

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

THE ROAD TO LONG-TERM ENERGY SAVINGS



As Chair and on behalf of the Board of Directors, it is my pleasure to present Efficiency Manitoba's Annual Report for the 2021/22 fiscal year.

The publication of this annual report marks the completion of Efficiency Manitoba's second year of operations. Having officially commenced on April 1, 2020 at the start of a global pandemic, this new organization has succeeded through extraordinary external events, alongside our fellow citizens. Manitobans have understandably been focused on health, safety, and other priorities in the wake of such a challenging time.

Efficiency Manitoba is well-poised to positively contribute to the province's economic recovery. By being agile and adjusting programs as necessary, creating partnerships with communities, organizations, and the private sector, and making progress on key initiatives, we're seeing a corresponding increase in customer participation, thereby leading to demonstrable energy savings results.

The establishment of this organization focused on energy efficiency has come at an opportune and necessary time. Energy efficiency can and will be a key strategy for achieving provincial and national climate goals and targets. Efficiency Manitoba's approved Efficiency Plan has served as the roadmap for enabling long-term electricity and natural gas savings. Significant effort has gone into implementing the programs and initiatives set forth in this plan, and much progress has been made in the second year.

I'd like to thank my colleagues on the Board of Directors. Their talents and dedication to energy efficiency in our province have been greatly appreciated. The guidance and support they've provided since day one continue to be instrumental in ensuring Efficiency Manitoba's vision, mission, and strategic goals guide every step in the critical work of this very important organization to all Manitobans. I'd also like to thank the employees at Efficiency Manitoba for their dedication and commitment, despite the challenges presented by the COVID-19 pandemic.

With 15 years of projected energy savings to achieve, the work of building an energy-efficient Manitoba has a strong foundation. It's an honour to provide oversight and support Efficiency Manitoba's activities in creating a future of economic resiliency and environmental sustainability. We're excited for everything that's to come in year three and beyond.

Jeannette Montufar, P.Eng.

Board Chair

EFFICIENCY MANITOBA BOARD



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(Chair)



George Orle
(Vice-Chair)



Ray Redfern



Jack Wilson



Bryan Purdy



Kelly de Groot



Edna Nabess



Gary Kristiansen



Sukhjinder Sandhu

MESSAGE FROM THE CEO

BUILDING MOMENTUM FOR AN ENERGY-EFFICIENT FUTURE

It's hard to believe that we've completed our second year of operations. It feels like just yesterday that Efficiency Manitoba commenced. Looking back, it's incredible how much work has gone into creating a one-stop shop for energy efficiency in Manitoba.

We made significant progress during year two of our organization while COVID-19 continued to serve as our unfortunate backdrop. We continued to build our team of experts who are ready and committed to serving Manitobans. We also continued the work of introducing ourselves to the province. As a new organization, it's important that we let Manitobans know that we're here to help. Through brand awareness initiatives and ongoing communication, Manitobans became increasingly familiar with us and what we have to offer.

While pandemic-related and other challenges continue to exist across our province, some Manitobans are returning to a place where they're able and willing to invest in energy efficiency upgrades and participate in our wide range of programs. Our commitment to ensuring our offers are accessible and helpful cannot be understated. We're fully committed to delivering on our approved Efficiency Plan by continuing to launch new programs while making ongoing improvements and enhancements to our existing programs.

I'm proud to say that we launched nine new programs and offers this fiscal year

and introduced program enhancements to increase incentives and eligibility for customers across Manitoba. From high-performance window and door rebates for homeowners, to funding for new innovative technologies and approaches to energy efficiency that may translate into future programs or offers, we've been dedicated to introducing initiatives that target Manitobans in all customer sectors. By providing diverse, accessible, and affordable ways to engage in energy efficiency, we're making a real difference in Manitobans' lives while contributing to the province's economic recovery from the pandemic via our work with suppliers and installers across the province.

Our Annual Business Plan represents the key initiatives we're undertaking to support our strategic goals and ensure long-term success as an organization. I'm thrilled to look back and see how much progress we've made in working towards completing these key initiatives. Releasing our new customer relationship management and demand-side management system focused on a streamlined and customer-friendly experience with our programs, launching our Innovation Fund, and moving forward with our market potential study are among just a handful of our many accomplishments.

There are a few groups of people who are owed special thanks from Efficiency Manitoba. Firstly, our Energy Efficiency Advisory Group has been instrumental in providing helpful perspectives related to the implementation of

our Efficiency Plan; I can't thank them enough for their ongoing engagement and commitment to continued involvement through this past year. I'd also like to express my appreciation to the Board of Directors for continuing to show their support for our endeavours and providing their expertise and guidance along the way.

And finally, I'd like to thank you—our fellow Manitobans. Your willingness to engage with us and take on energy efficiency projects is critical to our collective work to make Manitoba increasingly more energy efficient. Some of you may just be starting to make energy-efficient choices and some of you have seen and realized the value through more than one project. No matter where you are, we're here to help you save energy, money, and the environment.

We look forward to connecting with you through the year ahead. In addition to our extensive suite of existing offerings, lots of exciting launches, enhancements, and initiatives are planned for our third year. We can't wait to continue this journey with you.

Colleen Kuruluk
Chief Executive Officer



“We’re fully committed to delivering on our approved Efficiency Plan by continuing to launch new programs while making ongoing improvements and enhancements to our existing programs.”



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



We're committed to helping Manitobans lower 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



The following provides a status update on activities undertaken in 2021/22 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 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. At the end of 2021/22, our team was largely in place and actively reaching out to and collaborating with Manitobans.



ENSURE ALL EMPLOYEES ARE TREATED WITH DIGNITY & RESPECT

Throughout our second year of operations, we continued fostering a work culture of respect, positive engagement, creativity, and diversity. An employee survey was conducted within the fiscal year with results demonstrating a positive and supportive workplace culture.



INCREASE TRANSPARENCY IN TENDERING & PROCUREMENT PRACTICES

We developed several public tenders to secure contracts for program and corporate support. These tenders were publicly posted to MERX to allow for a competitive bidding process. A significant Request for Qualified Service Providers process was undertaken to obtain demand-side management services and support; 33 vendors were pre-qualified through the process to provide services for future work requirements. This is above and beyond the over 1,000 private sector suppliers who are registered to deliver our programs and services to Manitobans across the province.

With a focus on value for money for Manitobans, we were also able to leverage contracts the Province of Manitoba collaborative procurement group had in place, most of which were related to corporate support and services.



ADVANCE RECONCILIATION WITH INDIGENOUS PEOPLES & COMMUNITIES

We continued taking steps related to our strong commitment to reconciliation, and an Indigenous Engagement Roadmap focusing on reconciliation, research, respect and relationships, and recognition and regard for Indigenous rights guides our approach. This roadmap has served as a guide for our work with our Indigenous Energy Efficiency Working Group (IEEWG) which provides ongoing feedback to assist in the design, delivery, and implementation of our Indigenous energy efficiency programs.



OUR ANNUAL BUSINESS PLAN

We prepare and publicly post an Annual Business Plan (ABP) that outlines prescribed information in accordance with the Crown Corporations Governance and Accountability Act. This annual report serves to provide an update on the activities outlined therein.

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



KEY INITIATIVE 1:

CUSTOMER RELATIONSHIP MANAGEMENT & DEMAND SIDE MANAGEMENT (CRM/DSM) SYSTEM

The implementation of a comprehensive CRM/DSM system is instrumental in enhancing and streamlining our operations from both a customer-facing and an internal perspective. The system serves as the database of program participation and projects across all customer segments. Program data and statistics are centralized and readily available for reporting purposes. This reduces time, labour, red tape, and paper waste, leading to internal efficiencies and contributing to lower operational costs.

The CRM/DSM system is designed to improve the customer experience through enabling digital participation efficiencies and transparency. It provides tools and information to our 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.

The 2021/22 fiscal year saw significant progress in the system's implementation. Almost half of all programs offered are now being executed and monitored in the system and the remaining

programs will be completed in the 2022/23 fiscal year. Over 80% of projects for which we paid incentives were received and processed through the new system, indicating high levels of uptake and efficiency. In addition, our business development team conducted multiple training sessions and provided resources in 2021/22 to ensure suppliers were well-versed on how to use the new system.

Implementation of the CRM/DSM system is a key initiative for achieving two of our strategic goals: **Achieving excellence in our programs and services** and **Building a solid foundation for a successful organization**. The efficiencies achieved through this system will also ensure lower delivered costs for energy efficiency programming in Manitoba. More information about the CRM/DSM system can be found on page 24.

KEY INITIATIVE 2: INNOVATION FUND

The Innovation Fund (Fund) is designed to allow us 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 our 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 our 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 launched in September 2021 with funding available for Manitoba-based corporate, non-profit, community and Indigenous organizations, and Indigenous communities. Eligible projects can receive funding of up to 75% of the project cost to a maximum of \$250,000.

We received over a dozen Expressions of Interest and formal applications during the first intake period. Following review, we've committed to providing over \$500,000 to support innovative energy efficiency projects in Manitoba.

Not only will the Fund contribute towards our strategic goal of **Achieving excellence in our programs and services**, it also positions us for meeting long-term energy savings targets. Future intake periods for this Fund will provide additional opportunities for communities and organizations to take on innovative energy-saving projects.





KEY INITIATIVE 3:

INTEGRATED DSM POTENTIAL STUDY

To aid the development of future efficiency plans, we've initiated an Integrated Demand Side Management Potential 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 customer segments: residential, income-based, Indigenous, commercial, agricultural, and industrial.

Based on the introduction of new and emerging technologies, the market review also includes an examination of existing energy efficiency, distributed generation, and fuel-switching technologies and those technologies that may be 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 our mandate in the areas of electric vehicles and demand response. We've partnered with Manitoba Hydro for these added components. Completion of study components have been on track in accordance with the project schedule.

Completing the study serves our strategic goal of **Achieving excellence in our programs and services** and will be imperative for program planning relative to long-term energy savings targets. It's also anticipated to inform critical components of the Provincial Energy Strategy and serve to inform Manitoba Hydro's Integrated Resource Plan.

KEY INITIATIVE 4:

INDIGENOUS ENERGY EFFICIENCY WORKING GROUP

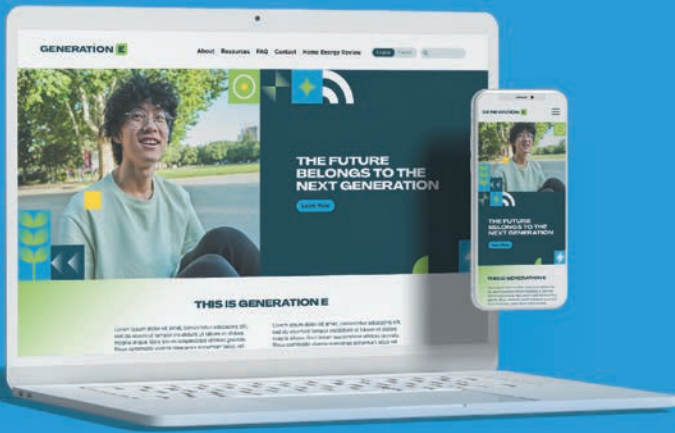
The 2021/22 fiscal year saw the development of the Indigenous Energy Efficiency Working Group (IEEWG). The purpose of the IEEWG is for us to provide information and receive ongoing feedback to assist in the design, delivery, and implementation of our Indigenous energy efficiency programs and Indigenous Engagement Roadmap.

We held two IEEWG meetings in 2021/22. During these meetings, participants had an opportunity to learn about us and our programs. It also provided participants with a forum to explain the unique challenges their respective communities face, especially as a result of the COVID-19 pandemic. This open dialogue allowed us to share information about how we can collaborate with communities to offer efficiency programs that are accessible and equitable. We

saw a high level of interest in our Indigenous Community Energy Efficiency Program which enables First Nation communities to hire and train a community-based Energy Efficiency Advocate. Advocates will engage with us and their community to create a community-led energy efficiency plan that facilitates participation in our programs.

Successful implementation of the IEEWG and ensuring ongoing feedback mechanisms contributes towards achievement of our strategic goal of **Building and sustaining meaningful partnerships with a customer focus**, is aligned with our guiding principle focused on Reconciliation, and will assist us in implementing energy savings opportunities in a previously under-served market. More information about the IEEWG can be found on page 26.





KEY INITIATIVE 5: ENERGY EFFICIENCY EDUCATION PROGRAM

In an effort to contribute to a green, energy-efficient future, we launched the first phase of our Energy Efficiency Education Program during the 2021/22 fiscal year. This program aims to educate the next generation of energy savers on how they can help save energy and the environment. We'll provide grade school teachers with lesson plans, resources, and interactive activities to engage Manitoba youth in energy efficiency. Information about our programs will also be provided to parents and guardians, thereby acting as an enabling strategy through which energy savings can be achieved.

Successful implementation of an Energy Efficiency Education Program contributes towards achieving our strategic goals of **Transforming attitudes towards energy efficiency** and **Achieving excellence in our programs and services**. Educating school-aged Manitobans also aligns with our 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.

KEY INITIATIVE 6: BRAND STRATEGY

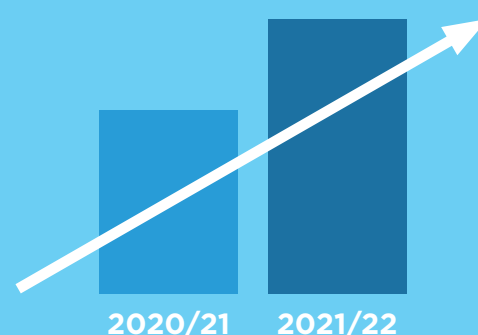
We developed a brand and content strategy focused on building, protecting, and continuously improving our brand. The brand strategy outlines “who we are, what we offer, and how we communicate to Manitobans.” The content strategy informs how we execute the brand strategy and engage with Manitobans in an expert, friendly, and accessible manner.

Our brand campaign launched in the third quarter of 2021/22, filling the gap created with the absence of a broad public launch of Efficiency Manitoba coincident with the arrival of the pandemic in Manitoba. This campaign was designed to engage Manitobans and influence their participation in programs which will result in achievement of our strategic goals of **Transforming attitudes towards energy efficiency** and **Achieving excellence in our programs and services**. These are critical for meeting legislated energy savings targets.

A substantive increase in marketing and communications activities through 2021/22 resulted in us achieving our intended brand awareness during our second year of operations; brand awareness increased from 33% in 2020 to 53% by the end of 2021/22. Ongoing efforts will help us continue growing awareness of our brand and ultimately see increasing numbers of Manitobans participating in our programs and collaborating with us to achieve energy savings targets.

More information on our brand awareness campaign and results can be found on pages 28 and 29.

We provided nearly \$26 million in rebates and incentives in our 2021/22 fiscal year. This is 1.5 times the rebates paid out in the 2020/21 fiscal year.



KEY PERFORMANCE INDICATORS (KPIs)

We set a number of KPIs based on our approved Efficiency Plan and which assume normal operating conditions. The 2021/22 fiscal year saw continuation of the pandemic in Manitoba which impacted the majority of our KPIs. We're very pleased to see and report significant improvements relative to our first operational year. Our work to build Efficiency Manitoba as a stand-alone organization during this global pandemic has resulted in enhanced resilience and readiness for the years ahead.

INTERNAL BUSINESS

	2021/22 TARGET
Savings (GWh)*	343
Savings (million m ³)*	12.8
% of load (GWh)*	1.53%
% of load (m ³)*	0.79%
Electric acquisition cost (\$/kWh)*	\$0.15
Natural gas acquisition cost (\$/m ³)*	\$1.71

FINANCIAL

	2021/22 RESULT	2021/22 TARGET
Total expenditures (million \$)	\$40.08	\$73.03
% of annual budget	54.9%	100%
% of expenditures with private sector	12.1%	19.7%
% of expenditures internal labour	18.0%	13.4%
% of expenditures overhead	5.4%	2.1%
% of expenditures incentives	64.5%	64.8%

LEARNING & GROWTH

	2021/22 RESULT	2021/22 TARGET
% of planned expenditures on Innovation	14%	80%
% of employee development budget spent	11%	80%
% of employees with completed annual evaluations	23%	100%
Employee satisfaction with opportunities to learn, grow, and develop	72% (baseline survey)	80%

CUSTOMER

	2021/22 RESULT	2021/22 TARGET
Brand awareness	53%	50%
Customer satisfaction	89%	90%
% customer participation (actual/forecast)*	134%	100%

*This figure exceeded our target due to higher than anticipated participation during our eight-week spring and fall 2021 in-store rebate campaigns.

*An independent assessment of our 2021/22 results is in progress and will be delivered to the responsible Minister by September 30, 2022, as per the Efficiency Manitoba Act. These results will be presented in our Annual Report Supplement.

2021 / 22 HIGHLIGHTS

At the core of our operations, we made significant progress developing new energy-saving programs and enhancing our existing programs to continuously respond to the energy efficiency needs of Manitobans this fiscal year. The continuation of the COVID-19 pandemic throughout 2021/22 impacted customer participation in energy efficiency programming. However, relative to our first year of operations, we reached more Manitobans who were willing and able to participate in our programs.

Bringing attention and awareness to the work we do was a key area of focus in 2021/22. Through the launch of our brand campaign, engaging with partners, and creating positive experiences for our customers, we're reinforcing an important message—that we're here to help.

PROVIDING EXCELLENT PROGRAMS

The 2021/22 fiscal year saw the successful launch of several new programs and initiatives, as well as enhancements to our existing portfolio. These changes were made to better serve our customers, including responding to pandemic-related challenges and creating an easy and rewarding energy efficiency experience.

The following is a summary of the program launches and enhancements that occurred in 2021/22:

Program launches

Appliance Recycling Program: Residential customers get free pick-up and a \$30 rebate for each eligible working full-sized fridge and/or freezer they recycle. They can also get free pick-up and recycling of their old working dehumidifier, window air conditioner, bar fridge, and/or undersized freezer when recycling an eligible full-sized fridge or freezer.

Variable Flow Pump and Fan Systems offer: Commercial and agricultural customers can receive per-horsepower rebates for variable frequency drives used with inverter duty induction motors and variable speed permanent magnet motors.

Heat Pump Program: Customers can receive a rebate of up to \$2.50 per square foot of heated space when they have a ground source heat pump installed in their home or business.

Virtual energy review: Customers can complete a free online review of their home and receive a high-level overview of how much energy their heating systems are using. The tool will recommend energy-saving opportunities that can help them reduce their energy bill.

Innovation Fund: Successful applicants can receive funding (75% of the total cost to a maximum of \$250,000) for pilot projects and partnerships to reduce barriers to emerging energy-efficient technologies and strategies.

Windows and Doors Rebate: Homeowners can receive a rebate of \$50 per eligible opening when replacing their existing windows and/or doors with select ENERGY STAR® certified windows and doors.

In-Suite Energy Efficiency Program: Property managers and owners of multi-unit residential buildings can receive free basic energy-saving items for their suites, as well as incentives for installing smart thermostats and advanced heat recovery ventilator (HRV) controls.

Bioenergy: Customers can receive financial assistance for pre-project studies and financial incentives for the implementation of commercial-scale bioenergy systems that demonstrate natural gas or electricity savings.

Energy Efficiency Education Program: Teachers can sign up to receive information about educational resources and activities for their K-12 classrooms.

Program enhancements

Energy Efficiency Assistance Program:

Qualifying households can now upgrade from a mid-efficiency natural gas furnace to a high-efficiency model for only \$25 per month for five years (for a total cost of \$1,500).

Small Business Program & Indigenous Small Business Program: The following changes were made to the program's eligibility requirements:

- Buildings can now be up to 15,000 square feet (up from 10,000 square feet)
- Businesses can now have up to 10 locations in Manitoba (up from six locations)
- Municipal buildings are now eligible to participate

The following products and technologies were added to the program's offerings:

- Showerheads
- Type B TLEDs
- Smart thermostats
- Insulation

New Homes Program: The Individual Upgrades Path was added to the program, allowing customers to pick from a list of five common energy efficiency upgrades and receive a prescriptive rebate.

Business Lighting Program: Starting October 1, 2021:

- Customers received a bonus incentive increase of 25% for each application completed.
- Registered Efficiency Manitoba suppliers received a \$100 bonus for every application they completed on their customer's behalf.

SAVE MORE (appliance and smart thermostat rebates): Rebates for smart thermostats, dishwashers, and refrigerators were increased for a limited time.

SAVE NOW (instant rebates): Both our spring and fall instant rebate campaigns were extended from four weeks to eight weeks in duration.





Over 35 programs offered in 2021/22:

Residential	<ul style="list-style-type: none"> • Advanced HRV Control Program • Variable-Speed Pool Pump Program • Home Insulation Rebate • New Homes Program • SAVE NOW (instant rebates) 	<ul style="list-style-type: none"> • SAVE MORE (appliance & smart thermostat rebates) • Appliance Recycling Program • Windows & Doors Rebate • Virtual energy review
Residential (income based)	<ul style="list-style-type: none"> • Energy Efficiency Assistance Program 	
Residential, commercial & agricultural	<ul style="list-style-type: none"> • Heat Pump Program 	
Community	<ul style="list-style-type: none"> • Community Energy Efficiency Program 	
Indigenous	<ul style="list-style-type: none"> • First Nation Insulation & Direct Install • Indigenous Small Business Program • Indigenous Community Energy Efficiency Program 	<ul style="list-style-type: none"> • Community Ground Source Heat Pumps • Métis Energy Efficiency Offers
Business	<ul style="list-style-type: none"> • Small Business Program • Building Envelope Program • Enhanced Building Operations Program • Commercial Refrigeration Program • Commercial Kitchen Appliances Program 	<ul style="list-style-type: none"> • HVAC & Controls – Upstream • HVAC & Controls – Downstream • In-suite Energy Efficiency Program • Variable Flow Pumps & Fans • Deep Energy Retrofits (pilot)
Commercial & industrial	<ul style="list-style-type: none"> • New Buildings Program 	
Commercial, industrial & agricultural	<ul style="list-style-type: none"> • Business Lighting Program 	<ul style="list-style-type: none"> • Feasibility Studies
Industrial & agricultural	<ul style="list-style-type: none"> • Custom Energy Solutions Program 	<ul style="list-style-type: none"> • Bioenergy
Industrial	<ul style="list-style-type: none"> • Energy Efficiency Assessments • Strategic Energy Manager 	<ul style="list-style-type: none"> • Load Displacement
All	<ul style="list-style-type: none"> • Innovation Fund 	

PUTTING CUSTOMERS FIRST

To meet our electricity and natural gas savings targets, we need Manitobans to be aware of our existence, understand the benefits of energy efficiency, and become customers by participating in our programs. Creating excellent experiences at every point in our customers' journey is vital to our success. That's why we prioritize making continual improvements to every customer touchpoint, from our contact centre to our application process.

We're committed to creating the best possible experience for Manitobans, encouraging them to become lifelong stewards for energy efficiency.



“ This is the best program that I deal with in my line of work. I handle sites in Ontario, Manitoba, and Saskatchewan, and this is by far the best incentive program in the country.”

— *Derek*

“ I love how streamlined the program is now. So much easier to navigate through.”

— *Sandra*

“ The application process was easy, there was good communication throughout, and the end result was significant savings!”

— *Courtney*



Customer experience

We're here to provide friendly, knowledgeable, and accessible programs and services to all Manitobans. Our team of experts are dedicated to helping Manitobans make energy efficiency improvements that help them save energy, money, and the environment.

Customers can contact us by email, phone, and social media through our Customer Contact Centre, which is operated through a Winnipeg-based business.

Customer feedback is collected through post-participation and post-call surveys. Through these surveys, we've set baseline benchmarks and will strive to maintain and improve scores over time. We'll also use verbatim responses to better understand the customer journey and where there may be opportunities for improvement.

In our commitment to continuous improvement and collaboration, we created an internal Customer Experience committee with a defined charter, roles and responsibilities, member commitment, and executive support. This committee meets quarterly and is focused on turning customer feedback into action and working together to provide positive customer experience outcomes.

CRM/DSM tracking system

The launch of our integrated customer relationship management and demand-side management (CRM/DSM) tracking system streamlined the program application experience for our customers and improved internal efficiencies. Fifteen of our programs are currently using the new system and experiencing the benefits of centralized data. The remainder of our programs are actively working towards implementation.

Creating a simple and accessible interface that allows customers and contractors to see a dashboard of program activity has improved our customer experience. The new system also enables the vast majority of our network of over 1,000 registered private sector suppliers to be visible on our online supplier directory, which helps customers connect with a supplier in their area. We completed supplier awareness activities to ensure our registered private sector supplier network can leverage the benefits of this system.

By strategically targeting our programs with high participation rates, over 80% of all program applications are being processed through this system, exceeding our expectations for the year.

STRENGTHENING PARTNERSHIPS



We know that creating an energy-efficient future for Manitobans can't be done alone. That's why we prioritize creating partnerships with communities, organizations, and working groups to deliver energy efficiency programs and rebates to Manitobans across customer segments.

Energy Efficiency Advisory Group (EEAG)

As part of the Efficiency Manitoba Act, the Energy Efficiency Advisory Group was established in 2019. Their role is to provide advice about the development and implementation of our approved Efficiency Plan and perform advisory responsibilities. We continue to meet with the EEAG to provide updates on the implementation of our approved 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 Métis Federation (MMF)
- Southern Chiefs' Organization (SCO)
- Sustainable Building Manitoba (SBM)

Indigenous Energy Efficiency Working Group (IEEWG)

As part of our commitment to reconciliation, Indigenous engagement, and ensuring equity and access to programs, invitations to the IEEWG meetings are extended to all 63 First Nation communities, Tribal Councils, the Manitoba Métis Federation, and Indigenous organizations such as Manitoba Keewatinowi Okimakanak and the Southern Chiefs' Organization. The goal of the IEEWG is to



Efficiency Manitoba attended the Manitoba Métis Federation Annual General Assembly from March 25 to 27.

provide real-time, ongoing feedback to assist in the design, delivery, and implementation of our Indigenous energy efficiency programs.

Manitoba Métis Federation (MMF) Annual General Assembly (AGA)

With in-person industry events resuming, we were happy to participate in the MMF Annual General Assembly (AGA), which was held from March 25 to 27 at the Assiniboia Downs. The MMF AGA is the largest general assembly in Western Canada with thousands of attendees. During this event, we were able to promote our programs and engage directly with Red River Métis Citizens from all over Manitoba.

Collaborating with communities

We continued to work closely with communities during the 2021/22 fiscal year. This is particularly evidenced by the progress we've made through our Community Energy Efficiency Program (CEEP).

The City of Selkirk became our inaugural CEEP partner in April 2021 and hired a local

Energy Efficiency Advocate. In addition, the Hamiota Municipality, Village of St. Pierre-Jolys, Municipality of De Salaberry, and Municipality of Lorne (Notre-Dame-de-Lourdes) were all awarded funding to hire an Energy Efficiency Advocate for the next two fiscal years. In each of these municipalities, the advocate will help foster a culture of conservation, develop a Community Energy Efficiency Plan, and facilitate participation in our programs and services.

This fiscal year, we finalized an agreement with Manitoba Métis Federation to fund an Energy Efficiency Advocate. The role of the advocate will be to assist Red River Métis Citizens across Manitoba in accessing energy efficiency programs, leading to increased program reach and participation.

Procurement & work with the private sector

To maximize work with our private sector program delivery partners, we developed several public tenders to secure contracts for program and corporate support. These solicitations were publicly tendered via MERX allowing for a competitive bidding process. We were also able to leverage our own Qualified

As of March 31, 2022, we had 1,062 suppliers registered to offer our programs, representing an increase of 55% over the previous fiscal year.

Vendor list for numerous services related to demand-side management. These vendors were qualified by issuing a public solicitation on MERX. Importantly, we were able to deliver value for money and obtain efficiencies with our procurement activities and planning through collaboration with the Province of Manitoba and other Crown corporation procurement activities.

We also work with contractors, retailers, and consultants throughout Manitoba, creating opportunities for economic growth and pandemic recovery. Energy efficiency programs and offers create opportunities for skilled trades, energy advocates, and communities. The suppliers registered to deliver our programs can use them as a selling tool to promote their business and help customers save energy, money, and the environment.

NAVIGATING THE COVID-19 PANDEMIC

Since the spring of 2020 and coincident with our official commencement as an organization, the COVID-19 pandemic has required us to adapt every aspect of our business including program design, implementation, and methods of communicating with customers and the private sector. With customers otherwise focused on pandemic-related priorities, our customer participation and resulting energy savings continued to feel the impacts of the ongoing pandemic.

We've collaborated with our service providers to develop comprehensive safety policies and procedures to ensure programs are delivered safely. These policies and procedures have proven to be robust and effective, successfully keeping both customers and service providers safe, while ensuring continued access to energy efficiency programs.

Our safety policies and procedures have been continually adjusted both internally and with our contracted third-party service providers to reflect the changing landscape of the COVID-19 pandemic in Manitoba.

SPREADING THE WORD

Efficiency Manitoba is a new organization, which means we're still building our brand and making our programs and priorities known to Manitobans. This year, we focused on establishing a steady and recognizable presence in the market through brand awareness activities, regular communications to our customers, and creating engaging content for print and digital platforms.

Brand awareness campaign

We launched our first brand awareness campaign – *“All around your home, your business, your community”* – in November 2021. The goal of this campaign was to raise brand recognition and consumer awareness of Efficiency Manitoba along with the energy efficiency programs and offers we've made available to Manitobans.

Objectives of the brand awareness campaign included:

- connecting with customers and emphasizing that we're here to help;
- filling the Efficiency Manitoba awareness gap created through the absence of a public launch during the start of the pandemic;
- ensuring Manitobans think about our offers as they consider renovation or new construction activities;
- encouraging Manitobans to understand that investing in energy efficiency provides benefits to participants, both economic and through increased home comfort or business refurbishment; and
- driving energy savings and contributions towards achievement of legislated targets.



The creative concept used imagery to demonstrate the variety of ways we can help individuals, businesses, and communities by working together towards a more energy-efficient future. The key takeaway is that saving tomorrow by saving today has never been more achievable than with Efficiency Manitoba.

The campaign targeted Manitobans through various media including social, digital display, connected TV, pre-roll, YouTube, outdoor, and broadcast TV.

This campaign, along with our ongoing program and sector-specific advertising in 2021/22, has led to a substantive increase in public awareness of Efficiency Manitoba. A province-wide survey was administered to measure the current state of our brand awareness; the results demonstrated improved recall of Efficiency Manitoba when compared to the benchmark measurement from June 2020.



Magazines

We distributed two magazines to over 387,000 Manitoba households via flyers in Winnipeg and newspapers in rural communities. The magazines, which were distributed in spring 2021 and fall 2021, are an important component of our overall brand strategy due to their significant reach. This fiscal year's editions contained information about our programs and rebates, energy efficiency tips, seasonal lifestyle content, and

Scan this QR code to watch one of our brand awareness ads:



engaging testimonial-style stories featuring Manitobans who participated in our programs.

Other customer engagement activities

Organic content plays an important role in our branding and promotional efforts. This enables us to reach Manitobans consistently and economically through the following channels:

- Email newsletters sent to residential and business customers on a biweekly and monthly basis, respectively
- Multiple posts each week on our Facebook, Instagram, Twitter, and LinkedIn social media channels
- Regular long-form article content posted to our website and promoted via newsletters and social media posts

We made significant progress in establishing a comprehensive organic content strategy to ensure customers are receiving timely, topical, and seasonally appropriate information related to energy efficiency.



10,476 SUBSCRIBERS

The number of Manitobans subscribed to our newsletters grew to 10,476 – that’s a 21% increase since 2020/21.



14,000 ANSWERS

Our Energy Team answered nearly 14,000 customer questions this fiscal year.



5,700 LIKES

We received over 5,700 likes on our Facebook and Instagram posts in 2021/22, and our social media content reached customer screens over 1.7 million times.



OVER 1 MILLION VIEWS

Our web pages were viewed over 1 million times in 2021/22, which represents a 42% increase over last fiscal year.

Disclaimer: We use Meta Business Suite to generate analytics for Facebook and Instagram. Some statistics may vary from year to year based on the reporting functions provided by Meta Business Suite. We use these reports to provide meaningful and accurate data on an annual basis.

Tracking our results

In accordance with the Efficiency Manitoba Act Section 16(1) and to ensure independent review and assessment of our performance, we selected an independent assessor through an open public procurement process in 2020/21. The independent assessor is responsible for reviewing program energy savings and cost effectiveness each year, providing expert third-party verification and evaluation.

The independent assessor will evaluate the electricity and natural gas savings achieved in 2021/22. This process involves a detailed review of the results for each program and

the savings calculation methods used. It also includes a variety of activities including project reviews, site visits, and customer surveys. The assessment will result in evaluated energy savings along with the cost effectiveness of these savings.

Upon completion of the assessment, our independently assessed 2021/22 results will be outlined in a supplement delivered to the responsible Minister by September 30, 2022, as per the Efficiency Manitoba Act. It will subsequently be made available to the public.

SUCCESS STORIES

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

Loveday Mushroom Farms

Since 1932, Loveday Mushroom Farms (“Loveday”) has been harvesting a variety of mushrooms in Winnipeg and Springfield. They are a fourth-generation family-owned farm with one million square feet of planted space, six million pounds of mushrooms harvested annually, and a focus on continuous improvement.

During the winter, Loveday operated two air-cooled chillers to satisfy the cooling requirements in their mushroom growing rooms. However, they were using a lot of energy and driving up energy bills.

Loveday worked with their refrigeration contractor and our team to find an energy-efficient solution. They looked at ways to capitalize on the colder outdoor air temperatures during the winter months and use the cold air from outside instead of the chillers to cool process water. Together, they recognized that Loveday could use a new dry fluid cooler instead of the chillers when outdoor temperatures were lower than -4°C. Loveday



was also able to receive a \$44,300 incentive through our Custom Energy Solutions Program.

Energy loggers were installed on the chillers and dry cooler to help verify the savings. Loveday was projected to save 295,000 kWh in electricity every year, leading to annual energy bill and maintenance savings of \$13,000.

Loveday is now looking at expanding their operations in Springfield, including the installation of another dry cooler. They're continuing to work with us to find ways to save energy and are investigating other relevant Efficiency Manitoba programs.



Merit Functional Foods

Merit Functional Foods has recently completed construction on a new state-of-the-art non-GMO (genetically modified organism) pea and canola production facility at 400 Goldenrod Drive in Winnipeg. With our support, this 94,000 square foot facility has delivered significant energy and cost savings.

The technical expertise and financial incentives we provided are estimated to yield the facility 8.16 GWh of electricity savings and 1.63 million m³ of natural gas savings annually. These achievements contribute significantly to our annual electricity and natural gas savings targets. The decrease in natural gas consumption will result in reduced greenhouse gas emissions of over 3,000 tonnes of CO₂e (carbon dioxide equivalent) annually. By 2030, this will result in persisting cumulative reductions of over 24,000 tonnes of CO₂e.

We provided a total of \$1.25 million in incentives, which helped with the financial business case to incorporate energy-efficient technologies and strategies into the facility. Incentives reduced the paybacks on the incremental costs of the upgrades to less than two years, and Merit Functional Foods will see annual expected utility bill reductions of \$800,000, persisting for years into the future. The decision to invest

in energy efficiency became an easy one with our support.

We supported eight major processing-related energy efficiency opportunities through our Custom Energy Solutions Program. The most significant electricity savings are attributed to the pump and fan systems installed with variable speed drive controls, which optimize the air flow rates based on process requirements. Additional process-related savings came from optimizing the facility's refrigeration and compressed air systems.

The majority of the natural gas savings are achieved through implementing a heat recovery option associated with three large dryers. Merit Functional Foods also received support to complete a building energy model to help incorporate energy efficiency into their design and construction process. Through this process, they'll also realize energy savings through the installation of energy-efficient lighting, improved heating, ventilating and air conditioning systems, and a high-performance building envelope.

Heat Pump Program

Ground source heat pumps are one of the most energy-efficient and environmentally-friendly heating and cooling systems available. Sometimes called geothermal heat pumps,

they can help improve the energy efficiency and comfort of homes and businesses without negatively impacting the environment. Rather than burning fossil fuels or powering an electric element to create heat, ground source heat pumps move existing heat into or out of the ground through a loop of pipes.

In August 2021, we began offering rebates to Manitobans when they install a ground source heat pump to replace their existing electric or natural gas system. Through our Heat Pump Program, homeowners and businesses can receive up to \$2.50 per square foot of heated space while also reducing their heating costs by up to 60% (when compared to an electric furnace).

One recent customer from Southern Manitoba decided to participate in our Heat Pump Program to upgrade the electric heating system in their 1970s single-family residence to a ground source heat pump. They selected an accredited installer from the Manitoba Geothermal Energy Alliance, who conducted a heat loss calculation to determine the appropriate size of the ground loop. A vertical closed loop design was chosen to accommodate the size and configuration of the property.

The installer helped the customer through the application process and completed the installation. In the end, we provided the customer with an incentive of \$6,540, which helped with the cost of the upgrade. They'll also save an estimated 25,600 kWh per year, translating to nearly \$2,400 in annual bill savings.

Ukrainian National Federation of Canada

The Ukrainian National Federation of Canada (UNFC) is an organization committed to preserving Ukrainian culture and building a strong community of Ukrainian Canadians. Located at 935 Main Street, their 14,800 square

foot Winnipeg branch needed some energy efficiency upgrades. Participating in our Small Business Program allowed them to access these upgrades at a significantly reduced cost.

UNFC completed their Basic Upgrade in October 2021. Their building received 161 LED bulbs, 12 dimmers, 15 bathroom faucet aerators, and six kitchen faucet aerators—all at no cost to them.

A technician from Ecofitt, the program's service provider, also completed an assessment of the building and identified opportunities for additional savings through the program. As a result of this assessment, UNFC elected to proceed with a Premium Upgrade and replace 262 of their fluorescent linear lamps with energy-efficient LEDs. We covered 70% of the total project cost, providing them with a \$7,461 incentive for these upgrades.

UNFC's savings extend beyond the incentive they received upon completion of their upgrade. They'll also appreciate electricity savings of approximately 22,000 kWh, natural gas savings of 392 m³, and water savings of roughly 128,000 litres every year. This equates to annual energy bill savings of approximately \$1,200. The reduced maintenance costs and improved lighting of their facility provide additional benefits they'll be able to enjoy for years into the future.

True North Square

True North Square is a high-profile mixed-use development in downtown Winnipeg. The first two buildings in the development, namely 242 Hargrave Street and 225 Carlton Street, successfully completed the requirements of our New Buildings Program in the 2021/22 fiscal year.

The two buildings totalled 764,270 square feet and were built to be over 20% more efficient than the minimum requirements of Manitoba Energy Code for Buildings (MECB), thus qualifying to receive our program's maximum financial

incentive of \$2 per square foot. The projects received a combined incentive of \$1.5 million which included assistance early in the design phase for energy modelling to help optimize the overall energy efficiency of the building.

Our technical review team worked closely with True North Square and their energy modeller to verify energy savings information following the implementation of many energy efficiency upgrades incorporated into the building's design. The primary energy efficiency features of the buildings include high-performance glazing and wall construction, heat reclaim chiller used to preheat space heating and domestic hot water, condensing boilers, dual core energy recovery ventilator, and LED lighting.

The buildings are expected to save an estimated 2.4 million kWh and 487,000 m³ per year. This would reduce their annual energy bills by nearly \$240,000 and reduce greenhouse gas (GHG) emissions by 923 tonnes CO₂e.

In addition to exceeding the MECB requirements, we provided the facilities with an Energy Efficient Certification and a plaque to commemorate the achievement.

The Neighbourhood Energy Efficiency Program

One unique component of our income-based Energy Efficiency Assistance Program is our Neighbourhood Energy Efficiency Project. This initiative is intended to increase customer participation by implementing neighbourhood canvassing using a “block by block” approach. The Energy Efficiency Advocates at the North End Community Renewal Corporation and the Chalmers Neighbourhood Renewal Corporation are responsible for promoting the program and helping residents in their catchment areas complete the required documentation.

Each week from spring to fall (dependent on weather conditions), a designated



neighbourhood block was chosen for a canvassing event. Due to COVID-19, door knocking was replaced by hand-delivering letters to customers' mailboxes that explain the program in July and August 2021. Residents could reach out directly to the Energy Efficiency Advocate to receive more information and request assistance in applying for the program.

In September, in-person door knocking resumed with several safety protocols and measures in place.

In-person canvassing gives customers the opportunity to speak to our representatives face-to-face and learn about the program. It also allows us to learn more about our customers and provide even better communication. For example, some homeowners who may not be comfortable speaking English face different barriers when it comes to learning about our services. During these canvassing events, one of our team members was able to speak to some customers in Tagalog, providing an accessible platform for customers to ask more detailed questions about our offers. Being understood and having the opportunity to express their stories, thoughts, and concerns about their home is a valuable experience that canvassing efforts enable.

In 2021/22, 31 streets and 864 homes were canvassed. While our team members don't get to talk to everyone, we received applications from 56% of the homes' residents with whom our team members engaged in person. Because the Energy Efficiency Advocates continue to follow up with residents throughout the year, more applications and upgrades are expected.



Indigenous Community Energy Efficiency Program

The Indigenous Community Energy Efficiency Program (ICEEP) had its first application intake period and received a high level of interest. The program was promoted through IEEWG meetings and directly to each of the 63 First Nation communities. This outreach method led to many First Nation communities applying to the program with anticipated funding awarded to the following communities:

- Ebb & Flow First Nation
- Lake Manitoba First Nation
- Lake St. Martin First Nation
- Mathias Colomb Cree Nation
- Nisichawayasihk Cree Nation
- O-Pipon-Na-Piwin Cree Nation
- Pine Creek First Nation
- Red Sucker Lake First Nation
- Shamattawa First Nation
- Sioux Valley Dakota Nation
- York Factory First Nation

We'll be providing funding and support over a two-year period to enable these communities to hire and train a community-based Energy Efficiency Advocate. With our support, advocates will engage with their community to



create a community-led energy efficiency plan that facilitates participation in our programs and results in energy bill savings. The program will also support economic development and pandemic recovery activities within participating First Nation communities. Energy efficiency projects will be undertaken by local businesses and contractors, which bolsters local job creation.

We plan to open future application intervals annually, enabling even more First Nation communities to participate and receive funding for Energy Efficiency Advocates.

Flin Flon Emergency Department

Located in the Northern Health Region, the Flin Flon Emergency Department completed the requirements of our New Buildings Program. The 21,000 square foot addition to the south side of the General Hospital building received a financial incentive of over \$42,000 to help optimize the overall energy efficiency of the building.

The new facility provides more space and helps ensure Manitobans can access the care they require close to home. The space is designed to be more energy efficient, but also improve patient flow to provide better quality care.

Some energy efficiency features of the building include improved insulation and windows, dimmable LED lighting with occupancy sensors, and an energy recovery ventilator system.

The facility is built to be 33.5% more efficient than if the same building was designed to just meet the minimum requirements of the Manitoba Energy Code for Buildings (MECB). It's estimated to save over 191,000 kWh each year, reducing their annual energy bill by almost \$10,000. The facility also received Energy Efficient Certification from us as well as a commemorative plaque.

Sobey's Capital Inc.

Six Sobeys Capital Inc. stores across Manitoba participated in our Commercial Refrigeration Program. They received financial incentives totaling over \$61,000 to install anti-sweat heater controls, night covers, electronically commutated motor evaporator fan motors, LED lighting, and vertical display cases with standard doors. These upgrades will save Sobeys an estimated 680,000 kWh per year, resulting in approximately \$34,000 in annual bill savings. In addition to reduced energy costs for Sobeys, these upgrades will contribute towards longer product shelf lives, resulting in reduced product spoilage, and an improved customer shopping experience.

Ground source heat pumps & First Nations

We finalized and signed a multi-year Outcomes Purchase Agreement with Raven Indigenous Capital Partners for 97 ground source heat pump installations through our Community Ground Source Heat Pump Program. Through Raven Indigenous Capital Partners and the delivery agent, Aki Energy, an Indigenous social enterprise, specific outcomes by participating First Nation communities were identified to address some of the social and economic issues they face. As part of this innovative model, we are outcomes purchasers of saved energy through heat pump installations. With a signed agreement and work resuming in First Nation communities, 14 heat pumps were installed, lowering energy bills, providing training opportunities, creating green jobs, and enabling energy saving opportunities which we were able to purchase as incentives.





FINANCIAL STATEMENTS

OF EFFICIENCY MANITOBA INC.

And Independent Auditors' Report thereon
Year ended March 31, 2022

Independent Auditors' Report

To the Board of Directors of Efficiency Manitoba Inc.

Opinion

We have audited the financial statements of Efficiency Manitoba Inc. (the “Entity”), which comprise the statement of financial position as at March 31, 2022, 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, 2022, 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 2021-22".

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 2021-22" 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.

KPMG LLP



Chartered Professional Accountants

Winnipeg, Canada

June 22, 2022

Efficiency Manitoba Inc.

Statement of Financial Position


As at March 31, 2022, with comparative information for 2021


	2022	2021
Financial assets:		
Cash	\$ 2,317,964	\$ 2,626,979
Accounts receivable and accrued revenue (note 3)	13,007,189	–
	15,325,153	2,626,979
Financial liabilities:		
Accounts payable and accrued liabilities (note 8)	15,530,900	2,307,649
Deferred revenue (note 5)	–	456,672
	15,530,900	2,764,321
Net debt	(205,747)	(137,342)
Non-financial assets:		
Tangible capital assets (notes 2 and 8)	1,200,069	868,701
Prepaid expenses	205,747	137,342
	1,405,816	1,006,043
Accumulated surplus	\$ 1,200,069	\$ 868,701
Accumulated surplus is comprised of:		
Invested in tangible capital assets	\$ 1,200,069	\$ 868,701

Commitments (note 6)

See accompanying notes to financial statements.

On behalf of the Board:


 _____ Director


 _____ Director

Efficiency Manitoba Inc.

Statement of Operations and Accumulated Surplus

Year ended March 31, 2022, with comparative information for 2021

	Budget	2022	2021
	(Note 10)		
Revenue:			
Contributions (note 4)	\$ 72,916,002	\$ 39,846,489	\$ 26,457,764
Employment grants	—	30,000	—
Interest income	—	24,574	11,346
	72,916,002	39,901,063	26,469,110
Expenses:			
Salaries and benefits (notes 7 and 8)	9,146,660	7,222,730	6,443,202
Customer incentives (note 8)	48,702,425	25,839,996	17,000,265
Contracted services and program delivery (note 8)	11,662,422	4,584,427	1,896,600
Regulatory expense	203,846	—	4,552
Rent (note 8)	450,098	120,000	136,111
Other expenses (note 8)	2,750,551	2,133,910	988,380
	72,916,002	39,901,063	26,469,110
Surplus for the year before the undernoted	—	—	—
Manitoba Hydro contributions related to capital	1,103,838	508,699	892,345
Amortization expense	(114,838)	(175,920)	(42,205)
Loss on disposal of tangible capital assets	—	(1,411)	—
Surplus for the year	\$ 989,000	331,368	850,140
Accumulated surplus, beginning of year		868,701	18,561
Accumulated surplus, end of year		\$ 1,200,069	\$ 868,701

See accompanying notes to financial statements.

Efficiency Manitoba Inc.

Statement of Changes in Net Debt

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Surplus for the year	\$ 331,368	\$ 850,140
Additions to tangible capital assets	(508,699)	(892,345)
Amortization of tangible capital assets	175,920	42,205
Loss on disposal of tangible capital assets	1,411	–
Change in prepaid expenses	(68,405)	(137,342)
	(68,405)	(137,342)
Net debt, beginning of year	(137,342)	–
Net debt, end of year	\$ (205,747)	\$ (137,342)

See accompanying notes to financial statements.

Efficiency Manitoba Inc.

Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating transactions:		
Surplus for the year	\$ 331,368	\$ 850,140
Amortization of tangible capital assets	175,920	42,205
Loss on disposal of tangible capital assets	1,411	–
Change in non-cash operating working capital:		
Accounts receivable and accrued revenue	(13,007,189)	139,854
Prepaid expenses	(68,405)	(137,342)
Accounts payable and accrued liabilities	13,223,251	2,050,517
Deferred revenue	(456,672)	456,672
	199,684	3,402,046
Capital transactions:		
Additions to tangible capital assets	(508,699)	(892,345)
Increase (decrease) in cash	(309,015)	2,509,701
Cash, beginning of year	2,626,979	117,278
Cash, end of year	\$ 2,317,964	\$ 2,626,979

See accompanying notes to financial statements.

Efficiency Manitoba Inc.

Notes to Financial Statements

Year ended March 31, 2022

General:

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

The mandate of Efficiency Manitoba Inc. is to:

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

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

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

1. Significant accounting policies:

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

(a) Revenue:

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

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

Efficiency Manitoba Inc.

Notes to Financial Statements (continued)

Year ended March 31, 2022

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, 2022

1. Significant accounting policies (continued):

(d) Tangible capital assets:

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

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

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

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

(e) Employee future benefits:

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

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

Efficiency Manitoba Inc.

Notes to Financial Statements (continued)

Year ended March 31, 2022

1. Significant accounting policies (continued):

(f) Use of estimates:

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

2. Tangible capital assets:

Cost	Balance at March 31, 2021	Additions	Disposals	2022 Total	2021 Total
Computers	\$ 179,565	\$ 17,017	\$ 1,588	\$ 194,994	\$ 179,565
Furniture and fixtures	6,420	136,016	—	142,436	6,420
Computer software	51,217	—	—	51,217	51,217
Specialized demand side management software	679,468	355,666	—	1,035,134	679,468
	\$ 916,670	\$ 508,699	\$ 1,588	\$ 1,423,781	\$ 916,670

Accumulated Amortization	Balance at March 31, 2021	Additions	Disposals	2022 Total	2021 Total
Computers	\$ 39,241	\$ 60,558	\$ 177	\$ 99,622	\$ 39,241
Furniture and fixtures	4,815	1,605	—	6,420	4,815
Computer software	3,913	10,244	—	14,157	3,913
Specialized demand side management software	—	103,513	—	103,513	—
	\$ 47,969	\$ 175,920	\$ 177	\$ 223,712	\$ 47,969

Net book value	2022 Total	2021 Total
Computers	\$ 95,372	\$ 140,324
Furniture and fixtures	136,016	1,605
Computer software	37,060	47,304
Specialized demand side management software	931,621	679,468
	\$ 1,200,069	\$ 868,701

Efficiency Manitoba Inc.

Notes to Financial Statements (continued)

Year ended March 31, 2022

3. Accounts receivable and accrued revenue:

Accounts receivable and accrued revenue is comprised of the following:

	2022	2021
Province of Manitoba (note 5)	\$ 10,685,910	\$ —
Manitoba Hydro (note 8)	2,321,279	—
	\$ 13,007,189	\$ —

4. Contributions:

Contributions are comprised of the following:

	2022	2021
Manitoba Hydro	\$ 29,158,148	\$ 26,457,764
Low Carbon Economy Leadership Fund (note 5)	10,685,910	—
Natural Resources Canada	2,431	—
	\$ 39,846,489	\$ 26,457,764

5. Low Carbon Economy Leadership Fund:

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

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

The Corporation’s portfolio of natural gas demand-side management programs has been approved as an eligible activity to receive funding from the Leadership Fund. The Corporation’s programs provide rebates and incentives to support natural gas energy savings in the following sectors:

- Commercial, industrial, and agricultural programs; and
- Residential programs, including streams for low-income and Indigenous residents.

Efficiency Manitoba Inc.

Notes to Financial Statements (continued)

Year ended March 31, 2022

5. Low Carbon Economy Leadership Fund (continued):

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

The Leadership Fund Agreement covers eligible expenditures incurred by the Corporation on its natural gas portfolio of programs between December 8, 2020 and March 31, 2023. The Corporation has until June 30 of each claim year to submit its claim for reimbursement under the agreement.

The Corporation's initial claim under the agreement, covering the period from December 8, 2020 to March 31, 2022, must be submitted by June 30, 2022. The amount claimed under the agreement for this period is \$10,685,910, which is recorded as receivable from the Province of Manitoba on March 31, 2022 (note 3). Amounts received or receivable under the Leadership Fund are used to reduce the amounts otherwise to be funded by Manitoba Hydro to the Corporation.

6. Commitments:

The Corporation has entered into an agreement to lease office space under an operating lease commencing May 1, 2022 with an expiry date of July 31, 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:

2023	\$	643,152
2024		476,809
2025		414,760
2026		415,044
2027		427,555
Thereafter		2,462,169
	\$	4,839,489

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 \$278,000.

Efficiency Manitoba Inc.

Notes to Financial Statements (continued)

Year ended March 31, 2022

6. Commitments (continued):

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

7. Employee pension plan:

Eligible employees of the Corporation are members of the Civil Service Superannuation Fund pension plan (the "Plan"), a multi-employer, defined benefit pension plan. The Plan specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. During the year, the Corporation contributed \$415,114 (2021 - \$262,520) to the Plan on behalf of its employees. Contribution rates for the Corporation are at 7.1 percent (2021 - 7.1 percent) of pensionable earnings up to the yearly maximum pensionable earnings limit (YMPE) and 9.0 percent (2021 - 9.0 percent) on earnings in excess of the YMPE.

8. 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.

For the year ended March 31, 2022, the costs charged by Manitoba Hydro to the Corporation represent services that the Corporation has engaged Manitoba Hydro to perform on behalf of the Corporation.

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

	2022	2021
Customer incentives	\$ 742,875	\$ 7,112,809
Rent	120,000	120,000
Other expenses	34,106	349,569
Contracted services and program delivery	24,483	692,170
Salaries and benefits	—	2,039,430
Total	\$ 921,464	\$ 10,313,978

Efficiency Manitoba Inc.

Notes to Financial Statements (continued)

Year ended March 31, 2022

8. Related party transactions (continued):

In addition, Manitoba Hydro charged costs of \$147,400 (2021 - nil) to the Corporation related to the specialized demand side management software, which has been capitalized by the Corporation.

Rent expense includes office space rented from Manitoba Hydro of \$120,000 (2021 - \$120,000) for the year ended March 31, 2022. The office space was rented on a month-to-month basis, and the Corporation vacated the office space on the commencement of its new office space lease on May 1, 2022 (note 6).

Accounts payable and accrued liabilities at March 31, 2022 includes accounts payable of \$10,797,869 (2021 - \$442,368) to Manitoba Hydro arising from contributions received in advance from Manitoba Hydro that are to be repaid. The contributions to be repaid to Manitoba Hydro will be paid once the receivable from the Province of Manitoba under the Leadership Fund (note 3) is collected. Deferred revenue of nil on March 31, 2022 (2021 - \$456,672) represents contributions received from Manitoba Hydro during the year ended March 31, 2022 in excess of expenditures incurred. Accounts receivable and accrued revenue of \$2,321,279 on March 31, 2022 (2021 - nil) (note 3) represents contribution amounts due from Manitoba Hydro. The Corporation expects to settle the amounts payable to and accounts receivable from Manitoba Hydro on a gross basis.

9. Financial risks:

Liquidity risk:

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

10. Budget:

On June 17, 2021, the Finance and Audit Committee of the Board of Directors of the Corporation approved the 2021/22 operating budget which has been utilized in these financial statements.

Efficiency Manitoba Inc.

Notes to Financial Statements (continued)

Year ended March 31, 2022

11. COVID-19 implications:

The continuation of the COVID-19 pandemic throughout fiscal year 2021/22 impacted customer participation in energy efficiency programming and therefore resulted in a decrease in the budget expended by the Corporation. Disruptions directly related to the pandemic include:

- An absence of a large public launch of Efficiency Manitoba (due to timing coincident with the onset of the pandemic) which delayed program and brand awareness amongst potential customers of the Corporation's programs and services.
- Temporary in-home and in-business access restrictions or delays for programs requiring 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.
- Continuation of virtual operations for industry partners and customers which reduced opportunities for in-person meetings, sales calls, and conference/trade show attendance.
- Ongoing impacts to customer participation resulting from:
 - Business closures and/or reduced operations in hospitality, restaurant, retail and office;
 - Inability to access pandemic impacted facilities such as hospitals, long-term care facilities, and schools;
 - Supply chain issues, inflationary pressures, and general economic uncertainty creating hesitancy to proceed with capital upgrades for customers in all sectors (residential, commercial, industrial, agricultural);
 - Customer focus on non-energy efficiency upgrade items including health, safety, and business viability priorities; and
 - Inability to access First Nations and remote northern communities.

The timing of a return to the conditions and customer participation modelled for the 2020-2023 Efficiency Plan is not yet known. 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 2022/23.



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