



Third Session – Forty-Third Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Crown Corporations

Chairperson
Mr. Diljeet Brar
Constituency of Burrows



Vol. LXXX No. 3 - 9 a.m., Thursday, January 22, 2026

ISSN 1708-6604

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
BLASHKO, Tyler	Lagimodière	NDP
BRAR, Diljeet	Burrows	NDP
BUSHIE, Ian, Hon.	Keewatinook	NDP
BYRAM, Jodie	Agassiz	PC
CABLE, Renée, Hon.	Southdale	NDP
CHEN, Jennifer	Fort Richmond	NDP
COMPTON, Carla	Tuxedo	NDP
COOK, Kathleen	Roblin	PC
CORBETT, Shannon	Transcona	NDP
CROSS, Billie	Seine River	NDP
DELA CRUZ, Jelynn	Radisson	NDP
DEVGAN, JD	McPhillips	NDP
EWASKO, Wayne	Lac du Bonnet	PC
FONTAINE, Nahanni, Hon.	St. Johns	NDP
GOERTZEN, Kelvin	Steinbach	PC
GUENTER, Josh	Borderland	PC
HIEBERT, Carrie	Morden-Winkler	PC
JOHNSON, Derek	Interlake-Gimli	PC
KENNEDY, Nellie, Hon.	Assiniboia	NDP
KHAN, Obby	Fort Whyte	PC
KINEW, Wab, Hon.	Fort Rouge	NDP
KING, Trevor	Lakeside	PC
KOSTYSHYN, Ron, Hon.	Dauphin	NDP
LAGASSÉ, Bob	Dawson Trail	PC
LAMOUREUX, Cindy	Tyndall Park	Lib.
LATHLIN, Amanda	The Pas-Kameesak	NDP
LINDSEY, Tom, Hon.	Flin Flon	NDP
LOISELLE, Robert	St. Boniface	NDP
MALOWAY, Jim	Elmwood	NDP
MARCELINO, Malaya, Hon.	Notre Dame	NDP
MOROZ, Mike, Hon.	River Heights	NDP
MOSES, Jamie, Hon.	St. Vital	NDP
MOYES, Mike, Hon.	Riel	NDP
NARTH, Konrad	La Vérendrye	PC
NAYLOR, Lisa, Hon.	Wolseley	NDP
NESBITT, Greg	Riding Mountain	PC
OXENHAM, Logan	Kirkfield Park	NDP
PANKRATZ, David	Waverley	NDP
PERCHOTTE, Richard	Selkirk	PC
PIWNIUK, Doyle	Turtle Mountain	PC
REDHEAD, Eric	Thompson	NDP
ROBBINS, Colleen	Spruce Woods	PC
SALA, Adrien, Hon.	St. James	NDP
SANDHU, Mintu, Hon.	The Maples	NDP
SCHMIDT, Tracy, Hon.	Rossmere	NDP
SCHOTT, Rachelle	Kildonan-River East	NDP
SCHULER, Ron	Springfield-Ritchot	PC
SIMARD, Glen, Hon.	Brandon East	NDP
SMITH, Bernadette, Hon.	Point Douglas	NDP
STONE, Lauren	Midland	PC
WASYLIW, Mark	Fort Garry	Ind.
WHARTON, Jeff	Red River North	PC
WIEBE, Matt, Hon.	Concordia	NDP
WOWCHUK, Rick	Swan River	PC

LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON CROWN CORPORATIONS

Thursday, January 22, 2026

TIME – 9 a.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mr. Diljeet Brar (Burrows)

VICE-CHAIRPERSON – MLA Shannon Corbett (Transcona)

ATTENDANCE – 6 QUORUM – 4

Members of the committee present:

Hon. Min. Moyes

MLA Bereza, Mr. Brar, MLAs Corbett, Devgan, Mr. King

APPEARING:

Duane Nicol, 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, 2025

* * *

The Chairperson: Good morning. 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 Vice-Chairperson.

Are there any nominations?

MLA JD Devgan (McPhillips): I would like to nominate MLA Corbett for Vice-Chair.

The Chairperson: MLA Corbett has been nominated.

Are there any other nominations?

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

This meeting has been called to consider the Annual Report of Efficiency Manitoba for the fiscal year ending March 31, 2025.

At this time, I would 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.

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

MLA Jeff Bereza (Portage la Prairie): I think we've come to an agreement on the timing: three hours.

The Chairperson: It's been suggested we sit for three hours. Agreed? *[Agreed]*

Before we begin with opening statements, we have received a request that the vice-president of efficiency programs of Efficiency Manitoba, Michael Stocki, be seated at the table and answer questions on the record. Because it is Manitoba practice to allow two representatives from an organization to be seated at the table during a meeting to consider an annual report, this would require leave.

Is there leave for Mr. Stocki to be seated at the table and answer questions? *[Agreed]*

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 morning, honourable Chair and committee members. It's my pleasure to appear before the committee today regarding Efficiency Manitoba's annual report and supplement for the fiscal year ending March 31, 2025, and thank you all for joining us today.

I'd like to start off first by acknowledging that we're gathered on Treaty 1 territory and that Manitoba is located on the treaty territories and ancestral lands of the Anishinaabeg, Anishinewuk, Dakota Oyate, Denesuline and Nehethowuk nations. We would also like to acknowledge that Manitoba is located on the Homeland of the Red River Métis, and that northern Manitoba includes lands that were and are the ancestral lands of the Inuit. We respect the spirit and intent of the treaties and remain committed to working in partnership with First Nations, Inuit and Métis people as we walk the shared path of truth and reconciliation.

I'd also like to take this time to welcome Colleen Kuruluk, the CEO of Efficiency Manitoba; Duane Nicol, the newly appointed board chair of this important Crown corporation; as well as Michael Stocki, the vice-president of Efficiency Programs.

Your collective dedication to building a sustainable future for all Manitobans through your leadership and oversight of Efficiency Manitoba is recognized and greatly appreciated. I'm so proud to be the minister responsible for such a fine and important organization.

I'd also like to take this opportunity to thank former board chair Jeannette Montufar-MacKay for years of service on the Efficiency Manitoba board as the chair from its inception until this December of 2025, for gratitude, for your leadership throughout your tenure and wish you success in your next chapter.

Our government has been moving swiftly and strategically to address the ongoing energy transition in our province since forming government in October of 2023.

In September of 2024, our affordable energy plan solidified the role of energy efficiency in Manitoba, highlighting critical and innovative means of reaching affordable energy goals in this province. In October of 2025, our commitment to navigating this transition was reinforced through the release of Manitoba's Path to Net Zero.

Now, more than ever, we must take collective action to mitigate the harmful impacts of climate change and invest in a sustainable, renewable and low-carbon future for Manitoba.

Efficiency Manitoba's role in our province's future cannot be overstated. They are integral in helping Manitobans reduce their energy consumption, lower their utility bills and contribute to a more sustainable future, a way to improve environmental outcomes, reduce the cost of living and create healthier communities along the way. Seeking greater energy efficiency is one of the most practical and affordable tools we have to reduce energy costs for Manitobans while supporting our climate goals.

I'd like to praise the excellent work that Efficiency Manitoba has been doing to help move us forward. During Efficiency Manitoba's 2024-25 fiscal year, we released Manitoba's affordable energy plan which reinforces the energy-first approach we must take to fortify our clean energy supply, electricity supply and ensure energy rates remain affordable for all Manitobans.

A key initiative under this plan, fulfilling our commitment to increase is—sorry—is fulfilling our commitment to increase the number of geothermal or ground source heat pumps across the province and is a key component of our affordable home energy program.

Efficiency Manitoba has been actively transforming these plans into reality, especially through their enhanced offers. We know Manitobans are finding solutions through this Crown corporation. It's exciting to see how much progress has been made and I look forward to their ongoing support in the years to come.

I am continually impressed by all of Efficiency Manitoba's achievements and their accomplishments within the 2024-25 year is no exception. Notably, they have provided over \$45 million in incentives directly to Manitobans for making energy-saving upgrades. This shows us that Manitobans from all walks of life are engaged in the cause. Manitobans are making the choice to invest in energy efficiency and the benefit it provides, both on an individual and a collective level. We're backing up that interest with enhanced programs and investment. Efficiency Manitoba's diverse portfolio of offers for homes and businesses big and small make it easier and more affordable than ever for those who live and work here to make these increasingly important investments.

I was so proud to stand with Efficiency Manitoba and colleagues from the federal government as we announce the Canada Greener Homes Affordability Program. Manitoba was the first province to reach an agreement with the federal government, thanks to the vision of Efficiency Manitoba to deliver the program here, making it available ahead of all others. The transition towards electrification presents many opportunities to consider innovative solutions to saving energy, and Manitoba's lucky to have the leadership at Efficiency Manitoba to lead the charge.

In addition to reaching more Manitobans, customer satisfaction is very high, with nearly 91 per cent of customers indicating they were highly satisfied with their experience with Efficiency Manitoba when making energy efficiency upgrades. Not only popular with customers, Efficiency Manitoba was also named one of Manitoba's Top Employers for 2025, recognized for their excellence in workplace practices and culture.

Our government remains committed to working closely with Efficiency Manitoba to advance energy

efficiency and build a brighter, more sustainable future for all Manitobans.

Thank you very much.

The Chairperson: Thank you, Minister Moyes.

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

An Honourable Member: Not at this time.

The Chairperson: Thank you.

* (09:10)

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

Mr. Duane Nicol (Chair of the Board, Efficiency Manitoba): Good morning, everyone. I'm grateful for the opportunity to be here and participate today.

It was an honour to be named the new chair of Efficiency Manitoba board of directors this past December. I've served as vice-chair since March 2024 and I've been witness to the committed, passionate and hard-working nature of both board members and the Efficiency Manitoba management and staff.

In particular, I would also like to recognize the outstanding contributions of our past chair, Jeannette Montufar-MacKay, whose steady leadership has helped to build and shape our organization since its inception.

It is a privilege to continue this important work, to be part of this team and to collaborate with Manitobans to advance provincial priorities and Efficiency Manitoba's mandate of 'achieving' long-term electricity and natural gas savings.

Efficiency Manitoba has achieved significant success in 2024-2025, and I'm confident in our ability to ongoing—pardon me, I'm confident in our ongoing ability to deliver. With a clear mandate, an expert team and a comprehensive suite of offers to help Manitobans save energy, we're well poised to continue our role in building a sustainable and affordable future for our province.

Looking forward, the board will continue to focus on governance and strategic direction to ensure Efficiency Manitoba fulfills its provincial priorities set forth in the March 2024 mandate letter. A key priority and a significant undertaking for our organization will be advancing the 2027-2030 efficiency plan while supporting the Province's energy goals.

Climate change and affordability are important priorities for Manitobans. Energy efficiency plays a critical role in helping to build a low-carbon future for our province and lowering expenses for everybody. The Efficiency Manitoba board of directors is committed to our vision of a sustainable and affordable energy future for a resilient Manitoba.

Thank you.

The Chairperson: Thank you, Mr. Nicol.

The floor is now open for questions.

Ms. Colleen Kuruluk (Chief Executive Officer, Efficiency Manitoba): Good morning. It's my pleasure to participate today and discuss Efficiency Manitoba's achievements in our 2024-25 fiscal year.

And to start, I'd just like to thank Minister Moyes for the land acknowledgment. Efficiency Manitoba's commitment to reconciliation is woven into our operational practices in ensuring that our work includes continuous learning and mutual, respectful relationship building with Indigenous communities. It's very important to us that Indigenous Manitobans are reflected in our offers and know their feedback is being heard and put into action.

In '24-25, Efficiency Manitoba made significant progress towards reducing electricity and natural gas consumption in the province. There are several ways to measure our success, many of which are outlined in the annual report and corresponding supplement that we're here to discuss today. But I'd also like to take a moment to share some of these other accomplishments.

So, starting with a few of the numbers, I'm proud to emphasize and expand on the impact of our work. In the last fiscal year, our programs delivered over \$45 million in incentives to Manitobans across residential, income-based, Indigenous, commercial, industrial and agricultural sectors. The upgrades we helped our customers facilitate will save them over \$50 million on their energy bills annually and going forward.

And projects that save natural gas resulted in greenhouse gas emission reductions of over 19,000 tons of carbon dioxide equivalent. And this is particularly significant as we look forward towards building a more climate resilient future and contributing to Manitoba's net zero commitments.

Meeting Manitoba's energy needs and ensuring adequate electric supply in the future is of utmost importance. That's why I'm pleased to share that

participation in our offers this past fiscal year have generated annual winter peak demand savings of 51 megawatts, as Minister Moyes mentioned in his remarks. Energy efficiency continues to be a cost-effective and sustainable resource to change the quantity and timing of energy consumption.

In your targets, data are important but so are the strides we've made to advance our key initiatives, building relationships with customers and industry partners and setting the stage for future savings.

So one example is the foundation we built leading up to the announcement of our offers associated with the Affordable Home Energy Program. Determining the specifics of our offers involved collaborating with industry and interested parties conducting extensive research to determine how to enhance our existing heat pump offers and finding innovative and effective ways to address issues such as the high capital cost of installation and the availability of qualified contractors.

The work we did in '24-25 led to a successful launch this past fiscal year and has already translated into significantly increased year-over-year participation. And I'm excited to see how these efforts will impact future uptake of this energy efficient and environmentally friendly heating and cooling system.

I'm particularly proud to speak a bit more about our ongoing commitment to advancing reconciliation. Regularly engaging with Indigenous communities and organizations continues to be a top priority and this ensures that our dedicated Indigenous programs are delivering real and meaningful impacts.

We worked with multiple Indigenous communities to see impactful projects to completion and the upgrades we partnered to facilitate are leading to improved bill affordability, increased indoor comfort and positive environmental incomes.

And, finally, our excellence was acknowledged with some other prestigious awards, and I won't cover them in too much detail, as Minister Moyes was very forthcoming with praise on these two, but Manitoba's Top Employers was one of the awards we did get recognized for. And, at Efficiency Manitoba, we recognize that the work we do is underpinned by the amazing group of individuals that are committed to the same cause as Efficiency Manitoba, so very important to continue to have a good-quality culture in our organization to make sure that we're well positioned to continue delivering on our outcomes and expectations.

And, of course, the other one was the 2024 ENERGY STAR award that was granted from Natural Resources Canada, and for that one in particular I just wanted to note that this is in competition to energy efficiency providers across Canada. So winning that award was very—a proud moment for us.

Of course, we have a mandate to achieve significantly—significant electricity and natural gas savings targets in '24-25.

Our total electricity savings reached 80 per cent of our legislated target of 1.5 per cent, and our natural gas savings were 91 per cent of our legislated target of 0.75 per cent. And our performance is measured over a 15-year horizon with opportunities to catch up on shortfalls in future years.

And what we're doing in—at Efficiency Manitoba is essentially building an energy efficiency power plant. Like physical infrastructure, its development will take time, dedication and mobilization of resources. However, unlike a wind farm or other resources to serve the needs of the province, energy efficiency requires buy-in and participation from homes, businesses and communities.

It also provides multiple benefits to participants in the terms of improved affordability through lower energy bills and improved indoor comfort.

And beyond these individual advantages, energy efficiency also supports local trades and contractors through the creation of clean energy jobs. Essentially, our efficiency power plant is being built in collaboration with Manitoba customers and businesses throughout our province.

Fortunately, we already have a—diverse and inclusive programs, incentives and support systems ready to help people participate. We're seeing engagement in every—

The Chairperson: Order, please. The time provided for the opening statement has expired.

Is there leave to continue? *[Agreed]*

Ms. Kuruluk: We're seeing engagement in energy efficiency grow across all sectors. Every Manitoban, homeowner, business, industry, municipalities has a role to play. By making energy saving upgrades easier and more affordable to complete, increasing number of Manitobans are recognizing their role and electing to take advantage of our offers as they make their investment in energy efficiency. And they're appreciating the benefits, from lower monthly bills and more

comfortable living spaces, to lessened impacts of electricity rate increases.

It's an exciting time for energy efficiency and environmental sustainability and we're actively, right now, working on developing our 2027 to 2030 efficiency plan, which will formalize our future plans. This plan will build on improvements we've made to our offers to date, deepen savings, expand heat pump adoption, support peak demand management and ensure energy efficiency remains accessible and affordable for all Manitobans.

Energy efficiency is Manitoba's first fuel, the cleanest and most affordable energy resource we have and we look forward to reinforcing its importance through our efficiency plan submission and continuing our excellent work toward a cleaner, more affordable future for all.

And, Mr. Chair, I thank both of you and the committee today for coming to talk about Efficiency Manitoba's annual report and annual report supplement. And that concludes my remarks.

The Chairperson: Thank you, CEO Kuruluk.

The floor is now open for questions.

* (09:20)

MLA Bereza: I just want to double-honourable Chair is the correct—thank you, honourable Chair. Thank you to the committee for being here today. Thank you for the opportunity to ask questions. I'll get right into it.

Honourable Chair, total expenditures increased by more than 21 per cent year over year, from approximately \$55.8 million to \$67.7 million.

What were the primary drivers of that increase?

Ms. Kuruluk: Thank you for that question. And I think we've experienced year-over-year increases, not only this past year but since our inception, which is a good news story, because when we see big increases in our budget, this is essentially meaning that we're getting more incentives into the hands of Manitobans.

And so roughly 65 and in some years 70 per cent of our budget is actually incentives. So I would say the lion's share of what that budget increase would be was—is—or that spend increase would be from more incentives being delivered to Manitobans.

The Chairperson: Thank you.

MLA Moyes: We know that Manitobans are going to make the environmentally friendly choice when it's affordable to do so, and so when—as Ms. Kuruluk has said, when we see an increase in this budget, we know that the programs are putting money back into the pockets of Manitobans and allowing many more Manitobans to make those environmentally friendly choices.

Fifty-one megawatts was saved last year. That is a substantial amount, and I don't think a lot of Manitobans, or maybe even folks around the table, recognize how important that is. Fifty-one megawatts is—well basically, just to provide a little context, for the most part, anything above five megawatts is deemed to be a fairly significant amount of energy.

And so the savings of 51 megawatts means that we don't have to go and task Manitoba Hydro to generate more; we don't have to go seeking out those other opportunities. That is energy that is saved, and I know that—I'm going to steal a line that Ms. Kuruluk often uses, that the most cost-effective form of energy is the energy that you don't need to generate at all.

So we recognize just how important efficiency is. It's going to continue to be important moving into the future, as we know that society as a whole—Manitoba, Canada, society as a whole—is electrifying. And so there's going to be an increasingly important role for Efficiency Manitoba to play in our province.

And so when we see these budgets going up year over year, it's a sign that things are going well and that we're getting money back into the hands of Manitobans as they're making these environmentally friendly choices.

Thank you.

The Chairperson: Thank you, Minister Moyes.

Mr. Trevor King (Lakeside): Efficiency Manitoba spent only 88 per cent of its approved budget.

Just wondering which planned activities or program expansions or initiatives were not delivered as a result of this underspending?

The Chairperson: Thank you, Mr. King.

MLA Moyes: There's over 40 different programs that Efficiency Manitoba delivers for Manitobans. It is a wide-ranging target group. That can be renters, Indigenous communities, multi-units, homes, the mass market. There—like, there's so many different programs that go—that are tailored to the different groups and their needs.

And so it's hard to say, in my estimation—and before I throw it over to the team here from Efficiency Manitoba—to suggest that not expending all of the budget—it means that something isn't working. That's not the case.

For the—these are voluntary programs, and the job of Efficiency Manitoba is to work with Manitobans in finding solutions to issues. And so there's some prediction there in terms of, like, which areas do we need to invest in, which areas do we—where can we get the most bang for our buck, so to speak, and in terms of which programs are thriving.

And that—there's a constant evaluation that Efficiency Manitoba undertakes to ensure that we're meeting the needs and one of the examples is oftentimes these programs are ramped up. And so what I mean by that is if there's a program that is delivering—I'll use just an example, you know, if there's a program that is giving \$100 to Manitobans and it's viewed that, hey, if we increase the expenditure a little bit higher we're going to be able to see, using different matrix—metric, sorry—we're going to see an increase in growth. That is taking place.

And so that evaluation is ongoing, and that's why we have such good uptake from Manitobans with these programs. And so I'm very pleased to see more and more money getting back into the hands of Manitobans as they make these really important energy-efficient changes in their own lives.

Thanks.

The Chairperson: Thank you, Minister.

Ms. Kuruluk: Yes, and it—to echo Minister Moyes's remarks or response there, our programs are voluntary-based programs, and so people's ability and businesses' ability to participate in any one year is very pertinent to what they're going to invest their money in. So I can say that in the last year I think we've all felt the uncertainty that's been in the economy due to some of the tariffs, et cetera. We know that that impacted our large business customers. In the face of economic uncertainty such as that, investments put—get put on pause. So that was one area that we saw lesser participation in this past year.

Another area where some of our spend may not have been as high as what we wanted is in our lighting area. So commercial lighting and energy-efficient lighting is rapidly transforming in the market, and so what we used to be able to get for savings in spend is declining, and that's—market transformation is the end goal; it's a good news story. But that's an example

where we're looking in this next fiscal year to do some deeper program enhancements to see if we can still capture what's remaining.

And not in all cases is an enhancement required. I guess—and that's an important thing to mention because sometimes it just purely is timing—so not all customers may be ready to invest in windows upgrades, for example. As we know, customers are—we're competing for customers' attention on everything, not only their attention but also their disposal income and where they might want to be spending it.

So as complex as the economy is and what's happening in the economy across all those different market segments is what we're trying to predict for. So I would say those are the types of things that we're trying to manage within our business every year. And, as Minister Moyes says, also constantly looking at ways that we can improve and that includes feedback and in speaking with customers, but also feedback and in speaking with the very, very important delivery channel, which is our consultants and contractors and installers, keeping their perspective front of mind as well for assisting us in meeting our goals.

The Chairperson: Thank you.

Mr. King: Thank you, Minister, and the CEO for the—CEO for those answers. I appreciate that.

But just to follow up, so were there any activities or programs that didn't roll out, that you didn't—that you budgeted for—

The Chairperson: Thank you.

Mr. King: —that would kind of explain the underspending?

The Chairperson: Thank you, Mr. King. *[interjection]*

Sorry—CEO Kuruluk.

Ms. Kuruluk: All the programs that we had intended to have in place were in place last year, so there was no pause in that regard; it would be purely participation. And, again, with incentives being the biggest, like, by far the biggest part of our budget, that has an impact right away.

The Chairperson: Thank you.

* (09:30)

MLA Bereza: Innovation spending exceeded plan by more than 30 per cent. What internal governance approvals were required to exceed the approval—innovation budget, and who authorized that increase?

Thank you, honourable Speaker—honourable Chair.

The Chairperson: Thank you, MLA Bereza.

MLA Moyes: I think the first thing that I just want to highlight for the committee is that our government recognizes just how important innovation, new technology is. That's why we have a brand-new department in our government that's doing incredible work under our minister, and really trying to move into the ways of the future and ensuring that Manitoba is at the forefront of that.

And so I'm really proud of the fact that Efficiency Manitoba has been so forward-thinking in funding these new projects, these new cutting-edge projects. Research and development is something that I think governments and Crown corporations need to continually invest in, and the Innovation Fund is one way that we can ensure that we are on the cutting edge of these efficiency plans.

I know that a lot of these different projects went into large-scale housing developments and new ways that they could reach efficiencies, and so I think that that is critically important. As we know, housing has— is an issue for a lot of different municipalities, for a lot of different areas in our province, and the need to get more housing, to ensure that Manitobans have affordable housing.

And so when these builds are taking place, it is a critical time to ensure that they are as efficient as possible, that the energy envelope is as tight as possible. And there's new ways that we can do it, and that's what this Innovation Fund is all about, is funding those feasibility studies to demonstrate the path forward on, often, these large-scale housing developments.

The other piece that I'll point to, before throwing it over to the Efficiency Manitoba team, is that oftentimes these projects, because they are large-scale, often these projects get approved in one year and then get—that spending will happen in the next fiscal year, and so it shows up on the books in the following year. And so sometimes those are going to ebb and flow depending on where things are, where they lie on the calendar and when projects get under way.

But I'm incredibly proud of the role that our government is playing in terms of investing in research and development and investing in cutting-edge technology and innovation, and also the role that Efficiency Manitoba is playing to ensure that we're

increasingly on—or at the forefront of innovation, which is what this fund is all about. So I appreciate the ongoing work that the team has been doing to ensure that those dollars get out, so that we can continue to build for Manitobans.

Thank you.

The Chairperson: Thank you, Minister.

Ms. Kuruluk: Yes, thank you, Minister, for that.

So our Innovation Fund, in terms of being overbudget, a couple things, so, first of all, our budget for the Innovation Fund is roughly \$750,000 annually. And, again, as Minister Moyes mentioned, we do have several projects in our queue that we're working on right now, and sometimes, each of them has a deliverable that has to be made prior to us expending the funds that we had committed to give to them. So, a lot of times, those progress reports come in later years.

But to just give an example, there was the mention of the supporting developers. We've had a lot of interest from developers in the last year for looking at ways of being more energy efficient in heating and cooling homes. And just to give an example, too, we had another project, and this is—give you a sense of what we're doing with the Innovation Fund, but looking at what the impact of battery storage is for—in a First Nation off-grid community.

The Chairperson: Thank you.

MLA Bereza: Follow-up to that. So, again, in the question that I asked, the innovation spending exceeded the plan by more than 30 per cent. So what would the limit be, or was there a limit, or was there no limit on how much overbudget it could go, or was there an approval process for a certain amount? Like, it—what was the triggered amount that going overbudget would constitute you going back to—and who would've approved the increases to that budget?

The Chairperson: Thank you, MLA Bereza.

* (09:40)

MLA Moyes: Just to be clear about what we're talking about here, the questions about the Innovation Fund, which is incredibly important and something that our government is deeply supportive of, we're talking about an overage in the range of about \$225,000 in a budget of, I believe last year, if I'm remembering right, is \$76.6 million. So let's look at the context of that; the overage is 0.003.

And so, like, these—the overage of this is not significant. And as I mentioned, depending on where things lie on the calendar, these are projects that need to be supported. And the reason they need to be supported is because these investments in—stemming from the Innovation Fund are basically de-risking very large projects. It's de-risking the investments that are being looked at by these significant developers, that the developers are making.

I think it's important to also recognize that the market is transforming, and by investing in the Innovation Fund, Efficiency Manitoba is ensuring that our province is a part of that, that we're not going to be left behind, that developers aren't going to just build in the same old fashion.

We're seeing more and more projects supported by Efficiency Manitoba that are some of our most celebrated projects. They're the ones that are net zero. They're the ones that are the most efficient.

And that is incredibly important, both in terms of our energy future, because, year over year over year, we're going to need less energy to heat and cool these places, these homes, but also for Manitobans. Because we know as climate change progresses that there's going to be more swings in the weather that Manitobans have to deal with, whether that is, you know, whether that is increasingly hot summers, where that can put seniors at risk, or whether that is, you know, just more turbulent times in terms of weather.

So I think these innovation funds—which again, is an overage of 0.003, and that's rounding up, of their total budget—is something that isn't, you know, I don't think would raise too many eyebrows for Manitobans.

The other piece is that I'm very confident in the oversight of the board. I'm—I was very happy that Mr. Nicol agreed to take on the role of board chair. He was the vice-chair previous to that. And Jeannette Montufar, the previous board chair, did an incredible job, as well as all the other board members; did an incredible job of ensuring that we're really maximizing the amount of gains that we can from Efficiency Manitoba for Manitobans.

And so I would—I'm not sure where the prodding is coming from for members opposite in terms of, you know, a 0.003 overage for a total budget of \$76.6 million, but I would argue that the Innovation Fund is critical for Manitoban—for Manitoba. I would argue that it's critical for us to be on the cutting edge of—as the market transforms and for us to do that. And I would argue that it's going to lead to bigger and

brighter things for all Manitobans in terms of what we accomplish.

So, with that, I'll leave it there.

The Chairperson: Thank you, Minister.

Ms. Kuruluk: Just a couple of things to add. We really view this over-expenditure in our Innovation Fund as actually a success story. That means there's a lot of Manitobas—Manitobans and Manitoba businesses, like, engaged with what our energy future's going to be looking like. And so we do manage to our overall budget and that, obviously, as you see, we're under budget overall.

But we really view the need for making sure that we have energy efficiency opportunities into the future, that this is critical, and so we see that an increasing interest in the Innovation Fund is actually a really great success story for Manitobans.

The Chairperson: Thank you.

Mr. Nicol: Just the—directly to the question about oversight. So we have a finance, audit and risk committee that oversees the orderly financials, and ultimately the board would be responsible for any overages and for 'priving'—providing authority within the framework of our legislated mandate and within the budget.

The Chairperson: Thank you.

MLA Bereza: Just regarding the poking and prodding and \$225,000: whenever we go over a budget, it is always important that we're able to let the people of Manitoba know why and where this is coming from.

So the—just to be sure on the question here—and, again, to what Mr. Nicol said there—so the internal governance approval was done internally and the increase, again, was done internally. Is there a targeted amount that the—that can be gone over before there is a different authority that makes that decision? Like, what if that \$225,000 was two hundred—you know, 2 and a half million dollars? Is there a set amount that you are—you know, is there an amount that you're allowed to be within as part of the board?

Thank you.

The Chairperson: Thank you, MLA Bereza.

* (09:50)

MLA Moyes: Well, first of all, I think that our government is very comfortable with the independence of our Crown corporations. Like when we're talking about Efficiency Manitoba, I would argue that this is—

you know, I don't want to suggest that one Crown is more favoured than the other, but this is one of our Crown jewels. Like, this is something that is such an—or is playing such an important role in our province, and it is going to play an increasingly important role.

And so we're very comfortable with the independence of Crowns. I know that under the previous administration, that members opposite—maybe they want to interfere with Crowns. Maybe that's—you know, that seemed to be their MO in the previous administration, and so we're taking a different approach where we appoint a board, we appoint a board chair, they work with the executive team to really achieve these broad goals that are set.

And so it's—I think it's a little bit—I guess maybe they're showing who they are in terms of members opposite, in terms of them interfering with Crown corporations, when in reality we have structures in place to ensure that these Crowns can operate independently and do this good work on behalf of all Manitobans.

One of the things to speak about this specifically, this budget, the total budget of this Innovation Fund is \$750,000, and the total project that any one project can apply for is \$250,000. So we're not talking about a huge amount of the total budget, which I believe was \$76 million or over \$76 million.

And in fact, I would also—if members opposite would look at previous years, this line item in the budget was underspent in the previous years. And so as I mentioned, with calendar years happening and different projects coming in and needing partners to bring forward in putting different proposals forward, they—as they come up, you know, there's going to be some years that—where it's underspent and there's going to be other years where these really good projects need to be invested in.

And so that's what happened in this case. And I think that the oversight of the board is—and the trust that we have in the board is critical and something that we didn't see for—in the previous administration for almost all the Crowns.

And so I think that that is—I think that's really important that I just want to state outright that we trust our Crowns, that there is oversight over our Crowns and they have internal mechanisms to—and the flexibility within their budgets to ensure that they're doing the good work on behalf of Manitobans.

And just finally, overall, they were under budget, right, and so we want to ensure that they're within—you know, I know that there's different buckets of

money that get applied to and—for different projects and whatnot. And, you know, if you think about your own finances, if there—as a Manitoban, that maybe you're underspending on one side and then there's some other needs on the other, you might move some money around to—so that you're applying it.

It's the same thing here, where they're underspending in certain regards; there's other projects that, you know, that didn't come forward. And then here in the—on the innovation side, there were projects to invest in, and so that's what was decided by the board.

And so, as a minister, I'm very comfortable with the oversight of these projects, especially in something that this overage is 0.003 per cent of their total budget.

So, with that, I'll leave it to the team.

Thank you.

The Chairperson: Thank you, Minister.

Mr. King: Just curious, what portion—proportion of total spending is administrative versus direct customer incentives, and how has that ratio changed year over year since its inception—since?

The Chairperson: Thank you, Mr. King.

* (10:00)

MLA Moyes: One of the things I just want to highlight for the committee is just the incredible numbers that you can see in—I'll just reference on page, I think it's 16 that highlights it—just the good work that those staff members on Efficiency Manitoba have done.

If you look at where we're at in terms of customer satisfaction, it's been high for the last number of years, but 91 per cent customer satisfaction—like, that is remarkable. And in order to get that high number, you need staff, you need people that are going to be able to answer those questions, guide the process, oversee the programs.

And what we're seeing on the other page, on page 17, is just a year-over-year increase in getting money back into Manitobans' pockets. And so I just want to highlight that before I kind of get to the more fulsome answer in terms of what you're getting at.

I think what you—if you go to page 50 of the financial statements there, you can see that staffing has stayed fairly steady state, in terms of being about 15 per cent. But I want to highlight that it's—as we expand Efficiency Manitoba and task them with doing

more work in terms of ramping up our efficiency across our province—and we're going to need to in order to be that power plant that is in Manitoba Hydro's IRP—then you're going to need to see an increase in staffing. You're going to need more people to deliver these programs. You're going to need more oversight of the programs. You're going to need expansion on that.

And so I want to just make sure that everyone around the table recognizes just the importance of the people doing the work. Like, this isn't something automated that just happens. Like, there's people, Manitobans, that are doing this good work, including the folks around this table, but also, you know, people around our province that are delivering it in municipalities right across the province, whether we're talking in the Westman, in the Eastman, in the North, in Winnipeg, in Brandon, whatever.

It's—like, these are folks that are delivering for Efficiency Manitoba and delivering for all Manitobans. And so I think we're hovering around the 15 per cent staffing range. And the other thing that I should point out for members opposite is that even with the staffing that we're at, it's still under the staff numbers that Power Smart was under the previous inception of—or the previous entity that ran Efficiency when it was under Manitoba Hydro.

And so we're still vastly under those numbers from years ago, never mind the fact that, you know, that things are—that costs have gone up and whatnot. And so I think it's important to know that Efficiency Manitoba is running a very efficient program, shall we say, and no pun intended. They're running a very lean machine that is really delivering for Manitobans. And I think it's important that we recognize just the good work that all of those employees of Efficiency Manitoba are doing.

Thank you.

The Chairperson: Thank you, Minister.

Ms. Kuruluk: Thank you for that, Minister.

And just, I wanted to add as well, Efficiency Manitoba's efficiency plan does undergo a review by the Public Utilities Board. And we are continuing with the same recommendations that—and the same direction that they provided back during the review in 2019 and 2020. And one of the items that they are specifically meant to assess is the reasonableness of Efficiency Manitoba's administration costs in delivering the efficiency plan. And so, at that time, they thought our admin costs were more than reasonable,

and we continue to maintain that rough percentage, as Minister Moyes says, between 12 and 15 per cent.

Do appreciate, though, that going forward, yes, we see much more responsibility's being attributed to Efficiency Manitoba, and a really key factor is what we need to deliver is absolutely needed by Manitoba Hydro in terms of their plan to be delivering for the power needs of the province, so that 550 megawatts—and likely even a little bit more when they start getting into demand response—so likely needing to have even more staff to deliver that. But, again, as I mentioned, a very rigorous process underwent by the Public Utilities Board verified that our admin costs are indeed reasonable.

The Chairperson: Thank you.

MLA Bereza: Just as a follow-up question regarding, on page 50, on expenses, salaries and benefits. So in 2024, we saw salaries and benefits of approximately 8.5. We go to 2025, which is 10.166, which is a fairly dramatic increase and including over budget.

Can you please explain why this salary from the '24 to '25 with a heavy increase in salaries and benefits and still over budget, why that is?

Thank you.

The Chairperson: Thank you, MLA Bereza.

* (10:10)

MLA Moyes: One of the things that our government recognized when we came into office in October of 2023 is the need to invest in Efficiency Manitoba—or the need to have increasing staffing with Efficiency Manitoba. We wanted to do that, obviously, in a prudent way. We wanted to make sure that we were doing it in a way that was on par with an expansion of programming, which is—I think if you dig into the annual report, you'll see as the total budget increases that there is obviously an increase in staffing to deliver those programs. And basically what you're seeing from one year to the next is an increase from, I believe it's just under 78 FTEs—77.9—moving to just over 90 FTEs.

As we need and task Efficiency Manitoba to do more, we're going to need the workers, the Manitobans, to do that good work. We know that there's more work to be done, which is—so I would expect that there's going to be a—you know, a continued increase with staffing for Efficiency Manitoba.

And what a good use of dollars. We know that efficiency is the most affordable way to get energy. The energy that we are saving means that we don't have to generate. It means that we don't have to find new ways to—you know, new generating stations of all kinds—would, regardless of what we're talking about. So let's continue to save that energy.

And so we're seeing that we're going to—that we're staffing up Efficiency Manitoba. They still are less than what we saw at Power Smart under—when the efficiency was—you know, that segment was under Manitoba Hydro. And so we need to continue to invest more and we recognize that.

The other thing that I'll point out is that the proportions are staying the same. So as budget is increasing, the proportion to staffing is staying, you know, hovering around that 15 per cent. And so I think that that is important.

And as we recognize that there's more work to be done and that there's different opportunities there to increase the programming, we're going to need more Manitobans being hired on by Efficiency Manitoba to do that work. And so I think it's—I'm very happy to see an increase in staffing because I know that means that there's going to be increased programming for Manitobans, which is going to be more savings for Manitobans. And it also means that we're going to save more energy.

And so that's—those are all positive things for our environment, for our economy and for Manitobans' affordability. And so those are things that we should be investing in and that our government is investing in.

The Chairperson: Thank you, Minister.

MLA Bereza: Just a follow-up to that question. Again, referring to page 50—and I'm going to be talking about salary and benefits and customer incentives. So, again, and according to the minister, FTEs went from 77.9 to roughly 90 FTEs to—yet we're seeing that the customer incentives that get paid back to Manitobans was underspent—or the budget was at 50.759, yet the spend was at 45.

With this—honourable Chair, should we expect, then, the amount of employees to continue to go up and the amount of money that's paid out to Manitobans continue to decline?

The Chairperson: Thank you, MLA Bereza.

MLA Moyes: I would direct the members opposite to perhaps page 17, which will—I think clearly illustrates the success that we're seeing with Efficiency Manitoba.

So if you look at the bottom of page 17, in 2020-2021 there was a \$26.51-million spend to customers, whereas in the last year, as mentioned, it was a \$67.73-million spend. And so these are the actual numbers going out to customers. And so you can see the trend line is fantastic. And so this is what the investments are actually leading to.

So I know the members opposite are comparing it directly with budgeted amounts, but if you look at what this is, this is what it's actually delivering. So if you want the numbers, in 2020—or sorry, 2020-2021, the bottom number, there was an incentive paid out to customers of \$26.51 million. The FTEs at the time was 53.9. The corresponding number was 40.08 the following year, that was a 69.2 FTE; 2022-2023, \$48.1-million spend going out to—for incentives to customers, 72 FTEs; 55.77 in 2023-2024, there was a 77.9 FTEs. And then again, as I mentioned, in 2024-2025, we have 90.1 FTEs.

And so, it's—what you're getting as we staff up is that you're actually getting a corresponding increase with customers. And so the suggestion that staffing is going up but we're not getting a corresponding increase in customer incentives is just flat wrong; it's clearly demonstrated on page 17. Manitobans are benefiting from those staffing increases and—in terms of what the customer's getting. And I would say that our province is actually benefiting quite strongly with the corresponding energy savings that we're getting with these programs.

And so it's something that we're going to continue in—to invest in. It's something that makes sense from an environmental standpoint. It makes sense from a climate action standpoint. It makes sense from an affordability standpoint. And it makes sense from an economic standpoint.

*(10:20)

And so I'm very happy with this trend line that is increasing, and we're going to continue to ensure that Efficiency Manitoba has the staffing they need to deliver for Manitoba Hydro's IRP, but more importantly, that they're going to deliver for all Manitobans.

Thank you.

The Chairperson: Thank you, Minister.

Ms. Kuruluk: Just wanted to add to Minister Moyes, but wanted to first mention that I think minister might

have misspoke when he was talking about the incentives growing; it's actually the total budget. But that said, the concept of what he was saying is—still holds true because our incentives are roughly 65 to 70 per cent of our budget every year, so concept still holds true, but I think he meant to say, probably, total budget was rising.

The other thing I'd like to point out is that that 20 per cent increase in staff—that 77.9 to 90.1—actually generated a 25 per cent increase in our incentive spend, so we think that's a good value.

And another thing to point out about our business that is important when we start looking at these numbers that don't always rise and fall hand in hand, and so just as a really quick example, a new industrial engineer or industrial staff person serving the industrial customer segment may take several years to (a) get to know the industry and the customer, build relationships with that industry or that customer to make sure there's trust there. And then, of course, working on energy efficiency projects in those industrial customers is oftentimes a multi-year endeavour.

So a new staff person in that particular section of Efficiency Manitoba may not see incentives coming until a couple of years down the road. And that's very typical in this industry that we work in.

The Chairperson: Thank you.

Mr. King: Direct my question to the CEO here.

Has Efficiency Manitoba assessed whether increasing initiative—incentive levels are producing diminishing marginal returns in terms of incremental energy savings?

The Chairperson: Thank you.

MLA Moyes: One of the things that—what I can say about that, I guess, is I think the member opposite is right in that when it comes to energy efficiency, largely—now, we're talking very broadly here—a lot of the low-hanging fruit has been plucked, so to speak; that it—we're in an increasingly complex time where most people have, you know, done, I would—and I'm using broad terms here—there's always room that we can try to make sure that the programs are getting out to people, that those people that have not done any efficiency work in their own homes or things of that sort, or companies or businesses, whatnot, do that first, you know, that first round of efficiency.

But I think, largely, most people have done the easy things. And what I'm thinking about is, like,

things like light bulbs, right? Like before, if you think back into the previous, you know, decade or two, it was all about compact fluorescents, this is the way forward. Now it's into LEDs and things, like, of that. And it was very easy for people to get some actual significant savings if they did that right across their home.

And so it doesn't take a lot of work, not a lot of cost, people can do that fairly quickly.

And so what we saw in years past was that Efficiency Manitoba's programming or incentives, which continue to run to ensure that we're making sure that customers have that ability to do that, could be things on light bulbs; something very simple.

But what we're seeing now is that we need to actually innovate with the market, which is where that Innovation Fund that we were discussing previously has such a key role in laying things out. It also means that there's a number of different programs that Efficiency Manitoba runs to really take their programming to the customer.

And so what I'm thinking about is there's some neighbourhood energy efficiency projects happening that—where we have champions actually going door to door and taking it to Manitobans so that they're aware of what's out there for them and so that they can have the affordability piece, that they can have the energy savings piece and basically have a more comfortable experience in their home.

The tighter energy envelope that we have in our homes means that you're going to have less drafts, you're going to be warmer in the winter, you're going to be cooler in the summer—and so that's really important for us to ensure that Manitobans know about these things.

There is also an increasing amount of work being done to take the programs—and there's specific programs—to Indigenous communities, and ensuring that our—that the Indigenous communities can benefit from the energy efficiency programs.

And so there's a whole variety of different programs that Efficiency Manitoba does so that we can ensure that all Manitobans know about the programming and not just take that—the low-hanging fruit, so to speak, but actually move into, you know, evaluating what are the opportunities for each person and each business depending on what we're talking about.

The second part that I'll just touch on is that Efficiency Manitoba—all of the programs go through a legislated cost test, which is done by an external evaluator to ensure that programs are cost-effective. And so we want to ensure that we're—that as Manitobans, broadly, they're, you know—that they're benefiting from the investments that we're making, and that's what that is designed to do is that the investments in these programs are going to have a good return.

And so I'm very confident in the work that Efficiency Manitoba's been doing, and look forward to us bringing more efficiency measures to all Manitobans.

Thank you.

The Chairperson: Thank you, Minister.

Ms. Kuruluk: Thank you, Minister, for that response.

And just to add a little bit to that, we are funded by Manitoba Hydro, so we are accountable to the ratepayers and we take that very seriously. It is a balance. It is a balance to determine what incentive and what expenditures are going to get us that customer participation that we're looking for, and so every single program that we look at and every single program enhancement that we look at is—has done a detailed cost-benefit analysis to it.

At the end of each year, we actually have a legislated external evaluator that also assesses our cost-effectiveness based on the metrics outlined in our legislation, and we have to maintain a cost-effective portfolio overall.

So Minister Moyes mentioned some examples there. And we know that there's going to be some puts and takes in terms of making sure that customers that have the most difficult time to participate, so those that might have income challenges, et cetera, that those are—those folks are still able to participate in our programs. So sometimes we might tolerate lesser cost-effectiveness in those programs, but we already know—and we're watching to see that there's greater cost-effectiveness in other programs.

And so that external evaluation is a very detailed process. So we get information from them each year, and last year, for every dollar that Efficiency Manitoba invested, it returned \$2.62 to Manitobans, and so we're quite comfortable that we're still operating as a cost-effective organization.

And, again, when you assess Efficiency Manitoba's costs relative to new generation, we still

are the most affordable. But, of course, we are one of many things that are needed to meet the growing energy demands in Manitoba.

The Chairperson: Thank you.

* (10:30)

MLA Bereza: Can Efficiency Manitoba provide a current provincial breakdown of primary residential heating sources, including electrical resistance, natural gas, propane heating oil and district or other systems?

The Chairperson: Thank you.

MLA Moyes: I guess I'll start with just saying that Efficiency Manitoba, as mentioned—I guess I said it previously—that Efficiency Manitoba is constantly evaluating their programming needs and—to make sure that we're meeting the needs of all Manitobans. And so, yes, it's critical that we have information in terms of, like, where are those opportunities, so that it can be—so that we can meet the—meet those needs and make sure that all Manitobans can participate.

We have a very diverse province that has different housing makeup, shall we say; like, obviously, in urban centres, there's a lot more multi-unit homes that sometimes don't show up on—in terms of, like, it's not up to the individual to pay for heat, on, you know—you mix that in with a whole variety of other places, like, especially in in the North where it might be using biomass or electric heat or resistance heat and things of that sort. And so it's important for Manitoba—or, sorry, for Manitoba, it's important that we recognize the differences and tailor each program so that we can meet the needs of Manitobans.

And so Efficiency Manitoba has been doing this ongoing work over the last number of years, and one of the things that I've encouraged Efficiency Manitoba to do is to really ensure that we're taking those programs right to Manitobans, as I mentioned in my last answer.

And I'll just highlight, before throwing it over to Ms. Kuruluk, that the different programs that outline how we're meeting the needs of Manitobans are outlined, if you want to—if you're if you're interested, in terms of on page 28, 29 and then moving into page 30, so really showcasing all of the different ways that we're trying to meet the needs of Manitobans, whether we're talking about cities, right.

On page 28, there's discussions of the city of Brandon, all the way up to the town of Churchill in the far north, rural municipalities, and then going into

First Nations and Indigenous communities, as well as what I mentioned earlier with the neighbourhood energy efficiency program on page 30.

So it's—I think it's just such a—I think it just showcases the incredible work that Efficiency Manitoba is doing to ensure that all communities can benefit from that ongoing energy efficiency piece and really tailoring those programs for them.

So with that, I'll throw it over to Ms. Kuruluk.

The Chairperson: Thank you, Minister.

Ms. Kuruluk: So necessarily, for Efficiency Manitoba to do targeted work and targeted programs, we need to know our customers and we need to know how they're heating their homes.

And so we have a highly co-operative relationship with Manitoba Hydro and we do share data that's necessary for us to do our work. And so our most latest data that we have access to is the 2023 residential energy use survey that Manitoba Hydro conducts. And so, from that survey, we know that there's five hundred and—just over 519,000 residential customers heating in our province; electric heat is approximately 211,000; natural gas heat, roughly 264,000.

And then we have other fuels, which is going to be a mix of fuel oil, propane, wood, biomass—is just 5,700, we'll call it. And then we also have what we call—it's a shared, no heat on the bill, which is sort of multi-unit residential buildings, and there's 39,000 of those customers. And so we have regular access to this information through our co-operation with Manitoba Hydro, and that enables us to do what we can to target and reach these customers.

So for example, on our other fuel customers, we're actually delivering a federal program through the Canada Greener Homes Oil to Heat Pump Affordability program, essentially. And so there's customers in that other fuel that have a program available to them to switch their fuel oil or—furnace to a ground source heat pump.

And so we need those numbers and we need to reach those customers. And if you have any customers in your constituency that are fuel oil heated, please send them our way.

The Chairperson: Thank you.

Mr. King: You mentioned 2023 was the last time that data was available, I think is what you said. Just wondering how frequently that is updated. Is it annually or every six months?

And just to add to that question, which was—that was a follow-up question to yours, but—and you mentioned the air source heat pumps. Just how many applications were received in '24-25 on the heat pump applications?

The Chairperson: Thank you, Mr. King.

Just for the information of all the members, to put their questions through the Chair—questions and responses through the Chair, please.

Thank you.

* (10:40)

MLA Moyes: The first part of the question related to the survey, and that survey is not Efficiency Manitoba's survey, that information is from Manitoba Hydro, and so those questions about the survey would probably have to go to Manitoba Hydro and—in terms of how they determine how often the surveys go out. It's not—that's not dictated by Efficiency Manitoba.

In terms of the other piece and regarding the heat pumps, I'm just going to, before I throw it over to Ms. Kuruluk and the team here, we released our Manitoba Affordable Home Energy Program, in June of 2025 it was publicly launched. And we're—we just recognize, as a government, how important this program is going to be, both in terms of efficiency, in saving energy and—but also in terms of just the importance to Manitobans for costs, for affordability and also the comfort.

As members opposite outlined, there's different makeups of how people heat their homes. And in terms of—so it depends on their home makeup and how they heat their homes for what might make sense for them, which is why I think it's so critical that Efficiency Manitoba has such a diversity of offers out there. So whether we're talking about ground source heat pumps, whether we're talking about air source heat pumps, whether we're talking about any other way to make your home more efficient, really depends on Manitobans.

And we know that this—I mentioned it before but I think it's worth reiterating—how Manitobans are ready to embrace these new technologies. But we often also recognize that cost can be a barrier for a lot of Manitobans. We have been dedicated to making life more affordable for all Manitobans. And we know that Manitobans will make that climate-friendly choice when it's affordable for them.

And so whether we're talking about, you know, the EV rebate program, whether we're talking about

heat pump, the Affordable Home Energy Program that was launched, we're making life more affordable broadly right across our province for all Manitobans.

And the heat pumps, if we're talking about ground source heat pumps, you can be reducing your electricity needs by 60 per cent if you have that traditional electric furnace that was outlined in terms of those numbers. And so there's a really significant opportunity for a lot of folks to cut down on their electricity needs, but also the cost of that. So, you know, it's a win-win in terms of getting these heat pumps into Manitobans' homes.

The other piece that I really want to highlight is the Manitoba Geothermal Energy Alliance, which is our industry partners. And are oft—they are the installers of these ground source heat pumps. And I really appreciate the ongoing work that they've done to really ramp up and get these ground source heat pumps installed for Manitobans so that the savings can begin for those Manitobans. And we're working with industry so that we can see the scale up further.

One of the things that I'll point out is, since it's been launched, we've seen a significant exponential increase in the amount of heat pumps that people are applying for and getting installed. And so that's fantastic. That means less energy for Manitoba Hydro. That means more comfortable homes for Manitobans. That means savings for Manitobans. And so it is a win all the way around.

And so I'm very happy about the growth of that program, recognizing that there's been some bumps in the road, and we're working as government and we're working with Efficiency Manitoba to iron those out alongside our partners with the Geothermal Energy Alliance. And when I mention that, it's things like we need more drillers, just to be perfectly clear. And so that's why we need a close partnership with the Manitoba Geothermal Energy Alliance who, you know, helps install these.

And, basically, what they tell us is that the market will respond and these installers will invest in their businesses, but they need a clear indication from government that this is going to continue. And so I've been very pleased to outline for them that absolutely our government is going to continue to invest in energy efficiency, including with heat pumps and that we're going to work alongside them to scale it up.

And so, you know, whether you call it a hockey stick kind of curve or whether you're—if—or whether you're just calling it exponential growth, we're seeing

an increasingly amount of Manitobans being—putting in these heat pumps.

And I'll say the heat pumps broadly, because for some people, it doesn't make sense for—to have a ground source heat pump depending on where you're situated, especially in urban areas. It can be challenging.

But there's a lot of opportunity across our province for people to save on their energy, to save on costs. And I really appreciate all the work that the Geothermal Energy Alliance has done to get them in the ground, appreciate all the work that Efficiency Manitoba is doing to really roll it out and oversee all of the programs broadly. And so it's been a really positive program and positive for Manitobans and will continue to be.

Thank you.

The Chairperson: Thank you, Minister.

Ms. Kuruluk: So to respond to—I think there was a question about air source heat pumps installed in last fiscal period. And to respond to that, in that year, 1,118 air source heat pumps in 2024-25, and ground source heat pumps was 33. And as Minister Moyes mentioned, last fiscal period we had not yet launched the Affordable Home Energy Program.

And so we actually launched that program. We did what's called a soft launch. And again, thank you, Minister, for bringing up the Manitoba Geothermal Energy Alliance, because in February, March and April of last year, we did a soft launch with the Manitoba Geothermal Energy Alliance indicating to them what we were thinking of offering for a program. They were very happy to be working with Efficiency Manitoba and very happy for the offer that we had outlined.

They recognized that it was going to be something that would stimulate the market and help them grow their business. They offered us some suggestions on how we could fine-tune our program to fit with the delivery channel that they work within in delivering heat pumps to Manitobans. And so they were very appreciative of that advance notice so that they could staff up and be ready for what they knew would be a big interest coming from consumers. And we were equally happy to be working with them because they give us very valuable information to make sure our programs are effective.

And so we launched the Affordable Home Energy Program publicly in June of 2025. And so, super happy to see that our ground source heat pump interest

has grown to now 648 ground source heat pumps, and that's across single family dwellings and multi-unit residential buildings. So multi-unit residential units is what's the count in there.

***** (10:50)

And on air source heat pumps in '25-26, again, still continued high interest with 1,400 air source heat pumps; new air source heat pumps indicated in '25-26. And so Efficiency Manitoba is very, very excited to be able to share those numbers.

And we anticipate that, as we work with the Manitoba Geothermal Energy Alliance, and we actually have a study under way with the Manitoba Construction Sector Council in partnership with the Manitoba Environmental Industries Association and ourselves, to really look at the geothermal heat pump market and what the barriers are for being able to do more. And we're expecting that report to be completed in the not-too-distant future.

But some early research that we're seeing is going to be very, very helpful for us to continue to not only get more heat pumps into the hands and into the homes of Manitobans, but help the industry really leverage what we're offering and grow green jobs in our province.

The Chairperson: Thank you.

MLA Bereza: Honourable Chair, can I recommend that we take a seven-minute break?

The Chairperson: Is there a leave to get a seven-minute break? *[Agreed]*

And we would be back at 10:58. Thank you.

The committee recessed at 10:51 a.m.

The committee resumed at 11 a.m.

The Chairperson: Will the Standing Committee on Crown Corporations please come to order.

The floor is now open for questions.

MLA Bereza: Honourable Chair, what was the total program costs associated with air source heat pumps, including both incentive and administrative costs?

Thank you.

The Chairperson: Thank you.

MLA Moyes: The one thing that I want to point out is, regardless of what program that we're talking about here, everything that Efficiency Manitoba rolls out

goes through that cost-effectiveness test, right, and then is evaluated on that. And so the team is constantly examining the cost-benefit of all programs and I think that that's really important because we do want to ensure that Manitobans are getting good value for their money as we roll out these programs.

Now, the other piece, it sounds like a very simple question perhaps. Now, some of the challenges with teasing out, you know, the specifics of a program is that we have a whole variety of different offers out there depending on the market.

So there's, you know, the mass market, which is like your average Manitoban, perhaps, if there is such a thing as an average Manitoban. But then there's other programs that target new builds, that target communities, and so it's challenging, sometimes, to tease that out because they're not—they don't get developed or rolled out in isolation.

The other piece that I should—that I should mention, and I think all Manitobans should recognize, is that when we're talking about energy efficiency, you don't start with, necessarily, with a heat pump. You could maybe have interest in a heat pump but oftentimes the most bang for your buck are things like insulation, ceiling gaps, making sure that your house isn't drafty, because otherwise if you put in a very efficient, whether you're talking air source heat pump or ground source heat pump or whatnot, but you're leaking out other ways. You're just going to be running that unit more and it's not efficient.

And so Efficiency Manitoba does an incredible job of bringing a whole suite of options for homeowners based on their personal needs. So you might start with an energy audit, examining where exactly that person's home is at, where are the opportunities: whether that is increasing the insulation, whether that is, you know, sealing the gaps up, putting in new windows, putting in new doors, making sure that that energy envelope is tight, and then maybe examining, okay, where—how are you heating your home, and what is the best option.

***** (11:10)

And that's going to vary for each Manitoban, depending on how you're heating your home currently, but also what's the layout of your home, or do you have a little bit more space where you can get the ground source heat pump, or are you heating using electric. So maybe you're going to get more cost savings depending on how—if you decide to go into a heat pump versus natural gas. Just your overall

comfortable—how comfortable you are with various options. And so I'm really proud of Efficiency Manitoba in terms of just how tailored each of their programs are, but then even more specifically how tailored it is for each individual.

So we're really getting down into the granular when you start talking, okay, like, let's look at—you throw out, like, air source heat pumps, like, where are we at? How cost-effective is this? Or what's the cost versus what you paid out? But there's a whole bunch of different layers that you have to peel away and examine in order to actually tease that out.

And so ultimately, I think it's incredibly important for our government, it's incredibly important for Efficiency Manitoba, that we continue to really have these tailored approaches to groups of people, communities across Manitoba, but also tailored to that individual's needs. And in that way that's how we're going to maintain that 91 per cent customer satisfaction rating. That's how we're going to ensure that all those people that go and get some sort of Efficiency Manitoba program, tell their friends, tell their neighbours, tell other Manitobans that, hey, this is something that you can look at, you can save money, you can save energy.

And then broadly, as a province, we can really scale up the amount of efficiency in terms of overall energy usage that we're doing so that we can use less energy into the future and be that almost virtual power plant that we need energy—Efficiency Manitoba—to be.

And so I think this is such a positive Crown corporation. It brings nothing but good things to Manitobans in terms of money in their pockets. It brings nothing but good things to Manitobans as a whole in terms of saving energy. And so it's positive all around and it's bringing nothing but good things for Manitobans' comfort overall.

So with that, I'll leave it and throw it over to the team to try to peel back some of the layers on what sounds like a very, you know, easy question into—you know, should be a straight answer, but there's a lot of components that go into it.

Thank you.

The Chairperson: Thank you, Minister.

Ms. Kuruluk: Thank you, Minister.

Yes, it's—it is—it sounds complex, but our team is right—is definitely on top of how this all works.

But it does tie back to an earlier discussion that I had regarding cost-effectiveness. And so we recognize that some customers need to have a program that's tailored to them that delivers a little bit more, and so our income-based in our Manitoba Métis energy efficiency officers—offers—is—has a more tailored approach.

And so when we visit a customer through that program, we're doing an energy audit. We are installing low-cost, no-cost measures. We are doing insulation in the home. Again, as Minister Moyes mentioned, that insulation is the most cost-effective and is the most important thing you can do prior to even putting a heating system in, because once your home is more insulated and more airtight, that is—then you can do the appropriate sizing of your heating equipment. And so—and then, of course, after the insulation would be the heat pump.

And so when he talks about teasing out the costs and metrics out of that, that's the hard part in programs such as that, which is there's multiple measures as a turnkey solution for those customers in order to help them participate. And so it's really difficult to tease out the contribution to air source heat pump.

And so the number that that we have is, specifically, we do have for our mass market and air source heat pump program, so an air source heat pump rebate. And in '24-25, the spend there was \$1.1 million, with \$780,000 in incentives.

So the other difficulty that we have in terms of trying to tease out contributions in different programs in different years is that we also do what we can to leverage as much federal dollars as we can. And so in the '24-25 year, I think there was some, I think, tail-end Low Carbon Economy Leadership fund dollars that we were also using to help bolster our programs and offers, and so that would be another piece that we'd have to tease out. But that would be the air source heat pump number for '24-25.

And if you're—if the next question might be ground source heat pumps program only, our spend in that area was \$150,000 and \$30,000 on incentives. And yet another complexity in that number is that for that line item of \$150,000 there was also program design costs for the upcoming affordable home energy program that would be launched in the following year.

So the ratio of overall cost to incentives might seem off as compared to air source heat pumps, but, again, what we're going to be seeing is the complete inverse once we start processing more applications and,

as we've commented on here earlier, a tremendous uptake in ground source heat pumps that we're seeing already.

The Chairperson: Thank you.

Mr. King: Now, I appreciate the answer. Earlier I had asked about how many applications, and you're pretty specific on that, which was good.

But I was just wondering if you could tell me how many air source heat pumps systems were actually installed in that fiscal year. And the minister talked about the average Manitoban, so if you could give us what the average incentive per air source heat pump installation was.

The Chairperson: Thank you.

MLA Moyes: There's a few things that—for commentary before I throw it over to Ms. Kuruluk to provide maybe some of the more technical aspects of the programming.

* (11:20)

One of the things with—that I think is really positive with air source—with the air source heat pump program—that we can use this program to demonstrate is the constant evaluation that takes place from Efficiency Manitoba.

To start with, there was a \$1,500 rebate on the systems that have a split, so not the centrally ducted air source heat pumps; those ones were at \$2,000. But instead of having that differentiation, it was decided from the team to just simplify it and streamline it and just go with a \$2,000 rebate for Manitobans.

And so I think this is just an example of how the—how Efficiency Manitoba is constantly re-evaluating programs, examining what the uptake is from Manitobans, hearing feedback from industry, hearing feedback from customers, from Manitobans and making the appropriate changes to make sure that we're meeting those needs and able to be flexible and nimble all at the same time. And so that's incredibly positive.

The other piece that I want to add is that we're currently partnering with the federal government on a whole variety of different buckets of money, and I think that that's really positive for Manitobans, including—Ms. Kuruluk has mentioned—the Canada Greener Homes agreement.

And so what I think you can expect over the next number of years is just that rapid increase in programs; like, whether we are talking about air source heat pumps, whether we're talking about ground source

heat pumps, whether we're talking about just energy envelopes overall, we're going to be able to expand those out and Manitobans are going to be able to benefit as a result. We have a very positive relationship with the federal government in terms of coming to agreements and trying to utilize that federal dollars for the benefit of Manitobans. And I think that that's paying dividends overall.

And so I'm very happy to see that folks are taking Efficiency Manitoba's offer on air source heat pumps, because we recognize that not everyone can get a ground source heat pump, depending on technical challenges, depending on how the layout of their home is. It doesn't suit everyone's needs. And so recognizing that, it's—I think it's important to provide alternatives. And one of the pieces that it does is, it's about 30 per cent savings.

And so from a cost standpoint, it's going to help Manitobans keep more savings, more of that money in their pockets. And that's something that our government is incredibly supportive of. We always want to try to address the needs of Manitobans, but broadly, we want to really make life more affordable for Manitobans. And this is one of the ways that we can do it in an environmentally friendly way. And so we want to work with all Manitobans on getting these programs adopted and get them into people's homes.

So we're—you can broadly say that you would save about 30 per cent if you have an air source heat pump. Ground source heat pumps are typically rated at about 60 per cent. And there's—you know, we discussed at length about the Innovation Fund, but there's more technologies that are coming online that are starting to see more options for air source heat pumps where it can be used in cold climates more and more, to lower and lower temperatures, which I think is really important, especially on days like today when it's pretty cold outside and Manitobans are maybe feeling it. And so it'll—as the technology evolves, it's going to allow more Manitobans to maybe utilize that technology as well as saving money for Manitobans.

So overall, very positive program. Efficiency Manitoba is doing a very—an excellent job of overseeing their programs and ensuring that we're getting good value for money and evaluating those programs to meet the needs of all Manitobans.

So with that, I'll leave my remarks.

Thank you.

The Chairperson: Thank you, Minister.

Ms. Kuruluk: Thank you, Minister.

And glad for the grace on an average customer, because as you can appreciate the complexities of every home being entirely different: what your space heating is, what your insulation levels are, et cetera. So we do have an example for a cold climate air source heat pump that is installed in an electrically heated home that also has air conditioning. You can—that's 1,600 square feet—could expect to save about \$500 per year in energy costs.

And as mentioned by the minister—I mean, affordability is a very, very important priority on all Manitobans' minds, and, of course, we hear that when we're interacting with customers. And so, obviously, with assistance in providing an incentive and as the minister mentioned, a streamlined incentive to help ease the process even within our contracted delivery partners in the channel for them selling air source heat pumps to customers, having that one singular incentive amount is very helpful.

The Chairperson: Thank you.

Mr. King: Just to follow-up on that, part of my question was how many were actually—air source heat pumps were actually installed in the fiscal year?

The Chairperson: Thank you, Mr. King.

Ms. Kuruluk: The number that I had quoted earlier of 515 was the number of air source heat pumps installed in the mass market program. So we're not able to—that doesn't include air source heat pumps that might have been installed in the Manitoba-Métis Energy Efficiency Offers or the Energy Efficiency Assistance Program or multi-unit residential commercial buildings or First Nations.

The Chairperson: Thank you.

MLA Moyes: Just really quickly, I think it's also important for the committee to recognize that this also is prior to us rolling out the Affordable Home Energy Program. And so we've seen a significant increase in heat pumps of all kinds since that program has been rolled out in the early 2025-2026 year.

So we're excited to see the growth of the installations of heat pumps and look forward to the coming years where we can update the committee and update all members for how we're achieving these energy efficiency targets.

The Chairperson: Thank you, Minister.

MLA Bereza: Honourable Chair, what percentage of air source heat pump installations require a secondary

or backup heating source, and how does that reliance affect actual household savings?

The Chairperson: Thank you.

* (11:30)

MLA Moyes: Well, the first thing about—that I'll speak to in regards to the backup heating: if you're using an air source heat pump, you're going to need a backup. Like, as you can tell with cold weather that we're experiencing today and this week, it gets cold in Manitoba. That's what makes us tough, I suppose. But broadly, the folks that are putting in an air source heat pump, they have heating in their homes, right, like, and so you would be—you'd be adding to that and then utilizing the unit for as much as possible.

Now, most of the ratings, they, you know, vary depending on what model you're choosing and the brand and different things like that. But they usually range to -20°, -25°. But we also recognize that the technology is improving, just like anything else; that we are starting to see companies that are able to have air source heat pumps that are able to go into colder weather. And as they are proven, it's going to be a benefit to all Manitobans.

Where perhaps there'll be a time in the near future where Manitobans won't need that backup, but as of right now, Efficiency Manitoba will be helping guide those decisions along with the expectation that there is a backup. We always want to make sure that Manitobans, when they need to, can flick the switch and make sure that their homes are heated. And maybe that's also a key component in terms of Efficiency Manitoba's role in terms of reducing our peak electricity load, which is very top of mind for Manitoba Hydro.

I mentioned earlier, and I believe CEO Kuruluk mentioned earlier about, you know, the 51 megawatts that was saved just last year alone. As we scale up Efficiency Manitoba's operations and programs, there is some substantial savings that they're going to deliver on that's going to help Manitoba Hydro not need to build out as quickly some of the infrastructure.

And so we recognize that there's going to be increasing electricity demands in the future, right. As we electrify our transportation, as there's more and more energy needs, as we have a growing economy, as we have a growing population, there's going to be an increase in energy needs in Manitoba. And so, as a result, Efficiency Manitoba is going to play an increasing role in curtailing that peak load that Manitoba is going to experience.

And so the other side of that is, in terms of—we've been discussing air source heat pumps, but that's the other side of it, is that that's why we're also investing in ground source heat pumps where you can see an even greater savings. It's unfortunate that past governments didn't make that move so that we could be a little bit further ahead. And that's not a partisan shot; I mean broadly, governments prior.

Ground source heat pumps are not new technology. They maybe have improved the technology over time, but they're not new technology. There's a lot of folks that have utilized them for many generations and I think it's incumbent on all of us to support their adoption in order to reduce the cost for Manitobans, in order to reduce the peak energy load for Manitoba Hydro, as well as for environmental reasons, which we—we're very keen to advance as demonstrated by our path to net zero release in October.

So, overall, we're very pleased with how we're working with industry, how Efficiency Manitoba is rolling out these programs, both in terms of the air source heat pumps, but also with ground source heat pumps, and then broadly, the energy efficiency needs of Manitobans. It's saving money for Manitobans. It's making Manitobans more energy efficient, and it's ultimately going to help us as a province move forward as we grow our economy and as we grow in population.

Thank you.

The Chairperson: Thank you, Minister.

Mr. Michael Stocki (Vice-President, Efficiency Programs, Efficiency Manitoba): I'd just like to supplement the excellent answer the minister provided by just elaborating a little bit on the important role Efficiency Manitoba plays in educating both customers and contractors on the efficient operation of technologies, including cold climate air source heat pumps.

So the number Ms. Kuruluk mentioned on the \$500 savings, absolutely. And, as she mentioned, there's lots of caveats to that. It depends on the size of the home, how, you know, the internal loading, the condition of the envelope, how the system is used.

And so where our—where we come in is we really work with contractors and customers to really educate them on what are all those variables. When should you be switching over that cold climate air source heat pump to your electric furnace to let that carry the cold winter.

Because in—most efficient operation is kind of in those shoulder seasons before it gets much below -10° , -15° , where you're still getting the benefits of the most efficient operation of that cold climate air source heat pump.

And that can vary depending on the unit itself: how it's sized, how it's matched to your home's heating loads. All those different variables will affect what that specific temperature is. And so that's one of the benefits of Efficiency Manitoba, to provide that education to our customers.

Thank you.

The Chairperson: Thank you, Mr. Stocki.

Mr. King: Has Efficiency Manitoba compared air source and ground source heat pumps on a holistic basis, including the capital cost versus the actual customer savings? And, based on Efficiency Manitoba's analysis, which technology provides the better net economic outcome for Manitoba households?

The Chairperson: Thank you.

MLA Moyes: I'm a little bit hesitant to do a comparison in the way that that question was framed. And the reason that I'm hesitant to do that is because it really depends on the needs of Manitobans. I think, broadly, it's not about—it's not an either-or question. It's not like air source heat pumps or ground source heat pumps. It is an and. It's what meets the needs for that individual.

* (11:40)

Not everyone has the space for a ground source heat pump. Not everyone has the geographic—you know, depending on where your home is, it might not work, depending on how the land under your home is made up or the—how your home is situated or whatnot. And so it's not always an option for Manitobans.

And I think that that is why having a group, having a Crown corporation like Efficiency Manitoba that offers over 40 programs, that is tailoring to the needs of groups of people but then also tailoring that even further to the needs of that individual, is so important.

I will say that ground source heat pumps obviously provide more—if you were looking at the exact same home and you could put in a ground source heat pump and you could also put in an air source heat pump, the ground source heat pump is going to provide more energy savings, right. They're generally rated at 60 per cent, whereas an air source heat pump is generally rated at 30 per cent savings.

And—but there's a lot of caveats that go into that and—depending on where you're at in the province, depending on weather, depending on, you know, a typical season versus not and all of that. And so there's a lot of variables that come into play, and so I think it's really important that we recognize that we're looking for Efficiency Manitoba to provide the right tools for the right situation. We're—they vary. They vary between Manitobans. They vary between communities.

And, you know, in—there might be some real opportunities especially in, perhaps, the committee members' constituencies, where I would imagine, without having examined your constituencies specifically, that there's some opportunities and perhaps more land base to have ground source heat pumps where, you know, there—and maybe they're heated with—rural homes tend to be heated more with electric and so there would be more of an opportunity for cost savings. There would be more of an opportunity to install them easier, whereas if you're examining someone in an urban setting—perhaps a smaller lot, perhaps a different makeup—it's going to be more challenging to do that.

And so, just broadly, I think it's important that we recognize just the important work that Efficiency Manitoba does to tailor all of the efficiency programs for that person, for that community and overall making sure that they're getting the right mix for our province.

So I appreciate the ongoing work that Efficiency Manitoba does for that and look forward to not picking one technology over the other, because I don't think that that is helpful for Manitobans but instead figuring out ways that we can utilize both to meet our energy needs and meet the affordability questions of Manitobans.

Thank you.

The Chairperson: Thank you, Minister.

Mr. Stocki: Just to supplement that answer a touch, and certainly we're very proud of this at Efficiency Manitoba, to really meet customers exactly where they're at. And so—recognizing that individual decisions come into play in all our programs, and so having a variety and choice to choose either air source or—cold climate air source heat pump or ground source heat pump is certainly important based on, you know, what—where the individual customer is located, ground conditions, all those types of factors.

In terms of the—you know, the analysis and the cost benefit side of it, we absolutely weigh that.

We look at the costs; what are the incentives, the mechanisms, the customer side; what are the bill savings. And as you've heard, for an electrically heated customer, you'll get about 30 per cent savings on your bill for a cold climate air source heat pump, 60 per cent on a ground source heat pump. So that translates into the benefits that we can also capture in that analysis.

And one key aspect for ground source heat pumps which tips the scale and allows us to offer richer incentives, is because it provides peak demand savings. And so that's very specific value back to Manitoba Hydro. And that, in—you know, we saw in '24-25, a result of 51 megawatts. As ground source heat pumps continue to get adopted, that number will grow specifically due to those ground source heat pumps.

Thank the member for the question.

The Chairperson: Thank you.

MLA Bereza: The minister has publicly stated that a ground source heat pump could save a homeowner currently heating with electricity approximately \$1,000 a month. The CEO mentioned today about a \$500 savings a month.

So over what time horizon is that \$1,000 or \$500—whichever one it is—annual savings calculated, and does it include maintenance, repair or replacement costs of that system?

The Chairperson: Thank you.

MLA Moyes: Just want to clarify my remarks as well as maybe the remarks of CEO Kuruluk and, you know, she can add anything that she would like after that.

I said that the \$1,000 savings—that's for ground source heat pumps, whereas what Ms. Kuruluk was speaking to was air source heat pumps. So the \$500 is for air source heat pumps and that's annually; it wasn't monthly. Most people's heating costs are not \$1,000 a month—at least I hope not—and if they are \$1,000 a month I hope that you speak to Efficiency Manitoba and we can definitely try to tighten up that energy envelope and get some savings into your pocket.

So those are the differences between them. There is more savings because of the efficiency gains through ground source heat pumps versus air source heat pumps.

In terms of the maintenance piece, I would suggest that regardless of your heating type, you're going to have maintenance, so whether you have a natural gas furnace and, you know, baseboard heaters

or whatever, you need to make sure that you're maintaining them. Any type of furnace is going to need maintenance.

* (11:50)

I think most people in the industry would recommend an annual checkup, the same that you would do with your car, that you got to make sure that you're maintaining that if you're a driver. And so it's the same thing with any type of heating source. So if you're going with an air source heat pump or if you're going with a ground source heat pump or if you have a furnace of any kind, that you are maintaining it and getting them checked.

And so I don't think that the cost of that maintenance is any different than any of the other types of heating. And so I don't think that that is really pertinent to our discussion on heat pumps of any kind.

Maybe I'll just leave it there.

The Chairperson: Thank you, Minister.

CEO Kuruluk? Thank you.

MLA Bereza?

MLA Bereza: Honourable Chair, is Efficiency Manitoba familiar with the original provincial plan for the Waverley West to become Canada's largest geothermal subdivision? There was only a very small number of homes that ultimately installed the geothermal systems in Waverley West. In fact, former NDP minister Jim Rondeau stated that the project failed because it was cost prohibitive, not technically unfeasible.

Does Man—or does Efficiency Manitoba agree with that assessment?

The Chairperson: MLA Bereza, can you please tie that question back to the report?

MLA Bereza: Page 2, air and ground source heat pumps are talked about within the report. So, previously, this is what was stated, but we're still talking about heat pumps.

Thank you.

The Chairperson: Thank you, MLA Bereza.

MLA Moyes: Well, I think this is an interesting line of questioning. We're going back to 2008, so I guess the members opposite are reaching when they're talking about the Doer era of administration. Appreciate all the work that our previous premier, Gary Doer, did for the province and all the good things that he did to try to recover from the dark days of the Filmon administration.

But I digress. In terms of what he's referencing, he's talking about something that is long ago. I would argue that we're well past 2008 and that maybe the member opposite should maybe keep his questions to something a little bit more relevant and perhaps in this decade.

Thank you.

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, 2025—pass.

The hour being 11:54 a.m., what's the will of the committee?

Some Honourable Members: Committee rise.

The Chairperson: Committee rise.

COMMITTEE ROSE AT: 11:54 a.m.

The Legislative Assembly of Manitoba Debates and Proceedings
are also available on the Internet at the following address:

<http://www.manitoba.ca/legislature/hansard/hansard.html>