



Minister of Environment and Climate Change

Minister responsible for Efficiency Manitoba

Legislative Building, Winnipeg, Manitoba R3C 0V8 CANADA

Jeanette Montufar
Chair
Efficiency Manitoba Inc.

Dear Jeanette Montufar:

As Manitoba charts a path toward net-zero emissions and transitions to a low-carbon economy, the effective use of our energy resources will play a crucial role in the economic future of our province. As our province's newest Crown corporation, Efficiency Manitoba Inc. (Efficiency Manitoba) is tasked with achieving electricity and natural gas energy savings that assist with this transition.

The benefits of Efficiency Manitoba's activities include energy affordability, emissions reductions, economic development, reduced reliance on imported fossil fuels, new skilled jobs, climate resiliency, improved social and health outcomes, and deferral of new costly major infrastructure projects.

Our government is committed to resetting our relationship with Indigenous Nations, and Efficiency Manitoba has a proven track record of collaboration and partnership with the Manitoba Métis Federation and First Nations throughout the province. Efficiency Manitoba will advance our commitment to delivering on the Truth and Reconciliation Commission of Canada's Calls to Action, ensuring that Indigenous communities gain long-term benefits from energy efficiency and sustainable economic development projects.

To respond to a rapidly evolving energy landscape, Efficiency Manitoba's activities must balance important objectives related to energy affordability, sound fiscal management, and our responsibility to address climate change. This letter enables Efficiency Manitoba to take on new activities to address near-term priorities that are consistent with the corporation's mandate, while we work to develop a longer-term vision for the corporation.

As the Minister responsible for Efficiency Manitoba, I am mandating your Board to do the following:

- Integrate provincial climate and energy priorities into Efficiency Manitoba's three-year efficiency plans (and plan extensions), and support Manitoba's climate change and net-zero commitments.
- Deliver Manitoba's new Affordable Home Energy Program, including co-delivery of cost shared programs negotiated between Manitoba and Canada targeted at switching from fossil fuels to ground source and air source heat pumps, as well as investigating support for district geothermal as a green heating option.
- Actively target beneficial electrification and increase the uptake of geothermal heat pumps, including in natural gas serviced areas, by enhancing programs and incentives, reducing market barriers, and streamlining application processes.
- Align energy efficiency savings reporting with Efficiency Manitoba's objectives of reducing real load growth impacting Manitoba electric load and natural gas volumes, while also supporting the transition to net-zero emissions in a manner that protects affordability.
- Work with Indigenous Nations to reduce the energy burden experienced in First Nation and Métis communities, identify, and reduce barriers to participation in energy efficiency programming, and increase the uptake in Efficiency Manitoba's Indigenous programs.
- Work with Manitoba Hydro to recognize energy efficiency as a resource for meeting the energy needs of the province when evaluated against other supply-side options.
- Work with Manitoba Hydro to identify areas involving capacity constraints in Manitoba and include initiatives to reduce electrical demand in Efficiency Manitoba's three-year efficiency plans (and plan extensions).
- Support provincial objectives of attracting new low-carbon industries to Manitoba by providing new customers with energy efficiency programs and expertise.
- Work with Manitoba Environment and Climate Change, Manitoba Finance, and The Public Utilities Board to ensure efficiency plans incorporate the resources needed to deliver new and expanded programs, deliver value for ratepayers, and maintain energy affordability.

I am pleased to provide Efficiency Manitoba with new goals that are ambitious, forward-looking, and reflect our initial step in charting a new path for the corporation. Our government is also developing a new energy policy to position Manitoba Hydro for future success, this will likewise inform Manitoba Hydro's integrated resource planning process as well as Efficiency Manitoba's efficiency plans. These foundational elements will set the stage for Efficiency Manitoba's activities over the long term. As such, I will be issuing a separate directive to Efficiency Manitoba under The Efficiency Manitoba Act to extend your

current efficiency plan by one year, to 2025/26, so that your next three-year efficiency plan can fully reflect the new energy vision being developed by our government.

I know you and your colleagues on the Board share our commitment to Truth and Reconciliation, low-carbon energy, achieving net-zero emissions and energy affordability. On behalf of the Manitoba government, thank you for your dedication and commitment. Your oversight is critical to the success of Efficiency Manitoba in a complex and evolving energy landscape.

Respectfully,

Original Signed by:

Tracy Schmidt
Minister responsible for
Efficiency Manitoba