

Energy
Efficiency
Alberta

2017-2018

Annual Report



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It's been a big year for **energy efficiency** across Alberta.

**13
Million**

Energy-efficient
products installed



More than
**\$330
Million**

In energy savings

100%

Participation by
Alberta communities

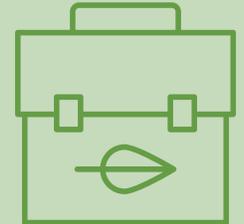


\$3 returned
for every
\$1 invested

**3.4
Million
Tonnes**

of greenhouse
gas emissions
avoided

2,300
Jobs being
created



12 Million
cubic
metres
of water
savings

**\$475
Million**

In economic growth

Performance Highlights



Enough energy to power 694,000 homes



Taking 727,000 cars off the road for one year



Filling 4,744 Olympic-sized swimming pools

It's been a big year for energy efficiency across Alberta.

Albertans from every community in the province responded to incentives to become more energy efficient and to install solar energy. Albertans are saving more than \$3 for every \$1 invested, and saving more than \$330 million in energy costs*; enough energy to power 694,000 homes for one year.

Together, we're helping the environment too, by reducing greenhouse gas emissions by 3.4 million tonnes*. That's like taking 727,000 cars off the road for one year. Albertans are saving \$70 for every tonne of avoided greenhouse gas emissions. And there are water savings too; 12 million cubic metres to be exact. That's enough to fill 4,744 Olympic-sized swimming pools.

By installing nearly 13 million energy-efficient products, 2,300 jobs are being created and Alberta's economy is growing by \$475 million.

Big things are happening in solar energy too. Incentives to install solar drove the completion of more than 500 projects, with a total solar PV capacity of 4.8 megawatts.

The solar industry is growing, with nearly triple the number of solar installation companies now registered with the Solar Energy Society of Alberta.

And we're just getting started. . .

At Energy Efficiency Alberta, we're continuing to expand our programming to deliver even greater value to Alberta residents, businesses, industries, institutions and non-profits.

*Over the lifetime of products installed.

“

2017 saw the energy efficiency industry get a **tremendous boost** with the creation of Energy Efficiency Alberta. Their initial programs generated **an unprecedented level of participation from Albertans**

across the entire province and created the momentum needed to help Alberta realize its true energy efficiency potential. **We all look forward to what's coming in the year ahead!**

- **Wayne Morishita**, Executive Director, Alberta Energy Efficiency Alliance

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About Us

Energy Efficiency Alberta is the province's expert on saving energy through efficiency – the most cost-effective fuel source.

Since the launch of an initial suite of popular programs, we now offer more programs for commercial and industrial businesses, non-profits, institutions, and households, including those with limited incomes. And we'll be introducing financing programs soon to help fund larger improvement projects and deeper energy savings. We also support energy education for students and educators, technical training for industry professionals, and community projects to make homes and buildings more sustainable.

We work with businesses across the province – product and services suppliers, home improvement companies, contractors and retailers – to transform how customers use energy. This increased economic activity is helping create jobs, grow local businesses and diversify our economy through an expanding energy efficiency and renewable energy sector.

Energy Efficiency Alberta is a Government of Alberta agency headed by a diverse Board with expertise in energy efficiency, governance and community building.

Our 2017-18 Annual Report shares how Albertans have benefitted from our programs* during the previous fiscal year, from April 1, 2017 to March 31, 2018. We have provided a range of performance results – including return on investment, energy savings, greenhouse gas reductions and products installed – as well as real-world equivalences. Future annual reports will include performance against business targets, which are currently being set as part of the 2019-20 Business Plan.

*Program savings were reviewed by independent third parties.

Questions about the numbers in this report? An explanation of terminology, methodology and the verification process for numbers included in this report is available upon request. Please contact us at hello@efficiencyalberta.ca or 1-844-357-5604.

Message from the **Honourable Shannon Phillips**, Minister of Environment and Parks

“

Energy Efficiency Alberta is doing its part to **make life better and more affordable** while ensuring provincial businesses have the support they need to compete on a global scale.

”

In Alberta, we are no longer choosing between the economy and the environment – we are choosing to make the environment an ever-growing part of our economy. This requires action by all of us: government, business, industry and the public.

That’s why the work of Energy Efficiency Alberta is so important.

In its first year of operation, Energy Efficiency Alberta helped thousands of Albertans make energy-efficient choices in their homes and businesses. Albertans are taking advantage of retail savings, home improvement rebates and incentive programs, realizing big savings on energy costs while reducing their carbon footprint.

And the numbers are staggering.

These programs delivered a net savings of \$334 million and reduced greenhouse gas emissions by 3.4 million tonnes over the life of the products purchased. This means that Albertans are saving more than \$3 for every \$1 invested. **Last year, Alberta saved enough energy to power 694,000 homes for a year.** By installing nearly 13 million energy efficient products, 2300 jobs are being created and Alberta’s economy is growing by \$475 million.

Improving energy efficiency where Albertans live and work is critical to our province meeting the commitments outlined in Alberta’s Climate Leadership Plan, which is diversifying our economy, supporting jobs and reducing greenhouse gas emissions that cause climate change.

Albertans told us new energy efficiency programs should make life better, more affordable and ensure Alberta businesses have the support they need to compete on a global scale. And that’s the real change Energy Efficiency Alberta has delivered.

I look forward to continuing to work closely with Energy Efficiency Alberta and its board members as their programs continue to evolve in support of our province’s energy efficiency needs and the goals outlined in Alberta’s Climate Leadership Plan.

Sincerely,



Shanon Phillips
Minister of Environment and Parks

Saving Energy is **Good for Albertans** and **Good for Business**

“

As someone who has extolled the virtues of energy efficiency for a long time, **it's very gratifying to share these results.**

”

Energy efficiency saves people money, creates jobs, generates economic activity, makes businesses more competitive, and helps diversify the economy. That is the promise of energy efficiency.

We are proud to say that Energy Efficiency Alberta – working with Alberta businesses and regular Albertans – is delivering on the promise.

For every dollar we spent at Energy Efficiency Alberta we are returning \$3 to Albertans in savings. That's a pretty impressive return on investment.

Together we're racking up more than \$330 million in lifetime savings. This means Alberta businesses are more competitive and Albertans are saving on energy costs.

To accomplish this we worked with 963 home improvement companies to complete 10,216 projects. And we worked with 641 retail locations across the province to help Albertans purchase 9.5 million energy-efficient products for their homes. And when you add up all the products purchased across all our programs – for homes, businesses, non-profits and institutions – it totals nearly 13 million products.

This level of new economic activity means we are creating more than 2,300 jobs and generating \$475 million in economic growth – saving Albertans money and playing a significant role in reducing greenhouse gas emissions. In fact, energy efficiency is one of the only ways we can reduce greenhouse gas emissions and save money while doing it. For every \$70 Albertans saved, one tonne of emissions were avoided. This adds up to a reduction of 3.4 million tonnes of greenhouse gas emissions.

We are very proud of our passionate team dedicated to bringing all the benefits of energy efficiency to Albertans – from urban to rural, homeowners to renters, and business owners and community organizations. Nearly every single program has attracted more participation

and achieved better results than experts predicted. People from every corner of the province participated in our programs and many municipalities offered their own programs, doubling down on the benefits for their residents.

As someone who has extolled the virtues of energy efficiency for a long time, it's very gratifying to share these results.

I've had the distinct pleasure of meeting young people who've started careers in solar, business people who have started new companies and existing companies that have expanded.

I have enjoyed attending dozens of events in the last year, speaking to health professionals, students, architects, builder groups, municipal governments, farm groups and many others. Employees and Board members have also been active in the community, attending more than 400 events in 2017-18, directly engaging with more than 40,000 Albertans.

A great deal has been accomplished in a short time, and we're just getting started. We look forward to working with you, to save money, to make your business more competitive and to be a mainstay in the electricity supply of Alberta – a mainstay that reduces emissions and helps build the diversified energy economy of the future.



Original Signed
David Dodge
Board Chair,
Energy Efficiency Alberta

2017-18 Report from the Board

We launched an initial suite of programs to introduce Albertans to energy efficiency, refined those programs based on market feedback, and launched new programs to reach industrial customers and underserved markets, including seniors, those with limited incomes and newcomers.

And all this has been accomplished since February 2017.

We are delivering on the seven key goals outlined in the 2017-18 Business Plan:

- Existing programs were **expanded and modified** in 2017-18, including Residential No Charge Energy Savings, Residential Retail Products, Business Energy Savings, Residential and Commercial Solar, Community Energy Capacity Building, and Non-Profit Energy Efficiency Transition.
- New programs continue to be introduced in 2018-19 to **address markets under-represented or missing** from the program portfolio, including Custom Energy Solutions for commercial, industrial and institutional customers; Affordable Housing Energy Savings for those with limited incomes; Home Energy Plan for households wanting to undertake larger home improvement projects for deeper energy savings; and new programs for the non-profit sector to install energy-efficient equipment at no- or low-cost and provide technical expertise in energy management.
- **Financing initiatives** are being designed for delivery in 2018-19, including the Green Loan Guarantee Program and the made-in-Alberta version of the Clean Energy Improvement Program.
- **Education and outreach programs** were launched in 2017-18, for both the general public (including youth and hard-to-reach populations) and technical capacity building for those involved in implementing energy efficiency in the province. Programs are being delivered by Alberta organizations already doing work in these areas, with **funding to allow them to reach more people** and deliver even more benefits to Albertans.
- A **market potential study** was conducted in 2017-18 to inform program design and implementation.
- An **evaluation, measurement and verification plan is being established**, and program performance reports are being published in the Annual Report, starting with 2017-18.
- For the agency to function as an independent provincial agency, **services are being secured for all business functions** – internally and externally – and the corporate governance framework is now completed.

The Board completed work to integrate the Conflict of Interest and Code of Conduct, and created and approved a related suite of corporate policies designed to enhance governance.

Now that we've set the groundwork, we're focused on delivering even greater value to Alberta residents, businesses, industries and non-profits.

Letter from the CEO

When I joined Energy Efficiency Alberta in April 2017, our Board and colleagues in the Alberta Climate Change Office already had a suite of programs launched. These programs were developed based on industry expertise and input from stakeholders across the province, through a comprehensive consultation process. Together, we hoped these programs would appeal to Albertans and provide real and tangible incentives to become more energy efficient and install solar.

It's not that Alberta didn't have energy efficiency or renewable energy programs before. For many years, there have been pockets of programs across the province, spearheaded by passionate people, utilities, municipalities and organizations. **These people had a vision that saw energy efficiency as not just a "nice to have" but as essential for Alberta – to save money and energy, make homes more comfortable, make businesses more competitive, and reduce greenhouse gas emissions. We are grateful for their perseverance, advice and support.**

But what Alberta didn't have was an organization dedicated to designing and delivering energy efficiency and small-scale renewable energy programs province-wide, to provide benefits for all Albertans, including households, commercial and industrial businesses, non-profits and institutions. Or an organization focused on energy-efficiency education and growing Alberta's energy efficiency sector, to help create jobs, drive economic growth and diversify the economy. In fact, Alberta was the last jurisdiction in North America to have such an organization, so we were due for a change.

Our year-one report demonstrates that Albertans were ready for that change too. **That original suite of programs, and new programs we've launched since,**

have been hugely popular, exceeding expectations for participation, energy savings and greenhouse gas reductions. And Energy Efficiency Alberta is now part of a growing network, together with Emissions Reduction Alberta, Alberta Innovates, the Municipal Climate Change Action Centre and numerous Government of Alberta programs driving real action and real results as part of Alberta's Climate Leadership Plan.

With our programs now in market for a full year, we are able to share our progress, financials and program results. We are currently conducting a potential study that includes engineering and market research. Informed by this data, we intend to include performance targets in our 2019/20 Business Plan, and report against those targets in future Annual Reports.

This report includes big numbers that all Albertans can be proud of. But it's the little stories I hear every day that make this success meaningful. Stories like the home improvement companies that are hiring more people and growing their profits, driven by the incentives they can provide their customers. The businesses that reduced their operating costs through improved energy efficiency, reinvesting those savings in other parts of the business. The home owner who increased their home's insulation, resulting in energy bill savings every month, and no more cold spots. The growing list of nearly 300 installers registered to participate in our solar program. And the students who were recognized for installing a solar greenhouse, learning about energy use in the classroom.

It's clear it's been a big year for energy efficiency, and we're just getting started.

We continue to refine and evolve our programs, recently introducing new incentives to reduce methane emissions,

no-charge installations for people living in affordable housing units, a Home Energy Plan to provide deeper home energy savings, and an expanded program to help non-profits. We are also continuing to support energy efficiency education for youth, newcomers and seniors, and technical training for industry professionals. And we are always seeking input to improve our programs to better meet the needs of Albertans.

We look forward to building on this momentum over the coming year and beyond.



Original Signed

Monica Curtis

CEO,
Energy Efficiency Alberta

Board of Directors

2017-2018

(April 1, 2017-March 31, 2018)



DAVID DODGE
Chair

David Dodge is a producer with Green Energy Futures where he has created over 150 documentaries on Canada's most inspiring clean energy leaders, projects, and policies.

He has dedicated the past decade to researching climate change, energy, and renewable energy topics for radio, newspapers, and magazines.

Prior to Green Energy Futures, David worked at the Canada Parks and Wilderness Society and Destination Conservation.

As a Communications Director at the Pembina Institute, he developed an online media strategy for clean energy issues and helped design a multitude of reports including Greening the Grid, a landmark document demonstrating that Alberta will find great success in transitioning to clean electricity generation.

David currently serves as Co-Chair of the Energy Transition Committee for the City of Edmonton.



KYLA SANDWITH

Kyla Sandwith is the founder and Chief Executive Officer of De Novo Inc.

As a legal operations and management consultant, Kyla works with clients to discover and implement innovative solutions to their business challenges, maximize resources, and reduce operational waste.

Prior to her time at De Novo Inc., Kyla served as Legal Counsel and Efficiency Lead at Repsol Oil and Gas Canada Inc. (formerly Talisman Energy Inc.) where her drive for efficiency and measurable results played a key role in developing and implementing innovative business solutions.



HELEN A. RICE

Helen A. Rice managed the Grande Prairie Downtown Association for 23 years, where she was responsible for coordinating joint marketing and infrastructure improvements for more than 400 businesses.

Helen was also a Councillor for the City of Grande Prairie for 39 years, during which time she chaired a number of committees and coordinated a regional recycling program that was carried out by over 30 communities.

She is a past president of the Alberta Urban Municipalities Association, the past Board Chair of the APEX Pension Plan and served as an Alberta Recycling Management Authority board member.

She was named one of Alberta's most influential people by Venture Magazine in 2012 and 2014, and holds a Government of Canada Queen's Diamond Jubilee Medal recognizing over 30 years of impactful community service.



VITTORIA BELLISSIMO
Vice-Chair

Vittoria Bellissimo is the Principal Energy Consultant at Westmains Consulting Ltd., a firm that specializes in electricity and provides strategic advice, analysis, and advocacy with respect to market, regulatory, and policy issues.

Since 2012, Vittoria has also acted as Executive Director of the Industrial Power Consumers Association of Alberta

(IPCAA), which represents key Alberta industries including oil and gas, pipelines, petrochemicals, agriculture, and steel.

Vittoria has conducted extensive stakeholder consultations on energy sector issues in Alberta, Ontario, and Scotland.

Board of Directors



**JOSEPH
ALBERT JOBIN**

Joseph Albert Jobin worked for the Treaty 8 First Nations of Alberta as an Environment Manager, and was Chief Operating Officer.

He has a wealth of experience in aboriginal consultation and regulatory requirement issues, and has worked with many of the First Nations in Northern Alberta on project financing, economic

development, and self-reliance.

He served as Senior Advisor of Aboriginal Relations for Alberta's environment ministry in 2008, and has been Chairman of the Oteenow Employment and Training Society Board of Directors (Treaty 8) for six years.



PETER LOVE

Peter Love has over 30 years experience in energy policy with a focus on energy efficiency. This has included working as an energy policy consultant, manager of a series of voluntary energy efficiency programs, co-founder of a leading energy efficiency program delivery company, leading two public advocacy organizations and leader of a provincial energy efficiency agency.

For the past six years, he has designed and taught a fourth year university course on energy efficiency policy and programs at York University's Faculty of Environmental Studies. Most recently, he published a free online textbook on energy efficiency policy and programs which includes a case study on energy efficiency in Alberta.

2017/18 Executive Team



From Left to Right:

Stephen Appleton (VP, Corporate Services),
Jesse Row (VP, Corporate Performance),
Monica Curtis (CEO), **Darryl Hill** (VP,
Program Design and Delivery), **Darlene
Crowell** (VP, Market Communications and
Engagement), **Brendan Hemens** (Executive
Director, Integration)



2017-18 Program Results

2017-18 Program Results



RESIDENTIAL PROGRAMS

Energy Efficiency Alberta's residential programs provided incentives to make homes more comfortable and safe — saving Albertans money and energy.

Programs include: Instant Savings, Online Rebates, Home Improvement Rebates, and Residential No-Charge Energy Savings.

Total Program Cost ¹	\$77 Million
Total Energy Savings	\$320 Million
Greenhouse Gas Reductions	3 Million tCO ₂ e**
Water Savings ²	12 Million Cubic Metres

INSTANT SAVINGS AND ONLINE REBATES

Number of Products Purchased	9.5 Million
Number of Participating Retail Locations	641

HOME IMPROVEMENT REBATES

Participating Home Improvement Companies	963
Number of Projects Completed	10,216

RESIDENTIAL NO-CHARGE ENERGY SAVINGS

Registered Households	151,297
Completed Installations to March 31, 2018	113,870*
Participant Satisfaction	92%



BUSINESS ENERGY SAVINGS PROGRAM

Energy Efficiency Alberta's incentives reduced energy costs for organizations and increased productivity and competitiveness.

Total Program Cost ¹	\$15 Million
Total Energy Savings	\$28 Million
Greenhouse Gas Reductions	270,000 tCO ₂ e**
Participating Contractors	105
Number of Projects Completed	1,328

Note: All savings are calculated over the life of the products installed.

¹Incentives and administration

²From the Residential No-Charge Energy Savings Program

*All registrants addressed as of August 31, 2018

All results as of March 31, 2018

**CO₂e = Carbon Dioxide Equivalent Emissions Reductions

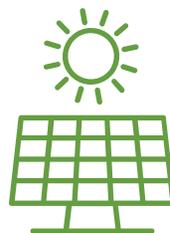
2017-18 Program Results



NON-PROFIT ENERGY EFFICIENCY TRANSITION (NEET) PROGRAM

This unique program provides funding to non-profit and volunteer-based organizations in Alberta to obtain energy audits and energy management plans. This helps non-profit organizations plan for energy efficiency improvements.

Total Budget ¹	\$1 Million
Total Funds Disbursed for Completing Energy Audits	\$253,000
Number of Audits	152



RESIDENTIAL AND COMMERCIAL SOLAR PROGRAM

This program provides incentives to homeowners, non-profits and commercial entities for the installation of solar photovoltaic (PV) systems. Solar installations will save money, make homes and workplaces more comfortable, create good jobs and help diversify Alberta's economy.

Total Program Cost ¹	\$4.1 Million
Total Installed Capacity	4.8 MW
Greenhouse Gas Reductions	95,000 tCO ₂ e*
Participating Contractors	289
Value of Generated Electricity from Solar Installations	\$11 Million

NUMBER OF INSTALLATIONS

Residential	484
Commercial or Non-Profit	27

Note: All savings are calculated over the life of the products installed.

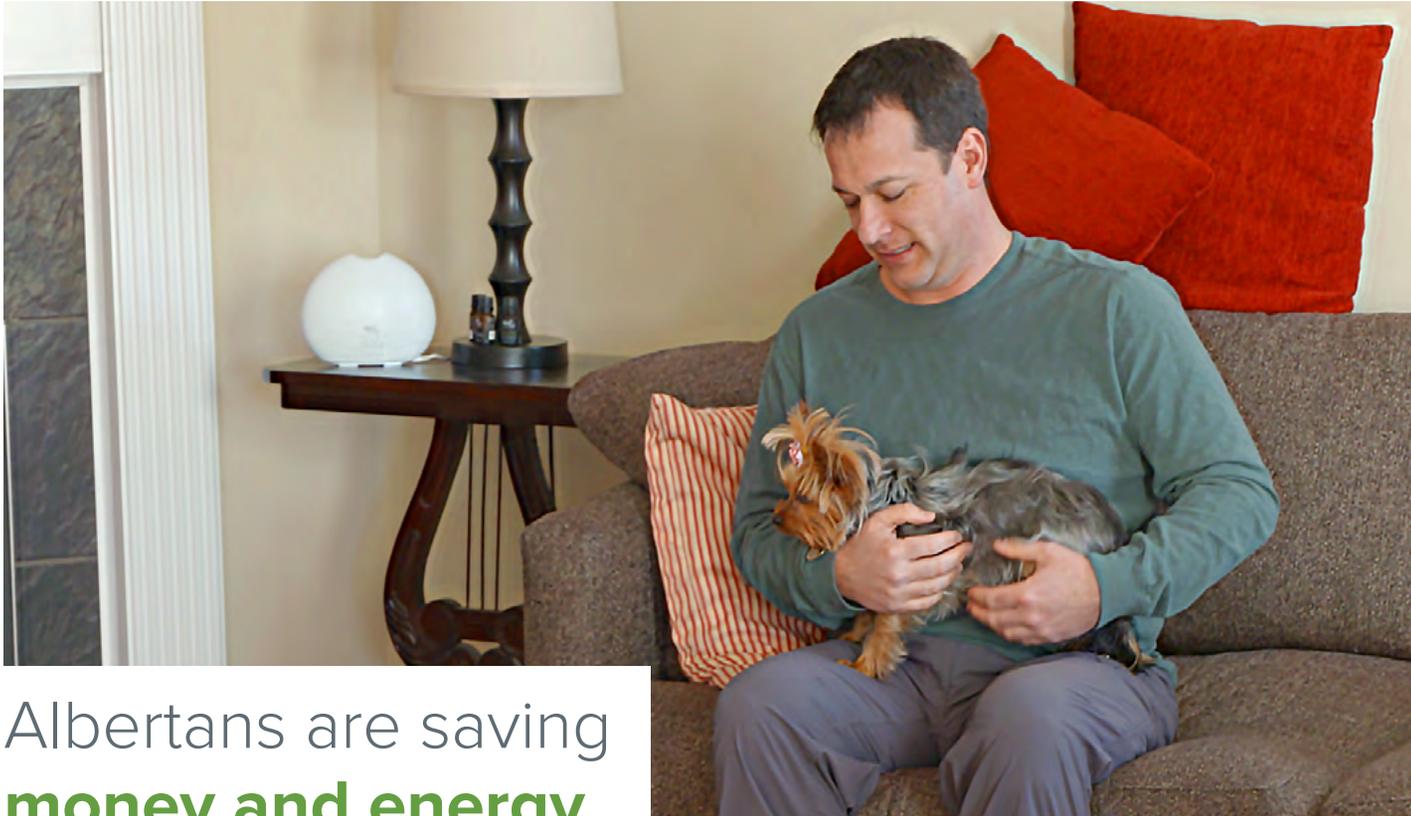
¹Incentives and administration

All results as of March 31, 2018

*CO₂e = Carbon Dioxide Equivalent Emissions Reductions



Success Stories



Albertans are saving
money and energy.



641 Retail
Locations



10 Million
Energy Efficiency
Products

More than **113,000 households** received energy-efficiency upgrades through the Residential No-Charge Energy Savings Program, with installations for all 150,000 registered residences addressed by August 31, 2018.

Above: Chris, Sherwood Park, Alberta, who received a Home Improvement Rebate to upgrade his home's insulation.

Albertans across the province are embracing energy efficiency in a big way. Money and energy are being saved in all types of homes - from big to small, urban centres to the suburbs, to rural communities - Albertans have responded to energy efficiency incentives to make homes more comfortable and safe.

Nearly **10 million** energy efficiency products were installed in homes through our Residential No-Charge Energy Savings Program or purchased at more than 600 retail locations across the province through our Instant Savings campaigns. Products were purchased at the till, rebated online, or installed by nearly 1,000 home improvement companies, completing more than 10,000 projects.

“

I decided to upgrade the insulation in my home. **It was a good investment to help save money long-term on my utility bills.** I have a relatively new home and thought the insulation was pretty good, but I thought my combined electricity/gas bills were running more than I'd typically paid. When I heard about Energy Efficiency Alberta's rebate program for insulation, I decided it was time to upgrade my attic insulation. The contractor said there was an insulation deficiency so I got upgrades to my home insulation at a reduced cost and I'm looking forward to the cold spots being warmer, and to the savings.

- **Chris** from Sherwood Park

”

Albertans have saved on refrigerators, clothes washers, smart thermostats, high-efficiency furnaces, insulation, drain water heat recovery, windows, tankless hot water heaters, high-efficiency shower heads, faucet aerators, LED night lights, smart power bars and LED light bulbs. There will be savings on energy bills for years to come.

And we're just getting started. We'll be launching new programs to help Albertans – homeowners and renters – save even more.

Business Energy Savings Program

Alberta businesses are becoming more **productive and competitive.**



1,328 Energy-Efficient Projects Completed



\$28 Million Saved in Energy Costs



270,000 tCO2e Reduced

Alberta businesses, non-profits and institutions are investing in energy efficiency, improving their productivity and competitiveness, and saving money that can be reinvested in other areas.

From upgraded lighting, to mechanical retrofits and HVAC upgrades, 105 contractors completed more than 1,300 energy efficiency projects, employing Albertans across the province.

Alberta organizations are saving nearly \$30 million* in energy costs and reducing greenhouse gas emissions by 270,000 tCO2e. That's like taking nearly 60,000 passenger vehicles off the road for one year.

We're also supporting technical training in energy management for industry professionals through \$860,000 in multi-year grants.

And we're just getting started. New programs are being developed to help more organizations improve their energy efficiency, like the Custom Energy Solutions Program that launched in the spring of 2018, and a new program for non-profit organizations launching soon.

* Over the lifetime of products installed.

“ The energy-efficient upgrades we completed at our restaurant **not only helped us save on our power and gas bills; but also helped us give back** by providing EV chargers to our

guests and spending more on capital versus spending it on energy bills.

- **Riccardo Francese,**
Co-Owner, Vaticano Cucina



Above: Vaticano Cucina, Edmonton, Alberta, a participant in the Business Energy Savings Program

Albertans are embracing solar energy.



Above: Ground mount installation by Virtuoso Energy

“ We **cut our power bill in half this last year** after installing our solar panel system. We look forward to ongoing savings and feel good about doing our part to protect our environment. ”

- **Kaliel**, Resident of Pickardville, Alberta



4.8 Megawatts of
Installed Solar PV
Capacity



484 Residential
projects and 27
Commercial/Non-Profit
Projects



95,000 tCO2e
Reduced

Alberta has more than 320 days of sunshine per year. Even with our winters, Alberta is a great place for solar.

Through our solar program, Albertans have completed nearly 500 residential projects and nearly 30 commercial projects. That's a total installed solar PV capacity of 148 million kWh*, which is the equivalent of generating over \$11 million in electricity.

From non-profits, to post-secondary institutions, to homes and businesses, solar installations are saving Albertans money and reducing greenhouse gas emissions by 95,000 tCO2e. **That's the equivalent of taking 20,400 cars off the road for one year.**

Albertans are hard at work in the province's growing renewable energy industry, improving their skills and knowledge through training and certification programs, with nearly 300 solar companies registered to participate in our solar program. That's nearly triple the number of companies in just one year.**

And we're just getting started. We're refining our solar program to meet the unique needs of Albertans.

* Over the lifetime of systems installed.

** As reported by the Solar Energy Society of Alberta from January 2017 - January 2018.

Economic Growth

“

Red Deer College’s partnership with Energy Efficiency Alberta has **enabled us to move quickly in the implementation of our Green Energy Master Plan.**

With their support, Red Deer College has installed solar panels that led to a **significant reduction in our energy costs and carbon footprint.** Through our new residence consisting of photo-voltaic vertical panels and our recently constructed Alternative Energy Lab, we have demonstrated and showcased the value of new green technologies to our students, businesses and central Albertans.

RDC appreciates the support of Energy Efficiency Alberta and their leadership in supporting alternative energy solutions as we continue to diversify the economy of Alberta.

- **Joel Ward**, President and CEO, Red Deer College

”



Energy efficiency means **new opportunities** for Albertans.



\$475 Million
in Expected
Economic Growth



2,300 jobs*

By investing in energy efficiency, Alberta’s economy is growing by \$475 million through increased economic activity. And we’re diversifying our economy and creating more than 2,300 jobs*. This means more jobs for solar companies and installers, more work for home improvement companies who employ electricians, plumbers and HVAC technicians and more contractors installing energy efficiency equipment for businesses. A growing energy efficiency sector also means more cashiers who work at retailers

selling energy-efficient products, and truck drivers who deliver those products.

Investments in energy efficiency have far-reaching impacts that make our province stronger.

And we’re just getting started. As more Albertans invest in energy efficiency and renewable energy, these impacts will continue to grow.

* 2,300 job years are expected to be created through program activity and the economic impact of future energy bill savings.



Above: Students from Ecole McTavish in Fort McMurray, recipients of the first Energy Efficiency Champion Award.

“

Our solar greenhouse project is extremely important to our school to sustain our energy resources. As youth, **we are trying to improve our future for other generations.**

- Students from Ecole McTavish in Fort McMurray

”

Alberta communities are growing **stronger and healthier.**



\$8 Million
in Multi-Year
Grant Funding



**400 Community and
Industry Events**

Alberta communities are growing stronger and healthier, becoming more energy efficient and embracing solar energy.

We've been in communities across Alberta talking about energy efficiency and solar energy at summer festivals, in local retail stores with our energy ambassadors, at community events, conferences, workshops and more. We've been speaking with lots of Albertans, from students, to community associations to industry professionals. In fact, we've been at more than **400 events and talked to more than 40,000 Albertans.**

And we're investing in local communities, with \$8 million in multi-year grant funding to 12 community organizations. They are working in youth energy education, industry and technical training, and community sustainability projects.

Our employees and partners gave back to the community too, bringing comfort and joy to a local non-profit organization. We installed energy-efficient products to help them save on their energy bills for years to come.

And we're just getting started. We're providing more grants to community organizations and attending more events across the province. Hope to see you soon.



Financial Information

Energy Efficiency Alberta is funded under Alberta's Climate Leadership Plan (CLP), a made-in-Alberta strategy designed to diversify our economy, create jobs and reduce greenhouse gas emissions that cause climate change. The CLP puts an economy wide carbon price in place and commits Alberta to developing more renewable energy and using energy efficiency measures to help Albertans reduce their energy costs and lower emissions.

As part of the CLP, Alberta established the carbon levy on all transportation and heating fuels that emit greenhouse gases to encourage Albertans to reduce carbon pollution from their cars, homes and businesses. A portion of the money collected through carbon revenues is provided to Energy Efficiency Alberta as an annual grant to allow them to deliver energy efficiency programs that reduces costs to Albertans and emissions to the environment.

Although climate change commitments were the driving force behind the creation of Energy Efficiency Alberta,

energy efficiency provides significant benefits beyond reducing greenhouse gas emissions. Energy efficiency programs have been proven around the world as a cost effective strategy for reducing utility bills, lowering system wide energy and distribution costs, and stimulating economic development.

Last year, Alberta invested \$96.3 million in programs that delivered net savings of \$334 million and reduced greenhouse gas emissions by 3.4 million tonnes over the life of the products purchased. This means that Albertans are saving more than \$3 for every \$1 invested and last year we saved enough energy to power 694,000 homes for a year. By installing nearly 13 million energy efficient products, 2,300 jobs are being created and Alberta's economy is growing by \$475 million.

Energy Efficiency Alberta is just getting started.

They are continuing to expand programming to deliver even greater value to Alberta residents, businesses, industries, institutions, and non-profits.

Energy Efficiency Alberta
Financial Statements
Year Ended March 31, 2018

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Management's Responsibility for Financial Reporting

The accompanying Energy Efficiency Alberta (EEA) financial statements have been prepared and presented by management who is responsible for the integrity and fair presentation of the information.

These financial statements are prepared in accordance with Canadian public sector accounting standards. **The financial statements necessarily include certain amounts based on the informed judgments and best estimates of management.**

In fulfilling its responsibilities and recognizing the limits inherent in all systems, EEA has developed and maintains a system of internal control to produce reliable information for reporting requirements. The systems are designed to provide reasonable assurance that EEA transactions are properly authorized, assets are safeguarded from loss and the accounting records are a reliable basis for the preparation of the financial statements.

Original Signed

Monica Curtis

Chief Executive Officer

May 25, 2018

The Auditor General of Alberta, EEA's external auditor appointed under the Auditor General Act, performed an independent external audit of these financial statements in accordance with Canadian generally accepted auditing standards and has expressed his opinion in the accompanying Independent Auditor's Report.

EEA's Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls. The Board exercises this responsibility through the Audit and Finance Committee. In both the presence and absence of management, the Audit and Finance Committee meets with the external auditors to discuss the audit, including any findings as to the integrity of financial reporting processes and the adequacy of our systems of internal controls. The external auditors have full and unrestricted access to the members of the Audit and Finance Committee.

Original Signed

Stephen Appleton

Vice President, Corporate Services

Independent Auditor's Report



To the Board of Directors of
Energy Efficiency Alberta

Report on the Financial Statements

I have audited the accompanying financial statements of Energy Efficiency Alberta, which comprise the statements of financial position as at March 31, 2018, and the statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair representation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair representation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Energy Efficiency Alberta as at March 31, 2018, and the results of its operations, its remeasurement gains and losses, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Original Signed

W. Doug Wylie FCPA, FCMA, ICD.D

Auditor General

May 25, 2018
Edmonton, Alberta

Energy Efficiency Alberta
Statement of Operations
Year Ended March 31, 2018

	Year Ended 2018		Five Months Ended 2017
	Budget	Actual	Actual
(in thousands)			
Revenues			
Transfer from the Department of Environment and Parks	\$ 185,000	\$ 107,431	\$ —
Grants from the Climate Change and Emissions Management Fund	—	—	10,000
Investment Income	—	614	—
	185,000	108,045	10,000
Expenses – Directly Incurred (Note 2(b) and Schedule 1 and 3)			
Energy Efficiency Initiatives	185,000	107,431	1,430
	185,000	107,431	1,430
Annual Surplus	—	614	8,570
Accumulated Surplus at Beginning of Year/Period	8,570	8,570	—
Accumulated Surplus at End of Year/Period	\$ 8,570	\$ 9,184	\$ 8,570

The accompanying notes and schedules are part of these financial statements.

Financial Statements

Energy Efficiency Alberta Statement of Financial Position As at March 31, 2018

Original Signed

David Dodge

Board Chair

Original Signed

Monica Curtis

Chief Executive Officer

	2018	2017
Financial Assets		
(in thousands)		
Cash and Cash Equivalents (Note 5)	\$ 39,426	\$ 9,506
Accounts Receivable (Note 6)	43	—
	39,469	9,506
Liabilities		
Accounts Payable and Accrued Liabilities (Note 8)	29,195	936
Deferred Contributions (Note 12)	1,191	—
	30,386	936
Net Financial Assets	9,083	8,570
Non-Financial Assets		
Prepaid Expenses	101	—
	101	—
Net Assets	\$ 9,184	\$ 8,570
Net Assets		
Net Assets at Beginning of Year	8,570	—
Accumulated Surplus	614	8,570
	\$ 9,184	\$ 8,570

Contingent liabilities and contractual obligations (Notes 9 and 10)

The accompanying notes and schedules are part of these financial statements.

Energy Efficiency Alberta
Statement of Change in Net
Financial Assets
Year ended March 31, 2018

	Year Ended 2018	Five Months Ended 2017
	Actual	Actual
	(in thousands)	
Annual Surplus	\$ 614	\$ 8,570
(Increase) Decrease in Prepaid Expenses	(101)	—
Increase in Net Financial Assets in the Year/Period	513	8,570
Net Financial Assets at Beginning of Year/Period	8,570	—
Net Financial Assets at End of Year/Period	\$ 9,083	\$ 8,570

The accompanying notes and schedules are part of these financial statements.

Energy Efficiency Alberta
Statement of Cash Flows
Year ended March 31, 2018

	Year Ended 2018	Five Months Ended 2017
Operating Transactions		
	(in thousands)	
Annual Surplus	\$ 614	\$ 8,570
(Increase) Decrease in Accounts Receivable	(43)	—
Increase in Accounts Payable and Accrued Liabilities	28,259	936
(Increase) Decrease in Prepaid Expenses	(101)	—
Increase (Decrease) in Unearned Revenues	1,191	—
Cash Provided by Operating Transactions	29,920	9,506
Increase in Cash and Cash Equivalents	29,920	9,506
Cash and Cash Equivalents at Beginning of Year/Period	9,506	—
Cash and Cash Equivalents at End of Year/Period	\$ 39,426	\$ 9,506

The accompanying notes and schedules are part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 AUTHORITY AND PURPOSE

Energy Efficiency Alberta (EEA) is a provincial corporation established on October 27, 2016 and operates under the authority of the *Energy Efficiency Alberta Act*, Chapter E-9.7 of the Statutes of Alberta, 2016.

The mandate of EEA is:

- To raise awareness among energy consumers of energy use and the associated economic and environmental consequences,
- To promote, design and deliver programs and carry out other activities related to energy efficiency,
- To promote energy conservation and the development of micro-generation and small scale energy systems in Alberta,
- To promote the development of an energy efficiency services industry.

EEA is exempt from income taxes under the *Income Tax Act*.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian public sector accounting standards.

a. Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity, which is Energy Efficiency Alberta. EEA is controlled by and fully consolidated in the Ministry of Environment and Parks, for which the Minister of Alberta Environment and Parks is accountable. Inter-entity accounts and transactions between EEA and any of the entities included in the ministry are eliminated upon consolidation within the ministry's financial statements.

b. Basis of Financial Reporting

Revenue

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recognized as unearned revenue.

Government Transfers

Transfers from all governments are referred to as government transfers.

Government transfers and the associated externally restricted investment income are recognized as deferred capital contributions or deferred revenue if the eligibility criteria for use of the transfer, or the stipulations together with EEA's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, EEA complies with its communicated use of these transfers.

All other government transfers, without stipulations for use of the transfer, are recognized as revenue when the transfer is authorized and EEA meets the eligibility criteria (if any).

Investment Income

Investment income includes interest income and is recognized in the period in which the income is earned.

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed. Foreign exchange gains and losses, if any, are reflected within the cost of goods and services.

Grants are recognized as expenses when authorized, eligibility criteria, if any, are met and a reasonable estimate of the amount can be made.

b. Basis of Financial Reporting (Cont'd)

Valuation of Financial Assets and Liabilities

EEA's financial assets and financial liabilities are generally measured as follows:

Financial Statement Component	Measurement
Cash and cash equivalents	Cost
Accounts receivable	Lower of cost or net recoverable value
Accounts payable and accrued liabilities	Cost

EEA does not have any financial instruments classified in the fair value category, and does not hold derivative contracts. As a consequence, these statements do not present a statement of remeasurement gains and losses as EEA is not exposed to remeasurement gains and losses.

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets are EEA's financial claims on external organizations and individuals, at the year end.

Cash and Cash Equivalents

Cash is comprised of cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

Accounts Receivable

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

Liabilities

Liabilities are present obligations of EEA to external organizations and individuals arising from transactions or events occurring before the year end, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

Non-Financial Assets

Prepaid Expense

Prepaid expense is recognized at cost and amortized based on the terms of the agreement.

c. Change in Accounting Policy

EEA has prospectively adopted the following standards from April 1, 2017: PS 2200 Related Party Disclosures, PS 3420 Inter-Entity Transactions, PS3210 Assets, PS3320 Contingent Assets and PS 3380 Contractual Rights which are reflected in Note 2, Schedule 1 and Schedule 3.

NOTE 3 FUTURE ACCOUNTING CHANGES

The Public Sector Accounting Board has approved the following accounting standards:

- **PS 3430 Restructuring Transactions (effective April 1, 2018)**
This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.
- **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**
Effective April 1, 2021, this standard provides guidance on how to account for and report a liability for retirement of a tangible capital asset.

Management is currently assessing the impact of these standards on the financial statements.

NOTE 4 BUDGET

The budget was included in the 2017-18 Government Estimates under the Ministry of Environment and Parks. The budget was approved by the Board.

NOTE 5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist primarily of cash on hand and demand deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of investments in high-quality, short-term securities with a maximum term to maturity of three years. For the year ended March 31, 2018, securities held by the CCITF had a time-weighted return of 1.1% (2017 – 0.9%) per annum. Due to the short-term nature of CCITF investments, the carrying value approximates fair value.

NOTE 6 ACCOUNTS RECEIVABLE

(in thousands)

Accounts receivable are unsecured and non-interest bearing.

	2018	2017
Accounts Receivable	\$ 27	\$ —
GST Receivable	16	—
	<u>\$ 43</u>	<u>\$ —</u>

NOTE 7 FINANCIAL RISK MANAGEMENT

EEA has the following financial instruments: accounts receivable, accounts payable and accrued expenses. EEA has exposure to the following risks from use of financial instruments:

a. Credit Risk

Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. EEA conducts a significant amount of business through contracts. Credit risk on accounts receivable is considered low as amounts owing by third parties are usually immaterial and significant amounts owing are due from related parties.

b. Liquidity Risk

Liquidity risk is the risk that EEA will not be able to meet its obligations as they fall due. Liquidity risk is associated with EEA's financial liabilities. EEA's exposure to liquidity risk arises due to its cash flow requirements to fulfill payment of its account payable and accrued liabilities. EEA manages this risk by obtaining adequate funding from the Department of Environment and Parks.

Financial Statements

NOTE 8 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(in thousands)

	2018	2017
Accounts Payable General	\$ 19,506	\$ —
Accrued Liabilities	9,689	936
	<u>\$ 29,195</u>	<u>\$ 936</u>

NOTE 9 CONTINGENT LIABILITIES

At March 31, 2018, EEA was not named as defendant in any specific legal actions.

NOTE 10 CONTRACTUAL OBLIGATIONS

(in thousands)

Contractual obligations are obligations of EEA to others that will become liabilities in the future when the terms of the contracts or agreements are met.

	2018	2017
Service Contracts	\$ 154,638	\$ 64,958
(including long term lease)	<u>\$ 154,638</u>	<u>\$ 64,958</u>

Estimated payment requirements for each of the next five years and thereafter are as follows:

Obligations Under Contracts (Including long term lease):	2018
2018-19	\$ 101,620
2019-20	42,361
2020-21	9,351
2021-22	435
2022-23	435
Thereafter	436
	<u>\$ 154,638</u>

NOTE 11 TRUSTS UNDER ADMINISTRATION

(in thousands)

EEA administers trusts on behalf of the beneficiaries specified in the agreement or statute. These amounts are held on behalf of others with no power of appropriation and therefore are not reported in these financial statements.

At March 31, 2018 trusts under administration were as follows: EEA held \$750 in letters of credit as security for contracts.

NOTE 12 DEFERRED CONTRIBUTIONS

(in thousands)

	Year Ended 2018	Five Months Ended 2017
Balance at Beginning of Year/Period	\$ —	\$ —
Conditional Grant Contributions Received/Receivable from Environment and Parks During Year	108,622	—
Less: Amounts Recognized as Revenue	(107,431)	—
Balance at Year End	<u>\$ 1,191</u>	<u>\$ —</u>

NOTE 13 BENEFIT PLAN

(in thousands)

EEA also provides benefits whereby it makes available contributions for Registered Retirement Savings Plans (RRSP) on behalf of certain employees of EEA. The contributions are calculated based on a fixed percentage of the employee's salary to a maximum of the RRSP contribution limit as specified in the *Income Tax Act (Canada)*. The expense of \$226 (2017 - \$0) included in these financial statements represents the current contributions made on behalf of these employees.

NOTE 14 COMPARATIVE FIGURES

Certain 2017 figures have been reclassified to conform to the 2018 presentation.

NOTE 15 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of EEA.

Energy Efficiency Alberta
Schedule to Financial Statements
Expenses – Detailed by Object
Year ended March 31, 2018

Schedule 1

	Year Ended 2018		Five Months Ended 2017
	Budget	Actual	Actual
	(in thousands)		
Salaries, Wages and Employee Benefits	\$ 2,171	\$ 2,079	\$ —
Supplies and Services	179,829	94,136	1,430
Grants	3,000	11,156	—
Financial Transactions and Other	—	60	—
	\$ 185,000	\$ 107,431	\$ 1,430

Energy Efficiency Alberta
Schedule to Financial Statements
Salary and Benefits Disclosure
Year ended March 31, 2018

Schedule 2

	2018				2017	
	Base ⁽¹⁾ Salary	Other ⁽²⁾ Cash Benefits	Other ⁽³⁾ Non-Cash Benefits	Total	Total	Total
Board of Directors						
Chair ⁽⁴⁾	\$ —	\$ 46,767	\$ 1,130	\$ 47,897	\$ —	\$ 5,639
Board Members ⁽⁴⁾	—	63,046	1,379	64,425	—	28,696
Executive						
Chief Executive officer ⁽⁵⁾⁽¹⁰⁾	178,013	1,665	40,076	219,754	—	—
Vice President of Corporate Services ⁽⁶⁾	103,602	5,634	26,199	135,435	—	—
Vice President of Marketing and Communications ⁽⁷⁾	91,342	3,873	22,823	118,038	—	—
Vice President of Corporate Performance ⁽⁸⁾	86,782	3,796	21,661	112,239	—	—
Vice President of Performance Design and Delivery ⁽⁹⁾	33,716	—	8,922	42,638	—	—

- (1) Base salary includes regular salary.
- (2) Other cash benefits include honoraria payments and other lump sum payments.
- (3) Other non-cash benefits include employer's share of all employee benefits and contributions or payments made on behalf of employees including health care, dental coverage, group life insurance, short and long term disability plans, conference fees and parking.
- (4) The board was appointed by the Lieutenant Governor in Council by Order in Council O.C. 286/2016. The effective date of the appointments was October 27, 2016 and will expire on April 27, 2018. Remuneration and expenses of the Board are prescribed as that specified in Schedule 1, Part A of the Committee Remuneration Order.
- (5) The position was vacant in 2016-17. The position was filled effective April 10, 2017.
- (6) The position was vacant in 2016-17. The position was filled effective August 8, 2017.
- (7) The position was vacant in 2016-17. The position was filled effective September 5, 2017.
- (8) The position was vacant in 2016-17. The position was filled effective August 17, 2017.
- (9) The position was vacant in 2016-17. The position was filled effective January 15, 2018.
- (10) Automobile provided, no dollar amount included in other non-cash benefits.

Energy Efficiency Alberta
Schedule to Financial Statements
Related Party Transactions
Year ended March 31, 2018
(in thousands)

Related Parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta’s financial statements. Related parties also include key management personnel and close family members of those individuals in EEA. As a result of an assessment made by management there are no transactions to report.

EEA and its employees paid or collected certain taxes and fees set by regulation for premiums, licenses and other charges. These amounts were incurred in the normal course of business, reflect changes applicable to all users, and have been excluded from this schedule.

EEA had the following transactions with related parties reported in the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties.

	Year Ended 2018		Five Months Ended 2017	
	Entities in the Ministry	Other Entities	Entities in the Ministry	Other Entities
Revenues				
Grants from the Department of Environment and Parks (Note 12)	\$ 107,431	\$ —	\$ —	\$ —
Grants from the Climate Change and Emissions Management Fund	—	—	10,000	—
	\$ 107,431	\$ —	\$ 10,000	\$ —
Expenses				
Other Services	—	188	—	—
	\$ —	\$ 188	\$ —	\$ —
Payable to				
Department of Environment and Parks	\$ 19	\$ 70	\$ 37	\$ —



Want to learn more about energy efficiency?

Visit our website at efficiencyalberta.ca

Any questions or comments? Please contact us.

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