



STRATEGY 2040

OUR VISION TO PROVIDE YOU ENERGY FOR LIFE

September 2022

 **Manitoba
Hydro**
energy for life

The world is changing – and Manitoba Hydro is changing with it.

We've been energizing your life's biggest moments, simplest pleasures, and most essential comforts for over 60 years. Delivering the electricity and natural gas you rely on each day is why we are here.

But as Canada sets its sights on a cleaner energy future, your needs and expectations of Manitoba Hydro – your trusted energy provider – will evolve. You'll expect more of us and we'll be ready to serve you, our customer.

Think electric vehicles. Solar panels. Batteries and local energy storage. Smart homes.

Strategy 2040 is our vision to provide you Energy for Life

We exist to provide you Energy for Life now and in the years ahead, even as our world continues to evolve and the energy products and services you need from us grow.

Our long-term strategic plan – Strategy 2040 – sets the path for Manitoba Hydro to deliver on this continued commitment. It's how we'll ensure reliable, affordable electricity and natural gas into the future. And it's how we'll guarantee the support and trusted advice you need to manage your energy today and tomorrow.



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THE CASE FOR CHANGE

As the world continues to change and grow, there are three forces driving energy utilities around the world to rethink and reimagine how they serve their customers.

These forces are:



DECARBONIZATION:

a reduction in fossil fuels and carbon-emitting energy sources



DIGITALIZATION:

ever-advancing technology growth in both consumer goods and industrial mechanisms



DECENTRALIZATION:

a shift from centralized power sources toward personal and individualized power infrastructure like solar panels and large-scale batteries

Strategy 2040 prepares and positions Manitoba Hydro to capture opportunities and navigate challenges created by these forces.

It's about ensuring we always meet your needs today, tomorrow and into the future.



DECARBONIZATION

A common goal to reduce carbon emissions is speeding up the pace of electrification.

Governments and organizations around the world are working to mitigate the harm caused by climate change.

Over 97% of the electricity we generate comes from clean, reliable, and renewable hydropower. But as fossil fuel-based generation decreases – and the demand for electricity continues to grow – we need to plan to meet that increased demand quickly and cost-effectively. And beyond electricity, we also need to explore new, cleaner ways to provide natural gas and reduce the carbon footprint of this critical heating and energy source.

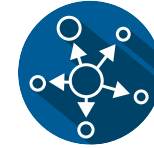


DIGITALIZATION

New digital technologies and connectivity continue to advance.

You see it everywhere in the growth of the virtual world: ever more capable smartphones. An app for everything. Control at your fingertips over the devices in your home and business. Increased use of automation and robotics.

Understanding how you use technology is critical to ensuring we're there to support you and serve you, when and how you need.



DECENTRALIZATION

All signs point to a less centralized energy grid in Manitoba – a future where Manitoba Hydro will no longer be your only option.

No, this isn't privatization – it's about solar, wind, and geothermal companies coming to Manitoba to offer new sources of renewable energy.

Some customers are already installing solar panels and selling their excess electricity to Manitoba Hydro. There are new battery charging and energy storage products and services entering the market each year, and new utility-scale renewable energy projects are announced regularly in Canada and around the world.

Manitoba Hydro will always be there to provide the bulk of the province's reliable, renewable energy – but as new sources of generation get more popular, we need to adapt our system to accept the two-way flow of power and ensure no watt goes to waste.

OUR VISION FOR THE FUTURE

What does the future of energy in Manitoba look like?

How will your electrical and natural gas needs change in five years? 10 years? 20 years?

Strategy 2040 uses your input to chart a course for the future.

As the world around us changes, and your needs and expectations change with it, Strategy 2040 sets a path to becoming the Manitoba Hydro you need us to be – right now and years down the road.

Our new mission statement and promises to you are the foundation of this 20-year vision to ensure you have Energy for Life.

OUR MISSION

Help all Manitobans efficiently **navigate the evolving energy landscape**, leveraging their **clean energy advantage**, while ensuring **safe, clean, reliable energy** at the **lowest possible cost**.

OUR PROMISES TO YOU:

- | | |
|---|---|
| 1 We will provide safe, reliable energy that responsibly meets the evolving energy needs of Manitobans. | You need energy to power your life and Manitoba Hydro will always ensure your energy is safely, responsibly and reliably produced and delivered to you. |
| 2 We will serve customers efficiently, responsively, and digitally. | You expect us to be responsive – and you want to be able to deal with us when and how you want. Manitoba Hydro is modernizing its customer service through technology and process improvements to serve you better. |
| 3 We will help all Manitobans understand their energy options and make informed choices. | Manitoba Hydro will be here to help you understand the energy world and make informed choices that are right for you. |
| 4 We will ensure Manitobans get maximum value from their clean, dependable energy infrastructure. | Manitobans have a tremendous asset in our hydroelectric system – one becoming even more valuable as the world responds to climate change. Manitoba Hydro will protect and maximize these assets for you and future generations. |
| 5 We will keep energy prices as low as possible, while providing the level of service Manitobans expect. | Your energy bill should be manageable. Manitoba Hydro will always act responsibly and work to keep costs low while making necessary investments to meet your energy needs today and tomorrow. |

From our mission and promises to you come a [set of initiatives \(see page 12\)](#) that bring our strategy into the real world so we can provide you Energy for Life. You'll notice these improvements more and more in the way we serve you in the months and years to come.

IT'S ABOUT THE JOURNEY – NOT THE DESTINATION

We're planning for the future and the changes it will bring, but we're still focused on how we serve you today.

Our enterprise plan shows how we'll serve you in the coming years while ensuring a bright energy future for 20 years and beyond.

Read our 2022–23 Enterprise Plan (see link below) to find out how we're bringing our strategy to life.

As the world around us changes, we'll continue to refine our vision, our plans and the ways we serve you to provide you with Energy for Life.

2022–23 Enterprise Plan:

hydro.mb.ca/corporate/news_media/pdf/enterprise_plan_2022_23.pdf

LISTENING TO YOU

To serve you better, we need to understand what you want, need and expect. Your input helps us ensure you're getting what you need from Manitoba Hydro, when and how you need it, now and in the future.

There will be more opportunities for you to engage with us, through our integrated resource planning process to shape the future of energy in our province, our annual public meetings, and customer surveys and research.

We're also increasing our presence at community events across Manitoba, giving you more opportunities to interact with us face-to-face, ask questions, and meet some of the people working to serve you each day.

APPENDIX

STRATEGY 2040 INITIATIVES

PROMISES

INITIATIVES

1

We will provide safe, reliable energy that responsibly meets the evolving energy needs of Manitobans.

Understand the evolving energy needs of Manitoba and Manitobans.

Align with and support provincial economic development, transportation electrification, and GHG objectives.

Develop an Integrated Resource Plan (IRP) and supporting processes.

Enhance our environmental, social, governance (ESG) reporting framework.

2

We will serve customers efficiently, responsively, and digitally.

Significantly expand digital customer service.

Continuously improve customer responsiveness and satisfaction.

3

We will help all Manitobans understand their energy options and make informed choices.

Support the Province of Manitoba in the development and effective implementation of an Energy Policy.

Become a trusted advisor helping Manitobans understand their energy options and make informed choices.

Explore potential new product and service offerings.

Enhance awareness among Manitobans of their current energy assets as part of a coordinated communication strategy.

Pursue relationships with new energy entrants (e.g. charging infrastructure providers) to ensure Manitobans have the infrastructure and/or services they need.

4

We will ensure Manitobans get maximum value from their clean, dependable energy infrastructure.

Shape/support the provincial economic development plan in the context of the evolving energy landscape through targeted economic development.

Reshape our excess electricity strategy.

5

We will keep energy prices as low as possible while providing the level of service Manitobans expect.

Develop appropriate tools to manage and shape demand as a means of optimizing investment.

Mature the asset management system to optimize lifecycle costs (capital and operations).

Stand up continuous improvement capability to enable Manitoba Hydro to operate as effectively and efficiently as possible.

Be an advocate for efficient and effective regulatory reform.

Define and secure the long-term capital necessary to meet Manitoba Hydro's requirements.

Enable and support Manitoba Hydro's new business model.

Ensure a safe, healthy, and engaged workforce with the capabilities required to deliver our strategy.

Leverage automation and digital technologies to drive enterprise value including efficiency, safety, and effectiveness.

OUR PROMISE #1

We will provide safe, reliable energy that responsibly meets the evolving energy needs of Manitobans.

What we're focused on today:

- ▶ We're developing and launching research initiatives to better understand our customers and their evolving energy needs and expectations.
- ▶ We're evolving our Voice of the Customer research to understand customer satisfaction across all interactions with Manitoba Hydro.

What it means for our customers:

- ▶ Customer research will help us better understand your current energy needs and how they might evolve, which means we can better meet those needs now and in the future.
- ▶ Your input will help us plan for the future and ensure every dollar we invest in the future aligns with Manitobans' needs and desires.
- ▶ We're building a better understanding of the type of support you might need as your energy options evolve so we can be there to advise you every step of the way.



What we're focused on today:

- ▶ Establishing structured and well-defined processes and roles for working with government, including timelines, points of contacts and stakeholder maps.
- ▶ Proactively engaging with the Province in the development of provincial Energy Policy and creating an action plan to support the Policy following implementation.
- ▶ Forming a comprehensive understanding of Manitoba Hydro's role and responsibilities in supporting the Province and other agencies' economic development plans.

What it means for our customers:

- ▶ Our product and service offerings will align with and support provincial initiatives for all Manitobans, like energy policy, economic development, transportation electrification and greenhouse gas reduction targets, ensuring our collective energy efforts are fully in the public interest.



What we're focused on today:

- ▶ Using analysis and documentation of potential energy futures to understand impacts on customers and the world, then reviewing that analysis with stakeholders.
- ▶ Developing strategies to evolve our electric and natural gas systems to meet future customer needs.
- ▶ Delivering a finalized IRP by summer 2023.

What it means for our customers:

- ▶ Our IRP process will ensure Manitoba Hydro's electricity and natural gas supply and delivery systems meet our customers' growing needs for the next 20 years and beyond.
- ▶ You'll have opportunities to provide input into our IRP to ensure our near and long-term investment decisions reflect the interests and needs of Manitobans.
- ▶ You'll know Manitoba Hydro is continuously evaluating both short- and long-term visions of the future to make the best decisions when it comes to your energy. The world isn't static and our plans can't be either.



What we're focused on today:

- ▶ Identifying key topic areas and contributing subject matter experts, and building better working groups to enhance the ESG content plan.
- ▶ Integrating continuous ESG storytelling into proactive communications planning and calendar tool.
- ▶ Review ESG reporting by other companies in the energy utility sector, and expectations of regulators and public policy, and identify opportunities to enhance Manitoba Hydro's reporting.

What it means for our customers:

- ▶ This framework will ensure Manitoba Hydro continues to abide by measurable metrics around environmental, social, and governance management.
- ▶ Every year, we'll report on our activities and ESG issues that matter most to our customers and other stakeholders in an open and transparent way.



OUR PROMISE #2

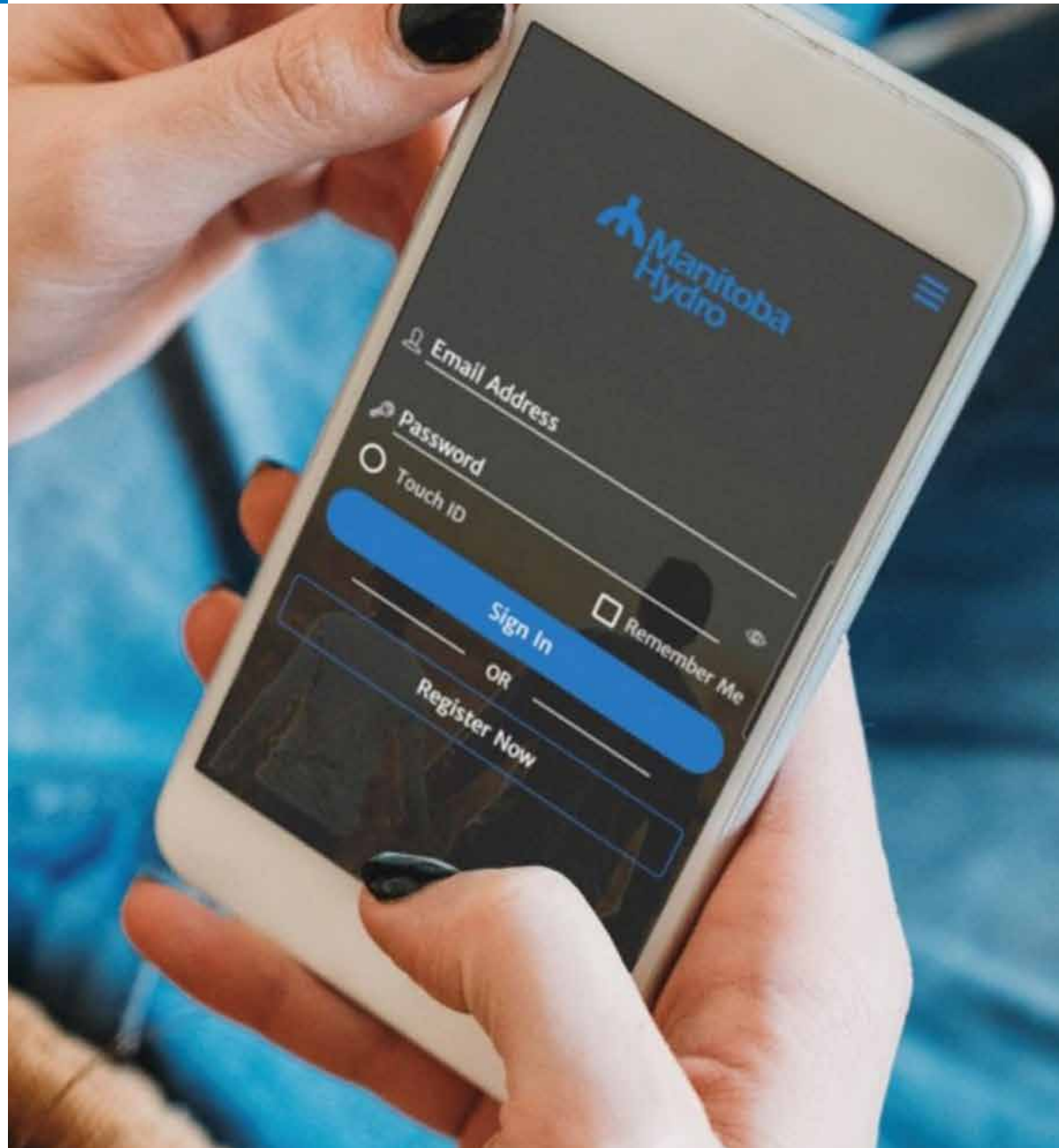
We will serve customers efficiently, responsively, and digitally.

What we're focused on today:

- ▶ Implementing artificial intelligence-based chat functionality within self-serve portal and mobile application.
- ▶ Engaging an expert to study the feasibility of Advanced Metering Infrastructure (AMI) for Manitoba Hydro and develop recommendations for an execution strategy.

What it means for our customers:

- ▶ We'll be leveraging cloud technology to expand our digital self-serve options to make it easier for you to get what you need from Manitoba Hydro.
- ▶ We're introducing new technology into our customer contact center to ensure we can serve you more responsively and conveniently.
- ▶ We're continuing to enhance our social media and web presence to make it even easier to get the answers you need from Manitoba Hydro on our existing channels.



What we're focused on today:

- ▶ Improving the experience of our customers through better processes for account moves, billing, outage communications, subdivision servicing and service connections.
- ▶ Developing automated reporting on customer satisfaction and customer effort measures.

What it means for our customers:

- ▶ We'll be surveying customers on a regular basis to measure their experience with us, then using that data to improve.
- ▶ Studying our key customer touchpoints and hearing from our customers will help us identify and prioritize opportunities to improve responsiveness and satisfaction.



OUR PROMISE #3

We will help all Manitobans understand their energy options and make informed choices.

What we're focused on today:

- ▶ Proactively engaging with the Province of Manitoba to develop Energy Policy objectives.
- ▶ Incorporating Energy Policy objectives into Strategy 2040 and our Integrated Resource Plan.

What it means for our customers:

- ▶ Our operations will change as a result of provincial Energy Policy and so will our customers' experience with Manitoba Hydro.
- ▶ Our expertise, data and insights will help ensure Energy Policy is evidence-based and considers policy effects on our customers.
- ▶ Manitoba Hydro will help communicate the need for and implications of a provincial Energy Policy to Manitoba Hydro and its customers so you understand what these changes mean for your electrical and natural gas service.



What we're focused on today:

- ▶ Delivering the first phase of a customer relationship model for Energy Services Advisors.
- ▶ Identifying and developing improvement opportunities based on brand trust study and customer persona research being conducted.

What it means for our customers:

- ▶ As the world continues to develop, Manitoba Hydro is keeping pace and creating new ways to provide you the information you need, when you need it. You can expect more personalized, timely and relevant advice to help you understand and make informed decisions about your energy options.



What we're focused on today:

- ▶ Developing new products and services based on market perception study results for renewable natural gas.
- ▶ Completing evaluation studies for Electric Vehicle (EV) and Demand Response (DR) to identify feasible products and services (e.g., rate products) that could be offered by Manitoba Hydro's electric grid.

What it means for our customers:

- ▶ As your needs change, you'll have new options when it comes to in-front-of-the-meter products and services.
- ▶ You can expect those options for products and services to be researched, studied, viable and well-integrated into the Manitoba Hydro system.

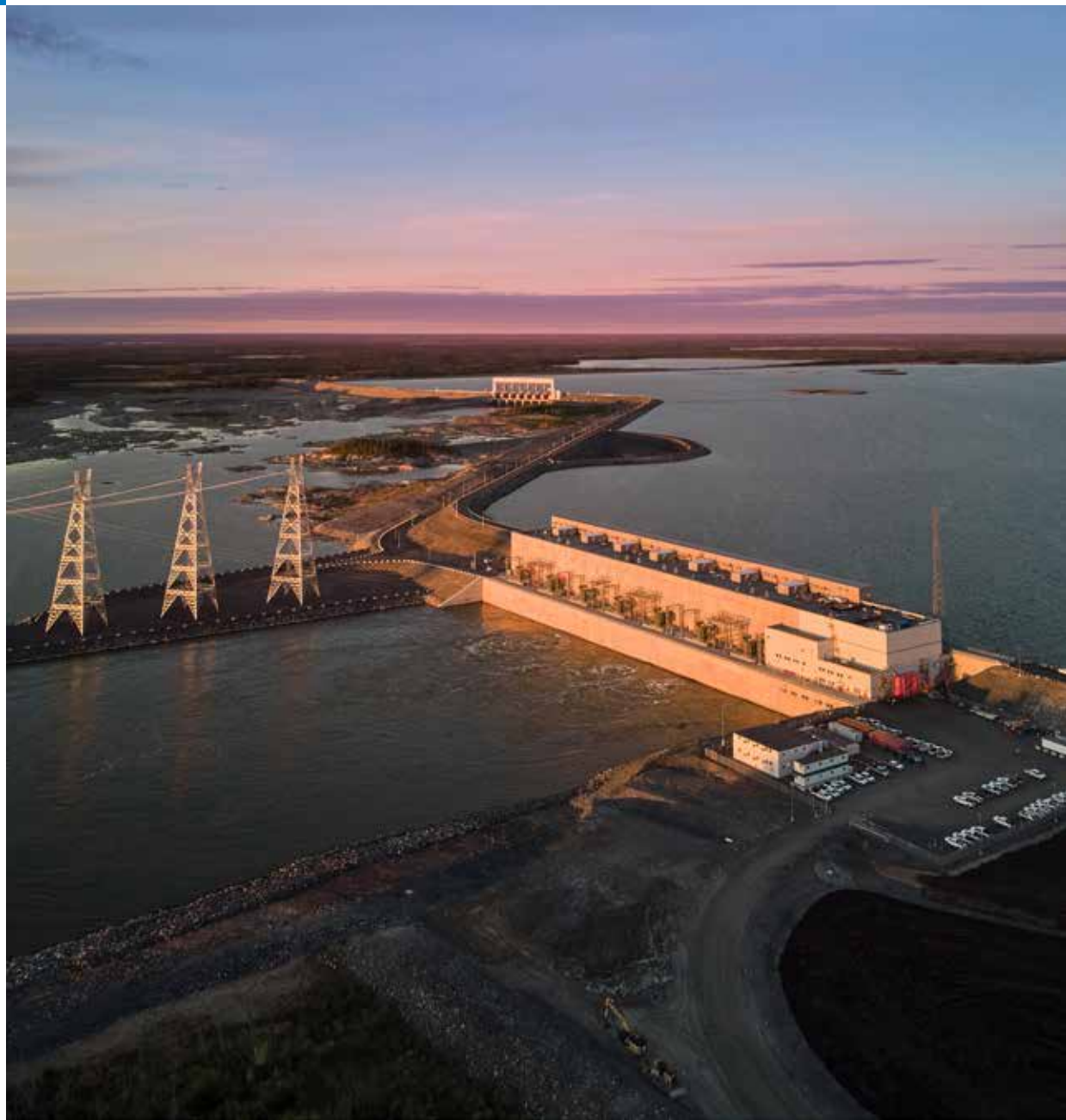


What we're focused on today:

- ▶ Identifying subject matter experts responsible for activities that flow into various communications; establishing processes for gathering information that will help raise awareness of previous and existing investments in Manitoba Hydro's electric and natural gas systems.
- ▶ Developing and executing a customer research plan to further refine customer segments and enhance understanding of the importance of various factors to each, to inform communications.
- ▶ Establish a brand coordination group to progress the development and management of the Manitoba Hydro brand in alignment with Strategy 2040.

What it means for our customers:

- ▶ You'll see more proactive communications showcasing tangible examples of how we're Manitobans serving Manitobans, with their best interests at heart.
- ▶ You'll hear more about what we're doing to maintain and protect our energy assets, while working to keep energy costs as low as practically possible for all Manitobans.



Pursue relationships with new energy entrants (e.g. charging infrastructure providers) to ensure Manitobans have the infrastructure and/or services they need

What we're focused on today:

- ▶ Assessing the current state of energy infrastructure market segments and proponents.
- ▶ Identifying high-priority opportunities and developing an engagement strategy to build and evolve relationships.

What it means for our customers:

- ▶ As you explore and adopt new technologies and products, we'll develop and maintain relationships with new market entrants, such as Renewable Natural Gas producers, electric vehicle charging infrastructure providers, and distributed generation and storage providers to ensure we continue to meet your needs in the future.



OUR PROMISE #4

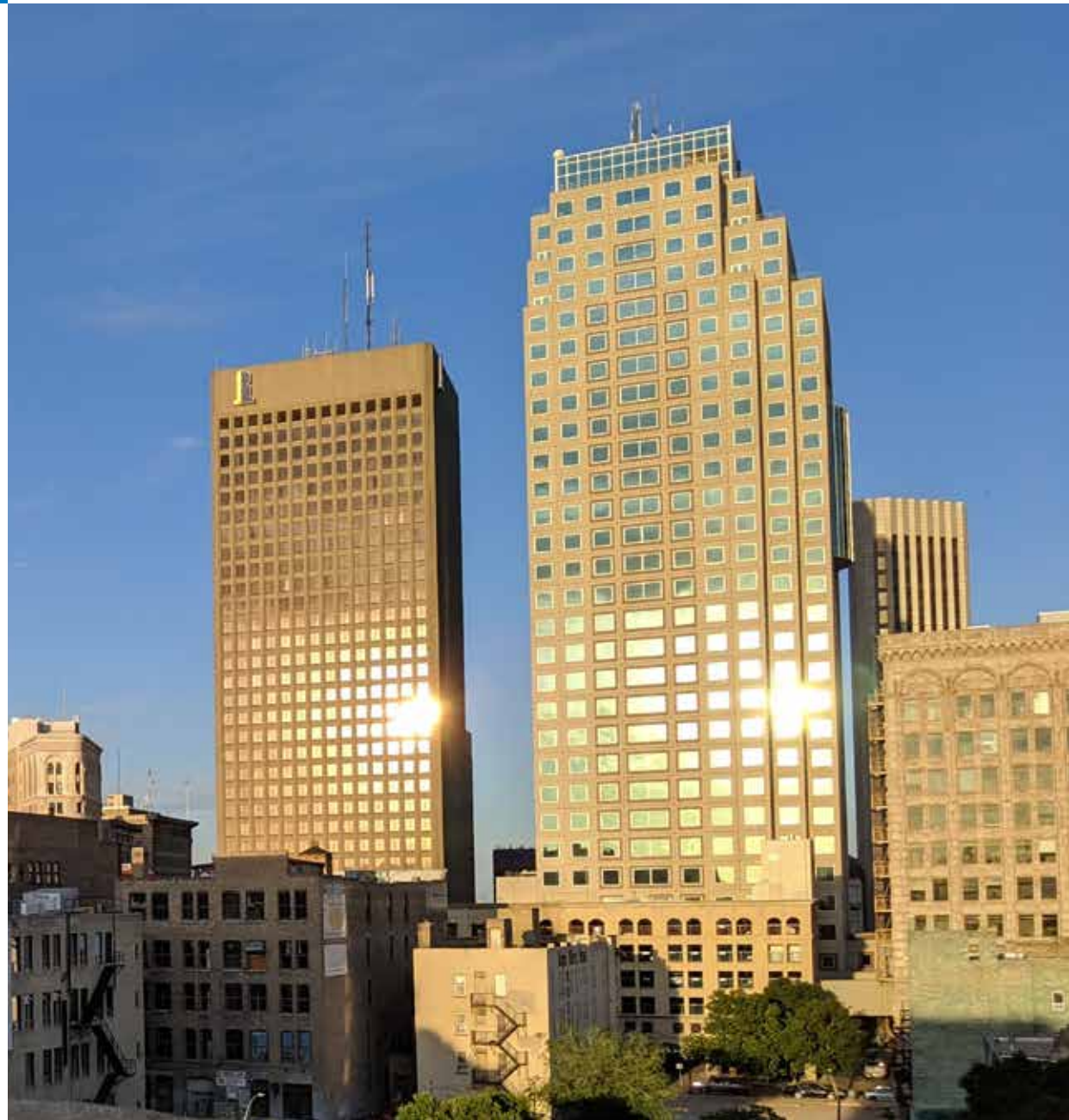
We will ensure Manitobans get maximum value from their clean, dependable energy infrastructure.

What we're focused on today:

- ▶ In cooperation with the Manitoba Economic Development Office and its regional partner agencies, we're developing energy connection strategies for key sectors and industries that align with the Province's strategies and leverage Manitoba Hydro's clean energy advantage.
- ▶ Supporting the Province in incorporating its Energy Policy objectives into a targeted economic development plan.

What it means for our customers:

- ▶ We'll enable economic growth by proactively working with the Manitoba Economic Development & Training Department and regional economic development agencies to pursue opportunities and focus support on targeted industries and sectors.



What we're focused on today:

- ▶ Conducting a current state analysis of existing export contracts to identify opportunities to optimize export revenue.
- ▶ Create a framework for assessing and prioritizing future opportunities for export sales.

What it means for our customers:

- ▶ Our participation in markets outside Manitoba will keep rates as low as practically possible for Manitobans.
- ▶ As we move into the future, we'll continue to look for ways to generate maximum value for excess energy with a focus on supporting growth within Manitoba.



OUR PROMISE #5

We will keep energy prices as low as possible while providing the level of service Manitobans expect.

What we're focused on today:

- ▶ Through our Integrated Resource Plan processes, we are understanding customers' preferences and likelihood to adopt emerging technologies.
- ▶ Completing assessments of existing data and systems to better understand customer usage patterns and identify future data needs.

What it means for our customers:

- ▶ Customers will be able to play a more active role in managing their electric and natural gas use and energy costs by making more informed decisions regarding energy related investments, such as new appliances, updated heating and cooling systems, etc.
- ▶ By shaping demand, Manitoba Hydro can promote more efficient use of our existing energy assets, such as generating stations, transmission lines, pipelines and distribution infrastructure, helping to keep costs as low as possible for customers.



Mature the asset management system to optimize lifecycle costs (capital and operations)

What we're focused on today:

- ▶ Recalibrating Manitoba Hydro's investment decision-making tool for natural gas and electric distribution, transmission and generation systems, allowing better comparison between the investments in these systems and allowing us to optimize investment dollars.
- ▶ Completing an asset management analysis to support the next multi-year General Rate Application. This analysis will provide a multi-year forecast of capital investment needs of the energy systems infrastructure.

What it means for our customers:

- ▶ These processes mean maintaining and upgrading our assets at the right times, prioritizing the service our customers expect and being responsible with project costs.
- ▶ That ensures more reliable service and keeps costs for our customers lower over the long-term.



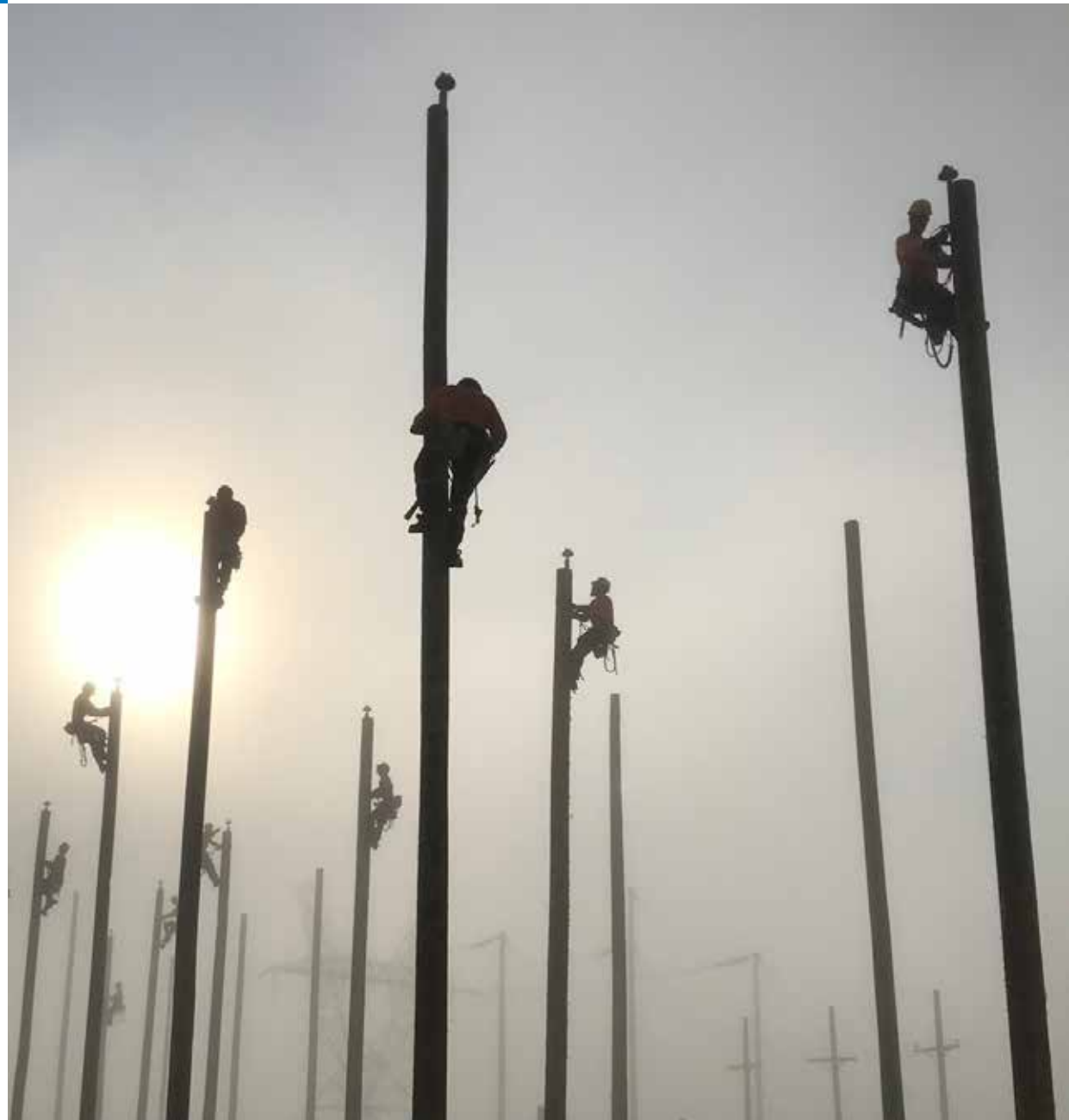
Stand up continuous improvement capability to enable Manitoba Hydro to operate as effectively and efficiently as possible

What we're focused on today:

- ▶ Standardizing continuous improvement principles, tools, and methods to develop, enable, and leverage continuous improvement capabilities.
- ▶ Monitoring, maintaining, and supporting a portfolio of continuous improvement initiatives that create measurably better value.
- ▶ Testing and refining a transparent Employee Idea System to see, raise, and solve for improvement ideas at the right level.

What it means for our customers:

- ▶ Establishing continuous improvement processes will help us solve problems, foster innovation, and work more efficiently – all to serve our customers better.



What we're focused on today:

- ▶ Advocating for an effective and efficient regulatory framework that keeps rates as low as possible and provides rate predictability for customers while ensuring the financial health of Manitoba Hydro as the energy landscape evolves.

What it means for our customers:

- ▶ We'll work to advocate for regulatory frameworks and changes that help keep rates as low as possible, even in the context of a rapidly changing energy landscape.



What we're focused on today:

- ▶ Developing an investment framework to assess the inputs required for understanding future capital needs in the evolving energy landscape.
- ▶ Identifying, prioritizing and maximizing available federal grant funding opportunities for Manitoba Hydro requirements.

What it means for our customers:

- ▶ Every dollar we spend is our customers' dollar. As we work to address our debt levels and prepare for the evolving energy landscape, we'll make efforts to minimize borrowing to keep costs as low as practically possible for customers.
- ▶ We'll identify and pursue all potential sources of capital funding available from third parties, government and more to meet our requirements.



What we're focused on today:

- ▶ Establishing capabilities to monitor, maintain, and support the progress of our transformation roadmap initiatives, results, and key behaviours.
- ▶ Standardizing and scaling change management and cultural enablement principles, tools, methods, and delivery to provide the right level of change support.

What it means for our customers:

- ▶ Our new business model enhances our focus on customer centricity, research and data analytics, digital and technology, and transformation, all with a view to serving our customers better.
- ▶ We're building new capabilities so we can support and advise you as your energy options expand.
- ▶ We're adopting new processes and technology to work smarter and serve you in new ways.



What we're focused on today:

- ▶ Placing greater emphasis on attraction, retention, development and succession planning, especially in critical positions.
- ▶ Updating leadership and executive competencies to align with Manitoba Hydro values and desired culture.
- ▶ Re-establishing managers as the principal owners for the Safety Management System, increasing performance expectations, and placing greater emphasis on leading performance measurements.

What it means for our customers:

- ▶ We're making sure we have the right people, in the right places, with the right skills to help us serve you better and achieve the objectives set out by Strategy 2040.
- ▶ We're developing an agile and engaged workforce to better serve our customers and help us become the Manitoba Hydro of the future.



What we're focused on today:

- ▶ Developing a target enterprise architecture and design that builds on utility industry best practices and provides principles and standards that align technology decisions with enterprise business objectives.
- ▶ Addressing technical deficit and creating new technology delivery capacity by evaluating all software applications within the Digital and Technology portfolio.
- ▶ Standing up the Microsoft Azure Cloud data platform and piloting new automation and analytic capabilities.
- ▶ Launching the SAP Cloud for Utilities project by focusing on the value-case, readiness assessment, SAP design blueprint and detailed multi-year project plan.

What it means for our customers:

- ▶ We'll work in new ways and give our customers more options for dealing with Manitoba Hydro by launching new, customer-centric, integrated and secure digital and data capabilities.





Available in accessible formats upon request.