



ANNUAL BUSINESS PLAN
2021-2022

Statement from the Board Chair:

We are pleased to submit Efficiency Manitoba's Annual Business Plan (ABP) for 2021-2022. This ABP reflects Efficiency Manitoba's second year delivering on the organizations' mandate of providing programs and services to achieve significant electric and natural gas savings in the Province of Manitoba.

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

Dr. Jeannette Montufar
Board Chair, Efficiency Manitoba

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Annual Business Plan 2021/22

1. Mandate and strategic direction

1.1 Mandate as set out in The Efficiency Manitoba Act

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

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

In its first year of operations, Efficiency Manitoba has rolled out energy efficiency programs and offers across the residential, income qualified, Indigenous, commercial, agricultural, and industrial customer segments. As the organization continues implementing the approved three-year (2020-2023) Plan (the Efficiency Plan) for energy efficiency, additional programs will be added, enhanced and continuously improved recognizing feedback from customers, suppliers, and delivery partners. Efficiency Manitoba is fully committed to actively leveraging and partnering with the private sector and non-governmental organizations in the implementation and delivery of programs.

Through implementing the Efficiency Plan, Efficiency Manitoba is building a foundation for long term achievement of energy savings of an annual average of 1.5 per cent of electric load and 0.75 per cent of natural gas load. The ultimate goal of EM is to achieve a cumulative total of 22.5 per cent electrical energy savings and 11.25 percent natural gas savings in Manitoba over a 15-year period.

1.2 Ministerial mandate and direction

In accordance with the Efficiency Manitoba Act and with Ministerial approval received on March 31, 2020, implementation of the Efficiency Plan commenced on April 1, 2020.

The Efficiency Plan outlines details on electric and natural gas energy efficiency programs and offers for residential, income qualified, Indigenous, commercial, agricultural and industrial customers across the province; helping customers manage their energy needs while providing bill reduction benefits.

Efficiency Manitoba's Efficiency Plan and ongoing operations are consistent with the mandate letter issued to the Efficiency Manitoba Board of Directors by the Minister of Crown Services. The mandate letter articulated four key priorities for Efficiency Manitoba:

- a) establish the structure of the new corporation ensuring a leaner, more streamlined organization to deliver energy efficiency programs;
- b) develop and submit for review and approval an initial three-year Plan for demand-side management initiatives to meet mandated savings targets, while optimizing value for money;
- c) work with the Public Utilities Board to develop streamlined processes, to reduce overall costs to ratepayers of regulatory hearings; and
- d) find ways to obtain the same or better outcomes as formerly obtained under the "Power Smart" program, but at a significantly smaller percentage of the cost and materially lower labour costs.

Efficiency Manitoba focused on these key priorities during the process of developing the Efficiency Plan. Full articulation of Efficiency Manitoba's progress on these items is publicly available through Efficiency Manitoba's three-year Plan filed with the [Public Utilities Board \(pages 50-53\)](#).

Other priorities communicated through the mandate letter including integration with Government's summary budgeting process, organizational structure and fiscal management, reducing red-tape, mandate-focused advertising, reconciliation with Indigenous Manitobans, transparent procurement, and providing a respectful workplace; are continued focus areas for the organization as Efficiency Manitoba continues to deliver through year two of the Efficiency Plan. These priorities and initiatives will be reported on in Efficiency Manitoba's 2021/22 Annual Report.

1.3 Strategic direction

Vision, Mission, Strategic Goals

The Efficiency Manitoba Board of Directors and Executive developed a strategic plan which contains the mission, vision, and strategic goals for the organization. In addition to the legislation and Ministerial direction, the strategic plan served as a compass throughout the development of the Efficiency Plan. The Vision and Mission statements summarize why Efficiency Manitoba exists and how Efficiency Manitoba will realize its mandate.



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



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.



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

Guiding Principles

Efficiency Manitoba's Guiding Principles describe the behaviours and culture cascaded throughout the organization to guide business operations and every day decision making. A new guiding principle supporting reconciliation was added this year that demonstrates Efficiency Manitoba's organization-wide commitment to respectful relationships with Indigenous people and the reconciliation journey, engaging with Indigenous Manitobans to provide programs and deliver resulting benefits, and incorporating Truth and Reconciliation principles in our business process and program delivery.

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

1.4 Strategic priorities

Efficiency Manitoba's strategic goals provide the priorities for the organization. Each goal is further described as follows:

1.4.1 Achieving excellence in our programs and services

Excellent energy efficiency programming will benefit all customer sectors in Manitoba: residential, commercial, industrial, rural and remote, Indigenous, agricultural, municipal and government. Having equitable and robust participation are paramount to achieving mandated savings targets. Through research, innovation, outstanding customer service and technical support, Efficiency Manitoba can continue to provide a wide variety of timely offers and services that positively engage with all Manitobans.

1.4.2 Building a solid foundation for a successful organization

An Efficiency Manitoba team that is aligned, empowered and creative will create excellent results. Organizational policies and processes serve to support our success by creating the requirements and systems to monitor and track our outcomes. The Efficiency Manitoba Act and the Crown Corporations Governance and Accountability Act outline the mandate and compliance requirements to provide for alignment with Government.

1.4.3 Building and sustaining meaningful partnerships with a customer focus

Engaged and diverse partners provide opportunities to learn, support private sector industry, contribute to energy efficiency considerations within all levels of Government and Manitoba Hydro and support reconciliation with our Indigenous partners. The Energy Efficiency Advisory Group will continue to represent a diverse mix of social, economic, and environmental organizations and will include representation from Indigenous Communities. Engagement with private sector supports the delivery of efficiency programs while spurring economic growth. Federal, Provincial, municipal and utility engagement ensures energy policies; future codes, standards, regulations; and utility resources are supported and informed on the current or future potential contributions of energy efficiency. Indigenous partners are of particular importance to identify and reduce barriers to participation in Efficiency Manitoba programs.

1.4.4 Transforming attitudes towards energy efficiency

Awareness is a fundamental requirement. Through this strategic goal, Efficiency Manitoba looks to continue to establish the Efficiency Manitoba brand; develop a broad understanding of the benefits of energy efficiency; and establish a reputation as being trusted energy efficiency experts.

1.4.5 Key Initiatives

Within all of the corporate activities that support the above Strategic Goals there are several key initiatives for 2021-22 that are essential for both the immediate and long-term success of the organization.

Customer Relationship Management/Demand Side Management System

Foundational to the success of Efficiency Manitoba is the implementation of a comprehensive customer relationship management and demand side management (CRM/DSM) tracking system. Over the first 6 months of fiscal 2021/22, Efficiency Manitoba will begin implementing the first phases of this project. The first phase will include the launch of approximately 13 Efficiency Programs, including online supplier registration, and integration with the Efficiency Manitoba contact centre functions. Remaining programs are in various development stages and will progress in parallel during 2021/22.

The CRM/DSM System is integral to streamlining and enhancing operations of Efficiency Manitoba from both customer-facing and internal operations perspectives. The CRM/DSM system will serve as an all-inclusive database of program participation and projects across all customer segments. Therefore, program data and statistics are anticipated to be centralized and readily available for reporting purposes. This will reduce time, labour, red tape, and paper waste associated with reporting; leading to internal efficiencies and contributing to lower cost of operations incorporated in Efficiency Manitoba's approved Efficiency Plan.

The CRM/DSM system will also improve customer experience through enabling digital participation efficiencies and transparency. The implementation of a CRM/DSM system will provide tools and resources to Efficiency Manitoba business development representatives, who provide direct support to commercial, industrial, and agricultural customers, as well as to the contact centre team that assists all Manitobans. These tools include the ability to track and update notes and pictures, summarize conversations, archive email correspondence, and register customers for programs directly on-site using smartphones, tablets, computers, and other connected devices.

Additional benefits anticipated by the implementation of the CRM/DSM System include:

- improved overall customer experience;
- personalized customer offers;
- shorter application cycles;
- organized customer contact data;
- increased details available for each customer segment;
- enhanced marketing opportunities;
- business process and communication automation;
- increased participation conversion ratio;
- increased brand loyalty and engagement; and
- more cost-effective administration, delivery, and evaluation of programs.

Implementation of the CRM/DSM System will be a key initiative for achieving two of Efficiency Manitoba's corporate goals; ***Achieving excellence in our programs and service*** and ***Creating a solid foundation for building a successful organization*** as well as ensuring lower delivered costs for energy efficiency programming in Manitoba which is consistent with the Minister's mandate letter.

Innovation Fund

The Innovation Fund (Fund) is designed to allow Efficiency Manitoba to pursue near-term pilot projects and partnerships providing early market support to reduce common barriers to emerging energy efficiency technologies and strategies. Supporting emerging technologies and strategies looks ahead to efficiency opportunities required to meet Efficiency Manitoba's energy savings targets in future years. The objectives of the Fund are to:

- Prove technologies and approaches within the Manitoba context;
- Support the development of technologies and approaches so they can be incorporated into Efficiency Manitoba's efficiency programs;
- Foster economic development through capacity building and local project delivery; and
- Enable participation by Indigenous organizations and support the development of projects that address the unique needs and context of Indigenous Manitobans.

The Fund design has been in progress and will be launched in fiscal 2021/22 with intake for new projects opening as early as September 2021. Efficiency Manitoba's legislated stakeholder advisory committee, the Energy Efficiency Advisory Group (EEAG), and a Table of Interest created specifically for input into the Fund design, were critical to creating a model that would leverage the strengths of the research and development landscape in Manitoba while aiming to fill gaps in an effort to improve the overall support for innovation in energy efficiency in Manitoba. Successful implementation of the Fund will contribute towards achievement of the corporate goal of ***Achieving excellence in our programs and service*** as well as position Efficiency Manitoba favourably for meeting long-term energy savings targets.

Integrated Demand Side Management Potential Study

To aid the development of Efficiency Manitoba's future Efficiency Plans, Efficiency Manitoba will be initiating an Integrated Demand Side Management Potential Study (iDSM Study) which will provide estimates of technical, economic, and market achievable savings potential for both electricity and natural gas. A range of achievable energy savings estimates for each year over the 15 years of the study period are required for all Efficiency Manitoba customer segments: residential, income qualified, Indigenous, commercial, agricultural, and industrial. Based upon the introduction of new and emerging technologies, the market review will also include an examination of existing energy efficient technologies and those technologies that may be "on the horizon" and potentially viable for Manitoba when determining the maximum market achievable potential.

The integrated component of the study, which marks the first time an assessment has been conducted of this nature in Manitoba, includes options for market potentials outside of Efficiency Manitoba's mandate in the areas of renewable technologies, electric vehicles, demand response, and renewable natural gas. Efficiency Manitoba has partnered with Manitoba Hydro and the Province of Manitoba for these added components which will be considered for their value once the bids for the iDSM Study are reviewed and assessed.

Completion of the study will be imperative for achieving Efficiency Manitoba's long-term energy savings targets and serves the corporate goal of ***Achieving excellence in our programs and service***. It is also anticipated to inform critical components of the Provincial Energy Strategy.

Indigenous Energy Efficiency Working Group

Fiscal 2021/22 will see the creation of the Indigenous Energy Efficiency Working Group (IEEWG). The purpose of the IEEWG is to provide real-time, ongoing feedback to assist in the design, delivery, and implementation of Efficiency Manitoba's Indigenous energy efficiency programs and Indigenous Engagement Roadmap. The working group will also be asked to provide insight into the accessibility of energy efficiency programs to ensure equity and access to all applicable Efficiency Manitoba programs and offers. The creation of this working group is an important step on Efficiency Manitoba's Path to Reconciliation to ensure a mutually respectful and collaborative relationship with Indigenous Manitobans.

Successful implementation of the IEEWG will contribute towards achievement of the corporate goal of ***Building and sustaining meaningful partnerships with a customer focus***, is aligned with Efficiency Manitoba's newest guiding principle focused on Reconciliation and will assist Efficiency Manitoba in implementing energy savings opportunities in a previously under-served market.

Energy Efficiency Education Program

Efficiency Manitoba will develop and implement an energy efficiency education strategy targeted towards both school-aged Manitobans and the general public. Through the Energy Efficiency Education Program, students will complete a home energy assessment and identify ways their home can save energy. A third-party service provider will distribute customized energy efficiency kits to these students based on the results of their completed home energy assessment; the students will install the devices in their home with assistance from a guardian. Further, home energy efficiency kits and resources will be distributed at community events throughout Manitoba. The objective of this strategy is to engage Manitobans, answer questions, provide educational resources and information, and provide basic energy-efficient products.

Successful implementation of an Energy Efficiency Education Program will contribute towards achievement of the corporate goals of ***Transforming attitudes towards energy efficiency*** and also ***Achieving excellence in our programs and service***. Educating school-aged Manitobans also aligns with Efficiency Manitoba's vision to be a catalyst for an energy efficient Manitoba, creating a culture of energy conservation engrained in the mindset of future home and business owners thus contributing to long-term energy savings targets.

Efficiency Manitoba Brand Strategy

Efficiency Manitoba is developing a brand and content strategy defining how to build, protect, and continuously improve Efficiency's Manitoba's brand. The brand strategy will outline "who we are, what we offer, and how we communicate to Manitobans." The content strategy will outline how Efficiency Manitoba will execute the brand strategy and engage with Manitobans in an expert, friendly, and accessible manner. A subsequent brand campaign will be launched to the public in Q2 2021/22.

A strong and focused brand strategy will ensure Efficiency Manitoba is able to engage Manitobans and influence their participation in programs which will result in achievement of the corporate goals of ***Transforming attitudes towards energy efficiency*** and ***Achieving excellence in our programs and service*** which, in turn, are critical for meeting legislated energy savings targets.

Key Initiatives - Metrics for 2021/2022

	<u>Current State</u>	<u>Target</u>
CRM/DSM Database and Tracking System		
Target Completion Date - All programs operational by Q3 2021/22		
<i>Measures of Success</i>		
% of existing programs operating in the system	0%	100%
% of suppliers trained on the system	0%	50%
% of applications coming through the system	0%	75%
Innovation Fund		
Target Completion Date - First Public Call for Proposals Q2 2021/22		
<i>Measures of Success</i>		
% of annual innovation budget allocated to projects meeting eligibility criteria	0%	100%
Participant satisfaction rate with the application process	-	80%
Integrated DSM Market Potential Study		
Target Completion Date - Final Report by Q1 2022/23		
<i>Measures of Success</i>		
Completion of Phase 2 of study (3 Phases in total) by Q4 2021/22	0%	100%
Establish the Indigenous Energy Efficiency Working Group		
Target Completion Date - First IEEWG Meeting by Q1 2021/22		
<i>Measures of Success</i>		
Working group members see value in their participation (survey score)	-	80%
Energy Efficiency Education Program		
Target Completion Date - Pilot Program Delivery to Schools Q3 2021/22		
<i>Measures of Success</i>		
Completion of pilot program design and enrollment process	0%	100%
Efficiency Manitoba Brand Strategy		
Target Completion Date - Brand Strategy and Brand Campaign by Q2 2021/22		
<i>Measures of Success</i>		
Customer survey score (aided/unaided brand awareness)	33%	50%

2. Operating Environment

2.1 Internal Operating Environment

With Ministerial approval, Efficiency Manitoba's officially commenced delivering on the activities and programming outlined in the Efficiency Plan on April 1, 2020. The 2021/2022 fiscal period marks the delivery of activities outlined in year 2 of the Efficiency Plan including several new programs and initiatives delivered across customer sectors in Manitoba.

With the arrival of COVID-19 in Manitoba and implementation of provincial restrictions, COVID-19 started significantly impacting workplaces in the province in March 2020 which coincided nearly exactly with Efficiency Manitoba's official commencement. Recognizing this, Efficiency Manitoba delayed the transition of select expert efficiency resources from Manitoba Hydro, officially transitioning the first portion of its workforce after July 2020.

Efficiency Manitoba's experienced and dedicated employees have had to adapt to a very new work reality entering a new organization during a pandemic. Their commitment and ability to quickly find innovative ways to serve customers and partners was instrumental in ensuring continuity of program delivery during the health crisis and organizational transition.

With the onset of the pandemic and the resulting economic shut downs, to support public health directives and minimize contacts, Efficiency Manitoba shifted largely to a virtual work environment. Establishment of operations in this environment has demonstrated benefits to both the organization and its important resources prompting Efficiency Manitoba to consider ongoing opportunities related to virtual work that may be present post pandemic.

Although Efficiency Manitoba has only been operating in its mandated capacity for one year, a strong organizational foundation, to which the organizations' employees are instrumental, has been built. The first two quarters of fiscal 2021/22 will see the finalization of the build out of the internal resources required to deliver on the Efficiency Plan and fulfill the key corporate requirements set out by legislation including the Efficiency Manitoba Act and the Crown Corporations Governance and Accountability Act.

On January 25, 2021, the Federal Government along with the Minister of Conservation and Climate announced that the Low Carbon Economy Leadership Fund (LCELF) had accepted Efficiency Manitoba's natural gas efficiency programming as an eligible project to receive funding. The LCELF will be providing \$32.3 million over the 2020-2023 period towards the cost of implementing natural gas energy efficiency improvements homes and business which, in turn, has a direct impact on reducing greenhouse gas emissions in Manitoba. Leveraging these allocated Federal dollars towards Efficiency Manitoba natural gas programs, the cost to Manitoba Hydro and therefore the utility costs recovered from Manitobans through future natural gas rates will be less. Efficiency

Manitoba will be required to meet reporting protocols to ensure LCELF fund criteria are met and these dollars are able to flow back to Manitoba; and specifically to natural gas ratepayers as source contributors to the fund established through the collection of the carbon charge.

2.2 External Operating Environment

2.2.1. Federal Energy Efficiency Programming

In November 2020, in the Federal government's Fall Economic Statement, pandemic recovery stimulus funding was announced with an intention to spur activity related to home energy efficiency across Canada. The Federal government proposed to provide \$2.6 billion over 7 years, starting in 2020-21, through Natural Resources Canada (NRCan) to help homeowners improve energy efficiency by providing up to 700,000 grants of up to \$5,000 to help residential customers make energy-efficient improvements to their homes, up to one million free EnerGuide energy assessments, and support to recruit and train EnerGuide energy auditors to meet increased demand.

When delivered with a coordinated approach, NRCan's funding has the potential to drive additional participation in Efficiency Manitoba's residential programs. As at March 2021, all indications have been signalling a Federal program delivered directly to Canadians through a federally developed and administered customer portal. Efficiency Manitoba along with Provincial representatives will continue to meet with NRCan in the first quarter of 2021/2022 to determine how to best coordinate delivery of both programs to ensure a streamlined and efficient participation process for Manitobans.

2.2.2 Continued Pandemic Related Impacts

Manitobans have all been impacted by the COVID-19 pandemic. The pandemic has had a significant impact on Efficiency Manitoba's customer's ability to undertake energy efficiency upgrades and on Efficiency Manitoba's ability to deliver programs to Manitoba homes and business (given in-home and in-business restrictions). There has been a direct and detrimental impact to the energy savings realized in year 1 of the Efficiency Plan. Significant improvement in pandemic situation will see customer behavior returning over time to what was modelled in the three-year Plan. The impacts of 2020 and 2021 will affect customer decision making on capital projects including energy efficiency well into the future.

Many business sectors have seen closures throughout the 2020/21 year including restaurants and those in hospitality/entertainment industries. Other businesses have been focused on essential work only, including those in health care (personal care homes), education and government sectors. Access to entire areas of the Province, specifically Northern Manitoba and First Nations in particular, have been extremely limited throughout all of 2020/21. Additionally, the pandemic has introduced uncertainty along with increased building vacancy which have led to a focus on cost constraints, following safety precautions, and deferral of building upgrades or capital projects.

Economic areas such as home renovation projects and new home construction have continued throughout the pandemic. These areas have continued to provide some opportunities for Efficiency Manitoba to leverage and capture energy savings however it's important to note that these activities alone do not offset energy savings projects not undertaken in customer segments/industries faced with greater impacts due to the pandemic.

Efficiency Manitoba's program delivery has been extensively impacted by the pandemic. Working with contractors and program delivery agents has resulted in the establishment of appropriate safety protocols based on Provincial pandemic levels. This has permitted safe continuation of contractor energy efficiency business activities, service to customers, and associated energy savings versus outright and indefinite pausing on these programs. In other instances, and where assessed as appropriate in light of pandemic levels and community restrictions (i.e. Northern Manitoba/First Nations communities), program delivery was paused through 2020/21. Similarly, Efficiency Manitoba presence at customer and industry tradeshow and conferences has been shifted to on-line events only with significantly reduced business development opportunities.

Energy efficiency can play a role in supporting economic recovery post pandemic. Economic development and energy efficiency can be complementary through the creation of green jobs; energy savings resulting in more money for Manitobans and Manitoba businesses to re-invest in the economy; and contributing to the transition to high-efficiency homes, buildings and industry which lowers GHG emissions.

2.3 Operational Risks and Mitigation

As discussed in Section 2.2.2, the pandemic is continuing to significantly impact Manitoba residents and business owners, creating challenges for Efficiency Manitoba's ability to meet legislated energy savings targets. Although over the past year Efficiency Manitoba has continued to adjust interactions and support for customers, primarily via virtual interfacing, many efficiency opportunities are more suited to on-site interaction. In addition, the economic impacts of the pandemic are distinctly different across all customer segments and customer recovery time and processes across those segments will vary.

Although the Efficiency Manitoba Act allows for the carryover of surpluses or shortfalls in achieved energy savings into future years, Efficiency Manitoba is planning to drive new, unplanned savings in an effort to recover from lost savings opportunities due to the COVID-19 pandemic. Initiatives confirmed to date include extending the in-market duration of the Spring and Fall retail rebate campaigns, expanding eligibility for the Small Business Program, and conducting research on areas of energy savings that have yet to be monitored and claimed by Efficiency Manitoba (i.e. Commercial product standards).

As outlined in section 2.2.1, a Federally delivered program that is not coordinated with existing energy efficiency programs delivered by Efficiency Manitoba can create customer confusion in Manitoba regarding where to access support for energy efficiency retrofits as well as challenge Efficiency Manitoba in establishing its brand as Manitoba's

delivery agent for energy efficiency programming. Both of these objectives are of particular importance given that Efficiency Manitoba has just commenced and completed its first year of operations, and intentions for significant brand awareness campaigns were deferred due to the onset of the COVID-19 pandemic. The Federal program could also result in homeowners completely by-passing Efficiency Manitoba programs which could place achievement of legislated energy savings targets in the near term at risk.

To address this risk, Efficiency Manitoba is working to determine the optimal path for a Manitoba customer wishing to participate in all programs and incentives available and to ensure that the federal audit process will direct homeowners to Efficiency Manitoba offers. This work has also included early discussions with local partners to facilitate the training of certified Energy Advisors in order to meet the demand for home audits that will be created by the launch of the federal program. Efficiency Manitoba is also planning a comprehensive Brand Strategy campaign in fiscal 2021/22 to connect with Manitobans and their new Crown corporation focused on guiding them through their energy efficiency journey and positioning Efficiency Manitoba as the trusted energy expert for Manitobans.

3. Performance Measures and Targets

The Key Performance Indicator (KPI) Dashboard represents those metrics that are monitoring core mandate, government directives and Board priorities for the organization and therefore form a component of the Efficiency Manitoba Board’s regular quarterly monitoring and oversight of the organization. Building out baseline metrics, as well as internally and externally directed survey tools, will be a large component of the work supporting the strategic plan for early 2021/2022.

INTERNAL BUSINESS - To satisfy our stakeholders and customers, what business processes must we excel at?	2021/2022 Target	FINANCIAL - To succeed financially, how our stakeholders see us?	2021/2022 Target
Savings (Gwh)	343	Total Expenditures (million \$)	\$74.02
Savings (million m3)	12.8	% of Annual Budget	100.0%
% of load (Gwh)	1.53%	% of planned expenditures with private sector	19.7%
% of load (m3)	0.79%	% of planned expenditures internal labour	13.4%
Electric Acquisition Cost (\$/kWh)	\$0.15	% of planned expenditures overhead	2.1%
Natural Gas Acquisition Cost (\$/m3)	\$1.75		
LEARNING & GROWTH - To achieve our vision, how will we sustain our ability to change and improve?	2021/2022 Target	CUSTOMER - To achieve our vision, how should our customers see us?	2021/2022 Target
% of planned expenditures on Innovation	80%	Brand awareness	50%
% of employee development budget spent	80%	Customer satisfaction	TBD
% of employees with completed annual evaluations	100%	% Customer Participation (Actual/Forecast)	100%
Employee satisfaction with opportunities to learn, grow and develop	TBD		

To supplement Efficiency Manitoba’s Strategic Plan, a Demand Side Management (DSM) Scorecard to benchmark both portfolio performance and corporate performance against

other energy efficiency program administrators has also been developed. Integrating regular benchmarking will establish baseline data and measures in critical performance areas and help identify program and operational improvement opportunities for adoption by Efficiency Manitoba. The scorecard will be used to report on actual performance to ensure Efficiency Manitoba is able to identify gaps and then prioritize resources and strategies for improvement.

Each scorecard category consists of five metrics worth 20 points that are scored through detailed sub metrics. They are designed to represent achievable stretch targets for Canadian DSM program administrators.

Operations focuses on performance in areas that are critical to effective program delivery, such as stakeholder engagement, customer participation and satisfaction; end-to-end DSM design; employee satisfaction and positive engagement; and leadership and culture.

Planning focuses on DSM planning and future-oriented performance. Metrics include program equity, data use and sharing, future energy savings targets, emerging programs and strategic planning.

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

This comprehensive approach to benchmarking will provide Efficiency Manitoba with critical feedback not only in the programs and services that are offered, but also in the operation of the business overall thereby maximizing value for money with Efficiency Manitoba's budget while enabling a culture of continuous improvement. Fiscal 2021/22 will see the metrics populated to reflect Efficiency Manitoba's first year of operations which was fiscal 2020/21.

4. Financial budgets and forecasts

As described in section 2.2.2 the pandemic has had a significant impact on Efficiency Manitoba's customer's ability to undertake energy efficiency upgrades and on Efficiency Manitoba's ability to deliver programs to Manitoba homes and business (given in-home and in-business restrictions). As a result of reduced customer participation in programs, Efficiency Manitoba's expenses, 65% of which are customer incentives, have been reduced during Efficiency Manitoba's first year of operations. As at the conclusion of Q3 (December 31, 2020), Efficiency Manitoba's overall expenses were \$19.8M.

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

Significant improvement in the pandemic situation will see customer behavior returning over time to what was modelled in the three-year Plan. The impacts of 2020 and 2021 will affect customer decision making on capital projects including energy efficiency well into the future. As the state of the pandemic and speed of economic recovery are uncertain, while recognizing the strong role that Efficiency Manitoba can play in economic recovery and providing bill savings to customers through program

participation, Efficiency Manitoba's 2021/22 budget has remained largely as planned in the approved Efficiency Plan with some adjustments to reflect known expenditure deferrals from Efficiency Manitoba's first to second year of operations. Efficiency Manitoba's budgeted expenses for 2021/22 are \$73M.

Financial summary and budget

	2019/20 Actual	2020/21 Budget	2020/21 Nine months ended Dec 31, 2020	2021/22 Budget (Adj)
Revenue:				
Funding	\$ 3,516	\$ 63,870	\$ 19,971	\$ 74,020
Expenses				
Customer Incentives	\$ -	\$ 40,249	\$ 12,416	\$ 48,702
Salaries & Benefits	\$ 799	\$ 9,860	\$ 4,899	\$ 9,147
Communication & Advertising	\$ -	\$ 2,262	\$ 363	\$ 2,451
Other Expenditures	\$ 2,696	\$ 11,334	\$ 2,118	\$ 12,616
Amortization	\$ 2	\$ 165	\$ 24	\$ 115
	<u>\$ 3,497</u>	<u>\$ 63,870</u>	<u>\$ 19,820</u>	<u>\$ 73,031</u>
Surplus (Deficit)	\$ 19	\$ (0)	\$ 151	\$ 989

5. Human resources

5.1 Staffing summary

Implementing Efficiency Manitoba's first Efficiency Plan including legislated energy saving targets which are materially higher than past energy savings in Manitoba (additional electric energy savings of 30% and additional gas energy savings of 42%), at an average annual budget that is 9% lower when compared to the Power Smart program, necessitated qualified, and expert resources. Efficiency Manitoba recognized this requirement and transitioned select energy efficiency experts from Manitoba Hydro, in addition to hiring qualified external resources positioned to quickly contribute to the organizations' start up and ongoing operations. On a full-time equivalent (FTE) employee basis and recognizing hiring that took place throughout fiscal 2020/21 (which then translates to partial year FTEs), Efficiency Manitoba's FTE count at March 31, 2021 was 54.5.¹

¹ Actual hiring through 2020/21 resulted in over 80% of planned positions filled at fiscal year end (61 employees). Filling the balance of planned roles in the organization is anticipated to be largely complete inside of Q2 2021/22.

Full-time equivalent employees

	Actuals as at March 31, 2021	2020/21 Budget
Executive/Mgmt ¹	7.0	7.0
Employees	47.5	68.0
Efficiency Manitoba total	54.5	75.0

Notes:

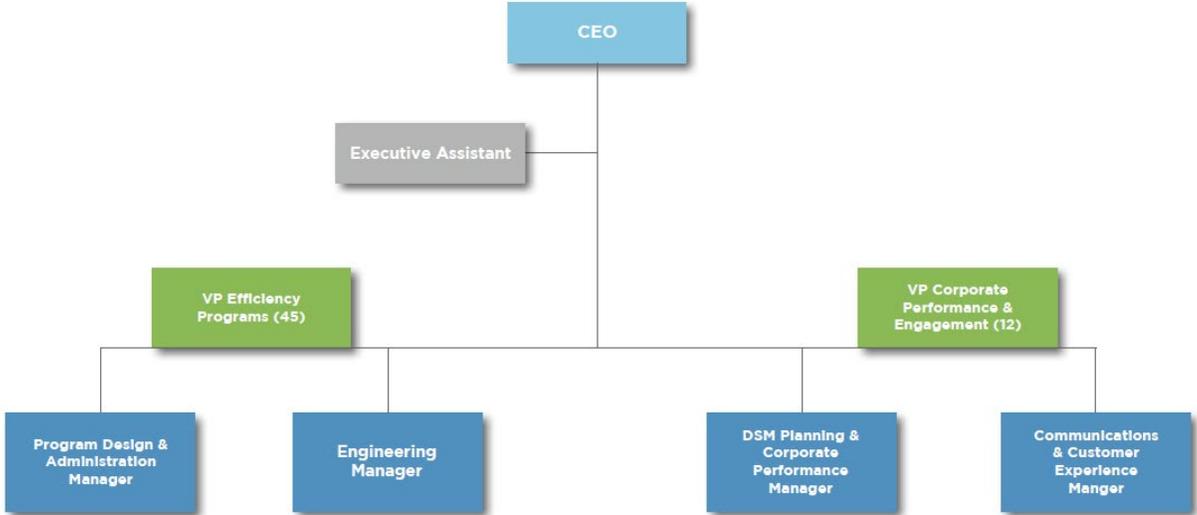
¹ Executive/Mgmt includes the CEO, VPs and Managers

2020/2021 was Efficiency Manitoba's official commencement year. Ministerial approval received on Efficiency Manitoba's three-year plan March 31, 2020. Recruitment activities are ongoing to build the organization towards the total full-time equivalent; anticipated to be largely complete within Q2 2021/22.

5.2 Organization chart (at March 31, 2021)

At March 31, 2021, Efficiency Manitoba had 61 employees. The majority of these roles are concentrated in energy efficiency programs, engineering and technical support, while the balance of roles are in key corporate support functions of accounting, procurement, human resources, government relations, communications, planning, evaluation, corporate performance and reporting.

Consistent with the original mandate letter, Efficiency Manitoba leverages the private sector to secure additional corporate support for requirements in legal, contact centre, regulatory, IT managed services, and creative design services.



5.3 Contract Negotiations

Collective Bargaining during fiscal 2021/22 is a focus area recognizing two collective agreements (CUPE Local 998 and AMHSSE), that Efficiency Manitoba inherited through the application of successor rights under the Labour Relations Act of Manitoba, had end dates of December 31, 2020. Efficiency Manitoba will be actively negotiating with these bargaining groups towards renewed contracts recognizing Efficiency Manitoba as a separate employer.

6. Capital plan

Recognizing the organizations' commencement and staffing to deliver on the three-year Plan, in 2021/22 Efficiency Manitoba plans to move into leased office space sufficient for the organizations' staffing complement. This will require the acquisition of furniture, audio-visual equipment, and leasehold improvements. EM has budgeted approximately \$1.0 million for these acquisitions. The majority of these capital expenditures were originally planned for the 2020/2021 budget year but with the pandemic, the finalization of required space was delayed and therefore deferred by one year.

Software expenditures of \$52,000 relating to the accounting and human resource management systems were budgeted as an expense item, however; following Public Sector Accounting Standards and the Financial Administration Manual (FAM), these expenditures have been considered and accounted for (capitalized) as tangible capital assets (TCA) as the asset description criteria meets or exceeds the capitalization threshold dollar amount outlined in the FAM TCA Class.

Capital expenditures beyond 2021/22 will be nominal and will include replacement or acquisition of furniture and/or technology equipment.

<i>(\$000s)</i>	<i>2020/21 Budget</i>	<i>2020/21 Forecast</i>	<i>2021/22 Budget</i>	<i>2021/22 Revised Budget</i>
Computers	194	150	30	74
Furniture	400	-	30	430
Leasehold Improvements	600	-	-	600
Software	-	52	-	-
Total Capital Asset Acquisitions	1,194	202	60	1,104