

EFFICIENCY MANITOBA 2020-2023 EFFICIENCY PLAN

PUB INFORMATION REQUESTS OF AMC

DECEMBER 13, 2019

PUB/AMC - 1 Reference: WSSS Evidence (general)

Request:

Explain whether references to “First Nation”, in the context of WSSS’s evidence, refer only to First Nation account holders (or dwellings) on-reserve, or whether they refer to both on-reserve and off-reserve account holders (or dwellings) with First Nation ancestry. Do references to “First Nation” include First Nation businesses and commercial accounts?

Response: In general, “First Nation” refers to the First Nation population, unless it is used as an adjective or there is additional context, such as “the Insulation and Direct Install offers for First Nations”, which refers to First Nation on reserve customers. Part of the challenge with language was that the First Nation program offers contained in the Plan apply only to the on-reserve First Nation customers, while the report attempted to address the off-reserve First Nation population, about which there is in general little information. This contributed to the lack of clarity around units of analysis. Please note that the section titled “Assessment of Potential Impacts to First Nations” has been revised and resubmitted to the Board to separate out the question of on and off-reserve First Nation customers. The revised discussion can be found on Pages 36-40 of the revised report.

PUB/AMC - 2 Reference: WSSS Evidence p.23

Preamble:

“While EM has clearly attempted to consider both perspectives, there is a notable predominance of global savings targets and cost-effectiveness within the Plan that has potentially skewed the distribution of costs and benefits too strongly away from the more costly and time-consuming initiatives aimed at First Nations, despite the fact that these

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initiatives produce the greatest residential per person energy savings and make the greatest contribution to reconciliation, equitable access, and an equitable distribution of benefits.”

Request:

Provide calculations or references to support the assertion that initiatives targeted to First Nations produce the greatest residential per person energy savings.

Response: There is a word missing from the sentence. The sentence should have read: “these initiatives produce the greater residential per person [customer] energy bill savings.” The sentence has been revised to read “these initiatives can produce the greatest residential per customer energy bill savings” and can be found on Page 23 of the revised report. This claim is based upon Table 5.8, located on page 142 of the Plan. The table estimates that the Indigenous residential programs will produce an average annual electric bill savings of \$260/house, compared to the income qualified average of \$60/house and the residential average of \$80/house.

PUB/AMC - 3 Reference: WSSS Evidence p.31 and 47

Preamble:

“Because a considerable portion of the budget and benefits for low-income and hard-to-reach customers is dedicated to IQPs, particularly in the Natural Gas portfolio, there is a risk that First Nations will miss out on many of the most significant opportunities for energy efficiency improvements offered in the Plan.”

Request:

- a) Explain why there is a risk that First Nations will miss out on opportunities, considering off-reserve First Nations customers are eligible for offers in the Residential and Income-Qualified including gas offers if they have gas service.

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

Response:

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

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

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

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

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

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

Preamble:

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

Request:

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

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- total residential savings and comparison to the proportion of on-reserve dwellings to total residential dwellings a better gauge of equity?
- c) What percentage of the overall EM budget should be spent on First Nations on-reserve efficiency programs? Should this percentage be based on the proportion of First Nations customers to total residential customers or total customers? If not, what is the basis for the recommended percentage of the budget?

Response:

- a) The figure comes from Coalition/EM I-18a.
- b) The 4% figure referred to the First Nation On Reserve share of electric customer and electricity consumption. The appropriate units of comparison are between share of electricity consumption and share of electricity savings. However, the section cited did lack adequate conceptual clarity between units of analysis. The section titled “Assessment of Potential Impacts to First Nations” has been revised and resubmitted to the Board to more clearly separate out units of analysis. Please see Page 38 of the revised report for the revised figures and discussion.
- c) The test of horizontal equity would require that the shares be at least proportionate in terms of the share of customers/participants (both total and residential) and electricity consumption/savings. The budget allocation would be the allocation required to meet those standards. The test of vertical equity, on the other hand, would suggest that the First Nation share of participants and electricity savings should be greater than the share of customers and electricity consumption.

PUB/AMC - 5 Reference: WSSS evidence pp.36-39; PUB/EM-8 (Residential Energy Use Survey)

Preamble:

On page 36, as well as Figures 10 through 12, WSSS suggests that the First Nation population makes up roughly 10% of the population of Manitoba. The same references

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suggest that the LICO-125 population makes up approximately 13% of the population of Manitoba.

Also on page 36, WSSS states “*As one can see, while the First Nation share of the provincial population is approximately 80% that of the LICO-125 population [...]*”. A similar statement is included at page 38.

Table 10.06 from the 2017 Manitoba Hydro Residential Energy Use Survey suggests that 33% (158,987/484,811) of residential dwellings fall into the Winnipeg LICO-125 classification. Similarly, the same reference suggests that 8% of residential LICO-125 dwellings (12,658/158,987) are First Nation on-reserve, and that 82% of First Nation on-reserve dwellings are LICO-125 (12,658/15,456).

Request:

- a) Specify the source of the data used to generate the LICO-125 and First Nations population results shown in Figures 10 through 12.
- b) Clarify whether the population data shown in Figures 10 through 12 represent individuals or dwellings. Also clarify whether the First Nations population refers to both on-reserve and off-reserve or only on-reserve.
- c) If the response to b) above is “individuals”, then explain why comparisons in Figures 10 through 12 between DSM savings, budgets, and bill savings on a per-dwelling basis with population percentages are justified, considering the two population groups (First Nations and LICO-125) may have different numbers of residents per dwelling.
- d) Explain whether the preamble statement from page 36 seeks to state that i) 80% of the LICO-125 population is First Nations on-reserve, or ii) the 10% value shown for First Nations is 80% of the 13% value shown for LICO-125 in Figures 10 to 12. If the response is i), then also reconcile this statement with the results from Table 10.06 from the 2017 Residential Energy Use Survey (where 8% of residential LICO-125 dwellings are First Nations on-reserve).

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Response:

a) Figures 10-12 contained an error with respect to the LICO-125 population. The section titled “Assessment of Potential Impacts to First Nations” has been revised and resubmitted to the Board to correct the error and separate out the question of on and off-reserve First Nation customers. The revised figures and discussion can be found on Pages 36-40 of the revised report.

b) This section referenced lacked conceptual clarity between units of analysis. The section titled “Assessment of Potential Impacts to First Nations” has been revised and resubmitted to the Board to clarify units of analysis and separate out the question of on and off-reserve First Nation customers. The revised discussion can be found on Pages 36-40 of the revised report.

c) This section referenced lacked conceptual clarity between units of analysis. The section titled “Assessment of Potential Impacts to First Nations” has been revised and resubmitted to the Board to clarify units of analysis. The data on dwellings in the revised report was drawn from the 2017 REUS and the share of dwellings was adjusted to account for average household size on the basis of figures from the same source. The revised discussion can be found on Pages 36-40 of the revised report.

d) This section contained an error with respect to the LICO-125 population and a lack of clarity regarding units of analysis. The section titled “Assessment of Potential Impacts to First Nations” has been revised and resubmitted to the Board to correct the error and clarify units of analysis. The revised figures and discussion can be found on Pages 36-40 of the revised report.

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PUB/AMC - 6 Reference: WSSS evidence pp.40-44; Manitoba Hydro 2017/18 GRA Exhibit MH-88, PUB/MH I-126b-e, and transcript pages 2662 to 2667

<http://www.pubmanitoba.ca/v1/proceedings-decisions/appl-current/pubs/2017%20mh%20gra/mh%20exhibits/mh-88%20%20manitoba%20hydro%27s%20direct%20evidence%20presentation%20on%20cost%20of%20service,%20rate%20design,%20and%20bill%20affordability.pdf>

https://www.hydro.mb.ca/regulatory_affairs/pdf/electric/general_rate_application_2017/information_requests/round_1_pub_irs.pdf

<http://www.pubmanitoba.ca/v1/proceedings-decisions/transcript/pubs/mh/20%20december%202017%20%20pages%202589%20to%202895.pdf>

Preamble:

In reference to Figure 13 at page 41 of its evidence, WSSS states “*there is a dramatic decline in the estimated number of participants in the Insulation and Direct Install Programs offered by Manitoba Hydro compared to those offered by EM.*”

Exhibit MH-88 (slides 35-37), transcript pages 2662-2667, and PUB/MH I-126b suggest that the eligibility criteria for Manitoba Hydro’s Affordable Energy Program insulation replacement program required that a household had to meet the LICO-125 threshold and must have certain starting insulation R-values.

In addition, MH-88 (slides 35-37) suggested that Manitoba Hydro had completed 90% of the insulation installs in the estimated indigenous insulation market and had completed 24% of the direct installs in the indigenous basic measures market.

AMC/EM I-18a from the current proceeding suggests that Manitoba Hydro continued to deliver insulation and direct install completions to First Nations on-reserve customers since 2017/18.

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Request:

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

Response:

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

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

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heating equipment and LED lighting for First Nations on-reserve for both residential and commercial customers.”