

	<p><u>Sustainable Building Manitoba Submission</u> December 18, 2019</p>	<p><u>Public Utility Board Final Report</u> February 28, 2020</p>
<p>1.</p>	<p>The cost of the natural gas program is very high. The acquisition costs is about six times the current selling price of natural gas and about three times higher than the similar Energir program in Quebec.</p> <p>When the reductions due to codes and standards are removed (since they would occur in the business as usual case anyways) the estimated natural gas reduction amounts to 8.6 million cubic metres per year at a cost of \$20,989,000, or \$2.44 per cubic metre or about nine times the selling price of natural gas.</p> <p>Sustainable Building Manitoba would suggest focusing on deep energy retrofits for social housing. This would reduce the cost per cubic metre as well as providing benefits to the hard to reach segments of society that is one of the requirements of this Plan. In addition, the economic benefits of doing these deep energy retrofits would stay within the public purse and be available for incremental investments to further drive social and environmental benefits.</p>	<p>Daymark provided a listing of individual measures with PACT ratios of less than 1.0. This listing shows that there are 44 individual gas measures (14 Commercial, 8 Income-Qualified, 7 Indigenous, 1 Industrial and 14 Residential) with PACT ratios of less than 1.0, out of 109 gas measures. (p.77)</p> <p>The gas portfolio is not as cost effective, with 25% of the gas savings arising from gas measures which are not cost effective. (p.79)</p> <p>The Panel recommends that in future efficiency plans, Efficiency Manitoba should consider cost effectiveness at a measure level and should outline the specific reasons for including cost-ineffective measures in the final portfolio.</p> <p>The Panel recommends that measure-level information should be included in future efficiency plans, including cost-effectiveness metrics for individual measures, and that future efficiency plans should be filed in a timely manner so that the Panel can make an appropriate determination regarding intervener access to confidential information.</p> <p>The Panel recommends that in order to provide cost-effectiveness metrics on a measure level, Efficiency Manitoba should allocate program administration costs across all measures, instead of assigning them to one measure within a bundle.</p>

		<p>The Panel recommends that for future efficiency plans, Efficiency Manitoba should develop and file with the Board a preferred efficiency plan; an alternative efficiency plan that is more cost effective, but less accessible than the preferred efficiency plan; and a second alternative efficiency plan that is less cost effective and more accessible than the preferred efficiency plan.</p>
2.	<p>The Federal Carbon Tax will also drive some reductions in natural gas usage in Manitoba. The methodology for determining if a reduction is due to an EM program or the Carbon Tax is not obvious. A clear robust method should be developed as part of the program assessment in order to avoid double credit.</p>	<p>Daymark identified a reporting process as a way that these deliverability risks can be mitigated. Specifically, Daymark advised that, through a reporting requirement, Efficiency Manitoba would assess the risks to its success, determine whether the risks are being addressed, and would then inform the Board as to whether the risks are being successfully mitigated. Daymark’s view is that such reporting is also a means of enhancing transparency. As Daymark expects that the Energy Efficiency Advisory Group will be getting progress reports from Efficiency Manitoba on a regular basis, Daymark does not see report filings with the Board as being an additional burden. (p.107)</p>
3.	<p>The natural gas reductions due to Codes and Standards is 32% of the target. While the legislation does allow for Codes and Standards to be counted as part of the target reductions, it is not clear as to what period it applies to. In the proposed Plan, Codes and Standards changes from 2008 to present are included. The proposed Plan does reference a Building Code revision in 2020 but the details are missing</p> <p>It is recommended that only Codes and Standards that come into effect during the Plan period are considered as reductions</p>	<p>The Panel concludes that Efficiency Manitoba has met the requirements in paragraph 8(1)(c) of the Regulation for counting codes and standards savings; however, the Panel concludes that the qualification for counting the savings – that Manitoba Hydro or Efficiency Manitoba has made a “material contribution” to the development of the code or standard – is too subjective.</p> <p>The Panel recommends that the requirement for Efficiency Manitoba or Manitoba Hydro to make a material contribution</p>

	<p>towards the target and those prior to the Plan period be considered as business as usual. This approach would ensure that the EM Plan meets a high standard for additionality.</p>	<p>to the development of the code or standard be removed from the Regulation. In addition, Efficiency Manitoba's mandate could be amended such that it be required to participate in the development of codes and standards. This would compel Efficiency Manitoba to participate in codes and standards development but would remove a subjective evaluation of how those savings are counted.</p>
4.	<p>It has been demonstrated time and time again, that building design, construction and operation provide the "low hanging fruit" for cost effective energy reductions. Many macro-economic models have shown that greenhouse gas focused building improvements can actually be done with net cost savings that are easily realized. A word of caution though, while all building projects can be helpful in this regard, deep energy retrofits, including building envelope upgrades provide the highest return on the investment made. Manitoba's portfolio of government buildings has a number of opportunities just waiting for this to happen.</p> <p>Along with the economic benefits, improved occupant health and productivity in sustainable buildings are substantial.</p>	N.A.
5.	<p>The previous PowerSmart brand was one of the most recognized brands in Manitoba. The EM Plan could include additional programs to strengthen the EM brand to the point where energy efficiency is top of mind for most consumers. This could include doing outreach and education on the more holistic benefits of reducing our energy footprint. This outreach could be provided by an ENGO with expertise in behaviour</p>	N.A.

	<p>change and social marketing already doing targeted education and outreach programming.</p>	
<p>6.</p>	<p>The United Nation’s latest IPCC reports are clear that drastic emission reductions are required.</p> <p>While we recognize that the EM Plan is focused on meeting the targets stipulated by government, and it is only part of Manitoba’s climate change plan, we would be remiss to not mention that the natural gas reduction target is well below what is required in order to do Manitoba’s part in reducing greenhouse gas emissions. For example, the annual growth of natural gas customers has averaged 0.95% over the past few years. This is not sustainable and we would encourage the PUB to consider measures to curtail further expansion of the natural gas market in Manitoba.</p>	<p>Subsection 7(1) of <i>The Efficiency Manitoba Act</i> (the “Act”) requires Efficiency Manitoba to achieve savings at least equal to in gas consumption at least equal to 0.75% of the previous year’s gas consumption. There are no greenhouse gas emissions savings targets prescribed in the legislative framework; however, Efficiency Manitoba’s legislated mandate requires it to implement and support DSM initiatives to meet the savings targets and achieve any resulting reductions in greenhouse gas emissions in Manitoba. In other words, while there are no greenhouse gas emissions savings targets, reductions in the consumption of gas through DSM programs will directly correlate to reductions in greenhouse gas emissions. (p.21)</p> <p>The gas consumption baselines proposed by Efficiency Manitoba do not align with the Act and the Regulation. The 2017/18 actual gas consumption proposed to be used by Efficiency Manitoba is not weather-adjusted and thus does not agree with the definition of consumption in the Act. Furthermore, the Regulation specifies that the consumption baseline used for the targets is to be based on the preceding fiscal year. (p.41)</p> <p>The gas savings target was not considered in the NFAT review. There was no information in the current proceeding as to how or why the 0.75% target was established and it does not appear that the savings target resulted from a resource planning process. (p. 58)</p>

