EFFICIENCY MANITOBA

ROUND I INFORMATION REQUESTS

MIPUG-EM 1-7

MANITOBA HYDRO 2025 INTEGRATED RESOURCE PLAN REVIEW

EFFICIENCY MANITOBA

MIPUG/EM I-1a-c

Part and Chapter:	Appendix 6	**Page #:**	46, 50
Topic:	Resource Options		
Subtopic:	Electric Thermal Storage Systems		

PREAMBLE TO IR (IF ANY):

Appendix 6, Section 2.14, Additional Energy Efficiency (p.46)

"Efficiency Manitoba provided parameters for most of the additional energy efficiency groups to Manitoba Hydro which was based on a 2022 market potential study conducted by Dunsky Energy + Climate for Efficiency Manitoba. In addition to the efficiency measures included in the market potential study, Manitoba Hydro conducted its own investigations and developed parameters for two groups that include electric thermal storage (ETS)."

Appendix 6 (p.50)

"An electric thermal storage (ETS) system is an electric home heating device that contains ceramic bricks to store heat in an insulated box. Typically, the bricks are heated by electric elements when electricity demand on the grid is low, and releases heat when electricity demand on the grid is high, resulting in a reduction in peak demand. These units can be coupled with cold climate air source heat pumps to reduce electricity consumption and provide energy bill savings to the customer. ETS systems are common in Nova Scotia, Quebec, other parts of Canada, and parts of the United States and Europe with colder climates. Currently, there are no known ETS installations in Manitoba and Efficiency Manitoba does not have any programs associated with this demand response technology. Manitoba Hydro investigated this technology and established the load profiles, cost and parameters."

QUESTION:

a) Please provide details of the investigations, including reports describing load profiles, costs, and parameters that were established for the two groups that include electric thermal storage (ETS).

b) Please explain whether Efficiency Manitoba's investigations have included residential and commercial thermal storage systems utilizing phase change materials or other forms of thermal energy storage?

c) If "Yes" to b), please provide details related to potential benefits and costs, and any cost tests that may have been used to analysis cost-effectiveness. If "No", please explain why phase change technologies and other forms of thermal energy storage have not been investigated.

RATIONALE FOR QUESTION:

The electrification of space and water heating is anticipated to be a primary contribution to peak system demand going forward. Thermal storage has the potential to provide cost effective demand response capabilities in residential and commercial applications.

RESPONSE:

Please see the response to MIPUG/MH I-4a-c.

Efficiency Manitoba has not conducted an independent study of thermal energy storage systems while prioritizing near-term efforts on residential technologies such as smart thermostats. Thermal Energy Storage was included in both the Demand Response Market Potential Study and the Manitoba Demand Response Strategy documents. The purpose of the strategy document was to provide a sequential order of demand response technologies to implement in Manitoba based on a variety of market factors and lessons learned from other jurisdictions.

MIPUG/EM I-2a

Part and Chapter:	Appendix 5, Section 5.4 Appendix 6,	**Page #:**	25, 28
Topic:	Resource Options		
Subtopic:	Ground Source Heat Pumps		

PREAMBLE TO IR (IF ANY):

Appendix 5, Section 5.4 identifies the space heating systems included within the IRP analysis:

- *All Electric*
- *Dual Electric - air source heat pump (ASHP) or cold climate ASHP (ccASHP) with electric resistance backup*
- *Ground Source Heat Pumps (GSHP)*
- *Dual-Fuel - ASHP or ccASHP with natural gas backup*
- *Natural Gas*
- *Other*

Appendix 5, Section 5.4 (p.28) also referenced the 2023 Electricity Roadmap for Manitoba in stating that:

> *"For example, Dunsky Energy + Climate Advisors' 2023 "An Electricity Roadmap for Manitoba" report envisioned geothermal heating as "the ideal heating source for Manitoba's cold winters"."*

QUESTION:

a) Please confirm that the All-Electric systems are considered to be electric resistance heating systems with a COP of approximately 1.0 for Efficiency Manitoba's program designs.

RATIONALE FOR QUESTION:

The wide-spread adoption of electric air-source and ground-source heat pumps in Manitoba is anticipated to contribute significantly to load growth under projections of adoption and load made using climate action and emissions reduction objectives as core assumptions.

RESPONSE:

Confirmed.

MIPUG/EM I-2b

Part and Chapter:	Appendix 5, Section 5.4 Appendix 6,	**Page #:**	25, 28
Topic:	Resource Options		
Subtopic:	Ground Source Heat Pumps		

PREAMBLE TO IR (IF ANY):

Appendix 5, Section 5.4 identifies the space heating systems included within the IRP analysis:

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- *Natural Gas*
- *Other*

Appendix 5, Section 5.4 (p.28) also referenced the 2023 Electricity Roadmap for Manitoba in stating that:

> *"For example, Dunsky Energy + Climate Advisors' 2023 "An Electricity Roadmap for Manitoba" report envisioned geothermal heating as "the ideal heating source for Manitoba's cold winters"."*

QUESTION:

b) Please confirm the baseline heating technology against which the capacity and energy savings of air-source and/or ground-source heat pumps are determined when considering GSHP programs provided by Efficiency Manitoba

RATIONALE FOR QUESTION:

The wide-spread adoption of electric air-source and ground-source heat pumps in Manitoba is anticipated to contribute significantly to load growth under projections of adoption and load made using climate action and emissions reduction objectives as core assumptions.

RESPONSE:

In the context of air source heat pump (ASHP) and ground source heat pump (GSHP) programs currently offered by Efficiency Manitoba, there is some distinction between the residential and commercial target markets.

For both technologies and both markets the electrically heated baseline is an electric resistance system, considered to be 100% efficient (COP=1.00). For natural gas heated dwellings in the residential market, both the ASHP and GSHP programs consider the baseline to be an 87% efficient (AFUE) gas furnace which is representative of the average natural gas heated home in Manitoba. Efficiency Manitoba's commercial GSHP program uses an 82% efficient (AFUE) gas boiler as the baseline which better reflects the typical system type and minimum required efficiency for new boilers.

Efficiency Manitoba also provides whole-building energy performance-based incentive programs for both residential and commercial sectors, and for both new construction and deep energy retrofits, which can include both ASHPs and GSHPs as energy efficiency measures.

In the new construction context, the New Homes Program uses the National Building Code (NBC) Part 9.36 requirements to establish the residential baseline system, while similarly the commercial New Buildings Program uses the National Energy Code for Buildings (NECB) performance compliance requirements to establish the baseline system. For deep energy retrofit projects, both the Home Energy Retrofit Program and Commercial Deep Energy Retrofit Program use the type and efficiency of the existing heating system which is being replaced (whether it is gas or electric) as the baseline technology.

MIPUG/EM I-2c

Part and Chapter:	Appendix 5, Section 5.4 Appendix 6,	**Page #:**	25, 28
Topic:	Resource Options		
Subtopic:	Ground Source Heat Pumps		

PREAMBLE TO IR (IF ANY):

Appendix 5, Section 5.4 identifies the space heating systems included within the IRP analysis:

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- *Dual-Fuel - ASHP or ccASHP with natural gas backup*
- *Natural Gas*
- *Other*

Appendix 5, Section 5.4 (p.28) also referenced the 2023 Electricity Roadmap for Manitoba in stating that:

> *"For example, Dunsky Energy + Climate Advisors' 2023 "An Electricity Roadmap for Manitoba" report envisioned geothermal heating as "the ideal heating source for Manitoba's cold winters"."*

QUESTION:

c) Please confirm whether the replacement of existing natural gas furnaces with air-source and/or ground source heat pumps is considered as an energy efficiency measure under Efficiency MB program design.

RATIONALE FOR QUESTION:

The wide-spread adoption of electric air-source and ground-source heat pumps in Manitoba is anticipated to contribute significantly to load growth under projections of adoption and load made using climate action and emissions reduction objectives as core assumptions.

RESPONSE:

Confirmed.

MIPUG/EM I-2d

Part and Chapter:	Appendix 5, Section 5.4 Appendix 6,	**Page #:**	25, 28
Topic:	Resource Options		
Subtopic:	Ground Source Heat Pumps		

PREAMBLE TO IR (IF ANY):

Appendix 5, Section 5.4 identifies the space heating systems included within the IRP analysis:

- *All Electric*
- *Dual Electric - air source heat pump (ASHP) or cold climate ASHP (ccASHP) with electric resistance backup*
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- *Natural Gas*
- *Other*

Appendix 5, Section 5.4 (p.28) also referenced the 2023 Electricity Roadmap for Manitoba in stating that:

> *"For example, Dunsky Energy + Climate Advisors' 2023 "An Electricity Roadmap for Manitoba" report envisioned geothermal heating as "the ideal heating source for Manitoba's cold winters"."*

QUESTION:

d) Please indicate whether capacity and/or energy savings are attributed to air-source and ground-source heat pump replacements of natural gas heating systems.

> i) If "Yes" to d), please provide tables outlining the capacity and energy savings attributable to air-source and ground source heat pumps for natural gas replacements.
> ii) If "Yes" to d), please indicate the baseline against which the capacity and energy savings are determined.

RATIONALE FOR QUESTION:

The wide-spread adoption of electric air-source and ground-source heat pumps in Manitoba is anticipated to contribute significantly to load growth under projections of adoption and load made using climate action and emissions reduction objectives as core assumptions.

RESPONSE:
Please refer to PUB/EM I-5a.

MIPUG/EM I-2e

Part and Chapter:	Appendix 5, Section 5.4 Appendix 6,	**Page #:**	25, 28
Topic:	Resource Options		
Subtopic:	Ground Source Heat Pumps		

PREAMBLE TO IR (IF ANY):

Appendix 5, Section 5.4 identifies the space heating systems included within the IRP analysis:

- *All Electric*
- *Dual Electric - air source heat pump (ASHP) or cold climate ASHP (ccASHP) with electric resistance backup*
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- *Dual-Fuel - ASHP or ccASHP with natural gas backup*
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Appendix 5, Section 5.4 (p.28) also referenced the 2023 Electricity Roadmap for Manitoba in stating that:

> *"For example, Dunsky Energy + Climate Advisors' 2023 "An Electricity Roadmap for Manitoba" report envisioned geothermal heating as "the ideal heating source for Manitoba's cold winters"."*

QUESTION:

e) Please confirm whether installations of air-source and ground-source heat pumps in new residential, commercial, or industrials installations are viewed as energy efficiency measures by Efficiency Manitoba.

i) If confirmed as a resource option in d), please confirm the capacity and energy savings attributed to these installations and the baseline against which these savings were determined.

RATIONALE FOR QUESTION:

The wide-spread adoption of electric air-source and ground-source heat pumps in Manitoba is anticipated to contribute significantly to load growth under projections of adoption and load made using climate action and emissions reduction objectives as core assumptions.

RESPONSE:

It is confirmed that installations of air source heat pumps (ASHP) and ground source heat pumps (GSHP) in new residential, commercial, or industrial installations are viewed as energy efficiency measures by Efficiency Manitoba.

i) As discussed in the response provided for MIPUG/EM I-2b the baseline heating system and related efficiency used by Efficiency Manitoba varies based on the specific market sector and program context, in some cases varying with the specific customer application as in energy performance-based offers.

For the 2025-28 planning analysis provided in Exhibit EM-2, residential ASHP and GSHP installations for new construction were not separately forecasted but were rather included within the New Homes Program savings shown in Exhibit EM-2, Attachment 1, PDF pages 10-11.

For the 2025-28 planning analysis provided in Exhibit EM-2, commercial ASHP and GSHP installations were not separately forecasted but were rather included within the New Buildings Program savings shown in Exhibit EM-2, Attachment 1, PDF pages 10-11.

MIPUG/EM I-3a

Part and Chapter:	Appendix 5, Section 5.8, Figure A5.18	**Page #:**	38 - 39
Topic:	Capacity Resource Options		
Subtopic:	Demand Response and Curtailable Rates		

PREAMBLE TO IR (IF ANY):

Appendix 5, Section 5.8 – Demand Response indicates that:

> *"Figure A5.18 illustrates how demand response can reduce electricity consumption during the morning peak and shifting it to midday, when overall demand is lower, to flatten the demand curve." (p.38)*

Appendix 5, Section 5.8 – Demand Response (p.39) also indicates that:

> *"Commercial / industrial curtailable load recognizes that when calling an event, customers would reduce their electricity consumption and following the event would return to normal operations without an increase (i.e., bounce back) to make up the energy not used during the event. This is due to most industrial systems typically running at full capacity and not having additional capabilities of pushing beyond their full capacity."*
>
> *"Demand response programs reduced winter peak demand in the months of December, January, and February by attempting to flatten the demand profile. A simplifying assumption is that the total annual energy requirements would remain unchanged, recognizing that some larger, higher capacity factor loads would likely experience a reduction in energy consumed when the load is curtailed."*

QUESTION:

a) Please explain the role that Efficiency Manitoba is anticipating for the design and delivery of demand response programming in Manitoba

b) What magnitude of demand response savings is Efficiency Manitoba anticipating it will delivery.? And from what market segments.?

c) Please describe the options for rates, credits, or other forms of compensation that Efficiency Manitoba is considered in its analysis and modeling for demand response programs applicable to residential, commercial, and industrial classes.

RATIONALE FOR QUESTION:

Greater understanding of proposed demand response options and delivery.

RESPONSE:

Please see the response to PUB/EM I-8a.

MIPUG/EM I-4a

Part and Chapter:	Attachment 1 – DSM Forecast Attachment 4 – Additional DSM Information Package	**Page #:**	Attachment (savings tab) Attachment (savings tab) 5, 8
Topic:	Efficiency Demand-Side Management Savings Projections		
Subtopic:	Anticipated Capacity Savings		

PREAMBLE TO IR (IF ANY):

The Efficiency MB filing of March 13, 2026, includes three spreadsheets with detailed information pertaining to DSM savings projections for the baseline demand-side management forecast (Attachment 1) and additional electric energy savings sourced from the maximized MPS scenario. The attachments provide projections of energy savings only (kWh) from 2025/26 thru 2024/50.

Attachment 3 detailing the results of programs offered between 2020/21 and 2024/25 provide evaluated savings for both capacity and energy. The EM Information Package (p.5) indicates that:

> *"To determine forecasted DSM savings for peak demand savings, EM collaborated with Manitoba Hydro to develop hourly profiles of DSM programs identified in the forecasts. DSM savings for peak demand savings, capacity at the point of common bus within Manitoba, was determined by Manitoba Hydro."*

The EM Information Package (p.8) indicates that

> *"Any peak demand savings associated with the additional selectable energy efficiency provided for in Attachment 4 was determined by Manitoba Hydro."*

QUESTION:

a) Please explain whether Efficiency Manitoba determines parameters for both capacity and energy savings in the analysis and design of measures included in its programs.

RATIONALE FOR QUESTION:

Anticipated capacity savings are an important consideration for the review of the 2025 IRP and 10-year development plan

RESPONSE:

Efficiency Manitoba does determine parameters for both peak demand and energy savings in the analysis and design of measures included in its programs. In Exhibit EM-2 Attachment 2 (beginning on PDF page 14), the summary of Efficiency Manitoba's 2020/21 through 2024/25 independently evaluated energy savings and financial results includes both electric energy savings and peak demand savings.

For the purposes of the Integrated Resource Plan (IRP), the determination of peak demand (capacity) savings involves coordination with Manitoba Hydro. As noted in Exhibit EM-2 (PDF page 5), Efficiency Manitoba collaborated with Manitoba Hydro to develop consistent hourly load profiles for DSM programs included in the forecasts. These profiles translate annual energy savings into hourly impacts across the year. Manitoba Hydro applied these hourly profiles to determine peak demand savings at the point of common bus within Manitoba, ensuring that the timing and coincidence of DSM impacts are aligned with system peak conditions consistently across the full IRP planning horizon. This approach was also applied to the additional selectable energy efficiency savings found in Attachment 4.

MIPUG/EM I-4b

Part and Chapter:	Attachment 1 – DSM Forecast Attachment 4 – Additional DSM Information Package	**Page #:**	Attachment (savings tab) Attachment (savings tab) 5, 8
Topic:	Efficiency Demand-Side Management Savings Projections		
Subtopic:	Anticipated Capacity Savings		

PREAMBLE TO IR (IF ANY):

The Efficiency MB filing of March 13, 2026, includes three spreadsheets with detailed information pertaining to DSM savings projections for the baseline demand-side management forecast (Attachment 1) and additional electric energy savings sourced from the maximized MPS scenario. The attachments provide projections of energy savings only (kWh) from 2025/26 thru 2024/50.

Attachment 3 detailing the results of programs offered between 2020/21 and 2024/25 provide evaluated savings for both capacity and energy. The EM Information Package (p.5) indicates that:

> *"To determine forecasted DSM savings for peak demand savings, EM collaborated with Manitoba Hydro to develop hourly profiles of DSM programs identified in the forecasts. DSM savings for peak demand savings, capacity at the point of common bus within Manitoba, was determined by Manitoba Hydro."*

The EM Information Package (p.8) indicates that

> *"Any peak demand savings associated with the additional selectable energy efficiency provided for in Attachment 4 was determined by Manitoba Hydro."*

QUESTION:

b) If "Yes" to a), please provide the associated capacity savings determined by Efficiency Manitoba by program (measure) during the 2025/26 – 2024/50 study period applicable to both Attachment 1 and Attachment 4 of the Efficiency MB filing.

RATIONALE FOR QUESTION:

Anticipated capacity savings are an important consideration for the review of the 2025 IRP and 10-year development plan.

RESPONSE:

The electricity demand savings forecasted by year for the base Efficiency Plan and for the Additional Energy Efficiency in both Attachment 1 and Attachment 4 are provided in MIPUG/MH I-11a.

MIPUG/EM I-4c

Part and Chapter:	Attachment 1 – DSM Forecast Attachment 4 – Additional DSM Information Package	**Page #:**	Attachment (savings tab) Attachment (savings tab) 5, 8
Topic:	Efficiency Demand-Side Management Savings Projections		
Subtopic:	Anticipated Capacity Savings		

PREAMBLE TO IR (IF ANY):

The Efficiency MB filing of March 13, 2026, includes three spreadsheets with detailed information pertaining to DSM savings projections for the baseline demand-side management forecast (Attachment 1) and additional electric energy savings sourced from the maximized MPS scenario. The attachments provide projections of energy savings only (kWh) from 2025/26 thru 2024/50.

Attachment 3 detailing the results of programs offered between 2020/21 and 2024/25 provide evaluated savings for both capacity and energy. The EM Information Package (p.5) indicates that:

> *"To determine forecasted DSM savings for peak demand savings, EM collaborated with Manitoba Hydro to develop hourly profiles of DSM programs identified in the forecasts. DSM savings for peak demand savings, capacity at the point of common bus within Manitoba, was determined by Manitoba Hydro."*

The EM Information Package (p.8) indicates that

> *"Any peak demand savings associated with the additional selectable energy efficiency provided for in Attachment 4 was determined by Manitoba Hydro."*

QUESTION:

c) Please provide the methodology used in determining capacity savings for peak winter (Dec – Feb), spring (Mar – May), summer (Jun- Aug), and fall (Sep – Nov) hours.

RATIONALE FOR QUESTION:

Anticipated capacity savings are an important consideration for the review of the 2025 IRP and 10-year development plan.

RESPONSE:

As confirmed by Manitoba Hydro, Manitoba Hydro determines the peak demand (capacity) savings using hourly load profiles ensuring that the timing and coincidence of DSM impacts are aligned with system peak conditions consistently across the full planning horizon.

Please also see response to MIPUG/MH I-2 for reference to system peak conditions and seasonal load duration curves.

MIPUG/EM I-5a

Part and Chapter:	Appendix 7.2	**Page #:**	61
Topic:	Efficiency Modelling Approach		
Subtopic:	N/A		

PREAMBLE TO IR (IF ANY):

Appendix 7.2, Section 3.3 of Manitoba Hydro's Application addresses Additional Energy Efficiency potential, with base energy efficiency included in the main modelling.

QUESTION:

a) Please confirm that the Efficiency Manitoba's 3-year plans, include 1.5% savings achievements in alignment with efficiency targets mandated under the Efficiency Manitoba Act. If not confirmed, please explain in detail.

RATIONALE FOR QUESTION:

N/A

RESPONSE:

Confirmed.

MIPUG/EM I-5b

Part and Chapter:	Appendix 7.2	**Page #:**	61
Topic:	Efficiency Modelling Approach		
Subtopic:	N/A		

PREAMBLE TO IR (IF ANY):

Appendix 7.2, Section 3.3 of Manitoba Hydro's Application addresses Additional Energy Efficiency potential, with base energy efficiency included in the main modelling.

QUESTION:

b) Please provide Efficiency Manitoba PACT calculations regarding each Additional Energy Efficiency Program used in Section 3.3.

RATIONALE FOR QUESTION:

N/A

RESPONSE:

Please see the response to PUB/EM I-10c.

MIPUG/EM I-6a

Part and Chapter:	Directives issued by MB Government Efficiency MB Filings	**Page #:**	3
Topic:	Extensions to Efficiency MB Plan		
Subtopic:	Annual Business Plans		

PREAMBLE TO IR (IF ANY):

The MB Government issued Directives to Efficiency Manitoba on July 1, 2023, April 1, 2025, and October 10, 2025, providing one-year extensions of the Current Efficiency Plan to 2024/25, 2025/26, 2026/27 respectively. Each directive indicated a one-year extension for the prior year efficiency plan as its purpose:

- "This directive extends the 2023/24 efficiency plan of Efficiency Manitoba Inc. (the "Corporation") for a period of one year from April 1, 2024, to March 31, 2025."

- "This directive extends the 2024/25 efficiency plan of Efficiency Manitoba Inc. (the "Corporation") for a period of one year from April 1, 2025, to March 31, 2026."

- "This directive instructs Efficiency Manitoba Inc. (the "Corporation") to extend its 2025/26 Energy Efficiency Plan by one additional year from April 1, 2026, to March 31, 2027."

In each case, the directive indicated that:

"… the extension will enable the Corporation to assess and integrate forthcoming recommendations from Manitoba's provincial energy policy framework, and Manitoba Hydro's Integrated Resource Plan into Efficiency Manitoba's next three-year energy efficiency plan."

Each directive also noted Section 13.3(1) of the Efficiency Manitoba Act, which indicates as follows:

13.3(1) For each one-year period that an approved efficiency plan is to be extended, Efficiency Manitoba must submit to the minister a plan update that sets out the following:

(a) any material change to an initiative included in the efficiency plan;

(b) if the cumulative net savings secured under the efficiency plan have fallen short of the sum of the applicable annual savings targets, a description of the initiatives planned to address the shortfall;

(c) any material change in the net savings to be achieved under the efficiency plan;

(d) an assessment of the benefits to be attained during the one-year extension period;

(e) any material change to a loan or financing program provided under the efficiency plan;

(f) a budget for the one-year extension.

And stated in its directive that

> "The Corporation must provide an updated one-year plan to the Minister as specified in subsection 13.3(1) of the Efficiency Manitoba Act."

The Efficiency Manitoba filing in this IRP review states that:

> "Attachment 1 provides the cumulative electric energy and natural gas volume 21 demand side management (DSM) programming savings starting in 2025/26 along 22 with forecasted expenditures produced by EM for use in Manitoba Hydro's 2025 IRP 23 and referred to within the 2025 IRP as the base efficiency plan. This forecast is 24 derived from EM analysis and planning associated with the 2025/26 through 2027/28 25 (2025-28) time-period and has been extrapolated out to 2049/50 to satisfy 2025 IRP 26 purposes.1" (p.3)

With an explanatory footnote that states:

> "Manitoba Hydro's 2025 IRP was developed for 2024/25 to 2049/50. Manitoba Hydro leveraged EM's 2024/25 Annual Business Plan to include planned savings for 2024/25 which persist through the planning horizon and increase the cumulative annual savings. These 2024/25 planned savings values are included in the 2024 Electric Load Forecast and are provided in MIPUG/MH I-1a-c filed during the Fiscal 2026 to 2028 Electric General Rate Application." (p.3)

QUESTION:

a) Please clarify the "approved efficiency plan under the Efficiency Manitoba Act" as specified in Section 38.1(1)(b) of the Manitoba Hydro Act.

RATIONALE FOR QUESTION:

The projected savings plans submitted by Efficiency Manitoba for use in the 2025 IRP as the base efficiency plan were derived from EM analysis and planning associated with the 2025/26 through 2027/28 time-period, extrapolated to 2049/50 for the purposes of the 2025 IRP.

RESPONSE:

Section 38.1(1)(b) of the Manitoba Hydro Act states an integrated resource plan prepared by Manitoba Hydro includes: "the anticipated impact on load of the savings targets to be achieved under an approved efficiency plan under *The Efficiency Manitoba Act;"*

Efficiency Manitoba has developed updated one-year extensions reflected within Efficiency Manitoba's Annual Business Plans that satisfy the electric and natural gas targets and are approved by the Minister of Environment and Climate Change.

The 2025 Integrated Resource Plan (IRP) used the most current Efficiency Manitoba analysis and planning associated with the 2025/26 through 2027/28 period (the 2025-28 planning analysis) that was extrapolated out to 2049/50 to satisfy 2025 IRP purposes. The 2025-28 planning analysis was used as the basis for Efficiency Manitoba's approved 2025/26 Annual Business Plan.

Section 4 of the Annual Business Plan addresses the Efficiency Manitoba Act Section 13.3(1) requirements outlined in the preamble.

Please refer to MIPUG/EM I-6d for the copies of the annual business plans for 2024/25 and 2025/26.

MIPUG/EM I-6b

Part and Chapter:	Directives issued by MB Government Efficiency MB Filings	**Page #:**	3
Topic:	Extensions to Efficiency MB Plan		
Subtopic:	Annual Business Plans		

PREAMBLE TO IR (IF ANY):

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- "This directive extends the 2023/24 efficiency plan of Efficiency Manitoba Inc. (the "Corporation") for a period of one year from April 1, 2024, to March 31, 2025."

- "This directive extends the 2024/25 efficiency plan of Efficiency Manitoba Inc. (the "Corporation") for a period of one year from April 1, 2025, to March 31, 2026."

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In each case, the directive indicated that:

"… the extension will enable the Corporation to assess and integrate forthcoming recommendations from Manitoba's provincial energy policy framework, and Manitoba Hydro's Integrated Resource Plan into Efficiency Manitoba's next three-year energy efficiency plan."

Each directive also noted Section 13.3(1) of the Efficiency Manitoba Act, which indicates as follows:

13.3(1) For each one-year period that an approved efficiency plan is to be extended, Efficiency Manitoba must submit to the minister a plan update that sets out the following:

(a) any material change to an initiative included in the efficiency plan;

(b) if the cumulative net savings secured under the efficiency plan have fallen short of the sum of the applicable annual savings targets, a description of the initiatives planned to address the shortfall;

(c) any material change in the net savings to be achieved under the efficiency plan;

(d) an assessment of the benefits to be attained during the one-year extension period;

(e) any material change to a loan or financing program provided under the efficiency plan;

(f) a budget for the one-year extension.

And stated in its directive that

> "The Corporation must provide an updated one-year plan to the Minister as specified in subsection 13.3(1) of the Efficiency Manitoba Act."

The Efficiency Manitoba filing in this IRP review states that:

> "Attachment 1 provides the cumulative electric energy and natural gas volume 21 demand side management (DSM) programming savings starting in 2025/26 along 22 with forecasted expenditures produced by EM for use in Manitoba Hydro's 2025 IRP 23 and referred to within the 2025 IRP as the base efficiency plan. This forecast is 24 derived from EM analysis and planning associated with the 2025/26 through 2027/28 25 (2025-28) time-period and has been extrapolated out to 2049/50 to satisfy 2025 IRP 26 purposes.1" (p.3)

With an explanatory footnote that states:

> "Manitoba Hydro's 2025 IRP was developed for 2024/25 to 2049/50. Manitoba Hydro leveraged EM's 2024/25 Annual Business Plan to include planned savings for 2024/25 which persist through the planning horizon and increase the cumulative annual savings. These 2024/25 planned savings values are included in the 2024 Electric Load Forecast and are provided in MIPUG/MH I-1a-c filed during the Fiscal 2026 to 2028 Electric General Rate Application." (p.3)

QUESTION:

b) Please provide references to the most recent approved energy efficiency plan from the filings.

RATIONALE FOR QUESTION:

The projected savings plans submitted by Efficiency Manitoba for use in the 2025 IRP as the base efficiency plan were derived from EM analysis and planning associated with the 2025/26 through 2027/28 time-period, extrapolated to 2049/50 for the purposes of the 2025 IRP.

RESPONSE:

Under Ministerial directive, the 2020/23 Efficiency Plan established under the Efficiency Manitoba Act, has been formally extended with the most recently available and approved plan extension found within Section 4 of Efficiency Manitoba's 2025/26 Annual Business Plan.

Please refer to MIPUG/EM I-6d for the copies of the annual business plans for 2024/25 and 2025/26.

MIPUG/EM I-6c

Part and Chapter:	Directives issued by MB Government Efficiency MB Filings	**Page #:**	3
Topic:	Extensions to Efficiency MB Plan		
Subtopic:	Annual Business Plans		

PREAMBLE TO IR (IF ANY):

The MB Government issued Directives to Efficiency Manitoba on July 1, 2023, April 1, 2025, and October 10, 2025, providing one-year extensions of the Current Efficiency Plan to 2024/25, 2025/26, 2026/27 respectively. Each directive indicated a one-year extension for the prior year efficiency plan as its purpose:

- "This directive extends the 2023/24 efficiency plan of Efficiency Manitoba Inc. (the "Corporation") for a period of one year from April 1, 2024, to March 31, 2025."

- "This directive extends the 2024/25 efficiency plan of Efficiency Manitoba Inc. (the "Corporation") for a period of one year from April 1, 2025, to March 31, 2026."

- "This directive instructs Efficiency Manitoba Inc. (the "Corporation") to extend its 2025/26 Energy Efficiency Plan by one additional year from April 1, 2026, to March 31, 2027."

In each case, the directive indicated that:

"… the extension will enable the Corporation to assess and integrate forthcoming recommendations from Manitoba's provincial energy policy framework, and Manitoba Hydro's Integrated Resource Plan into Efficiency Manitoba's next three-year energy efficiency plan."

Each directive also noted Section 13.3(1) of the Efficiency Manitoba Act, which indicates as follows:

13.3(1) For each one-year period that an approved efficiency plan is to be extended, Efficiency Manitoba must submit to the minister a plan update that sets out the following:

(a) any material change to an initiative included in the efficiency plan;

(b) if the cumulative net savings secured under the efficiency plan have fallen short of the sum of the applicable annual savings targets, a description of the initiatives planned to address the shortfall;

(c) any material change in the net savings to be achieved under the efficiency plan;

(d) an assessment of the benefits to be attained during the one-year extension period;

(e) any material change to a loan or financing program provided under the efficiency plan;

(f) a budget for the one-year extension.

And stated in its directive that

> "The Corporation must provide an updated one-year plan to the Minister as specified in subsection 13.3(1) of the Efficiency Manitoba Act."

The Efficiency Manitoba filing in this IRP review states that:

> "Attachment 1 provides the cumulative electric energy and natural gas volume 21 demand side management (DSM) programming savings starting in 2025/26 along 22 with forecasted expenditures produced by EM for use in Manitoba Hydro's 2025 IRP 23 and referred to within the 2025 IRP as the base efficiency plan. This forecast is 24 derived from EM analysis and planning associated with the 2025/26 through 2027/28 25 (2025-28) time-period and has been extrapolated out to 2049/50 to satisfy 2025 IRP 26 purposes.1" (p.3)

With an explanatory footnote that states:

> "Manitoba Hydro's 2025 IRP was developed for 2024/25 to 2049/50. Manitoba Hydro leveraged EM's 2024/25 Annual Business Plan to include planned savings for 2024/25 which persist through the planning horizon and increase the cumulative annual savings. These 2024/25 planned savings values are included in the 2024 Electric Load Forecast and are provided in MIPUG/MH I-1a-c filed during the Fiscal 2026 to 2028 Electric General Rate Application." (p.3)

QUESTION:

c) Please detail additional parameters used as inputs in the IRP analysis of energy efficiency that were derived through collaboration with Efficiency Manitoba or independently additional analysis by Manitoba Hydro.

RATIONALE FOR QUESTION:

The projected savings plans submitted by Efficiency Manitoba for use in the 2025 IRP as the base efficiency plan were derived from EM analysis and planning associated with the 2025/26 through 2027/28 time-period, extrapolated to 2049/50 for the purposes of the 2025 IRP.

RESPONSE:

Details of the additional selectable energy efficiency are provided in Exhibit EM-2 Attachment 3 and Attachment 4. Attachment 3 provides the DSM Market Potential Study that provides directional information on future energy savings opportunities in Manitoba and the associated cost of attaining the savings. Attachment 4 provides the cumulative electric energy demand side management savings and associated annual budgets sourced and extrapolated from the DSM Market Potential Study.

MIPUG/EM I-6d

Part and Chapter:	Directives issued by MB Government Efficiency MB Filings	**Page #:**	3
Topic:	Extensions to Efficiency MB Plan		
Subtopic:	Annual Business Plans		

PREAMBLE TO IR (IF ANY):

The MB Government issued Directives to Efficiency Manitoba on July 1, 2023, April 1, 2025, and October 10, 2025, providing one-year extensions of the Current Efficiency Plan to 2024/25, 2025/26, 2026/27 respectively. Each directive indicated a one-year extension for the prior year efficiency plan as its purpose:

- "This directive extends the 2023/24 efficiency plan of Efficiency Manitoba Inc. (the "Corporation") for a period of one year from April 1, 2024, to March 31, 2025."

- "This directive extends the 2024/25 efficiency plan of Efficiency Manitoba Inc. (the "Corporation") for a period of one year from April 1, 2025, to March 31, 2026."

- "This directive instructs Efficiency Manitoba Inc. (the "Corporation") to extend its 2025/26 Energy Efficiency Plan by one additional year from April 1, 2026, to March 31, 2027."

In each case, the directive indicated that:

"… the extension will enable the Corporation to assess and integrate forthcoming recommendations from Manitoba's provincial energy policy framework, and Manitoba Hydro's Integrated Resource Plan into Efficiency Manitoba's next three-year energy efficiency plan."

Each directive also noted Section 13.3(1) of the Efficiency Manitoba Act, which indicates as follows:

13.3(1) For each one-year period that an approved efficiency plan is to be extended, Efficiency Manitoba must submit to the minister a plan update that sets out the following:

(a) any material change to an initiative included in the efficiency plan;

(b) if the cumulative net savings secured under the efficiency plan have fallen short of the sum of the applicable annual savings targets, a description of the initiatives planned to address the shortfall;

(c) any material change in the net savings to be achieved under the efficiency plan;

(d) an assessment of the benefits to be attained during the one-year extension period;

(e) any material change to a loan or financing program provided under the efficiency plan;

(f) a budget for the one-year extension.

And stated in its directive that

> "The Corporation must provide an updated one-year plan to the Minister as specified in subsection 13.3(1) of the Efficiency Manitoba Act."

The Efficiency Manitoba filing in this IRP review states that:

> "Attachment 1 provides the cumulative electric energy and natural gas volume 21 demand side management (DSM) programming savings starting in 2025/26 along 22 with forecasted expenditures produced by EM for use in Manitoba Hydro's 2025 IRP 23 and referred to within the 2025 IRP as the base efficiency plan. This forecast is 24 derived from EM analysis and planning associated with the 2025/26 through 2027/28 25 (2025-28) time-period and has been extrapolated out to 2049/50 to satisfy 2025 IRP 26 purposes.1" (p.3)

With an explanatory footnote that states:

> "Manitoba Hydro's 2025 IRP was developed for 2024/25 to 2049/50. Manitoba Hydro leveraged EM's 2024/25 Annual Business Plan to include planned savings for 2024/25 which persist through the planning horizon and increase the cumulative annual savings. These 2024/25 planned savings values are included in the 2024 Electric Load Forecast and are provided in MIPUG/MH I-1a-c filed during the Fiscal 2026 to 2028 Electric General Rate Application." (p.3)

QUESTION:

d) Please provide a copy of the one-year business plans submitted in response to each of the three (3) one-year extensions to the initial three-year plan (2020/21 – 2022/23) approved by Government for 2024/25, 2025/26, and 2026/27.

RATIONALE FOR QUESTION:

The projected savings plans submitted by Efficiency Manitoba for use in the 2025 IRP as the base efficiency plan were derived from EM analysis and planning associated with the 2025/26 through 2027/28 time-period, extrapolated to 2049/50 for the purposes of the 2025 IRP.

RESPONSE:

A copy of Efficiency Manitoba's Annual Business Plans for 2024/25 and 2025/26 are attached.

EFFICIENCY MANITOBA

ANNUAL BUSINESS PLAN

2024/25

Statement from the Board Chair

We are pleased to submit Efficiency Manitoba's Annual Business Plan (ABP) for 2024/25.

Since our official commencement on April 1, 2020, Efficiency Manitoba has been built as a strong, resilient stand-alone Crown corporation. While building an organization and navigating economic impacts associated with the pandemic, the team at Efficiency Manitoba has been hard at work designing, implementing, and delivering results via over 40 energy efficiency programs and offers for Manitobans.

Year over year, prompted by our ongoing engagement and customer-focused approach, awareness of Efficiency Manitoba has been growing. This has translated into more customers participating in our programs, driving investment in energy efficiency. The resulting benefits are numerous including reduced energy bills, increased home comfort and affordability, training and employment opportunities, Indigenous reconciliation, enhanced business competitiveness, reduced reliance on imported fossil fuels, lower greenhouse gas emissions, and better use of the existing energy infrastructure in Manitoba.

This ABP reflects Efficiency Manitoba's fifth year delivering on the mandate to achieve significant electric and natural gas savings in the Province of Manitoba. It also recognizes and incorporates key initiatives aligned with our recently received mandate letter, while fulfilling the Plan update requirements outlined in the Efficiency Manitoba Act (Section 13) associated with an extended Efficiency Plan through 2024/25.

The energy landscape is evolving and the work Efficiency Manitoba does to help homes, businesses, and communities use less energy is vital to our province's energy future and the path to decarbonization. Choosing to invest in energy efficiency offers a guaranteed return through savings seen immediately on energy bills while also mitigating the impacts of future rate increases and reducing negative impacts on the environment. With everyday living costs on the rise, we help make the investment in energy efficiency even easier.

As we enter into the 2024/25 fiscal year, we're taking steps forward on our increasingly significant role and being a collaborative partner to others who have complementary mandates and objectives designed to help our fellow Manitobans navigate the energy transition and help meet the objective of net-zero by 2050. It's an exciting time in the energy landscape and we're ready to contribute.

Dr. Jeannette Montufar-MacKay
Board Chair, Efficiency Manitoba

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1. MANDATE & STRATEGIC DIRECTION

1.1 Mandate as set out in The Efficiency Manitoba Act

The Efficiency Manitoba Act (the Act) came into force on January 25, 2018. The Act outlines Efficiency Manitoba's mandate which is to:

a) Implement and support demand-side management initiatives to meet the savings targets and achieve any resulting reductions in greenhouse gas emissions in Manitoba;
b) Achieve additional reduction in the consumption of electrical energy or natural gas – including resulting reductions in the demand for electrical power – if the reductions can be achieved in a cost-effective manner;
c) Mitigate the impact of rate increases and delay the point at which capital investments in major new generation and transmission projects will be required by Manitoba Hydro to serve the needs of Manitobans;
d) If any of the following are prescribed as being subject to demand-side management under this Act, carry out the prescribed duties in respect of them:
    - Demand for electrical power in Manitoba,
    - Potable water consumed in Manitoba,
    - Fossil fuels consumed in the transportation sector in Manitoba; and
e) Promote and encourage the involvement of the private sector and other non-government entities in the delivery of its demand-side management initiatives.

In four years of operations, Efficiency Manitoba rolled out energy efficiency programs and offers across the residential, income-based, Indigenous, commercial, agricultural, and industrial customer segments with over 40 programs and offers available to Manitobans. While the pandemic significantly impacted customer participation relative to the approved three-year (2020-23) Efficiency Plan, Efficiency Manitoba has been increasingly successful in reaching Manitobans by providing helpful and diverse programs, adapting and modifying existing offers, and enhancing communications and advertising.

As the organization continues implementing the approved three-year (2020-23) Efficiency Plan including extensions, programs will continue to be assessed, added, enhanced, and improved on an ongoing basis recognizing feedback from customers, suppliers, and delivery partners. Efficiency Manitoba is fully committed to maximizing the benefits for all Manitobans through implementation and delivery of programs.

Year over year, Efficiency Manitoba is making progress towards the long-term achievement of energy savings of an annual average of 1.5% of electric load and 0.75% of natural gas load. The goal of Efficiency Manitoba is to achieve a cumulative total of 22.5% electrical energy savings and 11.25% natural gas savings in Manitoba over a 15-year period.

1.2 Strategic direction

1.2.1 Vision, mission & strategic goals

In addition to the legislation and initial Ministerial direction, the strategic plan served as a compass throughout the development of the first (2020-23) Efficiency Plan.

Efficiency Manitoba is actively undertaking an updated strategic planning process which is anticipated to reflect updated strategic goals, direction, and priorities. At the time of preparation of this 2024/25 Annual Business Plan, Efficiency Manitoba's vision, mission, and strategic goals are as follows:

FIGURE 1: VISION, MISSION & STRATEGIC GOALS

VISION	We serve as a catalyst for an energy efficient Manitoba. We are valued by Manitobans for our leadership in energy efficiency and for the partnerships we create.
MISSION	Efficiency Manitoba reduces energy consumption using innovative approaches that respect the environment and lead to economic benefits for Manitobans.
STRATEGIC GOALS	Achieving excellence in our programs and services Building a solid foundation for a successful organization Building and sustaining meaningful partnerships with a customer focus Transforming attitudes towards energy efficiency

1.2.2 Guiding principles

Efficiency Manitoba's guiding principles describe the behaviours and culture of the organization to direct business operations and everyday decision making. Strategic planning will consider the existing guiding principles and any beneficial updates relative to Efficiency Manitoba's ongoing and future success.

At the time of preparation of this 2024/25 Annual Business Plan, Efficiency Manitoba's guiding principles are as follows:

FIGURE 2: GUIDING PRINCIPLES

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

1.3 Strategic priorities

Efficiency Manitoba's strategic goals describe the organization's priorities. These strategic goals, in place at the time of preparation of this 2024/25 Annual Business Plan, are further described as follows:

1.3.1 Achieving excellence in our programs and services

Excellent energy efficiency programming benefits all customer sectors in Manitoba: residential, income-based, commercial, industrial, rural and remote, Indigenous, agricultural, municipal, and government. Having equitable access to offers and robust participation are pre-requisites to achieving mandated savings targets. Through research, innovation, outstanding and responsive customer service, along with value-added technical support, Efficiency Manitoba will continue to provide a variety of timely offers and services that positively engage with all Manitobans.

To measure success and identify opportunities for improvement, Efficiency Manitoba tracks standardized customer satisfaction and experience metrics through post-call and post-participation surveys. Customer satisfaction data is collected as both an overall score and as individual program elements, including the application process, the time it took the customer to receive approval and their rebate, their chosen contractor or retailer, and their rebate amount. Customer effort scores and net promoter scores are also tabulated to gain insight on the ease of participating in Efficiency Manitoba programs and the likelihood customers will recommend these programs to others.

Efficiency Manitoba has set a high bar for customer satisfaction at 90%, with quarterly results consistently nearly reaching this target. Importantly, customer effort scores which track on a 5-point scale (5 being very easy, 1 being very difficult), how easy it is to get the help wanted, Efficiency Manitoba is consistently scoring well above 4. This signifies the efforts of the organization focused on keeping processes simple and straightforward, while keeping customers at the forefront, are translating into positive customer experiences.

1.3.2 Building a solid foundation for a successful organization

Organizational policies and processes create the requirements and systems to monitor and track outcomes and drive success. The Efficiency Manitoba Act and the Crown Corporations Governance and Accountability Act outline the overarching mandate and requirements to provide alignment with Government.

Through Efficiency Manitoba's establishment, all foundational aspects of the organization including policies, processes, systems, and collective agreements have been given careful and strategic consideration to ensure the organization's strategic priorities and guiding principles are at the forefront. Ensuring integration of the important principle of

keeping things simple for both operational efficiency purposes and for ease of customers and suppliers to engage with Efficiency Manitoba serves the organization and Efficiency Manitoba's customers every day.

This strategic goal of building a solid foundation is combined with Efficiency Manitoba's guiding principle focused on employees being key to the organization's success. The build of the organization has gone well beyond policies, processes, and systems, and has importantly also focused on the recruitment and retention of a talented and dedicated Efficiency Manitoba team centered around a corporate culture of trust, excellence, and helpfulness.

This strategic goal was a particularly important focus area during Efficiency Manitoba's establishment. The foundation built through Efficiency Manitoba's early years continues to ensure the ongoing operation of an efficient and effective Crown corporation that is responsible to Manitoba rate payers.

1.3.3 Building and sustaining meaningful partnerships with a customer focus

Strong partnerships provide opportunities to support local businesses and professionals, contribute to energy efficiency considerations within all levels of Government, and support reconciliation with Indigenous partners.

The Energy Efficiency Advisory Group, Efficiency Manitoba's legislated stakeholder advisory group, continues to represent a diverse mix of social, economic, and environmental organizations, and includes representation from Indigenous organizations and governments and Manitoba communities.

Engagement with the private sector supports the delivery of efficiency programs while stimulating economic development and growth. Federal, provincial, municipal, and utility engagement ensures energy priorities, future codes, standards, regulations, and utility resources are supported and informed on the current and potential future contributions of energy efficiency.

Strong relationships and partnerships provide valuable insight, identify barriers, and allow for real time reciprocal information sharing, all of which help inform programming decisions and serve as an important vehicle to promote Efficiency Manitoba programs to Manitobans. Indigenous partners are of particular importance to identify and reduce barriers to program participation. Through successful partnerships, Energy Efficiency Advocates have been established in First Nation communities and with the Manitoba Métis Federation.

Partnerships have also been created with eight rural communities and two Neighbourhood Renewal Corporations in Winnipeg to fund Energy Efficiency Advocates. These partnerships provide a direct resource to Manitobans to help remove participation barriers and make energy bills more affordable for those who need it most. And beyond this, Efficiency Manitoba's partnerships in carrying out the work of the organization

continues through Efficiency Manitoba's registered private sector supplier network delivering energy efficiency via Efficiency Manitoba programs into Manitoba homes and businesses across the province.

In 2024/25, Efficiency Manitoba will be partnering with Habitat for Humanity with the intent to leverage common interest in energy efficient, sustainable, and affordable living spaces. The partnership will result in a collaborative approach to researching and demonstrating innovative approaches that continuously lead the way for energy efficient home construction.

1.3.4 Transforming attitudes towards energy efficiency

Awareness is fundamental to ensure Manitobans can access the opportunities available through program participation and contribute to Efficiency Manitoba's achievement of legislated energy savings targets. Through this strategic goal, Efficiency Manitoba looks to strengthen recognition of the Efficiency Manitoba brand, develop broad public understanding of the benefits of energy efficiency, and establish a reputation as an expert, trusted source of information and advice on energy efficiency.

Brand marketing includes broad messaging to gain recognition using TV, billboard, digital, and online advertising. The percentage of Manitobans who are aware of Efficiency Manitoba has increased from a baseline of 33% in 2020 to 58% in 2023. This measurement will continue to be analyzed regularly with the long-term goal to achieve 80% brand awareness by 2030. Overall brand communications are planned for 2024/25 across paid media sources.

Efficiency Manitoba's grassroots education program, Generation E, aims to empower and inspire Manitoba youth to engage in energy efficiency. The goal of this program is to make sure young people are aware of how using energy has financial and environmental impacts, which will help them make energy-efficient decisions throughout their life.

Although energy efficiency has always played an important role in meeting the energy needs of the Province, in the context of an energy transition driven by decarbonization (discussed further in Section 2.2 below), energy efficiency is increasingly being recognized as a low cost, relatively quick-to-market solution that has the added benefit of maintaining affordability for Manitobans. Energy efficiency and optimized energy use provide economic and environmental benefits while also supporting the resilience of the electric grid including the incorporation of increased use of distributed energy resources such as solar and battery storage. These important impacts will be central to enhanced messaging aimed at encouraging Manitobans to invest in energy efficiency.

1.3.5 Key initiatives

Through 2024/25, provincial energy priorities and the expanded role Efficiency Manitoba will play beyond current legislated responsibilities focused on reducing energy

consumption, will continue to take shape. Aligning the legislative framework in these areas and beyond to enable the work of Efficiency Manitoba is also a critical consideration.

Key initiatives for 2024/25 outline areas where focused effort of the organization will be applied from a research/development, program design/launch and/or specific targeted enhancement perspective. Key initiatives are also outlined to aid the organization's active participation and leadership within the rapidly evolving energy landscape and provincial priorities including the most recent mandate letter received from the Minister of Environment and Climate Change.

Affordable Home Energy program

Efficiency Manitoba is well positioned to achieve the desired outcomes associated with Manitoba's Affordable Home Energy Program including improving home energy affordability, helping to close the energy poverty gap, and increasing market adoption of heat pump technologies within the Manitoba market to reduce greenhouse gas emissions and reduce Manitoba's electric peak demand requirements. Key activities associated with the Affordable Home Energy Program in 2024/25 will include:

- Collaborating with Government on the co-delivery of the Oil to Heat Pump Affordability program negotiated between Manitoba and Canada targeted at switching from fossil fuels to ground source and air source heat pumps.

- Investigation and support for district geothermal as a heating option. This will be accomplished through the development of a framework that includes research and analysis of various delivery, ownership, and regulatory models for district geothermal programming; an assessment of the Manitoba context; and potential next steps with regards to addressing identified barriers, overall strategy development, engagement, pilot projects, and regulatory changes (if any).

- Achieving tangible progress towards the objectives of the Affordable Home Energy Program objectives through Efficiency Manitoba portfolio enhancements including;

    - An expansion of the Community Heat Pump Program for First Nation communities. Pursuing additional projects through the existing Community Driven Outcomes Model where the capital cost of the ground source heat pumps is raised through a financial intermediary, installed at no cost to First Nation communities, and provides increased access to training and employment opportunities. Included in this could be an expansion of the current training program delivered to First Nation community members. Other much needed energy efficiency upgrades such as insulation and windows and doors to maximize efficiency and energy savings potential would also be incorporated to ensure homes are in adequate condition and fully weatherized prior to receiving a heat pump.

- Expansion of existing income-based programs (Energy Efficiency Assistance Program and Métis Energy Efficiency Program) to include air source and ground source heat pumps at greatly reduced costs to participants in targeted rural (all-electric heating) areas.

- Leveraging the Efficiency Manitoba Innovation Fund to request call for proposals for multi-family residential buildings to incorporate district ground source systems, including analysis of different ownership, maintenance, and energy-as-a-service models. These Innovation Fund projects would further support the development of the district geothermal framework identified above.

- Taking steps to support an expansion of the capacity of the ground source heat pump contractor network. Of critical importance is eliminating the skills gap in the market by increasing the number of trained and qualified ground source heat pump installers in Manitoba. Actions will include engagement with the industry and stakeholders including designers, installers, contractors and associations; identification of industry and capacity barriers and required green economy workforce education, skills, and training required to rapidly develop capacity; and supporting and promoting targeted training sessions and programs.

Demand Response

Demand response refers to the programs or strategies used to shift customer electricity demand to times when demand is lower or supply is more plentiful. Within 2024/25, Efficiency Manitoba will begin to explore demand response options. Demand response has the potential to satisfy multiple objectives for Manitoba including cost-effectively reducing electrical demand during peak times and expanding the suite of options available to Manitobans to help manage their electricity usage and reduce energy costs. Key activities associated with this initiative will include:

- Collaborating with Manitoba Hydro on associated Integrated Resource Planning near-term actions related to demand response.

- With a focus on mass-market direct load control, energy storage/control technologies and behavioural based approaches, develop a strategy that investigates specific demand response opportunities and measures to inform future potential program designs; establishes preliminary program trajectories for development of these opportunities within a Manitoba context; examines integration of the opportunities within the Efficiency Manitoba portfolio of offers; and assesses the roles and responsibilities for various opportunities between Efficiency Manitoba and Manitoba Hydro.

Corporate Strategic Plan

Efficiency Manitoba (EM)'s current strategic plan (including vision, mission, guiding principles and strategic goals) was developed in 2019, prior to EM's official commencement as a stand-alone provincial Crown corporation responsible for energy efficiency in Manitoba on April 1, 2020. Since that time, the environment in which EM operates has seen significant changes which has most recently been reinforced with the update of Efficiency Manitoba's mandate. It's appropriate and timely for EM's strategic plan and measures to be reviewed and updated.

Work associated with this key initiative is focused on ensuring a current and aligned, forward focused, actionable, and documented strategic plan, including purpose, vision, goals, measures, key performance indicators (KPIs), and guiding principles/values.

2026-29 Efficiency Plan development

Recognizing an extension of the current Efficiency Plan through 2025/26, while also appreciating required submission date of the 2026-29 Efficiency Plan by no later than November 1, 2025, work will occur inside of the 2024/25 relative to the 2026-29 Efficiency Plan.

Within 2024/25, development work on the next Efficiency Plan will include:

- updating a retrospective analysis of Efficiency Manitoba's operating environment and evaluated results to date;
- continued evolution of strategies to progress on closing energy savings shortfalls experienced during delivery of the initial Efficiency Plan;
- description and analysis of Affordable Home Energy Program outcomes, research and further development stages;
- incorporation of demand response strategies including assessment of proposed activities during the 2026-29 Efficiency Plan time horizon;
- consideration and incorporation of the results of the long-term (15-year) Demand Side Management (DSM) Market Potential Study completed within 2022/23;
- support for the broader energy landscape within Manitoba and Efficiency Manitoba's legislated role with regards to provincial priorities and Manitoba Hydro Integrated Resource Plan near-term actions;
- detailed program reviews, analysis, and design or re-design activities to further optimize offers and increase customer participation;
- comprehensive quantitative analysis of program and technology energy savings, costs, and cost effectiveness;
- incorporation of accepted recommendations from the independent assessment of programs and offers over the first four completed years of the Efficiency Plan;
- the development of detailed analysis and budgeting models;
- addressing impacts of the significantly altered Canada Greener Homes Initiative; and

- the drafting and consolidation of all materials into a comprehensive filing document, in line with the requirements specified in section 9 of the Efficiency Manitoba Act, for submission to the Public Utilities Board (PUB) for review.

Implementation of Home Energy Reports program

The objective of the Home Energy Reports program is to provide Manitobans with personalized energy-efficiency information and resources to help households save energy and money. Using a third-party service provider, the program will provide residential customers with reports that illustrate energy usage patterns and provide personalized and targeted energy saving tips to help reduce energy consumption. Participants can compare their household energy usage with similar homes. The program focuses on increasing energy efficient behaviours within the home. The program is targeted to begin delivering home energy reports within 2024/25.

TABLE 1: KEY INITIATIVES | METRICS FOR 2024/25

	Current state	Target
Affordable Home Energy Program		
Executed agreement for the co-delivery of the Oil to Heat Pump Affordability program	Negotiations between Canada and Manitoba in progress	By Q2 2024/25
Framework analysis and research for district geothermal as a heating option.		By Q3 2024/25
Expansion of the Community Heat Pump Program for First Nation communities	In progress	Increased participation by Q4 2024/25
Expansion of existing income-based programs (Energy Efficiency Assistance Program and Métis Energy Efficiency Program) to include air source and ground source heat pumps	In progress	In market by Q4 2024/25
Innovation Fund to request call for proposals for multi-family residential buildings to incorporate district ground source systems	In progress	By Q2 2024/25
Identification of ground source heat pump industry education, skills, and training required	In progress	By Q3 2024/25

Demand Response		
Collaborate with Manitoba Hydro on associated Integrated Resource Planning near-term actions related to demand response	In progress	By Q4 2024/25
Develop an Efficiency Manitoba demand response strategy		By Q3 2024/25
Incorporate demand response within the next Efficiency Plan.		By Q1 2025/26
Corporate Strategic Plan		
Documented and updated organizational purpose, vision, goals, measures, key performance indicators (KPIs), and guiding principles/values in place	In progress	By Q2 2024/25
2026-29 Efficiency Plan		
Plan development		Planning activities substantially completed by Q4 2024/25
Home Energy Reports program		
Home Energy Reports program launch	Contract finalization underway with preferred proponent	By Q3 2024/25 program is launched and delivered to market

2. OPERATING ENVIRONMENT

2.1 Internal operating environment

The 2024/25 fiscal period will mark the fifth year of delivering energy efficiency programs and supporting activities since the commencement of Efficiency Manitoba on April 1, 2020.

With a comprehensive suite of programs and offers, Efficiency Manitoba will continue to seek out innovative ways to increase customer participation through program modifications, engagement strategies, and the expansion or formation of partnerships. These adaptations are pursued with the intended outcome of satisfying annual energy savings targets and addressing savings shortfalls from initial operational years. Coincident with these activities is the forward-looking focus required to deliver on the key initiatives identified in Section 1.3.5, alongside efforts associated with conceptualizing, designing, and modelling programs, initiatives, and strategies to support future Efficiency Plan development, engagement, and regulatory review initiatives. All of these will also be considered within the broader evolving energy landscape within Manitoba specifically related to provincial energy priorities including those articulated in Efficiency Manitoba's mandate letter, future energy policy, along with Manitoba Hydro's Integrated Resource Plan.

In consideration of these operational requirements along with the broader federal and economic landscape discussed in the following section, navigating these multiple internal priorities has required the assessment and optimization of both internal and external resources. Efficiency Manitoba has diligently planned for and monitored internal hiring. Addressing shortfalls in energy savings that occurred during initial operational years, while ensuring resourcing in place to drive and achieve ongoing legislated energy savings targets necessitates additional internal resources. With the additional consideration of the key initiatives outlined above, Efficiency Manitoba has budgeted for up to ninety-five (95) full-time equivalent (FTE) positions in fiscal year 2024/25.

Efficiency Manitoba also has numerous avenues to engage with contracted service providers. Primarily, Efficiency Manitoba utilizes service delivery organizations and engages with a vast contractor network responsible for energy efficiency installations throughout the Province. Additionally, through a completed public tender to solicit experience and expertise across a broad spectrum of specialized DSM services, Efficiency Manitoba will be ensuring appropriate use of pre-qualified service providers to maintain a balanced approach to operations, supplement the expertise of existing Efficiency Manitoba employees, and support the green economy throughout 2024/25.

2.2 External operating environment

2.2.1 Energy transition

An energy transition is underway. It is being driven by a desire to take meaningful action towards addressing the climate crisis. These actions are being delivered through policies, commitments, and decisions at the local, national, and global level by governments, corporations, and individuals. Within Manitoba, The Province of Manitoba has indicated plans to create a roadmap to meet net-zero targets by 2050.

The energy transition impacts how Manitobans, Manitoba businesses and community members think about and use energy. As communicated within Manitoba Hydro's Integrated Resource Plan released in August 2023[1], collective actions towards lowering fossil fuel consumption and associated greenhouse gas emissions may require additional electrical energy supplies.

Energy efficiency will continue to play an important strategic role in navigating this energy transition. This role was recently recognized globally at the United Nations Climate Change Conference (COP28) where commitments were made to (i) work towards a collective doubling of energy efficiency improvements and (ii) consider energy efficiency as the "first fuel" for policy, planning and major investment decisions.[2]

Efficiency Manitoba is well positioned to leverage demand side management initiatives inclusive of, but not limited to, energy efficiency as a key strategy to address the energy transition in Manitoba. Through the combination of programming, initiatives, and expertise, this can be accomplished in a manner that results in lower greenhouse gas emissions, reduced new electrical capacity requirements, improved affordability for Manitobans, local employment opportunities within a sustainable economy and one that makes progress towards Indigenous reconciliation.

This Annual Business Plan summarizes the incremental program improvements, actions, key initiatives, and anticipated outcomes that will continue to aide in many aspects of the energy transition. This transition presents significant opportunities with appropriate consideration and coordination by entities responsible for energy and energy efficiency in Manitoba. Efficiency Manitoba looks forward to direction focused on various aspects of the energy transition which are not yet specifically articulated in legislation and direction provided to Efficiency Manitoba.

2.2.2 Federal energy efficiency programming and other entities offering funding for energy efficiency-related upgrades

In February 2024, Natural Resources Canada (NRCan) announced that applications to the Canada Greener Homes Initiative (announced in 2021) would no longer be accepted.

[1] https://www.hydro.mb.ca/docs/corporate/irp/irp-2023-integrated-resource-plan.pdf
[2] https://www.cop28.com/en/global-renewables-and-energy-efficiency-pledge

A subsequent program is anticipated to be announced with an enhanced focus on income-based customers although confirmed details are not available. Efficiency Manitoba's consideration of the Federal program details (when released) alongside existing Efficiency Manitoba programs and offers, reducing any resulting customer confusion, aiding customers in maximizing their access and funding availability, all while maximizing participation in Efficiency Manitoba's programs and resulting energy savings will be paramount.

In addition, Canadian Mortgage and Housing Corporation (CMHC), Canada Infrastructure Bank (CIB) and the Federation of Canadian Municipalities (FCM) are all supporting commercial new construction through either favourable financing terms or direct capital contributions for those projects that meet defined energy performance minimums.

Federal and other programming focused on energy efficiency brings additional dollars and financing options locally to Manitobans and businesses focused on performing energy efficiency upgrades. These other programs also create the potential for customer confusion relative to the navigation of multiple program offerings, eligibility criteria, and application processes across different entities. Dedicated effort by the Efficiency Manitoba team is required to ensure awareness and appropriate consideration of these other funding sources alongside Efficiency Manitoba programs and offers.

2.2.3 Continued challenges in the Manitoba economy

Inflationary pressures, rising interest rates and consumer prices, effects on consumer and business confidence, and reduced spending activity all continue to weigh on home and business owners. Supply chain issues and labour shortages brought on by the pandemic and associated conditions further exacerbate the continued challenges for many Manitobans.

With strong provincial priorities focused on affordability, Efficiency Manitoba's programs provide a real and important source of assistance to many Manitobans in lowering energy bills, reducing energy burden, and assisting in business competitiveness through the reduction of energy expenses. Efficiency Manitoba will continue to extensively communicate its available programs and services while also reviewing incentive levels and ensuring supplier compensation is fair and appropriate (recognizing cost-effectiveness requirements of the organization). This said, broad external conditions are not within the control of Efficiency Manitoba and despite the organization taking all available opportunities and actions, participation in programs is driven by the actions and decision making by Manitobans which similarly have high likelihood to be impacted by conditions beyond their immediate control.

2.3 Operational risks & mitigation

While Efficiency Manitoba has made modifications to programs and offers in response to the pandemic and its associated impacts, project life cycles impact the timing of when spend and energy savings materialize. For large customer projects, the time from a customer's decision to participate to the completion of their project can range from six to 24 months. Recognizing this and the inherent impacts associated with broader Manitoba economic conditions, there may be delays in when spend and energy savings are realized in financial and energy savings metrics.

Although the Efficiency Manitoba Act allows for the carryover of surpluses and shortfalls in achieved energy savings into future years, Efficiency Manitoba is driving new activities to recover from lost savings opportunities. Section 4.2.1 provides details on the enhancements and program optimization opportunities specifically related to Efficiency Manitoba's energy efficiency programs/mandate and which are under consideration or have already been implemented to mitigate risks associated with lower customer participation.

As outlined in Section 2.2.2, energy efficiency programs that are not coordinated with existing energy efficiency programs delivered by Efficiency Manitoba have the potential to create customer confusion. Manitobans may be confused on accessing support for energy efficiency upgrades, presenting a challenge to Efficiency Manitoba as it works to further build its brand as Manitoba's delivery agent for energy efficiency programming. Both objectives are of particular importance given that Efficiency Manitoba is a relatively new organization. The availability of programs outside of Efficiency Manitoba could also result in Manitobans completely by-passing Efficiency Manitoba programs, placing the achievement of near-term legislated energy savings targets at further risk.

Efficiency Manitoba will continue to work with federal programming delivery counterparts to identify opportunities to cross-promote available respective programs, as well as to reduce any customer confusion surrounding pursuing both federal and Efficiency Manitoba funding concurrently.

Efficiency Manitoba has also completed and is practicing continuous mitigation of risks through a Risk Management Framework that also serves to monitor, track, and report new risks as they arise.

3. PERFORMANCE MEASURES & TARGETS

The Key Performance Indicator (KPI) Dashboard shown in Table 2 represents metrics that monitor core mandate and priorities for the organization. Therefore, these metrics form a component of the Efficiency Manitoba Board of Directors' regular quarterly monitoring and oversight of the organization, along with annual public reporting.

TABLE 2: KEY PERFORMANCE INDICATOR DASHBOARD

INTERNAL BUSINESS	2024/25 planned	FINANCIAL	2024/25 planned
% of load (electric)	1.5%	Total expenditures (million $)	$76.92
% of volume (natural gas)	0.75%	% of annual budget spent	100.0%
Electric acquisition cost ($/kWh)	$0.13	% of expenditures incentives	66.0%
Natural gas acquisition cost ($/m^3)	$1.84		
LEARNING & GROWTH	**2024/25 planned**	**CUSTOMER**	**2024/25 planned**
% of planned expenditures on Innovation	80%	Brand awareness	50%
Employee satisfaction with opportunities to learn, grow, and develop	80%	Customer satisfaction	90%

Note: % of load and % of volume are annual legislated targets

To supplement Efficiency Manitoba's strategic plan, a Demand Side Management (DSM) Scorecard to benchmark both portfolio performance and corporate performance against other energy efficiency program administrators has also been developed. Integrating regular benchmarking in critical performance areas helps identify program and operational improvement opportunities for Efficiency Manitoba enabling the organization to prioritize resources and strategies for improvement.

Each category is scored through detailed sub-metrics designed to represent achievable stretch targets for Canadian DSM program administrators.

- **Operations** focuses on performance in areas that are critical to effective program delivery, such as stakeholder engagement, customer participation and satisfaction; end-to-end DSM design; employee satisfaction and positive engagement; and leadership and culture.
- **Planning** focuses on DSM planning and future-oriented performance. Metrics include program equity, data use and sharing, future energy savings targets, emerging programs, and strategic planning.

- **Delivered value** focuses on quantitative performance metrics. In this category, depth of energy savings (annual incremental energy savings and lifetime energy savings), DSM investments, peak demand reduction, achievement of energy savings targets, and customer benefits are measured.

4. 2024/25 EFFICIENCY PLAN EXTENSION (PLAN UPDATE)

This section addresses the requirements for an extended Efficiency Plan, or Plan Update, as outlined in Section 13 of The Efficiency Manitoba Act. This Efficiency Plan extension and update ("2024/25 Plan Update") addresses components a) through f) required by legislation of a Plan Update triggered by an extension.

The 2020-23 Efficiency Plan was accepted by the responsible Minister in March 2020, with minor amendments implemented resulting from specific recommendations from the Public Utilities Board (PUB) in 2020. This enabled the official commencement of Efficiency Manitoba on April 1, 2020. The 2024/25 Plan Update affords the opportunity to continue to deliver on the activities and initiatives identified within the Efficiency Plan while taking immediate action on opportunities aligned with Efficiency Manitoba's recently received mandate letter and actioning opportunities identified to drive additional energy savings through existing programs and offers. Energy savings opportunities that may materialize from key initiative activities or additional program enhancements will be monitored and reported within annual reporting following the conclusion of the fiscal year.

4.1 Cumulative net savings & plans for addressing shortfall: Efficiency Manitoba Act Section 13.3 (1) (b) & (c)

The 2024/25 Plan Update transitions Efficiency Manitoba between the initiatives, savings, and benefits associated with and articulated within the 2020-23 Efficiency Plan towards the activities, planned outcomes and enhancements that will be identified through the development and review of the 2026-29 Efficiency Plan. Efficiency Manitoba's achieved energy savings outcomes were less than targeted through the first three years of the 2020-23 Efficiency Plan. Throughout the pandemic, customer participation was less than planned across the portfolio of offers available to Manitobans including businesses in Manitoba. With the planned annual budget predominantly focused on customer incentives – approximately 65% of annual budgets have been allocated to incentives – the shortfall in savings corresponded to lower annual financial expenditures. Throughout the first three years of the 2020-23 Efficiency Plan, the savings achieved in both the electric and natural gas portfolio were acquired more cost effectively than planned as demonstrated through the achieved acquisition costs. The Annual Report Supplement for 2022/23 provides summary information in this regard.

As per the definition outlined in the Efficiency Manitoba Act, the annual electric and natural gas savings targets are 1.5% of the previous year's electric load, and 0.75% of the previous year's natural gas volume. The approach taken by Efficiency Manitoba to project annual in-year energy savings in consideration of the legislated targets was documented in *Section A2.2.2 Program Net Energy Savings Methodologies* of the 2020-23 Efficiency Plan and within the *Plan Amendments – 2020-23 Efficiency Plan* approved in March 2020.

The Efficiency Manitoba Act Section 7(2) provides for surpluses and shortfalls in energy savings achievements carrying forward such that the cumulative total of the annual percentage savings equates to 22.5% and 11.25% of electric and natural gas savings respectively over a 15-year period.

4.1.1 Electric annual energy savings

Figure 3 below shows the cumulative results in electric energy savings achieved during the first three plan years and the extent to which shortfalls will be subsequently achieved in the 2023/2024 and 2024/25 fiscal years. Table 3 provides the underlying annual actual and projected electric energy savings values along with actual and anticipated cumulative shortfalls. The planned activities, inclusive of the enhancements identified in Section 4.2, are intended to continually optimize the electric portfolio of programs. It's anticipated that these actions will begin to reduce the cumulative electric energy savings shortfall resulting predominantly from the outcomes achieved during the first three years of the 2020-23 Efficiency Plan including pandemic impacts. The 2026-29 Efficiency Plan development and engagement process will seek to further action and optimize those enhancements and identify potential new programs and offers within the electric portfolio to continue reducing those shortfalls within the respective 15-year performance period. As outlined in the key initiatives Section 1.3.5 above, the introduction of a new Home Energy Report program is a strategic step forward in actioning an opportunity identified in the Market Potential Study, which is anticipated to deliver new electric energy savings not currently being captured.

FIGURE 3: CUMULATIVE ELECTRIC ENERGY SAVINGS | TARGETS VS. ACHIEVED & PLANNED RESULTS

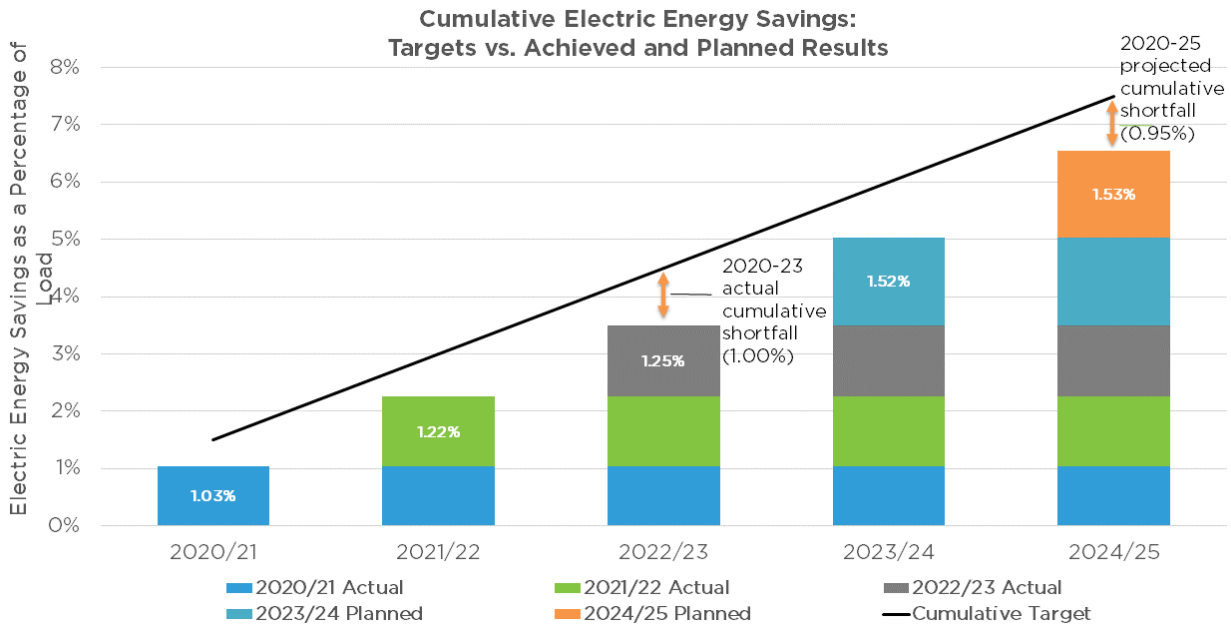


TABLE 3: ACTUAL & PLANNED ELECTRIC PORTFOLIO SAVINGS

	2020/21	2021/22	2022/23	2023/24	2024/25
Annual actual electric savings (GWh)	227	265	277	-	-
Annual planned electric savings (GWh)	-	-	-	338	338
Annual electric savings to meet 1.5% of load target (GWh)	331	325	334	333	332
Cumulative electric savings shortfall (GWh)	103	163	219	214	208

Note: Table values may not add or subtract exactly due to rounding. Reference electric load and energy savings are at meter. Cumulative electric savings shortfalls are represented by actual results achieved within 2020/21 through 2022/23 and planned results within 2023/24 through 2024/25.

4.1.2 Natural gas annual savings

Figure 4 below shows the cumulative results in natural gas savings achieved during the first three plan years and the anticipated elimination of cumulative shortfalls in natural gas energy savings by the end of the 2024/25 fiscal year. Table 4 provides the underlying annual actual and projected natural gas savings values along with actual and anticipated cumulative shortfall, including the elimination of that shortfall. The planned activities, inclusive of the enhancements identified in Section 4.2, are intended to continually optimize the natural gas portfolio of programs. The 2026-29 Efficiency Plan development and engagement process will seek to further action and optimize those enhancements and identify potential new programs and offers within the natural gas portfolio taking the opportunity to build a natural gas energy savings surplus recognizing cost-effective opportunities currently available to deliver natural gas and greenhouse gas emission savings.

FIGURE 4: CUMULATIVE NATURAL GAS SAVINGS | TARGETS VS. ACHIEVED & PLANNED RESULTS

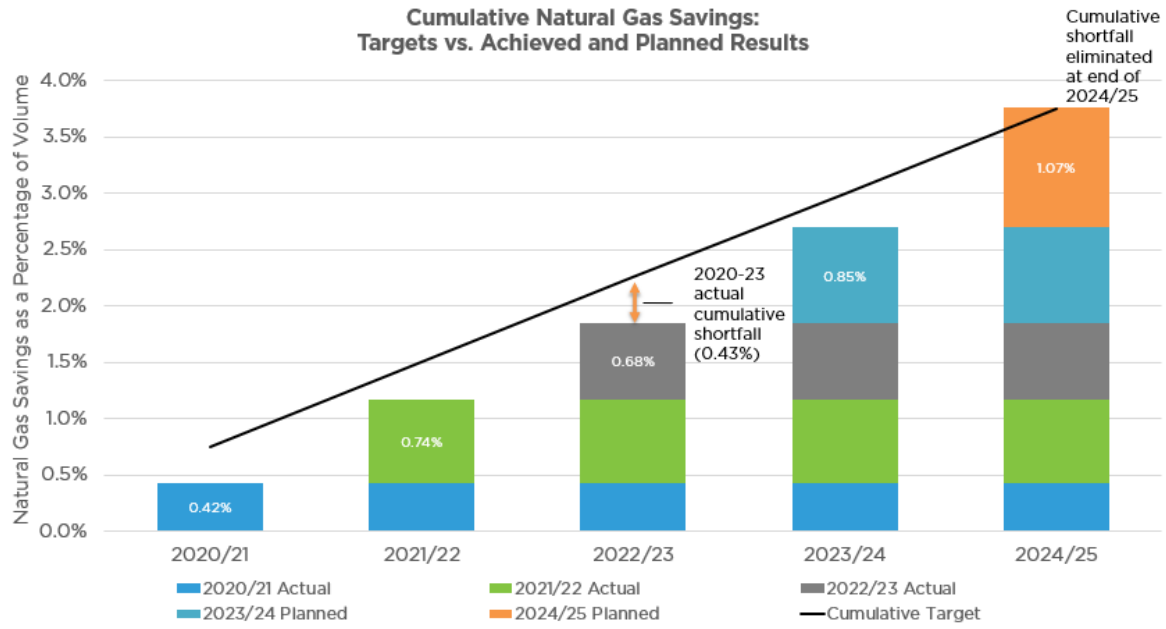


TABLE 4: ACTUAL & PLANNED NATURAL GAS PORTFOLIO SAVINGS

	2020/21	2021/22	2022/23	2023/24	2024/25
Annual actual natural gas savings (million m^3)	7.0	11.9	11.0	-	-
Annual planned natural gas savings (million m^3)	-	-	-	13.5	17.6
Annual natural gas savings to meet 0.75% of volume target (million m^3)	12.5	12.0	12.1	12.0	12.4
Cumulative natural gas savings shortfall (million m^3)	5.5	5.6	6.7	5.2	0.1

Note: Table values may not add or subtract exactly due to rounding. After accounting for electric programming interactive effects. Cumulative natural gas savings shortfalls are represented by actual results achieved within 2020/21 through 2022/23 and planned results within 2023/24 through 2024/25.

4.1.3 Longer-term savings outlook and further addressing savings shortfalls

Efficiency Manitoba's longer-term savings achievement will be influenced by multiple factors including (but not limited to) external Manitoba economic conditions, future iterations of the legislative framework enabling Efficiency Manitoba, direction arising out of Manitoba Hydro's IRP process and the associated value provided for saved energy, and the remaining market opportunities for energy-efficient technologies within Manitoba. Broader economic conditions including supply chain issues and/or inflationary pressures on Manitobans are external factors that can be monitored but are not within the control of Efficiency Manitoba. The impact of these external factors can be mitigated to a degree

through actions such as those outlined in the program and enabling strategy optimization strategies as provided in Section 4.2.

The assessment of market opportunities for energy efficiency was completed in 2022 through conclusion of work with Dunsky Energy + Climate Advisors (“Dunsky”) and the production of a comprehensive Market Potential Study (“MPS”). The MPS provides an evaluation of DSM potential with a focus on current and emerging commercially viable and cost-effective measures over the 15-year period 2023 through 2038 and at varying levels of investment and support through Efficiency Manitoba.

With regards to the electric portfolio, the MPS identified several themes that will impact future achievable electric savings. With a decades-long history of electric DSM programming in the province and a quickly transforming residential and non-residential lighting market, the MPS has reinforced that the legislated electric energy savings targets are aggressive and will require multiple new strategies, new technologies alongside higher incentive levels, and additional enabling strategies in order to not only achieve targets but, going forward, further reduce the shortfall in electric energy savings identified above from the 2020/21 through 2022/23 fiscal years. With non-residential LED savings further diminishing over time, the MPS has identified that a ramp-up in industrial custom projects, the replacement of electric resistance heating with heat pumps, increased incentive levels, and the introduction of a Home Energy Report offer can contribute to Efficiency Manitoba’s achieved energy savings. This information is provided within the MPS with the context that:

1. increasing incentives does not correlate to a proportional increase in electric energy savings;
2. considerable ramp-up time is required to design, plan, and transform the market in areas of additional opportunities; and
3. significantly more market barriers exist within the electric portfolio as compared to the natural gas portfolio that cannot be addressed through customer financial incentives alone. Some of those market barriers may be associated with market transformation approaches, energy policy, excess energy rates for solar photovoltaic generated electricity sold back to Manitoba Hydro, and/or regulations to drive additional electric energy savings.

In summary, the independent research conducted by Dunsky has suggested that the shortfall in electric energy savings cannot be made up by 2024/25 alone; but with steps taken through 2024/25 and via the formulation of the 2026-29 Efficiency Plan, Efficiency Manitoba will identify means and the path to address the long-term savings targets recognizing the surpluses and deficits provision 7(2) in the Efficiency Manitoba Act.

With regards to the natural gas portfolio, the MPS identified several unique themes that will impact future achievable savings. With a lower level of market transformation and benefits of reduced interactive effect penalties associated with lower non-residential electrical lighting savings, the MPS has indicated that ongoing achievement of natural gas savings is likely without the introduction of significant new strategies, programs or offers for natural gas-saving technologies. As a result, the shortfall in natural gas savings

is likely to be eliminated in the near term. Similar to the electric portfolio conclusions, the MPS has identified that increasing incentives does not correlate to a proportional increase in natural gas savings.

4.2 Material changes: Efficiency Manitoba Act Section 13.3 (1) (a) & (e)

As discussed in Section 4.1, the savings that were claimed by Efficiency Manitoba in the first three years were achieved at significantly lower costs, resulting in a lower acquisition cost per unit of energy than planned for both electricity and natural gas. This trend of effectively utilizing funding, moving quickly within a nimble organizational structure to implement changes to respond to market conditions, alongside the expansive portfolio of over 40 programs and offers available through Efficiency Manitoba, indicates that material improvements in participation, savings, and subsequent incentive dollars spent will be realized through further optimizing the existing portfolio and focusing on enabling strategies to further reduce barriers to participation. This status affords Efficiency Manitoba the opportunity to potentially achieve higher savings outcomes within the 2024/25 budget, should the strategies outlined herein, alongside broader economic conditions, align to further improve customer participation in existing offers and programs.

The strategies discussed below would be considered adjustments from what was originally contemplated in the portfolio design for 2020-23 Efficiency Plan and are necessary to achieve deeper savings in future years and address savings shortfalls from the pandemic-impacted years.

4.2.1 Portfolio optimization

Since the first fiscal year of operations, Efficiency Manitoba has implemented program pivots to respond initially to Provincial health mandates and subsequently to increase participation through additional incentives and through exercising eligibility expansions and flexibilities. This optimization process will continue with already implemented and planned changes as follows:

Residential programs

Optimization activities implemented and for continued investigation within 2024/25 include:

- completing the design and implementation of a Home Energy Report offer, which was identified as a high-potential future offer within the completed Efficiency Manitoba MPS;
- shifting of the Appliance Rebates offer (in-store year-round retail rebates) to In-Suite Appliance rebates only for cost effectiveness and efficiency reasons;
- extending the Instant Rebates (time-limited in-store retail rebates) fall campaign to include additional weeks of in-store rebates while increasing rebates and simplifying the offers and associated marketing strategies;

- enhancing Home Insulation Program through increased eligibility, higher rebates and introduction of a supplier bonus;
- doubling the incentives through the Windows and Door Program;
- updating the New Homes Program to deliver energy savings beyond the 2020 National Building Code (Part 9) Tier 1;
- reviewing eligibility criteria and incentive levels for various programs while leveraging the increased community participation realized under the Community Energy Efficiency Program; and
- investigating program delivery models and alternatives for select offers.

Residential income-based programs

Optimization activities implemented and for continued investigation within 2024/25 include:

- increasing eligibility through the Energy Efficiency Assistance Program to ensure more Manitoba households are eligible to access free and significantly subsidized energy efficiency upgrades (approximately 40% of Manitoba households can now qualify under this program);
- extending eligibility criteria flexibility for the Energy Efficiency Assistance Program including multiple income verification options and automatic qualification based on location and door-to-door canvassing;
- expanding partnerships with additional Neighbourhood Renewal Corporations to support the Energy Efficiency Assistance Program's Neighbourhood Project;
- expanding energy-saving measures available through the Energy Efficiency Assistance Program to include windows and doors and heat pumps for electrically heated homes;
- reviewing the decluttering service pilot results; and
- leveraging the increased community participation realized under the Community Energy Efficiency Program.

Indigenous programs

Optimization activities implemented and for continued investigation within 2024/25 include:

- expanding eligibility criteria for the Indigenous Small Business Program while leveraging the increased community participation realized under the Indigenous Community Energy Efficiency Program including First Nations and the Manitoba Métis Federation;
- continuing work with First Nation communities and Indigenous organizations for off reserve participation in energy efficiency programs;
- supporting expansion of cold-climate air source heat pumps, ground source heat pumps and capacity building through additional Indigenous social enterprises;
- inclusion of Home Assessments into the First Nation Energy Efficiency Program and Métis Energy Efficiency Offer;

- expanding energy-saving items in the First Nation Energy Efficiency Program and Métis Energy Efficiency Offer based on feedback from the Indigenous Community Energy Efficiency Advocates and the Indigenous Energy Efficiency Working Group; and
- investigating delivery models for the First Nation Insulation Program to assist with enhancing capacity in communities.

Commercial, industrial & agricultural programs

Optimization activities implemented and for continued investigation within 2024/25 include:

- expanding eligibility criteria for the Small Business Program;
- including municipally-owned buildings within the Small Business Program;
- introduction of tiered customer bonuses for the Building Envelope Program for both electrically heating buildings and natural gas heating buildings;
- implementing increased lighting and controls incentives as well as introducing a customer and supplier bonus for the Business Lighting Program;
- implementing new Business Lighting Program incentive categories for horticultural and solar lighting installations;
- launching the time-limited Community Rink Lighting Initiative to provide additional and targeted assistance to municipalities still operating with inefficient lighting in indoor ice rinks;
- adjusted requirements for the New Buildings Program completion documentation while also increasing both the performance levels and corresponding incentive levels to deliver energy savings beyond the National Energy Code of Canada for Buildings 2020 Tier 1;
- increasing the Solar Rebate Program incentive cap and increasing eligibility for new construction projects that integrate solar photovoltaic;
- introduction of the Commercial Energy Audit Program;
- investigating new program delivery models and alternatives for select offers; and
- leveraging the increased community participation realized under the Community Energy Efficiency Program.

Loan program

Given Efficiency Manitoba's comprehensive portfolio of programs and offers that cover an expansive number of energy-efficient technologies, the savings resulting from retrofit activity that homeowners choose to finance through the on-bill Home Energy Efficiency Loan will in nearly all cases be captured in Efficiency Manitoba's claimable savings through an incentive based-program. Efficiency Manitoba has not made, and does not anticipate making, any recommendations to implement any material changes to offerings under the loan program (administered by Manitoba Hydro given their role in approving financing and offering credit to qualifying individuals through this financing program).

4.2.2 Enabling strategies focus

Since the first fiscal year of operations, Efficiency Manitoba has implemented additional enabling strategies to increase awareness, increase visibility, and reduce market barriers to Efficiency Manitoba programs. This optimization process will continue with already implemented and planned changes as follows:

Partnerships

Additional activities implemented and for continuation within 2024/25 include:

- formalization and implementation of a Collaboration Agreement with Habitat for Humanity to demonstrate emerging energy efficient technologies and practices while saving Habitat homeowners energy and money;
- continuing engagement with the Energy Efficiency Advisory Group to review program and offer updates as well as actively participate in and inform the 2026-29 Efficiency Plan development process;
- Continuing to expand enrollment beyond initially planned within the Community Energy Efficiency Program;
- continuing to expand enrollment beyond initially planned within the Indigenous Community Energy Efficiency Program;
- continuing to engage with Manitobans via meetings, events, tradeshow attendance, through the Indigenous Energy Efficiency Working Group, industry groups, associations, business groups, social enterprises, neighbourhood renewal corporations, design professionals, suppliers, contractors, builders, and installers.

Communication & advertising

The 2024/25 Plan Update includes ongoing expenditures in communication and advertising to drive Efficiency Manitoba awareness, increase program awareness, and ultimately increase participation.

DSM tracking system optimization

With the implementation of the Efficiency Manitoba DSM tracking system, there are continuing opportunities and strategies to optimize and inform existing program activities as well as the 2026-29 Efficiency Plan including:

- improved resolution, insights, and tracking on program activities through various centralized reporting mechanisms to inform future program pivots and enabling strategies;
- continuous improvement and refinement of customer and contractor intake through online portal optimization;
- improved tracking of customer opportunities and potential projects to drive program pipelines (i.e. actively following up with in-process customer applications to provide assistance towards project completion (and claiming of energy savings), future project identification, tracking, and follow up); and

- leveraging post-participation customer survey functionality to engage with program participants directly to identify potential process and program improvements.

4.3 Benefits of 2024/2025 Plan Update: Efficiency Manitoba Act 13.3 (1) (d)

4.3.1 Benefits | Customer bill reductions and energy affordability

Customers that choose to participate in Efficiency Manitoba programs will realize annual bill reductions based on their respective energy savings. The table below provides the anticipated total customer annual average electric and natural gas bill savings. The resulting magnitude of bill savings are directly related to both customer participation and the average energy usage per customer within that segment. In addition to the annual natural gas bill reduction based on the energy savings associated with participating in Efficiency Manitoba's programs and offers, participating customers will further reduce their payment amounts associated with the federal carbon charge (included on a customer's Manitoba Hydro bill). Those additional customer bill savings are reflected in Table 5.

TABLE 5: EFFICIENCY PLAN SUMMARY | ANNUAL CUSTOMER BILL SAVINGS

	2024/25
Electric portfolio	$14.5 million
Natural gas portfolio	$5.0 million

4.3.2 Benefits | Reduction in greenhouse gas emissions (GHGs)

Table 6 provides the annual greenhouse gas (GHG) emission reductions resulting from natural gas energy savings realized within the first fiscal years of operation as well as the projected GHG reductions forecasted in the 2023/24 and 2024/25 fiscal years. Also shown in this table are the cumulative annual GHG savings as well as the persisting cumulative GHG savings, the latter of which are provided as these utilize the quantification methodology utilized for tracking ongoing provincial and federal GHG emissions reductions.

TABLE 6: EFFICIENCY PLAN SUMMARY | GREENHOUSE GAS EMISSION SAVINGS

	2020/21	2021/22	2022/23	2023/24	2024/25
Annual GHG savings (tonnes CO_2e)	13,730	22,500	21,000	25,700	33,600
Cumulative GHG savings (tonnes CO_2e)	13,730	36,200	43.500	69.200	102,800
Persisting cumulative GHG savings (tonnes CO_2e)	13,730	49,900	107.100	190,000	306,500

Note: 2020/21, 2021/22, and 2022/23 are based on actual values, while remaining fiscal year values are based on planned savings values. All GHG savings values are determined after accounting for electric programming interactive effects.

4.3.3 Benefits | Additional/supplemental non-energy benefits

Beyond the 2024/25 Plan Update providing significant benefit in terms of cost effectiveness, bill savings opportunities for customers, GHG reductions via the natural gas portfolio; energy efficiency provides additional social, environmental, and economic benefits that do not appear in Efficiency Manitoba's legislated cost-effectiveness tests or bill and rate impacts. These non-energy benefits include but are not limited to:

- the social benefits of energy efficiency realized within the home, business, or community, with participating customers enjoying reduced energy bills and reduced associated energy burden which may lead to reduced stress and improved quality of life, improved occupant comfort, improved indoor air quality, improved lighting quality, increased property value, and reduced maintenance costs;
- increased energy efficiency training, capacity building, and employment as well as direct and indirect benefits through external delivery and installation of energy-efficient technologies and private sector support services provided to Efficiency Manitoba;
- increased business competitiveness through reduced energy bills, which can make up a significant portion of business costs; and
- reduced water consumption and waste reduction. For example, 95% of refrigerators and freezers picked up through the Appliance Recycling Program can be recycled.

4.3.4 Benefits | Cost effectiveness

Cost effectiveness is an indicator of the relative performance or economic attractiveness of any investment or practice. In the energy efficiency field, the present value of the estimated stream of benefits produced by an energy efficiency measure or program is compared to the present value of the stream of costs of implementing that measure or program.

With regards to planned cost-effectiveness metrics for 2024/25, the approach for allocating Enabling Strategies and Corporate Overhead budgets and the impacts of

interactive effects is aligned with the process documented within *Section 5* of the 2020-23 Efficiency Plan and the *Plan Amendments – 2020-23 Efficiency Plan*. Specifically, interactive effects from electric programs that increase natural gas consumption, and thus decrease natural gas benefits, have been allocated to the electric portfolio as shown below. This appropriately allocates the impacts of the interactive effects to the electric portfolio and avoids burdening the natural gas portfolio with impacts created by electric programs.

As the cost-effectiveness metrics are based on the impacts of Efficiency Plan activities throughout the Plan time horizon, the addition of 2024/25 has been incorporated into the following tables for both the electricity and natural gas portfolios. As such, and due to the savings and cost approaches taken, the shown cost-effectiveness metrics are nearly identical to those put forward in the *Plan Amendments – 2020-23 Efficiency Plan*.

The Program Administrator Cost Test (PACT) determines the cost effectiveness of a program or the portfolio to Efficiency Manitoba by including all of Efficiency Manitoba's benefits and costs. The electric and natural gas benefits are Manitoba Hydro's electrical and natural gas marginal values, respectively. The costs include Efficiency Manitoba's cost of program design, delivery, administration, incentives, support, and overhead. It can be presented as a ratio, a net present value (NPV), or a levelized cost.

- The PACT ratio presents the cost effectiveness as a ratio of the benefits (avoided supply costs achieved by the net energy and peak demand savings generated) over the costs (sum of the program administration and incentive costs). A ratio of one or higher indicates that benefits outweigh costs.

- The net present value (NPV) of the PACT presents the cost effectiveness as the difference between the present value of the benefits and present value of the costs. A positive value indicates that benefits outweigh the costs, and the size of the NPV indicates the magnitude of the net benefits.

- The levelized cost (LC) of the PACT provides an economic cost value for the energy saved by the program (in ¢/kWh for electricity and in ¢/m³ for natural gas).

It's important to note that the PACT metrics as outlined by legislation achieve a PACT of greater than one, demonstrating that for every dollar spent on energy efficiency, more than $1 of financial benefits to the utility are derived. The PACT ratio for the electric portfolio continues to be very positive, indicating that the financial benefits for the utility associated with investing in energy efficiency generate three times that in value. Beyond this, and not specifically measured by the legislated PACT tests, are additional customer benefits associated with reduced energy bills and energy burden, reduced GHG emissions and associated carbon charges, increased home comfort, increased business competitiveness, economic benefits associated with dollars available for Manitobans to spend elsewhere in the economy, job creation, and local economic benefits associated with energy efficiency for suppliers and installers of energy efficiency products and technologies.

TABLE 7: EFFICIENCY PLAN SUMMARY | ELECTRIC PROGRAMMING & PORTFOLIO COST EFFECTIVENESS METRICS THROUGH 2024/25

	PACT ratio	PACT NPV	PACT levelized cost
Overall portfolio metrics	2.97	$444 million	2.38 ¢/kWh

Note. Overall portfolio metrics include the impact of interactive effects, enabling strategies, and corporate overhead. The value of natural gas interactive effects (in negative natural gas benefits) resulting from electric programming are allocated to the electric portfolio.

TABLE 8: EFFICIENCY PLAN SUMMARY | NATURAL GAS PROGRAMMING & PORTFOLIO COST EFFECTIVENESS METRICS THROUGH 2024/25

	PACT ratio	PACT NPV	PACT levelized cost
Overall portfolio metrics	1.19	$21 million	15.86 ¢/m^3

Note. Overall portfolio metrics include the impact of enabling strategies and corporate overhead. The value of natural gas interactive effects (in negative natural gas benefits) resulting from electric programming are allocated to the electric portfolio.

4.4 2024/25 Plan Update budget: Efficiency Manitoba Act Section 13.3 (1) (f)

With regards to planned expenditures associated with 2024/25, the approach taken by Efficiency Manitoba is aligned with the process documented within *Section 4.4.2 Portfolio Programming Budget* within the 2020-23 Efficiency Plan and within the *Plan Amendments – 2020-23 Efficiency Plan* specifically related to the allocation of costs within the Enabling Strategies and Corporate Overhead budget categories. Namely, a cost driver approach was used for those categories to allocate 55% of those costs to the electric portfolio and 45% allocated to the natural gas portfolio.

For the 2024/2025 Plan Update, the budget for both the electricity and natural gas portfolios is shown in Table 9. Table 10 further delineates the budgets to the customer sector and program bundle level.

It's important to note that with actual expenditures under the budgeted expenditures during the initial Plan years recognizing customer participation, should customer participation increase such that additional budget dollars are required in 2024/25 beyond those budgeted, Efficiency Manitoba would intend to enable customer participation and capture the resulting energy savings. This would align to the surpluses and deficits provision 7(2) in the Efficiency Manitoba Act.

It's also important to note that the budget for the Plan Update does not include new direction on programs or initiatives that may be forthcoming from provincial energy policy nor Manitoba Hydro's Integrated Resource Plan.

TABLE 9: EFFICIENCY PLAN SUMMARY | ANNUAL EXPENSE BUDGET (000'S $)

	2023/24	2024/25
Annual electric budget	$50,677	$44,598
Annual natural gas budget	$25,334	$32,322
Total budget	**$76,011**	**$76,920**

Note. Currency is expressed in nominal dollars. Totals may not add up due to rounding.

TABLE 10: EFFICIENCY PLAN SUMMARY | ANNUAL EXPENSE BUDGET (000'S $)

			2024/25 Electric Budget (000's $)	2024/25 Natural Gas Budget (000's $)	2024/25 Total Budget (000's $)
RESIDENTIAL PROGRAMS					
	Instant Rebates		$ 1,111	$ 232	$ 1,343
	Appliance Recycling Program		$ 1,833	$ -	$ 1,833
	Home Insulation Program		$ 1,117	$ 1,458	$ 2,575
	Windows & Doors Program		$ 441	$ 1,765	$ 2,206
	Ground Source Heat Pumps		$ 284	$ 32	$ 316
	Air Source Heat Pumps		$ 143	$ 320	$ 462
	Home Energy Reports - Residential		$ 760	$ 342	$ 1,102
	New Homes Program		$ 1,231	$ 439	$ 1,670
	Home Energy Retrofit Program		$ 569	$ 1,115	$ 1,683
	Sector Support		$ 664	$ 543	$ 1,207
		Subtotal	$ 8,152	$ 6,245	$ 14,397
INCOME BASED PROGRAMS					
	Energy Efficiency Assistance Program		$ 1,925	$ 8,639	$ 10,564
	Home Energy Reports - Income Based		$ 308	$ 139	$ 447
	Sector Support		$ 483	$ 395	$ 879
		Subtotal	$ 2,717	$ 9,173	$ 11,889
INDIGENOUS PROGRAMS					
	First Nation Energy Efficiency Program		$ 1,081	$ -	$ 1,081
	Indigenous Small Business Program		$ 533	$ 23	$ 555
	Community Heat Pump		$ 629	$ -	$ 629
	Métis Energy Efficiency Offers		$ 257	$ 892	$ 1,150
	Sector Support		$ 841	$ 45	$ 886
		Subtotal	$ 3,342	$ 960	$ 4,302
COMMERCIAL, INDUSTRIAL & AGRICULTURAL PROGRAMS					
	Commercial Kitchen Appliance Program		$ 149	$ 36	$ 185
	Commercial Refrigeration Program		$ 151	$ -	$ 151
	Small Business Program		$ 1,846	$ 93	$ 1,939
	In-Suite Energy Efficiency Program		$ 149	$ 192	$ 342
	Business Lighting Program		$ 9,946	$ -	$ 9,946
	Building Envelope Program		$ 870	$ 3,507	$ 4,377
	HVAC & Controls - Downstream		$ 116	$ -	$ 116
	HVAC & Controls - Upstream		$ 113	$ 597	$ 710
	New Buildings Program		$ 1,332	$ 2,135	$ 3,467
	Commercial Deep Energy Retrofit Program		$ 1,411	$ 1,664	$ 3,076
	Custom Energy Solutions		$ 4,596	$ 2,066	$ 6,662
	Strategic Energy Manager Initiative		$ 1,464	$ 597	$ 2,061
	Load Displacement		$ 840	$ -	$ 840
	Sector Support		$ 1,577	$ 1,290	$ 2,867
		Subtotal	$ 24,560	$ 12,177	$ 36,737
EMERGING TECHNOLOGY PROGRAMS					
	Solar Energy Program		$ 1,224	$ -	$ 1,224
	Sector Support		$ 490	$ 401	$ 891
		Subtotal	$ 1,714	$ 401	$ 2,115
Program Totals			$ 40,484	$ 28,956	$ 69,440
Enabling Strategies			$ 2,282	$ 1,867	$ 4,149
Corporate Overhead			$ 1,832	$ 1,499	$ 3,331
Total Costs (000's $)			**$ 44,598**	**$ 32,322**	**$ 76,920**

Note: Totals may not add up due to rounding. Enabling Strategies include program support and education, innovation, codes & standards, and evaluation.

TABLE 11: SAVINGS AND PARTICIPATION BY PROGRAM

			2024/25 Electric savings (GWh)	2024/25 Natural gas savings (m^3)	2024/25 Total participation	Units
RESIDENTIAL PROGRAMS						
	Instant Rebates		8.9	0.51	131,600	No. of products/appliances
	Appliance Recycling Program		3.1	-0.08	4,400	No. of products/appliances
	Home Insulation Program		1.5	0.40	1,600	No. of projects
	Windows & Doors Program		1.3	0.77	2,800	No. of projects
	Ground Source Heat Pumps		0.1	0.00	20	No. of projects
	Air Source Heat Pumps		-0.4	0.12	170	No. of projects
	Home Energy Reports - Residential		4.6	0.23	74,700	No. of reports
	New Homes Program		1.7	0.11	280	No. of houses
	Home Energy Retrofit Program		1.4	0.33	150	No. of houses
		Subtotal	22.0	2.39		
RESIDENTIAL SUPPORTING OFFERS						
	Generation E (Education Program)					
	Virtual Energy Review					
INCOME BASED PROGRAMS						
	Energy Efficiency Assistance Program		3.0	1.23	1,900	Completed Homes (includes In-Suite)
	Home Energy Reports - Income Based		1.8	0.08	28,100	No. of reports
		Subtotal	4.8	1.31		
COMMUNITY SUPPORTING OFFERS						
	Community Energy Efficiency Program					
	Neighbourhood Renewal Partnerships					
INDIGENOUS PROGRAMS						
	First Nation Energy Efficiency Program		1.1	-	380	No. of houses
	Indigenous Small Business Program		0.3	0.00	80	No. of businesses
	Community Heat Pump		0.6	-	80	No. of systems
	Métis Energy Efficiency Offers		0.4	0.13	210	Completed Homes (includes In-Suite)
		Subtotal	2.5	0.13		
INDIGENOUS COMMUNITY SUPPORTING OFFERS						
	Indigenous Community Energy Efficiency Program					
COMMERCIAL, INDUSTRIAL & AGRICULTURAL PROGRAMS						
	Commercial Kitchen Appliance Program		1.5	0.03	1,100	No. of applications
	Commercial Refrigeration Program		0.9	0.03	70	No. of applications
	Small Business Program		2.3	-0.03	900	No. of applications
	In-Suite Energy Efficiency Program		0.8	0.15	3,000	No. of suites
	Business Lighting Program		58.8	-2.05	1,200	No. of projects
	Building Envelope Program		3.6	1.51	390	No. of projects
	Ground Source Heat Pumps		0.1	0.00	10	No. of buildings
	Air Source Heat Pumps		0.0	0.01	10	No. of projects
	HVAC & Controls - Downstream		0.1	-	20	No. of applications
	HVAC & Controls - Upstream		0.4	1.21	170	No. of applications
	New Buildings Program		2.2	0.47	30	No. of buildings
	Commercial Deep Energy Retrofit Program		2.5	0.43	10	No. of buildings
	Custom Energy Solutions		31.6	7.30	190	No. of projects
	Strategic Energy Manager Initiative		2.1	0.69	64	No. of annual reports
	Load Displacement		90.0	-	< 10	No. of projects
		Subtotal	196.8	9.74		
COMMERCIAL, INDUSTRIAL & AGRICULTURAL SUPPORTING OFFERS						
	Commercial Energy Audits					
	Energy Efficiency Assessments					
	Feasibility Studies					
	Benchmarking Studies					
EMERGING TECHNOLOGY PROGRAMS						
	Solar Energy Program		1.1	-	210	No. of customers
		Subtotal	1.1	-		
EMERGING TECHNOLOGY SUPPORTING OFFERS						
	Innovation Fund					
Program Impact Totals			227	13.57		
Codes, Standards & Regulations			111	4.05		
Total			**338**	**17.62**		

Note: May not add up due to rounding.

5. FINANCIAL BUDGETS & FORECASTS

The pandemic and subsequent economic conditions including inflation, supply chain disruption and labour shortages, have had a significant impact on Efficiency Manitoba's customers' ability to undertake energy efficiency upgrades and on Efficiency Manitoba's ability to deliver programs to Manitoba homes and businesses. As a result of reduced customer participation in programs, Efficiency Manitoba's planned expenses, approximately 65% of which being customer incentives in the 2020-23 Efficiency Plan, have been reduced during the first three years of operations. At the conclusion of the 2022/23 fiscal year, Efficiency Manitoba's overall expenses were $48.1 million, which represented approximately 63% of the budgeted expenses for the fiscal year.

At the conclusion of Quarter 3 of 2023/24 (December 31, 2023), Efficiency Manitoba's overall expenses were $39 million which represented 51% of the total budgeted expenses for the fiscal year (68% of budgeted expenses for the nine months fiscal year to date). With each quarter seeing progressively more customer participation and therefore more incentives paid, Efficiency Manitoba is projecting that expenditures will reach approximately 72% of those budgeted by the end of the 2023/24 fiscal year while achieving approximately 80% of electrical energy savings and exceeding 100% of the natural gas savings target.

Efficiency Manitoba only requests funding from Manitoba Hydro to cover expenses, therefore revenue is similarly reduced for Efficiency Manitoba's operations.

The speed of economic recovery is uncertain. While recognizing the strong role that Efficiency Manitoba can play in economic recovery and affordability by providing bill savings to customers through program participation, Efficiency Manitoba's 2024/25 budget includes consideration of the key initiatives and portfolio enhancements and changes introduced and completed to date. Further, the 2024/25 budget establishes the foundation for further developing and incorporating programs or initiatives resulting from provincial energy priorities and initiatives related to Manitoba Hydro's Integrated Resource Plan. Additional forward-looking budget considerations will be addressed in the 2026-29 Efficiency Plan.

With the above in mind, Efficiency Manitoba's budgeted expenses for 2024/25 are highlighted in Section 4.4 along with Table 12 below.

Through the Canada-Manitoba Low Carbon Economy Leadership Fund ("Leadership Fund") Agreement, Efficiency Manitoba has claimed $20,404,670, which is recorded as a receivable as of March 31, 2023. In Quarter 2 of 2023/24, Efficiency Manitoba received $9,007,772 reducing the outstanding receivable to $11,396,898. A final claim will be submitted for the 2023/24 fiscal year.

TABLE 12: FINANCIAL SUMMARY & BUDGET

(000's)	2022/23 Actual	2023/24 Budget	2023/24 Nine months ended December 31, 2023	2024/25 Budget	
Revenue:					
Contributions	47,706	75,683	38,586	76,428	
Interest income	105	-	151	175	
Employment grants	$ -	$ -	$ -	$ -	
	47,811	75,683	38,737	76,603	
Expenses					
Salaries and benefits	7,800	9,576	6,245	9,649	
Customer incentives	29,860	45,247	25,280	50,760	
Contracted services and program delivery	6,278	12,188	3,990	11,133	
Regulatory expense	-	3,558	62	-	
Rent	376	459	310	412	
Other expenses	$ 3,496	$ 4,654	$ 2,850	$ 4,650	
	47,811	75,683	38,737	76,603	(A)
Surplus for the year before the undernoted	-	-	-	-	
Manitoba Hydro contributions related to capital	318	60	61	50	
Amortization expense	(329)	(327)	(247)	(316)	(B)
Surplus (deficit) for the year	(11)	(267)	(186)	(266)	
Note: Total recognized expenses include the sum of (A) + (B)				76,920	

6. HUMAN RESOURCES

6.1 Staffing & employee/labour relations summary

Building Efficiency Manitoba as a stand-alone organization focused on energy efficiency has been a very significant and involved undertaking, not only relative to building the foundation for the organization including policies, processes, and systems, launching over 40 programs and offers into the market and implementing significant pivots, but also simultaneously staffing the organization.

During the operational commencement phase of the organization, two collective agreements that were inherited in the transition of energy efficiency were also renegotiated with Efficiency Manitoba as a separate employer. The contracts between Efficiency Manitoba and CUPE Local 998 and AMHSSE respectively have been ratified and are in place for a five-year duration from January 1, 2021 to December 31, 2025.

The following table provides the full-time equivalent employees budgeted for 2024/25. As Efficiency Manitoba has continued to grow program participation and expand initiatives, offers and engagement, the staffing complement identified in the initial Efficiency Plan has been achieved. The next stage of Efficiency Manitoba began in 2023/24 and provides the opportunity to further respond to (i) market signals to allow continued evolution of programming, (ii) external operating environment conditions discussed in Section 2.2 and (iii) establish a foundation for the development of future programs or initiatives resulting from provincial energy priorities and initiatives related to Manitoba Hydro's Integrated Resource Plan as outlined in the key initiatives.

TABLE 13: FULL-TIME EQUIVALENT EMPLOYEES

Full-time equivalent employees

	Actuals as at December 31, 2023	2024/25 Budget
Executive/Mgmt[1]	10.0	10.0
Employees	66.4	85.0
Efficiency Manitoba Total	76.4	95.0

Notes:

[1] Executive/Mgmt includes CEO, VPs and Managers.

Given the critical role of energy efficiency in achieving net zero by 2050 goals, along with real and significant benefits to customers including affordability through energy and bill savings via implementing energy efficiency, sufficient Efficiency Manitoba resourcing is required to support the needs of the organization. This includes ensuring customer awareness, driving and engaging on customer projects, providing subject matter expertise related to and supporting broader energy transition objectives, and pursuing

key initiatives aligned with Efficiency Manitoba's future as identified in this Annual Business Plan.

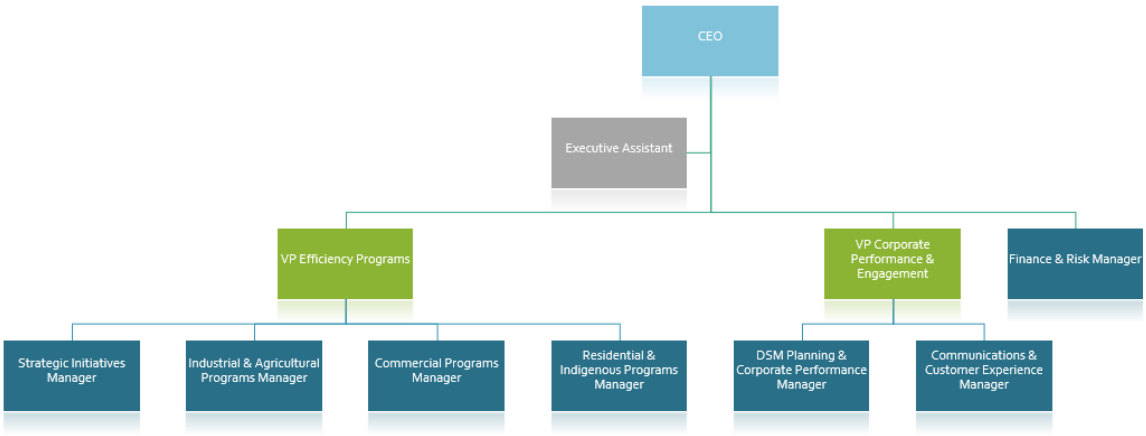
The 2026-29 Efficiency Plan development process will consider the resourcing needs of the organization beyond that noted above for the 2024/25 fiscal year.

6.2 Organization chart (at December 31, 2023)

At December 31, 2023, Efficiency Manitoba had 76.4 full-time equivalent employees. The majority of these roles are concentrated in energy efficiency programs, engineering, and technical support, while the balance of roles are in key corporate support functions of accounting, procurement, human resources, communications, corporate performance, and reporting.

Consistent with Efficiency Manitoba's legislated mandate, the private sector is leveraged to secure additional corporate support for requirements in legal, contact centre, regulatory, IT managed services, and creative design services. In addition, private sector suppliers and delivery partners separate and apart from Efficiency Manitoba's workforce are critical in providing "boots on the ground" services related to getting programs created by the organization into the hands of Manitobans across the province.

FIGURE 5: ORGANIZATIONAL CHART



7. CAPITAL PLAN

A portion of the 2023/24 capital budget for furniture and computer acquisitions was reallocated to equipment acquisition. Moving into 2024/25, capital expenditures continue to be nominal and will include computer equipment as end of life replacements and/or unplanned ancillary purchase requirements.

TABLE 14: CAPITAL EXPENDITURES

($000s)	2022/23 Actual	2023/24 Budget	2023/24 Nine months ended December 31, 2023	2024/25 Budget
Computers	$ 115	$ 30	$ 19	$ 50
Furniture	$ 203	$ 30	$ 5	$ -
Equipment		$ -	$ 37	$ -
Total Capital Asset Acquisitions	$ 318	$ 60	$ 61	$ 50

ANNUAL BUSINESS PLAN

2025/26

Statement from the Board Chair

We are pleased to submit Efficiency Manitoba's Annual Business Plan (ABP) for 2025/26.

Since our official commencement on April 1, 2020, Efficiency Manitoba has transitioned from an organization built from the ground up, through our start-up phase during a global pandemic and its associated economic impacts, to a strong and resilient stand-alone Crown corporation leading the way for Manitobans in efficiency as we collectively navigate the energy transition.

Throughout our existence, the team at Efficiency Manitoba has been hard at work designing, implementing, modifying, and delivering results via over 40 energy efficiency programs and offers for Manitobans.

Year over year, prompted by our ongoing engagement and customer-focused approach, awareness of Efficiency Manitoba has been growing. This has translated into more customers participating in our programs, driving investment in energy efficiency. The resulting benefits are numerous including reduced energy bills, increased home comfort and affordability, training and employment opportunities, Indigenous reconciliation, enhanced business competitiveness, reduced reliance on imported fossil fuels, lower greenhouse gas emissions, and better use of the existing energy infrastructure in Manitoba.

This ABP reflects Efficiency Manitoba's sixth year delivering on the mandate to achieve significant electric and natural gas savings in the Province of Manitoba. It also recognizes and incorporates key initiatives aligned with our mandate letter received in March 2024, while fulfilling the Plan update requirements outlined in the Efficiency Manitoba Act (Section 13) associated with an extended Efficiency Plan through 2025/26.

The energy landscape is evolving, and the work Efficiency Manitoba does to help homes, businesses, and communities use less energy and support our province's electric grid by reducing demand at peak periods is vital to our province's energy future and the path to decarbonization. Choosing to invest in energy efficiency offers a guaranteed return through savings seen immediately on energy bills while also mitigating the impacts of future rate increases and reducing negative impacts on the environment. With everyday living costs on the rise, we help make the investment in energy efficiency even easier.

As we enter into the 2025/26 fiscal year, we are actioning our increasingly significant role made possible through the strong foundation of trust and expertise we have built to date. We are focused on being a collaborative partner to others who have complementary mandates and objectives designed to help our fellow Manitobans navigate the energy transition and meet the objective of net-zero by 2050. It is an exciting time in the energy landscape and we are actively leading, contributing, and can't wait to work with more Manitobans.

Dr. Jeannette Montufar-MacKay
Board Chair, Efficiency Manitoba

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1 MANDATE & STRATEGIC DIRECTION

1.1 Mandate as set out in the Efficiency Manitoba Act

The Efficiency Manitoba Act (the Act) came into force on January 25, 2018. The Act outlines Efficiency Manitoba's mandate which is to:

a) Implement and support demand-side management initiatives to meet the savings targets and achieve any resulting reductions in greenhouse gas emissions in Manitoba;

b) Achieve additional reduction in the consumption of electrical energy or natural gas – including resulting reductions in the demand for electrical power – if the reductions can be achieved in a cost-effective manner;

c) Mitigate the impact of rate increases and delay the point at which capital investments in major new generation and transmission projects will be required by Manitoba Hydro to serve the needs of Manitobans;

d) If any of the following are prescribed as being subject to demand-side management under this Act, carry out the prescribed duties in respect of them:
   - Demand for electrical power in Manitoba,
   - Potable water consumed in Manitoba,
   - Fossil fuels consumed in the transportation sector in Manitoba; and

e) Promote and encourage the involvement of the private sector and other non-government entities in the delivery of its demand-side management initiatives.

In five years of operations, Efficiency Manitoba rolled out energy efficiency programs and offers across the residential, income-based, Indigenous, commercial, agricultural, and industrial customer segments with over 40 programs and offers available to Manitobans. While the pandemic significantly impacted customer participation relative to the approved three-year (2020-23) Efficiency Plan, Efficiency Manitoba has been increasingly successful in reaching Manitobans by providing helpful and diverse programs, adapting and modifying existing offers, and enhancing communications and advertising.

As the organization continues implementing the approved three-year (2020-23) Efficiency Plan including extensions, programs will continue to be assessed, added, enhanced, and improved on an ongoing basis recognizing feedback from customers, suppliers, and delivery partners. Efficiency Manitoba is fully committed to maximizing the benefits for all Manitobans through implementation and delivery of programs.

Year over year, Efficiency Manitoba is making progress towards the long-term achievement of energy savings of an annual average of 1.5% of electric load and 0.75% of natural gas volume. The goal of Efficiency Manitoba is to achieve a cumulative total of 22.5% electrical energy savings and 11.25% natural gas savings in Manitoba over a 15-year period.

1.2 Strategic direction

1.2.1 Vision and mission

VISION

Enabling a sustainable and affordable energy future for a resilient Manitoba.

MISSION

Through leadership, innovation, and partnerships, we inspire all Manitobans to save energy, reduce costs, and contribute to a cleaner and stronger Manitoba.

1.2.2 Guiding principles

Team culture

We foster an exceptional culture of ongoing growth, collaboration, and support.

Keeping things simple

We communicate clearly and ensure processes are easy to understand and use.

Reconciliation

We're committed to continuous learning and building respectful, collaborative relationships to advance Reconciliation.

Equity and access

We prioritize equity and access. We provide programs and services that meet people where they are.

Transparency

We're transparent, open, accountable, and focused on earning trust.

Sustainability

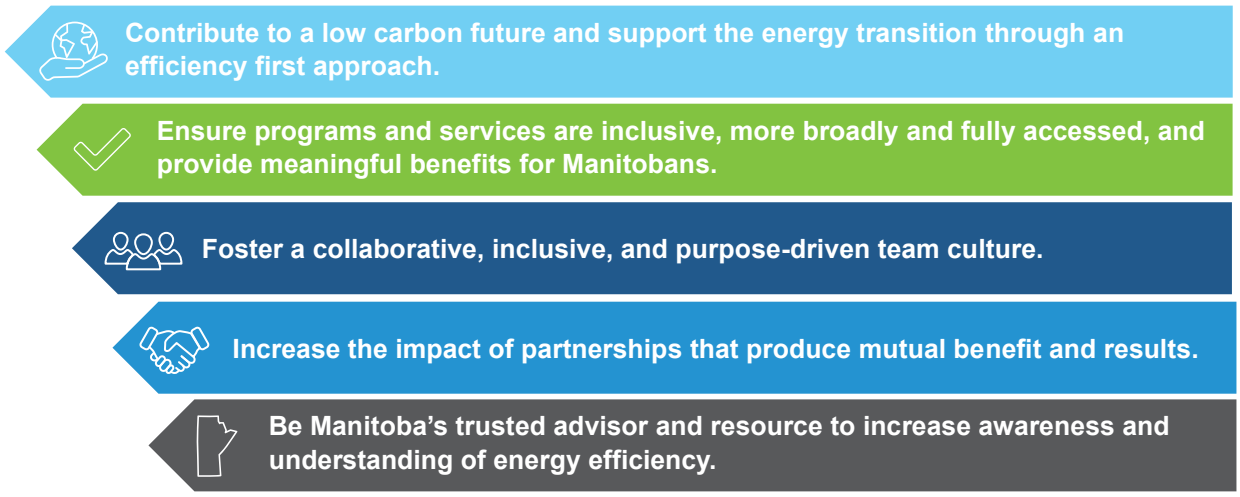
We reduce environmental impacts and partner with those who share our sustainability values.

Investing in Manitoba

We strengthen Manitoba's economic, environmental, and social well-being while building upon local capacity to deliver solutions.

1.3 Strategic priorities

1.3.1 Strategic goals



1.3.2 Key initiatives: Crown Corporations Governance and Accountability Act Section 7 (2) (a)

The release of Manitoba's Affordable Energy Plan in September 2024, along with the mandate letter issued to Efficiency Manitoba in March 2024, signal Efficiency Manitoba's expanded role relative to broader provincial energy priorities particularly in maximizing energy savings for Manitobans. The Affordable Energy Plan also points to the development of Manitoba Hydro's 2025 Integrated Resource Plan. This Plan will examine how best to meet long-term electricity requirements within Manitoba through a variety of supply and demand side options such as through energy efficiency and managing peak demand.

Key initiatives for 2025/26 outline areas within the rapidly evolving energy landscape and provincial priorities where focused effort of Efficiency Manitoba will be applied to actively participate and lead. Additional key initiatives include areas of research and development, program design and launch, and specific targeted enhancements.

Legislative alignment

Aligning the legislative framework in several key areas will enable the work of Efficiency Manitoba to support Affordable Energy Plan objectives and align the Efficiency Manitoba Regulation with the mandate received in March 2024. Led by the Department of Environment and Climate Change, Efficiency Manitoba will provide advisory support based on detailed experiential understanding of the Efficiency Manitoba Regulation as well as subject matter expertise on the energy efficiency industry. Areas of contribution will be related to the following:

- Aligning energy savings reporting and mandate direction of reducing real electric or natural gas volume growth.
- Establishing clarity around the approach to beneficial electrification in areas where Efficiency Manitoba can impact conversion from natural gas to efficient electrification and in areas such as the transport sector where electrification cannot be impacted by Efficiency Manitoba's programs and actions.
- Incorporating demand and peak capacity savings into the scope of Efficiency Manitoba Efficiency Plans inclusive of both demand savings resulting from demand side management programming but also demand response offers.
- Investigating alternatives to the prescribed cost-effectiveness methodology that can capture an expanded suite of benefits of demand side management including affordability, greenhouse gas emissions reductions, and job creation.
- Other areas of provincial priority where Efficiency Manitoba can provide strategic advice and support.

Manitoba Hydro 2025 Integrated Resource Plan support

As Manitoba Hydro works towards the completion of a 2025 Integrated Resource Plan including development plan details and the sequence of specific actions, Efficiency Manitoba will be providing information, advice, and technical guidance related to the

treatment of demand side management strategies to satisfy future energy and capacity needs.

Specific areas of contribution to the 2025 Integrated Resource Plan will include the following:

- Providing technical support on the long-term forecasting and extension of energy efficiency planning activities.
- Providing overall advice to Manitoba Hydro on the characterization and modelling treatment of demand side management technologies within the 2025 Integrated Resource Plan.
- Reviewing the 2025 Integrated Resource Plan outputs as they relate to the incorporation and modelling of demand side management.
- Actively participating in Technical Advisory Committee sessions to support common understanding amongst committee members specifically related to demand side management.
- Participating in additional Integrated Resource Planning engagement sessions as requested by Manitoba Hydro.

Delivery of the Affordable Home Energy Program

Efficiency Manitoba is progressing towards the desired outcomes associated with Manitoba's Affordable Home Energy Program including improving home energy affordability, helping to close the energy poverty gap, and increasing market adoption of heat pump technologies within the Manitoba market to reduce greenhouse gas emissions and reduce Manitoba's electric peak demand requirements. Key activities associated with the Affordable Home Energy Program in 2025/26 will include the following:

- Driving participation for income-based, Indigenous, and mass-market residential customer segments as well as within commercial multi-unit residential buildings through the branded Affordable Home Energy Program. A key strategy to build the residential home-by-home ground source heat pump market will be to continue to expand the Community Heat Pump Program for First Nation communities. This includes pursuing additional projects through the existing Community Driven Outcomes model where the capital cost of the ground source heat pumps is raised through a financial intermediary, installed at no cost to First Nation communities and provides increased access to training and employment opportunities. This offer includes an expansion of the current training program delivered to First Nation community members. Other much needed energy efficiency upgrades such as insulation and windows and doors to maximize efficiency and energy savings potential are incorporated to ensure homes are in adequate condition and fully weatherized prior to receiving a heat pump.
- Working with industry and like-minded organizations to increase capacity via training and awareness. Strategies to address the skills gap and increase capacity include the following actions:

    - Engaging with industry and interested parties including designers, installers, contractors, and associations to accurately assess contractor market size and inform targeted actions to address labour shortages;
    - Identifying the required green economy workforce education, skills, and training required to develop capacity; and
    - Supporting and promoting targeted training sessions and programs with Manitoba-specific best practices for the design, installation, and operation of ground source heat pumps to gain support from contractors who will be pivotal to the success of program objectives.
- Submitting a proposal to the Canada Greener Homes Affordability Program to leverage federal funding that supports delivery of energy efficient technologies, including heat pumps, for income-based customers at no upfront costs.
- Enhancing Efficiency Manitoba's New Buildings Program and Deep Energy Retrofit Program specifically for multi-unit residential buildings to encourage the installation of ground source heat pumps resulting in more families having access to an affordable and sustainable heating option.
- Collaborating with Manitoba and Canada on the marketing and delivery of the Oil to Heat Pump Affordability program negotiated between Manitoba and Canada targeted at switching from fossil fuels to ground source and air source heat pumps.
- Supporting ground source district thermal energy systems. This will be accomplished through the Efficiency Manitoba Innovation Fund to provide funding to support the feasibility study and engineering design components of ground source district systems.

Demand response

Demand response refers to the programs or strategies used to shift customer electricity demand to times when demand is lower, or supply is more plentiful. Within 2025/26, Efficiency Manitoba, working closely with Manitoba Hydro, will begin to pilot demand response offers to market. Demand response has the potential to satisfy multiple objectives for Manitoba including cost-effectively reducing electrical demand during peak times and expanding the suite of options available to Manitobans to help manage their electricity usage and reduce energy costs. Key activities associated with this initiative will include the following:

- Education campaigns to introduce the concept of peak demand and the role of demand response to the public. Education initiatives will be important to ensure customers understand how their participation in demand response programs can benefit the Manitoba Hydro grid and ultimately affect Manitoba Hydro's infrastructure requirements necessary to serve the needs of Manitobans including associated costs borne by ratepayers.
- Collaborating with Manitoba Hydro on the design and launch of a commercial or industrial curtailment pilot and a residential smart thermostat pilot to test market design, incentive signals, technology integration, and to identify enabling strategies that are needed along with potential outcomes and risk drivers to consider for larger scale deployment, all within a Manitoba context.
- Collaborating with Manitoba Hydro to establish a demand response governance and accountability framework that identifies the responsibilities of each organization. Activities could include the establishment of terms of reference, roles and responsibilities, working groups and reporting guidelines between the respective organizations to best utilize organizational capabilities and ensure the best outcomes for Manitobans.

2026-29 Efficiency Plan development

Recognizing an extension of the current Efficiency Plan through 2025/26, while also appreciating required submission date of the 2026-29 Efficiency Plan by no later than November 1, 2025, work will occur inside of 2025/26 relative to the 2026-29 Efficiency Plan.

Within 2025/26, and with no confirmation of a further Plan extension, development work on the next Efficiency Plan will include the following:

- Updating a retrospective analysis of Efficiency Manitoba's operating environment and evaluated results to date.
- Continued evolution of strategies to progress on energy savings targets.
- Incorporation of demand response strategies including assessment of proposed activities during the 2026-29 Efficiency Plan time horizon (pending supporting Regulation language).
- Consideration and incorporation of the results of the long-term (15-year) Demand Side Management (DSM) Market Potential Study completed within 2022/23.

- Support for the broader energy landscape within Manitoba and Efficiency Manitoba's legislated role with regards to provincial priorities articulated within the Affordable Energy Plan and information available to date through the development of the 2025 Manitoba Hydro Integrated Resource Plan.
- Detailed program reviews, analysis, and design or re-design activities to further optimize offers and increase customer participation.
- Comprehensive quantitative analysis of program and technology energy savings, costs, and cost effectiveness.
- Incorporation of accepted recommendations from the independent assessment of programs and offers over the completed years of the Efficiency Plan.
- The development of detailed analysis and budgeting models.
- Incorporation of the Canada Greener Homes Affordability Program (pending details of Efficiency Manitoba's participation in this program).
- The drafting and consolidation of all materials into a comprehensive filing document, in line with the requirements specified in section 9 of the Efficiency Manitoba Act, for submission to the Public Utilities Board (PUB) for review.

Beyond the activities outlined above specific to developing the Efficiency Plan, there is significant effort and resource allocation directed towards engaging on the Efficiency Plan, followed by taking the Efficiency Plan through the regulatory process (responding to a significant volume of information requests, preparation, testifying, and public hearing participation as examples).

TABLE 1: KEY INITIATIVES | METRICS FOR 2025/26

Crown Corporations Governance and Accountability Act Section 7 (2) (a) (b) and (d) – See also section 4 of this Annual Business Plan

Key initiative	Current state	Target
Legislative alignment		
Legislative alignment – advisory support based on detailed experiential understanding of the Efficiency Manitoba Regulation	Advisory support commenced	Through 2025/26 with timing sufficient to make a meaningful difference in Efficiency Plan filing
Manitoba Hydro 2025 Integrated Resource Plan support		
Participate and provide advisory support as outlined in the components of this key initiative above	In progress	Current through Q3 2025/26
Delivery of the Affordable Home Energy Program		
(a) All market offers or enhancements launched (b) Support residential home-by-home heat pump installations (c) Support multi-unit residential building-by-building heat pump installs	In progress	Q1 2025/26
Completed engagement and training sessions with industry	In progress	Q4 2025/26
Submitted Canada Greener Homes Affordability Program proposal and executed funding agreement	Federal call for proposals pending	Q1 2025/26
Innovation Fund feasibility and engineering design support for committed multi-family residential buildings that upon completion will serve residential suites	In progress	Funding agreements in place for three projects by Q3 2025/56
Demand response		
Collaborating with Manitoba Hydro on an education campaign	Forthcoming	By Q4 2025/26
Collaborating with Manitoba Hydro on launch of a commercial or industrial curtailment pilot and a residential smart thermostat pilot	In progress	By Q4 2025/26

Key initiative	Current state	Target
Collaborating with Manitoba Hydro to establish a demand response governance and accountability framework	Forthcoming	By Q4 2025/26
Incorporate demand response within the next Efficiency Plan	Forthcoming	By Q3 2025/26
2026-29 Efficiency Plan		
Efficiency Plan development	Forthcoming	Planning activities substantially completed by Q2 2025/26
Efficiency Plan engagement	Forthcoming	Engagement activities completed by Q2 2025/26
Efficiency Plan submission to the PUB	Forthcoming	Completed by November 1, 2025
Efficiency Plan regulatory process	Forthcoming	By Q4 2025/26 (subject to external scheduling confirmation)
2026-29 Efficiency Plan confirmation from Government	Forthcoming	Before April 1, 2026

2 OPERATING ENVIRONMENT

2.1 Internal operating environment

The 2025/26 fiscal period will mark the sixth year of delivering energy efficiency programs and supporting activities since the commencement of Efficiency Manitoba on April 1, 2020.

With a comprehensive suite of programs and offers, Efficiency Manitoba will continue to seek out innovative ways to increase customer participation through program modifications, engagement strategies, and the expansion or formation of strategically identified partnerships. These adaptations are pursued with the intended outcome of satisfying annual energy savings targets and addressing savings shortfalls from initial operational years. Coincident with these activities is the forward-looking focus required to deliver on the key initiatives identified above, alongside efforts associated with conceptualizing, designing, and modelling programs, initiatives, and strategies to support future Efficiency Plan development, engagement, and regulatory review initiatives. All of these will also be considered within the broader evolving energy landscape within Manitoba specifically related to provincial energy priorities including those articulated in Efficiency Manitoba's mandate letter, Manitoba's Affordable Energy Plan, along with Manitoba Hydro's 2025 Integrated Resource Plan and resulting development plans.

The budget, as prepared for 2025/26, considers the March 2024 mandate expansion. Given the recent release of the Manitoba Affordable Energy Plan and intentions for Manitoba Hydro to complete a 2025 Integrated Resource Plan complete with development plans, future EM activities associated with each have been budgeted with the extent of information known at this time. To provide flexibility for Efficiency Manitoba to capture opportunities that may be required related to its expanded mandate and government priorities through the 2025/26 fiscal year, additional budget allocation (inclusive of human resources, contracted services including third-party contracted support, and customer incentives) may be required.

In consideration of these operational requirements along with the broader federal and economic landscape discussed in the following section, navigating these multiple priorities driven by articulated expectations of Efficiency Manitoba has required the assessment and optimization of both internal and external resources. Efficiency Manitoba has budgeted for one hundred (100) full-time equivalent (FTE) positions in fiscal year 2025/26 with the intent that additional FTE positions will be brought forward within 2026/27 or sooner as required.

Efficiency Manitoba also has numerous avenues to engage with contracted service providers. Primarily, Efficiency Manitoba utilizes service delivery organizations and engages with a vast contractor network responsible for energy efficiency installations throughout the province. Through a completed public tender to solicit experience and expertise across a broad spectrum of specialized DSM services, Efficiency Manitoba ensures appropriate use of pre-qualified service providers to maintain a balanced

approach to operations, supplement the expertise of existing Efficiency Manitoba employees, and support clean energy jobs throughout 2025/26.

2.2 External operating environment

2.2.1 Energy transition

An energy transition is underway. It is being driven by a desire to take meaningful action towards addressing the climate crisis. These actions are being delivered through policies, commitments, and decisions at the local, national, and global level by governments, corporations, and individuals. Within Manitoba, The Province of Manitoba has indicated plans to create a roadmap to meet net-zero targets by 2050 while already embedding net-zero emissions language into the mandate letters of Efficiency Manitoba and Manitoba Hydro and as a cornerstone of the Manitoba Affordable Energy Plan.

Efficiency Manitoba is well positioned to leverage demand side management initiatives inclusive of, but not limited to, energy efficiency as a key strategy to address the energy transition in Manitoba. Through the combination of programming, initiatives, and expertise, this can be accomplished in a manner that results in lower greenhouse gas emissions, reduced new electrical capacity requirements, improved affordability for Manitobans, and local employment opportunity creation within a sustainable economy and one that makes progress towards Indigenous reconciliation.

This Annual Business Plan summarizes the incremental program improvements, actions, key initiatives, and anticipated outcomes that will continue to aid in many aspects of the energy transition. This transition presents significant opportunities with appropriate consideration and coordination by entities responsible for energy and energy efficiency in Manitoba. Efficiency Manitoba looks forward to focused activities on various aspects of the energy transition including supporting legislative alignments underway; supporting the Manitoba Hydro 2025 Integrated Resource Plan; delivery of the Affordable Home Energy Program; moving forward with demand response activities and further supporting actions resulting from the Manitoba Affordable Energy Plan.

2.2.2 Federal energy efficiency programming and other entities offering funding for energy efficiency-related upgrades

In February 2024, Natural Resources Canada (NRCan) stopped accepting new applications to the Canada Greener Homes Grant a full three years earlier than the initially communicated end date. These extra grant dollars were able to be stacked with Efficiency Manitoba rebates and incentives which, with the discontinuation of Canada Greener Homes Grant, means a significant reduction in the total incentive available for Manitobans to encourage energy efficiency retrofits. Efficiency Manitoba is designing and launching its own EnerGuide audit program to replace the audit portion of the Canada Greener Homes Grant, however overall reduction in capital incentives may result in a downward trajectory in customer participation in multiple Efficiency Manitoba residential renovation programs.

As identified in the section on key initiatives above, Natural Resources Canada will be issuing a call for proposals within the latter part of 2024/25 for delivery of a Canada Greener Homes Affordability Program focused specifically on low to median income Canadians. In consultation with Manitoba's Environment and Climate Change department, Efficiency Manitoba will be leading the proposal submission process, negotiations and, provided the proposal is successful, the eventual delivery of this program within Manitoba. Based on available information, Efficiency Manitoba will seek to leverage Federal funding to support a portion of the costs associated with the delivery of Efficiency Manitoba's Energy Efficiency Assistance Program. Efficiency Manitoba will need to be flexible to accommodate possible requirements to ensure Federal funding is maximized for Manitobans. This direct delivery of a Federal program in Manitoba should offer maximized participation and reduced customer confusion when compared to the parallel delivery of the Canada Greener Homes Initiative.

Canadian Mortgage and Housing Corporation (CMHC), Canada Infrastructure Bank (CIB) and the Federation of Canadian Municipalities (FCM) are all supporting commercial new construction through either favourable financing terms or direct capital contributions for those projects that meet defined energy performance minimums.

Federal and other programming focused on energy efficiency brings additional dollars and financing options locally to Manitobans and businesses focused on performing energy efficiency upgrades. These other programs also create the potential for customer confusion relative to the navigation of multiple program offerings, eligibility criteria, and application processes across different entities. Dedicated effort by the Efficiency Manitoba team is required to ensure awareness and appropriate consideration of these other funding sources alongside Efficiency Manitoba programs and offers.

2.2.3 Broader Manitoba economic conditions impact program participation

Consumer uncertainty related to inflationary pressures on material costs and interest rates can reasonably be expected to impact customer participation and investments in energy efficiency retrofits. More recent developments related to tariffs originating from both sides of the Canada-US border on materials and goods will impact the cost of energy efficiency retrofits to Manitoba homes and businesses through higher material and equipment costs. While Efficiency Manitoba continues to execute activities that capture energy savings, including executing on and enhancing planned marketing and continued program enhancement roll-out, it is critical to recognize that broad external economic conditions are not within the direct control of Efficiency Manitoba.

With strong provincial priorities focused on affordability, Efficiency Manitoba's programs provide a real and important source of assistance to many Manitobans in lowering energy bills, reducing energy burden, and assisting in business competitiveness through the reduction of energy expenses. Efficiency Manitoba will continue to extensively communicate its available programs and services while also reviewing incentive levels and ensuring supplier compensation is fair and appropriate (recognizing cost-effectiveness requirements of the organization). Despite the organization taking all available opportunities and actions, participation in programs is driven by the actions and

decision making by Manitobans which similarly have high likelihood of being impacted by broader economic conditions beyond their immediate control.

2.3 Operating risks & mitigation

While Efficiency Manitoba has made modifications to programs and offers in response to the pandemic and its associated impacts, project life cycles impact the timing of when spend and energy savings materialize. For large customer projects, the time from a customer's decision to participate to the completion of their project can range from six to 24 months. Recognizing this and the inherent impacts associated with broader Manitoba economic conditions, there may be delays in when spend and energy savings are realized in financial and energy savings metrics.

Although the Efficiency Manitoba Act allows for the carryover of surpluses and shortfalls in achieved energy savings into future years, Efficiency Manitoba is driving new activities to recover from lost savings opportunities. Section 4.2.1 provides details on the enhancements and program optimization opportunities specifically related to Efficiency Manitoba's energy efficiency programs and mandate and which are under consideration or have already been implemented to mitigate risks associated with lower customer participation.

Federal funding, when aligned with Efficiency Manitoba programs, can improve the reach of energy efficiency initiatives. This was demonstrated by increased participation in Efficiency Manitoba's residential renovation offers observed throughout the delivery period of the Canada Greener Homes Grant. Early Efficiency Manitoba involvement in Federal/Provincial discussions related to energy efficiency funding is critical to maximize program alignment, customer participation, and therefore Federal funds leveraged on behalf of Manitobans.

The hiring of internal resources along with the procurement of external delivery partners and contracted services is critical to implement enhanced program designs necessary to achieve legislated energy savings targets, tackle the key initiatives identified above, and continue to implement priorities within the timelines communicated by Government. A delay or inability to secure both the internal resources and external partners identified will result in deferred implementation of programming adjustments and delayed achievement of objectives outlined within this annual business plan.

Efficiency Manitoba has also completed and is practicing continuous mitigation of risks through a Risk Management Framework that also serves to monitor, track, and report on existing risks, and review new risks as they arise.

3 PERFORMANCE MEASURES & TARGETS

The Key Performance Indicator (KPI) Dashboard shown in Table 2 represents metrics that monitor core mandate and priorities for the organization. Therefore, these metrics form a component of the Efficiency Manitoba Board of Directors' regular quarterly monitoring and oversight of the organization, along with annual public reporting.

TABLE 2: KEY PERFORMANCE INDICATORS DASHBOARD

INTERNAL BUSINESS	2025/26 planned	FINANCIAL	2025/26 planned
% of load (electric)	1.5%	Total expenditures (million $)	$89.49
% of volume (natural gas)	0.75%	% of annual budget spent	100.0%
Electric acquisition cost ($/kWh)	$0.17	% of expenditures incentives	69.1%
Natural gas acquisition cost ($/$m^3$)	$1.61		
LEARNING & GROWTH	**2025/26 planned**	**CUSTOMER**	**2025/26 planned**
% of annual innovation budget spent	80%	Brand awareness	75%
Employee satisfaction with opportunities to learn, grow, and develop	80%	Customer satisfaction	90%

Note: % of load and % of volume are annual legislated targets.

4 2025/26 EFFICIENCY PLAN EXTENSION (PLAN UPDATE)

This section addresses the requirements for an extended Efficiency Plan, or Plan Update, as outlined in Section 13 of The Efficiency Manitoba Act. This Efficiency Plan extension and update ("2025/26 Plan Update") addresses components a) through f) required by legislation of a Plan Update triggered by an extension.

The 2020-23 Efficiency Plan was accepted by the responsible Minister in March 2020, with minor amendments implemented resulting from specific recommendations from the Public Utilities Board (PUB) in 2020. This enabled the official commencement of Efficiency Manitoba on April 1, 2020. The 2025/26 Plan Update affords the opportunity to continue to deliver on the activities and initiatives identified within the Efficiency Plan while taking immediate action on opportunities aligned with Efficiency Manitoba's recently received mandate letter and actioning opportunities identified to drive additional energy savings through existing programs and offers. Energy savings opportunities that may materialize from key initiative activities or additional program enhancements will be monitored and reported within annual reporting following the conclusion of the fiscal year.

4.1 Cumulative net savings & plans for addressing shortfall: Efficiency Manitoba Act Section 13.3 (1) (b) & (c)

The 2025/26 Plan Update transitions Efficiency Manitoba between the initiatives, savings, and benefits associated with and articulated within the 2020-23 Efficiency Plan towards the activities, planned outcomes and enhancements that will be identified through the development and review of the 2026-29 Efficiency Plan. Efficiency Manitoba's achieved electric energy savings outcomes have increased in each of the first four years but were less than the legislated target. Efficiency Manitoba's achieved natural gas savings outcomes exceeded the legislated target in 2023/24 and significantly reduced the savings shortfall encountered in earlier years. Throughout the pandemic, customer participation was less than planned across the portfolio of offers available to Manitobans including businesses in Manitoba. With the planned annual budget predominantly focused on customer incentives – approximately 65% of annual budgets have been allocated to incentives – the shortfall in savings corresponded to lower annual financial expenditures. Throughout the first four years of the extended 2020-23 Efficiency Plan, the savings achieved in both the electric and natural gas portfolio were acquired more cost effectively than planned as demonstrated through the achieved acquisition costs. The Annual Report Supplement for 2023/24 provides summary information in this regard.

As per the definition outlined in the Efficiency Manitoba Act, the annual electric and natural gas savings targets are 1.5% of the previous year's electric load, and 0.75% of the previous year's natural gas volume. The approach taken by Efficiency Manitoba to project annual in-year energy savings in consideration of the legislated targets was documented in Section A2.2.2 Program Net Energy Savings Methodologies of the 2020-

23 Efficiency Plan and within the *Plan Amendments – 2020-23 Efficiency Plan* approved in March 2020.

The Efficiency Manitoba Act Section 7(2) provides for surpluses and shortfalls in energy savings achievements carrying forward such that the cumulative total of the annual percentage savings equates to 22.5% and 11.25% of electric and natural gas savings respectively over a 15-year period.

4.1.1 Electric annual energy savings

Figure 3 below shows the cumulative results in electric energy savings achieved during the first four years and the extent to which shortfalls will be subsequently addressed in the 2024/2025 and 2025/26 fiscal years. Table 3 provides the underlying annual actual and projected electric energy savings values along with actual and anticipated cumulative shortfalls. The planned activities, inclusive of the enhancements identified in Section 4.2, are intended to continually optimize the electric portfolio of programs. It's anticipated that these actions will begin to reduce the cumulative electric energy savings shortfall resulting from the outcomes achieved during the first four years of the extended 2020-23 Efficiency Plan including pandemic impacts. The 2026-29 Efficiency Plan development and engagement process will further action and optimize those enhancements and identify potential new programs and offers within the electric portfolio to continue reducing those shortfalls within the respective 15-year performance period. As outlined in the key initiatives section above, establishing clarity around the approach to beneficial electrification within the Efficiency Manitoba Regulation is anticipated to deliver new electric energy savings not currently being captured.

FIGURE 1: CUMULATIVE ELECTRIC ENERGY SAVINGS | TARGETS VS. ACHIEVED & PLANNED RESULTS

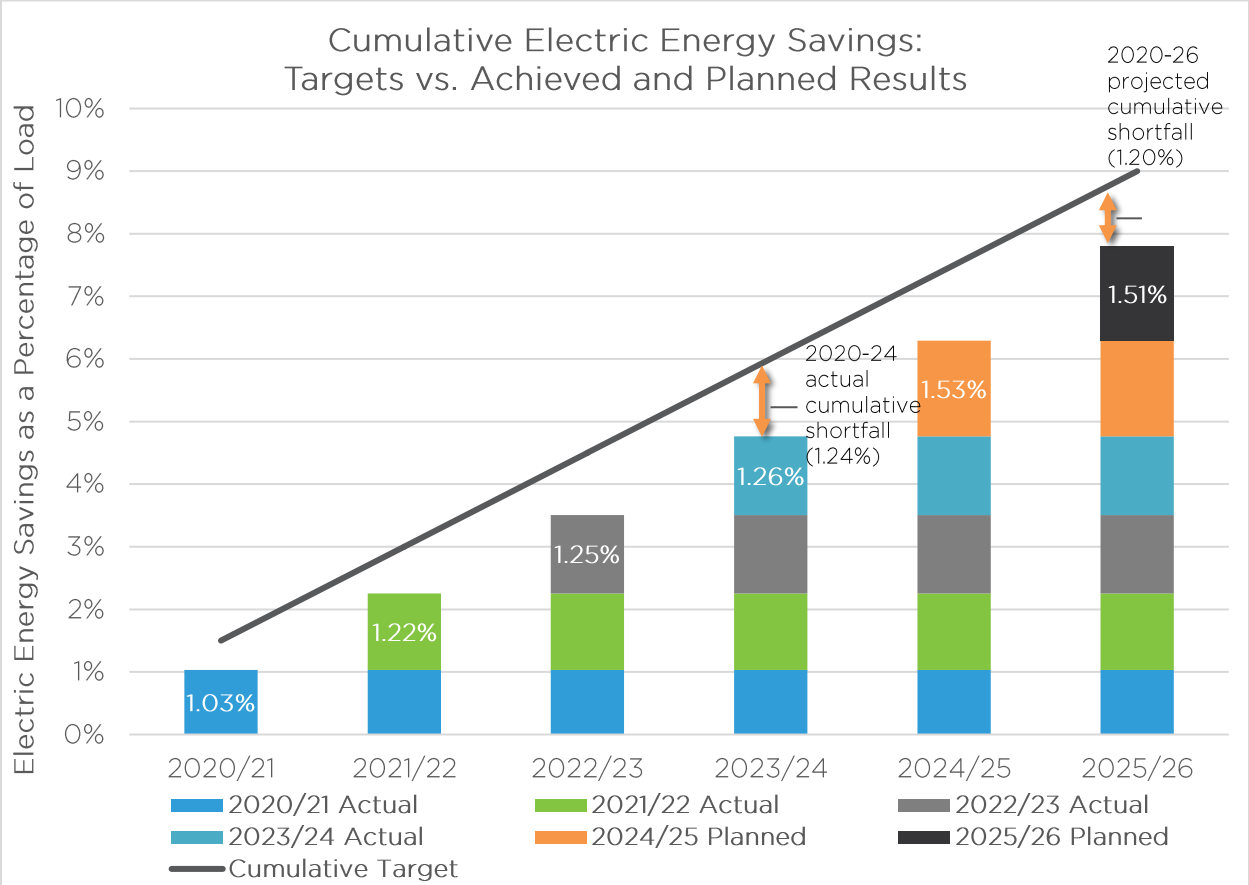


TABLE 3: ACTUAL & PLANNED ELECTRIC PORTFOLIO SAVINGS

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Annual actual electric savings (GWh)	227	265	277	283	-	-
Annual planned electric savings (GWh)	-	-	-	-	338	338
Annual electric savings to meet 1.5% of load target (GWh)	331	325	332	338	332	337
Cumulative electric savings surplus (shortfall) (GWh)	(103)	(163)	(219)	(274)	(268)	(267)

Note: Table values may not add or subtract exactly due to rounding. Reference electric load and energy savings are at meter. Cumulative electric savings shortfalls are represented by actual results achieved within 2020/21 through 2023/24 and planned results within 2024/25 through 2025/26.

4.1.2 Natural gas annual savings

Figure 4 below shows the cumulative results in natural gas savings achieved during the first four years and the anticipated achievement of a cumulative surplus in natural gas energy savings by the end of the 2025/26 fiscal year. Table 4 provides the underlying annual actual and projected natural gas savings values along with actual cumulative shortfall and the elimination of that shortfall. The planned activities, inclusive of the enhancements identified in Section 4.2, are intended to continually optimize the natural gas portfolio of programs. The 2026-29 Efficiency Plan development and engagement process will further action and optimize those enhancements and identify potential new programs and offers within the natural gas portfolio taking the opportunity to build a natural gas energy savings surplus recognizing cost-effective opportunities currently available to deliver natural gas and greenhouse gas emission savings.

FIGURE 2: CUMULATIVE NATURAL GAS SAVINGS | TARGETS VS. ACHIEVED & PLANNED RESULTS

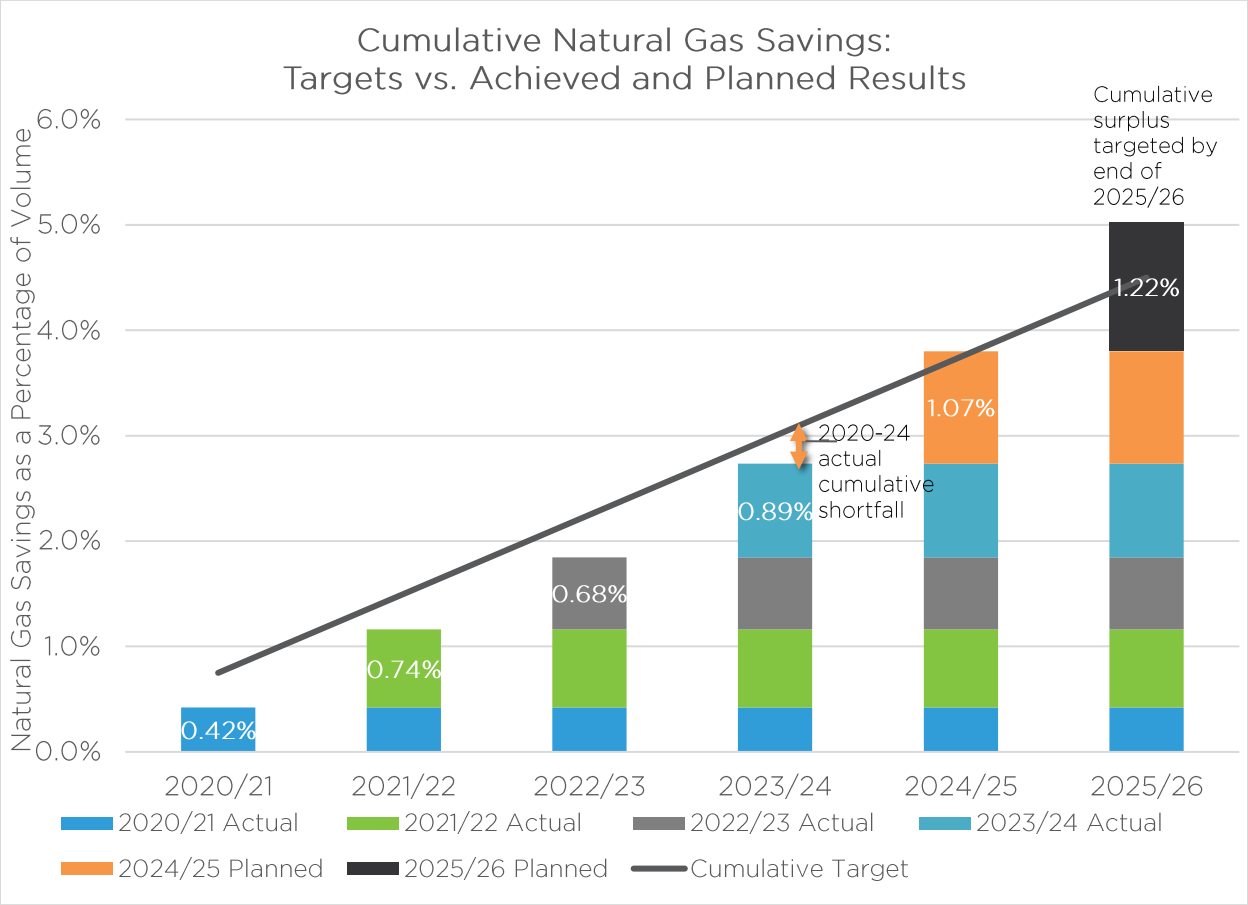


TABLE 4: ACTUAL & PLANNED NATURAL GAS PORTFOLIO SAVINGS

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Annual actual natural gas savings (million m^3)	7.0	11.9	11.0	15.3	-	-
Annual planned natural gas savings (million m^3)	-	-	-	-	17.6	20.6
Annual natural gas savings to meet 0.75% of volume target (million m^3)	12.5	12.0	12.1	12.9	12.4	12.6
Cumulative natural gas savings surplus (shortfall) (million m^3)	(5.5)	(5.6)	(6.7)	(4.3)	0.9	8.9

Note: Table values may not add or subtract exactly due to rounding. After accounting for electric programming interactive effects. Cumulative natural gas savings shortfalls are represented by actual results achieved within 2020/21 through 2023/24 and cumulative natural gas savings surplus planned results within 2024/25 through 2025/26.

4.1.3 Longer-term savings outlook and plans for addressing savings shortfalls

Efficiency Manitoba's longer-term savings achievement will be influenced by multiple factors including (but not limited to) external Manitoba economic conditions, future iterations of the legislative framework enabling Efficiency Manitoba (see Key Initiatives section), direction arising out of Manitoba Hydro's 2025 IRP process and the associated value provided by the utility for saved energy, implementation plans resulting from Manitoba's Affordable Energy Plan, and the remaining market opportunities for energy-efficient technologies within Manitoba. Broader economic conditions including supply chain issues and/or inflationary pressures on Manitobans are external factors that can be monitored but are not within the control of Efficiency Manitoba. The impact of these external factors can be mitigated to a degree through actions such as those outlined in the program and enabling strategy optimization strategies as provided in Section 4.2.

An assessment of market opportunities for energy efficiency was completed in 2022 through conclusion of work with Dunsky Energy + Climate Advisors ("Dunsky") and the production of a comprehensive Market Potential Study ("MPS"). The MPS provides an evaluation of DSM potential with a focus on current and emerging commercially viable and cost-effective measures over the 15-year period 2023 through 2038 and at varying levels of investment and support through Efficiency Manitoba.

With regards to the electric portfolio, the MPS identified several themes that will impact future achievable electric savings. With a decades-long history of electric DSM programming in the province and a quickly transforming residential and non-residential lighting market, the MPS has reinforced that the legislated electric energy savings targets are aggressive and will require multiple new strategies, new technologies alongside higher incentive levels, and additional enabling strategies in order to not only

achieve targets but, going forward, further reduce the shortfall in electric energy savings identified above from the 2020/21 through 2023/24 fiscal years. With non-residential LED savings further diminishing over time, the MPS has identified that a ramp-up in industrial custom projects, the replacement of electric resistance heating with heat pumps, increased incentive levels, and the introduction of a Home Energy Report offer can contribute to Efficiency Manitoba's achieved energy savings. This information is provided within the MPS with the context that:

1) increasing incentives does not correlate to a proportional increase in electric energy savings;
2) considerable ramp-up time is required to design, plan, and transform the market in areas of additional opportunities; and
3) significantly more market barriers exist within the electric portfolio as compared to the natural gas portfolio that cannot be addressed through customer financial incentives alone. Some of those market barriers may be associated with market transformation approaches, energy policy, excess energy rates for solar photovoltaic generated electricity sold back to Manitoba Hydro, enabling strategies and/or regulations to drive additional electric energy savings.

In summary, the independent research conducted by Dunsky has suggested that the shortfall in electric energy savings cannot be made up by 2025/26 alone; but with steps taken through 2025/26 and via the formulation of the 2026-29 Efficiency Plan, Efficiency Manitoba will identify means and the path to address the long-term savings targets recognizing the surpluses and deficits provision 7(2) in the Efficiency Manitoba Act.

With regards to the natural gas portfolio, the MPS identified several unique themes that will impact future achievable savings. With a lower level of market transformation and benefits of reduced interactive effect penalties associated with lower non-residential electrical lighting savings, the MPS has indicated that ongoing achievement of natural gas savings is likely without the introduction of significant new strategies, programs or offers for natural gas-saving technologies. As a result, a near-term surplus in natural gas savings is likely to be achieved. Similar to the electric portfolio conclusions, the MPS has identified that increasing incentives does not correlate to a proportional increase in natural gas savings.

4.2 Material changes: Efficiency Manitoba Act Section 13.3 (1) (a) & (e)

As discussed in Section 4.1, the savings that were claimed by Efficiency Manitoba in the first four years were achieved at significantly lower costs, resulting in a lower acquisition cost per unit of energy than planned for both electricity and natural gas. This trend of effectively utilizing funding, moving quickly within a nimble organizational structure to implement changes to respond to market conditions, alongside the expansive portfolio of over 40 programs and offers available through Efficiency Manitoba, indicates that material improvements in participation, savings, and subsequent incentive dollars spent will be realized through further optimizing the existing portfolio and focusing on enabling strategies to further reduce barriers to participation. This status affords Efficiency

Manitoba the opportunity to potentially achieve higher savings outcomes within the 2025/26 budget, should the strategies outlined herein, alongside broader economic conditions, align to further improve customer participation in existing offers and programs.

The strategies discussed below would be considered adjustments from what was originally contemplated in the portfolio design for 2020-23 Efficiency Plan and are necessary to achieve deeper savings in future years and address savings shortfalls from the pandemic-impacted years.

4.2.1 Portfolio optimization

Since the first fiscal year of operations, Efficiency Manitoba has implemented program pivots to respond initially to Provincial health mandates and subsequently to increase participation through additional incentives and through exercising eligibility expansions and flexibilities. This optimization process will continue with already implemented and planned changes as follows:

Residential programs

Optimization activities already implemented and those for continued investigation within 2025/26 include the following:

- Implementing the Affordable Home Energy Program to improve home energy affordability and to increase market adoption of residential home-by-home heat pump technologies.
- Implementing an EnerGuide residential audit offer to support long-term energy advisor jobs in Manitoba and fill the gap left by the Federal Greener Homes Program.
- Evaluation of the 2024/25 implemented Home Energy Report offer to determine actual energy savings outcomes, which was identified as a high-potential future offer within the completed Efficiency Manitoba Market Potential Study.
- Shifting of the Appliance Rebates offer (in-store year-round retail rebates) to In-Suite Appliance rebates only for cost effectiveness and efficiency reasons.
- Extending the Instant Rebates (time-limited in-store retail rebates) fall campaign to include additional weeks of in-store rebates while increasing rebates and simplifying the offers and associated marketing strategies.
- Enhancing Home Insulation Program through increased eligibility, higher rebates and introduction of a supplier bonus.
- Doubling the incentives through the Windows and Door Program.
- Updating the New Homes Program to deliver energy savings beyond the 2020 National Building Code (Part 9) Tier 1 (and potentially further updates based on the Provincial government’s signaled intent to require higher Tiers of the energy code in the near term).
- Reviewing eligibility criteria and incentive levels for various programs while leveraging the increased community participation realized under the Community Energy Efficiency Program.

- Investigating program delivery models and alternatives for select offers including regional marketing to target electrically heated homes.

Residential income-based programs

Optimization activities already implemented and those for continued investigation within 2025/26 include the following:

- Increasing eligibility through the Energy Efficiency Assistance Program to ensure more Manitoba households are eligible to access free and significantly subsidized energy efficiency upgrades (approximately 40% of Manitoba households can now qualify under this program).
- Extending eligibility criteria flexibility for the Energy Efficiency Assistance Program including multiple income verification options and automatic qualification based on location and door-to-door canvassing.
- Expanding partnerships with additional Neighbourhood Renewal Corporations to support the Energy Efficiency Assistance Program's Neighbourhood Project.
- Expanding energy-saving measures available through the Energy Efficiency Assistance Program to include windows and doors and heat pumps for electrically heated homes.
- Enhancing direct-install energy-saving measures available through the Energy Efficiency Assistance Program to include advanced power strips and smart thermostats.

Indigenous programs

Optimization activities already implemented and those for continued investigation within 2025/26 include the following:

- Expanding eligibility criteria for the Indigenous Small Business Program while leveraging the increased community participation realized under the Indigenous Community Energy Efficiency Program including First Nations and the Manitoba Métis Federation.
- Continuing work with First Nation communities and Indigenous organizations for off reserve participation in energy efficiency programs.
- Supporting expansion of cold-climate air source heat pumps, ground source heat pumps, deep energy retrofits, and capacity building through additional Indigenous social enterprises including the Community Driven Outcomes Model in partnership with Raven Indigenous Outcomes Funds.
- Inclusion of Home Assessments into the First Nation Energy Efficiency Program and Métis Energy Efficiency Offer.
- Expanding energy-saving items in the First Nation Energy Efficiency Program and Métis Energy Efficiency Offer based on feedback from the Indigenous Community Energy Efficiency Advocates and the Indigenous Energy Efficiency Working Group.
- Investigating delivery models for the First Nation Insulation Program to assist with enhancing capacity in communities.

Commercial, industrial & agricultural programs

Optimization activities already implemented and those for continued investigation within 2025/26 include the following:

- Expanding eligibility criteria for the Small Business Program (including but not limited to the inclusion of municipally-owned buildings) and enhancing available energy efficiency measures.
- Introducing tiered customer bonuses for the Building Envelope Program for both electrically heating buildings and natural gas heating buildings as well as introducing a supplier bonus.
- Implementing increased lighting and controls incentives as well as introducing a customer and supplier bonus for the Business Lighting Program.
- Implementing new Business Lighting Program incentive categories for horticultural and solar lighting installations.
- Leveraging the increased industrial participation realized under the Strategic Energy Manager Initiative and implementing an Energy Manager Cohort offer.
- Investigating and launching an industrial leak management offer targeting a prescriptive approach to reduce compressed air and steam system leaks.
- Launching the time-limited Community Rink Lighting Initiative to provide additional and targeted assistance to municipalities still operating with inefficient lighting in indoor ice rinks.
- Adjusting requirements for the New Buildings Program completion documentation while also increasing both the performance levels and corresponding incentive levels to deliver energy savings beyond the National Energy Code of Canada for Buildings 2020 Tier 1 (and potentially further updates based on the Provincial government's signaled intent to require higher Tiers of the energy code in the near term).
- Increasing the Solar Rebate Program incentive cap and increasing eligibility for new construction projects that integrate solar photovoltaic.
- Launching the Commercial Deep Energy Retrofit Program and Commercial Energy Audit Program.
- Investigating new program delivery models and alternatives for select offers.
- Leveraging the increased community participation realized under the Community Energy Efficiency Program.
- Completing innovative pilot projects for commercial air tightness and line-voltage smart thermostats in apartment suites.
- Expanding energy-saving items within the Small Business Program and the Indigenous Small Business Program.

Loan program

Given Efficiency Manitoba's comprehensive portfolio of programs and offers that cover an expansive number of energy-efficient technologies, the savings resulting from retrofit activity that homeowners choose to finance through the on-bill Home Energy Efficiency Loan (HEEL) will in nearly all cases be captured in Efficiency Manitoba's claimable savings through an incentive based-program. As part of the Affordable Home Energy

Program, Efficiency Manitoba will be investigating adjustments that can be made to HEEL (or other on-bill financing mechanisms) to facilitate greater market interest in ground source heat pumps.

4.2.2 Enabling strategies focus

Since the first fiscal year of operations, Efficiency Manitoba has implemented additional enabling strategies to increase awareness, increase visibility, and reduce market barriers to Efficiency Manitoba programs. This optimization process will continue with already implemented and planned changes as follows:

Partnerships

Additional activities implemented and for continuation within 2025/26 include the following:

- Increasing the use of Innovation Fund to support early feasibility analysis of potential commercial ground source heat pump projects as well as supporting the feasibility, investigation, and engineering of district ground source thermal energy systems.
- Formalizing and implementing a Collaboration Agreement with Habitat for Humanity to demonstrate emerging energy efficient technologies and practices while saving Habitat homeowners energy and money.
- Continuing engagement with the Energy Efficiency Advisory Group to review program and offer updates as well as actively participate in and inform the 2026-29 Efficiency Plan development process.
- Continuing to leverage the expanded enrollment within the Community Energy Efficiency Program.
- Continuing to leverage the expanded enrollment within the Indigenous Community Energy Efficiency Program.
- Continuing to engage with Manitobans via meetings, events, tradeshow attendance, through the Indigenous Energy Efficiency Working Group, industry groups, associations, business groups, social enterprises, neighbourhood renewal corporations, design professionals, suppliers, contractors, builders, and installers.

Communications & advertising

The 2025/26 Plan Update includes ongoing expenditures in communication and advertising to drive Efficiency Manitoba awareness, increase program awareness, and ultimately increase participation.

DSM tracking system optimization

With the implementation of the Efficiency Manitoba DSM tracking system, there are continuing opportunities and strategies to optimize and inform existing program activities as well as the 2026-29 Efficiency Plan including the following:

- Improved resolution, insights, and tracking on program activities through various centralized reporting mechanisms to inform future program pivots and enabling strategies.
- Continuous improvement and refinement of customer and contractor intake through online portal optimization.
- Improved tracking of customer opportunities and potential projects to drive program pipelines (i.e. actively following up with in-process customer applications to provide assistance towards project completion (and claiming of energy savings), future project identification, tracking, and follow up).
- Leveraging post-participation customer survey functionality to engage with program participants directly to identify potential process and program improvements.

4.3 Benefits of 2025/26 Plan Update: Efficiency Manitoba Act 13.3 (1) (d)

4.3.1 Benefits | Customer bill reductions and energy affordability

Customers that choose to participate in Efficiency Manitoba programs will realize annual bill reductions based on their respective energy savings. The table below provides the anticipated total customer annual average electric and natural gas bill savings. The resulting magnitude of bill savings are directly related to both customer participation and the average energy usage per customer within that segment. In addition to the annual natural gas bill reduction based on the energy savings associated with participating in Efficiency Manitoba's programs and offers, participating customers will further reduce their payment amounts associated with the federal carbon charge (included on a customer's Manitoba Hydro bill). Those additional customer bill savings are reflected in Table 5.

TABLE 5: EFFICIENCY PLAN SUMMARY | ANNUAL CUSTOMER BILL SAVINGS

	2025/26
Electric portfolio	$15.4 million
Natural gas portfolio	$6.4 million

4.3.2 Benefits | Reductions in greenhouse gas emissions (GHGs)

Table 6 provides the annual greenhouse gas (GHG) emission reductions resulting from natural gas energy savings realized within the first fiscal years of operation as well as the projected GHG reductions forecasted in the 2024/25 and 2025/26 fiscal years. Also shown in this table are the cumulative annual GHG savings as well as the persisting cumulative GHG savings, the latter of which are provided as these utilize the quantification methodology utilized for tracking ongoing provincial and federal GHG emissions reductions.

TABLE 6: EFFICIENCY PLAN SUMMARY | GREENHOUSE GAS EMISSION SAVINGS

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
(A) Annual GHG savings (tonnes CO_2e)	13,730	22,495	21,000	29,100	33,600	39,200
(B) Cumulative GHG savings (tonnes CO_2e) *Sum of (A) across the years)*	13,730	36,225	57,225	86,325	119,925	159,125
(C) Persisting cumulative GHG savings (tonnes CO_2e) *Sum of (B) across the years)*	13,730	49,955	107,180	193,505	313,430	472,555

Note: 2020/21 through 2023/24 are based on actual values, while remaining fiscal year values are based on planned savings values. All GHG savings values are determined after accounting for electric programming interactive effects.

4.3.3 Benefits | Additional/supplemental non-energy benefits

Beyond the 2025/26 Plan Update providing significant benefit in terms of cost effectiveness, bill savings opportunities for customers, GHG reductions via the natural gas portfolio; energy efficiency provides additional social, environmental, and economic benefits that do not appear in Efficiency Manitoba's legislated cost-effectiveness tests or bill and rate impacts. These non-energy benefits include but are not limited to the following:

- The social benefits of energy efficiency realized within the home, business, or community, with participating customers enjoying reduced energy bills and reduced associated energy burden which may lead to reduced stress and improved quality of life, improved occupant comfort, improved indoor air quality, improved lighting quality, increased property value, and reduced maintenance costs;
- Increased energy efficiency training, capacity building, and employment as well as direct and indirect benefits through external delivery and installation of energy-efficient technologies and private sector support services provided to Efficiency Manitoba;
- Leveraging Efficiency Manitoba's expertise related to the delivery of energy efficiency programming to bring Federal dollars into Manitoba;
- Through collaboration with economic development agencies and the Government of Manitoba, Efficiency Manitoba directly supports the attraction of new businesses and expansion of existing businesses in Manitoba to help grow the Manitoba economy and create more local job opportunities;
- Increased business competitiveness through reduced energy bills, which can make up a significant portion of business costs; and
- Reduced water consumption and waste reduction. For example, 95% of refrigerators and freezers picked up through the Appliance Recycling Program can be recycled.

4.3.4 Benefits | Cost effectiveness

Cost effectiveness is an indicator of the relative performance or economic attractiveness of any investment or practice. In the energy efficiency field, the present value of the estimated stream of benefits produced by an energy efficiency measure or program is compared to the present value of the stream of costs of implementing that measure or program.

With regards to planned cost-effectiveness metrics for 2025/26, the approach for allocating Enabling Strategies and Corporate Overhead budgets and the impacts of interactive effects is aligned with the process documented within Section 5 of the 2020-23 Efficiency Plan and the *Plan Amendments – 2020-23 Efficiency Plan*. Specifically, interactive effects from electric programs that increase natural gas consumption, and thus decrease natural gas benefits, have been allocated to the electric portfolio as shown below. This appropriately allocates the impacts of the interactive effects to the electric portfolio and avoids burdening the natural gas portfolio with impacts created by electric programs.

As the cost-effectiveness metrics are based on the impacts of Efficiency Plan activities throughout the Plan time horizon, the addition of 2025/26 has been incorporated into the following tables for both the electric and natural gas portfolios. As such, and due to the savings and cost approaches taken, the shown cost-effectiveness metrics are similar to those put forward in the *Plan Amendments – 2020-23 Efficiency Plan*.

The Program Administrator Cost Test (PACT) determines the cost effectiveness of a program or the portfolio to Efficiency Manitoba by including all of Efficiency Manitoba's benefits and costs. The electric and natural gas benefits are based on Manitoba Hydro's electrical and natural gas marginal values, respectively. The costs include Efficiency Manitoba's cost of program design, delivery, administration, incentives, support, and overhead. It can be presented as a ratio, a net present value (NPV), or a levelized cost.

- The PACT ratio presents the cost effectiveness as a ratio of the benefits (avoided supply costs achieved by the net energy and peak demand savings generated) over the costs (sum of the program administration and incentive costs). A ratio of one or higher indicates that benefits outweigh costs.
- The net present value (NPV) of the PACT presents the cost effectiveness as the difference between the present value of the benefits and present value of the costs. A positive value indicates that benefits outweigh the costs, and the size of the NPV indicates the magnitude of the net benefits.
- The levelized cost (LC) of the PACT provides an economic cost value for the energy saved by the program (in ¢/kWh for electricity and in ¢/m³ for natural gas).

It's important to note that the PACT metrics as outlined by legislation achieve a PACT of greater than one, demonstrating that for every dollar spent on energy efficiency, more than $1 of financial benefits to the utility are derived. The PACT ratio for the electric portfolio continues to be very positive, indicating that the financial benefits for Manitoba

Hydro associated with investing in energy efficiency generates nearly three times that in value. These financial benefits to Manitoba Hydro mean lower long-term rates than would be anticipated otherwise without prioritization on energy efficiency. Beyond this, and not specifically measured by the legislated PACT tests, are additional customer benefits associated with reduced energy bills and energy burden, reduced GHG emissions and associated carbon charges, increased home comfort, increased business competitiveness, economic benefits associated with dollars available for Manitobans to spend elsewhere in the economy, job creation, and local economic benefits associated with energy efficiency for suppliers and installers of energy efficiency products and technologies.

TABLE 7: EFFICIENCY PLAN SUMMARY | ELECTRIC PROGRAMMING & PORTFOLIO COST EFFECTIVENESS METRICS THROUGH 2025/26

	PACT ratio	PACT NPV	PACT levelized cost
Overall portfolio metrics	2.82	$485 million	2.48 ¢/kWh

Note: Overall portfolio metrics include the impact of interactive effects, enabling strategies, and corporate overhead. The value of natural gas interactive effects (in negative natural gas benefits) resulting from electric programming are allocated to the electric portfolio.

TABLE 8: EFFICIENCY PLAN SUMMARY | NATURAL GAS PROGRAMMING & PORTFOLIO COST EFFECTIVENESS METRICS THROUGH 2025/26

	PACT ratio	PACT NPV	PACT levelized cost
Overall portfolio metrics	1.20	$26 million	16.52 ¢/m^3

Note: Overall portfolio metrics include the impact of enabling strategies and corporate overhead. The value of natural gas interactive effects (in negative natural gas benefits) resulting from electric programming are allocated to the electric portfolio.

4.4 2025/26 Plan Update budget: Efficiency Manitoba Act Section 13.3 (1) (f)

With regards to planned expenditures associated with 2025/26, the approach taken by Efficiency Manitoba is aligned with the process documented within Section 4.4.2 Portfolio Programming Budget within the 2020-23 Efficiency Plan and within the Plan Amendments – 2020-23 Efficiency Plan specifically related to the allocation of costs within the Enabling Strategies and Corporate Overhead budget categories. Namely, a cost driver approach was used for those categories to allocate 63% of those costs to the electric portfolio and 37% allocated to the natural gas portfolio.

For the 2025/2026 Plan Update, the budget for both the electric and natural gas portfolios is shown in Table 9. Table 10 further delineates the budgets to the customer sector and program level.

To have broad reach, a multi-stream approach outlined in the Key Initiatives section above has been adopted to enable success of the Affordable Home Energy Program. When referring to Table 9 and Table 10, specific Efficiency Manitoba offers related to the Affordable Home Energy Program are identified as follows:

- Individual heat pump installations completed with support through:
  - Community Heat Pump Program for First Nation communities
  - Energy Efficiency Assistance Program for Income-Based customers
  - Métis Energy Efficiency Offer
  - Ground source heat pump offer
  - New Homes Program
  - Home Energy Retrofit Program
- Multi-unit residential heat pump installations completed with support through:
  - Commercial Deep Energy Retrofit program
  - New Buildings Program
- Multi-unit residential heat pump installations connected to a ground-source district thermal energy system and supported through the Innovation Fund (included within Sector Support line item under Strategic Initiatives)

It's important to note that with actual expenditures under the budgeted expenditures during the initial Plan years recognizing customer participation, should customer participation increase such that additional budget dollars are required in 2025/26 beyond those budgeted, Efficiency Manitoba would intend to enable customer participation and capture the resulting energy savings by requesting additional funding through Manitoba Hydro. This would align to the surpluses and deficits provision 7(2) in the Efficiency Manitoba Act.

It's also important to note that the budget for the Plan Update does not include new direction on programs or initiatives that may be forthcoming from implementation of Manitoba's Affordable Energy Plan, any future provincial climate policy, nor Manitoba Hydro's 2025 Integrated Resource Plan.

TABLE 9: EFFICIENCY PLAN SUMMARY | ANNUAL EXPENSE BUDGET (000'S $)

	2024/25	2025/26
Annual electric budget	$44,598	$56,358
Annual natural gas budget	$32,322	$33,136
Total budget	**$76,920**	**$89,495**

Note: Currency is expressed in nominal dollars. Totals may not add up due to rounding.

TABLE 10: EFFICIENCY PLAN SUMMARY | ANNUAL EXPENSE BUDGET (000'S $)

			2025/26 Electric Budget (000's $)	2025/26 Natural Gas Budget (000's $)	2025/26 Total Budget (000's $)
RESIDENTIAL PROGRAMS					
	Instant Rebates		$ 488	$ 382	$ 870
	Appliance Recycling Program		$ 843	$ -	$ 843
	Home Insulation Program		$ 1,212	$ 1,290	$ 2,503
	Windows & Doors Program		$ 478	$ 1,912	$ 2,390
	Air Sealing		$ 165	$ 275	$ 441
	Home Energy Reports		$ 608	$ 329	$ 937
	New Homes Program*		$ 1,479	$ 494	$ 1,972
	Home Energy Retrofit Program*		$ 201	$ 704	$ 905
	Sector Support		$ 1,686	$ 990	$ 2,677
		Subtotal	$ 7,161	$ 6,376	$ 13,537
INCOME BASED PROGRAMS					
	Energy Efficiency Assistance Program*		$ 3,162	$ 8,592	$ 11,754
	Home Energy Reports		$ 246	$ 133	$ 380
	Sector Support		$ 107	$ 63	$ 170
		Subtotal	$ 3,516	$ 8,788	$ 12,304
INDIGENOUS PROGRAMS					
	First Nation Energy Efficiency Program		$ 1,310	$ -	$ 1,310
	Indigenous Small Business Program		$ 486	$ 30	$ 516
	Community Heat Pump*		$ 1,421	$ -	$ 1,421
	Métis Energy Efficiency Offers*		$ 605	$ 1,013	$ 1,618
	Sector Support		$ 646	$ 80	$ 726
		Subtotal	$ 4,469	$ 1,123	$ 5,592
COMMERCIAL, INDUSTRIAL & AGRICULTURAL PROGRAMS					
	Commercial Kitchen Appliance Program		$ 86	$ 26	$ 111
	Commercial Refrigeration Program		$ 107	$ -	$ 107
	Small Business Program		$ 786	$ 35	$ 822
	In-Suite Energy Efficiency Program		$ 165	$ 179	$ 343
	Business Lighting Program		$ 13,973	$ -	$ 13,973
	Building Envelope Program		$ 756	$ 2,773	$ 3,529
	HVAC & Controls		$ 183	$ 445	$ 629
	New Buildings Program*		$ 2,015	$ 3,040	$ 5,054
	Commercial Deep Energy Retrofit Program*		$ 1,715	$ 1,843	$ 3,558
	Custom Energy Solutions		$ 7,675	$ 2,083	$ 9,758
	Leak Management		$ 285	$ 451	$ 736
	Strategic Energy Management Offers		$ 1,611	$ 584	$ 2,194
	Load Displacement		$ 871	$ -	$ 871
	Sector Support		$ 1,970	$ 1,157	$ 3,127
		Subtotal	$ 32,199	$ 12,615	$ 44,813
STRATEGIC INITIATIVES					
	Ground Source Heat Pumps*		$ 369	$ 16	$ 384
	Air Source Heat Pumps*		$ 220	$ 613	$ 833
	Solar Energy Program		$ 1,901	$ -	$ 1,901
	Sector Support*		$ 1,647	$ 741	$ 2,388
		Subtotal	$ 4,137	$ 1,370	$ 5,507
Program Totals			$ 51,482	$ 30,272	$ 81,754
Enabling Strategies			$ 2,656	$ 1,560	$ 4,217
Corporate Overhead			$ 2,220	$ 1,304	$ 3,524
Total Costs (000's $)			**$ 56,358**	**$ 33,136**	**$ 89,495**

Table 10 notes:

- *Totals may not add up due to rounding. Enabling Strategies include program support and education, innovation, codes & standards, and evaluation. Strategic Initiative offers include offers and enabling strategies available to all customer sectors.*
- ** Programs and offers that contribute to multi-stream approach for the Affordable Home Energy Program. Note that costs included are for total program costs and are not exclusive of heat pumps.*

TABLE 11: SAVINGS AND PARTICIPATION BY PROGRAM

			2025/26 Peak Demand Savings (MW)	2025/26 Electric Savings (GWh)	2025/26 Natural Gas Savings (m^3)	2025/26 Total Participation	Units
RESIDENTIAL PROGRAMS							
	Instant Rebates		0.9	4.7	0.50	52,750	No. of products
	Appliance Recycling Program		0.1	1.4	-0.04	1,960	No. of products/appliances
	Home Insulation Program		0.7	1.4	0.25	1,500	No. of projects
	Windows & Doors Program		0.5	1.4	0.54	3,500	No. of projects
	Air Sealing		0.1	0.4	0.06	400	No. of projects
	Home Energy Reports		1.6	11.1	0.56	105,360	No. of reports
	New Homes Program*		1.1	2.7	0.19	385	No. of houses
	Home Energy Retrofit Program*		0.1	0.2	0.16	150	No. of houses
		Subtotal	5.1	23.4	2.21		
RESIDENTIAL SUPPORTING OFFERS							
	Generation E (Education Program)						
	Virtual Energy Review						
	EnerGuide Evaluations						
INCOME BASED PROGRAMS							
	Energy Efficiency Assistance Program*		0.8	3.3	1.12	1,900	Completed Homes (includes In-Suite
	Home Energy Reports		0.6	4.3	0.19	39,640	No. of reports
		Subtotal	1.4	7.6	1.31		
COMMUNITY SUPPORTING OFFERS							
	Community Energy Efficiency Program						
	Neighbourhood Renewal Partnerships						
INDIGENOUS PROGRAMS							
	First Nation Energy Efficiency Program		0.3	1.2	-	380	No. of houses
	Indigenous Small Business Program		0.1	0.4	-0.00	75	No. of businesses
	Community Heat Pump*		0.3	1.1	-	130	No. of systems
	Métis Energy Efficiency Offers*		0.1	0.4	0.12	155	Completed Homes
		Subtotal	0.7	3.1	0.12		
INDIGENOUS COMMUNITY SUPPORTING OFFERS							
	Indigenous Community Energy Efficiency Program						
COMMERCIAL, INDUSTRIAL & AGRICULTURAL PROGRAMS							
	Commercial Kitchen Appliance Program		0.1	0.5	0.01	50	No. of projects
	Commercial Refrigeration Program		0.0	0.3	0.02	55	No. of projects
	Small Business Program		0.1	0.8	0.00	300	No. of applications
	In-Suite Energy Efficiency Program		0.3	1.7	0.28	3,700	No. of suites
	Business Lighting Program		8.9	66.9	-1.40	1,500	No. of projects
	Building Envelope Program		0.7	4.4	0.92	205	No. of projects
	HVAC & Controls		0.1	0.4	0.95	75	No. of applications
	New Buildings Program*		0.9	5.4	0.81	35	No. of buildings
	Commercial Deep Energy Retrofit Program*		0.4	2.5	0.39	20	No. of buildings
	Custom Energy Solutions		4.2	34.1	7.29	140	No. of projects
	Leak Management		0.3	2.4	1.56	85	No. of projects
	Strategic Energy Management Offers		0.2	1.8	0.64	64	No. of annual reports
	Load Displacement		12.5	90.0	-	< 10	No. of projects
		Subtotal	28.6	211.1	11.46		
COMMERCIAL, INDUSTRIAL & AGRICULTURAL SUPPORTING OFFERS							
	Commercial Energy Audits						
	Energy Efficiency Assessments						
	Energy Efficiency Assessments for Farms						
	Feasibility Studies						
	Benchmarking Studies						
STRATEGIC INITIATIVES PROGRAMS							
	Ground Source Heat Pumps*		0.2	0.6	0.01	25	No. of projects
	Air Source Heat Pumps*		0.0	-0.6	0.33	375	No. of projects
	Solar Energy Program		0.1	4.2	-	145	No. of customers
		Subtotal	0.3	4.3	0.3		
STRATEGIC INITIATIVES							
	Innovation Fund*						
	Demand Response						
	Ground Source District Systems Support*						
Program Impact Totals			36	249	15.43		
Codes, Standards & Regulations			14	89	5.18		
Total			**50**	**338**	**20.61**		

Table 11 notes:

- *Totals may not add up due to rounding.*
- ** Programs and offers that contribute to multi-stream approach for the Affordable Home Energy Program*

5 FINANCIAL BUDGETS & FORECASTS

Market reaction to Efficiency Manitoba's programs, specifically customer participation, is the largest variable related to budget and forecasts. Even for continued programs where historical participation and knowledge of the market provides normally fairly accurate projected participation, this became entirely unreliable during the pandemic and associated lingering effects. Participation in programs across multiple, diverse market segments is challenging to predict even under normal conditions. As a result of reduced customer participation in programs, Efficiency Manitoba's planned expenses, roughly 65% of which being customer incentives in the extended 2020-23 Efficiency Plan, have been reduced during the first four years of operations. At the conclusion of the 2023/24 fiscal year, Efficiency Manitoba's overall expenses were $55.8 million, which represented approximately 73% of the budgeted expenses for the fiscal year.

At the conclusion of Quarter 3 of 2024/25 (December 31, 2024), Efficiency Manitoba's overall expenses were $47 million which represented 62% of the total budgeted expenses for the fiscal year (82% of budgeted expenses for the nine months fiscal year to date). Efficiency Manitoba only requests funding from Manitoba Hydro to cover expenses, therefore revenue is similarly reduced for Efficiency Manitoba's operations.

Recognizing the strong role that Efficiency Manitoba can and does play in economic development, job creation, and energy affordability by providing bill savings to customers through program participation, Efficiency Manitoba's 2025/26 budget includes consideration of the key initiatives and portfolio enhancements and changes introduced to date. The 2025-26 Budget does not incorporate specific market-directed programs or actions resulting from the recently released Manitoba Affordable Energy Plan nor the 2025 Manitoba Hydro Integrated Resource Plan. Efficiency Manitoba has included specific budget for programs and initiatives that have been directed in accordance with the March 2024 mandate letter and this budget for 2025/26 includes initial activities to make progress on those communicated priorities (for example the first phases of the Affordable Home Energy Program). Additional forward-looking budget considerations will be addressed in the 2026-29 Efficiency Plan and/or the 2026/27 Annual Business Plan.

With the above in mind, Efficiency Manitoba's budgeted expenses for 2025/26 are highlighted in Section 4.4 along with Table 12 below. Through the Canada-Manitoba Low Carbon Economy Leadership Fund ("Leadership Fund") Agreement, Efficiency Manitoba has claimed $30,922,287, which is recorded as a receivable. To date, Efficiency Manitoba has received $30,373,898 with the outstanding receivable of $548,390. A final claim has been submitted for the 2023/24 fiscal year and has been paid with the exception of a 5% holdback to be paid in the following fiscal year. As outlined in Section 4.3.3. above, these dollars are illustrative of Efficiency Manitoba's ability to leverage activities of the organization to bring significant Federal dollars into Manitoba.

TABLE 12: FINANCIAL SUMMARY & REPORT

(000's)	2023/24 Actual	2024/25 Budget	2024/25 Nine months ended December 31, 2024	2025/26 Budget	
Revenue:					
Contributions	55,235	76,428	46,931	88,991	
Interest income	208	175	146	184	
Employment grants	-	-	-	-	
	55,443	76,603	47,078	89,175	
Expenses					
Salaries and benefits	8,520	9,649	7,531	11,406	
Customer incentives	36,435	50,760	31,209	61,798	
Contracted services and program delivery	5,912	11,133	4,848	11,113	
Regulatory expense	74	-	19	-	
Rent	417	412	321	428	
Other expenses	4,086	4,650	3,150	4,430	
	55,443	76,603	47,078	89,175	(A)
Surplus for the year before the undernoted	-	-	-	-	
Manitoba Hydro contributions related to capital	78	50	39	90	
Amortization expense	(325)	(316)	(237)	(319)	(B)
Surplus (deficit) for the year	(247)	(266)	(198)	(229)	
Note: Total recognized expenses include the sum of (A) + (B)				89,495	

6 HUMAN RESOURCES

6.1 Staffing & employee/labour relations summary

Building Efficiency Manitoba as a stand-alone organization focused on energy efficiency has been a very significant and involved undertaking, not only relative to building the foundation for the organization including policies, processes, and systems, launching over 40 programs and offers into the market and implementing significant pivots, but also simultaneously staffing the organization.

During the operational commencement phase of the organization, two collective agreements that were inherited in the transition of energy efficiency were also renegotiated with Efficiency Manitoba as a separate employer. The contracts between Efficiency Manitoba and CUPE Local 998 and AMHSSE respectively have been ratified and are in place for a five-year duration from January 1, 2021 to December 31, 2025.

Collective bargaining will commence for the timeframe beyond the existing agreements, inside of the 2025/26 fiscal year.

The following table provides the full-time equivalent employees budgeted for 2025/26. As Efficiency Manitoba has continued to grow program participation, increase energy savings, and expand initiatives, offers and engagement, the conservative staffing complement identified in the initial Efficiency Plan was addressed over the past two years through managed growth while maintaining the overall labour budget line item.

The next stage of Efficiency Manitoba requires appropriate resourcing to further respond to:

(i) market signals to allow continued evolution of programming;
(ii) external operating environment conditions discussed in Section 2.2; and
(iii) the development of future programs and initiatives resulting from the 2024 mandate letter, Manitoba's Affordable Energy Plan, and initiatives related to Manitoba Hydro's 2025 Integrated Resource Plan as outlined in the key initiatives.

Simply put, the expectations articulated for Efficiency Manitoba via the 2024 mandate letter and Affordable Energy Plan have been significantly expanded. For Efficiency Manitoba to continue its trajectory of performance to the benefit of Manitobans, sufficient and appropriate resourcing is necessary. Efficiency Manitoba activities have been budgeted with the extent of information known at this time. To provide flexibility for Efficiency Manitoba to capture opportunities that may be required related to its expanded mandate and government priorities through the 2025/26 fiscal year, additional budget allocation (inclusive of additional human resources, third-party contracted services, and customer incentives) may be required.

TABLE 13: FULL-TIME EQUIVALENT EMPLOYEES

Full-time equivalent employees

	2023/24 Actual	2024/25 Budget	2024/25 Six months ended December 31, 2024	2025/26 Budget
Executive/Mgmt[1]	10.0	10.0	10.0	10.0
Employees	67.9	85.0	78.4	90.0
Efficiency Manitoba Total	77.9	95.0	88.4	100.0

Notes:

[1] Executive/Mgmt includes CEO, VPs and Managers.

Given the critical role of energy efficiency in achieving net zero by 2050 goals, along with real and significant benefits to customers including affordability through energy and bill savings via implementing energy efficiency, sufficient EM resourcing is imperative. This includes ensuring customer awareness, driving and engaging on customer projects, providing subject matter expertise related to and supporting broader energy transition objectives, and pursuing key initiatives aligned with Efficiency Manitoba's future as identified in this Annual Business Plan.

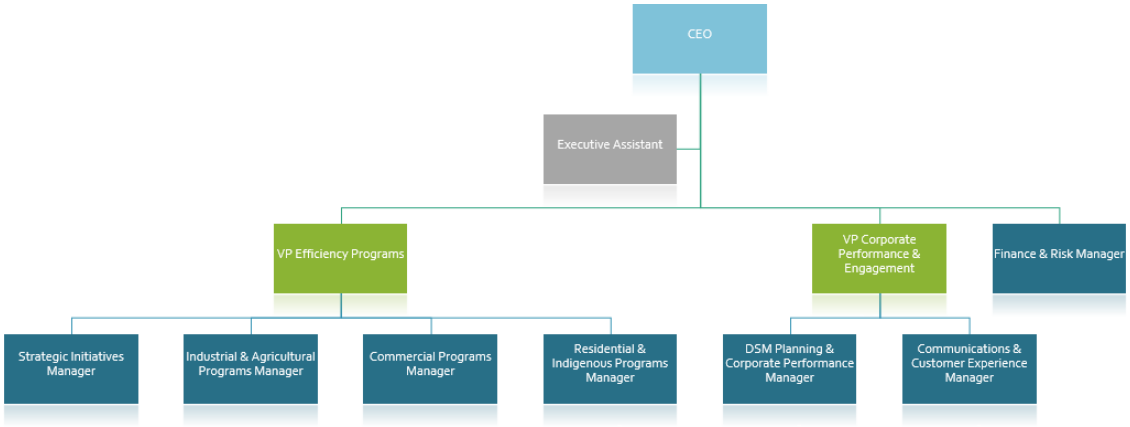
The 2026-29 Efficiency Plan development process will consider the resourcing needs of the organization beyond that noted above for the 2025/26 fiscal year.

6.2 Organization chart (at December 31, 2024)

At December 31, 2024, Efficiency Manitoba had 88.4 full-time equivalent employees. The majority of these roles are concentrated in energy efficiency programs, engineering, and technical support, while the balance of roles are in key corporate support functions of accounting, procurement, human resources, communications, corporate performance, and reporting.

Consistent with Efficiency Manitoba's legislated mandate, the private sector is leveraged to secure additional corporate support for requirements in legal, contact centre, regulatory, IT managed services, and creative design services. In addition, private sector suppliers and delivery partners separate and apart from Efficiency Manitoba's workforce are critical in providing "boots on the ground" services related to getting programs created by the organization into the hands of Manitobans across the province.

FIGURE 2: ORGANIZATIONAL CHART



7 CAPITAL PLAN

(Crown Corporations Governance and Accountability Act Section 7 (2) (c))

Moving into 2025/26, capital expenditures continue to be nominal and will include computer equipment as end-of-life replacements and/or unplanned ancillary purchase requirements.

TABLE 14: CAPITAL EXPENDITURES

($000s)	2023/24 Actual	2024/25 Budget	2024/25 Nine months ended December 31, 2024	2025/26 Budget
Computers	$ 36.0	$ 50	$ 39	$ 80
Furniture	$ 5.0	$ -	$ -	$ 10
Equipment	$ 37.0	$ -	$ -	$ -
Total Capital Asset Acquisitions	$ 78	$ 50	$ 39	$ 90

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Part and Chapter:	Directives issued by MB Government Efficiency MB Filings	**Page #:**	3
Topic:	Extensions to Efficiency MB Plan		
Subtopic:	Annual Business Plans		

PREAMBLE TO IR (IF ANY):

The MB Government issued Directives to Efficiency Manitoba on July 1, 2023, April 1, 2025, and October 10, 2025, providing one-year extensions of the Current Efficiency Plan to 2024/25, 2025/26, 2026/27 respectively. Each directive indicated a one-year extension for the prior year efficiency plan as its purpose:

- "This directive extends the 2023/24 efficiency plan of Efficiency Manitoba Inc. (the "Corporation") for a period of one year from April 1, 2024, to March 31, 2025."

- "This directive extends the 2024/25 efficiency plan of Efficiency Manitoba Inc. (the "Corporation") for a period of one year from April 1, 2025, to March 31, 2026."

- "This directive instructs Efficiency Manitoba Inc. (the "Corporation") to extend its 2025/26 Energy Efficiency Plan by one additional year from April 1, 2026, to March 31, 2027."

In each case, the directive indicated that:

"… the extension will enable the Corporation to assess and integrate forthcoming recommendations from Manitoba's provincial energy policy framework, and Manitoba Hydro's Integrated Resource Plan into Efficiency Manitoba's next three-year energy efficiency plan."

Each directive also noted Section 13.3(1) of the Efficiency Manitoba Act, which indicates as follows:

13.3(1) For each one-year period that an approved efficiency plan is to be extended, Efficiency Manitoba must submit to the minister a plan update that sets out the following:

(a) any material change to an initiative included in the efficiency plan;

(b) if the cumulative net savings secured under the efficiency plan have fallen short of the sum of the applicable annual savings targets, a description of the initiatives planned to address the shortfall;

(c) any material change in the net savings to be achieved under the efficiency plan;

(d) an assessment of the benefits to be attained during the one-year extension period;

(e) any material change to a loan or financing program provided under the efficiency plan;

(f) a budget for the one-year extension.

And stated in its directive that

> "The Corporation must provide an updated one-year plan to the Minister as specified in subsection 13.3(1) of the Efficiency Manitoba Act."

The Efficiency Manitoba filing in this IRP review states that:

> "Attachment 1 provides the cumulative electric energy and natural gas volume 21 demand side management (DSM) programming savings starting in 2025/26 along 22 with forecasted expenditures produced by EM for use in Manitoba Hydro's 2025 IRP 23 and referred to within the 2025 IRP as the base efficiency plan. This forecast is 24 derived from EM analysis and planning associated with the 2025/26 through 2027/28 25 (2025-28) time-period and has been extrapolated out to 2049/50 to satisfy 2025 IRP 26 purposes.1" (p.3)

With an explanatory footnote that states:

> "Manitoba Hydro's 2025 IRP was developed for 2024/25 to 2049/50. Manitoba Hydro leveraged EM's 2024/25 Annual Business Plan to include planned savings for 2024/25 which persist through the planning horizon and increase the cumulative annual savings. These 2024/25 planned savings values are included in the 2024 Electric Load Forecast and are provided in MIPUG/MH I-1a-c filed during the Fiscal 2026 to 2028 Electric General Rate Application." (p.3)

QUESTION:

e) Please explain how Efficiency Manitoba has assessed and integrated its plans into the 2025 Integrated Resource Plan processes and findings as noted in the directives applicable to the three one-year extensions.

RATIONALE FOR QUESTION:

The projected savings plans submitted by Efficiency Manitoba for use in the 2025 IRP as the base efficiency plan were derived from EM analysis and planning associated with the 2025/26 through 2027/28 time-period, extrapolated to 2049/50 for the purposes of the 2025 IRP.

RESPONSE:

Efficiency Manitoba has assessed and integrated its plans into the 2025 Integrated Resource Plan (IRP) processes and findings through a coordinated planning and forecasting approach, consistent with the intent of the provincial directives.

As described in Exhibit EM-2 (beginning on PDF page 3), Efficiency Manitoba developed a demand side management savings and expenditure forecast (base efficiency plan projection) based on internal analysis and planning for the 2025/26 through 2027/28 period. This forecast reflects the continuation and evolution of initiatives under the extended efficiency plans, including updates under Section 13.3(1) of the Efficiency Manitoba Act, such as changes to initiatives, budgets, and expected savings with examples and details outlined in PUB/EM I-1b and PUB/EM I-1c. This planning analysis is further reflected in Efficiency Manitoba's approved 2025/26 Annual Business Plan.

This DSM forecast was then provided to Manitoba Hydro for use in the 2025 IRP. Specifically:

- The forecasted electric savings from Efficiency Manitoba's programs form the basis of the base efficiency plan used in the IRP analysis.
- These savings were incorporated into Manitoba Hydro's load forecast, reducing projected demand over the planning horizon and thereby influencing resource planning outcomes, including the timing and need for new supply-side resources.
- The DSM projections were extended beyond the 2025/26 through 2027/28 (2025-28) time-period out to 2049/50 to align with the IRP time horizon, ensuring that long-term impacts of energy efficiency were captured in the analysis and satisfying legislated energy savings targets.

Through this iterative exchange, where Efficiency Manitoba provides updated DSM forecasts and Manitoba Hydro incorporates those forecasts into load forecasting, Efficiency Manitoba has effectively integrated its efficiency plans into the 2025 IRP processes and findings, consistent with the intent of the government directives.

MIPUG/EM I-7a

Part and Chapter:	Technical Conference MB Hydro Filing – Appendix 6 Efficiency MB Filing - Attachment 1 Efficiency MB Filing - Attachment 4	**Page #:**	26 Section 2.0 9 and excel attachment 249 and excel attachment
Topic:	Resource Options Competitiveness		
Subtopic:	Levelized Costs		

PREAMBLE TO IR (IF ANY):

Economic Competitiveness of Resource Options (slide 26) of Manitoba Hydro's Technical Conference Presentation included a levelized cost of energy and capacity for wind, solar, hydro, natural gas combustion turbine and energy efficiency.

Levelized Cost Metric ($2024)	Wind	Solar	Hydro	Natural Gas Combustion Turbine	Energy Efficiency (Low)	Energy Efficiency (High)
Cost of Energy ($/MWh)	60	90	100	140 to 500	50	500
Cost of Capacity ($/kw-yr)	1,070	(No Capacity)	750	125	60	670

Appendix 6 provided more detailed information, including levelized costs with and without transmission, pertaining to wind, solar, hydropower, natural gas single-cycle CT and combined-cycle CT, biomass generation, capacity imports, biodiesel CT, hydrogen CT and CCCT, natural gas CCCT with carbon capture and sequestration, biomass with carbon capture and sequestration, small modular nuclear reactors, battery storage, and additional energy efficiency

Attachments 1 and 4 of Efficiency Manitoba's filing indicate measures under the base efficiency plan and additional energy efficiency options.

QUESTION:

a) Please explain whether Efficiency Manitoba determines the levelized benefits and costs of energy efficiency measures described in Attachment 1 and Attachment 4 of its filing.

RATIONALE FOR QUESTION:

N/A

RESPONSE:

Efficiency Manitoba determined the levelized benefits and costs of energy efficiency measures described in Attachment 1 for the 2025-28 planning analysis period. They were not determined on the extrapolated planning analysis out to 2049/50 for the base efficiency plan.

Attachment 4 is based on the additional selectable energy efficiency measures identified in Table A6.16 on page 47 of Appendix 6. The PACT results for each of the measures identified in Table A6.16 on page 47 of Appendix 6, except for electric thermal storage are determined within the DSM Market Potential Study maximized scenario at the program level (grouped) as measure level cost-effectiveness results are not available.

MIPUG/EM I-7b

Part and Chapter:	Technical Conference MB Hydro Filing – Appendix 6 Efficiency MB Filing - Attachment 1 Efficiency MB Filing - Attachment 4	**Page #:**	26 Section 2.0 9 and excel attachment 249 and excel attachment
Topic:	Resource Options Competitiveness		
Subtopic:	Levelized Costs		

PREAMBLE TO IR (IF ANY):

Economic Competitiveness of Resource Options (slide 26) of Manitoba Hydro's Technical Conference Presentation included a levelized cost of energy and capacity for wind, solar, hydro, natural gas combustion turbine and energy efficiency.

Levelized Cost Metric ($2024)	Wind	Solar	Hydro	Natural Gas Combustion Turbine	Energy Efficiency (Low)	Energy Efficiency (High)
Cost of Energy ($/MWh)	60	90	100	140 to 500	50	500
Cost of Capacity ($/kw-yr)	1,070	(No Capacity)	750	125	60	670

Appendix 6 provided more detailed information, including levelized costs with and without transmission, pertaining to wind, solar, hydropower, natural gas single-cycle CT and combined-cycle CT, biomass generation, capacity imports, biodiesel CT, hydrogen CT and CCCT, natural gas CCCT with carbon capture and sequestration, biomass with carbon capture and sequestration, small modular nuclear reactors, battery storage, and additional energy efficiency

Attachments 1 and 4 of Efficiency Manitoba's filing indicate measures under the base efficiency plan and additional energy efficiency options.

QUESTION:

b) If "Yes" to a), please provide the levelized benefits and costs used in the determination of the Program Administrator Cost Test (PACT) for measures described in Attachment 1 and Attachment 4 of its filing.

RATIONALE FOR QUESTION:

N/A

RESPONSE:

The levelized benefits and costs used in the determination of the Program Administrator Cost Test (PACT) for the 2025-28 planning analysis period associated with the base efficiency plan described in Attachment 1 can be found in Table 1 below.

The levelized benefits and costs used in the determination of the Program Administrator Cost Test (PACT) for the additional energy efficiency described in Attachment 4 at the program level (grouped), can be found in response to PUB-EM I-10c.

Table 1. Efficiency Manitoba Program Administrator Cost Test (PACT) from 2025-28 Planning Analysis

	ELECTRIC PACT		
	PACT BENEFITS	PACT COSTS	PACT RATIO
RESIDENTIAL			
Incentive Based Programs			
New Homes Program	$14,257,478	$5,306,705	2.69
Home Insulation	$6,083,509	$3,513,741	1.73
Windows & Doors	$4,320,376	$1,475,048	2.93
Energy Efficiency Assistance Program	$9,434,798	$10,771,415	0.88
Metis Energy Efficiency Offers	$1,540,153	$2,166,637	0.71
Home Energy Retrofits	$1,454,270	$900,645	1.61
Appliance Recycling Program	$186,404	$843,039	0.22
Instant Rebates	$3,396,454	$1,281,231	2.65
Community Heat Pump	$6,543,903	$5,412,827	1.21
Air Sealing	$1,468,588	$629,741	2.33
Ground Source Heat Pumps	$2,577,159	$1,081,724	2.38
Air Source Heat Pumps	-$905,571	$747,558	-
First Nation Energy Efficiency Program	$3,086,640	$3,974,376	0.78
Home Energy Reports	$2,844,477	$2,282,064	1.25
COMMERCIAL			
Incentive Based Programs			
Business Lighting Program	$120,213,567	$38,082,070	3.16
Commercial Building Envelope - Insulation	$11,612,202	$2,355,633	4.93
Commercial Building Envelope - Air Tightness	$179,749	$42,566	4.22
HVAC & Controls - Upstream	$894,091	$203,032	4.40
HVAC & Controls - Downstream	$373,672	$360,313	1.04
Commercial Deep Energy Retrofit Program	$8,074,853	$6,074,442	1.33
New Buildings Program	$12,945,845	$6,098,962	2.12
Commercial Refrigeration Program	$512,426	$333,286	1.54
Commercial Kitchen Appliance Program	$1,170,672	$262,590	4.46
In Suite Energy Efficiency Program	$2,648,257	$476,848	5.55
Small Business Program	$1,428,548	$2,279,437	0.63
Indigenous Small Business Program	$812,408	$1,409,399	0.58
INDUSTRIAL			
Incentive Based Programs			
Custom Energy Solutions	$71,934,844	$26,913,572	2.67
LOAD DISPLACEMENT			
Incentive Based Programs			
Load Displacement	$58,342,627	$10,232,795	5.70
OTHER EMERGING TECHNOLOGIES			
Incentive Based Programs			
Solar PV - Residential	$3,005,929	$2,116,700	1.42
Solar PV - Commercial	$9,051,628	$6,428,382	1.41
Electric Portfolio *	**$359,489,955**	**$178,711,559**	**2.01**

**Electric portfolio PACT costs also include Enabling Strategies & Overhead costs*

MIPUG/EM I-7c

Part and Chapter:	Technical Conference MB Hydro Filing – Appendix 6 Efficiency MB Filing - Attachment 1 Efficiency MB Filing - Attachment 4	**Page #:**	26 Section 2.0 9 and excel attachment 249 and excel attachment
Topic:	Resource Options Competitiveness		
Subtopic:	Levelized Costs		

PREAMBLE TO IR (IF ANY):

Economic Competitiveness of Resource Options (slide 26) of Manitoba Hydro's Technical Conference Presentation included a levelized cost of energy and capacity for wind, solar, hydro, natural gas combustion turbine and energy efficiency.

Levelized Cost Metric ($2024)	Wind	Solar	Hydro	Natural Gas Combustion Turbine	Energy Efficiency (Low)	Energy Efficiency (High)
Cost of Energy ($/MWh)	60	90	100	140 to 500	50	500
Cost of Capacity ($/kw-yr)	1,070	(No Capacity)	750	125	60	670

Appendix 6 provided more detailed information, including levelized costs with and without transmission, pertaining to wind, solar, hydropower, natural gas single-cycle CT and combined-cycle CT, biomass generation, capacity imports, biodiesel CT, hydrogen CT and CCCT, natural gas CCCT with carbon capture and sequestration, biomass with carbon capture and sequestration, small modular nuclear reactors, battery storage, and additional energy efficiency

Attachments 1 and 4 of Efficiency Manitoba's filing indicate measures under the base efficiency plan and additional energy efficiency options.

QUESTION:

c) Please explain whether Efficiency Manitoba determines the installation or first year cost it incurs for energy efficiency measures described in Attachment 1 and Attachment 2 of its filing.

RATIONALE FOR QUESTION:

N/A

RESPONSE:

Efficiency Manitoba determines the first-year cost it incurs for energy efficiency programs described in Attachment 1 for the 2025-28 planning analysis period and extrapolated out to 2049/50 for IRP purposes.

Attachment 4 is based on the additional selectable energy efficiency measures identified in Table A6.16 on page 47 of Appendix 6. These are based on the Dunsky DSM Market Potential Study maximized scenario, with the study period concluding in 2037/38. The data sourced from the DSM Market Potential Study does not include consideration of electric thermal storage measures. Efficiency Manitoba understands that Attachment 4 determines the first-year cost incurred for energy efficiency measures.

MIPUG/EM I-7d

Part and Chapter:	Technical Conference MB Hydro Filing – Appendix 6 Efficiency MB Filing - Attachment 1 Efficiency MB Filing - Attachment 4	**Page #:**	26 Section 2.0 9 and excel attachment 249 and excel attachment
Topic:	Resource Options Competitiveness		
Subtopic:	Levelized Costs		

PREAMBLE TO IR (IF ANY):

Economic Competitiveness of Resource Options (slide 26) of Manitoba Hydro's Technical Conference Presentation included a levelized cost of energy and capacity for wind, solar, hydro, natural gas combustion turbine and energy efficiency.

Levelized Cost Metric ($2024)	Wind	Solar	Hydro	Natural Gas Combustion Turbine	Energy Efficiency (Low)	Energy Efficiency (High)
Cost of Energy ($/MWh)	60	90	100	140 to 500	50	500
Cost of Capacity ($/kw-yr)	1,070	(No Capacity)	750	125	60	670

Appendix 6 provided more detailed information, including levelized costs with and without transmission, pertaining to wind, solar, hydropower, natural gas single-cycle CT and combined-cycle CT, biomass generation, capacity imports, biodiesel CT, hydrogen CT and CCCT, natural gas CCCT with carbon capture and sequestration, biomass with carbon capture and sequestration, small modular nuclear reactors, battery storage, and additional energy efficiency

Attachments 1 and 4 of Efficiency Manitoba's filing indicate measures under the base efficiency plan and additional energy efficiency options.

QUESTION:

d) If "Yes" to c), please provide the first-year costs determined by Efficiency Manitoba measures described in Attachment 1 and Attachment 4 of its filing.

RATIONALE FOR QUESTION:

N/A

RESPONSE:

The first-year costs for the energy efficiency programs used in the determination of the base efficiency plan described in Attachment 1 can be found in Table 1 below.

The first-year costs used in the determination of the additional energy efficiency described in Attachment 4, can be found in Exhibit EM-2 PDF page 252-253. The sum of annual incentive costs and annual administration costs will equal the annual electric investment costs.

Table 1. EFFICIENCY MANITOBA - ANNUAL ELECTRIC DSM BUDGET FORECAST

	ELECTRIC DSM BUDGET (Reported in NOMINAL $$s)												
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38
RESIDENTIAL													
Incentive Based Programs													
New Homes Program	$1,478,679	$1,888,802	$2,283,497	$2,941,925	$3,107,483	$3,231,834	$3,359,917	$3,491,831	$3,660,682	$3,818,058	$3,997,433	$3,712,640	$3,911,932
Home Insulation	$1,212,334	$1,238,091	$1,264,395	$1,627,998	$1,719,614	$1,788,428	$1,859,306	$1,932,304	$2,025,743	$2,112,831	$2,212,094	$2,054,495	$2,164,779
Windows & Doors	$477,977	$525,568	$559,243	$719,294	$759,772	$790,176	$821,492	$853,744	$895,028	$933,506	$977,363	$907,732	$956,458
Energy Efficiency Assistance Program	$3,161,984	$3,795,733	$4,495,686	$5,779,079	$6,104,299	$6,348,575	$6,600,179	$6,859,309	$7,190,997	$7,500,144	$7,852,507	$7,293,063	$7,684,549
Metis Energy Efficiency Offers	$604,889	$770,362	$931,855	$1,198,295	$1,265,729	$1,316,380	$1,368,550	$1,422,281	$1,491,057	$1,555,158	$1,628,221	$1,512,220	$1,593,395
Home Energy Retrofits	$201,017	$312,441	$451,991	$581,318	$614,032	$638,604	$663,913	$689,979	$723,343	$754,441	$789,885	$733,610	$772,990
Appliance Recycling Program	$843,039	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Instant Rebates	$488,058	$426,705	$435,770	$564,292	$596,047	$619,899	$644,467	$669,769	$702,157	$732,343	$766,749	$712,123	$750,349
Community Heat Pump	$1,421,433	$2,028,269	$2,318,706	$2,979,956	$3,147,654	$3,273,614	$3,403,352	$3,536,971	$3,708,005	$3,867,415	$4,049,110	$3,760,635	$3,962,503
Air Sealing	$165,190	$226,171	$280,334	$361,357	$381,692	$396,966	$412,699	$428,902	$449,642	$468,972	$491,005	$456,024	$480,503
Ground Source Heat Pumps	$368,739	$376,573	$399,111	$515,405	$544,410	$566,195	$588,635	$611,745	$641,327	$668,898	$700,323	$650,429	$685,344
Air Source Heat Pumps	$220,010	$261,534	$313,388	$403,554	$426,264	$443,322	$460,892	$478,987	$502,149	$523,736	$548,342	$509,276	$536,613
First Nation Energy Efficiency Program	$1,310,309	$1,401,881	$1,496,753	$1,927,871	$2,036,362	$2,117,851	$2,201,785	$2,288,230	$2,398,879	$2,502,009	$2,619,555	$2,432,928	$2,563,526
Home Energy Reports	$854,663	$800,178	$750,083	$974,817	$1,029,675	$1,070,879	$1,113,320	$1,157,030	$1,212,979	$1,265,126	$1,324,563	$1,230,196	$1,296,232
	$12,808,322	$14,052,308	$15,980,812	$20,575,160	$21,733,035	$22,602,724	$23,498,508	$24,421,081	$25,601,987	$26,702,637	$27,957,150	$25,965,371	$27,359,173
COMMERCIAL													
Incentive Based Programs													
Business Lighting Program	$13,973,335	$13,392,485	$12,798,396	$16,448,870	$17,374,537	$18,069,812	$18,785,949	$19,523,503	$20,467,581	$21,347,500	$22,350,423	$20,758,090	$21,872,369
Commercial Building Envelope - Insulation	$747,982	$831,598	$918,430	$1,180,445	$1,246,875	$1,296,771	$1,348,164	$1,401,094	$1,468,846	$1,531,993	$1,603,967	$1,489,694	$1,569,659
Commercial Building Envelope - Air Tightnes	$7,965	$17,579	$20,106	$25,920	$27,379	$28,474	$29,603	$30,765	$32,253	$33,639	$35,220	$32,710	$34,466
HVAC & Controls - Upstream	$66,324	$71,630	$77,133	$99,217	$104,800	$108,994	$113,314	$117,763	$123,457	$128,765	$134,814	$125,209	$131,930
HVAC & Controls - Downstream	$117,119	$127,134	$137,521	$178,353	$188,390	$195,929	$203,694	$211,691	$221,927	$231,468	$242,343	$225,077	$237,159
Commercial Deep Energy Retrofit Program	$1,715,006	$2,167,695	$2,582,847	$3,317,643	$3,504,345	$3,644,578	$3,789,018	$3,937,779	$4,128,194	$4,305,669	$4,507,952	$4,186,788	$4,411,532
New Buildings Program	$2,014,727	$2,149,774	$2,294,040	$2,947,405	$3,113,271	$3,237,855	$3,366,177	$3,498,336	$3,667,501	$3,825,170	$4,004,880	$3,719,556	$3,919,219
Commercial Refrigeration Program	$106,995	$117,630	$128,669	$166,189	$175,541	$182,566	$189,801	$197,253	$206,791	$215,681	$225,814	$209,726	$220,984
Commercial Kitchen Appliance Program	$85,727	$92,644	$99,816	$129,136	$136,403	$141,861	$147,484	$153,274	$160,686	$167,594	$175,467	$162,966	$171,714
In Suite Energy Efficiency Program	$164,525	$168,021	$171,591	$221,735	$234,213	$243,586	$253,240	$263,182	$275,908	$287,770	$301,290	$279,825	$294,845
Small Business Program	$786,467	$803,176	$820,240	$1,056,363	$1,115,810	$1,160,462	$1,206,453	$1,253,819	$1,314,449	$1,370,958	$1,435,367	$1,333,106	$1,404,666
Indigenous Small Business Program	$486,280	$496,612	$507,163	$652,979	$689,725	$717,326	$745,755	$775,034	$812,511	$847,442	$887,255	$824,044	$868,278
	$20,272,451	$20,435,977	$20,555,952	$26,424,254	$27,911,290	$29,028,214	$30,178,650	$31,363,492	$32,880,105	$34,293,648	$35,904,792	$33,346,792	$35,136,823
INDUSTRIAL													
Incentive Based Programs													
Custom Energy Solutions	$9,570,696	$9,760,988	$9,968,367	$12,825,952	$13,547,738	$14,089,876	$14,648,282	$15,223,387	$15,959,529	$16,645,642	$17,427,668	$16,186,052	$17,054,907
	$9,570,696	$9,760,988	$9,968,367	$12,825,952	$13,547,738	$14,089,876	$14,648,282	$15,223,387	$15,959,529	$16,645,642	$17,427,668	$16,186,052	$17,054,907
LOAD DISPLACEMENT													
Incentive Based Programs													
Load Displacement	$871,468	$889,983	$908,891	$913,537	$932,946	$952,767	$973,009	$993,682	$1,014,793	$1,036,353	$1,058,372	$1,080,857	$1,103,821
	$871,468	$889,983	$908,891	$913,537	$932,946	$952,767	$973,009	$993,682	$1,014,793	$1,036,353	$1,058,372	$1,080,857	$1,103,821
OTHER EMERGING TECHNOLOGIES													
Incentive Based Programs													
Solar PV - Residential	$533,772	$744,059	$983,357	$1,003,024	$1,023,085	$1,043,546	$1,064,417	$1,085,706	$1,107,420	$1,129,568	$1,152,159	$1,175,203	$1,198,707
Solar PV - Commercial	$1,367,557	$2,160,014	$3,375,337	$3,442,844	$3,511,701	$3,581,935	$3,653,574	$3,726,645	$3,801,178	$3,877,202	$3,954,746	$4,033,841	$4,114,518
	$1,901,329	$2,904,073	$4,358,694	$4,445,868	$4,534,786	$4,625,481	$4,717,991	$4,812,351	$4,908,598	$5,006,770	$5,106,905	$5,209,043	$5,313,224
Program Support	$11,257,140	$13,613,719	$12,130,664	$12,373,277	$14,446,988	$12,873,158	$13,130,621	$15,331,259	$13,661,098	$13,934,320	$16,269,655	$14,497,266	$14,787,212
TOTAL Electric DSM Budget	**$56,681,406**	**$61,657,048**	**$63,903,382**	**$77,558,049**	**$83,106,782**	**$84,172,221**	**$87,147,061**	**$92,145,253**	**$94,026,109**	**$97,619,370**	**$103,724,542**	**$96,285,383**	**$100,755,160**

Note: May not add up due to rounding.

Table 1. (continued) EFFICIENCY MANITOBA - ANNUAL ELECTRIC DSM BUDGET FORECAST

ELECTRIC DSM BUDGET (Reported in NOMINAL $$s)											
2038/39	2039/40	2040/41	2041/42	2042/43	2043/44	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50
$4,117,710	$4,348,739	$4,587,362	$4,833,791	$5,088,242	$5,350,937	$5,622,105	$5,901,979	$6,190,799	$6,467,037	$6,774,058	$7,068,119
$2,278,652	$2,406,499	$2,538,548	$2,674,916	$2,815,724	$2,961,093	$3,111,152	$3,266,028	$3,425,855	$3,578,719	$3,748,618	$3,911,345
$1,006,770	$1,063,257	$1,121,599	$1,181,851	$1,244,063	$1,308,292	$1,374,591	$1,443,020	$1,513,636	$1,581,175	$1,656,241	$1,728,138
$8,088,778	$8,542,608	$9,011,357	$9,495,438	$9,995,278	$10,511,313	$11,043,991	$11,593,773	$12,161,127	$12,703,765	$13,306,873	$13,884,523
$1,677,212	$1,771,314	$1,868,509	$1,968,883	$2,072,526	$2,179,526	$2,289,977	$2,403,974	$2,521,615	$2,634,132	$2,759,186	$2,878,962
$813,651	$859,302	$906,454	$955,147	$1,005,426	$1,057,334	$1,110,917	$1,166,219	$1,223,290	$1,277,874	$1,338,540	$1,396,646
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$789,819	$834,133	$879,904	$927,171	$975,977	$1,026,365	$1,078,378	$1,132,061	$1,187,459	$1,240,445	$1,299,334	$1,355,738
$4,170,942	$4,404,957	$4,646,665	$4,896,279	$5,154,019	$5,420,111	$5,694,784	$5,978,276	$6,270,830	$6,550,639	$6,861,629	$7,159,491
$505,778	$534,156	$563,466	$593,735	$624,989	$657,256	$690,563	$724,940	$760,416	$794,346	$832,058	$868,177
$721,395	$761,870	$803,675	$846,847	$891,425	$937,448	$984,955	$1,033,987	$1,084,586	$1,132,981	$1,186,769	$1,238,286
$564,841	$596,532	$629,265	$663,068	$697,972	$734,007	$771,204	$809,595	$849,214	$887,106	$929,221	$969,559
$2,698,374	$2,849,770	$3,006,142	$3,167,629	$3,334,372	$3,506,519	$3,684,218	$3,867,622	$4,056,889	$4,237,910	$4,439,104	$4,631,804
$1,364,417	$1,440,969	$1,520,038	$1,601,693	$1,686,006	$1,773,051	$1,862,903	$1,955,641	$2,051,342	$2,142,875	$2,244,607	$2,342,045
$28,798,340	$30,414,106	$32,082,982	$33,806,448	$35,586,020	$37,423,251	$39,319,738	$41,277,115	$43,297,058	$45,229,003	$47,376,239	$49,432,833
$23,022,915	$24,314,644	$25,648,832	$27,026,661	$28,449,345	$29,918,125	$31,434,277	$32,999,107	$34,613,957	$36,158,456	$37,875,069	$39,519,220
$1,652,228	$1,744,928	$1,840,675	$1,939,555	$2,041,653	$2,147,059	$2,255,865	$2,368,164	$2,484,053	$2,594,893	$2,718,085	$2,836,077
$36,279	$38,315	$40,417	$42,588	$44,830	$47,145	$49,534	$52,000	$54,544	$56,978	$59,683	$62,274
$138,870	$146,662	$154,709	$163,020	$171,602	$180,461	$189,606	$199,045	$208,786	$218,102	$228,456	$238,373
$249,635	$263,641	$278,107	$293,047	$308,473	$324,399	$340,838	$357,805	$375,315	$392,062	$410,675	$428,502
$4,643,590	$4,904,124	$5,173,223	$5,451,123	$5,738,070	$6,034,315	$6,340,114	$6,655,731	$6,981,437	$7,292,954	$7,639,185	$7,970,801
$4,125,381	$4,356,840	$4,595,908	$4,842,796	$5,097,721	$5,360,905	$5,632,578	$5,912,974	$6,202,332	$6,479,084	$6,786,677	$7,081,286
$232,609	$245,659	$259,139	$273,060	$287,434	$302,273	$317,592	$333,402	$349,717	$365,322	$382,665	$399,277
$180,747	$190,888	$201,362	$212,179	$223,348	$234,879	$246,782	$259,067	$271,745	$283,871	$297,347	$310,255
$310,355	$327,768	$345,753	$364,327	$383,505	$403,304	$423,742	$444,837	$466,605	$487,426	$510,566	$532,730
$1,478,555	$1,561,511	$1,647,194	$1,735,680	$1,827,046	$1,921,372	$2,018,741	$2,119,236	$2,222,943	$2,322,133	$2,432,375	$2,537,964
$913,951	$965,230	$1,018,194	$1,072,890	$1,129,367	$1,187,674	$1,247,861	$1,309,981	$1,374,086	$1,435,399	$1,503,544	$1,568,813
$36,985,116	$39,060,210	$41,203,514	$43,416,926	$45,702,393	$48,061,912	$50,497,530	$53,011,349	$55,605,521	$58,086,678	$60,844,328	$63,485,571
$17,952,042	$18,959,263	$19,999,591	$21,073,950	$22,183,282	$23,328,559	$24,510,773	$25,730,944	$26,990,118	$28,194,436	$29,532,960	$30,814,981
$17,952,042	$18,959,263	$19,999,591	$21,073,950	$22,183,282	$23,328,559	$24,510,773	$25,730,944	$26,990,118	$28,194,436	$29,532,960	$30,814,981
$1,127,273	$1,151,222	$1,174,247	$1,197,732	$1,221,686	$1,246,120	$1,271,043	$1,296,463	$1,322,393	$1,348,841	$1,375,817	$1,403,334
$1,127,273	$1,151,222	$1,174,247	$1,197,732	$1,221,686	$1,246,120	$1,271,043	$1,296,463	$1,322,393	$1,348,841	$1,375,817	$1,403,334
$1,222,681	$1,247,134	$1,272,077	$1,297,519	$1,323,469	$1,349,938	$1,376,937	$1,404,476	$1,432,566	$1,461,217	$1,490,441	$1,520,250
$4,196,808	$4,280,744	$4,366,359	$4,453,686	$4,542,760	$4,633,615	$4,726,287	$4,820,813	$4,917,229	$5,015,574	$5,115,885	$5,218,203
$5,419,489	$5,527,879	$5,638,436	$5,751,205	$5,866,229	$5,983,553	$6,103,225	$6,225,289	$6,349,795	$6,476,791	$6,606,327	$6,738,453
$17,265,488	$15,384,615	$15,692,307	$18,322,274	$16,326,277	$16,652,802	$19,443,744	$17,325,575	$17,672,087	$20,633,856	$18,386,039	$18,753,760
$107,547,747	**$110,497,294**	**$115,791,078**	**$123,568,534**	**$126,885,887**	**$132,696,197**	**$141,146,052**	**$144,866,736**	**$151,236,972**	**$159,969,604**	**$164,121,710**	**$170,628,931**