XLERATE PROGRAM
PROGRAM GUIDE FOR PARTICIPANTS (2025-2027)

DISCLAIMER: This XLerate Program Guide (this "Guide") is provided solely for general informational purposes to assist prospective Participants in understanding the XLerate Program. In the event of any inconsistency or conflict between this Guide and the official program requirements – **XLerate Program Requirements, Version 1.0** (the "Program Requirements") – the Program Requirements shall govern. Capitalized terms not otherwise defined in this Guide shall have the meaning given to them in the Program Requirements.

The purpose of this XLerate Program Guide is to equip Participants with a clear, practical overview of the XLerate Program. It explains the program's purpose, eligibility, incentives, and measurement and verification (M&V) requirements, and outlines how Participants can navigate each step - from initial scoping through verification and incentive payments.

The XLerate Application Workbook is a companion document to this guideline, providing the required forms and templates for XLerate Participants.

Whenever the XLerate Program is updated, this guide may be updated.

Contents

1. ABOUT THE XLERATE PROGRAM

1.1 PURPOSE AND OBJECTIVES

The XLerate Program is a Save on Energy program administered by Ontario's Independent Electricity System Operator (IESO) to support large, complex, process-driven electricity efficiency projects in the industrial, municipal, institutional, and healthcare sectors. The Program's core objective is to deliver reliable, verifiable electricity savings by providing financial support to Participants. The IESO's objective is to remove participation barriers and ensure the Program is efficient and accessible. Local Distribution Companies (LDCs) play a complementary role by promoting the program to eligible customers and helping identify and scope potential project opportunities.

The XLerate Program is designed to offset the significant upfront costs of large, capital-intensive projects by providing meaningful, performance-based incentives. Key features of the offering include cost-shared funding for Project Feasibility Studies (PFS), staged incentives tied directly to verified savings and enhanced technical support through the IESO's Technical Reviewer.

By combining clear eligibility, robust technical guidance, and predictable incentives, the XLerate Program enables organizations to manage energy costs, reduce risk, and advance capacity for growth and electrification. The program's design supports Ontario's system planning objectives by targeting savings that persist well beyond the M&V Reporting Period, ensuring long-term value for both Participants and the province's electricity system.

1.2 HOW THE PROGRAM WORKS

The XLerate Program operates as a streamlined, first-come, first-served, pay-for-performance program. Participants may request PFS funding to develop a robust business case, then proceed to a Project application that includes an M&V Plan consistent with the International Performance Measurement and Verification Protocol (IPMVP) Core Concepts. After the Project reaches In-Service, the Participant submits a quarterly M&V Report followed by an annual M&V Report. Incentives are paid in two stages and tied to verified results.

Section 2 provides an overview of this Identify → Implement → Verify pathway.

Section 3 outlines key guidance for developing strong, defensible applications and ensuring projects are technically sound and verifiable.

Section 4 details the step-by-step application process for both PFS and Project incentives.

Section 5 and Section 6 summarize the Program Requirements and M&V details, respectively.

1.3 ROLES AND RESPONSIBILITIES

The table below provides a summary of the Participant, Technical Reviewer and IESO roles and responsibilities for the XLerate Program. The LDC may also play a supporting role that varies by region, typically focused on promoting the program to eligible customers, helping scope potential opportunities, and facilitating coordination between Participants and the IESO.

Table 1 - XLerate Stakeholder Roles and Responsibilities

Stakeholder	Role/Responsibilities
Participant	• Identifies and develops eligible project opportunities within their facility. • Submits complete PFS and Project Applications using the XLerate Application Workbook. • Engages qualified consultants to prepare studies, cost estimates, and M&V documentation. • Implements approved Projects and installs required metering. • Prepares an M&V Plan and submits Q1 and Y1 M&V Reports in line with the approved Plan. Maintains accurate records and communicates with the IESO and Technical Reviewer as required.
Technical Reviewer	• Evaluates PFS and Project applications • Provides support to Participants in developing M&V Plans and M&V Reports • Performs review and provides approval or rejection recommendations to IESO on all applications and M&V deliverables • Checks project status on approved applications in coordination with the LDC • Provides guidance during scoping and reporting stages.
IESO	• Administers the XLerate Program • Issues Letters of Approval (LOAs) for PFS and Projects • Manages budgets and rules • Disburses incentives • Performs outreach to LDCs and transmission-connected Program Participants, and provides support to LDCs in promoting the program and interpreting Program Requirements

2. OVERVIEW OF PROGRAM ELEMENTS

The XLerate Program guides and supports Participants through three connected stages, as illustrated in the chart below, with each stage building on the previous, ensuring that projects are feasible, fundable, and verifiable.

Figure 1 – 3 Stages of the XLerate Program

2.1 IDENTIFY – PROJECT FEASIBILITIES STUDY (PFS)

A PFS provides the technical and economic foundation for a potential Project. The XLerate Program covers 50% of eligible study costs, up to a maximum of $100,000 or 10% of the Project's estimated eligible costs, whichever is lower. A strong PFS describes the system or process to be improved, defines a representative baseline, sets out the savings methodology, and includes a credible cost estimate and schedule. See Appendix 2 (Exhibit 1) in the XLerate Program Requirements for the PFS Minimum Requirements, which can be used as a checklist for Participants and their consultants.

While PFS funding is available to de-risk complex or uncertain opportunities, it is not mandatory to pursue a Project incentive. Participants that have already identified a well-defined Project and are confident in the baseline, savings methodology, costs, and schedule may instead provide supporting documentation that substantially addresses the PFS Minimum Requirements.

- **When to use PFS:** when there is significant uncertainty in expected electricity savings or project costs, where multiple alternatives exist, or where internal approvals require a robust business case.
- **Outputs:** baseline data collection plan, methods for estimating Annual Electricity Savings and Summer Peak Demand Reduction, cost breakdown, and a proposed In-Service Date (ISD).

2.2 IMPLEMENT – PROJECT INCENTIVES

Once feasibility is established, either through a PFS or through other means, Participants can seek Project incentives to offset the capital cost of their respective Projects. The XLerate Program uses clear caps to ensure projects are cost-effective and incentives are predictable and responsive to local system needs through a Regional Adder. These constrained regions will be published by IESO and updated from time to time.

Table 2 - Project Incentive Overview

Incentive Element	Program Design
Base Incentive	$300/MWh of verified first-year Electricity Savings
Regional Adder	50% adder to base rate in identified constrained areas (totaling $450/MWh)
Project Cost Cap	Up to 75% of Eligible Project Costs
1-Year Payback Cap	Incentive limited to the amount needed to reach a 1-year simple payback
Project Incentive Cap	$15,000,000 per Project
Minimum Project Size	600 MWh/year Anticipated Electricity Savings
Timeline	• LOA by Dec 31, 2027 • ISD within 5 years of agreement

Section 5.2.2 provides further clarity on how these limits interact.

2.3 VERIFY – MEASUREMENT AND VERIFICATION (M&V) AND PAYMENTS

Each Project must include an M&V Plan, developed by the Participant in line with IPMVP Core Concepts (2022+). The Plan defines the baseline, metering strategy, savings calculation method, relevant independent variables, and uncertainty targets. This framework is then used by the Participant to prepare quarterly and annual M&V Reports after ISD. These Reports demonstrate actual performance against program thresholds, which determine eligibility and magnitude of staged incentive payments (see Section 5.2.2.1).

A key feature of the XLerate Program is the optional dedicated support provided by the Technical Reviewer throughout the M&V process. While Participants are responsible for developing their own M&V Plans and issuing quarterly and annual Reports, the Technical Reviewer is available to assist in shaping these deliverables to meet Program Requirements and reflect IPMVP Core Concepts. Where additional data or clarifications are needed, the

Technical Reviewer provides timely guidance, helping Participants stay on track and ensuring that incentive payments are tied to reliable, verifiable results.

3. FOUNDATIONS FOR A SUCCESSFUL PROJECT

Developing a strong application is key to advancing a project through the XLerate Program. This section provides guidance for Participants on how to assess opportunities, prepare credible applications, and ensure projects are technically sound and verifiable.

3.1 DEVELOPING A STRONG PROJECT APPLICATION

Participants are encouraged to take a structured approach when preparing their applications. The steps below outline how to establish a clear, defensible application:

- **Opportunity Identification:** Assess internal operations to identify systems or processes that drive significant electricity use and could benefit from efficiency improvements.
- **Feasibility Assessment:** Determine whether a PFS is needed to reduce uncertainty, compare alternatives, or meet internal approval requirements.
- **Early Coordination:** Engage internal stakeholders, consultants, the local distribution company (if applicable), the IESO and Technical Reviewer early to align on scope, baseline needs, and potential eligibility considerations.
- **Baseline Planning:** Define how baseline data will be collected and what independent variables (e.g., production rate, flow, or temperature) will influence savings calculations.
- **Costing and Funding:** Develop a transparent cost estimate that distinguishes Eligible Costs and identifies any Third-Party Contributions, as required under the Program Requirements (see Section 3.3 for more cost details).
- **M&V Readiness:** Ensure the proposed M&V approach can be implemented with available data and resources (see Section 6 for further M&V details).
- **Application Preparation:** Use the XLerate Application Workbook to document project scope, baseline data, savings estimates, and implementation schedule.

A well-prepared application not only streamlines the review process but also increases confidence in project outcomes and incentive payments.

3.2 BASELINE, SAVINGS, AND UNCERTAINTY

Each Project must demonstrate credible, measurable savings based on a representative baseline and sound analytical methods. Baselines should reflect normal operating conditions over a sufficient period and capture the key independent variables affecting performance.

Electricity Savings must be calculated in accordance with IPMVP Core Concepts (2022+), and associated uncertainty must not exceed **±25%** at **90%** confidence, unless otherwise approved by the IESO. All assumptions, data sources, and adjustments should be transparent and well-documented to allow for independent review.

When developing the M&V Plan, Participants should consider how metering, control systems, and data storage will support long-term monitoring and reporting of project results.

3.3 COST DOCUMENTATION AND FUNDING SOURCES

Participants must provide clear and complete cost documentation to support eligibility and incentive calculation.

- **Eligible Costs:** Include equipment, installation, engineering, metering, permitting, and related expenses directly tied to the Project's design and implementation.
- **Third Party Contributions:** Identify any funding from other sources, as these amounts cannot be included in Eligible Costs for incentive calculation.
- **Incremental Costs:** For new construction, major expansions or hypothetical baselines, incremental costs and savings attributable to the Project must be provided. These incremental costs and savings are those that are above and beyond what *would have been* incurred or realized in the absence of the XLerate Program incentives.
- **Payback Cap:** Keep in mind that incentives cannot exceed the amount required to achieve a one-year simple payback, as outlined in the Program Requirements.

By maintaining transparency in both technical and financial documentation, Participants can ensure their projects are well-positioned for review and approval.

4. APPLICATION PROCESS

Building on the foundation established in Section 3, this section outlines how Participants can move from concept to implementation through the XLerate application process. It provides a step-by-step overview of how to apply for PFS funding or Project incentives, including key milestones, documentation requirements, and approval procedures. Following these steps will

help ensure applications are complete, efficient to review, and aligned with the Program Requirements.

4.1 PFS APPLICATION PROCESS

The XLerate Application Workbook contains the PFS Application Form, along with a summary of required fields. The Application Workbook also provides a high-level process flow for a PFS in the Overview tab.

4.1.1 STEP-BY-STEP PROCESS

The following steps outline how a Participant applies for a PFS incentive and how the study is generally reviewed, approved, and funded.

1. **Initiation**
   The Participant prepares and signs a PFS Application using the XLerate Application Workbook. The Application and supporting documentation must include consultant details, a clear study scope, baseline plan, team credentials, and budget.

2. **Submission**
   The Participant submits the signed Application and supporting documentation to the Technical Reviewer via e-mail at XLerate@ieso.ca (as per the Workbook).

3. **Review**
   The Technical Reviewer reviews the Application against the PFS Minimum Requirements. During this review, the Technical Reviewer may request clarifications or additional information from the Participant or Consultant. Once complete, the Technical Reviewer issues an Approval or Rejection Recommendation to the IESO.

4. **Approval**
   If the IESO approves the Application, a PFS LOA is issued to the Participant. The LOA will specify the estimated PFS Funding Amount (50% of Eligible Costs, up to the lesser of $100,000 and 10% of the total estimated eligible Project costs).

5. **Study Completion**
   The Participant's consultant carries out the Feasibility Study in line with the approved scope. The final PFS Report must address the PFS Minimum Requirements and be signed by a qualified professional.

6. **Report Review and Incentive Payment**
   The completed PFS Report is submitted to the Technical Reviewer for review via

XLerate@ieso.ca. The Technical Reviewer confirms whether the Report substantially addresses the Minimum Requirements and provides a recommendation to the IESO.

- If the Report is accepted, the Technical Reviewer invites the Participant to submit an invoice for incentive payment.
- The Technical Reviewer completes a Payment Recommendation and issues to the IESO.
- The IESO issues the PFS incentive as a single payment covering 50% of approved Eligible Costs (up to the lesser of $100,000 and 10% of total estimated Project eligible costs).

4.2 PROJECT APPLICATION PROCESS

The Project application process kicks off when the Participant has:

- completed their investigation,
- intends to implement the Project, and
- has internal budget approval for the Project (conditional on incentive).

The XLerate Application Workbook is very helpful in carrying out the process as it includes the Application Form, references supporting information requirements and includes some additional program templates. The Application Workbook also provides a high-level process flow for a Project in the Overview tab.

The Project Application is submitted directly by the Participant. The IESO and Technical Reviewer will review the submission for completeness and eligibility in accordance with the Program Requirements.

4.2.1 STEP-BY-STEP PROCESS

The following provides a step-by-step process description for an XLerate Project. The table that follows provides an overview of the XLerate Project application process by stage, with the various activities, deliverables, milestones and responsibilities.

Note: If at any point the Participant chooses not to proceed, or a Project is not recommended by the IESO's Technical Reviewer, the application is cancelled. In the case that the Technical Reviewer does not recommend the Application, adequate explanation is provided to the Participant.

4.2.1.1 IDENTIFY

1. Participant completes a Project Feasibility Study or identifies a potential XLerate Project by other acceptable means.

2. A consultation is arranged with the Participant, Consultant, and the Technical Reviewer/IESO for a potential XLerate Project(s). This consultation should be integrated with a Project Feasibility Study results review, where applicable.

3. If the Application is for a Waste Energy Recovery Generation Project, the Participant provides the required connection screening information to the Technical Reviewer for coordination with the IESO and LDC, where applicable, to confirm consent to proceed.

4. The Technical Reviewer consults with the Participant to determine the Project(s) eligibility and appropriateness for the XLerate Program. The Technical Reviewer will:

    a. Determine if the opportunity is ready for a Project application i.e. supporting materials adequately address the Project Feasibility Study Minimum Requirements.

    b. Provide an estimate of the baseline consumption and Electricity Savings uncertainty for the IESO to decide whether additional baseline data is required to proceed with the application

    c. Determine if the Participant should consider applying for a Project Feasibility Study, or other investigatory funding

5. If the results of the review above are adequate, the Participant will prepare an XLerate Project application that includes:

    a. the agreed-upon estimated Project Metrics, including Electricity Savings, Electricity Baseline, Eligible Costs, Other Benefits or Costs and Project Benefits, and

    b. the selected level of M&V support required (Minimal, Moderate, or Full), as indicated in the Application Workbook. This selection helps the Technical Reviewer plan resources and provide appropriate guidance during the M&V process.

6. The Participant officially submits the Application to the Technical Reviewer by completing the applicable fields and sending the signed Application and supporting documentation (e.g. data and calculations, M&V Plan, cost information) to XLerate@ieso.ca.

7. The Technical Reviewer conducts a further review of the application and in doing so may issue information requests to the Participant and/or Consultant.

8. The Technical Reviewer completes Project Application Review and M&V Plan Review checklists and issues Approval or Rejection Recommendations to the IESO. The IESO and Applicant shall agree upon the M&V Plan at this point.

9. Should the IESO approve the Application, they will provide the Participant with a LOA, including the Approved Amount, which cannot exceed the Technical Reviewer's recommended Participant Incentive.

4.2.1.2 IMPLEMENT

10. The Participant receives the LOA and now proceeds with the necessary purchases, contracting, and scheduling required for Project implementation. This includes procuring equipment, engaging contractors, and securing any required permits or approvals, all in accordance with the scope and costs outlined in the approved Application.

11. The Participant installs the Project and notifies the IESO and Technical Reviewer once complete, at the same time submitting the Invoice Reconciliation Form (template provided in the Application Workbook).

4.2.1.3 VERIFY

12. The ISD is confirmed by the Technical Reviewer through issuance of a Confirmation of In-Service form. This includes verification that the Project has been installed and commissioned, meters are installed and collecting data, and initial data confirms the Project is operating as intended. This confirmation also includes a site visit and/or supplementary photographs of the Project provided by the Participant. The Technical Reviewer also reviews the completed Invoice Reconciliation Form to validate actual Eligible Costs.

13. Following three (3) months of operation from the In-Service Date, the Participant provides Q1 M&V data and a draft M&V Report in line with the approved M&V Plan. The Technical Reviewer reviews the submission, provides guidance as needed, and issues a recommendation to the IESO that includes calculations of the Participant Incentive based on achieved Electricity Savings.

14. The IESO reviews the Technical Reviewer's recommendation. If requirements are met, the IESO instructs the Technical Reviewer to invite the Participant to submit an incentive invoice for the first payment (50% of the Project Incentive).

15. The Technical Reviewer delivers a Q1 Payment Recommendation to the IESO, and the IESO disburses the Q1 payment.

16. Following one year of operation, the Participant provides Y1 M&V data and a draft M&V Report in line with the approved M&V Plan. The Technical Reviewer reviews the submission, provides guidance as needed, and issues a recommendation to the IESO that includes calculations of the Participant Incentive based on achieved Electricity Savings.

17. The IESO reviews the Technical Reviewer's recommendation. If requirements are met, the IESO instructs the Technical Reviewer to invite the Participant to submit an incentive invoice for the balance (Y1) payment.

18. The Technical Reviewer delivers a Y1 Payment Recommendation to the IESO, and the IESO disburses the Y1 payment.

19. The Project's M&V Reporting Period concludes. The IESO and/or Technical Reviewer may inspect or audit the Project to confirm operation in accordance with the M&V Plan and Participant Agreement. Such inspections will be conducted with adequate notice provided to the Participant.

Below is a summary of the Project Process Overview adapted from the Application Workbook. The 3 main roles (**Applicant/Participant**, **Technical Reviewer**, **IESO**) are colour-coded for convenience.

Table 3 - Project Process Overview

Stage	Activity	Milestone	Payment
Application Stage	**Applicant**, **IESO**, **and Technical Reviewer** collaborate to: • Assess project opportunity, eligibility, and readiness • Agree on key Application values **Applicant reviews:** • Project Terms and Conditions (on XLerate webpage) • Release and Waiver (on XLerate webpage)	**Applicant submits**: • Signed Project Application (Application Workbook – Tab 4) • Supporting documents (e.g., calculations, M&V Plan) to the IESO	N/A
Application Review & Approval Stage	**Technical Reviewer:** • Reviews Application and M&V Plan. • Provides M&V support if needed **Applicant:** • Responds to information requests **Technical Reviewer:** • Provides recommendation to the IESO	**IESO:** • Approves the Application. • Issues a Project Letter of Approval (Application Workbook – Tab 5)	N/A
Construction Stage	**Participant:** • Installs the Project • Notifies IESO when complete • Submits cost details using Invoice Reconciliation Form (Application Workbook – Tab 6)	**Technical Reviewer:** • Confirms In-Service Date • Reviews submitted Invoice Reconciliation Form	N/A

Measurement & Verification (M&V) Stage	**Participant submits:** • Q1 M&V Report (3 months after In-Service Date) • Y1 M&V Report (1 year after In-Service Date) **Technical Reviewer:** • Reviews both M&V Reports • Validates actual electricity savings • Provides M&V support if required	**Technical Reviewer:** • Completes review of Q1 and Y1 M&V Reports.	After each M&V Report: 1. **Technical Reviewer** issues payment recommendation to IESO. 2. **IESO** approves and processes payment to Participant.

5. SUMMARY OF PROGRAM RULES

This section provides a high-level summary of the key rules that govern participation in the XLerate Program. It is intended as a quick reference guide, outlining the main eligibility requirements, incentive structures, and performance thresholds. For complete details, including full definitions, exceptions, and administrative requirements, refer to the official XLerate Program Requirements.

5.1 ELIGIBILITY

Table 4 - XLerate Program Eligibility Summary

Eligibility Dimension	Requirement (Summary)
Participant	Non-residential customer or authorized Third Party Participant; not insolvent.
Facility	Connected to (or behind the meter of) the IESO-Controlled Grid or a Distribution System.
Project	• Anticipated Electricity Savings ≥ 600 MWh/year • No pre-purchase/contracting before Application submission • LOA by Dec 31, 2027 • ISD within 5 years.
Measures (Eligible)	• Applied to/support an Industrial Process • Commercially Available technology • Savings persistence ≥ 48 months after the M&V Reporting Period • Compliant with Applicable Law

Measures (Ineligible)	• Lighting • Generation (except eligible Waste Energy Recovery) • Energy Storage unless part of a net-efficiency configuration • Fuel switching (unless approved by IESO) • Electricity distribution infrastructure-related measures (i.e. projects associated with an LDC's own system assets)

5.2 INCENTIVES

5.2.1 PFS INCENTIVES

Standard PFS funding covers 50% of approved study costs, up to the lesser of $100,000 and 10% of the total estimated Project eligible costs, payable upon acceptance of the PFS Report by the IESO. Third-Party Participants are not eligible for PFS funding. Eligible PFS costs include consultant labour, measurement/data collection, reasonable travel (excluding meals), and CIA costs for Waste Energy Recovery (where applicable).

5.2.2 PROJECT INCENTIVES

The Project Incentive equals the minimum of:

a) 75% of Eligible Costs minus any Third Party Contribution;
b) Electricity Savings × rate ($300/MWh, or $450/MWh in identified constrained areas), each capped at 120% of the Approved Amount;
c) the amount needed to achieve a 1-year Project Payback[1]; and
d) $15,000,000 per Project.

For certainty, the Eligible Costs are the lower of the estimated and actual Eligible Costs.

Illustrative examples are provided in Appendix A to show how these caps interact in practice.

5.2.2.1 PAYMENTS AND PERFORMANCE THRESHOLDS

Project incentives under the XLerate Program are provided in two staged disbursements, linked directly to verified project performance. This approach ensures that incentive funds are tied to real, measurable energy savings while giving Participants early access to a portion of their incentive shortly after the Project is declared in-service.

[1] The primary driver of the Project Payback calculation is the Project Benefits received from billed electricity savings. This will be calculated at a standard $/MWh rate prescribed by the IESO. See the XLerate Program Requirements for further details on the calculation of Project Payback.

Table 5 - XLerate Program Project Payment Structure (Q1/Y1)

Payment	Amount	Condition
First Payment (Q1)	50% of the Project Incentive	• Q1 M&V Report approved • Achieved savings > 50% of Anticipated Q1 Savings
Balance Payment (Y1)	Balance of Project Incentive	• Y1 M&V Report approved • Achieved savings > 50% of Anticipated Y1 Savings

If the Y1 performance threshold is not met (≤ 50%), no incentive is payable, and any First Payment previously made is recoverable by the IESO.

Some notable situations to flag to the IESO and Technical Reviewer early are:

- Operational factors that impact the measurement period
- Data gaps or meter outages
- Major operational changes post-ISD – may require M&V Plan updates

Participants should refer to the official XLerate Program Requirements for complete definitions, calculation methodologies, and Terms and Conditions, as these govern in all cases.

6. MEASUREMENT & VERIFICATION (M&V) AND RECORD-KEEPING

A strong M&V process is central to the XLerate Program, ensuring that reported savings are accurate, consistent, and defensible. M&V provides the basis for incentive payments and gives confidence to both Participants and the IESO that projects are delivering lasting value. Record-keeping requirements complement this process by maintaining transparency and supporting coordination across all program partners.

M&V Plan and M&V Report templates will be made available by the IESO to support Participants. In addition, the Technical Reviewer is available to provide support at each step of the M&V process, helping Participants shape credible Plans and Reports that meet Program Requirements and reflect IPMVP Core Concepts.

Participants are asked to indicate in their Application the level of M&V support they expect to require. This helps the Technical Reviewer plan resources and ensures the right balance of independence and guidance. Three support levels are available:

- **Minimal Support** – The Participant will develop the M&V Plan and Reports independently, with the Technical Reviewer providing only high-level review and formal approval. This option is most suitable for organizations with in-house M&V expertise and prior experience with similar programs.
- **Moderate Support** – The Participant will draft the M&V Plan and Reports but may request iterative feedback, clarifications, and targeted guidance from the Technical Reviewer. This level is designed for Participants with technical capacity who want added assurance that their deliverables align with Program Requirements.
- **Full Support** – The Participant requires hands-on assistance from the Technical Reviewer to shape the M&V Plan and Reports, including guidance on methodology development, data treatment, and uncertainty assessment. This option is intended for Participants with limited internal M&V expertise or where the Project involves novel or complex measurement challenges.

By offering these graduated levels of support, the XLerate Program ensures that all Participants, whether highly experienced or new to detailed M&V, can successfully complete the process and secure incentives tied to reliable, verifiable savings.

6.1 M&V PLANS

Participants are responsible for developing M&V Plans consistent with IPMVP Core Concepts (2022+). Each Plan should define the project boundary, baseline methodology, metering approach, savings calculation method, relevant independent variables, and provide an assessment of uncertainty. By setting these details upfront, the Plan establishes a clear framework for how performance will be measured and reported in the subsequent M&V Reports.

The Technical Reviewer supports Participants during Plan development, offering feedback on data needs, calculation approaches, and uncertainty assessments to ensure the Plan is practical and compliant. The Plan is part of the Project Application process. It must be reviewed and approved by the Technical Reviewer before the IESO will issue a LOA for the Project.

6.2 QUARTERLY (Q1) AND ANNUAL (Y1) M&V REPORTS

Participants must prepare and submit M&V Reports in line with the approved Plan. These Reports should clearly present all data, methods, results, and uncertainty analysis. The Q1 Report provides an early view of project performance and unlocks the first stage of incentive payment, while the Y1 Report serves as the definitive, full-year verification that determines final incentive eligibility. Any deviations from the approved Plan must be documented, justified, and approved by the Technical Reviewer.

In addition to reviewing each submission for accuracy and consistency, the Technical Reviewer provides timely guidance where clarifications or additional data are required, helping Participants stay on track and avoid delays in incentive payment.

6.3 BEST PRACTICES FOR M&V EXECUTION

Strong M&V practices reduce uncertainty, minimize review delays, and build confidence in reported results. Participants are highly encouraged to begin planning for M&V early and maintain close coordination with their consultants and the Technical Reviewer throughout implementation.

To support consistency and quality, Participants are strongly encouraged to use the IESO M&V Plan Template when preparing their Plans. The M&V Plan template follows IPMVP Core Concepts and provides standard headings, structure, and sample language to ensure that submissions meet program requirements and minimize back-and-forth with the Technical Reviewer. Using this template is not mandatory but is highly recommended as it significantly streamlines both preparation and review.

6.3.1 RECOMMENDED BEST PRACTICES

- **Start early:** Develop the M&V Plan alongside project design and baseline data collection. Align metering requirements and data points before installation to avoid retrofits or data gaps.
- **Use the M&V Plan Template:** Follow the IESO's M&V Plan template to ensure the Plan includes all required sections (e.g. baseline definition, measurement boundaries, data collection, analysis, and uncertainty assessment).
- **Engage qualified support:** Retain consultants experienced with IPMVP Core Concepts and industrial process measurement and/or leverage the optional M&V support from the Technical Reviewer.
- **Ensure metering integrity:**
    - Use calibrated meters capable of continuous recording with a minimum of three significant digits.
    - Confirm data logging intervals, parameters, and units match those specified in the M&V Plan.
    - Verify meter operation before declaring the In-Service Date (ISD).
- **Maintain traceable documentation:** Keep a single, version-controlled M&V Workbook that includes raw data, calculations, assumptions, and uncertainty analyses. Clearly document all baseline adjustments and non-routine adjustments.

- **Plan for data quality:** Regularly check for missing, inconsistent, or outlier data and document corrective actions. Notify the Technical Reviewer if issues arise or if material data gaps occur.
- **Coordinate with the Technical Reviewer:** Maintain open communication to address methodological questions, data anomalies, or process changes that could affect savings calculations. Review baseline data collection plans with the Technical Reviewer before implementation.
- **Follow quality-assurance practices:** Conduct internal peer reviews of M&V Reports, verify formulas and assumptions, and ensure sign-off by a qualified professional prior to submission.

By following these practices, Participants can prepare clear, defensible, and consistent M&V deliverables to ensure timely incentive payments and maintain the integrity of their verified savings results.

6.4 RECORDS AND DATA MANAGEMENT

Participants must retain all M&V data/documentation, supporting calculations, invoices, and correspondence as per the timelines provided in the Terms and Conditions. This ensures traceability and allows for IESO verification or audit if required.

7. FREQUENTLY ASKED QUESTIONS (FAQ)

General/Program Overview

1. Can a Participant apply for multiple Projects at one facility?
   - Yes. Multiple Projects at the same facility may be eligible for incentives if each Project meets the Program Requirements and provides distinct, measurable savings. The IESO will review each application individually to confirm eligibility and cost-effectiveness.

2. Can multiple Project Feasibility Studies be funded for the same facility?
   - The IESO can choose to fund studies for multiple Projects at the same facility. The IESO is responsible for and will consider the Project cost effectiveness when making such decisions.

3. Is there an application portal?
   - No. Applications use IESO-provided templates and submission instructions.

4. Where can I find the application forms and documents for the XLerate Program?
   - These can be found on the XLerate Program page on www.xlerate.ca.

5. How do Participants submit PFS and Project applications?
   - See the Application Process details in Section 4 of this Program Guide.

6. Do all Projects use the same contract?
    - Yes. The Project Application Form (tab 4) in the XLerate Application Workbook is used for and references the applicable Terms and Conditions for all projects. The Terms and Conditions are available on the XLerate Program page on www.saveonenergy.ca/XLerate.
7. What is the minimum project size?
    - At least 600 MWh/year of Anticipated Electricity Savings.
8. With the removal of the solvency certificate requirement, what requirements, if any, are Applicants required to provide to demonstrate solvency?
    - The Technical Reviewer conducts an independent solvency review. If they are unable to obtain the necessary information through public channels, the Technical Reviewer may request financial information from the Applicant, as appropriate to the application.
9. What is the difference between the M&V Reporting Periods and the contract term?
    - The M&V Reporting Period is the period used for final determination of the project's savings, concluding with the issue of the Y1 M&V Report. The contract term is the period for which the Terms and Conditions are enforced.

Measurement and Verification

10. What happens if actual savings are lower than estimated?
    - Incentive payments are based on verified savings, not projected values. If verified savings are lower than anticipated, the incentive will be adjusted proportionally. However, Participants must achieve a minimum of 50% of the estimated ("Anticipated") savings to be eligible for payment.
11. Is there M&V support available to Participants?
    - The Technical Reviewer supports Participants in developing M&V Plans and Reports and reviews these deliverables for approval.
12. How should Participants handle data gaps during M&V?
    - If data gaps occur, Participants should document the cause, quantify the duration and impact, and notify the Technical Reviewer as soon as possible. Depending on the severity, the Reporting Period may be extended, or missing data may be extrapolated using approved methods consistent with the M&V Plan.
13. Do the XLerate Program rules require a baseline for project applications?
    - Yes. While the new rules have streamlined many of the application and supporting information requirements, baseline measurement is still required prior to making any changes to the system to create the M&V Plan at the application stage.
14. When should the M&V Plan be developed?

- The M&V Plan should be drafted early and provided as part of the Project application to ensure proper metering and baseline data collection. It must be reviewed and approved by the Technical Reviewer before the Project Letter of Approval is issued.

15. What if facility operations change after the Project is in service?

- Participants should inform the Technical Reviewer immediately if operational changes could affect energy performance. Significant changes may require an update to the M&V Plan or revised calculations to maintain compliance.

16. Can a consultant submit M&V Reports on behalf of a Participant?

- Yes. Consultants may prepare and submit reports, but the Participant remains responsible for ensuring accuracy, completeness, and compliance with Program Requirements.

17. Who should Participants contact with questions about the M&V Plan Template?

- Participants with questions about completing or adapting the IESO M&V Plan Template should email XLerate@ieso.ca. The Technical Reviewer or IESO representative will provide guidance to ensure the Plan aligns with Program Requirements and is appropriate for the Project in question.

Funding and Incentives

18. When do Participants receive incentive payments?

- For PFS:
  - Following acceptance of the PFS Report by the IESO. See Section 5.2.1 for further details.
- For Projects:
  - Following approval of Q1 and Y1 M&V Reports, provided performance thresholds are met. See Section 5.2.2.1 for further details.

8. APPENDICES

8.1 APPENDIX A – PROJECT INCENTIVE CALCULATION EXAMPLES (ILLUSTRATIVE)

These examples are illustrative only. Actual incentives depend on reviewed and approved savings, costs and project economics. Incentives are subject to the limiters described in Section 5.2.2.

Scenario	Assumptions	Inputs	Limiter Calculations	Cap Applied	Participant Incentive (Result)
A. Energy-Rate Limited (Base)	Non-constrained region	Eligible Costs (C) = $2M Electricity Savings (S) = 4,000 MWh Net Other Benefits & Costs (OB&C) = $0	• 75% of Costs = 0.75*$2M = $1.5M • Savings-rate = 4,000MWh*$300/MWh = $1.2M • Payback limiter = C – PB = $2M - $0.4M = $1.6M ○ Project Benefits (PB) = Annual Electricity Bill Savings + OB&C = 4,000MWh*$100/MWh = $.4M • Cap = $15M	Savings-rate	**$1.2M**
B. Project Cost Limited (with Regional Adder)	Constrained region (adder applies)	C = $2M S = 4,000 MWh OB&C = $0	• 75% of Costs = $1.5M • Savings-rate (adder) = 4,000MWh*$450/MWh = $1.8M • Payback limiter = $1.6M • Cap = $15M	75% of Project Costs	**$1.5M**
C. Payback Limited (High Savings vs. Costs)	Non-constrained region	C = $1.5M S = 10,000 MWh OB&C = $0	• 75% of Costs = $1.125M • Savings-rate = $3M • Payback limiter = $.5M • Cap = $15M	Payback limiter	**$.5M**
D. Project Cap Limited (Very Large Project)	Non-constrained region	C = $30M S = 80,000 MWh OB&C = $0	• 75% of Costs = $22.5M • Savings-rate = $24M • Payback limiter = $22M • Cap = $15M	$15M Cap	**$15M**

E. Energy-Rate Limited (Regional Adder)	Constrained region (adder applies)	C = $4M S = 6,000 MWh OB&C = $0	• 75% of Costs = $3M • Savings-rate (adder) = $2.7M • Payback limiter = $3.4M • Cap = $15M	Savings-rate (adder)	**$2.7M**
F. Payback Limited (Including O&M Benefits)	Non-constrained; material O&M savings	C = $3M S = 12,000 MWh OB&C = $0.3M/yr	• 75% of Costs = $2.25M • Savings-rate = $3.6M • Payback limiter = C – PB = $3M - $1.5M = $1.5M ○ PB = (12,000MWh*100/MWh) + $0.3M = $1.5M • Cap = $15M	Payback limiter	**$1.5M**