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# ENERGY MANAGER PROGRAM PROGRAM REQUIREMENTS

## 1. PROGRAM DESCRIPTION

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

Energy Managers demonstrate their value as a full-time employed resource by helping commercial, institutional and industrial Customers improve the energy performance of their operations through the use of best practices in energy management, including through the implementation of capital projects and operational and maintenance improvements.

## 2. PARTICIPANT INCENTIVES

The Participant Incentive is based on achievement of Confirmed Peak Demand Savings.

### 2.1 PARTICIPANT BASED PARTICIPANT INCENTIVE

The Participant Incentive amount is \$300/kW of Confirmed Peak Demand Savings to a maximum incentive of \$150,000 per 12-month period.

To be eligible for the Participant Incentive, each Funding Period the Participant must achieve 20 kW Confirmed Peak Demand Savings from Non-Incented Projects and 200 MWh Energy Savings from Non-Incented Projects (the **“Minimum Annual Savings Requirement”**). The Participant will also be required to achieve any applicable Shortfall Amount. Progress towards the Minimum Annual Savings Requirement is measured based on Confirmed Peak Demand Savings.

Where a Participant fails to achieve the Minimum Annual Savings Requirement and any applicable Shortfall Amount in a Funding Period, the IESO will have full discretion to: (i) not extend Participant Incentive funding for a subsequent Funding Period; (ii) revise the Minimum Annual Savings Requirement specified in the Participant Agreement; and/or (iii) adjust the Participant Incentive payments.

After achieving the Minimum Annual Savings Requirement, at least 20% of the Confirmed Peak Demand Savings used to calculate the Participant Incentive must be attributed to Non-

Incented Projects and a maximum of 80% of the Confirmed Peak Demand Savings may be attributed to Projects other than Non-Incented Projects.

## 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 \$20,000, 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 \$300/kW of Confirmed Peak Demand Savings, plus any applicable Shortfall Amount, minus the Start of Funding Period Payment, to be paid upon IESO approval 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) Demonstrate to the IESO’s satisfaction the potential to reach the Minimum Annual Savings Requirement (which includes any applicable Shortfall Amount);
- (d) Not have had five (5) or more previous 12-month or shorter terms receiving Energy Manager funding from the IESO (participants who have received funding for five (5) or more terms may be considered eligible at the IESO’s discretion);
- (e) Identify an Executive Energy Sponsor and demonstrate how the sponsor will support the Energy Manager; and
- (f) Execute a Participation Agreement with the IESO.

### **3.2 FACILITY ELIGIBILITY**

The Facility(ies) must be connected to the IESO-Controlled Grid or a Distribution System.

### **3.3 PROJECT AND MEASURES ELIGIBILITY**

Progress towards the Minimum Annual Savings Requirement will be assessed based on Confirmed Peak Demand Savings arising from Projects implemented by the Energy Manager which are in-service during the term of the Participant Agreement and where savings are expected to persist until at least December 31, 2023, as reported in the Energy Manager's Mid-term Report and Annual Report submitted to the Technical Reviewer.

After achieving the Minimum Annual Savings Requirement, at least 20% of the Confirmed Peak Demand Savings used to calculate the Participant Incentive must be attributed to Non-Incented Projects and a maximum of 80% of the Confirmed Peak Demand Savings may be attributed to Projects other than Non-Incented Projects (i.e. Projects that are incented).

For Projects that are incented, the Participant may receive financial incentives from other Save on Energy Programs, where eligible.

Projects and/or measures whose savings are not eligible for a Participant Incentive include (this list is subject to change):

- Behind the meter generation that uses fossil fuels purchased from or otherwise supplied by a third party as a primary fuel source.
- Savings or projects arising from direct install programs

### **3.4 ENERGY MANAGER ELIGIBILITY**

The Participant must employ an Energy Manager that meets the Energy Manager Eligibility Criteria, as set out in Appendix 2 to these Program Requirements, 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 Confirmed Peak Demand Savings and 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.

**“Certified Measurement and Verification Professional”** means an individual certified as a “Certified Measurement and Verification Professional” (CMVP) by the Association of Energy Engineers.

**“CMVP Training”** means the course leading to certification as a Certified Measurement and Verification Professional by the Association of Energy Engineers.

**“Confirmed Peak Demand Savings”** means the average load reduction in electricity demand between the base case and the energy efficient case occurring between 1 p.m. to 7 p.m. on business days, June 1 through August 31. For measures that are weather dependent, Demand Savings shall be considered as occurring at peak design load conditions. These savings must be confirmed by the Technical Reviewer as in-service during the applicable Funding Period and persisting until December 31, 2023.

**“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, and subject to change from time to time, or otherwise approved by the IESO (the Participant may develop their own form if it contains, at a minimum, the same information as in the IESO form) , to be completed by a Participant’s Energy Manager describing the activities and plans required to reduce energy consumption and/or demand in such Participant’s Facility or Facilities, and detailing how the Participant is demonstrating leadership in the area of energy performance improvement 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 energy management, with a focus on improving the energy performance of the Facility or Facilities, based on the best practices embodied in Strategic Energy Management. This person 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 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, including receiving a passing grade in the exam, but has not yet met the experience requirement for full CEM 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.

**“Executive Energy Sponsor”** means the person in the organization, identified to the IESO as the person who the Energy Manager directly reports to. This person should be in a senior leadership position, and responsible for ensuring the success of the Energy Manager through adequate supports and resources.

**“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 for which 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 in its capacity as the operator of the IESO-Controlled Grid, 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.

**“Mid-term Report”** means the report of energy management activities of a Participant, including documentation to substantiate claimed Peak Demand Savings and Energy Savings, completed by an Energy Manager and delivered to the IESO within 30 days after the mid-point of each 12-month Funding Period, in the form made available by the IESO from time to time.

**“Minimum Annual Savings Requirement”** is the minimum Peak Demand Savings Requirement defined in Section 2.1 above.

**“Non-Incented Projects”** are projects that (a) are not financed by any incentives received from a Governmental Authority, whether administered by the IESO, a local electricity or gas distributor or any other party; and (b) have not had such Energy Savings counted under another energy efficiency program.

**“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 the Energy Manager 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 Confirmed Peak Demand Savings and Energy Savings towards the Minimum Annual Savings Requirement.

**“Shortfall Amount”** means (i) the total savings (MWh and/or kW) required to meet the Minimum Annual Savings Requirement that are 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 previous agreement.

For Participants moving from an agreement with only Energy Savings requirement to an agreement with both Energy Savings and a Confirmed Peak Demand Savings requirement, the Energy Savings Shortfall Amount may be converted into a Confirmed Peak Demand Savings Shortfall Amount. Energy Savings required will be converted to demand savings as follows: 1,000 MWh = 120 kW or each MWh shortfall = 0.12 kW savings required from the Participant in the subsequent Funding Period.

**“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 Peak Demand Savings and Energy Savings.

## APPENDIX 1 - ENERGY MANAGER DUTIES

In connection with the identification, reporting, and implementation of energy performance improvement 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:

- (a) Create and manage an Energy Team – this could be a new team, or a responsibility added to an existing team. It should include the Energy Manager, Executive Energy Sponsor (or their delegate / direct report in a senior position) and other relevant staff, contractors or others who may be of assistance in finding energy savings. The Energy Team will assist the Energy Manager in achieving their objectives as outlined in the Energy Management Plan.
- (b) Complete a "50001 Ready" exercise (a 20 – 30 question survey) to help the organization put resources in place for implementing an effective and sustainable Energy Management Framework.
- (c) Energy Tracking & Monitoring – Provide a database and an energy tracking and monitoring system for each Facility / process that captures current monthly and hourly energy consumption and an electrical load inventory of major equipment. Develop Key Performance Indicators that are relevant to the Organization and that can be used to improve energy performance. The Energy Manager will develop and deliver training to the Participant's staff on the energy tracking and monitoring system.
- (d) Primary Assessment (new Energy Managers only) – 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 performance improvement efficiency opportunities and to identify which systems will require more detailed evaluations.
- (e) 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.
- (f) 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.

- (g) 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.
- (h) Measurement & verification Strategy – Work with the Participant to develop and implement a strategy for the measurement & verification of energy efficiency projects at a corporate level (i.e. not involved at Project level).
- (i) 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.
- (j) Employee Awareness Program – Implement an employee training and awareness program to promote energy conservation and communicate the energy efficiency programs undertaken.
- (k) 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).
- (l) Reporting – Complete a Mid-term Report 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

(i) is professionally designated or qualified with/as at least one of the following:

- A.** A Certified Measurement and Verification Professional (CMVP). An Energy Manager may be permitted to qualify as long as such individual successfully completes the CMVP examination by the end of their first year of employment under a Participant Agreement;
- B.** a Certified Energy Manager; or
- C.** a Certified Energy Manager In Training;

OR

(ii) provided such individual successfully completes the CEM examination by the end of their first year of employment under a Participant Agreement, has or is professionally designated or qualified with/as at least one of the following:

- A.** a 4 year degree in engineering or architecture, or professional engineer or registered architect;
- B.** a Certified Engineering Technician;
- C.** a Certified Engineering Technologist; or
- D.** an individual approved at the IESO's sole discretion.