

Program Name: Save on Energy Small Business Lighting**1. Program Description**

The small business lighting program provides lighting upgrades and incentives to encourage small business owners who are not Residential distribution customers (except Recognized Farm Operations) to upgrade existing lighting to more efficient technologies (the “**SBL Program**”).

The Participants in this SBL Program are owners and tenants of commercial, institutional, agricultural facilities and multi-family buildings that meet certain eligibility criteria.

This SBL Program is offered and administered by the Independent Electricity System Operator (the “**IESO**”) and its Program Delivery Agent.

2. Program Offer / Standard Incentives

The SBL Program provides each Participant with the following services and incentives:

- (a) an Assessment at no charge to the Participant; and
- (b) where the Direct Install Eligible Cost Payment outlined in an executed Work Order for the Project is less than or equal to \$2,000, the procurement and installation of Eligible Measures at no charge to the Participant; or
- (c) where the Direct Install Eligible Cost Payment outlined in an executed Work Order for the Project is greater than \$2,000:
 - (i) the procurement and installation of Eligible Measures for the portion of the Direct Install Eligible Cost Payment that is equal to \$2,000 at no charge to the Participant; and
 - (ii) the Standard Incentive Payment for the procurement and installation of Eligible Measures for the portion of the Direct Install Eligible Cost Payment that is greater than \$2,000.

For greater certainty, where the Direct Install Eligible Cost Payment outlined in an executed Work Order for the Project is greater than \$2,000, the Participant is responsible for paying the portion of the Direct Install Eligible Cost Payment that is greater than \$2,000 less the Standard Incentive Payment at the time of the installation of the Eligible Measures.

3. Program Eligibility Criteria**3.1. Participant Eligibility Criteria**

A Participant must:

- (a) not be Residential distribution customer, except for a Recognized Farm Operation;
- (b) have all required rights and authority to have the Eligible Measure(s) installed;
- (c) agree to all terms and conditions in the Participant Agreement and submit a signed Participant Agreement no later than December 31, 2020; and
- (d) sign a Work Order.

3.2. Facility Eligibility Criteria

A Facility must:

- (a) be connected to the IESO-Controlled Grid or a Distribution System;
- (b) meet the following criteria for the average demand of the Facility:
 - (i) where the Facility is individually metered under the IESO-Controlled Grid, the average monthly demand (over the 12 month period immediately preceding the date of the Participant's application) for the Facility must be less than 100kW; and
 - (ii) where the Facility is not individually metered, the average estimated demand of each separate unit connected to that meter (over the twelve month period immediately preceding the date of the Participant's application) must be less than 100kW based on the utility meter data.

3.3. Project Eligibility

A Project must:

- (a) be comprised of at least one Eligible Measure;
- (b) be based on the Work Order presented to and signed by the Participant;
- (c) be completed by a Contractor in accordance with the electrical safety requirement of the *Electrical Safety Act* (Ontario); and
- (d) not be comprised of measure(s) for which a Participant is already receiving or will receive any financial incentives generally funded by energy ratepayers or taxpayers in the Province of Ontario or rebates from manufacturers or wholesalers or other supply chain participants.

4. Participant Agreement

Upon execution of a Work Order, the Participant will be required to enter into a Participant Agreement, which will include the terms and conditions of SBL Program participation. For greater certainty, the Participant Agreement will:

- (a) describe the SBL Program and include standardized provisions related to the use and disclosure of personal information to the IESO in connection with the SBL Program for purposes of reporting, follow-up surveys, studies and audits, including past and current energy usage;
- (b) provide the Participant's consent for the IESO's reasonable access to the Participant's records and facilities for the purposes set out in Section 4(a);
- (c) provide a link or web page address or other contact information at which the Participant may access or obtain a copy of the IESO's privacy policy;
- (d) specify terms of allocation of Environmental Attributes between the IESO and Participant;
- (e) stipulate an in-service date for the Eligible Measure no later than December 31, 2021;
- (f) include the following provisions, in addition to the provisions otherwise set out in these Program Requirements:
 - (g) confirm that the IESO will not be liable for any direct, indirect, special or consequential damages, costs or losses arising from the installation or use of the Eligible Measures, whether in accordance with the manufacturer's instructions or otherwise, or from any actions negligence or misconduct by the Contractor;
 - (h) where the Participant is an owner or operator of a Facility which permits tenants to occupy rental units subject to the *Residential Tenancies Act, 2006* (Ontario), the Participant shall not use the Standard Incentive or the installation of the Eligible Measures provided under this SBL Program as a basis for applying to the Board (as defined in the *Residential Tenancies Act, 2006* (Ontario)) for an increase in the annual rent amounts paid by such tenants that exceed the annual rent-increase guideline permitted under the *Residential Tenancies Act, 2006* (Ontario);
 - (i) require the Participant to allow inspections to be conducted for Facilities selected for quality assurance and quality control;
 - (j) confirm that the Participant has signed the Participant Agreement and Work Order prior to commencing the work; and
- (k) contain any other provision required to give effect to these Program Requirements.

5. Assessment Tool

The Assessment Tool will be made available by the IESO or its Program Delivery Agent for use by Contractors.

6. Program Specific Definitions

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

“**Assessment**” means a review of the Existing Equipment at the Facility of a Participant in order to assess and evaluate appropriate Eligible Measures for such Facility;

“**Assessment Tool**” means the assessment tool to select Eligible Measures and calculate the kWh savings to be developed, implemented and maintained by the IESO in accordance with Section 5 of these Program Requirements;

“**Contractor**” means a third party service provider under contract to the Program Delivery Agent on behalf of the IESO;

“**Direct Install Eligible Cost**” means the lesser of the Measure Cost or Funding Rate;

“**Direct Install Eligible Cost Payment**” means (i) the Direct Install Eligible Cost multiplied by the number of the corresponding Eligible Measure for all Eligible Measures installed under the SBL Program plus (ii) Electrical Safety Authority fees as outlined on the “Efficient Measure List” worksheet in the Eligible Measures List for Projects;

“**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.

“**Eligible Measures**” means the measures listed in the column identified as “Eligible Measures” on the “Efficient Measure List” worksheet in the Eligible Measures List;

“**Eligible Measures List**” means the list of Eligible Measures attached hereto as Exhibit “A”, comprised of the “Eligible Measure List” and “Base Measures List” worksheets, which may be updated from time to time by the IESO in its sole discretion;

“**Energy Savings**” means the Demand Savings multiplied by the Assumed Annual Operating Hours, where:

- (a) Demand Savings is equal to the difference between Base Wattage and Replacement Wattage; and
- (b) Base Wattage, Replacement Wattage and Assumed Annual Operating Hours have the meanings specified on the “Base Measures List” worksheet or the “Efficient Measure List” worksheet, as applicable, in the Eligible Measures List;

“**Environmental Attributes**” means all benefits and entitlements associated with an Eligible Measure or a Facility having decreased environmental impacts resulting from the implementation of an Eligible Measure, including:

- (a) all rights to any fungible or non-fungible attributes, whether arising from:
 - (i) a Facility itself;

- (ii) the interaction of a Facility with the IESO-Controlled Grid;
 - (iii) applicable laws and regulations; or
 - (iv) voluntary programs established by any governmental authority;
- (b) all rights relating to the nature of the energy source as may be defined and awarded through applicable laws and regulations or voluntary programs;
- (c) ownership rights to any applicable credits, entitlements or other instruments resulting from the interaction of a Facility or an Eligible Measure with the IESO-Controlled Grid or as specified by applicable laws and regulations or voluntary programs;
- (d) all rights to quantify and register the foregoing with competent authorities; and
- (e) all revenues, entitlements, benefits, and other proceeds arising from or related to the foregoing;

“**Existing Equipment**” means the equipment listed in the column identified as “Existing Equipment / Base Measure” on the “Base Measures List” worksheet in the Eligible Measures List;

“**Facility**” means the building, premises, or part thereof, owned or occupied by the Participant, where the Eligible Measures are installed that meets the Facility Eligibility Criteria;

“**Facility Eligibility Criteria**” means the eligibility criteria specified in Section 3.2;

“**Facility Type**” one of the options of archetypes as defined in the Assessment Tool;

“**Funding Rate**” means the incentive rate of \$0.55/kWh multiplied by the amount of Energy Savings.

“**IESO**” has the meaning given to it in Section 1;

“**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;

“**Measure Cost**” means the cost incurred by the Contractor for the procurement and installation of the Eligible Measure(s) for the Project, subject to certain maximum costs agreed to between the IESO, the Program Delivery Agent and the Contractor;

“**Participant**” means, in respect of the SBL Program, an individual that meets the Participant Eligibility Criteria and has signed a Participant Agreement;

“**Participant Agreement**” means the agreement between the IESO and the Participant setting out the terms and conditions of the Participant’s participation in the SBL Program;

“**Participant Eligibility Criteria**” means the eligibility criteria specified in Section 3.1;

“**Project**” means one or more Eligible Measures that are expected to be undertaken in accordance with the eligibility requirements in Section 3.3;

“**Program Delivery Agent**” means the service provider under contract with the IESO to provide program delivery services for the SBL Program;

“**Program Requirements**” means the terms and conditions contained herein governing the SBL Program;

“**Recognized Farm Operation**” means a farm property that possesses a farm business registration number, being the six to seven digit number administered by Agricorp, an agency of the Government of Ontario and housed by Agricorp, the Ontario Ministry of Food, Agriculture and Rural Affairs, the Municipal Assessment Corporation and the municipalities;

“**Residential**” means electricity consumers in Ontario that are classified as residential in the most recent Yearbook of Electricity Distributors published by the Ontario Energy Board;

“**SBL Program**” has the meaning given in Section 1;

“**Standard Incentive**” means the incentive amount listed in the column identified as “Standard Incentives” for an Eligible Measure on the “Efficient Measure List” worksheet in the Eligible Measures List;

“**Standard Incentive Payment**” means the Standard Incentive multiplied by the number of the corresponding Eligible Measure for all Eligible Measures installed; and

“**Work Order**” means the completed work order in the form made available by the IESO or its Program Delivery Agent.

Exhibit “A”
ELIGIBLE MEASURES LIST

[as attached]