

Program Name: Save On Energy Energy Manager Program

1. Program Description

The Energy Manager program provides funding to Customers to engage full-time Energy Managers embedded in the Facilities of those Customers (the “**Energy Manager Program**”).

Energy Managers help commercial, institutional and industrial Customers develop energy management plans, implement conservation measures, and participate in other energy efficiency programs, all in order to achieve a minimum Annual Savings Target.

2. Participant Incentives

2.1 Participant Incentives

The Participant Incentive is based on an annual electricity savings target established between the IESO and the Participant and as specified in the Participant Agreement (the “**Annual Savings Target**”).

2.1.1 Performance Based Participant Incentive

The Participant Incentive amount is \$40 per MWh of delivered electricity savings to a maximum incentive of \$150,000 per 12-month period. The minimum Annual Savings Target required to be eligible for the Participant Incentive is 1000 MWh annually. The achievement of the Annual Savings Target is measured based on gross verified savings as verified by the Technical Reviewer and based on projects placed into service in the contract year, and of which at least 10% of the Annual Savings Target 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 Annual Savings Target in any given year, the IESO shall have full discretion not to extend the Participant Agreement for a subsequent year, or to revise the Annual Savings Target specified in the Participant Agreement.

2.1.2 Payment of Incentive

- (a) The IESO will pay the Participant Incentive as follows:
 - (i) \$40,000 upon notice by the Participant to the IESO of the Energy Manager’s employment start date, or the anniversary thereof, if applicable; and
 - (ii) upon approval by the IESO of the fourth Quarterly Report submitted in accordance with Section 3.3 for each contract year, the amount determined in accordance with Section 2.1.1 minus \$40,000;

provided that if the amount calculated under Section 2.1.2(a)(ii) is a negative value, it will be deemed to be \$0 (and for certainty, the Participant will not be required to repay any portion of the \$40,000 paid to it under Section 2.1.2(a)(i).

- (b) Where the Participant Agreement terminates or expires before the end of a contract year, the IESO will pay the amount determined in accordance with Section 2.1.2(a)(ii) upon approval by the IESO of the Quarterly Report submitted in accordance with Section 3.3.
- (c) Notwithstanding the above, the maximum Participant Incentive amount payable in any 12-month period shall 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;
- (b) not be insolvent;
- (c) demonstrate to the IESO's satisfaction the potential to reach the associated Annual Savings Target; and
- (d) agree to the Release, Waiver and Consent.

3.2 Facility Eligibility

The Customer's Facility(ies) must be connected to the IESO-Controlled Grid or a Distribution System. For clarity, a Customer may utilize the services of the Energy Manager to achieve electricity savings at more than one Facility.

3.3 Project and Measures Eligibility

Progress towards the Annual Savings Target will be assessed based on electricity savings arising from projects implemented by the Energy Manager, as reported in the Energy Manager's Quarterly Reports submitted to the Energy Manager Program. At least 10% of these electricity savings must be attributable to projects that: (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 savings counted under another conservation program.

4. Participant Agreement

4.1 Requirement for Participant Agreement

Upon approval of an Application, every Participant will be required to enter into a Participant Agreement, 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 Participant Agreement will prevail.

4.2 Term and Termination of Participant Agreement

The IESO will enter into a Participant Agreement for a single year, which may be extended by the IESO at its sole and absolute discretion, provided that the term will not extend past December 31, 2021. The term of the Participant Agreement will terminate on the earlier of:

- (a) December 31, 2021;
- (b) the last day the IESO makes the Energy Manager Program available; or
- (c) the Participant Agreement termination date;

unless otherwise terminated by the IESO or Participant.

The Participant Agreement may be terminated by the IESO where:

- (a) the Participant fails to have an Energy Manager in place for a period of ninety (90) calendar days;
- (b) the Participant fails to observe or perform any obligation required to be observed or performed under the Participant Agreement and such failure continues for a period of thirty (30) calendar days after delivery of written notice by the IESO to cure such failure; or
- (c) the Participant becomes or is declared insolvent.

5. Program Specific Definitions

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

“**Annual Savings Target**” has the meaning given to it in Section 2.1.

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

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

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

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

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

“**Customer**” means an electricity consumer whose Facility or Facilities are 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.

“**Energy Management Plan**” means a document to be completed by a Participant’s Energy Manager describing the activities and plans required to reduce energy consumption, including electricity consumption, in such Participant’s 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 employed or engaged by a Participant whose primary responsibility is to propose and lead methodologies and processes to reduce electricity consumption in a Facility.

“**Energy Manager Duties**” means the minimum duties of the Energy Manager, substantially in the form made available in Appendix 1 to these Energy Manager Program Rules.

“**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.

“**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 this Energy Manager Program.

“**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.

“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 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 Incentives” 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.

“Quarterly Reports” means the report of energy management activities of a Participant completed by an Energy Manager responsible for providing services to such Participant, on a quarterly basis substantially in the form made available by the Technical Reviewer from time to time.

“Release, Waiver and Consent” means the document attached at Appendix 2.

“Technical Reviewer” means a person retained by the IESO having on its staff individuals who have professional experience and qualifications as approved by the IESO.

Appendix 1 –Energy Manager Duties

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 walk through audit of each major process area of each site, to identify energy saving 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 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-saving opportunity 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 Save On Energy programs and to other programs to maximize funding available for energy-saving projects.
5. Project implementation & electrical energy savings – Coordinate the implementation of energy saving projects, including the planning, budgeting, and scheduling for the design, installation, commissioning, and verification of energy efficiency projects. It is expected that a project manager (not the Energy Manager) would be assigned for large capital projects, which are projects costing more than \$X.
6. Measurement & verification strategy – Work with the Participant to develop a strategy for the measurement & verification of energy-saving 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 facilities and provide an avenue for employees to recognize and report issues and ideas regarding energy conservation and 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 its successors from time to time of the various measures implemented at the sole discretion of the IESO or its successors as the case may be. Collect relevant information regarding additional

electrical energy use (equipment purchases, schedule changes, occupancy changes or construction).

10. Reporting – Complete Quarterly Reports and annual Energy Management Plan.

Appendix 2 –Release, Waiver and Consent

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby, for itself and its successors and assigns:

- A. releases and forever discharges the Independent Electricity System Operator (“**IESO**”) and their respective representatives, affiliates, third party service providers and agents (collectively, the “**Program Operators**”) and all of the respective past, present and future officers, directors, employees, owners, shareholders, agents, successors and assigns of the Program Operators (collectively, the “**Representatives**”) (the Program Operators and the Representatives hereinafter collectively referred to as “**Releasees**”) from any and all actions, causes of action, suits, complaints, disputes, debts, liabilities, obligations, damages, legal fees, costs, disbursements, expenses, claims and demands of every nature or kind whatsoever and howsoever arising, at law or in equity, or under any statute, including without limitation, claims for property damage, business interruption and personal injury of the undersigned’s employees, officers, directors or licensees, which it can, will or may have by reason of any matter, cause or thing arising as a result of, in relation to or in connection with the initiatives funded by the IESO for electricity conservation and demand management and directed at one of the commercial, institutional or industrial, electricity consumer groups (collectively referred to as the “**CDM Program**”), other than in the case of the gross negligence or willful misconduct of such Representatives;
- B. agrees that the undersigned will not make any claim or take any proceedings against any other person or entity with respect to any matter released and discharged in Section 1 above which may result in any claim arising against any of the Releasees for contribution or indemnity or other relief;
- C. without limiting the foregoing, the undersigned acknowledges, agrees and consents that by submitting an application (“**Application**”) to participate in a CDM Program (including the Energy Manager Program) or any initiative thereof, whether or not its Application is ultimately accepted:
- (a) it hereby consents to the collection, use, disclosure and other handling of any information it provides to the Program Operators, including all reports, data, personal information, records showing historical energy use and consumption, and other information of the undersigned or its subcontractors or representatives (collectively, the “**Applicant Information**”) by the Program Operators for purposes relating to the operation, administration or assessment of the CDM Program, any initiative thereof or the Application, and in connection with any reporting activities relating to the CDM Program, which shall include, without limitation: (i) sharing of Applicant Information among the Program Operators; (ii) use by the Program Operators of the Applicant Information provided by the Participant to process any of the undersigned’s Applications and to conduct, analyze and report on the results of surveys and modify the CDM Program based on such surveys; and (iii) disclosure to the Ontario Energy Board, the Independent Electricity System Operator, the Ontario Ministry of Energy or the Ontario Environmental Commissioner or their respective successors. The Applicant agrees that the IESO may contact the Applicant directly including by email and other electronic communication for purposes of follow-up surveys, studies and audits, future conservation programs, customer satisfaction surveys and other related purposes. The Applicant may withdraw its consent at any time by contacting the IESO at customer.relations@ieso.ca;
- (b) it hereby consents to the disclosure by the IESO of information regarding the Applicant’s past participation in other IESO funded conservation and demand management programs for the purpose of processing the Application;
- (c) the Program Operators are committed to protecting the personal information in its custody or control in accordance with applicable privacy laws. The Applicant may access the IESO’s privacy policy at <http://www.ieso.ca/Privacy>; and
- (d) this Release, Waiver and Consent and all Applicant Information, in the possession or control of the IESO are subject to applicable laws that include the access provisions of the *Municipal Freedom of Information and Protection of Privacy Act* (Ontario) (“**MFIPPA**”) or the *Freedom of Information and Protection of Privacy Act* (Ontario) (“**FIPPA**”), as the case may be, and that as a result, third parties may obtain access to the Applicant Information;

- D. the foregoing Release, Waiver and Consent will continue in full force and effect for the benefit of the Releasees and will apply to each Application submitted by the undersigned to the IESO and to the extent of any conflict between this Release, Waiver and Consent and the terms of any agreement or other document entered into by the undersigned and one or more of the Program Operators pursuant to or in connection with the CDM Program or any part thereof, or any initiative under any CDM Program, the terms of this Release, Waiver and Consent will prevail; and
- E. this Release, Waiver and Consent will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the undersigned has executed this Release, Waiver and Consent by its duly authorized representative(s) as of the date below written.

Dated: **[DATE]** _____

[LEGAL NAME OF PERSON MAKING APPLICATION]

Name:
Title:

Name:
Title:

[I/We] have the authority to bind the corporation.