



**EFFICIENCY
MANITOBA**



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SAVE TOMORROW.**

**2023/24
ANNUAL REPORT
SUPPLEMENT**



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INTRODUCTION

Efficiency Manitoba is Manitoba’s Crown corporation committed to reaching long-term energy savings targets by offering cost-effective programs and services to Manitobans. Our legislated mandate is to develop and support energy efficiency initiatives that will reduce provincial consumption of electricity by 1.5% and natural gas by 0.75% annually. In the process of reducing provincial consumption of natural gas, we enable significant greenhouse gas emission reductions.

Efficiency Manitoba submitted our 2023/24 Annual Report in accordance with the Crown Corporations Governance and Accountability Act, which requires submission of an annual report within four months after the end of the fiscal year. In addition, section 32(1) of The Efficiency Manitoba Act specifies annual reporting requirements for activities and operations within a fiscal year, and this 2023/24 Annual Report Supplement provides results and analyses related to these reporting requirements.

RESULTS SUMMARY

Audited financial statements

Audited financial statements are included in Efficiency Manitoba’s 2023/24 Annual Report.

2023/24 energy savings summary results

Annual results	Savings	Legislated target	% of legislated target
Electric savings a percentage of load	1.26%	1.5%	84%
Natural gas savings a percentage of volume	0.89%	0.75%	119%

Discussion

The table on page 1 shows that the total electricity savings of the portfolio, accounting for all sectors, reached 84% of our legislated target of 1.5% while portfolio natural gas savings were 119% of our legislated target of 0.75%. Energy savings in 2023/24 were achieved while expending 73% of the overall budget, meaning that energy savings are being achieved cost effectively. The Efficiency Manitoba Act provides that annual shortfalls or surpluses in energy savings carry forward in accordance with the cumulative 15-year energy savings targets.

Year over year, we've been increasingly successful in reaching Manitobans by providing a diverse portfolio of over 40 offers across the residential, income-based, Indigenous, commercial, industrial, and agricultural customer segments. Aligned with our focus on continuous improvement, we've implemented many adaptations and modifications to our offers to respond to economic challenges, other market factors, and feedback from our suppliers and customers. Communications and advertising have been significantly enhanced, translating into year-over-year increases in brand awareness necessary to drive customer consideration of and action related to energy efficiency offer participation.

Our mandate is to achieve a certain level of energy savings while providing meaningful offers to all customer segments. We helped more Manitobans, businesses, and communities in 2023/24 than in prior fiscal years. While this isn't directly indicative of the level of savings achieved, it demonstrates our success in making our offers accessible to all Manitobans.

The increasing levels of participation from Manitoba homes and businesses has resulted in us exceeding our legislated natural gas savings target in 2023/24. This surplus will reduce the natural gas savings shortfalls we faced in our initial years of operation. Additional benefits are realized from this achievement, as increased natural gas savings leads to a greater reduction in greenhouse gas emissions — a particularly important outcome as Manitoba continues to address the ongoing climate crisis.

Looking forward, there are several factors which will continue to present challenges in satisfying the electric energy savings target. The reality of declining future opportunities such as non-residential lighting and a growing electrical load as Manitoba makes progress towards a decarbonized future will require flexibility, nimbleness, and continued programming adaptations to overcome. As we move energy efficiency forward in Manitoba, we look forward to actioning our role relative to Manitoba's Affordable Energy Plan and Manitoba Hydro's future Integrated Resource Plan. Longer-term energy 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 balanced with the cost to acquire remaining market opportunities for energy-efficient technologies within Manitoba.

The energy savings we've achieved provide a stable, foundational, and cost-effective resource to meet Manitoba's growing electricity needs as the province shifts away from fossil fuels. Year over year, our results indicate that Manitobans are making the decision to adopt more energy-efficient lifestyles, lower their energy bills, and reduce their impact on the environment through greenhouse gas emission reductions realized through less natural gas consumption. Improved affordability by way of lower energy bills will continue to provide benefits to Manitobans as we move towards a net-zero by 2050 future.

Contingency fund

There were no contingency fund expenditures in 2023/24.

Operational adjustments

In 2023/24, we continued to implement changes, including increased customer incentives and expanded customer eligibility criteria, to increase customer participation in our offers (see pages 14 and 15 of our Annual Report for additional details). Our intent with these operational adjustments and offer modifications was to increase the likelihood of customers investing in energy efficiency.

Our work to drive customer participation results in energy use reduction, bill savings and reduction in energy poverty, Indigenous reconciliation, increased business competitiveness, training and local employment and business opportunities, environmental benefits (including greenhouse gas emissions reductions), along with other social and economic benefits.

2023/24 RESULTS

We've made progress towards achieving our energy savings targets

The table below, along with the notes and explanations that follow, provides additional detail on the results from the evaluation process. Note that planned energy savings in 2023/24 were higher than the legislated targets. This results in a difference in savings as a percentage of Plan when compared to the legislated targets relative to natural gas savings (summary table on page 1).

Annual results	Planned	Gross (real) savings (Net savings as defined in the Efficiency Manitoba Act)	
		Actual	% of plan
Electric			
Electric savings (GWh)	338.3	283.1	84%
Evaluated electricity savings as a percentage of load	1.51%	1.26%	
Electric acquisition cost (\$/kWh)	\$0.15	\$0.12	
Natural gas			
Natural gas savings (million m ³)	13.50	15.31	113%
Evaluated natural gas savings as a percentage of volume	0.83%	0.89%	
Natural gas acquisition cost (\$/m ³)	\$1.91	\$1.51	
Greenhouse gas emission reductions (CO ₂ eq tonnes)	25,700	29,100	113%

Notes & explanations

- In accordance with Section 16(1) of the Efficiency Manitoba Act and to ensure independent review and assessment of our performance, we contract the services of an independent assessor ("evaluator"). The evaluator is responsible for independently assessing program energy savings and cost effectiveness, providing third-party verification and evaluation.

- Savings include the calculation of interactive effects whereby an energy-efficient product or system results in an increase or decrease in energy use in other areas. For example, installing more efficient lighting results in an increase in heating requirements and a decrease in cooling requirements.
- The Efficiency Manitoba Act defines net savings to be counted towards the respective target as:

"...in respect of a change in the consumption of electrical energy or natural gas in Manitoba, the savings that occur after taking into account any other adjustments in consumption that are attributable to, or influenced by, the change."

This definition implies interactive effects are removed from the total (gross) savings and therefore represent the real impact to domestic load consistent with Efficiency Manitoba's legislated mandate (gross (real) savings as presented).
- In accordance with the mandate letter issued on March 26, 2024, the expectation has been communicated by Efficiency Manitoba's responsible Minister to:

"...align energy efficiency savings reporting with Efficiency Manitoba's objectives of reducing real load growth impacting Manitoba electric load and natural gas volumes, while also supporting the transition to net-zero emissions in a manner that protects affordability."
- Energy savings relative to planned in-year (2023/24) savings were 84% electric and 113% natural gas. In-year electric savings were planned to be 1.51% of load, essentially mirroring the legislated target of 1.5%. In the case of natural gas, planned in-year savings were 0.83% of volume (greater than the legislated target of 0.75%).
- The electric and natural gas savings utilize Efficiency Manitoba's approach for estimating savings from equipment standards, which considers the difference between the equipment being replaced and the current minimum energy performance standards.
- Electric savings as a percentage of load is based on 2022/23 weather-adjusted actual consumption.
- Natural gas savings as a percentage of volume is based on actual 2022/23 volumes. To protect Manitoba Hydro confidential information, savings as a percent of actual volume (not weather-adjusted) was used.

We've helped Manitobans save millions on their energy bills

Customer bill savings*	2023/24
Annual (\$ million)	\$15.9

*The dollar savings presented here are from both electric and natural gas savings as well as the federal carbon charge. To the end of the 2023/24 fiscal year, cumulative customer bill savings represent over \$40 million annually with persisting cumulative customer bill savings of over \$97 million since 2020/21.

Our natural gas programs have resulted in significant greenhouse gas emission reductions, which positively contribute to Manitoba's climate change and net-zero commitments

Greenhouse gas emission reductions*	2023/24
Annual (CO ₂ eq tonnes)	29,100

*To the end of the 2023/24 fiscal year, cumulative greenhouse gas emission reductions (CO₂ eq) represent over 86,000 tonnes annually with persisting cumulative greenhouse gas emission reductions of over 193,000 tonnes since 2020/21.



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