
3 ability to achieve that target, we're going to be
4 watching it very closely.

5 Again, it just takes a bit of time. It
6 takes time to make sure we understand that, in
7 particular, the long-term exposure to -- to Manitoba,
8 harsh wintering operating conditions which are very
9 different from the northeast or the northwest United
10 States, that we need to -- to make sure it's a local
11 analysis that is also done.

12 MS. KATRINE DILAY: And in terms of
13 doing that local analysis, the four (4) bullets you've
14 outlined here, Efficiency Manitoba plans to undertake
15 these four (4) items?

16 MR. MICHAEL STOCKI: That's exactly
17 right. And we'll be doing that by actually offering
18 incentive for air source heat pumps. And we expect
19 some limited participation to start gathering that
20 information.

21 MS. KATRINE DILAY: And so, I think
22 what I'm hearing from you, it would be fair to say
23 that Efficiency Manitoba plans to use its learnings
24 from its current proposed plan with respect to air
25 source heat pumps to inform potentially its next three

1 (3) year plan, as well as future plans?

2 MR. MICHAEL STOCKI: That's fair, yes.

3 MS. KATRINE DILAY: And you'll agree
4 that the next three (3) year plan to be filed with the
5 Public Utilities Board would likely be filed sometime
6 in 2022 for approval and launch in April of 2023?

7 MR. MICHAEL STOCKI: That's correct.

8 MS. KATRINE DILAY: And so, would
9 Efficiency Manitoba expect that the plan would be in
10 the process of development in the spring or summer of
11 2022? Would that be fair?

12

13 (BRIEF PAUSE)

14

15 MS. KATRINE DILAY: Roughly, yes.
16 Although due to the relatively condensed time frames,
17 if we have more time in advance of that, we'll
18 certainly be the tri -- be working to develop the --
19 the portfolio in advance and the plan in advance of
20 that summer months.

21 We're also, of course, going to be --
22 we're not just going to be starting the plan activity
23 say, for example, in that summer of 2022. There's
24 going to be lessons learned. There's going to be
25 engagement through EAG with customers, with First

1 Nations, with Manitoba Metis, for example, so there's
2 going to be lessons learned throughout this process
3 and -- and continuous improvement.

4 So, all of that will compound and will
5 influence the -- the next three (3) year plan, as
6 well.

7 MS. KATRINE DILAY: So, potentially,
8 the development or preparation of the plan could
9 happen even before the spring or summer of 2022?

10 MR. MICHAEL STOCKI: Yeah. The -- the
11 activities then form the next plan, I would say, are -
12 - are already happening.

13 MS. KATRINE DILAY: Thank you. And if
14 we turn to IR Coalition EM I-91(b).

15

16 (BRIEF PAUSE)

17

18 MS. KATRINE DILAY: And if we go to
19 the response to part (b) on the second page of this
20 IR, you'll agree that this chart provides a breakdown
21 of the number of projects that Efficiency Manitoba
22 expects to complete through the home renovation
23 program in each year of the plan, correct?

24

25 (BRIEF PAUSE)

1 MR. MICHAEL STOCKI: Yes, that's
2 correct.

3 MS. KATRINE DILAY: And if we go about
4 two-thirds down the page, you'll agree that -- do you
5 see the row there that is entitled, "Air source heat
6 pumps"?

7 MR. MICHAEL STOCKI: Yes, that's
8 correct.

9 MS. KATRINE DILAY: And you'll agree
10 that with respect to air source heat pumps, Efficiency
11 Manitoba has projected to complete none in 2020/2021,
12 correct?

13 MR. MICHAEL STOCKI: That's correct.

14 MS. KATRINE DILAY: And Efficiency
15 Manitoba has projected to complete three (3) air
16 source heat pumps in 2021/2022?

17 MR. MICHAEL STOCKI: Again, that is
18 the projected participation, but, yes, that's correct.

19 MS. KATRINE DILAY: And four (4) in
20 2022/2023, correct?

21 MR. MICHAEL STOCKI: That's correct.
22 And in part, what's informing those participation
23 estimates are work with contractors and understanding
24 some of those barriers and realizing that there are
25 significant barriers to contractors wanting to install

1 these -- or willing to install these air source heat
2 pumps in Manitoba's climate for heating purposes.

3 So, again, the year 1 activities are
4 continued information gathering prior to launching an
5 air source heat pump incentive. And then the year 2
6 and 3 expected participation reflect that fairly
7 limited expected participation.

8 MS. KATRINE DILAY: And just to -- I'd
9 like to turn to Coalition EM I-60(d). And if we look
10 at the response to part (d) on the second page of this
11 IR, you'll agree that the Efficiency Manitoba has
12 indicated that the installation of heat pumps is
13 available to all customers through home renovation
14 offers but has not been considered a measure under the
15 income qualified portfolio, correct?

16 MR. MICHAEL STOCKI: That's correct.

17 MS. KATRINE DILAY: And so, based on
18 the numbers we reviewed on the other table, over the
19 next three (3) years Efficiency Manitoba is projecting
20 to complete the installation of a total of seven (7)
21 air source heat pumps, correct?

22 MR. MICHAEL STOCKI: That's correct.
23 That is the -- the project.

24 MS. KATRINE DILAY: And the first
25 three (3) of those would be -- are projected to be

1 complete by the end of the 2021/2022 year?

2 MR. MICHAEL STOCKI: That's correct.

3 MS. KATRINE DILAY: And so, by the
4 time that Efficiency Manitoba is getting ready to file
5 its next three (3) year plan sometime in 2022, it
6 would have installed three (3) air source heat pumps,
7 correct?

8

9 (BRIEF PAUSE)

10

11 MR. MICHAEL STOCKI: That's correct
12 technically, although, I mean, we might have
13 installation -- if we're -- if we're provided the
14 incentive in 2021/'22, for example, that means that
15 the project is complete at that point, so it might
16 happen early in the year, but that we're talking
17 months there, I don't know if that's material.

18 So, the -- the plan would be then
19 informed mostly on the data potentially from only
20 those three (3) systems on a limited time period,
21 existing air source heat pumps that -- that are
22 installed to date and, of course, all those
23 conversations with contractors, understanding those
24 barriers and reali -- trying to determine if further
25 projects or customer take-up, what -- again, what are

1 those barriers so that that could then inform the --
2 the future or the next three (3) year efficiency plan.

3 MS. KATRINE DILAY: Thank you. And to
4 confirm, based on the projection, Efficiency Manitoba
5 would have less than one (1) year of full performance
6 data for the three (3) air source heat pumps that are
7 projected when it is preparing the next plan, correct?

8 MR. MICHAEL STOCKI: That's correct.
9 There are some very limited number of air source heat
10 pumps that are -- have already been installed in the
11 Manitoba market.

12 So wherever possible, we may be able to
13 leverage some performance data from those systems that
14 have previously been installed.

15 MS. KATRINE DILAY: Thank you. I have
16 a few questions to clarify, parts of Efficiency
17 Manitoba's rebuttal evidence. I'm specifically at
18 page 9 of the rebuttal evidence, looking at lines 27
19 to 29.

20 And so at these lines you'll see that
21 Efficiency Manitoba stated that:

22 "If a market lacks sufficient
23 installation operational and
24 maintenance expertise, the effective
25 roll-out of a large scale air source

1 heat pump program would be made more
2 difficult."

3 Do you see that?

4 MR. MICHAEL STOCKI: Yes, I see that.

5 And again, that was trying to address some of Mr.
6 Neme's specific recommendations with respect to a more
7 aggressive air source heat pump offering, both in the
8 residential and, for example, in the income qualified
9 customer segment, where I believe Mr. Neme was
10 suggesting that we cover 100 percent of those unit
11 installations.

12 And the challenge with that, and the
13 risk we're pointing to there, is if there isn't a
14 robust maintenance industry to provide ongoing support
15 for those if something happens to those -- that --
16 those unit operations, then potentially a customer
17 could be without access to that heat pump service --
18 heat pump technology for a longer period than say, for
19 example, for a regular or a high efficiency gas
20 furnace, for example, or an air conditioner is another
21 example where those trades have been more fully
22 established in Manitoba.

23 MS. KATRINE DILAY: And in this
24 statement that we just went through, can you clarify
25 how many units per year would be considered a large

1 scale air source heat pump program, according to
2 Efficiency Manitoba?

3 MR. MICHAEL STOCKI: Again, this was
4 in reference to -- to Mr. Neme's recommendation. I
5 think -- my recollection was on the order of a
6 thousand was what we -- what we were thinking of.

7 I'd have to double-check to see if that
8 was exactly what Mr. Neme was -- was recommending or
9 if he recommended a specific number or if this was our
10 interpretation of what a large roll out would actually
11 look like.

12 But I don't know if it matters, but for
13 the purposes of this, I think it was contemplating
14 like a large scale roll out would be on the order of a
15 thousand participants, say for example, or certainly
16 over five hundred.

17 MS. KATRINE DILAY: Thank you. So
18 when Efficiency Manitoba is referring to "large scale"
19 here, what I'm hearing you say is that it would be in
20 the order of around a thousand installations.

21 Is that per year or over the three (3)
22 year?

23 MR. MICHAEL STOCKI: That would be
24 over the three (3) year period. So again, if you're -
25 - if comparing it to the very modest seven (7) that

1 we're proposing, you know, it's orders of magnitude
2 larger than that. I don't know if the exact value
3 matters, but it's certainly where you would need an
4 industry behind that installation to support those --
5 those, if there are problems, say for example in the
6 middle of the night if the heating system stops
7 working, you want a service contractor available to
8 come and fix it.

9 MS. KATRINE DILAY: And you'll agree,
10 generally, that one (1) way contractor expertise could
11 be increased in Manitoba is through the installation
12 and maintenance of more air source heat pumps?

13 MR. MICHAEL STOCKI: Yes, I think
14 you're talking -- you're -- I think you're taking me
15 down the path where I'm going to be talking about the
16 chicken-and-egg scenario, where does an incentive help
17 to build that industry, and if we were more
18 aggressively promoting it, could we drive that
19 industry faster.

20 And yeah, I mean that's -- at -- at the
21 basis, that's just on the principle of the energy
22 efficiency industry that we've seen time and time
23 again within Manitoba.

24 The question is more what is an
25 appropriate time to do that in Manitoba. And again,

1 we don't feel we have enough data to know that the
2 long-term -- that it's a great long-term energy
3 savings solution, or that there's potentially long-
4 term operational or reliability risks.

5 And until we have that certainty, we're
6 hesitant to push on the market. But certainly we
7 recognize that pursuing and providing incentives can
8 help support the development of that market.

9 MS. KATRINE DILAY: And on the same
10 topic, is Efficiency Manitoba aware of other
11 jurisdictions where the market for heat pumps has
12 grown to be relatively large?

13

14 (BRIEF PAUSE)

15

16 MR. MICHAEL STOCKI: Certainly within
17 the northeast, Maine, Vermont, Nova Scotia, all areas
18 where that technology has been around and tested and
19 has a contractor net -- network and also supported
20 through utility or program administrator incentives.

21 MS. KATRINE DILAY: And just to that
22 la -- last point, so are you aware of the effect that
23 demand side management programs would have had on the
24 growth of those markets? Just at a high level?

25 MR. MICHAEL STOCKI: In a general way,

1 absolutely. But specific to the technology, it works
2 in those climates, it's not as extreme, so you don't
3 have the same issues with respect to all -- you may
4 not have the same issues with respect to long-term
5 performance in extreme cold.

6 You certainly do not have the extreme
7 temperatures in winter months. So in some cases you
8 may not even need a backup heating system.

9 Where in Manitoba you would absolutely
10 need a backup heating system based on the technology
11 that's available today.

12 MS. KATRINE DILAY: And has Efficiency
13 Manitoba surveyed the installation contractors to
14 assess whether they are interested in a new market
15 opportunity through heat pumps, or is that something
16 that is projected to happen throughout year one of the
17 plan?

18

19 (BRIEF PAUSE)

20

21 MR. MICHAEL STOCKI: So in response to
22 Coalition EMI-128, there is an attachment to, that
23 provides the -- some of the summary results that we
24 received from an Efficiency Manitoba survey that was
25 provided to -- to industry delivery partners.

1 And so if we go to page -- I guess 19
2 of that. Yes, keep scrolling. That chart right
3 there.

4 So this was a survey question that asks
5 which of the following initiatives technologies would
6 you like to see Efficiency Manitoba support.

7 And so quickly there was -- again, it's
8 dependent on the -- the response rate, but you see
9 solar PV windows, insulation, energy audits near the
10 top, and right in the middle there you see air source
11 heat pumps.

12 And so what we're going to be doing is
13 gathering additional information on that, because
14 anecdotally what we hear is that the air source heat
15 pumps are being installed for air conditioning
16 purposes only, not for heating purposes.

17 So we would need to do further
18 clarification to determine what the desirability of
19 contractors are to develop that capacity and start
20 installing them for heating purposes as well.

21

22 (BRIEF PAUSE)

23

24 MR. MICHAEL STOCKI: And -- and
25 specifically what we've heard also from industry is

1 that the desire -- because it's for air conditioning
2 purposes, where those customers are interested in
3 older homes that don't have a -- a central air system,
4 so that you can relatively easily or more easily
5 install an air source heat pump, ductless technology,
6 versus having to install a new central air system,
7 including all the duct work associated with that.

8 So, essentially, what you're doing then
9 for the summer loads are -- are loa -- adding to the
10 electric capacity requirements, adding to the electric
11 load instead of reducing or saving energy in that
12 instance.

13 MS. KATRINE DILAY: Thank you. And so
14 to confirm, you will agree that Efficiency Manitoba
15 has conducted limited surveying of installation
16 contractors through the survey, but that it also plans
17 to conduct more information gathering through the
18 first year of the plan?

19 MR. MICHAEL STOCKI: That's correct.

20 MS. KATRINE DILAY: And another
21 clarification question regarding to the rebuttal
22 evidence that was filed by Efficiency Manitoba -- if
23 you could you look to page 10, and lines 1 to 3.

24 You see that Efficiency Manitoba states
25 that:

1 "Offering air source heat pumps at
2 no cost through the income -- income
3 qualified program would be
4 inconsistent with other Efficiency
5 Manitoba offerings and could create
6 confusion with customers about the
7 terms of Efficiency Manitoba's
8 offerings."

9 You see that?

10 MR. MICHAEL STOCKI: Yes, that's
11 correct.

12 MS. KATRINE DILAY: And you'll confirm
13 that for other equipment, as referred to at lines 3 to
14 5 on this page, there exists co-pay options?

15

16 (BRIEF PAUSE)

17

18 MR. MICHAEL STOCKI: Yes. A co-pay
19 requirement through a -- a loan repayment.

20 MS. KATRINE DILAY: And we see there
21 that those co-payment requirements range from 13
22 percent to 65 percent co-payment, as referred to on
23 this page?

24 MR. MICHAEL STOCKI: That's correct,
25 and again this in response to Mr. Neme's suggestion

1 that we provide air source heat pumps at no cost to
2 income qualified customer.

3 MS. KATRINE DILAY: And did Efficiency
4 Manitoba consider a similar co-payment offering for
5 air source heat pumps?

6 MR. MICHAEL STOCKI: No, we did not,
7 in particular, because some of the long-term
8 reliability concerns within this particular income
9 qualified customer segment, we were -- that additional
10 concern on the long-term reliability and putting
11 customers, in particular, income qualified customers,
12 in -- in a position where they might not be able to
13 find a service contractor, or in the worst-case
14 scenario, having to replace a system after perhaps
15 only ten (10) years. You know, if that -- if that
16 system -- if these systems don't prove to be long-term
17 reliable -- reliable.

18 MS. COLLEEN KURULUK: And if I just
19 add, that this would be an area where, if we found
20 there was some comfort level in the performance of
21 these systems, we could use the contingency fund to
22 add this type of opportunity to future years of this
23 current plan as well.

24 MS. KATRINE DILAY: And because we're
25 referring here to co-payment options, are you -- are

1 you suggesting that that could include a co-payment
2 option?

3 MS. COLLEEN KURULUK: I'm suggesting
4 that that would -- that would be budget that we hadn't
5 included in the current plan, so that would be
6 something we could access contingency fund to gather
7 more energy savings on -- on a proven technology
8 because of course, you know, energy efficiency
9 consultants sometimes want to promote the energy
10 efficiency component but the real life experience is
11 very important to us.

12 Customers that have maintenance
13 problems or less access to heat is something that
14 Efficiency Manitoba would be hearing about from our
15 customers, so we want to make sure that that problem
16 doesn't exist in the market.

17 MS. KATRINE DILAY: And is Efficiency
18 Manitoba aware of any other jurisdiction that has a
19 program dedicated to low income customers that
20 requires co-payments for heating equipment
21 replacements?

22

23 (BRIEF PAUSE)

24

25 MR. MICHAEL STOCKI: We don't readily

1 have that available right here, but if you were
2 interested, we could undertake to -- to provide some
3 additional information related to that.

4 MS. KATRINE DILAY: That would be very
5 helpful if Efficiency Manitoba is prepared to take
6 that undertaking. And so maybe I'll -- I'll
7 characterize the undertaking and you can let me know
8 if Efficiency Manitoba agrees to it.

9 Efficiency Manitoba -- we're asking
10 Efficiency Manitoba to undertake to provide some
11 research regarding any other jurisdictions that have
12 pro -- a program dedicated to low income customers
13 that requires co-payments for heating equipment
14 replacements.

15 MS. JESSICA SCHOFIELD: Yes, we'll
16 undertake to do that. Thank you.

17

18 --- UNDERTAKING NO. 5: Efficiency Manitoba to
19 provide research regarding
20 any other jurisdictions
21 that have a program
22 dedicated to low income
23 customers that requires
24 co-payments for heating
25 equipment replacements.

1

2 MS. KATRINE DILAY: Thank you. Mr.
3 Chair, just to give an update to Panel in terms of
4 timing, I have I think less than fifteen (15) minutes
5 on this particular section and then I have one (1)
6 more section left in my cross-examination, so I could
7 finish this section and we could take a break for
8 lunch or I could finish my -- my whole cross-
9 examination and then we could take lunch. I'll --
10 I'll see what the Panel would prefer.

11 THE CHAIRPERSON: Why don't we finish
12 this section and then we'll break for lunch.

13 MS. KATRINE DILAY: Thank you.

14 THE CHAIRPERSON: Do you know how long
15 your remaining section will take -- or sections?

16 MS. KATRINE DILAY: I'm thinking that
17 the remaining section after lunch would be in the
18 range of thirty (30) to forty-five (45) minutes.

19 THE CHAIRPERSON: Thank you.

20

21 CONTINUED BY MS. KATRINE DILAY:

22 MS. KATRINE DILAY: So you'll agree
23 generally that customers will be provided with
24 information about the programs and initiatives that
25 Efficiency Manitoba will offer, correct?

1 MR. MICHAEL STOCKI: That's correct.

2 MS. KATRINE DILAY: And the
3 information could include, or will include, what is
4 the measure that the program is directed to?

5 MR. MICHAEL STOCKI: Yes, it would be,
6 I mean, presented as an overall customer offering, but
7 we'd be looking and speaking to individual
8 technologies.

9 MS. KATRINE DILAY: And it would also
10 include the rebates that will be provided or offered
11 to the customer?

12 MR. MICHAEL STOCKI: That's correct.

13 MS. KATRINE DILAY: As well as the
14 process for applying for the incentive or the program?

15 MR. MICHAEL STOCKI: That's correct.

16 MS. KATRINE DILAY: As a result,
17 Efficiency Manitoba's programming will necessarily
18 include an educational component, correct?

19 MR. MICHAEL STOCKI: Yes, that's
20 correct.

21 MS. KATRINE DILAY: And Efficiency
22 Manitoba does not deny that customers are able to
23 learn and understand information when it is presented
24 to them in a clear way?

25 MR. MICHAEL STOCKI: That's correct.

1 I won't deny that.

2 MS. KATRINE DILAY: And just a few
3 more questions to finish off -- fini -- finish off,
4 pardon me, this particular section.

5 If we could turn to the Efficiency
6 Manitoba Efficiency Plan at PDF page 222, and if we
7 look towards the bottom half of the page, Efficiency
8 Manitoba is explaining here its approach for
9 calculating energy savings and cost allocation
10 approach for the fuel switching scenario where ground
11 source heat pumps used to replace natural gas home or
12 business heating, correct?

13 MR. MICHAEL STOCKI: That is correct.

14 MS. KATRINE DILAY: And so to walk
15 through what that process will look like, Efficiency
16 Manitoba says that:

17 "With respect to natural gas saving,
18 the reduction in natural gas
19 consumption is counted towards
20 achievement of the natural gas
21 savings targets."

22 Correct?

23 MR. MICHAEL STOCKI: That's correct.

24 MS. KATRINE DILAY: And with respect
25 to electric energy savings, the increase in

1 electricity consumption resulting from this conversion
2 is accounted for as increased electric energy
3 consumption, correct?

4 MR. MICHAEL STOCKI: That's correct.

5 MS. KATRINE DILAY: And here you're
6 referring to the increase in energy -- pardon me, in
7 electricity consumption resulting from the conversion
8 from natural gas furnace to ground source heat pumps,
9 correct?

10 MR. MICHAEL STOCKI: Yes, that's
11 exactly correct.

12 MS. KATRINE DILAY: And so in other
13 words, using this cost allocation approach, a
14 reduction in natural gas consumption, which directly
15 leads to an increase in electric energy consumption,
16 would help in achieving Efficiency Manitoba -- would
17 help Efficiency Manitoba in achieving their natural
18 savings target, but would push Efficiency Manitoba
19 further from meeting its electric savings target,
20 correct?

21 MR. MICHAEL STOCKI: Yes, that's
22 correct.

23 MS. KATRINE DILAY: And so, Mr. Chair,
24 that is the end of my questions on this particular
25 category, so we could take a break.

1 THE CHAIRPERSON: We will break for
2 one (1) hour, and we'll resume at 1:10. Thank you.

3

4 --- Upon recessing at 12:10 p.m.

5 --- Upon resuming at 1:11 p.m.

6

7 THE CHAIRPERSON: Ms. Dilay...?

8 MS. KATRINE DILAY: Thank you, Mr.
9 Chair. Good afternoon, Efficiency Manitoba witnesses.
10 As I mentioned, I have one (1) section left of cross-
11 examination, which will relate to the topic of public
12 and stakeholder participation in the Efficiency
13 Manitoba Plan.

14

15 CONTINUED BY MS. KATRINE DILAY:

16 MS. KATRINE DILAY: Generally
17 speaking, and without elaborating on this, you'll
18 agree that public participation can assist
19 policymakers to make better decisions and have greater
20 success at implementing those decisions?

21 MS. COLLEEN KURULUK: I would agree
22 with that statement.

23 MS. KATRINE DILAY: And again,
24 generally speaking, or at a high level, you will agree
25 that well-designed public participation processes can

1 add legitimately to process and outcomes?

2 MS. COLLEEN KURULUK: Yeah, I would --
3 I would tend to agree with that.

4 MS. KATRINE DILAY: And it can also
5 strengthen public trust and confidence in the process?

6 MS. COLLEEN KURULUK: Yes.

7 MS. KATRINE DILAY: It can also
8 improve representativeness in deliberation processes,
9 particularly, when designed to ensure the interests of
10 minorities are reflected in actions?

11 MS. COLLEEN KURULUK: Yes.

12 MS. KATRINE DILAY: It can build
13 transparency surrounding costs, benefits, and risks of
14 different options?

15 MS. COLLEEN KURULUK: Yes, I would
16 agree with that.

17 MS. KATRINE DILAY: And finally, it
18 can also enhance learning and innovation by all
19 involved?

20 MS. COLLEEN KURULUK: Sure.

21 MS. KATRINE DILAY: I'd like to turn
22 to the Efficiency Manitoba Act, Section 9(h). And
23 again, I won't be asking for a legal opinion, just
24 providing some context in terms of what is included in
25 the Efficiency Manitoba Act.

1 And you'll agree that the legislation
2 here refers to the Efficiency Plan, including a
3 description of the input that Efficiency Manitoba
4 receives from stakeholders and from the public in
5 preparing the plan, and the process established for
6 receiving the input, correct?

7

8 (BRIEF PAUSE)

9

10 MS. COLLEEN KURULUK: Yes, I -- I see
11 that reference, and we endeavour to include all the
12 feedback that we've received from the EEAG into the
13 filing at PDF page 91 and 92, as well as documentation
14 in response to an -- an IR Daymark. And...

15

16 (BRIEF PAUSE)

17

18 MS. COLLEEN KURULUK: I -- I think it
19 was Daymark EM-2-8.

20

21 (BRIEF PAUSE)

22

23 MS. KATRINE DILAY: It may be Daymark
24 5, maybe that --

25

MS. COLLEEN KURULUK: Thanks, Ms.

1 Dilay. I believe you're correct.

2 MS. KATRINE DILAY: Thank you. And if
3 we could turn to page 89 of the Efficiency Plan filed
4 by Efficiency Manitoba.

5 And if we go towards the bottom of the
6 page, under the heading 'Comprehensive Engagement',
7 Efficiency Manitoba states there that:

8 "To ensure the Plan reflects the
9 best interests of Manitobans,
10 Efficiency Manitoba developed a
11 stakeholder engagement model shown
12 in figure 3.1."

13 You see that?

14 MS. COLLEEN KURULUK: I do see that.

15 MS. KATRINE DILAY: And if we turn to
16 the next page, we see there the stakeholder engagement
17 model being referred to?

18 MS. COLLEEN KURULUK: That's correct.

19 MS. KATRINE DILAY: Can you tell us
20 where the general public participates in this model?

21 MS. COLLEEN KURULUK: In this
22 particular model, the general public we would be
23 envisioned being represented by membership in the
24 Energy Efficiency Advisory Group on; in particular,
25 there were lots of different stakeholders that had an

1 interest in being in -- in that stakeholder committee
2 as it's defined in the legislation.

3 However, we wanted to make sure that
4 the Energy Efficiency Advisory Group specifically was
5 representative of -- of customers that would be in
6 receipt of the programs and services in our Plan.

7 MS. KATRINE DILAY: And you'll agree
8 that the Energy Efficiency Advisory Group is comprised
9 of organizations or agencies, correct?

10 MS. COLLEEN KURULUK: Yes, and I
11 believe those would be organizations or agencies
12 representing customers that -- of -- of different
13 definitions.

14 MS. KATRINE DILAY: And you'll agree
15 that Efficiency Manitoba has stated that there was no
16 feedback received from the general public in advance
17 of this first year -- first three (3) year Efficiency
18 Plan being submitted to the Public Utilities Board,
19 correct? And I can bring you to a reference, if you'd
20 like.

21 MS. COLLEEN KURULUK: No, I don't
22 think I need the reference. And -- and I guess, yeah,
23 there was some difficulty with respect to the
24 requirements of our Efficiency Plan. There was
25 twenty-two (22) requirements that needed to be

1 included in the plan, and eleven (11) of those were --
2 were brand-new.

3 9(h) in particular, documenting
4 feedback and input from both the stakeholder committee
5 and the public, was -- was something that was new for
6 us. One (1) of the things that we would have
7 difficulty doing is -- is documenting all the public
8 input that we received into the decades of efficiency
9 programs that we've been offering at Manitoba Hydro.

10 But we have incorporated public
11 feedback into these programs. And I've got a couple
12 examples here. For example, under our income
13 qualified program, there was some difficulty with
14 customers accessing tax documents with -- which was a
15 requirement of -- of previous iterations of the
16 program. And so we came up with alternates, so they
17 didn't have to -- they weren't denied qualification
18 because they didn't have tax documentation.

19 Another one (1) was the desire to not
20 have cheques or bill credit for -- for rebates. So
21 we're looking at e-transfers under Efficiency
22 Manitoba. And also, customers had a -- a keen desire
23 to have updates on where their applications were at,
24 and where their rebates were at. So we're looking at
25 that being a part of our customer relationship

1 management system.

2 So there's lots of things through
3 offering programs for several decades that you get
4 input from customers. It's -- we just don't have a
5 table, or a tally, or a process that's documented
6 that, but we recognize that will be something that
7 we'll have to include in the Plan in the future.

8 MS. KATRINE DILAY: And so the
9 feedback that you're -- that you were just referring
10 to that has been incorporated or considered in program
11 development, that will be feedback received throughout
12 the years of Manitoba Hydro providing DSM programming?

13 MS. COLLEEN KURULUK: Yeah, that --
14 that would be exactly from that.

15 MS. KATRINE DILAY: But to confirm,
16 Efficiency Manitoba itself, in preparing its three (3)
17 year Plan, did not conduct additional -- or -- or did
18 not seek additional feedback from the general public,
19 correct?

20

21 (BRIEF PAUSE)

22

23 MS. COLLEEN KURULUK: Insofar as the
24 EEAG did not represent those specific customer
25 segments, we were looking to have information, and be

1 considered in our plan, I -- I would say beyond EEAG,
2 no, they're -- that was the -- the primary avenue we
3 had for public input.

4 MS. KATRINE DILAY: And the fact that
5 Efficiency Manitoba did not conduct -- or, did not
6 seek feedback from the general public, was that
7 because there was no time available to conduct general
8 public consultation?

9 MS. COLLEEN KURULUK: Well, there's --
10 there's no question that there was very little time,
11 especially in consideration of -- of a provincial
12 election that also occurred during that time; however,
13 this plan sits before the Board right now as a non-
14 approved plan at this point.

15 And so we definitely view the Public
16 Utilities Board process as an opportunity for the
17 public to have input into this plan with the
18 representation from the Interveners that are
19 representing customer groups as well as, from what I
20 understand, two (2) customer panels that are coming,
21 representing both residential customers and industrial
22 customers.

23 So I would say, obviously, this -- this
24 -- a thorough process to provide input into a plan
25 that hasn't quite yet been a -- approved.

1 (BRIEF PAUSE)

2

3 MS. KATRINE DILAY: Thank you for
4 that. And to follow up on what you just referred to,
5 so you'll agree that the Public Utilities Board holds
6 a public hearing relating to Efficiency Manitoba's
7 plan?

8 MS. COLLEEN KURULUK: Yes, I would
9 agree with that.

10 MS. KATRINE DILAY: And the public can
11 watch the hearing either in person or via the live
12 stream?

13 MS. COLLEEN KURULUK: That's how I
14 understand it.

15 MS. KATRINE DILAY: And members of the
16 public can also make presentations?

17 MS. COLLEEN KURULUK: I understand
18 that as well.

19 MS. KATRINE DILAY: To your knowledge,
20 has the Public Utilities Board conducted a randomized
21 survey of Manitobans on energy efficiency programming?

22 MS. COLLEEN KURULUK: I am not aware
23 of that, no.

24 MS. KATRINE DILAY: To your knowledge,
25 has the Public Utilities Board held focus groups

1 relating to energy efficiency programming?

2 MS. COLLEEN KURULUK: Not that I'm
3 aware of.

4 MS. KATRINE DILAY: And to your
5 knowledge, has the Public Utilities Board provided a
6 plain-language explanation of the Efficiency plan on
7 its website or elsewhere when inviting the public to
8 participate or providing notice of the hearing?

9

10 (BRIEF PAUSE)

11

12 MS. COLLEEN KURULUK: To my knowledge,
13 no, I'm not aware if the Public Utilities Board has
14 done that.

15 MS. KATRINE DILAY: And Kristen, if we
16 could go back to the Efficiency Manitoba Act, Section
17 9 -- oh, sorry, Section 9(h) of the Act.

18 You see there that the legislation
19 refers to both stakeholders and the public, correct?

20 MS. COLLEEN KURULUK: That's correct.

21 MS. KATRINE DILAY: And how does
22 Efficiency Manitoba distinguish between the two (2),
23 between stakeholders and the public?

24

25 (BRIEF PAUSE)

1 MS. COLLEEN KURULUK: So Efficiency
2 Manitoba distinguishes the Energy Efficiency Advisory
3 Group as comprising of the Association of Manitoba
4 Municipalities; Consumers Association of Canada, the
5 Manitoba chapter; the Expert Advisory Council on the
6 Climate and Green Plan; Green Action Centre; the
7 International Institute of Sustainable Development;
8 Keystone Agricultural Producers; Manitoba Industrial
9 Power Users Group; Manitoba Keewatinowi Okimakanak;
10 Southern Chiefs' Organization; whereas, the public, I
11 guess, would be members of residential customers at --
12 at large, which -- which these groups typically
13 represent.

14 And I guess I would -- I mean, I don't
15 think I need to say who represents whom, but if -- if
16 you're speaking about residential customers,
17 certainly, CAC; GAC; MKO; SCO; EMM, technically; and
18 also -- I think I've missed one -- Southern tee --
19 Chiefs' would represent residential customers -- oh,
20 and -- and MMF, sorry -- I missed one -- Manitoba
21 Metis Federation.

22

23 (BRIEF PAUSE)

24

25 MS. KATRINE DILAY: And so based on

1 your answer, Efficiency Manitoba does see a difference
2 between stakeholder and the general public, correct?

3

4 (BRIEF PAUSE)

5

6 MS. COLLEEN KURULUK: So in -- in our
7 view -- sorry, can you repeat the question, maybe,
8 just so I get your answer?

9 MS. KATRINE DILAY: I was just wanting
10 to confirm that Efficiency Manitoba does indeed see --
11 distinguish between stakeholders and the public at
12 large.

13 MS. COLLEEN KURULUK: I would say that
14 stakeholders, I guess, would represent -- be the
15 voice, I think is how it's been termed in some of the
16 applications for Intervener status -- is the voice of
17 those customers.

18 So I -- I have Consumers Association's
19 background here saying that it represents over five
20 hundred thousand (500,000) residential electric
21 customers, for example. So I would say the
22 stakeholders would be the voice of these residential
23 customers that, perhaps, may not be -- have the time
24 or the disposition to -- to be at a -- a Public
25 Utilities Board regulatory hearing.

1 (BRIEF PAUSE)

2

3 MS. KATRINE DILAY: And so Efficiency
4 Manitoba would -- would say that the EEAG represents
5 both stakeholder and the public?

6 MS. COLLEEN KURULUK: Well, I would
7 say insomuch as the -- they -- their own definition of
8 who they represent and whose voice they're trying to
9 advocate for, I would say to that extent, yes.

10 And I think the important thing just to
11 note here, too, is that -- that the feedback from
12 customers is -- is the important part. I think the
13 EEAG gave us lots of im -- important considerations to
14 think about in our plan, which we included, in
15 addition to some of the important considerations that
16 were actually directly from both customers that were
17 incorporated as well as the contracting and installing
18 industry that -- that brings forward challenges that
19 they experience on a daily basis when they're
20 implementing some of these programs.

21 So I do believe that our plan
22 incorporates a lot of these things that have -- that
23 have come up.

24 MS. KATRINE DILAY: Thank you. I now
25 have just a few questions about the purpose of

1 stakeholder and public participation, as well as
2 customer service.

3 You'll agree that the purpose of public
4 participation, generally, at a high level, is to
5 involve the public in the process of decision-making?

6

7 (BRIEF PAUSE)

8

9 MS. COLLEEN KURULUK: I'm not sure if
10 I'd say the process of decision-making insofar as,
11 maybe, that it feeds into input into making decisions
12 versus actually making a -- a physical decision.

13 MS. KATRINE DILAY: So it feeds input
14 -- public participation can feed input into the --
15 that process.

16 MS. COLLEEN KURULUK: That's correct.

17 MS. KATRINE DILAY: And would you
18 agree that customer service refers to how an agency
19 interacts with its customers in delivering the
20 products or services?

21 MS. COLLEEN KURULUK: I would agree
22 that that would definitely be one (1) definition of
23 customer service. Pretty -- pretty broad category, so
24 one (1) definition.

25 MS. KATRINE DILAY: And if we turn to

1 Efficiency Manitoba's direct evidence -- and I -- I
2 think I neglected to provide Kristen with a heads-up
3 on this -- but the direct evidence that was filed I
4 believe is Efficiency Manitoba Exhibit 14.

5

6 (BRIEF PAUSE)

7

8 MS. KATRINE DILAY: And if we could go
9 to slide 9.

10

11 (BRIEF PAUSE)

12

13 MS. KATRINE DILAY: Would Efficiency
14 Manitoba characterize this slide -- what is described
15 on this slide as public participation or as customer
16 service?

17

18 (BRIEF PAUSE)

19

20 MS. COLLEEN KURULUK: I would say
21 there's a bit of both -- both aspects of customer
22 service and I guess some abilities for customer
23 feedback within the different aspects of this
24 particular slide.

25

MS. KATRINE DILAY: Thank you.

1 I have a few questions about the
2 mandate or roll of the Energy Efficiency Advisory
3 Group, and I'll bring you to a few references and then
4 I'll have a -- a question at the -- after that.

5 If we turn to page 240 of the
6 Efficiency Plan. And maybe we'll just go just one
7 page before that, at the very bottom, to provide some
8 context. You'll see at the bottom there:

9 "Efficiency Manitoba states that the
10 EEAG was formed --"

11 And then we got to the next page:

12 "-- to ensure the plan reflects
13 Indigenous, social, environmental,
14 technical, and economic
15 perspectives, solicit advice and
16 perspectives on the process
17 programs, analysis priorities and
18 approaches, and encourage
19 participation of Efficiency Manitoba
20 stakeholders in the planning.

21 Do you see that there?

22 MS. COLLEEN KURULUK: I do see that.

23 MS. KATRINE DILAY: And then if we
24 turn to page 449 of the Efficiency Plan, you'll agree
25 that these are the EEAG terms of reference?

1 MS. COLLEEN KURULUK: Yes, these are
2 the terms of reference that were established
3 specifically for this period of time.

4 MS. KATRINE DILAY: Specifically from
5 May 2018 to September of 20 -- sorry, May 2019 to
6 September 2019?

7 MS. COLLEEN KURULUK: Yes, that's
8 correct. We intend to be, obviously, revisiting the
9 terms of reference, post plan approval, because
10 there's additional input that we'd like to get from
11 the EEAG that -- that covers aspects beyond what's
12 referenced in this particular terms of reference.

13 MS. KATRINE DILAY: And at this point
14 in time, from May 2019 to September 2019, if we look
15 under bullet B, intent and composition, it states
16 that:

17 "In 2019 the intent of the advisory
18 group was to work with Efficiency
19 Manitoba to ensure that the
20 inaugural plan represented the
21 optimal compilation of actions and
22 strategies, while also meeting the
23 mandated savings targets in a cost-
24 effective manner."

25 MS. COLLEEN KURULUK: Yes, I see that.

1 MS. KATRINE DILAY: And finally, if we
2 turn to the IR Coalition EM124(c), and if we look at
3 the response to part C, Efficiency Manitoba indicated
4 there that the public would be represented at the
5 centre of the stakeholder engagement model, which
6 represents the Energy Efficiency Advisory Group,
7 correct?

8 MS. COLLEEN KURULUK: That's correct.
9 We -- we made sure that it was customer
10 representation, that -- groups that represent
11 customers that were in the centre in that EAG.

12 MS. KATRINE DILAY: I'm hoping you
13 could clarify for me what was the mandate of the EEAG
14 during the preparation of the 2020/2023 efficiency
15 plan, and what will be its mandate going forward?

16

17 (BRIEF PAUSE)

18

19 MS. COLLEEN KURULUK: So the mandate
20 in terms of the role in prep -- preparing the plan
21 would have been outlined in section 27.3 of the Act,
22 to provide advice to Efficiency Manitoba about the
23 development and implementation of efficiency plans.

24 In addition, provide advice to
25 Efficiency Manitoba on the selection of the assessor

1 in terms of reference for the independent assessment
2 required under section 16, and to assist the Board to
3 review assessment results.

4 In addition, when we first struck up
5 the Energy Efficiency Advisory Group, we had engaged a
6 public participation expert to -- to assist us with
7 that engagement, and at that point in time she had
8 also suggested and we had implemented a collaborative
9 path forward in terms of what the efficiency -- Energy
10 Efficiency Advisory Group would want to see in terms
11 of the engagement for the Efficiency Plan.

12 And I would say that that policy would
13 hold true for what we do for the next phase of terms
14 of reference, is that it would be a combination of
15 things that we think would be great to have input from
16 the customer market, such as the innovation fund,
17 which I talked about, I think, two (2) days ago.

18 But we would also be open to hearing
19 what the membership wants to accomplish with respect
20 to their role and engagement in that process.

21 MS. KATRINE DILAY: Thank you. And
22 Mr. Chair, I believe those are all my questions for
23 the Efficiency Manitoba panel this afternoon.

24 THE CHAIRPERSON: Thank you, Ms.
25 Dilay.

1 Do you have any questions?

2 Ms. Kuruluk, I have a question for you.
3 So going forward, I just want to clarify one (1) thing
4 in my mind, going forward, after this plan is approved
5 by the government and you're moving to your next plan,
6 do you plan to have any consultation other -- with the
7 public, other than with the stakeholder group?

8 MS. COLLEEN KURULUK: Yeah, that --
9 sorry, I should have mentioned that.

10 So, as a Crown corporation, we're
11 governed by the Crown Corporation's Governance and
12 Accountability Act, so we will be holding public
13 accountability meetings on an annual basis, which
14 would be an opportunity for the public to engage on
15 Efficiency Manitoba's operations overall, but also
16 obviously our core operations, which would be delivery
17 of energy efficiency programs and services.

18 So that would happen on an annual
19 basis. You know there's -- there's certainly some --
20 I've mentioned the term awkwardness with respect to us
21 not having commenced, and being held to the Public
22 Accountability Act at this point. But I would say
23 going forward, that would certainly be one of the
24 aspects that we'd be covering.

25 And then again, we're planning on doing

1 continuous improvement and customer engagement and
2 two-way communications.

3 So our whole -- our whole plan going
4 forward is to be engaging with customers and -- in
5 making sure that feedback comes in. And of course,
6 given section 9(h), making sure that -- of the Act --
7 making sure that we're keeping track of what kind of
8 input the public gave us.

9 THE CHAIRPERSON: Would that include
10 separate from Manitoba Hydro, things such as surveys
11 and -- and consultation sessions?

12 MS. COLLEEN KURULUK: Yeah. So we --
13 we do surveys almost every single interaction that a
14 customer has with our efficiency programs has -- has a
15 follow-up survey. And -- and that's why I was
16 explaining that, you know, we definitely have a lot of
17 public input that's gone into the plans, at least on
18 the legacy plans that we're bringing over with
19 enhancements.

20 And a lot of those enhancements were a
21 direct result of some of that public feedback.

22 THE CHAIRPERSON: Okay, thank you.
23 Thank you, Ms. Dilay. Ms. Fox...?

24

25 CROSS-EXAMINATION BY MS. CARLY FOX:

1 MS. CARLY FOX: Thank you, Mr. Chair.

2 Good afternoon, Efficiency panel, members.

3 Just to refresh your memory, my name is

4 Carly Fox and I am legal counsel for the Assembly of

5 Manitoba Chiefs for this hearing today. Okay.

6 So the AMC would like to thank

7 Efficiency Manitoba for the preparations of its plan

8 and for the timely response in the information request

9 process.

10 We have attempted to avoid duplication

11 with some of the questions we're going to ask you

12 today. We are -- our friends representing the Board

13 and Consumer's Coalition were very thorough, so if

14 there's any duplication, it's usually just to set up

15 another question, just so you know. So we do

16 apologize if things seem redundant.

17 So we're going to pose questions

18 generally to the panel, so if you're best suited to

19 answer, please do so.

20 MS. COLLEEN KURULUK: Excuse me, Ms. -

21 - I was just wondering whether it would be easier for

22 you if we moved Ms. Tuck to the front row? I'm not

23 sure you can see her from where you are.

24 MS. CARLY FOX: That would be great,

25 yes, because you're kind of in the -- yes.

1 THE CHAIRPERSON: I'm -- I'm just
2 wondering if we should move Ms. Fox to the front row
3 too?

4 So maybe Ms. Fox and Ms. Dilay can
5 switch seats. Or Mr. Hacault. I don't -- I don't
6 care, but it might be easier. Yes.

7

8 (BRIEF PAUSE)

9

10 CONTINUED BY MS. CARLY FOX:

11 MS. CARLY FOX: All set. Okay. Thank
12 you. All right. Thank you. Last evening we
13 submitted a Book of Documents from the AMC via email
14 to everyone on the contact list.

15 So, if possible, could we mark that as
16 Exhibit AMC-4?

17

18 --- EXHIBIT NO. AMC-4: AMC Book of Documents

19

20 MS. CARLY FOX: So, for the purposes
21 of brevity because there's quite a bit of documents
22 that we'll be relying upon, we have just included
23 excerpts of part of the documents that have already
24 come before the panel.

25 So, I think to start, I'd like to begin

1 by reviewing certain sections of some of the
2 directions that Efficiency Manitoba received prior to
3 -- to drafting the plan.

4 So, here we have the October 18th,
5 2018, mandate letter. If you'd just go down to page
6 2, Ms. Schubert. Further. Oh, sorry. Better? Okay.
7 Further down on the page, it starts with, "As part of
8 our cabinet team." So, I'll just read this.

9 "As part of our cabinet team, you
10 will assist your colleagues in
11 fulfilling the following commitments
12 -- and then highlighted there in
13 yellow -- advancing reconciliation
14 with Indigenous Manitobans led by
15 the minister of Indigenous and
16 Northern Relations."

17 Did I read that correctly?

18 MS. COLLEEN KURULUK: Yeah, that's
19 correct.

20 MS. CARLY FOX: Can I confirm that, to
21 your knowledge, the minister of Crown Services has not
22 yet met with the minister of Indigenous and Northern
23 Relations regarding Efficiency Manitoba or the
24 proposed plan?

25 MS. COLLEEN KURULUK: I'm not aware if

1 that has happened, but I'm not sure I would be mare --
2 made aware --

3 MS. CARLY FOX: Oh, okay.

4 MS. COLLEEN KURULUK: -- but, yeah.

5 MS. CARLY FOX: Thank you. Next, I
6 would like to bring up page 5 in our Book of
7 Documents. And here we have the April 24th, 2019,
8 framework letter.

9

10 (BRIEF PAUSE)

11

12 MS. COLLEEN KURULUK: A little bit
13 further down I think it's highlighted. There we go.
14 So, I'll read this again.

15 "Government is committed to
16 advancing reconciliation with
17 Indigenous Manitobans through the
18 renewal of its consultation
19 framework to ensure respectful and
20 productive consultations.
21 All government organizations are
22 expected to contribute to
23 reconciliation in their interactions
24 with Indigenous communities and
25 individuals."

1 Is that correct?

2 MS. COLLEEN KURULUK: Yes, that is
3 correct.

4 MS. CARLY FOX: Thank you. And then
5 finally, for reviewing the documents, I would like to
6 pull up the Path to Reconciliation Act. And this is
7 on page 10 of our Book of Documents.

8 So, here on section 1(I) we have the
9 definition of 'reconciliation'. It states that:

10 "Reconciliation refers to the
11 ongoing process of establishing and
12 maintaining mutually respectful
13 relationships between Indigenous and
14 non-Indigenous peoples in order to
15 build trust, affirm historical
16 agreements, address healing, and
17 create a more equitable and
18 inclusive society."

19 Did I read that correctly?

20 MS. COLLEEN KURULUK: Yes, you have.

21 MS. CARLY FOX: Thank you. So, moving
22 on. And -- and I'm not asking for a legal opinion
23 here. I'm just interested in understanding the plan
24 drafter's frame of mind.

25 Did Efficiency Manitoba consider this

1 specific definition in the Act when it drafted the
2 plan?

3

4

(BRIEF PAUSE)

5

6 MS. AMY TUCK: I believe we did, yes.

7

8 MS. CARLY FOX: Thank you. Did
9 Efficiency Manitoba consider the equity as part of the
10 definition of re -- reconciliation during plan
11 development?

12 MS. AMY TUCK: Again, I would say,
13 yes, we did.

14 MS. CARLY FOX: Thank you. So, on
15 section 2 here of the Path to Reconciliation Act we
16 have a number of principles. And the -- it states
17 that:

18 "To advance reconciliation, the
19 government must have regard for the
20 following principles."

21 And I won't read them but, in general,
22 it's respect, engagement, understanding, and action.
23 And I think 'actions' on the next page down.

24 Did Efficiency Manitoba specifically
25 consider these four (4) principles when drafting the
plan?

1 MS. AMY TUCK: Again, I would agree
2 that we did.

3 MS. CARLY FOX: Thank you. So, we've
4 reviewed the reconciliation provisions in these three
5 (3) documents. My next question is:

6 Is it correct that Efficiency Manitoba
7 did not list reconciliation as one (1) of the four (4)
8 priorities arising out of the mandate letter and the
9 framework letter arising in the plan?

10

11 (BRIEF PAUSE)

12

13 MS. COLLEEN KURULUK: Sorry, I thought
14 Ms. Tuck was. Can you repeat that, please?

15 MS. CARLY FOX: Sure. Is it correct
16 that Efficiency Manitoba did not list reconciliation
17 as one (1) of the four (4) priorities arising out of
18 the mandate letter and the framework letter in the
19 plan?

20 MS. COLLEEN KURULUK: No, we did not
21 list reconciliation. I -- I think we talked about the
22 fact that we did meet the directives as -- as provided
23 to us by the Provincial Government.

24 And -- and I -- to add to Ms. Tuck's
25 previous response, I think that certainly, although

1 reconciliation did not appear in the document, we aim
2 to have the spirit of reconciliation and -- and plan
3 to do so in our engagement and -- and actions and
4 understandings in the future.

5 MS. AMY TUCK: So, I would just like
6 to add to what Ms. Kuruluk said. So, in putting the
7 plan together, we did consider reconciliation. And I
8 think it is -- it was imbedded in our plan and
9 imbedded in our actions in that we are respecting
10 Indigenous nations and Indigenous people and their
11 history and culture and language, and that is why we
12 saw the nec -- the need for an Indigenous customer
13 segment.

14 It's why in the Indigenous Energy
15 Efficiency Advisory Group -- or sorry, EEAG, there is
16 a large representation from our Indigenous customer
17 segment.

18 And in addition to that, Efficiency
19 Manitoba has committed and made commitments that we
20 think further reconciliation -- that would be in
21 addition to the EEAG creating -- or our aim to create
22 the Indigenous Energy Efficiency Advisory Group to
23 have a respectful dialogue and a place where we can
24 engage with our Indigenous customers and get their
25 feedback.

1 In addition to that, with respecting
2 language and culture, we have aimed to and -- and
3 committed to creating culturally appropriate and
4 relevant materials, as well as having them translated
5 into Indigenous languages.

6 We've also committed that any third-
7 party contractor working in First Nations will have
8 cultural sensitivity and cultural awareness training.

9 And again, I think that shows that we
10 are operating in the spirit of reconciliation. And in
11 addition to that, we are -- we have said that we would
12 work with the AMC on a strategy to increase more First
13 Nation contractors in our programming.

14 And to me, that also is an example of
15 how we're going to contribute to economic
16 reconciliation. That's also true. And in the spirit
17 of open feedback and transparency, we are also open to
18 hearing more from our Indigenous partners on and an
19 ongoing basis.

20 MS. CARLY FOX: Thank you, Ms. Tuck.
21 That was a very comprehensive answer. And we are
22 going to touch on some of the things that you have
23 brought up through our questions, but we do appreciate
24 them.

25 If we could turn to page 15 of our Book

1 of Documents. Here we have a response from Efficiency
2 Manitoba to one (1) of AMC's Information Requests, and
3 we've got it highlighted right here.

4 "Reconciliation and appreciation for
5 the important role Efficiency
6 Manitoba will play towards energy
7 affordability in Manitoba was, thus,
8 given important consideration
9 relative to other priorities,
10 including cost effectiveness."

11 I just wanted to underscore right here
12 when -- or I wanted to clarify, when you state its
13 "consideration relative to other priorities," does
14 that mean that it was given higher priority or just
15 considered when they were considering cost-
16 effectiveness?

17

18 (BRIEF PAUSE)

19

20 MS. AMY TUCK: Sorry, can you repeat
21 your question?

22 MS. CARLY FOX: Sure. Sorry. I
23 wasn't very clear.

24 When you talk -- when you -- in this
25 highlighted section you state that reconciliation was

1 given an important consideration relative to other
2 priorities, including cost-effectiveness. So I just
3 wanted to understand more what -- what you are
4 referring to then.

5 What does it mean by "relative to other
6 priorities"? Does that mean it was given as high of a
7 priority or it was just considered?

8 MS. AMY TUCK: Like, I think it was
9 consideration in addition to cost-effectiveness. I
10 don't think it had a -- a weighting per se. It was --
11 it was a -- a high consideration, but it didn't really
12 rank where it -- where it went.

13 MS. CARLY FOX: Okay, thank you.
14 Moving on to page 16 of our Book of Documents, here we
15 have Efficiency Manitoba's response to AMC's
16 Information Request where AMC asked how the principle
17 of equity influenced the selection of programs and
18 distribution of funds in the plan for First Nations,
19 and how the principle of equity was weighted against
20 other priorities.

21 So here's the response in (a):

22 "Equity and access was a fundamental
23 consideration in development."

24 And then it stated that:

25 "The guiding principle for Mani --

1 Efficiency Manitoba aligned -- is
2 aligned with accessible."

3 Is that correct?

4

5 (BRIEF PAUSE)

6

7 MS. AMY TUCK: So with respect to the
8 guiding principle accessibility, we wanted to make
9 sure that our Indigenous customers had equitable
10 access to programming, which is why we established
11 programs that were specific to our Indigenous
12 customers and that in a lot of cases they were much
13 easy -- they were easy access because of the up-front
14 cost that we would be covering.

15 MS. CARLY FOX: Thank you. Have you
16 had the opportunity to read Dr. Clark's report that
17 the AMC commissioned?

18 MS. AMY TUCK: I have, yes.

19 MS. CARLY FOX: Okay, great. Are you
20 familiar with the concepts of horizontal and vertical
21 equity that he outlined in this report?

22 MS. AMY TUCK: I was not until I read
23 it.

24 MS. CARLY FOX: Okay. But you're
25 comfortable with it now?

1 MS. AMY TUCK: I have read it. I --

2 MS. CARLY FOX: Okay.

3 MS. AMY TUCK: -- wouldn't say I am
4 overly comfortable with it.

5 MS. CARLY FOX: Okay. I'll ask you a
6 couple -- I'm going to ask you a couple of questions
7 about horizontal and vertical equity, and if at any
8 time you don't know, just let me know and we can pull
9 up his report, if you want to refresh.

10 Yesterday in a response to a question
11 posed by Ms. -- Ms. Steinfeld, Mr. Stocki stated that
12 Efficiency Manitoba is trying to strike the balance
13 between accessibility of the programs and equity of
14 access to all customers in Manitoba, as well as
15 meeting other objectives.

16 Now, is -- is that fair, or what was
17 said yesterday, Mr. Stocki, sorry?

18 MR. MICHAEL STOCKI: That does sound
19 like something I would say, yes.

20 MS. CARLY FOX: Okay.

21 MR. MICHAEL STOCKI: I can check the -
22 -- check -- I won't check -- subject to check but,
23 yeah, it sounds great.

24 MS. CARLY FOX: Okay, thank you. I
25 have the transcript page if you want me to pull it up,

1 okay.

2 So my question to you then, Ms. Tuck,
3 is: Would you agree that if the plan is not
4 horizontally equitable, meaning equal -- people --
5 peop -- equals are treated equally at a minimum when
6 comparing First Nations and non-First Nations
7 programming, then the logical conclusion is that the
8 plan is not accessible to First Nations?

9 So what I'm trying to say, in other
10 words, is that if First Nations and non-First Nations
11 were not treated the same in the plan, does that mean
12 that the plan is not accessible to First Nations?

13

14 (BRIEF PAUSE)

15

16 MS. AMY TUCK: I'm going to get you to
17 repeat that last bit again.

18 MS. CARLY FOX: Sure. If the plan,
19 when comparing First Nation levels of programming and
20 non-First -- First Nation levels of programming is not
21 considered equal, then would the logical conclusion be
22 that the plan is not accessible to First Nations?

23 MS. AMY TUCK: Based on what you're
24 saying, I guess that would be a logical conclusion,
25 but our programming is -- all programming is available

1 to all First Nations. We just have additional
2 programming for First Nations.

3 MS. CARLY FOX: Okay.

4 MS. COLLEEN KURULUK: I would just
5 have a further clarification as well, and I would be
6 enquiring about what equal -- "equal" means precisely.

7 Is it how much -- how much budget is
8 contributed, how much energy savings, or -- or the
9 actual programs that are -- are delivered? So I guess
10 it kind of depends on -- on that. Are the
11 technologies that are being offered equal to those of
12 others or...

13 MS. CARLY FOX: I think mostly what we
14 are referring to is energy savings -- compared with
15 consumption, sorry.

16

17 (BRIEF PAUSE)

18

19 MS. AMY TUCK: We're just grabbing --
20 we're just looking for something here.

21

22 (BRIEF PAUSE)

23

24 MS. AMY TUCK: So in addition to
25 energy savings relative to consumption, we have

1 discussed or we have seen in First Nations prior to
2 the Manitoba Hydro program that there has been quite a
3 bit of uptake in First Nation insulation and direct
4 install programs, and it is our understanding that
5 there may not be a lot of opportunity left, however,
6 we are going to use the three (3) year plan -- the
7 first three (3) years to assess if those -- if those
8 opportunities -- if there are more opportunities, and
9 when we assess that there are and we put those into
10 effect, we do anticipate that there will be larger
11 energy saving than what we see in the plan.

12 MS. COLLEEN KURULUK: But in so -- so
13 much as it's helpful, I think what we're trying to
14 locate right now is -- I think we did do an assessment
15 on relative energy consumption to relative savings, I
16 think. We're just trying to...

17

18 (BRIEF PAUSE)

19

20 MS. CARLY FOX: Maybe we can continue,
21 we'll just leave this one here for now, we can bring
22 it up later.

23 At page 19 of our Book of Documents,
24 Efficiency Manitoba has stated here that Indigenous
25 programs are not as cost effective compared to other

1 programming in the plan. Is that correct?

2 MS. AMY TUCK: That is correct.

3 MS. CARLY FOX: But to be clear, there
4 are differing levels of cost effectiveness in DSM
5 programming throughout the plan. Is that correct?

6 MS. AMY TUCK: I would agree, yes.

7 MS. CARLY FOX: So although First
8 Nation electric programming has higher acquisition
9 costs than some other programming, do you agree that
10 First Nation electric programs are cost effective in
11 accordance with the criteria in the legislation?

12 MS. AMY TUCK: I would agree, yes.

13 MS. CARLY FOX: Thank you. So drawing
14 your attention then to table -- revised table 5.1, at
15 page 21 of our Book of Documents, I believe Ms. Dilay
16 spoke to this yesterday, but the annual average
17 electric bill savings is four hundred and seventy
18 dollars (\$470) per house in the Indigenous program
19 bundle. Is that correct?

20 MS. AMY TUCK: That's correct.

21 MS. CARLY FOX: And four hundred and
22 ten dollars (\$410) for the income qualified, which is
23 also highlighted there, correct?

24 MS. AMY TUCK: That's correct.

25 MS. CARLY FOX: Do you agree that

1 First Nation residential initiatives can produce the
2 highest residential per customer electric energy bill
3 savings as a result of this -- or in -- in this table?

4 MS. AMY TUCK: I would say they have
5 the opportunity to, yes.

6 MS. CARLY FOX: Oppor -- opportunity.
7 Thank you.

8 MR. MICHAEL STOCKI: If I -- if I
9 could just jump in for one second. We did finally
10 find that IR we were looking for.

11 It is Daymark EM1-7, part A. And in
12 that IR we provide a breakdown of the annual electric
13 energy consumed by customer segment, and the number of
14 electric customers by customer segment.

15 So what that table provided in part A
16 of that response has First Nation on Reserve, home and
17 businesses consuming approximately 4 percent of the
18 annual electric energy consumption of the province,
19 and also representing about 4 percent of the electric
20 customers.

21 For comparative purposes, again because
22 this is relatively -- this is relative, on page 164 of
23 our Efficiency Plan, we provide the customer segment
24 category overall 2020/'23 energy savings and budget by
25 customer segment.

1 And so for the Indigenous customer
2 segment, the savings are 0.5 percent, and the budget
3 is 3 percent of our overall spend.

4 MS. CARLY FOX: Thank you, Mr. Stocki.
5 So Efficiency Manitoba -- or sorry, I'd like to go
6 back for one (1) second about the annual average
7 electric bill savings.

8 Do you have information on First Nation
9 on Reserve homes, de-segregated from the Indigenous
10 bundle?

11 MS. AMY TUCK: What -- what kind of
12 information?

13 MS. CARLY FOX: About the annual
14 average electric bill savings. So in this table right
15 here, you have the Indigenous homes and the annual
16 average electric bill savings is four hundred and
17 seventy dollars (\$470) per house.

18 And I -- I'm -- I understand that this
19 is for the entire Indigenous program bundle, is that
20 correct?

21 MS. AMY TUCK: That is correct.

22 MS. CARLY FOX: So do you have the
23 information or did you use the information related to
24 First Nations on Reserve housing, or does this include
25 Metis housing as well?

1 MS. AMY TUCK: It is a combination of
2 both. We don't have the breakdown readily available,
3 but we could provide it.

4 MS. CARLY FOX: Okay. Would you agree
5 to an undertaking for that then?

6 MS. AMY TUCK: Yes, we would.

7 MS. CARLY FOX: Thank you.

8

9 --- UNDERTAKING NO. 6: Efficiency Manitoba to
10 advise did they use the
11 information related to
12 First Nations on reserve
13 housing, or does this
14 include Metis housing
15

16 CONTINUED BY MS. AMY TUCK:

17 MS. AMY TUCK: So to clarify, it is
18 the First Nation on Reserve annual average electric
19 bill savings is what you want pulled out from there,
20 correct?

21 MS. CARLY FOX: Exactly. Now, I know
22 that this has been discussed in great detail, but just
23 so that I can get my head wrapped around it, I wanted
24 to talk a little bit about portfolio design if that's
25 okay.

1 As we discussed on Monday, or Mr.
2 Stocki in particularly just -- in particular,
3 discussed PACT calculation which was used in the
4 portfolio design phase does not include quantifiable
5 non-energy benefits. Is that right?

6 MR. MICHAEL STOCKI: That is correct.
7 The -- the way the cost test is prescribed in the
8 regulations, it's the value of the levelized marginal
9 benefits to provide to Manitoba Hydro, divided by the
10 costs to Efficiency Manitoba, so that does not include
11 any non-energy benefits.

12 MS. CARLY FOX: So just to understand,
13 yesterday Ms. Dilay was asking about determining
14 program design, and no, I'm not sure if this refers to
15 portfolio design or program design, but there are
16 three factors that -- that were mentioned that were
17 balanced to determine design, and that's annual energy
18 savings, annual program costs and cost effectiveness.

19 Was that referring to program design or
20 portfolio design or both? If you are aware.

21 MR. MICHAEL STOCKI: Well, those would
22 be components of the -- some of the quantitative
23 analysis that was -- was completed.

24 So again, the -- with respect to the
25 quantitative analysis, certainly the energy savings

1 targets, the overall costs, and the cost effectiveness
2 were all considered as separate considerations.

3 But those weren't, of course, the only
4 considerations.

5 MS. CARLY FOX: Right. So non-energy
6 benefits would have been something that would have
7 been considered after the portfolio was designed.

8 Is that correct?

9 MR. MICHAEL STOCKI: Inasmuch as those
10 non-energy benefits were quantified, so specifically,
11 say, for the GHG emission reductions, for like those
12 environmental benefits, that's correct.

13 Although certainly when we were
14 designing the portfolio, again, we were considering
15 making sure that all customer segments were
16 representative within that portfolio programs, and Ms.
17 Tuck went through that, the list of specific to First
18 Nations customers, some of those considerations that
19 were -- were given in designing those specific
20 programs.

21 MS. CARLY FOX: So is it possible then
22 that at the design stage, a program with potentially a
23 large non-energy benefit could have been screened out
24 before it was actually considered as part of the
25 program?

1 MR. MICHAEL STOCKI: No, we wouldn't
2 have screened programs out based on non-energy
3 benefits.

4 MS. CARLY FOX: So just to clarify,
5 but if you did not -- if you were not aware of the
6 non-energy benefits is it possible that it could have
7 gotten screened out if you were unaware?

8

9 (BRIEF PAUSE)

10

11 MR. MICHAEL STOCKI: So I'd like to
12 bring the Board's attention to PUB-EM-1-1, and that
13 lists the criteria or some of the considerations for
14 the pre-screening.

15 And so specifically some of those
16 examples include the -- the technology is not yet
17 approved for use in Canada, would not meet municipal
18 permitting requirements, the potential market for the
19 technology is too small. The pre -- the measured
20 result in high free ridership.

21 But scanning that list, there's nothing
22 in there about non-energy benefits, so we wouldn't
23 have applied a non-energy benefit screen upfront.

24 MS. CARLY FOX: Right. And just to
25 clarify, what I'm trying to ask is: Is it possible

1 that something with potential non-energy benefits
2 could have been screened out because it wasn't looked
3 at prior to screening?

4

5 (BRIEF PAUSE)

6

7 MS. AMY TUCK: Can you give an example
8 of -- of that?

9 MS. CARLY FOX: I -- I'm just thinking
10 kind of ob -- abstractly here, but if there was
11 something that would, for instance, give a high bill
12 savings, but you wouldn't necessarily know that, if
13 you were just looking at cost effectiveness to begin
14 with.

15 MS. COLLEEN KURULUK: I -- I think --
16 I'm trying to imagine a situation where that would
17 occur, and I -- I can't think of it. I -- I could be
18 missing something, but I mean, anything that saved
19 energy is certainly going to be something that would
20 have arrived at -- at our -- at our plan and -- and
21 certainly not likely screened out unless it was -- it
22 was a -- in one (1) of the categories that Mr. Stocki
23 just mentioned.

24 So if there were high -- high bill
25 savings, it would be as a result of energy savings,

1 and therefore, I suspect would have been something
2 that landed in our plan.

3 MS. CARLY FOX: Okay. Thank you. Now
4 let's move on to page 23 of our Book of Documents.
5 So, here we have Dunsky stating that, in the
6 highlighted part here, in the corner:

7 "Non-energy benefits are often
8 treated differently among different
9 jurisdictions."

10 So, I would like to ask you then if
11 Efficiency Manitoba considered ways that non-energy
12 benefits were treated differently among jurisdictions
13 when considering how it would evaluate programming?

14 MR. MICHAEL STOCKI: So, this slide,
15 in particular, references the total resource cost
16 test. That is another ex -- indu -- basic industry
17 accepted cost effectiveness metric in the DSM
18 industry.

19 So, again, that basically looks at, in
20 terms of the formula, the benefits over the cost. In
21 this case, the benefits would include the marginal
22 value to the utility. It would also include
23 quantifiable, for example, savings.

24 On the gas side, it would include GHG
25 savings if there was a dollar value associated with

1 that. On -- on the cost side, it would include both
2 the customer and the program administrator costs.

3 I think what Mr. Dunsky's referring to
4 in this slide is that, in addition to the TRC, there
5 are other cost-effectiveness metrics, such as the
6 societal cost test, in which case, there's, in some
7 cases, an adder that's added to the TRC value, say,
8 for example, a 10 or 15 percent adder to capture non-
9 energy benefits insomuch as those cannot be qualified
10 are quantified readily.

11 But just to clarify again, Efficiency
12 Manitoba did not use the TRC or societal cost test.
13 We used strictly the PACT, the program administrator
14 cost test, that was prescribed in regulation at the
15 portfolio level.

16 MS. CARLY FOX: Thank you. On page 24
17 of our Book of Documents we have another quote by
18 Dunsky here talking about the -- the balance
19 scorecard. And one (1) of the things he discusses is
20 that:

21 "Before deciding what to measure and
22 how, Efficiency Manitoba needs to
23 clearly define its desired
24 outcomes."

25 So, what I would ask here then is: Did

1 Efficiency Manitoba first define its desired outcomes
2 before deciding how it measure programs or, because it
3 was legislated, they just decided to stick with the
4 PACT test?

5 MS. COLLEEN KURULUK: Yeah, I -- I
6 think, as we discussed earlier, this -- this
7 particular document was one that was received when
8 there was a government person responsible as the
9 interim CEO for Efficiency Manitoba.

10 And I believe this might have been
11 considered -- I'm not certain, but might have been
12 considered prior to the drafting of the regulation.
13 So -- so, we certainly are -- are defaulting to the
14 regulation with respect to what's been prescribed for
15 our consideration.

16 That said, I -- I would like to add
17 that, you know, in particular with First Nations
18 communities, we recognize that there's definitely some
19 areas where we can add economic benefit to the
20 community by engaging community members to do the
21 actual labour.

22 And -- and we're incorporating that
23 into some of the programs that we're intending to
24 deliver in those communities. And -- and that would
25 be, I guess, a non-energy benefit that hasn't been

1 quantified, but we're -- we're factoring it into our -
2 - to our design.

3 MS. CARLY FOX: Thank you. Sorry.
4 I'd like to now talk about the energy bills and the
5 rate increases. Ms. Dilay spoke about this a little
6 bit yesterday, but I'd like to go into this in a
7 little bit more detail.

8 I believe yesterday in response to Ms.
9 Dilay's questions Mr. Stocki agreed that one (1) of
10 the advantages of energy efficiency programming is
11 that it gives ratepayers more control over their
12 energy bills.

13 Am I understanding that correctly?

14 MR. MICHAEL STOCKI: That's correct.

15 MS. CARLY FOX: You also agreed that
16 energy bills will take up a larger proportion of
17 income for those who have limited income. Is that
18 correct?

19 MS. AMY TUCK: That's correct.

20 MS. CARLY FOX: Okay. So, I'd like to
21 bring your attention to page 25 of our Book of
22 Documents. And here we have Dr. Clark's report. Just
23 moving down a little bit here, maybe a little bit
24 further, Ms. Schubert, so we can see the next page,
25 too.

1 So, here Dr. Clark talks about the
2 average one (1) year increase in annual electric bills
3 as a result of the plan and how that could potent --
4 or how that would affect First Nation on reserve
5 customers.

6 Have you had a chance to review this
7 section?

8 MR. MICHAEL STOCKI: Yes, I have.

9 MS. CARLY FOX: Okay. Thank you. Do
10 you agree with Dr. Clark's assertion that First Nation
11 ratepayers are more likely to have missed a hydro bill
12 payment as a result of financial difficulties than
13 other customers?

14

15 (BRIEF PAUSE)

16

17 MS. AMY TUCK: We don't have specific
18 data on that, but one can assume someone that may not
19 have a high income could possibly miss a utility bill
20 payment.

21 MS. CARLY FOX: Thank you. Do you
22 agree with Dr. Clark's assertion that the average one
23 (1) year increase in annual electric bills as a result
24 of the plan will be more than twice as high for First
25 Nation on-reserve customers compared with the average

1 customer?

2 And that's on the bottom of the
3 previous page, 25, sorry.

4 MR. MICHAEL STOCKI: I think there's -
5 - there are some assumptions behind that assertion.
6 So, for example, I think one (1) of the assumptions
7 may be that the annual electric consumption would be
8 also twice as high for a First Nation on-reserve
9 customer as compared to the average residential
10 customer.

11 And so, I guess that would depend on if
12 that average residential customer had electric heat or
13 was in, for example, a natural gas territory. So,
14 that would be one (1) part of the equation.

15 The second part of that would be the
16 assumption that the resulting potential rate increase
17 that was estimated by Efficiency Manitoba and refl --
18 flected through the life cycle revenue impact test was
19 actually the rate increase that was eventually imposed
20 through the next GRA process through Manitoba Hydro
21 with approval of the PUB.

22 And I -- that is a fairly significant
23 assumption. I think once Manitoba Hydro has a chance
24 to come before the PUB at the next General Rate
25 Application, the expenditures of Efficiency Manitoba

1 will be one of a multitude of considerations.

2 And it doesn't necessarily mean that
3 there'll be a corresponding rate increase for First
4 Nation on reserve; that needs to be determined through
5 the next Manitoba Hydro electric GRA.

6 And I wouldn't -- in consideration of
7 not only Efficiency Manitoba's expenses, but overall
8 finance expenses, operating expenses for Manitoba
9 Hydro revenue projections and all of that, and also,
10 of course, of how Manitoba Hydro would choose to do
11 the cost allocation of Efficiency Manitoba's expenses.

12 And so, that would be a fairly major
13 assumption that -- that's being drawn in this report.

14

15 (BRIEF PAUSE)

16

17 MS. CARLY FOX: Thank you for that.
18 Mr. Stocki, I just wanted to pose to you the question
19 if you're aware of how many First Nation communities
20 use natural gas?

21 MS. AMY TUCK: Zero.

22 MS. CARLY FOX: Okay. Thank you. I
23 just wanted to clarify that because you had mentioned
24 earlier that some First Nations may be using natural
25 gas as part of the -- or they may be using -- that's

1 part of the assumption that Mr. -- that Dr. Clark
2 brought up.

3 MR. MICHAEL STOCKI: Yeah. Just to
4 clarify, it was -- it was -- actually, Dr. Clark does
5 the comparison to the average residential customer.
6 And so, in that, I assumed that it was an average
7 Manitoba customer either in natural gas territory or
8 one with all electric heat, and the -- the conclusions
9 would depend on who you're comparing it to.

10 MS. CARLY FOX: So, yesterday, in
11 response to a question posed by Ms. Dilay, Efficiency
12 Manitoba agreed that only customers that choose to
13 participate in DSM programming will receive annual
14 bill reductions related to efficiency -- energy
15 efficiency programming.

16 Is that correct?

17 MR. MICHAEL STOCKI: Yes, that's
18 correct.

19 MS. CARLY FOX: Do you also agree that
20 First Nations on-reserve customers also face a number
21 of barriers to access general energy efficiency
22 programming?

23 MS. AMY TUCK: I would agree, yes.

24 MS. CARLY FOX: Given these barriers
25 faced by First Nations on-reserve ratepayers,

1 Efficiency Manitoba's reduced targeted participation
2 for First Nations and reduced budget compared with
3 Maniti -- Manitoba Hydro's similar programming means
4 that less First Nation customers are likely to be able
5 to access energy efficiency programming than in
6 previous years. Is that correct?

7 MS. AMY TUCK: I -- I wouldn't
8 necessarily agree. I think -- are we looking at AMC-
9 I-1-18 on page 27?

10 MS. CARLY FOX: Yes.

11 MS. AMY TUCK: Okay.

12 MS. CARLY FOX: Sorry.

13 MS. AMY TUCK: No, that's okay. So I
14 -- if -- something that we should note is that this
15 has been -- this was planned participation through
16 previous Manitoba Hydro programs, and I think a more
17 accurate representation would be the actual
18 participation of what had happened in the most recent
19 years.

20 So yeah, you can see that the number --
21 for example, the community geothermal program -- the
22 planned geothermal installs have decreased from
23 Manitoba Hydro to Efficiency Manitoba's plan, but that
24 is because for the last few years, the actuals have
25 been substantially lower than what the actual planned

1 activity was.

2 And the same would be for the direct
3 install and insulation. So what we have done -- what
4 Efficiency Manitoba has done is looked at what has
5 happened the last few years, and we have made
6 participation estimates based on actuals for the last
7 few years of what we think can accomplish,
8 additionally to what we've seen has already been done
9 through Manitoba Hydro's previous programs.

10

11 (BRIEF PAUSE)

12

13 MS. AMY TUCK: Sorry, if I -- if I may
14 also add, even though the participation -- the planned
15 participation may be lower, just to reconfirm what I
16 said yesterday, when we do find an opportunity in a
17 First Nation, we will continue to pursue it. If the
18 number of homes for insulation is fifty (50) and that
19 year, we find seventy-five (75) or eighty (80) or a
20 hundred (100), we will -- we will do those homes. We
21 won't cap it at fifty (50).

22 MS. CARLY FOX: Okay, great. Thank
23 you. And I do have some questions about that, too,
24 that I'll get to later.

25 I just wanted to talk a little bit

1 about energy poverty and bill affordability. Do you
2 agree that energy poverty is an issue that
3 disproportionately affects First Nations people in
4 Manitoba compared with a non-First Nations population
5 in Manitoba?

6 MS. AMY TUCK: I would agree, yes.

7 MS. CARLY FOX: So previously, demand
8 side management programming has been utilized by
9 Manitoba Hydro to address issues of bill
10 affordability. That's -- is that correct, to the best
11 of your knowledge?

12

13 (BRIEF PAUSE)

14

15 MS. AMY TUCK: I would say that energy
16 efficiency DSM programming could be a component for
17 affordability.

18 MS. CARLY FOX: Okay. I'd just like
19 to bring your attention to page 31 of our Book of
20 Documents here. So just a little bit further down
21 here, we have that Manitoba Hydro stated that their
22 approach to bill affordability -- affordability includes
23 this Power Smart affordability -- affordable energy
24 program -- excuse me.

25 Do you believe, then, that demand side

1 management programming can help address the burden of
2 energy poverty for ratepayers?

3 MS. AMY TUCK: I would agree, yes.

4 MS. CARLY FOX: And would you also
5 agree that the ability to address the burden of energy
6 poverty is linked to the ability of the customer to
7 access the program?

8

9 (BRIEF PAUSE)

10

11 MS. AMY TUCK: To access or have
12 access to, I would agree, sure.

13 MS. CARLY FOX: Thank you. Do you
14 agree that middle- and upper-income population
15 segments are more likely to be able to access energy
16 efficiency programming?

17 MS. AMY TUCK: Can you just repeat
18 that one (1) more time?

19 MS. CARLY FOX: Do you agree that
20 middle- and upper-income population segments are more
21 likely to be able to access general energy efficiency
22 programming?

23 MS. AMY TUCK: Yeah. I -- I would
24 agree as long -- so much as they have the economic
25 means to.

1 MS. CARLY FOX: Thank you. As
2 discussed yesterday, we -- we determined that the
3 hard-to-reach customers, as stated in the plan,
4 includes Indigenous customers. Is that correct?

5 MS. AMY TUCK: That is correct.

6 MS. CARLY FOX: Do you agree that
7 First Nation customers face participation obstacles
8 that are different from participation obstacles of
9 other population segments?

10 MS. AMY TUCK: I would agree, yes.

11 MS. CARLY FOX: Do you agree that
12 energy efficiency programs run the risk of
13 exacerbating inequalities where other customer
14 segments have a greater capacity to participate in
15 energy efficiency program -- programming than hard-to-
16 reach customer segments?

17 MS. AMY TUCK: I would agree. It's --
18 it's similar to what you said three (3) questions ago,
19 correct, yes.

20 MS. CARLY FOX: Thank you.

21 MS. COLLEEN KURULUK: I'd just like to
22 add to that one, though. Insofar as Ms. Fox mentioned
23 the upper-income or middle-income customers having
24 more ability, and I -- I would say that was due to,
25 potentially, economic means, I would say that we are

1 intending to make sure, from the economic perspective,
2 that First Nations have full access to our programs by
3 not requiring them to have an economic contribution to
4 much of the programs that we're intending on offering.

5 So we're hopefully doing what we can to
6 take away that economic disparity between a higher
7 middle income and a First Nations member.

8 MS. CARLY FOX: Thank you. Do you
9 agree that the objective of offering these targeted
10 programs to First Nations customers is to alleviate
11 the barriers to participation that may pre -- may
12 prevent energy efficiency upgrades or offers from
13 being undertaken?

14 MS. AMY TUCK: I would agree.

15 MS. CARLY FOX: And is that the reason
16 why Efficiency Manitoba did craft this First Nations-
17 specific program bundle?

18 MS. AMY TUCK: I would say it's one
19 (1) of the reasons, yes.

20 MS. CARLY FOX: I'd like to take you
21 to page 36 of our Book of Documents next. And we
22 talked about this a little bit so far, but here we
23 have Efficiency Manitoba's response in relation to the
24 reduction of participation targets and budgets of
25 programs for First Nations customers compared to

1 Hydro.

2 So we have your response here in (a).
3 Is it true that general energy efficiency programs do
4 not specifically address barriers to participation for
5 First Nation customers?

6 MS. AMY TUCK: Sorry, can you repeat
7 that?

8 MS. CARLY FOX: Just one (1) second.

9

10 (BRIEF PAUSE)

11

12 MS. CARLY FOX: Right. So what I'm --
13 what I'm asking is, is it true that general effic --
14 energy efficiency programs that anyone can access do
15 not specifically address the barriers to participation
16 that First Nations have?

17 So as we can see in the response here,
18 Efficiency Manitoba states that:

19 "First Nations residential on-
20 reserve customers are welcome to
21 access the full suite of residential
22 programs."

23 So my question is this full suite of
24 residential programs does actually not address the
25 barriers to participation. Is that correct?

1 MS. AMY TUCK: I wouldn't say that it
2 doesn't address them all. There are some initiatives,
3 for example, like the education initiative for the
4 broader residential market, that we think it would be
5 better served to have a specific First Nation
6 initiative.

7 And where there could potentially be
8 deficiencies for First Nations accessing the broader
9 residential programming, we are taking steps to ensure
10 that they do have access to them.

11

12 (BRIEF PAUSE)

13

14 MS. AMY TUCK: So to add to that,
15 every residential program that we have, we have
16 created a First Nation iteration to address those
17 barriers for First Nations.

18 MS. CARLY FOX: Thank you. I wanted
19 to talk a little bit about the budget. So we have
20 already confirmed today that the total through your
21 budget cannot exceed the amount that has been approved
22 under the Plan.

23 Is that correct?

24 MS. AMY TUCK: That's correct.

25 MS. CARLY FOX: And on Monday, I

1 believe, Mr. Stocki confirmed that budget dollars
2 would not be shifted between customer segments?

3 MR. MICHAEL STOCKI: That would be the
4 intent. That's correct.

5 MS. CARLY FOX: So additional funds
6 are not available to be transferred from other
7 programs to the Indigenous programs or away from
8 Indigenous programs to another program, just so that
9 I'm clear?

10

11 (BRIEF PAUSE)

12

13 MR. MICHAEL STOCKI: Yeah. I -- to --
14 to clarify, I -- at that time, I was speaking more
15 generally to residential, commercial, industrial, and
16 agricultural that we would try to keep within those
17 general budgets.

18 Certainly with respect to the income
19 qualified Indigenous First -- or First Nation programs
20 in particular, if we saw increased participation and
21 there wasn't budget enough to -- to cover that,
22 because -- as we pointed out earlier, with respect to
23 our overall budget for that customer segment, it would
24 be reasonable to -- to reallocate some of -- if
25 increased participation was seen, for example, and we

1 were achieving the corresponding energy savings, there
2 could be a -- a -- some shift to the Indigenous
3 customer segment in that specific case.

4 MS. CARLY FOX: Could there be shift
5 away from the Indigenous customer segment if it's not
6 doing very well?

7 MS. AMY TUCK: No, there will not be a
8 shift away from the Indigenous customer segment.

9 MS. CARLY FOX: I -- I -- maybe -- I'd
10 just like to clarify something. I think you might
11 have already addressed this, but I'd like to clarify.
12 It's on page 7 of -- 37, sorry, of our Book of
13 Documents.

14 Here we have a response to an
15 Information Request from MKO. MKO asked:

16 "Confir -- please confirm that
17 customer participation in
18 programming offered by Efficiency
19 Manitoba may be a product of
20 availability of programs and not
21 entirely driven by customer choice."

22 Just moving down, there. I think it
23 might be on the next page.

24 Efficiency Manitoba stated that's --
25 that's confirmed. So I'm just trying to understand if

1 that means that this is -- if -- if this is referring
2 to programs that have reached their budgeted capacity,
3 or what -- what this is referring to.

4

5 (BRIEF PAUSE)

6

7 MS. AMY TUCK: So we took the question
8 to mean that if a program isn't available, then a
9 customer cannot participate. That's why the answer
10 was confirmed. So participation is dependent on the
11 availability of -- of a program, and that is why the
12 answer was confirmed.

13 MS. CARLY FOX: Okay. Thank you. I'd
14 like to move on now to our Book of Documents on page
15 39, and I would like to talk about the Indigenous
16 Community Energy Efficiency Plans.

17 So we have here that Efficiency
18 Manitoba states that two (2) to three (3) communities
19 are going to participate in the development of these
20 plans over the next three (3) years, and two (2) to
21 three (3) community energy advocates will be hired.

22 Is that correct?

23 MS. AMY TUCK: That is correct.

24 MS. CARLY FOX: You also state that if
25 the budget is higher than -- or sorry, if interest is

1 higher than anticipated, it will re-evaluate the
2 budget to accommodate additional interest?

3 Is that correct?

4 MR. MICHAEL STOCKI: That's correct.

5 MS. CARLY FOX: So will -- do you
6 anticipate that if interest is higher than
7 anticipated, the budget will be reevaluated through
8 the course of this three (3) year plan, or for the
9 next three (3) years, or potentially the next three
10 (3) year plan?

11 MR. MICHAEL STOCKI: Well, certainly
12 for the next three (3) year plan, it would really
13 depend on the timeline and the expression of interest
14 from -- from different communities. If there was
15 significant interest, say, within the year 3, there
16 would be -- be the potential to add additional
17 communities, potentially in that third year, for
18 example.

19 MS. CARLY FOX: And will this -- would
20 this budget adjustment -- would it come from -- in --
21 in the current plan, would it come from -- where would
22 that where would that budget come from?

23

24 (BRIEF PAUSE)

25

1 MR. MICHAEL STOCKI: So, for example,
2 if it was interest in year 2, for example, we might
3 shift budget from year 3 to year 2. I think what
4 you're getting at is would we pull programming from
5 other Indigenous programs in order to -- to supplement
6 this?

7 No. We -- we would not.

8 MS. CARLY FOX: On page 40 -- I think
9 it's (d) right here. Efficiency Manitoba states that
10 the commitment to the Plan will be two (2) years.

11 Is it anticipated that all energy
12 efficiency projects identified in community energy
13 plans will be completed in two (2) years, or is just
14 the -- is this just the planning phase?

15 Basically what I'm asking, is this --
16 does this include implementation as well, this two (2)
17 year phase?

18 MS. AMY TUCK: So the two (2) year
19 phase would include budget for a community energy
20 advocate, and in those two (2) years, we would hope to
21 have put a plan together and start implementation.

22 I don't -- I wouldn't have anticipated
23 the whole Community Energy Efficiency Plan would be
24 wrapped up within the two (2) years. We were hoping
25 that -- that it could be, but if there are additional

1 programs after that -- sorry, let me rephrase that.

2 So the Community Energy Efficiency
3 Plan, what we're hoping to do within the two (2) years
4 is establish a community energy advocate within the
5 communities to work within the communities to identify
6 energy efficiency needs, and from there, come up with
7 a plan of how the community will access all the
8 available energy efficiency programs.

9 I don't think that it needs the access
10 and completion of all of those programs, doesn't
11 necessarily need to get done within the two (2) years,
12 but it will be a two (2) year opportunity for the
13 community energy advocate to identify those
14 opportunities.

15 MS. CARLY FOX: So these community
16 energy advocates, then, would be retained for at least
17 two (2) years?

18 MS. AMY TUCK: That is the hope, yes.

19 MS. CARLY FOX: And so they would
20 assist with implementation as a result?

21 MS. AMY TUCK: That's correct.

22 MS. CARLY FOX: Thank you.

23 THE VICE-CHAIRPERSON: Ms. Fox, could
24 I just ask a question of clarification before you move
25 on? Were you finished with that section?

1 MS. CARLY FOX: I had a few more, but
2 that's related to something else, so go ahead.

3 THE VICE-CHAIRPERSON: Okay. Thank
4 you. I notice that on the page 39 of this Book of
5 Documents, it says:

6 "Two (2) to three (3) communities
7 will participate in the development
8 of the Community Energy Efficiency
9 Plan."

10 But in the table, it says, "Plan
11 participation" -- it looks to me like there's five (5)
12 communities planned there. Could you just clarify the
13 difference between those numbers?

14 MS. AMY TUCK: So it is because the
15 first in -- in year 2022/'23, that is in the -- the
16 first year participation has ended. So year 1, there
17 would be one (1) community. Year 2, there would be
18 the first year's community, plus an additional
19 community.

20 And then at the end of the second year,
21 there would still be that -- there would be one (1) --
22 or the beginning of the third year, there would still
23 be that second year's community, and a new community
24 in the third year.

25 MS. COLLEEN KURULUK: I'm going to try

1 and simplify that a little bit. I -- I think what --

2 THE VICE-CHAIRPERSON: -- it's just an
3 unusual way to display the number of communities.

4 MS. COLLEEN KURULUK: Yeah.

5 THE VICE-CHAIRPERSON: So it's
6 cumulative, is what you're saying --

7 MS. COLLEEN KURULUK: It -- it --
8 that's exactly. So --

9 THE VICE-CHAIRPERSON: -- with one (1)
10 community dropping off after each year.

11 MS. COLLEEN KURULUK: That's right.

12 In the third year, the first year community has
13 dropped off, given it's a two (2) year program.

14 THE VICE-CHAIRPERSON: Thank you.

15 MS. AMY TUCK: That's a much better
16 explanation than what I gave. I apologize.

17

18 CONTINUED BY MS. CARLY FOX:

19 MS. CARLY FOX: Thank you. So we were
20 talking about the Community Energy Plans. On page 41
21 of our Book of documents, here we have a response to
22 one (1) of Consumer Coalition's Information Requests,
23 and Efficiency Manitoba here has noted that for a few
24 northern First Nations, Community Energy Plans have
25 already taken place through a pilot project.

1 Is that correct?

2 MS. AMY TUCK: That is correct.

3 MS. CARLY FOX: So have the two (2) to
4 three (3) communities that Efficiency Manitoba
5 anticipates will participate in the Community Energy
6 Plan already been identified?

7 MS. AMY TUCK: They have not been
8 identified, no.

9 MS. CARLY FOX: So in terms of
10 identification then, will Efficiency Manitoba contact
11 all sixty-three (63) First Nations in the province to
12 advise them of the ability to participate in the
13 Community Energy Plan?

14 MS. AMY TUCK: Our starting point
15 would be to take advisement from EEAG as to where we
16 should start and how we should roll that out to the
17 communities.

18 MS. CARLY FOX: So when you meet with
19 the EEAG, just in terms of timeline, your next
20 meeting, I'm assuming, will be in a few months and
21 then that will be posited to them at -- at the
22 earliest convenience or is this something that still
23 needs to take time?

24 MS. COLLEEN KURULUK: Yeah. I -- I
25 think this would be something that -- anything related

1 to the Indigenous program delivery, we look to be
2 discussing that fairly early, and also recognizing
3 that, you know, AMC hadn't -- hasn't yet committed to
4 -- I know we had invited them and extended the invite
5 but hadn't committed, so insofar as they would not be
6 part of the EEAG, we would certainly extend that same
7 question to them as well.

8 MS. CARLY FOX: Thank you. Just to --
9 so I can understand a little bit more about the
10 Community Energy Plans, so the purpose of having the
11 advocate is so that the community can become aware of
12 the programs that are being offered under the First
13 Nations programming through Efficiency Manitoba.

14 Is that correct?

15 MS. AMY TUCK: It is a combination of
16 that and helping the community identify energy
17 efficiency opportunities. So -- yes, and help them
18 establish priorities.

19 Efficiency Manitoba will work with the
20 energy advocate to provide educational material and to
21 help them establish -- to bring information to the
22 community to help them establish the energy efficiency
23 priorities.

24 MS. CARLY FOX: So then would
25 communities that have an advocate and a plan then take

1 priority for the -- the -- the insulation direct
2 install programs or the geothermal programming than a
3 community or a First Nation in -- or a First Nation
4 person, in particular, who -- whose community does not
5 have an advocate or plan?

6 MS. AMY TUCK: No, I don't think it
7 would be a -- it would -- it would take priority. We
8 don't want to give priority to one (1) community over
9 the other; that would be limiting access and acc --
10 that would be limiting accessibility to the
11 programming.

12 We just would view the Community Energy
13 Efficiency Program as an additional support to help
14 get the insulation and direct install and other
15 potential commercial opportunities done faster.

16 MS. CARLY FOX: Okay, thank you. So
17 this is going to seem a little repetitive, but I just
18 wanted to clarify with budgeting for some of the other
19 programming. So page 42 of our Book of Documents,
20 this talks about the Indigenous Small Business
21 Program.

22 So here Efficiency Manitoba states that
23 because it is a new program that they are not planning
24 on capping the number of participants in the Small
25 Business Program. Is that correct?

1 MS. AMY TUCK: Sorry, the reference on
2 the screen isn't Small Business, but I can speak to
3 that. The...

4 MS. CARLY FOX: Sorry. Yeah, if you
5 could speak to it. I think we've got the wrong number
6 here.

7 MS. AMY TUCK: So I believe that the
8 number of small business participation was thirty (30)
9 the first year, thirty (30) the second year, and
10 potential -- I think it was -- sorry, forty (40) the
11 third year.

12 That program -- I think we -- for other
13 programs such as the residential programs for First
14 Nations for insulation and direct install, we wouldn't
15 look to have a hard cap but something like the
16 Indigenous Small Business. We, I think, would
17 consider having a cap on that.

18 MS. CARLY FOX: Okay, thank you. And
19 then same type of question for the First Nations
20 Community Geothermal Program. We have that it's
21 anticipated that it will be offered by Efficiency
22 Manitoba to three (3) First Nation communities.

23 Is that correct?

24 MS. AMY TUCK: That is correct. And
25 just to provide some context around the Community

1 Geothermal Program, the reason right now it is only
2 being offered to three (3) communities is because it
3 is in a pilot phase. Manitoba Hydro had previously
4 offered this program, but to do so, communities were
5 accessing a financing mechanism called the PAYS
6 Program.

7 Back in 2016, Indigenous Services
8 Canada had indicated that putting a loan such as PAYS
9 on First Nation customers bills did not qualify -- or
10 it was something they no longer wanted us to do, so a
11 new model for the program had to be designed, and so
12 in that the Community Geothermal Program is now
13 considered to be a community-driven outcome model,
14 which is similar to a social impact bond. It's a lot
15 of detail for that one.

16 And so right now, as it's in the pilot
17 phase of a community-driven outcome, we're just
18 testing to see if this model works, and if this model
19 does work, then it -- the goal is to have it rolled
20 out to other First Nations.

21 MS. CARLY FOX: So then just to
22 clarify, do you already know which communities have
23 been selected to -- to utilize this program?

24 MS. AMY TUCK: We do. That is
25 correct, yes.

1 MS. CARLY FOX: So after -- after the
2 pilot program which will take -- approximately how
3 long, sorry?

4 MS. AMY TUCK: I believe it -- it's --
5 it is a two (2) year pilot, and we are entering the
6 second year.

7 MS. CARLY FOX: Okay. So after the
8 pilot program is -- is concluded and if you do decide
9 that it's something that you will be pursuing in the
10 future, have you discussed who will be offered to
11 participate or is that someone -- or is that part of
12 the EEAG's role as well?

13 MS. AMY TUCK: Again, so we have not
14 identified -- so the model of this -- this particular
15 program, it is a combination of many players and
16 stakeholders in this model. Efficiency Manitoba's
17 role in this program is an outcomes buyer, and we are
18 an outcomes buyer of the saved energy from
19 implementing the geothermal system.

20 There are -- the program is largely
21 being driven by Aki Energy, an Indigenous social
22 enterprise that we are working with, and their role
23 has been to work with Raven Indigenous Capital
24 Partners, which is the financial intermediary, and the
25 Communities Foundation of Canada, who is the investor

1 in this pilot project, and so together they worked
2 with to find the three (3) communities that are
3 participating, and so I anticipate that once the pilot
4 has been proven successful, there will be a larger,
5 broader conversation as to where to move the -- the
6 project to next.

7 MS. CARLY FOX: Thank you. Moving to
8 page 44 of the Book of Documents now.

9 Here we have Efficiency Manitoba
10 discussing the \$83,000 that was allocated for on-
11 reserve education programs. Is that correct?

12 MS. AMY TUCK: That is correct.

13 MS. CARLY FOX: I just wanted to
14 understand a little bit about these education
15 programs.

16 Will this allow for tailored
17 educational programming for each First Nation or is it
18 like the other programs where you anticipate that only
19 a few First Nations will be able to -- to take
20 advantage of this funding?

21 MS. AMY TUCK: No. I -- I think the
22 goal is eventually to have this for all First Nations,
23 and again this is something new. It's something that
24 we haven't done before, so we wanted to put this in
25 the plan and see how it can grow and evolve. And the

1 goal is to always have all First Nations access all of
2 our programming, but this is just a start.

3 MS. CARLY FOX: Thank you. I'm going
4 to now have -- oh I'm -- I'm finished my line of
5 questioning. Emily will be picking up. She has about
6 the same amount of time as me.

7 Did we want to take a break or do you
8 want to continue, Mr. Chair?

9 THE CHAIRPERSON: I think we'll take
10 the mid-afternoon break now for fifteen (15) minutes.
11 So we'll reconvene at five after 3:00. Okay? Thank
12 you.

13 MS. CARLY FOX: Thank you.

14

15 --- Upon recessing at 2:49 p.m.

16 --- Upon resuming at 3:06 p.m.

17

18 THE CHAIRPERSON: Sorry, maybe we can
19 deal with just scheduling. Do you have any idea how
20 long you'll be? We're just trying to figure out
21 scheduling for the balance of this week.

22 MS. EMILY GUGLIEMIN: I'm hoping to be
23 about an hour and a half --

24 THE CHAIRPERSON: Okay.

25 MS. EMILY GUGLIEMIN: -- maybe less.

1 We'll see.

2 THE CHAIRPERSON: Okay.

3 MS. EMILY GUGLIEMIN: It just depends.

4 THE CHAIRPERSON: Okay. We'll --
5 we'll proceed on that basis. Thank you.

6 MS. CARLY FOX: Thank you, Mr. Chair.

7

8 CONTINUED BY MS. CARLY FOX:

9 MS. CARLY FOX: I just wanted to
10 clarify really quickly one (1) of my questions
11 relating to whether there would be no cap imposed on
12 the number of participants in the Indigenous Small
13 Business Program.

14 Actually, I -- I apologize, I was -- we
15 -- we asked for page 42 of our Book of Documents. And
16 on 'B' here, the last -- the last sentence there:

17 "As Efficiency Manitoba works with
18 First Nation communities projected
19 participation numbers may increase
20 as better information is available."

21 So, I just wanted to clarify that
22 that's what I was referring to. I know it got a
23 little confusing with the other stuff at the
24 beginning.

25 MS. EMILY GUGLIEMIN: All right. If

1 it's all right with the Board, I'll continue the
2 question for the AMC.

3 THE CHAIRPERSON: Certainly.

4 MS. EMILY GUGLIEMIN: Okay.

5

6 CROSS-EXAMINATION BY MS. EMILY GUGLIEMIN:

7 MS. EMILY GUGLIEMIN: Just to clarify
8 your memories, my name is Emily Gugliemin, and I'm an
9 associate of Carly Fox. I'm just going to jump right
10 in to the questions because I know you'd all like to
11 leave here at a good time.

12 Would you agree that, and I think you
13 would based on our previous discussion, that barriers
14 to uptake for programming for First Nations on-reserve
15 customers are addressed in the plan at least in part
16 by educational initiatives and focussed engagement?

17 MS. AMY TUCK: I would agree, yes.

18 MS. EMILY GUGLIEMIN: And would you
19 agree -- agree that an indicator of success for those
20 programs will be the ability of Efficiency Manitoba
21 staff to successfully implement these engagement
22 strategies?

23 MS. AMY TUCK: I would say that, in
24 order to -- to get participation, that, yes, we would
25 need to implement engagement strategies.

1 MS. EMILY GUGLIEMIN: Okay. And that
2 -- I'm not going to go into staffing levels because
3 that has been covered quite a bit already, I believe.

4 But would you agree generally the
5 success of engagement strategies for First Nations
6 programming will be contingent on adequate staffing
7 levels?

8 MS. AMY TUCK: I would agree, yes.

9 MS. EMILY GUGLIEMIN: Okay. So, if
10 Efficiency Manitoba's engagement strategy for -- for
11 First Nations is not successfully implemented, it will
12 likely negatively impact First Nation program
13 participation?

14

15 (BRIEF PAUSE)

16

17 MS. AMY TUCK: Can you just repeat
18 your question, please?

19 MS. EMILY GUGLIEMIN: Yeah, I can.
20 So, if Efficiency Manitoba's engagement strategy for
21 First Nations is not successfully implemented or is
22 not implemented to the standard that is set out in the
23 plan, will that be likely to negatively impact First
24 Nation program participation?

25 MS. AMY TUCK: I would think that, if

1 any engagement strategy isn't put forward adequately --
2 adequately, we -- there is the possibility to
3 negatively impact participation.

4 However, I feel that we've put an
5 engagement strategy forward that is more robust than
6 previous programs run through Manitoba Hydro and that
7 I do think that there is an opportunity that the
8 engagement will be much better and will elicit much
9 better participation.

10 MS. EMILY GUGLIEMIN: All right.
11 Thank you. And I'm not -- Carly already sort of
12 touched on a lot of the sort of budgeting questions.

13 And I just wanted to ask, if Efficiency
14 Manitoba does adjust program or portfolio budgets
15 within the three (3) plan after it's approved, there
16 won't be any obligation to notify interested parties
17 or the PUB of those changes until the end of the --
18 that three (3) year plan and you move on to the next
19 one?

20 MS. KYLA KRAMPS: Could you repeat
21 that, please?

22 MS. EMILY GUGLIEMIN: Sure. So, if
23 the programs are adjusted, so program portfolio
24 budgets are adjusted, is it true that Efficiency
25 Manitoba will not have any obligation to notify

1 interested parties or the Public Utilities Board of
2 these changes until the next three (3) year plan comes
3 up?

4

5 (BRIEF PAUSE)

6

7 MS. KYLA KRAMPS: Yeah, that's
8 correct. We -- we wouldn't be coming back to the
9 Public Utilities Board with those kinds of changes;
10 it's not anticipated.

11 But we -- there will be financial
12 reporting obligations for Efficiency Manitoba through
13 the Crown Corporations Act and as well as the -- the
14 filing of our annual financial statements and our
15 annual report.

16 So, there -- there will be some
17 reporting that will be available really in the public
18 to anybody who's interested.

19 MS. EMILY GUGLIEMIN: So, just to
20 clarify, if program adjustments are made say in the
21 Indigenous program bundle, will you be notifying First
22 Nations or First Nations organizations of those
23 changes?

24 MS. AMY TUCK: Yeah, that is something
25 I think would be very important to communicate.

1 MS. EMILY GUGLIEMIN: Thanks. And is
2 it true that one (1) reason for adjusting a program or
3 a portfolio budget could be under utilization of the
4 programming, meaning that your participation targets
5 are not being met?

6 MS. AMY TUCK: I would agree, yeah.

7 MS. EMILY GUGLIEMIN: Okay. And I
8 think it's already been confirmed that the Efficiency
9 Manitoba is not anticipating changing any of the
10 Indigenous program budget maximum, meaning that the
11 budget from the Indigenous programs won't be funnelled
12 out to other programs?

13 MS. AMY TUCK: No, it will not.

14 MS. EMILY GUGLIEMIN: Okay. Could --
15 or do you think -- is it possible that Efficiency
16 Manitoba will redirect activities or incentives away
17 from First Nations electric programming and towards
18 Metis electric programming since those are within the
19 same program bundle?

20 MS. AMY TUCK: No, we will not.

21

22 (BRIEF PAUSE)

23

24 MS. EMILY GUGLIEMIN: Okay. Those are
25 my quest -- you can go ahead, sorry.

1 MS. AMY TUCK: It's important to note
2 that the First Nation on-reserve programming, even
3 though that, along with the Metis programming, is in -
4 - is in the same budget, there is opportunity for the
5 Metis income qualified program, for those
6 participants, to also go through the regular income
7 qualified program.

8 So if we are close to budgets, there is
9 that opportunity to move that customer segment into
10 another program. So there are options, and we're
11 looking to be flexible to ensure that everyone can
12 access all of our programs.

13 MS. EMILY GUGLIEMIN: Okay, but just
14 to clarify, First Nations programs like the insulation
15 and direct install -- there's no possibility that the
16 funding for that program might be sent to the Metis
17 program --

18 MS. AMY TUCK: No, there is not.

19 MS. EMILY GUGLIEMIN: -- if there is
20 under-utilization. Okay, thank you.

21 I'm going to move on to a bit of a
22 different topic. If we could go to Document 51 in our
23 Book of Documents. So here we're talking about
24 federal contributions to energy efficiency programs,
25 and it's stated that:

1 "Efficiency Manitoba has not
2 incorporated assumptions about
3 federal contributions to energy
4 efficiency programs for First
5 Nations."

6 And then it says:

7 "Including with limitation from
8 Indigenous Services Canada."

9 Is that just a typo, or have you
10 considered that?

11 MS. COLLEEN KURULUK: I believe that
12 was a typo. That's correct.

13 MS. EMILY GUGLIEMIN: Okay.

14 MS. COLLEEN KURULUK: It should be
15 "without limitation."

16 MS. EMILY GUGLIEMIN: I just wanted to
17 make sure. But you did say yesterday that you have
18 talked to the federal government about the potential
19 to collaborate on future programs.

20 MS. COLLEEN KURULUK: Yeah, yesterday
21 I'd mentioned that the -- one -- one (1) department of
22 the federal government had reached out. Obviously,
23 there's several federal government departments that
24 could have interest in Manitoba with respect to energy
25 efficiency, and that would not be solely the office of

1 the energy efficiency or solely Indigenous Services
2 Canada. So there's multiple government departments
3 within the federal government that would likely be
4 potential partners, but we have not spoken to them at
5 this point.

6 MS. EMILY GUGLIEMIN: Okay. Is it
7 possible that that could result in funding agreements
8 from the federal government or funding contributions,
9 that kind of thing?

10 MS. AMY TUCK: I think it could
11 resolve -- it could result in partnerships, but I do
12 not anticipate a scenario where Indigenous Services
13 Canada would be providing any funding to Efficiency
14 Manitoba. My understanding is that any funding or
15 cost-sharing that would occur, the funding would go
16 directly to the First Nations.

17 MS. EMILY GUGLIEMIN: Would go
18 directly to the First Nations.

19 Okay, so can we go to page 52 of the
20 Book of Documents. This is just to confirm that this
21 -- so this statement is not about First Nations
22 programming.

23 It just says if additional sources of
24 funding become available to support electric or
25 natural gas portfolio activities, the amounts will be

1 used to reduce the electric or natural gas funding
2 provided if it's for the same sorts of activities that
3 are already in the plan.

4 MS. AMY TUCK: So as I -- just to
5 retera -- reiterate what I said yesterday, the
6 anticipation of any additional funding from Indigenous
7 Services Canada would enhance the programs that
8 Efficiency Manitoba would be offering, but again, to
9 clarify, we haven't had those conversations. This is
10 just our assumption that there would be an
11 enhancement, but there would not be a clawback on
12 funds for programs.

13 MS. EMILY GUGLIEMIN: Okay.

14

15 (BRIEF PAUSE)

16

17 MS. EMILY GUGLIEMIN: So I'll move on
18 now to a different topic: market saturation. So in
19 the plan, Efficiency Manitoba states that many high-
20 performing technologies that have traditionally
21 accounted for substantial energy savings are reaching
22 market saturation.

23 Would you agree with that, or do you
24 want me to go to the plan reference?

25 MS. AMY TUCK: I would agree.

1 MS. EMILY GUGLIEMIN: Okay. And
2 Efficiency Manitoba has also identified that this will
3 require it to explore new and forward-thinking
4 opportunities to fill gaps left in the market.

5 Do you also agree?

6 MS. AMY TUCK: I agree.

7 MS. EMILY GUGLIEMIN: And Efficiency
8 Manitoba -- if we can go to Document 55. To summarize
9 this, this is -- Efficiency Manitoba has acknowledged
10 that the incremental acquisition cost to reach
11 customers who have not yet participated in residential
12 programs with high market saturation may be higher
13 than previous participants.

14 Do you still agree with that?

15 MS. AMY TUCK: I agree.

16 MS. EMILY GUGLIEMIN: If Efficiency
17 Manitoba prioritizes higher levels of programming for
18 the most-cost-effective customer segments sort of
19 above programming for less-cost-effective customer
20 segments, will Efficiency Manitoba always be left with
21 those harder-to-reach segments? And I think we're
22 talking more like levels of programming.

23 MS. COLLEEN KURULUK: Sorry, can you
24 repeat that?

25 MS. EMILY GUGLIEMIN: Sure. So if you

1 were to prioritize higher levels of programming for
2 the more-cost-effective customers segments -- for
3 example, residential programs instead of residential
4 income-qualified or residential incentive Indigenous
5 programs -- if you were to prioritize those programs
6 above the levels of programs for less-cost-effective
7 customer segments, will you not always be left with
8 those harder-to-reach segments sort of not being
9 reached?

10 MS. COLLEEN KURULUK: Yeah, I guess, I
11 suppose, yeah. If we were to prioritize in that way,
12 it would certainly end up being that way, but we -- we
13 are not.

14 We are planning to address the hard-to-
15 reach markets of -- of First Nations, Indigenous, and
16 income-qualified, and -- and I would also remind that
17 there's also an area in our legislation that -- or, in
18 our regulation that states that we need to make sure
19 we maintain a budget of at least 5 percent of our
20 overall budget on these -- these particular hard-to-
21 reach markets.

22 So as -- as much as, I guess, it -- it
23 could be plausible to happen, that is not our intent
24 to be prioritizing programs in that way.

25 MS. EMILY GUGLIEMIN: Thank you. And

1 would you say -- so kind of based on what we've just
2 talked about, currently, there's a bit of a gap
3 between the less-cost-effective customer segments and
4 the sort of easier-to-reach customers.

5 Have you done any analysis on what that
6 gap is and what is required to close it?

7

8 (BRIEF PAUSE)

9

10 MS. AMY TUCK: No, we have not.

11 MS. EMILY GUGLIEMIN: Okay. Thank
12 you. We'll move on to Document 56. So here, to
13 summarize, Efficiency Manitoba has stated that there
14 is still room to promote high-efficiency heating
15 equipment and LED lighting for First Nations, on-
16 reserve, and commercial customers.

17 Would you agree with that?

18 MS. AMY TUCK: I would agree, yes.

19 MS. EMILY GUGLIEMIN: And are high-
20 efficiency heating equipment measures cost-effective
21 for First Nations, on-reserve, or commercial customers
22 that you are aware of? Have you considered that,
23 or...?

24 MS. AMY TUCK: I would say,
25 specifically for this answer, it was consider -- it

1 was considering the geothermal program that exists,
2 and as it stands right now, it is cost-effective for
3 First Nations, because the way that it is designed,
4 they are not actually paying for the systems to go in
5 themselves.

6 But I would say that it would be -- for
7 a First Nation resident on reserve, I don't
8 necessarily know that twenty thousand dollars
9 (\$20,000) to put in geothermal system on their own
10 would necessarily be the most-cost-effective use of
11 their money.

12 MS. EMILY GUGLIEMIN: Just to clarify,
13 I think I was referring more to if -- if these
14 programs are cost-effective from the legislative point
15 of view for Efficiency Manitoba.

16 MS. AMY TUCK: Sorry. Yes, they are.

17 MS. EMILY GUGLIEMIN: And this
18 actually brings up a clarifying question I had from
19 the previous questions, and that is the geothermal
20 program -- I think it was Mr. Stocki -- you stated
21 that it's in -- it is now in the second year of a two
22 (2) year pilot program? Could you just clarify that?

23 MS. AMY TUCK: That -- that was me.

24 MS. EMILY GUGLIEMIN: Okay. Oh, sorry
25 about that.

1 MS. AMY TUCK: Yeah, we are beginning
2 the second year of that pilot program.

3 MS. EMILY GUGLIEMIN: And the pilot
4 program is expected to end, then, this year?

5 MS. AMY TUCK: It is expected to end,
6 I would -- I would say, in '21/'22. So you can see
7 that we do have projected participation past the pilot
8 year because we are confident that it will be
9 successful and it's something that we contin -- can
10 continue with.

11 MS. EMILY GUGLIEMIN: If more First
12 Nations wanted to participate in that third year after
13 the pilot project end and the initial pilot was
14 considered a success, could additional funding be
15 taken from the contingency fund for that since it's in
16 the pilot program phase?

17

18 (BRIEF PAUSE)

19

20 MS. COLLEEN KURULUK: So -- so one (1)
21 of the -- one (1) of the details on the community dri
22 -- driven outcomes contract that we may not have got
23 on the record yet is that there's multiple funding
24 parties to that agreement, and it's -- basically,
25 there's a bunch of different outcomes that have been

1 defined by the community that different participants
2 are interested in, and in a sense, they're buying the
3 outcomes.

4 So Efficiency Manitoba will be buying
5 the outcome of energy efficiency. Others will be
6 buying the outcome, and Ms. Tuck can speak better than
7 I can on this, but economic development, I believe
8 there is an element of confidence in community members
9 and I believe comfort in Homes.

10 So insofar as the other parties also
11 come together to -- to create that -- that outcomes
12 model, we would certainly also come in with -- with
13 the funding that we have, and -- and absolutely, you
14 are correct, we would likely ask for money from the
15 contingency fund to fund our participation in that.

16 And -- and why it's important, that we
17 really like this model and how it's evolving, is that
18 it really results in no cost to the -- to the
19 residents in installing the geothermal heat pump.

20 So we really are relying on the other
21 funding parties and it's been a really positive model
22 that's being really monitored quite closely by a lot
23 of different parties, a lot of different social
24 enterprises in different -- yeah, investment funds.

25 So it's -- it's something that we're

1 watching quite closely, and most certainly though, if
2 we were to have those other funding parties also in
3 agreement, which I think they would be if it's
4 successful, we would access the contingency fund to --
5 to add our component to that.

6 MS. EMILY GUGLIEMIN: Okay, thank you.
7 And just to follow up from that, is it -- has it been
8 considered if this is successful for the geothermal
9 program, that the same model might be used for other
10 programs?

11 MS. AMY TUCK: It has been a
12 conversation that we've had. It is something that our
13 partners have discussed with us.

14 MS. EMILY GUGLIEMIN: Okay, thank you.
15 And I went a little bit off track there but I'm going
16 to take us back now to Document 56 and LED lighting
17 measures.

18 And would you agree that LED lighting
19 measures for First Nations on reserve and commercial
20 customers has been identified as cost-effective in the
21 current plan, or would those measures be cost-
22 effective if there are other measures that are not in
23 the plan?

24 MS. AMY TUCK: I believe they're cost-
25 effective.

1 MS. EMILY GUGLIEMIN: Okay. And
2 you've already partially answered this for the
3 purposes of the geothermal program, but could First
4 Nations residential customers benefit from LED light
5 measures more so than are currently targeted for
6 participation under the First Nations on-reserve
7 program in this plan?

8 MS. AMY TUCK: Sorry, could you repeat
9 that? I --

10 MS. EMILY GUGLIEMIN: M-hm.

11 MS. AMY TUCK: I missed the beginning,
12 sorry.

13 MS. EMILY GUGLIEMIN: Could more First
14 Nations on reserve -- sorry -- First Nations on
15 reserve residential customers benefit from LED light
16 measures that are currently targeted by Efficiency
17 Manitoba in this plan?

18

19 (BRIEF PAUSE)

20

21 MS. AMY TUCK: Yes, I would agree that
22 there's opportunity to target more First Nation on-
23 reserve customers with LED through our direct install
24 program.

25 MS. EMILY GUGLIEMIN: Thanks. And are

1 there any additional LED lighting measures or high-
2 efficiency heating equipment measures that are not
3 currently part of the of the -- of the First Nations
4 on-reserve programs but that have been considered by
5 Efficiency Manitoba?

6

7

(BRIEF PAUSE)

8

9

MS. AMY TUCK: No, there hasn't been.

10

MS. EMILY GUGLIEMIN: Okay, thank you.

11

I'm going to move on now to off-reserve First Nation

12

ratepayers.

13

It's my understanding that Ms.

14

Steinfeld has asked Efficiency Manitoba in her

15

questioning about Dr. Clark's suggested off-reserve

16

First Nations Income Qualified Program.

17

And could you confirm, does Efficiency

18

Manitoba agree that this is something that should be

19

considered?

20

MS. AMY TUCK: I agree that it's

21

something that we can look at, correct, yes.

22

MS. EMILY GUGLIEMIN: Okay. Will

23

Efficiency Manitoba consider creating this -- an Off-

24

Reserve First Nation Income Qualified Program in this

25

three (3) year plan?

1 (BRIEF PAUSE)

2

3 MS. AMY TUCK: Yeah. It is something
4 that we would consider, yes, within this three (3)
5 year plan.

6 MS. EMILY GUGLIEMIN: Thank you.

7 MS. COLLEEN KURULUK: If I can just
8 add to that, I -- I think one (1) of the issues with
9 that is just the -- the difficulty in identifying who
10 those customers were.

11 So we were -- I think we had an IR
12 response, responding to one (1) of the Indigenous
13 communities, and I can't remember whether it was AMC
14 or MKO, that said we would love to work -- get their
15 assistance in identifying who these customers actually
16 are, because the data that we have right now isn't
17 able to distinguish who would be an off-reserve
18 customer in off-reserve locations.

19 MS. EMILY GUGLIEMIN: Okay. And just
20 to follow up on that, would that not also be true for
21 the Metis Income Qualified Program?

22 MS. COLLEEN KURULUK: Yeah, that is
23 correct, and that was one (1) of the late additions to
24 our plan as a result of consultation with the Manitoba
25 Metis Federation, and they were going to assist us in

1 helping to identify the Metis community members as
2 well, a similar way.

3 MS. EMILY GUGLIEMIN: Yeah.

4 MS. COLLEEN KURULUK: Yes.

5 MS. EMILY GUGLIEMIN: So a late
6 addition to this plan is not completely, you know, out
7 of question?

8 MS. COLLEEN KURULUK: No, no, not at
9 all. Yeah, we would certainly...

10 MS. EMILY GUGLIEMIN: Thank you.

11 MS. COLLEEN KURULUK: When I said late
12 addition, that would have been like late in the
13 program design, sort of late in the summer that that
14 idea had come forward.

15 MS. EMILY GUGLIEMIN: All right, thank
16 you. And sort of in the same vein, although energy
17 data about Metis customers is not being tracked
18 currently, I understand that Efficiency Manitoba
19 intends to identify ways to track urban residential
20 Metis citizens. Is that true?

21 MS. AMY TUCK: That is correct.

22 MS. EMILY GUGLIEMIN: And so similar
23 methods could be used to track the energy usage and
24 access to programming for off-reserve First Nation
25 customers?

1 MS. AMY TUCK: That is correct. It
2 would need to be a coordinated effort with, say, the
3 AMC, MKO -- and MKO.

4 MS. EMILY GUGLIEMIN: Okay. Thank
5 you. Can we move now to Document 68, please? Okay.

6 So this is talking about the Customer
7 Relationship Management System and how it will be
8 available for program bundles and program customer
9 segment levels.

10 And I'm wondering, will data metrics
11 for Indigenous -- the Indigenous program bundle, be
12 available for each subprogram? So will each program
13 or initiative within the Indigenous program bundle be
14 reported on separately?

15 MR. MICHAEL STOCKI: Of course, the --
16 the actual system isn't in place yet, but what we've
17 contemplated within the RFP would -- that there'd be a
18 hierarchy of data, and certainly the most refined
19 level of that would be actually at the measure level,
20 obviously still to be determined, but we're hoping
21 that, yes, it would be -- actually be able to track at
22 the measure by measure level.

23 MS. EMILY GUGLIEMIN: And so that
24 means that First Nations electric program data can be
25 available separately from the Metis electric program

1 data?

2 MR. MICHAEL STOCKI: That's correct.
3 That would be the intent.

4 MS. EMILY GUGLIEMIN: I would also
5 like to ask, is Efficiency Manitoba -- or does
6 Efficiency Manitoba consider an Indigenous strategy as
7 distinct from a First Na -- a First Nations strategy
8 or a Metis strategy for energy efficiency programming?

9

10 (BRIEF PAUSE)

11

12 MS. EMILY GUGLIEMIN: Or I could
13 better phrase that actually. Do you have a distinct
14 First Nations strategy from a Metis strategy, despite
15 the fact that they are in one (1) Indigenous program
16 bundle?

17 MS. AMY TUCK: Yes, we do. That is
18 correct.

19 MS. EMILY GUGLIEMIN: Okay, thank you.
20 I'm going to move on to a few program specific
21 questions now. The first one is just a clarifying
22 question from the Indigenous Small Business Program.

23 I understand that the -- all of the
24 details of this program have not been flushed out yet,
25 is that...

1 MS. AMY TUCK: Which details would you
2 be referring to?

3 MS. EMILY GUGLIEMIN: Specifically who
4 will be able to access the program.

5 MS. AMY TUCK: yes. I would say that
6 we are still figuring out or determining who would be
7 considered a Indigenous business, and as we responded
8 to in our IRs, we are looking to our Indigenous
9 partners, AMC, MKO, MMF, to help us better refine that
10 definition of who a Indigenous business would be when
11 we are looking off reserve.

12 So First Nation -- when we're on
13 reserve, I mean, I think it's -- it would be well-
14 defined that while we're in a First Nation community,
15 that would be an Indigenous business.

16 MS. EMILY GUGLIEMIN: M-hm. Okay.
17 Thank you. And will you be considering off-reserve
18 businesses that are also owned by -- that are owned by
19 First Nations citizens instead of the First Nation
20 itself?

21

22 (BRIEF PAUSE)

23

24 MS. AMY TUCK: And so I think that is
25 part of the criteria that we wanted to work with the

1 AMC, and MKO, and the Indigenous Energy Efficiency
2 Advisory Group. Once that is established as well --
3 or that would be later on, but I guess the EEAG to
4 help us again refine who that would be.

5 MS. EMILY GUGLIEMIN: Okay. Thank
6 you. I'd like to move on to Document 72, and this is
7 discussing the First Nations on-reserve residential
8 program -- well, this is actually the Indigenous
9 program bundles generally, but I'm going to be talking
10 about the First Nations on-reserve residential
11 programs.

12 It says here that part of Efficiency
13 Manitoba's strategy will involve partnering with
14 sixty-three (63) First Nations to identify on-reserve
15 housing with high energy use, and collaborating to
16 reduce energy consumption.

17 Do you agree?

18 MS. AMY TUCK: I would agree, correct.
19 Yeah.

20 MS. EMILY GUGLIEMIN: And the -- but
21 the insulation and direct install program targets four
22 hundred and thirty (430) First Nations houses, and the
23 geothermal program will be available for three (3)
24 First Nations in the plan year?

25 MS. AMY TUCK: That's correct.

1 MS. EMILY GUGLIEMIN: Would you agree
2 that if those program targets hold true, that will
3 mean that only a small number of participants will
4 access these programs on each reserve, assuming the
5 majority of First Nations did choose to participate?

6 MS. AMY TUCK: No, not necessarily. I
7 would say the going back to my previous testimony, the
8 targets are targets based on past participation from
9 Manitoba Hydro, Manitoba Hydro's program. And like I
10 said, if we can achieve higher participation, that
11 will be the goal.

12 If we can do more than the -- I think
13 you said total of four hundred eighty (480) homes,
14 then we will do what is necessary to create and -- or
15 to implement energy efficiency initiatives and
16 measures in First Nation on reserve.

17 MS. EMILY GUGLIEMIN: Okay. Thank
18 you. And related to this, it says there will be a
19 dedicated First Nation energy advisor established.

20 Will that be one (1) energy advisor who
21 will then be in -- responsible for all First Nations
22 customers?

23 MS. AMY TUCK: So, yes, correct. So
24 there would be a dedicated First Nation energy advisor
25 who would be a technical position would work with the

1 communities to identify those opportunities going into
2 the home, working with the housing manager, or the
3 person in the community responsible for the housing
4 portfolio.

5 MS. EMILY GUGLIEMIN: Okay. Thank
6 you. Moving on now to still within the residential
7 programs, I understand that Efficiency Manitoba has
8 recognized that a lack of internet is a barrier to
9 participation and online rebate offers for First
10 Nations.

11 Would you agree?

12 MS. AMY TUCK: I would agree that
13 there could be some reduced participation because of
14 lack of internet availability, correct.

15 MS. EMILY GUGLIEMIN: I'm just
16 wondering, has that also been identified as a barrier
17 in the First Nation direct installation program for
18 the smart thermostat measure?

19 MS. AMY TUCK: No, because that will
20 be done through the direct -- there we go. Sorry.
21 Got you. It hasn't been identified yet as a -- a
22 barrier.

23 We know that there is the possibility
24 that lack of internet could cause potentially the
25 participation that we've projected to not materialize,

1 but we're hoping that there is opportunity to install.

2 MS. EMILY GUGLIEMIN: Thank you.

3

4 (BRIEF PAUSE)

5

6 MS. AMY TUCK: So just to add and to
7 clarify, if they don't have internet access, we will
8 install a programmable if they have a manual. So
9 there is still some energy savings to be achieved
10 through there, even if there is a lack of internet
11 access.

12 MS. EMILY GUGLIEMIN: Okay. Thank
13 you. I'd like to go now to Document 74.

14

15 (BRIEF PAUSE)

16

17 MS. EMILY GUGLIEMIN: And so this
18 states:

19 "In the event a First Nation chooses
20 not to partner with Efficiency
21 Manitoba through the Indigenous
22 Program portfolio, First Nation on-
23 reserve residents can access the
24 suite of available residential
25 programs."

1 What I'm wondering from this -- well,
2 do you agree with that statement, first of all?

3 MS. AMY TUCK: I think I agree with
4 this statement, but I was just a little confused by
5 the question that was posed. I'm not sure what it
6 meant, or I think we might have needed a bit of
7 clarification as to what it meant by First Nation
8 choosing not to partner with Efficiency Manitoba.

9 So our answer was based on if they
10 chose not to go through the Indigenous energy
11 efficiency programs, that they still had access to all
12 of -- to the suite of all other programs.

13 MS. EMILY GUGLIEMIN: Okay. So
14 hopefully, some of my questions might clarify this a
15 little bit.

16 Sorry, I lost my place, there. So when
17 we're talking about First Nations partnering with
18 Efficiency Manitoba, we're talking about Chief and
19 Council -- like, you know, the First Nation -- the
20 government of a First Nation not partnering.

21 And so the government of a First Nation
22 chooses not to engage with Efficiency Manitoba, could
23 individual First Nation residents still access the
24 First Nations program bundles -- or program
25 initiatives?

1 MS. AMY TUCK: So we -- yeah, I -- I
2 think it would -- it would depend -- we know that in
3 most cases, a First Nation on-reserve residents might
4 not own their home, but we do know that there are some
5 cases where residents do own their home, and in that
6 situation, they can access the suite of all other
7 programs, the residential programs, including the
8 First Nation on-reserve program.

9 Ideally, what we would like to do with
10 the program, though, is have participation in batches
11 or bundles. And so the goal to maximize the work that
12 is being given within the First Nation is to have
13 multiple homes participate at the same time.

14 MS. EMILY GUGLIEMIN: Okay. And in
15 terms of barriers that First Nations on reserve
16 customers face, for First Nation governments in
17 particular, do you consider issues of capacity to be a
18 barrier?

19 MS. AMY TUCK: I -- I wouldn't say
20 that there is a lack of capacity. I -- I would say
21 that we -- there may be the opportunity where there
22 isn't -- the capacity hasn't been enhanced for the
23 access of our programs.

24 MS. EMILY GUGLIEMIN: I think what I'm
25 referring to here, if I can clarify, is issues of

1 staffing levels on First Nations. I think a lot of
2 these programs sort of anticipate that there is going
3 to be point persons, staff members, maybe Council
4 members, and you just acknowledged that they tend to
5 already have a full workload, and this might be an
6 issue.

7 MS. AMY TUCK: I can agree that there
8 are competing priorities for capacity and First
9 Nations, which is why it's been our aim to reduce
10 administration and paperwork through the program, and
11 which is why that will all be done on Efficiency
12 Manitoba's end. We're trying to make it as easy to
13 access as possible.

14 MS. EMILY GUGLIEMIN: Thank you for
15 that. I'd like to move on now to Document 75.

16

17 (BRIEF PAUSE)

18

19 MS. EMILY GUGLIEMIN: And so this
20 document, as far as I understand, sets out annual
21 electric budg -- the annual electric program budget
22 for advertising.

23 Would you agree with that?

24 MS. AMY TUCK: I would agree, yes.

25 MS. EMILY GUGLIEMIN: And here it

1 states that:

2 "Efficiency Manitoba anticipates
3 that zero dollars will be spent for
4 the insulation and direct install
5 Indigenous programs and geothermal
6 programs, seven thousand dollars
7 (\$7,000) a year will be budgeted for
8 the Metis program, and two thousand
9 dollars (\$2,000) for the Indigenous
10 small business program."

11 Do you agree?

12 MS. AMY TUCK: I would agree, but I
13 think it's important to clarify that the dedicated
14 First Nation energy advisor and the engagement with
15 the communities is what we are using as our marketing
16 and outreach.

17 In addition to that, the -- and the
18 education initiative is where we will be creating
19 materials to provide to the communities. So that's
20 not reflective in this.

21 It's not necessarily an advertising
22 budget, but it is marketing materials that we're going
23 to use within -- within the community to talk about
24 energy efficiency.

25 MS. EMILY GUGLIEMIN: Okay. So, aside

1 from the energy advisor community engagement and
2 education, Efficiency Manitoba does not intend to
3 advertise for the First Nations residential programs?

4 MS. AMY TUCK: Again, I think the
5 advertising or promotion will be done to the community
6 through conversations and through engagement with the
7 community.

8 So, while there might not be dollars
9 allocated in here, there will be staff time. So, that
10 -- the budget to do that is there, it's just not
11 necessarily in the marketing or advertising dollars.

12 MS. EMILY GUGLIEMIN: Okay. If a
13 First Nation that was partnering with Efficiency
14 Manitoba was interested in providing some advertising
15 so that their members could know about these programs
16 or understand them or reach out to access them, would
17 Efficiency Manitoba be able to provide budgets for
18 advertising, like, Facebook advertising, social media,
19 news letters, that kind of thing?

20 MS. AMY TUCK: Yes, we would, yeah.

21 MS. EMILY GUGLIEMIN: Thank you. And
22 this is kind of connected to the last line of
23 questioning, but is there an engagement or advertising
24 strategy in place for First Nations residential
25 customers where a First Nation has decided not to

1 partner with Efficiency Manitoba or is just not able
2 to?

3

4 (BRIEF PAUSE)

5

6 MS. AMY TUCK: No, we haven't
7 contemplated that yet, no, sorry.

8 MS. EMILY GUGLIEMIN: Okay. Sort of a
9 little one-off question.

10 Will Efficiency Manitoba's programming
11 be available to First Nations customers that have
12 accounts in arrears with Manitoba Hydro?

13 MS. AMY TUCK: Yes, and they will be
14 able to access the programs.

15 MS. EMILY GUGLIEMIN: Thanks. So,
16 we're going to talk now a little bit about the non-
17 energy benefits in the plan. And I'm focussing more
18 so on employment and private sector benefits.

19 Do you agree that clear -- and I think
20 you do, I think we've already covered this, but just
21 to confirm, that targets for employment and other
22 economic benefits would assist in providing the
23 greatest possible participation for First Nations in
24 Manitoba?

25 MS. AMY TUCK: I would agree.

1 MS. EMILY GUGLIEMIN: So, I'd like to
2 go to document 77. And these are more just
3 information clarifying questions.

4 So, here in this document, Efficiency
5 Manitoba states that a network of private sector
6 delivery partners, including contractors, retailers,
7 suppliers, and consultants is established in Manitoba.

8 Would you agree?

9

10 (BRIEF PAUSE)

11

12 MS. AMY TUCK: I would say that it's a
13 very general statement from our plan, yes.

14 MS. EMILY GUGLIEMIN: All right. And
15 aside from Aki Energy, Efficiency Manitoba's not
16 identified any First Nation businesses or contractors
17 that will assist in the implementation of the plan?

18 MS. AMY TUCK: At this time, no, we
19 have not, which is why we've, you know, posed the
20 question to the AMC to help us identify a strategy how
21 to onboard more First Nation contractors.

22 MS. EMILY GUGLIEMIN: Okay. Thank
23 you. And in one (1) of the Information Requests
24 Efficiency Manitoba said that it has collected the
25 contact information for businesses interested in

1 offering energy efficiency programs since the spring
2 of 2019. Do you agree?

3 I think that's our page 79.

4

5 (BRIEF PAUSE)

6

7 MS. AMY TUCK: I agree.

8 MS. EMILY GUGLIEMIN: Okay. And to
9 your knowledge, were any of these businesses owned by
10 First Nations or First Nations individuals?

11 MS. AMY TUCK: Not to my knowledge.
12 However, it wasn't identified if they were First
13 Nation or non-First Nation. It wasn't a requirement
14 in the inco -- information collecting.

15 MS. EMILY GUGLIEMIN: Okay. Thanks.
16 And I take it from your previous answer that
17 Efficiency Manitoba has not yet developed a strategy
18 to increase participation of First Nation businesses,
19 service providers, and delivery partners?

20 MS. AMY TUCK: No. And, as I stated,
21 this is something that we are looking for assistance
22 with and we will look towards the AMC and MKO and any
23 other Indigenous organizations to assist us with.

24 MS. EMILY GUGLIEMIN: And is tracking
25 the numbers of First Nation businesses and contractors

1 something that the CRM system will be capable of or
2 something that you'll consider tracking as part of
3 that system?

4 MS. AMY TUCK: Yeah, it will be.

5 MS. EMILY GUGLIEMIN: Thanks. And can
6 we go to document 80. So, here we're talking about
7 Efficiency Manitoba's procurement policy. And I
8 apologize if somebody's already answered this, but was
9 a procurement policy approved in the December 2019
10 meeting?

11 MS. KYLA KRAMPS: Yes, it was
12 approved.

13 MS. EMILY GUGLIEMIN: Okay. And
14 within that policy, is there any initiatives or
15 targets to ensure that First Nation-owned op -- and
16 operated businesses or contractors will be targeted by
17 the procurement process?

18

19 (BRIEF PAUSE)

20

21 MS. KYLA KRAMPS: The procurement
22 policy includes a procedure that we'll follow the
23 Provincial Government's guidelines on working with
24 Indigenous companies and businesses.

25 MS. EMILY GUGLIEMIN: Okay. Thank

1 you. Can we go now to document 82? So, here -- this
2 is a -- I believe, a Manitoba Hydro report about
3 efficiency programming.

4 And the part that's highlighted just
5 states that:

6 "Through Manitoba Hydro's efficiency
7 programming, the equivalent of
8 twenty-eight (28) full-time jobs of
9 Indigenous employment was
10 generated."

11 Were you aware of that number, or that
12 report?

13 MS. AMY TUCK: I hadn't read it
14 previously, no.

15 MS. EMILY GUGLIEMIN: Okay. So, do
16 you know whether those positions are continuing or
17 increased under Efficiency Manitoba's programming?

18

19 (BRIEF PAUSE)

20

21 MS. COLLEEN KURULUK: Apologies, we're
22 trying to source exactly where this document comes
23 from. We know it's one (1) of the annual reports from
24 Manitoba Hydro, so.

25 MS. EMILY GUGLIEMIN: Yeah. It's from

1 PUB-MH-I-27, attachment 3. So, it's from one (1) of
2 the PUB Information Requests.

3 MS. COLLEEN KURULUK: Yeah, no, I
4 recognize that. It was just, I -- I believe, several
5 -- several different years were filed with that, so.

6 MS. EMILY GUGLIEMIN: I believe it was
7 the 2018/'19 report, or it might have been the year
8 before that, but that -- that's my understanding.

9

10 (BRIEF PAUSE)

11

12 MS. COLLEEN KURULUK: Okay, so we've
13 confirmed this is from the Affordable Energy Program
14 report from 2018/'19. And what we can say is those
15 would have been twenty-eight (28) full-time jobs that
16 would have been created as a result of the
17 participation leading up to and including 2018/'19.

18 And so, right now, we would not have
19 information as to whether those positions have
20 continued. It would have been related specifically to
21 the retrofits that were supported under the program
22 and, therefore, unless there was other work that might
23 have continued outside of, at this time, Manitoba
24 Hydro's program, so we can't say for certain these
25 have continued.

1 Is that -- I think that was your
2 question, right?

3 MS. EMILY GUGLIEMIN: Yes, I think so.
4 So, would some of those programs be the programs that
5 will now be continued with Efficiency Manitoba?

6 MS. COLLEEN KURULUK: That's correct.

7 MS. EMILY GUGLIEMIN: Okay. So, is
8 there any way to find out if the same number of
9 positions will be kept or increased or anything like
10 that?

11 MS. COLLEEN KURULUK: Yeah, I think --
12 because it -- it pertains specifically to specific
13 communities, so it depends on the activity level
14 within each community.

15 But I'm just going to stop back here
16 with Ms. Tuck for a second.

17 MS. AMY TUCK: So -- and I would also
18 say though that the full-time -- full-time jobs that
19 are being discussed here is driven by the
20 participation.

21 So, the more participation that we
22 have, I can see that the more full-time jobs that
23 could potentially be created. So, these -- these
24 jobs, these initiatives, or these programs are a
25 driver of employment and economic development, and so

1 that would really be dependent on the participation
2 that happens.

3 MS. EMILY GUGLIEMIN: Okay. So, these
4 specific jobs will end once the direct installs are
5 finished in those communities. Is that what you're
6 getting at?

7

8 (BRIEF PAUSE)

9

10 MS. AMY TUCK: So, again, we don't
11 know specifically what those numbers were referring to
12 at this point. But I do think that it is contingent,
13 again, like I said, on the -- on the participation.
14 And whether or not the employment continues, we're --
15 we're not entirely sure.

16 MS. EMILY GUGLIEMIN: Okay. Thank
17 you. I'll move on now to document 83. This is
18 referring to, from my understanding, the DSM
19 scorecard. And it's from a Dunsky report.

20 Is that correct?

21 MS. COLLEEN KURULUK: That's correct.
22 And -- and I'll preface that also by saying we
23 received this final scorecard just in the midst of us
24 receiving our First Round -- or our only round of IRs,
25 so just I haven't had a lot of time with it,

1 obviously.

2 MS. EMILY GUGLIEMIN: My questions
3 aren't too in-depth on this one. They're pretty much
4 just on this page, so hopefully -- hopefully, that'll
5 work.

6 So, would you agree that on this
7 scorecard the only aspect of the scorecard that
8 measures equity of programming for Indigenous
9 customers is the maximum one (1) point that will be
10 allotted if Efficiency Manitoba has developed programs
11 for hard to reach sectors?

12

13 (BRIEF PAUSE)

14

15 MS. COLLEEN KURULUK: I -- I would say
16 there's a robustness measure, and then also a specific
17 measure saying the existence of a program or strategy
18 to hard to reach.

19 So, that -- I would see both of those
20 being components that would be related to Indigenous
21 customers or Indigenous customer programs, so it would
22 be a total of -- of two point five (2.5) points.

23 MS. EMILY GUGLIEMIN: Okay. And so,
24 would the robustness measure measure for -- because it
25 says here that the robustness measure is for low-

1 income programming.

2 Can you confirm that the -- when it
3 says 'low-income programming', it's also referring to
4 the First Nations programming?

5 MS. COLLEEN KURULUK: I -- I can't
6 confirm if that's what Dunsky's intent was. But I
7 would say that would be Efficiency Manitoba's intent,
8 is to have a robust -- both a robust low-income
9 program as well as a robust Indigenous program.

10 MS. EMILY GUGLIEMIN: And -- but would
11 it also be more clear if the scorecard gave points for
12 both the low-income residential and the Indigenous
13 programs but separately, if you get what I'm coming
14 at?

15 MS. COLLEEN KURULUK: I do. Clearly,
16 that would outline our performance in those specific
17 areas more -- more specifically.

18 MS. EMILY GUGLIEMIN: Okay. Thank
19 you. So, I think we can move on from that. I'd like
20 to refer to document 85 now. And so, this is the
21 Econoler recommendation for a socioeconomic study to
22 be conducted once during the three (3) year plan to
23 assess non-energy program impacts.

24 Are you familiar with that?

25 MS. COLLEEN KURULUK: Yes, I am

1 familiar with that. And I believe we did have an IR
2 res -- question on this, as well.

3 MS. EMILY GUGLIEMIN: Yes. I think
4 that will be on the next page, so if we go to 86. So,
5 in response to that question, Efficiency Manitoba
6 stated that it will review the additional studies
7 section of -- oh wait. Yes. It'll review that report
8 with the intent to implement all recommendations that
9 are deemed to have a value impact on the Corporation's
10 ability to meet its mandate and strategic goals.

11 Do you still agree with that answer?

12 MS. COLLEEN KURULUK: Yes, I do.

13 MS. EMILY GUGLIEMIN: Okay. And at
14 this time, does Efficiency Manitoba consider that
15 Econoler's recommended socioeconomic study will have a
16 valuable impact on your ability to meet the mandate
17 and strategic goals?

18

19 (BRIEF PAUSE)

20

21 MS. COLLEEN KURULUK: No, we have not
22 quite yet met to discuss how that would fit into our
23 strategic goals and mandate.

24 MS. EMILY GUGLIEMIN: Okay. And
25 presumably that would cost additional budget dollars.

1 MS. COLLEEN KURULUK: Yeah. We -- any
2 kind of studies we will perform will have additional
3 budget dollars. We -- we have -- have some budget
4 dollars set aside for research. We just have to
5 basically prioritize and allocate where those dollars
6 go.

7 MS. EMILY GUGLIEMIN: Thank you. So
8 I'll keep scrolling down to Document 87. Here we're
9 talking about engagement with stakeholders, and I'm
10 not going to go this in any significant detail because
11 a lot of has already been addressed.

12 But I would just like to confirm that
13 the stakeholder engagement survey that has been
14 referred to in the plan, that was responded to by
15 contractors, suppliers, installers, consultants, and
16 engineering firms, but not by individual consumers.

17 MS. COLLEEN KURULUK: That's correct,
18 yes.

19 MS. EMILY GUGLIEMIN: Okay, thanks.
20 And so do you -- I know that you didn't really know
21 for residential customers. I'm assuming you also are
22 not aware of numbers of engagement for individual
23 First Nation customers or First Nations?

24 MS. COLLEEN KURULUK: Yeah. So again
25 this would be similar to my response to Ms. Dilay when

1 we were speaking about how we get input from the
2 public, and I would say that given Manitoba Hydro's
3 history with energy efficiency programs, and with Ms.
4 Tuck here in particular beside me, the number of con -
5 - conversations and initiatives that she's been
6 deploying in these communities, I would suspect that
7 she's had a lot of input from both First Nation
8 community members directly as well as -- as First
9 Nation leadership, and I suspect she might want to
10 elaborate on my response.

11 MS. EMILY GUGLIEMIN: Okay.

12 MS. COLLEEN KURULUK: I'm sorry, you
13 were talking about the survey, correct, and the First
14 Nation respondents?

15 MS. EMILY GUGLIEMIN: Yes. But then
16 we -- we were just asking beyond that, if you had the
17 any record of individual First Nation engagements or
18 First Nation customers' engagement.

19 MS. AMY TUCK: I -- I do. A lot of it
20 is anecdotal and it hasn't been put into a survey or -
21 - or a report, but the information that I've received
22 over the years has definitely been taken into
23 consideration and put into the plan and how we deliver
24 the plan and how we are going to engage with our First
25 Nation and Indigenous customers.

1 MS. EMILY GUGLIEMIN: Okay, thank you.
2 So I think we've already established earlier in the
3 day that the individual consumer engagements that
4 Efficiency Manitoba has done has largely been based on
5 the EEAG and representative organizations.

6 Would you agree -- well, do you agree
7 with that statement, first of all?

8 MS. COLLEEN KURULUK: Yeah. I -- I
9 agree with that, that for informing the plan, but I
10 also did mention in my testimony that again the -- the
11 previous history with -- with programs was very
12 informative for that component of the input, as well
13 as we definitely shouldn't discount the feedback that
14 we do get from the delivery channel partners, because
15 they are the ones that are -- are face to face with
16 consumers when they're delivering program, so they
17 often do have lots of feedback to improve upon our
18 programs.

19 MS. EMILY GUGLIEMIN: Okay. And back
20 to the EE -- EEAG and some of the stakeholder groups.

21 Are you aware that for First Nations
22 organizations, in particular, that capacity issues can
23 also be barriers to participation in these kinds of
24 organizations?

25 MS. AMY TUCK: I would agree.

1 MS. EMILY GUGLIEMIN: Okay. And
2 through the EEAG, was there any funding dollars or
3 disbursements or help for some of these organizations
4 to participate if it was needed?

5 MS. COLLEEN KURULUK: I was unaware if
6 -- if any of that was needed. No one requested any
7 funding from Efficiency Manitoba. We had a -- a very
8 dedicated group of individuals that met almost through
9 all the summer months just about, so they seemed quite
10 dedicated and didn't seem to indicate any need for
11 funding, at this point anyways.

12 MS. EMILY GUGLIEMIN: Okay. And have
13 there been or will there be funding available for
14 stakeholders to engage with individual customers? So
15 -- yeah.

16

17 (BRIEF PAUSE)

18

19 MS. COLLEEN KURULUK: At this point we
20 have not budgeted for that type of activity. I know
21 when we were meeting with the EEAG over the summer,
22 one (1) of the subsequent in-person meetings that I
23 had had personally with both MKO leadership as well as
24 Southern Chiefs organization leadership -- sorry,
25 I'll correct that. MKO leadership was not able to

1 make it, but the EEAG member was in attendance, did
2 highlight a good engagement strategy.

3 Their -- their recommendation to myself
4 was to have good meaningful two -- two-way
5 communication, and one (1) idea that they had was --
6 was a concept called a gathering, which is, I guess --
7 it was new to me but fairly typical in the Indigenous
8 communities, and so that was something that we were
9 going to contemplate, but I had not yet brought that
10 forward for -- as a budget item, because we still were
11 hoping to work with the EEAG to -- to explore that a
12 little bit more, as well as the Indigenous Energy
13 Efficiency Working Group that Ms. Tuck has -- has
14 testified to in the past.

15 MS. EMILY GUGLIEMIN: Okay. When
16 you're talking about a gathering, is that a gathering
17 of -- would that be First Nations leadership or First
18 Nations customers? Would it be multiple gatherings,
19 do you know?

20 MS. COLLEEN KURULUK: I'm trying to
21 recollect. I -- I do believe it was -- it was a
22 fairly significant process, so I -- I don't know
23 whether it was just leadership or just housing
24 managers, so I wouldn't want to speculate exactly. I
25 -- again, that would be something that would be

1 discussed with the EEAG when we reconvene, for
2 implementation of the plan.

3 MS. EMILY GUGLIEMIN: Okay, thank you.
4 I only have a couple of more questions, maybe four
5 (4), although don't hold that on me.

6 Can we go to Document 91, and there
7 will be a highlight. It's kind of in between 91 and
8 92, I believe -- oh no, actually it's there. Sorry,
9 it's a little bit higher. I'm ahead of myself.

10 So this is referring to a -- this is
11 referring to a solar energy pilot program with Nelson
12 House. I believe -- has Efficiency Manitoba
13 considered a community-driven outcomes model for solar
14 energy programs for First Nations communities?

15 MS. AMY TUCK: We have not. In
16 discussion with our partners, the part of the
17 attractiveness of the community-driven outcomes model
18 is the ongoing work and economic development that
19 exists with these -- with these programs, and at the
20 time solar wasn't one (1) of those options that would
21 realize that same kind of economic development from an
22 individual community member being trained and doing
23 the installs and the maintenance.

24 MS. EMILY GUGLIEMIN: Okay.

25 MS. COLLEEN KURULUK: I think -- yeah,

1 if I can just elaborate, I think geothermal was -- was
2 more suited of a technology for ongoing employment
3 type of opportunities, including maintenance. Does
4 that -- does that summarize it?

5 MS. AMY TUCK: That would be correct.

6 MS. EMILY GUGLIEMIN: Okay. Although
7 this does, just to point out, say that part of the
8 benefit of the solar program was that it would help
9 train local band members to install the solar PV
10 systems and create social-economic benefits. Do
11 you...

12 MS. AMY TUCK: Yeah, I -- I see that,
13 but at the time the conversation that we had with the
14 members of -- in the CDOC, they did not consider it
15 and so they are the ones who are driving -- driving
16 it, and so that was their thought process.

17 MS. EMILY GUGLIEMIN: Okay, thank you.
18 And now we'll go down to the -- sort of in between 91
19 and 92, and this is referring to the New Homes
20 Program.

21 Will Efficiency Manitoba continue
22 Manitoba Hydro's process of contacting Indigenous
23 communities frequently to encourage participation in
24 the New Homes Program?

25 MS. AMY TUCK: Yes, we will. That is

1 something that is very important to us, recognizing
2 the housing crisis that exists in First Nation on-
3 reserve homes.

4 In addition to that, I believe I've
5 given previous testimony that Efficiency Manitoba has
6 been identified to participate in a working group with
7 the Manitoba Indigenous Housing Capacity Enhancement
8 Mobilization Initiative Working Group to help them in
9 their objective to design a First Nation on-reserve
10 building code.

11 MS. EMILY GUGLIEMIN: Okay. And to go
12 to Document 93 now, this was talking about the number
13 of homes in First Nations communities that were
14 certified the -- by the New Homes Program in the
15 2018/2019 year.

16 And I'm wondering, does Efficiency
17 Manitoba have a target participation rate for First
18 Nations in the New Home Program?

19

20 (BRIEF PAUSE)

21

22 MS. AMY TUCK: So specific First
23 Nation participation hasn't been broken out in the New
24 Homes Program, but they are a target market of the
25 program, and they will be continued to be pursued

1 through the program.

2 MS. EMILY GUGLIEMIN: Okay, and can we
3 scroll down to page 94? Hopefully -- okay, and so
4 this is referring to a further one hundred and thirty
5 (130) applications received in the 2018/2019 fiscal
6 year, or -- yes, I believe.

7 Would you agree with that, that it's a
8 hundred and thirty (130)?

9 MS. AMY TUCK: I would agree.

10 MS. EMILY GUGLIEMIN: And so are these
11 one hundred and thirty (130) homes that are referenced
12 in here -- do you know if -- if those are already part
13 of the budget and projections in the current plan for
14 the New Homes Program?

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16 (BRIEF PAUSE)

17

18 MS. COLLEEN KURULUK: Yes, these would
19 be homes that are budgeted to receive an incentive
20 within Efficiency Manitoba's plan year. They would
21 have been carried over with the participation
22 estimates.

23 MS. EMILY GUGLIEMIN: Okay. And will
24 Efficiency Manitoba track on-reserve residential and
25 commercial customer participation in all programs,

1 whether First Nation-specific or not?

2 MS. AMY TUCK: Yes, we will.

3 MS. EMILY GUGLIEMIN: And that -- that
4 will be reported at the next plan hearing, I assume.

5 MS. COLLEEN KURULUK: Yeah, sim --
6 similar to how this report -- even though First
7 Nations weren't targeted as a separate individual
8 number of homes, we've obviously seen that there's --
9 there's a desire to report on this level, and -- and
10 clearly, we will continue to report on which of the
11 First Nations participants from the New Homes Programs
12 are First Nations versus non.

13 MS. EMILY GUGLIEMIN: Okay. I'd like
14 to thank the Efficiency Manitoba panel for answering
15 all my questions, and thank you, Mr. Chair. I don't
16 have any further questions.

17 THE CHAIRPERSON: Thank you. We're
18 going to adjourn until nine o'clock tomorrow morning.
19 Then we'll start with MIPUG at nine o'clock tomorrow.
20 Thank you.

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22 --- Upon adjourning at 4:14 p.m.

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1 Certified Correct,

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5 Donna Whitehouse, Ms.

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