



Second Session – Forty-Third Legislature

of the

Legislative Assembly of Manitoba

Standing Committee

on

Crown Corporations

Chairperson
Mrs. Rachelle Schott
Constituency of Kildonan-River East



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MANITOBA LEGISLATIVE ASSEMBLY
Forty-Third Legislature

Member	Constituency	Political Affiliation
ASAGWARA, Uzoma, Hon.	Union Station	NDP
BALCAEN, Wayne	Brandon West	PC
BEREZA, Jeff	Portage la Prairie	PC
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PIWNIUK, Doyle	Turtle Mountain	PC
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<i>Vacant</i>	Transcona	

LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON CROWN CORPORATIONS

Friday, January 31, 2025

TIME – 1 p.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mrs. Rachelle Schott
(Kildonan-River East)

VICE-CHAIRPERSON – MLA Jennifer Chen
(Fort Richmond)

ATTENDANCE – 6 QUORUM – 4

Members of the committee present:

Hon. Min. Moyes, Hon. Min. Schmidt

MLA Chen, Messrs. Guenter, Pivniuk, Mrs. Schott

APPEARING:

Jeff Bereza, MLA for Portage la Prairie

Jeannette Montufar-MacKay, Chair of the Board,
Efficiency Manitoba

Colleen Kuruluk, Chief Executive Officer,
Efficiency Manitoba

Michael Stocki, Vice-President, Efficiency
Programs, Efficiency Manitoba (by leave)

MATTERS UNDER CONSIDERATION:

Annual Report of Efficiency Manitoba for the
fiscal year ending March 31, 2024

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Clerk Assistant (Ms. Melanie Ching): Good afternoon. Will the Standing Committee on Crown Corporations please come to order.

Before the committee can proceed with the business before it, it must elect a Chairperson.

Are there any nominations?

Hon. Tracy Schmidt (Minister of Education and Early Childhood Learning): I nominate MLA Rachelle Schott.

Clerk Assistant: MLA Rachelle Schott has been nominated.

Are there any other nominations?

Hearing no other nominations, Mrs. Schott, will you please take the Chair.

The Chairperson: Our next item of business is the election of a Vice-Chairperson.

Are there any nominations?

MLA Schmidt: I would like to nominate MLA Jennifer Chen.

The Chairperson: MLA Chen has been nominated.

Are there any other nominations?

Hearing no other nominations, MLA Chen is elected Vice-Chairperson.

The meeting has been called to consider the Annual Report of Efficiency Manitoba for the fiscal year ending March 31, 2024.

At this time, I'd like to remind everyone that questions and comments must be put through the Chair using third person as opposed to directly to members and representatives.

We have had a request from Efficiency Manitoba to have Michael Stocki, vice-president of efficiency programs, answer questions on the record, in addition to the board chair and chief executive officer. This will require leave.

Is there leave? *[Agreed]*

Leave has been granted.

Are there suggestions from the committee as to how long we should sit this afternoon?

Mr. Doyle Pivniuk (Turtle Mountain): I suggest three and a half hours between the presentations and the questioning.

The Chairperson: A suggestion of three and a half hours has been made.

Is that in accordance with the group?

An Honourable Member: No.

The Chairperson: MLA Chen, do you have a suggestion?

MLA Jennifer Chen (Fort Richmond): I suggest one and a half hours.

The Chairperson: A suggestion by MLA Chen has been made for 1.5 hours.

Is that agreed?

An Honourable Member: No.

The Chairperson: Mr. Piwniuk.

Mr. Piwniuk: I would suggest three hours.

The Chairperson: Mr. Piwniuk is countering with three hours.

An Honourable Member: No.

The Chairperson: MLA Chen? Would you like to repeat that, please?

MLA Chen: I suggest two hours.

The Chairperson: MLA Chen is suggesting two hours.

Is that agreed?

An Honourable Member: No.

The Chairperson: I hear a no.

Mr. Piwniuk: I would say two and three-quarter hours. Two hours and 45 minutes.

The Chairperson: Mr. Piwniuk is countering with two hours and 45 minutes.

Is that agreed?

An Honourable Member: No.

The Chairperson: I hear a no.

MLA Schmidt: I'll suggest two and a half hours.

The Chairperson: Minister Schmidt, could you repeat your counteroffer?

MLA Schmidt: Pardon me. I would suggest two and a half hours.

The Chairperson: Is that agreed? *[Agreed]*

Great teamwork, thank you. All right, the committee agreed on 2.5 hours.

Thank you, everyone. Agreed and so ordered.

Does the honourable minister wish to make an opening statement; and would he please introduce the officials in attendance.

Hon. Mike Moyes (Minister responsible for Efficiency Manitoba): Good afternoon, everyone, and especially to the committee members.

As the newly appointed Minister responsible for Efficiency Manitoba, it's my pleasure to be with you here today to discuss Efficiency Manitoba's annual report and the associated supplement for the fiscal year ending March 31, 2024. And so thank you for being here.

I'd like to acknowledge that we're on Treaty 1 territory, the traditional land of the Anishinaabeg, Anishinewuk, Dakota Oyate, Denesuline and Nehethowuk nations, and on the Homeland of the Métis nation, who have been stewards of this land since time immemorial.

I'd like to welcome Colleen Kuruluk, CEO of Efficiency Manitoba, and Jeannette Montufar, Efficiency Manitoba board chair, who is joining us online, in addition to vice-president Michael Stocki. I'd like to thank all of them for their hard work, their dedication and leadership of this very important Crown corporation for all Manitobans.

In March 2024, our government issued an exciting and ambitious mandate that assigns new and expanded responsibilities to Efficiency Manitoba, and addresses a key priority for our government of improving affordability for families and businesses.

Manitoba's affordable energy plan further highlights the key role Efficiency Manitoba will play in achieving our climate goals and objectives. An efficiency-first approach presents a strong opportunity to manage our investment in electricity supply, create good jobs in energy efficiency industry and keep energy rates affordable. We rely on the excellent work Efficiency Manitoba is doing to assist us in transforming these plans into a reality.

Honourable Chair, 2023-24 was an outstanding year for Efficiency Manitoba. They achieved their highest levels of electricity and natural gas savings since becoming operational in 2020. The programs and rebates provided to homes, businesses and communities have made facilitating energy efficiency upgrades easier, more accessible and affordable for all Manitobans. Customers are choosing to invest in energy efficiency with the help from Efficiency Manitoba, and this is benefiting Manitobans by providing valuable energy bill savings and reducing our reliance on fossil fuels.

The 2023-24 results clearly show that participation in Efficiency Manitoba's offers and incentives being paid directly to Manitobans are significantly increasing. This further demonstrates that they are well poised to execute on our updated mandate for them, while they continue their strong trajectory towards meeting long-term legislated energy savings targets.

I want to congratulate Efficiency Manitoba for the incredible work that they have done and continue to

do for Manitobans. Their achievements are impressive and admirable.

* (13:10)

As we move forward, we are committed to enabling Efficiency Manitoba's work in supporting more Manitobans in reducing their energy use and bills while simultaneously assessing all the additional benefits that energy efficiency provides, including Indigenous reconciliation and economic development.

I look forward to the questions this afternoon and opportunity for Efficiency Manitoba to share more about the great work that they're doing.

Thank you.

The Chairperson: We thank the honourable minister.

Does the critic for the official opposition have an opening statement?

Mr. Piwniuk: I just want to thank the—I just want to congratulate the new minister on his position as the environmental minister and congratulations.

And I also want to just let everyone know that I—my two colleagues here, Mr. Guenter, from—MLA for Borderland and then also Mr. Berezka, who is the MLA for Portage with me, they'll be asking some questions throughout the afternoon.

And I just want to thank the CEO and the chair and—of—your position, again, was the vice-president? Yes. Thank you for coming today to ask any—answer any of the questions that we'll have. We really appreciate the time. I know the history of Efficiency Manitoba and the great work that has been done in the past and continuing to look forward.

And also we want to know what the future is, and that's—gives us the opportunity to be here today to ask those questions, to understand what the opportunities are, what the challenges are and also let the—make sure that everybody's accountable for a lot of the stuff that's going to be happening in the next number of years going forward here.

So I look forward to having the time to have discussion and to have a good conversation back and forth when it comes to some answers and—of our questions that we'll be having to this afternoon.

Thank you.

The Chairperson: We thank the member.

Does the representative from Efficiency Manitoba wish to make an opening statement?

So, Jeannette, you can have the floor first—Ms. Montufar.

Ms. Jeannette Montufar-MacKay (Chair of the Board, Efficiency Manitoba): Yes, can you hear me okay? Can you hear me?

Okay. So thank you so much for the opportunity to be here today. I do apologize for not being able to be there in person, but I do appreciate the opportunity to ensure that I could join virtually.

So as chair of the Efficiency Manitoba board of directors, I would like to thank everyone for participating in today's event. Since Efficiency Manitoba's board was created in May 2018, I've had the honour and privilege of serving as chair and working alongside my fellow directors, providing governance to support this Crown corporation. We have worked collaboratively to establish a stable, responsive and nimble organization necessary for achieving long-term electricity and natural gas savings targets in Manitoba.

I would say that I speak on behalf of the board of directors when I say how very proud we are of the progress Efficiency Manitoba has made not only in the 2023-24 fiscal year, but since their commencement in April 2020.

The team at Efficiency Manitoba has accomplished a great deal and continues to build upon their well-established reputation. We've optimized a diverse portfolio of programs and offers and continue to pursue innovative ways to achieve deeper energy savings. Now, these efforts have resulted in higher participation and many positive outcomes for Manitobans and Efficiency Manitoba in 2023-2024.

Now, within the '23-24 fiscal year, a new mandate letter was issued with—and the mandate letter now sets forth an important priority that will deliver benefits for Manitobans. Now, this is an exciting time for Efficiency Manitoba as they are poised to serve as a key player in our province's pathway towards improving energy affordability and environmental sustainability.

So we're looking forward to continuing to support the Efficiency Manitoba efforts and ongoing work to enable real benefits in an energy-efficient future for all Manitobans.

Thank you.

Ms. Colleen Kuruluk (Chief Executive Officer, Efficiency Manitoba): Good afternoon. It's my pleasure to be here today and share how Efficiency Manitoba has progressed with its mandate of reducing

the province's electricity and natural gas consumption in our 2023-2024 fiscal year.

And before I get started, I just want to thank Minister Moyes for the land acknowledgement. At Efficiency Manitoba, land acknowledgements are a regular practice. We recognize that our reconciliation journey necessarily starts with all employees being able to recognize and understand the history of colonialism and the acknowledge the harms—acknowledgement of the harms done.

So I'm proud to share Efficiency Manitoba's significant accomplishments in the '23-24 fiscal year. By many measures it's been our most successful year to date, and I'd like to highlight a handful of these successes today.

Since our inception in 2020, our mandate has been clear and focused to implement and deliver meaningful energy savings initiatives to all Manitobans, thereby reducing our provincial energy consumption and associated greenhouse gas emissions.

In '23-24, our total electricity savings reached 84 per cent of our legislative targets of 1.5 per cent. I'm also pleased to report that our natural gas savings were 119 per cent of our legislated target of 0.75 per cent. And not only does this surplus contribute to pandemic-induced natural gas savings shortfalls from previous years, but it has had the added advantage of contributing even more than planned to provincial greenhouse gas reductions.

Manitobans participating in our natural gas offers have saved 29,000 tons of CO₂ equivalent from being released into the atmosphere. With that impressive result, we can report that persisting cumulative greenhouse gas emission reductions total over 193,000 tons since 2020-2021. This has a positive impact on Manitoba's climate change and net zero commitments.

These targets are both electric and natural gas saving—these targets for both electric and natural gas savings represent never-before-seen targets for energy reductions in Manitoba, all while the opportunities for savings over time diminish as the market transforms to more efficient alternatives.

In addition, as the move towards decarbonization accelerates, electric load growth has the potential to further challenge achievement of targets that are based on our percentage of load, especially on the electric side of our business.

With this context in mind, our savings achieved to date are noteworthy and wouldn't have been possible without the involvement of Manitobans in every corner of the province. Our results show increasing participation in our diverse and accessible portfolio of over 40 offers for residential, commercial, industrial, agricultural, Indigenous and income-qualifying customers. In fact, in '23-24, we helped more Manitoba homes, businesses, communities than in any of our prior fiscal years.

More and more people are recognizing the many benefits of energy efficiency and by making it more accessible and affordable, it's clear that Manitobans are seeing it's a worthwhile investment with short-term and long-term advantages.

And, of course, Manitobans need to know about our offers to participate in the first place, and so our creative and focused communication efforts have led to our brand awareness being measured at 73 per cent, and that means we've nearly reached our 10-year target in four short years. It's only when Manitobans know about us that participation and all the benefits that flow from energy efficiency happen.

Not only are Manitobans aware of what we have to offer and participating in our diverse initiatives, but they're also very pleased with their experiences with Efficiency Manitoba. We measured a customer satisfaction score of 89 per cent in '23-24, basically meeting the very high target of 90 per cent we set for ourselves. Our team is passionate and truly cares about prioritizing the needs of our fellow Manitobans and we're seeing how every employee's dedication and expertise is positively impacting our customers.

As we continue to enhance and optimize our offers and pay incentives to even more participating customers, our investment in energy efficiency for Manitobans has been increasing every year. We've seen year-over-year growth in spend for customer incentives, with us paying two times the incentive dollars in '23-24 than our first year, or our inception year. These incentives go directly into the hands of Manitobans, helping them save today on the cost of home and business retrofits.

But the savings persist beyond the initial incentives. Energy efficiency upgrades result in monthly energy bill reductions, improving the affordability for Manitobans in helping them save tomorrow. To the end of the '23-24 fiscal year, cumulative customer bill savings represent over \$40 million annually with persistent cumulative customer bill savings of over \$97 million since 2020-2021. And these figures are

impressive and have a tangible benefit to the everyday lives of Manitobans.

Beyond these many accomplishments is the incredible team of hard-working industry experts who design cost effective offers, provide technical expertise directly to customers and deliver the back-end support to ensure everything we do runs smoothly.

* (13:20)

Our purpose-driven, collaborative and supportive team culture, which values the contribution of every team member, allows our employees to thrive and take deep pride in their work, which in turn helps them to collectively put our customers first. We're proud to deliver world-class energy efficiency program right here at home. And I'd like to thank the Efficiency Manitoba team for their excellent work in making these notable achievements happen.

Energy efficiency has always been important, but as we navigate the evolving energy landscape and move towards decarbonization and electrification of building heating, transportation and industrial processes, it's now even more important than ever before. Energy efficiency can assist in meeting a portion of this additional load, and the most cost effective energy source is the kilowatt hour that you don't need to generate at all, by any source.

Being mindful of how much and in which ways we use our energy also has benefits that go well beyond the energy system. People in communities see training, employment and business opportunities through participating in and supporting our work. Businesses and industries have the opportunity to reduce costs, reduce waste and increase their competitiveness, and investing in energy efficiency provides a guaranteed return financially through lower energy bills for the lifetime of the retrofit or measure, whether that's a home or a business.

At the end of the '23-24 fiscal year, we received a new mandate letter from the government, and we're acting on these priorities and working hard to introduce new and enhanced offers to the market. It's an exciting time for energy efficiency, and this sentiment was reiterated in the recently released Manitoba affordable energy plan, and I'm looking forward to seeing how an efficiency-first approach will continue—contribute to a strong, prosperous and affordable clean future for Manitoba.

And Madam Chair, I thank you and the minister and the committee for the taking the time to meet

today, and I welcome any questions you may have about our '23-24 annual report.

The Chairperson: Thank you.

The floor is now open for questions.

Mr. Piwniuk: I just have a first question here today.

Last year, my colleague from Fort Whyte, Mr. Khan, was asked about the data over multiple years and showing the long-term savings that Manitobans can experience from efficiency measures. That was taken under advisement.

Was this data ever compiled, and is Efficiency Manitoba in a position now to share those results?

Ms. Kuruluk: Yes, and if I could just clarify specifically what aspects of the cumulative results Mr. Piwniuk is looking for.

Mr. Piwniuk: I guess—thank you, honourable Chair.

It was based on the question that was—which was asked last year with my colleague, Mr. Khan, regarding the multiple data over the multiple years and showing the long-term savings that Manitoba had experienced—'kinif' experienced efficiency measures.

So if there was some data that—which could be shared based on that question from last year.

Ms. Kuruluk: Okay. So at Efficiency Manitoba, we look at savings in two different varieties: so there's the energy savings and also the bill savings. And so I seem to recall that at that time, there might have been a question about the bill savings.

So as I reported in my opening remarks, the persisting cumulative bill savings as a result of efficiency participation is 97.2 million for customers. And so the customer that saves in year 1 is still saving in year 4. So that's what we call persisting cumulative.

Now, in terms of energy savings, the persisting cumulative savings on a gigawatt-hour basis is 2,500 roughly—a little bit over 2,500. In natural gas, it would be 101 million metres cubed. And that—again, it would be persisting savings. So the customers saving in year 1 are saving in year 4, as are the customers in year 2 and year 3, et cetera.

Mr. Piwniuk: Great. Thanks for the answer.

And just going on to—I guess on July 3, the minister's predecessor responded in a written question, saying that it would be response in due course.

Honourable Chair, I think that we can now be all agreed it's relevant to the—this report, because it

directly speaks on the honest and straightforward release of materials that the CEO and the board chair may take as the undertaking today, and speaks to the committee's confidence that there is no political interference.

So I ask the minister why this material was suppressed, and will he commit today to provide any response that either the CEO or the board chair take as an undertaking immediately.

MLA Moyes: The information from Efficiency Manitoba—they've been very forthright with any information. They just answered your question in terms of the cumulative effects of their program, both financially and within their targets. If we don't have the information in front of us, we will always work to ensure that we get that information out to you.

Mr. Piwniuk: I thank the minister. And, again, we just want to make sure that any questions and any details that would be given back to us at any time after these questions are asked, if there's no answer at this point in time, that it'd be a timely opportunity to get those questions asked in writing.

We've been previously asked about expanding the availability of small business grants, specifically all about working with small and independent Manitoba companies that want to help to provide such renovations and improvements. Is this something that Efficiency Manitoba has looked into over the last year?

Ms. Kuruluk: Yes, thanks for that question. Efficiency Manitoba is very proud of the business programs in particular that we have to offer for small and large and very large businesses in Manitoba.

So we have a small business program that's targeted particularly to a smaller business, presumably the type of business that you're referring to, and what that offer does is—has a pre-qualified contractor that's been hired by Efficiency Manitoba go visit the business, immediately install low- and no-cost measures for energy efficiency that they see available, and then do an assessment for deeper retrofits as well.

And at the end of those deeper retrofits, we offer an enhanced incentive for those upgrades, recognizing that sometimes the smaller businesses are maybe not the target of suppliers for lighting retrofits, for example, because they are maybe smaller, the economies of scale aren't there, located in remote areas of the province.

So that offer is available, and we've seen a number of small businesses take up that offer. You know, we try to celebrate our small businesses. We know that they're the lifeblood of the Manitoba economy, and we actually just had a contest in October of this past year where you could nominate your favourite small business and they were randomly selected and received a \$500 bill credit, which, you know, at this time we know would have been something very welcome by small businesses.

Mr. Piwniuk: Yes, I believe, like, myself coming from a small business environment, and one of the things that I had to be—it goes back to 2001, that when we built our office building, when it was an insurance agency investment, a financial planning firm, we actually did a geothermal. And we had enough land beside us to drill a number of wells. I think we needed to do 10 of them just to, you know—but it was the best decision that we made.

But I—hopefully that continues with small businesses, that you guys are willing to work with. I wish we had some—that Efficiency Manitoba back in those days, that we would have able to get more, you know—we basically covered it all ourselves. But it paid off. It paid off in tenfolds. It was the best heat, the best cooling. But this costs a little money too.

But it was also that opportunity to sell the building when we did to the buyers that bought our business, and so to this day I think it's still is—was a good decision to make, and overall.

Is there something that the minister would consider making a priority, and can we expect an update next year that Manitoba small businesses are being considered to provide these services?

* (13:30)

MLA Moyes: What I would say is that business in general is a priority for our government. We always want to ensure that both—all types of businesses are supported in any way that we can.

I'm very proud of the suite of programs that Efficiency Manitoba provides across a whole sector, or a whole variety of sectors, and impacting Manitobans right across the province.

They currently have a business program. They're constantly evaluating and re-evaluating to ensure that Manitobans are getting the best programming possible and that we're going to continue to see good results in terms of energy efficiency and cost savings.

Mr. Piwniuk: Thank you, Honourable Speaker—I mean, honourable minister for the—making sure that it is a priority for small businesses as they are the ones that employ most of the employees in the province, and it's important that they are considered when it comes to really helping the small business community out.

The question I have now for the CEO: Is the Efficiency Manitoba at all concerned with the key performance indicators—indicated in this report? We see that the private sector expenditures are lower than targeted and the consumers' is higher.

Is that a risk or another form of success in getting homeowners to participate?

Ms. Kuruluk: Mr. Piwniuk is referring to the KPI table on page 13 of our annual report, and so I'll talk first about—I believe it was the expenditures with private sector.

Our '23-24 results being a much smaller percentage of budget than we had anticipated, and that actually was primarily due to the fact that we were budgeting to have a regulatory hearing in that year, and so in that private sector bucket of budget includes, you know, the process of a regulatory hearing, the lawyers, et cetera, that are involved in that process, and that regulatory hearing did not happen. So that was a big portion of our variance under that particular line item.

And then in terms of expenditures with customer incentives being higher than anticipated, you know, as with our energy savings performance, we anticipate a lot of fluctuation in both incentives paid and energy savings, just due to the fact of the multiple types of customers that we're targeting with our programs that are impacted by a variety of different scenarios, whether they be market or personal factors that make it very, very difficult to be, I guess, on the pin on things such as customer incentives.

And so, you know, a 5 per cent sway going from 59, 60 per cent as a target to 65 first of all isn't a large sway based on our business, and secondly I think it represents, actually, a really good news story that more customers participated, and we got more dollars in the hands of Manitoba homes and businesses.

Mr. Piwniuk: I just—another question I have here is on—and I want to thank the CEO for giving me that information. And now, on page 15 indicates that Efficiency Manitoba removed the cap of \$25,000 on commercial solar projects.

What kind of increase—what kind of an increase in uptake has this generated for the—Efficiency Manitoba?

Ms. Kuruluk: So I do have that data for solar participation. It is a combination of our residential and commercial projects, so may not isolate exactly the impact of the 25,000 cap removal, although we do know anecdotally that our supplier partners were—and contract partners were very happy about that.

But we do see that at the end of '23-24, we were sitting at 223 participants, and, to date, in '24-25, we're at 201. So, if we get more than 22 participants in this next quarter, it would definitely be an increase. Not sure of the significance of that.

Mr. Piwniuk: Thank you very much for that information. And a follow-up question here is: What kind of trends are you—are we seeing? Is this increasing uptake most noticeably, and what is the average project value now? So is it an increase with the—with now more companies coming on-board to do—to put in solar panels or are what we seeing in the trend now?

Ms. Kuruluk: Yes, I wouldn't say that we've noticed a trend, necessarily, in an increase in installers per se. You know, we did see a bit of a lift when the federal Canada Greener Homes program was in play and there was the ability to staff their incentives with Efficiency Manitoba's incentives. And so there was certainly the ability to cover more of the cost, and solar systems do tend to have longer payback periods due to the savings. So I think the trend that we saw there was that the necessity to get a stacked incentive really moved the market. But other than that, I think it's pretty steady in terms of both participation and contractors available to do that retrofit.

Mr. Piwniuk: Thanks, Ms. Kuruluk. I just got another question. A follow-up question on that one is basically how is Efficiency Manitoba promoting it? Like, are they—are you basically advertising more, trying to get—encourage the public to buy in to doing more solar panels and is there, you know, is there—is that something that you guys also have a budget for when it comes to making sure that the public is aware of different grants that are out there?

Ms. Kuruluk: Yes, of course, Efficiency Manitoba does do advertising; the solar program itself would also do some advertising. I don't have numbers in front of me, in terms of the investment in that. But we also definitely rely on our network of distributor and supplier partners to be doing that. Obviously, they are the first company to benefit from selling more solar panels. So we, of course, rely on them to be spreading the word about our incentives, and I'm sure it's something that they most readily do when they're looking to gain a customer to a solar panel.

Mr. Piwniuk: Basically, it's word of mouth; it's referrals and stuff like that. Is that something that you would count on some of the opportunities where people have, let's say, like, individuals, customers have provided the solar panels and just the referrals of the opportunity that, let's say a person who had solar panels would promote to a neighbour or a friend or another competitor?

Ms. Kuruluk: Yes, I wouldn't—I definitely wouldn't say that the advertising is restricted to referrals. Like, we know that a lot of our customers in the rural install solar panels. So I do believe we—well, I know we were at the Keystone Agricultural Producers show, so I think solar panels are something that comes up a lot. So, in terms of marketing, we have staff members that are, like, at those shows that are talking directly to customers about the availability of incentives for solar. We also have a new business development rep that is focused kind of on the agriculture and rural market segment that would be obviously communicating those offers as well.

So I definitely wouldn't say we'd be relying on referrals. There'd be a lot of—you know, it's one-to-one, in-person marketing that happens there, but in addition to brochures and targeted campaigns as well.

* (13:40)

Mr. Piwniuk: Thanks, Ms. Kuruluk.

Question I have: so when you talk about trade shows, I know I was just—we just Ag Days in Brandon. And I know it's very hard to get into exhibits. It's one of the biggest trade shows in, probably, western Canada, and I think there's a similar one in the summertime, around Saskatoon.

Is that—have you guys had the opportunity to actually book yourself into—I know it's such a big event. I was around there for about three days last week, but I don't know if can always get to every booth, but I just want to know if you had the opportunity to at least put your name into—if you're not there, to put your name into getting a booth at some point. It's like—almost like winning a lottery to get there.

The Chairperson: I'd like to remind everyone that questions and comments must be put through the Chair, using third person, as opposed to directly to members and representatives.

And are you ready for a response?

Ms. Kuruluk: Yes, and I apologize; in my last response, I think I talked about Keystone Agricultural Producers, who's an important partner for us and also sits on our

energy efficiency advisory group. But I did mean to say Ag Days.

Our team was absolutely at Ag Days and I'm sure that we book Ag Days the moment we close up our booth and we book it for the next year. So Ag Days are a very, very important event for us to be at. And we're lucky to get that lottery ticket to be there, because we were there.

Mr. Piwniuk: Yes, and I just wanted to clarify that because that is the important time to—I think everybody that—especially in rural Manitoba, makes a point of getting there. So I just want to thank Ms. Kuruluk to give us the—that they're there and that they're promoting the organization when it comes to efficiencies for this province and solar panels for everything that we—that there's opportunities to save on electricity and natural gas.

Similar to the windows and doors rebate was increased, is there discussion of increasing this further? Or is Efficiency Manitoba satisfied that it serves the needs of Manitobans well in its current form?

Ms. Kuruluk: Yes, so Mr. Piwniuk is referring to again—I'll find the page on it, but one of the activities that we did in '23-24 to increase uptake in our programs was a doubling of the incentive for windows from \$100 per rough opening to \$200. And we did see a significant uptick as a result of that. Right now, the—oh, sorry, \$50—I'm going to make a correction there: from \$50 to \$100 per opening. So I'm ahead of myself there.

But what we would say about our windows incentive is that right now, and this is important for all of our efficiency retrofit incentives, is that when we're dealing with determining what is an appropriate level of rebate, we're looking at the incremental cost of the energy efficient alternative.

So if you're looking to replace your window and you might be considering a dual-pane, fairly decent argon-filled window, and Efficiency Manitoba is trying to encourage you to go to a triple-pane, ENERGY STAR-rated window, that incremental cost might be in the neighbourhood of \$200. And so the \$100 is covering 50 per cent of that incremental cost. So we think that's fairly significant.

And, of course, what we hear from customers often is they're installing windows because of some of the energy savings of course, but a lot of the non-energy benefits: so less draft, reduced noise, aesthetics of the home.

So at—right now we're comfortable at the \$100 per rough opening to see how the market reacts to that. And so far it's been very positive.

Mr. Piwniuk: Again, thank you for the answer for the last question I had. And now I would go on to: Efficiency Manitoba has tasked with assisting in, and to quote the framework letter, switching from fossil fuels to ground source and air source heat pumps.

What is the status of this initiative and what is the breakdown between air source and ground source heat pumps delivered?

Ms. Kuruluk: Yes, and thank you for that question.

We're definitely—I think Mr. Piwniuk is probably referring to the Affordable Home Energy Program, and we are doing some really good work to get that program launched, and we look forward to giving more details about that very, very soon.

One of the aspects of the Affordable Home Energy Program was a measure of affordability, and so part of the work that we were doing while we've been framing up that program was looking at what the options are for saving the most for Manitobans. And so one of the things that we recognize is that in terms of affordability and bill reductions, that that is going to occur more heavily with electrically heated homes moving to geothermal than natural gas heating—heated homes at this time. And so, as noted in Manitoba's Affordable Energy Plan, we will be starting first with the electrically heated homes.

And so we look forward to talking perhaps next year about how that program rolled out and how well we did.

Mr. Piwniuk: Thank for the answer for the heat pumps.

I—like, again, when I was talking about my own experience that I put in—when it came to geothermal, the cost back then—it was new technology. Of course, it's like a calculator. When you first got your first calculator—I'm dating myself here—it was like 60-some dollars to buy. Like, it was—not—and you got a basic calculator back in the day. And now, it's like you can get all these fancy calculators, and you can, you know, get it for—like, people give them away, because they're so—made so inexpensive.

But when it comes to the technology now that the—with the heat pumps, what is the average cost now to install a heat pump? Let's say this—in the city of Winnipeg versus rural Manitoba, because, again, you might have the supply and demand when it comes to 'installers.' And what is the cost maybe to look up in

the North when you have the challenges of topography, the Canadian Shield, and then also at the same time—does the Efficiency Manitoba, honourable Chair, have the numbers when it comes to the cost of these heat pumps in different regions of this province?

Ms. Kuruluk: So we do have data on average cost of systems. What I will say, though, also, is that this is not necessarily a regional cost comparison. Just from a technical perspective, we recognize that when you're living in the Canadian Shield area where, you know, there's a lot of rock that necessarily the cost of a heat pump will be much higher just in terms of—and even in some cases not even technically feasible just due to the amount of rock that has to be drilled through.

But on average, what we're seeing through our residential program is an average installed cost of \$32,000 for a geothermal heat pump, and that number increases to \$40,000 for an agricultural customer. And it ranges very wide, and this is the challenge with heat pumps, is that it's really based on the heat load of—that's required for the home or business, so not—and, of course, the drilling conditions. So we've seen a range of anywhere from \$17,000 to \$80,000 in terms of costs for installed geothermal heat pumps in our program.

Now, an air source, it's the—again, it depends on whether you're doing a ducted or a ductless system, but the average is essentially ranging between \$14,000 and \$17,000 and, obviously, significantly probably less than a geothermal. And I would say that a lot of that would be attributed to, of course, that with geothermal you have the added complications of the drilling and going underground to get that heat. You get more savings from those systems, but, of course, the cost is going to be more.

Mr. Piwniuk: Thank the—for the information of, you know, the different costs.

* (13:50)

So with the—when the new government came into power of—last year, there was a mandate that they were going to do so many heat pumps; 5,000. And now that you've basically, honourable Chair, that the CEO has now indicated the cost, and the cost of an average heat pump, is that viable that the goals, the targets that this new government has set up for, is it viable, or is there going to be a lot more funding to have be—to make sure that it's affordable for, as you say, your average household to put those heat pumps in?

And lot of times, you know, these grants are more for people with certain incomes that get—you know, can afford it.

Is that kind of—is—what is the program? Are you guys looking at, honourable Chair, if Efficiency Manitoba is actually looking at the—you know, making sure that, you know, people who can afford them, they, you know, they don't get as much, they won't get the grant, but if people who have—they know—they need the affordability, they need to have—you know, when it comes to heating their house, is it viable for the amount of money that's available for grants to do, to actually be able to fulfill the mandate of, I believe, over 5,000 homes in the province?

Ms. Kuruluk: So Mr. Piwniuk brought up, you know, several considerations that, you know, that we're working on with respect to developing Affordable Home Energy Program that makes sense for all Manitobans, of course.

And, you know, some of the things that we're waiting on, for example, is, what are the federal program incentives going to be, and are we going to have the ability to stack those? You know, how do we address—I mean, some homes will have—will see more savings than other homes, especially, for example, if you're heating with electricity versus natural gas.

So those are considerations. We are taking that target very seriously. We recognize that heat pumps are a more efficient way to be heating your home, and we would like to be designing something that is able to meet some of those challenges that you've mentioned in terms of affordability and whatnot, to make sure that that technology is more accessible.

And yes, it is a more costly technology.

Mr. Piwniuk: I guess we were looking at northern communities and we're looking at First Nation communities, the Indigenous population. I know the, you know, the—it's so expensive to live up in the North. I've been up there many times as a Transportation minister, and the challenges that they have to face.

Are you working with—like, when you talked about the fed's initiatives, are you in the talks with the feds to look at more, like, working together as a organization to work with Efficiency Manitoba and the federal government to make—providing more grants, let's say more opportunities, for First Nation communities?

Ms. Kuruluk: So Efficiency Manitoba definitely recognizes the energy affordability challenges with First

Nations communities, and, you know, with northern communities in particular. You know, one of the things in one of the offers that we do, and we pay 100 per cent of the cost of these retrofits, so not necessarily working with the federal government, but through our own programs, covering the cost of insulating the homes.

So prior to even addressing heating systems, probably the most cost effective and the most longevity of an efficiency measure is to make sure that your building envelope is very tight so that you don't have heat loss. So that's one of the primary retrofits that we're really recommending for those communities.

In terms with—of working with the federal government, we do sit on the Manitoba Indigenous Housing, Capacity, Enhancement and Mobilization Initiative that does have some federal representation, and that group works to determine how we can get more efficiency measures into the hands of First Nations communities.

But at Efficiency Manitoba, like, we have established both a—an entire work group dedicated to planning and working with First Nation communities to design appropriate programs to address efficiency needs in those communities, and we have an Indigenous energy efficiency working group that we've established, that we have had forums in Winnipeg where we've met with all the communities—a lot of them attend—to talk about what we can do to our programs to make them more accessible.

And, of course, you know, we do a lot of one-on-one with communities too to find out what are their energy goals and what are their energy needs. And we don't look at First Nations communities as necessarily every—a one-size-fits-all because we know that communities may have different goals. And so we do a significant amount of work to make sure that what we're designing and what we're implementing to the market is something that results in energy savings and also fits the community's goals and objectives as well.

Mr. Piwniuk: Thanks for the answer—the question I had.

I'm just going to one step further when I guess—when, honourable Chair, that these—Ms. Kuruluk basically indicated that being up north, there's more challenges when it comes to geothermal, you know, making—when it comes to drilling. Of course, there's rock bed and Canadian Shield, but is there an

opportunity also to look at the—when it comes to lakes, especially, there's a lot of many lakes up in northern Manitoba, using the—you know, lot of times the fish, they survive beneath the ice, and there's a—easily the temperature at the bottom of some really deep lakes can be just the same temperature in the summer as it is in this—in the wintertime. Is there opportunities at—even in other communities, like, within, like, mining communities up in the North, is there opportunities that Efficiency Manitoba is working with communities and working with individuals and, let's say, Indigenous groups up there, to look at that type of technology of geothermal, of getting the heat from the bottom of the lakes to be able to heat a lot of the homes in northern Manitoba, Honourable Speaker—honourable Chair?

Ms. Kuruluk: So I believe minister—or Mr. Piwniuk is speaking about lake loop geothermal. And so we are definitely aware of one community that is—has installed a lake loop geothermal, and I'm not sure if it's operating. I'm going to take a pause for—so it is, indeed, operating. It's in Northlands community. We don't have data on how that lake loop geothermal is performing, but we would absolutely support a lake loop geothermal; if it is proven out to save energy, we would absolutely support it.

We do have an Innovation Fund that helps with the feasibility, like, looking at the feasibility of different options, and that sounds like something that could possibly fit into an Innovation Fund type of project. And then once we verify the energy savings, of course, that'll be something that we could implement with other communities as well. But, again, you kind of need to understand what are the actual energy savings potential of that against the costs.

Mr. Piwniuk: That just leads me up to the next question, is that, let's say that pool of money that you have for, like, for research and development when it comes to—or, like, the grant money that you've set aside, is it—is there—how much money would you have for—you would—new innovations of geothermal, let's say, the loops of—in a, lake loops, is there—what is the amount? What is your budget, and is it opportunity to actually utilize that pool of money for going forward and especially saving a lot of money in, especially in northern Manitoba?

Ms. Kuruluk: So our Innovation Fund will pay up to 75 per cent of the feasibility or—of a project, up to a maximum of \$250,000.

So, as I mentioned, the—a lake loop might be something that would fall under that description of an innovation that we'd like to test for future energy savings. We've also used our Innovation Fund to assess feasibility of district geothermal loops in-ground, or using well-to-well systems, in southern Manitoba.

So, you know, given that there's going to be a big focus on heat pumps, we have seen a lot of interest coming lately into the Innovation Fund with respect to heat pump—innovative heat pump technologies.

* (14:00)

Of course, we wouldn't see the installation of a regular single-family dwelling ground source heat pump loop as being an Innovation Fund project. We have incentives for that now, but anything that is different than what we have incentives for today and has the potential to save energy, we would definitely look at.

Mr. Piwniuk: Thank you for the answer. That was great to understand that there's opportunity in the future and that you guys are—basically Efficiency Manitoba is looking at possible major programs like that.

Last year Efficiency Manitoba committed to getting a number of geothermal pumps installed that year. What—was that ever accomplished? Can you provide—do you have those numbers available now for the—what was installed last year for the program that—of these geothermal heat pumps?

Ms. Kuruluk: Yes, so our data from the 2023-2024 year on geothermal heat pumps specifically, across several programs, of course, because it's not just one program for geothermal heat pumps—there's several—and we hit a total of 73 heat pumps. However, one of those projects was also a multi-unit residential building. So within that one project, of those 73 would have been 185 units, or 185 families receiving heating through a geothermal heat pump.

Mr. Piwniuk: Based off the numbers of the—that the CEO had provided, the 5,000 heat pumps that would cost more than the government previously committed, has there been any funding committed to meet the gap that's almost 30 per cent more than previously indicated, at almost \$8 million?

So is there opportunity to make sure that there's funding available because of the extra costs of these heat pumps?

MLA Moyes: I just want to clarify something just for the committee. The member opposite right now is making an assumption that that cost of individual homes is going to maintain across into the future, and that's not necessarily the case.

Like, the costs outline by Ms. Kuruluk vary because they're—when you're putting in a heat pump, as you described for your own business, you're on an individual basis. What we're talking about moving towards are programs where we're going to a district model, and so that's going to be able to achieve targets that are greater than and at a lower cost than what has been outlined.

Mr. Piwniuk: Well, I believe in the—when—honourable Chair, I believe as the minister had indicated, that it's sort of change in the—basically it was promised during the election of 2023 that there was going to be 5,000 heat pumps for houses that need to have more energy efficiency.

And that was what the—what was communicated to the Manitoba public during that election, that the promise of 5,000 heat pumps. And now they're looking at—because of the realization of the costs of putting these heat pumps, so now we're looking at multi newer buildings that are using these heat pumps. Is that what the minister is trying to communicate, honourable Chair?

MLA Moyes: What I would say is that there's been a number of years, after seven and a half years of inaction by the previous government. Our government is committed to using all tools at our disposal, to ensure that we're cutting costs for Manitobans as well as meeting the emissions targets, and that includes using district geothermal.

That does not necessarily assume that that would have to be in new developments, although it could. And so we're going to be moving forward on all sources of efficiency, of—sorry, of different mechanisms of efficiency, including heat pumps of all kinds.

Thank you.

Mr. Piwniuk: I just have to let the minister know also, too, that the seven and a half years, we were the ones that established Efficiency Manitoba to make sure that there's savings and opportunities for efficiencies. And we believed in very much that we knew that we'd want to do our part, the importance of efficiency, that was our promise and—to the public, Manitoba public, and we fulfilled that. And that was important to us.

So, but, like I said, there was, again, there was a promise above—of 5,000, and right now we're going to almost, like, two and a—well, almost a year and a half of their mandate. And as we indicate, there's like, 80—I believe there's 80 projects that were included. Maybe we can just clarify the amount of projects that the heat pumps were actually installed in.

If I can ask the—honourable Chair, if I can ask the CEO, if—can I get the number again? How many heat pumps were installed in the—in this last year and a half?

Ms. Kuruluk: My apologies. It gets confusing when you start talking year and a half and since which—what time, and so—got a lot of numbers. But maybe—well, first of all, before I go to numbers, you know, we are—there's a lot of different ways that we can accomplish the affordable home energy plan in terms of reaching Manitobans with the assistance that they need.

And one of those considerations right now that is going to be a big component of those 5,000 heat pumps is heat pumps on First Nations communities, using a community-driven outcomes contract model where there's a third party financial intermediary that is collecting different outcomes purchasers of Efficiency Manitoba, but one that is buying the outcomes of energy efficiency and energy savings. And so that particular model holds a lot of promise because the other outcomes buyers are also buying outcomes that might be more so related to the training and economic development benefits that occur to the community.

And so when we—and we have had some success in that program already, but essentially what that does, it brings other people to the table to contribute to that and then geothermal heat pump is—can be installed at no cost. So that one will be a big component of how we're trying to leverage existing programs to do the Affordable Home Energy Program.

In terms of numbers, I'll give you just, I guess, a bit of an indication. The additional—the cumulative total that we've had—maybe not a year and a half—since inception; we'll call that inception of Efficiency Manitoba—is more along the lines of 177 units.

But, of course, you know, we didn't have a geothermal heat pump incentive in the early years; we only started having our geothermal heat pump incentive for residential customers in 2021-22. So that's why it's hard to dissect the different time frames in year and a half versus what have you.

But what I'll say about the Affordable Home Energy Program is that we had been working really hard and we have a lot of great ideas on what we can do to combine all the different tools, as Minister Moyes alluded to, all the different tools out there, to make a robust program that may not be a one-size-fits-all; it might be, necessarily, a multi-streamed approach. And absolutely, we don't want to restrict Manitobans that happen to have a home that is a multi-unit residential suite from accessing the Affordable Home Energy Program, so we absolutely believe that MURB, Multi-unit Residential Buildings, would be part of that solution.

* (14:10)

Mr. Piwniuk: I just want to thank you for that information, and I believe now that we go back to 2021 and 2022 when the PCs were in government, and so when the minister says that the lack of what we've done, the 177, I'd like to know how many of the 177, how many were done since October of 2023 to now?

And that's kind of a question I would have, and because, again, the mandate was 5,000, I just want to—it seems like it goes back to 2021, so can I get a breakdown of that?

Ms. Kuruluk: So I do have fiscal years here, so it's going to be hard to pick October. But in 2022-2023, there was 43; '23-24, 73. And then back in '21-22 there was 23. So we see some growth there, and we absolutely think that our incentive is making a difference.

Part of the additional challenge with geothermal heat pumps is just the size of the industry to do the installations. As of January of this year, there was 23 members in good standing for installing geothermal heat pumps on the Manitoba Geothermal Energy Alliance's website. So part of the Affordable Home Energy Program and part of the work that we're currently doing is about how can we support that industry to grow so that we can see more installs.

Mr. Piwniuk: It just seems like the amount, the numbers that I got here, it was the majority of them were done before this government even took play—took power in two—in October 2023, and the fact is, is there any more incentives to do more? What are—what is this government giving the resources to Efficiency Manitoba to make sure that they succeed with their mandate of 5,000?

Ms. Kuruluk: So I think that the Affordable Home Energy Program and the leeway for Efficiency Manitoba to be looking at the entire market and how

can we reach those targets, is what this current government has given us the direction to do.

And so, in addition to that, we've got a lot of great and forward-looking items on our mandate letter, and so we definitely look forward to reaching those targets using the expertise that we have in-house at Efficiency Manitoba.

Mr. Piwniuk: Thanks, Ms. Kuruluk, for the information; that's very valuable to us.

And I just want to stay on the heat pumps again. It was raised at this committee last year that there was significance concerns of air source heat pumps below certain temperatures. I believe that the range of -20 to -25 Celsius.

With re-retrofitting, these fossil fuel to pumps are, honourable Chair, are there any old systems maintained as backup, or what situation are homeowners in with whether or not, like, whether like the cold snap that we have this past few weeks ago and that we're going to be getting probably in next week. So I just want to make sure that, is there backups? Is there a backup system that—what is the concern that you—let's say Efficiency Manitoba, by promoting these different heat pumps to air pumps, air-sourced heat pumps, is there an issue there?

And is it recommended that there should be a backup in cases of if they can't keep up?

Ms. Kuruluk: So, yes, cold climate air source heat pumps may not be operating in the coldest temperatures of the year, but one thing I'd say about cold climate air source heat pumps is that not every Manitoban is going to have a set-up in either their house or their geography that they can install a geothermal heat pump.

So allowing heat pump offers that you can, you know, that fit your needs best is important to us, and the other thing, I brought my engineer vice-president here, because I thought we could get some technical questions, and so if you don't mind. I'm going to pass it to Michael Stocki to address some of your technical air source questions.

Mr. Michael Stocki (Vice-President, Efficiency Programs, Efficiency Manitoba): It's a very good question and absolutely something we're fully aware of.

So, when contractors are out sizing a cold climate air source heat pump of either in an electrically heated home or a natural gas heated home, the capacity of the unit is absolutely of full consideration. Typically, on a gas—when they're going into a gas furnace heated

home, they're sized about 70 per cent of the overall heating load with the recognition that that natural gas furnace is still there to handle the peak heating load. And so you have a—basically a bit of a hybrid system.

So there's lots of different factors but absolutely, you're correct in that cold climate air source heat pumps, they do have a cold temperature limit, but we are finding is that even switching over to maximize affordability benefits, around -10°C is kind of a bit of a sweet spot for switching over to your natural gas furnace. You can go further but then you basically end up paying more in electricity than you'd be saving in natural gas at that point because it runs less efficiently below those temperatures.

Mr. Piwniuk: Thank you for that valuable information.

And the question I have, a follow-up for that question, honourable Chair, is that—so some of these air source heat pumps are basically not even an option in northern Manitoba, then. Is there a certain area that you would recommend them, like southern Manitoba versus doing northern Manitoba? That's just the question I have.

Mr. Stocki: Actually, to the contrary. In northern Manitoba, cold climate air source heat pumps may be the only option due to the ground conditions; so it really depends where.

We are doing an install, very recently, in Lynn Lake, Manitoba. So we are doing some pilots also in Churchill, Manitoba, to test the effectiveness.

So, again, for shoulder seasons, if—as long as you have a backup system, they can be effective solutions and may be the only solution versus ground source, based on the ground conditions.

Mr. Piwniuk: I'm actually—yes, thank you honourable Chair—I'm actually going to a whole different view. Now we're talking about the North and the opportunities that you're looking at: feasibility studies and stuff like that.

Is there an—is there any way—like, I come from—my passion is landscaping and opportunities of—you know, I have a greenhouse in my backyard. And I really feel that—is there an opportunity now with Efficiency Manitoba working with, let's say, the communities, especially northern communities, especially First Nation communities—is creating—and especially when it comes to the efficiencies of carbon footprints, when it comes to transporting goods and services, especially—let's say, produce up in the North.

I basically had an opportunity to do a—somebody in my own constituency who actually has created a greenhouse and it's—they're actually operating right now at Sioux Valley, with their containers. And they actually grow all the produce and they're—and that goal is, right now, for the federation of co-ops, is to provide all their products.

Is that something that you could be working with, with the communities? Is that something that Efficiency Manitoba would even look at, is to find opportunities to save and, you know, like all the efficiencies that we have in our province to create and work with communities to promote these savings to consumers in northern communities?

Point of Order

MLA Schmidt: With all due respect to the honourable member and to the honourable Chair, I'm just not sure how the question is relevant to the '23-24 annual report.

The Chairperson: The minister has a point of order. The question the member is asking is not relevant to the report before us.

Please move on to a different question.

* * *

Mr. Piwniuk: Yes, just while—I thought that there was, you know, I just wanted to—that we have the CEO here, I just wanted to see if there was any initiatives in the future that—again, I do have to honour the decision of this committee to reflect what's in—of this past year's report.

So, my apologies but maybe we'll have a side conversation in the future.

* (14:20)

Okay, does Efficiency Manitoba track heating sources by types? For homes and industrial? Or how many electric versus natural gas furnaces are we looking at, as it compares to propane or heating oil?

Ms. Kuruluk: So, minister Piwniuk's question was just basically asking about the heating source of, I believe, it was residential customers, but somewhere in there he also mentioned industrial?

But necessarily as part of Efficiency Manitoba's program design, we do have that data. We're not connected to our network at this point, so if that's okay, I would say that could be something we could undertake to provide. But we of course do have

estimates of how many customers are heated with propane, oil, natural gas, electricity.

And I'm not sure what his reference was to industrial, if there was also a specific question in there.

Mr. Piwniuk: Thanks for the question.

And just—when it came to the question that I had maybe wasn't relevant—indicated that wasn't relevant to the report. But I just wanted to say that—to that, you know, there was also, in the report—that my relevancy I should have been able to defend was that the future of Efficiency Manitoba. That was where I was going on that. But, again, I was told that the relevancy—but there was some relevance there.

But for that, I'm going to pass it on to one of my colleagues to ask a series of questions. I'm going to pass it on to Mr. Bereza for his questions.

MLA Jeff Bereza (Portage la Prairie): My first question that I have is—in fact, I'm going to go back. Sorry, honourable Chair. I'm going to continue on with the same thing that we're talking about regarding the 5,000 homes.

Indication—and again, thank you, for allowing me to be here today. One of the reasons I am here is I've spoken to a number of heating supply companies within the province of Manitoba. The current government's target is to hit 5,000 homes.

The concern that the heating supply companies are running into is some issues regarding the one-to-one ratio regarding heating supply people in order to put these in. In order for a heating supply company, a plumber, to become Red Seal is approximately—under the one-to-one—is approximately six years. And they said that they do not see any way possible to getting to the 5,000 target that we're talking of here.

What is Efficiency Manitoba doing to ensure that we are getting to the targets that are imposed with us here today?

Ms. Kuruluk: Yes, I think that we've talked a little bit about the fact that there's—it's necessarily going to be a multi-streamed approach and that a family, whether they're living in a single family home, or whether they're in a multi-unit residential building, still, we would like to have access to the affordable home energy program.

But that work is still under way, so answering specifically, what are we doing? We're hoping to announce that really soon, but at this point we don't

have the confirmed details of what it is specifically that we're doing for that program.

MLA Bereza: Thank you so much for the answer to that question.

So do you believe that the 5,000 is an attainable goal at some point, in order to get to, with the type of ratios that we're looking at here, of what the heating supply companies are saying on a one-to-one ratio basis?

Ms. Kuruluk: I was wondering whether we could seek clarification on the one-to-one ratio? I'm not sure if this is a trade certification or an apprenticeship one-to-one ratio, so.

MLA Bereza: Trade.

Ms. Kuruluk: So we do recognize that there is challenges with the industry—on geothermal heat pumps particularly, less so on air-source heat pumps—in terms of—and I don't want to say issue—but in terms of the number of installers that exist to do this work.

So we do recognize that we have some work to do along with other partners within the provincial government that would possibly help us with some industry and trade association work. But it is something that we're intending to work towards, and that's the target that's been communicated, and we're aiming to do what we can to pull together a program that can get us there—*[interjection]* Yes, and capacity building of the trades of the industry would be part of that program and is frankly something that Efficiency Manitoba does experience with a lot of energy efficiency measures, and it's something—some technologies will need or require necessarily more capacity building than others.

And as—you know, as I mentioned kind of in my opening remarks that as energy efficiency technologies transform in the market, what we're left with is typically more complex, more expensive whole-building approaches to energy efficiency, and so all of those things have capacity-building market interventions that Efficiency Manitoba can take part in.

So just as a really good example, when we started moving to more performance-based building approaches for new buildings, recognizing that performance-based and energy modelling will get you more energy savings out of a new building, one of the challenges we had there with the capacity at that time is we didn't really have a lot of energy modellers in Manitoba. So one of the market interventions that was put in place was an incentive for an energy model.

And so, when that incentive for an energy model went in, all of a sudden, there was more energy models happening, and we grew more energy modellers even in Winnipeg in Manitoba.

So those market interventions are part of what Efficiency Manitoba is able to do with our focus mandate, and so we anticipate that we will be talking to MGEA and other bodies to talk about what is required for them to be successful in assisting us in meeting this mandate.

The Chairperson: I'd like to remind everyone that questions and comments must be put through the Chair using third person as opposed to directly to members and representatives.

MLA Bereza: Honourable Speaker, first of all, thank you for the reminder on that.

A question I have—again, going back to the efficiency numbers then, in '22-23, there was 43 heat pumps installed. In '23-24, there was 73 heat pumps installed. We're looking now at the current government's number of 5,000.

My question is: How are we going to get to this 5,000 number when we're looking at '22-23 and '23-24 with the low numbers that they had? With the barriers we are looking at regarding trades, what are some of the plans or some of the things that Efficiency Manitoba is looking at in order to hit that target?

Thank you.

Ms. Kuruluk: So, again, I think I mentioned that the Manitoba—the home—Affordable Home Energy Program—we want to make sure that all Manitobans can participate. So necessarily, not every customer is going to be in a situation where they can install a geothermal heat pump. And so we think in those cases, maybe a cold-climate air-source heat pump might be something that can be installed for those customers. And given the industry makeup of the cold-climate air-source heat pump space, we're seeing a lot more installations of air-source heat pumps.

As noted by Mr. Stocki earlier, geothermal heat pumps are going to be the technology that is most suited for our cold climate in terms of not hitting the peak electric load of the grid, whereas air-source heat pumps would provide a backup, but we recognize that in some cases a customer is just not going to be able to install a geothermal heat pump. So air-source heat pumps are definitely much higher in number in terms of what we've installed today.

* (14:30)

MLA Bereza: Thank you for the answer to that question.

My last question on the heat pumps, honourable Chair, is: so, the 5,000 number is obtainable? And how far into the future will it take to get to that 5,000 number in your estimation?

Ms. Kuruluk: I think that question is somewhat difficult to answer at this point, until we know the design parameters of the program. So once we know all the design parameters of the program, I think that will be a question that's easier to answer.

MLA Bereza: I appreciate the answer.

Honourable Chair, the previous minister's framework letter indicated that a directive would be issued to extend the efficiency plan to '25-26.

Did this happen, and have any other directives been issued to Efficiency Manitoba, as none are reported on the proactive disclosure portal as is required?

MLA Moyes: As you mentioned, the directive was to extend out the efficiency plan by one year into '25-26 so that we could ensure that we get out our affordable energy plan and ensure that Efficiency Manitoba is a part of that.

MLA Bereza: Thank you, Minister.

Honourable Chair, page 14 in the efficiency Manitoba [*phonetic*] annual report discusses revamped income thresholds. What were the old limits and what are they now? As well, how dramatic of an impact did this change make in the program usage?

Thank you.

Ms. Kuruluk: So the enhancement to that Energy Efficiency Assistance Program, which is targeted to income-qualifying customers, was essentially a—the previous qualifying number was LICO, which is the low-income cut-off, plus 25 per cent. And we expanded that to low-income cut-off, plus 45 per cent. And that enabled—approximately 192,000 lower income customers will now to apply under those guidelines.

In terms of uptake due to that, like, typically these processes take time, so, can't say specifically whether that is translating to more, but I suspect it will be.

You know, that program is doing an evaluation of the home, and we're doing insulation and then possibly heating systems, plus low-cost, no-cost. So it is a comprehensive program that takes a bit of time to get the home through the process. So at this point I

don't know if we have numbers attributed directly to that expansion of that cut-off.

MLA Bereza: Would it be possible to get those numbers at some point, and when could we expect those numbers?

Ms. Kuruluk: Yes, I believe we can—we would have that data. I'm just trying to think how we would divide that out because if you're asking for, as a result of that increase to the cut-off, so then that would be only customers participating that are in the band between the plus-25 and the plus-45 per cent.

And—[interjection]—and the challenge with doing that based on the—you know, finding the band between the 25 and 45 is part—an additional part of the enhancement to that program.

We are trying to do additional ways to make it much easier for customers to apply. So, for example, we've also qualified entire neighbourhoods, neighbourhoods whose postal codes we know is a high incident of income-qualified customers and so we haven't asked for, necessarily, the income data from those customers.

So it will be—we could probably talk about what the lift has been, but trying to isolate it to that specific segment of the plus-25 to plus-45 would be difficult.

So I—yes. If I would ask member if a lift number would be sufficient.

MLA Bereza: Thank you for that.

And the question back is that would be fine, and when could we expect that?

Ms. Kuruluk: I would ask if it's sufficient for a three-week—oops, sorry.

The Chairperson: My apologies. Ms. Kuruluk.

Ms. Kuruluk: I would ask the member if a three-week timeline would be sufficient?

MLA Bereza: Again, thank you for the answers to those questions.

So three-week time limit, if I understand correctly, would be approximately—we're the end of January now, so before the end of February. Would that be correct, honourable Speaker? [interjection] Chairperson, sorry.

The Chairperson: Ms. Kuruluk, can we agree—oh. Just Ms. Kuruluk.

Ms. Kuruluk: Yes, by my math, that would definitely fall within the end of February. So that works for me.

MLA Bereza: Honourable Chair, the same report section indicates 40 per cent of low-to-moderate income households qualify.

Are there plans to expand this eligibility program further?

Ms. Kuruluk: I would say that given the recency of this change, I think we're going to see how that works and if we reach more Manitobans. And I think at this point, we're going to let this one play out for a bit to see whether we capture more income-qualifying customers.

So at this point, we have no plans for addressing that and opening it up further.

MLA Bereza: Thank you to the CEO for that answer.

Honourable Speaker, the—honourable Chair, the previous Manitoba Hydro CEO had expressed concerned about generating capacity being exceeded as early as the end of this decade. But, of course, we're seeing hydro being bought from outside of the province at this time.

Do you see a role for Efficiency Manitoba in dulling that forecast increase in usage?

Ms. Kuruluk: I would respond that Efficiency Manitoba definitely has a role to play and what the member is referring to is specific demand reduction versus energy efficiency, and is—there is a difference between the two.

And in our mandate letter, this was also recognized by the minister at the time, which basically gave us the mandate to investigate areas of capacity constraint and reduce electrical demand and add that to our efficiency plans.

So this is absolutely an area that we are interested in, and in fact had worked on a joint consultant's report with Manitoba Hydro to establish what might a demand response framework be, necessarily. Given it's related to the capacity of the grid, it would be sort of a partnership between Manitoba Hydro and Efficiency Manitoba, and how would that framework look.

* (14:40)

But, again, even with energy efficiency measures today, those that are saving energy at the peak capacity of the grid are also impacting that demand, so more energy efficiency. Even within our programs that exist today, we have several programs that actually do have an impact on that peak, and in '23-24 we did achieve 44.5 megawatts of load reduction. So it will be a combination of high-valued,

peak-producing energy efficiency measures as well as very specific demand response programs.

MLA Bereza: Thank you to the CEO for that question, as well—for that answer, as well, too.

Honourable Speaker, what additional supports would be needed to properly on-board sufficient customers to make a tangible difference on this?

Thank you.

Ms. Kuruluk: So, as I mentioned just in my previous response, we are working through—with—in joint collaboration with Manitoba Hydro to develop what those programs might be. We do know that the residential heating load in Manitoba is a big contributor to that peak demand that Manitoba Hydro is experiencing. So, at this point, until we have what the offers might be that are designed, I would say that I'd just be speculating in terms of what take-up would make a meaningful difference.

You know, at 44.5 megawatts, on efficiency alone, I mean, I believe we're already making a meaningful difference. But obviously it's going to be a collaborative effort between Manitoba Hydro and Efficiency Manitoba. So providing specific numbers of what would make a meaningful impact in terms of participation I think would be premature at this point because we don't have the demand response programs designed. But we will be piloting some in this next year.

MLA Bereza: Honourable Chair, thank you very much for those answers.

Honourable Chair, there's much discussion about getting off of fossil fuels. Has Efficiency Manitoba worked with Hydro to forecast what increased energy needs will be for this transition?

Ms. Kuruluk: We have not. Manitoba Hydro, as part of their integrated resource planning have been running multiple scenarios in terms of how fast the decarbonization effort goes. And so they would be the ones that are sort of holding that information on what the impacts are and how long it's going to take.

MLA Bereza: Honourable Speaker—sorry, honourable Chair, thank you so much for those answers.

Honourable Chair, the annual report lists agriculture alongside industrial programs. But what ag-specific initiatives are available at this time?

Ms. Kuruluk: As I mentioned earlier on when we were talking about Ag Days, I mean, our ag-specific initiatives are primarily an approach.

So we're approaching the ag segment as a unique segment and approaching them through meeting them where they're at with their trade shows. There are—most of our ag customers are participating in some of our custom—it's called custom measures program.

So it may not be a specific, you know, windows and doors, but one of the programs or one of the measures under custom that I know is very specific to the ag sector is agricultural heat pads for farrowing barns. Obviously, lighting is a technology that spans across all customers including agricultural customers. But again, the ag customers are often—there's some process-related energy that they're using. And so the custom energy measures is primarily the program that they'd be working with.

MLA Bereza: Honourable Chair, thank you so much for those answers to this—to those questions.

Again, I'm going to stay on the agriculture approach. Right now, agriculture companies, agriculture producers in general, are being impacted by the federal carbon tax that this NDP government does support to the tune of, in some cases—with some suppliers that I met with last week, of up to \$9,200 per day in carbon tax that they're paying right now.

When will Efficiency Manitoba be working together with agriculture producers in order to make them more efficient in these situations which is causing—costing increased cost in drying grain, increased costs in supply and increased cost at the consumer level.

The Chairperson: I would like to remind members that the business currently before the committee is the annual report of Efficiency Manitoba.

The subject matter of the current discussion does not appear in the report in question. Could the member please explain specifically how it is related to the report or rephrase the question in a different way.

I'll just recognize you, mister—or MLA Bereza, rather.

MLA Bereza: Honourable Speaker—honourable Chair, thank you so much for the reminder on that, and I'll move on for—from that, and I will cede the chair back to the Chair, minister Piwniuk.

Mr. Piwniuk: So now I will pass it on to my colleague, the honourable MLA for Borderland, Mr. Guenter, to ask some questions to the CEO.

Mr. Josh Guenter (Borderland): I thank my colleague for Turtle Mountain for the opportunity to ask

a few questions. And I thank the CEO as well for her testimony here today. I think it's been helpful.

Just in layman's terms and for those who are watching and for the folks back home, I'm wondering if the CEO can describe the role of Efficiency Manitoba and the relationship with Manitoba Hydro.

Ms. Kuruluk: Yes, Manitoba Hydro plays a key role in Efficiency Manitoba's entire existence. I mean, we are a ratepayer-funded organization, so with the exception of funding that we may receive from federal government, our funding is received from Manitoba Hydro, and that is directly as a result of the value—value of the saved energy to Manitoba Hydro. And so we receive marginal values for both electricity and natural gas—also called avoided costs in other jurisdictions—but marginal values, and that tells us what the value is to Manitoba Hydro with us saving energy.

And so, as I mentioned in my opening remarks, now more so than ever, with the decarbonization efforts that we're seeing that are moving both—or all of industrial processes, heating and transportation to the electrical grid, energy efficiency's more important now so than ever.

In terms of our relationship with Manitoba Hydro, we're very involved in their integrated resource planning process. So both Mr. Stocki and I sit on the technical advisory committee where we're being, you know, asked for our opinion and reviewing some of the inputs that they do for efficiency.

* (14:50)

And energy efficiency is seen as a source of supply in meeting that electrical load that's coming. And with our targets being in legislation, essentially Efficiency Manitoba in—this exists quite a bit in the United States and jurisdictions in the US, but we're seen as an energy efficiency resource standard.

So there is a requirement that 1.5 per cent of the load is to be met by energy efficiency, and 0.75 per cent on the gas side.

So I hope that covers the member's question. It was a bit broad, so.

Mr. Guenter: I thank the CEO. It was a broad question, but it just—the purpose of it was simply to allow the CEO to explain to Manitobans, you know, who are—yes, who might want to know, you know, why does—what's the purpose for Efficiency Manitoba and how does that relate to Manitoba Hydro. So I thank the CEO for her answer.

We've talked a little bit today about some of the programs briefly, I think. I'm wondering if the CEO can perhaps provide just highlights of the suite of programs that are available and—yes, I think I'll leave it at that.

Ms. Kuruluk: And thank you for that. I would say that the member's question is—it's a big one. And you know, maybe I'll answer it first by saying, if there's a technology that exists that saves energy, we're likely supporting it. So the important thing to note is that we're not just doing residential programs, we're doing business-specific programs, agricultural, lower-income, which obviously we know requires probably more of a contribution.

It's a very typical evolution in terms of demand-side management providers that are doing these kind of programs in jurisdictions, that—reaching those harder-to-reach savings are very typical in portfolios now. It's an evolution of the field.

And, again, one of the lesser-known areas that we have programming, and I kind of mentioned it on the custom energy solution side, but lesser-known is our industrial customers. And we work a lot with industrial customers to save energy in their processes. And those projects can span several years, but they can also be significant savings.

Mr. Guenter: Yes, I asked that question because I often get asked by constituents who may be setting up a business or undertaking some sort of project, and, you know, they want to know, is there any government help available. And so I just—you know, I don't—I'm not always aware of what programs are out there, but, you know, if I can, as you're saying, direct them to Efficiency Manitoba and Efficiency Manitoba will work with them, you know, I don't know if based on your answer you're referring to, like, any kind of like custom type, or—you know, or if you work—I know within government, unless there's a program that's available, there's really no mechanism for, you know, funding various projects and things like that.

So, you know, how does Efficiency Manitoba work?

Ms. Kuruluk: I would suggest to the member, obviously, if they're talking to customers in—or constituents that may be customers, I would say don't feel obligated to have all the information. Direct them to us. We have a team of folks that are more than happy to help customers with walking through what their efficiency journey might look like.

Right now in order to assist with that, we have an energy audit for commercial customers, so they could

start there. Here's your—here is an energy audit of your business, and here's the opportunities that are available to you. Likewise on the residential side, soon to be coming we will be having an EnerGuide evaluation offer, and that's to—the—essentially to replace the federal government's offer that was in place with the Canada Greener Homes program. So that gives residential customers a really good picture of how their home's energy is being used and what could be available to them for incentives and retrofits.

And, of course, another really simple way to address those questions is direct them to our website. So our website has our offers divided out by home, business, so it's a really easy way to navigate what offers might be available, so—and, or send them our way. We appreciate talking to customers, no matter where they're at in their journey for energy efficiency.

Mr. Guenter: I appreciate that answer, and it's good to know. Yes, I would like to know a little bit more, though, about the programs that are available. You've referenced the windows and doors program. I think, you know, the public is often so bombarded with different information that they don't really understand what's available, perhaps.

And I understand you're going to trade shows and, you know, reaching the ag sector or the industrial sector that way. But I think for—and doing advertising and things like that. But, you know, just in very simple terms, kind of, what is available to Manitobans?

And, yes, you mentioned, you know, calling for an assessment. I think that's helpful. But I think there's got to be some sort of document or something that outlines, perhaps, somewhat concisely what's available.

Ms. Kuruluk: So I would respond to Mr. Guenter, and I guess, if—you know, maybe you're referring to customers that may not be as comfortable visiting a website, which is entirely possible. We do hold a public annual review and we go through our programs in detail there. Page 16 of our annual report does highlight all the different offers that we have available. And we're not just going to Ag Days and agricultural-focused trade shows. We are at the home show I think that just passed—or is coming up; it's very soon. So we're at those shows as well. And I know that we do have pamphlets and brochures and we do advertise, amazingly, still, in Manitoba Hydro bill inserts; it's a very popular forum for reaching Manitobans. We always see a lift when we're doing placements in that forum.

But I'll leave it at that.

Mr. Guenter: How many Manitobans have taken advantage of various programs? And I appreciate the reference to page 16 in the fiscal report, but I—there is a—or annual report. But I'm wondering if we could get information on how many Manitobans or homeowners have taken advantage of these various programs.

Ms. Kuruluk: So the pause in our response to the member's question is, you know, when we talk about participation, it's difficult because it might be a household, it might be a measure. So we—to say that, you know, recently, we had a news release that said we've had—just reached over 1 million products rebated through our retail rebate campaign, and so that may be 1 million-plus products but maybe a customer purchased three. So that's the pause on the difficulty in answering that. But in terms of customers, we could undertake to provide a rough estimate of the number of Manitobans that have participated in programs since Efficiency Manitoba's inception.

Mr. Guenter: Yes, I'm just looking for more information on the uptake of these various programs, and perhaps the CEO could—I mean, you've got to have some information to understand, you know, what's working and what isn't and that sort of thing.

* (15:00)

So—and perhaps the CEO has thoughts on what programs have been really successful and, you know, continue to be popular with Manitobans, and perhaps there are those who—that aren't, but—and maybe they just need to be publicized a little more. But I'm wondering if the CEO has thoughts on what's worked and what hasn't?

Ms. Kuruluk: Yes, one thing I would say in response to that question is if we've implemented a program that we know would be beneficial for Manitobans to partake in and they're not, we would definitely be looking to enhance that or make changes to it.

And as noted in our annual report from this past year, '23-24, we've listed out all the enhancements that were made. And so we definitely will not put out a program that has low participation and be happy with that staying there. You know, we have a bunch of pivots and different enhancements that we're implementing in the upcoming year, as well. And so we don't rest when we see a program that's performing poorly.

Which ones are—you—the member had mentioned which ones are doing well and which ones are doing poorly, so I guess I could talk about well.

I mean, we've seen a lot of participation in windows and doors. Our commercial lighting program is always a tremendous participation and energy savings in that, and that's, you know, primarily because lighting is a ubiquitous technology; everyone has it.

Insulation is a very successful program with our—within our portfolio, and a lot of that has to do with the fact that our installer industry has really rallied around that program. So I don't have the number of installers that are registered with Efficiency Manitoba, but I know it has grown tremendously, and in fact, from previous delivery of home-insulation programs, when it resided at Manitoba Hydro, in the very, very first years of that program, the insulation industry was quite small and then the offering of that program really grew it tremendously.

So insulation is an amazing measure. Maybe because it doesn't plug into an outlet, folks may not think of it as an energy saver, but it's a tremendous program for us that also carries with it other benefits, such as home comfort and good resale on a home.

The Chairperson: Mr. Piwniuk—Guenter. Apologies.

Mr. Guenter: I thank the CEO for her answers today.

I think the—probably my last question would just be as far as, you know, the customer service side, facing the public.

You know, there may be some folks out there who would take advantage of these programs, but because of the hoops and things like that, you know, the paperwork and all that, they're, well, we'll just go and—I guess, maybe, if they can pay for it, that's fine. For those folks who, you know, would be in more need of the support or the program that's available, I'm sure they'd be perhaps willing to put up with a little more of the jumping through the hoops and going through all that.

I understand you don't want fraud; we don't want abuse of any programs. But at the same time, you know, how nimble is Efficiency Manitoba with responding to calls and inquiries from Manitobans or businesses, and what are the standards?

Ms. Kuruluk: I thank Mr. Guenter for that question. And he'll be happy to note we don't have paperwork, so.

We have moved our entire process to an online system that is a portal that both our contractors—vital for uptake in efficiency programs—as well as our customers can access.

And I believe they might be in this report, but we've had numerous customer accolades about how simple it is now to participate in efficiency programs. And so our standards are quite high. We're looking for a 90 per cent customer satisfaction rate, and we've hit 89.

Within this annual report, I believe it also talks about our Net Promoter Score, which we've been told is a phenomenal score of, I believe we're sitting at 81. And net 'promomiter' basically takes your promoting customers, those are the customers scoring either nine or 10 on satisfaction, and subtracts all your detractor customers, which is everything from six and below; and we're sitting at 81.

So that's a big sign, and we've heard in terms of other industries or other companies that use Net Promoter Score, that that is quite high. There's always room to improve. We'll always run into a customer that, for whatever reason, maybe they don't like to use a portal, or they don't have the computer savvy to do so. But our intent is to meet customers where they're at, and we want to make sure that we're offering energy savings opportunities for everyone. And so we would look at those customers on an individual basis.

In terms of, you know, how we respond to customers, or timeline metrics, I suspect my customer experience team does have some of those metrics. I don't have them at the top of my head. But again, like I said, our—the accolades that we've received in both our customer surveys that ask for customer comments, as well as the metrics that we do measure, has told us that we're doing pretty good so far.

Mr. Piwniuk: I'm just looking at the Efficiency Manitoba report, the annual report. It shows salaries, they went from 2024, from \$8.5 million to—over \$9.5 million. For \$1 million, it's more than 10; way more than 10 per cent.

What is the contribution of that? Are—is—I mean, I know Efficiency Manitoba is just a relatively newer, but is that the mandate to look at continuing to build up your staffing and for other programs?

Can you contribute to what the—like, why it went up from—by over a million dollars in the last fiscal year—for his budget to go up over a million dollars in the coming year? *[interjection]* Oh, okay, sure. Oh, sorry—

The Chairperson: Mr. Piwniuk, so you can finish the rest of your statement, please.

Mr. Piwniuk: It's just basically, I just realized that it's budgeted for over a million dollars. I just want to

know if there's plans for expansion of staffing, and is that what's contributing to the increase in the staffing.

Ms. Kuruluk: So Mr. Piwniuk has asked about the budget of \$9.5 million that you see on page 51, which I will also note is only 13 per cent of our budget. So we're not a large shop.

But that budget is being compared to some actuals for '23-24 on that same page, 51. And so the \$9.5-million budget, I believe, is nearly the same as the budget we had in year 1, 2 and 3 of our efficiency plan.

So we're finally catching up to what our labour budget was. So, you know, as a new organization, I started on January 2 as the first employee, and only employee, so there is a big ramp-up in onboarding of hiring folks. And so in terms of dollar spend, we're just starting to hit our budget now, so yes.

Mr. Piwniuk: Thanks for the CEO for clarifying that. I just want to know, like, you know, what's—it's in—since you—infancy stage of the company, and I just wanted to—if there's looking at more programs, more staffing, more opportunities to bring more revenue. So that was where I was going at.

And I just have one more question before I pass over to one of my other colleagues here. Buildings and the tenant-specific programs: how does the in-suite energy efficiency program specifically benefit tenants in multi-unit residential buildings? And then plus, are there tenants involved in or informed about the energy efficiency improvements made to their units?

* (15:10)

Ms. Kuruluk: So just as some preamble for in-suite: in-suite and multi-unit residential buildings are typically a challenging space for delivering energy efficiency because not at all times is the in-suite participant actually paying the bill—sometimes they are, and sometimes they're not, and I think you've heard the term hot rent. Sometimes their heat's included, and sometimes they're paying for it.

So just indicating now that there's a challenge with that type of—they call it—in our industry, they call it a split incentive. So the people that are recognizing the bill savings are—may not be the people living in the suite.

And so I'm going to pass it over to Mr. Stocki to talk about the details of that program.

Mr. Stocki: So yes, the in-suite program, as Ms. Kuruluk said, is directed for property managers and owners of multi-unit residential buildings to

basically upgrade the suites throughout through low-cost, no-cost measures that are basically installed by one of our service delivery partners. So that would include things like lighting, could include pipe wrap, faucet aerators—things like that.

Multi-unit residential buildings, of course, aren't limited to just participating in that in-suite program. They're also going to be available through programs like our Business Lighting Program for common areas, building envelope program for the entire envelope, including roof or wall installation—things like that.

So a multi-unit residential building isn't limited to just participating in that one program, but they can access multiple of our offers.

Mr. Piwniuk: I just—thank you for that information—the valuable information.

I just have a follow-up on that: What specific incentives and financial support does Efficiency Manitoba do to developers, contractors and municipalities involved in designing and construction of energy-efficient buildings?

Mr. Stocki: So thank you for the question.

For developers, in particular for buildings, we have a very comprehensive offer called the New Buildings offer, and so that is based on a performance-based incentive.

So essentially, we work with the design team early on and support the whole-building modelling of the new building. So we provide incentives to the designers, to the energy modellers, to lower the first costs of that so that they can model all the integration of all the systems and optimize the design to, of course, optimize energy and maximize energy efficiency savings.

Once that work is done, we also offer capital incentives for the actual construction of that building, and we encourage new buildings to also go through and create a comprehensive systems operating manual and provide additional incentives for that work in order to ensure that that building not only is built but it's actually running to spec.

And so our incentives, as I mentioned, are performance based. So the baseline is essentially meeting current building code, and then our incentives go above and beyond that. So depending on how much better the building is, the incentive-per-square-foot performance space actually goes up. So 30 per cent

above code building will get a much richer incentive than, say, a 20 or 10 per cent building over code.

Mr. Piwniuk: Now I'm going to pass it on to my colleague, Mr. Bereza.

MLA Bereza: Just on page 15, I want to reference solar rebate. And I'll just read it: We've removed \$25,000 cap on commercial solar projects and introduced a new application process to support increased participation in commercial and agricultural sectors. This enhancement has received positive industry feedback. Could you please give us some examples or what is going on to bring the agriculture sector on board with this?

Ms. Kuruluk: I believe I did address some of that or a portion of that question in our earlier conversation with Mr. Piwniuk, which is, you know, we have put in place a business development rep that is working directly with agricultural customers.

And we do participate in not only Ag Days but Potato Days—I don't know if it's Chickendaze, but the trade show is for the different agricultural industries. So I would suspect that that's where we're getting our message across that these incentives are available.

And also, again, as I mentioned, hugely important—we can't underscore it enough—is the suppliers and contractors and installers that are selling our programs. And so, as soon as this cap was lifted, you better believe that the industry partners delivering this program were making that known to potential participants.

MLA Bereza: Thank you to the CEO for that answer.

Which brings me to another question at that: Has there been discussions with Manitoba Agriculture about the impact of taking valuable agricultural land out of production and put into solar—what we've seen is solar farms in the US and other parts of the world, and what that impact will have on the agricultural sector?

Thank you.

Ms. Kuruluk: I believe Mr. Bereza is probably referring to utilities-scale-type solar, and so, utilities-scale solar is not a space where Efficiency Manitoba is involved. So our solar program is essentially behind the meter, is what we call it. So it's solar systems that are serving one building and displacing some of the load that that building would have with the solar energy versus the grid energy.

And so we do still incent customers that choose to do a ground-mounted system, but, obviously, that's at the customer's choice. So, obviously, they would be selecting what area of ground they would like to have a ground-mounted system if that's the direction that they go.

So in terms of the question as it was posed, I do believe you might be referring—or he might be referring to utilities-scale-type solar generation which, again, is more so on Manitoba Hydro's responsibility.

MLA Bereza: Thank you to the CEO for answering that question.

So if I'm not mistaken here—and, again, my apologies if I misinterpreted what was here. So currently Efficiency Manitoba is not looking at any larger projects like solar farms in order to enhance and help with the delivery of Efficiency Manitoba. Is that correct?

Ms. Kuruluk: That response was correct. We're not looking—but I'll just maybe, just with a slight nuance: we are not looking to solar farms under our mandate to assist with the energy supply for the province.

MLA Bereza: Honourable Speaker, thank you so much for taking my questions today. Thank you to the CEO for providing the answers to those questions that I asked, especially regarding agriculture.

At this point, I'll cede the floor back to the Chair as I have no further questions at this point.

Mr. Piwniuk: I want to thank also the CEO for giving the information and along with her vice-president and the board chair for the information that was passed to us today. Thanks for your time and I think we got a lot of information that we needed to understand where Efficiency Manitoba is going to and also where we are when it comes to this current government too.

So I want to thank you for your time and your information, and I'd be ready for the question moving forward here.

The Chairperson: Seeing no further questions, I will now put the question on the report.

Annual Report of Efficiency Manitoba for the fiscal year ending March 31, 2024—pass.

The hour being 3:20 p.m., what is the will of the committee?

An Honourable Member: Rise.

The Chairperson: Committee rise.

COMMITTEE ROSE AT: 3:20 p.m.

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