



**SAVE TODAY.
SAVE TOMORROW.**

**2022/23
ANNUAL REPORT**



SAVE TODAY.

Save energy, money, and the environment today by participating in our wide range of programs and services. We're here and ready to help individuals, businesses, and communities across Manitoba.

SAVE TOMORROW.

Keep saving for years to come. Investing in energy efficiency supports the Manitoba economy and helps protect the environment.



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MESSAGE FROM THE BOARD CHAIR

WORKING TODAY TO CREATE A SUSTAINABLE TOMORROW

As Efficiency Manitoba's Chair and on behalf of the Board of Directors, I'm proud to present Efficiency Manitoba's Annual Report for the 2022/23 fiscal year, which marks the completion of three years of operations.

The challenging external conditions that have persisted throughout the entirety of Efficiency Manitoba's existence have heightened the need and opportunity to demonstrate and provide real value to Manitobans. While Manitobans have faced new financial challenges and decisions on where to spend hard-earned dollars, Efficiency Manitoba has competed for the time, attention, and opportunity to support customer investments in energy efficiency by providing incentives and expert support. Through the concentrated efforts of employees — in collaboration with many valued partners — and the participation of increasingly more Manitobans in energy efficiency programs, Efficiency Manitoba has grown its investments in energy efficiency and resulting energy savings each year. A more energy-efficient future is taking shape.

Efficiency Manitoba's focus is on the interests of Manitobans. Recognizing pandemic impacts on program participation, the 2022/23 fiscal year saw the extension of Efficiency Manitoba's first three-year Efficiency Plan through 2023/24. The extension ensured maximized access to the \$32.3 million Federal Low Carbon Economy Leadership Fund (LCELF) dollars announced in 2021 in support of natural gas energy efficiency programming in Manitoba.

With three years of operations completed, a solid organizational foundation built, and over 40 diverse programs and offers in the market, Efficiency Manitoba has accomplished

a great deal through these early years. The pursuit of new and innovative ways to work for and with Manitobans towards increasing participation, bill savings, and all the supplemental advantages of energy efficiency continues.

The work of this organization benefits from the support and involvement of many across our province. I'd like to acknowledge and thank the Board of Directors for their commitment to energy efficiency in Manitoba. Their work and expertise have provided invaluable guidance, keeping in focus our vision, mission, goals, and guiding principles, thereby enabling the delivery of world-class energy efficiency programming to all Manitobans. The vision for this organization is brought to life through the efforts of the Efficiency Manitoba team. On behalf of the Board, I want to recognize the outstanding work and extend our sincere appreciation for the dedication and commitment demonstrated by the employees of Efficiency Manitoba.

Efficiency Manitoba's long-term energy savings targets continue to guide the important work of this organization. Offering energy-saving programs to Manitobans and enabling green job creation supports the economic resiliency that propels our province forward. I'm honoured to be a part of the team leading the way for energy efficiency and look forward to seeing what this organization will accomplish in collaboration with Manitobans in the years ahead.

Jeannette Montufar | P.Eng.
Board Chair

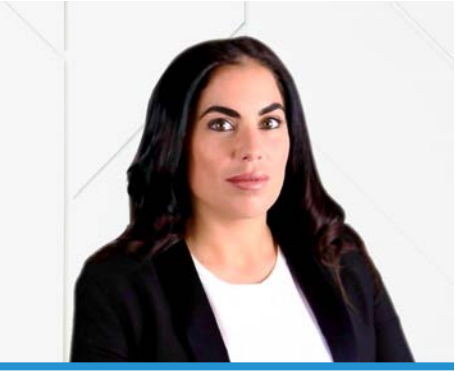
EFFICIENCY MANITOBA BOARD



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Sukhjinder Sandhu



Jack Wilson

MESSAGE FROM THE CEO

REALIZING OUR VISION THROUGH COLLABORATION



Reflecting on Efficiency Manitoba’s activities from the past year, I’m honoured to share this annual report demonstrating the continued progress this organization has made since launching only three years ago. What started as a piece of legislation has grown and developed into a fully functional organization with a talented team of experts leading the way towards an energy-efficient, sustainable, and economically resilient future for our province.

Every year, we’re moving forward on our vision of serving as a catalyst for an energy-efficient Manitoba. The word “catalyst” is purposeful, as implementing energy efficiency and achieving our energy savings goals isn’t something we do in isolation. Realizing our vision requires the participation of customers, the support of skilled trades, and the collaborative spirit of partnering industries and organizations.

For Manitobans to invest in energy efficiency, they need to recognize its many benefits: from lower monthly bills and maintenance costs, to reduced greenhouse gas emissions, to the mitigation of the impacts of future energy rate increases. This past fiscal year, the success of our amplified awareness efforts, the launch of five new programs, and enhancements to existing programs to address the realities imposed by economic conditions have made this investment decision easier for Manitobans. This is evidenced by our increased program participation and incentives. And beyond making energy efficiency more accessible, we’re also pleased to see how happy our program participants have been. In 2022/23, we measured an impressive customer satisfaction score of 87%, meaning our customers are very satisfied with

their experiences with Efficiency Manitoba. Delivering on our core operations in a manner that leaves Manitobans feeling good and sharing their positive experiences with others speaks volumes for the future success of our organization.

Providing these helpful and satisfying programs also depends on the retailers, contractors, and other suppliers who deliver energy efficiency to homes and businesses throughout the province. These businesses install and consult on the upgrades and technologies that enable electricity and natural gas savings, ultimately contributing to the realization of our vision. Our network of registered Efficiency Manitoba suppliers has been steadily growing and essentially doubled since our organizational commencement in April 2020, now totalling over 1,300 industry partners across Manitoba. When we inspire the interest of Manitobans in new energy efficiency projects, we’re contributing to the creation of green jobs — whether they’re new businesses coming on board or existing businesses hiring more employees — thereby realizing our vision of being a catalyst and further strengthening Manitoba’s economy.

The continuous work we’ve been doing to ensure efficiency and effectiveness in our operations has also benefitted these businesses. A notable accomplishment from this past fiscal year is the successful implementation of our new customer relationship management and demand-side management (CRM/DSM) system. Recognized as foundational for our operations, this system has significantly streamlined the program application process for participants. Suppliers have been vocal about how simple the new process has been, and customers have been receiving their

incentives more quickly than ever before. The direct quotes from suppliers on page 13 are truly a testament to the success of this system and our diligent focus on its implementation.

We’ve been actively engaging with communities and organizations to aid in customer outreach initiatives and ensure our programs are representative of the populations we serve. Throughout this report, you’ll read about our partnership with the Manitoba Métis Federation, engagement with First Nation communities, the ongoing guidance supplied by the Energy Efficiency Advisory Group and Indigenous Energy Efficiency Working Group, and the excellent work community renewal corporations and community advocates have been doing to promote energy efficiency to their residents. It’s through these collaborative efforts that we’re able to develop programs and services that are truly affordable, accessible, and helpful to all Manitobans.

We’re entering an exciting and rapidly evolving time in the energy landscape. Now more than ever, energy efficiency will prove to be critical in supporting the growing responsibility the electric grid will face as building heating and transportation continue to decarbonize. Given our mandate to reduce both electricity and natural gas consumption in Manitoba, we’re well-positioned to adapt, grow, and help lead the way. And we’re already making impressive strides. This fiscal year saw the completion of our demand-side management Market Potential Study, which highlighted the state of energy-efficient technology adoption in Manitoba and identified areas of future opportunity. Further, our Innovation Fund has seen incredible levels of interest this past year, with proposals and research underway that will demonstrate the viability of new energy-saving technologies and approaches. The inspiring work undertaken by pioneers of innovation alongside our financial and technical support are critical to achieving our long-term energy savings targets.

All our success — and our opportunity to continue moving along this positive trajectory — involves many people, including those on our team at Efficiency Manitoba, our partners, and our customers. My heartfelt thanks go to our team of employees who have shown exceptional commitment and resilience in building an organization while implementing, continuously improving, and increasing the number of programs and offers available. All this has been accomplished while keeping the focus importantly on serving our customers.

A huge thanks also goes to our Energy Efficiency Advisory Group for their ongoing involvement and commitment to providing advice and perspectives as we’ve implemented our first Efficiency Plan. We’re able to design and implement better programs and further our reach when the voices and perspectives of Manitobans are woven into our work and taken into our communities. I’d also like to extend my gratitude to our Board of Directors for their dedication, support, and guidance since day one while also serving as ambassadors for Efficiency Manitoba’s purpose.

I’m proud to see the many energy efficiency projects we’ve supported that are resulting in reduced energy consumption and costs for participating homes, businesses, and communities. Together we’ve been able to accomplish so much in a mere three years; this is only the start of what’s to come. We’re well-established as your one-stop shop for energy efficiency in Manitoba. Whether you’re returning to us as you take on your next project or as you contemplate your first, the team at Efficiency Manitoba along with our extensive supplier network look forward to helping you benefit from this incredible time to invest in energy efficiency.

Colleen Kuruluk
Chief Executive Officer

WHAT WE STAND FOR



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

GUIDING PRINCIPLES

Employees

We believe our employees are key to our success; therefore, we foster a work culture of positive engagement, creativity, and diversity.

Equity & access

We believe in equity and access; therefore, we provide programs and services that benefit all Manitobans.

Investing in Manitoba

We believe in investing in Manitoba; therefore, we 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 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 and Reconciliation principles in our business processes and how we deliver our programs.

OUR MANDATE



Implement and support demand-side management* initiatives to meet savings targets and achieve resulting reductions in greenhouse gas emissions in Manitoba

**Demand-side management is the reduction in energy consumption achieved through the implementation of efficiency measures, codes, or standards.*

Mitigate the impact of rate increases on Manitoba ratepayers through the delay of Manitoba Hydro’s need for major capital investments in new generation and transmission projects



Reduce consumption of electrical energy and natural gas beyond the savings targets if reductions can be achieved in a cost-effective manner



Promote and encourage the involvement of the private sector and other non-governmental entities in the delivery of demand-side management initiatives



OUR ANNUAL BUSINESS PLAN

In accordance with the Crown Corporations Governance and Accountability Act, we prepare and publicly post an Annual Business Plan (ABP). This annual report serves to report on the activities outlined therein.

The ABP outlines the key initiatives we identified as focus areas for the fiscal year. Making progress on and completing these key initiatives contributes to the achievement of our strategic goals.

KEY INITIATIVE 1

Program planning beyond the current Efficiency Plan

As Manitoba’s expert organization dedicated to energy efficiency, we recognize the value of continuously seeking out and evaluating trends in the market to maximize cost-effective energy savings opportunities for those who live and work in our province. This is especially important in the drafting and design process for our next Efficiency Plan.

While driving energy savings through the implementation of our existing Efficiency Plan and continuing with program launch and improvement activities, we simultaneously engaged with and provided our input to external parties responsible for other key initiatives in the Manitoba energy landscape. These parties included the Manitoba government pertaining to the Provincial Energy Strategy, as well as Manitoba Hydro related to their Integrated Resource Plan.

Preparation activities for the next Efficiency Plan involved engagement work with our Energy Efficiency Advisory Group and the Indigenous Energy Efficiency Working Group. We also solicited ongoing feedback from program participants, engaged with industry, and regularly connected with our extensive network of registered suppliers to ensure continuous improvement and ongoing relevance of our programs and offers.

Successful implementation and consideration of future energy efficiency programming beyond the current Efficiency Plan contributes toward achieving all our 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, and transforming attitudes towards energy efficiency.**



KEY INITIATIVE 2

Independent assessment

In accordance with Section 16 of the Efficiency Manitoba Act, a third-party evaluator provides an independent assessment of our results relative to our approved Efficiency Plan, along with recommendations to deliver continuously improving programs.

Econoler was contracted to perform an independent assessment of each year of our current Efficiency Plan. Verified and evaluated annual energy savings results were finalized and published in our 2020/21 and 2021/22 Annual Report Supplements.

Annual program assessment and evaluation work is an extensive exercise which is concluded following the completion of the fiscal year to which it applies. For 2022/23, this work will focus on completing the assessment of program activity and reporting on the third year of the Efficiency Plan, which includes the following:

- ▶ **Full impact evaluations** will be performed on programs that didn't receive one in 2021/22. These evaluations include undertaking in-depth analysis of various savings parameters to validate achieved savings.
- ▶ **Market evaluations** will be performed on select programs to assess the effectiveness of their delivery and implementation.
- ▶ **Process evaluations** will be performed on select programs to assess their influence on changes to the market.

Final evaluated results for 2022/23 will be submitted in accordance with the Efficiency Manitoba Act via our 2022/23 Annual Report Supplement.

The independent assessment is a key initiative for achieving Efficiency Manitoba's strategic goals, including **achieving excellence in our programs and services** and **building a solid foundation for a successful organization**. The results of the assessment will also inform the cost-effectiveness of our programs benefitting Manitobans, and ultimately supporting the strategic goal of **building and sustaining meaningful partnerships with a customer focus** by verifying the cost-effectiveness of resources provided to Manitoba Hydro for resource planning purposes.



KEY INITIATIVE 3

Customer relationship management & demand-side management (CRM/DSM) system

Foundational to the success of Efficiency Manitoba is the implementation of a comprehensive customer relationship management and demand-side management (CRM/DSM) tracking system. This system serves as an all-inclusive database of program participation and projects across all customer segments; program data and statistics are centralized and readily available for reporting purposes. This reduces time, labour, red tape, and paper waste associated with reporting, leading to internal efficiencies and contributing to the lower cost of operations.

“ We signed up to be a registered contractor and were approved within minutes. The information that was required to be sent for the rebate was very easy to obtain. The communication from Efficiency Manitoba was exceptional. Very easy to work with. ”

The CRM/DSM system has also improved customer experience through enabling digital participation efficiencies and transparency. The system provides tools such as the ability to view and update project statuses, summarize conversations, and track email correspondence to our business development representatives, who provide direct support to commercial, industrial, and agricultural customers, as well

as to our Customer Contact Centre team that assists all Manitobans. In addition, our network of registered suppliers who deliver programs can see project statuses and outstanding tasks in their online dashboard, which reduces time spent on project follow-up.

“ Efficiency Manitoba is wonderful for our customers. The application process is very easy and Efficiency Manitoba employees are very helpful if you have any questions. ”

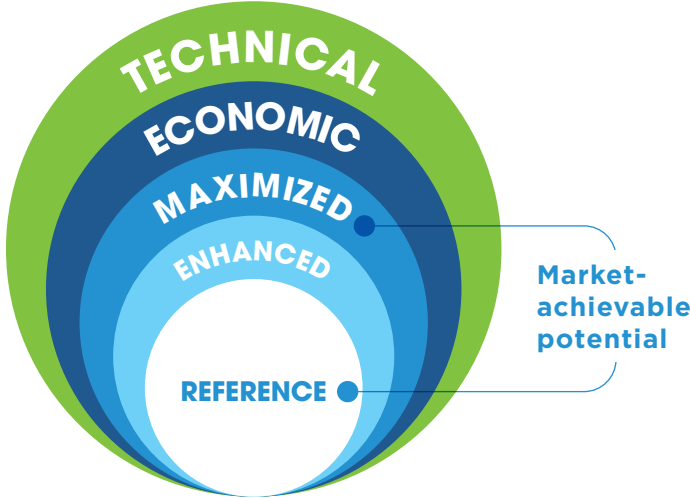
In addition to functionality to support online supplier registration and integration with our Customer Contact Centre, nearly 40 programs and enabling strategies are now live in the system — up significantly from the initial 15 programs that went live in the system in 2021/22. All programs in the system are benefitting from the improved customer experience and reporting options.

Implementation of the CRM/DSM system is a key initiative for achieving two of our strategic goals: **achieving excellence in our programs and services** and **building a solid foundation for a successful organization**.

KEY INITIATIVE 4

DSM Market Potential Study

To aid the development of our future efficiency plans, we initiated a demand-side management (DSM) Market Potential Study in 2021/22. The objective of this study was to provide estimates of technical, economic, and market-achievable savings potential for both electricity and natural gas.



A range of market-achievable energy savings estimates for each year over the 15 years of the study period formed part of the study for all customer segments. Based on the introduction of new and emerging technologies, the study also included an examination of existing energy-efficient technologies and those technologies that may be “on the horizon” and potentially viable for Manitoba when determining the maximum market-achievable potential.

The completion of the Market Potential Study, supplemented by our deep understanding and experience with the Manitoba market, permits the planning and design of informed, robust, and cost-effective future efficiency plans. An added benefit of this study was its integrated approach, which marks the first time an assessment has been conducted of this nature in Manitoba. Beyond the components specifically completed for Efficiency Manitoba on energy efficiency, fuel switching, and renewable distributed generation, the study included options for market potentials outside of our mandate in the areas of electric vehicles, demand response, and fuel switching to reduce greenhouse gas emissions and from non-natural gas fossil fuels to electricity or bioenergy. We partnered with the Province of Manitoba and Manitoba Hydro to leverage the base research conducted.

This study was imperative for providing market intelligence relative to our long-term energy savings targets and serves the strategic goal of **achieving excellence in our programs and services**. Results from the study have been shared with representatives from the Province of Manitoba and Manitoba Hydro as they undertake their work on the Provincial Energy Strategy and the Integrated Resource Plan respectively, contributing to our strategic goal of **building and sustaining meaningful partnerships with a customer focus**.

KEY INITIATIVE 5

Indigenous Energy Efficiency Working Group

Our Indigenous Energy Efficiency Working Group (IEEWG) is a vital component on our path to reconciliation with Indigenous Peoples and communities. The purpose of the IEEWG is for us to provide information and receive ongoing feedback to assist in the design, delivery, and implementation of our Indigenous energy efficiency programs and Indigenous Engagement Roadmap.

Building on two virtual meetings held in 2021/22, we hosted our first in-person IEEWG meetings in Winnipeg on March 2 and 3, 2023. Invitations were extended to leadership and those working in housing in all 63 First Nation communities; Indigenous organizations such as the Assembly of Manitoba Chiefs, the Southern Chiefs’ Organization, and Manitoba Keewatinowî Okimakanak; and all seven Tribal Councils. Thirty delegates attended the event with a combination of Tribal Council, First Nation community, and Indigenous organization participation.

The well-attended two-day event consisted of presentations on our programs and initiatives combined with breakout sessions, allowing for open discussion and feedback about the implementation of our first Efficiency Plan. The delegation provided feedback about barriers to program participation, areas for improvement, and how our programs are currently benefitting their communities, all of which will feed into our future program design and implementation.

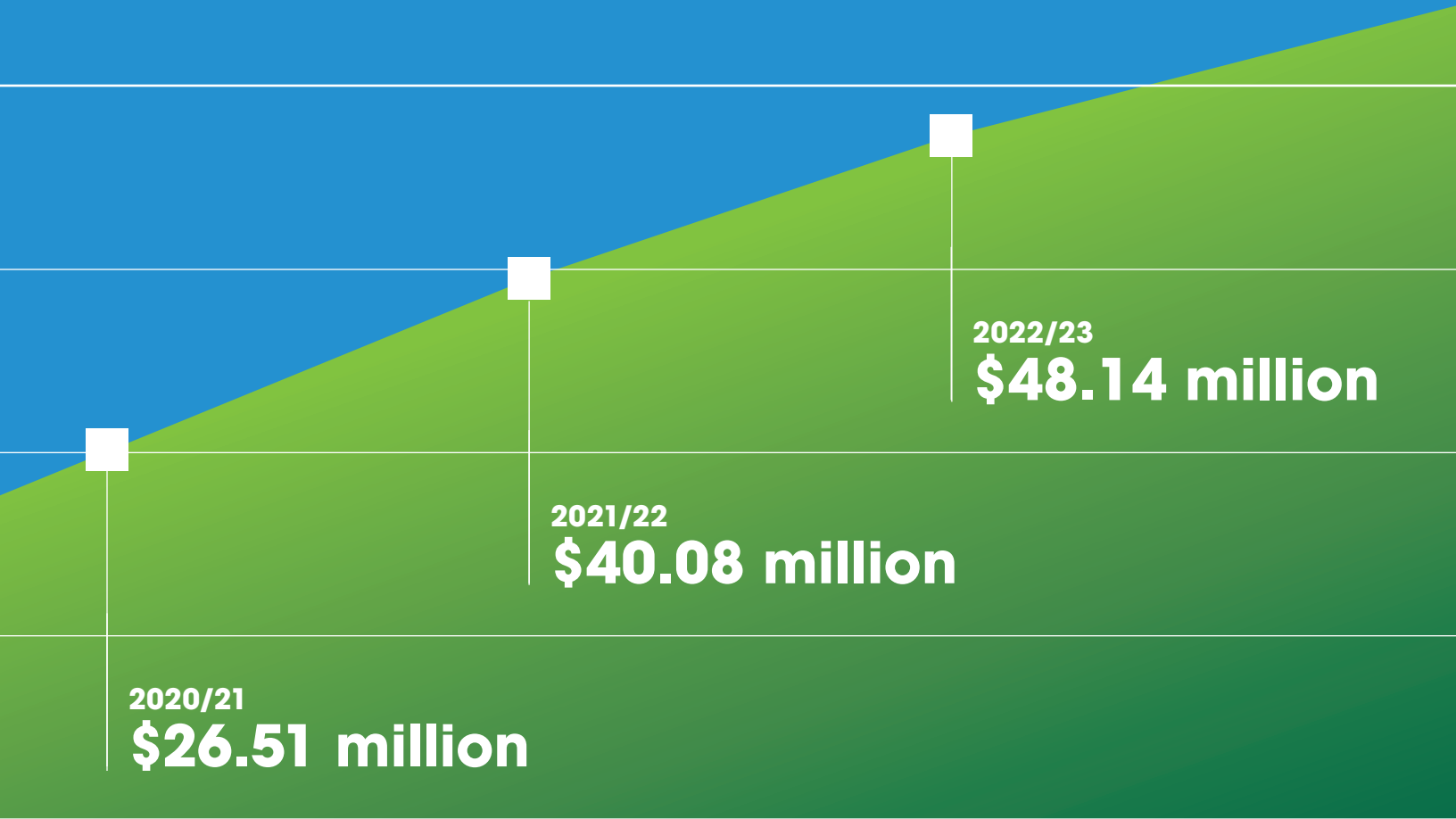
Beyond the IEEWG, we also extended invitations to meet either in person or virtually and held many individual meetings with representatives from the 63 First Nations along with the Manitoba Métis Federation.

Successful continuation of the IEEWG contributes toward achievement of our strategic goal of **building and sustaining meaningful partnerships with a customer focus**, is aligned with our guiding principle focused on **reconciliation**, and will assist us in implementing energy savings opportunities in a previously under-served market.

KEY PERFORMANCE INDICATORS

We monitor and report on several key performance indicators (KPIs). These were set in a pre-pandemic context and assumed normal operating conditions. As the external environment and economy re-opened and began returning to a new normal during the 2022/23 fiscal year, we're pleased to demonstrate progress and improvements in our KPIs.

As we continue to invest in our programs and pay incentives to even more participating customers, our total investments in energy efficiency for Manitobans have been increasing every year.



Internal business*	2022/23 TARGET
% of load (electric)	1.51%**
% of volume (natural gas)	0.82%**
Electric acquisition cost (\$/kWh)	\$0.15
Natural gas acquisition cost (\$/m³)	\$1.79

Financial	2022/23 RESULTS	2022/23 TARGET
Total expenditures (million \$)	\$48.14	\$76.01
% of annual budget	63.3%	100.0%
% of expenditures with private sector	18.5%	19.7%
% of expenditures incentives	62.0%	65.7%

Learning & growth	2022/23 RESULTS	2022/23 TARGET
% of planned expenditures on innovation***	54%	80%
Employee satisfaction with opportunities to learn, grow, and develop	75%	80%
% of employees with completed annual evaluations	72%	100%

Customer	2022/23 RESULTS	2022/23 TARGET
Brand awareness	58%	50%
Customer satisfaction	87%	90%
Customer participation (actual/forecast)****	58%	100%

* An independent assessment of our 2022/23 energy savings results is in process and will be delivered to our responsible Minister by September 30, 2023, as per the Efficiency Manitoba Act. These results will be presented in our Annual Report Supplement.

** Annual Efficiency Manitoba targets noted are based on program participation forecasts. Legislated annual targets are 1.5% of load for electricity and 0.75% of volume for natural gas.

*** See page 36 for the success of our Innovation Fund to date.

**** Includes one eight-week in-store retail rebate campaign in the fall of 2022.

HIGHLIGHTS

Our third fiscal year saw the continuation and strengthening of important and necessary foundation-building work since becoming operational in 2020. With amplified advertising and brand awareness activities, alongside a strong focus on fostering relationships with communities and other like-minded organizations, we've made significant progress in reaching Manitobans and encouraging them to participate in our energy efficiency programs.

Requesting feedback has been instrumental in informing improvements to our offers and increasing program participation. Our intent is to reach all Manitobans and help them experience the financial, environmental, and overall well-being benefits energy efficiency provides.



PROVIDING EXCELLENT PROGRAMS

The suite of over 40 programs and offers we have available for Manitobans is the vehicle by which our legislated long-term energy savings targets will be achieved. We're dedicated to providing homes, businesses, and communities with financial incentives and technical expertise in a manner that's easy, accessible, and rewarding. This means, in addition to having a diverse array of existing programs and offers to suit a variety of energy efficiency projects

and opportunities, we're continually launching new programs and making enhancements to existing offers to create the best energy efficiency experience for all Manitobans.

The following is a summary of the program launches and enhancements that occurred in 2022/23:



Program launches

PROGRAM NAME	DESCRIPTION
Air Source Heat Pump Program	Eligible homeowners and small business owners can receive up to \$1.65 per square foot of heated space to replace their existing heating system with an air source heat pump or cold climate air source heat pump. In a 1,600 square foot space, this provides an incentive of approximately \$2,600.
Commercial Deep Energy Retrofit Program	Businesses carrying out extensive renovation projects that significantly reduce their energy use may be eligible to receive a rebate of up to \$12,000 for energy modelling as well as an incentive of up to \$6 per square foot for achieved energy savings. A Commercial Deep Energy Retrofit project could see an incentive of up to \$600,000 for a 100,000 square foot building.
Home Energy Retrofits	Homeowners carrying out extensive renovation projects that significantly reduce their energy use can receive a rebate of \$75 to \$150 per gigajoule (GJ) saved as a result of the renovation. A typical Home Energy Retrofit project could see an incentive of approximately \$10,000 to \$15,000.
In-Suite Appliance Program	Property managers and owners of multi-unit residential buildings can access rebates of up to \$200 per suite for installing select ENERGY STAR® certified appliances.
Solar Rebate Program	Homeowners and businesses can receive a rebate of \$0.50 per watt of installed solar photovoltaic (PV) systems. Home systems up to 10 kW and business systems up to 50 kW are eligible for rebates through the program. Maximum rebates are \$5,000 per home and \$25,000 per business.

Program enhancements

PROGRAM NAME	ENHANCEMENTS
Energy Efficiency Assistance Program & First Nation Insulation and Direct Install Program	Changes were made to expand the eligibility for insulation upgrades completed through the programs.
Instant Rebates	Enhancements were made to improve product selection and streamline product categories and rebate amounts.
Variable-Speed Pool Pump Program	To further drive customer awareness and participation, a supplier bonus incentive was implemented for the 2022 pool season.

The 2022/23 fiscal year also saw the continuation of prior program launches, enhancements, and pivots that have positively benefitted customers and ultimately energy savings in Manitoba. These include:

- ▶ expanding eligibility criteria for the Indigenous Small Business Program while leveraging the increased community participation realized under our Indigenous Community Energy Efficiency Program including a total of 11 First Nations and the Manitoba Métis Federation;
- ▶ expanding eligibility criteria for our Small Business Program, helping more businesses participate;
- ▶ including municipally-owned buildings in our Small Business Program; and
- ▶ implementing increased lighting and controls incentives as well as a supplier bonus for our Business Lighting Program.

Over 40 programs offered in 2022/23

Residential	<div><div>▶ Advanced HRV Control Program</div><div>▶ Air Source Heat Pump Program</div><div>▶ Appliance Recycling Program</div><div>▶ Ground Source Heat Pump Program</div><div>▶ Home Energy Retrofits</div><div>▶ Home Insulation Rebate</div></div> <div><div>▶ Instant Rebates</div><div>▶ New Homes Program</div><div>▶ Solar Rebate Program</div><div>▶ Variable-Speed Pool Pump Program</div><div>▶ <i>Virtual Energy Review</i></div><div>▶ Windows & Doors Rebate</div></div>
Residential (income-based)	<div><div>▶ Energy Efficiency Assistance Program</div></div>
Community	<div><div>▶ <i>Community Energy Efficiency Program</i></div><div>▶ <i>Generation E (Education Program)</i></div></div>
Indigenous	<div><div>▶ Community Ground Source Heat Pumps</div><div>▶ First Nation Insulation & Direct Install</div><div>▶ <i>Indigenous Community Energy Efficiency Program</i></div></div> <div><div>▶ Indigenous Small Business Program</div><div>▶ <i>» First Nation Small Business Program</i></div><div>▶ <i>» Métis Small Business Program</i></div><div>▶ Métis Energy Efficiency Offers</div></div>
Commercial, industrial & agricultural	<div><div>▶ Air Source Heat Pump Program</div><div>▶ <i>Benchmark Studies</i></div><div>▶ Building Envelope Program</div><div>▶ Business Lighting Program</div><div>▶ Commercial Deep Energy Retrofits</div><div>▶ Commercial Kitchen Appliances Program</div><div>▶ Commercial Refrigeration Program</div><div>▶ Custom Energy Solutions Program</div><div>▶ <i>Energy Efficiency Assessments</i></div><div>▶ Enhanced Building Operations Program</div></div> <div><div>▶ <i>Feasibility Studies</i></div><div>▶ Ground Source Heat Pump Program</div><div>▶ HVAC & Controls</div><div>▶ In-Suite Appliance Program</div><div>▶ In-Suite Energy Efficiency Program</div><div>▶ Load Displacement</div><div>▶ New Buildings Program</div><div>▶ Small Business Program</div><div>▶ Solar Rebate Program</div><div>▶ Strategic Energy Manager</div><div>▶ Variable Flow Pumps & Fans</div></div>
All	<div><div>▶ <i>Innovation Fund</i></div></div>

* Programs noted in italics are classified as enabling strategies. They enhance our programs and services, provide pathways for future energy savings, and support our strategic direction. However, they aren't specifically associated with in-year energy savings or program-level cost-effectiveness analysis.

** While the table notes the tailoring of specific programs to the needs of a customer segment, qualifying customers are welcome to access programs under other segments.

WE PROVIDED NEARLY
\$30 MILLION
IN REBATES AND INCENTIVES
IN OUR 2022/23 FISCAL YEAR.

THIS REPRESENTS A
16% INCREASE
FROM 2021/22.

2022/23 saw participation levels increase across all sectors. More customers participated in our programs than in years prior, most notably in our:

▶ **SMALL BUSINESS PROGRAM**

▶ **BUSINESS LIGHTING PROGRAM**

▶ **WINDOWS & DOORS REBATE**

▶ **APPLIANCE RECYCLING PROGRAM**

▶ **HOME INSULATION REBATE**

▶ **FIRST NATION & MÉTIS SMALL BUSINESS PROGRAMS**

The Windows and Doors Rebate for homeowners saw a 197% increase in completed projects during its first full fiscal year of availability (2022/23) when compared to its launch year (2021/22).

This increase can be attributed to strengthened relationships with suppliers and increased advertising to promote this new offer.

PUTTING CUSTOMERS FIRST

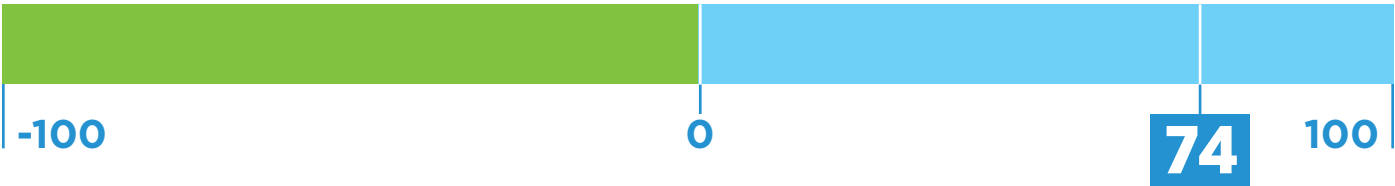
Our customers are fundamental to our success and achievement of long-term energy savings targets. With offers for farms, small businesses, homeowners, industrial customers, and more, we're committed to providing all Manitobans with an exceptional energy efficiency experience.

“ **Efficiency Manitoba helped us to insulate our attic at a very affordable cost. Now, as our house is nicely insulated, we are looking to pay less on our energy bills. Thank you very much!** ”

We also recognize that energy efficiency doesn't consist of a single device or upgrade. It requires an ongoing commitment by many to make continual improvements in homes, businesses, and communities over time. By listening to Manitobans, putting their needs first, and offering services that are affordable and accessible, we're here to help our customers navigate their unique path and maximize their energy and bill savings for years into the future.

Net promoter score

Our net promoter score of 74 (on a scale of -100 to 100) indicates that we have a strong relationship with our customers. They're likely to be our ambassadors and recommend our programs to their family and friends.



Customer experience

Our team of experts is ready and available to help all Manitobans save energy, money, and the environment by providing services and expert advice in a friendly and knowledgeable manner. Customers can contact us by email, phone, and social media through our Customer Contact Centre, which is operated through a Winnipeg-based business.



“ **Efficiency Manitoba's rebate helped support our decision to try an air source heat pump. It is in line with our progressing approach to being more energy efficient and also environmentally responsible surrounding the appliances we choose in general.** ”



Customer feedback is collected through post-participation and post-call surveys. Through these surveys, we strive to maintain and improve scores over time. We also use verbatim responses to better understand the customer journey and where there may be opportunities for improvement.

“ **We really liked that someone came directly to our home to pick up a fridge that would be difficult to remove and dispose of ourselves. It was easy to make an appointment, and the people were great to deal with. Best of all, we got paid to recycle!** ”

French Language Services plan

We're committed to providing service in French in alignment with the Province of Manitoba's French Language Services Policy and the Francophone Community Enhancement and Support Act. As part of our first multi-year French Language Services (FLS) plan, we took significant steps to better serve Manitoba's francophone population which included:

- ▶ translating various materials including PDF application forms and our semi-annual magazines;
- ▶ offering Generation E, an initiative which provides teachers with energy efficiency educational resources, in both French and English, and hiring a bilingual contracted Outreach & Engagement Coordinator to deliver classroom presentations in both languages;

- ▶ developing French writing guidelines to ensure consistent translation for all current and future translations;
- ▶ developing new program videos in both French and English;
- ▶ translating all web pages on our website to French;
- ▶ tracking interactions with customers through voice calls and emails in French through our contracted bilingual Customer Contact Centre; and
- ▶ running French advertisements in francophone media.

We also began work on our new multi-year FLS plan, which will continue to enhance our ability to serve francophones in Manitoba in the future.

Annual public meeting

We held our second public meeting via a virtual platform on October 12, 2022, fulfilling legislated requirements under the Crown Corporations Governance and Accountability Act. The purpose of this meeting was to engage with members of the Manitoba public and share activities that took place in the 2021/22 fiscal year. The meeting, which was attended by approximately 100 individuals, consisted of a presentation by CEO Colleen Kuruluk, followed by a question-and-answer period with the attending public.

Attendees were encouraged to submit questions; many were asked in advance, helping us tailor the presentation to the interests of the attendees. We covered a variety of topics, including our programs and rebates, suppliers and our work with the private sector, and our energy savings targets and results.

STRENGTHENING PARTNERSHIPS

At Efficiency Manitoba, we know that creating energy-saving opportunities for homes, businesses, and communities requires the input and involvement of those outside our organization. If we're to offer programs to all Manitobans, it's crucial to build partnerships. That's why we prioritize working and collaborating with communities, organizations, and working groups to ensure the best energy efficiency programs and rebates are available to all Manitobans.

Energy Efficiency Advisory Group

As part of the Efficiency Manitoba Act, we established the Energy Efficiency Advisory Group (EEAG) in 2019. Their role is to provide advice about the development and implementation of our efficiency plans and perform advisory responsibilities.

The 2022/23 fiscal year was particularly busy as it related to EEAG activity. We held regular meetings to gain advice and perspectives on the implementation of our approved Efficiency Plan. Engagement increased substantially during the last quarter of the fiscal year as we moved into a phase of engagement focused on future Efficiency Plan development.



Regular invitees and attendees of EEAG meetings are as follows:

- ▶ Assembly of Manitoba Chiefs (AMC)
- ▶ Association of Manitoba Municipalities (AMM)
- ▶ Consumers' Association of Canada (CAC) Manitoba
- ▶ Green Action Centre (GAC)
- ▶ Keystone Agricultural Producers (KAP)
- ▶ Manitoba Industrial Power Users Group (MIPUG)
- ▶ Manitoba Keewatinowi Okimakanak (MKO)
- ▶ Manitoba Métis Federation (MMF)
- ▶ Southern Chiefs' Organization (SCO)
- ▶ Sustainable Building Manitoba (SBM)

Indigenous Energy Efficiency Working Group

As part of our commitment to reconciliation, Indigenous engagement, and ensuring equity and access to programs, invitations to the Indigenous Energy Efficiency Working Group (IEEWG) meetings are extended to all 63 First Nation communities, Tribal Councils, and Indigenous organizations such as Manitoba Keewatinowi Okimakanak and the Southern Chiefs' Organization. The goal of the IEEWG is to provide real-time, ongoing feedback to assist in the design, delivery, and implementation of our Indigenous energy efficiency programs.

Beyond the IEEWG, we also extended invitations to meet either in person or virtually and held many individual meetings with representatives from the 63 First Nation communities.

A detailed update on activities related to the IEEWG in 2022/23 can be found on page 15.

Manitoba Métis Federation

One of our important ongoing partnerships is with the Manitoba Métis Federation (MMF). We work and engage directly with the MMF to help Red River Métis Citizens access energy efficiency upgrades for their homes and businesses. To strengthen these efforts, we've approved funding to support the hiring of an Energy Efficiency Advocate (EEA). The EEA has been actively promoting our Métis Energy Efficiency Offers, collecting submissions of interest from Métis Citizens, and collaborating closely with our team to process applications and refine workflows.

The MMF held their Annual General Assembly from October 14 to 16, 2022, and we were pleased to participate as both a sponsor and a trade show exhibitor. Over the three days, over 1,000 individuals visited our booth and received marketing and promotional packages that highlight our relationship with MMF and the energy efficiency programs we offer to Métis Citizens.

In an effort to bolster relationship and outreach efforts, we facilitated 12 collaborative meetings between our team and the MMF's EEA. We also held additional meetings with the MMF's new Director of Housing to discuss our partnership and collaborative intake options.

Red River College Polytechnic

Efficiency Manitoba is part of an industry working group assembled by the Manitoba Environmental Industries Association to collaborate and develop a plan for a made-in-Manitoba Energy Advisor (EA) training program. The intent of this collaboration on capacity development recognized the introduction of the Canada Greener Homes Initiative and the requirement under that program for EnerGuide energy audits. In response, a part-time EA training course for delivering EnerGuide audits was developed at Red River College Polytechnic (RRC Polytech). Participants gain skills required to conduct in-home energy audits, identify opportunities for homeowners to save energy and reduce their carbon footprint, and recommend Efficiency Manitoba and federal government incentives to stack available dollars for energy efficiency and maximize savings for Manitobans.

EAs help Manitobans make informed decisions on where to focus their energy efficiency upgrade efforts. They can help more Manitobans access our offers, ultimately contributing to the achievement of our energy savings targets. The training through RRC Polytech ensures demand for qualified EAs will be met while creating positive economic impacts and green jobs.

“ While looking to change careers, I came across the RRC Polytech Energy Advisor program in the summer of 2021. The training program was very extensive in the building science and housing construction to lay a good foundation of knowledge that I would need to be an Energy Advisor. Since graduating in May 2022, being able to help Manitobans save money both immediately through grant programs and long term through reduced energy usage costs has been very fulfilling. Finding a way to use less energy while ensuring people are comfortable in their homes is a great way toward a more sustainable way of life in our province.”
— Andrew

Manitoba Indigenous Housing and Capacity Enhancement Mobilization Initiative

Efficiency Manitoba participates in quarterly meetings with the Manitoba Indigenous Housing and Capacity Enhancement Mobilization Initiative (MIHCEMI) working group. This working group represents all 63 First Nation communities in Manitoba and is led by Housing Managers and Tribal Housing Advisors to focus on strategic housing initiatives in First Nation communities. As part of our contribution to the working group, we present information on our programs, discuss opportunities for partnerships, and are active listeners in what is happening in First Nation communities relating to housing. Our attendance is another opportunity to build relationships and collaborate with First Nation communities, leading to partnerships and better participation in our programs.

Community engagement

Working closely with communities throughout Manitoba continued to be an important focus area for us in 2022/23. The following are some highlights of the community collaboration we engaged in this past fiscal year.



Community Energy Efficiency Program

Through our Community Energy Efficiency Program, we award funding to communities to hire a local Energy Efficiency Advocate (EEA). Advocates help develop a plan to save energy in their communities, facilitate participation in our programs, and foster a culture of conservation. Our team has worked closely with these EEAs to train them on our programs and provide ongoing mentorship.

By the end of the fiscal year, EEAs were hired and working on energy efficiency plans for the following jurisdictions and organizations:

- ▶ City of Selkirk
- ▶ Hamiota Municipality
- ▶ Manitoba Métis Federation
- ▶ Municipalities of St-Pierre-Jolys, De Salaberry, and Lorne (Notre-Dame-de-Lourdes)
- ▶ Winnipeg Chamber of Commerce

This program is ongoing, and we anticipate more communities will participate in the upcoming year.

Indigenous Community Energy Efficiency Program

In 2022/23, we were pleased to provide funding to eight First Nation communities, all of whom have hired local Energy Efficiency Advocates (EEAs):

- ▶ Ebb and Flow First Nation
- ▶ Lake Manitoba First Nation
- ▶ Lake St. Martin First Nation
- ▶ O-Pipon-Na-Piwin Cree Nation
- ▶ Pine Creek First Nation
- ▶ Shamattawa First Nation
- ▶ Sioux Valley Dakota Nation
- ▶ York Factory First Nation

We continue to support the remaining communities under the initial 11 previously announced as they look to fill their EEA positions, as well as opening additional program intake periods to generate new applications.



The Neighbourhood Energy Efficiency Project

The Neighbourhood Energy Efficiency Project is a joint initiative with Winnipeg’s North End Community Renewal Corporation (NECRC) and the Chalmers Neighbourhood Renewal Corporation (CNRC) to help their respective community members save energy and money through our Energy Efficiency Assistance Program. From spring to fall, an Energy Efficiency Advocate (EEA) for each of these two organizations canvasses multiple blocks in their community. They speak to residents, encourage them to take part in the program, and help them fill out an application. Residents living on these blocks are pre-qualified to participate in our Energy Efficiency Assistance Program without having to provide income verification documents, making the process even simpler.

The Neighbourhood Energy Efficiency Project yielded exceptional results in 2022/23, with 79 blocks canvassed and 232 Energy Efficiency Assistance Program applications received, which is a 183% increase from the previous year.

Even when canvassing finishes for the season, the EEAs continue to follow up with customers and provide them with guidance and support. They also attend meetings and events hosted within the community to get support from other organizations, build relationships, and reach potential customers.

Community Ground Source Heat Pump Program

We have a multi-year Community Outcomes Purchase Agreement with Raven Indigenous Capital Partners for the installation of 97 ground source heat pumps through our Community Ground Source Heat Pump Program. Through Raven Indigenous Capital Partners and the delivery agent, Aki Energy, an Indigenous social enterprise, specific outcomes by participating First Nation communities were identified to address some of the social and economic issues they face. As part of this innovative model, we are outcomes purchasers of saved energy through heat pump installations.

Discussions took place in 2022/23 to scale this innovative approach by onboarding additional communities and building capacity within Aki Energy to take on further installations. This led to an additional partnership with Aki Energy with us providing up to \$185,000 in funding for Indigenous trainees on ground source heat pump technology and installation in First Nation communities. We were also able to help coordinate additional funding from the Manitoba Environmental Industries Association for this training, which is a direct result of the strong relationships and trust that we continue to build within the industry.

More information about our Community Ground Source Heat Pump Program can be found on page 39.

Industry partnerships

We continued to focus on developing relationships with key customer and industry associations as well as other related organizations to reach customers and trade allies. Through both informal and formal partnerships, we gained access to large segments of partner target markets by offering customized training, workshops, and other capacity-building events in alignment with respective customer, industry, and organizational goals and objectives. We pursued opportunities to join associations, participate in events, or volunteer in other capacities to ensure ongoing communication and active engagement with these associations and their membership bases.

Work with the private sector

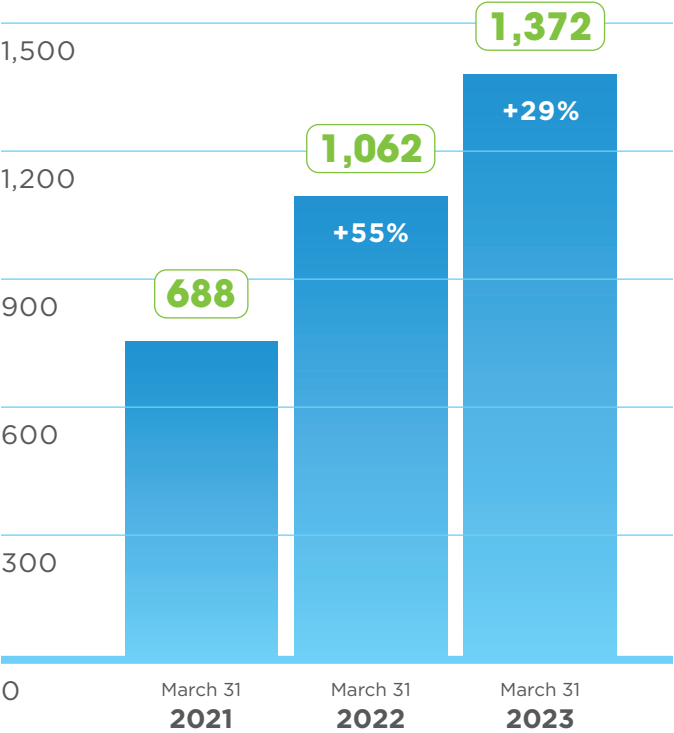
The work of our organization is made possible by partnering with contracted third-party service providers to implement our programs across the province. At 18.5%, our proportion of expenditures with the private sector nearly reached our target for the fiscal year.

In 2022/23, we worked with a variety of contracted service providers. Some of these service providers helped to deliver and implement energy efficiency programs, including our Small Business Program, Indigenous Small Business Program, Appliance Recycling Program, and Energy Efficiency Assistance Program. Others provided services for a variety of support functions, including information technology, marketing, customer service, legal, regulatory, technical, and facilitation, as well as for our independent evaluation and market potential study.

Registered supplier network

In addition to our contracted work with the private sector, energy efficiency creates opportunities for skilled trades, energy advocates, and communities via our network of registered Efficiency Manitoba suppliers. We rely on our registered suppliers to deliver our programs and offers. These contractors, retailers, and consultants deliver our programs and bring energy efficiency services and upgrades directly into homes and businesses throughout the province, promoting productive and green economic benefits.

NUMBER OF REGISTERED SUPPLIERS



SPREADING THE WORD

For Manitobans to participate in our programs, they need to be aware of our organization and the rebates and services we provide. From engaging in paid media strategies, to posting organic content, to attending in-person events, we’ve engaged in a variety of communication methods to promote our offers to our diverse customer segments.

This year, in addition to our program- and sector-specific communications and advertising, we focused our efforts on continuing to build awareness of the Efficiency Manitoba brand, sharing energy-saving content that resonates with Manitobans, and monitoring the success of our strategy to maximize the effectiveness and helpfulness of future communications.

Brand awareness campaign

Our 2022/23 brand campaign leveraged existing creative content developed in 2021/22 for the *All around your home, your business, your community* concept and introduced phase two of our brand concept: *Check Efficiency Manitoba first*. This strategy allowed us to continue providing high-level awareness of who we are and what we do, while introducing messaging with a clear call-to-action that will drive customers across all sectors to learn more about our rebates and offers.

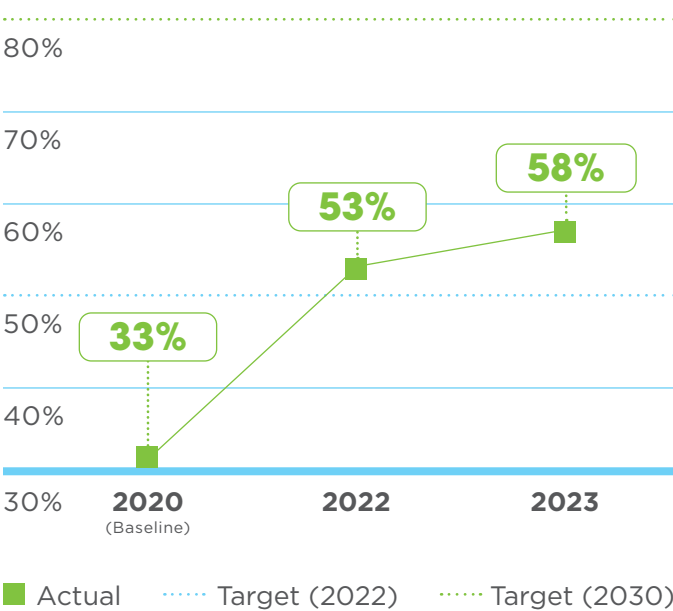
The media strategy included digital media (online display ads, social ads, connected TV, etc.), rural print (community newspapers), targeted radio, and broadcast TV. This media mix ensured effective reach and frequency throughout Manitoba.

As part of the brand campaign, we developed a series of videos for broadcast TV, social media, and our website that features some of our programs and explains how Manitobans can participate in them. The purpose of this series is to provide high-level information about the rebates and offers we have available while encouraging Manitobans to check our website for further details.

Watch the videos by scanning the QR code.

We also conducted our third brand awareness survey to evaluate the success of our branding efforts. The data shows an increase in brand awareness that can be attributed to our consistent and diversified brand strategy as well as accompanying program promotions.

BRAND AWARENESS RESULTS



Magazines

We distributed two magazines in 2022/23 to households throughout the province via flyers in Winnipeg and newspapers in rural communities. These magazines are an important component of our overall brand strategy due to their significant reach and the helpful, evergreen nature of the content, with the intent that Manitobans will keep their editions and refer back to them when considering energy-efficient behaviours and upgrades.

This fiscal year’s editions contained information about our programs and rebates, energy efficiency tips, seasonal lifestyle content, and engaging testimonial-style stories featuring Manitobans who participated in our programs.

Our magazines were made using paper from responsible sources.



Community events

Efficiency Manitoba regularly participates in local community events, driving awareness of and participation in our programs. We attended and were available to provide information at approximately 30 larger-scale events this fiscal year, including industry trade shows, conferences, and meetings. This is in addition to numerous other smaller local events such as community presentations and lunch and learns.

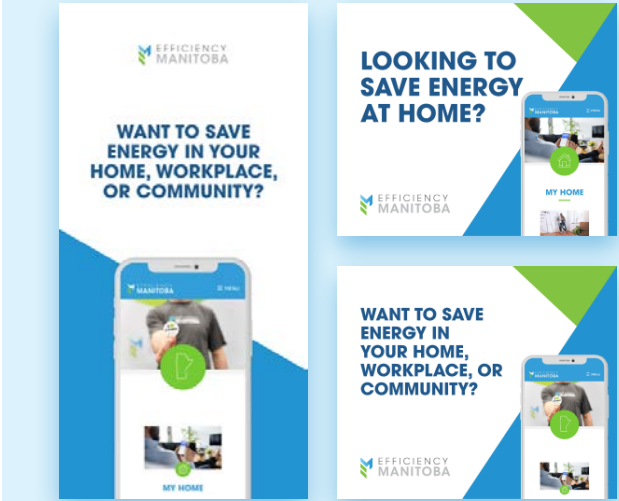


Organic promotions

The free (organic) content we share is an important aspect of our overall brand strategy. It serves as an additional touchpoint to engage Manitobans by providing topical and seasonal information in a consistent manner. The information we share includes details about our programs, customer and project highlights, lifestyle content, and energy efficiency tips that can be easily implemented in homes and businesses throughout Manitoba.

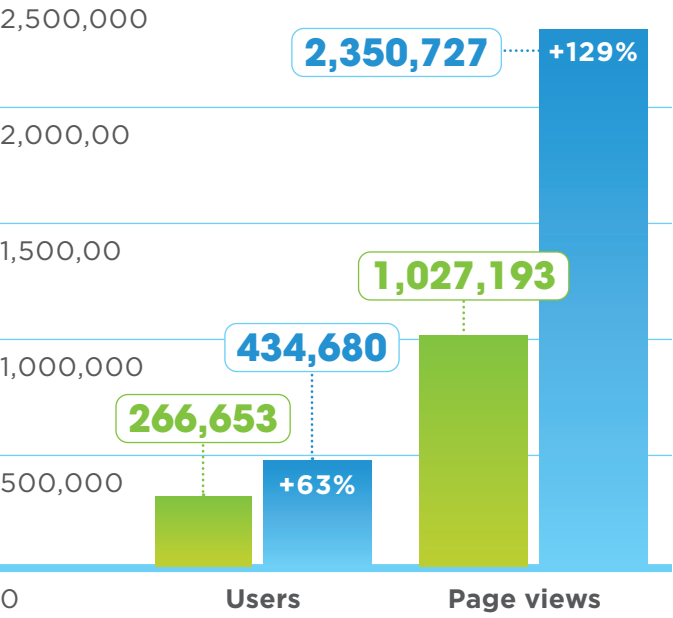
We share information related to energy efficiency through the following organic channels:

- ▶ multiple posts each week to our Facebook, Instagram, Twitter, and LinkedIn social media accounts;
- ▶ email newsletters sent to over 9,000 residential subscribers on a biweekly basis and over 700 business subscribers on a monthly basis; and
- ▶ long-form article content posted on our website and promoted through our social media platforms and email newsletters.

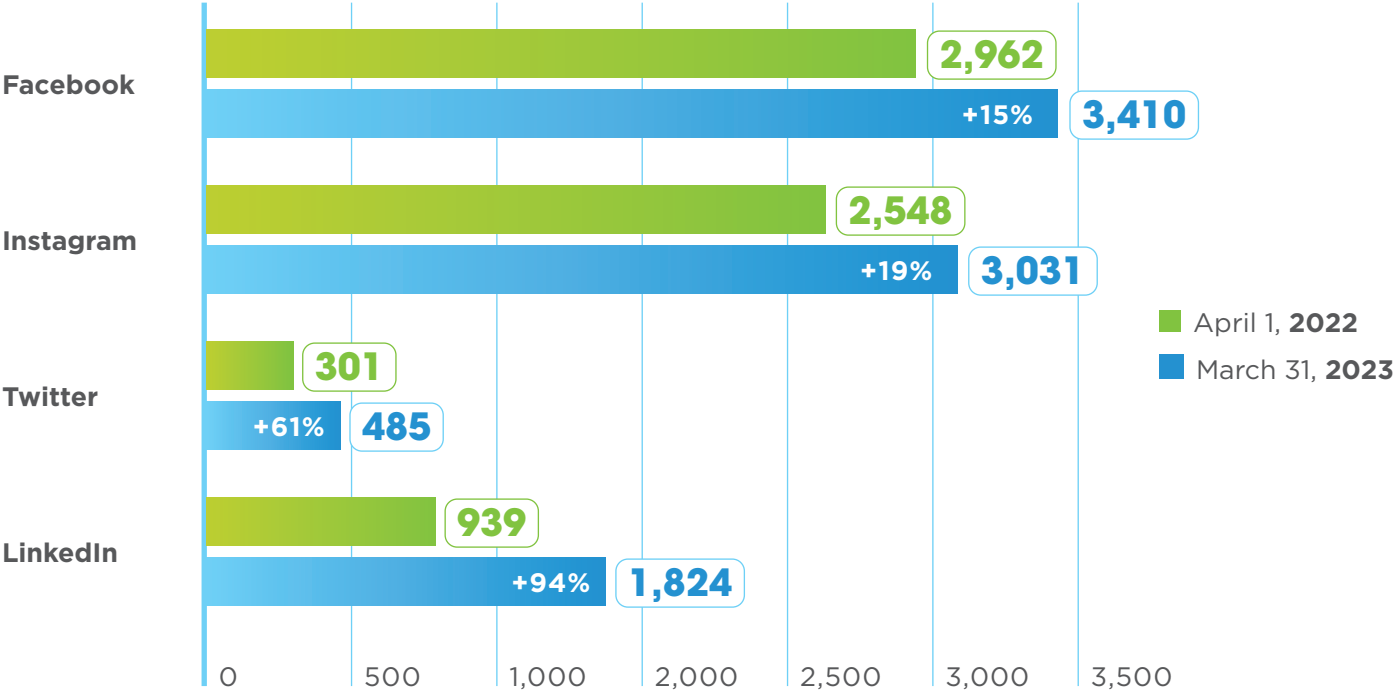


We’ve seen consistent growth across all our channels throughout 2022/23. This can be attributed to both our increased brand recognition as well as an effective and consistent organic promotion strategy.

WEB STATS GROWTH



SOCIAL MEDIA FOLLOWER GROWTH









Media engagement

From new programs, to offer enhancements, to customer success stories, we want Manitoba media outlets to be aware of our work for and with Manitobans and to disseminate this information to their viewership or readership. We facilitated media engagement this year by sending news releases to our database of over 100 media contacts.

We distributed nine news releases with the following announcements:



-  **Efficiency Manitoba's Community Energy Efficiency Program selected additional municipalities to receive funding and support to hire an Energy Efficiency Advocate**
-  **Efficiency Manitoba's Indigenous Community Energy Efficiency Program selected First Nation communities to receive funding and support to hire an Energy Efficiency Advocate**
-  **Efficiency Manitoba launched the new Air Source Heat Pump Program for Manitoba homeowners and business owners**
-  **Efficiency Manitoba launched the new Solar Rebate Program for Manitoba homeowners and business owners**
-  **Efficiency Manitoba completed a project with J.R. Simplot Company, resulting in estimated annual electricity savings of 20.5 GWh, annual natural gas savings of 5.7 million m3, and \$2.9 million in incentives**
-  **Efficiency Manitoba launched a new energy efficiency education initiative (Generation E)**
-  **Efficiency Manitoba launched new Home Energy Retrofits and Commercial Deep Energy Retrofits Programs**
-  **Efficiency Manitoba published the 2021/22 Annual Report and Annual Report Supplement**
-  **Efficiency Manitoba announced applications were open for year two of the Innovation Fund, supporting future energy use reduction opportunities through Manitoba-made innovations**



Our engagement with media resulted in us conducting a total of 17 interviews with the following outlets, many of which resulted in repeat invites:

- ▶ CBC Radio
- ▶ CJOB
- ▶ CTV
- ▶ Express Weekly News
- ▶ Global Winnipeg
- ▶ Golden West Broadcasting
- ▶ PortageOnline.com
- ▶ Winnipeg Free Press

Our partnership with CTV/Bell Media is particularly valuable in delivering practical and timely information about energy efficiency to Manitobans. We worked with them to produce a number of 60-second “Energy Minute” commercials, which are broadcast throughout the year and provide viewers with seasonal energy-saving recommendations and tips.

Watch the segments by scanning the QR code or visiting our YouTube channel.



CTV also provides opportunities to share program and rebate information through featured segments on CTV Morning Live. These three-minute features are aired monthly during the morning show.

In October 2022, we held a media event to showcase the seven projects that received funding through the inaugural year of our Innovation Fund and announced the application period for year two of the Fund. The event took place at the site of a new commercial building partnership between Winnipeg-based Quik-Therm Insulation Solutions Inc. and Brandon-based Behlen Industries. Quik-Therm, one of our Innovation Fund recipients, developed the Matrix all-in-one composite roofing insulation system that goes up quickly and achieves an R-52 rating without additional insulation, vapour barrier, or exterior sheathing. The effective R-value, the number used to determine insulation efficiency, is expected to be three to four times better than conventional pre-engineered systems. The system offers cost savings compared to conventional steel-framed designs.

Other publications

Throughout the 2022/23 fiscal year, we worked with a number of industry organizations to include Efficiency Manitoba content in their publications, such as newsletters and magazines. This was done both through free collaborative efforts as well as paid advertising.

SUCCESS STORIES

We're very proud to support countless projects across the province in a variety of sectors and communities. This is saving energy, money, and the environment in action—may they inspire your next energy efficiency project or initiative!

INNOVATION FUND

The Innovation Fund supports organizations that are looking to advance new and innovative energy efficiency opportunities in the Manitoba market. We provide funding for pilot projects and partnerships to reduce common adoption barriers to emerging energy-efficient technologies and strategies that can save electricity or natural gas.

Our Efficiency Plan allocated \$2.1 million for the Innovation Fund, as of the end of the 2022/23 fiscal year, we've committed funding to 11 projects valued at \$1.8 million. Funds are distributed as key project milestones are met over a period of up to three years. The funding amounts vary from \$40,000 to the maximum amount of \$250,000 and cover up to 75% of eligible project costs.

The 11 Innovation Fund recipients are focused on demonstrating new technologies and approaches to the energy efficiency market in Manitoba:

Quik-Therm Insulation Solutions, working with Behlen Industries, developed the Matrix all-in-one composite roofing insulation system that goes up quickly and achieves an R-52 rating without additional insulation, vapour barrier, or exterior sheathing.

Bannerman Green Housing Not-for-Profit Co-op received funds to build green community housing.

Shared Health's project expects to save energy by ensuring steam trap systems are continuously monitored and issues (using excess energy) are identified in real time.

Summerhill is working with QEA Tech and RRC Polytech in using drones and infrared technology to inspect local buildings for heat loss and compare the findings to traditional methods.

GEOptimize is working on embedding heat exchangers into foundation piles of new construction projects.

PolySense Solutions has developed a novel technology to monitor power consumption in industrial settings, laboratories, and hospitals.

The University of Manitoba's Department of Biosystems Engineering is testing a smart vertical farming system that could help deliver fresh foods grown here at home throughout the year using significantly less energy than traditional systems.

U Multicultural is working on ethnoculturally targeted energy efficiency educational programming across multiple media channels.

Sustainable Buildings Manitoba received funds to create interactive guides that increase the energy literacy and consumer confidence of Manitobans.

University of Winnipeg Community Renewal Corporation received funds toward the innovative heating system at a mixed-use net-zero new construction project.

Bethel Place is undergoing a sustainability study that will lead to a deep energy retrofit of an occupied seniors residence, yet to be attempted in Manitoba.

These projects give us a first-hand look at the ingenuity in finding new ways to reduce our electricity and natural gas consumption. By showcasing these projects, we want to inspire others to submit funding applications to support the future of energy efficiency in Manitoba.

We featured information about the Innovation Fund in a video shared at our media event and on our social media accounts.

Watch the video by scanning the QR code or visiting our YouTube channel.



BUSINESS LIGHTING PROGRAM

Our Business Lighting Program offers incentives to businesses that make energy efficiency upgrades to the lighting in their buildings. Kelsey School Division in The Pas completed lighting upgrades at several of their schools, and we provided them with incentives to help cover the material costs.



The school division, which consists of six schools ranging from kindergarten to adult education, upgraded the lighting at École Scott Bateman Middle School, Kelsey Community School, Mary Duncan School, and École Opasquia School. With the help of our incentives, they upgraded the fluorescent fixtures inside the schools with LEDs.



Kelsey School Division

LEDs use much less energy than fluorescent fixtures. They also last longer, resulting in less maintenance and fewer disruptions in the classroom. LED fixtures fit the same space as fluorescent fixtures, making installation easy.

Across these four schools, Kelsey School Division will realize a total of 85,000 kWh in annual electricity savings. Not only will this save an impressive \$4,000 a year on their energy bills, we also provided them with over \$20,000 in incentives, including a limited-time 25% customer bonus.

“Efficiency Manitoba made energy-efficient lighting upgrades possible,” says Chris Paterson, Maintenance Electrician for Kelsey School Division.

“The projects covered under the program would not have been considered without the incentives. The bonus 25% payout gave me even more incentive to finish my project.”

Happy Tails Pet Resort & Spa, a dog and cat daycare and groomer in Winnipeg, also participated in our Business Lighting Program. We featured this successful project in a video shared on our website and social media accounts.

Watch the video by scanning the QR code or visiting our YouTube channel.



COMMUNITY GROUND SOURCE HEAT PUMPS

Partnering with Aki Energy & Raven Indigenous Capital Partners

We’ve partnered with Raven Indigenous Capital Partners to support First Nation communities in Manitoba in installing energy-efficient heating and cooling systems. Through this partnership, we’re seeing the installation of ground source heat pumps in First Nation communities with immediate energy-saving benefits. Other partners in this initiative include the Canadian Mortgage and Housing Corporation and the contractor Aki Energy.

“There are ways we can work together to scale this out and really hit everyone’s targets, which is good for Mother Nature, good for Indigenous Peoples, and good for all people,” says Jeffrey Cyr, Managing Partner at Raven Indigenous Capital Partners. “When you decrease the energy usage in a community, you increase the resiliency of the community.”

A new way of financing

Indigenous-owned-and-led Raven Indigenous Capital Partners raises private capital to invest in Indigenous enterprises and communities.

Raven uses a social finance tool called a Community-Driven Outcomes Contract. They work with Indigenous communities to identify social problems and their solutions.

“It’s our experience that those closest to the problem know best how to solve it,” Jeffrey says.

Raven and the community set targets or outcomes, then find an outcomes purchaser who will pay once those targets are met. In our partnership, we’re the outcomes purchaser of saved energy achieved through the installation of ground source heat pumps.

Raven secures investors to cover the upfront capital costs and contracts local Indigenous enterprises to complete the work that will help the community reach their outcomes. The design of the solution is done collaboratively with the community.

“Once the contract is completed, outcomes are independently verified so that it’s a pay-for-success model. The upfront capital cost from private investors is repaid, and the outcomes, which go beyond only money and energy savings, are usually so significant that it far outweighs the cost of repaying it,” Jeffrey remarks.

“Efficiency Manitoba is showing leadership for the rest of the country about how these operating arms of government, of different agencies, and of different power authorities can really work to get better outcomes.”

Benefits of ground source heat pumps

Installing a ground source heat pump can reduce electric heating costs by up to 60%. Beyond the savings, Jeffrey shared a story about a ground source heat pump installed in a grandmother’s home in a First Nation community.

Since the ground source heat pump now provided cooling in her home, her grandchildren and their friends would come to escape the summer heat. She could spend time with them and offer traditional teachings and storytelling. The increased airflow in the home also improved indoor air quality, offering health benefits.

Another positive outcome is that this initiative trains community members to install ground source heat pumps, which means local job creation in the community.

“You get this real sense of mino-bimadzowiin, which (in Anishinaabemowin) means to live the good life or to live well.”

ENERGY EFFICIENCY ASSISTANCE PROGRAM

Through our Energy Efficiency Assistance Program, we work with non-profit housing organizations to help them upgrade their single-detached or semi-detached rental properties to use less energy. We come directly to housing organizations to assess which energy-saving upgrades they may be eligible for. Organizations could qualify for free insulation, a subsidized natural gas furnace, a boiler rebate, and free energy-saving devices such as LED light bulbs, energy-efficient showerheads, and faucet aerators.

To ensure accessibility to the program, we don't need to verify the income of each tenant or household. This makes it easier to implement energy-saving upgrades throughout an entire organization rather than on a tenant-by-tenant basis.

Working with non-profit housing corporations

Here's how we helped two Manitoba non-profit housing organizations increase the energy efficiency of their rental units, allowing them and their tenants to save energy and money.

Spruce Woods Housing Co-op

Spruce Woods Housing Co-op is a Brandon-based non-profit organization that provides affordable housing for low-income families and seniors. We were able to provide free insulation to help increase the efficiency and comfort of their rental units, and they can look forward to continued savings on their energy bills for years to come.

"Our buildings are over 30 years old. Over the years, we noticed that hydro bills were becoming a burden to our members and tenants," said Eva Cameron, President of Board of Directors. "Through the Energy Efficiency Assistance Program, we were able to make upgrades so that our members and tenants were able to save not only energy but money."

“The process with Efficiency Manitoba was very straightforward and easy to implement. The folks at Efficiency Manitoba worked through the process with us from start to finish — making it a stress-free project. I would recommend this program to other non-profit organizations that are looking to upgrade their insulation.”



Anicinabe Housing Corporation

Anicinabe Housing Corporation also participated in our Energy Efficiency Assistance Program. With free insulation and subsidized furnace upgrades, they're able to save energy and money.

"As a not-for-profit organization providing affordable housing to low- and medium-income families, money to maintain our 83 rental units is quite often very tight and spread very thin," said Beryl Brandson, General Manager. "The Energy Efficiency Assistance Program helped us immensely when it came to upgrading the insulation and furnaces in our units."

"The application process with Efficiency Manitoba was very easy, and the staff were very helpful. They sent an Energy Advisor out first to inspect our units and note what upgrades were needed in each unit, and everything snowballed quickly and efficiently from there."

“I would highly recommend Efficiency Manitoba and their programs to anyone that requires energy efficient upgrades of their houses.”

IN-SUITE ENERGY EFFICIENCY PROGRAM

Cambridge House
& Woodland Courts

Our In-Suite Energy Efficiency Program provides owners and managers of multi-unit rental properties with energy efficiency upgrades. These improvements can lead to lower energy usage and bills, which are good for property owners, tenants, and the environment.

The program offers free basic upgrades, including A-line LED bulbs, bathroom and kitchen faucet aerators, showerheads, shower timers, and other items. Our contracted program service provider, Ecofitt, will install the devices at no extra charge. We also provide incentives of up to \$250 per suite toward the installation of smart thermostats and advanced heat recovery ventilator (HRV) controls by a certified electrician.

In fall 2022, two buildings in Selkirk participated in our In-Suite Energy Efficiency Program: Cambridge House (300 Tudor Road) and Woodland Courts (387 Annie Street), both of which received showerheads, bathroom and kitchen faucet aerators, and LED bulbs for all 87 suites in the buildings.

“When we received information about the program, we were interested in reducing our energy bills and addressing any inefficiencies we may have,” said Tracy Flores, the manager of both buildings.

Together, the buildings will save about 13,900 kWh of electricity and 8,400 m³ of natural gas; these energy savings combined are almost enough energy to power four homes for a whole year. They’ll also save a combined 1.3 million litres of water annually.

“We were very impressed with [Efficiency Manitoba’s contracted service provider] Ecofitt. From the start, they answered any questions we had about the program.”

“When it came to the actual rollout, they were very efficient, considering they had over 80 suites to upgrade between our two buildings. Our two buildings consist of an assisted living facility and senior housing, and I must say, Ecofitt was very courteous, pleasant, and respectful with our tenants.”



INDIGENOUS COMMUNITY ENERGY EFFICIENCY PROGRAM

Ebb and Flow
First Nation

Ebb and Flow First Nation is one of the 11 communities selected through our Indigenous Community Energy Efficiency Program’s first intake period. We’re providing funding and support over a two-year period to enable these First Nation communities to hire and train a community-based Energy Efficiency Advocate (EEA). Advocates work with their communities to increase awareness of our programs and identify energy-saving opportunities that are important and meaningful to their communities. They have access to our team of technical and program staff, and together will develop a community-led energy efficiency plan that facilitates participation in our programs, creates job opportunities, and supports economic development.

Wallace (Wally) Roulette is the EEA for Ebb and Flow First Nation. Wally quickly became immersed in his role to help provide his community with energy-saving devices. He’s currently working hands-on with direct installation in homes and has hopes to move to a commercial approach to help businesses save as well.

“As the Energy Efficiency Advocate, my main goal is to save,” said Wally. “The majority of the money spent on hydro and utilities comes from our Income Assistance Program. If I could save them money, it could be used in other areas.”

The benefits extend further than saving energy and money. Energy efficiency projects for the communities will be undertaken by local businesses and contractors, which bolsters local job creation and supports economic development.



“The two benefits that apply to my community are lower energy bills and job creation. I feel those are beneficial to all communities.”

NEW BUILDINGS PROGRAM

Amber Gates Apartments

Amber Gates Apartments completed the requirements of our New Buildings Program. The two newly constructed multi-unit residential buildings, with a combined square footage of over 510,000, received a financial incentive of \$1 million. The incentive also provided financial assistance for energy modelling during the project's early design phase, helping optimize the overall energy efficiency of the building.

The two seven-story multi-unit residential buildings are located in the West Kildonan area of Winnipeg. Our technical review team worked closely with Amber Gates Apartments and their energy modeller to verify the energy savings information following the implementation of many energy efficiency upgrades that were incorporated into the building's design.

Both buildings are now built to be 25% more efficient than they would have been if they were designed to meet the minimum requirements of the Manitoba Energy Code for Buildings. They're expected to save an estimated 648,000 kWh of electricity and produce natural gas savings of 160,000 m³ per year.

Some energy efficiency features incorporated include fibreglass triple-glazed windows and curtain walls, LED lighting for all common areas, improved chiller performance for space cooling, high-efficiency condensing boilers for space heating and domestic hot water, low fenestration-and-door-to-wall ratio, as well as a high-efficiency central energy recovery ventilator.



SMALL BUSINESS PROGRAM & INDIGENOUS SMALL BUSINESS PROGRAM

Celebrating BDC Small Business Week

In October 2022, we celebrated BDC Small Business Week by featuring Manitoba small businesses who are playing an important role in supporting economic growth.

We talked to several business owners who received incentives for energy efficiency upgrades through our Small Business Program and Indigenous Small Business Program. Here's what one had to say about their experience and how their upgrades are helping them save energy, reduce their energy bills, and grow their business.



Equip Wellness Collective, located in Winnipeg's sunny St. James neighbourhood, is dedicated to providing products for massage therapy and alternative health practitioners. They're open to the public and offer a multitude of holistic and natural lifestyle products. We helped them upgrade to an energy-efficient lighting system by providing an incentive of nearly \$1,600. In the end, they only had to pay \$558 to enjoy a better-lit workspace that will save money on their energy bills for years into the future.

"When the sales team explained the program, it was an easy choice to upgrade the lighting in our warehouse space," said Vanessa Stiles, owner of Equip Wellness Collective. "The cost savings made it possible to complete the project that otherwise would have been put off until we could afford it."

“ Everything was communicated clearly, the work was completed in a timely manner, and we're so grateful to reduce our overall energy bills, plus have better lighting in our workspace. I'd recommend this program to any small business owner! ”

Read the stories of more small businesses by scanning the QR code.

FINANCIAL STATEMENTS

OF EFFICIENCY MANITOBA INC.

And Independent Auditor’s Report thereon
Year ended March 31, 2023

INDEPENDENT AUDITOR’S REPORT

To the Board of Directors of Efficiency Manitoba Inc.

Opinion

We have audited the financial statements of Efficiency Manitoba Inc. (the “Entity”), which comprise the statement of financial position as at March 31, 2023, the statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2023, and its results of operations, its changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “**Auditor’s Responsibilities for the Audit of the Financial Statements**” section of our auditor’s report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity’s financial reporting process.

Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditor’s report thereon, included in a document likely to be entitled “Annual Report 2022-23”.



Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, and remain alert for indications that the other information appears to be materially misstated.

The information, other than the financial statements and the auditor’s report thereon, included in a document likely to be entitled “Annual Report 2022-23” is expected to be made available to us after the date of this auditor’s report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity’s internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants

Winnipeg, Canada
June 15, 2023

EFFICIENCY MANITOBA INC.

Statement of Financial Position

As at March 31, 2023, with comparative information for 2022

	2023	2022
Financial assets:		
Cash	\$ 2,006,207	\$ 2,317,964
Accounts receivable and accrued revenue (note 3)	22,467,591	13,007,189
	24,473,798	15,325,153
Financial liabilities:		
Accounts payable and accrued liabilities (note 8)	24,793,877	15,530,900
Net debt	(320,079)	(205,747)
Non-financial assets:		
Tangible capital assets (notes 2 and 8)	1,188,833	1,200,069
Prepaid expenses	320,079	205,747
	1,508,912	1,405,816
Accumulated surplus	\$ 1,188,833	\$ 1,200,069


Accumulated surplus is comprised of:


Invested in tangible capital assets	\$ 1,188,833	\$ 1,200,069
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Commitments (note 6)

See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

EFFICIENCY MANITOBA INC.

Statement of Operations and Accumulated Surplus

Year ended March 31, 2023, with comparative information for 2022

	Budget (Note 10)	2023	2022
Revenue:			
Contributions (note 4)	\$ 75,621,000	\$ 47,705,639	\$ 39,846,489
Interest income	–	105,438	24,574
Employment grants	–	–	30,000
	75,621,000	47,811,077	39,901,063
Expenses:			
Salaries and benefits (notes 7 and 8)	9,576,234	7,800,410	7,222,730
Customer incentives (note 8)	49,932,408	29,859,691	25,839,996
Contracted services and program delivery (note 8)	10,983,254	6,278,441	4,584,427
Regulatory expense	1,558,255	–	–
Rent (note 8)	458,754	376,153	120,000
Other expenses (note 8)	3,112,095	3,496,382	2,133,910
	75,621,000	47,811,077	39,901,063
Surplus for the year before the undernoted	–	–	–
Manitoba Hydro contributions related to capital	60,000	317,900	508,699
Amortization expense	(390,000)	(329,136)	(175,920)
Loss on disposal of tangible capital assets	–	–	(1,411)
Surplus (deficit) for the year	\$ (330,000)	(11,236)	331,368
Accumulated surplus, beginning of year		1,200,069	868,701
Accumulated surplus, end of year		\$ 1,188,833	\$ 1,200,069

See accompanying notes to financial statements.

EFFICIENCY MANITOBA INC.

Statement of Changes in Net Debt

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Surplus (deficit) for the year	\$ (11,236)	\$ 331,368
Additions to tangible capital assets	(317,900)	(508,699)
Amortization of tangible capital assets	329,136	175,920
Loss on disposal of tangible capital assets	—	1,411
Change in prepaid expenses	(114,332)	(68,405)
	(114,332)	(68,405)
Net debt, beginning of year	(205,747)	(137,342)
Net debt, end of year	\$ (320,079)	\$ (205,747)

See accompanying notes to financial statements.

EFFICIENCY MANITOBA INC.

Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating transactions:		
Surplus (deficit) for the year	\$ (11,236)	\$ 331,368
Amortization of tangible capital assets	329,136	175,920
Loss on disposal of tangible capital assets	—	1,411
Change in non-cash operating working capital:		
Accounts receivable and accrued revenue	(9,460,402)	(13,007,189)
Prepaid expenses	(114,332)	(68,405)
Accounts payable and accrued liabilities	9,262,977	13,223,251
Deferred revenue	—	(456,672)
	6,143	199,684
Capital transactions:		
Additions to tangible capital assets	(317,900)	(508,699)
Decrease in cash	(311,757)	(309,015)
Cash, beginning of year	2,317,964	2,626,979
Cash, end of year	\$ 2,006,207	\$ 2,317,964

See accompanying notes to financial statements.

General:

The Efficiency Manitoba Act was proclaimed on January 24, 2018. The Act established a crown corporation without share capital, Efficiency Manitoba Inc. (the “Corporation”). The Board of Directors of the Corporation was appointed May 16, 2018. The Corporation commenced operations effective April 1, 2020.

The mandate of Efficiency Manitoba Inc. is to:

- Implement and support demand-side management initiatives to meet savings targets and achieve any resulting reductions in greenhouse gas emissions in Manitoba;
- Achieve additional reductions in the consumption of electrical energy or natural gas if the reductions can be achieved in a cost-effective manner;
- Mitigate the impact of rate increases and delay the point at which capital investments in major new generation and transmission projects will be required to serve the needs of Manitobans; and
- Promote and encourage the involvement of the private sector and other non-governmental entities in the delivery of its demand-side management initiatives.

The Corporation is exempt from income taxes under *The Income Tax Act*.

In recognition of the benefits received by Manitoba Hydro from the efforts of the Corporation, Manitoba Hydro is responsible for funding operations of the Corporation pursuant to legislation, net of any funds the Corporation has available from other sources. The Corporation is therefore economically dependent on Manitoba Hydro for continued operations.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian public sector accounting standards. The significant accounting policies are summarized as follows:

(a) Revenue:

Contributions are recognized in the period in which the transactions or events occurred that gave rise to the revenue.

Investment income is recognized as revenue in the year in which the income was earned.

1. Significant accounting policies (continued):

(b) Expense recognition:

Customer incentives are recognized once designated Corporation authorities have approved the incentive payment and a reasonable estimate of the value of the incentive payment is established.

All other expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

(c) Financial instruments:

Derivative instruments and equity instruments that are quoted in an active market are reported, on initial recognition and subsequently, at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has not elected to carry these instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations.

Canadian public sector accounting standards require an organization to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

The Corporation has no financial instruments that are measured at fair value.

1. Significant accounting policies (continued):

(d) Tangible capital assets:

Tangible capital assets are recorded at cost. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a tangible capital asset no longer contributes to the Corporation’s ability to provide services, its carrying amount is written down to its residual value.

Specialized demand side management software represents costs incurred by the Corporation in the configuration and customization of software provided by a third-party vendor for the Corporation’s use to manage the customer and delivery partner experience throughout the program application life cycle. The capitalized costs represent costs directly incurred in bringing the software into productive use. Costs incurred on research into software options and on post-implementation activities are expensed as incurred.

Tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Estimated useful lives
Computers	3 years
Computer software	5 years
Furniture and fixtures	2 to 10 years
Specialized demand side management software	5 years

(e) Employee future benefits:

Eligible employees of the Corporation are members of the Civil Service Superannuation Fund pension plan (the “Plan”), a multi-employer, defined benefit pension plan. As individual entities within the Plan are not able to identify their share of the underlying assets and liabilities, the Corporation is accounting for the Plan as a defined contribution plan. The cost of the Plan is recognized based on contributions required to be made during each period. The Corporation’s liability under the Plan is limited to the contributions required during the year.

Retirement entitlement obligations, vested sick leave, severance and vacation entitlement benefits, if any, are accrued as employees earn the benefits.

1. Significant accounting policies (continued):

(f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. The most significant estimate relates to accrued revenue. Actual results could differ from those estimates.

(g) Adoption of new accounting standard:

On April 1, 2022, the Corporation adopted *PSAS 3280 Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing accounting standard *PSAS 3270 Solid Waste Landfill Closure and Post-Closure Liability*. The standard was adopted on the modified retroactive basis at the date of adoption and had no impact on the Corporation’s financial statements.

2. Tangible capital assets:

Cost	Balance at March 31, 2022		Additions	Disposals	2023 Total	2022 Total				
Computers	\$	194,994	\$	114,623	\$	—	\$	309,617	\$	194,994
Furniture and fixtures		142,436		203,277		—		345,713		142,436
Computer software		51,217		—		—		51,217		51,217
Specialized demand side management software		1,035,134		—		—		1,035,134		1,035,134
	\$	1,423,781	\$	317,900	\$	—	\$	1,741,681	\$	1,423,781
Accumulated Amortization	Balance at March 31, 2022		Additions	Disposals	2023 Total	2022 Total				
Computers	\$	99,622	\$	83,870	\$	—	\$	183,492	\$	99,622
Furniture and fixtures		6,420		27,996		—		34,416		6,420
Computer software		14,157		10,243		—		24,400		14,157
Specialized demand side management software		103,513		207,027		—		310,540		103,513
	\$	223,712	\$	329,136	\$	—	\$	552,848	\$	223,712

Notes to Financial Statements (continued)

Year ended March 31, 2023

2. Tangible capital assets (continued):

Net book value	2023 Total	2022 Total
Computers	\$ 126,125	\$ 95,372
Furniture and fixtures	311,297	136,016
Computer software	26,817	37,060
Specialized demand side management software	724,594	931,621
	\$ 1,188,833	\$ 1,200,069

3. Accounts receivable and accrued revenue:

Accounts receivable and accrued revenue is comprised of the following:

	2023	2022
Province of Manitoba accounts receivable	\$ 10,759,349	\$ –
Province of Manitoba accrued revenue (note 5)	9,718,760	10,685,910
Manitoba Hydro (note 8)	1,989,482	2,321,279
	\$ 22,467,591	\$ 13,007,189

4. Contributions:

Contributions are comprised of the following:

	2023	2022
Manitoba Hydro	\$ 37,913,440	\$ 29,158,148
Low Carbon Economy Leadership Fund (note 5)	9,718,760	10,685,910
Province of Manitoba	73,439	–
Natural Resources Canada	–	2,431
	\$ 47,705,639	\$ 39,846,489

Notes to Financial Statements (continued)

Year ended March 31, 2023

5. Low Carbon Economy Leadership Fund:

The Canada-Manitoba Low Carbon Economy Leadership Fund (“Leadership Fund”) Agreement was concluded effective May 10, 2019, and amended March 17, 2022 and April 27, 2023, between the Government of Canada and the Province of Manitoba.

The Leadership Fund provides financial support to the Province of Manitoba to deliver on leadership commitments to reduce greenhouse gas emissions (GHG), including but not limited to those outlined in the Pan-Canadian Framework on Clean Growth and Climate Change, ultimately leading to cleaner and healthier communities.

The Corporation’s portfolio of natural gas demand-side management programs has been approved as an eligible activity to receive funding from the Leadership Fund.

Through the Leadership Fund, the Government of Canada agrees to provide funding to the Province of Manitoba towards eligible expenditures (as defined in the agreement) of the Corporation’s natural gas portfolio of programs up to a maximum amount of \$32,299,209. Eligible expenditures include all expenses related to the implementation and operation of demand-side management programs for gas.

The Leadership Fund Agreement covers eligible expenditures incurred by the Corporation on its natural gas portfolio of programs between December 8, 2020 and March 31, 2024. The Corporation has until June 30 of each claim year to submit its claim for reimbursement under the agreement.

The Corporation’s current claim under the agreement, covering the year ended March 31, 2023, must be submitted by June 30, 2023. The amount to be claimed under the agreement for the year is \$9,718,760 (2022 - \$10,685,910), which is recorded as accrued revenue from the Province of Manitoba on March 31, 2023 (note 3). Amounts received or receivable under the Leadership Fund are used to reduce the amounts otherwise to be funded by Manitoba Hydro to the Corporation.

6. Commitments:

The Corporation entered into an agreement to lease office space under an operating lease commencing May 1, 2022 with an expiry date of July 31, 2032. In addition, the Corporation has entered into a three-year agreement with its third-party software vendor for hosting, license, and support services. The Corporation’s annual payments for the next five fiscal years under these contracts are as follows:

2024	\$	476,809
2025		414,760
2026		415,044
2027		427,555
2028		426,968
Thereafter		1,897,743
	\$	4,058,879

The Corporation has engaged the services of consultants to provide services for the Corporation's customer incentive programs under contracts that may be terminated within specific notice periods, generally thirty days. The monthly commitment under these contracts is approximately \$292,000.

In addition, in the normal course of business, the Corporation has entered into contracts with qualified service providers to deliver certain incentive programs on behalf of the Corporation. The amounts paid to the service providers will vary based on the participation volumes achieved by the service providers, which are not reflected in the commitments above.

7. Employee pension plan:

Eligible employees of the Corporation are members of the Civil Service Superannuation Fund pension plan (the “Plan”), a multi-employer, defined benefit pension plan. The Plan specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. During the year, the Corporation contributed \$461,097 (2022 - \$415,114) to the Plan on behalf of its employees. Contribution rates for the Corporation are at 7.1 percent (2022 - 7.1 percent) of pensionable earnings up to the yearly maximum pensionable earnings limit (YMPE) and 9.0 percent (2022 - 9.0 percent) on earnings in excess of the YMPE.

8. Related party transactions:

For the year ended March 31, 2023, the costs charged by Manitoba Hydro to the Corporation represent services that the Corporation has engaged Manitoba Hydro to perform on its behalf.

The amounts charged by Manitoba Hydro to the Corporation and the financial statement captions in which they are recognized are as follows:

	2023	2022
Customer incentives	\$ 745,617	\$ 742,875
Other expenses	4,900	34,106
Rent	–	120,000
Contracted services and program delivery	(9,557)	24,483
Total	\$ 740,960	\$ 921,464

In addition, Manitoba Hydro charged costs of nil (2022 - \$147,400) to the Corporation related to the specialized demand side management software, which has been capitalized by the Corporation.

Rent expense includes office space rented from Manitoba Hydro of nil (2022 - \$120,000) for the year ended March 31, 2023. The office space was rented on a month-to-month basis, and the Corporation vacated the office space on the commencement of its new office space lease on May 1, 2022 (note 6).

Accounts payable and accrued liabilities at March 31, 2023 includes accounts payable of \$20,493,430 (2022 - \$10,797,869) to Manitoba Hydro arising from contributions received in advance from Manitoba Hydro that are to be repaid, as a result of the Leadership Fund. The contributions to be repaid to Manitoba Hydro will be paid once the receivable from the Province of Manitoba under the Leadership Fund (note 3) is collected.

Accounts receivable and accrued revenue of \$1,989,482 on March 31, 2023 (2022 - \$2,321,279) (note 3) represents contribution amounts due from Manitoba Hydro. The Corporation expects to settle the amounts payable to and accounts receivable from Manitoba Hydro on a gross basis.

9. Financial risks:

Liquidity risk:

Liquidity risk is the risk that the Corporation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Corporation manages its liquidity risk by monitoring its operating requirements. The Corporation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

10. Budget:

On September 1, 2021, the Board of Directors of the Corporation approved the 2022/23 operating budget which has been utilized in these financial statements.

11. COVID-19 implications:

While most pandemic health orders and restrictions were lifted in the province at the start of the 2022/23 fiscal year, there are significant COVID-19 pandemic-induced market conditions that continue to persist and impact decision making of customers, and decisions to invest in energy efficiency improvements specifically. Supply chain issues, inflationary pressures, rising interest rates, recession indicators, labour shortages and general economic uncertainty are outside of the control of the Corporation and have created customer hesitancy to proceed with capital upgrades in all sectors (residential, commercial, industrial, agricultural).





**SAVE TODAY.
SAVE TOMORROW.**

energyteam@efficiencyMB.ca
efficiencyMB.ca

**2022/23
ANNUAL REPORT**