

"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:

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Pages 2322 to 2582

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1	LIST OF EXHIBITS		
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2326

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

2

3 THE CHAIRPERSON: Good morning,
4 everyone. Before we beg -- we begin, I'd like to call
5 on Ms. Hart.

6 MS. KATE HART: Thank you, Mr. Chair.

7 Today has been reserved for presentations from the
8 public. We would like to thank the members of the
9 public who are here today for making time to present.

10 As you'll see from the schedule before
11 you, in the morning, we have presentations from
12 Council of Canadians, the MKO Coalition Ratepayers
13 Panel, and the MIPUG Industrial Panel, followed by
14 additional presentations from the public in the
15 afternoon.

16 Efficiency Manitoba has advised that
17 they will not file any reply evidence. We would like
18 to remind the presenters that they will be sworn in,
19 and will be subject to questions from the parties.

20 With respect to questions posed to the
21 presenters, we have asked the parties in advance to
22 advise if they have questions for the presenters. We
23 have not been advised of any questions, but five (5)
24 minutes have been built into each time slot allotted
25 to the presenters for questioning. With respect to

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1 the panels, fifteen (15) minutes has been built into
2 the time slots.

3 Intervenors will have the opportunity
4 to ask questions first, followed by Efficiency
5 Manitoba and Board Council. We would ask parties to
6 advise the Chair if they have questions after the
7 presenter is finished his or her presentation.

8 We would also ask the presenters,
9 please keep within the timeslot allotted to them, and
10 that they leave time for questions.

11 Before we begin, I would like to
12 address one (1) housekeeping matter. On behalf of
13 Daymark, I have several responses of theirs to
14 undertakings to mark as exhibits. They were provided
15 to the parties last week.

16 Undertakings 11 to 14 will be Daymark
17 Exhibit Numbers 8 to 11, respectively.

18

19 --- EXHIBIT NO. DAY-8: Response to Undertaking 11
20 --- EXHIBIT NO. DAY-9: Response to Undertaking 12
21 --- EXHIBIT NO. DAY-10: Response to Undertaking 13
22 --- EXHIBIT NO. DAY-11: Response to Undertaking 14

23

24 MS. KATE HART: Mr. Chair, I believe
25 that both Efficiency Manitoba, and MIPUG have

2328

1 responses to undertakings to mark as exhibits.

2 Perhaps we could address that before we proceed.

3 THE CHAIRPERSON: Thank you. Ms.

4 Schofield...?

5 MS. JESSICA SCHOFIELD: Thank you, Mr.

6 Chair. We have filed a revised response to

7 Undertaking number 6, which was previously marked as

8 Exhibit 28, and in addition, we have marked our

9 response to Undertaking number 10 as Exhibit 31, and

10 the response to Undertaking number 7 as Exhibit 32.

11

12 --- EXHIBIT NO. EM-31: Response to Undertaking 10

13 --- EXHIBIT NO. EM-32: Response to Undertaking 7

14

15 THE CHAIRPERSON: Thank you.

16

17 (BRIEF PAUSE)

18

19 THE CHAIRPERSON: Mr. Hacault...?

20 MR. ANTOINE HACAUT: Yes. Thank you.

21 Our Undertaking number 17 has been distributed, and I

22 believe it's to be marked as MIPUG-15.

23

24 --- EXHIBIT NO. MIPUG-15: Response to Undertaking 17

25

2329

1 MR. ANTOINE HACAULT: And before he
2 leaves the mic, I noticed today that Dayna Steinfeld,
3 and that leads me to, if I could, for thirty (30)
4 seconds, congratulate Ms. Steinfeld, because today she
5 is the recipient of a prestigious pro bono award at
6 our annual meeting called the Manitoba Bar Association
7 Midwinter Convention.

8 We are extremely proud of her and her
9 contribution and dedication to serving those in need.
10 Thank you.

11 THE CHAIRPERSON: Thank you very much.
12 I'm sure she'll appreciate your comments, and we -- we
13 join you in -- in congratulating her. Unfortunately,
14 there's not enough time for us to take a break to
15 attend the luncheon.

16 Ms. Hart, we're ready to go with the
17 public presentations?

18 MS. KATE HART: Yes.

19 THE CHAIRPERSON: Okay. Yeah. Could
20 I have them sworn in? Thank you.

21

22 PUBLIC PRESENTATIONS:

23

24 DENNIS LENEVEU, Affirmed

25 JAMES BEDDOME, Affirmed

2330

1 THE CHAIRPERSON: Good morning,
2 gentlemen. Please proceed with your presentation.
3 MR. DENNIS LENEVEU: Okay. My name is
4 Dennis LeNeveu. I'm a retired biophysicist. I used
5 to work for Atomic Energy of Canada, amongst other
6 things.

7 I'm presenting on behalf of the Council
8 of Canadians, Winnipeg Chapter. The Council of
9 Canadians is a nonprofit corporation established in
10 1985, sustained by donations by volunteer supporters.
11 Its Winnipeg chapter is recognized by bylaws of the
12 Council of Canadians. There are four thousand four
13 hundred (4,400) supporters in Manitoba, and it's --
14 has many social justice campaigns.

15 Now go on to the Efficiency Act
16 provisions we're going to cover, mainly cost-benefit
17 analysis, greenhouse gas reduction, the natural gas
18 savings target of .75 percent per year, and the PUB
19 obligations for societal benefits, and in particular,
20 the definitions on consumption, meaning on a weather-
21 adjusted basis, and how that is determined.

22 Now this slide shows the greenhouse gas
23 emissions which the Council of Canadians are concerned
24 about, and the top curve is the overall emission
25 history for Manitoba, about 20 megatonnes per year of

2331

1 CO₂, increasing slightly with time.

The three (3) major contributors shown below are a stationary combustion transport and agriculture. Stationary combustion is mainly natural gas, shown in the dark green line below, and it accounts for about 20 percent of overall emissions.

7 I -- I draw your attention that the
8 green line for transport is trending slightly upward,
9 despite emiss -- efficiencies. Yeah, I -- I --
10 transport is yellow. And --

11

12 (BRIEF PAUSE)

13

14 MR. DENNIS LENEVEU: The stationary's
15 pink, but natural gas is dark green below that.

16 The transport is trending gradually
17 upward, despite efficiency improvements. Natural gas
18 is fairly flat and trending a little bit downward.
19 I'll get back to that.

20 The climate change targets are shown by
21 an orange dotted line going down. That's the Paris
22 Agreement, and extending to 2050 for net zero.

Now, in particular, the EM target shown in the blue dotted line for natural gas does not have a slope to conform to climate change. So it's not

2332

1 designed to meet climate change targets.

2 I'll go to the next slide. Now the
3 reason -- one (1) reason why the transportation, for
4 instance, is trending upwards despite efficiency is a
5 well-known phenomenon called the efficiency trap, or
6 Jevons paradox, where growth and consumption always
7 outweighs savings.

8 In fact, say -- efficiency spurs on
9 growth, and so it's like being on the treadmill. You
10 never quite get ahead.

11 And the efficiency measures, such as
12 furnace replacement, will lock in greenhouse gas
13 emissions for decades, and so in that way an -- and be
14 taken over by growth. You just have to look around
15 the city and see the big houses that are being built.
16 They may be energy efficient, but they consume extra
17 energy, they're so big. So growth will overcome
18 efficiency.

19 The next slide shows the natural gas
20 savings his -- history historically from 2001 to 2018,
21 averaging at .32 percent, and the customer growth,
22 this is .6 percent. So this means that growth is
23 outweighing efficiency just as predicted by the Jevons
24 Paradox.

25 So why is not natural gas consumption

2333

1 increasing with time? The curve I showed you before,
2 it was slightly decreasing.

3 And the next slide shows why. These --
4 a graph of the heating degree days in Winnipeg at the
5 top, and bounces around, but the trend is downward and
6 this is due to climate change. The temperatures go up
7 and the natural gas consumption goes down. The
8 natural gas consumption is shown in blue on the bottom
9 one, the omission in the middle, and they follow the
10 heating degree days. And the fluctuations match as
11 well.

12 Now, the -- the linear fit to the
13 heating degree days is downward trend at .47 percent
14 per year. So really, if you adjust for weather, this
15 should be taken into account and the lower curve
16 should be bent upwards, according to that .47 percent.
17 And if you do that, it won't be trending downward and
18 it won't be trending upwards.

19 So next slide. Now, one (1) other
20 point I want to make is regard to heat pumps. This is
21 an example of a 2,000 square foot home and the heating
22 costs. The most expensive is the resistance heating,
23 and this has been brought up by other presenters, but
24 the middle two (2), high efficiency and mid efficiency
25 gas furnaces, with respect to the carbon tax.

2334

1 So when you take into account the
2 carbon tax, they're more costly than either air-to-air
3 heat pumps in blue, or geothermal, which is the most
4 efficient shown in orange. So heat pumps beat out
5 natural gas, both in terms of efficiency and in terms
6 of omissions because they have no omissions. So we
7 wonder why -- we think the emphasis should be --
8 should be on heat pumps.

9 So the next slide, please. So finally
10 in conclusion, the weather adjusted consumption of
11 natural gas based on heating degree days should result
12 in growth outweighing the savings, consistent with
13 Jevons Paradox. That means that .75 percent annual
14 target won't be met. And in any case, it's not
15 consistent with the .32 percent overall average.

16 And also, the net present value
17 calculation will be negative and the PACT cost will be
18 less than one (1). If the growth is continually in --
19 above -- increasing, you don't have savings.

20 So the other points I want to reiterate
21 is natural gas efficiency, Measure 6, using furnace
22 replacement, lock in greenhouse gas emissions for
23 decades and prevent emi -- emission reductions so
24 they're counterproductive in terms of omissions. And
25 heat pumps are more effective, both in terms of

2335

1 efficiency and omissions, than a combustion of natural
2 gas.

3 So -- and to benefit society, in our
4 view of PUB should bring together all the players to
5 consider climate change mitigation, and the EM plan
6 should include transition away from fossil fuels,
7 including natural gas. Natural gas should go to zero
8 by 2050, and replacement incentives should be for more
9 -- should be for heat pumps, not more efficient
10 natural gas burning.

11 And I just want to mention, there is
12 roughly -- almost three hundred thousand (300,000)
13 natural gas customers, so to get these heat pumps in
14 place, you need about ten thousand (10,000)
15 conversions for your customers per year in the next
16 thirty (30) years, which is a big job.

17 And finally, I think we should be
18 focusing on sustainability and transition, not so much
19 efficiency because that puts you on the treadmill. It
20 has its place, for instance, in reducing electrical
21 load, but these other things are -- should be the
22 primary focus.

23 Questions?

24 THE CHAIRPERSON: Sorry, Mr. Beddome,
25 do you have anything to add or...

2336

1 MR. JAMES BEDDOME: No. I'm -- I'm
2 here today as legal counsel. I don't really have
3 anything to add, in case there's a -- you know, some
4 sort of adverse cross that I don't anticipate.

5 THE CHAIRPERSON: Do you have any
6 questions?

7 THE VICE-CHAIRPERSON: Could you go
8 back to your Slide 7 for one (1) minute, please?

9 MR. DENNIS LENEVEU: The one (1) on
10 heat pumps?

11 THE VICE-CHAIRPERSON: Yes.

12 MR. DENNIS LENEVEU: Yeah.

13 THE VICE-CHAIRPERSON: So we've heard
14 quite a bit about heat pumps in this proceeding, and I
15 just wondered what temperature range this slide was
16 meant to address.

17 MR. DENNIS LENEVEU: Well, this is the
18 overall heating cost per year, so it's the -- over the
19 -- all year, and the heat pump air-to-air, that was
20 got from -- data from an innovations group in Toronto,
21 and they had a curve of -- of efficiency COP versus
22 heating degree days, and I just extrapolated it up to
23 what the heating degree days were for Winnipeg. So
24 that would be -- and they had a -- a -- a point on
25 their graph for Edmonton, which is very close to

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1 Winnipeg.

2 So the heating degree for the -- the
3 heat pumps, it's based on heating degree days for
4 Winnipeg.

5 And the other data is actually from a
6 calculator -- online calculator from Manitoba Hydro,
7 and you just -- just run it for this representative
8 home and it gives you the cost.

9 THE VICE-CHAIRPERSON: So in your view
10 then, this would represent Winnipeg and points north,
11 such as Churchill or around Thompson?

12 MR. DENNIS LENEVEU: Well, no. Well,
13 it -- the heating degree days were just for Winnipeg.
14 Points north, heat pumps don't become great because
15 once you get below minus 20, you have to supplement
16 heat, but they're getting better at that.

17 But, you know, I -- there's not much of
18 a -- not -- not that many customers far north. And
19 you can certainly make big savings, and -- and you can
20 use geothermal in ground as you go north. So heat
21 pump still can be used. It's just that the air-to-air
22 gets more problematical.

23 THE VICE-CHAIRPERSON: Thank you.

24 THE CHAIRPERSON: Dr. Grant...?

25 BOARD MEMBER GRANT: Just a couple of

2338

1 quick questions. Slide 3, or on page 3, the
2 greenhouse gas emissions, what's your source for that?

3 MR. DENNIS LENEVEU: Those are the
4 Manitoba Government sources. They have a -- a
5 spreadsheet and I just pulled down and there it was.
6 Oh, but the natural gas itself, that was a little more
7 difficult. I pulled late data out of annual reports
8 from Manitoba Hydro, and there was a whole succession
9 of them. One (1) of them had several years, it was
10 helpful, and it didn't go back beyond 2000. So -- but
11 you can see that they match very closely the
12 stationary combustion, just below it.

13 So these -- these are verified sources,
14 I -- I would say, but I'm sure the PUB and Manitoba
15 Hydro has their own sources that would ver -- either
16 verify this or put it in -- I think they're accurate
17 though.

18 BOARD MEMBER GRANT: Thank you. And
19 the other question, the next page -- it's always
20 heartening to see people citing dead economists in
21 their testimony. Jevons was coal in England in 1850,
22 the Jevons Paradox.

23 MR. DENNIS LENEVEU: Yes.

24 BOARD MEMBER GRANT: Now, when you
25 talk on the following pages, say there's a DSM savings

2339

1 on the one hand, and then your second bullet refers
2 natural gas customer growth as average .6 percent, is
3 that total -- is that per person or that's total?

4 MR. DENNIS LENEVEU: That's total.

5 And again, that was -- that's a difficult number to
6 come up with. I mostly got that out of a 2012 Ontario
7 Hydro report, because past that -- well, there's
8 projections and that -- and they were redacted, but
9 the residential was about .8, .9 percent, and
10 commercial was around .3, .4. So I weighted it with
11 respect to the volume -- volume weighted, and -- and
12 it averaged out about .6.

13 BOARD MEMBER GRANT: If I understand
14 it right though then that .6 is capturing a lot of the
15 absolute growth in the Winne -- Manitoba economy over
16 the past 15, 20 years, population growth, the overall
17 expansion of the economy is captured in that .6.

18 MR. DENNIS LENEVEU: Well, yes, the
19 overall population growth is higher, it's around 1
20 percent and -- but this is actual customer growth for
21 natural gas.

22 So I would think that that's more
23 directly related to natural gas use than population
24 growth.

25 But yes, it's consistent with the

2340

1 population growth.

2 BOARD MEMBER GRANT: Thank you.

3 THE CHAIRPERSON: Ms. Schofield, any
4 questions?

5 MS. JESSICA SCHOFIELD: No. Thank
6 you, Mr. Chair.

7 THE CHAIRPERSON: Mr. Hacault...?

8 Okay, I've got one (1) final question
9 which is on your last slide. Maybe I'll ask your
10 counsel this question.

11 You suggest that the PUB should hold
12 hearings on climate change mitigation. Do you view
13 that as -- that we have the jurisdiction for that, or
14 would that be something for the Clean Environment
15 Commission?

16 MR. JAMES BEDDOME: Well, I don't
17 know, do you want me to reiterate into some legal
18 arguments they made prior when we made our -- our
19 intervener application.

20 Certainly I -- I think there are some
21 broader questions that go above -- above the Public
22 Utilities Board in -- in terms of -- of the government
23 of the day in terms of how they want to direct these.

24 But I did try to highlight in -- in
25 terms of some of those recommendations that the PUB

2341

1 does have a number of powers in its optional
2 recommendations in -- including adjusting a savings
3 targets up or down, as they see fit, looking at
4 broader public interest, right? And broader public
5 interest.

6 That includes, obviously as my client
7 has raised, greenhouse gas mitigation. But that also
8 includes, I would argue, the economic benefits of --
9 of those greenhouse gas mitigations.

10 The one point my -- my client wasn't
11 able to get into that we've had some discussions of is
12 on even lower energy-efficient homes where you have
13 natural gas, if you're adding an air source heat pump
14 to it, you're effectively making it into a high
15 efficiency house here in Winnipeg. That may make some
16 more sense.

17 So I think what my client wants to see
18 is some broader recommendations. You may have some
19 restrictions, I -- I respect, you know, with respect
20 to your mandate. But if the PUB is to make these
21 broader considerations, then I think you -- you have
22 to be mindful of it.

23 If you try to look at this with a silo
24 approach, that's been the mistake I think we've made
25 heretofore with respect to sustainability.

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1 So I think that's what my client is
2 trying to get at, is that there's too much of a silo
3 and too much of just an efficiency.

4 So I think we'd like to see that in the
5 report and the recommendations. I mean, it might even
6 be a non-binding recommendation or a commentary in
7 your report that highlights to the government that
8 they need to take these issues into account.

9 THE CHAIRPERSON: Thank you. I -- I
10 would suggest the recommendation from us is certainly
11 non-binding, any recommendation. It's a
12 recommendation. But I -- I appreciate the comments.

13 Gentleman, I -- I appreciate your
14 attending today and presenting to us. Thank you.

15 I think we'll move on to the Coalition
16 and MKO ratepayer panel.

17

18 (BRIEF PAUSE)

19

20 MS. DANIELLE MORRISON: Good morning,
21 our panel is ready to proceed.

22 THE CHAIRPERSON: Okay, I under -- is
23 there an opening statement, or should we swear
24 everyone in?

25 MS. DANIELLE MORRISON: We'll swear

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1 the witnesses in and then I'll give an opening
2 statement.

3 THE CHAIRPERSON: Thank you.

4

5 MIPUG/MKO PANEL:

6 MS. RINA HERMKENS, SWORN

7 JOHN RAYMOND ROSS, SWORN

8 JOHN DILLON, SWORN

9 HANS GORTER, AFFIRMED

10

11 EXAMINATION-IN-CHIEF BY MS. DANIELLE MORRISON:

12 MS. DANIELLE MORRISON: Thank you.

13 So to our right, we have four (4) panel
14 members who will be testifying to their personal
15 experiences with energy efficiency programming in the
16 past and present, as well as what they may want to see
17 in the future.

18 Just to introduce, we have Ms. Rina
19 Hermkens. She's from Winnipeg, Manitoba. To her
20 right is Mr. John Ross, he's from Pimicikamak First
21 Nation, also known as Cross Lake. To the right of Mr.
22 Ross is Mr. John Dillon, and he's also from Winnipeg.
23 And then we have Mr. Hans Gorter at the end, he's from
24 Otterburne, Manitoba.

25 You will hear first from each ratepayer

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1 on the panel, each of whom are being introduced as
2 fact witnesses.

3 We have canvassed with counsel and have
4 reached consensus that these panelists can be
5 presented as fact witnesses and will not need to be
6 qualified as experts.

7 We've already circulated a brief
8 summary of what you can expect to hear from each
9 witness. Following their testimony, we would invite
10 the Board, Efficiency Manitoba, and other Intervenors
11 to ask any questions that they may have.

12 Given that for many of these witnesses
13 this is their first time appearing in a regulatory
14 proceeding, we would ask that the Board hold their
15 questions until they -- all the panellists have
16 provided their testimony.

17 THE CHAIRPERSON: Sorry, is there a
18 document that was filed? You made reference, I
19 thought, to something being filed. Is -- is there --
20 or are they just make -- are they just speaking to it?

21 MS. DANIELLE MORRISON: They're just -
22 - they will just be speaking to it, we're not going to
23 be filing it.

24 THE CHAIRPERSON: That's fine, thank
25 you.

2345

1 CONTINUED BY MS. MORRISON:

2 MS. DANIELLE MORRISON: Okay, thank
3 you. So I'm going to start with Ms. Rina Hermkens.

4 Good morning, Ms. Hermkens.

5 MS. RINA HERMKENS: Good morning.

6 MS. DANIELLE MORRISON: I understand
7 that you're from Winnipeg, Manitoba?

8 MS. RINA HERMKENS: Yes.

9 MS. DANIELLE MORRISON: How long have
10 you lived there?

11 MS. RINA HERMKENS: All my life.

12 MS. DANIELLE MORRISON: And do you own
13 your home?

14 MS. RINA HERMKENS: Rent.

15 MS. DANIELLE MORRISON: Okay. Is it a
16 house, or multi-family residential dwelling?

17 MS. RINA HERMKENS: It's a multi-
18 family -- it's a house.

19 MS. DANIELLE MORRISON: You said that
20 you rent. Do you pay the energy bills?

21 MS. RINA HERMKENS: We all pay. Like,
22 the landlord pays, but we all pay in our rent, kind of
23 thing. Yeah. So, yeah.

24 MS. DANIELLE MORRISON: What year was
25 your house built?

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1 MS. RINA HERMKENS: In early 100s.

2 Yeah, it's old house.

3 MS. DANIELLE MORRISON: And how is
4 your home heated?

5 MS. RINA HERMKENS: Natural gas.

6 MS. DANIELLE MORRISON: How many
7 members live in your household?

8 MS. RINA HERMKENS: Six (6) of us.

9 There's three (3) on disability welfare, one (1) on
10 compensation, one (1) on old pensions, and one (1)
11 minimum wage.

12 MS. DANIELLE MORRISON: Okay. And can
13 you -- that includes everyone in the house?

14 MS. RINA HERMKENS: Yeah.

15 MS. DANIELLE MORRISON: Okay. Are
16 there other people living in the house?

17 MS. RINA HERMKENS: No.

18 MS. DANIELLE MORRISON: Okay. How
19 much total does your household pay monthly for energy
20 bills approximately?

21 MS. RINA HERMKENS: We're on that
22 budget, monthly budget, or quarterly or whatever, so
23 probably about 20 percent of our -- or maybe 10
24 percent of our rent, yeah.

25 MS. DANIELLE MORRISON: Okay. Do you

2347

1 have, like, an estimation of a range perhaps?

2 MS. RINA HERMKENS: I -- I can't
3 remember, sorry.

4 MS. DANIELLE MORRISON: Okay. No
5 problem. Is your energy bill different in the winter
6 versus the summer?

7 MS. RINA HERMKENS: Well, because
8 we're on that monthly budget plan, it's the same, but
9 I know that we use more gas in the winter, yeah.

10 MS. DANIELLE MORRISON: Is there any
11 reason why?

12 MS. RINA HERMKENS: Because of the
13 cold.

14 MS. DANIELLE MORRISON: Okay.

15 MS. RINA HERMKENS: Yeah.

16 MS. DANIELLE MORRISON: Have you had
17 any challenges in paying your energy bills to date?

18 MS. RINA HERMKENS: No. No.

19 MS. DANIELLE MORRISON: So, in the
20 next few questions I'm going to be referring to energy
21 efficiency. And when I refer to energy efficiency, I
22 mean various education and incentive programs aimed to
23 reduce consumption of both electricity and natural
24 gas.

25 This next question is going to be

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1 referring to your knowledge of and participation in
2 Manitoba Hydro's energy efficiency programs to date,
3 for example, the former Power Smart Program.

4 Are you familiar with that?

5 MS. RINA HERMKENS: When I first heard
6 of Power Smart, it was we were deliv -- someone --
7 Manitoba Hydro left a little blue recyclable bag on my
8 doorknob with a lightbulb and a pamphlet stating this
9 is the new lightbulb that's going to change -- or save
10 energy.

11 So, I looked at -- I read the pamphlet,
12 put the lightbulb in and went to Home Depot and bought
13 a bunch of light bulbs for the house.

14 MS. DANIELLE MORRISON: Okay. And how
15 would you rate the energy efficiency of home, from 1
16 being not very energy efficient to 10 being very
17 energy efficient?

18 MS. RINA HERMKENS: About -- about a
19 7. Since -- since that bag came, we had been finding
20 different ways to be more efficient, like, turning off
21 the lights, you know -- you know, not running all the
22 heaters all at once, like, yeah.

23 My mom is -- my mom's a senior in the
24 home. She likes it warm, so she gets a heater, nobody
25 else.

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1 MS. DANIELLE MORRISON: She deserves
2 one.

3 MS. RINA HERMKENS: Yeah.

4 MS. DANIELLE MORRISON: Have you heard
5 of any other Manitoba ener -- Manitoba Hydro energy
6 efficiency programs?

7 MS. RINA HERMKENS: I was trying to
8 save our -- our water pipes because it's cold in the
9 basement. And I heard about the insulation. And I
10 heard about the weatherstripping and the water pipe
11 kits.

12 I tried to go on Manitoba Hydro's site
13 to look these up. I tried to call, and it was very
14 frustrating. I gave up. So, I just went and bought a
15 few items from Hydro and did it myself when I need to.

16 MS. DANIELLE MORRISON: When would
17 that have happened?

18 MS. RINA HERMKENS: That was hap --
19 that happened in 2018, yeah.

20 MS. DANIELLE MORRISON: So, how long
21 did you hear about each of these programs? If you
22 could just start with the insulation.

23 MS. RINA HERMKENS: Probably in 2018,
24 and then the water pipe kit 2019. And just the
25 weatherstripping, I've heard about it when I was

2350

1 younger.

2 MS. DANIELLE MORRISON: And how did
3 you hear about each of these programs?

4 MS. RINA HERMKENS: Just through --
5 through the commercials on TV, yeah.

6 MS. DANIELLE MORRISON: Okay. In your
7 experience with applying for each of those, you said -
8 - were they all on the website?

9 MS. RINA HERMKENS: I couldn't really
10 find any really help on the website. There was no box
11 where you could ask questions or anything. It was
12 click, click. And then I got frustrated. I'm not
13 very computer literate.

14 So, then I called the Hydro number.
15 And last year, the weather was really hard on the
16 trees, and so I was put on hold. And I was told I
17 would be called back. And nobody called me back.

18 MS. DANIELLE MORRISON: So, which
19 program was that one (1) for?

20 MS. RINA HERMKENS: That was for the
21 weatherstripping and -- and the pipes for the -- or
22 not freezing your pipes.

23 MS. DANIELLE MORRISON: Okay.

24 MS. RINA HERMKENS: Yeah.

25 MS. DANIELLE MORRISON: And how did

2351

1 you hear about those programs?

2 MS. RINA HERMKENS: Just through
3 friends and family.

4 MS. DANIELLE MORRISON: Okay. Would
5 you try applying again for any of these programs?

6 MS. RINA HERMKENS: If it was made
7 easier, user friendly.

8 MS. DANIELLE MORRISON: Okay. Was
9 there any organization or agency that you might have
10 worked with to apply for them?

11 MS. RINA HERMKENS: If -- if I needed
12 help with the computer, I would ask Winnipeg Harvest
13 to help me guide the website.

14 MS. DANIELLE MORRISON: Okay. So, the
15 next questions are on Efficiency Manitoba. Before
16 participating in this proceeding had you ever heard of
17 Efficiency Manitoba?

18 MS. RINA HERMKENS: No.

19 MS. DANIELLE MORRISON: Okay. Can you
20 confirm that it's your understanding at this point
21 that Efficiency Manitoba is a new Crown corporation
22 that will be taking over the delivery of energy
23 efficiency programs from Manitoba Hydro?

24 MS. RINA HERMKENS: Yes. Like,
25 Manitoba Hydro and their Power Smart, I've seen their

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1 ads and everything. And I just think that it's
2 awesome that we have something outside of Manitoba
3 Hydro because it makes more sense that way.

4 MS. DANIELLE MORRISON: Okay. Going
5 forward, what would you like to see in energy
6 efficiency programs? For example, would you like to
7 know more about ener -- or Efficiency Manitoba's
8 energy efficiency programs?

9 MS. RINA HERMKENS: I'd like
10 education, like, for -- you know, for me to have just,
11 like, maybe pamphlets or -- so that I could show my
12 family how to help me reduce the energy in the house
13 and the bills.

14 MS. DANIELLE MORRISON: Okay. And
15 what would be the best way for you to hear about
16 energy efficiency programs?

17 MS. RINA HERMKENS: I think on the
18 news, like, six o'clock news. Like, they have the MPI
19 driving every Thursday, so why not something like
20 that? I'd probably watch it every -- every week.

21 MS. DANIELLE MORRISON: What would you
22 like Efficiency Manitoba to offer in terms of
23 programs?

24 MS. RINA HERMKENS: Rebates and just
25 infor -- information to show how we can cut back on

2353

1 stuff and power and -- you know, and help with our
2 bills, yeah.

3 MS. DANIELLE MORRISON: If you wanted
4 to access an energy efficiency program, how would you
5 access it?

6 MS. RINA HERMKENS: I would say -- I
7 would say, like, through the phone. Have a real
8 person answer the phone and -- so that you can just
9 call them and ask them, hey, I've thought about this,
10 how -- how can I go about that.

11 MS. DANIELLE MORRISON: Okay. And is
12 there things that would make it easier to use or apply
13 for in terms of those types of programs?

14 MS. RINA HERMKENS: Maybe, like, have
15 a -- just, like, have a building or something where
16 you can go and just go get pamphlets on certain
17 things.

18 So, if -- if it's busy there, you know,
19 you can just at least just get some information, some
20 -- some con -- like, tangible information, yeah.

21 MS. DANIELLE MORRISON: Is there
22 anything else that you'd like to share about your
23 experience with energy efficiency or what you'd like
24 to see in energy efficiency?

25 MS. RINA HERMKENS: Well, my -- my

2354

1 home is in -- in kind of like a shady area, and they
2 put the LED streetlights up. I like that. But I went
3 out and I got solar panel sensor lights for my house
4 because you can hard wire them, you can plug them in,
5 but I think the solar panel is -- is more -- you know,
6 it doesn't cost you anything and it's easy to install
7 and it's there. And I wish that we could have more
8 things like that, like, you know, for the house or
9 whatever.

10 MS. DANIELLE MORRISON: And you had
11 taken it upon yourself --

12 MS. RINA HERMKENS: Yeah.

13 MS. DANIELLE MORRISON: -- to find
14 something --

15 MS. RINA HERMKENS: Yeah.

16 MS. DANIELLE MORRISON: -- like that?

17 MS. RINA HERMKENS: Yeah. Yeah.

18 MS. DANIELLE MORRISON: If I could
19 just take a moment.

20

21 (BRIEF PAUSE)

22

23 MS. DANIELLE MORRISON: Thank you,
24 Rina.

25 MS. RINA HERMKENS: You're welcome.

2355

1 MS. DANIELLE MORRISON: Thank you,
2 Rina.

3 MS. RINA HERMKENS: You're welcome.

4 MR. JARED WHEELER: I'm now going to
5 be asking Mr. John Ross.

6 THE VICE-CHAIRPERSON: Mr. Wheeler,
7 just be --

8 THE CHAIRPERSON: Yes.

9 THE VICE-CHAIRPERSON: -- is it all
10 right, should we ask of each panellist, or would you
11 prefer we wait until the end, or Ms. Morrison?

12 MS. DANIELLE MORRISON: I think it
13 would be fine to ask each panellist after they
14 complete.

15 THE VICE-CHAIRPERSON: Okay. Thank
16 you.

17 MR. JARED WHEELER: Please.

18 THE VICE-CHAIRPERSON: Thank you, Ms.
19 Hermkens. I -- I apologize if I missed this, but did
20 you say you own your home or you rent your home?

21 MS. RINA HERMKENS: Oh, I rent.

22 THE VICE-CHAIRPERSON: So, when you do
23 these efficiency measures to try and decrease your use
24 of energy, do -- does that -- is that reflected in
25 your rent?

2356

1 MS. RINA HERMKENS: No. I do that for
2 the environment.

3 THE VICE-CHAIRPERSON: For the
4 environment.

5 MS. RINA HERMKENS: Yeah.

6 THE VICE-CHAIRPERSON: And so is -- is
7 your electricity and gas -- is that included in your
8 rent?

9 MS. RINA HERMKENS: Yes, it.

10 THE VICE-CHAIRPERSON: It is. So any
11 measures that you take, then, is strictly on your own
12 --

13 MS. RINA HERMKENS: Yeah.

14 THE VICE-CHAIRPERSON: -- and you
15 don't get any reduction in your rent for purchasing
16 solar panels --

17 MS. RINA HERMKENS: Yeah.

18 THE VICE-CHAIRPERSON: -- or for
19 purchasing bulbs?

20 MS. RINA HERMKENS: No, no. I just --
21 it's for the environment.

22 THE VICE-CHAIRPERSON: Good for you.
23 Thank you.

24 MS. RINA HERMKENS: Yeah.

25 THE CHAIRPERSON: If I could ask a

2357

1 question. You -- your comment about the solar panel
2 at the end -- is that for -- do you use that for
3 energy or for security?

4 MS. RINA HERMKENS: For security, and
5 I don't want to add more stress on the bills, so I
6 bought the solar panel so that I can have mo --
7 security without adding power to the --

8 THE CHAIRPERSON: Yeah.

9 MS. RINA HERMKENS: -- using more
10 power.

11 THE CHAIRPERSON: Okay. Thank you
12 very much.

13 MS. RINA HERMKENS: Yeah.

14 THE CHAIRPERSON: Sure, go ahead.

15 BOARD MEMBER HAMILTON: Thank you very
16 much for your presentation. With the measures that
17 you've taken, it's clearly going to reduce the -- the
18 costs. Is any of that reflected in your rent? Have
19 you received a reduction --

20 MS. RINA HERMKENS: No, no, but the
21 house is more comfortable, and the landlord's happier.

22 BOARD MEMBER HAMILTON: Thank you.

23

24 (BRIEF PAUSE)

25

2358

1 MR. JARED WHEELER: Thank you to the
2 Board for those questions. I'm now going to ask some
3 questions of Mr. John Ross.

4

5 EXAMINATION-IN-CHIEF BY MR. JARED WHEELER:

6 MR. JARED WHEELER: And Mr. Ross, if
7 you want to go ahead -- thank you.

8 Mr. Ross, I understand that you're from
9 Pimicikamak Cree Nation in northern Manitoba, correct?

10 MR. JOHN ROSS: Yes.

11 MR. JARED WHEELER: And that's also
12 known as Cross Lake?

13 MR. JOHN ROSS: Yeah, yes.

14 MR. JARED WHEELER: Mr. Ross, how long
15 have you lived there?

16 MR. JOHN ROSS: Well, I moved back to
17 Cross Lake in 1990.

18 MR. JARED WHEELER: Do you own your
19 home?

20 MR. JOHN ROSS: Yes, I do, yeah.

21 MR. JARED WHEELER: And is your home a
22 -- a house, or is it a -- a -- or a multi-family
23 resident dwelling? Is it a house?

24 MR. JOHN ROSS: It's a house.

25 MR. JARED WHEELER: And you own your

2359

1 home, so you -- you don't pay rent, correct?

2 MR. JOHN ROSS: Yeah.

3 MR. JARED WHEELER: And do you pay the
4 energy bills?

5 MR. JOHN ROSS: Yes, I do.

6 MR. JARED WHEELER: Mr. Ross, what
7 year was your -- your home built?

8 MR. JOHN ROSS: In 1995.

9 MR. JARED WHEELER: And can you tell
10 us, how is your home heated?

11 MR. JOHN ROSS: By electricity.

12 MR. JARED WHEELER: Mr. Ross, how many
13 members are in your household?

14 MR. JOHN ROSS: Well, right now
15 there's my daughter, my daughter's boyfriend, two (2)
16 grandchildren, and myself. Five (5).

17 MR. JARED WHEELER: So the five (5) of
18 you there? Can you please describe for us your
19 household income in a range, if you're okay with
20 sharing that?

21 MR. JOHN ROSS: Forty-seven (47),
22 forty-seven thousand (47,000).

23 MR. JARED WHEELER: Forty-seven
24 thousand (47,000)? That's annual?

25 MR. JOHN ROSS: Yeah.

2360

1 MR. JARED WHEELER: I'm going to ask
2 some questions about your experience paying your
3 electricity bills to date. How much total does your
4 household pay monthly for energy bills?

5 MR. JOHN ROSS: Monthly, I -- it
6 depends. In the wintertime, it's quite high. In the
7 summertime, it's kind of low. Right now, considering
8 the mild weather we've been having, my last monthly
9 bill was \$285.

10 MR. JARED WHEELER: And so can you
11 give us an idea of what your bill would look like in a
12 colder winter and an average one?

13 MR. JOHN ROSS: Well, it's about
14 between \$400 and \$450 a month.

15 MR. JARED WHEELER: And what would it
16 be, approximately, in an average summer month?

17 MR. JOHN ROSS: About maybe a hundred
18 dollars.

19 MR. JARED WHEELER: So can we take
20 from that that you're not on the budget plan?

21 MR. JOHN ROSS: No.

22 MR. JARED WHEELER: Do you know what
23 percentage of your household's income gets spent on
24 paying your energy bills, approximately?

25 MR. JOHN ROSS: It's 6 percent.

2361

1 MR. JARED WHEELER: Mr. Ross, have you
2 had any challenges in paying your energy bills?

3 MR. JOHN ROSS: Oh, no, no.

4 MR. JARED WHEELER: No. And as you
5 heard Ms. Morrison say, in the next few questions,
6 we'll be referring to energy efficiency, and when we
7 refer to energy efficiency, just to jog your memory,
8 we mean various education and incentive programs aimed
9 to reduce consumption of both electricity and natural
10 gas.

11 So our next questions are going to be
12 about your knowledge of and participation in Manitoba
13 Hydro's energy efficiency programs to date. One --
14 one (1) example could be the former Power Smart
15 program under Manitoba Hydro.

16 So my first question on -- on this
17 topic, then, is, How would you rate the energy
18 efficiency of your home, from one (1) being not very
19 energy efficient to ten (10) being very energy
20 efficient?

21 MR. JOHN ROSS: I would say six (6).

22 MR. JARED WHEELER: And have you ever
23 heard of any of Manitoba Hydro's energy efficiency
24 programs?

25 MR. JOHN ROSS: Well, one (1) example

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1 is about a few years ago -- well, maybe about, say,
2 fifteen (15) years ago, around there -- I -- I
3 received my electric bill. And then inside the
4 envelope was pamphlet telling me about this Power
5 Smart program. In this case, Hydro proposed to pick
6 up the used refrigerators. And then the cus --
7 customer will get \$50 back if -- if Manitoba Hydro
8 picked up the refrigerator.

9 So I phoned the local Manitoba Hydro
10 office, and they told me that it was not available --
11 that program was not available. So after that, I told
12 them to look at -- read the pamphlets anymore that's
13 included in my electricity bill.

14 MR. JARED WHEELER: And you said that
15 was about fifteen (15) years ago?

16 MR. JOHN ROSS: Maybe, yeah.

17 MR. JARED WHEELER: So you said that
18 you've -- you've stopped reading the -- the pamphlets.
19 Besides those pamphlets, have you ever heard of any
20 other Manitoba Hydro energy efficiency programs?

21 MR. JOHN ROSS: Yeah, I heard about it
22 through -- through my friends, yeah -- heard about it,
23 yeah. But I never took advantage of them because I --
24 I uner -- undertake these renovations all by myself.
25 I'm going to replace the windows, and it comes out of

2363

1 my pocket.

2 MR. JARED WHEELER: So Mr. Ross,
3 before participating in this proceeding, had you ever
4 heard of Efficiency Manitoba?

5 MR. JOHN ROSS: Pardon me?

6 MR. JARED WHEELER: Had you ever heard
7 of Efficiency Manitoba before participating here?

8 MR. JOHN ROSS: No, I haven't heard of
9 it.

10 MR. JARED WHEELER: And now, we've had
11 some discussions.

12 MR. JOHN ROSS: M-hm.

13 MR. JARED WHEELER: Can you confirm
14 that it is your understanding that Efficiency Manitoba
15 is a new Crown corporation that will be taking over
16 the delivery of energy efficiency programs from
17 Manitoba Hydro?

18 MR. JOHN ROSS: Yes.

19 MR. JARED WHEELER: So I'm going to
20 ask some questions about going forward, what would you
21 like to see in energy efficiency programs. And so my
22 first question here is: Would you like to know more
23 about Efficiency Manitoba's energy efficiency
24 programs?

25 MR. JOHN ROSS: Yes, I would, yeah.

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1 MR. JARED WHEELER: What would be the
2 best way for you to hear about energy efficiency
3 programs?

4 MR. JOHN ROSS: Through the social
5 media, the Band office, you know -- advertise in the
6 Band office bulletin boards, you know, email,
7 Facebook.

8 MR. JARED WHEELER: And what would you
9 like Efficiency Manitoba to offer?

10 MR. JOHN ROSS: Come again?

11 MR. JARED WHEELER: What are -- what
12 are some things that you would like to see Efficiency
13 Manitoba offer?

14 MR. JOHN ROSS: Well, I would like to
15 -- them to offer programs like, for example, if I
16 replace windows, doors, I'd like them to help me out
17 financially, you know, some of it, maybe half of it, I
18 guess.

19 MR. JARED WHEELER: So if you wanted
20 to access an energy efficiency program, how would you
21 access it?

22 MR. JOHN ROSS: Well, by -- I don't
23 know, by reading stuff on the bulletin board at the
24 Band office, public places, stuff like that, because I
25 know Hydro does not advertise through the social media

2365

1 like Facebook. They don't send me stuff on the -- on
2 the email, that's for sure.

3 MR. JARED WHEELER: If there was a
4 way, what would make energy efficiency programs easier
5 to use and easier to apply for?

6 MR. JOHN ROSS: In this case I would
7 say by mail would be -- that would be good. They send
8 me stuff by mail that -- programs, so I could read
9 about these programs.

10 MR. JARED WHEELER: Mr. Ross, is there
11 anything else that you would like to share about your
12 experience with energy efficiency or what you would
13 like to see in energy efficiency?

14 MR. JOHN ROSS: Yes, like I said
15 yesterday, I -- it was between us, I -- I don't -- I
16 don't think I win in any event if I use these
17 efficiency programs.

18 The Northwest Company will pump up its
19 prices. And the consumer has to pay that. I don't
20 know if I -- it's not reflected in my hydro bill where
21 if I save money, you know, how much I save.

22 When the hydro rates goes up, the
23 Northwest Company's where -- where we buy our
24 groceries, they're everything eh? And they jack up
25 their prices here when hydro rates go up.

2366

1 Another thing I like to see in my house
2 is I'd like to install a -- a wood stove. Save on
3 energy.

4 MR. JARED WHEELER: You had mentioned
5 the Northwest Company. Can you clarify, is -- the
6 Northwest Company is in the community of Pimicikamak,
7 correct?

8 MR. JOHN ROSS: Yes.

9 MR. JARED WHEELER: Are there any
10 other stores there?

11 MR. JOHN ROSS: Yes, there's a Family
12 Food Store. And there's a couple of convenience
13 stores.

14 MR. JARED WHEELER: Mr. Ross, if
15 there's nothing else you'd like to add, I think that's
16 all my questions for you. Thank you.

17 THE VICE-CHAIRPERSON: Thank you, Mr.
18 Ross. You said that you would like to see any savings
19 on your electric bill clearly shown on that bill?

20 MR. JOHN ROSS: No.

21 THE VICE-CHAIRPERSON: No?

22 MR. JOHN ROSS: I mean I -- just -- I
23 just check all my hydro bills and I -- I don't read
24 the -- the details of it.

25 THE VICE-CHAIRPERSON: So if you put

2367

1 in some energy measures in your home, then would you
2 go to your bill to see if those measures had saved you
3 money?

4 MR. JOHN ROSS: Yeah.

5 THE VICE-CHAIRPERSON: Okay. Thank
6 you.

7 BOARD MEMBER HAMILTON: Thank you very
8 much, Mr. Ross.

9 You made reference to Facebook and
10 email. Is the internet service in your community
11 consistent, or is it something that is sort of on and
12 off?

13 MR. JOHN ROSS: Well, it's not very
14 good up there. Facebook works there, internet works
15 there.

16 BOARD MEMBER HAMILTON: It does.

17 Okay, good. Thank you.

18 THE CHAIRPERSON: I believe you can go
19 to the next witness.

20 MS. DANIELLE MORRISON: Okay, thank
21 you, Mr. Chair. I'd like to move on to working with
22 Mr. John Dillon.

23

24 CONTINUED BY MS. MORRISON:

25 MS. DANIELLE MORRISON: Mr. Dillon, I

2368

1 understand that you're from Winnipeg, Manitoba?

2 MR. JOHN DILLON: I wasn't born here.

3 I came here from the UK in '67. Been here 52 years.

4 MS. DANIELLE MORRISON: Okay, so
5 you've been here for 52 years?

6 MR. JOHN DILLON: Yes.

7 MS. DANIELLE MORRISON: Okay. And
8 where do you currently reside?

9 MR. JOHN DILLON: In a house I rented.
10 It's a large house, five bedrooms.

11 MS. DANIELLE MORRISON: Okay. Do you
12 pay the energy bills?

13 MR. JOHN DILLON: Yes, I do.

14 MS. DANIELLE MORRISON: Okay. Do you
15 know what year the house was built?

16 MR. JOHN DILLON: 2 -- 2014.

17 MS. DANIELLE MORRISON: And how is
18 your home heated?

19 MR. JOHN DILLON: Electric.

20 MS. DANIELLE MORRISON: Is it all
21 electric?

22 MR. JOHN DILLON: Yes, correct.

23 MS. DANIELLE MORRISON: How many
24 members live in your household, total?

25 MR. JOHN DILLON: Seven (7) at the

2369

1 moment.

2 MS. DANIELLE MORRISON: Okay. And can
3 you please describe your household income, a range or
4 --

5 MR. JOHN DILLON: It -- it fluctuates.
6 It's between 60 and 70,000.

7 MS. DANIELLE MORRISON: Okay. And
8 that includes all seven people?

9 MR. JOHN DILLON: Yes, it does.

10 MS. DANIELLE MORRISON: Okay. The
11 next questions are on your experience paying
12 electrical bills.

13 How much total does your household pay
14 monthly, on average, for energy bills?

15 MR. JOHN DILLON: 300 a month.

16 MS. DANIELLE MORRISON: Is it
17 different in the winter, versus the summer?

18 MR. JOHN DILLON: No, it's on a
19 budget.

20 MS. DANIELLE MORRISON: Okay. Can you
21 give an estimation of how much percentage of your
22 household income goes towards those bills?

23 MR. JOHN DILLON: Approximately 18
24 percent.

25 MS. DANIELLE MORRISON: Thank you.

2370

1 Have you had any challenges in paying
2 your energy bills?

3 MR. JOHN DILLON: A few times.

4 MS. DANIELLE MORRISON: Do you mind
5 sharing?

6 MR. JOHN DILLON: Mostly when I was
7 unemployed, due to operations. I was on EI and I'm
8 going for an operation right away, so I'm on EI again.

9 And then once in a while my wife goes
10 on EI and that kind of -- kind of makes money a little
11 bit tight.

12 MS. DANIELLE MORRISON: And the next
13 few questions I'm going to be referring to energy
14 efficiency. You've heard at this point that we're
15 talking about the education incentive programs that
16 reduce consumption for both electricity and natural
17 gas.

18 MR. JOHN DILLON: Correct.

19 MS. DANIELLE MORRISON: Okay. So do
20 you have knowledge of and participation in Manitoba
21 energy -- or Manitoba Hydro's energy efficiency
22 programs? For example, the Power Smart program?

23 MR. JOHN DILLON: I have, yes.

24 Swapping out all my lights to LED lights. All my
25 appliances are my own, and they're all energy

2371

1 efficient.

2 The problem is, to go green it costs
3 more money. It's expensive.

4 MS. DANIELLE MORRISON: And how would
5 you rate the energy efficiency of your home from one
6 (1), being not very energy efficient, to ten (10),
7 being very energy efficient?

8 MR. JOHN DILLON: I'd say it's about
9 average, five (5).

10 MS. DANIELLE MORRISON: Okay. Is
11 there particular reasons why you would say five (5)?

12 MR. JOHN DILLON: It was poorly
13 constructed and there's a lot of drafts. The windows
14 are drafty, the doors don't shut right. For a new
15 house it's -- it's not very good.

16 MS. DANIELLE MORRISON: Is there
17 anything that you've taken upon yourself to address
18 some of those?

19 MR. JOHN DILLON: Yes, I've installed
20 weather stripping, proper door closes, door sweeps,
21 which they didn't have any. The LED bulbs, electro
22 static filter for the furnace. I think -- I think
23 that's it. And appliances, of course.

24 MS. DANIELLE MORRISON: Okay. Does
25 your landlord cover those costs?

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1 MR. JOHN DILLON: No.

2 MS. DANIELLE MORRISON: Have you heard
3 of any other Manitoba Hydro energy efficiency
4 programs?

5 MR. JOHN DILLON: I -- well, the Power
6 Smart. A little bit on the efficiency program, and
7 mostly on the internet when I check out to see -- to
8 try to save a buck. A lot of companies offer
9 incentives to go green.

10 MS. DANIELLE MORRISON: Okay. How
11 long would you have heard about some of those
12 programs?

13 MR. JOHN DILLON: Well, over twenty
14 (20) years, I -- I accessed when I owned -- owned a
15 home, back in the '90s into 2000, early 2000. I was
16 always looking at ways to save a buck. You know, by
17 changing my windows from single pane to triple pane.
18 Insulating, taking down walls, insulating them.
19 Insulating the attic.

20 MS. DANIELLE MORRISON: How did you
21 hear about some of these programs that you're talking
22 about?

23 MR. JOHN DILLON: Mostly either on the
24 news or on the internet. I -- I've seen a lot on the
25 internet, and mostly just being out and about,

2373

1 sometimes you can -- you'll just come across a
2 bulletin board with pamphlets on it and I would -- I'd
3 always check them out.

4 MS. DANIELLE MORRISON: Okay. Aside
5 from Manitoba Hydro or Power Smart programs, have you
6 ever applied for an energy efficient program?

7 MR. JOHN DILLON: I don't know if it's
8 energy efficient, but I did access the -- it's called
9 the RRAP program, from Canada Mortgage and Housing
10 Corporation, and may -- they came in and the first
11 thing they do is check what's efficiency and try to
12 make it more efficient.

13 So it's like insulating, electrical,
14 new windows, doors, and I was -- I found that easy to
15 access even though there was no internet back -- back
16 then. It was mostly leg work or phone calls or mail.

17 MS. DANIELLE MORRISON: What made it
18 easier to access?

19 MR. JOHN DILLON: I didn't wait for
20 them to come to me. I went to the source and -- and
21 actually dropped into the buildings. Back then it was
22 a little easier to access buildings, corporations,
23 where I could just go there and get the pamphlets,
24 fill out the application.

25 Instead of mailing it, I would take it

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1 down there. I just -- just didn't want to wait, so I
2 -- I just did my own legwork. I know a lot of people
3 can't do that, but sometimes it makes it easier.

4 MS. DANIELLE MORRISON: Can you
5 describe in more detail what the programs were
6 exactly?

7 MR. JOHN DILLON: It was mostly for
8 residential renovation program to help either seniors,
9 disabled people, or somebody that's low-income, to
10 help fix their house up, you know, to make it more
11 presentable, not really just curb appeal, but actually
12 efficient, energy efficient.

13 MS. DANIELLE MORRISON: So, what sort
14 of steps would you have had to take?

15 MR. JOHN DILLON: I would have had to
16 -- first, I fill out the application, present my
17 income, make sure I'm eligible. Then I was -- I had
18 an inspector from the city and a representative from -
19 - from the corporation to -- to evaluate my house and
20 tell me what I needed because I didn't know.

21 Then I had to submit three (3)
22 independent quotes. And each person was eligible up
23 to twenty-thousand (20,000). And if you went over
24 that, that's what you'd have to pay back.

25 But you would have to get the energy

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1 efficiency renovations done first before you could
2 have anything you wanted to do that make your house
3 look better, like, painting or -- or -- I'm not really
4 sure, but, you know, if you wanted stuff that wasn't
5 energy efficient, it had to be after all this, they --
6 they would let you buy -- or let you take, you know.

7 You couldn't just get twenty (20) grand
8 and spend it on a new deck. You had to -- you had to
9 do it energy efficient first.

10

11 (BRIEF PAUSE)

12

13 MS. DANIELLE MORRISON: Can you
14 describe some of the renovations that would have been
15 undertaken with that program?

16 MR. JOHN DILLON: New windows, a new
17 furnace. I forgot about the new furnace. A new water
18 tank. I was on the -- I went from electric to gas.
19 And they got rid of -- they used to have this flat
20 rate in the basement for electric.

21 The windows, insulation, shingles,
22 doors. Both doors had to be replaced. I believe
23 that's it. I had some money leftover and I did the
24 floors.

25 MS. DANIELLE MORRISON: Thank you.

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1 So, overall, what was your experience with that
2 program like?

3 MR. JOHN DILLON: It was very good,
4 very easy access. I got -- every time I had a
5 question, I was answer -- it was answered. There was
6 no -- no prolonged waiting. And it was actually done
7 within a couple months all total from the time --
8 moment I walked in there until finally the
9 construction company come and did my renovations.

10 MS. DANIELLE MORRISON: Would you
11 apply for a program like that again?

12 MR. JOHN DILLON: Oh, absolutely.

13 MS. DANIELLE MORRISON: Okay.

14 MR. JOHN DILLON: The only problem I
15 had with that -- with that program was I just found it
16 by fluke. And everyone I talked to had never heard of
17 it, so, you know, getting it out to the public is one
18 (1) of the main problems with that program. I -- I
19 believe it's still there, still -- still on.

20 MS. DANIELLE MORRISON: You mentioned
21 that it was for a few different, I think, consumer
22 segments. You said disabled, lower income.

23 MR. JOHN DILLON: Yes.

24 MS. DANIELLE MORRISON: Would you have
25 fit into one (1) of those?

2377

1 MR. JOHN DILLON: Yes. I was on -- I
2 didn't know -- see that's another thing they don't --
3 they don't specify right away. I wasn't -- I didn't
4 really know I was eligible for a disability program,
5 and it's sep -- it's separate from the regular one.

6 So, you have to have -- I had to
7 actually have two (2) separate applications.

8 MS. DANIELLE MORRISON: So, you
9 applied for two (2) separate --

10 MR. JOHN DILLON: Yes.

11 MS. DANIELLE MORRISON: -- programs?

12 MR. JOHN DILLON: But I was only
13 informed of that after they found out I was disabled.
14 They didn't ask me. So, there was a couple of things
15 that they could do better.

16 MS. DANIELLE MORRISON: Okay. Thank
17 you. Is there anything else that you want to add
18 about that program?

19 MR. JOHN DILLON: No. I think it's a
20 very good program and -- and there should be more
21 public awareness on it.

22 MS. DANIELLE MORRISON: Okay. So, I'm
23 going to go on to the next section on Efficiency
24 Manitoba. Before participating in this proceeding had
25 you ever heard of Efficiency Manitoba?

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1 MR. JOHN DILLON: Not in that context,
2 mostly Power Smart.

3 MS. DANIELLE MORRISON: And can you
4 confirm that it's your understanding that Efficiency
5 Manitoba is a new Crown corporation that's taking over
6 the delivery of energy efficiency programs from
7 Manitoba Hydro?

8 MR. JOHN DILLON: Yes.

9 MS. DANIELLE MORRISON: Okay. Thank
10 you. Going forward, what would you like to see in
11 energy efficiency programs? And the sub-question to
12 that is, would you like to know more about Efficiency
13 Manitoba's energy efficiency programs?

14 MR. JOHN DILLON: Yes, more literature
15 to -- to pass on to the -- the consumer. Maybe some
16 subsidies and rebates because it's not -- it's not
17 cheap going green, you know.

18 Any houses built over 3,000 square feet
19 I would like to see with mandatory geothermal. I -- I
20 don't think that's being utilized enough, but it's
21 quite expensive.

22 MS. DANIELLE MORRISON: What would be
23 the best way for you to hear about energy efficiency
24 programs?

25 MR. JOHN DILLON: Myself personally

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1 would be on the news, I watch it relig -- religiously,
2 and the internet. You can find a lot if you -- if you
3 look.

4 MS. DANIELLE MORRISON: And you
5 already mentioned a few ideas. Is there anything else
6 that you'd like Efficiency Manitoba to offer in terms
7 of programs?

8 MR. JOHN DILLON: Maybe more towards
9 renters and more education because a lot of people
10 don't know how about how to -- how to properly access
11 those programs.

12 I -- when a person wants to -- like, my
13 friends and my -- my contacts -- I've always had to go
14 on the internet. A lot of them my age, they're not
15 internet savvy. And even filling out the forms, I
16 would -- I've -- I've done quite a few forms on the
17 RRAP Program and other programs, even -- even to swap
18 out for the -- for the light bulbs. I had to do it
19 for family members.

20 And they weren't really interested. A
21 lot of people are not interested unless they get
22 shown. I don't know if that's normal.

23 MS. DANIELLE MORRISON: What would
24 make it easier for yourself and some of the -- the
25 people that you're referring to -- to access those

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1 kind of programs?

2 MR. JOHN DILLON: I'm not sure. I'm -
3 - I'm pretty confident -- and, like, the more of the
4 public awareness simplicity maybe. Some of the forms
5 can be daunting, you know, but not too simple because
6 then you're open to being extorted -- I mean, not
7 extorted, but -- I'm not quite sure what word I'm
8 thinking of, but easy to take advantage of if it's too
9 simple.

10 And then maybe the proper people ain't
11 -- won't be getting the help they need.

12 MS. DANIELLE MORRISON: What would be
13 the best avenue in terms of either finding out about
14 these programs or accessing them?

15 MR. JOHN DILLON: A good que -- a good
16 question would be asking -- asking, you know, even
17 when you phone about your phone bill -- I mean, not
18 the phone bill, but my hydro bill, pardon me.

19 I've -- I've actually -- when I've gone
20 down to pay my bill I've always asked the receptionist
21 if -- if there's any new programs coming out or if
22 there's any options I can get some free energy
23 efficient material and stuff like that. And I do that
24 every time I go pay my bill.

25 MS. DANIELLE MORRISON: Okay.

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1 MR. JOHN DILLON: And it's usually,
2 no, not at the moment.

3 MS. DANIELLE MORRISON: Is there
4 anything else that you'd like to share about your
5 experiences with energy efficiency or what you'd like
6 to see in energy efficiency?

7 MR. JOHN DILLON: Just awareness. And
8 I -- I believe it's -- there's a lot out there if you
9 look for it. And if you really want to be efficient,
10 you can. It might cost you a little bit of money in
11 the long-run, but hopefully down the road you save
12 money.

13 MS. DANIELLE MORRISON: If I could
14 just have a moment.

15

16 (BRIEF PAUSE)

17

18 MS. DANIELLE MORRISON: Thank you, Mr.
19 Dillon.

20 MR. JOHN DILLON: Thank you. You're
21 welcome.

22 THE VICE-CHAIRPERSON: Mr. Dillon,
23 thank you. You said that, I believe, you pay your
24 energy bill separate from your rent?

25 MR. JOHN DILLON: Yes, I do.

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1 THE VICE-CHAIRPERSON: But any of the
2 improvements that you've made on your own, has your
3 landlord taken any of that into consideration or --

4 MR. JOHN DILLON: Not at the moment.

5 THE VICE-CHAIRPERSON: -- giving you
6 any compensation? Okay. Thank you.

12 MR. JOHN DILLON: M-hm.

16 MR. JOHN DILLON: Absolutely, yes.

19

20 (BRIEF PAUSE)

21

22 MS. DANIELLE MORRISON: I always
23 forget the mic. Thank you. I'd like to move on to
24 Mr. Hans Gorter.

25

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1 CONTINUED BY MS. DANIELLE MORRISON:

2 MS. DANIELLE MORRISON: Good morning,
3 Mr. Hans Gorter.

4 MR. HANS GORTER: Good morning.

5 MS. DANIELLE MORRISON: I understand
6 that you're from Otterburne, Manitoba?

7 MR. HANS GORTER: Correct.

8 MS. DANIELLE MORRISON: And how long
9 have you lived there?

10 MR. HANS GORTER: Thirty-two (32)
11 years.

12 MS. DANIELLE MORRISON: Do you own
13 your home?

14 MR. HANS GORTER: I do.

15 MS. DANIELLE MORRISON: And can you
16 describe your home and your property?

17 MR. HANS GORTER: Well, I'll make one
18 (1) -- Hydro service in rural Manitoba, only puts one
19 (1) service into a yard, so we run a business as well
20 as -- as our home, and our -- my Hydro bill will be
21 just an accountant -- mathematic kind of a split of --
22 of that one (1) service point. So it's probably 20
23 percent that goes to the house, and 80 percent goes to
24 my business.

25 MS. DANIELLE MORRISON: Can you

2384

1 describe your business?

2 MR. HANS GORTER: Dairy farming.

3 MS. DANIELLE MORRISON: Okay.

4

5 (BRIEF PAUSE)

6

7 MS. DANIELLE MORRISON: So you
8 mentioned 20 percent of your --

9 MR. HANS GORTER: Yes. I think that's
10 the legal percentage or something, so.

11 MS. DANIELLE MORRISON: Okay.

12 MR. HANS GORTER: But -- just continue
13 your question I'll --

14 MS. DANIELLE MORRISON: Sure.

15 MR. HANS GORTER: -- I'll have your
16 numbers.

17 MS. DANIELLE MORRISON: Okay. And you
18 own your home?

19 MR. HANS GORTER: I own my home.

20 MS. DANIELLE MORRISON: Where is your
21 home located?

22 MR. HANS GORTER: Just between
23 Otterburne and St. Pierre.

24 MS. DANIELLE MORRISON: And then you
25 have a farm?

2385

1 MR. HANS GORTER: I have two (2)
2 farms, yes. But -- it's getting complicated, but
3 continue.

4 MS. DANIELLE MORRISON: Okay.

5 MR. HANS GORTER: I'll -- I'll keep
6 you on the...

7 MS. DANIELLE MORRISON: Okay. The
8 residential home, what year was that built?

9 MR. HANS GORTER: 2010.

10 MS. DANIELLE MORRISON: And what about
11 the farm?

12 MR. HANS GORTER: It's a continuous
13 process.

14 MS. DANIELLE MORRISON: When would you
15 have started building that?

16 MR. HANS GORTER: In 1988.

17 MS. DANIELLE MORRISON: Okay. Thank
18 you. How is your residential home heated?

19 MR. HANS GORTER: Electric.

20 MS. DANIELLE MORRISON: And how is
21 your farm heated?

22 MR. HANS GORTER: Mostly electric.

23 It's all electric, actually, it's -- yeah. Natural --
24 natural ventilation, but there is some electric -- all
25 -- everything has a electric component to that.

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1 MS. DANIELLE MORRISON: Okay. The
2 residential home, when was that, built?
3 MR. HANS GORTER: 2010.
4 MS. DANIELLE MORRISON: 2010. And the
5 farm was built in 1980 --
6 MR. HANS GORTER: There's always a
7 project going, so.
8 MS. DANIELLE MORRISON: So were you
9 living at the farm prior to having that --
10 MR. HANS GORTER: Correct.
11 MS. DANIELLE MORRISON: -- home?
12 MR. HANS GORTER: Correct.
13 MS. DANIELLE MORRISON: So there's a
14 resi --
15 MR. HANS GORTER: There's new houses
16 built at -- in '97, and 2010, we built another house.
17 MS. DANIELLE MORRISON: Is there
18 anyone living in those houses on the farm now?
19 MR. HANS GORTER: '97 -- the house
20 from '97, my son, and his partner, and the baby live
21 in that home.
22 MS. DANIELLE MORRISON: And what about
23 that house on the farm? How is that heated?
24 MR. HANS GORTER: Electric.
25 MS. DANIELLE MORRISON: Okay.

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1 MR. HANS GORTER: Electric, but then
2 we have a propane -- I think they have a propane
3 fireplace in the living room. That's the only thing.

4 MS. DANIELLE MORRISON: Okay. How
5 many members are in the household on the farm?

6 MR. HANS GORTER: Three (3).

7 MS. DANIELLE MORRISON: And how many
8 members in the household in your home?

9 MR. HANS GORTER: Two (2).

10 MS. DANIELLE MORRISON: Okay. And can
11 you describe the household income range for the farm
12 house?

13 MR. HANS GORTER: Sufficient.

14 MS. DANIELLE MORRISON: Would you be
15 comfortable giving a range?

16 MR. HANS GORTER: I'm not even sure.
17 Like, they're paid by the company, so I'm thinking
18 they're in the fifty (50) plus.

19 MS. DANIELLE MORRISON: Okay. And the
20 household income range for your residential home?

21 MR. HANS GORTER: I'm retired.
22 Sufficient.

23 MS. DANIELLE MORRISON: Okay. For the
24 farm, including the business and the home, how much
25 total -- I guess considering the household and the

2388

1 business income would go towards paying those energy
2 bills?

3 MR. HANS GORTER: I know I have never
4 done a percentage. I know that the total Hydro bill
5 on the farm is around twenty-five hundred (2,500) to
6 three thousand dollars (\$3,000) a month. So -- and
7 then we usually do it -- 15 to 20 percent goes to the
8 private side of that, which seems high, but that's
9 probably a tax thing.

10 MS. DANIELLE MORRISON: Is it
11 different in the winter versus the summer?

12 MR. HANS GORTER: Very little. We --
13 we use a lot of ventilation grain. At -- at harvest
14 time, we use some drying capacity, and we also have
15 heat going in wintertime, so we're -- we're pretty
16 average on -- on a three thousand dollar (\$3,000)
17 consumption.

18 MS. DANIELLE MORRISON: Throughout the
19 year? Okay. I'm going to assume that you're not on
20 the budget plan?

21 MR. HANS GORTER: No.

22 MS. DANIELLE MORRISON: Okay. What
23 about the residential home that you live in?

24 MR. HANS GORTER: Well, we're not on a
25 budget plan. We do -- in the wintertime, we've been

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1 travelling quite a bit, so we have shut quite a bit
2 down. But if I heat the whole house, I think I'm
3 running two hundred and fifty (250), three hundred
4 dollars (\$300) a -- a month.

5 MS. DANIELLE MORRISON: Okay. Have
6 you had any challenges in paying your energy bills to
7 date?

8 MR. HANS GORTER: No -- no, sorry.

9 MS. DANIELLE MORRISON: Okay. We're
10 going to move on to the questions on energy
11 efficiency.

12 Do you have any knowledge in
13 participation in Manitoba Hydro's Energy Efficiency
14 Programs to date, for example, the Power Smart
15 Program?

16 MR. HANS GORTER: Yes. We've been and
17 out of those programs, mostly for the business. For
18 private, I would -- I usually -- if it's interesting
19 to look, I will just do it. I'm not waiting for a
20 program.

21 We've gone through a gamut of programs
22 for the farm, whether it was ten (10), fifteen (15)
23 years ago for outdoor water heaters, for reduced
24 energy use on those things, to -- and two (2) years
25 ago, the reason -- the solar installation that I did

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1 up on 2017.

2 So in between, there was a couple of --
3 probably -- well, actually this year, there was an LED
4 program, which we were going to participate, but we
5 never -- through circumstances that it's too
6 cumbersome and too paper -- paper-intensive, we'd
7 rather go ahead with the project and do it than go to
8 the whole three (3) or four (4) months application
9 forms and find out that the discount is minimum to
10 what the benefit would be. So we're -- we're going
11 ahead with the saving, no matter what.

12 MS. DANIELLE MORRISON: So you
13 mentioned heaters, solar panels, and LED light
14 installation?

15 MR. HANS GORTER: Yeah. The heaters
16 were really -- the -- those are programs somebody
17 dreams up, and then you get fifty (50) bucks off if
18 you take a water heater -- I don't know, outside
19 cattle, you put a water heater down for to keep water
20 unfrozen, and Hydro had the idea that if you use less
21 energy, that would be beneficial. So they gave a
22 fifty (50) or a hundred dollar (\$100) -- if you bought
23 the one with the smaller heater unit.

24 But they didn't show up on Christmas
25 Day, when it was frozen, and minus (35), it was just

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1 me, and I was forgotten about that fifty (50) bucks
2 pretty quick. I called it a bad word, and took the
3 jackhammer, and put the biggest heater that I could
4 find.

5 So those programs are very -- not --
6 not very practical, in the end, because nobody's there
7 in minus thirty (30) to help you out.

8 MS. DANIELLE MORRISON: When did you
9 put in those new water heaters?

10 MR. HANS GORTER: That must have been
11 in the middle '90s somewhere, or -- no, what are we --
12 middle 2005, '06, there somewhere.

13 MS. DANIELLE MORRISON: What was the
14 cost for you?

15 MR. HANS GORTER: They're -- they're
16 running -- probably the regular ones run around eight
17 hundred thousand dollars (\$800,000) a -- a unit, and
18 the -- the low-energy thing were about twelve hundred
19 (\$1,200) or fifteen hundred dollars (\$1,500).

20 But the low energy -- I got probably a
21 rebate on that one, but they froze in a cold January.
22 So we go back to the original high energy consuming
23 units, because those are things that are -- need to
24 keep going, I mean.

25 MS. DANIELLE MORRISON: Okay. With

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1 the solar panel, when did you hear about that?

2 MR. HANS GORTER: That was actually on
3 the Ag fair in Brandon, I think, 2017. I think
4 Manitoba Hydro at that point had -- had a booth out
5 there, and they had just launched a program, and I
6 happened to run past that little booth, and -- and
7 that program really -- the mistake with that program
8 is it was probably an -- only a two (2) -- was it 2016
9 until '18 that it was offered? And I happened to be
10 in -- one (1) of the first.

11 And that's one (1) of the downsides of
12 these kind of programs. I don't think enough people
13 had time to -- to benefit of it. I took -- to me, it
14 was an -- an economic -- or an -- an -- as an
15 entrepreneur, I just do the numbers, and we build it
16 as big as we could.

17 We vented at a hundred and eighty (180)
18 -- Hydro approved 180 kilowatt installation for us.
19 So -- and that maxed out the dollars -- that meant
20 that to do that project, whether the -- the program
21 was intended very well, but it meant to do a project
22 in that scale, that you have to have the dollars up
23 front for yourself. You have to have the capability
24 to -- to run through the -- the paper and -- and
25 getting it all done. And then you built it with

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1 significant dollars, and then you have to have the
2 capability to wait for Hydro to refund you money.

3 And that works, but it only works for a
4 small percentage of -- of people in Manitoba. Most
5 people would not have the cash up front. Most people
6 wouldn't have the decision-making power to get to that
7 in three (3), four (4) months.

8 And if the program only lasts two (2)
9 years, the biggest downside of solar in Manitoba right
10 now, I think they're defunct, or even bankrupt, the
11 company I built my installation, I believe they're
12 leaving Manitoba, and therefore short-term programs in
13 these magnitudes don't work.

14 We need long, twenty-five (25) year
15 programs or fifty (50) year programs that consistently
16 -- so that we can get the technology, we can get the
17 tradespeople, and we get those people consistently
18 employed in Manitoba, and they stay here, because now
19 I believe if I have a down time with -- well, solar is
20 very -- once you have it hooked up and the wires into
21 the ground, I don't think that anything can go wrong
22 too much, but I believe my solar installation would go
23 down tomorrow to a technical issue.

24 I don't think the company that built it
25 is in Manitoba anymore, so therefore I have to go find

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1 people that are qualified that can -- can fix my
2 problem, and that is due to the program time lines.

3 Like, all that money came available,
4 and I heard also from people that have poles in the
5 ground but they never got the solar system on there
6 because there was not enough people to do these kind
7 of things. So there's a couple of issues with that.

8 MS. DANIELLE MORRISON: Can you
9 describe the process that you had to undertake in
10 order to access that solar project program?

11 MR. HANS GORTER: That one was
12 actually -- see because the magnitude or the size of
13 these programs, companies were falling over each other
14 to do the paperwork for you. You only had to sign the
15 bottom line.

16 That meant that there was money to be
17 made for -- for all the companies, and so they dealt
18 mostly with Power Smart or Hydro, whoever did -- if it
19 was individually, I probably -- like, the - the part
20 of the bigger scale projects is that you of course
21 have an electrical engineer and Hydro decides when it
22 gets approved or not, and there is some frustration.

23 We had -- we had done the project --
24 the engineer that we -- we submitted the engineer
25 program. Hydro approved it on -- I believe on April

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1 1st or April 15th. We built it according to specs,
2 and the frustration came on August -- I think on
3 August 1st.

4 We were going to go live on that
5 project, and on July 28th or 29th, Hydro did a final
6 inspection and withdrew the decision of approval from
7 April 15 and said we had done different and they
8 wanted reversed that we had been approved in April.
9 So we had to send one (1) transformer out to the US,
10 get it rebuilt, and got it back in October and hooked
11 it up and went live November 1st.

12 Although when we look back to March,
13 the way they hooked it up in November, that was the
14 original drawing that was not approved from Hydro that
15 was reversed in April and reversed back in August to
16 get -- to back to the March one, and that cost us
17 about three (3) months of frustrations and -- and --
18 so those program -- that's -- that's not really
19 beneficial for anybody.

20 MS. DANIELLE MORRISON: What year
21 would that have been?

22 MR. HANS GORTER: 2007 -- I went live
23 with that project in November 2017, so 2017, two (2)
24 years ago, three (3) years now.

25 MS. DANIELLE MORRISON: And how did

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1 this impact your business?

2 MR. HANS GORTER: My business, not as
3 much as the people that built the solar installation.
4 They were new to Manitoba. They had at start-up, four
5 (4) or five (5) people at that time. A year later
6 they had fifteen (15), sixteen (16) people probably
7 employed, and they had many customer sign up and a lot
8 of customers that would come and look at my
9 installation and say what are you making, how is it
10 working, and it wasn't working yet. Another month,
11 another month, another month, and that really is
12 negative for anybody.

13 MS. DANIELLE MORRISON: And then you
14 mentioned the LED installation. Can you describe your
15 experience with that program?

16 MR. HANS GORTER: Yeah. We -- like,
17 the size of our barns, you usually make the
18 calculations. It's a twenty (20), twenty-five
19 thousand dollar (\$25,000) project to revamp the
20 lights.

21 Hydro offers some thing, but they have
22 to go through -- through the electric engineer, which
23 is -- I think it somehow -- has to be done. You have
24 to keep order and you have to get safety at number
25 one, but at some point with livestock or whatever,

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1 contractors are busy. There's a -- an opening in
2 October to do it, so then it's either you do it, but
3 you can't wait for the paperwork anymore, so you push
4 ahead and do it without, so you do it without the
5 discount, and if the technology is good enough, it's
6 just a business decision, whether the discount --
7 that's all optional for us.

8 We -- we still think that doing it is
9 environmental and -- and in the long time it saves us
10 money, so we'll go ahead regardless, but it would've
11 been nice to -- to find a system that we can -- and
12 comply to Hydro standards and get the discount and
13 also get time -- timely updates into -- into your --
14 into your farm or into the livestock, but that doesn't
15 always work. And I -- I realize there's all kinds of
16 issues with that. It's not a simple...

17 MS. DANIELLE MORRISON: When would you
18 have tried to access that program?

19 MR. HANS GORTER: That was, I think,
20 this last March -- throughout the summer. I wasn't --
21 my son run that program and I knew that I came home in
22 November and the lights were changed, so I -- I see
23 that -- I don't know quite what the details were on
24 it.

25 MS. DANIELLE MORRISON: Okay. How did

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1 you hear about these programs?

2 MR. HANS GORTER: Mostly internet or,
3 like, -- yeah, as I said before, Brandon Ag or
4 something like trade shows, Convention Centre,
5 whatever, but internet would be the big -- the big
6 one.

7 MS. DANIELLE MORRISON: Aside from the
8 programs that you mentioned, is there any other energy
9 efficiency programs that you applied for?

10 MR. HANS GORTER: No, I don't think
11 so, but I -- like as in -- no, I don't...

12 MS. DANIELLE MORRISON: Okay. Is
13 there a reason why you wouldn't have applied for
14 anything else?

15 MR. HANS GORTER: Oh, I haven't had
16 time probably.

17 MS. DANIELLE MORRISON: Fair enough.
18 Okay. I'm going to move into the next section about
19 Efficiency Manitoba. Before participating in this
20 proceeding, had you heard of Efficiency Manitoba?

21 MR. HANS GORTER: I did, yeah.

22 MS. DANIELLE MORRISON: Okay. And how
23 did you hear about Efficiency Manitoba?

24 MR. HANS GORTER: I live in
25 Otterburne. No. I - I only -- like, I've been

2399

1 connected to -- whether social media probably. I --
2 I'm not sure. I -- I follow some of the issues and I
3 had -- with that project, the solar, I had at that
4 time the Minister of -- Ron Schuler in the yard and I
5 think we talked about that it was -- Power Smart was
6 splitting off in '17 so it's all through -- through --
7 - whatever, to connections probably --

8 MS. DANIELLE MORRISON: Okay. So can
9 you confirm that it's your understanding Efficiency
10 Manitoba is a new Crown corporation that will be
11 taking over the delivery of energy efficiency programs
12 from Manitoba Hydro?

13 MR. HANS GORTER: I confirm.

14 MS. DANIELLE MORRISON: Okay. Going
15 forward, what would you like to see in energy
16 efficiency programs?

17 MR. HANS GORTER: I need -- I need
18 long-term programs, like longer than two (2) years. I
19 need ten (10) and fifteen (15). I need infrastructure
20 changes. I need tradespeople that can service these
21 programs for a long time.

22 No company can invest for a two (2)
23 year good discount program. I need education. I need
24 -- I have -- I hire young people and we're all --
25 these schools are all full of recycling, reuse

2400

1 programs, and education, and I -- I may be more the
2 generation of -- of the -- sorry, probably you're all
3 younger than me, but we - we turn our lights, we put
4 on an extra coat, we don't hang the -- we don't use
5 the dryer at home all the time, we put it on the
6 clothesline.

7 And I have kids, eighteen (18),
8 nineteen (19) year olds, or even in their twenties
9 (20s) -- all the lights are on.

10 The guys that I hire, the girls that I
11 hire, the lights on, the cars are idling, the -- the -
12 - but they talk the talk while they're sipping their
13 Starbucks. I mean, they -- they -- they know the 3
14 Rs, they're for something. But somehow we have not --
15 maybe primary school or elementary school or -- or --
16 we have not hit -- because we built hydro for our
17 convenience and we got used to it. We switch it on
18 and we forget about it.

19 And so I think it's a lot of education,
20 attitude, connect -- connect the dots. Don't -- like,
21 find me a program that -- that not only talks about
22 recycling or reduce, but also connect the dots and say
23 hey, like I'm out of there, I have a consequence for
24 this, and then long-term programs.

25 I know that solar wind, not everybody's

2401

1 favourite. It -- it has -- you can argue about the
2 impact of using silicone and -- and solar, and it's
3 not all environmental friendly. It takes up a lot of
4 space. But I do believe that every house from now on
5 in Winnipeg should have some solar so that computers,
6 TVs -- the little stuff could be taken off the grid
7 and run by these.

8 I have also -- I'm -- I think, like,
9 more solar farms in Manitoba -- we will say -- Hydro
10 will tell you that all -- that we have peak production
11 when the sun and the wind is blowing we have all this
12 hydro and we can't use it, and at nighttime we won't,
13 because then we're short and we have to -- and I
14 believe strongly -- I looked in the Netherlands. I
15 see the -- this Olympic games in Japan. They have --
16 the 2020 Olympics going to be carbon free because they
17 transfer water into hydrogen.

18 Well, why doesn't Manitoba -- if we
19 have these dams already built, why don't we make our
20 houses more self-sufficient and use our surplus hydro
21 in producing using hydrogen?

22 The previous presenter was telling us
23 that three hundred thousand (300,000) customers have
24 natural gas. If we split water into hydrogen and
25 oxygen with the surplus hydro we would have, we can

2402

1 utilize our -- our network on -- on natural gas. We
2 don't have to write it off.

3 If we go to -- to water pumps for --
4 then we have a network that we built in the last
5 twenty (20) years that we're not using anymore.

6 Apparently hydrogen has the same characteristics as
7 natural gas. It's a very simple conversion.

8 Mostly -- 90 percent, 95 percent of
9 your network is usable without any changes. So I'm --
10 I'm thinking Hydro has to go and Efficiency Manitoba
11 has to spend education dollars or change -- we can --
12 we can't change the wrongs we did br -- before, but we
13 can -- we can start to the future and I think we can
14 be cutting edge in Manitoba for that one and we can
15 attract people, because we have water, we have a lot
16 of sun.

17 If you look at Minnesota and -- and the
18 midwest has more sun than all the Maritimes provinces
19 because we have less clouds in the sky.

20 But I do see in Europe way more solar
21 at maritime countries like the Netherlands, England,
22 or Germany and why are they doing it and not the
23 middle of Canada. So -- and yeah, I -- I realize that
24 I'm -- yeah, just cut me off. It's all good.

25 MS. DANIELLE MORRISON: No, no, please

2403

1 keep going.

2 MR. HANS GORTER: But education is a
3 big one. How do I get my -- my kids to conn -- not
4 only my kids, the ones that I hired, the young people,
5 they talk and they talk but they're not walking the
6 walk.

7 That one is just irritating to me, the
8 rest with us, I think we're on the -- on the verge of
9 an electric revolution. We will change our carbon
10 guzzling, diesel guzzling vehicles here on the street
11 into electric. I -- I ordered my first electric
12 truck, it's supposed to be delivered next year.

13 And I'm convinced that this thing is
14 just like our cell phones in the middle '90s, it will
15 just all of a sudden take us by surprise.

16 So I -- I do think that hydro and
17 Manitoba efficiency have to prepare for the future and
18 not try to right the wrongs that we did in the past.

19 I mean, but find a way forward by not
20 maybe reducing it by using it smarter, whatever we
21 have.

22 MS. DANIELLE MORRISON: You mentioned
23 infrastructure. Can you just clarify what you mean by
24 that?

25 MR. HANS GORTER: Well, I mentioned

2404

1 the infrastructure mentioned by the previous presenter
2 of natural gas but even we have our hydro is also a
3 company that bill -- been told in the last 50 years to
4 build an infrastructure for the convenience of
5 Manitoba, all the wiring, all the overhead, things.
6 We can't just write that off and say well, we're not
7 going to use it anymore, we're going to do something
8 else.

9 So we have to find -- like, that's
10 billions of dollars that we have sitting in -- in
11 infrastructure that we need to find a good use for.

12 MS. DANIELLE MORRISON: If you wanted
13 to access an energy efficiency program, what would be
14 the best way for you to access that?

15 MR. HANS GORTER: Probably internet,
16 yeah.

17 Anything -- like yeah, news,
18 newspapers, it's -- it doesn't matter, it's all good.
19 Schooling.

20 MS. DANIELLE MORRISON: What would
21 make the process of applying for programs easier to
22 apply for and used throughout, for you?

23 MR. HANS GORTER: Well, for sizable
24 projects either -- I do believe that money up front is
25 not possible, because there has to be a check-and-

2405

1 balance system. So -- and we have to consider safety.
2 So I -- I have -- it's -- it's difficult to -- to make
3 it easier.

4 But maybe into tax breaks or anything
5 else, when you -- when you go ahead and build systems
6 that are conforming to -- to guidelines and to safety
7 issues, later on after the -- the fact is done that
8 you just can apply for tax breaks or something like
9 that, that makes it easier for -- for small businesses
10 to -- to apply, instead of having all the hoopla up
11 front and then not be sure if you get it, and then sit
12 and to wait until you can get ahead with the project.

13 THE CHAIRPERSON: Ms. Morrison, I -- I
14 don't mean to interrupt, but we -- we've -- I've got
15 to make sure we have enough time for cross-
16 examination.

17 MS. DANIELLE MORRISON: Of course.

18 THE CHAIRPERSON: Or questions from
19 the Intervenors.

20 MS. DANIELLE MORRISON: Okay then, I
21 won't ask the capture all question.

22 MR. HANS GORTER: It doesn't matter.

23 MS. DANIELLE MORRISON: Thanks.

24 THE CHAIRPERSON: Do you have any
25 questions?

2406

1 MS. JESSICA SCHOFIELD: Thank you, Mr.

2 Chair. We don't have any questions we would --

3 THE CHAIRPERSON: Of any -- of any of
4 the panel members?

5 MS. JESSICA SCHOFIELD: We do not.

6 THE CHAIRPERSON: Okay.

7 MS. JESSICA SCHOFIELD: We just would
8 like to take the opportunity to thank them for being
9 here today and giving us their feedback. It is valued
10 by Efficiency Manitoba.

11 THE CHAIRPERSON: Thank you.

12 MR. ANTOINE HACAULT: Likewise,
13 Hacault, no questions, and thank you for coming.

14 THE CHAIRPERSON: I have a question
15 for Mr. Gorter. When you applied for your solar
16 program, to your knowledge was there a time frame for
17 the program?

18 MR. HANS GORTER: Sorry, I didn't --

19 THE CHAIRPERSON: Was there a time
20 frame for the program? When you applied for the solar
21 program, was the program put forward as this is a two-
22 year program, or was it put forward as this is a new
23 program that hap -- that ended up being terminated
24 after a few years?

25 MR. HANS GORTER: I'm not sure how --

2407

1 like, I was one of the -- obviously one of the very
2 early adopters to it. I do think that at that time
3 the company said already there was a two-year program.

4 THE CHAIRPERSON: Okay.

5 MR. HANS GORTER: I think they knew it
6 upfront. But I'm not 100 percent sure of that, unless
7 I -- but maybe the money was running out faster and --
8 and a lot of people signed up and it got shorter, even
9 afterwards. I -- I'm -- I can't remember.

10 THE CHAIRPERSON: Thank you. Any
11 questions? Go ahead.

12 BOARD MEMBER HAMILTON: Thank you, Mr.
13 Gorter. With regard to your solar program, how much
14 of your energy needs is satisfied by the solar?

15 MR. HANS GORTER: In the last two (2)
16 years I think we had a little glitch in the first
17 summer but I think we're going to be comfortably
18 covering about 75 to 80 percent of our needs on the
19 farm.

20 I haven't set that. I -- I still --
21 now the new generation is running onto the farm and
22 they plug everything in and they heat everything and
23 they have no regard of what I just said about
24 education. I mean they -- they know it, oh, the old
25 man is talking about something.

2408

1 So -- because I have been told now that
2 hydro is free on our farm, so we can plug everything
3 in. So we're -- we're getting back to -- to this
4 curve where -- where we're using but we're still using
5 more, I mean.

6 BOARD MEMBER HAMILTON: And does any
7 of your -- the electricity generated through your
8 solar program -- do you sell any of that back to
9 hydro?

10 MR. HANS GORTER: Everything goes back
11 to Hydro. And I will -- see, and there's a little --
12 all the hydro -- I don't know what I take, it's just a
13 -- a calculation on my bill, right. When the sun
14 shines I produce, it goes to Hydro for a certain fee,
15 for a certain price. And I take back whatever I need
16 and -- and it's just a matter -- and accountant that
17 figures out that I have a thousand dollars produced
18 and two thousand dollars (\$2,000) used and I have a
19 thousand dollar bill.

20 The only things is that there is the
21 glitch is that the high rate is usually in the evening
22 when everybody comes home and turns on the air
23 conditioning or the heat. That is when the sun goes
24 down. So when I buy hydro back, I usually buy it back
25 at a premium while at the middle of the day Hydro's

2409

1 rates are the lowest.

2 So I produce at that rate and not at
3 the high rate. So there's -- there's a bit of a -- it
4 doesn't -- it doesn't look as glamourous as it was at
5 first. So.

13 MR. HANS GORTER: I probably -- well,
14 probably I didn't understand it. I -- but I -- no, I
15 did understand it, but it wasn't -- I do think that it
16 hadn't occurred to me that that was really -- it's --
17 it's just an oversight on my side, probably.

18 It's -- the peak hours and -- and
19 especially on a dairy farm, we run chores between
20 4:30, 5 in the afternoon, til 7, where we have a high
21 demand on -- on cooling and on heating or on -- on --
22 on electricity.

23 That's the peak hours it turns out that
24 that's where Hydro is also have the peak demands,
25 right?

2410

1 And I -- I cannot blame Hydro for that,
2 it's just that's when people come home and turn up the
3 heat or air conditioning.

4 So the billing process that way. It
5 just slightly diminishes the returns. It will -- it
6 will not make a -- the next step for me is, of course,
7 and very seriously with battery technology improving
8 every -- every day almost, when can I -- and I will do
9 the math, when do I put a battery beside this solar
10 and absorb it all on this battery and take it back,
11 the surplus, take it back at night time and cut those
12 two or three expensive hours in the afternoon for
13 sure.

14 Right now it's about 10 percent that I
15 could do for too high a cost on that battery. I'm
16 pretty sure in four or five years there will be
17 batteries available that I can cut probably 12 or --
18 10 or 12 hours out of my day and use that whole
19 evening on battery power and only take maybe the last
20 couple hours at night and early morning back from the
21 hydro and then start producing again.

22 THE CHAIRPERSON: Okay, thank you. I
23 -- Mr. Gorter, I have bad news for you. As your
24 children get older they won't listen any better.

25 MR. HANS GORTER: They're already 30

2411

1 so I'm -- I'm sure they will. But I -- I hope the new
2 generation kids, my grandkids, right?

3 THE CHAIRPERSON: Yes. I'd like to
4 thank the panel very much for attending and assisting
5 us today. Thank you.

6 We're going to adjourn for fifteen (15)
7 minutes and then we'll have the next panel.

8

9 --- Upon recessing at 10:39 a.m.

10 --- Upon resuming at 10:58 a.m.

11

12 THE CHAIRPERSON: M. Hacault...?

13 MR. ANTOINE HACAULT: Yes. If Mr.
14 Christle could come and either affirm or swear each of
15 the presenters, that would be appreciated.

16

17 PUBLIC PRESENTATIONS CONTINUED

18 RICHARD DENTON, Sworn

19 DON BOONSTRA, Sworn

20 CHRISTOPHER PARKER, Sworn

21

22 MR. ANTOINE HACAULT: Members of the
23 panel, we thank the PUB for allowing these
24 presentations to take place. The order of the
25 presentations will be as follows.

2412

1 There are some slides which deal with
2 the MIPUG presentation as a whole, some slides dealing
3 with CME, the Canadian Manufacturers and Exporters
4 Association, then followed by some company-specific
5 presentation by Chemtrade and thereafter by a company-
6 specific presentation made by Winpak.

7 And with that, I leave it to Mr.
8 Denton, who I believe will be starting the
9 presentations. And I will let them introduce
10 themselves and go through their slides. And they are
11 open for questions at the Board's leisure. Thank you.

12 MR. RICHARD DENTON: Thank you. Mr.
13 Chairman, members of the Board, Interveners, and
14 councils, I'd like to first thank you for granting us
15 this opportunity to speak before you today.

16 My name is Rick Denton. I'm the
17 current co-chair of the Manitoba Industrial Power
18 Users Group commonly referred to as MIPUG. I'm in
19 attendance today with two (2) of our member companies
20 and our sister organization in the CME.

21 And we're here to express our thoughts
22 regarding the Efficiency Manitoba Hearing before you
23 today.

24 As you can see on -- on our slide, the
25 MIPUG members are a broad-based organization

2413

1 representing chemicals, paper manufacturing,
2 manufacturing pipelines and agribusiness. We're
3 located throughout the Province of Manitoba and we are
4 primarily located here, but we export our products to
5 other parts of North America.

6 So, an introduction. MIPUG is an
7 association of thirteen (13) major industrial
8 companies. We belong to the general service large,
9 three (3) classes of general service large.

10 Our core focus is electricity rates and
11 supplying Manitoba and, to a lesser extent, natural
12 gas. We're more focussed in the electricity sphere.
13 We consume slightly more than half of all the energy
14 used by the industrial sector in Manitoba and we
15 represent the interests of the GSO customer base,
16 specifically the industrial sector broadly, and
17 specifically our thirteen (13) member companies.

18 We regularly communicate with various
19 industry groups and association, such as the CME who's
20 in attendance with us today. We have participated in
21 every hydro rate proceeding since the late '80s,
22 including the NFAT and other proceedings.

23 Priorities of MIPUG and our membership
24 is reliable economically sustainable power. We are
25 substantive -- substantive users of electricity, and

2414

1 with that comes a very significant employment and
2 economic activity in the Province of Manitoba.

3 We contribute extensively to a strong,
4 vibrant, and prosperous Manitoba. Our import -- of
5 vital importance to us is stable, predictable, and
6 necessary changes to rates that are fairly distributed
7 across classes.

8 Energy efficing -- energy efficiency
9 programs that could provide economic benefits are --
10 are very important to our members. We have been very
11 involved in efficiency through Manitoba Hydro for many
12 years. We just -- we -- we need to ensure they're not
13 disproportionately impacting those unable to
14 participate.

15 So, our effort's on competitiveness
16 within Manitoba. We operate in Manitoba. We compete
17 across North America. And we are -- we are concerned
18 that there may be short-term impacts in terms of rates
19 with -- with the program that's currently set out.

20 Our economic impact to Manitoba is
21 significant. We -- we provide direct and indirect
22 jobs, north of -- of seven thousand (7,000). We
23 contribute extensively to the provincial economy in
24 terms of our taxes we pay.

25 We're heavily capitalized in -- at over

2415

1 \$6 1/2 billion of -- of assets in the province,
2 contributing about \$3 million to the GDP. Our
3 electricity purchases, you can see, are very extensive
4 and -- and represent a significant portion of our
5 costs.

6 Operating in Manitoba has its
7 advantages and disadvantages. Our energy usage is
8 significant. We have facilities from as low as 10
9 percent of total input cost to greater than 50 percent
10 of our input costs as electricity.

11 We have an inability to pass any cost
12 impacts in Manitoba on as a lot of our markets were
13 price takers. We're not price makers. We compete
14 across North America. And -- but we are also stuck
15 with any indirect cost impacts for our local supply.

16 So, while we may be impacted by rate
17 increases on what we buy in Manitoba, we have very
18 little ability to pass those costs on.

19 We have long distances to market. Some
20 of our -- our members produce in Manitoba, do not sell
21 in Manitoba and sell across North America, so we're
22 subject to transportation and price escalation.

23 And we're competing with energy markets
24 that are around North America and, in some areas,
25 going down in price and not up in price.

2416

1 So, our -- we currently lack some
2 options that -- that other areas have, and so, you
3 know, in our -- in our member companies we need to
4 stay competitive.

5 Our competition, as I've expressed, is
6 across the continent. It's -- and our markets are
7 mostly outside Manitoba.

8 The initial three (3) year plan filed
9 by the Efficiency Manitoba represents the start of a
10 fifteen (15) year mandate. This is significant. It's
11 got aggressive targets.

12 And this comes at the heels of over
13 thirty (30) years of efficiency manage -- efficiency
14 management within Manitoba Hydro, many programs of
15 which our members have taken advantage of to help
16 offset usage and cost within our facilities.

17 Funding for these Efficiency Manitoba
18 expenditures will be born through the Manitoba Hydro,
19 so achievement of the targets will have positive and
20 potential negatives within rate base of which our
21 members pay a significant portion.

22 Industrial par -- participation in the
23 plan is -- is expected to be significant. We want to
24 be a part of that. We're -- we're looking at very
25 large electric and gas savings, but we're looking at

2417

1 lesser amounts of cost programming in terms of what
2 the targets are.

3 We want to play a key role. We have
4 played a key role over the years in Efficiency
5 Manitoba, programs previously lead through Hydro. We
6 just need to ensure they're financially justifiable
7 efficiency projects.

8 We -- we have complex plants.

9 Implementation of energy projects is -- is challenging
10 at times within the facilities. Some of our
11 facilities have near best available technology and
12 limited ability to apply new opportunities.

13 And -- and we all compete. Our
14 companies generally are -- are also based across North
15 America and we compete internally for capital. And
16 so, by -- by necessity, even projects within Manitoba
17 must meet the capital thresholds within our companies
18 or we'll invest those dollars elsewhere, as other
19 companies do in other regions.

20 And so, our time lines are also
21 encumbered in that some of our facilities may shut
22 down only every five (5) years. So, there may be a
23 good project, but it could take four (4) years to --
24 to get it implemented based on timing.

25 Large capital investments can exceed

2418

1 the incentive available for -- through Efficiency
2 Manitoba, and so there is some challenges with respect
3 to what projects are chosen.

4 In our mind, pro -- program success
5 will be a cost-effective program delivered by
6 Efficiency Manitoba, and it will be highly dependent
7 upon our members or MIPUG members' involvement given
8 the -- the targets that are seen.

9 Successful implementation will require
10 targeted savings based on needs within the province,
11 needs within the facilities, and the ability to select
12 with some flexibility implementation of the best
13 projects at the lowest costs.

14 We encourage those flexibilities to be
15 built into the program for the target spending to
16 achieve the best outcomes for -- for, not only our
17 members, but for all stakeholders and all ratepayers
18 within Manitoba Hydro.

19 Overall programs that target the
20 balance of efficiency of consumption and
21 competitiveness of those hydro rates will ensure the
22 viability in the long-term of those jobs of the GDP
23 and the corporations that make up our membership.

24 Thank you.

25 THE VICE-CHAIRPERSON: Thank you, Mr.

2419

1 Denton. We heard from a MIPUG witness last week that
2 the view that key account reps should main -- retained
3 by Manitoba Hydro despite the fact that the
4 responsibility for these programs are being split now
5 and -- and sent over to Efficiency Manitoba.

6 Do you have any comment on that?

7 MR. RICHARD DENTON: We've -- we've
8 worked very collaboratively over the years with all of
9 our key account managers. They are highly
10 knowledgeable of -- of our needs, of our issues and
11 our challenges.

12 We would see that as important to
13 maintain that long-term connectivity between the
14 opportunities we provide and the Efficiency Manitoba's
15 ability to support us in our needs.

16 THE VICE-CHAIRPERSON: So, how would
17 you see that working then if the efficiency programs
18 are going to be managed by Efficiency Manitoba, and
19 then other parts of the business obviously will be
20 staying with Manitoba Hydro?

21 MR. RICHARD DENTON: I'm -- I'm not --
22 you know, I'm not sure how the -- I'm not as familiar
23 with how the two (2) corporations are going to closely
24 link together.

25 I know there's -- because there's been

2420

1 a long history of the employees within Manitoba Hydro
2 that will likely form a big part of Efficiency
3 Manitoba, we believe there is strong bonds between
4 them. I think that can work efficiently. And it can
5 also work cost-efficiently versus maybe duplicating
6 and having one (1) set of key account managers that's
7 going to be Efficiency Manitoba and another that's
8 Manitoba Hydro.

9 Perhaps the best efficiency is finding
10 and using those relationships over the years to -- to
11 find the -- the best most cost-effective routes.

12 THE VICE-CHAIRPERSON: Thank you.

13

14 (BRIEF PAUSE)

15

16 THE CHAIRPERSON: I'm still trying to
17 figure out what MIPUG wants, so I -- I look at screen
18 9, under "successful implementation for the benefit of
19 all impacted stakeholders," and this is sort of nice
20 phrasing and all that, and it's very general and --
21 and that.

22 And then I look at -- sorry, page 7, if
23 you bring it up on the bottom. Is this what you're
24 looking at at the bottom? There's the reference of 40
25 percent of electric and 30 percent of natural gas

2421

1 savings, but only 20 percent and 9 percent of targeted
2 program spending.

3 Is it that MIPUG would like to see a
4 greater percentage of -- of spending going to MIPUG
5 members because they're the biggest -- the biggest
6 customers or biggest users in the province?

7 MR. RICHARD DENTON: What we're trying
8 to articulate in that is -- is there's a very
9 significant savings expected to meet the targets of
10 Efficiency Manitoba --

11 THE CHAIRPERSON: Okay.

12 MR. RICHARD DENTON: -- the 40 and 30
13 percent, yet there's the least amount of program
14 funding in that, and there may be the most
15 opportunities. What we'd like to see is the best
16 economic projects not be capped or targeted. It may
17 be that 25 percent or -- or 28 percent is better if
18 those are the projects that are going to deliver the
19 lowest-cost, most-efficient savings.

20 By -- by fixing the target base at 20
21 percent, there may be better projects in the 20 to 30
22 percent range than maybe in other areas in terms of
23 savings to the overall program and ratepayers.

24 THE CHAIRPERSON: So we should focus
25 on sort of the biggest bang for the buck.

2422

1 MR. RICHARD DENTON: That's what we'd
2 like to see, yes.

3 THE CHAIRPERSON: Okay, how does --
4 how does -- how does that jibe -- and that's the
5 problem I have. How does that jibe with bullet number
6 2 on page 9?

7 "Select the portfolio implementation
8 to maximize benefits at the lowest
9 cost benefits [I assume it's] for
10 all ratepayers."

11 MR. RICHARD DENTON: Yes.

12 THE CHAIRPERSON: Essentially, the
13 position of MIPUG seems to be -- and -- and correct me
14 if I'm wrong -- there will be greater overall savings
15 and lower emissions if there was more money put
16 towards the larger industrial companies, because they
17 use the most energy and you can get greater savings.

18 MR. RICHARD DENTON: Yes, in some --
19 some of our facilities, that is correct.

20 THE CHAIRPERSON: Okay, thank you.

21 Thank you. Next witness?

22 MR. CHRISTOPHER PARKER: Good morning.
23 My name is Chris Parker, and at the moment, I will be
24 speaking on behalf of CME Manitoba. I'm on the board
25 of CME Manitoba, and I'm here representing the board

2423

1 and Ron Koslowsky, the vice-president of CME Manitoba.

2 I'd like to thank the Board for taking
3 the time to hear us -- the counsel and Intervenors as
4 well for giving us this time.

5 On behalf of CME, I -- you know, we --
6 we want to emphasize that manufacturing is a backbone
7 of the Manitoba economy. You can see from the data
8 that we're sharing here that manufacturers are
9 producing almost \$20-billion worth of products in
10 2018. We're contributing to 10 percent of the
11 province's GDP and nearly 70 percent of the exports
12 that come from Manitoba.

13 CME members and manufacturers create
14 sixty-one thousand (61,000) jobs, and the sector pays
15 a significant amount in salaries, almost \$4 billion,
16 and notably, it's substantially above the provincial
17 average wages. So there's -- these are good-paying
18 jobs that create a large economic impact.

19 The Canadian Manufacturers and
20 Exporters is Canada's oldest and -- and largest trade
21 association. It's the voice of manufacturing across
22 Manitoba, and specifically, here in Manitoba. The
23 Manitoba chapter of CME is one of the most successful
24 in Canada and represents the -- the economic diversity
25 that we see in manufacturing in Manitoba.

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1 There's hundreds of companies actively
2 engaged in CME. CME provides training and other tools
3 to help the members in manufacturing succeed and
4 covers nearly all sectors of the Manitoba economy. As
5 you can see, it -- it covers many sub-sectors:
6 aerospace, plastic, agricultural, manufacturing, food
7 processing, and -- and many others, so CME is a -- is
8 a major voice for manufacturing in Manitoba.

9 CME has been engaged with Hydro on a
10 number of -- of issues. CME believes that Manitoba
11 Hydro is a -- is a powerful economic force and an
12 economic asset for Manitoba, and would like to see the
13 mandate of Hydro and Efficiency Manitoba being to work
14 together to develop an economic advantage to continue
15 to ensure the competitiveness for all industries in
16 Manitoba, including manufacturing.

17 Manufacturers are very active in
18 supporting green initiatives. Many in the
19 manufacturing sector have invested in clean and green
20 technology before it was -- it was as hot a topic as
21 it is today, and we're committed to continuing to work
22 to reduce our carbon footprint and to improve our
23 environmental performance.

24 Nonetheless, CME is -- believes that
25 the plans that are currently being proposed by

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1 Efficiency Manitoba may impact our Manitoba
2 competitive position, particularly when compared
3 against other jurisdictions, especially if rate
4 impacts cause significant rises in rates in Manitoba.
5 Efficiency Manitoba's plans must address the needs and
6 -- and priorities of CME members and do so in a cost-
7 effective manner while reflecting the needs of all of
8 Manitoba Hydro and its ratepayers.

9 It's important that the -- 'cost-
10 effective' is -- is the key phrase. It's -- we're all
11 in times of challenge and competitiveness, whether
12 we're participating in just Manitoba or exporting, and
13 we need to be cost-effective.

14 CME believes these plans merit a close
15 review, which the PUB is currently engaged in, and it
16 may warrant changes to ensure that hydro remains a
17 differentiator and a positive force for Manitoba
18 businesses so that we can continue to attract and
19 retain investment and continue to grow the Manitoba
20 economy. Thank you.

21 THE VICE-CHAIRPERSON: Thanks, Mr.
22 Parker. On your slide 3 there, when you talk about
23 that "hydro remains a differentiator" and that we may
24 need to be looking at some changes, could you give a -
25 - a couple of examples of the kind of changes that CME

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1 would like to see?

2 MR. CHRISTOPHER PARKER: Well, CME
3 believes that Manitoba has a -- a unique advantage
4 with our hydro asset, and there's certainly an
5 opportunity that, perhaps, hasn't been realized so far
6 to have Manitoba Hydro participate, as many
7 jurisdictions in North America do, to incentivize
8 companies to locate in Manitoba.

9 That currently isn't part of Manitoba
10 Hydro's activities, but I think all people who are in
11 business nowadays, many members of the CME regularly
12 get calls from people and companies in -- or,
13 governments in other jurisdictions offering them
14 opportunities to relocate -- and certainly access to
15 electricity at low rates, low taxes, other -- other
16 tax incentives.

17 But -- so in order for Manitoba to be
18 competitive and -- and to continue to attract
19 business, hydro is a very powerful tool that we can
20 use to offer companies incentive to move to Manitoba.

21 THE VICE-CHAIRPERSON: So then, given
22 that Efficiency Manitoba is going to be taking over
23 these energy efficiency programs, including any
24 incentives, you would see them, then, being in touch -
25 - making it a part of their pitch kit, for example, or

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1 part of CME's pitch kit, because you would be working
2 closely with them. How would you see that working?

3 MR. CHRISTOPHER PARKER: I think it
4 would require a -- probably a three -- three (3)
5 headed effort there between Hydro, Efficiency
6 Manitoba, and CME to -- to work together, because
7 clearly Hydro has -- has interest in increasing the --
8 the amount of power that's being consumed in Manitoba.

9 And I think all of us would like to see
10 more -- more power consumed in Manitoba as opposed to
11 being exported to other jurisdictions, and grow the
12 Manitoba economy and grow the Manitoba tax base
13 together. So I think it requires a -- a multi-pronged
14 approach.

15 THE VICE-CHAIRPERSON: Thanks.

16 THE CHAIRPERSON: Mr. Parker, in -- on
17 -- well, I guess it's screen 3, you referred to
18 competitive position when compared to other
19 jurisdictions.

20 What other jurisdictions? I mean, the
21 -- for -- sorry to interrupt, but at the last Manitoba
22 Hydro hearing, there -- there seems to be a view in
23 Manitoba that we probably have the second-lowest rates
24 in Canada outside of Quebec. So are you talking about
25 Quebec, or are you talking about other jurisdictions?

2428

1 MR. CHRISTOPHER PARKER: I think this
2 is in reference to the -- you know, to the targets
3 that Efficiency Manitoba has set relative to some
4 other jurisdictions. The -- the 1.75 percent annual
5 reduction rate that they've identified for electricity
6 is quite a bit higher than most other jurisdictions
7 that we're familiar with. Most from the 1 to 1 1/2
8 percent range.

9 And there was some concern that trying
10 to achieve these higher rate reductions might
11 negatively impact Manitoba rates versus other
12 jurisdictions.

13 THE CHAIRPERSON: So you think that
14 the -- the rate targets should be lower based on the
15 previous presentations. The incentives should be
16 higher. Is -- is that right? I mean --

17 MR. CHRISTOPHER PARKER: I think -- I
18 think the balance -- again, it goes back to the
19 balance, that the 1.75 percent is mandated in the
20 regulation --

21 THE CHAIRPERSON: Right.

22 MR. CHRISTOPHER PARKER: -- and --
23 sorry?

24 THE CHAIRPERSON: It's -- it's one
25 point five (1.5), and point seven-five (.75).

2429

1 MR. CHRISTOPHER PARKER: It needs to
2 be -- CME's concern is that we need to reduce
3 electricity when it's -- in -- in a manner that's
4 cost-effective. And we believe that the cost-
5 effectiveness should have an equal priority as
6 achieving a certain percent reduction.

7 THE CHAIRPERSON: Okay. I -- have you
8 -- have you -- you spoken to the government? Because
9 Efficiency Manitoba didn't set the targets. The
10 government set the targets in the statute.

11 MR. CHRISTOPHER PARKER: Right. No,
12 we -- we understand that.

13 THE CHAIRPERSON: Have -- have you
14 spoken to the government and told them your concerns
15 about the target levels?

16 MR. CHRISTOPHER PARKER: We have, yes,
17 and we're -- we're continuing to do that.

18 THE CHAIRPERSON: Okay. Thank you.

19 MR. ANTOINE HACAUT: Yes, I think now
20 we're to the Chemtrade presentation, which will then
21 be followed by the Winpak presentation.

22 MR. DON BOONSTRA: Good -- good
23 morning, still.

24

25 (BRIEF PAUSE)

2430

1 MR. DON BOONSTRA: Sorry. Mr.
2 Chairman, panel members, I do thank you for your time
3 this morning. My name is Don Boonstra. I'm a
4 business director within Chemtrade. Chemtrade has
5 three (3) significant business groupings, and I'm the
6 -- responsible for our electricchem business unit,
7 which is a significant component of Chemtrade.

8 Here today to speak really on two (2)
9 matters. One (1) is to provide -- or to speak to our
10 views on the Efficiency Manitoba matter at hand today,
11 but also, I think to -- that we represent a class of
12 customers that have some unique needs, and also are
13 unique in the way to engage with us. And so I wanted
14 to bring that perspective today.

15 Chemtrade -- our 2018 sales were \$1.6
16 billion. We're domiciled in Canada. We're traded on
17 the TSX. Fourteen hundred (1,400) employees, sixty
18 (60) plus facilities in North America, one (1) in
19 Brazil, and our plant in Brandon is a -- a pretty
20 significant part of the company. It's the largest
21 chlorate plant in the world. You know, Manitoba
22 should be proud of it. We're certainly proud of it.

23 It produces three hundred and twenty
24 thousand (320,000) tonnes of -- of chlorate, and it's
25 important to know that 100 percent is exported out of

2431

1 the Province. There are no customers in Manitoba.

2 The plant was built for export.

3 Next slide, please. Sodium chlorate is
4 used primarily in pulp and paper for the bleaching of
5 pulpwood, and it's everything from, you know, copy
6 paper, packaging, drinking cups, diapers, and it's a
7 commodity. And so the requirement for selling it is
8 the lowest delivered cost.

9 How is that done? The two (2) raw
10 materials are electricity and salt. And our costs are
11 in that order, electricity being the largest cost.

12 The second requirement is economies of scale. And if
13 you look at how Brandon -- our plant in Brandon came
14 to be, it was built over a long time, with very large
15 investments. The chemical industry is very capital-
16 intensive, and it requires long-term thinking, and
17 close work with Manitoba Hydro.

18 Manufacturing chemicals in Manitoba --
19 it's a difficult geography. It's cold. We're a long
20 ways from markets, but it's been a very successful
21 story for us. As I mentioned, 100 percent of the
22 product is exported out of the Province, and roughly
23 speaking, 75 percent of it is being shipped into US.

24 The process for making sodium chlorate
25 is fairly simple. It's salt plus water, with

2432

1 electricity, and electricity is about roughly 5200
2 kilowatts per metric ton of chlorate -- produces
3 chlorate and hydrogen. Our annual electricity bill is
4 about \$70 million, and, you know, unlike a number of
5 other industries where electricity is important, for
6 us, it's actually one (1) of the key raw materials.
7 So 70 percent of our raw material variable cost is
8 electricity.

9 And just some rough sensitivities, a --
10 a 1 percent rate increase is seven hundred thousand
11 dollars (\$700,000), you know, increased cost for us,
12 or conversely, we -- we are in a competitive industry,
13 and a 10 percent decrease in our production volume or
14 our sales is a \$7 million reduction in Hydro revenue.

15 Next slide. Last -- well, no, not last
16 -- 2018, our plant celebrated its fiftieth year
17 anniversary, and we had a number of guests, so we had
18 a little party. It's been quite a -- a story.

19 Today, the direct economic benefit of
20 that plant is about \$135 million, and roughly two-
21 thirds (2/3) of that remains in Manitoba. Chemtrade
22 acquired this plant in 2017, and at that time, we
23 announced that we would be spending additional capital
24 over the next number of years to make sure that it
25 remains a sustainable and viable asset in the future.

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1 And that was ballparked at about \$90 million.

2 The taxes -- municipal and provincial
3 taxes paid in 2017 was about 2.7 million. Those are
4 the latest numbers I had readily available. And
5 direct payroll, including benefits, was 10.1 million.

6 The average salary for our workforce, a
7 hundred and thirty -- thirty-nine thousand dollars
8 (\$139,000), and compare that with the median in
9 Manitoba of eighty-four thousand dollars (\$84,000).
10 So these are good jobs. And -- and our workforce is,
11 you know, highly trained, and yeah, so these are good
12 jobs. In Brandon, we're the seventh larger employer.

13 This is a slide that speaks to the
14 industry we're in. Questions were asked earlier about
15 other jurisdictions. Quebec is another low -- low-
16 cost energy jurisdiction in Canada. They announced a
17 0 percent increase for this year. BC Hydro, its
18 position had slipped relative in Canada, but they sure
19 -- they've announced a 1 percent decrease.

20 But maybe more importantly is because
21 most of our customers are in the US, those are the
22 geographies that we're competing with. And IHS Global
23 Bleaching Report, which is a -- a market intelligence
24 publication that -- that monitors sodium chlorate,
25 reported in their November issue that US producing

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1 locations on average, their cost reductions declined 8
2 percent in the past twenty-four (24) months due to --
3 primarily due to decline in electricity costs, which
4 is driven by lower-cost natural gas.

5 How that's translated into our industry
6 is some pretty significant announcements in the past
7 twenty-four (24) months on shutdown -- well, capacity
8 shutdowns and capacity additions. So Nouryon
9 announced in 2018 -- and -- and not announced -- they
10 went ahead and shut a hundred and eighteen thousand
11 (118,000) tonne plant in Valleyfield, Quebec.

12 Erco permanently shut in two three of
13 this year, or two three of last year, a 40,000 ton
14 plant in Saskatoon, Saskatchewan, and then conversely
15 Kemira announced that they are expanding their plant
16 in South Carolina by 20,000 tons and Erco announced
17 that they were expanding -- they have a plant in
18 Buckingham, Quebec, a small amount, by 5,000 tons, and
19 a plant in Georgia by 11,000 tons.

20 We see this as reflecting the fact that
21 more than 60 percent of the capacity in the chlorate
22 market is in Canada and only about 30 percent of the
23 demand is in Canada. And so the chlorate industry was
24 built around lower-cost legacy hydroelectricity in
25 Canada, and that was necessary to overcome a freight

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1 disadvantage because more of the demand is in the US,
2 and that competitive advantage has been eroding.

3 And so these announcements just kind of
4 reflect that trend of where the electricity costs
5 between these jurisdictions has shrunk -- that gap has
6 shrunk and the transportation disadvantage has made it
7 sense for these companies to shut capacity in Canada
8 and replace it with capacity in the US.

9 So our position on Efficiency Manitoba,
10 the -- the first point is that rates matter.

11 Competitive, stable, predictable rates are important.
12 Our industry is energy intensive and it's trade
13 exposed. Sodium chlorate is considered a commodity.
14 Our sodium chlorate is no different than anybody
15 else's sodium chlorate.

16 Customers make decisions on who they
17 buy from on a number of different factors, but price
18 is the number one factor, and our historical
19 advantages of competitive electricity and scale are --
20 are being eroded.

21 Industry is an important component of
22 the savings objective, reading through the Efficiency
23 Manitoba Plan. We've talked before about 40 percent
24 of the total objective. It's expected to come from
25 industry. If you just narrow out the incentive-based

2436

1 electricity savings, it's north of 50 percent. And
2 with a budget allocation of 20 percent, the industry
3 opportunities are expected to represent the lowest
4 acquisition cost.

5 Our objective is that we're -- we're
6 not naive enough to know that there's -- there's going
7 to be a rate impact as you spend money on reducing
8 demand, and it's no different than in spending money
9 on increasing capacity. Whether you permanently
10 reduce demand or increase capacity, it's still an
11 investment, still viable. So we understand there's
12 going to be impact on rates.

13 Our objective is that as a sector that
14 we can participate to a point where at least our net
15 cost is neutral, that we're able to participate and
16 find savings that balance out the -- the impact on
17 rates.

18 Our hope is that Efficiency Manitoba
19 can target opportunities that balance the greatest
20 impact with the lowest acquisition cost. In other
21 words, efficient, best bang for the dollar. And so to
22 the extent that they can be flexible in where those
23 projects and opportunities come from, between the
24 different sectors that they look at, and be flexible
25 in their timing, because on the industry side timing

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1 can sometimes be challenging, and I'll speak to that
2 in a second.

3 Second point is that selected projects
4 should be economically justifiable. They should be
5 needs-based. And then speaking from the industry
6 point of view, our barrier, like others in industry,
7 is that our capital to invest is constrained and
8 competitive. I reference that we have sixty (60)
9 plants around North America. Our business -- our
10 plant in Brandon competes for capital with those other
11 plants.

12 Our -- our needs for capital have to be
13 balanced between our needs to make our plant safer,
14 our -- our -- we spend capital on making sure that we
15 can just sustain our plants.

16 And then the third objective is to make
17 our plants more efficient, and so in any given year,
18 how much capital we have to make our plants more
19 efficient can be more or less depending on balancing
20 those other needs and then of course competing with
21 other jurisdictions.

22 So to summarize, the world is changing
23 fast. The competitive advantage of Manitoba, and
24 Canada, for energy intensive industry has been eroding
25 somewhat. It's important for us to maintain

2438

1 competitive, predictable, stable rates.

2 We'd like to see that selected projects
3 and -- and how it's been structured, target the
4 projects that are most efficient and economically
5 justified, and we see industry as a key partner.

6 We see Chemtrade as a key partner, and
7 -- but then recognizing that the capital that we have
8 to invest is competitive, and it might be in -- in --
9 in one (1) year the threshold to invest on efficiency
10 project is lower or higher than another year, and so
11 sometimes it is timing, depending on -- on what our
12 competing needs are elsewhere in the company.

13 Those are my prepared remarks. I'm
14 happy to take questions.

15 THE VICE-CHAIRPERSON: I have one (1)
16 question that's probably a bit flaky, so I apologize
17 in advance.

18 On page 4 of your deck, you talk about
19 the reaction that's used to produce the sodium
20 chlorate, and you say that hydrogen is a byproduct.
21 We just heard from the last presenter that hydrogen
22 can also be a heat source.

23 Is there any opportunity for you to --
24 to use that hydrogen in some kind of efficient way in
25 your plant?

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1 MR. DON BOONSTRA: Yes. So today we
2 use a little over half of the hydrogen to make steam
3 that we need in our process, and that's in lieu of
4 using natural gas or some other energy source.

5 The -- the challenge with hydrogen is
6 it's difficult to ship, so you have to convert it to a
7 product or some other form to allow you to ship
8 it in our fence line, and -- and so if we talk about
9 efficiency projects, that's something that we're
10 keenly looking at at all of our electrochem plants, to
11 see if we can find opportunities to do that.

12 THE VICE-CHAIRPERSON: Thanks.

13 BOARD MEMBER GRANT: Just one (1)
14 question. Considering different energy sources and
15 you're so electricity dependent, is that -- what is
16 then the nature of the production process? Are you
17 using electricity for -- it's not a heat source, is
18 it, so you couldn't substitute a way to natural gas?

19 MR. DON BOONSTRA: No. It's -- it's -
20 - it's referred to as electrochemistry, and so it's
21 the electricity that drives the -- the separation of
22 the -- the water and salt molecules into -- into
23 different molecules. So it's driving the reaction.

24 BOARD MEMBER GRANT: So there's really
25 no alternative energy source.

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1 MR. DON BOONSTRA: Yeah. It's a --
2 it's a very similar -- I think earlier someone spoke
3 to this trend of using a -- no, I -- I'm sorry, that
4 was a different conversation. It's -- going back to
5 my high school chemistry class and they set up the
6 little battery with the salt water and -- or -- or
7 just the water and then we did a little pop with
8 hydrogen, it's the very same reaction.

9 THE CHAIRPERSON: Sir, if I could ask
10 you, on page 5 you make reference to the -- oh sorry,
11 page 6. Sorry, thank you.

12 The middle bullet, about cash cost to
13 produce chlorate in the US has declined more than 8
14 percent. And you made reference to the fact that
15 their electricity is generated by natural gas.

16 MR. DON BOONSTRA: It -- it certainly
17 depends state by state --

18 THE CHAIRPERSON: Okay.

19 MR. DON BOONSTRA: -- and what the
20 jurisdiction -- but in the states where there are
21 chlorate production plants --

22 THE CHAIRPERSON: Yeah.

23 MR. DON BOONSTRA: -- they have a
24 basket of energy and the basket that is based on
25 natural gas generation is becoming larger and has been

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1 switching from coal.

2 THE CHAIRPERSON: Right. So I guess
3 the question I have is, are we looking at something
4 that's inevitable, because the reality is natural gas
5 in the United States is -- is getting to be a bigger
6 and bigger market. Their prices are declining.

7 The reality is in -- in Manitoba, as
8 you know from the last -- from the -- the major
9 hearing we had, is we have a -- we have Manitoba
10 Hydro, it's doubled -- it's doubled its asset size and
11 somehow has to pay for -- for it.

12 I mean, is -- is the US -- I mean, are
13 -- are we actually just at the beginning of -- of --
14 of losing any sense of competition if the US is
15 focusing on natural gas and we're focusing on hydro
16 electric?

17 MR. DON BOONSTRA: I think today it's
18 not clear.

19 THE CHAIRPERSON: Okay.

20 MR. DON BOONSTRA: There's a saying in
21 business, the cure for low prices is low prices. And
22 with cheap natural gas you've seen a large build out
23 in new petro chemical capacity to use that cheap
24 natural gas to make plastics and -- and whatnot.
25 You've seen a large move for coal fire plants to

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1 convert to natural gas fire plants.

2 And there has become a little bit of a
3 chill in the shale drilling area, as -- as not all of
4 these wells have turned out to be as prolific as --
5 and so investment dollars have been drying up because
6 they haven't been as profitable as promised to be.

7 So there's a bunch of factors going on
8 here. I think it's too soon to know.

9 THE CHAIRPERSON: Okay, thank you. Is
10 -- is there anything more from this panel? Mr.
11 Parker, we're back to you on Winpak.

12 MR. CHRISTOPHER PARKER: Yes, thank --
13 thank you.

14 Thanks again to the panel and the
15 participants for taking the time to -- to listen.

16 Again, my name is Chris Parker. At
17 Winpak I'm the manager of sustainability and process
18 improvement. And I'd like to share a little bit of
19 our experience with the energy reduction activities
20 that we engage in.

21 Just to let you know who we are, Winpak
22 is a -- a publically traded company listed on the
23 Toronto Stock Exchange. Majority shareholder is a
24 company named WIHURI Oy, which is a Finnish company
25 located in Helsinki, Finland, which shares similar

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1 business interests to Winpak in part of its business
2 activities.

3 Winpak has 12 facilities in North
4 America, between Canada, the United States, and
5 Mexico. Winpak is a company that started in Winnipeg
6 40 years ago and it continues to be headquartered in
7 Winnipeg.

8 At the end of 2018, sales were just
9 under \$890 million US, which is around 1 -- just over
10 1.1 billion Canadian dollars.

11 The company has twenty-four hundred
12 (2,400) employees around North America, of which seven
13 hundred and seventy-five (775) are employed with
14 Winpak division in Winnipeg.

15 Winpak division in Winnipeg produces
16 flexible packaging, primarily for perishable foods,
17 but with also some activity in beverage, healthcare,
18 and industrial products.

19 We are a significant user of
20 electricity, not on the scale of Chemtrade or some
21 others, but we also us a lot of natural gas. In 2019
22 we were at 52 gigawatt hours of electricity and 2.6
23 million cubic metres of natural gas.

24 So for us that translates to about \$3
25 and a half million a year spend on energy. The

2444

1 largest portion is electricity. Our spend on natural
2 gas is primarily to heat the building. Obviously the
3 -- the climate requires that, but in terms of energy
4 units, it's actually about 30 percent of our -- our
5 energy usage, so it's a -- it's a significant cost
6 both on natural gas and electricity.

7 So Winpak is active in energy reduction
8 projects. Winpak is committed to sustainability.
9 We're in the process of finalizing a -- a
10 sustainability policy that will be published shortly.

11 It has a number of goals, with targets
12 dated for 2025, including making our products more
13 sustainable, including moving to zero landfill, and
14 including reducing our energy, our -- our specific
15 energy consumption by 10 percent.

16 Since 2018, Winpak has employed a full-
17 time professional engineer to oversee our energy
18 reduction activities. This is -- was started with
19 Manitoba Hydro through their energy manager program.
20 Manitoba Hydro supported the employee to get his
21 certified energy manager training and they also
22 supported our initial energy audits.

23 The current targets that we have --
24 sorry, if you could go back just a little bit. Thank
25 you.

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1 So our short-term target is to reduce
2 our consumption by 2000 megawatt hours a year. And as
3 I mentioned, our long-term target is to reduce our
4 specific energy consumption by 10 percent from our
5 2017 level.

6 So what that means is that for every
7 ton of product that we sell, we want to use 10 percent
8 less energy based on where we were in 2017. That
9 allows us to track both our sales growth and our
10 energy reduction.

11 So on -- you can see some of the
12 history of -- of our investments and -- and hydro
13 rebates that we've participated in.

14 A few things to note. We're continuing
15 to -- to grow our investment, our plan for the next
16 two years is to invest in excess of a million dollars,
17 but the challenge you see is that -- is that the
18 payback and the energy savings becomes more cost
19 intensive as we -- as we go.

20 In 2018 we invested just over \$100,000
21 to get 659 megawatt hour savings. In 2020 and 2021
22 we'll invest almost ten times as much money, but only
23 get about two and a half (2 1/2) times the energy
24 savings.

25 The reason for that is that as we go

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1 through this process, the -- the so-called low-hanging
2 fruit, the easy projects are done and the payback
3 becomes more of a challenge.

4 The -- so the -- the rebates that we're
5 getting from hydro are important. They're critical to
6 maintaining the payback into a reasonable amount.

7 For context, our typical projects that
8 we would invest in, capital projects to expand the
9 business or to add new equipment, would typically have
10 a two to three-year payback. But energy projects are
11 typically longer payback. So it's -- it's a
12 challenge. As was discussed previously, capital
13 spending is competitive and -- and we need to justify
14 those investments.

15 It's even more critical on natural gas
16 projects because the price of fuel is continuing to be
17 low, so the payback is -- is even more challenging.

18 So one quick example of a project that
19 we've already completed, and some of the savings that
20 we can realize, this project was focused on compressed
21 air.

22 We took a two-prong approach to this.
23 One (1) was to replace two (2) aging compressors with
24 newer, more efficient compressors. But also, we
25 combined that with -- with work by our energy engineer

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1 to oversee improvement in our processes so that we
2 would identify losses in our system, whether it's
3 leakage, whether it's poor usage of air, and of course
4 compressed air translates directly to energy.

5 So we were -- we were focused on both
6 sides, not just replacing equipment, but also managing
7 the resource carefully.

8 Again, you can see the payback is -- is
9 fairly long, and particularly with -- without the
10 incentives, but there is still a significant amount of
11 energy that can be saved through these projects.

12 One -- sorry -- one other point with
13 the -- with the compressed air, with our capital
14 projects is since we've added the energy engineer to
15 our team, all of our capital projects are evaluated
16 for -- for energy efficiency as well.

17 So we've added a new step to that and
18 we do the financial analyst -- analysis to determine
19 over the life of the project what the benefits are for
20 buying higher energy efficient equipment, versus
21 standard. Thank you.

22 So just to close, you know, energy is
23 an important resource, there's no doubt about that.
24 Hopefully you appreciate that Winpak is committed to
25 energy reduction, and we're looking forward to

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1 continuing to partner with Efficiency Manitoba to --
2 to reach the mutual goals of becoming more energy
3 efficient.

4 But we're also concerned about energy
5 costs and we want to see Efficiency Manitoba make
6 prudent investments in all of its projects. We want
7 to see careful spending, much as we do -- we -- we
8 hope that that's what will be mandated for Efficiency
9 Manitoba. Thank you for your time.

10 THE VICE-CHAIRPERSON: Thanks, Mr.
11 Parker. On page 4 of your deck you talked about the
12 certified energy management support that you'd
13 received from Manitoba Hydro?

14 MR. CHRISTOPHER PARKER: Yes.

15 THE VICE-CHAIRPERSON: Is that part of
16 a DSM program, when you received that support?

17 MR. CHRISTOPHER PARKER: Yes. It was
18 part of the Power Smart program they had an energy
19 manager's program that we entered into an agreement
20 with them and they participated in paying for a
21 portion of the training for the employee to get that
22 certification.

23 THE VICE-CHAIRPERSON: Thanks.

24 BOARD MEMBER GRANT: Just a couple of
25 quick questions. On page 4, where we are now, I may

2449

1 have missed it, specific energy consumption. Is that
2 specific to a particular end product? So, you want a
3 10 percent reduction acro -- for each end product?

4 MR. CHRISTOPHER PARKER: Correct. So,
5 specific energy consumption is -- is defined as the
6 total energy per tonne of product sold.

7 BOARD MEMBER GRANT: Okay.

8 MR. CHRISTOPHER PARKER: So, we want
9 to reduce our total energy demand, both electrical and
10 natural gas, for every tonne that we sell by 10
11 percent.

12 BOARD MEMBER GRANT: I'm just
13 wondering if you would expect a significant change in
14 sort of the product mix. If, for example, single-use
15 plastic increasingly under attack, do you see -- do
16 you see a situation where Winpak's total output will
17 shift from -- away from one (1) product towards
18 another?

19 MR. CHRISTOPHER PARKER: I don't
20 anticipate that. I think that the products that
21 Winpak makes are very high value-added products and
22 not likely to be impacted by the single-use plastic
23 band.

24 That -- that said, we are looking at
25 changing how our -- some of our products are made to

2450

1 make them more easy to recycle or made from more
2 sustainable source materials, but that's not our
3 primary focus for energy reduction.

9 Just one (1) other quick one (1). On
10 the last slide, I think -- sorry, the compressed air
11 project. Is there a rule of thumb about sort of
12 payback periods? Because, I guess, looking at the
13 very bottom, is it possible that you'd be a free rider
14 on this anyway, that you'd undertake the investment
15 without any incentives, and so, you know, comparing
16 the four (4) year payback to a six point two (6.2)
17 year payback period?

18 MR. CHRISTOPHER PARKER: Well,
19 certainly, again, Winpak is committed to
20 sustainability, so we -- you know, we will commit a
21 certain amount of resources to our sustainability
22 projects, and energy reduction is one (1) of those.

23 But as I also mentioned, you know, our
24 typical rate of return for capital investment is -- is
25 two (2) to three (3) year payback. So, if I wanted to

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1 add a machine to, you know, add more capacity in the
2 pouch department, I wouldn't bring a capital request
3 forward with a four (4) year payback because I know it
4 wouldn't -- wouldn't mo -- wouldn't move ahead in our
5 current environment.

6 BOARD MEMBER GRANT: Okay. Thank you.

7 THE CHAIRPERSON: Mr. Parker, if I
8 could ask you to put on your other hat from before.
9 You mentioned -- I believe you said that, you know,
10 Manitoba Hydro and the Government of Manitoba should
11 be -- and Efficiency Manitoba should be looking at
12 Manitoba Hydro electricity as a driver of the economy
13 and they should be looking at rates to try and induce
14 companies to either start here or move here.

15 Am I correct --

16 MR. CHRISTOPHER PARKER: Yes.

17 THE CHAIRPERSON: -- in that
18 statement? The rates that you were talking about, are
19 you talking about the GSL rates or are you talking
20 about rates lower than the GSL rates to induce
21 companies here?

22 MR. CHRISTOPHER PARKER: Well, I don't
23 -- I -- I'm not an expert on the rate structures.

24 What I --

25 THE CHAIRPERSON: Yeah.

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1 MR. CHRISTOPHER PARKER: What I can
2 tell you is, you know, the people that I talk to and -
3 - and meet with at the CME board, some small to medium
4 enterprises, people in the fifty (50), sixty (60) job
5 range, they're continuously getting calls from
6 companies in the US that offer them hydro rates that
7 are competitive or lower on a per -- on a limited
8 time.

9 So, typically, there's an incentive to
10 come. You get a tax holiday. You get a power
11 reduction rate for say five (5) years to relocate your
12 business. None of those are offered currently in
13 Manitoba, those sort of incentives.

14 THE CHAIRPERSON: Right. So, wearing
15 your Winpak hat, how would you -- how would your
16 company react to somebody being offered lower rates
17 than you for electricity to relocate to Manitoba?

18 MR. CHRISTOPHER PARKER: You know, I
19 think that there's opportunities to do -- to do a lot
20 of things to -- certainly, there would be some
21 advantages and some disadvantages.

22 THE CHAIRPERSON: Yeah.

23 MR. CHRISTOPHER PARKER: But, you
24 know, growing the plastics industry in Manitoba would
25 -- in general, would be an advantage for Winpak

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1 because we would have access to better skilled trades
2 and people with more experience in our industry as
3 opposed to having to bring people in from outside all
4 the time.

5 So, there's pluses and minuses on these
6 things. And I think, as a committed Manitoba company,
7 we want to see the Manitoba economy grow and we want
8 to see it continue to be successful. And as we grow
9 the tax base, that's advantageous for everyone, so I
10 think we would try to take a long-term approach to
11 that.

12 THE CHAIRPERSON: I appreciate your
13 answer. Mr. Friesen, did you -- were you going to
14 testify or you're the notetaker?

15 MR. DANIEL FRIESEN: No, I will not be
16 testifying.

17 THE CHAIRPERSON: Okay.

18 MR. DANIEL FRIESEN: I'm just here
19 because Ms. -- Mr. Hacault would -- had to leave
20 early.

21 THE CHAIRPERSON: Right. Okay.

22 MR. DANIEL FRIESEN: Thank you.

23 THE CHAIRPERSON: I -- I appreciate
24 that. Efficiency Manitoba, do you have any questions?

25 MS. JESSICA SCHOFIELD: We just have

2454

1 one (1) question, Mr. Chair.

2 THE CHAIRPERSON: Okay. Certainly.

3

4 CROSS-EXAMINATION BY MS. JESSICA SCHOFIELD:

5 MS. JESSICA SCHOFIELD: Just building
6 on the question, Mr. Parker, that -- that Mr. Chair
7 just asked. Efficiency Manitoba has committed to
8 working with industry to help support attracting new
9 industry to Manitoba.

10 How would you suggest that Efficiency
11 Manitoba can best collaborate with you and your
12 organization?

13 MR. CHRISTOPHER PARKER: The -- well,
14 there's -- there's -- which -- and you're talking as
15 CME is you're speaking now?

16 MS. JESSICA SCHOFIELD: Yes. Thank
17 you.

18 MR. CHRISTOPHER PARKER: Well, I think
19 that, you know, there's -- there's a lot of
20 opportunities to -- to grow industry in Manitoba,
21 whether it's Greenfield or -- or new industry.

22 I think, particularly from a hydro
23 point of view, you can see from, you know, some of the
24 scale of some of the plants, the Greenfield
25 opportunity is -- is fairly large.

2455

1 If we can attract some more Greenfield
2 industries and if we can grow the plastics industry, I
3 think participation in some industry associations
4 would be good.

5 You know, I -- as someone who's worked
6 in the plastics industry for quite a while, if you
7 look at where plastics companies are in North America,
8 you look at Tennessee, you know, the Tennessee Valley
9 authority in the -- in the '60 and '70s offered very
10 low priced electricity.

11 And you go to Tennessee, and even to
12 this day there's -- there's plastic molding plants and
13 plastic converters in every little town in Tennessee.
14 And that's the kind of model that I think there's an
15 opportunity for in Manitoba, to -- to offer some rates
16 to get people to come here and to start their -- their
17 new and efficient plants and create more demand for --
18 for Manitoba.

19 I think, as CME, we would love to see
20 nothing more than, you know, the -- the power being
21 sold to the United States right now to all be sold to
22 Manitoba companies so that we can create employment
23 and grow the Manitoba economy.

24 MS. JESSICA SCHOFIELD: But it -- it
25 would seem, sir, that those suggests are for Manitoba

2456

1 Hydro. Efficiency Manitoba isn't setting rates?
2 MR. CHRISTOPHER PARKER: Understood.
3 It's -- it requires cooperation, as I said before,
4 from Manitoba Hydro, Efficiency Manitoba, and from
5 industry participants to -- to achieve these goals.
6 It's not -- I don't think it can be just Efficiency
7 Manitoba. And I don't think it can be just Manitoba
8 Hydro.

9 MS. JESSICA SCHOFIELD: And so, you
10 don't have any other suggestions specifically for
11 Efficiency Manitoba?

12 MR. CHRISTOPHER PARKER: I can give it
13 some more thought and -- and get some more information
14 for you, but that's the best I have for you.

15 MS. JESSICA SCHOFIELD: Thank you.

16 THE CHAIRPERSON: Gentlemen, we
17 appreciate you attending today and assisting the
18 Board. And thank you again. We're going to adjourn
19 for lunch until tue -- 12:45. Thank you.

20

21 (WITNESSES STAND DOWN)

22

23 MR. DANIEL FRIESEN: Thank you, Mr.
24 Chair. Thank you for the panel and the other parties
25 in providing attention to our concerns. Thank you.

2457

1 --- Upon recessing at 11:58 a.m.

2 --- Upon resuming at 12:50 p.m.

3

4 PUBLIC PRESENTATIONS CONTINUED:

5 KENNETH KLASSEN, Affirmed

6

7 THE CHAIRPERSON: Thank you, Mr.

8 Klassen. You -- you have approximately fifteen (15)
9 minutes --

10 MR. KENNETH KLASSEN: Okay.

11 THE CHAIRPERSON: -- for your
12 presentation. Thank you.

13 MR. KENNETH KLASSEN: Shall I get
14 started? Next slide.

15 My presentation is divided into four
16 (4) parts. I'll quickly introduce myself. Second
17 thing, I'd like to express some concerns about
18 Efficiency Manitoba's development, mandate, and goals.
19 I have a series of five (5) recommended improvements
20 to the Plan that I'll -- I'll cover, and then I'll
21 conclude with a -- a summary.

22 Next slide. I've been in the energy
23 efficiency business for almost four (4) decades. My
24 primary focus has been improving the energy efficiency
25 and environmental performance in new and existing

2458

1 buildings in communities.

2 Most of that time has spent within the
3 Provincial Government, within the Provincial
4 Department of Energy Mines. That was followed by
5 three (3) years working for the Federal Government and
6 Natural Resources Canada's CANMET Energy Technology
7 Centre based in Ottawa.

8 And in the last sixteen (16) years have
9 been as a consultant. And much -- I would say the
10 bulk of my clients in that sixteen (16) year period
11 have actually been the government, including federal
12 and provincial energy departments.

13 Next slide. As you can imagine, over
14 four (4) decades, you acquire experience in a broad
15 range of areas. I've just listed everything here.
16 Perhaps most relevant to today's hearing is the
17 expertise I have in strategic planning, and policy
18 development, and legislation. I have a very inside
19 view, obviously, having worked for so long for
20 government, both as an employee and as the consultant.

21 The next slide. I think perhaps what
22 was the most unique about me is that I increasingly
23 have been doing a lot of international work, North and
24 South America, Europe, Middle East and Asia. Most of
25 that has been in Europe, and most recently, mostly in

2459

1 Asia, China, and South Korea. So I think I have a
2 very -- I have a global perspective, not just a
3 Provincial or a national perspective, but a global
4 perspective on what other jurisdictions are doing with
5 regards to energy efficiency.

6 Okay, let's talk about Efficiency
7 Manitoba's development, mandate, and goals to provide
8 some context for my presentation. I have to get it on
9 the record that it's been very frustrating experience.
10 Sixteen (16) years ago, I was hired to help launch
11 Efficiency Manitoba, and -- under the previous NDP
12 government. It was -- you know.

13 Just for fun, I kept my cabinet
14 submission authorizing it. I contributed, you know,
15 substantially to development of its vision, its goals,
16 and implementation strategy, and so on.

17 Well, the -- that government lost its
18 nerve and -- and kind of fizzled. Much to my surprise
19 and, I guess, delight, five and half (5 1/2) years
20 ago, the PUB itself recommended essentially the same
21 thing, that Manitoba needed a new, more effective,
22 independent agency for energy efficiency.

23 And -- and then I know that the -- the
24 current government, in their election platform, they
25 announced that they would follow through with that PUB

2460

1 recommendation. The government, in 2017, released its
2 Climate and Green Plan, and they said that in 2018, we
3 should see Manitoba become operational.

4 Well, it's not. So, you know, I've --
5 I have a very close relationship with -- with a lot of
6 people in the energy ind -- industry in this Province,
7 with -- with the staff at Manitoba Hydro, and the
8 uncertainty and delay has -- has caused a lot of loss
9 of momentum, and I think a lot of damage to -- to the
10 cause of energy efficiency in Manitoba.

11 Next slide. To illustrate how much
12 we've slipped is, you know, there's been national
13 energy efficiency reports -- or res -- scorecards, or
14 reports, whatever you want to call it, and through --
15 through most of the time that I spent as either an
16 employee, or as a consultant for the Department,
17 Manitoba consistently was a leader.

18 And often, we were ranked number 1 in
19 the country. So you can see in this slide the 2019
20 ranking, A+, A, A, A, B-, top -- top of the
21 heap.

22 Next slide. Well, here's the most
23 recent ranking. This was done by Efficiency Canada,
24 and their Canadian Provincial Energy scorecard for
25 2019. This ranking reflects the 1.5 percent target

2461

1 for electricity savings. It's in Efficiency
2 Manitoba's mandate, and also the .75 percent annual
3 savings for natural gas. So now, you know, we're not
4 the worst, but we're far from the best. We've fallen
5 a lot.

6 Next slide. I -- I have difficulty
7 squaring, you know, that -- that ranking with the
8 vision the -- the Province has expressed in its
9 Climate and Green Plan. The vision, and there's a
10 copy of it -- Manitoba will be Canada's cleanest,
11 greenest, and most climate resilient Province.

12 That statement was repeated within the
13 last week by our -- our Premier. And if we consider
14 the -- the ranking, at least from an energy efficiency
15 perspective, that's not correct.

16 Next slide. So my first recommendation
17 is that Ener -- Efficiency Manitoba's mandate and
18 target for natural gas saving should be adjusted
19 upwards.

20 Next slide. The target at .75 percent,
21 and again, you know, I'm going to put on my global
22 hat, is way too low. It's not ambitious enough. And
23 part of the reason I think it's too low Is there was
24 lack of meaningful public consultation by the
25 Provincial Government on the savings target. And I --

2462

1 I can go into details if you -- if you want, but .75
2 percent just isn't going to get the job done.

3 Next slide. Why isn't it going to get
4 the job done? I would encourage you to read the UN's
5 mission gap report for 2019. You don't have to read
6 the whole report. I would encourage you to go online
7 and read the interactive version of the report. It
8 will take you less than five (5) minutes.

9 And it's just -- it's both stunning and
10 scary, but basically, what it says is, you know, we're
11 on the brink of missing the opportunity to limit
12 global warming to 1.5 degrees, which climate
13 scientists are, you know, have -- have recommended.
14 Every fraction that we go beyond one point five (1.5)
15 is going to result in increasingly severe and
16 expensive impacts.

17 We're actually headed, if you look at
18 the climate tracker sort of thermometer on the right,
19 we're actually headed towards a three (3) degree
20 increase with current commitments. That's
21 devastating, you know. Do what Greta Thunberg says.
22 Read the science. See what the scientists say if have
23 a three (3) degree increase. So anyway, we need to do
24 a lot more.

25 Next slide. Well, how much is a lot

2463

1 more? Well, a couple ways you could look at it. The
2 target really should be ramping up. It should go
3 beyond .75 percent, somewhere in the range of about 3
4 percent.

5 Where'd I get the number from? The
6 International Energy Agency has, in its Efficient
7 World Strategy, that's the recommendation that they
8 said that we should aim for on a -- on a global basis.

9 Next slide. Interestingly, my former
10 employer, NRCan, Natural Resources Canada, they
11 commissioned something called a Generation Energy
12 Council Report. And it had Phil Dunsky, who has been
13 a frequent contributor to, you know, consulting to
14 Manitoba Hydro on the Power Smart program. He's
15 played a very, you know, vital role in the development
16 of the Efficiency Manitoba Plan. He -- he was part of
17 that Council. And this was an independent council,
18 and they said, you know, what -- what is an
19 appropriate target for energy efficiency for -- for
20 this country?

21 And they suggested that we ramp up 2
22 percent by 2025, 3 percent by 2030. That's a long way
23 from .75 percent for the natural gas target.

24 Next slide. Okay. I want to talk
25 about recommended improvements to the building codes.

2464

1 Next slide. My second recommendation
2 this afternoon is that Efficiency Manitoba's
3 participation in the national -- co-development
4 process, it should not be limited to their own staff.

5 Next slide. There's been previous
6 experience that an organization, be it Efficiency
7 Manitoba, or Power Smart, through Manitoba Hydro, it's
8 not necessarily going to have all the internal
9 expertise that's needed to participate in -- in the
10 national code process.

11 And a -- a very good example is the
12 Province has hired me in the past to participate in
13 the Canadian Advisory Council on Energy Efficiency to
14 represent Manitoba's interest on product standards for
15 -- or energy efficiency standards for -- for products.

16 Now, Efficiency Manitoba's going to
17 face a challenge that it has greatly reduced staff, so
18 there's likely to be gaps in its -- in its ability to
19 contribute to the development of these codes. So all
20 I'm saying is, you know, if they've got the staff,
21 yeah, get them involved in the code, but I think
22 there's going to be gaps.

23 Their plan should reflect the fact that
24 they may have to engage external expertise to
25 represent the interests of the Province, just as the

2465

1 Provincial Energy Department has.

2

3 Next slide. Community Energy Planning.

4 Next slide. My third recommendation this afternoon is
5 Efficiency Manitoba's commitment supporting community
6 energy planning in Manitoba, for Manitoba communities,
7 needs to be strengthened.

8 This slide just defines what a
9 community energy plan is, and literally, you know, you
10 would not build a house without a set of blueprints,
11 and you cannot build an energy strategy for a
12 community both on the supply side and demand or
13 efficiency side without a community energy plan.

14 Next slide. This is from QUEST,
15 Quality Urban Energy Systems for Tomorrow, and their
16 national report on why people do community energy
17 planning. So the top two (2) reasons are they do it
18 for the money, you know, but the second is they do it
19 for the environmental benefits.

20 Next slide. And community energy
21 planning is a relatively new concept in Canada. It
22 was virtually unheard of until the early 2000s. It
23 started off a little bit slow, but it skyrocketed, and
24 the majority of Canadians live in a community who have
25 a community energy plan.

2466

1 Next slide. Sadly, that's not the
2 situation in Manitoba. Again, this is from the QUEST
3 Report, and if you look at Manitoba, only 18 percent
4 of Manitoba's population is covered by a community
5 energy plan. Compare that to Ontario, 59 percent; BC,
6 90 percent. Even look at the -- the three (3)
7 territories, Nunavut, Northwest Territories, and
8 Yukon, 67 percent.

9 I looked at another QUEST report.
10 There's only one (1) other province that's worse than
11 Manitoba, and that's PEI, so we're second from last.
12 Is -- is that consistent with the vision that Manitoba
13 is going to be the cleanest and greenest and most
14 climate resilient province in the country? I would
15 put to you, no.

16 Next slide. So Efficiency Manitoba in
17 their plan, to their credit they -- they do indicate
18 that they are going to provide support for community
19 energy planning. So my concern is that their
20 commitment is too modest and too vague.

21 There is a brief description of
22 Indigenous programs enabling strategies, but they're
23 like, you know, literally only a paragraph or two (2).
24 And I've included footnotes, if you want to find the
25 specific references at the bottom of the slide.

2467

1 However, there's no specific budget or
2 level of support indicated in the plan. So, you know,
3 are -- are they going to do community plans for two
4 (2) or three (3) communities or twenty-three (23)
5 communities? I have no idea.

6 So I agree with Efficiency Manitoba
7 that the associated savings from a community energy
8 plan are impossible to measure, but there's other
9 targets and, you know, they could have a target, like
10 how many communities will have a plan, you know, we're
11 going to increase it from "X" to "Y" or what process
12 of Manitoba will be covered by a community energy plan
13 at the end of Efficiency Manitoba's three (3) year
14 plan.

15 Next slide. And if you look at QUEST,
16 here's their target. They want 75 percent of the
17 population of Canada covered by a community energy
18 plan by 2018. I don't know if that's achieved. I
19 haven't seen a report yet. And they want a hundred
20 percent by -- by 2025. That's probably too ambitious
21 for -- for us. You know, we're -- we're -- we're a
22 little bit behind. But these are kind of targets, you
23 know, specific, measurable, tangible targets that we
24 should have.

25 Efficiency Manitoba doesn't do a whole

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1 energy community plan. They do the efficiency part.
2 The efficiency part is -- is a key component, you
3 know, and others can support, you know, be -- the
4 Federal Government through its various programs or
5 Federation of Canadian Municipalities or whatever.
6 You know, they can also be a partner and -- and help
7 on the supply side part of the plan.

8 Next slide. Okay. Let's talk about
9 something that's near and dear to my heart,
10 innovation, research, and development, and to me this
11 is one of the highlights of Efficiency Manitoba's
12 plan.

13 Now, to their credit, I'm delighted
14 that they -- they recognize the importance of this
15 role, and again I put on my international hat, and a
16 lot of the work I do -- like I was in Beijing and
17 Seoul last week, you know, talking to the Chinese
18 Academy Building Research and people like that.

19 I can tell you that -- that everybody's
20 putting the pedal to the metal when it comes to doing
21 research on energy efficiency and low-energy billings,
22 particularly net zero and net zero ready. I have
23 multiple projects in both Korea and China that are
24 piloting all sorts of, you know, new and innovative
25 technologies to get to net zero.

2469

1 So -- so the -- the criticism I would
2 have of the plan is that Efficiency Manitoba has not
3 really tapped into -- to the local resources. They
4 have an Energy Advisory Group, but that's not the
5 right group to develop an innovation plan.

6 Next slide. Efficiency Manitoba, they
7 need to be more fully engaged in Manitoba's energy or
8 -- both Manitoba and Canada's energy research
9 community, and -- you know, I'll give you an example.
10 Like, on Efficiency Manitoba's report on innovation, I
11 -- I talked to -- to the research group at River
12 College and they knew nothing about it.

13 I talked to people I know in research
14 at the University of Manitoba in the Architecture
15 Department. They knew nothing about, you know, the
16 funding and the money that's available here. And the
17 plan does identify certain strategies and priorities
18 and whatever, but they haven't been tested, you know,
19 against who I would consider -- you know, the people
20 who should be consulted, they haven't been consulted.

21 And I -- I called probably six (6) or
22 seven (7) of what I would think would be the leading
23 building researchers, not only in this province but in
24 Canada, but not one of them was aware of this funding.
25 They were delighted that funding is available but they

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1 knew nothing about it. So these people need to be
2 more fully engaged.

3 The other thing is that Efficiency
4 Manitoba -- you know, I'll put my former Federal
5 Government hat on -- there -- there's tremendous
6 amount of new funding available through NRCan -- be
7 for First Nations communities or just in general, for
8 -- for -- for research efforts.

9 CMHC's Policy and Research Division,
10 you know, I'm doing work for them but not in Manitoba.
11 National Research Council, MITACS, NSERC, there --
12 there's tons and tons of money.

13 So Efficiency Manitoba's plan, it
14 acknowledges some of these organizations but it's
15 missing a lot, and some of these other people need to
16 be involved in -- in supporting and developing this
17 innovation and research plan.

18 Next slide. Here's a real major
19 deficiency in -- in -- in Efficiency Manitoba's plan,
20 and it's not Efficiency Manitoba's fault. I -- I pin
21 this one on the provincial government.

22 Next slide. So my -- my fifth and
23 final recommendation is -- is Efficiency Manitoba's
24 plan, it needs to identify additional measures that
25 Man -- Manitoba Government can take to enhance

2471

1 effectiveness of Efficiency Manitoba.

2 Next slide. There are certain actions
3 that only the Province of Manitoba can take,
4 Efficiency Manitoba cannot take, and these actions by
5 the Manitoba Government, they need to be identified
6 and integrated into the plan of Efficiency Manitoba,
7 and the current plan doesn't do that.

8 I could probably come up -- you know,
9 give me more time. I can probably come up with
10 fifteen (15) or twenty (20) different suggestions of
11 things that are unique that the province can do that -
12 - that -- you know, need to be considered and
13 mentioned and -- and integrated into Efficiency
14 Manitoba's plan. So I -- I picked three (3) of my --
15 my old chestnuts.

16 Number 1 is what I think is one of the
17 most bizarre public policy situations in this province
18 with regards to energy, is that we continue to provide
19 provincial sales tax exemption on imports of non-
20 renewable natural gas from Alberta to heat our homes,
21 but if I go and I buy a made in Manitoba window and
22 hire somebody to put it in my home, I pay provincial
23 sales tax. And you know what, once upon a time that
24 was reverse.

25 We -- at one point in this province, we

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1 used to exempt -- you know, triple-paned windows and
2 other energy saving products from provincial sales
3 tax, and that made Manitoba a North America leader in
4 high-performance windows, for example.

5 So, you know, I -- I think that it just
6 -- it's crazy to -- to -- to effectively subsidize
7 imports of non-renewable fossil fuels that lead to
8 climate change. So we need to eliminate the PST but
9 we need to be mindful that there is people with low
10 and fixed incomes that need to be protected. So they
11 can do that through, you know, tax shifting, tax
12 credits, and so on.

13 The second example, whenever I travel
14 all over Europe, I have never seen a public building
15 anywhere in the European Union that does not have an
16 energy performance label that discloses its
17 performance. If you want to rent an apartment, if you
18 want to buy a home in Europe, all twenty-seven (27)
19 European Union countries have mandatory disclosure of
20 energy performance.

21 If you go and buy -- so you're going
22 shopping and you buy a new home, with a real estate
23 board, you know, you have to reveal everything, even
24 how many bathrooms you have and so on. You have --
25 there's no requirement to reveal the energy

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1 performance of your dwelling or provide access to --
2 to the bills.

3 So we know that this works. Manitoba
4 has dabbled a little bit on this, you know, in
5 labelling of some public building and so on, but this
6 is very simple because what it does is it levers what
7 Efficiency Manitoba does.

8 If somebody, you know, does a lot of
9 energy efficiency improvements in their home, the
10 invisible becomes visible when they go to sell that
11 home. So rather than trying to pay back the full
12 measure of the -- the energy retrofit that you do,
13 you're going to recapture some of the value when you
14 resell your home.

15 The third example is leading by
16 example. Another thing I was hired to do for the --
17 for the Provincial government was to provide technical
18 support for the drafting of the province's green
19 billing policy, and in Manitoba's credit, we were
20 second in Canada, only the second province in Canada -
21 - the second province to launch a green billing policy
22 for provincially-funded projects, and -- however
23 progress on the green billing policy has really
24 stalled and stagnated, and the policy really needs a
25 major update.

2474

1 And again, from what I'm seeing in my
2 work overseas, is the Chinese and the Koreans are
3 saying we want every building to be net zero by 2030.
4 Well, the province before it tells, you know, True
5 North or some other private developer to do that, it
6 should do it with its own public projects, you know,
7 and iron out some of the kinks.

8 So that would be a third example,
9 without -- and the green building policy for
10 publically funded projects insists that they be net
11 zero energy or net zero carbon.

12 Next slide. Okay, summary and
13 conclusions. The -- the number 1 thing here is the
14 target on energy savings. I -- I find it unbelievable
15 that we are so blessed in this province with clean
16 hydro electricity and -- and you know, the lacklustre
17 efforts that we have, for example, on -- on banning
18 natural gas.

19 Banning natural gas in -- in new homes
20 and buildings is gaining a lot of momentum.

21 California, Massachusetts and so on. In the UK, where
22 I've done a lot of work, they're banning natural gas
23 for -- for home heating starting in five years, in
24 2025.

25 I can guarantee you, we're in a far

2475

1 better position in Manitoba to ban natural gas, and we
2 have better alternatives through cold climate air
3 source heat pumps or geothermal heat pumps and -- and
4 so on, combined with higher energy efficiency.

5 The other thing is electrification of -
6 - of -- of vehicles. And again, I have travelled
7 almost a million miles, you know, for work, spreading
8 the word on energy efficiency. I -- I cannot name
9 another jurisdiction that's better positioned to
10 electrify, you know, light duty vehicles.

11 And you know, we don't. We're -- we
12 don't, and in the plan, like there -- there's -- you
13 know, oh, that'll come some day kind of thing. Well,
14 we've waited sixteen years for the plan. Five and a
15 half years since the PUB said you know, you need a
16 plan. In the plan, there's -- there's nothing in
17 here. There's nothing on -- on vehicles, there's no
18 funding, there's -- there's nothing.

19 So -- and the other thing too is -- is
20 there's pretty spectacular things that you can do when
21 you integrate electric vehicles with buildings to get
22 towards net zero, there's synergies between the
23 electric vehicle and -- and the building itself in
24 terms of time and energy use and peak rates and, you
25 know, demand and all this kind of stuff.

2476

1 But -- but -- but I -- I just, you
2 know, with all my heart I just believe these -- these
3 gas savings targets are just too ambitious.

4 It seems that the -- the -- maybe there
5 was political direction, but if you read the
6 legislation, it says shall be at least .75 percent of
7 natural gas, at least 1.5 percent for -- for
8 electricity. That's a floor, not a ceiling.

9 And I find it, you know, what a
10 coincidence that the -- the targ -- or the projected
11 savings from the plan are almost exactly those
12 numbers. That's wrong, you know.

13 The International Energy Agency, you
14 know, the UN, generation energy council for the
15 Federal Governments report, they all say that we need
16 to be far more ambitious. And we can't wait three
17 years for a new plan and say Ken, don't worry, we'll -
18 - we'll fix it with the next plan. So I'll leave it
19 at that.

20 THE VICE-CHAIRPERSON: Thanks, Mr.
21 Klassen.

22 Could you go back to your page 14,
23 please?

24 MR. KENNETH KLASSEN: Yes.

25 THE VICE-CHAIRPERSON: So you say here

2477

1 the target should ramp up for natural gas savings from
2 .75 to about 3 percent?

3 MR. KENNETH KLASSEN: Correct.

4 THE VICE-CHAIRPERSON: So we've heard
5 that if there is an initiative that decreases the use
6 of natural gas, but as a result the in -- it increases
7 the amount of electricity used --

8 MR. KENNETH KLASSEN: Right.

9 THE VICE-CHAIRPERSON: -- then those
10 savings for natural gas are not counted.

11 MR. KENNETH KLASSEN: Right.

12 THE VICE-CHAIRPERSON: -- or not
13 counted to the same extent. What would you comment on
14 that in terms of your recommendation to increase the
15 natural gas savings?

16 MR. KENNETH KLASSEN: Well, I -- you
17 know, I guess whether we reduce the -- you know, I see
18 what you're saying.

19 Really what we should be doing is I
20 think maybe perhaps I should have phrased that better,
21 is that in most areas you can improve the energy
22 efficiency or reduce the energy intensity by 3
23 percent.

24 I think in Manitoba it should be
25 through a combination of efficiency and fuel

2478

1 switching, that we are uniquely positioned, you know,
2 we have one of the lowest cost sources of electricity
3 in North America. We have a very clean source of
4 electricity. So I think that fuel switching should be
5 deemed to be, you know, maybe part of that 3 percent
6 target.

7 THE VICE-CHAIRPERSON: So then if
8 someone switched their furnace from high efficiency
9 natural gas to an electric furnace --

10 MR. KENNETH KLASSEN: Yes.

11 THE VICE-CHAIRPERSON: -- that full
12 amount of savings should be counted --

13 MR. KENNETH KLASSEN: Yes.

14 THE VICE-CHAIRPERSON: -- on the gas
15 side --

16 MR. KENNETH KLASSEN: Yes.

17 THE VICE-CHAIRPERSON: -- even though
18 electric consumption is going to go up?

19 MR. KENNETH KLASSEN: Yes, correct.

20 THE VICE-CHAIRPERSON: Thank you.

21 BOARD MEMBER GRANT: I just want to
22 ask you more about community energy planning.

23 MR. KENNETH KLASSEN: Right.

24 BOARD MEMBER GRANT: And I guess two
25 things. How would you define community? Is it some

2479

1 hippies in Wesley or is it the Greater Toronto Area?

2 MR. KENNETH KLASSEN: Right.

3 BOARD MEMBER GRANT: And -- and where
4 do the efficiency gains come from?

5 MR. KENNETH KLASSEN: I -- I've
6 actually been involved in the development of clean
7 energy planning for some of the northen remote
8 communities in this province.

9 So typically it's -- it's like a city,
10 Winnipeg, it's like Cross Lake, you know, it's -- it's
11 a whole community.

12 You can do energy planning at a -- at a
13 district level and there's a whole group called eco
14 districts where if you can't get an entire community,
15 maybe you'll get a district.

16 Or, for example, like the redevelopment
17 of the Kapyong lands. You know, you call it an eco
18 district and you do community planning at -- at the
19 level of the whole Kapyong thing, like 20 acres or
20 whatever.

21 But community planning is -- typically
22 is done at the level of the physical community, the
23 city, the town, the village.

24 BOARD MEMBER GRANT: And so where do
25 the savings come from? Is it just that you're now

2480

1 suddenly conscious of energy efficiencies, that
2 somehow the sharing or pooling of resources that
3 benefits people.

4 MR. KENNETH KLASSEN: Well I -- I
5 guess what it does is -- is the savings come from a
6 couple different areas.

7 A lot of the savings come from the
8 transportation sector. And if we look at Manitoba,
9 Manitoba is somewhat unique because we have a very
10 clean supply of electricity. Our community planning
11 puts a lot of emphasis on transportation.

12 And they do -- you know, we have demand
13 site management for energy efficiency in buildings.
14 Well, there's something called transportation demand
15 management.

16 So usually transportation is one of the
17 highest priorities. And one of the reasons for that
18 too is if we apply demand side management principles
19 and call them transportation demand management
20 principles, what is does is allows communities to, you
21 know, for example, to delay and defer the need for
22 expensive new expansions of roads and stuff like that,
23 and redirect that money to fixing the infrastructure
24 that we already have that's crumbling.

25 But the buildings and energy efficiency

2481

1 tend to be very high on the agenda too, because
2 encouraging, you know, large scale retrofits of -- of
3 -- of existing housing stock or buildings generally is
4 also loc -- local employment and economic activity.

5 So you know, good -- Minneapolis is a
6 good example, like you know, they have like a rental
7 energy code. So all their rental energy buildings,
8 you know, as part of a community energy plan in
9 Minneapolis that all the rental energy buildings have
10 to be updated or -- or energy efficiency has to be
11 upgraded by -- by a certain date.

12 But really it -- it focuses the
13 community's thing, like where is the lowest-hanging
14 fruit, where we're going to get the biggest bang for
15 the buck.

16 And you know, the priorities for
17 Winnipeg are not going to be the same as for
18 Shamattawa.

19 You know, they need to be tailored to
20 the unique circumstances of each community.

21 BOARD MEMBER GRANT: Just last point,
22 and the idea of natural gas then, as a transitional
23 fuel is not something that you would --

24 MR. KENNETH KLASSEN: No.

25 BOARD MEMBER GRANT: -- embrace?

2482

1 MR. KENNETH KLASSEN: No, absolutely
2 not. I mean, there's growing evidence that the --
3 through fugitive emissions, you know, through --
4 through drilling and fracking and stuff like that,
5 that natural gas is every bit as bad as coal.

6 And you know, I -- I -- I kind of
7 shudder to, you know, think like, why would we spend
8 money, you know, taking an old furnace and giving
9 incentive to put in a new natural gas furnace? No, we
10 don't have that time. Like, read the energy -- or
11 International Energy Agency or the UN's report on --
12 on the gap. We do not have that kind of time. We
13 cannot wait another 25 years for that old gas furnace
14 to -- to die and then replace it with a heat pump.

15 We -- we need to leap frog. And that's
16 what, you know, a lot of the work that I do in China,
17 China is leap frogging. You know, they're -- they're
18 -- you know, everywhere I go it's just -- the projects
19 that I have, they're leap frogging ahead, they're
20 skipping, they don't go to the high efficiency
21 furnace, they just go to, like, a low-energy dis -- or
22 heating system.

23 You know, in Chinese cities, in
24 Beijing, Shanghai, like eight (8) or nine (9) of the
25 major cities it's almost impossible to license the

2483

1 internal combustion car now. You have to enter a
2 lottery or pay huge registration fees to -- to get a
3 car. Everywhere you go there's electric charging, all
4 the projects I'm involved with there's always electric
5 charging stations.

6 I have to put renewable energy on every
7 single building and every single house, you know.
8 It's -- it's like we're becoming the third world
9 country. You know, it's -- and it's sad because you
10 know, like I say, we were the leader and we're not
11 anymore.

12 BOARD MEMBER HAMILTON: Thank you, Mr.
13 Klassen. Given your comments with regard to natural
14 gas, can you give us your view on the 1.5 percent
15 reduction on the electric side?

16 MR. KENNETH KLASSEN: Oh, you know
17 what? I -- I would regard the 1.5 as being interim
18 target. The -- the only thing you can do is you can
19 look to other jurisdictions who are somewhat similar,
20 you know, have a lot of hydro electricity and so on,
21 maybe a similar climate, and kind of bench mark it.

22 So I think the 1.5 percent target
23 should be considered to be an interim target. You
24 know, from what I've seen from what other
25 jurisdictions are doing, I think it can go higher, but

2484

1 the urgency in increasing the -- the electric target
2 isn't the same as the gas target because, you know,
3 our electricity is essentially emission -- or
4 virtually emissions free.

5 It's the gas one that I worry about
6 most, and it just -- you know, from an economics
7 perspective, like, our surplus of electricity is
8 better to displace than pour gasoline and diesel fuel
9 and natural gas from Alberta than exporting it for
10 three or four cents a kilowatt hour to the Americans.

11 It's just -- it's the highest and best
12 use so. I think the electricity target is -- is
13 reasonable. I would prefer to see it a wee bit
14 higher. It's the gas one I'm most worried about.

15 THE CHAIRPERSON: Mr. Klassen, if
16 greenhouse gases is the priority --

17 MR. KENNETH KLASSEN: Yes.

18 THE CHAIRPERSON: -- should the
19 programs for Efficiency Manitoba just focus where they
20 can get the biggest bang? So if the biggest bang is
21 on industrial because you can reduce it, should we
22 forget about residential programs and --

23 MR. KENNETH KLASSEN: No.

24 THE CHAIRPERSON: -- small business
25 programs?

2485

1 MR. KENNETH KLASSEN: No.

2 THE CHAIRPERSON: Well, then --

3 MR. KENNETH KLASSEN: Well, I -- I'll
4 give you an example, like if a new house is being
5 built, say in Kapyong, we should not be putting in any
6 natural gas. Why are we putting in any natural gas
7 infrastructure?

8 If you don't deal with the five or
9 6,000 new dwellings that we deal with every year and
10 they're all going gas, that's a missed opportunity.

11 It's far cheaper to do it when the
12 building is first being designed and built than to try
13 and retrofit the building ten or twenty years down the
14 line.

15 You know, Canada has set a new target.
16 We've joined other countries and we want to be at net
17 zero emissions by 2050. We're not going to get there
18 if we keep expanding our natural gas infrastructure.

19 We have to say enough is enough. I
20 would encourage you -- go back, Ed Schreyer in
21 MacLeans, he was interviewed around 1970 and he
22 basically said we have to electrify everything, our
23 transportation, our buildings, and so on. He was
24 absolutely right, but he was too soon.

25 And it -- it really probably wasn't

2486

1 practical in the 1970s. It is practical today. The
2 technology that we have today is vastly superior to
3 what we had in the 1970s.

4 THE CHAIRPERSON: Okay, thank you.
5 Does Efficiency Manitoba have any
6 questions?

7 MS. JESSICA SCHOFIELD: We do not.
8 Thank you, Mr. Chair.

9 THE CHAIRPERSON: Thank you. Mr.
10 Klassen, thank you very much.

11 MR. KENNETH KLASSEN: Thank you.

12 THE CHAIRPERSON: So now we have
13 Keystone Agricultural Producers.

14

15 PATTY ROSHER, Affirmed

16

17 THE CHAIRPERSON: Good afternoon, Ms.
18 Rosher. You -- you have approximately ten to fifteen
19 minutes for your presentation.

20 MS. PATTY ROSHER: Thank you very
21 much.

22 My name is Patty Rosher, I'm the
23 general manager at Keystone Agricultural Producers.
24 We are Manitoba's general farm organization and we
25 represent between 4 and 5,000 individual farmers and

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1 25 commodity group members.

2 We work on their behalf on issues that
3 go across commodities and types of operations.

4 We're very happy to be here today and -
5 - and have been pleased to be involved in the
6 Efficiency Manitoba's path so far. We're a member on
7 the Advisory Group.

8 Agriculture is a key economic driver in
9 Manitoba, so it's very important to look at the impact
10 of Efficiency Manitoba's programs on our sector.

11 Farmers who are -- make up that
12 industry, they also make up a large portion of the
13 rural population and will be consumers of these
14 programs.

15 We appreciate Efficiency Manitoba
16 distinguishing agriculture as its own customer segment
17 because there are unique needs and requirements and
18 considerations for a sector, and we do represent a not
19 insignificant user of energy in the province.

20 I wanted to comment on some of the
21 information presented in the Efficiency Manitoba's
22 plan, in particular figures A7.5, 7.6, and 7.7,
23 because it shows the diversity of energy use in our
24 sector.

25 For example, hog farms make up 28

2488

1 percent of the customers, but represent 60 percent of
2 electric city use and 70 percent of natural gas use.

3 I should also add that the hog industry
4 is a major contributor in our industry of the big --
5 the big three commodities that farmers get most of
6 their revenue from are wheat, canola, and hogs.

7 And Manitoba is the largest pig
8 producing and exporting province in Canada. And we
9 actually produce 30 percent of all the pigs
10 nationally, so it's quite an important industry. It's
11 quite a large industry.

12 And it, like the other barn-based
13 livestock operations, rely on energy to not only
14 ensure climate control and ventilation in the barns,
15 but they also are more and more taking advantage of
16 automation.

17 If you have an opportunity to go to the
18 University of Manitoba's Glenlea Research Station,
19 they've recently put in a modern dairy barn. And so,
20 you can see the automated feeding system, it looks
21 like a driverless zamboni, goes up the feeding aisle
22 and checks to see where the feed levels are at and
23 goes back to the bins to mix feed, and then delivers
24 it to the cows.

25 There's also a robot that cleans out

2489

1 the manure and -- and hay. And they, of course, have
2 a robotic milking machine. And Manitoba's actually
3 adopted robotic milking machines at a higher rate than
4 any other province in Canada.

5 And they have done this -- farmers have
6 done this because there is a lack of labour in --
7 available in the agriculture industry across most --
8 most sectors. And it also improves the efficiency and
9 productivity of -- of what they're doing.

10 And in the long-run, it actually
11 results in a lower carbon footprint overall, so great
12 gains in productivity, but it has meant increased
13 automation and electricity use on the farms.

14 So, compare that to field crops which
15 make up a lot lower percentage of electricity and
16 natural gas usage, except perhaps in the area of grain
17 drying which I'll talk about in a bit, but potatoes
18 would be the anomaly in the field crops.

19 The potato sector in Manitoba makes use
20 of irrigation to grow its crop and is required to do
21 so under contracts with the -- the processor, and that
22 most of that irrigation is fuelled -- or powered by
23 electricity.

24 So, we've pointed out in here the
25 diversity of the requirements of our sector. But at

2490

1 the end of the day, farmers are price takers, and
2 they're always looking for opportunities to be more
3 efficient and lower their costs.

4 So, any program here must be put in the
5 -- in that context, that farmers will be looking for
6 ways to make their operation more efficient. And
7 energy saving initi -- initiatives like that that will
8 be delivered by Efficiency Manitoba will be very much
9 of interest to them.

10 And, in fact, we have asked Colleen
11 (phonetic) to come and present to our ecological goods
12 and services workshop that we're holding on the second
13 day of our AGM in February.

14 So, we want to present to our members
15 all of the programs that are available to them to
16 improve their environmental stewardship and -- and
17 that also will have an economic benefit to them.

18 There are some special considerations
19 that need to be thought about when we look at the
20 target savings for agriculture. One (1), of course,
21 is just the weather.

22 So, this year, we had a prolonged and
23 wet harvest and have seen more farmers buy and
24 implement grain drying and use grain drying than
25 normally.

2491

1 We also are, because of genetics and
2 climate change, seeing a greater increase in corn
3 acres here, so they've more than doubled in the last
4 ten (10) years. We're just under a half a million
5 corn acres now.

6 And corn typically is dried before it
7 is stored because it comes off the field at a higher
8 moisture than should be stored at.

9 This year was particularly hard on all
10 the commodities, but particularly corn. There's about
11 a quarter of the acres still left in the field that
12 will have to harvested in the spring, so we're going
13 to see quite a bit of grain drying. Grain drying is
14 mostly done through natural gas and propane.

15 The other factor in our industry is
16 it's always revolving in response to consumer demands.
17 And we heard from one (1) of our egg farmers that,
18 because of the 2016 decision by the egg farmers of
19 Canada to take all egg laying facilities from
20 conventional cages to either enriched housing or free
21 range or free run by 2036 -- so all the eggs in Canada
22 will be produced outside of the traditional battery
23 cage.

24 And so, what our member said to us is,
25 because there's more room now in the barn, the

2492

1 chickens are not able to keep themselves warm and they
2 actually have to start heating the barns.

3 So, there will be changes in the
4 industry like that that will have a bearing on energy
5 use and will have an impact on agriculture's ability
6 to meet the targets that are laid out in the
7 Efficiency Manitoba plan.

8 I would also like to point out that we
9 do have a resolution on the books to expand natural
10 gas -- the natural gas network in some rural areas in
11 Manitoba where they don't have access to it right now.
12 And natural gas would be a cheaper fuel source for
13 them.

14 We do have actually one (1) colony
15 that's still using coal because they don't have access
16 to a better alternative.

17 So, to that, I would like to just
18 reiterate our support for Efficiency Manitoba's ener
19 savings -- energy savings targets. We look forward to
20 the programs coming out.

21 And just -- we just need to keep in
22 mind that this important sector does have other
23 factors bearing on it that will affect its ability to
24 -- to meet the targets that are laid out.

25 THE CHAIRPERSON: Sorry. Thank you.

2493

1 Do you have a question? No?

2 BOARD MEMBER GRANT: I'm just looking
3 at the figure you provided. So, the top circle is the
4 total number of farm. This is not the market. This
5 is the supply of agricultural products?

6 MS. PATTY ROSHER: Sorry, these are
7 actually from Energy Effi -- Efficiency Manitoba's
8 document.

9 BOARD MEMBER GRANT: Okay.

10 MS. PATTY ROSHER: So, it is the
11 consumers and consumption.

12 BOARD MEMBER GRANT: So, I just want
13 to make sure I understand this. Manitoba agricultural
14 market -- this isn't the Manitoba market. This is
15 Manitoba suppliers?

16 MS. PATTY ROSHER: This is the --

17 BOARD MEMBER GRANT: This is the count
18 of farms.

19 MS. PATTY ROSHER: Okay. This is the
20 -- the agricultural consume -- customers for hydro and
21 natural gas, yeah.

22 BOARD MEMBER GRANT: Right. I get it.
23 So, just offhand, so -- so part of this is that hog
24 farms are just large scale operations, and that
25 accounts for why they're such --

2494

1 MS. PATTY ROSHER: M-hm.

2 BOARD MEMBER GRANT: -- large energy

3 users. But are they -- on a sort of for farm basis,

4 they tend to be very high energy consumers in general.

5 Are they heavily automated or -- it looked like a lot

6 of the cattle operations or the livestock operations

7 tended to be large electricity users?

8 MS. PATTY ROSHER: Yes.

9 BOARD MEMBER GRANT: Dairy farms tend

10 to be electricity intensive and...?

11 MS. PATTY ROSHER: The -- I don't know

12 what the energy use would be on a kind of per animal

13 unit basis. Hog farms are -- they make up 44 percent

14 of farm cash receipts for livestock, so they're just -

15 - they're a big part of the -- the industry.

16 BOARD MEMBER GRANT: M-hm.

17 MS. PATTY ROSHER: They'll be

18 automated in their feeding systems and, of course,

19 heating and ventilation. They have -- actually, a lot

20 of hog workers are actual people there. They're not

21 super automated.

22 The dairy farm I think was where you

23 would see the highest level of automation. And then

24 the rest of them will be somewhere in-between.

25 Chicken producer will have automated feeding and, of

2495

1 course, heating and ventilation.

2 But when it comes time to harvest the
3 chicken, somebody still goes in there by hand and
4 pulls them out and throws them in cages.

5 There will be some chicken producers
6 you have automated cage kind of openers and closers
7 where they are free run and they're training them to
8 hop in and out of the cages, so there's different
9 levels.

10 I don't think -- of the range of barn-
11 based livestock operations, I wouldn't say hogs are
12 necessarily more energy intensive than the other ones.

13 BOARD MEMBER GRANT: Thank you.

14

15 (BRIEF PAUSE)

16

17 THE CHAIRPERSON: Is there a movement
18 within the producers to convert from natural gas to
19 electricity?

20 MS. PATTY ROSHER: We don't hear much
21 of that. There is a desire from farmers in areas to
22 get access to natural gas. That's probably where we
23 hear most of the push.

24 There also is a desire from farmers to
25 have access to battery electricity. But I -- I can't

2496

1 say that I know of anyone who is looking to convert.

2 THE CHAIRPERSON: Is any -- to your
3 knowledge, do -- do you know of any groups within your
4 organization that have looked at the cost to convert
5 from natural gas to electricity?

6 MS. PATTY ROSHER: I don't have that
7 information, no.

8 THE CHAIRPERSON: Okay. Thank you.

9 MS. PATTY ROSHER: I know there's
10 quite a few producers who are interested in
11 alternative energy sources, such as solar --

12 THE CHAIRPERSON: Solar.

13 MS. PATTY ROSHER: -- or biomass.

14 THE CHAIRPERSON: Okay.

15 MS. PATTY ROSHER: Those would be the
16 areas that get the more -- more of the buzz.

17 THE CHAIRPERSON: Okay. Efficiency
18 Manitoba...?

19 MS. JESSICA SCHOFIELD: We don't have
20 any questions. We would just like to thank you for
21 your participation in the EEAG. And we -- I just
22 wanted to convey that Efficiency Manitoba looks
23 forward to working with you further on that.

24 THE CHAIRPERSON: Thank you very much.
25 Mr. Miller...?

2497

1 (BRIEF PAUSE)

2

3 PETER MILLER, Affirmed

4

5 THE CHAIRPERSON: Good afternoon, Mr.
6 Miller. You have ten (10) to fifteen (15) minutes to
7 present.

8 DR. PETER MILLER: Thank you. And I,
9 too, am on the Advisory Group with Colleen and her
10 colleagues. So, I'm representing Green Action Centre
11 for this presentation.

12 And to summarize what I'm trying to do
13 -- oh, well, I guess I should say who we are. We're a
14 charitable nonprofit. Our vision is all Manitobans
15 living green, living well.

16 We engage in applied sustainability.
17 We try to help them do that, educate about
18 sustainability and promote practical green solutions
19 primarily in sustainable transportation and waste
20 reduction, but we also do advocacy.

21 And I've been coming before the PUB
22 since 2002 to do that, primarily Manitoba Hydro
23 hearings. And currently, of course, climate action is
24 at the top of our agenda, as it should be for all of
25 us.

2498

1 But my focus in this presentation is
2 going to be very narrow. I'm going to rely on
3 presentations that other's have made about the -- the
4 urgency of the problem, the extent of it, and so on.

5 And what I'm going to do is build on
6 Chris Neme's presentation, his -- his testimony,
7 accept his analysis and recommendations. He focussed
8 on the building sector because that was under review
9 for the plan. I would like to extent his analysis to
10 other roles for Efficiency Manitoba, in particular,
11 the electrification of transportation.

12 I want to discuss issues of beneficial
13 electrification and efficiency and the apparent
14 conflict between them. Beneficial elect --
15 electrification, like, heat pumps or electric cars, is
16 going to add to the load that Manitoba Hydro faces,
17 and yet there are reduction targets for Efficiency
18 Manitoba.

19 So, I want to address that conflict. I
20 hope that you will be able to address it in your
21 recommendations. And my ask will be to avoid that
22 apparent conflict of my methodological
23 recommendations.

24 I have some supplemental slides on why
25 I think electrification is of -- of -- transportation

2499

1 is important and why Efficiency Manitoba has a role in
2 it, so I can speak to that as necessary.

3 Looking at -- okay. Hm. Yeah, that
4 one. Thank you. So, I want to single out the first
5 and the last of these -- these points, that it is
6 important that program design and implementation and
7 measurement and evaluation not work against climate
8 and GHG reduction goals and electrification goals,
9 which would be part of that.

10 And I accept Mr. Neme's criticisms of
11 the negative electric savings accounting for fuel
12 switching from gas to electricity and think that that
13 same issue should be addressed in the electrification
14 of transportation.

15 So, now multiple roles, the next one,
16 next slide. Thank you. All right. You're focussing
17 on the first bullet, the -- and -- and that's the --
18 the role that's before you and for review.

19 But in doing that, you should be
20 mindful that that's only one (1) of Efficiency
21 Manitoba's roles. The legislation provides other
22 roles. There's a potential mandate to achieve savings
23 in respect of demand for electro (sic) power, po --
24 potable water, and fossil fuels consumed in Manitoba's
25 transportation sector.

2500

1 Even if the government does not
2 stipulate that that's an additional mandate by
3 regulation, Efficiency Manitoba is empowered to
4 undertake other DSM initiatives if someone besides
5 Hydro -- or even Hydro in a different capacity -- were
6 to pay them to do it. They are empowered to undertake
7 other -- other DSM activities and -- and greenhouse
8 gas reduction activities. The regulation that exists
9 permits that to happen, to reduce the consumption of
10 fossil fuels other than natural gas in Manitoba.

11 So the legislation contemplates other
12 roles, but when it comes down to what Hydro has to pay
13 for under the law, it's restricted to the three (3)
14 year plan that you're doing here. But these other
15 things can come up at any time. Next slide, please.

16 So the point is that under the law,
17 tomorrow, a regulation could be revised or someone
18 could -- who -- who has the pockets, could commission
19 Efficiency Manitoba to promote electric vehicles. It
20 could be the City. It could be the Suzuki Foundation.
21 It might be the Winnipeg Foundation working through
22 some Manitoba agency. Anyone who thinks it's a
23 serious problem -- is willing to put up money to deal
24 with it -- could engage Efficiency Manitoba to start
25 that promotion. Next -- okay.

2501

1 Now, the beneficial electrification --
2 it -- it's a term that is somewhat loose. I mean, you
3 -- if you think of electrification of rural Manitoba,
4 that's obviously beneficial to the lives of rural
5 Manitobans and to any industries that might wish to
6 exist there. Or it can be restricted to fuel
7 switching; that is, people already have an energy
8 source and they're going to substitute electricity for
9 that energy source.

10 And then there's the observation that,
11 by and large, these such fuel-switching initiatives
12 are also increases in efficiency. If you switch to
13 heat pumps or electric vehicles, you reduce GHGs in
14 replacing the fossil fuels and, generally, the -- the
15 technology is more efficient in terms of gigajoules
16 required. And you spend that money in Manitoba, not
17 in Alberta, to buy the fuel.

18 So here, as I said, is my key
19 recommendation at -- at the top: Ensure that
20 beneficial electrification does not count against
21 savings targets as a negative electrical savings. I
22 think that's absolutely critical in -- in your advice
23 to -- to government. Otherwise, the various roles of
24 Efficiency Manitoba are fighting each other. They are
25 antagonistic.

2502

1 They -- Efficiency Manitoba might hold
2 back on the number of electric vehicles that it --
3 that it encourages Manitobans to -- to purchase in --
4 in replacement of their gasoline vehicles, because all
5 of that subtracts from their savings, if -- if that
6 kind of perverse accounting were to exist.

7 So a minimum position is -- and count
8 the electrical loading increase from beneficial
9 electrification simply as an increase in base load,
10 not as counting against the savings. That's the
11 minimum. A more synergistic treatment would be to
12 measure and credit the increased energy efficiency
13 from electrification in addition to measuring the GHG
14 reductions -- in other words, have it a cross-fuel
15 efficiency measure.

16 So those -- that's -- that's my basic
17 recommendation, and the rest is more or less speaking
18 to the -- the pre-hearing submission, where it's
19 arguing for a larger scope. And I think just look at
20 the -- at the -- this slide.

21 There's the climate urgency that
22 everyone's mentioned. There is the transforming
23 market, the availability of EVs, much more diverse and
24 at lower cost than previously, longer ranges. Back-
25 of-the-envelope calculation, I think I'm paying eight

2503

1 point seven four (8.74) cents a kilowatt hour for my
2 residential electricity. If I had an EV and plugged
3 it in -- actually, I do; I have an electric bike --
4 then I would be spending that much more, at eight
5 point seven four (8.74) cents a kilowatt hour.

6 And you have to ask, Where would that
7 electricity go if I weren't consuming it? Okay, the
8 assumption is opportunity sales, and I'm suggesting a
9 generous four (4) cents a kilowatt hour for
10 opportunity export sales. So there you have four
11 point seven four (4.74) cents only to increase in the
12 future of -- of improved revenues for Manitoba Hydro
13 as people increase their -- as -- as more and more
14 Manitobans adopt electric vehicles in place of their
15 fossil fuel ones.

16 Moreover, if you also look at your
17 electric bill, you'll see that 2.75 percent goes to
18 the City of Winnipeg, and -- what is the provincial
19 sales tax, now? Seven cents? Goes to the province.
20 So they have a tax gain from that, which they don't
21 get from gasoline. They do have a -- an excise tax,
22 but not a sales tax.

23 And in the not-too-distant future, I
24 would imagine, to replace the -- the fourteen (14)
25 cent fuel tax, they'll need some kind of a maybe

2504

1 distance-based or whatever road tax so that electric
2 vehicles can contribute to the construction of -- of -
3 - and maintenance of Manitoba roads. Under that
4 circumstance, Hydro's ahead and the province is ahead.

5 And why Efficiency Manitoba? What do
6 they have to do with this? Well, they are the
7 salespeople of clean tech, and they have -- you've
8 probably reviewed some of their concepts of how they -
9 - they do that. You do different things at the first
10 stage and later stage and so on.

11 Incentives are part of it, but making
12 sure the dealerships have the available supplies are
13 another part of it, and various public relations
14 campaigns are another part of it. And customer
15 service and hand-holding -- all of that is part of it,
16 and that's what Power Smart, Efficiency Manitoba,
17 Manitoba Hydro, Efficiency Manitoba have done and won
18 all those awards for. So that's my presentation.

19 THE CHAIRPERSON: Thank you very much,
20 Mr. Miller. Do you have any questions?

21 THE VICE-CHAIRPERSON: Thank you for
22 the presentation. You said that you feel like
23 beneficial electrification is not described or not
24 defined very clearly. How would you define it?

25 DR. PETER MILLER: Well, this would be

2505

1 somewhat stipulative -- I mean, I guess, broadly, any
2 increase in usage that is of some social benefit. The
3 narrower one I would want to focus on is reducing
4 GHGs, converting fuels to reduce GHGs. So that's --
5 that's what figures mostly in -- in my presentation.

6 THE VICE-CHAIRPERSON: And so then,
7 just another question -- so if you there was to be a
8 decrease in natural gas use that then caused an
9 increase in electric use, how would you treat that in
10 terms of the natural gas savings?

11 DR. PETER MILLER: Yeah, well, I -- I
12 guess there are different ways to do that. You could
13 count 100 percent as natural gas savings. I -- I
14 guess I would adopt Chris Neme's recommendation that
15 you count the increase in efficiency to 100 percent
16 from, say, an 80 percent furnace to 100 percent as a
17 gas savings.

18 And then if you get a fuel pump instead
19 of a -- resistance heating, which is 100 percent, then
20 you multiply that by 2 or 3, depending on the -- the
21 co-efficient -- co-efficiency of the fuel pump.

22 For -- I'm not sure exactly how that
23 would translate to gasoline, but I -- I suppose you
24 could do a similar thing. We -- well -- there --
25 there's no mandate to save on gasoline as -- that

2506

1 doesn't come into the metric.

2 But the increase in electricity could
3 effect the metrics. So that's the side that I'm
4 concerned about.

5 THE VICE-CHAIRPERSON: And just one
6 (1) more question. In the Efficiency Manitoba Act, if
7 there is greenhouse gas savings, within Manitoba that
8 counts towards Efficiency Manitoba's plan. But if
9 there are greenhouse gas savings outside Manitoba
10 because we sell electricity to somewhere that's been
11 using coal, for example, that doesn't count.

12 Do you have a comment on that?

13 DR. PETER MILLER: Yeah, 'cause for
14 quite a number of years we actually took the position
15 that fuel switching from natural gas to electricity
16 wasn't a good idea in terms of global greenhouse gas
17 emissions for precisely that reason.

18 Because burning it at 92 percent
19 efficiency in a furnace in Manitoba is much more
20 efficient than 30, 40 percent, 50 percent efficiency
21 natural gas turbine in the -- in the US. So it's --
22 it's the most efficient overall use.

23 I think the picture has changed. In
24 terms of the -- the timing that we have to get the act
25 together, and also not at the Federal level, but at

2507

1 the state levels, I mean, Minnesota is very much
2 committed to reducing GHGs. And they have other ways
3 of -- of doing it. They used to be reliant on -- on
4 us, less so now. They can do it with wind and storage
5 or like, solar and storage and things like that.

6 So they have other options than relying
7 on Manitoba Hydro to achieve their targets, and they
8 seem to be committed to working on them.

9 So now we need to get our own house in
10 order.

11 THE VICE-CHAIRPERSON: So I think
12 that's a 'yes'?

13 DR. PETER MILLER: Okay. What was the
14 question again?

15 THE VICE-CHAIRPERSON: The question
16 was if there are greenhouse gas savings outside our
17 borders, should they be counted?

18 DR. PETER MILLER: Not in place of --
19 I -- I -- I mean I think everything should be counted,
20 but then the question is should they be counted for
21 Manitoba, meeting its targets. No.

22 THE VICE-CHAIRPERSON: Okay, thank
23 you.

24 BOARD MEMBER GRANT: I want to come
25 back to the fuel switching argument, because as you

2508

1 know, Manitoba Hydro has promoted fuel switching from
2 electricity to natural gas for home heating.

3 And when you talk about beautification
4 through electricity you -- you may end up with a
5 policy suggestion that we should be fuel switching
6 from natural gas to electricity. So it's possible
7 you'd have these two crown corporations proposing
8 different policy options.

9 So I guess my question is how do you --
10 from a public policy framework, how do you strike the
11 right balance, and then I want to throw in the
12 additional thing as to affordability. So they may be
13 socially beneficial to switch from one to the other,
14 but it may have implications or income distribution
15 for some lower-income households.

16 So how would you -- so let me simplify
17 the question. Would you support a fuel switching from
18 natural gas to electricity and home heating?

19 DR. PETER MILLER: Okay, that -- that
20 is the position that -- that I'm taking a somewhat
21 different position now than we have historically
22 before the Public Utilities Board.

23 I -- I think I agree with -- with --
24 okay, the elements of the policy that I would
25 recommend are, well first of all I don't think it's

2509

1 true that Manitoba Hydro promotes switch to gas --
2 natural gas from electricity. But you've certainly
3 reviewed their -- their proposals more than that.

4 I think they advertise themselves as
5 fuel neutral and just give people information, let
6 them make up their own mind. I believe that's their
7 position, but you may have other information.

8 The -- so I agree with folks who say no
9 new gas mains, no new neighbourhoods, new buildings,
10 new construction, you -- you should go geo thermal or
11 air source heat pump or something like that. And --
12 and possibly if you have new subdivision, then you've
13 looked at district heating alternatives, which make it
14 more affordable.

15 I think I agree with -- with Chris
16 Neme's thing, that there are plenty of other things to
17 focus on in the meantime. That is folks who are on
18 propane and fuel oil making that switch. And
19 improving the efficiency of electrically heated homes
20 by using heat pumps.

21 If you can get funding -- the capital
22 funding for it, either from the customer or from some
23 other source, ground source heat pumps are -- are the
24 proven technology in Manitoba.

25 But let's push the air source heat pump

2510

1 alternative too for development and it may be better
2 positioned the next time we review an efficiency plan
3 to become a more major part of -- of the plan.

10 So if I perhaps understand you
11 correctly, you're saying that you would certainly
12 encourage in -- new investment forms when -- when new
13 buildings are coming on, to move away from natural
14 gas, and yet you may allow some existing investments
15 in natural gas to persist.

16 So in other words, you wouldn't put in
17 a program to have -- have everyone rip out their
18 natural gas furnace at home, but for new construction
19 you might ban the introduction of natural gas?

20 DR. PETER MILLER: Yeah, new
21 construction always makes more sense than -- than
22 retrofits. Yes.

2511

1 you think it would be valuable to have Efficiency
2 Manitoba track and report on the kinds of things that
3 you've discussed? The increasing use of electric
4 vehicles or heat pumps and be able to calculate the --
5 the impact of that versus the 1.5 percent target in a
6 way that allows beneficial electrification to move
7 forward?

8 DR. PETER MILLER: I think they
9 already have in place -- I mean, there -- there is
10 projected electrical load growth with no DSM, right?

11 And then -- and then you figure out or
12 wherever it is, even if we're declining they would
13 have to in -- increase the decline by 1.5 percent.

14 There's a base load whether it goes up,
15 straight, or down. And then they have to reduce 1.5
16 percent from there.

17 So the -- the minimal recommendation
18 would be EVs are just like putting up a new building,
19 where you have to supply electrical service. That
20 doesn't count against them. An EV should not count
21 against them either.

22 So that's the minimal. If you -- if
23 you want to get more sophisticated and talk about
24 making energy usage in Manitoba more efficient, then
25 you go to some common energy measure, like gigajoules,

2512

1 and then you translate the kilowatt hours or the cubic
2 metres of natural gas or whatever back into the
3 gigajoules that are consumed.

4 And then you can talk about the overall
5 reduction in gigajoules through the efforts of
6 Efficiency Manitoba.

7 So, I think that was an alternative
8 recommendation; however, that requires fiddling with
9 the legislation or regulation or something. But I
10 think, in terms of just counting an electric car like
11 a new house, I -- I think that's contemplated in the -
12 - in the current arrangement.

13 THE CHAIRPERSON: Does Efficiency
14 Manitoba have any questions of Mr. Miller?

15 MS. JESSICA SCHOFIELD: We don't, Mr.
16 Chair. We just do also want to thank him for his
17 participation in the EAG. Thank you.

18 THE CHAIRPERSON: Mr. Miller, thank
19 you very much.

20

21 (WITNESS STANDS DOWN)

22

23 THE CHAIRPERSON: The next
24 presentation will be by Manitoba Energy Council.

25

2513

1 DENNIS WOODFORD, Sworn

2 SCOTT FORBES, Affirmed

3

4

5 THE CHAIRPERSON: Gentlemen, thank you
6 for attending today. You have approximately ten (10)
7 to fifteen (15) minutes to present. Thank you.

8 MR. DENNIS WOODFORD: Thank you, Mr.
9 Chairman. I have with me an associate, Dr. Scott
10 Forbes, from the University of Winnipeg. Mr. Chair,
11 members of the Board, Ms. Kap -- Kapitany, Dr. Grant,
12 and Ms. Hamilton, thank you for listening to our
13 presentation. It is quite basic compared to the
14 learned discussions that have preceded us.

15 The Manitoba Energy Council evolved
16 from the Bipole III Coalition to provide independent
17 thinking on energy in Manitoba.

18 Our presentation centres on pointing
19 out that the saved energy that Efficiency Manitoba
20 partici -- anticipates will not be realized
21 financially. And I should also say that we do support
22 what the Green Action Centre has presented.

23 This is a good start. That's -- that
24 we have a but. We've reviewed this plan and many of
25 the transcripts of experts, from the Intervenors and

2514

1 the cross-examiners, but there's a but.

2 Now, as we understand it, Keeyask may
3 not be required for Manitoba load until 2040. Now,
4 we're not sure on that, but it may have changed. We
5 understand that beyond 2025, eco -- expert contracts
6 to the US include con -- a contract sale to Minnesota
7 Power of 250 megawatts to 2035 on the MNTP line.

8 There is an 80-megawatt contract with
9 Basin Electric in North Dakota that will extent do
10 2028. We appreciate that a 215 megawatt firm contract
11 with Sask Power is imminent in 2022 and for a total of
12 3,015 -- 315 megawatts to Sask Power.

13 This electric energy surplus generated
14 through the increased efficiency, and because it will
15 not be needed for use in Manitoba. Eight (8) cents
16 per kilowatt hour is overly optimistic.

17 It will end up mostly in the US because
18 that is -- we have very large interconnection capacity
19 to the US, to Minnesota and North Dakota.

20

21 (BRIEF PAUSE)

22

23 MR. DENNIS WOODFORD: Now, NRGStream
24 is a North American energy daily that provides
25 electric market energy within Canada and the US in the

2515

1 following categories in dollars US per megawatt hour.

2 For example, the daily average hourly
3 peak this past Friday, a week ago, is one point eight
4 (1.8) cents -- eight six (86) cents US per kilowatt
5 hour or two point four three (2.43) cents per ki --
6 kilowatt hour.

7 And yesterday, the -- the peak --
8 average peak for opportunity sales in Minnesota was
9 two point eight four (2.84) cents per kilowatt hour.
10 That was yesterday. So, it's pretty low. It's very
11 low, in fact.

12 The MISO Minnesota LMP electric energy
13 market prices from the -- form the basis of this
14 analysis. For using the spot market, or opportunity
15 market, that Manitoba Hydro exports most of its
16 surplus non-firm, non-contracted energy to, which over
17 the period 2010 to 2019 has not been increasing.

18

19 (BRIEF PAUSE)

20

21 MR. DENNIS WOODFORD: Since the saved
22 energy from efficiency is non-firm, it may be stored
23 in the hydroelectric system of Manitoba Hydro and
24 released at the best opportune time, but it'll be low,
25 much less than four (4) ma -- four (4) cents a

2516

1 kilowatt hour.

2 The latest report on MISO market
3 performance show that, when averaged over all of MISO,
4 which is a very large system operator which Manitoba
5 Hydro is part of, and they claim that they're -- they
6 go from sea to sea, that is from the Hudson Bay to the
7 Gulf of Mexico, it shows that, when averaged over all
8 of MISO, the market prices are dropping, unfortunately
9 for Manitoba. The Minnesota energy prices are even
10 lower than the average of all of MISO.

11

12 (BRIEF PAUSE)

13

14 MR. DENNIS WOODFORD: What will
15 Manitoba Hydro receive from Efficiency Manitoba's
16 stated annual saving of three hundred and seventy-nine
17 (379) gigawatt hours? A substantial loss, as this
18 slide shows, where at eight (8) cents Hydro would
19 presumably stated -- stated it would bring in \$27.3
20 million.

21 But if you drop it down to three point-
22 o-five (3.05) cents, which was the average for last
23 year, that's only for the average peak, the revenue's
24 only \$9.9 billion -- or million.

25

2517

1 (BRIEF PAUSE)

2

3 MR. DENNIS WOODFORD: There is a
4 challenge in reducing consumer's consumption of
5 electricity to save on their hydro bills that we
6 recognize. That the additional losses Manitoba Hydro
7 -- financial losses Manitoba Hydro accumulates will
8 counteract a portion of these savings.

9

10 (BRIEF PAUSE)

11

12 MR. DENNIS WOODFORD: There is a way
13 forward that can address this loss to Manitoba Hydro
14 through regulation. We are aware from transcripts
15 that there is some sentiment that the Public Utilities
16 Board recommends to the minister that only the first
17 year of the plan should be approved and that the
18 second and third plans be resubmitted.

19 As I said, this is just a sentiment.

20 This would be an opportunity to recommend regulation
21 to allow Efficiency Manitoba to carry out demand side
22 management with respect to fossil fuels in the
23 transportation sector.

24

25 (BRIEF PAUSE)

2518

1 MR. DENNIS WOODFORD: The Canadian
2 Wind Energy Association reports:
3 "A competitive electricity supply
4 option in Alberta yielded the lowest
5 ever rate paid for wind energy in
6 the country, a weighted average of
7 thirty-seven dollars (\$37) per
8 megawatt hour, or three point seven
9 (3.7) cents per kilowatt hour."
10 Similarly, in October 2018, a pro --
11 competitive procurement in
12 Saskatchewan resulted in an average
13 bid price of forty-two dollars (\$42)
14 per megawatt hour with the winning
15 bid coming in thirty-five dollars
16 (\$35) per megawatt hour."
17 Now, that's low. And that's what --
18 those low cost of renewal energy is competitive to
19 Manitoba Hydro's export prices that they expect.
20 That's cheaper -- that's just as cheap in Minnesota as
21 it is in Alberta and Saskatchewan.
22
23 (BRIEF PAUSE)
24
25 MR. DENNIS WOODFORD: Electricity is

2519

1 the new energy. It is required for economic
2 development. So, the PUB report must recognize and
3 they do encourage increasing the provincial economy.

4 And this conflict for Efficiency
5 Manitoba must be resolved by regulation.

6

7 (BRIEF PAUSE)

8

9 MR. DENNIS WOODFORD: Okay. Now,
10 going back through meeting minutes of the EEAG, to the
11 August 20th meeting last year, the Green Action Centre
12 stated:

13 "There is positive business --
14 there's a positive business case for
15 Manitoba Hydro and the provincial
16 treasury to accelerate
17 electrification."

18 And the action item was, from this
19 statement, Efficiency Manitoba to provide more
20 information on what agency will deliver what.

21

22 (BRIEF PAUSE)

23

24 MR. DENNIS WOODFORD: So, what is
25 being done in this regard? Where electricity is

2520

1 needed to support economic growth? And there is much
2 than can be done to increase the provincial economy if
3 there is a framework to support which Efficiency
4 Manitoba and Hydro can help drive.

5 Now, I'm going to quote from
6 Electricite de France where the CEO, Jean Bernard
7 Levy, stated a year or so ago.

8 "We want to become the uncontested
9 leader in electric mobility in
10 Europe by 2022."

11 That means they want to put in seventy-
12 five thousand (75,000) charging stations across
13 Europe, including the UK. And they see that that is a
14 business opportunity. So, why isn't it a business
15 opportunity here? Next slide, please.

16 Now, I want to bring forward my item
17 here, number 5. Health Canada completed the human
18 health risk assessment for diesel exhaust and, quote:

19 "Overall, it is concluded that
20 diesel emission is associated with
21 significant population health
22 impacts in Canada, and efforts
23 should continue to further reduce
24 emissions of and human exposure to
25 diesel emissions."

2521

1 End of quote. I'm pretty much aware of
2 this. When I drive to work, and -- and the wind's
3 blowing across from the road, and there's a diesel
4 truck or bus goes down, and it hits me pretty hard,
5 that's -- I know how bad that is.

6 So -- so next slide, please.

7 And here's our conclusion. We
8 recommend for the next regulation to require:

9 "Efficiency Manitoba to undertake
10 initiatives with respect to electric
11 demand, potable water, and fossil
12 fuels in the transportation sector
13 in Manitoba."

14 That's just straight out of the -- out
15 of the PUB -- the Act, I believe. I may be -- stand
16 to be corrected there.

17 There has been made by Effic -- the
18 start has been made by Efficiency Manitoba. There is
19 much more to be done, as we have outlined herein. The
20 Public Utilities Board must recommend new regulation
21 to continue moving forward for the economic
22 development of the province to take advantage of a
23 unique capacity with clean electricity, the new
24 energy. And the last slide. Thanks. Thank you very
25 much for listening.

2522

1 THE CHAIRPERSON: Thank you, Mr.

2 Woodford.

3 Do you have any questions?

4 BOARD MEMBER GRANT: Dr. Forbes, we
5 have to get you on the record here, so I just wonder
6 if you could comment -- I can put the question to both
7 of you.

8 But the argument you're mainly
9 presenting is that the marginal benefit of the savings
10 in electricity is overstated, and therefore, when you
11 run these metrics, you -- you would support a lower
12 target for electricity savings in DSM, or a lot of
13 proposed changes wouldn't meet the cut.

14 MR. DENNIS WOODFORD: Right.

15 BOARD MEMBER GRANT: I understand that
16 in a narrow sense. Can you talk about the broader one
17 about different energy choices we have. So in other
18 words, you're pro-electricity, pro-hydroelectricity,
19 am I correct? So you're -- you want to take a broader
20 look at fuel switching and the choices required and
21 such?

22 MR. DENNIS WOODFORD: Well, I used to
23 work for Manitoba Hydro for fifteen (15) years, a long
24 time ago. I am pro-electricity. I came in here in an
25 electric car.

2523

1 So I don't think I'm qualified enough
2 to talk about the -- the switching requirement that
3 you -- fuel switching that you asked on. So I do know
4 from my -- the company I work for works all around the
5 world and -- in the developed world -- a lot in the
6 US, China, Europe, Australia. And we see things
7 happening in those countries that are -- that are
8 amazing that I'm not seeing here.

9 And there is a huge trend forward to
10 get to renewable energy. We have it here already.
11 What do we do with it? Don't send it down to the
12 States for peanuts -- contract-wise, yes, if you get a
13 good price.

14 But as Peter Miller said, the -- when
15 we plug our electric car in in the evening when we get
16 home from work, probably five (5) or six (6) times a
17 week, the energy that we're paying for is -- is eight
18 point seven (8.7) cent a kilowatt hour. If I wasn't
19 paying that, it would have to go south or east or west
20 in the opportunity sales, which would be peanuts.

21 And, okay, you can make the case that -
22 - oh, but you -- the fuel that the Americans are not
23 selling it to the US. The Americans are not earning
24 now in their combined-cycle gas turbines or the coal
25 plants. We're saving that. Oh, we're doing wonderful

2524

1 things for the world.

2 Yes, but because I am driving an
3 electric vehicle, I'm saving on emissions from an
4 exhaust, if I had my old Ford Taurus, and the exhaust
5 emissions are much -- are sig -- are more,
6 significantly more, than what is saved from the fuel
7 stacks of the combined-cycle gas turbines and coal-
8 fired plants.

9 BOARD MEMBER GRANT: Dr. Forbes, you
10 have your microphone on, so I anticipate you want to
11 comment. I think one of the issues Efficiency
12 Manitoba faces and we do more generally is that the
13 so-called non-energy benefits from, say, a natural gas
14 savings -- so greenhouse gases, for example -- aren't
15 in any way monetized. There's not price put on it.

16 So how do you do this cost-benefit
17 analysis when, I suspect, some of the environmental
18 benefits you're looking at don't enter into the
19 calculus in any way?

20 DR. SCOTT FORBES: Do you want to take
21 that one?

22 MR. DENNIS WOODFORD: If you want to
23 start.

24 DR. SCOTT FORBES: I would -- I would
25 say that the -- the urgent question of our generation

2525

1 is -- is dealing with anthropogenic climate change,
2 and although it's not my area of expertise, I -- I
3 rely upon experts like one of Canada's foremost
4 climate economists, Mark Jaccard, who was a former
5 colleague at Simon Fraser. And he believes that the
6 electrification of the economy is -- is the
7 centrepiece of dealing with climate change.

8 And I agree with -- with my colleague
9 that -- that greater use of electricity right through
10 the -- the transportation, the home heating sector, is
11 an obvious step forward. It -- it will obviously
12 happen in conjunction with -- with outside pressures,
13 such as the development of carbon taxes, which are on
14 the way.

15 And -- and I agree with much of what --
16 with -- Dr. Miller said in the previous presentation,
17 that there -- there are real opportunities here, as --
18 as Dennis has indicated, that greater domestic
19 electricity consumption is going to -- to return
20 greater benefits to Manitoba Hydro than exporting it
21 at lower prices.

22 So it seems to me to be -- to be a
23 fairly straightforward calculus. I haven't done the
24 cost-benefit analyses that you've asked for, but I
25 think that could be done fairly simply by -- by people

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1 such as yourself.

2 THE CHAIRPERSON: I -- I have a
3 question. Mr. Woodford, you -- you talk about how
4 there should be an approval of the plan for one (1)
5 year and it be resubmitted and it provide an
6 opportunity to recommend regulation:

7 "To allow Efficiency Manitoba to
8 carry out demand side management
9 initiatives with respect to fossil
10 fuels in the transportation sector."

11 What do you see in that regulation, and
12 what do you see as the transportation sector?

13 MR. DENNIS WOODFORD: Well, the
14 transportation sector, of course, is electric
15 vehicles. But also hydrogen is becoming a -- a means
16 of -- of bulk transportation. There's a company in
17 the US called Nikola Motors -- you know that the name
18 Tesla was taken already, but Nikola -- Nikola Tesla --
19 and they've got hydrogen trucks that they are starting
20 to put out onto the marketplace. And Anheuser-Busch -
21 - like, the -- the beer -- ordered, I think, about six
22 hundred (600) of these.

23 And people in Manitoba -- we've talked
24 to the trucking industry -- are interested, because
25 you can -- on a charge of hydrogen -- you can go to

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1 Calgary on one (1) charge.

2 THE CHAIRPERSON: But -- but -- and I
3 understand all those initiatives, but when you're
4 talking about a regulation, you're prescribing what
5 they will do.

6 Are you talking about, for the
7 transportation sector, that you're going to say to
8 truckling companies, You shall convert your trucks --

9 MR. DENNIS WOODFORD: No.

10 THE CHAIRPERSON: -- to hydrogen by a
11 certain time, or you shall have electric trucks? I'm
12 just trying to figure out what's in the regulation.

13 MR. DENNIS WOODFORD: Well, the
14 problem I have is -- is that we know that electric
15 vehicles was declared out of scope, and as -- as Peter
16 Miller has said and as we're saying, make a regulation
17 so it's not out of scope.

18 THE CHAIRPERSON: But you're talking
19 about out of scope for the hearing. A regulation is a
20 regulation at law that prescribes that certain steps
21 must be taken or certain standards must be followed.

22 That -- I'm just having trouble
23 understanding --

24 MR. DENNIS WOODFORD: Yeah.

25 THE CHAIRPERSON: -- what the

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1 regulation would -- would suggest that should be done
2 by the transportation industry or in the
3 transportation sector.

4 MR. DENNIS WOODFORD: Well, the -- the
5 regulation should be to Efficiency Manitoba to allow
6 it to pursue the issues of using elect -- electricity
7 to develop transportation.

8 THE CHAIRPERSON: So it would be a
9 directive to them to --

10 MR. DENNIS WOODFORD: Yes.

11 THE CHAIRPERSON: -- to focus on that
12 as one (1) of their activities.

13 MR. DENNIS WOODFORD: As one (1) of
14 their activities, yes, yes.

15 THE CHAIRPERSON: Okay. Thank you
16 very much. Does Efficiency Manitoba have any
17 questions?

18 MS. JESSICA SCHOFIELD: We do not.
19 Thank you, Mr. Chair.

20 THE CHAIRPERSON: Gentlemen, thank you
21 very much for attending. We appreciate it.

22 We'll take the afternoon break now and
23 return in fifteen (15) minutes, thank you.

24

25 --- Upon recessing at 2:26 p.m.

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1 --- Upon resuming at 2:43 p.m.

2

3 THE CHAIRPERSON: Okay. If we could
4 resume with the Manitoba Energy Justice Coalition.

5

6 DANIEL FRIESEN, Affirmed

7

8 MR. DALE FRIESEN: Good afternoon.

9 THE CHAIRPERSON: Good afternoon, Mr.
10 Friesen. You have about ten (10) to fifteen (15)
11 minutes --

12 MR. DALE FRIESEN: Okay.

13 THE CHAIRPERSON: -- for your
14 presentation. Thank you very much.

15 MR. DALE FRIESEN: Thank you. I'm
16 here today representing MEJC, the Manitoba Energy
17 Justice Coalition. It's a volunteer run climate
18 justice activism group that mobilizes on the
19 principles of social justice, community organizing,
20 and grassroots campaigning.

21 There's a glaring omission that climate
22 change is not a central aspect of the Efficiency
23 Manitoba proposed three (3) year plan. The
24 intergovernmental panel on climate change projects
25 that we have until 2030 to reduce our emissions by

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1 half of 2010 levels to avoid uncontrollable
2 catastrophic climate change. Instead, Manitoba's
3 emissions increased by almost seven hundred thousand
4 (700,000) metric tonnes of CO₂ in 2017, triple the
5 national increase of 1.1 percent.

6 Canada is tied for high -- for first
7 for highest emissions per glob -- per capita globally.
8 Climate change is the defining issue of our lifetime,
9 and responding to it requires immediate dra -- and
10 drastic changes. We have the capital, technology, and
11 resources to change this. It is inaction, not
12 impossibility, that stops us from achieving necessary
13 reductions.

14 MEJC understands that Efficiency
15 Manitoba and the PUB are bound to the limited mandate
16 given by the Province, but that should not stop those
17 who have power from doing everything they can to shift
18 policy in a direction that responds to the real
19 existential threat of climate chan -- of the climate
20 crisis.

21 It also happens that the cheapest
22 policy options to help Efficiency Manitoba achieve its
23 natural gas mandate are regulatory, and within the
24 PUB's mandate to recommend to the Provincial
25 Government.

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1 To that end, we are calling on the PUB
2 to regulate that no new buildings or major renovations
3 be constructed using natural gas, no new investment be
4 made in natural gas infrastructure, and that
5 Efficiency Manitoba broaden and emphasize incentives
6 for building owners to transition off of natural gas.

7 The reduction of greenhouse gas
8 emissions through the secession of investment in
9 natural gas in favour of renewables is related to
10 issues 1 through 5 of Appendix A of the Procedural
11 Order.

12 The alternatives proposed by this
13 presentation are both more cost-effective for both
14 Efficiency Manitoba and the consumer, use new
15 technologies to improve efficiency, are more stable
16 and affordable for rural Indigenous and low income
17 customers, and have the nonenergy benefits of reducing
18 Manitoba's greenhouse gas emissions, decreasing
19 economic leakage -- leakage of roughly \$4 billion per
20 year in fossil fuel imports, improving the financial
21 health of Manitoba Hydro through increase revenue, and
22 working towards lessening the impacts of the climate
23 crisis.

24 Stationary combustion sources, energy
25 used for residential and commercial heating in

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1 electricity generation in the oil and gas industry,
2 and in the manufacturing and construction industries
3 account for 20 percent of Manitoba's greenhouse gas
4 emissions. To meet the bare minimum laid out by the
5 IPCC, we need to reduce emissions by 7.6 percent
6 annually.

7 Manitoba's current building emissions
8 have been steadily rising each year. We must reverse
9 this trend through an immediate shift in priorities.
10 The technology and capacity for greenhouse gas free
11 space and water heating already exist and have been
12 proven in test markets, such as geothermal inst --
13 installations on reserves by Aki Energy and Manitoba
14 Hydro Solar Energy Pilot Program. Any further
15 investment in natural gas creates both an
16 environmental and financial liability for Manitobans
17 by committing them to an unsustainable fuel source.

18 Manitoba Hydro's annual -- annual
19 reports indicate an increase of over eighteen hundred
20 (1,800) new natural gas customers from 2015 to 2018,
21 an average of twenty-seven hundred (2,700) new
22 customers per year.

23 THE CHAIRPERSON: Sorry, if I could
24 interrupt. I just want to make sure the record's
25 correct. You said eighteen hundred (1,800). The

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1 written says eighty-one hundred (8,100). Is it --

2 MR. DALE FRIESEN: Sorry, yes. That's
3 what I meant.

4 THE CHAIRPERSON: It's eighty-one
5 hundred (8,100)?

6 MR. DALE FRIESEN: Yes.

7 THE CHAIRPERSON: Okay. Thank you.

8 MR. DALE FRIESEN: Importantly,
9 twenty-seven hundred (2,700) customers is .95 percent
10 of the current total. Efficiency Manitoba's natural
11 gas reductions mandate is .75 percent. Though not all
12 customers will consume the same amount, it is
13 nevertheless plausible that Efficiency Manitoba's
14 entire annual natural gas mandadate -- mandate can be
15 met at no cost to the government with a single
16 regulatory measure.

17 The regulations governing Efficiency
18 Manitoba clearly say that the impact of changes to
19 building codes, et cetera, can be counted towards
20 annual targets for efficient -- energy efficiency.
21 Ceasing additional natural gas consumption, combined
22 with the creation of incentive programs to transition
23 to renewable heating methods, will allow Efficiency
24 Manitoba to achieve its demand-side management goals
25 in a way that makes financial and environmental sense.

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1 The High-efficiency Furnace Replacement
2 Program creates a liability for building owners by
3 committing them to natural gas for longer than we can
4 ethically afford to rely on fossil fuels, and
5 requiring higher costs for necessary conversions to
6 emission free heating in the future. Efficiency
7 Manitoba must create incentive and retrofit programs
8 to switch to emission free heating instead of
9 increasing our reliance on fossil fuels.

10 Natural gas production results in the
11 leakage of methane, a greenhouse gas thirty-four (34)
12 times stronger than CO₂. While combustion of natural
13 gas for heating creates fewer emissions than burning
14 coal or oil, you must be considering the full impact
15 of our consumption. Using natural gas creates an
16 environmental impact, even if the majority of
17 emissions are not created in Province.

18 Transitioning off of fossil fuels also
19 creates an opportunity for Manitoba to become a leader
20 in green energy technologies, and keep the money that
21 is currently being spent out of Province to natural
22 gas producers in Manitoba.

23 The Manitoba Geothermal Energy Alliance
24 lists with nearly thirty (30) accredited installers on
25 their 2019 list of members in good standing. The

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1 capacity exists in Manitoba to invest in geothermal as
2 an alternative to natural gas. Geothermal is cheaper,
3 more efficient, and has a lower environmental impact
4 than both natural gas and hydroelectricity. The life
5 expectancy of a natural gas furnace is twenty (20)
6 years, whereas the low end impact life expectancy of
7 an earth energy system is twenty (20) to twenty-five
8 (25) years.

Community scale geothermal heating and cooling is an excellent way of mitigating the initial high capital cost barrier of single facility systems. Efficiency Manitoba would finance the installation of a community scale -- a community scale ground loop, and then collect fees for its use. A CSGL could be implemented in areas where housing density would preclude the use of single house ground loops.

17 A CSGL can take advantage of diversity
18 in users heating and cooling profiles, a high -- and a
19 high diversity of significantly -- and a high density
20 can significantly reduce loop field size compared to
21 multiple single facility systems. Additional thermal
22 capacity can be added to a CSGL distribution system as
23 needed.

24 Efficiency Manitoba should commit to a
25 CSGL pipe -- pilot program immediately. CSGL should

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1 be set as the standard for new developments, and
2 should be encouraged as a retrofit option for
3 neighbourhoods and communities.

4 Manitoba already has ample data that
5 solar is a viable option for Manitoba Hyd -- from
6 Manitoba Hydro's pilot program. We cannot wait two
7 (2) additional years to take renewrit -- renewable
8 energy seriously. The Solar Rebate Program must be
9 reinstated as a part of the upcoming plan, and
10 invested in to create a stable base of installers.

11 The solar installations will also help
12 make Manitoba's power grid more climate resilient.

13 The severe storm in October 2019 that left several
14 communities without power for weeks should be a wake-
15 up call that Manitoba's power grid is not resilient to
16 the types of severe weather that will only become more
17 common as storms become more extreme and
18 unpredictable.

19 Another underused strength that already
20 exists in Manitoba is expertise in high-performance
21 buildings. This approach to new buildings and
22 retrofits corrects the pervasive systematic mistake of
23 separating capital and operating costs.

24 Putting capital costs and operating
25 costs in separate silos leads to poor quality, design,

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1 and construction. This results in much higher
2 operating costs for the fifty (50) to a hundred (100)
3 year lives of the building.

4 Made in Manitoba software tools such as
5 SEEFAR can examine multiple design and construction
6 techniques and their operating costs to show the to --
7 true total cost of ownership. This inevitably leads
8 to con -- the construction and a retrofit of much more
9 efficient and environmentally sustainable buildings.

10 Investing in renewable energy is
11 cheaper in the long run. The creation of a rotating
12 green fund and the expansion of Manitoba Hydro's
13 existing Pay as You Save financing program will allow
14 Efficiency Manitoba to fund green energy projects with
15 minimal overall cost to Efficiency Manitoba, and
16 minimal upfront investment needed from the consumer.

17 Through Manitoba Hydro's existing PAYS
18 program, the estimated annual savings for efficiency
19 upgrades is used to pay for all or part of the
20 upgrade. The monthly financing payment for the
21 homeowner is set to be less than the estimated annual
22 energy savings averaged out on a monthly basis.

23 Currently, this financing can be used
24 for residential space heating equipment installation
25 and residential water heating and conservation. It

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1 also allows for the upgrade to high-efficiency gas
2 furnaces and boilers, but only allows for upgrading to
3 electrical heating when replacing a propane or fuel
4 oil system.

5 The PAYS program needs to be expanded
6 to prioritize lowering a building's carbon footprint,
7 and not allow for the installation of natural gas
8 systems.

9 PAYS financing is also significantly
10 cheaper than subsidies, because all the money invested
11 returns to Efficiency Manitoba, and the majority of
12 the cost is paid by the consumer using their new
13 energy efficiency savings over time. Financing
14 programs also encourage green energy companies to
15 invest in growing communities instead of fly-by-night
16 operations, hurriedly creating infrastructure to take
17 advantage of the subsidies, and leaving once the
18 program ends.

19 The PAYS program should seek out
20 participants and set annual participant targets. This
21 is a proven way to make the program more successful,
22 as demonstrated by the How\$mart program in Kansas.
23 Seeking participants resulted in a 55 percent uptake
24 from approached customers. The high level of uptake
25 was credited to a simple and streamlined process for

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1 participants.

2 PAYS financing should also be offered
3 to multi-residence building owners and made available
4 as an option to finance new construction.

5 To conclude, Efficiency Manitoba's
6 three (3) year plan must respond to the reality of the
7 climate crisis by making a meaningful contribution to
8 reducing Manitoba's greenhouse gas emissions and
9 reducing reliance on fossil fuels.

10 There are several -- there are several
11 types of debt, and Manitoba is accruing a large debt
12 to the climate that we will be forced to pay sooner
13 than later. MEJC and all those concerned about the
14 future of our planet urge Efficiency Manitoba and the
15 PUB to do everything in their power to make this plan
16 one that takes our debt to the climate seriously by
17 ceasing to invest in natural gas, and encouraging
18 alternatives that will ultimately lead to a more
19 sustainable future, and set Manitoba as an example
20 for others to follow on what needs to be done to
21 respond to the climate crisis.

22 THE VICE-CHAIRPERSON: Thanks, Mr.
23 Friesen. Do you know of jurisdictions where community
24 scale ground loops have been implemented and how they
25 worked?

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1 MR. DALE FRIESEN: I don't know of any
2 specific examples, but basically the -- the concept is
3 that instead of every -- every individual dwelling
4 having their own ground loop, there's a slightly
5 larger ground loop that can be -- doesn't necessarily
6 need to be directly next to the properties, and then
7 there's pipes that are run to the properties and
8 they're hooked up to the heat pump inside -- inside
9 the buildings.

10 This could be used, yeah, for apartment
11 buildings or single occupancy dwellings, and, I mean,
12 I'm not a finance expert, but it could be set up so
13 that instead of paying, you know, your hydro bill,
14 you're paying your ground loop fees instead. Yeah.

15 BOARD MEMBER GRANT: Given the name of
16 your group, I was wondering if you've given any
17 thought to the set of efficiency, equity trade-off.

18 So, for example, I think Efficiency
19 Manitoba at the implementation stage faces this
20 challenge where you're trying to get to those hard-to-
21 reach customers and you want to share the burden a
22 bit. So to take a silly example -- but I imagine
23 providing an incentive for electric cars probably has
24 a huge income distribution impact or a significant
25 one.

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1 Have you thought about from a policy
2 perspective how you maybe address those conservation
3 measures you can get at most effectively, but also
4 being sure it's -- the income distribution's
5 fairly --

6 MR. DALE FRIESEN: Totally. Yeah, the
7 -- I think that's where the financing aspect of it
8 really comes in, is important. That's really a key
9 way to making it -- a lot of the -- especially with
10 geothermal, the -- the main drawback is the high up-
11 front costs. It's a total winner beyond that.

12 So providing people the opportunity to
13 have that start-up capital to implement those
14 retrofits, or a community, municipality even, to -- to
15 do those projects, and it will pay itself back and you
16 make money in the long run because of the savings and
17 it's -- yeah, it's a clear winner for -- for meeting
18 efficiency targets. It's, yeah -- the up-front cost
19 is the -- the biggest drawback, but that's an easily
20 over -- easily surmountable obstacle through the
21 financing program.

22 BOARD MEMBER GRANT: So if I
23 understand you properly, you're saying then that the
24 um -- the up-front cost is also a major financial
25 barrier to lower income people to participate in the

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1 program, so...

2 MR. DALE FRIESEN: Yeah.

3 BOARD MEMBER GRANT: Thank you.

4 THE CHAIRPERSON: I just want to
5 follow up on that. When you're talking about the
6 ground loop, are you talking about this is something
7 that should move forward in terms of new areas, new
8 housing, or are you talking about it for existing
9 housing or existing facilities?

10 MR. DALE FRIESEN: Well, absolutely
11 for new areas. I think that's a no-brainer. It's --
12 it's ridiculous that new developments are still being
13 made with natural gas when we you know we can't
14 continue to be using natural gas for much longer, and
15 it's -- as been said in previous presentations, that's
16 the easiest time to put it in, and when the cost for
17 implementation is lowest.

18 In terms of retrofits, it is definitely
19 more expensive, but that's where a community level
20 would come in and be very important, where if a
21 neighbourhood or a street could get a sufficient
22 number of customers to buy in and they had a property
23 nearby that was appropriate for installing the ground
24 loop, the actual cost and the amount of work for
25 installing the -- the connections to that community

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1 ground loop is -- is far less than installing a ground
2 loop in each individual home.

3 THE CHAIRPERSON: Do you know what the
4 costs are? Like, how much would it cost to -- to --
5 to put one in -- into a new area versus retrofitting
6 an existing area?

7 MR. DALE FRIESEN: For the community
8 scale, I was not able to find a ton of information. I
9 know for individual dwellings it's around ten thousand
10 dollars (\$10,000) for an individual one, and the
11 majority of that cost is digging the well for the
12 ground loop.

13 So if that's only being done once, and
14 then it'd be smaller amount of excavation to get to
15 each individual home, the cost would come down
16 significantly.

17 THE CHAIRPERSON: Okay. The other
18 question, I guess more of a comment, is at the end of
19 your -- your paper, you say the -- Efficiency Manitoba
20 and the PUB should do everything in their power to
21 make the plan -- you talked about the -- sort of the
22 environmental debt but earlier in your piece you put
23 into that:

24 "And we're calling on the PUB to
25 regulate that no new buildings or

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1 renovations be constructed using
2 natural gas, no new investments be
3 made in natural gas infrastructure,
4 and that Efficiency Manitoba
5 broaden..."

6 And you emphasize incentives. I guess
7 the problem I have is, where do you see us having the
8 power to regulate any of that? We can make
9 recommendations, but in terms of regulate, I mean, did
10 you see us as having the power to regulate building
11 standards or something of that nature?

12 MR. DALE FRIESEN: I guess what I
13 meant by that is that those recommendations are
14 absolutely necessary, so push for those as -- as
15 strongly as you can.

16 THE CHAIRPERSON: Okay.

17 MR. DALE FRIESEN: Yeah.

18 THE CHAIRPERSON: Efficiency Manitoba,
19 any questions?

20 MS. JESSICA SCHOFIELD: No, thank you,
21 Mr. Chair.

22 THE CHAIRPERSON: Thank you very much,
23 Mr. Friesen.

24 MR. DALE FRIESEN: Thank you.

25 THE CHAIRPERSON: Mr. Koroluk....? Is

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1 Mr. Koroluk here?

2

3

4 GLEN KOROLUK, Affirmed

5

6 THE CHAIRPERSON: Good afternoon, Mr.
7 Koroluk. Thank you for -- for coming. You have about
8 ten (10) to fifteen (15) minutes for your
9 presentation.

10 MR. GLEN KOROLUK: Okay, thank you.

11 Thanks. Okay. The Manitoba Eco-Network appreciates
12 this opportunity to participate in the Public
13 Utilities Board's review of Efficiency Manitoba's
14 three (3) year plan.

15 Since 1988, the Eco-Network has
16 promoted positive environmental action by supporting
17 people and groups in our community. We are currently
18 transitioning our programming to focus more on policy
19 advocacy, engagement in consultation processes, and
20 developing capacity building tools that benefit the
21 environmental non-profit sector in our member groups.

22 Although the Manitoba Eco-Network was
23 very interested in participating in this proceeding as
24 an Intervener, a number of factors, including
25 uncertainties in relation to funding, the need for

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1 technical assistance, and the short time frame within
2 which to review Efficiency Manitoba's plan, limited
3 our capacity to contribute. However, we are pleased
4 that the PUB has created an alternative opportunity
5 for interested parties to contribute to the review of
6 the plan.

7 We commend Efficiency Manitoba on the
8 production of their first Efficiency Plan. We see
9 this as a positive indication that Manitoba is moving
10 towards a future with more programs and tools, albeit
11 less money, to support climate change mitigation
12 efforts.

13 While we were unable to provide
14 detailed technical commentary to the plan, we felt it
15 was important to provide the PUB with our broader
16 environmental perspective and to support the position
17 of other Intervenors and presenters with valuable
18 insight, such as the Consumers Coalition, the Green
19 Action Centre, Manitoba Energy Justice Coalition, the
20 Council of Canadians, and Sustainable Building
21 Manitoba.

22 We feel that Efficiency Manitoba has
23 the potential to play an important role in Manitoba's
24 fight against climate change. As Section 41(a) of the
25 Efficiency Manitoba Act states:

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1 "The mandate of Efficiency Manitoba
2 includes the implementation and
3 support of demand side management
4 incen -- initiatives to meet the
5 saving targets and achieve
6 reductions in greenhouse gas
7 emissions."

8 This mandate, along with the province's
9 inclusion of Efficiency Manitoba in its Climate and
10 Green Plan Discussion Paper to address climate change
11 mitigation, means it is critically important to
12 consider the plan's environmental impacts and
13 potential impact on the reduction of greenhouse gas
14 emissions.

15 Time is running out to make meaningful
16 progress on climate change in Manitoba and there is a
17 need to use all the opportunities and tools that are
18 available to address the climate crisis.

19 As stated in its vision, mission, and
20 values, the PUB is dependent and partial and
21 objective, transparent, accessible, supportive of a
22 respectable work environment and, above all, focusses
23 on the public interest.

24 Moving forward, the Manitoba Eco-
25 Network hopes to better engage with Efficiency

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1 Manitoba and contribute to the development of the
2 programs that focus more on environmental outcomes.

3 Now, I've attached a few charts and
4 graphs from the National Energy Board and Manitoba's
5 last five (5) year energy plan just to sort of --
6 you've probably seen these abor -- before, just to
7 highlight some of the work that really needs to be
8 done.

9 The fact that we are importing a lot of
10 energy from other places and the fact that our
11 consumption per capita figures are -- are not going
12 down as they should be.

13 So, I just want to talk a bit about the
14 scope of this review. You know, although the Manitoba
15 Eco-Network appreciates the opportunity to participate
16 in the PUB's review of Efficiency Manitoba's first
17 plan, we were disappointed in the limited scope of
18 this Hearing.

19 It was particularly troubling that
20 consideration of Manitoba's climate and green plan,
21 the Provincial energy strategy, electric vehicles, and
22 other related policy and regulatory elements were
23 excluded from this review.

24 Eco-Network feels that the operations
25 of Efficiency Manitoba and its proposed plans are part

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1 of the comprehensive framework of programs, policies,
2 and measures to reduce greenhouse gas emissions and
3 address the effects of climate change the Climate and
4 Green Plan Act requires the province to develop.

5 Therefore, a broader consideration by
6 the Board of the regulatory and policy context within
7 which Efficiency Manitoba's three (3) year plan will
8 operate would have been appropriate and helpful to
9 assist with the identification of regulatory and
10 programming gaps.

11 There are limited venues for the
12 examination and discussion of environmental plans,
13 policies, and regulatory requirements in Manitoba and
14 there needs to be more opportunity for this type of
15 discourse in order to improve the participation of
16 environmental organizations and allow for more
17 discussion of Manitoba's environmental protection and
18 climate change mitigation measures.

19 We support the Intervenors and other
20 presenters who have identified issues that should have
21 been considered within the scope of this Hearing. In
22 particular, we support the Green Action Centre's
23 position that the electrification of transportation
24 should have been included within the scope of this
25 review.

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1 There's been a mass movement towards
2 electrification around the world and Manitoba's
3 particularly well positioned to become a leader due to
4 the abundance of hydro electricity.

5 A consideration of the broader context
6 within which specific electrification programs operate
7 allows for more creative solutions to be developed.

8 We would like to see a broader array of
9 policy goals and targets for fuel switching considered
10 during this proceeding. In the context of green heat,
11 for example, there are real long-term savings to be
12 gained by switching from fossil fuel heat, such as
13 natural gas or heating oil systems, to green heat
14 options.

15 Transitioning to green heat can create
16 new markets and new opportunities. These systems
17 generate renewable heat energy, reduce carbon
18 emissions, generate local jobs, and reduce dependence
19 upon imported fossil fuel.

20 Local and district heating options that
21 incorporate these choices can have a genuine impact on
22 reducing emissions. We support the decision of the
23 Council of Canadians and their discussion of the need
24 for a transition away from fossil fuels and encourage
25 the PUB to consider their recommendations.

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1 Consideration of climate and
2 environmental impacts. And although the Manitoba Eco-
3 Network views Efficiency Manitoba's plan as a positive
4 step forward in the transition towards a more
5 sustainable society, there is a need for more
6 consideration of environmental impacts and stronger
7 energy savings targets.

8 In light of the current climate crisis,
9 there is a need for more innovative and aggressive
10 measures from regulators and decision makers to ensure
11 the necessary environmental outcomes are achieved.

12 This includes consideration of the
13 savings targets Efficiency Manitoba has been mandated
14 by legislation to meet. Although the current targets
15 are not unreasonable, the Eco-Network would like to
16 see stronger savings targets that better support
17 achievement of international climate targets, such as
18 Paris agreement and Net Zero by 2050.

19 We feel there is a need for better
20 linkage between the operations of Efficiency Manitoba
21 and the provincial climate strategy. We commend
22 Efficiency Manitoba's projected greenhouse gas
23 savings, equivalent to removing over five thousand
24 (5,000) cars per year from within Manitoba.

25 However, there is a need for more

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1 ambitious greenhouse gas savings that better balance
2 the market forces contributing to greenhouse gas
3 increases, such as the twelve thousand (12,000) new
4 vehicles registered in Manitoba every -- every year.

5 We also commend Efficiency Manitoba in
6 its commitment to invest in emerging technologies.
7 This has been an area that has not been adequately
8 supported by Manitoba Hydro's post programming and has
9 great potential in terms of developing the deve --
10 development of innovative approaches that support the
11 reduction of climate and environmental impacts.

12 I'll talk a bit about the partnership
13 participation and partnerships. We appreciate
14 Efficiency Manitoba's commitments to ongoing
15 stakeholder and public engagement. We are pleased to
16 see Efficiency Manitoba engaged with many qualified
17 stakeholders in the development of their plan through
18 the efficienc -- the -- the Energy Effici --
19 Efficiency Advisory Group.

20 Efficiency Manitoba's proposed
21 activities in terms ongoing stakeholder engagement
22 seems promising, although we would like to see more
23 engagement with Manitoba's environmental organizations
24 to ensure more -- more focus on climate and
25 environmental impacts and the implementation and

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1 evaluation of the plan.

2 In terms of Efficiency Manitoba's
3 engagement with the public, there is room for
4 improvement. In particular, the Manitoba Eco-Network
5 is supportive of the recommendations made by the
6 Consumers' Coalition in terms of potential
7 improvements to the stakeholder engagement model and
8 ongoing engagement with members of the public.

9 The evidence provided by Dr.
10 Fitzpatrick on the Coalition's behalf was compelling.
11 And she provided excellent recommendations for
12 potential improvements in this area.

13 To summarize some of her presentation,
14 there is a need to distinguish between stakeholder
15 engagement and engagement with the public in order to
16 ensure Efficiency Manitoba creates meaningful
17 opportunity for all Manitobans to participate.

18 It would be helpful to clarify the role
19 and responsibilities of the Energy Efficiency Advisory
20 Group members, especially in terms of their engagement
21 with members of their specific constituencies and the
22 public in general.

23 There is room for improvement in terms
24 of developing additional public participation
25 opportunities prior to the implementation of the plan

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1 as well as during the imple -- implementation phase
2 and future evaluations.

3 We support Dr. Fitzpatrick's
4 suggestions for the development of outreach and
5 education programs with the need for additional
6 mechanisms for the public to engage direction with
7 Efficiency Manitoba and more targeted engagement with
8 Manitoba's youth.

9 Beyond our potential is consumers with
10 a future. Manitoba's youth will also face the
11 environmental consequences of the regulatory decisions
12 made today.

13 There is a need for new and innovative
14 ideas and a development of climate change mitigation
15 measures. And Manitoba's youth have already
16 demonstrated that they are passionate and ready to be
17 better engaged in Manitoba's governance processes,
18 including the development of plans and policies.

19 We are pleased to see commitments by
20 Efficiency Manitoba to strengthen partnerships with
21 community organizations, Indigenous organizations, and
22 educational institutions in order to support
23 educational activities, enhance participation
24 opportunities, and assist with the delivery of the
25 programming.

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1 We'd like to see these opportunities to
2 go further and better include partner organizations in
3 the development of the programs they are tasking --
4 tasked with delivering.

5 Efficiency Manitoba should considering
6 forming partnerships with a broader range of
7 organizations to increase the scope of proposed
8 programs.

9 For example, organizations, such as the
10 Neighbourhood Renewal Corporations, can make a value
11 contribution to programs aimed at retrofits for low-
12 income housing.

13 And on the side, in -- in a previous
14 career, I have worked with a Neighbourhood Renewal
15 Corporation on a pilot program with Manitoba Hydro on
16 their low-income energy efficiency program. If you
17 wish to ask questions about that after, I could
18 address those.

19 We also see a need for partnerships
20 with organizations that could assist with the
21 development and provision of programs focussed on
22 educating and improving access to programming for new
23 Canadians as this segment of Manitoba's population is
24 growing.

25 The development and delivery of

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1 programs that will adequately equip new Canadians with
2 the information and tools they need to effectively
3 access energy efficiency programming will need to be
4 addressed.

5 We also recommend a broader approach to
6 community energy planning. Community energy plans are
7 tools that can support communities efforts to better
8 understand their local energy use and cost as well as
9 consider future growth needs, identify opportunities
10 to concern, and improve energy efficiency, reduce
11 greenhouse gas emissions in the community, and help
12 drive local economic development.

13 Community energy plans take an
14 integrated approach to energy planning by aligning
15 energy, infrastructure, and land use planning and
16 better equip commu -- communities to achieve positive
17 environmental outcomes.

18 We are very supportive of proposed
19 community edergy -- energy planning activities in
20 Indigenous communities but recommend that such
21 planning activities also include municipalities.

22 As discussed by Dr. Timothy Clark on
23 behalf of the Assembly of Mani -- Manitoba Chiefs,
24 more details from Efficiency Manitoba will be required
25 in terms of their proposed approach to community

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1 energy efficiency planning, as it appears that such
2 planning processes may be narrowly focussed on energy
3 efficiency plans.

4 We recommend an approach that aligns
5 with more comprehensive community energy planning
6 approaches that have been utilized in other
7 jurisdictions in Canada, and BC comes to mind, with
8 their community energy -- energy leadership program.

9 So to conclude, overall, the Manitoba
10 Eco-Network feels Efficiency Manitoba's three (3) year
11 plan represents a positive step forward. We are
12 pleased to see commitments to ongoing stakeholder and
13 public engagement; projected environmental benefits,
14 such as water savings, waste reduction, and greenhouse
15 gas savings; and investments in the development of new
16 technologies. The proposed plan has the potential to
17 support network of community organizations, foster
18 environmental leadership, and support the building of
19 relationships that support collaborative environmental
20 action.

21 We strongly recommend that the PUB
22 consider the submissions of the Intervenors and other
23 presenters -- such as the Consumers Coalition, the
24 Green Action Centre, and the Council of Canadians --
25 that provided more technical commentary in terms of

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1 projected savings targets, electrification of
2 transportation, and public engagement.

3 We also suggest the PUB make
4 recommendations in support of, 'A', more consideration
5 of environmental impacts and benefits; the
6 establishment of stronger energy savings targets and
7 climate commitments; broader stakeholder engagement
8 and more public participation opportunities in the
9 development and delivery of programming; and more
10 development of and funding for targeted programming,
11 such as low-income retrofits, programs aimed at new
12 Canadians, and community energy planning.

13 We urge the PUB to suggest broader
14 interpretation of the regulatory framework to allow
15 for better consideration of environmental and climate
16 impacts. There is a need for a comprehensive
17 regulatory review that better considers Manitoba's
18 regulatory framework as a whole and enables
19 environmental organizations like ours to advocate for
20 positive change.

21 The PUB is well positioned to play an
22 influential role in Manitoba's transition towards a
23 more sustainable society, and we would urge you to use
24 this influence for the betterment of all Manitobans.

25 We appreciate this opportunity to

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1 present to the PUB and provide a broader environmental
2 perspective. We look forward to and welcome future
3 opportunities to engage with the PUB and Efficiency
4 Manitoba in the implementation and evaluation of the
5 three (3) year plan, and if given adequate time and
6 resources, facilitate participation of our member
7 organizations. Thank you.

8 THE CHAIRPERSON: Thank you, sir.

9 Questions?

10 I've got a few questions. You raised
11 the possibility, and I'd be interested about you're --
12 your recommendations for low-income housing programs.

13 MR. GLEN KOROLUK: Correct, and I'll
14 speak as a former housing coordinator for the Daniel
15 McIntyre/St. Matthews Community Association. At that
16 time, we did a pilot program with Manitoba Hydro, and
17 -- and we did outreach into a lower-income
18 neighbourhood in the west end to promote the -- the
19 low-income energy efficiency program, which offered a
20 whole suite of, you know, programs, retrofits, et
21 cetera.

22 And our findings at that time was --
23 was that, 'A', the -- the income cutoff thresholds
24 weren't -- weren't adequate. So I think Efficiency
25 Manitoba's talking about LICO plus 25 percent, and we

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1 would feel that's even not good enough because there's
2 -- there's so many lower-income families that wouldn't
3 qualify for the -- sort of the free benefits, you
4 know, you know, like putting in insulation in your
5 basement or in your attic or in your walls, et cetera
6 -- the more costly type of retrofits. So -- so there
7 needs to -- there needs to be more money, and that
8 income threshold has to be -- has to be sort of lifted
9 up higher for -- to get more people and -- and
10 households to qualify.

11 The second thing that we noticed in
12 implementing this program is in the inner city, the --
13 the tenure is -- is -- a lot is rental, so there is a
14 real need to work with -- with landlords and -- and
15 owners of property. It's hard to get them to buy into
16 -- to programs such as this, and it was for us, too,
17 at that time. So there -- there has to be a good
18 think around that and -- and how to get those people
19 who rent property to have those buildings fixed.

20 I -- I did review the section in the
21 plan in regard to what Efficiency Manitoba wants to do
22 with -- with that population, and there -- there has
23 to be a -- a -- more money invested in what they're --
24 they're intending to. It's -- it's a hard area to
25 work in, and there are a lot of groups in the inner

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1 city that -- that could be partnered with, but that
2 will take an -- an investment of money, too, to make
3 those partnerships work to -- to do the work that
4 needs to be done.

5 So those are sort of, like, three --
6 three (3) general observations we had when we did the
7 pilot with Manitoba Hydro.

8 THE CHAIRPERSON: When did -- sir,
9 when did you do the pilot?

10 MR. GLEN KOROLUK: I -- I'm trying to
11 think. It was about eight (8) years ago.

12 THE CHAIRPERSON: And what happened --
13 and how long was the pilot?

14 MR. GLEN KOROLUK: It was only for
15 year, yeah. The -- the pilot actually moved on to
16 another neighbourhood renewal corporation -- the North
17 End Renewal Corp., NERC -- and they've been doing some
18 stuff with Hydro in the last few years. I -- I've
19 talked to them maybe a year ago, and -- and they, too,
20 have informed me that reaching the -- the rental
21 properties is an issue still.

22 THE CHAIRPERSON: Okay. My second --
23 sorry, my second question -- you made reference to the
24 BC community planning process?

25 MR. GLEN KOROLUK: Yes. Not -- not

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1 very familiar --

2 THE CHAIRPERSON: Okay, okay.

3 MR. GLEN KOROLUK: -- about it, but --

4 just what I've gleaned off the website, but I've been
5 told by others that BC is doing some interesting stuff
6 in that field, yeah.

7 THE CHAIRPERSON: Okay, thank you.

8 Final question is you -- you have written here on page
9 9 that:

10 "The Eco-Network urges PUB to
11 suggest broader interpretation of
12 the regulatory framework."

13 Is it that you want us recommend
14 broader interpretation of the framework or a change --

15 MR. GLEN KOROLUK: A change --

16 THE CHAIRPERSON: -- to the framework?

17 MR. GLEN KOROLUK: -- yes. We'll call
18 that a change.

19 THE CHAIRPERSON: Yeah, I -- I guess -
20 - I practised law a long time, and there's only
21 certain ways you can interpret regulations.

22 MR. GLEN KOROLUK: Right.

23 THE CHAIRPERSON: The question is
24 whether you're talking about that or that there should
25 be changes to the regulations.

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1 MR. GLEN KOROLUK: There -- there
2 should be changes to the regulation, and -- and, I
3 mean -- and we're looking at different -- we're
4 looking at statutes, too. I mean, there's the
5 Planning Act that should -- we should be looking at,
6 there's the Affordable Energy Act we should be looking
7 at, there's the Efficiency Manitoba Act, the -- the
8 Climate and Green Plan Act. So -- so those are just
9 examples of -- of changes that -- that need to be
10 required.

11 And -- and I think that PUB could make
12 those recommendations, because, from my understanding,
13 the -- the narrow scope of the review was -- was a
14 result of -- of the regulation and -- and the Act, so
15 -- so that -- that's a -- that's a problem. That's
16 not your problem, but you do have discretionary powers
17 when you make orders and stuff. I've noticed that.
18 That's another act that could be reviewed, and that's
19 the Public Utilities Board Act.

20 THE CHAIRPERSON: Well, I certainly
21 won't comment on that. Does Efficiency Manitoba have
22 any questions?

23 MS. JESSICA SCHOFIELD: We do not.
24 Thank you.

25 THE CHAIRPERSON: Mr. Koroluk, thank

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1 you very much for --

2 MR. GLEN KOROLUK: Thank you.

3 THE CHAIRPERSON: -- your

4 presentation.

5 DR. DARREN CHRISTLE: Mr. Chair, I'm
6 advised that the next two (2) presenters have not
7 arrived.

8 THE CHAIRPERSON: Okay. We will --
9 we'll take a ten (10) minute break and see if they do
10 arrive. Thank you.

11

12 --- Upon recessing at 3:24 p.m.

13 --- Upon resuming at 3:40 p.m.

14

15 GRAND CHIEF JERRY DANIELS, Affirmed

16

17 THE CHAIRPERSON: Chief Daniels, thank
18 you for -- for attending.

19 GRAND CHIEF JERRY DANIELS: Thank you,
20 Robert.

21 THE CHAIRPERSON: So we have
22 approximately fifteen (15) minutes for your
23 presentation.

24 GRAND CHIEF JERRY DANIELS: Okay.

25 THE CHAIRPERSON: Thank you.

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1 GRAND CHIEF JERRY DANIELS: Well, good
2 afternoon. I am Grand Chief Jerry Daniels and I
3 represent the Southern Chiefs Organization. During my
4 presentation, I will refer to us as SCO. I will begin
5 with a brief description of who we are.

6 SCO was established in 1999 to be an
7 independent political forum to protect, preserve,
8 promote, enhance First Nations peoples' inherent
9 rights, languages, customs, and traditions, through
10 the application and implementation of the spirit and
11 intent of the treaty making process. Our members are
12 the thirty-four (34) First Nations located in the
13 southern region of Manitoba. We are the Anishinaabe
14 signatories of Treaties 1, 2, 3, 4, and 5, as well as
15 the Dakota nations who did not sign treaty.

16 My commentary reflects SCO's member
17 nations and cannot be taken to reflect Indigenous
18 people in general. Also, my references to the
19 Efficiency Manitoba Act or the 2020/2023 Efficiency
20 Plan Submission, will only be the -- will only be the
21 section number. I will not be reading out the text of
22 them in the interest of time. In my presentation, I
23 will focus on the process to date and the process
24 moving forward.

25 First, the process to date. SCO was

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1 not involved in the creation of the new Crown
2 corporation, Efficiency Manitoba. There was no
3 consultation, nor is there any engagement. This has
4 placed us in a reactionary position and is not ideal
5 for us, nor is it ideal for Efficiency Manitoba.
6 Working together proactively from the beginning is
7 what creates a strong foundation towards mutual
8 success and mutual benefits.

9 The creation of new bodies and
10 initiatives also gives rise to opportunity to develop
11 and build new ways forward together that includes
12 First Nations people from the start.

13 In looking at the Efficiency Manitoba
14 Act, there are no references to Indigenous people in
15 general, nor to First Nations people specifically. No
16 specific reference to us is more often than not taken
17 as not including us. However, there are references to
18 Manitobans.

19 The concern with this is that First
20 Nations people generally don't feel included as
21 Manitobans. I say this because too often initiatives
22 don't reach our communities and we don't have the
23 opportunity to benefit in the same way other
24 Manitobans do.

25 This may be attributed to

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1 jurisdictional differences between the province and
2 Federal Governments, but this has unfortunate and
3 sometimes very serious consequences for First Nations
4 people who live on reserve.

5 We do, however, note that in -- in the
6 2020/2023 Efficiency Plan Submission, Indigenous
7 peoples in general and the First Nations peoples
8 specifically are included. In Section 3 of the plan,
9 3.2.1, Customer Segment Approach defines Indigenous
10 peoples as a segment. In addition to this, Appendix
11 A, Section A6, are twenty-three (23) pages of
12 Indigenous programs.

13 However, going back to meaningful
14 participation and First Nations people being involved
15 right from beginning -- from the beginning, it is not
16 clear in relation to the plan, the context in which
17 those arose. SCO is not aware of how the plan
18 submission was informed in relation to Indigenous
19 programs and First Nations people specifically.

20 The plan in Section 3.3, Comprehensive
21 Engagement, indicates the Energy Efficiency Advisory
22 Group as a part of the stakeholder engagement model.
23 This section also indicates:

24 "An immediate engagement strategy
25 that served to inform specifically

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the plan development included."

4 "The formation of the EEAG"

5 -- the advisory group. The advisory
6 group centred in the middle of the engagement model
7 seems to indicate that it is a prominent engagement
8 role. Indeed the advisory group is referenced
9 throughout the plan in many areas.

10 Here are some examples: Section 3, page
11 2, as part of the Efficiency Manitoba strategic goals,
12 it is included in the area titled "Building the
13 Sustaining Meaningful Partnerships With a Customer
14 Focus."

15 Again in Section 2, in Table 2.2, the
16 advisory group is identified in the table under
17 Stakeholder Input, which is linked to Section 9H of
18 the Act.

19 Appendix A, Section A9, describes the
20 advisory group as part of an enabling strategies and
21 there -- the advisory group is linked to another
22 section of the act.

23 Section 27, Title Stakeholder
24 Committee, Appendix A, Section A9, 2.4, describes the
25 advisory group as:

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1 "Twelve (12) members who provide
2 opinions, advice, and viewpoints
3 from Indigenous, social,
4 environmental, technical, and
5 economic perspectives about the
6 development and implementation of
7 the first three (3) year plan."

8 The activities of the advisory group
9 are detailed in Attachment 2. It includes a record of
10 attendees to the six (6) afternoon meetings that took
11 place over a six (6) month period prior to release of
12 the plan. One (1) of the six (6) meetings was a three
13 (3) hour meeting in June 2019 on customer segment
14 programs, residential, low income, Indigenous
15 community customers.

16 SCO did have a representative who was
17 able to attend six (6) -- five (5) of the six (6)
18 meetings for the advisory group.

19 The short meetings in a short time
20 frame were not conducive to meaningful participation
21 in something as significant as the development of the
22 plan. Engaging SCO only through the advisory group is
23 not adequate.

24 SCO does view the advisory group as a
25 useful mechanism for information sharing. However,

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1 the advisory group cannot replace meaningful
2 participation and engagement of SCO and its member
3 nations in any area for Efficiency Manitoba and its
4 plan. This is how the process to date has been for
5 SCO in relation to Efficiency Manitoba and the
6 2020/2023 Efficiency Plan Submission.

7 The process moving forward. There are
8 three (3) areas I want to touch on moving forward.
9 Firstly, opportunity for internal processes at SCO is
10 important to be meaningful, mindful of. In instances
11 where SCO is able to participate in the advisory group
12 in the future, time will be necessary to ensure
13 appropriate internal reviews take place prior to any
14 information being shared by SCO within the advisory
15 group.

16 Secondly, without meaningful and direct
17 participation, the engagement of our communities,
18 accessibility will be an issue, and we may not have an
19 opportunity to benefit from plan due to the challenges
20 we face. To that, SCO is pleased to see that the plan
21 acknowledges that First Nations peoples face specific
22 barriers.

23 In Appendix A, Section A6, Indigenous
24 Programs, key considerations, including acknowledging
25 barriers such as the lack of available resources, the

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1 lack of First Nations capacity, quality of housing
2 stock, and a higher than average occupation rates.

3 For our communities to overcome these
4 barriers, partnerships and collaboration will be
5 necessary towards participation and engagement of
6 First Nations in the plan's Indigenous programs, which
7 brings me to my third point in moving forward.

8 SCO strongly believe that partnerships
9 and collaboration is key. The plan in Appendix A,
10 Section A6, identifies and describes five (5)
11 principal strategies considered for Indigenous
12 peoples. Each of them are based on partnerships and
13 working collaboratively with Indigenous people,
14 recognizing the diversity of barriers and challenges
15 amongst Indigenous people.

16 Partnership and collaborative efforts
17 will also be important in areas of the plan where
18 details and information is lacking, for example, the
19 lack of detail on how First Nation energy champions
20 will be supported, how a First Nations energy advocate
21 would be selected, and what the role is defined as.

22 The suggestion that SC -- SCO may play
23 a role to play in the marketing approaches for
24 Indigenous program in decimating information and
25 putting -- promoting awareness of the programming of

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1 indis -- Indigen -- Efficiency Manitoba, to be clear
2 SCO did not propose or agree to this, but should SCO
3 consider this role, resourcing our pacity would be
4 needed -- capacity would be needed.

5 Language will need to be considered for
6 accessibility. For some of the SCO member nations,
7 accommodations will need to be made to provide the --
8 for communicating in Indigenous languages.

9 I cannot stress enough the importance -
10 - importance of partnership and collaboration moving
11 forward. SCO believes that the success of the plan in
12 relation to Indigenous people is incumbent on working
13 together.

14 To that end, the truth and
15 reconciliation commission call -- call to action 57
16 would be very important in a relation -- in
17 relationship building for partnership and
18 collaboration. The call to action 57 is titled
19 'Professional Development and Training for Public
20 Servants', and it reads:

21 "We call upon the -- call upon the
22 Provincial, Federal, Territorial,
23 and Municipal Governments to provide
24 education to public servants on the
25 history of -- of Aboriginal peoples,

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1 including the history and legacy of
2 in -- Aboriginal peoples, including
3 the history and legacy of
4 residential schools, the United
5 Nations declaration on the rights of
6 Indigenous peoples, Treaties, and
7 the Aboriginal rights, Indigenous
8 law, and Aboriginal Crown
9 relations."

10 This will require skills based training
11 in intercultural competency, conflict resolution,
12 human rights and antiracism.

In addition to relationship building,
this call to action is relevant to two (2) areas in
particular in the plan: the strategic goals of
Efficiency Manitoba, and the guiding principles,
particularly towards creating a positive work culture
for Efficiency Manitoba employees, and enabling equity
and access.

SCO believes that implementing the TRC's 57 call to action into the strategic goals and guiding principles would lead to greater success for Efficiency Manitoba. SCO is also particularly interested in Efficiency Manitoba's intention to create meaningful relationship with organizations and

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1 other government agencies that support and work with
2 First Nation, including Indigenous Services Canada.

3 In general, SCO does not take issue
4 with this, however, SCO may have some concerns.
5 Efforts for meaningful relationship with other
6 organizations and government agencies that work with
7 First Nations are important, but cannot replace First
8 Nations and their mandated representative bodies such
9 as SCO.

10 Transparency. One (1) of the guiding
11 principles of Efficiency Manitoba will be key
12 regarding Efficiency Manitoba's efforts to create
13 strategic partnerships under the offices of the plan
14 and Indigenous programming.

15 To summarize, our expectation is to
16 have direct engagement with SCO, and our member First
17 Nations in the process and the plan moving forward,
18 and we believe that partnerships and collaboration
19 will be key to that, as well as towards ensuring
20 participation of our communities and benefits to them
21 through this plan.

22 That concludes my presentation. Thank
23 you for the opportunity to appear before you today to
24 make comments on the Efficiency Manitoba 2020/2023
25 Efficiency Plan.

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1 THE CHAIRPERSON: Thank you, Grand
2 Chief. Any questions?

3 BOARD MEMBER GRANT: Grand Chief
4 Daniels, I was noticing that in the EEAG meetings,
5 that AMC attended only once, and MKO was there, but in
6 terms of the First Nation representation, SCO is
7 probably one (1) of the most important vehicles. So
8 if you summarized your experience in -- in having been
9 involved, it -- your view is it overall wasn't as
10 positive as you would like?

11 In -- in another words, given your
12 participation and what you see in the Efficiency
13 Manitoba proposal, do you feel as though your input
14 was adequately understood?

15 GRAND CHIEF JERRY DANIELS: I wouldn't
16 say that it was, and the reason I say that is because
17 from the beginning of our conversations, we didn't
18 have clarity on exactly what Efficiency Manitoba was
19 hoping to accomplish.

20 And the resources that were going to be
21 made available for accomplishing goals around
22 efficiency, which can be a number of different areas,
23 there was no clarity on that and how -- how could SCO
24 specifically be involved in a process where, you know,
25 we're -- we're looking at efficiency.

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1 So there was a lot of -- there -- there
2 was -- it -- it was a wide open conversation, and we
3 weren't given, you know, a -- a clear understanding of
4 how we could go about partnering as we move forward in
5 the next -- next three (3) years.

6 BOARD MEMBER GRANT: So does is feel
7 as though they're coming with a plan to say, We've
8 designed the program, you can participate if you want,
9 but we've designed this way, and you're sort of -- as
10 if you didn't get enough input into actually how that
11 plan was evolved?

12 GRAND CHIEF JERRY DANIELS: Yeah. I
13 don't think that we were part of formulating even the
14 framework of how the plan would be put together.

15 BOARD MEMBER GRANT: Thank you.

16 GRAND CHIEF JERRY DANIELS: Yeah.

17 THE CHAIRPERSON: I have a few
18 questions. Grand Chief, did -- is it your sense that
19 they were feeling their way along as -- sort of as a
20 start-up, or that they -- they had a plan, and you
21 were an afterthought?

22 GRAND CHIEF JERRY DANIELS: Well, I
23 don't want to be too heavily criti -- critical --

24 THE CHAIRPERSON: Yeah.

25 GRAND CHIEF JERRY DANIELS: -- of --

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1 of the approach, except to say that I think it's been
2 flawed in that SCO is the representative for these
3 First Nation. We work with our First Nation very
4 closely, and we -- we weren't involved in -- in the
5 development of how the First Nations would
6 specifically be involved in this kind of a -- an
7 effort.

8 Now, I know that Efficiency Manitoba
9 have done some work in the past, but to the extent in
10 which we've been involved in -- in how we're going to
11 approach it, we weren't -- we weren't a -- a part of
12 that.

13 THE CHAIRPERSON: Okay. In terms of
14 Efficiency Manitoba just started up sort of mid-year
15 last year, in terms of Manitoba Hydro --

16 GRAND CHIEF JERRY DANIELS: Yeah.

17 THE CHAIRPERSON: -- when they were
18 dealing with plans, did you have any input, or was
19 anything similar to the Advisory Group with Manitoba
20 Hydro?

21 GRAND CHIEF JERRY DANIELS: I think
22 the difficulty is that consultation and the way that
23 they go about it hasn't included us in a way where
24 we're engaged in -- in a meaningful partnership. Is a
25 way -- it is a -- it is a way to limit the amount of

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1 liability on a particular Crown organization, and --
2 and try to legitimize to the public what the -- the
3 level of First Nations' involvement.

4 I would say that we weren't involved in
5 any of the decision-making, or in the final decision-
6 making around how the plan would be executed in the
7 region.

8 THE CHAIRPERSON: Would I be correct
9 in suggesting that there is a concern that -- pardon
10 me -- that you weren't involved early enough in the
11 development of the plan?

12 GRAND CHIEF JERRY DANIELS: I -- I
13 would say yes.

14 THE CHAIRPERSON: Okay. Now you --
15 you make reference to what's required for a
16 partnership.

17 GRAND CHIEF JERRY DANIELS: M-hm.

18 THE CHAIRPERSON: What is an example
19 of a partnership that you're involved with that
20 involves government or an agency of government that
21 you feel has worked well?

22 GRAND CHIEF JERRY DANIELS: I would
23 think that there -- on -- on a lot of different areas
24 where you see partnerships come -- come to fruition,
25 there's always struggles with -- with that.

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1 Our intent here in Southern Manitoba
2 has always been that we maximize the amount of benefit
3 to our communities. And because the process was not
4 inclusion -- including of us, and I think an example
5 of -- of how a -- a good partnership, in my mind --

6 THE CHAIRPERSON: M-hm.

7 GRAND CHIEF JERRY DANIELS: -- would
8 exist was that from the beginning, we would be
9 included in con -- in -- in the amount of resources
10 for this project, and -- and what are we hoping to
11 achieve from that.

12 And we'd list out the options. What
13 are -- what -- what is the -- what is the breakdown of
14 what would exist prior? Is -- has there been work in
15 -- in efficiency -- there's already been this kind of
16 work that has happened before.

17 So the engagement would be an agreement
18 between two (2) parties, and from there, we would map
19 it out together on how we can enhance or -- or
20 maximize the -- the benefit for First Nations, which
21 are the most marginalized segment of the population.

22 So that's -- that's would be -- in my
23 mind, what should have been the approach.

24 THE CHAIRPERSON: In -- in other
25 groups which you feel have worked, how long does it

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1 take -- what -- what's your experience of how long it
2 takes for the parties to actually start understanding
3 each other and start working well together?

4 I assume it's something that -- that
5 doesn't just happen, that it takes a period of -- of
6 time, or of communication and building a level of
7 trust amongst the groups.

8 GRAND CHIEF JERRY DANIELS: Yeah.

9 THE CHAIRPERSON: Which --

10 GRAND CHIEF JERRY DANIELS: You come
11 together, you get an agreement. You have an
12 agreement, and some -- some people call it an
13 agreement in principle.

14 THE CHAIRPERSON: Yeah.

15 GRAND CHIEF JERRY DANIELS: And then
16 from there, you proceed with -- by mapping out the
17 resources made available, and -- and then together,
18 make decisions on where to invest. And -- and that, I
19 think, is the -- is the best way forward.

20 And we could look to BC as an example
21 of -- of where you see municipalities and the business
22 community working together to hopefully come to a -- a
23 collaborative agreement.

24 THE CHAIRPERSON: Okay.

25 GRAND CHIEF JERRY DANIELS: But if any

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1 -- if you can have a cooperative agreement in how the
2 process is going to be laid out, then that's always
3 the best way.

4 THE CHAIRPERSON: Yeah. So thank you
5 very much. Any questions from Efficiency Manitoba?

6 MS. JESSICA SCHOFIELD: We don't have
7 any questions. We do just want to thank SCO for their
8 participation in the EEAG and today. Thank you.

9 THE CHAIRPERSON: Thank you. Thank
10 you very much, Grand Chief.

11 GRAND CHIEF JERRY DANIELS: Thank you.

12 THE CHAIRPERSON: We appreciate your
13 assistance.

14 GRAND CHIEF JERRY DANIELS: Yeah.
15 Good.

16 THE CHAIRPERSON: Thank you.

17 GRAND CHIEF JERRY DANIELS: Yeah.

18 THE CHAIRPERSON: Ms. Hart --

19 MS. KATE HART: We --

20 THE CHAIRPERSON: -- does that
21 conclude?

22 MS. KATE HART: That does conclude.

23 THE CHAIRPERSON: Okay. We'll --
24 we'll adjourn until Monday morning, 9:00 a.m., where
25 we will start final submissions. Thank you very much.

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1 Have a good weekend, everyone.

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3 --- Upon adjourning at 3:59 p.m.

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7 Certified Correct,

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11 Donna Whitehouse, Ms.

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