



EFFICIENCY
MANITOBA

SAVINGS,
DELIVERED.



EFFICIENCY
MANITOBA

SAVE TODAY.
SAVE TOMORROW.

2023/24
ANNUAL REPORT



SAVE TODAY.

Save energy, money, and the environment today by participating in our wide range of offers. We're making homes, businesses, and communities across Manitoba more energy efficient, and we're ready to work with you!

SAVE TOMORROW.

Keep saving for years to come. Participating in energy efficiency makes bills more affordable for Manitobans, positively contributes to Indigenous reconciliation, supports the Manitoba economy through job creation and business competitiveness benefits, and helps protect the environment.



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MESSAGE FROM THE BOARD CHAIR



CELEBRATING TODAY'S SUCCESSES, ANTICIPATING TOMORROW'S OPPORTUNITIES

On behalf of the Board of Directors, I'm pleased to present Efficiency Manitoba's Annual Report for the 2023/24 fiscal year.

Inflationary pressures and energy bill affordability are major challenges facing Manitobans. Since inception in April 2020, Efficiency Manitoba has worked diligently and collaboratively to reduce energy bills and improve affordability by enabling energy efficiency upgrades for homes and businesses. Our efforts have resulted in higher participation and many positive outcomes for Manitobans and Efficiency Manitoba in 2023/24. This report showcases many of these achievements.

In reflecting upon the last year of Efficiency Manitoba's operations, it's evident just how much the team has been able to accomplish. Building upon a well-established foundation, Efficiency Manitoba has optimized a diverse portfolio of energy efficiency offers, continued to pursue new and innovative ways to achieve additional electricity and natural gas savings, and increased program participation as well as related bill and energy savings. Through continued investment in energy efficiency and a strong commitment to improving the lives of everyone who lives and works here, Efficiency Manitoba will continue to create value for Manitobans and contribute to a more energy-efficient future for our province.

Within the 2023/24 fiscal year also came a revised mandate letter. This letter recognizes Efficiency Manitoba's accomplishments to date and expands the organization's activities into beneficial electrification, electric demand savings, and affordable home heating options.

These are important priorities for our province that will deliver additional significant benefits for Manitobans. It's an exciting time for Efficiency Manitoba; the Board and team are enthusiastic about the future and upcoming opportunities.

I'd like to acknowledge and thank the outgoing Board of Directors, who contributed to the establishment and initial success of Efficiency Manitoba. We extend our thanks to George Orle, Jack Wilson, Ray Redfern, Kelly de Groot, Edna Nabess, Gary Kristiansen, Yasmine Attiyat, Sukhjinder Sandhu, and Gina Mogan for their service in growing energy efficiency in this province. Their work and guidance have enabled the delivery of world-class energy efficiency offers to all Manitobans.

In March 2024, we welcomed Cindy Choy, Chantel Henderson, Stewart Hill, Curt Hull, Kim Laycock, Duane Nicol, Steve Sobering, Dudley Thompson, and Jack Winram to Efficiency Manitoba's Board of Directors. I'm excited to work with our new board members as they bring their dedication to energy efficiency and insight to the table.

Along with creating a future of economic resiliency and environmental sustainability, Efficiency Manitoba's long-term energy savings targets continue to guide the important work of this organization. I'm honoured to continue as a part of this team, and I look forward to seeing the energy efficient future this organization is working towards in collaboration with Manitobans.

Jeannette Montufar-MacKay | P.Eng.
Board Chair

EFFICIENCY MANITOBA BOARD OF DIRECTORS

Current Board members:

- ▶ Jeannette Montufar-MacKay (Chair)
- ▶ Duane Nicol (Vice Chair)
- ▶ Cindy Choy
- ▶ Chantel Henderson
- ▶ Stewart Hill
- ▶ Curt Hull
- ▶ Kim Laycock
- ▶ Steve Sobering
- ▶ Dudley Thompson
- ▶ Jack Winram

Board members serving in 2023/24:

- ▶ Jeannette Montufar-MacKay (Chair)
- ▶ George Orle (Vice Chair)
- ▶ Yasmine Attiyat
- ▶ Kelly de Groot
- ▶ Gary Kristiansen
- ▶ Gina Mogan
- ▶ Edna Nabess
- ▶ Ray Redfern
- ▶ Sukhjinder Sandhu
- ▶ Jack Wilson

MESSAGE FROM THE CEO

REACHING NEW ENERGY EFFICIENCY HEIGHTS TOGETHER

As CEO of Efficiency Manitoba, I'm thrilled to present our 2023/24 Annual Report, which demonstrates our progress built upon our initial four years of operations. Through much work, our dedicated and talented experts have established Efficiency Manitoba as an organization that delivers results and leads in energy efficiency, sustainability, and economic development.

We've made significant progress in increasing participation in our energy efficiency offers and consequently working towards achieving our legislated energy savings targets. As a newer organization, a necessary component of encouraging Manitobans to participate in our offers is making sure they know to come to us for their energy efficiency needs. Through communication, advertising, and engagement, we boosted the awareness of Efficiency Manitoba to a point where 73% of Manitobans indicated they are familiar with our organization. In four short years, we've nearly reached our initial 10-year brand awareness target of 80%.

The more people who know about Efficiency Manitoba, the more we can help them invest in energy efficiency. We've certainly seen more and more Manitobans commit to reducing their energy use through heightened offer participation. One strong example of this is our seasonal Instant Rebate campaigns; we've now rebated one million energy-saving products through this offer. This is an impressive milestone. Manitobans are truly recognizing the value of energy efficiency and taking action to reduce their energy bills and contribute to a more sustainable future.

Indeed, we're reaching more customers, but it's equally important that they're happy with their experience working with Efficiency Manitoba. In 2023/24, we measured a customer satisfaction score of 89%, meaning our customers are extremely satisfied. I credit this success to our hardworking and committed team who consistently prioritize the needs of our customers through offer design and implementation, while listening and responding to feedback along the way.

We're proud to have over 40 offers available to Manitobans in all customer sectors: residential, income-based, commercial, industrial, agricultural, Indigenous, and community. It's important that we continue to evaluate our offers and make enhancements to maximize benefits for customers across Manitoba. Providing diverse, accessible, equitable, and affordable ways to engage in energy efficiency allows us to meet the needs of all Manitobans, reduce provincial energy consumption and greenhouse gas emissions, and contribute to Manitoba's economic development.

In delivering our offers to Manitobans, there are two particular accomplishments I'd like to call out. The first is regarding the Federal Low Carbon Economy Leadership Fund — I'm proud to share that since 2020, we accessed nearly \$31 million of federal dollars that were used to support our natural gas offers. Secondly, this fiscal year saw the greatest number of incentive dollars paid out to Manitobans since our inception. We provided over \$36.4 million in customer incentives in 2023/24, over doubling the \$17 million in customer incentives paid out in our commencement year. Our efforts have translated into a positive year-over-year trajectory of putting money back into the pockets of Manitobans.

Advancing reconciliation with Indigenous peoples is one of our guiding principles, and we're committed to incorporating Truth and Reconciliation principles in our work. Through our Indigenous energy efficiency offers, we continue to foster partnerships with communities, Indigenous organizations and governments, and leadership; collaboratively develop economic opportunities; and work towards a more sustainable future. We've partnered with 14 First Nations to support energy efficiency advocates within their communities, and through our partnership with the Manitoba Métis Federation, we also support an energy efficiency advocate to work with Red River Métis Citizens. We were also able to support the training of First Nation community members on how to install heat pumps, creating local, long-term employment opportunities and adding to the broader capacity of the ground source heat pump sector in Manitoba overall.

The energy landscape in Manitoba is continuously and swiftly evolving, and energy efficiency's role in this transition is vital. Interest in shifting consumption of fossil fuels for heating and transportation to electricity can place increased demands on our electricity grid. Efficiency Manitoba is well aligned to support a transition that prioritizes energy efficiency. In addition to the growing importance of energy efficiency, we received a new mandate letter from the provincial government in March 2024, and a new Board of Directors was named. We look forward to further expanding Efficiency Manitoba's efforts, which will result in increased bill affordability, improved access to clean heating options, the creation of sustainable green jobs, and the further advancement of Indigenous

reconciliation. Our work related to natural gas savings and our mandate expansion focused on beneficial electrification will provide significant greenhouse gas emission reductions towards the province's objectives in this regard.

We're excited about the opportunities ahead as we work in collaboration with our new Board of Directors to continue advancing energy efficiency in Manitoba. I'm also grateful to our former Board members, and those that served along the way, for their dedication and support since the early days of Efficiency Manitoba. I'd also like to thank our Energy Efficiency Advisory Group for their ongoing input into our work. Finally, and of critical importance, our achievements would not be possible without our committed team at Efficiency Manitoba, our partners, and our customers. Everyone has an important role to play in an increasingly energy-efficient Manitoba, and I thank you all for your involvement throughout this journey.

I'm proud to look back at this year and see all the progress we've made to help Manitobans reduce energy consumption and lower costs for homes, businesses, and communities. Collectively, we continue to work towards a greener and more energy-efficient future, while bringing economic opportunities and growth to our communities. I look forward to connecting with Manitobans in the year ahead and seeing the new energy-efficient heights we'll reach together.

Colleen Kuruluk
Chief Executive Officer

ABOUT US

WHO WE ARE

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.

VISION

We serve as a catalyst for an energy-efficient Manitoba. We are valued by Manitobans for our leadership in energy efficiency and for the partnerships we create.

MISSION

Efficiency Manitoba reduces energy consumption using innovative approaches that respect the environment and lead to economic benefits for Manitobans.

STRATEGIC GOALS

- ▶ Achieving excellence in our programs and services
- ▶ Building a solid foundation for a successful organization
- ▶ Building and sustaining meaningful partnerships with a customer focus
- ▶ Transforming attitudes towards energy efficiency



GUIDING PRINCIPLES

Employees

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

Equity & access

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

Investing in Manitoba

We believe in investing in Manitoba; therefore, we prioritize collaborating with and providing opportunities to local experts creating a stronger economic benefit for our province.

Keeping things simple

We believe in keeping things simple; therefore, we take a straightforward approach to communication and keep business processes easy to understand and implement.

Sustainable practices

We believe in sustainable practices; therefore, we source suppliers and service providers that follow environmentally sound practices.

Transparency

We believe in transparency; therefore, we are open and accountable.

Reconciliation

We believe in being respectful allies on our reconciliation journey; therefore, we will incorporate Truth and Reconciliation principles in our business processes and how we deliver our programs.

OUR MANDATE

Efficiency Manitoba received a new mandate letter from the provincial government in March 2024. The mandate is ambitious and future-oriented, assigning new areas of strategic growth to Efficiency Manitoba. The new mandate also encourages the evolution of our offers and supporting initiatives to help all Manitobans realize the many benefits of energy efficiency. These benefits, which were referenced in the mandate letter, include bill affordability, emission reductions, creating sustainable green jobs, and taking further steps towards Indigenous reconciliation.

The mandate letter recognizes the government's development of a new energy policy, the role of that energy policy relative to Manitoba Hydro's Integrated Resource Plan, and how those foundational elements will set the stage for Efficiency Manitoba's activities over the long term. In addition to progressing on and achieving these new mandate priorities, we look forward to future mandate-related direction which will factor into forthcoming efficiency planning activities.

THE EFFICIENCY MANITOBA ACT OUTLINES OUR MANDATE AS FOLLOWS:

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

**Demand-side management: a reduction in energy consumption achieved through implementation of efficiency measures, codes, or standards*

- ▶ Mitigate the impact of rate increases on Manitoba ratepayers through the delay of Manitoba Hydro's need for major capital investments in new generation and transmission projects
- ▶ Reduce consumption of electrical energy and natural gas beyond the savings targets if reductions can be achieved in a cost-effective manner
- ▶ Promote and encourage the involvement of the private sector and other non-governmental entities in the delivery of demand-side management initiatives

HIGHLIGHTS & ACCOMPLISHMENTS

The momentum we've been building since April 2020 has been producing meaningful results. Awareness of our organization, brand, and role in promoting an energy-efficient Manitoba increased substantially. Participation in our offers is increasing year over year, and we provided more incentive dollars to Manitobans than ever before. Homes, businesses, and communities throughout the province are recognizing the value of making energy efficiency upgrades, and it's been a privilege to do our part in making the process as straightforward and accessible as possible.

Our work with customers has produced exciting results, and we're eager to share some of the accomplishments realized in the 2023/24 fiscal year.



OUR KEY INITIATIVES ENSURE ONGOING PROGRESS TOWARDS OUR STRATEGIC GOALS

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

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

Three-year Efficiency Plan

Efficiency plans are legislated documents used to set out the energy efficiency offers and supporting initiatives we intend to implement to meet our electricity and natural gas savings targets. Prior to the start of the 2023/24 fiscal year, and to maximize our access to approved Federal Low Carbon Economy Leadership Fund (LCELFF) dollars, an Efficiency Plan extension covering the 2023/24 fiscal year was confirmed by the provincial government. Through our efforts and the participation of Manitobans in our natural gas efficiency programs, we're proud to report that nearly \$31 million of federal dollars have been accessed to support our natural gas offers.

During this Plan extension year, our lens was also focused on continually improving our portfolio of offers. Activities included conducting retrospective analyses and detailed offer reviews, incorporating results and recommendations from our completed Market Potential Study and independent assessments, and considering the broader Manitoba landscape including Manitoba Hydro's 2023 Integrated Resource Plan.

Engaging with multiple parties representing interests important to energy efficiency across Manitoba continues to be vital in helping us optimize and evolve our energy efficiency efforts. In 2023/24, we worked closely with Manitoba Hydro to provide inputs and our expertise into their 2023 Integrated Resource Plan. A deeper understanding of various

perspectives also arose through engagement with our legislated Energy Efficiency Advisory Group, Indigenous Energy Efficiency Working Group, and the Manitoba Indigenous Housing Capacity Enhancement and Mobilization Initiative. These efforts were all done in conjunction with regularly soliciting and addressing feedback from offer participants, industry partners, and registered Efficiency Manitoba suppliers.

Independent assessment

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

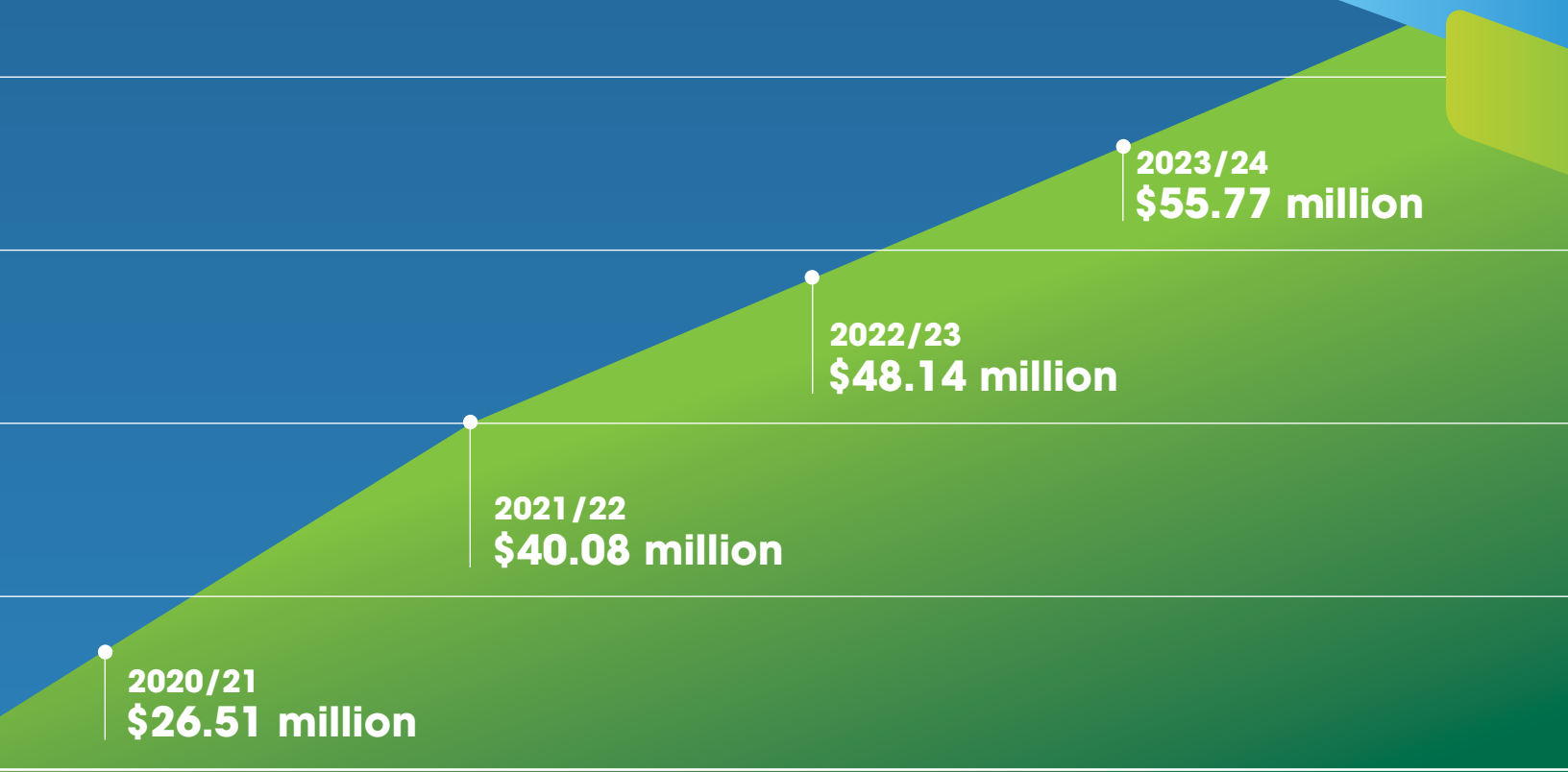
Annual offer assessment and evaluation work is an extensive exercise which is concluded following the completion of the fiscal year to which it applies. Offers may undergo a full or partial impact evaluation to validate achieved savings, a savings verification process where appropriate, a market evaluation to assess the effectiveness of delivery and implementation, and/or a process evaluation to evaluate influence on changes to the market.

Final evaluated results for 2023/24 will be submitted in accordance with the Efficiency Manitoba Act via our 2023/24 Annual Report Supplement.

WE'VE DEMONSTRATED PROGRESS ON OUR KEY PERFORMANCE INDICATORS

We monitor and report on several key performance indicators (KPIs). With the external environment and economy operating under a new normal for the last two fiscal years, we're pleased to demonstrate progress and improvements in our KPIs.

As we continue to invest in our offers and pay incentives to even more participating customers, our investment in energy efficiency for Manitobans has been increasing every year.



Our employees are highly engaged & committed to Efficiency Manitoba's success

We conducted our third employee engagement survey in 2023/24 to gather employee perspectives, foster a culture of feedback and continuous improvement, and identify any trends from previous surveys. We're proud to report that the survey responses were extremely positive. The results highlighted many areas of organizational strength, including a very strong workplace culture, high levels of employee pride and commitment, good working conditions, and effective hiring practices. Additionally, 100% of employees responded that they would recommend Efficiency Manitoba as a great place to work.

Internal business*	2023/24 TARGET	
% of load (electric)	1.51%**	
% of volume (natural gas)	0.83%**	
Electric acquisition cost (\$/kWh)	\$0.15	
Natural gas acquisition cost (\$/m ³)	\$1.91	
Financial	2023/24 RESULTS	2023/24 TARGET
Total expenditures (million \$)	\$55.77***	\$76.01
% of annual budget	73.4%	100.0%
% of expenditures with private sector	11.9%	22.1%
% of expenditures customer incentives	65.3%	59.5%
Learning & growth	2023/24 RESULTS	2023/24 TARGET
% of planned expenditures on innovation	89.7%	80%
Employee satisfaction with opportunities to learn, grow, and develop	81%	80%
% of employees with completed annual evaluations	48%	100%
Customer	2023/24 RESULTS	2023/24 TARGET
Brand awareness	73%	50%
Customer satisfaction	89%	90%
Customer participation (actual/forecast)*	TBD	100%

* An independent assessment of our 2023/24 energy savings and participation results is in process and will be delivered to our responsible Minister by September 30, 2024, as per the Efficiency Manitoba Act. These results will be presented in our Annual Report Supplement.

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

*** Total expenses plus amortization expense.

WE'RE CONTINUALLY IMPROVING OUR OFFERS & DRIVING RESULTS

We're dedicated to providing Manitobans with financial incentives and technical expertise in a manner that's easy, accessible, and rewarding. We accomplish this through our suite of over 40 offers available to homes, businesses, and communities to help facilitate energy efficiency upgrades. Ensuring our offers address a diverse array of energy efficiency projects and opportunities is important to us, so we're consistently making enhancements to our programs and rebates and looking for ways to create the best energy efficiency experience for all Manitobans.

The following table summarizes the offer enhancements we made to encourage participation and further increase our energy savings outcomes:

OFFER NAME	ENHANCEMENT DETAILS
Energy Efficiency Assistance Program	We revised our income thresholds to ensure more Manitoba households were eligible to access free and significantly subsidized energy efficiency upgrades. Program eligibility is based on low-income cut-off (LICO) values for urban centres with more than 500,000 residents, as determined by Statistics Canada. We increased these thresholds from LICO 125 (LICO plus 25%) to LICO 145 (LICO plus 45%) making more Manitobans eligible. This change means approximately 40% or approximately 192,000 low- to moderate-income households in Manitoba now qualify.
Community Heat Pump Program	We expanded the program beyond the Community Driven Outcomes Contract (CDOC) approach led by Raven Indigenous Capital Partners to include a flat rebate for heat pumps. Ground source heat pumps are rebated at \$9,800 per install and air source heat pumps at \$5,500 per install. These enhanced rebates provide any First Nation the opportunity to access heat pumps immediately outside the CDOC delivery model.
Métis Energy Efficiency Offers	To align with the Manitoba Métis Federation's Home Enhancement Loan Program's income thresholds, we increased our program's income threshold in the one-to-five household member categories to \$90,000.
First Nation Energy Efficiency Program	The program was enhanced with additional energy efficiency measures including smart thermostats, advanced power strips, and clotheslines. We increased insulation levels to R60 for attics. We also added enhanced rebates for windows and doors, providing \$300 per opening.

OFFER NAME	ENHANCEMENT DETAILS
Commercial Energy Audit Program	We launched new financial incentives and technical support for building owners that complete ASHRAE (American Society of Heating, Refrigeration and Air-Conditioning Engineers) Level 2 or 3 audits for eligible commercial buildings. Incentives range from \$1,200 to \$12,500 depending on building type, size, and audit level. The incentive covers up to 50% of the energy audit cost.
Community Rink Lighting Initiative (through the Business Lighting Program)	Through our Business Lighting Program, we launched a limited-time initiative that provided funding to ice rink facilities undergoing energy-efficient lighting upgrades. This initiative helped communities throughout the province reduce their energy bills and operating costs. Eligible projects received up to 100% of reasonable lighting equipment and associated labour costs.
Solar Rebate	We removed the \$25,000 cap on commercial solar photovoltaic (PV) projects and introduced a new application process to support increased participation in the commercial and agricultural sectors. This enhancement has received positive industry feedback.
Windows and Doors Rebate	We increased our windows and doors rebate from \$50 per opening to \$100 per opening. Feedback from customers and suppliers has been very positive.
New Homes Program 2.0	Manitoba adopted the 2020 National Building Code on January 1, 2024, and we redesigned our program accordingly to align with the newly adopted code. We adjusted minimum eligibility to 25% improvement over the 2020 National Building Code reference house, and we increased rebate levels to \$2,000 to \$15,000 per dwelling unit.
New Buildings Program 3.0	Our New Buildings Program 2.2 changed to a 3.0 iteration in response to Manitoba's adoption of the National Energy Code of Canada for Buildings (NECB) 2020 Tier 1, and any applicable provincial amendments, with enforcement beginning January 1, 2024. With this change, the program's baseline shifted from the Manitoba Energy Code for Buildings 2013 to the National Energy Code of Canada for Buildings 2020 Tier 1. Additionally, we made the following program adjustments to encourage participation and increase energy savings: <ul style="list-style-type: none"> ▶ We increased our Energy Modelling Assistance Incentive from \$10,000 to \$12,000 ▶ We increased our Performance Path incentives of \$0.50 to \$2.00 per square foot to \$0.60 to \$3.50 per square foot ▶ Systems Manual was moved from being mandatory to an optional deliverable, and the incentive is a 10% top-up on the eligible Performance Path incentive amount, up to \$12,000 ▶ We added exterior lighting and solar PV systems to our list of eligible measures

We have over 40 offers available to meet the diverse needs of all Manitobans, including homes, businesses, and communities.

Residential	<ul style="list-style-type: none"> ▶ Advanced HRV Control Rebate ▶ Air Source Heat Pump Rebate ▶ Appliance Recycling Program ▶ Ground Source Heat Pump Rebate ▶ Home Energy Retrofits ▶ Home Insulation Rebate 	<ul style="list-style-type: none"> ▶ Instant Rebates ▶ New Homes Program ▶ Solar Rebate ▶ Variable-Speed Pool Pump Rebate ▶ <i>Virtual Energy Review</i> ▶ Windows & Doors Rebate
Residential (income-based)	<ul style="list-style-type: none"> ▶ Energy Efficiency Assistance Program 	
Community	<ul style="list-style-type: none"> ▶ <i>Community Energy Efficiency Program</i> ▶ <i>Generation E (Education Program)</i> 	
Indigenous	<ul style="list-style-type: none"> ▶ Community Heat Pump Program ▶ <i>Indigenous Community Energy Efficiency Program</i> ▶ First Nation Energy Efficiency Program 	<ul style="list-style-type: none"> ▶ Indigenous Small Business Program <ul style="list-style-type: none"> » First Nation Small Business Program » Métis Small Business Program ▶ Métis Energy Efficiency Offers
Commercial, industrial & agricultural	<ul style="list-style-type: none"> ▶ Air Source Heat Pump Rebate ▶ <i>Benchmark Studies</i> ▶ Building Envelope Program ▶ Business Lighting Program ▶ Commercial Deep Energy Retrofits Program ▶ <i>Commercial Energy Audits Program</i> ▶ Commercial Kitchen Appliances Program ▶ Commercial Refrigeration Program ▶ Custom Energy Solutions Program ▶ Enhanced Building Operations Program 	<ul style="list-style-type: none"> ▶ <i>Feasibility Studies</i> ▶ Ground Source Heat Pump Rebate ▶ HVAC Program - Downstream ▶ HVAC Program - Upstream ▶ In-Suite Appliance Program ▶ In-Suite Energy Efficiency Program ▶ Load Displacement ▶ New Buildings Program ▶ Small Business Program ▶ Solar Rebate ▶ Strategic Energy Manager Initiative
All	<ul style="list-style-type: none"> ▶ <i>Innovation Fund</i> 	

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

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

OUR CUSTOMERS SPEAK POSITIVELY ABOUT OUR OFFERS & THEIR WORK WITH US

“ In this day and age where costs are rising out of reach, this program makes it that much easier to make the smart decision and upgrade your home’s envelope. It makes sense to think long term and save money each and every month. We also have an immediate return; our comfort level has gone way up. The sounds of our street which we finally had gotten used to disappeared and being able to open a couple of windows that we had never been able to open since we bought the home. Our AC unit works so much better as well. My family is happier, my wallet is happier and I am sure I made the right move.”

“ From the information found in the study we were able to create a project that had excellent returns and improved our overall plant efficiency.”

“ Programs like this are vital and beneficial to all Manitobans who struggle financially with the continuous rising energy costs.”

“ We have an energy efficient home which makes us save money and you gave us money to do so!”

“ Efficiency Manitoba staff and contacts were professional and helpful every step of the way through the process. Their patience and input made it an easier process.”

OUR CUSTOMERS COME FIRST

Efficiency Manitoba is unique in that our customer base is all Manitobans. From homes to businesses and industry to communities, everyone has a role to play in reducing provincial energy consumption. Our job is to make this process straightforward and accessible, with plenty of options available for all Manitobans — that's why we put our customers first at every stage in their experience.

We're committed to creating exceptional experiences for our customers

Ensuring our offers are performing optimally requires ongoing feedback from participants. We collect both quantitative and open-ended feedback through a short online survey sent to customers after participating in one of our offers through an online application process.

In the 2023/24 fiscal year, we collected survey responses from over 3,100 participants, representing a 97% increase from 2022/23.

Our customers are highly satisfied with our offers

Our customer satisfaction score (CSAT) measures overall satisfaction with Efficiency Manitoba's offers. CSAT was calculated to be an impressive 89% in the 2023/24 fiscal year, representing a 2% increase from 2022/23 and essentially meeting our very high key performance indicator target of 90%.

Customer satisfaction score (CSAT)

89

2023/24

Our customers are likely to recommend our offers

Our net promoter score (NPS) measures loyalty and enthusiasm for Efficiency Manitoba and our brand. Through our post-participation surveys, we ask respondents to score how likely they are to recommend the offer in which they participated to others. On a scale of -100 to 100, NPS increased from a very high 74 in 2022/23 to 81 in 2023/24, indicating a very strong positive relationship with our brand and a high likelihood to recommend our offers to others.

Net promoter score (NPS)

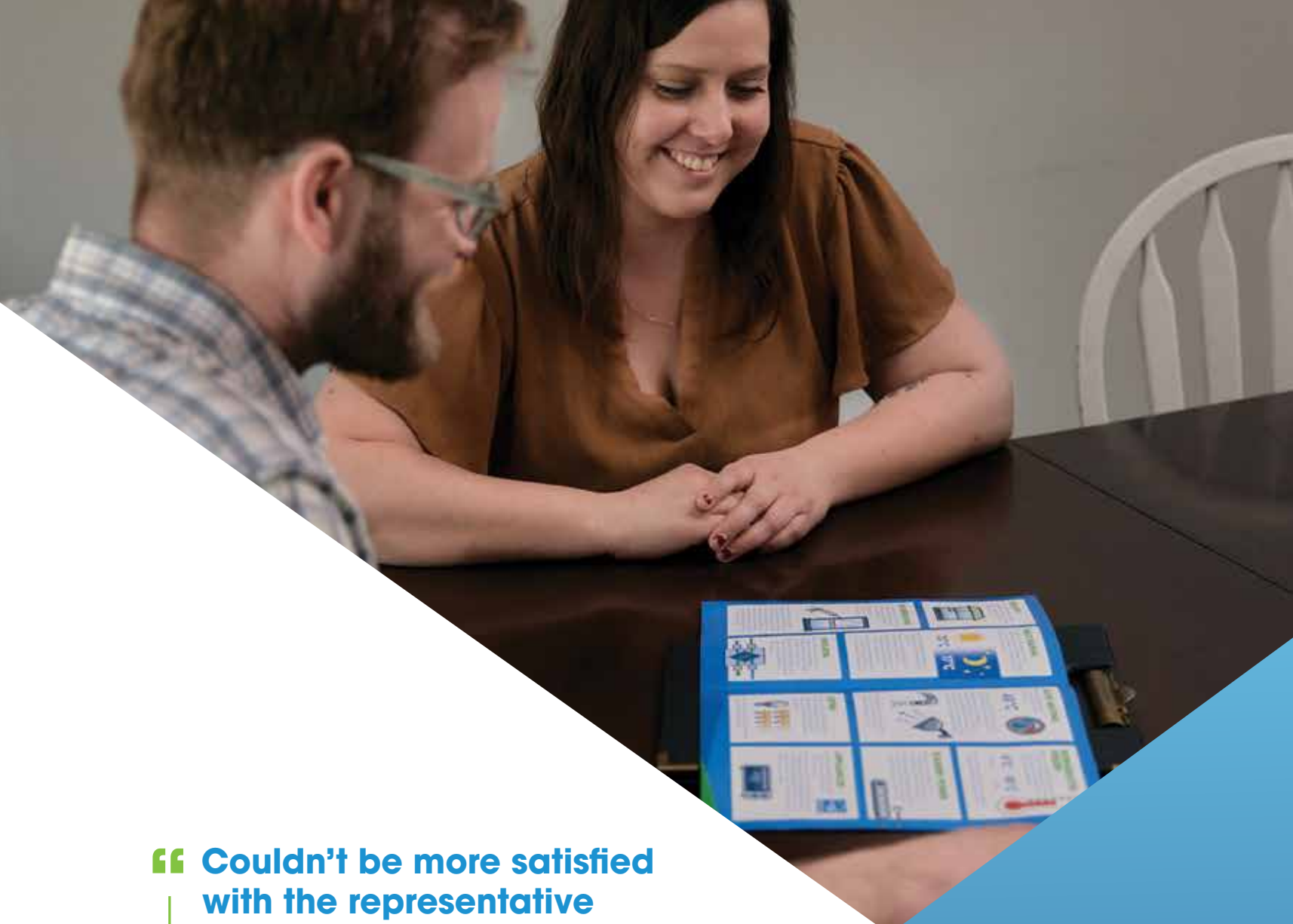
81

2023/24

Our customers report satisfaction and ease in their interactions with us

When customers reach out to our customer contact centre by phone for assistance, they have the option to complete a two-question survey at the end of their call. We received responses from 765 individuals in 2023/24.

- ▶ 90% of respondents were either satisfied or very satisfied with the customer service they received.
- ▶ When asked to rank their interaction with the agent on a scale of 1 (very difficult) to 5 (very easy), the average customer effort score (CES) was 4.5.



“ Couldn't be more satisfied with the representative servicing my account. Where I was a little lost in the definitions of lighting qualifications they took right over and completed the application to get our organization the best rebate possible. I have to say this is some of the best service I received from any organization.”

“ The process was trouble free. The intent of the program is right for our time. The amount of the rebate makes quite a difference when considering a heat pump.”



YEAR	BRAND AWARENESS
2020	33%
2022	53%
2023	58%
2024	73%

To measure the effectiveness of our brand campaign, we conduct annual brand awareness research studies with contracted third-party support. Results from the most recent online panel survey showed that awareness of Efficiency Manitoba is high, with 73% of Manitobans indicating familiarity with us. This is noteworthy given that we set a 10-year brand awareness target of 80% by 2030; we've nearly reached this target in our first four years in existence. This suggests our concentrated, consistent, and creative brand awareness efforts are paying off.

WE'RE SPREADING THE WORD

Participating in our offers can only happen if Manitobans know about them and the numerous benefits they provide. Both paid and organic (unpaid) advertising alongside other promotional efforts helps us get the word out about energy efficiency. Our media mix is diverse, allowing us to tailor our messaging to each customer sector and reach our target audiences effectively.

Our "Check Efficiency Manitoba first" campaign provided high-level awareness of our brand and offers throughout 2023/24. The goal of this campaign was to encourage Manitobans considering upgrades to their homes, businesses, or communities to do so with energy efficiency

in mind and check if they were eligible for Efficiency Manitoba programs and rebates before starting their project. The messaging was pointed with a clear call-to-action, driving Manitobans to learn more about our offers.

The campaign's strategy featured a mix of media targeting Manitobans throughout the province, including digital media, magazines, print ads, digital and static billboards, radio, and broadcast TV. The strategy was comprised of multiple media flights to complement our sector- and program-level advertising to ensure consistent messaging throughout 2023/24.

When Manitobans participate in our energy efficiency offers, we all win. Not only do we make progress on our 15-year legislated energy savings targets, but customers get to experience the long-term benefits associated with energy efficiency upgrades. These regularly include improved comfort, reduced operating costs, the creation of green jobs, reduced greenhouse gas emissions — and, of course, lower monthly energy costs, which improves affordability.

We've helped Manitobans and Manitoba businesses achieve over \$70 million in persisting cumulative energy bill savings between 2020/21 and 2022/23. Our natural gas programs have also provided persisting cumulative greenhouse gas emission reductions of over 100,000 tonnes of CO₂ equivalent, providing a positive environmental impact. Figures for 2023/24 will be available in our Annual Report Supplement.

WE VALUE OUR PARTNERSHIPS

One of our strategic goals is building and sustaining meaningful partnerships with a customer focus; that's why engaging with interested parties and the public is such an important part of the work we do. We strive to create beneficial partnerships and gain feedback through our interactions with advisory and working groups, businesses and industry, communities, and likeminded organizations. Our valued partnerships help us reach all Manitobans in making energy efficiency upgrades.

In this section, we highlight just a handful of these partnerships and the impressive outcomes we've been able to realize together.

We established an exciting new partnership with Harvest Manitoba; clients of the food bank are now pre-qualified for our Energy Efficiency Assistance Program. Harvest Manitoba will now be providing program applications to interested clients going forward. This partnership further increases access to energy efficiency opportunities for those who can benefit from them the most.

Small community, big savings, big impact

Providing Manitoba communities with the tools to save energy and create a culture of conservation is an important part of our work. Through our Community Energy Efficiency Program, we offer the opportunity and support to have an energy efficiency advocate help communities be more energy efficient and work towards their sustainability goals. Communities are able to reduce their energy consumption and empower their citizens to work towards a more sustainable Manitoba through participation in our offers and guidance from our energy experts.

Funded and supported by Efficiency Manitoba, energy efficiency advocates continued engaging their respective communities during this fiscal year. Here are some highlights of what our advocates have been able to accomplish with our assistance:

Hamiota

- ▶ Hamiota's first community energy efficiency plan was developed and presented to the Hamiota Chamber of Commerce and the Town Council. Features of this plan include improving business lighting and coordinating municipal building upgrades.
- ▶ Elementary and secondary school classrooms have been participating in Generation E, successfully engaging youth in conversations about energy efficiency.
- ▶ Efficiency Manitoba offers were promoted to residents and businesses through an article in the Hamiota Leader Newsletter, posts on the Hamiota Facebook page, posts on the community board, and presentations at business events.

Village of St-Pierre-Jolys, Rural Municipality of De Salaberry & Local Urban District of Notre-Dame-de-Lourdes (RM of Lorne)

- ▶ Eco-West/Ouest Canada (the advocate for these communities) worked to identify pathways for each community to move their operations towards optimal energy performance.

- ▶ Weekly office hours with the advocate were implemented to gain a better understanding of each community and build relationships.
- ▶ Our team worked with the advocate to address retrofits to the arenas in the region and issues related to their most energy-consuming buildings.
- ▶ A communications plan was developed to identify how to best engage with their francophone residents in the promotion of residential offers.
- ▶ Presentations about our offers were delivered to multiple customer sectors in participating communities, generating program applications.



Winnipeg Chamber of Commerce

- ▶ Our offers were continually promoted to members at events as well as through targeted email campaigns, newsletters, and blog posts.
- ▶ A new web page was launched on the Chamber's website, which focuses on energy efficiency and sustainability goals and initiatives available to Chamber members.
- ▶ The advocate joined the new Strategic Initiatives team at The Chamber. This shift allows the advocate to listen more closely to what the energy efficiency goals are for Chamber members and provide them with the information they need to meet those goals.

The Community Energy Efficiency Program also expanded in the 2023/24 fiscal year. Agreements were finalized and signed with three new communities: Brandon, Rural Municipality of Ritchot, and Rural Municipality of West Interlake. Funding will be provided to hire advocates to focus on championing the energy efficiency efforts of these communities.



Working with Indigenous communities to save

Indigenous Community Energy Efficiency Program

Much like our Community Energy Efficiency Program, the Indigenous Community Energy Efficiency Program partners with First Nation communities and provides support and resources to hire an energy efficiency advocate. Hired by and located within the First Nation community, the advocate leverages our programs to implement energy efficiency initiatives to support the community's sustainability and energy efficiency goals.

We're pleased to have signed agreements in place with 14 First Nation communities through this initiative, four of which were signed in 2023/24:



COMMUNITY PARTNERS

- ▶ Dakota Plains Wahpeton Nation
- ▶ Ebb and Flow First Nation
- ▶ Kinosao Sipi (Norway House Cree Nation)
- ▶ Kischewaskahegan (York Factory First Nation)
- ▶ Lake Manitoba First Nation
- ▶ Lake St. Martin First Nation
- ▶ Minegoziibe Anishinabe (Pine Creek First Nation)
- ▶ Misipawistik Cree Nation (Grand Rapids)
- ▶ O-Pipon-Na-Piwin Cree Nation
- ▶ Pukatawagan (Mathias Colomb Cree Nation)
- ▶ Red Sucker Lake First Nation
- ▶ Shamattawa First Nation
- ▶ Skownan First Nation
- ▶ Wipazoka Wakpa (Sioux Valley Dakota Nation)

Building relationships with Indigenous community energy efficiency advocates has been a key focus throughout the 2023/24 fiscal year. Some engagement activities to promote collaboration included the following:

- ▶ In addition to one-on-one meetings with advocates and communities, we hosted a multi-advocate meeting as a first step in establishing a community of practice and building out our network of advocacy.
- ▶ Our team visited Sioux Valley Dakota Nation, Kischewaskahegan (York Factory), Skownan First Nation, Misipawistik Cree Nation, Lake Manitoba First Nation, and Dakota Plains Wahpeton Nation to meet with the advocates and discuss energy efficiency opportunities within their respective communities.
- ▶ The Sioux Valley Dakota Nation advocate and five other community members completed the first intensive two-week certification training with Aki Energy for the installation of ground source heat pumps.
- ▶ We delivered program presentations to Manitoba Keewatinowi Okimakanak and their agreement holders, as well as at the Swampy Cree Tribal Council Housing Forum, and the Keewatin Tribal Council House Forum.
- ▶ The Dakota Plains Wahpeton Nation advocate met with Aki Energy to coordinate efforts to install air source heat pumps in the community. This initiative is facilitated through our Innovation Fund.

- ▶ Skownan First Nation's advocate began testing two different approaches to exterior insulation and air sealing.
- ▶ The advocate for Kischewaskahegan (York Factory First Nation), in addition to implementing parts of the First Nation Energy Efficiency Program, began exploring opportunities with a new subdivision of 20 houses as well as an Elder's centre.

Manitoba Métis Federation

We're proud to partner with the Manitoba Métis Federation (MMF), the National Government of the Red River Métis, to help Red River Métis Citizens lower energy bills in their homes and businesses. Saving energy and money is made possible through our Métis Energy Efficiency Offers and Métis Small Business Program.

Through this partnership, we support an energy efficiency advocate at the MMF. The advocate shares program opportunities with their Red River Métis Citizens, answers any questions that come up, and helps guide them through the application process.

Here's what we've been able to accomplish together in 2023/24:

- ▶ We attended and contributed to 43 collaborative meetings with the MMF to strengthen our relationship.



- ▶ We aligned the Métis Energy Efficiency Offers income threshold in the one-to-five household member categories with the MMF's Home Enhancement Loan Program's income thresholds.
- ▶ We sponsored and attended the MMF's Annual General Assembly in October 2023, which is the largest Indigenous assembly in Western Canada. This led to an increase in program interest and participation.
- ▶ In partnership with the MMF, we launched an impactful billboard advertising campaign, complemented by a strategic series of social media advertisements. This collaborative effort significantly boosted our visibility, resulting in a notable increase in online engagement, as evidenced by 400 website inquiries received over the subsequent month.

Community Heat Pump Program

An example of a successful partnership in 2023/24 is illustrated through Efficiency Manitoba providing critical funding for Indigenous trainees on ground source heat pump technology and installation in First Nation communities. Through this partnership with Indigenous social enterprise Aki Energy, the Manitoba Environmental Industries Association, and Raven Indigenous Capital Partners, we provided a contribution of up to 50% of the course costs to a maximum of \$185,000. This comprehensive training program creates local employment opportunities in First Nation communities in Manitoba and will ensure long-term economic development and sustainability within participating communities.

COLLABORATING WITH INDUSTRY

We're committed to collaborating with organizations in a variety of industries to advance energy efficiency opportunities and contribute to economic development. Our diverse set of offers assists in creating a local environment in Manitoba that's favourable to the continued success of existing businesses and industry, emergence of new local businesses and industry; and attraction of businesses and industry that would have otherwise located elsewhere.

We work closely with a variety of economic development agencies and groups, including but not limited to Economic Development Winnipeg, YES! Winnipeg, CentrePort Canada, and various urban and rural Chambers of Commerce.

Along with other partners such as the Manitoba Environmental Industries Association, we're proud to collaborate with the Manitoba Chambers of Commerce as they develop and implement Manitoba's Green Advantage and the Small- and Medium-sized Enterprises Green Assessment Program, which will complement our own energy efficiency offers.

Another impactful example is our partnership with CentrePort Canada, which is North America's largest trimodal inland port, offering 20,000 acres of high-quality, affordable industrial land. CentrePort Canada continues to develop at a record-setting pace with tens of millions of dollars in new investment each year. As a member of the CentrePort Canada Partnership Program, we gain early access to emerging development opportunities. To attract participation in our offers, we have co-hosted annual webinars with CentrePort Canada to educate and promote energy efficiency offers available to CentrePort tenants. These webinars have served to increase awareness of Efficiency Manitoba and available programs and rebates.

Attendees are introduced to a direct point of contact at Efficiency Manitoba to assist with any future project inquiries, and the sessions often yield immediate follow-up requests to discuss projects being planned for the near future.

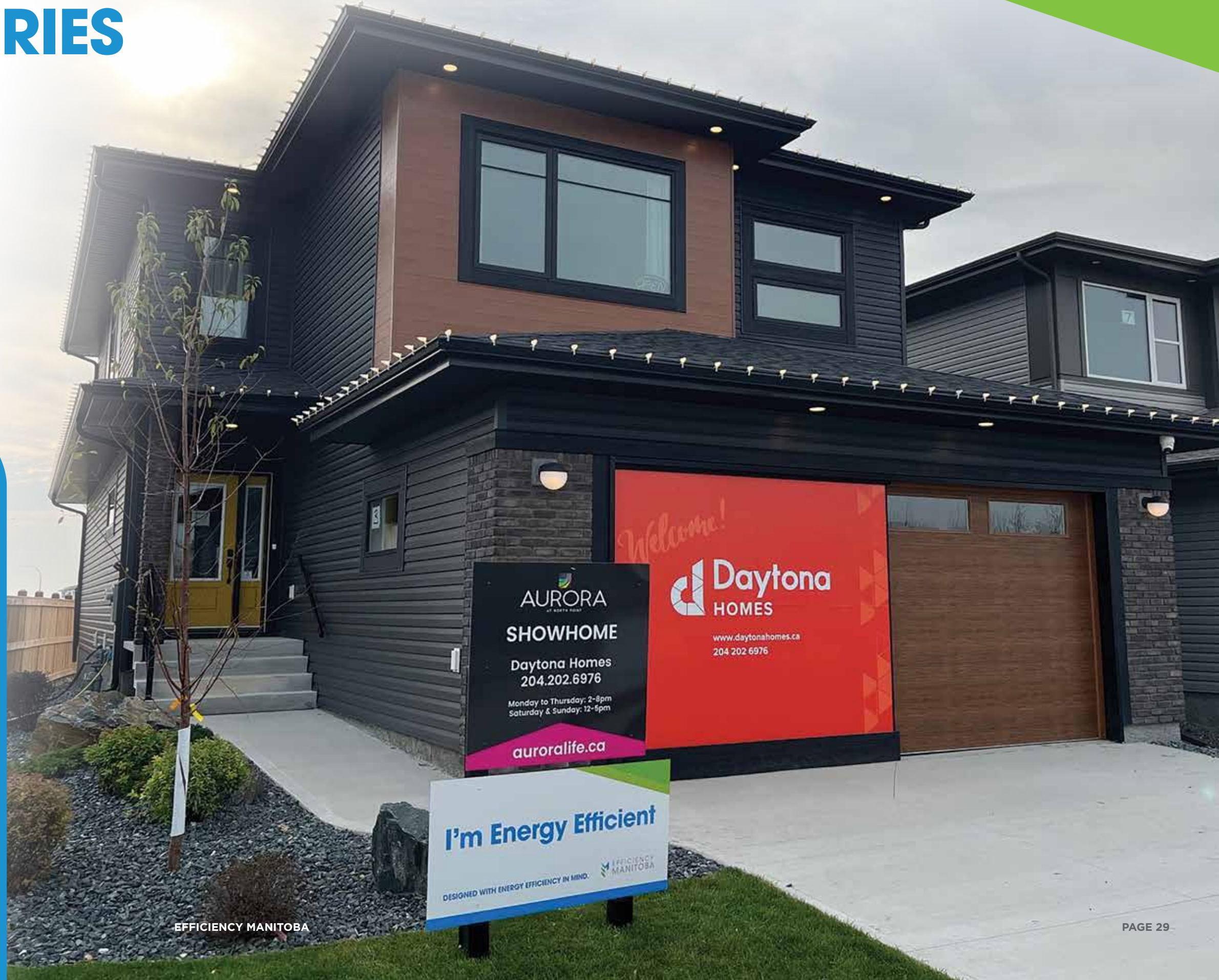
We continually seek out partnerships that help build local capacity to support our progress towards an energy-efficient Manitoba. We've continued to leverage past partnerships such as that with RRC Polytech and the Manitoba Environmental Industries Association, which allowed for the development of a made-in-Manitoba energy advisor training program to conduct in-home energy audits. This work ensured we had enough trained energy advisors in the province to help Manitobans access the Canada Greener Homes Initiative. With this federal funding alongside our rebates, Manitobans were able to maximize their access to financial support for energy efficiency upgrades.



SUCCESS STORIES



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



BUSINESS LIGHTING PROGRAM

Project feature | Solomon's Home, Garden & Gift

Solomon's Home, Garden & Gift, a local family-owned greenhouse in the heart of Portage la Prairie, recently got a lot brighter thanks to our Business Lighting Program!

Through our program, Solomon's upgraded their old lighting to new, energy-efficient LED fixtures. Not only are they giving their plants even better lighting, they're also saving on their energy bills. It's expected that they'll save an impressive 59,000 kWh of electricity annually and nearly \$3,000 each year on their energy bills. Plus, we provided them with an incentive of \$7,000 for their upgrade.



Scan the QR code to watch a video about Solomon's experience with our Business Lighting Program.



COMMERCIAL DEEP ENERGY RETROFITS PROGRAM

Program update

A deep energy retrofit is an extensive renovation to an existing building with a focus on reducing energy usage. These types of projects typically involve upgrading or replacing multiple technologies at once. Whether your goal is to vastly reduce your energy usage, lower your monthly bills, help fight climate change, or all of the above, a deep energy retrofit — and Efficiency Manitoba — can help you get there.

Our Commercial Deep Energy Retrofits Program provides incentives to help business owners undertake major energy efficiency renovations to their commercial building and reduce their site energy use by 20% or more from the pre-renovation baseline energy use. Beyond the financial incentives, businesses will save energy, reduce their operating costs, and improve their building's value and comfort.

Since the launch of the program, we've seen increasing interest with participants varying from high schools to community wellness centres, all of whom sought to significantly reduce their energy consumption. This was done by utilizing energy modelling to evaluate design decisions and collaborating with our technical experts to discuss potential energy efficiency opportunities and design enhancements.

In the 2023/24 fiscal year, our team attended a ribbon-cutting ceremony for our first participant in this program — pico ARCHITECTURE and Douglas Little Photography — to celebrate the significant milestone of their major renovation project completion at 107 Marion Street in Winnipeg. This project has successfully completed the first phase of the Commercial Deep Energy Retrofits Program and is currently enrolled in our final phase. During the ceremony speech, the building owner personally thanked Efficiency Manitoba for our financial and technical support which helped them achieve their energy reduction target.



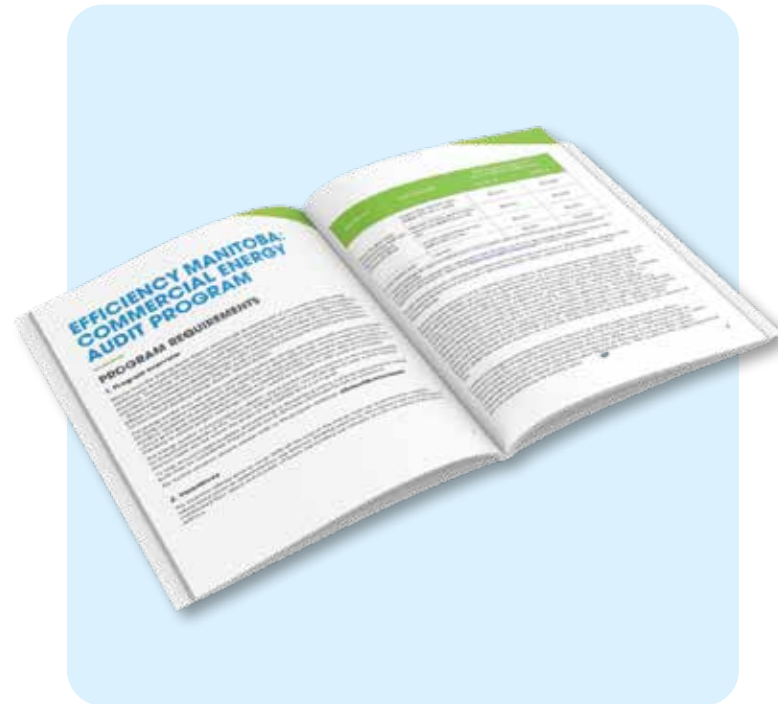
COMMERCIAL ENERGY AUDIT PROGRAM

Program launch

An energy audit is commonly the first step in identifying key opportunities for building owners to reduce their energy consumption. To help make this step more accessible and affordable, we launched our Commercial Energy Audit Program in the 2023/24 fiscal year.

The program offers financial incentives and technical support to building owners looking to conduct an energy audit for their commercial buildings. Participants select a pre-qualified consultant to perform the energy audit. The consultant then provides the owner with a detailed report summarizing practical energy-saving opportunities for their building's envelope, lighting, and heating, ventilation, and air conditioning (HVAC) systems. The report also identifies Efficiency Manitoba programs and incentives that support upgrading to the identified energy efficiency measures. Savings and cost analyses for each measure are provided, helping owners quantitatively assess the positive impacts of each upgrade.

We provide incentives to participants when they complete ASHRAE (American Society of Heating, Refrigerating and Air-Conditioning Engineers) Level 2 or 3 audits for eligible commercial buildings. They'll receive up to 50% of their energy audit cost — depending on the building type, size, and the number of floors — to a maximum of \$3,200 for Level 2 audits and \$12,500 for Level 3 audits.



CUSTOM ENERGY SOLUTIONS PROGRAM

Project feature | Duha Color Services Ltd.

Duha Color Services, founded and located in Winnipeg, is a leading manufacturer of innovative colour marketing tools, including paint chips, fan decks, and colour systems. They wanted to make their facility more energy efficient, so they reached out to us to see how we could help them save energy and money.

Duha Color started by taking advantage of our complimentary Benchmark Study Offer for their compressed air system. One of our pre-qualified compressed air service providers visited their facility and performed a baseline logging of their system. Our technical team analyzed the data and provided Duha Color with a report containing valuable information about their system. The benchmark study identified system capacity issues, and subsequently implemented an energy-efficient solution benefitting further from our Custom Energy Solutions Program.

By making energy efficiency upgrades (including a new 75 horsepower variable-speed drive compressor, cycling dryer, low-pressure differential filters, and flow controller) Duha Color will save 149,000 kWh annually. This results in annual energy bill savings of \$7,800. We were pleased to provide Duha Color with an incentive of \$16,700, bringing the payback period to under two years.



ENERGY EFFICIENCY ASSISTANCE PROGRAM

Income threshold increase

In June 2023, we revised our income thresholds to ensure more Manitoba households were eligible for free and significantly subsidized energy efficiency upgrades through our income-based Energy Efficiency Assistance Program. The program assists homeowners and tenants implement energy efficiency upgrades to reduce their monthly energy bills and improve the comfort of their homes.

Program eligibility is based on low-income cut-off (LICO) values for urban centers with more than 500,000 residents, as determined by Statistics Canada. We increased these thresholds from LICO 125 (LICO plus 25%) to LICO 145 (LICO plus 45%) to make more Manitobans eligible. This change means approximately 40% or approximately 192,000 low- to moderate-income households in Manitoba now qualify. The increase means a two-person household qualifies with a total household income (before deductions) of \$53,035 or less, while a four-person household qualifies with a total household income of \$79,161 or less.

“Energy efficiency and the benefits it provides should be accessible for everyone. We want to ensure this particular program, one of over 40 programs and offers through Efficiency Manitoba, is available to as many households as possible. Expanding the eligibility of our Energy Efficiency Assistance Program will allow more people to participate in this program and benefit from the improved comfort of their homes, while also importantly saving on their monthly energy bills.”

Colleen Kuruluk
CEO of Efficiency Manitoba

The program helps to minimize the financial costs to households by providing free or significantly subsidized energy efficiency upgrades while also simplifying the process for customers through a turn-key approach. All participants receive a free home energy check-up from an energy advisor and have free energy-saving devices installed in their homes. Homeowners and renters may also be eligible for free insulation upgrades or a subsidized natural gas furnace or boiler upgrade; we connect customers with a registered contractor to complete the upgrades.



Increasing access to energy efficiency through door-to-door outreach

We're dedicated to working with Manitobans at a community level to ensure homeowners and renters are aware of the Energy Efficiency Assistance Program and can easily participate.

For example, the Chalmers Neighbourhood Renewal Corporation (CNRC), located in the Elmwood neighbourhood in Winnipeg, works with residents, businesses, and service providers in the area to plan and execute initiatives that benefit the community. We provide funding to the organization to hire an Energy Efficiency Advocate as a strategy to increase program participation. Each week from spring to fall, this advocate canvasses particular neighbourhood blocks and engages with community members, encouraging residents to take part in the program and helping to address barriers to participation.

Residents living on these blocks and within the community are pre-qualified to participate without having to provide income verification documents, making the process even simpler. This turn-key approach helps participants every step of the way in becoming more energy efficient.

“We've worked with many residents in our community to spread the word and help them participate in this valuable program. By having someone at the community level, talking to people one-on-one, we are able to meet people where they're at and share information on how they can save money, use less energy, and reduce their carbon footprint.”

Leilani Esteban
Executive Director of the Chalmers Neighbourhood Renewal Corporation



The Consumers' Association of Canada (CAC) Manitoba applauded the change to the income thresholds. The organization informs and educates consumers on marketplace issues and advocates on behalf of consumers with government and industry. Jacqueline Wasney is a board member of CAC Manitoba and sits on the Energy Efficiency Advisory Group as an advocate for consumer interests.

“A lot of what we're hearing is that people want to find solutions to help lower their bills for the long term. Efficiency Manitoba is doing good work to help make home efficiency upgrades more affordable for more Manitobans. Investing in energy efficiency in our homes results in long-term savings, but they also mean people and families can enjoy much more comfortable homes and a little extra money in their pockets.”

Jacqueline Wasney
Board member of The Consumers' Association of Canada



To further support this announcement, we created a video highlighting the work we do with CNRC. Scan the QR code to watch the video.

INDIGENOUS COMMUNITY ENERGY EFFICIENCY PROGRAM

Sioux Valley Dakota Nation Energy Efficiency Advocate

By: Molly Cross-Blanchard



As an Energy Efficiency Advocate, funded by the Indigenous Community Energy Efficiency Program, Thurman “Darby” Essie isn’t just advocating for the environment. He’s a champion of his community: Sioux Valley Dakota Nation (Wipazoka Wakpa).

With advocacy work, Darby says it’s important to “get people together and help them understand.” The beauty of this program is it allows Nations to hire members of their own communities, so the incoming knowledge is delivered by someone who knows (and is known by) the community they serve.

Having lived in Sioux Valley himself, Darby describes the need to update homes that have air leakage and poor insulation. Updating these structures can significantly lower energy bills, Darby notes, which is vital for families who struggle financially.

To access energy efficiency upgrades, community members contact their Nation’s housing department, which directs them to Darby and his coworkers. Darby receives direct support from Efficiency Manitoba, which he says will continue after Sioux Valley’s multi-year participation in the Indigenous Community Energy Efficiency Program ends. “[I]ain from Efficiency Manitoba] is willing to travel to any community. He just wants to make sure that people know how to do [the upgrades] ... He’s willing to teach.”

Passing on his knowledge is the most rewarding aspect of the job for Darby. He recently supported five community members in completing geothermal training.

At the graduation celebration barbecue, they were presented with certificates and smudge kits. “Everybody I went to visit at each table was just excited [to help the community] ... asking, ‘When are we gonna do our first install?’”

This satisfaction in being a positive influence on the community doesn’t stop with Darby’s coworkers, but extends to the young people in his family. After noticing the work Darby does for his community, his nephew now approaches Darby at events to ask what he can do to help. Even something as simple as bringing a bag of popcorn to an elder puts a smile on the boy’s face. “Do you like that feeling?” Darby has asked his nephew. “That’s what I get every time I help out in the community.”

Nation-to-Nation support is another area of passion for Darby. His goal is to travel to other Dakota Nations, sharing the skills he’s developed. “This is how the Dakotas work. We’re always willing to help, not just our own, but anybody.” Sioux Valley intends to hire Darby to continue the important work he’s begun.

When asked if he’d be willing to share contact information with folks who want to ask questions about the program, Darby doesn’t hesitate to agree. “The reason there are a lot of other Nations who wear the war bonnet is because the Dakota gifted it to them. That was our way of showing friendship... I wouldn’t mind doing that again... That’s the only way we’re going to be able to survive, period, is by helping each other out.”

INNOVATION FUND

Spirit of Community Award



In October 2023, Efficiency Manitoba received the Spirit of Community Award from the Manitoba Non-Profit Housing Association at their annual awards event. This is thanks to being nominated by Bethel Place, a non-profit, affordable housing community for older adults. We provided Bethel Place with funding through our Innovation Fund for a sustainability study to determine the feasibility of completing a deep energy retrofit at the occupied facility using an integrated design approach. This novel approach allowed all parties to work collectively to devise a recommendation. The study provided critical information on a mix of retrofit measures and helped the non-profit form a path forward on next steps to achieving their building renewal needs.

At the awards event, accolades were extended for not only this project, but for our longstanding relationship with the Manitoba Non-Profit Housing Association and the work we do to support the non-profit housing sector. Kind words were delivered by other project partners that spoke to how helpful and caring our team is at all interactions.

The Innovation Fund is proud to provide funding to organizations such as Bethel Place who are interested in innovative ways to explore energy efficiency opportunities in their operations. By offering funding, the Innovation Fund helps support new and innovative energy-efficiency technologies and approaches in Manitoba that in turn advance our offers and overall electric and natural gas savings.

“Bethel Place has greatly benefited from the partnership with Efficiency Manitoba. Without the financial support, we could not have budgeted such a study on our own. The study is very timely for us, with an aging facility and rising energy costs, it provides valuable information for us as we strategically plan for both capital and energy improvements that will help keep building operating costs low and support our ability to continue to provide affordable housing into the future. Working with Efficiency Manitoba has been a very positive experience for us!”

Joanne Schmidt
Executive Director of Bethel Place



INSTANT REBATES

Product sales milestone

In fall 2023, we were proud to announce the milestone achievement of having rebated over one million energy-saving products through our seasonal in-store Instant Rebates campaigns. This translates into approximately 23.4 GWh of electricity savings, positively contributing to our energy savings targets. The electricity saved through the campaigns to date is enough to heat approximately 1,500 homes in Manitoba for one year.

As one of over 40 offers tailored to help Manitobans save energy and money, we provide seasonal point-of-sale product rebates at participating retail locations. The objective of these particular product rebates is to encourage Manitobans to make purchases that will help them save money on their utility bills. Participation is easy and convenient, as the prices of select products are reduced instantly at the point of purchase.

Our fall 2023 Instant Rebates campaign saw rebates being offered on a wide variety of individual products, providing plenty of options for consumers. Eligible product categories included ENERGY STAR® certified specialty LED bulbs and fixtures, dimmers, motion sensors, timers, outdoor plug timers, energy-efficient showerheads, window and door insulating film kits, weatherstripping, and ENERGY STAR certified smart thermostats. Beyond energy efficiency, these products also provide additional benefits like improved lighting quality, reduced drafts, and a more comfortable living environment.

“ We’re very excited that so many Manitobans are seeing the value of making energy-efficient purchasing decisions. The purchase of energy-efficient products might feel small, but as made apparent by this milestone, the cumulative effects are making a significant impact on reducing energy consumption in Manitoba. This achievement is made possible by the participation of our retail partners across Manitoba, and we’re grateful for all the hard work they put in to make each of our Instant Rebates campaigns successful.”

Colleen Kuruluk
CEO of Efficiency Manitoba

Best Buy, Canadian Tire, Costco, Federated Co-operatives, Home Depot, Home Hardware, McMunn and Yates, and WM Dyck & Sons participated in our fall 2023 campaign, totaling 79 retail locations in over 40 Manitoba communities. We worked with retailers to make the shopping experience as straightforward as possible for customers.

“ Participating in Efficiency Manitoba’s Instant Rebates campaigns has boosted our sales and we’ve received positive feedback from our customers. Efficiency Manitoba has designed their rebates to be easy to understand for both our business and customers by providing us with great signage that we display across our store, and their representatives answer all our questions with swiftness. I don’t think we’d be seeing the type of sales we’ve had if it wasn’t for these rebates. It’s a great initiative for our customers to save money and make their homes more energy efficient.”

Arthur Zotovas
Plumbing and Electrical Sales
at WM Dyck & Sons



IN-SUITE ENERGY EFFICIENCY PROGRAM

Project feature | 500 Taché

Through our In-Suite Energy Efficiency Program, we help property managers and owners of multi-unit residential buildings improve the energy efficiency of the suites in their buildings. Suites in eligible buildings receive free energy-saving products — including installation by a qualified technician — and may be eligible for additional upgrades.

One of the largest projects we supported in 2023/24 was a condo building located at 500 Taché Avenue in Winnipeg. Through the program, they received 60 low-flow showerheads, 46 low-flow bathroom faucet aerators, 30 low-flow kitchen faucet aerators, 50 window insulation kits, and 466 A-line LED bulbs free of charge. These basic energy-saving products will result in electric savings of nearly 153,000 kWh per year, resulting in approximately \$7,650 in annual energy bill savings.



Following the suite upgrades from our In-Suite Energy Efficiency Program, the board secretary noted a noticeable shift in the residents' mindsets towards saving energy, updating their approach to everyday practices. The introduction of fridge and freezer temperature cards was a particularly noteworthy addition to the suite enhancements. Residents appreciated the straightforward installation process and the opportunity to customize their selections, minimizing waste and adding a personalized touch to their energy-saving efforts.

“ The in-suite program has really helped bring awareness of the little things that make a significant impact over time to our tenants.”

Louisa Ryz
Board Secretary of Winnipeg
Condominium Corporation 517

NEW BUILDINGS PROGRAM

Project feature | JQ Built ready-to-move childcare facilities



We're proud to support the planning and development of 22 energy-efficient ready-to-move childcare facilities across Manitoba through our New Buildings Program!

Our New Buildings Program provides incentives for the design and construction of new energy-efficient buildings that are modelled to be at least 5% more efficient than the Manitoba Energy Code for Buildings (MECB). The program also offers an Energy Modelling Assistance Incentive which allows participants to determine the savings impact of each energy efficiency feature on the building early in the design process. This helps in the selection of materials, technologies, and processes that will bring the most value to each project.

The project

JQ Built, an innovative municipal participation corporation owned by 12 municipalities, has teamed up with local experts to enable the design and delivery of new childcare facilities across Manitoba.

The JQ Built approach is focused on collaboration and teamwork; the childcare facilities were designed once and replicated. This approach maximizes construction efficiencies, utilizes economies of scale, expedites timelines, and allows for continuous improvement. The JQ Built team has worked closely with the municipalities, facilitating access to Efficiency Manitoba's offers that provide long-term benefits to communities.

“ This is a really important and unique project; the municipalities are collaborating to create better buildings and reduce construction costs as well as servicing costs. By taking advantage of everything Efficiency Manitoba has to offer and ensuring each childcare centre has energy modelling, we are not only creating a better environment for the children, but the JQ Built team approach is saving community taxpayers money over the short term and over the long term.”

Colleen Sklar
CEO of JohnQ Public / JQ Built

The project is being implemented in two phases. The first phase included the planning and construction of nine childcare facilities in rural Manitoba.

All nine projects have successfully completed the Energy Modelling Assistance Incentive phase and are enrolled in our New Buildings Program Performance Path. They received a \$5,000 incentive to offset the cost of energy modelling services during the project's design phase; they can expect to receive an additional \$5,000 towards energy modelling services upon completion of the final program deliverables. All projects are designed to be at least 20% more efficient than the minimum requirements of the MECB.

The project's second phase will include the design and construction of 16 additional childcare facilities in rural Manitoba.

The energy efficiency features incorporated into these buildings include:

- ▶ improved building envelope;
- ▶ high-performance windows;
- ▶ efficient mechanical systems; and
- ▶ ventilation air heat recovery.

The savings

Each facility is estimated to save an impressive 37,000 kilowatt-hours (kWh) of electricity every year, which translates into estimated annual energy bill savings of \$1,850.

As each facility's building energy performance is estimated to be 20% more efficient than the minimum requirements of the MECB, they're expected to be eligible for the maximum incentive of \$2 per square foot offered through our New Buildings Program Performance Path. Most facilities have a total conditioned floor area of approximately 5,800 square feet, which could make them each eligible for an estimated incentive of \$11,600 based on the anticipated performance level.

Because of their energy efficiency upgrades, each childcare facility will not only receive incentives through our New Buildings Program to help offset the costs, but they'll save energy and money on their energy bills for years to come. The improved building envelope will lead to less condensation and fewer drafts, creating a more comfortable space for both children and employees of the centres. The building owners will also benefit from increased building value, improved aesthetics, and lower operational costs.

“ The Efficiency Manitoba New Buildings Program plays a crucial role in assisting our clients with the design and construction of energy-efficient buildings throughout the province. The combination of energy modelling aligned with Energy Code compliance and commissioning to help ensure a properly functioning building is a great package. This comprehensive program enables design teams to select appropriate energy-efficient upgrades and results in significant energy savings for years to come for the owner's new buildings, all coupled with valuable incentives and technical resources from Efficiency Manitoba.”

Kelly Winder
Principal, Energy Modelling, Crosier Kilgour



SMALL BUSINESS PROGRAM

Project feature | Teen Stop Jeunesse

“ Having access to a program such as this makes all the difference in the world.”

Kelly-Anne Reyes
Teen Stop Jeunesse Executive Director

Teen Stop Jeunesse, an outreach centre for youth, updated their lighting as well as their kitchen and bathroom faucet aerators through our Small Business Program. By lowering their energy use, they're expected to save around \$1,300 annually on their energy bills — that's \$1,300 that can be put back into the centre to help more youth in the community!

Our Small Business Program helps small businesses, including non-profit charitable organizations like Teen Stop Jeunesse, make energy efficiency upgrades in an affordable way, helping them save energy, water, and money.



Scan the QR code to learn more about their experience.



STRATEGIC ENERGY MANAGER INITIATIVE

Project feature | Winpak Winnipeg

A large portion of energy use in Manitoba is attributed to large industrial facilities. Our Strategic Energy Manager Initiative helps these facilities hire on-site certified energy managers who are integral to facilitating and implementing a strategic approach to energy reduction and fostering a culture of conservation within their organizations. We've been working with several large industrial customers including Winpak Ltd., a global sustainable food packaging group headquartered in Winnipeg.

Winpak Winnipeg was an early participant in this program and they're continually looking for opportunities to optimize their operations. They've already implemented several projects identified in their facility's strategic energy management plan including a low-cost energy efficiency improvement project, exemplifying how a dedicated energy manager can support energy efficiency projects other than those that require significant capital investments.

This project involved a large changeout of over 100 standard v-belts with energy-efficient synchronous belts, or cogged belts. The changeout took place over a period of two months and required direct support from their maintenance team. We provided Winpak an incentive of over \$12,000 for a payback of less than two years, and these energy-efficient belts are expected to deliver over \$23,000 in annual bill savings. Measures like this often go unaddressed or don't get implemented without the oversight of a dedicated energy manager to see them through.

Winpak Winnipeg has also been working to engage with their employees to bolster this culture of conservation and continuous improvement through contests and other communications initiatives. They recently ran an energy efficiency campaign at their Winnipeg facility where their employees uncovered another lower cost energy-saving opportunity that was later successfully implemented, illustrating Winpak's commitment to energy efficiency.

“ Working with Efficiency Manitoba and having access to the support, workshops, coaching, and financial incentives available through the Strategic Energy Manager Initiative is helping us create a culture of energy efficiency and prioritize projects that will save energy and money in our operations. We look forward to continuing our partnership to work towards achieving our sustainability targets.”

Christian Cuyno
Energy Manager at Winpak Ltd.

FINANCIAL STATEMENTS OF EFFICIENCY MANITOBA INC.

And Independent Auditor's Report thereon
Year ended March 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Efficiency Manitoba Inc.

Opinion

We have audited the financial statements of Efficiency Manitoba Inc. (the Entity), which comprise the statement of financial position as at March 31, 2024, the statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2024, and its results of operations, its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditor's report thereon, included in a document expected to be entitled "Annual Report 2023-24".

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

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

The information, other than the financial statements and the auditor's report thereon, included in a document expected to be entitled "Annual Report 2023-24" is expected to be made available to us after the date of this auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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



Chartered Professional Accountants

Winnipeg, Canada
May 29, 2024

EFFICIENCY MANITOBA INC.

Statement of Financial Position


As at March 31, 2024, with comparative information for 2023


	2024	2023
Financial assets:		
Cash	\$ 1,144,485	\$ 2,006,207
Accounts receivable and accrued revenue (notes 3 and 8)	22,706,716	22,467,591
	<u>23,851,201</u>	<u>24,473,798</u>
Financial liabilities:		
Accounts payable and accrued liabilities (note 8)	24,792,968	24,793,877
Net debt	<u>(941,767)</u>	<u>(320,079)</u>
Non-financial assets:		
Tangible capital assets (note 2)	941,495	1,188,833
Prepaid expenses	941,767	320,079
	<u>1,883,262</u>	<u>1,508,912</u>
Accumulated surplus	\$ 941,495	\$ 1,188,833
Accumulated surplus is comprised of:		
Invested in tangible capital assets	\$ 941,495	\$ 1,188,833

Commitments (note 6)

See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

EFFICIENCY MANITOBA INC.

Statement of Operations and Accumulated Surplus

Year ended March 31, 2024, with comparative information for 2023

	Budget (Note 10)	2024	2023
Revenue:			
Contributions (note 4)	\$ 75,683,409	\$ 55,235,407	\$ 47,705,639
Interest income	–	207,541	105,438
	<u>75,683,409</u>	<u>55,442,948</u>	<u>47,811,077</u>
Expenses:			
Salaries and benefits (note 7)	9,576,209	8,519,543	7,800,410
Customer incentives (note 8)	45,246,999	36,434,528	29,859,691
Contracted services and program delivery (note 8)	12,188,158	5,912,076	6,278,441
Regulatory expense	3,558,255	74,443	–
Rent	458,754	416,623	376,153
Other expenses (note 8)	4,655,034	4,085,735	3,496,382
	<u>75,683,409</u>	<u>55,442,948</u>	<u>47,811,077</u>
Surplus for the year before the undernoted	–	–	–
Manitoba Hydro contributions related to capital	60,000	78,056	317,900
Amortization expense	(327,591)	(325,394)	(329,136)
Deficit for the year	\$ (267,591)	(247,338)	(11,236)
Accumulated surplus, beginning of year		1,188,833	1,200,069
Accumulated surplus, end of year		\$ 941,495	\$ 1,188,833

See accompanying notes to financial statements.

EFFICIENCY MANITOBA INC.

Statement of Changes in Net Debt

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Deficit for the year	\$ (247,338)	\$ (11,236)
Additions to tangible capital assets	(78,056)	(317,900)
Amortization of tangible capital assets	325,394	329,136
Change in prepaid expenses	(621,688)	(114,332)
	(621,688)	(114,332)
Net debt, beginning of year	(320,079)	(205,747)
Net debt, end of year	\$ (941,767)	\$ (320,079)

See accompanying notes to financial statements.

EFFICIENCY MANITOBA INC.

Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating transactions:		
Deficit for the year	\$ (247,338)	\$ (11,236)
Amortization of tangible capital assets	325,394	329,136
Change in non-cash operating working capital:		
Accounts receivable and accrued revenue	(239,125)	(9,460,402)
Prepaid expenses	(621,688)	(114,332)
Accounts payable and accrued liabilities	(909)	9,262,977
	(783,666)	6,143
Capital transactions:		
Additions to tangible capital assets	(78,056)	(317,900)
Decrease in cash	(861,722)	(311,757)
Cash, beginning of year	2,006,207	2,317,964
Cash, end of year	\$ 1,144,485	\$ 2,006,207

See accompanying notes to financial statements.

General:

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

The mandate of Efficiency Manitoba Inc. is to:

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

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

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

1. Significant accounting policies:

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

(a) Revenue:

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

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

1. Significant accounting policies (continued):

(b) Expense recognition:

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

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

(c) Financial instruments:

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

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

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

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

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

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

EFFICIENCY MANITOBA INC.

Notes to Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(d) Tangible capital assets:

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

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

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

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

(e) Employee future benefits:

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

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

EFFICIENCY MANITOBA INC.

Notes to Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(f) Use of estimates:

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

(g) Adoption of new accounting standard:

On April 1, 2023, the Corporation adopted *PSAS 3400 Revenue*. The new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. As at March 31, 2024, the Corporation determined that the adoption of this new standard did not have an impact on the amounts presented in the financial statements.

2. Tangible capital assets:

Cost	Balance at March 31, 2023	Additions	Disposals	2024 Total	2023 Total
Computers	\$ 309,617	\$ 36,298	\$ (1,731)	\$ 344,184	\$ 309,617
Furniture and fixtures	345,713	5,237	—	350,950	345,713
Equipment	—	36,521	—	36,521	—
Computer software	51,217	—	—	51,217	51,217
Specialized demand side management software	1,035,134	—	—	1,035,134	1,035,134
	\$ 1,741,681	\$ 78,056	\$ (1,731)	\$ 1,818,006	\$ 1,741,681

Accumulated Amortization	Balance at March 31, 2023	Additions	Disposals	2024 Total	2023 Total
Computers	\$ 183,492	\$ 73,925	\$ (1,731)	\$ 255,686	\$ 183,492
Furniture and fixtures	34,416	34,199	—	68,615	34,416
Equipment	—	—	—	—	—
Computer software	24,400	10,243	—	34,643	24,400
Specialized demand side management software	310,540	207,027	—	517,567	310,540
	\$ 552,848	\$ 325,394	\$ (1,731)	\$ 876,511	\$ 552,848

EFFICIENCY MANITOBA INC.

Notes to Financial Statements (continued)

Year ended March 31, 2024

2. Tangible capital assets (continued):

Net book value	2024 Total	2023 Total
Computers	\$ 88,498	\$ 126,125
Furniture and fixtures	282,335	311,297
Equipment	36,521	–
Computer software	16,574	26,817
Specialized demand side management software	517,567	724,594
	<u>\$ 941,495</u>	<u>\$ 1,188,833</u>

3. Accounts receivable and accrued revenue:

Accounts receivable and accrued revenue is comprised of the following:

	2024	2023
Province of Manitoba accounts receivable	\$ 10,936,577	\$ 10,759,349
Province of Manitoba accrued revenue (note 5)	10,517,618	9,718,760
Manitoba Hydro (note 8)	801,985	1,989,482
Government of Canada	450,188	–
Other	348	–
	<u>\$ 22,706,716</u>	<u>\$ 22,467,591</u>

4. Contributions:

Contributions are comprised of the following:

	2024	2023
Manitoba Hydro	\$ 44,706,311	\$ 37,913,440
Low Carbon Economy Leadership Fund (note 5)	10,517,618	9,718,760
Province of Manitoba	11,478	73,439
	<u>\$ 55,235,407</u>	<u>\$ 47,705,639</u>

EFFICIENCY MANITOBA INC.

Notes to Financial Statements (continued)

Year ended March 31, 2024

5. Low Carbon Economy Leadership Fund:

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

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

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

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

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

The Corporation’s current claim under the agreement, covering the year ended March 31, 2024, must be submitted by June 30, 2024. The estimated amount to be claimed under the agreement for the year is \$10,517,618 (2023 - \$9,718,760), which is recorded as accrued revenue from the Province of Manitoba on March 31, 2024 (note 3). Amounts received or receivable under the Leadership Fund are used to reduce the amounts otherwise to be funded by Manitoba Hydro to the Corporation. Changes in estimates of accrued revenue are recorded in the period in which they occur.

EFFICIENCY MANITOBA INC.

Notes to Financial Statements (continued)

Year ended March 31, 2024

6. Commitments:

The Corporation entered into an agreement to lease office space under an operating lease commencing May 1, 2022 with an expiry date of July 31, 2032. The Corporation's annual payments for the next five fiscal years under the lease are as follows:

2025	\$	430,591
2026		430,876
2027		443,386
2028		442,800
2029		452,898
Thereafter		1,513,450
		<hr/>
		\$ 3,714,001

The Corporation has engaged the services of consultants to provide services for the Corporation's customer incentive programs under contracts that may be terminated within specific notice periods, generally thirty days. The monthly commitment under these contracts is approximately \$422,000.

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

7. Employee pension plan:

Eligible employees of the Corporation are members of the Civil Service Superannuation Fund pension plan (the "Plan"), a multi-employer, defined benefit pension plan. The Plan specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. During the year, the Corporation contributed \$516,883 (2023 - \$461,097) to the Plan on behalf of its employees. Contribution rates for the Corporation are at 7.1 percent (2023 - 7.1 percent) of pensionable earnings up to the yearly maximum pensionable earnings limit (YMPE) and 9.0 percent (2023 - 9.0 percent) on earnings in excess of the YMPE.

EFFICIENCY MANITOBA INC.

Notes to Financial Statements (continued)

Year ended March 31, 2024

8. Related party transactions:

For the year ended March 31, 2024, the costs charged by Manitoba Hydro to the Corporation represent services that the Corporation has engaged Manitoba Hydro to perform on its behalf.

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

	2024	2023
Customer incentives	\$ 881,471	\$ 745,617
Other expenses	5,534	4,900
Contracted services and program delivery	–	(9,557)
<hr/>		
Total	\$ 887,005	\$ 740,960

Accounts payable and accrued liabilities at March 31, 2024 includes accounts payable of \$21,961,223 (2023 - \$20,493,430) to Manitoba Hydro arising from contributions received in advance from Manitoba Hydro that are to be repaid, as a result of the Leadership Fund. The contributions to be repaid to Manitoba Hydro will be paid once the receivable from the Province of Manitoba under the Leadership Fund (note 3) is collected.

Accounts receivable and accrued revenue of \$801,985 on March 31, 2024 (2023 - \$1,989,482) (note 3) represents contribution amounts due from Manitoba Hydro. The Corporation expects to settle the amounts payable to and accounts receivable from Manitoba Hydro on a gross basis.

9. Financial risks:

Liquidity risk:

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

Management believes it is not exposed to significant market, credit, interest rate or cash flow risk from its financial instruments.

There has been no change to the risk exposures from 2023.

EFFICIENCY MANITOBA INC.

Notes to Financial Statements (continued)

Year ended March 31, 2024

10. Budget:

On June 14, 2023, the Board of Directors of the Corporation approved the 2023/24 operating budget which has been utilized in these financial statements.





EFFICIENCY
MANITOBA

**SAVE TODAY.
SAVE TOMORROW.**

energyteam@efficiencyMB.ca
efficiencyMB.ca

2023/24
ANNUAL REPORT