

Annual Public Meeting - March 4, 2025

What We Heard – Summary of Main Discussion Topics

Here's a summary of the main topics we discussed during the Annual Public Meeting. We've also included responses to a few questions that we couldn't provide an answer to in the meeting. For a full account of the questions asked and responses given during the meeting, please watch the recording or read the transcripts provided.

Electric Vehicles (EVs)

There is great interest in how Manitoba Hydro's infrastructure will be able to meet demand into the future, especially when considering factors such as increased use of electric vehicles (EVs).

Manitoba Hydro is working on our second Integrated Resource Plan (IRP), which will set out a potential 20-year development pathway. We consider all growth scenarios when developing this pathway, including how we can support different levels of adoption of electric vehicles. More information will be shared when the IRP is released later this fall.

Exports & Tariffs

Recent events have brought up many questions about Manitoba Hydro's exports, and how tariffs might affect our business.

Manitoba Hydro has a number of "firm" export contracts with United States utilities in place, in addition to diversity exchange contracts. Our intent is to honour those contracts, as they offer numerous benefits to Manitoba consumers. Manitoba Hydro expects these relationships with American utility customers to continue in the future. In addition, if we have excess power available to sell on the "spot" or opportunity market, those sales also help us keep the rates down for Manitobans.

Like every big business that exports, we're concerned about tariffs. We have one shareholder, the Manitoba Government, and we work with our shareholder and our board to try to understand the different potential scenarios. Tariffs are happening at the government-to-government level and are beyond our control. We can't speculate on potential impacts at this time, but will continue to monitor the situation.

As for restricting exports of electricity to the United States, this is not for Manitoba Hydro to decide. This would be a government decision.

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Future Energy Sources

Manitoba Hydro is not currently considering a retrofit of the decommissioned Selkirk facility. From an efficiency perspective, it's not viable. There are also asbestos issues, so it's not on our radar at the moment. The same is true for the Conawapa generating station; a project like Conawapa requires a lot of resources and has a very long lead time, typically up to 15 to 20 years. Some jurisdictions are looking at small modular reactors (SMRs) as an energy source. Our IRP is looking at all forms of generation.

Rates

Manitoba Hydro makes revenue in two ways; first, through rates charged to domestic customers, and second, by sales of power to utilities outside of the province.

Setting rates is a balancing act of maintaining safety, affordability, and reliability. We're looking at what a future rate path looks like, and we working with our Board and the government to do the best thing for the people of Manitoba.

Historically, over 20% of our electricity revenue comes from firm export contracts (selling energy in long-term contracts at prices negotiated with the purchaser), or from the spot or opportunity market (selling energy at market rates when we have excess because of favourable water conditions).

Natural Gas

With respect to phasing out fossil fuels as an energy choice, that's really a policy question for the federal and provincial government.

The production or sale of renewable natural gas is not currently something we're considering. As a Crown Corporation, we're entrusted to do the best by our ratepayers and the people of Manitoba. So, we never want to be the early adopter, as early adopters take on additional risk with some of these new or unproven technologies. As the technology evolves, it may be something we look at, however we want to understand the pros and cons of going in that direction, and also watch what others are doing in the market to learn from their experience.

Questions that we couldn't answer in the meeting:

1. How much did Manitoba Hydro spend last year dealing with zebra mussels?

Manitoba Hydro spent just over \$2 million managing zebra mussels in the 2024/2025 fiscal year. Approximately \$70,000 was spent on zebra mussel monitoring, \$1.8 million on zebra mussel treatments, and \$77,000 on related maintenance activities.

2. How many days in the past year was the Brandon facility producing electricity?

Two Combustion Turbines at the Brandon Generating Station operate sporadically and are not typically operated all day, so the best way to quantify their use would be in hours.

In 2024, one of the turbines operated for 591.4 hours, or 6.7% of the year. The other unit operated 219.2 hours, or 2.5% of the year. There may have been periods when both units were operating at the same time.

3. What has Manitoba Hydro done in the past year to prepare for a corona mass ejection event?

In the last year, Manitoba Hydro has completed a Geomagnetic Disturbance Vulnerability Assessment. This is a reliability assessment study for compliance purposes and identifies equipment at risk to a large geomagnetic disturbance.

For this assessment, Manitoba Hydro follows a procedure similar to that used by our neighbouring utilities, which is required by the North American Electric Reliability Corporation (NERC). However, Manitoba Hydro utilizes a more detailed space weather model that was developed by Natural Resource Canada.

4. How much electricity was sold back to Manitoba Hydro under net billing during the last year?

Manitoba Hydro purchased 21,428 megawatt-hours under net billing during the 2024 calendar year.