

Departmental Briefing

October 2023

**EFFICIENCY
MANITOBA INC.**



Table of Contents

1. ORE Snapshot.....	3
2. Organization.....	5
Governance Structure.....	5
Human Resources	7
3. Strategic Overview	8
Urgent Matters	8
Strategic Priorities and Opportunities.....	10
4. Fiscal Overview.....	13

Efficiency Manitoba Inc.

Vision

We serve as a catalyst for an energy efficient Manitoba. We are valued by Manitobans for our leadership in energy efficiency and for the partnerships we create.

Mission

Efficiency Manitoba reduces energy consumption using innovative approaches that respect the environment and lead to economic benefits for Manitobans.

Values

- ✓ **Employees** - We believe our employees are key to our success; therefore, we will foster a work culture of positive engagement, creativity and diversity.
- ✓ **Equity and access** - We believe in equity and access; therefore, we will provide programs and services that benefit all Manitobans.
- ✓ **Investing in Manitoba** - We believe in investing in Manitoba; therefore, we will prioritize collaborating with and providing opportunities to local experts creating a stronger economic benefit for our province.
- ✓ **Keeping things simple** - We believe in keeping things simple; therefore, we take a straightforward approach to communication and keep business processes easy to understand and implement.
- ✓ **Sustainable practices** - We believe in sustainable practices; therefore, we will source suppliers and service providers that follow environmentally sound practices.
- ✓ **Transparency** - We believe in transparency; therefore, we are open and accountable.
- ✓ **Reconciliation** - We believe in being respectful allies on our Reconciliation journey; therefore, we will incorporate Truth & Reconciliation principles in our business process and how we deliver our programs.

2023/24 Quick Facts

BUDGET	\$76 million	STAFF	75 Full Time Equivalents (FTEs)
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Budget

millions



	2023/24 Budget
■ Operating	\$76
Capital	-
Total	\$76

Funding Sources

millions



	2023/24 Budget
■ Other source (Manitoba Hydro)*	\$76

* Funding from the Low Carbon Economy Leadership Fund (LCEF) is also expected and will reduce the contribution made by Manitoba Hydro. The LCEF Agreement had not yet been finalized at the time of budget preparation.

Efficiency Manitoba Inc.

Responsibilities

- Achieve net savings that are at least equal to 1.5% of the consumption of electrical energy in the immediately preceding year.
- Achieve net savings that are at least equal to 0.75% of the consumption of natural gas in the immediately preceding year.
- Mitigate the impact of rate increases and delay the point at which capital investments in major new generation and transmission projects will be required by Manitoba Hydro to serve the needs of Manitobans.
- Promote and encourage the involvement of the private sector and other non-governmental entities in the delivery of demand-side management initiatives.
- Provide initiatives that are accessible to all Manitobans.

Leadership

- Colleen Kuruluk - CEO
- Michael Stocki - VP Efficiency Programs
- Dori Chudobiak - VP Corporate Performance & Engagement
- Lisa Jaworsky - Manager Finance & Risk

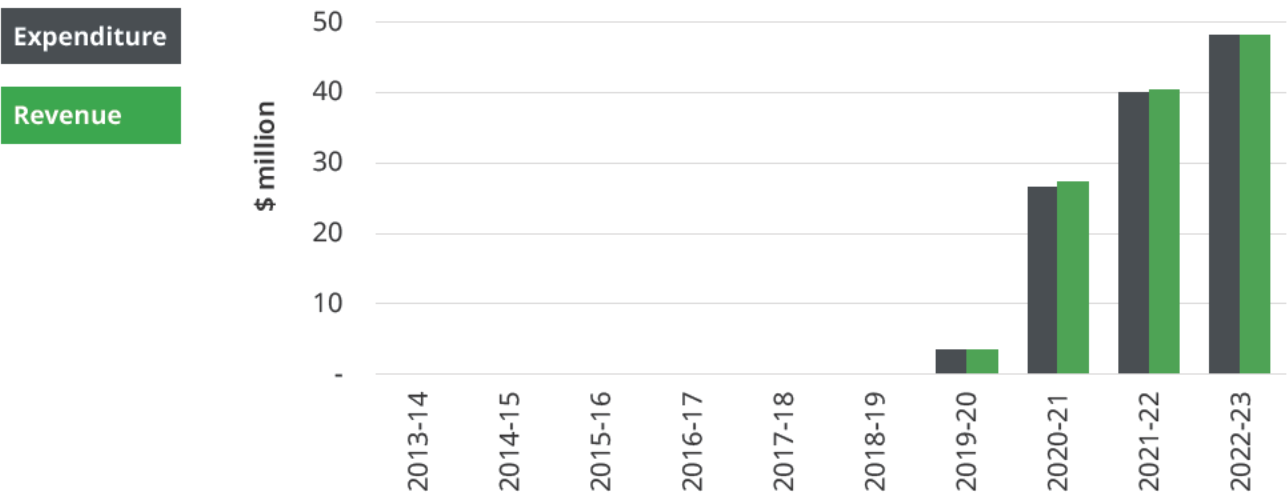
Key Initiatives and Strategies

(as listed in 2023/24 Annual Business Plan)*

- 2024-2027 Efficiency Plan Development
- 2024-2027 Efficiency Plan Engagement Process
- 2024-2027 Efficiency Plan Regulatory Review Process
- Independent Assessment of 2020-2023 Efficiency Plan (plus extension year)

* On July 17, 2023 (post approval of the 2023/24 ABP), the Minister of Environment and Climate provided a formal directive to Efficiency Manitoba requesting that the corporation extend their efficiency plan through to March 2025 (one additional year) so that the next efficiency plan could consider the outcomes of the Provincial Energy Strategy and Manitoba Hydro's Integrated Resource Plan.

Expenditures and Revenues 10-year history, in millions



Note: 2019/20 was the transition year reflecting the creation of Efficiency Manitoba as an ORE. 2020/21 was the first year of Efficiency Manitoba's first three-year plan.

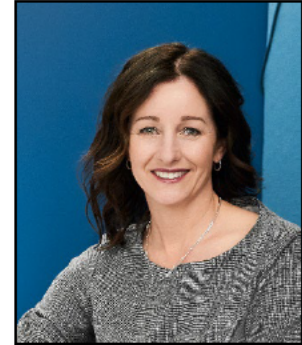
2. Organization

Governance Structure

The Executive

Chief Executive Officer

Colleen Kuruluk, a graduate from the Asper School of Business, is a leading authority and advocate for energy efficiency with over 25 years of experience participating in the exciting evolution of the field. In January 2019, Colleen joined Efficiency Manitoba as its inaugural CEO. Since joining the organization, Colleen has led the process of building Efficiency Manitoba from the ground up; overseeing the preparation of Efficiency Manitoba's first energy efficiency plan, guiding that plan through a significant regulatory process, and enabling the organization to officially commence operations on April 1, 2020. Through her years in energy efficiency and her previous roles in Power Smart at Manitoba Hydro, Colleen has been a strong contributor to energy efficiency in the Manitoba building code through the former Building Standards Board of Manitoba. With recognition for her passion for the industry and deep subject matter knowledge, Colleen was appointed to the national Standing Committee on Energy Efficiency, focused on energy efficiency in commercial and residential buildings.



Executive Team

- Michael Stocki – Vice President, Efficiency Programs
- Dori Chudobiak – Vice President, Corporate Performance and Engagement
- Lisa Jaworsky – Finance and Risk Manager
- Carrie Werschler – Executive Assistant

Board of Directors

Chairperson

Jeannette Montufar (Winnipeg) is a successful entrepreneur and philanthropist who is well recognized internationally as a trailblazer in transportation engineering. For nearly 15 years she was a professor in civil engineering at the University of Manitoba, during which time she published over 200 technical papers and reports on various topics associated with transportation engineering and planning. As an entrepreneur, Montufar is founding partner and CEO of MORR Transportation Consulting Ltd., a highly specialized transportation engineering and technology firm located in Winnipeg. She is also co-founder of TRAINFO Corp., a Winnipeg-based transportation technology firm. Montufar has served on several national and international engineering boards and has received over 15 national and international awards for her contributions to transportation engineering. In 2016, she was inducted as fellow of the Canadian Academy of Engineering for her contributions to the engineering profession. The academy comprises many of the country's most accomplished engineers, who have expressed their dedication to the application of science and engineering principles in the interests of the country and its enterprises.



Board Members

- Jeannette Montufar - Chair
- George Orle – Vice Chair
- Kelly de Groot
- Jack Wilson
- Ray Redfern
- Gary Kristiansen
- Yasmine Attiyat
- Gina Mogan
- Sukhjinder Sandhu

Human Resources

Staffing Overview

	2023/24 Budget	
	FTEs	\$000s
- Union	50.00	-
- Non-union (includes Executive noted on page 2)	25.00	-
Total	75.00	\$9,576

Contracts and Terms – Efficiency Manitoba Board of Directors

- Jeannette Montufar August 10, 2024
- George Orle August 10, 2024
- Kelly de Groot March 2, 2025
- Jack Wilson September 13, 2024
- Ray Redfern June 22, 2026
- Gary Kristiansen September 13, 2025
- Yasmine Attiyat September 13, 2025
- Gina Mogan May 23, 2026
- Sukhjinder Sandhu March 2, 2025

3. Strategic Overview

Urgent Matters

The following items require action or attention by the end of the calendar year.

1. Alignment with Manitoba Hydro Integrated Resource Plan

Issue notes follow on the next pages.

1. Issue Title: Alignment with Manitoba Hydro Integrated Resource Plan

High Level Summary:

Manitoba's 2023 Provincial Energy Roadmap identifies strategies for modernizing energy governance in Manitoba and emphasizes the importance of reducing and shifting electricity demand. Manitoba Hydro's 2023 Integrated Resource Plan (IRP), notes that demand-side resources and associated capacity savings are required to delay the need for new generation resources. The Efficiency Manitoba Act and Regulation should be reviewed and updated to ensure that the Crown Corporation has the tools required to align with IRP objectives.

Current Status:

- Manitoba Hydro's IRP indicated that demand response programs are a cost-effective alternative to building new capacity resources. The IRP includes a commitment to explore what demand response programs could look like in Manitoba within residential, commercial and industrial customer segments, and to do so in collaboration with Efficiency Manitoba.
- Under Section 4 of the EM Act, demand response programs can be added to EM's mandate through changes to the regulation. Under Section 5 of the regulation, EM can currently undertake demand response programs at Manitoba Hydro's expense, but if these initiatives are not primarily intended to reduce energy consumption, they are not to form part of an efficiency plan.
- Further consultation and discussion is required to determine if demand response programs should be added to EM's legislated mandate or undertaken under section 5 of the regulation.

Confidential Advice to Minister:

N/A

Options and Recommendations:

It is recommended the EM Act and Regulation be reviewed and amended in collaboration with the department and stakeholders to ensure alignment with government energy policy and Manitoba Hydro's IRP.

Contact Person:

Colleen Kuruluk, CEO, (204) 479-4355

Strategic Priorities and Opportunities

The following items are matters for consideration in the longer term that may pertain to organizational changes, strategic plans, multi-year projects, emerging issues and other topics:

1. Development of Efficiency Manitoba 2025-2028 Efficiency Plan
2. Review of Efficiency Manitoba's guiding legislation

Issue notes follow on the next pages.

1. Issue Title: Development of Efficiency Manitoba's 2025-2028 Efficiency Plan**Timeline for Action:** Prior to end of fiscal year 2023/24**High Level Summary:**

Efficiency Manitoba (EM) is developing a new three-year (2025-2028) Efficiency Plan for submission and review by the Public Utilities Board in 2024. The Minister of Environment and Climate extended the Crown Corporation's 2020-2023 Efficiency Plan to the end of 2024/25. The extension ensures that the new three-year plan incorporates key government objectives outlined in Manitoba's Energy Roadmap (July 2023) and Manitoba Hydro's Integrated Resource Plan (August 2023).

Current Status:

- EM's 2020-2023 Efficiency Plan was prepared pre-pandemic and before the Crown agency completed its Market Potential Study verifying the remaining potential for energy savings in the market.
- Actual program experience to date, lingering impacts of the pandemic, the desire to recoup energy-savings shortfalls, and analysis from the Market Potential Study will be factored into EM's 2025-2028 Efficiency Plan and submitted for regulatory review within the timeline required by regulation.
- Following review by the Public Utilities Board (PUB) a report will be submitted to the Minister early in 2025 for approval prior to the April 1 2025 start date.

Confidential Advice to Minister:

N/A

Options and Recommendations:

It is recommended that EM continue to work with the department, consult with stakeholders, and utilize its participation as a member of Manitoba's Electricity Task Force help to guide and inform development of its 2025-2028 Efficiency Plan.

Contact Person:

Colleen Kuruluk, CEO, (204) 479-4355

2. Issue Title: Review of Efficiency Manitoba's guiding legislation

Timeline for Action: Undertaken in tandem with development of EM's 2025-2028 Efficiency Plan

High Level Summary:

The Efficiency Manitoba Act and corresponding Efficiency Manitoba Regulation should be reviewed and modernized to address barriers and leverage opportunities outlined in Manitoba's Energy Roadmap, and Manitoba Hydro's Integrated Resource Plan (IRP).

Current Status:

- Following review of Efficiency Manitoba's 2020-2023 Efficiency Plan, the Public Utilities Board (PUB) made nine recommendations pertaining to EM's Act and Regulation.
- The PUB's recommendations reflected the 2020 hearing process including stakeholder and expert feedback on challenges and opportunities within the EM Act and Regulation.
- Some aspects of the current legislation create disincentives for EM to support strategic and efficient electrification efforts.

Confidential Advice to Minister:

Changes to the EM Act and Regulations based on PUB recommendations have not proceeded as the Crown agency commenced operations relatively recently (April 1 2020). Direction from central government will be required prior to proceeding with a legislative review.

Options and Recommendations:

Recommended areas of focus include (1) potential legislative or regulatory changes stemming from the IRP, (2) definition of energy savings within the EM Act and Regulation, and (3) review of previous PUB recommendations pertaining to the EM Act and Regulations.

Contact Person:

Colleen Kuruluk, CEO, (204) 479-4355

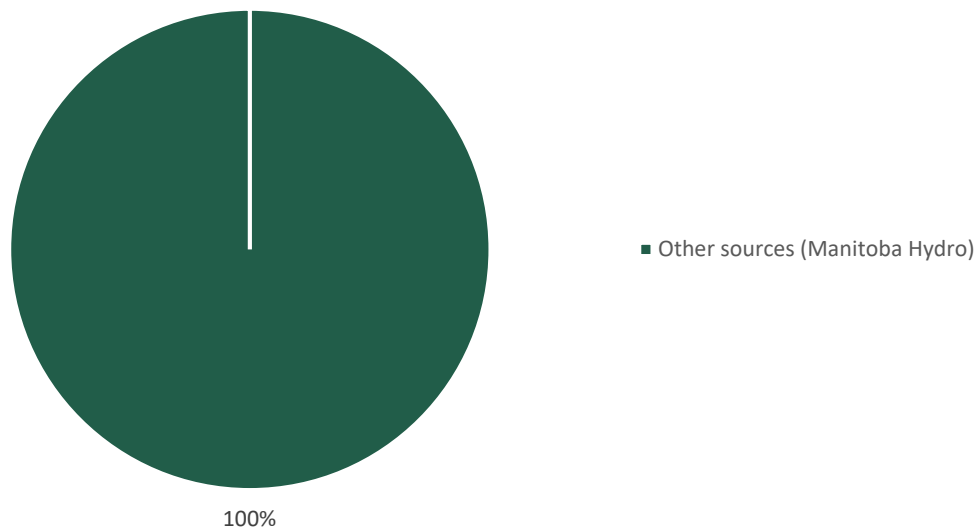
4. Fiscal Overview

The following information reflects spending appropriations approved for the department in fiscal year 2023/24 by the Legislature. The annual Estimates process to determine the budget for the next fiscal year (2024/25) is currently underway.

Budget Overview (2023/24)

2023/24 Budget	FTEs	\$000s
Salaries and benefits	75.00	9,576
Operating	-	66,435
Total	75.00	\$76,011

Percentage Distribution by Funding Source (2023/24)



In accordance with the joint Canada-Manitoba-Efficiency Manitoba announcement January 29, 2021, Efficiency Manitoba has been approved for up to \$32.3 million Low Carbon Economy Leadership Fund (LCELF) dollars to support natural gas energy efficiency programs in Manitoba. Efficiency Manitoba submits annual LCELF claims (through 2023/24) to access the approved funding aligned with program participation. The LCELF funds received are treated in accordance with the Efficiency Manitoba Act section 18(2).

Manitoba Hydro to provide funding

18(2) In recognition of the benefits received from Efficiency Manitoba, Manitoba Hydro must provide Efficiency Manitoba with all amounts necessary for it to implement an approved efficiency plan and to carry out its responsibilities under this Act, less any funds Efficiency Manitoba has available from other sources.

Please be advised that section 76.2(2)(a) of *The Freedom of Information and Protection of Privacy Act* (FIPPA) states the government must make available “within 60 days after a minister assumes office, the table of contents and index for the package of briefing materials that is prepared for a minister for the purpose of enabling the minister to assume the powers, duties and functions of their office”.

Therefore, the table of contents and index of this transition binder will be fully disclosed on InfoMB within 60 days of the minister assuming office.

Additionally, the remaining contents of the binder may be requested through an access to information request under FIPPA. In response to such a request, the binder will be disclosed subject to limited and specific exceptions to disclosure under FIPPA.