

Program Name: Save On Energy – Energy Manager Program

1. Program Description

The Save on Energy – Energy Manager Program provides funding to Participants to employ a full-time Energy Manager embedded in the Facility of the Participant (the “**Energy Manager Program**”).

Energy Managers demonstrate their value as a full-time employed resource by, for example: helping commercial, institutional and industrial Customers develop Energy Management Plans, build energy baseline models, implement energy efficiency Projects, follow strategic energy management best practices and participate in other energy efficiency programs.

2. Participant Incentives

The Participant Incentive is based on achievement of Energy Savings on an annual basis and confirmed by the Technical Reviewer (the “**Confirmed Annual Energy Savings**”).

2.1 Performance Based Participant Incentive

The Participant Incentive amount is \$40/MWh of Confirmed Annual Energy Savings to a maximum incentive of \$150,000 per 12-month period. The Minimum Annual Savings Target is 1,000 MWh annually, and the Participant will also be required to achieve any applicable Shortfall Amount. Progress towards the Minimum Annual Savings Target is measured based on Confirmed Annual Energy Savings (as confirmed by the Technical Reviewer and based on Projects placed into service during the applicable 12-month Funding Period, or shorter), and of which at least 10% of the Energy Savings must be attributable to new projects not receiving any incentives from the IESO, the Province of Ontario or the Government of Canada.

Where a Participant fails to achieve their Minimum Annual Savings Target in any given year, the IESO will have full discretion not to extend Participant Incentive funding for a subsequent Funding Period, to revise the Minimum Annual Savings Target specified in the Participant Agreement and/or to adjust the Participant Incentive payments.

2.2 Payment of Incentive

- (a) The following is an overview of the payment amounts and payment structure for the Participant Incentive that a Participant may be eligible for, paid in accordance with the applicable terms of the Participant Agreement:
 - (i) An initial “**Start of Funding Period Payment**” of up to \$40,000, upon notice by the Participant to the IESO of the Energy Manager’s employment start date, or the anniversary thereof, if applicable, which will be reduced if there is an applicable Shortfall Amount; and

- (ii) An “**End of Funding Period Payment**”, calculated at \$40/MWh of Confirmed Annual Energy Savings, above the Minimum Annual Savings Target plus any applicable Shortfall Amount, and upon approval by the IESO of the Annual Report.
- (b) The maximum Participant Incentive amount payable for any 12-month period will not exceed \$150,000.

3. Program Eligibility Criteria

3.1 Participant Eligibility

The Participant must meet the following eligibility criteria:

- (a) be a commercial, institutional, or industrial Customer and/or manage a Facility of a Customer;
- (b) not be insolvent;
- (c) not be receiving or have applied for or otherwise intend to receive, any financial incentives funded by a Governmental Authority (whether administered via the IESO, a local electricity or gas distributor or any other party) for the employment of the Energy Manager during the term of the Participant’s Participant Agreement, unless otherwise approved by the IESO;
- (d) demonstrate to the IESO’s satisfaction the potential to reach the associated Minimum Annual Savings Target (which includes any applicable Shortfall Amount); and
- (e) execute a Participation Agreement with the IESO.

3.2 Facility Eligibility

The Facility/facilities must be connected to the IESO-Controlled Grid or a Distribution System.

3.3 Project and Measures Eligibility

Progress towards the Minimum Annual Savings Target will be assessed based on Confirmed Annual Energy Savings arising from Projects implemented by the Energy Manager which are in-service during the Participant Agreement term and where savings are expected to persist until at least December 31, 2021, as reported in the Energy Manager’s Third Quarter Report and Annual Report submitted to the Technical Reviewer. At least 10% of these Confirmed Annual Energy Savings must be attributable to Projects that, unless otherwise approved by the IESO: (a) are not financed by any incentives received from the IESO, the Province of Ontario or the Government of Canada; and (b) have not had such Energy Savings counted under another energy efficiency program.

3.4 Energy Manager Eligibility

The Participant must employ an Energy Manager that meets the Energy Manager Eligibility Criteria and has the demonstrated technical ability to perform the Energy Manager Duties.

4. Participant Agreement

4.1 Requirement for Participant Agreement

Upon approval of an Application, each Participant will be required to enter into a Participant Agreement with the IESO, which will include the terms and conditions of participation in the Energy Manager Program. To the extent of any conflict between these Program Requirements and an executed Participant Agreement, the terms of the executed Participant Agreement will prevail.

5. Program Specific Definitions

The following terms have the meaning stated below when used in these Energy Manager Program Requirements:

“Application” means a complete application submitted to the IESO by a Participant for funding under the Energy Manager Program in the form specified by the IESO on the Save on Energy website.

“Annual Report” means the report of energy management activities of a Participant, including documentation to substantiate Energy Savings, completed by an Energy Manager and delivered to the IESO within 30 days before the end of each 12-month Funding Period, or shorter, in the form made available by the IESO from time to time.

“Association of Energy Engineers” means the non-profit professional society that offers energy certification programs.

“CEM Training” means the course leading to certification as a Certified Energy Manager by the Association of Energy Engineers.

“Certified Energy Manager” means an individual certified as a “Certified Energy Manager” by the Association of Energy Engineers.

“Certified Engineering Technician” means an individual certified as a “Certified Technician” (C.Tech.) by OACETT.

“Certified Engineering Technologist” means an individual certified as a “Certified Engineering Technologist” (C.E.T.) by OACETT.

“Confirmed Annual Energy Savings” are the Energy Savings confirmed by the Technical Reviewer as in-service during the applicable Funding Period and persisting until December 31, 2021.

“Customer” means an electricity consumer that is directly connected to, or behind the meter of another electricity consumer connected to: (a) the IESO-Controlled Grid; or (b) a Distribution System.

“Distribution System” means a system connected to the IESO-Controlled Grid for distributing electricity at voltages of 50 kV or less, and includes any structures, equipment or other thing used for that purpose.

“End of Funding Period Payment” has the meaning given in Section 2.2(a)(ii).

“Energy Management Plan” means a document in the form made available by the IESO and subject to change from time to time, to be completed by a Participant’s Energy Manager describing the activities and plans required to reduce energy consumption or demand in such Participant’s Facility or Facilities, and detailing how the Participant is demonstrating leadership in the area of energy conservation by, among other things, developing conservation policies and establishing employee, community and peer-to-peer awareness programs.

“Energy Manager” or **“EM”** means an energy manager, funded by the IESO, whose primary responsibility is to promote the principles and practices of strategic energy management, efficient end-use technologies to lighting, heating ventilation, air conditioning, utility, process, power systems and other energy and demand saving measures; and performs the Energy Manager Duties at the Participant’s Facility or Facilities in Ontario.

“Energy Manager Duties” means the minimum duties of the Energy Manager, substantially as set out in Appendix 1 to these Program Requirements.

“Energy Manager Eligibility Criteria” means the eligibility requirements the Energy Manager must meet in order for the Participant to be eligible for a Participant Incentive, as set out in Appendix 2 to these Program Requirements.

“Energy Manager In Training” means an individual that has successfully completed the course leading to certification as a Certified Energy Manager by the Association of Energy Engineers but has not yet accumulated the credentials necessary for certification.

“Energy Manager Program” has the meaning given to it in Section 1.

“Energy Savings” means the estimated, determined or actual kilowatt hour reduction in electricity consumption from a Project or Projects initiated and/or implemented during a Funding Period.

“Facility” or **“Facilities”** means the buildings, premises or lands, or part thereof, owned or occupied by a Participant and in respect of which such Participant is participating in the Energy Manager Program.

“Funding Period” means the 12-month period beginning on the Energy Manager’s employment start date that the Participant is eligible to receive a Participant Incentive, as may be extended for an additional 12-month funding period or shorter by the IESO, acting in its sole discretion.

“Governmental Authority” means any federal, provincial, or municipal government, parliament or legislature, or any regulatory authority, agency, tribunal, commission, board or department of any such government, parliament or legislature, or any court or other law, regulation or rule-making entity, having jurisdiction in the relevant circumstances, including the IESO, the OEB, the Electrical Safety Authority, the office of the Auditor General of Ontario, and any Person acting under the authority of any of the foregoing, but excluding the IESO.

“IESO” is the Independent Electricity System Operator in the province of Ontario.

“IESO-Controlled Grid” has the meaning given to it in the IESO Market Rules.

“IESO Market Rules” means the rules made under section 32 of the *Electricity Act, 1998* (Ontario), together with all market manuals, policies, and guidelines issued by the IESO or its successor.

“Minimum Annual Savings Target” is the minimum annual Energy Savings target established between the Participant and the IESO and specified in the Participant Agreement.

“Ontario Association of Certified Engineering Technicians and Technologists” or **“OACETT”** means the non-profit, self-governing, professional association that certifies engineering and applied science technicians and technologists in Ontario.

“Participant” means, in respect of the Energy Manager Program, a person who meets the eligibility requirements in Section 3.1, whose Application has been accepted by the IESO, and has entered into a Participant Agreement to be eligible to receive a Participant Incentive.

“Participant Agreement” means, in respect of the Energy Manager Program, any one or more agreements or terms and conditions that an eligible person entitled to receive a Participant Incentive must enter into or agree to be bound by in order to participate in such Program or to receive such Participant Incentive.

“Participant Incentive” means, in respect of the Energy Manager Program, the financial incentives paid or payable to, or the discount received or receivable by, the Participant or a third party, as applicable, pursuant to these Program Requirements.

“Program Requirements” means the terms and conditions contained herein governing the Energy Manager Program.

“Projects” means one or more measures, which, when implemented in respect of a Facility, are expected to deliver Energy Savings towards the Minimum Annual Savings Target.

“**Shortfall Amount**” means (i) the total Energy Savings (MWh) of the Minimum Annual Savings Target not achieved by the Participant in their previous Funding Period under the Participant Agreement; and/or (ii) where the Participant was previously the counterparty to an agreement that provided funding or a financial incentive paid by the IESO and/or Local Distribution Company (LDC) to the Participant for the employment of an Energy Manager, the total Energy Savings (MWh) required by such agreement which were not achieved by the Participant during the term of that agreement.

“**Start of Funding Period Payment**” has the meaning given in Section 2.2(a)(i).

“**Technical Reviewer**” means the IESO or an organization contracted by the IESO, for the purpose of delivering services such as but not limited to reviewing information submitted by Participants and determining Confirmed Annual Energy Savings.

“**Third Quarter Report**” means the report of energy management activities of a Participant, including documentation to substantiate claimed Energy Savings, completed by an Energy Manager and delivered to the IESO within 30 days before the end of the third quarter of each 12-month Funding Period, in the form made available by the IESO from time to time.

Appendix 1 –Energy Manager Duties

In connection with the identification, reporting, and implementation of energy efficiency opportunities, the minimum duties of the Energy Manager are set out in this Appendix 1. These duties, along with any other obligations set out in the Participant's executed Participant Agreement should be used to develop the Energy Manager's job description:

1. **Energy Tracking & Monitoring** – Provide a database and an energy tracking and monitoring system for each Facility / process that captures current monthly energy consumption and an electrical load inventory of major equipment. The Energy Manager will develop and deliver training to the Participant's staff on the energy tracking and monitoring system.
2. **Primary Assessment** – Review existing energy study reports and perform a high-level assessment, including a walkthrough audit of each major process area of each site, to identify energy efficiency opportunities and to identify which systems will require more detailed evaluations.
3. **Maintenance and Operating Schedules** – Review and provide a description of the control systems, operating schedules, and maintenance practices at each Facility / process to identify operational Energy Savings. Develop maintenance practices and programs to enhance energy efficiency. Examples would include: reprogramming controls to shutdown equipment and lighting when not required, developing a checklist to ensure that all shutdown procedures are properly implemented and followed.
4. **Energy Saving Opportunities & Action Plan** – Identify, assess, prioritize and recommend to senior management energy efficiency Projects, including both capital improvement projects and operational and maintenance changes. This will include the preparation of business cases to justify capital expenditures and the completion of applications to IESO conservation and demand management initiatives, such as Save on Energy, and to other programs to maximize funding available for energy efficiency projects.
5. **Project Implementation & Energy Savings** – Coordinate the implementation of energy efficiency Projects, including the planning, budgeting, and scheduling for the design, installation, commissioning, and verification of such Projects. It is expected that a project manager (not the Energy Manager) would be assigned for large capital projects.
6. **Measurement & verification Strategy** – Work with the Participant to develop a strategy for the measurement & verification of energy efficiency projects at a corporate level (i.e. not involved at Project level).
7. **Energy management behavior and business process improvements** – work to create and foster a sustainable energy management culture at the Participant's Facility and provide an avenue for employees to recognize and report issues and ideas regarding energy efficiency.

8. Employee Awareness Program – Implement an employee training and awareness program to promote energy conservation and communicate the energy efficiency programs undertaken.
9. Assistance to IESO Projects – Coordinate and assist with site inspections by the IESO (or their designate) from time to time of the various measures implemented, at the sole discretion of the IESO. Collect relevant information regarding additional energy use (equipment purchases, schedule changes, occupancy changes or construction).
10. Reporting – Complete an Energy Management Plan, Third Quarter Reports and Annual Reports.

Appendix 2 – Energy Manager Eligibility Criteria

The Participant will ensure that the Energy Manager meets the following eligibility criteria:

- (a) has the demonstrated technical ability to perform the Energy Manager Duties; and
- (b) is professionally designated or qualified with/as:
 - (i) a Certified Energy Manager; or
 - (ii) an Energy Manager In Training; or
- (c) provided such individual successfully completes the CEM examination by the end of their first year of employment under a Participant Agreement:
 - (i) a 4 year degree in engineering or architecture, or professional engineer or registered architect;
 - (ii) a Certified Engineering Technician;
 - (iii) a Certified Engineering Technologist; or
 - (iv) an individual approved at the IESO's sole discretion.