Save on Energy XLerate Program

Custom Program Performance Team

01/28/2026

ieso
Connecting Today.
Powering Tomorrow.

SAVE ON ENERGY
POWER WHAT'S NEXT

Today's Discussion

- Introductions
- Background
- XLerate Program Overview
  - Project Feasibility Study stream
  - Project Incentive stream
- Frequently Asked Questions
- Live Q & A

Background

- Electricity demand in Ontario is expected to grow more rapidly in the coming decades than in the recent past, because of both economic development and electrification of many sectors of the economy.
- Electricity demand-side management (eDSM) offers one of the lowest cost resources to address system needs, as it reduces the need for investment in new supply resources and supports grid reliability into the future.
- The IESO is continuing to lead the way in energy-efficiency programming in North America through a $10.9 billion, 12-year funding commitment from the Ontario government that began in January 2025.

Evolution of Industrial Programs 2010-Present

2010– Industrial Accelerator Program (IAP)
- Targeted large industrial electricity users, especially transmission-connected industries.

2011 – Introduction of Save on Energy Industrial Programs
- Local utilities began offering industrial programs under Save on Energy.

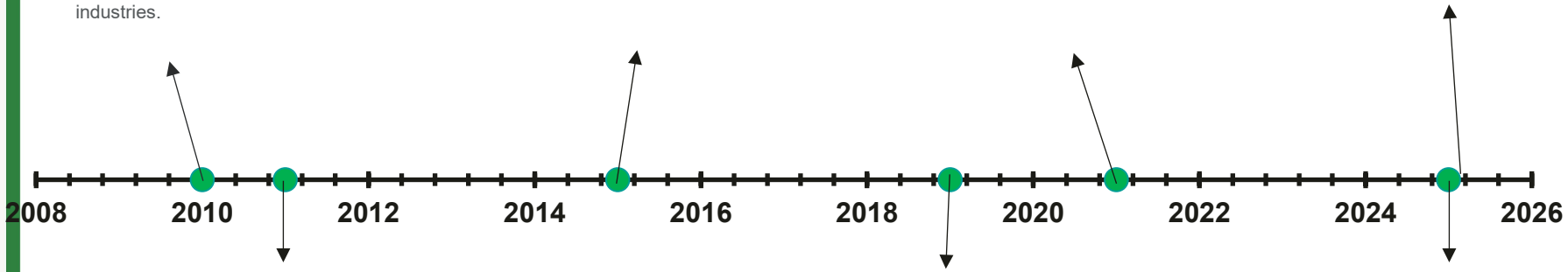
2015 – Conservation First Framework (2015–2020)
- Continued IAP and **LDC-delivered** programs like PSUP.

2019 – Interim Framework (2019–2020)
- Replaced IAP and PSUP under a centralized model

2021 – Launch of IEEP (2021–2024)
- Replaced Interim Framework with a unified program for complex industrial projects.

2025 – XLerate Program
- (November 2025)

2025 – Extension of IEEP (until June 30, 2025)
- Continues support for large industrial efficiency projects.



XLerate Program Highlights

Project feasibility study funding, 50% cost shared up to $100,000

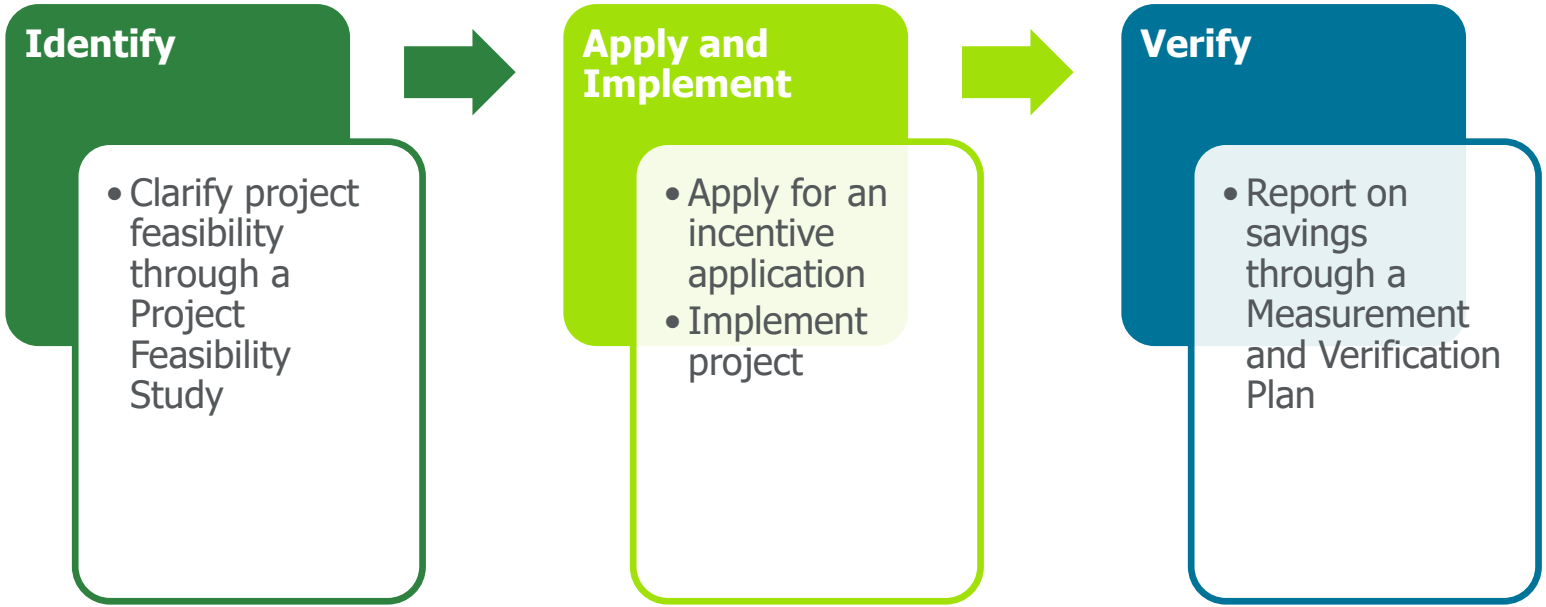
Project incentives of $300/MWh, up to 75% of eligible costs, up to $15 million

Comprehensive support services, from initial scoping to measurement and verification

Key Benefits of XLerate

- Manage energy costs
- Boost productivity and reliability
- Support facility growth
- Modernize operations
- Achieve performance goals

General Process Overview



Eligibility Requirements

- Project must meet minimum 600 MWh per year electricity savings
- Facility must be non-residential.
- Projects must involve an energy-efficiency improvement applied to an industrial process
- Technology must be commercially available
- Projects must be completed within 5 years of the execution of the Participant Agreement
- Projects must have an IPMVP-adherent Measurement and Verification (M&V) Plan

General Process Overview

Project Feasibility Study – Incentive Structure

50% cost-share incentive

Up to lesser of $100,000 and 10% of the total estimated project costs

Paid upon completion and approval of the study

PFS Application – Required Elements

- Scope of study and efficiency measure(s)
- Methodology to determine electricity savings, including data collection plan
- Statement on electricity savings and project cost estimates (accuracy of +/- 25%)
- Breakdown of costs
- Firm/consultant's information
- High-level schedule of milestones

PFS – Select Project Examples

Types of eligible PFS

- Compressed air system study
- Chiller plant optimization study
- Waste energy cogeneration system study
- Recommissioning study for an HVAC system

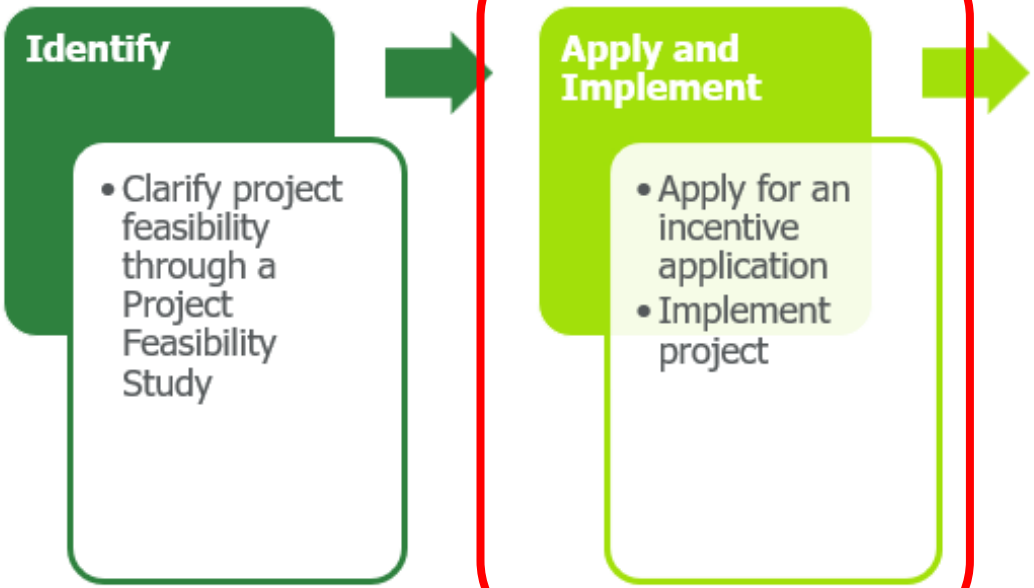
Types of ineligible PFS

- ASHRAE Level 2 audits or other opportunity identification studies
- Decarbonization studies

PFS Report – Required Elements

- ✓ Detailed description of the existing equipment and operating conditions
- ✓ Measured baseline electricity consumption representative of full operating conditions (for modeling)
- ✓ Measure analysis including methodology, assumptions, annual electricity savings, and peak demand impacts (accuracy of +/- 25%)
- ✓ Detailed Project cost estimates (e.g. equipment, installation, etc.)
- ✓ Identification of non-energy benefits or costs (e.g., O&M impacts)
- ✓ Proposed Project schedule/in-service date and professional sign-off

General Process Overview



Project Incentive Structure

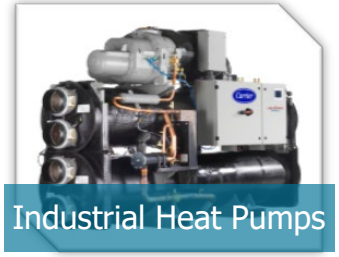
- Performance based incentive - $300/MWh
- Up to 75% of the project costs
- Up to a maximum of $15 million
- 50% paid at Q1 M&V Report approval, remainder paid at Y1 Report approval

Examples of Eligible Projects

Types of eligible Measures


Process Optimization


HVAC Ventilation


Industrial Heat Pumps


Compressed Air Systems


Waste Heat Recovery Generator


Large Motors and VFDs

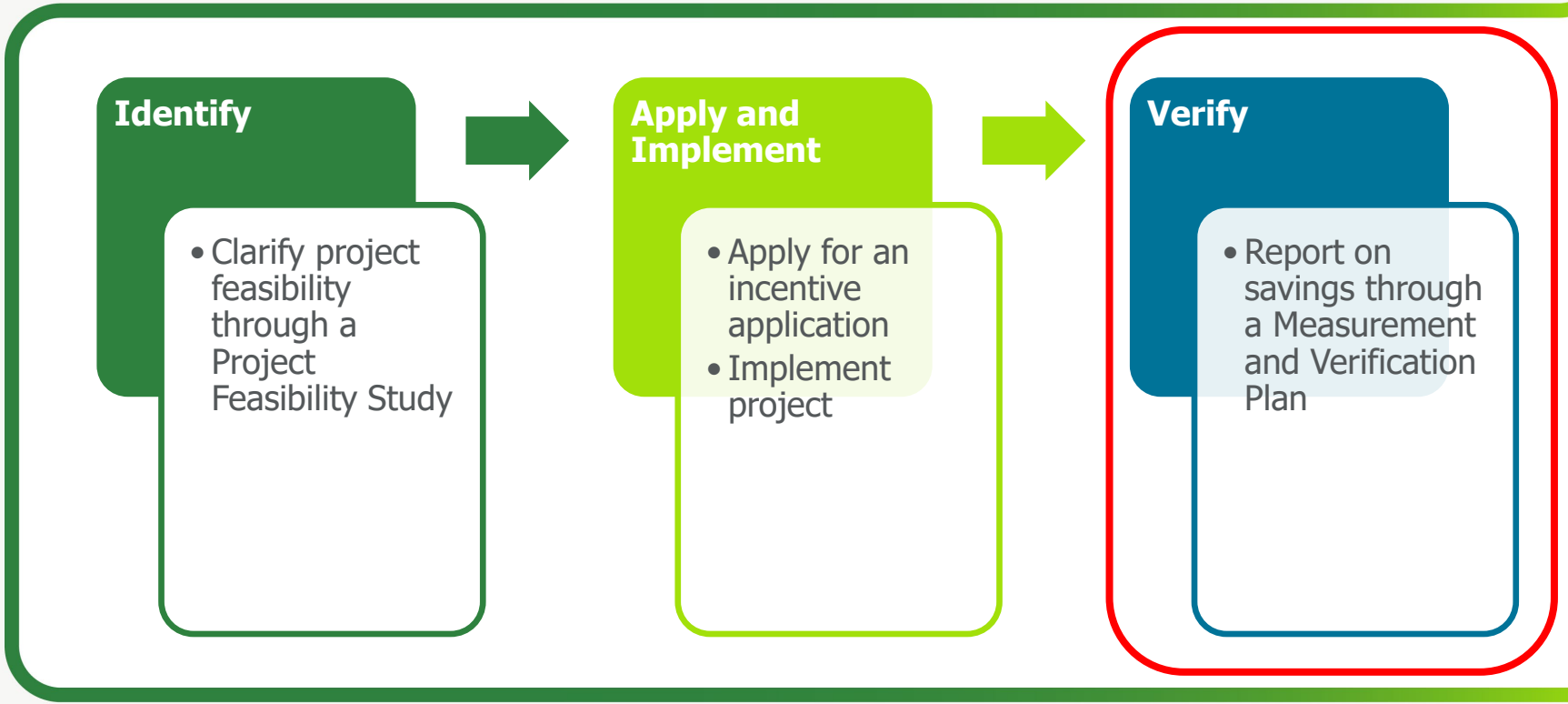
Types of ineligible Measures

- Generation projects, except for Waste Energy Recovery (WER)
- Lighting
- Behind-the-meter energy storage
- Fuel-switching

Incentive Application – Required Elements

- Application Workbook
- PFS or equivalent project documentation
- Measurement and Verification Plan
- Waiver and Release Form

General Process Overview



Measurement and Verification

- M&V period starts once project is implemented and an In-Service Date is declared
- M&V period is for 1 year to verify actual savings – Incentives are based on this
- M&V data to be collected for an additional 48 months post 1 year M&V and be available if requested by the IESO
- Dedicated IESO business advisor and Technical Reviewer to guide you through the process

M & V Applicant Responsibility

Submit Q1 M&V report

Submit Y1 M&V report

Note: Templates available

LDC Role

The LDC may play a supporting role that varies by region focused on:

- Promoting the XLerate Program to eligible customers
- Helping scope potential opportunities, and
- Facilitating coordination between Participants and the IESO

How can you start?

Download the Program Guide at Saveonenergy.ca/XLerate

Send us an email:
XLerate@ieso.ca

David.nsa@ieso.ca

Jana.jedlovska@ieso.ca

Frequently Asked Questions

XLerate Program vs Retrofit Program

Calculation of XLerate project incentives

Project and PFS eligibility

Process-related questions

FAQ

Is the XLerate Program only for industrial participants/facilities?

No. Other non-residential organizations may also apply to the XLerate Program, provided their proposed project meets all other program requirements.

FAQ

Can projects be comprised of several, smaller measures?

These Projects are eligible provided they:

- relate to the same general system (e.g. a central chiller plant);
- can be measured within a single M&V measurement boundary and;
- are expected to deliver combined >600 MWh of electricity savings;
- include measures that are completed within the same timeframe to streamline the M&V reporting process.

FAQ

Can Participants aggregate Projects from multiple facilities to meet the 600MWh threshold?

No. Distinct projects at individual facilities may not be aggregated to meet the 600 MWh threshold.

FAQ: Calculation of Participant Incentives

- Based on electricity savings achieved
  - 50% after approval of the Q1 M&V Report
  - Balance after approval of the Y1 M&V Report
- Savings are pro-rated between 50% to 120% of anticipated electricity savings
- < 50% electricity savings = $0 incentive

Calculation of Participant Incentives (Example)

Pre-Project

- Anticipated Electricity Savings: 1,000 MWh
- **Estimated Incentive**: 1,000 MWh * $300/MWh = **= $300,000**

End of Q1

- Q1 Savings: 200 MWh
- Projected Y1 Savings: 200 MWh*4 quarters = 800 MWh
- **Q1 Payment**: 800MWh*$300/MWh*50% **= $120,000**

End of Y1

- Y1 Savings: 1,100MWh
- Y1 Payment (Balance): 1,100MWh*$300/MWh - Q1 Payment = $330k - $120k = **$210k**

FAQ: Program Comparison: XLerate vs Retrofit (Custom Stream)

Feature	XLerate Program	Retrofit Program (Custom Stream)
Primary Focus	Large-scale, process-level energy-efficiency projects	Capital energy-efficiency building/equipment upgrade projects
Project Size	Minimum savings threshold: 600 MWh/yr	Minimum savings threshold: Either 1 kW and/or 2MWh/yr
Energy Incentive Structure	$300/MWh capped at 75% of eligible costs or $15M per project (whichever is lowest)	The greater incentive amount of either $200/MWh savings or $1,800/kW peak demand savings, capped at 50% of eligible costs
Feasibility Support	50% cost share for PFS capped at $100k or 10% of the estimated total Project Eligible Costs (whichever is lowest)	No study funding available
M&V Requirements	Formal M&V reporting (1-year Reporting Period) required	M&V required only for Large Custom Projects with estimated Participant Incentives greater than $120k
Project Timeline	5 years allowed for completion	2 years allowed for completion (non-EMIS projects)

FAQ

Are electrification projects eligible under XLerate?

Efficient electrification projects are eligible if the participant can clearly demonstrate that the chosen electric option is more efficient than the alternative electric option that could and would have been selected in the absence of the XLerate Program incentive.

FAQ

Are new construction or process expansion projects eligible under XLerate?

Yes, provided that the participant can clearly demonstrate that the proposed efficient process or facility is more efficient than a hypothetical base case option that would have been selected in the absence of the XLerate Program incentive.

FAQ

At what point in the procurement cycle must an Application be submitted to XLerate?

An application for PFS or project funding must be submitted prior to committing to any binding purchase commitment (e.g. issuing a purchase order).

Participants are encouraged to wait for approval of their applications prior to undertaking such commitments, however can proceed after submission at their own risk.

FAQ

Can the XLerate incentive be stacked with other funding sources?

XLerate incentives cannot be combined with other Save on Energy incentives. However, you may combine XLerate incentives with other funding sources, provided there is no duplication of cost claims.

Energy Management Information Systems (EMIS)

EMIS incentives are available through Save On Energy's Expanded Energy Management Program

Industrial facilities can receive incentives up to 50% of the eligible costs to implement an EMIS:

1. $50,000/facility with ≤400,000 GJ annual baseline consumption (all fuels)
2. $250,000/facility with >400,000 GJ annual baseline consumption (all fuels)

An EMIS includes measurements, networks, data storage, energy management information, people and management processes.

Projects must be completed before **March 2027** while funding is available. To start your application process **please email** SEM@ieso.ca.

Financial support for industrial facilities is provided by Natural Resources Canada (NRCan) as part of its Green Industrial Facilities and Manufacturing Fund.

How can you start?

Download the Program Guide at Saveonenergy.ca/XLerate

Send us an email:
XLerate@ieso.ca

David.nsa@ieso.ca

Jana.jedlovska@ieso.ca

Thank you

SaveOnEnergy.ca

saveonenergy@ieso.ca


SaveOnEnergyOnt


facebook.com/SaveOnEnergyOntario


linkedin.com/showcase/SaveOnEnergy-Ontario


instagram.com/saveonenergy