



ANNUAL BUSINESS PLAN
2019-2020

Statement from the Board Chair:

We are pleased to submit Efficiency Manitoba's Annual Business Plan for 2019-2020. This plan reflects Efficiency Manitoba's first year of operation which is a transition year for delivering on the core mandate of electric and natural gas savings.

This Plan has been prepared in accordance with the Crown Corporations Governance and Accountability Act.

Jeannette Montufar
Board Chair, Efficiency Manitoba

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Annual Business Plan

1.0 Mandate & Strategic Direction

Bill 19, The Efficiency Manitoba Act (the Act) was proclaimed on January 17, 2018. The Act provides operating and reporting instructions and outlines Efficiency Manitoba's (EM) specific 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:
 - a. Demand for electrical power in Manitoba,
 - b. Potable water consumed in Manitoba,
 - c. 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 addition to the mandate, EM will aim to ensure that efficiency programs are accessible to all Manitobans including lower income Manitobans, Indigenous communities, and rural and remote customers; assisting them in managing their energy needs while reducing their utility bills.

EM intends to enhance and improve upon existing energy efficiency programs and actively leverage and partner with the private sector and non-governmental organizations in the design and delivery of new programs. The ultimate goal of EM is to achieve a cumulative total of 22.5 per cent electrical energy savings and 11.25 percent natural gas savings in Manitoba over a 15-year period.

The commencement date for EM, and the date on which the first 3-Year Energy Efficiency Plan of the new Crown Corporation is delivered to Manitobans, is targeted to be April 1, 2020.

2.0 Operating Environment

EM is a brand-new Crown Corporation established through an act of legislation. This plan year will focus on establishing the operations and administrative functions of the organization.

Manitoba Hydro will be delivering existing energy efficiency programs, as outlined in the *2019/20 Demand Side Management Plan*, to the residential, commercial and industrial customer markets for the plan year in order to ensure momentum is not lost with these customer groups who have come to expect support for their energy efficiency projects and decision making. The branding for all energy efficiency programs in this one-year transition plan will be under the new EM identity and therefore, EM will have a direct approval authority for all major public facing campaigns or significant deviations from the activities outlined in the transition plan.

Bringing the first 3-Year Plan for EM through the review process outlined in legislation will be a significant effort and critical activity for the organization in 2019. The process will involve establishing and engaging with the Stakeholder Advisory Committee outlined in section 27 of the Act, undertaking a comprehensive review through the Public Utilities Board, and receiving approval for the Plan from the Minister of Crown Services. The 3-Year Efficiency Plan will be aiming to leverage the existing efficiency programs that have proven successful in past years while implementing and new and improved offerings to Manitobans in a cost-efficient manner.

As a significant contributor to greenhouse gas reductions in the Province of Manitoba, EM will also work closely with Manitoba's Climate and Green Plan (CGP) and the Expert Advisory Council to the CGP to ensure that the activities related to energy efficiency and EM's first 3-Year Plan are coordinated and reported.

3.0 Strategic Direction

The EM Board of Directors and the Executive team will be engaging in a strategic planning session in April 2019.

4.0 Performance Measures & Targets

Key performance measures will be identified in the strategic plan.

5.0 Financial Budgets & Forecasts

Financial Summary and Budget

	2018/2019 Forecast	2019/2020 Budget
Revenue:		
Transitional Funding	\$157,281	\$3,326,010
Expenses:		
Salaries & Benefits	60,395	852,000
Operating	95,758	2,281,854
Depreciation	1,128	192,156
	<hr/>	<hr/>
	\$157,281	\$3,326,010
Surplus (Deficit)	\$0	\$0

Due to the Plan year being a transition year and with the 3-Year Plan for 2020/2023 not yet approved, EM has not produced forecasted budgets.

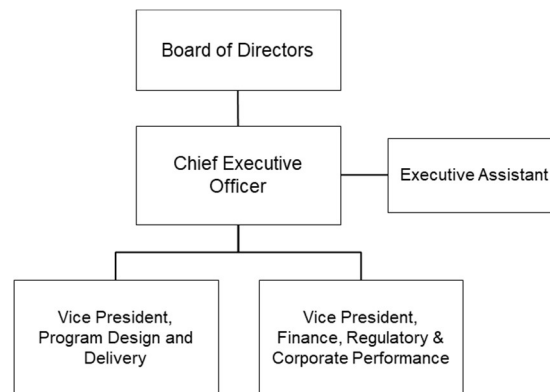
6.0 Human Resources

6.1 Staffing Summary

The final structure of the fully operational organization will be determined once the first 3-Year Plan has been approved by the EM Board for filing with the Public Utilities Board. Given that Manitoba Hydro is continuing to deliver programs for the entire Plan year and the program databases exist within Manitoba Hydro infrastructure, it is anticipated that transitioning of staff will not begin until quarter four at the earliest.

Staffing for the Plan year will be limited to the expertise required to build the Crown Corporation's operational structure.

6.2 Organization Chart (at March 2019)



7.0 Capital Plan

There is one item anticipated to be initiated in the Plan year; a new DSM (demand side management) Database and Tracking System which has the potential to be a capital expenditure. The DSM Database and Tracking system is critical and foundational to the entire operation of EM and will enable the organization to implement innovative customer and vendor self-service features and reduce the administrative burden associated with receiving and processing thousands of customer applications.