



Energy Efficiency and Conservation Agency of New Brunswick (Efficiency NB)

Annual Report
2013-2014



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(Efficiency NB)**

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From the Minister to the Lieutenant-Governor in Council

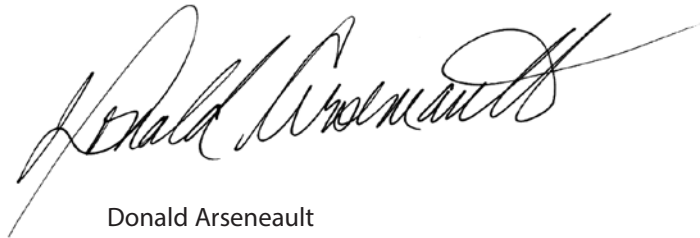
The Honourable Jocelyne Roy-Vienneau

Lieutenant-Governor of New Brunswick

May it please your Honour:

It is my privilege to submit the Annual Report of the Energy Efficiency and Conservation Agency of New Brunswick (Efficiency NB), for the fiscal year April 1, 2013, to March 31, 2014.

Respectfully submitted,



Donald Arseneault
Minister

From the President and Chief Executive Officer to the Minister

Donald Arseneault

Minister of Energy and Mines and Minister responsible for Efficiency NB

Sir:

I am pleased to be able to present the Annual Report describing operations of the Energy Efficiency and Conservation Agency of New Brunswick (Efficiency NB) for the fiscal year 2013–14.

Respectfully submitted,



Jean Finn
Acting President and CEO

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Minister's Message

Efficiency NB was established in 2005 to reduce energy use in New Brunswick. The agency has offered a variety of energy efficiency programs—programs for both new and existing homes, apartment buildings and commercial buildings, as well as an innovative and highly successful program for industry. Staff work closely with New Brunswick communities and other organizations to engage individuals and businesses at the local level.

The core of Efficiency NB's work remains focused on sustained energy savings through a comprehensive energy management approach and on building capacity within businesses, industries and among the general population to understand and act on the opportunities for energy efficiency and reduced energy use.

Through a market transformation approach, the agency works to identify and remove barriers to the adoption of new behaviours and technologies. It uses incentives tools to help homeowners and businesses do more and do it more quickly, and it works to prepare the market for the evolution of energy efficiency regulations and standards.

The primary outcome for Efficiency NB is the reduction of energy use in New Brunswick. As a function of reducing energy use Efficiency NB also enables the reduction of operating costs, improved productivity and competitiveness, increased economic stimulation and improved environmental stewardship.

Efficiency NB will be reviewed during the 2014-15 fiscal year to develop a more sustainable and stable funding model to deliver energy efficiency programs in future years.

Donald Arseneault
Minister and Minister responsible for Efficiency NB

Deputy Minister's Message

I am pleased to work with Efficiency NB's dedicated staff in delivering programs and services that offer many benefits to individuals, businesses, the economy and the environment.

Following several years of offering a comprehensive suite of energy efficiency programs for both new and existing homes and commercial buildings, as well as an award winning program for industry, the agency's budget was reduced and several programs were impacted. The programs for residential and commercial new construction and the programs for industry were suspended.

In this year, the remaining incentives, due to participants who had been participating in these programs, were paid. These financial implications are explained in the financial summary near the end of this report.

A number of highlights are worth noting, including: the adoption of the agency's first Strategy Map and Balanced Scorecard, the launch of the Low-Income Energy Efficiency Program, the development and delivery of two successful electricity efficiency programs on behalf of NB Power and the continued success of Efficiency NB in engaging New Brunswickers at the community level through social media. These initiatives are highlighted in the section that follows.

It is expected that the mandate, governance structure and funding model will be reviewed by government.

Jean Finn, Acting President and CEO

Efficiency NB, also known as the Energy Efficiency and Conservation Agency of New Brunswick

Highlights

Formation of the Stakeholder Advisory Committee, which is made up of representatives from various sectors in New Brunswick with an interest in energy efficiency. This committee will provide direction and input to Efficiency NB's board of directors. The committee met twice in 2013-14.

Launch of the Low Income Energy Efficiency Program in November 2013. The program assists low-income homeowners by reducing their energy consumption and costs through targeted energy efficiency retrofits. From November to March 2013, 85 homes received fully funded and facilitated energy retrofits that will result in average energy savings of \$1,360 annually, per home. It is expected that 250 to 300 additional homes will be completed in 2014-15.

In July 2013, NB Power contracted Efficiency NB to develop and deliver two electricity efficiency programs.

The first, a residential direct install program, was launched in September as an "add on" to Efficiency NB's Residential Energy Efficiency Program for Existing Buildings (REEP-EB). Homeowners having pre-upgrade or post-upgrade energy evaluations through the REEP-EB program were offered the installation of various energy-saving products free of charge. The program saw 2,074 homes receive an average of eight products installed with the resulting energy savings of more than 650 kWh per year.

The second program was a mass market retail rebate program that ran twice during the fiscal year; in November with \$75 mail-in rebates for energy efficient refrigerators and clothes washers and in the spring with in-store discounts on selected low cost products (CFLs, LEDs, water efficient shower heads and electronic and programmable thermostats). More than 160 retailers across New Brunswick participated in the mass market program, which was branded "SAVE TWICE." Close to 143,000 products were sold.

Prior to becoming an official adopter of the Government of New Brunswick's (GNB's) Performance Excellence Process and Formal Management System, Efficiency NB started implementing and using the tools related to these systems; including an Annual Strategy Map and Balanced Scorecard. Fiscal year 2013-2014 was the first during which the agency used these tools for the full year.

During the year, Efficiency NB was active in various public education initiatives with particular focus on growing its social media following on Facebook and taking steps to strengthen its relationship with past program participants and New Brunswickers in general, with the launch of its first general residential newsletter.

In addition to daily posting and responding to comments and questions on its Facebook page, Efficiency NB carried out three campaigns aimed at recruiting more followers and engaging the existing audience. During the year, the Facebook following nearly doubled – from 3,228 likes to 5,966 likes, making Efficiency NB's Facebook page the most successful among all GNB's pages.

The *E2 Newsletter* was launched as a quarterly residential newsletter, and the base is at 700 subscribers. Efforts are beginning to build the subscription base further in the coming year.

Strategic Priorities

Strategy Management

GNB has implemented a formal management system built on leading business practices to develop, communicate and review strategy. This process provides the public service with a proven methodology in both public and private sectors to execute strategy.

The formal management system starts with a strategic vision. The government expresses its vision through the themes for a stronger economy and an enhanced quality of life while living within our means. This strategic vision is articulated through the strategy map, which is a tool to provide focus and overall direction for improvement.

The Perspectives of the Strategy Map

The strategy map focuses on what is important to residents: stimulating job creation and getting more people working; access to necessary programs and services; and providing value for their tax dollars.

The financial perspective addresses the financial requirements needed to sustainably support the commitment to residents, stretching across all three themes of the vision. The financial perspective focuses on supporting the private sector to stimulate growth, ensuring the government lives within its means by achieving a sustainable budget, and funding priority programs to contribute to an enhanced quality of life.

The internal processes are government's direct role in achieving the vision. They are the strategic improvements government needs to implement successfully to achieve the vision. Each department sets its own goals and priorities within the strategic themes to match its programs and specialized needs.

The enablers ensure that GNB is ready to execute the strategy through internal processes. Leaders and employees need to develop and demonstrate behaviours that engage others to ensure the success of strategic projects. Leaders need the right information at the right time to make strategic decisions, and the culture must align and recognize those who contribute to achievement of the strategy.

Departmental Strategy Map

Efficiency NB leads residents, businesses, and industries towards economic and environmental sustainability through efficient energy use in New Brunswick. Efficiency NB works to stimulate the creation of local jobs through education and capacity-building activities while contributing to an increase in resources sustainability by helping New Brunswickers reduce the amount of energy they use. Homeowners, businesses and industries are willing to invest heavily in energy efficiency improvements to their facilities and processes that stimulate the local economy; often they just need the guidance and small incentive provided by Efficiency NB's programs to get started.

It is beneficial to all New Brunswickers to manage their energy costs and reduce their impact on the environment. Efficiency NB assists with these activities through incentives, training, education and easily accessible programs across the province.

It is important for New Brunswickers to receive value for their tax dollars. To this end, Efficiency NB strives to continuously improve the outcomes of the programs delivered while working within budget constraints.

To ensure that Efficiency NB is able to continue delivering high-value programs that are beneficial to New Brunswickers, the provincial economy and the environment, it is important to attract and develop highly skilled staff, who, with relevant information, can make the best decisions, and to align agency activities with the goals of the GNB.

Performance Measures

Strategic Theme: A Stronger Economy	Measures
Stimulate the economy through investment in energy efficiency	Total number of initial energy efficiency evaluations (residential) / energy audits (commercial)
Stimulate the economy through investment in energy efficiency	Total number of program participants / projects completed
Influence an increase in resources sustainability	Total electricity consumption savings (GWh) for electric utility programs
Focus and streamline energy efficiency efforts	Number of workshops, public events, and presentation done jointly with other partners to reduce duplication of efforts and events where partners attended on Efficiency NB's behalf
Strategic Theme: Enhanced Quality of Life	Measures
Help me manage my energy costs and reduce my environmental footprint	Total incremental energy savings (annual savings)
Strategic Theme: Living Within Our Means	Measures
Provide value for my tax dollars	Agency expenditures per unit of energy (GJ) saved

Strategic Theme A Stronger Economy

Objective of the measure

Stimulate the economy through investment in energy efficiency.

Measure

Total number of initial energy efficiency assessments (residential) / energy audits (commercial).

Description of measure

The number of new participants completing initial energy evaluations on their homes or energy audits on their commercial facilities is a driver of economic investment in the Energy Efficiency Sector.

Overall performance

Exceeded target

Baseline: Not applicable

Target: 3,965

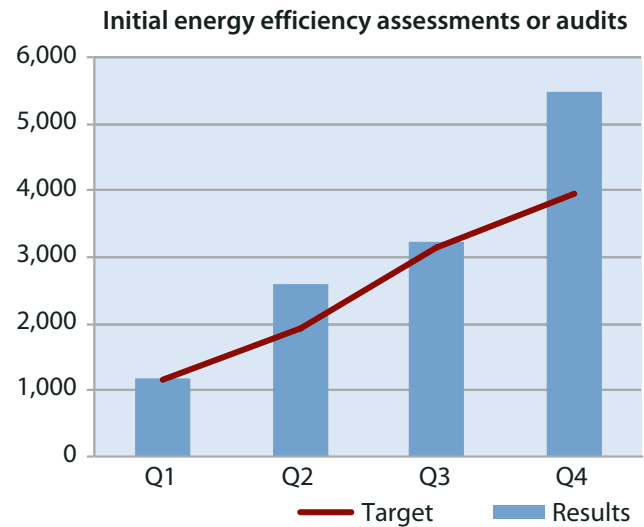
Actual: 5,495

Why do we measure this?

The number of new participants entering the programs offered by Efficiency NB provides an indication of market need and desire for these kinds of programs. This information helps ensure programs are relevant, accessible and designed to meet market need while operating within budget constraints.

What projects were undertaken in the reporting year to achieve the outcome?

Awareness for the availability of these programs is quite high since they have been in the market for more than five years. Given this year's budget constraints, marketing and customer acquisition strategies were halted in 2013–14 to contain participation. Budget reductions announced in February 2014 led to the closure of the residential program to new applicants.



Strategic Theme A Stronger Economy

Objective of the measure

Stimulate the economy through investment in energy efficiency.

Measure

Total number of program participants/projects completed.

Description of measure

The number of program participants who complete their upgrades and submit their applications to Efficiency NB.

Overall performance

Exceeded target.

Baseline: Not applicable

Target: 2,370

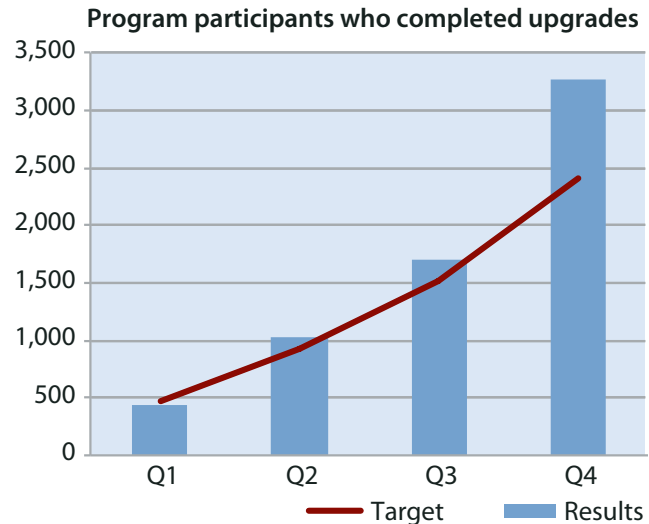
Actual: 3,203

Why do we measure this?

The number of participants completing upgrades on their homes or facilities directly impacts the amount of money being invested back into the economy through the Energy Efficiency Sector.

What projects were undertaken in the reporting year to achieve the outcome?

Given these are ongoing programs where customers are engaged in an 18-month program cycle, the 2013-14 results are largely based on program uptake from the previous year. In fact, the program success rate coupled with cuts to the budget led the agency to implement customer and budget control measures to not proactively drive/increase project completion



Strategic Theme A Stronger Economy

Objective of the measure

Influence an increase in resources sustainability.

Measure

Total electricity consumption savings (GWh/year) for electric utility programs.

Description of measure

The electricity consumption that will be avoided by participants in the next 12 months due to participation in the electricity efficiency programs.

Overall performance

Exceeded target.

Baseline: Not applicable

Target: 4.51 GWh

Actual: 6.5 GWh (net savings)

Why do we measure this?

In 2011, the the Department of Energy and Mines issued the *New Brunswick Energy Blueprint*, which lays out a 10-year vision for New Brunswick. As a directive from the blueprint, Efficiency NB, NB Power and the municipal electric utilities are developing three-year electricity efficiency plan that recommends a number of initiatives to achieve significant energy savings, including a residential direct install program and mass market retail program.

In July 2013, Efficiency NB signed a contract with NB Power to design and deliver two programs. The value of the contract was \$1.4 million, which includes incentives, expenses and labour for program design, marketing, delivery and the administration of these programs for 2013-14.

Each program has electricity savings targets which must be achieved as a part of NB Power's Reduce and Shift Demand strategy to maintain a stable, low cost electricity supply.

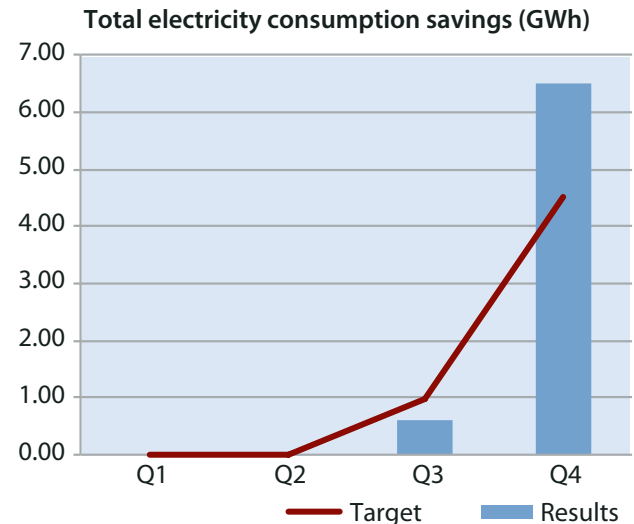
What projects were undertaken in the reporting year to achieve the outcome?

Residential Direct Install Program:

- Launched Sept. 30, 2013, and ran until March 31, 2014
- Fully funded by NB Power and was an "add-on" to the Efficiency NB Residential Energy Efficiency Program for Existing Buildings (REEP-EB).
- Delivered through existing Residential Service Providers
- Eligible customers having a Pre- or Post-upgrade Evaluation between Sept. 30, 2013, and March 31, 2014, had various energy-saving products installed at the time of the evaluation, free of charge.

Mass Market Retail Rebate Program

- Carried out a Large Appliance Rebate Program in November 2013, offering a \$75 mail-in rebate on CEE Tier 3 and ENERGY STAR Most Efficient refrigerators and clothes washers
- Design and launched a highly successful Low Cost Product Instant Discount Program that ran in February and March 2014. It had participating retailers offer instant discounts on electronic thermostats, CFLs, specialty CFLs, LEDs and low flow showerheads.
- Both campaigns were heavily supported through online media, Facebook, print, radio and in-store events.
- 163 participating retailers
- 142,764 products for an estimated \$1.3 million in retail sales.



Strategic Theme A Stronger Economy

Objective of the measure

Focus and streamline energy efficiency efforts.

Measure

Number of workshops, public events, and presentations done jointly with other partners to reduce duplication of efforts and events where partners attended on Efficiency NB's behalf.

Description of measure

Tracking cost sharing occurrences that allow Efficiency NB and its partners to achieve desired outcomes while reducing duplication of efforts.

Overall performance

Exceeded target.

Baseline: Not Applicable

Target: 4

Actual: 24

Why do we measure this?

Efficiency NB continuously looks for opportunities to improve the efficiencies of its internal operations as well as the energy efficiency of participants' homes, buildings and operations. It works to facilitate sharing of costs or resources with partners who have similar goals and objectives. Where feasible every effort is made to collaborate and cost share with partners to attend various tradeshows, meetings and public events.

What projects were undertaken in the reporting year to achieve the outcome?

With the financial support of Natural Resources Canada, Efficiency NB carried out 20 in-store events to augment the education and awareness component of the Mass Market low-cost program. Events had energy efficient lighting displays and product fact sheets and knowledgeable staff to educate the public about energy efficient products, the availability of rebates and the benefits of energy efficiency

Efficiency NB held three workshops in partnership with Renewables NB on energy efficiency measures for the home.

Staff presented to the Building Owners and Management Association (BOMA) and International Council of Shopping Centres (ICSC) to educate both groups on the Energy Smart program and some of the synergies the program has with BOMA's certification process.



Strategic Theme Enhanced Quality of Life

Objective of the measure

"Help me manage my energy costs and reduce my environmental footprint".

Measure

Total incremental energy savings (annual savings).

Description of measure

The estimated energy savings that participants completing in this fiscal year will save in the next 12 months.

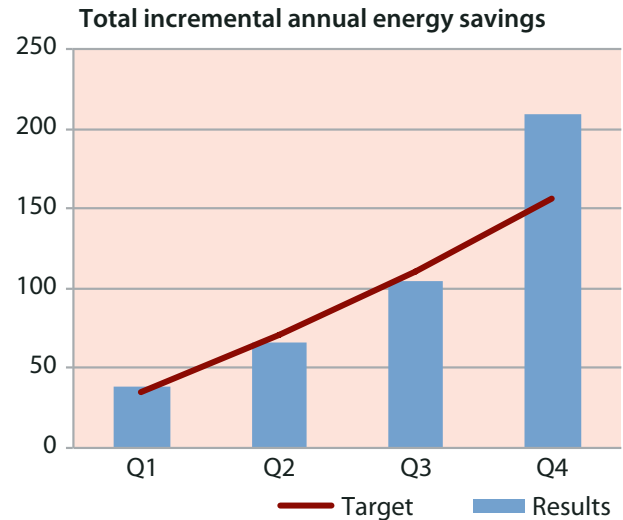
Overall performance

Exceeded target.

Baseline: Not Applicable

Target: 156.25 TJ

Actual: 209.2 TJ



Why do we measure this?

Program participants are interested in reducing energy costs and their impact on the environment. The amount of energy consumed each year by a home, business, or operation is directly related to energy costs and greenhouse gas emissions. Increasing the amount of energy being saved increases the energy cost savings experienced by participants during the life of the upgrade measures.

What projects were undertaken in the reporting year to achieve the outcome?

Residential Energy Efficiency Program – Existing Buildings REEP-EB

REEP-EB offers incentives that offset the cost of an energy evaluation (paying a total of \$310 toward the cost of the Pre-upgrade and Post-upgrade evaluations) as well as incentives for energy efficiency upgrades. The upgrade incentives are paid out as a flat rate, depending on the type of upgrade performed. Incentive amounts are structured to take both upgrade cost and potential energy savings into consideration.

Low-Income Energy Efficiency Program (LIEEP)

Launched in November 2013, the Low-Income Energy Efficiency Program (LIEEP) helps low-income homeowners in New Brunswick by reducing their energy consumption and energy costs through targeted energy efficiency retrofits.

Eligible homeowners are offered a series of major upgrades, such as the addition of basement, attic and/or wall insulation and/or heating system upgrades; health and safety measures such as addition of ventilation to deal with air quality and/or humidity issues; and low-cost measures such as the installation of energy efficient light bulbs and/or low-flow shower heads to help reduce lighting and hot water energy consumption. Homes can qualify for some or all of the potential upgrades.

Commercial Energy Smart Program

The Energy Smart Commercial Buildings Retrofit Program provides up to \$3,000 toward an audit to determine the potential for energy efficiency upgrades in a commercial building and up to \$75,000 toward energy retrofitting project costs. Incentives are based on the projected energy savings post-retrofit.

Strategic Theme Living Within Our Means

Objective of the measure

Provide value for my tax dollars.

Measure

Agency expenditures per unit of energy (GJ) saved.

Description of measure

The amount of money expended by the agency per unit of lifetime energy savings.

Overall performance

Exceeded target.

Baseline: Not applicable

Target: \$6.05/GJ (lifetime)

Actual: \$5.32/GJ (lifetime)

Why do we measure this?

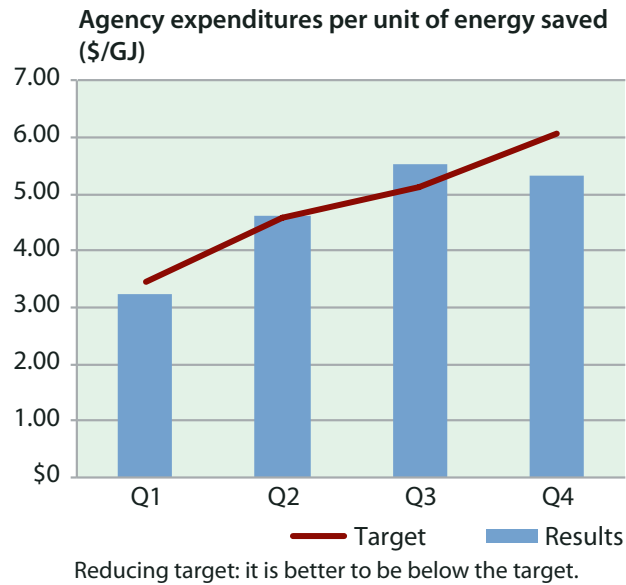
The amount of money that is required to achieve each unit of lifetime energy savings provides a benchmark for improvement and comparison.

Efficiency NB strives to get the most savings

possible out of each taxpayer dollar. Programs and incentives can then be adjusted to ensure they are effective in achieving maximum savings per dollar of incentive.

What projects were undertaken in the reporting year to achieve the outcome?

As part of Efficiency NB's ongoing program management process, programs were examined to determine opportunities for improving this measure. Incentives in the Residential Energy Efficiency Program were reviewed in 2013-14 based on this measure and plans put in place for a revised program. The low-income program also evaluates applications based on this measure.



Overview of Departmental Operations

Leading economic and environmental sustainability through efficient energy use in New Brunswick.

Efficiency NB's role is to educate and provide incentives to encourage the adoption of energy efficiency and conservation practices. This is part of a comprehensive "Market Transformation" approach by GNB that includes policy and regulatory changes and leading by example.

Efficiency NB offers sound advice and practical solutions to help New Brunswickers use energy more efficiently, make better energy choices, manage energy expenses and lessen the impact of energy use on the environment.

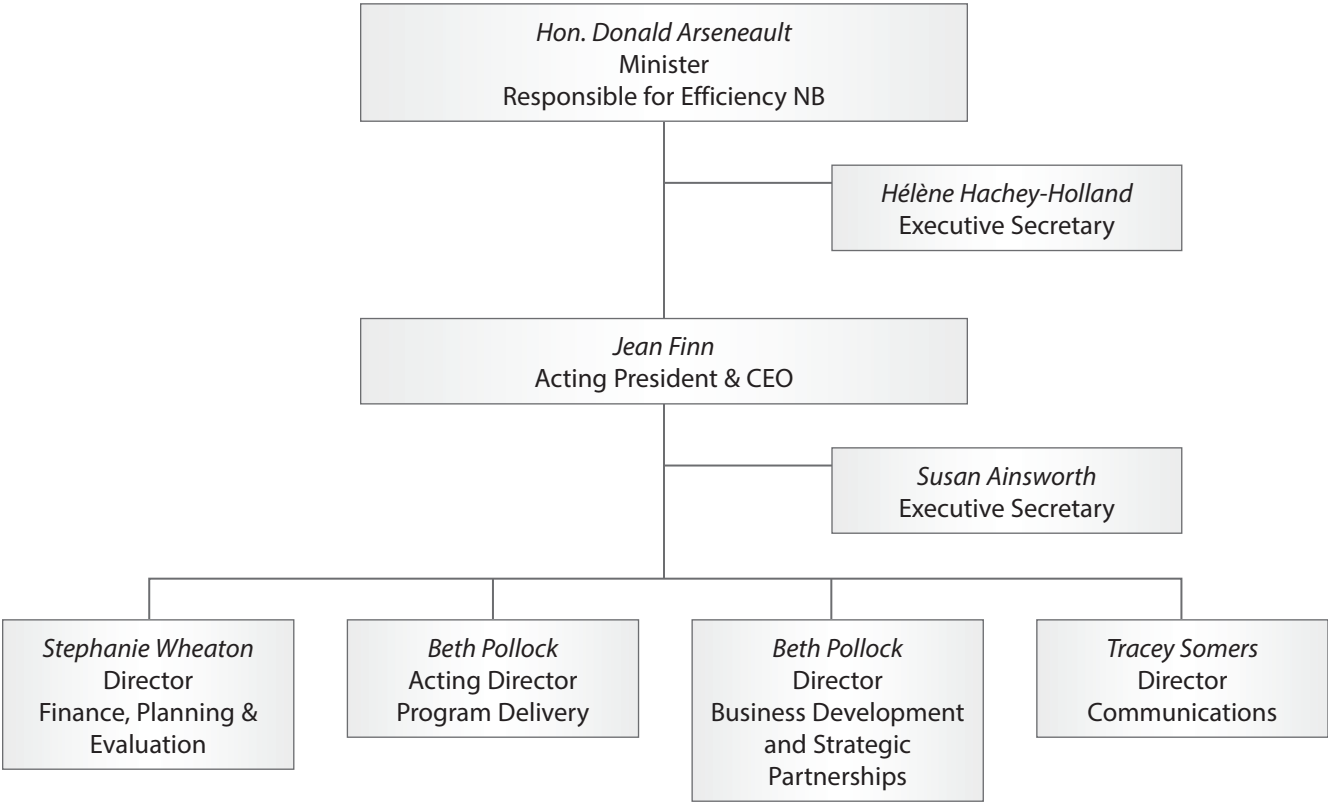
By working together with the provincial and federal governments, and with private stakeholders, Efficiency NB can create a culture of conservation and energy efficiency in New Brunswick that helps to realize the full economic and environmental benefits.

To achieve this, Efficiency NB will be a recognized leader in public education and information transfer and in the design and delivery of effective energy efficiency programs and services.

Mandate

- To promote energy efficiency measures in the residential, community and business sectors of New Brunswick;
- To develop and deliver programs and initiatives in relation to energy efficiency;
- To promote the development of an energy efficiency services industry;
- To act as a central resource for the promotion of energy efficiency in New Brunswick; and
- To raise awareness of how energy efficiency measures can lead to a more reliable energy supply for New Brunswick.

High-level organizational chart



Division overview and highlights

Finance Planning and Evaluation

The Finance, Planning and Evaluation Team is responsible for providing services to the agency in the areas of finance, human resources, continuous improvement, information management, technology, security and facilities management. With a staff of six, the team ensures that the agency's annual budget development is consistent with the policies, priorities and spending targets of GNB by providing accounting services, financial advice and reporting, and analysis and control functions; provides strategic human resources planning to ensure the agency is able to meet current and future needs to achieve its goals, including recruitment and retention, talent management, attendance and performance management, and co-ordination of the official languages policy; and oversees the performance excellence process to ensure a results-oriented, long-term approach to the way the agency manages its business.

Highlights

Stakeholder Advisory Committee: Efficiency NB convened a group of representatives from different sectors in the province. The Stakeholder Advisory Committee will provide advice to Efficiency NB's board of directors. The committee met twice this year to learn about the history of the agency and receive information required to prepare it for future discussions about funding structure and program options.

Strategy Map and Balanced Scorecard (first implementation – even though not an official adopter at the time): Prior to becoming an official adopter of the GNB's Performance Excellence Process and Formal

Management System, Efficiency NB started implementing and using the tools related to these systems; including an annual Strategy Map and Balanced Scorecard. The 2013-14 fiscal year was the first during which the agency used these tools for the full year. The Strategy Map and specific key performance indicators were presented earlier in this document.

Knowledge and responsibility transfer within the team. The Finance, Planning, and Evaluation Team realigned the workloads and responsibilities of many of the staff on the team. This realignment gave employees the opportunity to increase their knowledge, skills and areas of responsibility to better meet the needs of the organization.

Key Performance Indicators

For the 2013-2014 fiscal year Efficiency NB committed to ensuring that more of the information required by senior managers for decision-making was available in a consistent format and on a regular basis. The first metric developed to support this initiative was ensuring that the full-year cash flow projections for the agency are presented monthly to senior management from July through the end of March.

Efficiency NB implemented GNB's attendance management program, including training and attendance support for all managers and front-line employees. Ongoing monitoring and reporting were provided to immediate supervisors to help with supporting employee attendance. The agency exceeded its full-year target of 4.49 total number of annual sick leave days per employee.

Efficiency NB achieved its full-year target of employee performance reviews completed.

Program Delivery

Overview (mission, objective, staffing)

Efficiency NB strives to offer energy efficiency programming to all sectors of the New Brunswick market. In previous years, Efficiency NB had programs for:

- Residential homes, both existing and new construction;
- Commercial buildings, both existing and new construction;
- Industrial Facilities, facilities, in the small- to medium-sized sector and the large sector.

The objective of these programs is to provide education and financial incentives to help New Brunswickers use energy more efficiently, make better energy choices, manage energy expenses and lessen the impact of energy use on the environment.

All programs involve using professional energy evaluations and energy modelling to recommend the best course of action to New Brunswickers. They include an emphasis on capacity building and education and also offer qualified financial incentives.

In April 2013, due to budget cuts announced in March, Efficiency NB suspended the following programs:

- Residential Energy Efficiency Program – New Construction
- Commercial Energy Smart Program – New Construction
- Large Industrial Program
- Small and Medium Industrial Program

Programs remaining for 2013-14 included:

Residential Energy Efficiency Programs

The Residential Program for Existing Homes was launched in 2006 and was significantly revised in April 2011. The revised program was rebranded the Residential Energy Efficiency Program for Existing Buildings (REEP-EB).

REEP-EB offers incentives that offset the cost of the energy evaluation (\$310 toward the cost of the Pre-upgrade and Post-upgrade evaluations) as well as incentives for specific energy efficiency upgrades. The upgrade incentives are paid out as a flat rate, depending on the type of upgrade performed. The incentive amounts are structured to take upgrade cost and potential energy savings into consideration.

Low-Income Energy Efficiency Program (LIEEP)

Launched in November 2013, the Low-Income Energy Efficiency Program (LIEEP) assists low-income homeowners in New Brunswick by reducing their energy consumption and energy costs through targeted energy efficiency retrofits.

Eligible homeowners are offered a series of major upgrades, such as the addition of basement, attic and/or wall insulation and/or heating system upgrades; health and safety measures such as addition of ventilation to deal with air quality and/or humidity issues; and low-cost measures such as the installation of energy efficient light bulbs and/or low-flow shower heads to help reduce lighting and hot water energy consumption. Homes can qualify for some or all of the potential upgrades.

Commercial Energy Smart Program

The Energy Smart Commercial Buildings Retrofit Program provides up to \$3,000 toward an audit to determine the potential for energy efficiency upgrades in a commercial building and up to \$75,000 toward the energy retrofitting project costs.

These three programs are delivered by a full-time staff of administrators, marketers and engineers at Efficiency NB. Due to budget reductions, full time positions working directly on these programs were reduced from 14 to seven.

Highlights

- Suspended the following programs due to budget reductions:
 - Residential Energy Efficiency Program – New Construction
 - Commercial Energy Smart Program – New Construction
 - Large Industrial Program
 - Small and Medium Industrial Program
- Restructured teams into one Program Delivery team under one director

Residential Energy Efficiency Programs

Homeowners with Pre-upgrade Evaluations	4,850
Homeowners with Post-upgrade Evaluations	2,718
Total number of incentive applications	3,035
Average incentive per home (includes Multi-unit Residential Buildings (MURBS))	\$2,044
Estimated average annual savings per home	\$1,400
GHG savings per household	7 tonnes

- New Construction Program (REEP-NC) was suspended in April 2013 due to a budget reduction
- Between 2008 and 2013, this program had given out 3,795 grants to new homeowners for a total of \$8,224,580
- 2013-14 program activity was limited to paying out incentives to 800 qualified participants who were already active in the program at the time the program was suspended
- Technical staff continue to advise those interested in building new homes with energy efficiency in mind

Low-Income Energy Efficiency Program (LIEEP)

- Selected a program partner to complete turnkey evaluations and retrofits
- Reached homeowners in all regions
- Completed 85 homes

2013-2014	Target	Actual
Home energy retrofits completed	100	85
Expenditure per house	\$6,073	\$6,323
Annual average energy savings per household (GJ)	50	48.6
Average annual energy savings per household	\$1,400	\$1,360
Annual Greenhouse Gas Reduction per household (tonnes)	6.5	6.3

Energy Smart Commercial Buildings Retrofit Program

- **The Energy Smart Program** was being used in 795 buildings as of March 31, 2013.

New buildings entering the program in 2013-14	49
Cost for new entrant energy evaluation incentives	\$93,754
Total number of final incentive applications	68
Total incentives paid for efficiency measures	\$1,209,439

Capacity building

Capacity-building initiatives reached across all sectors and all disciplines (energy auditors, architects, engineers, contractors and building owners). These included workshops, seminars, joint working group activities and committee work. These efforts helped in continually building knowledge and skills in the energy efficiency field, thus facilitating the transformation of the workforce and continually raising the bar on efficiency standards in the region.

Key Performance Indicators

Results of energy efficiency programs to date

Program	Total energy savings (GJ)	Total annual energy savings (\$)	Total GHG reduction (tonnes)	Total economic stimulus (\$)
Residential Energy Efficiency Program – Existing Buildings and Multi-unit Residential Buildings	994.2k	26.5 million	130.8k	254.4 million
Residential Energy Efficiency Program – New Construction (suspended)	120.4k	3.2 million	25.4k	27.2 million
Low-income Energy Efficiency Program	4.1k	100,000	.5k	500,000
Commercial Energy Smart Program	249.1k	5.4 million	35.4k	40 million
Commercial Start Smart Program	65.4k	1.4 million	8.4k	2.7 million
Industrial Program (suspended)	2938.6k	28.4 million	201.1k	118.6 million
Total	4371.9k	65.1 million	401.7k	443.5 million

Business Development

Overview (mission, objective, staffing)

In 2011, the Department of Energy and Mines issued the *New Brunswick Energy Blueprint* which lays out a 10 year vision for New Brunswick. As a directive from the blueprint, Efficiency NB, NB Power and municipal electric utilities are developing a three-year electricity efficiency plan, which will recommend a number of initiatives to achieve significant energy savings, including a residential direct install program and a mass market retail rebate program.

In July 2013, Efficiency NB signed a contract with NB Power to design and deliver these two programs. The value of the contract was \$1.4 million, which includes incentives, expenses and labour for program design, marketing, delivery and administration of these programs for 2013-14. Led by the Director of Business Development and Strategic Partnerships, these programs were designed and delivered by existing Efficiency NB staff with the help of one contract employee focused solely on the implementation of the mass market program.

Highlights

- **Residential Direct Install Program:**
- Launched Sept. 30, 2013, and ran until March 31, 2014
- Fully funded by NB Power as an “add-on” to the Efficiency NB Residential Energy Efficiency Program for Existing Buildings (REEP-EB).
- Delivered through Residential Service Providers
- Eligible customers having a Pre- or Post-Upgrade Evaluation between Sept 30, 2013, and March 31, 2014, were provided with various energy-saving products installed at the time of the evaluation, free of charge.

Results

- 2,074 homes participated
- Average home received eight products, with an average reduction of more than 650 kWh per year

Mass Market Retail Rebate Program

- Carried out a Large Appliance Rebate Program in November 2013, offering a \$75 mail-in rebate on CEE Tier 3 and ENERGY STAR Most Efficient refrigerators and clothes washers
- Design and launched a highly successful low cost product instant discount program that ran in February and March 2014 which had participating retailers offer instant discounts on electronic thermostats, CFLs, specialty CFLs, LEDs and low-flow showerheads.
- Program was branded “SAVE TWICE”
- Both campaigns were heavily supported through online media, Facebook campaigns and advertising, print, radio and in-store events.
- 163 participating retailers
- 142,764 products sold

Key Performance Indicators

Residential Direct Install Program

Target	Results
1.14 GWh net savings	1.08 GWh net savings

Mass Market Retail Rebate Program

Target	Results
3.37 GWh net savings	5.47 GWh net savings

Communications and Public Education

Overview (mission, objective, staffing)

The Communications and Public Education team aims to build awareness and knowledge of Efficiency NB, its programs and services, and it educates the public on how to reduce energy use. The team, led by the Director of Communications, consists of four full-time staff . A Marketing Co-ordinator develops and implements marketing initiatives to support program and service delivery, maintains channel partnerships, manages the SAVE TWICE rebate program on behalf of NB Power and markets the Efficiency NB brand; a Website and Communications Officer manages day-to-day website and social media activities and supports communications and public education activities as required. Two Public Outreach Officers answer public inquiries by telephone, email and from walk-ins as well as manage public outreach activities, including the agency’s involvement with communities and its presence at home shows and other community-based events.

Highlights

Save Twice Mass Market Program

Helped develop the Save Twice Mass Market Program being delivered by Efficiency NB on behalf of NB Power at 163 retailers across the province.

This team managed relationships with retailers, provided training, developed marketing materials and campaigns, developed the SAVE TWICE website and carried out a Facebook contest to promote the program.

The program has helped to enhance Efficiency NB's partnerships with its channel partners and was estimated to have generated \$1.83 million in economic stimulus.

Premier's Awards for Energy Efficiency

On May 9, 2013, Premier David Alward and the former minister responsible for Efficiency NB, Bruce Fitch presented the fifth annual Premier's Awards for Energy Efficiency. The event was held in Fredericton, was well-supported by sponsors and stakeholders and attended by about 120 people.

Outstanding Energy Efficiency Project Awards were presented to the following best performers in Efficiency NB's Programs:

- Commercial Retrofit – Heritage Resources Inc., Moncton;
- Commercial New Construction – One Peel Plaza, Saint John;
- Residential Retrofit – Harold Michaud, Saint-Paul;
- Residential New Construction – Richard Kowalski, Mazerolle Settlement;
- Residential Multi-Unit Retrofit – J&D Apartment Rentals, St. Stephen;
- Residential Multi-Unit Retrofit – Michael Macleod, Riverview
- Residential Multi-Unit New Construction – Wilshire Development, Moncton.

From a public call for nominations Energy Efficiency Champion Awards were chosen in six categories:

- Individual – Samir Yammine, Saint John;
- Small and Medium Industrial Sector – True North Salmon Ltd. Co., Blacks Harbour;
- Industrial Sector – Rajeev Goel and Suresh Pai, AV Group, Nackawic and Atholville;
- Residential Sector – Kent Homes, Bouctouche;
- Commercial Sector – NATECH Environmental Services Inc , Hanwell.

The Community Award for Outstanding Energy Efficiency Achievement was also presented to the Shediac Bay Watershed Association.

The call for nominations for the 2014 Premier's Awards has closed and plans are underway for the sixth annual event on May 22, 2014, in Fredericton. The awards have once again been fully sponsored by various New Brunswick organizations.

Communications and social media

Communication through social media, specifically Facebook, was the focus this fiscal year.

Activity and engagement through the Efficiency NB Facebook page grew likes from 3,228 to 5,966.

In addition to daily posting and responding to questions and inquiries, three campaigns were held throughout the year, which focused on recruitment and engagement.

More than 26,000 unique users have interacted with the page (clicking or commenting on a post, asking a question) and 4,952 people have shared stories.

In total, 1,472,063 Facebook users have seen content associated with Efficiency NB this year.

The agency has received positive coverage in newspaper, radio and online media for its programs, services and results.

Website

The Efficiency NB website received almost 77,500 visits; 69 per cent being new visitors.

Public outreach and education

Launched a quarterly residential newsletter, the *E2 Home Newsletter*, to provide tips, advice and information to homeowners and the public to promote energy efficient practices and behaviours. At the end of the fiscal year, 747 New Brunswickers had subscribed.

A community newsletter is sent three times a year to 220 community stakeholders. Monthly tips are provided to communities for use on their websites and newsletters.

Public Outreach Officers responded to 7,171 public inquiries this year via telephone calls, emails and Facebook messages.

Efficiency NB attended three home shows and delivered four presentations to community groups

Key Performance Indicators

Target	Results
Ratio of customer service business channels acknowledged within allotted timeframe – 95%.	97.7%

Financial Information

The audited statement for Efficiency NB 2013-14 is not available at this time. The statements will be provided when they are available 2014-15. The following is a financial summary of revenue and expenditures.

(Main Estimates)	Budget	Actual
Revenue	\$522,000	\$2,345,360
Expenses (Executive administration & energy efficiency programs)	\$11,649,000	\$14,249,584

Notes:

Efficiency NB’s revenue was higher than forecast due to a partnership with NB Power to deliver two electricity efficiency programs.

Expenses incurred were also higher, but partially offset by this incremental revenue. Efficiency NB had to draw down the over-expenditure from its surplus account. The over-expenditures were a result of an unexpected increase in program participation and the unforeseen commitments from the cancellation of the Residential New Homes and Industrial Programs early in the fiscal year.

Summary of Staffing Activity

Pursuant to section 4 of the *Civil Service Act*, the Deputy Minister of the Department of Human Resources delegates staffing to each Deputy Head for their respective departments. Please find below a summary of the staffing activity for 2013-14 for Efficiency NB.

The department advertised one open (public) competition and no closed (internal) competitions.

Pursuant to section 15 and 16 of the *Civil Service Act*, the department made the following appointments using other processes to establish merit than the competitive process:

Appointment type	Appointment description	Section of the <i>Civil Service Act</i>	Number
Specialized Professional, Scientific or Technical	An appointment may be made without competition when a position requires: <ul style="list-style-type: none"> • a high degree of expertise and training • a high degree of technical skill • recognized experts in their field 	15(1)	
Equal Employment Opportunity Program	Provides Aboriginals, persons with disabilities and members of a visible minority group with equal access to employment, training and advancement opportunities.	16(1)(a)	
Department Talent Management Program	Permanent employees identified in corporate and departmental talent pools, who meet the four-point criteria for assessing talent, namely performance, readiness, willingness and criticalness.	16(1)(b)	
Lateral transfer	The GNB transfer process facilitates the transfer of employees from within Part I, II (school boards) and iii (hospital corporations) of the Public Service.	16(1) or 16(1)(c)	
Regular appointment of casual/temporary	An individual hired on a casual or temporary basis under section 17 may be appointed without competition to a regular properly classified position within the civil service.	16(1)(d)(i)	1
Regular appointment of students/apprentices	Summer students, university or community college co-op students or apprentices may be appointed without competition to an entry level position within the civil service.	16(1)(d)(ii)	

Summary of Legislation and Legislative Activity

No legislation or legislative activity pertaining to the agency to be reported for 2013-14.

Summary of Official Languages Activities

Introduction

Efficiency NB has developed an *Official Languages Action Plan* that includes strategic means for each of the four sectors of activity found in the *Government Plan on Official Languages*. Currently, the agency continues to meet its obligations under the *Official Languages Act* and no complaints were filed against Efficiency NB under the Act during the 2013-2014 fiscal year. The agency continues to focus improvement activities in the area of Language of Work.

Focus 1

Efficiency NB recognizes its obligations and is committed to actively offering and providing quality services to the public in the public's official language of choice. The agency focused on the following activities:

- Official languages component was integrated into the agency's initiatives, including operational planning and performance excellence.
- Language policy obligations were discussed during all new employee orientations and "active offer of service" was reiterated during performance review discussions with all employees.
- Mandatory completion of Language of Service module on GNB's i-Learn knowledge centre for all employees was implemented.
- Active offer of service in two languages during telephone and in-person greetings was extended.
- All signage, voicemail and email out of office messages were bilingual.
- Written communication/information initiated by the agency, including newsletters, social media sites and collateral, was provided in both official languages.
- Written communication initiated by the client was responded to in the language in which it was written.
- Linguistic profiles were reviewed when a vacancy occurred to ensure the agency had adequate capability to offer quality services in both official languages.
- Third-party service provider contracts included a clause requiring service to the public in the official language of choice. The agency also conducted quality assurance to ensure that service providers meet their contractual obligations with regard to activity offering and providing quality services to the public in the official language of choice.

Focus 2

Efficiency NB recognizes its obligations and is committed to creating an environment and climate that encourages employees to use their official language of choice in the workplace. The agency focused on the following activities:

- Language of work rights/employer obligations were discussed during all new employee orientations.
- Mandatory completion of the Language of Work module on GNB's i-Learn knowledge centre for all employees was implemented.
- An Active Offer to communicate and conduct performance reviews in the employee's official language of choice was made to all employees.

-
- All employees were encouraged to use their official language of choice and practise second language skills during communication with fellow employees including during team meetings. Café Conversations were implemented in the workplace to encourage employees to meet informally environment to speak and practise their French language skills and to support one another's language development.

Focus 3

Efficiency NB continues to examine the potential impact on anglophone and francophone communities in the development and delivery of all programs. For instance, even with its small budget, the Low-Income Energy Efficiency Program is delivered equitably, balancing a wait list in the four zones of the province.

Focus 4

To ensure that agency employees have a thorough knowledge and understanding of the *Official Languages Act*, relevant policies, regulations and GNB's obligations with respect to official languages, the agency focused on the following activities:

- A copy of the *Official Languages Act*, regulations and policies was provided to new employees at orientation followed by a discussion about GNB's obligations.
- A link to the Official Languages toolkit was provided to all new employees at orientation and a reminder communication with the link was sent to all employees.
- A review of the Official Languages policies was carried out during annual performance reviews.
- Completion of modules on Official Languages through GNB's i-Learn knowledge centre was made mandatory.

Conclusion

In 2013-14, Efficiency NB experienced financial challenges that limited formal learning and development opportunities for its employees. During this time, the agency remained committed to building linguistic capacity and nine employees participated in French language training with GNB's provider, Athène. The agency also implemented Café Conversations as a way of providing informal opportunities for employees to practice French language skills. These types of informal opportunities have a positive impact on how employees work together while improving the agency's capabilities to offer quality services in both official languages to the public.

Summary of Recommendations from the Office of the Auditor General

Name and year of audit area with link to online document	Recommendations	
	Total	Adopted
2009-10 Compliance with act	3	3
2009-10 Accounting records	3	2
2009-10 Lack of file documentation	1	1
2009-10 Audit efficiency	2	2

Name and year of audit area with link to online document	Recommendations	
	Total	Adopted
2010-11 Differences between the financial statements and the provincial Oracle system	3	0
2010-11 Allowance for Doubtful Loans Estimate	1	1

Name and year of audit area with link to online document	Recommendations	
	Total	Adopted
2011-12 Reconciliation of the financial statements to the provincial Oracle system	1	1
2011-12 Lack of Segregation of Duties – Journal Entries, Financial Reporting, Key Calculations	1	0
2011-12 Loans Receivable - Allowance and Write Offs	2	1
2011-12 Bank Reconciliations and Deposits	2	2
2011-12 Non-Sufficient Fund (NSF) Amounts Not Updated to Receivables Subledger	1	1

Energy Efficiency and Conservation Agency of New Brunswick

Financial Statements

March 31, 2014

Energy Efficiency and Conservation Agency of New Brunswick

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March 31, 2014

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Independent Auditor's Report

To: The President of Energy Efficiency and Conservation Agency of New Brunswick

We have audited the accompanying financial statements of Energy Efficiency and Conservation Agency of New Brunswick, which comprise the statement of financial position as at March 31, 2014, and the statements of operations, changes in accumulated surplus, 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 presentation of these 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 judgment, 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 organization's preparation and fair presentation 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 organization'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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

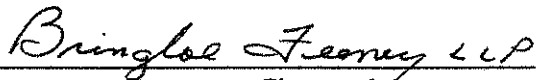
Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Energy Efficiency and Conservation Agency of New Brunswick as at March 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The prior year figures were audited by the Auditor General of New Brunswick and have been restated for comparative purposes.

Fredericton, New Brunswick
August 7, 2015


Chartered Accountants

Energy Efficiency and Conservation Agency of New Brunswick

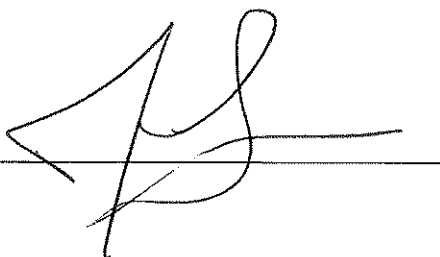
Statement of Financial Position

As at March 31, 2014

	2014	2013
FINANCIAL ASSETS		
Cash	\$ 438	\$ 160,926
Accounts receivable (note 3)	1,284,169	248,674
Due from Province of New Brunswick (note 4)	5,868,104	7,217,669
Energy Efficiency loans receivable (net) (note 5)	5,786,980	9,487,390
	<u>\$ 12,939,691</u>	<u>\$ 17,114,659</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 3,135,147	\$ 2,510,010
Vacation and salary accrual	4,803	23,034
Due to Province of New Brunswick- Energy Efficiency loans (note 6)	7,246,795	11,673,798
	<u>10,386,745</u>	<u>14,206,842</u>
NET FINANCIAL ASSETS		
	<u>10,386,745</u>	<u>14,206,842</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	<u>100</u>	<u>650</u>
ACCUMULATED SURPLUS		
Surplus	<u>2,553,046</u>	<u>2,908,467</u>
	<u>\$ 12,939,691</u>	<u>\$ 17,114,659</u>

Approved

President & CEO



Energy Efficiency and Conservation Agency of New Brunswick

Statement of Changes in Accumulated Surplus
Year ended March 31, 2014

	2014	2013
Balance, opening	\$ 2,908,467	\$ 7,567,186
Deficiency of revenues over operating expenses	<u>(355,421)</u>	<u>(4,658,719)</u>
Balance, closing	<u>\$ 2,553,046</u>	<u>\$ 2,908,467</u>



Energy Efficiency and Conservation Agency of New Brunswick

Statement of Operations
Year ended March 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Revenues			
Grants- Province of New Brunswick	\$ 11,650,060	\$ 11,650,060	\$ 11,819,000
Other revenue	35,000	1,868,700	107,712
Concessionary loan interest	<u>487,000</u>	<u>476,660</u>	<u>525,823</u>
	<u>12,172,060</u>	<u>13,995,420</u>	<u>12,452,535</u>
Expenses			
Contributions and grants	9,279,000	11,783,766	14,129,873
Employee benefits	1,681,910	1,564,933	2,045,713
Other services	656,950	980,566	816,841
Property and equipment	11,000	12,096	78,006
Materials and supplies	21,200	9,480	40,262
Bad debt and other charges	<u>-</u>	<u>-</u>	<u>559</u>
	<u>11,650,060</u>	<u>14,350,841</u>	<u>17,111,254</u>
Deficiency of revenues over expenses	<u>\$ 522,000</u>	<u>\$ (355,421)</u>	<u>\$ (4,658,719)</u>

Energy Efficiency and Conservation Agency of New Brunswick

Statement of Cash Flows
Year ended March 31, 2014

	2014	2013
Operating activities		
Deficiency of revenues over expenses	\$ (355,421)	\$ (4,658,719)
Loan repayments	4,177,070	4,702,840
Adjustments for		
Bad debt expense	-	472
Concessionary loan interest	(476,660)	(525,355)
Concessionary interest expense	-	(1,634)
	<u>3,344,989</u>	<u>(482,396)</u>
Change in non-cash working capital items		
Accounts receivable	(1,035,495)	(150,317)
Accounts payable and accrued liabilities	625,137	(605,371)
Vacation and salary accrual	(18,231)	(484)
Prepaid expense	550	(550)
Payments to Province of New Brunswick	<u>(4,427,003)</u>	<u>(4,452,907)</u>
Change in cash position	(1,510,053)	(5,692,025)
Cash, opening	<u>7,378,595</u>	<u>13,070,620</u>
Cash, closing	<u>\$ 5,868,542</u>	<u>\$ 7,378,595</u>
Cash consists of:		
Cash	\$ 438	\$ 160,926
Due from Province of New Brunswick (note 2h)	<u>5,868,104</u>	<u>7,217,669</u>
	<u>\$ 5,868,542</u>	<u>\$ 7,378,595</u>

Energy Efficiency and Conservation Agency of New Brunswick

Notes to Financial Statements

March 31, 2014

1. Nature of operations

Energy Efficiency and Conservation Agency of New Brunswick ("the Agency") acts as the primary organization for the promotion of energy efficiency and conservation in the Province. The Agency is primarily funded by the Province of New Brunswick.

The Energy Efficiency and Conservation Agency of New Brunswick Act was proclaimed and came into force December 22, 2005.

2. Significant accounting policies

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

(a) Revenue recognition

Revenue consists of amounts budgeted in Main Estimates for the Agency for the 2013-2014 year, and other revenues or recoveries from programs. Revenue is recorded on the accrual basis as earned and amounts receivable but deemed uncollectable are recognized as bad debt expenses. The foregone interest on the concessionary loans issued by the Agency is amortized into revenue over the life of the loans.

(b) Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not to be consumed in the normal course of operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver services, may be consumed in normal operations and are not for resale. Non-financial assets include prepaid expenses.

(c) Pension plans and other retirement benefit plans

Full-time employees of the Agency are members of the New Brunswick Public Service Superannuation Plan. The plan is a defined benefit multi-employer plan under which contributions are made by both the Province and its employees. Full-time employees may also be entitled to be paid a retirement allowance upon their retirement based upon years of service. The employer obligation and expense under both plans is paid and reported by the Province of New Brunswick and are therefore not included in these statements.

(d) Capital assets

The Agency has adopted the policy of expensing capital assets acquired within the year in which the expenditure is incurred as the value of such assets is deemed immaterial. Accordingly, there are no capital assets to record or amortize.

Energy Efficiency and Conservation Agency of New Brunswick

Notes to Financial Statements

March 31, 2014

2. Significant accounting policies, continued

(e) Measurement uncertainty

The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period.

The significant areas requiring the use of estimates relate to the valuation of loans receivable and employee future benefits. Actual results could differ from management's best estimates, as additional information becomes available in the future.

(f) Concessionary loans

Loans that are concessionary because they earn a rate of return lower than the Province's borrowing rate are originally recorded as assets at the net present value of the expected future cash flows. The net present value is calculated at each year end using the Province of New Brunswick's average borrowing rate for the year.

The foregone interest on the concessionary loans issued by the Agency is recognized as a non cash expense in the year the loans are issued and amortized into revenue over the life of the loans.

Energy Efficiency and Conservation Agency of New Brunswick

Notes to Financial Statements

March 31, 2014

2. Significant accounting policies, continued

(g) Financial instruments

Financial instruments consist of cash equivalents, accounts and loans receivable, due from and to the Province of New Brunswick, accounts payable and accrued liabilities.

Financial instruments are recognized at fair value, plus any directly attributable transaction costs, when the Agency becomes a party to the contractual rights and obligations of the financial instrument. Fair value represents the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial instruments are derecognised when the contractual rights to the cash flows from the financial asset have expired or have been transferred, and the Agency has transferred substantially all risks and rewards of ownership, or are derecognized when the contractual obligation has been discharged, cancelled, or has expired.

i) Cash and cash equivalents

Cash consists of cash on hand and amounts held by financial institutions. The Agency uses the Province's bank account and the amounts noted in the financial statements as Due from Province of New Brunswick represent amounts due from the province and are classified as cash equivalents.

ii) Accounts receivable

Accounts receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Fair value is assumed to represent the carrying value, which is historical cost.

iii) Due from the Province of New Brunswick

The amounts noted in the financial statements as Due from the Province of New Brunswick represents accumulated surplus carry over amounts due from the Province. Fair value is assumed to represent the carrying value, which is historical cost.

iv) Loans receivable

Loans receivable are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans receivable are recorded at their face value less repayments, concessionary interest expense, concessionary interest revenue and an allowance for doubtful accounts based on management's best estimates.

Energy Efficiency and Conservation Agency of New Brunswick

Notes to Financial Statements

March 31, 2014

2. Significant accounting policies, continued

(g) Financial instruments, continued

v) Accounts payable and accrued liabilities, and Due to the Province of New Brunswick

Accounts payable and accrued liabilities, and due to Province of New Brunswick are classified as financial liabilities. Fair value is assumed to represent the carrying value, which is historical cost less repayments.

(h) Government transfers

Government transfers are transfers of money, such as contributions or grants, to an organization for which the Agency does not receive any goods or services directly in return. Contributions and grants consist of grant payments for all sector programs, sponsorships, as well as residential energy assessment costs and coupon redemptions paid directly to service providers on behalf of New Brunswick homeowners.

Government transfers are recognized in the financial statements as expenses in the period the events underlying the transfer occurred, as long as the transfer is authorized and eligibility criteria have been met.

Fair value is assumed to represent the carrying value, which is historical cost.

(i) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

3. Accounts receivable

	<u>2014</u>	<u>2013</u>
Advance to SNB	\$ 347,465	\$ 226,044
Trade receivables	166,028	22,630
Electricity Efficiency Program	<u>770,676</u>	<u>-</u>
	<u>\$ 1,284,169</u>	<u>\$ 248,674</u>

Energy Efficiency and Conservation Agency of New Brunswick

Notes to Financial Statements

March 31, 2014

4. Related party transactions

	<u>2014</u>	<u>2013</u>
Due from Province of New Brunswick	\$ 5,868,104	\$ 7,217,669

The Agency is related to all Province of New Brunswick departments, agencies and crown corporations by virtue of common ownership. As a result, the Agency is also economically dependent on the Province for the provision of funding. During the fiscal year, the Agency received \$11,650,060 in funding from the Province.

Contributed services such as information technology, human resources, financial administration and accounts payable services are obtained from the Department of Finance and the New Brunswick Internal Services Agency free of charge. The Agency also utilizes an office for which rent has been paid for by the Province, the benefit of which is not reflected in these financial statements.

Translation and printing are provided by the government to the Agency in the normal course of operations and are accounted for within these financial statements at the exchange rate. The Agency has also contracted with Service New Brunswick to be the service delivery agent for the issuance of certain of the Agency's grant and loan cheques based on a cost structure agreed upon by the two parties.

5. Energy Efficiency Loans Receivable (net)

	<u>2014</u>	<u>2013</u>
Opening Balance	\$ 9,487,390	\$ 13,663,713
Interest-free portion of concessionary loans	-	1,634
Amortization of interest-free portion into revenue	476,660	525,355
Repayments	(4,177,070)	(4,452,907)
Allowance for doubtful accounts	-	(250,405)
Ending balance	<u>\$ 5,786,980</u>	<u>\$ 9,487,390</u>

The Province has authorized the Agency to issue interest free loans, to a maximum of \$10,000, to program clients under the Residential Existing Homes Program repayable over a maximum 6 year term.

Energy Efficiency and Conservation Agency of New Brunswick

Notes to Financial Statements

March 31, 2014

6. Due to Province of New Brunswick- Energy Efficiency Loans

	<u>2014</u>	<u>2013</u>
Province of New Brunswick	<u>\$ 7,246,795</u>	<u>\$ 11,673,798</u>

The Agency issued loans on behalf of the Province, up until March 31, 2012, that are payable to the Province upon repayment by clients. The loans payable are calculated at face value less repayments received each year.

7. Commitments

The total commitments at March 31, 2014 amount to \$939,122 for future periods for the Agency Programs and Service Provider Agreements. Such commitments are subject to sufficient funds being appropriated by the Province of New Brunswick to the Agency.

8. Financial instruments

An analysis of significant risk from the Agency's financial instruments is provided below:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Agency manages this exposure through the monitoring of payments from debtors. The Agency's maximum exposure to credit risk at March 31, 2014 is equal to the loans receivable balance of \$5,786,980. Credit risk is also mitigated as there are 2,374 debtors included in the loans receivable balance.

(b) Liquidity risk

Liquidity risk is the risk of not being able to settle or meet an obligation on time or at a reasonable price. The Agency repays the Province when debtors make loan repayments, therefore if a debtor fails to meet their obligations, the Agency will be unable to repay the Province.

(c) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. As the Agency does not charge a rate of interest on loans receivable, any change in market interest rates during the period would not have an effect on the cash flows of the Agency.

Energy Efficiency and Conservation Agency of New Brunswick

Notes to Financial Statements

March 31, 2014

9. Subsequent events

In December 2014, the Province of New Brunswick introduced Legislation to dissolve the Agency and to transfer the mandate of the Agency as well as all of the employees, assets and liabilities to New Brunswick Power Corporation. On March 27, 2015, the Province of New Brunswick enacted the Act to dissolve the Agency. Pursuant to this Act, all records, property and assets of the Agency became vested in New Brunswick Power Corporation effective April 1, 2015.