

SAVE TODAY.
SAVE TOMORROW.





SAVE TODAY.

Save energy, money, and the environment today by participating in our wide range of programs and services. We're here and ready to help individuals, businesses, and communities across Manitoba.



SAVE TOMORROW.

Keep saving for years to come. Investing in energy efficiency supports the Manitoba economy and helps protect the environment.





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MESSAGE FROM THE BOARD CHAIR

A YEAR OF FIRSTS



As Chair and on behalf of the Board of Directors, it is my pleasure to present Efficiency Manitoba's Annual Report for the 2020/21 fiscal year.

Consistent with the Efficiency Manitoba Act and Regulation and following Ministerial approval of our 2020-23 Efficiency Plan, Efficiency Manitoba officially commenced operations on April 1, 2020. This coincided nearly identically with the March 20, 2020 declaration of a province-wide state of emergency to reduce the spread of COVID-19 and protect the health and safety of Manitobans. Navigating the 2020/21 fiscal year required resilience of both our brand-new organization and Manitobans at large. As we look back at Efficiency Manitoba's commencement year during a global pandemic, we are extremely proud of how this new organization has carried out the critical work of establishing a strong foundation, while safely delivering programs and energy-saving opportunities to Manitobans.

During the 2020/21 fiscal year, our Board was focused on providing oversight as the organization transitioned to its first operational year implementing the 2020-23 Efficiency Plan and setting the stage for long-term savings and other benefits for all Manitobans. Of particular importance was making progress related to our vision of being a catalyst for an energy efficient Manitoba. In the face of a global health crisis and economic recession, Efficiency Manitoba was still able to foster partnerships with the private sector, develop infrastructure to help the Manitoba supplier network build their businesses while delivering programs to customers, and make progress on innovative approaches to energy efficiency.

I'd like to extend congratulations to those individuals who contributed to Efficiency Manitoba's successful start up. In particular, I want to thank our leadership team and all employees for their dedication and commitment to providing energy efficiency programs. Their passion, efforts, and resulting accomplishments in the face of adversity have not gone unnoticed. I also thank my colleagues on the Board for their continuous dedication, guidance, support, and commitment to improving energy efficiency in our province.

Our vision is long term in nature; Efficiency Manitoba has 15 years of projected electric energy and natural gas savings to achieve. On behalf of my Board colleagues, we are honoured to conclude this fiscal year and look forward to overseeing Efficiency Manitoba's second year of work in building an economically robust, environmentally conscious, and energy efficient future.

Jeannette Montufar, P.Eng.

Board Chair



EFFICIENCY MANITOBA BOARD

Back row, left to right:

Jack Wilson, George Orle, Bryan Purdy, Edna Nabess, Ray Redfern.

Front row, left to right:

Somia Sadiq, Jeannette Montufar (Chair), Kelly de Groot (Vice Chair).

Not pictured: Gary Kristiansen.

Photo taken prior to March 2020.

MESSAGE FROM THE CEO

WORKING TODAY TO SAVE TOMORROW

The 2020/21 fiscal year marked a significant milestone for energy efficiency in Manitoba. Efficiency Manitoba officially commenced and launched a new era of energy conservation. It was a challenging year to build a brand-new organization considering the unique impacts COVID-19 has had on businesses, workplaces, and individuals. However, we were able to quickly adapt to our ever-changing circumstances and start offering our programs and services to Manitobans.

During our first year, we rolled out value-driven, accessible programs for our residential, commercial, agricultural, industrial, Indigenous, and income-qualified customer segments. The innovative and cost-effective approaches outlined in our 2020-23 Efficiency Plan are being transformed into programs by our team of experts and introduced to the market. Not only do these incentive programs enable customers to save today on energy efficiency upgrade costs, but they create opportunities for tomorrow. Lower energy bills for years into the future and reduced carbon footprints are all important reasons to invest in energy efficiency. We're here to help all Manitobans make energy-efficient decisions and investments in their homes and businesses.

We're proud to offer a portfolio of over 30 programs and services that help Manitobans. We'll continue to launch new initiatives and make enhancements to existing programs in the coming months and years.

Significant work has been done to bring Efficiency Manitoba to where it is today. What started as a vision for a stand-alone organization responsible for energy efficiency in Manitoba has grown into a fully functional organization with a team of industry experts. Each team member joining Efficiency Manitoba has shown incredible commitment, and their passion for energy efficiency is evident in the work they do on a daily basis. I'm incredibly proud to be a part of this organization.

Throughout evolving public health orders designed to keep Manitobans safe, we worked closely with our private sector program delivery partners to ensure our programs continued to be available, accessible, and safely delivered to customers seeking to participate in energy efficiency through the pandemic. While enabling customer participation in programs where possible, we recognize the significant pandemic impacts on business and residential customers. Many planned efficiency projects were understandably put on hold by our customers to focus on essential health, safety, community, and individual priorities.

Despite the challenges we faced as a new organization alongside all Manitobans, we found new ways to engage with stakeholders and the community. We held our very first public meeting virtually, which gave us an opportunity to answer questions and provide information to individuals from all across Manitoba. We also continued to meet virtually with our Energy Efficiency Advisory Group (EEAG),

whose commitment to ensuring a connection between their membership and our programs has been unwavering during these uncertain times. I'd like to thank the members of the EEAG for their engagement and advice as we implement our 2020-23 Efficiency Plan.

I'd also like to thank our Board of Directors. They've been supportive of our efforts since day one, and their expertise has proven valuable time and time again.

Energy efficiency plays an important role in Manitoba - today and tomorrow. Our upfront incentives and assistance lay the groundwork in creating long-lasting energy and bill savings for our customers. Further, the partnerships and programs we develop will be key contributors to our province's economic recovery from the pandemic. Our private sector program delivery partners play an important role in the provincial economy, creating jobs in communities across Manitoba. When you invest in energy efficiency, businesses delivering energy efficiency programming can continue their important work with us.

As we close our first year and move into our second, we look forward to every opportunity we have to engage with you, our customers. Efficiency Manitoba will continue to establish itself as a spark for positive economic development and environmental change through our continued drive for energy savings.

Colleen Kuruluk
Chief Executive Officer



“We’re here to help all Manitobans make energy-efficient decisions and investments in their homes and businesses.”



WHAT WE STAND FOR

SAVE TODAY. SAVE TOMORROW.

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 and 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 & Reconciliation principles in our business processes and how we deliver our programs.

OUR COMMITMENTS TO MANITOBANS



Efficiency Manitoba is committed to helping Manitobans reduce their utility bills, save energy, and reduce greenhouse gas emissions. We plan to meet our goals and legislated savings targets by:



Offering financial incentives to make energy efficiency improvements accessible and affordable to all Manitobans



Providing education, outreach, and training programs for the public and suppliers of energy-efficient technologies



Working with the business sector, non-government organizations, Indigenous communities and groups, Manitoba Hydro/Centra Gas, and the public to implement effective energy efficiency programs



Taking a lean, streamlined approach to program delivery and optimizing value for money

OUR MANDATE



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



MINISTERIAL EXPECTATIONS & PRIORITIES



Below is a status update on activities undertaken in 2020/21 that relate to Ministerial expectations and priorities:



ESTABLISH A LEANER, MORE STREAMLINED ORGANIZATION

We continued to build our team this year by systematically filling key operational roles and support positions. This was done in accordance with our approved 2020-23 Efficiency Plan, which included the provision to hire up to 75 full-time equivalent positions, representing a 30% reduction from historical delivery of demand-side management initiatives. Our recruitment activities are ongoing and a total of 60 team members were employed at the end of 2020/21.



ENSURE ALL EMPLOYEES ARE TREATED WITH DIGNITY & RESPECT

Policy development activities took place throughout the year, building upon the organizational foundation established during our first year of operations. This included the development and roll-out of our Respectful Workplace Policy, fostering a work culture of positive engagement, creativity, and diversity.



INCREASE TRANSPARENCY IN TENDERING & PROCUREMENT PRACTICES

Beyond maintaining continuity with private sector program delivery suppliers, we developed a number of public tenders to secure contracts for program and corporate support. These tenders were publicly posted to MERX to allow for a competitive bidding process. With a focus on value for money for Manitobans, we were also able to leverage contracts that the Province of Manitoba collaborative procurement group had in place, most of which were related to IT services and support.



ADVANCE RECONCILIATION WITH INDIGENOUS PEOPLES & COMMUNITIES

We added to our guiding principles to reflect our strong commitment to reconciliation:

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

As a step forward in our reconciliation journey, we included an Indigenous component in our tendering and procurement process.

As a guideline for Indigenous engagement, an Indigenous Engagement Roadmap was developed which looks to reconciliation, research, respect and relationships, and recognition and regard for Indigenous rights as guides for our approach. This roadmap will guide us as we develop our Indigenous Energy Efficiency Working Group (IEEWG). The IEEWG will provide real-time, ongoing feedback to assist in the design, delivery, and implementation of our Indigenous energy efficiency programs.



2020-23 EFFICIENCY PLAN

We have a mandate to develop and support energy efficiency initiatives that will reduce provincial consumption of electricity by 1.5% and natural gas by 0.75% annually. As a result of this mandate, we prepared our 2020-23 Efficiency Plan, which outlines programs and initiatives that will cost-effectively contribute to meeting Manitobans' needs for energy while helping reduce the impact of energy rate increases.

We actively participated in a rigorous three-month regulatory process with the Public Utilities Board (PUB). This extensive process involved the participation of four registered interveners, who provided valuable input related to the customer segments they represent. In advance of the public hearing process, we answered over 950 information requests submitted by independent experts and interveners. These groups, as well as members of the public, were invited to share their feedback and have their questions about our plan addressed directly during a three-week oral public hearing.

After the hearing, the PUB provided a report and recommendations to the Minister responsible for Conservation and Climate. We were pleased to hear that both the PUB and the Minister were supportive of our plan, and only minor amendments were required. Approval of the 2020-23 Efficiency Plan was received in time to commence operations on April 1, 2020.

OUR 15-YEAR TARGETS



1.5%

Reduce Manitoba's electricity consumption by 1.5% annually



0.75%

Reduce Manitoba's natural gas consumption by 0.75% annually

HELPING MANITOBANS SAVE

The cumulative energy savings achieved in the 2020-23 Efficiency Plan will help Manitobans save money and the environment. Energy savings also reduce the province's growing energy needs and delay expensive investments in new generation, transmission, and distribution infrastructure.

\$18 MILLION

Manitobans will save \$18 million annually on their energy bills.



14 MILLION TREES

Natural gas savings achieved through this plan will reduce greenhouse gas emissions by over 140,000 tonnes of CO₂e. That's the same as preserving over 14 million trees.



76,000 HOMES

Electric energy savings achieved through this plan will power over 76,000 homes for one year.



PROVIDING EXCEPTIONAL CUSTOMER SERVICE

TAILORED OFFERS FOR MANITOBA'S DIVERSE NEEDS



No two Manitobans are alike. From homeowners to small businesses to farmers to industry, everyone uses energy differently. That's why we put forward a diverse set of rebates and initiatives that are tailored to Manitobans, including customized programs for Indigenous customers and income-based offers. The programs and offers included in the 2020-23 Efficiency Plan are inclusive and easy to access.

PERSISTING CUMULATIVE GHG REDUCTIONS (TONNES OF CO₂e)



We are a valuable resource for achieving greenhouse gas (GHG) emission reductions and play a role in delivering on commitments outlined in the province's Made-in-Manitoba Climate and Green Plan.

Executing the 2020-23 Efficiency Plan will provide persisting cumulative GHG emission reductions from natural gas savings of over 140,000 tonnes of CO₂e.

BENEFITTING THE MANITOBA ECONOMY



We support the Manitoba economy. Energy efficiency programs and offers create opportunities for skilled trades, energy advocates, and communities. In fact, over the course of the 2020-23 Efficiency Plan, 87% of our annual budget will be returned to Manitobans in the form of customer incentives and through work with energy efficiency delivery partners. This promotes cleaner and more productive economic growth.

Every \$1 spent on energy efficiency provides \$3.21 in value to Manitoba electric customers.



CONTRACTORS



COMMUNITIES

SUPPLIERS

Programs and offers help fuel the local energy efficiency economy; contractors, suppliers, and communities work with us to deliver our programs and install energy-efficient technologies.

We work with private sector contractors and suppliers, creating opportunities for economic growth.



87% of the 2020-23 Efficiency Plan budget will go back to Manitobans and the private sector.

2020/21 HIGHLIGHTS

This fiscal year involved implementing the first year of our 2020-23 Efficiency Plan, and we worked hard to ensure programming was in place for those who were in a position to participate during the pandemic. We took fundamental steps to reach Manitobans to encourage future program uptake and participation. Our focus has been on implementing grassroots initiatives and cost-effective engagement strategies to let Manitobans know we're here to help.

ENSURING TRANSPARENCY & CONTINUOUS IMPROVEMENT

Independent review & assessment

In accordance with the Efficiency Manitoba Act Section 16(1) and to ensure independent review and assessment of our performance, we conducted an open public procurement process to select an independent assessor. This assessor is responsible for independently assessing program energy savings and cost effectiveness each year from 2020/21 to 2022/23, providing expert third-party verification and evaluation.

The independent assessor assesses the electricity and natural gas savings achieved in 2020/21. This process involves a detailed review of the tracked results of each program, as well as an assessment of the associated documentation and assumptions to ensure the calculations and methods used are accurate and consistent with energy efficiency evaluation best practices. This assessment results in verified energy savings along with the cost effectiveness of these savings. Upon completion

of the assessment, our independently assessed 2020/21 results will be delivered to the responsible Minister by September 30, 2021, as per the Efficiency Manitoba Act.

Public meeting

We held our first public meeting virtually on March 24, 2021, fulfilling legislated requirements under the Crown Corporations Governance and Accountability Act. The purpose of this meeting was to engage with members of the Manitoba public and share activities that took place in the 2020/21 fiscal year.

Efficiency Manitoba CEO Colleen Kuruluk provided approximately 160 virtual attendees with information about energy efficiency, an overview of Efficiency Manitoba, and how our team has built the foundation for achieving long-term mandated energy savings targets. Attendees were very engaged throughout the presentation, and 66 questions were answered either during the meeting or via email.

INTRODUCING OURSELVES

As a new organization, continuing to build our brand and ensuring Manitobans are aware of our programs are ongoing priorities.

This past year, we focused on establishing relationships with Manitobans through our email newsletter, which allows us to promote new offers and provide energy efficiency advice. Our number of newsletter subscribers grew from 3,683 on March 31, 2020 to 8,645 on March 31, 2021, representing an increase of 235%. Our average email open rate is 53.5%, meaning our subscribers are actively engaging with our content.

In October 2020, we distributed a magazine to over 384,000 Manitoba households via flyers in Winnipeg and newspapers in rural communities. The magazine is designed to help Manitobans understand the presence and purpose of Efficiency Manitoba, and also provided educational resources regarding rebates, energy efficiency tips, and seasonal lifestyle content.



Low Carbon Economy Fund:
Supporting natural gas efficiency
programs in Manitoba



Funded in part by:
Financé en partie par:
Canada

Manitoba

Low Carbon Economy Fund

On January 29, 2021, the Government of Canada, Government of Manitoba, and Efficiency Manitoba jointly announced that \$32.3 million of Low Carbon Economy Fund dollars will be used to support natural gas efficiency programs in Manitoba. The upgrades provided through our natural gas programs will help customers save money on monthly energy bills, reduce greenhouse gas emissions, and create jobs in Manitoba.



We launched a variety of campaigns to aid in brand awareness:

- The *SAVE NOW* instant rebate campaign ran from October 1 to November 30, 2020. This campaign was promoted via a robust media strategy including digital (online and social), print, radio, in-store promotional materials, and the magazine.
- The *SAVE MORE* rebate offer is in market year-round and benefits from periodic promotional efforts throughout the year. In the fall and winter, we undertook a media strategy including digital (online and social), print, in-store promotional materials, and the magazine.
- The Efficiency Manitoba New Homes Program safely partnered with the Manitoba Home Builders' Association during the Parade of Homes event to promote incentives available for the residential new construction market in Manitoba.
- We promoted our business offers in a variety of industry-specific publications.
- We partnered with the Manitoba Real Estate Association to develop *The Homebuyers' Guide to Energy Efficiency*. This resource, which is distributed to homebuyers by realtors, provides tips on how to save energy and money, advice for hiring a contractor, and information about equipment in new homes.
- We worked closely with the Association of Manitoba Municipalities to develop energy-saving guides for municipal buildings and energy efficiency advertorials for their quarterly publication, *The Municipal Leader*.
- We actively collaborated with various other associations and groups to start introducing our offers to Manitobans across customer segments.



BUILDING RELATIONSHIPS

OVER 30

Programs/offers implemented

688

Participating private sector suppliers delivering Efficiency Manitoba programs

ENGAGING MANITOBANS

NEWSLETTERS



MARCH 31, 2020

3,683

MARCH 31, 2021

8,645

TOTAL SUBSCRIBERS

ENERGY TEAM



2,767

Questions answered by email



8,947

Questions answered by phone



11,714

Total number of questions answered

SOCIAL MEDIA



	Likes	Reach*
2019/20	4,300	1,589,323
2020/21	4,694	2,382,795
	Total engagement**	Total impressions***
2019/20	18,039	1,693,617
2020/21	28,349	2,772,020

*The number of people who had any of our content on their screen.

**The number of people who engaged with our content, including clicks and story creation.

***The number of times any of our content was on a person's screen.

WEBSITE



	2019/20	2020/21
PAGE VIEWS*	202,041	721,554
SESSIONS**	104,904	203,544
USERS***	65,000	130,035

*The total number of pages viewed, including repeated views.

**The total number of sessions. A session is a period during which a user is actively engaged with our website.

***The number of people who started at least one session.

STRENGTHENING PARTNERSHIPS

Energy Efficiency Advisory Group

As part of the Efficiency Manitoba Act, the Energy Efficiency Advisory Group (EEAG) was established in 2019. Their role is to provide advice about the development and implementation of our Efficiency Plan and perform advisory responsibilities.

We met and continue to meet with the EEAG quarterly to provide updates on the implementation of the 2020-23 Efficiency Plan, seek their advice and perspectives, and build relationships by further engaging with their members through presentations and education opportunities.

EEAG members:

- Association of Manitoba Municipalities (AMM)
- Consumers' Association of Manitoba (CAC-MB)
- Expert Advisory Council on the Climate and Green Plan (EACCGP)
- Green Action Centre (GAC)
- Manitoba Industrial Power Users' Group (MIPUG)
- Keystone Agricultural Producers (KAP)
- Manitoba Keewatinowi Okimakanak Inc. (MKO)
- Manitoba Metis Federation (MMF)
- Southern Chiefs' Organization (SCO)

Indigenous engagement

We seek to develop long-term relationships with Indigenous Manitobans, First Nations communities, Tribal Councils, Métis citizens, and other Indigenous organizations. Our engagement efforts ensure that the voices of Indigenous Manitobans are heard in the development of energy efficiency strategies and encourage economic development. We've been directly engaging with First Nation communities, Tribal Councils, and Indigenous organizations such as Manitoba Keewatinowi Okimakanak, Southern Chiefs' Organization, and the Manitoba Metis Federation.

As part of this engagement, development began for the Indigenous Energy Efficiency Working Group to gain Indigenous perspectives, which will improve opportunities and access to energy efficiency programs and offers for Indigenous Manitobans. In 2020/21, we engaged with members from the 63 First Nations, seven Tribal Councils, and the Manitoba Metis Federation to share the framework for the working group and structure for partnership.

PRIORITIZING SAFETY

The onset of the COVID-19 pandemic in March 2020 required adaptations in the ways we work and meet with customers and stakeholders. Many aspects of the pandemic impacted customer participation in our programs and resulting energy savings.

Notably, we implemented, monitored, and adjusted our safety policies and procedures for in-home and in-business services provided through private sector service providers. At various points throughout the year, in-home and in-business services were suspended due to restrictions arising from public health orders. Some exceptions were made for the following scenarios:



- Emergency residential furnace replacements
- Project post-verifications that could be fully conducted from the exterior of a residence
- Servicing non-essential businesses that were closed
- Servicing non-essential businesses that were only open for curbside pick-up or delivery, with visits being scheduled during off-hours to eliminate or greatly limit in-person interactions

Programs for First Nation on-reserve customers were impacted by COVID-19 due to community restrictions and the suspension of non-essential northern travel.

PUTTING CUSTOMERS FIRST

Customer experience

We're here to provide friendly, knowledgeable, and accessible customer experiences. Our goal is to empower Manitobans to take on energy efficiency opportunities that help them save energy, money, and the environment. Our team of experts are passionate about energy efficiency and want to help our fellow Manitobans find ways to live more efficiently and comfortably. We strive to foster a climate of honest and principled business conduct; all interactions are handled with dignity and respect.

Customers can get in touch with us through email, phone, and social media channels. In our effort to support the private sector, we contracted a Winnipeg-based company to handle incoming calls and emails from customers.

We began developing our customer experience program in 2020/21. This program includes feedback, metrics, and key performance indicators, which we'll be monitoring closely over the coming year to ensure we're continuously improving. One way for customers to voice their expectations and feedback is through a satisfaction survey. The survey will help us understand the experiences our customers have while participating in our programs and will help us improve the services we offer to Manitobans.

CRM/DSM tracking system

An important component to our ongoing success is implementing an integrated customer relationship management ("CRM") and demand-side management ("DSM") tracking system. This system is intended to streamline the customer's program application experience and our internal operations. Creating a simple and accessible interface that translates customer inputs into program reporting metrics will contribute to our overall plan for energy efficiency in Manitoba with reduced operational costs and greater efficiencies.

We undertook a public tendering process to secure a vendor to work with us in implementing a CRM/DSM tracking system. A contract was successfully awarded in June 2020. Since then, work has been ongoing to configure our programs into the new system. The first tool to launch was a portal for participating suppliers, which has been met with great success.



Our goal is to empower Manitobans to take on energy efficiency opportunities that help them save energy, money, and the environment.

CUSTOMER RELATIONSHIP MANAGEMENT SYSTEM



Increased efficiency

- Automates everyday tasks for customers, suppliers, and staff
- Offers an easy and convenient way to apply for programs
- Reminds customers of upcoming site visits/assessments and missing application information



Improved customer experience

- Provides insights that boost the customer's journey
- Delivers tailored campaigns and social interaction by customer segments
- Delivers customer satisfaction surveys
- Provides self-service options
- Provides a myEM dashboard for customers and suppliers



Greater transparency & knowledge sharing

- Sends real-time application status updates
- Allows customers and suppliers to view past and present applications in one location
- Allows customers and suppliers to use program calculators to estimate incentive amounts

SUCCESS STORIES

Despite the challenges presented by the COVID-19 pandemic, we were able to help Manitobans complete energy-saving projects at their homes, businesses, and facilities. Outlined in this section are just a handful of the successful projects we completed with customers in the 2020/21 fiscal year.

New Homes Program

Our New Homes Program provides rebates to homeowners and builders who construct Certified Energy Efficient new homes. A unique project that came through the program was a homeowner-built certified Net Zero Energy (NZE) home in Ste. Anne. NZE projects use renewable energy sources such as solar photovoltaics to generate as much energy on an annual basis as the site is expected to consume.

The homeowner worked closely with our contracted service provider, prairieHOUSE Performance, Inc., for energy modelling and energy design consultation. This project followed the recommended practice of reducing energy requirements by optimizing building envelope components first, before sizing or adding renewables.



Net Zero Energy home in Ste. Anne

“Efficiency Manitoba was instrumental in providing technical information on net zero home building best practices. We became a net positive home with their help and we now use our supplemental power for charging our all-electric car for free on a daily basis. It’s a win-win for the planet and our operating costs are very low. No air conditioning is needed in the summer and heating is covered by the solar component of the project.”

Marcel Benjamin

President | Benjamin Mechanical Inc.



Project features included the following:

- A simple open floor plan and building geometry
- South-facing orientation and glazing (window) optimization including a selection of low-e coatings
- A dense pack cellulose-filled double wall system (approximately R-45 effective)
- An R-90 effective ceiling system
- Good levels of air tightness (1.01 ACH @50Pa)
- Simple, durable, conventional electric resistance mechanical systems
- An adjustable ground mount solar installation, which is able to track the path and angle of the sun

The EnerGuide reference house for this project would consume an estimated 27,004 kWh annually. Without renewable energy sources, the house has a rated consumption of only 14,125 kWh, making it nearly 48% more energy efficient than a comparable new home. Once solar panels are factored in, the home's estimated production of 15,735 kWh will create an energy surplus of 1,610 kWh annually. This makes the project 100% more energy efficient than a comparable new home.

This project received a \$12,682.50 rebate and a Net Zero Energy certification from both Efficiency Manitoba and Natural Resources Canada.



Small Business Program

During BDC Small Business Week in October 2020, Manitobans were asked via social media to nominate their favourite local small business to win a free lighting upgrade through our Small Business Program. Chez Angela Bakery and Café in Brandon was selected and announced as the winner of the contest in February 2021, and their basic energy-efficient upgrades and lighting assessment were completed in March 2021. Work is underway for a local subcontractor to upgrade their 160 inefficient E12 bulbs to LEDs at no cost to Chez Angela, with a total incentive of \$3,000.

Chez Angela Bakery & Cafe

“As a small business in Manitoba, we feel that energy efficiency is a multi-dimensional win. It benefits future generations by reducing the environmental impact that we make, and it’s good for our own business sustainability. Energy efficiency is good for our future generations, for our bakeshop and for our entire province.”

James Chambers
General Manager

HVAC & Controls Offers

In October 2020, we launched our Upstream Heating, Ventilation & Air Conditioning (HVAC) Program. The program offers per-unit rebates to distributors of energy-efficient commercial HVAC equipment including boilers, heat recovery ventilators, energy recovery ventilators, water heaters, air-cooled chillers, unit heaters, and infrared heaters.

This “upstream” program is one of the first of its kind in Manitoba. We work directly with approved equipment distributors to generate more energy-efficient equipment sales in the province and encourage improved availability and pricing for contractors and customers. Eight distributors are now registered to submit program applications.

Business Lighting Program

Our Business Lighting Program provides incentives to help businesses upgrade to energy-efficient lighting. Elias Woodwork in Morden completed an extensive lighting upgrade through the program, replacing their fluorescent office lighting, metal halide shop lighting, and high-pressure sodium outdoor lighting with LEDs. This project will result in over 360,000 kWh of annual energy savings and approximately \$18,000 in annual bill savings. Aside from saving money on their energy bills, Elias Woodwork now has a consistently well-lit, low maintenance lighting system throughout their entire facility.

Energy Efficiency Assistance Program

We’re committed to making energy efficiency affordable to all Manitobans, regardless of income. Our Energy Efficiency Assistance Program helps homeowners access energy efficiency upgrades by offering a free home energy check-up, basic energy saving devices, insulation, and high-efficiency natural gas heating systems.

We work closely with non-profit housing groups and associations to provide energy efficiency upgrades to their properties for lower-income individuals. The Manitoba Non-Profit Housing Association Conference was held virtually this year with multiple educational sessions being held from October 2020 to February 2021. We were an active participant in the conference, and the virtual trade show format allowed conference attendees to connect with our team and book appointments to learn more about our programs.

Custom Energy Solutions Program

Our Custom Energy Solutions Program provides tailored incentives and technical assistance to facilities that would benefit from energy-efficient upgrades. One recent program participant was JELD-WEN Windows & Doors, one of the world's leading manufacturers of windows and doors. They operate a large production facility in Winnipeg offering an extensive range of window and door products for use in the new construction and renovation industry for residential and commercial markets. Historic consumption by the Winnipeg facility has exceeded 1.2 GWh, which is enough to power 66 homes for an entire year.

JELD-WEN's corporate commitment to reducing the amount of energy required to operate plants and offices nationwide was evidenced through their participation in our Custom Energy Solutions Program, through which they received a compressed air system upgrade.

This upgrade will reduce JELD-WEN's annual energy consumption by 318,258 kWh, cutting their utility costs by over \$21,000 per year.

We worked with JELD-WEN's quality engineer to analyze the installation of a new lead trim compressor to replace their existing system. This project also highlights the systems approach that was taken, beyond just equipment replacement. Specifically, this project included an air flow reduction of 100 cubic feet per minute associated with end uses, reflecting the increased focus on end-use optimization. Rather than installing a new 100 hp fixed speed compressor, a 100 hp variable speed drive (VSD) compressor, larger cycling dryer, larger flow controller, and a rigorous effort to reduce air leakage were implemented. The customer, along with the support of the vendor, ensured these measures were undertaken to address and repair the leaks for continued optimization of the system. An incentive of \$49,299 was provided to JELD-WEN which lowered the payback for this capital investment from 3.8 years to 1.4 years.



JELD-WEN

“Efficiency Manitoba’s Custom Energy Solutions Program supported our capital project to upgrade our facility’s compressed air equipment. Their staff were very knowledgeable on the various compressor systems and provided support to manage our project and a financial incentive as well. Our organization is always looking for ways to improve efficiency and safety and support environmental programs. The high-efficiency compressor was a great option and will benefit our organization for many years to come. We look forward to working with Efficiency Manitoba on future projects.”

Alan Margolese, P. Eng.
Quality/JEM Manager



Malteurop

“Our experience with Efficiency Manitoba was great. Thanks to their exceptional advice and professional support on energy saving initiatives, we achieved a big success on both natural gas and electricity reduction. Energy efficiency is definitely a top priority for our industry; besides reducing our company’s internal processing costs, it also helps create a healthier planet. We are very glad to be in the program and look forward to future collaboration.”

Junyong Zhang
Process Engineer, EIT

Strategic Energy Manager Initiative

Our Strategic Energy Manager Initiative provides enhanced or additional incentives on top of other Efficiency Manitoba offers. This includes incentives for operating and maintenance improvements, funding for Strategic Energy Management Workshops, and ongoing coaching and technical support for participating organizations to develop and implement a Strategic Energy Management Plan, while fostering a culture of energy conservation and commitment to long-term energy efficiency and energy savings.

Malteurop, a 230,000 square foot malting facility located in Winnipeg, continues to be a valued participant in the Strategic Energy Manager Initiative. Malteurop is one of the largest malt producers in the world and a supplier to over 900 customers including brewers, distillers, and food producers. Through the Strategic Energy Manager Initiative, Malteurop is continuously seeking out energy efficiency opportunities and tracks their performance relative to the amount of electricity and natural gas consumed for each ton of malt produced.

Malteurop upgraded its dust collection system to correct inefficiencies that evolved from years of modifications, resulting in annual savings of 1,364,859 kWh and reducing their utility costs by \$80,000 per year. We provided them with a financial incentive of \$97,614, which reduced the project’s payback to 1.2 years.

In addition to this, Malteurop successfully completed several other low-cost and maintenance-related energy-saving initiatives. They achieved an additional 762,876 kWh of annual energy savings by optimizing their air flows, cleaning their heat exchangers, addressing water requirements to optimize their pumps, and undertaking other initiatives. We provided them with a \$15,258 incentive, and Malteurop will realize additional annual bill savings of over \$44,000.

Through Malteurop’s commitment to adopting a culture of strategic energy management, they reduced their energy consumption by over 20%, achieving a cumulative reduction of 2.8 GWh in electricity and 1.5 million m³ in natural gas. They’re well on their way to meeting their strategic goal of minimizing performance gaps compared to their most cost-efficient facility located in Seville, Spain.





FINANCIAL STATEMENTS

OF EFFICIENCY MANITOBA INC.

And Independent Auditors' Report thereon
Year ended March 31, 2021

Independent Auditors' Report



To the Board of Directors of Efficiency Manitoba Inc.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

Opinion

We have audited the financial statements of Efficiency Manitoba Inc. (the “Entity”), which comprise the statement of financial position as at March 31, 2021, 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, 2021, and its results of operations 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 “**Auditors’ Responsibilities for the Audit of the Financial Statements**” section of our auditors’ 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.

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.

Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditors' report thereon, included in a document likely to be entitled "Annual Report 2020-21".

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 auditors' report thereon, included in a document likely to be entitled "Annual Report 2020-21" is expected to be made available to us after the date of this auditors' 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

The image shows a handwritten signature in black ink that reads "KPMG LLP". The signature is written in a cursive, slightly slanted style. Below the signature is a single horizontal line that starts under the 'K' and extends to the right, ending under the 'P'.

Chartered Professional Accountants

Winnipeg, Canada

July 8, 2021

Efficiency Manitoba Inc.

Statement of Financial Position

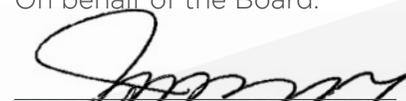
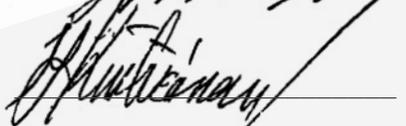
As at March 31, 2021, with comparative information for 2020

	2021	2020
Financial assets:		
Cash	\$ 2,626,979	\$ 117,278
Accounts receivable and accrued revenue (note 5)	—	139,854
	2,625,979	257,132
Financial liabilities:		
Accounts payable and accrued liabilities (note 5)	2,307,649	257,132
Deferred revenue (note 5)	456,672	—
	2,764,321	257,132
Net debt		
	(137,342)	—
Non-financial assets:		
Tangible capital assets (note 2)	868,701	18,561
Prepaid expenses	137,342	—
	1,006,043	18,561
Accumulated surplus	\$ 868,701	\$ 18,561
Accumulated surplus is comprised of:		
Invested in tangible capital assets	\$ 868,701	\$ 18,561

Commitments (note 3)

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, 2021, with comparative information for 2020

	Budget	2021	2020
	(Note 7)		
Revenue:			
Manitoba Hydro contributions	\$ 61,992,139	\$ 26,457,764	\$ 3,498,243
Interest income	—	11,346	45
	61,992,139	26,469,110	3,498,288
Expenses:			
Salaries and benefits (note 5)	9,155,713	6,443,202	798,877
Customer incentives (note 5)	40,249,023	17,000,265	—
Contracted services and program delivery (note 5)	9,339,364	1,896,600	217,248
Regulatory expense	200,000	4,552	2,303,743
Rent (note 5)	458,754	136,111	48,692
Other expenses (note 5)	2,589,285	988,380	120,509
	61,992,139	26,469,110	3,489,069
Surplus for the year before the undernoted	—	—	9,219
Manitoba Hydro contributions related to capital	1,194,000	892,345	17,374
Amortization expense	(165,000)	(42,205)	(8,032)
Surplus for the year	\$ 1,029,000	850,140	18,561
Accumulated surplus, beginning of year		18,561	—
Accumulated surplus, end of year		\$ 868,701	\$ 18,561

See accompanying notes to financial statements.

Efficiency Manitoba Inc.

Statement of Changes in Net Debt

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Surplus for the year	\$ 850,140	\$ 18,561
Acquisition of tangible capital assets	(892,345)	(17,374)
Amortization of tangible capital assets	42,205	8,032
Change in prepaid expenses	(137,342)	2,053
	(137,342)	11,272
Net debt, beginning of year	—	(11,272)
Net debt, end of year	\$ (137,342)	\$ —

See accompanying notes to financial statements.

Efficiency Manitoba Inc.

Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating transactions:		
Surplus for the year	\$ 850,140	\$ 18,561
Amortization of tangible capital assets	42,205	8,032
Change in non-cash operating working capital:		
Accounts receivable and accrued revenue	139,854	(139,854)
Prepaid expenses	(137,342)	2,053
Accounts payable and accrued liabilities	2,050,517	238,973
Deferred revenue	456,672	(25,763)
	3,402,046	102,002
Capital transactions:		
Additions to tangible capital assets	(892,345)	(17,374)
Increase in cash	2,509,701	84,628
Cash, beginning of year	117,278	32,650
Cash, end of year	\$ 2,626,979	\$ 117,278

See accompanying notes to financial statements.

Efficiency Manitoba Inc.

Notes to Financial Statements

Year ended March 31, 2021

General:

The Efficiency Manitoba Act was proclaimed into effect 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. 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 from Manitoba Hydro 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.

Efficiency Manitoba Inc.

Notes to Financial Statements (continued)

Year ended March 31, 2021

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, 2021

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 development in progress 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
Computer	3 years
Computer software	5 years
Furniture and fixtures	2 years

Efficiency Manitoba Inc.

Notes to Financial Statements (continued)

Year ended March 31, 2021

1. Significant accounting policies (continued):

(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, vested sick leave, severance and vacation entitlement benefits, if any, are accrued as employees earn the benefits.

(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. Actual results could differ from those estimates.

Efficiency Manitoba Inc.

Notes to Financial Statements (continued)

Year ended March 31, 2021

2. Tangible capital assets:

Cost	Balance at March 31, 2020	Additions	Disposals	2021 Total	2020 Total
Computers	\$ 17,905	\$ 161,660	\$ —	\$ 179,565	\$ 17,905
Furniture and fixtures	10,989	—	(4,569)	6,420	10,989
Computer software	—	51,217	—	51,217	—
Specialized demand side management software development in progress	—	679,468	—	679,468	—
	\$ 28,894	\$ 892,345	\$ (4,569)	\$ 916,670	\$ 28,894

Accumulated Amortization	Balance at March 31, 2020	Additions	Disposals	2021 Total	2020 Total
Computers	\$ 5,302	\$ 33,939	\$ —	\$ 39,241	\$ 5,302
Furniture and fixtures	5,031	4,353	(4,569)	4,815	5,031
Computer software	—	3,913	—	3,913	—
	\$ 10,333	\$ 42,205	\$ (4,569)	\$ 47,969	\$ 10,333

Net book value	2021 Total	2020 Total
Computers	\$ 140,324	\$ 12,603
Furniture and fixtures	1,605	5,958
Computer software	47,304	—
Specialized demand side management software development in progress	679,468	—
	\$ 868,701	\$ 18,561

Efficiency Manitoba Inc.

Notes to Financial Statements (continued)

Year ended March 31, 2021

3. Commitments:

The Corporation has entered into an agreement to lease office space under an operating lease commencing January 1, 2022 with an expiry date of March 30, 2032. In addition, the Corporation has entered into a three-year agreement with its third-party software vendor for hosting, license and support services. The Corporation's annual payments for the next five fiscal years under these contracts are as follows:

2022	\$	335,214
2023		486,793
2024		287,083
2025		224,715
2026		228,460
	\$	1,562,265

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 \$174,000.

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.

4. 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 \$262,520 (2020 - \$24,502) to the Plan on behalf of its employees. Contribution rates for the Corporation are at 7.1 percent (2020 - 7.1 percent) of pensionable earnings up to the yearly maximum pensionable earnings limit (YMPE) and 9.0 percent (2020 - 9.0 percent) on earnings in excess of the YMPE.

Efficiency Manitoba Inc.

Notes to Financial Statements (continued)

Year ended March 31, 2021

5. Related party transactions:

Prior to the Corporation commencing operations on April 1, 2020, the customer incentive programs now managed by the Corporation were being operated by Manitoba Hydro. For periods during the year ended March 31, 2021, certain customer incentive programs continued to be operated by Manitoba Hydro until the time at which the customer incentive programs were formally transferred to the Corporation. Upon the transfer of these customer incentive programs to the Corporation, all costs incurred on these programs from April 1, 2020 to the transfer date were charged by Manitoba Hydro to the Corporation.

The amounts charged by Manitoba Hydro to the Corporation on the transfer of the customer incentive programs and the financial statement captions in which they are recognized are as follows:

Customer incentives	\$ 7,112,809
Salaries and benefits	2,039,430
Contracted services and program delivery	692,170
Other expenses	349,569
	<hr/>
	\$ 10,193,978

Rent expense includes office space rented from Manitoba Hydro of \$120,000 (2020 - nil) for the year ended March 31, 2021. The office space is rented on a month-to-month basis, and the Corporation expects to vacate the office space on the commencement of its new office space lease on January 1, 2022 (note 3).

Accounts payable and accrued liabilities at March 31, 2021 includes accounts payable of \$442,368 (2020 - nil) to Manitoba Hydro. Deferred revenue of \$456,672 at March 31, 2021 (2020 - nil) represents contributions received from Manitoba Hydro during the year ended March 31, 2021 in excess of expenditures incurred. Accounts receivable and accrued revenue of nil at March 31, 2021 (2020 - \$139,854) represents contribution amounts due from Manitoba Hydro.

Efficiency Manitoba Inc.

Notes to Financial Statements (continued)

Year ended March 31, 2021

6. 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.

7. Budget:

On March 19, 2020, the Board of Directors of the Corporation approved the 2020/21 operating budget which has been utilized in these financial statements.

8. COVID-19 implications:

The onset and continuation of the COVID-19 pandemic throughout fiscal year 2020/21 aligned with the Corporation's first year of operations. Disruptions in customer operations have impacted participation in energy efficiency programming and therefore resulted in both a decrease in the budget expended by the Corporation as well as a decrease in the energy savings achieved. Disruptions directly related to the pandemic include:

- Delay of the public launch for the Corporation including the Spring Retail Rebate campaign.
- Shift to virtual work for all employees of the Corporation in addition to a shift to virtual operations for industry partners and customers (reduced opportunities for in-person meetings, sales calls and conference/trade show attendance).
- Temporary ceasing of programs requiring the Corporation's third-party contractors to access customer homes and businesses throughout the year aligned with changing public health orders in addition to continuous adjustments to enable service to customers where safe and practical to do so.
- Temporary pause on the transition of staff recognizing public health orders to facilitate working from home to the extent practical and to provide time for required collaboration with bargaining units on Provincial Workforce Sustainability.

Efficiency Manitoba Inc.

Notes to Financial Statements (continued)

Year ended March 31, 2021

8. COVID-19 implications (continued):

- Voluntary reductions or delays in spending (advertising, contracted services) to support whole of government approach to reducing spending.
- Impacts to customer participation resulting from:
 - Business closures in hospitality, restaurant, retail and office;
 - Inability to access pandemic impacted facilities such as hospitals, long-term care facilities, and schools;
 - General economic uncertainty creating hesitancy to proceed with capital upgrades for customers in all sectors (residential, commercial, industrial, agricultural); and
 - Inability to access First Nations and remote northern communities.

At the time of preparation of these financial statements, the Province of Manitoba was still experiencing the impacts of the pandemic and therefore, the timing of a return to the conditions and customer participation modelled for the 2020-2023 Efficiency Plan was not yet known. The duration of the COVID-19 pandemic and the pace of economic recovery in the Province of Manitoba will impact the participation in energy efficiency programs and the Corporation's ability to achieve targeted energy savings for 2021/22. An estimate of the financial effects is not practicable at this time.

9. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.



SAVE TODAY.
SAVE TOMORROW.

EFFICIENCY MANITOBA
energyteam@efficiencyMB.ca
efficiencyMB.ca