EFFICIENCY MANITOBA

# ANNUAL BUSINESS PLAN

2024/25

## Statement from the Board Chair

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

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

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

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

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

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

**Dr. Jeannette Montufar-MacKay**
Board Chair, Efficiency Manitoba

# TABLE OF CONTENTS

# 1. MANDATE & STRATEGIC DIRECTION

## 1.1 Mandate as set out in The Efficiency Manitoba Act

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

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

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

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

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

## 1.2 Strategic direction

### 1.2.1 Vision, mission & strategic goals

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

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

**FIGURE 1: VISION, MISSION & STRATEGIC GOALS**

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

### 1.2.2 Guiding principles

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

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

**FIGURE 2: GUIDING PRINCIPLES**

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

## 1.3 Strategic priorities

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

### 1.3.1 Achieving excellence in our programs and services

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

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

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

### 1.3.2 Building a solid foundation for a successful organization

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

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

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

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

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

### 1.3.3 Building and sustaining meaningful partnerships with a customer focus

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

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

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

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

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

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

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

### 1.3.4 Transforming attitudes towards energy efficiency

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

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

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

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

### 1.3.5 Key initiatives

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

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

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

**Affordable Home Energy program**

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

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

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

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

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

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

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

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

**Demand Response**

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

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

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

**Corporate Strategic Plan**

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

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

**2026-29 Efficiency Plan development**

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

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

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

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

**Implementation of Home Energy Reports program**

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

**TABLE 1: KEY INITIATIVES | METRICS FOR 2024/25**

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

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

# 2. OPERATING ENVIRONMENT

## 2.1 Internal operating environment

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

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

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

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

## 2.2 External operating environment

### 2.2.1 Energy transition

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

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

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

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

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

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

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

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

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

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

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

### 2.2.3 Continued challenges in the Manitoba economy

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

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

## 2.3 Operational risks & mitigation

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

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

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

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

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

# 3. PERFORMANCE MEASURES & TARGETS

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

**TABLE 2: KEY PERFORMANCE INDICATOR DASHBOARD**

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

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

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

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

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

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

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

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

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

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

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

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

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

### 4.1.1 Electric annual energy savings

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

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

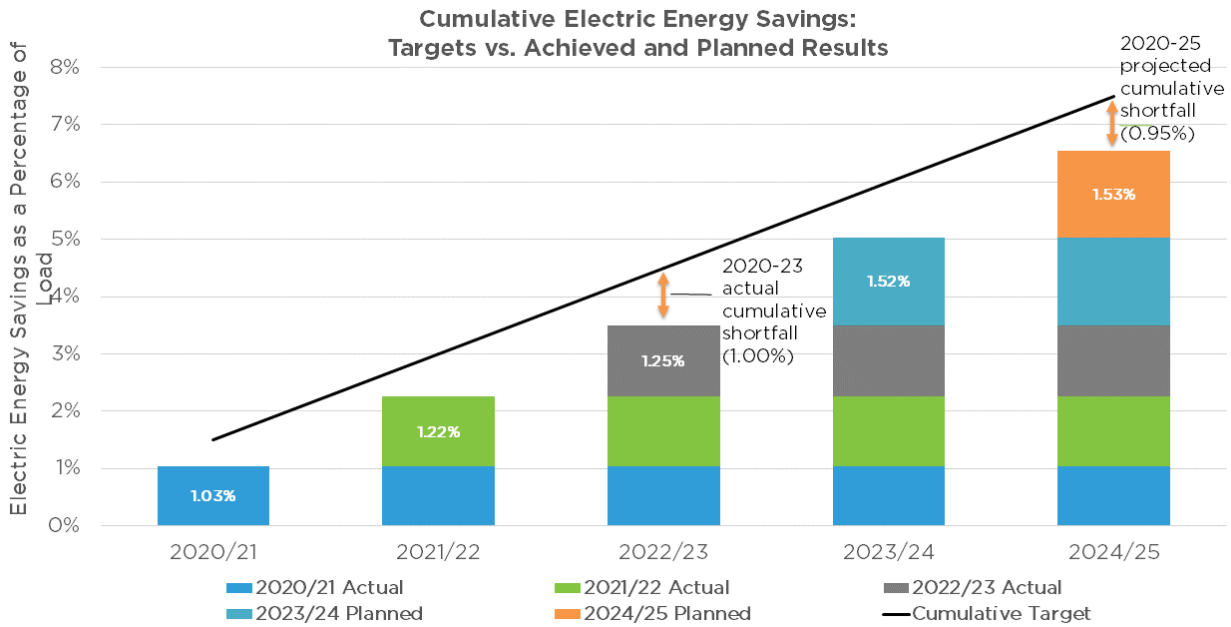


**TABLE 3: ACTUAL & PLANNED ELECTRIC PORTFOLIO SAVINGS**

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

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

### 4.1.2 Natural gas annual savings

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

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

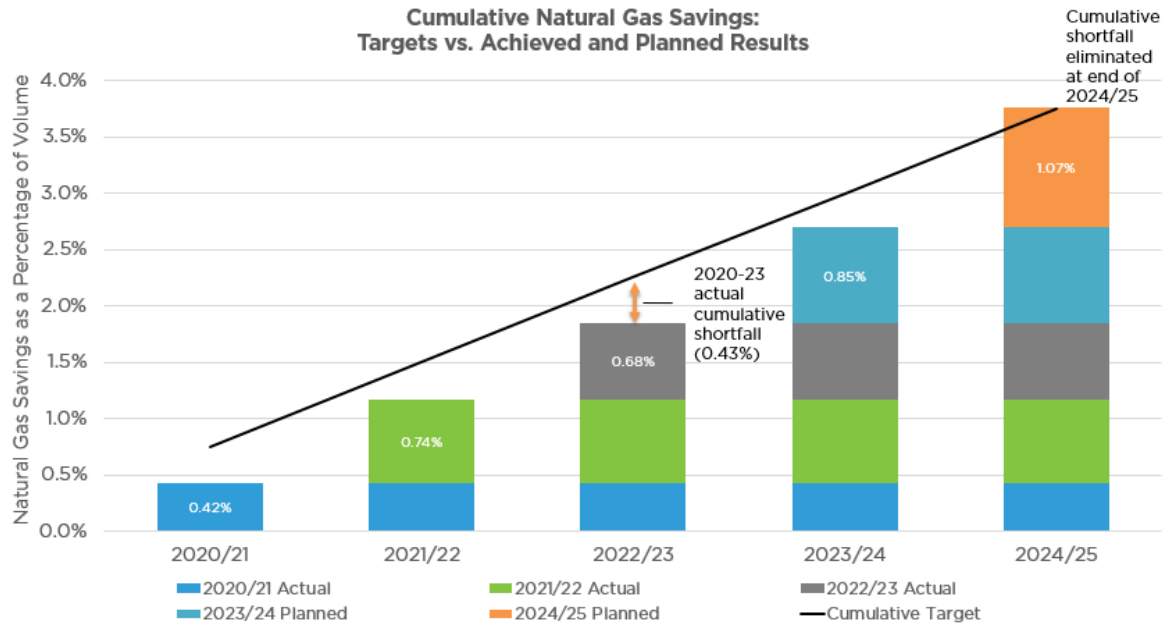



**TABLE 4: ACTUAL & PLANNED NATURAL GAS PORTFOLIO SAVINGS**

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

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

### 4.1.3 Longer-term savings outlook and further addressing savings shortfalls

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

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

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

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

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

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

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

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

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

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

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

### 4.2.1 Portfolio optimization

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

**Residential programs**

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

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

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

**Residential income-based programs**

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

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

**Indigenous programs**

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

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

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

**Commercial, industrial & agricultural programs**

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

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

**Loan program**

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

### 4.2.2 Enabling strategies focus

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

**Partnerships**

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

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

**Communication & advertising**

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

**DSM tracking system optimization**

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

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

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

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

### 4.3.1 Benefits | Customer bill reductions and energy affordability

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

**TABLE 5: EFFICIENCY PLAN SUMMARY | ANNUAL CUSTOMER BILL SAVINGS**

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

### 4.3.2 Benefits | Reduction in greenhouse gas emissions (GHGs)

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

**TABLE 6: EFFICIENCY PLAN SUMMARY | GREENHOUSE GAS EMISSION SAVINGS**

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

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

### 4.3.3 Benefits | Additional/supplemental non-energy benefits

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

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

### 4.3.4 Benefits | Cost effectiveness

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# TABLE 11: SAVINGS AND PARTICIPATION BY PROGRAM

| | | | 2024/25 Electric savings (GWh) | 2024/25 Natural gas savings ($m^3$) | 2024/25 Total participation | Units |
|---|---|---|---|---|---|---|
| RESIDENTIAL PROGRAMS | | | | | | |
| | Instant Rebates | | 8.9 | 0.51 | 131,600 | No. of products/appliances |
| | Appliance Recycling Program | | 3.1 | -0.08 | 4,400 | No. of products/appliances |
| | Home Insulation Program | | 1.5 | 0.40 | 1,600 | No. of projects |
| | Windows & Doors Program | | 1.3 | 0.77 | 2,800 | No. of projects |
| | Ground Source Heat Pumps | | 0.1 | 0.00 | 20 | No. of projects |
| | Air Source Heat Pumps | | -0.4 | 0.12 | 170 | No. of projects |
| | Home Energy Reports - Residential | | 4.6 | 0.23 | 74,700 | No. of reports |
| | New Homes Program | | 1.7 | 0.11 | 280 | No. of houses |
| | Home Energy Retrofit Program | | 1.4 | 0.33 | 150 | No. of houses |
| | | Subtotal | 22.0 | 2.39 | | |
| RESIDENTIAL SUPPORTING OFFERS | | | | | | |
| | Generation E (Education Program) | | | | | |
| | Virtual Energy Review | | | | | |
| | | | | | | |
| INCOME BASED PROGRAMS | | | | | | |
| | Energy Efficiency Assistance Program | | 3.0 | 1.23 | 1,900 | Completed Homes (includes In-Suite) |
| | Home Energy Reports - Income Based | | 1.8 | 0.08 | 28,100 | No. of reports |
| | | Subtotal | 4.8 | 1.31 | | |
| COMMUNITY SUPPORTING OFFERS | | | | | | |
| | Community Energy Efficiency Program | | | | | |
| | Neighbourhood Renewal Partnerships | | | | | |
| | | | | | | |
| INDIGENOUS PROGRAMS | | | | | | |
| | First Nation Energy Efficiency Program | | 1.1 | - | 380 | No. of houses |
| | Indigenous Small Business Program | | 0.3 | 0.00 | 80 | No. of businesses |
| | Community Heat Pump | | 0.6 | - | 80 | No. of systems |
| | Métis Energy Efficiency Offers | | 0.4 | 0.13 | 210 | Completed Homes (includes In-Suite) |
| | | Subtotal | 2.5 | 0.13 | | |
| INDIGENOUS COMMUNITY SUPPORTING OFFERS | | | | | | |
| | Indigenous Community Energy Efficiency Program | | | | | |
| | | | | | | |
| COMMERCIAL, INDUSTRIAL & AGRICULTURAL PROGRAMS | | | | | | |
| | Commercial Kitchen Appliance Program | | 1.5 | 0.03 | 1,100 | No. of applications |
| | Commercial Refrigeration Program | | 0.9 | 0.03 | 70 | No. of applications |
| | Small Business Program | | 2.3 | -0.03 | 900 | No. of applications |
| | In-Suite Energy Efficiency Program | | 0.8 | 0.15 | 3,000 | No. of suites |
| | Business Lighting Program | | 58.8 | -2.05 | 1,200 | No. of projects |
| | Building Envelope Program | | 3.6 | 1.51 | 390 | No. of projects |
| | Ground Source Heat Pumps | | 0.1 | 0.00 | 10 | No. of buildings |
| | Air Source Heat Pumps | | 0.0 | 0.01 | 10 | No. of projects |
| | HVAC & Controls - Downstream | | 0.1 | - | 20 | No. of applications |
| | HVAC & Controls - Upstream | | 0.4 | 1.21 | 170 | No. of applications |
| | New Buildings Program | | 2.2 | 0.47 | 30 | No. of buildings |
| | Commercial Deep Energy Retrofit Program | | 2.5 | 0.43 | 10 | No. of buildings |
| | Custom Energy Solutions | | 31.6 | 7.30 | 190 | No. of projects |
| | Strategic Energy Manager Initiative | | 2.1 | 0.69 | 64 | No. of annual reports |
| | Load Displacement | | 90.0 | - | < 10 | No. of projects |
| | | Subtotal | 196.8 | 9.74 | | |
| COMMERCIAL, INDUSTRIAL & AGRICULTURAL SUPPORTING OFFERS | | | | | | |
| | Commercial Energy Audits | | | | | |
| | Energy Efficiency Assessments | | | | | |
| | Feasibility Studies | | | | | |
| | Benchmarking Studies | | | | | |
| | | | | | | |
| EMERGING TECHNOLOGY PROGRAMS | | | | | | |
| | Solar Energy Program | | 1.1 | - | 210 | No. of customers |
| | | Subtotal | 1.1 | - | | |
| EMERGING TECHNOLOGY SUPPORTING OFFERS | | | | | | |
| | Innovation Fund | | | | | |
| | | | | | | |
| Program Impact Totals | | | 227 | 13.57 | | |
| | | | | | | |
| Codes, Standards & Regulations | | | 111 | 4.05 | | |
| | | | | | | |
| **Total** | | | **338** | **17.62** | | |
| | | | | | | |
| *Note: May not add up due to rounding.* | | | | | | |

# 5. FINANCIAL BUDGETS & FORECASTS

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

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

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

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

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

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

## TABLE 12: FINANCIAL SUMMARY & BUDGET

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

# 6. HUMAN RESOURCES

## 6.1 Staffing & employee/labour relations summary

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

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

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

**TABLE 13: FULL-TIME EQUIVALENT EMPLOYEES**

**Full-time equivalent employees**

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

Notes:

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

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

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

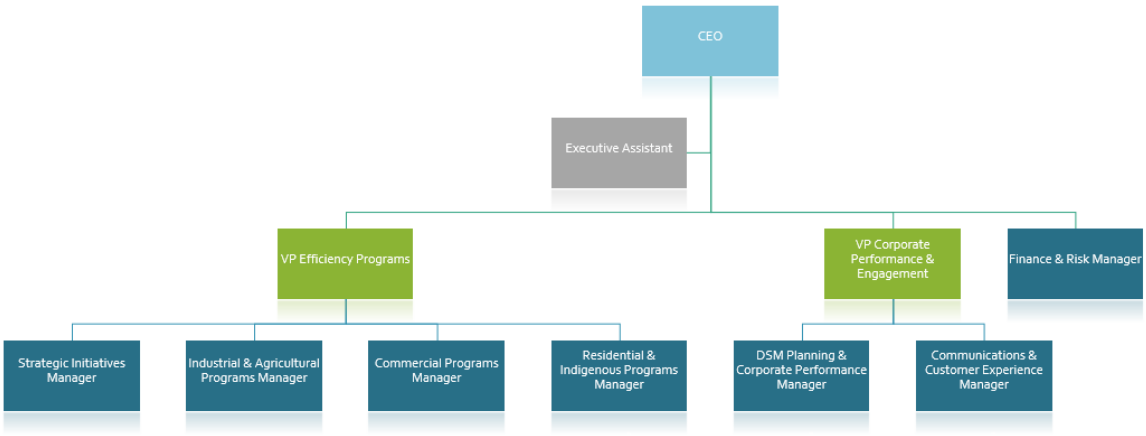
The 2026-29 Efficiency Plan development process will consider the resourcing needs of the organization beyond that noted above for the 2024/25 fiscal year.

## 6.2 Organization chart (at December 31, 2023)

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

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

**FIGURE 5: ORGANIZATIONAL CHART**



# 7. CAPITAL PLAN

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

### TABLE 14: CAPITAL EXPENDITURES

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