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# SAVE ON ENERGY SMALL BUSINESS PROGRAM PROGRAM REQUIREMENTS

## 1. PROGRAM DESCRIPTION

The Save on Energy Small Business Program provides upgrades and incentives to encourage small business owners who are not Residential distribution customers (except Recognized Farm Operations) to upgrade existing lighting, refrigeration and HVAC equipment to more energy efficient technologies (the "SBP").

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

This SBP is offered and administered in the Province of Ontario by the Independent Electricity System Operator (the "IESO") and its Program Delivery Agent(s) under the 2021-2024 Conservation and Demand Management ("CDM") Framework.

## 2. PROGRAM OFFER / INCENTIVES

Subject to the eligibility requirements set out in Section 3, the SBP provides each Participant with the following services and incentives:

- (a) an Assessment at no charge to the Participant;
- (b) where the total cost specified in an executed Work Order(s) for the Project is less than or equal to the **Project Cost Cap** (as defined below) or the applicable portion of the Project Cost Cap where separate Work Orders are executed in respect of Lighting Measures and Non-Lighting Measures, the procurement and installation of the corresponding Eligible Measures, inclusive of any ESA Fees, at no charge to the Participant (the "**Participant Incentive**"); and
- (c) where the total cost specified in an executed Work Order(s) for the Project is greater than the Project Cost Cap or applicable portion thereof:
  - (i) the Participant Incentive of up to the Project Cost Cap or applicable portion thereof; and
  - (ii) the applicable Standard Incentives for the portion of the total cost of the Project that exceeds the maximum Participant Incentive.

- (d) The Project Cost Cap is defined as the following:
  - (i) \$2,000 of the total cost of *Lighting Measure(s)* specified in an executed Work Order for the Project, plus
  - (ii) \$2,500 of the total cost of *Non-Lighting Measure(s)* specified in an executed Work Order for the Project, including up to two smart thermostat measures per Participant, where the smart thermostat is an *HVAC Measure*.

For certainty, where the total cost specified in an executed Work Order(s) for the Project is greater than the Project Cost Cap or applicable portion thereof, the Participant is responsible for paying the Measure Cost less the Standard Incentive, and any applicable ESA Fees, for the portion of the Work Order that is greater than the Project Cost Cap (the "*Participant Contribution*"), directly to the Contractor.

### **3. PROGRAM ELIGIBILITY CRITERIA**

#### **3.1 PARTICIPANT ELIGIBILITY**

A Participant must:

- (a) not have participated previously in the Save On Energy Small Business Program;
- (b) not be Residential distribution customer, except for a Recognized Farm Operation;
- (c) have all required rights and authority to have the Eligible Measure(s) installed;
- (d) agree to all terms and conditions in the Participant Agreement and submit a signed Participant Agreement no later than December 31, 2024, or such earlier date as may be set out in the Participant Agreement; and
- (e) sign a Work Order no later than December 31, 2024, or such earlier date as may be set out in the Participant Agreement.

#### **3.2 FACILITY ELIGIBILITY**

A Facility must:

- (a) be connected to the IESO-Controlled Grid or a Distribution System; and
- (b) have 50 or fewer employees on site at a Facility at any point in time, under the full operating capacity of that Facility.

#### **3.3 PROJECT ELIGIBILITY**

A Project must:

- (a) be comprised of at least one Eligible Measure;
- (b) not be comprised of measure(s) for which a Participant has received, 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;
- (c) be based on the Work Order(s) presented to and signed by the Participant;
- (d) be completed by June 30, 2025, or such earlier date as may be set out in the Participant Agreement; and
- (e) be completed by a Contractor in accordance with the electrical safety requirements of the *Electrical Safety Act* (Ontario).

### **3.4 MEASURE ELIGIBILITY**

An Eligible Measure installed under the SBP must:

- (a) not be:
  - (i) a Lighting Measure for a Facility in respect of which the Participant has participated previously in a Save On Energy Small Business Lighting program;
  - (ii) a Refrigeration Measure for a Facility in respect of which the Participant has participated previously in a Save On Energy Refrigeration Efficiency program or Business Refrigeration Incentive program;
  - (iii) an HVAC Measure for a Facility in respect of which the Participant has participated previously in a Save On Energy RTUsaver program;
- (b) be purchased and installed on or after the effective date of these Program Requirements;
- (c) be listed on the Eligible Measures List; and
- (d) conform to all requirements included in the Eligible Measures List.

## **4. PROGRAM SPECIFIC DEFINITIONS**

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

**"2020 Ministerial Directive"** refers to the direction given to the IESO by the Minister of Energy, Northern Development and Mines on September 30, 2020 to design, coordinate, deliver and/or fund the delivery of certain electricity conservation and demand management programs under the Save on Energy brand through the 2021-2024 CDM Framework beginning on January 1, 2021.

**"2021-2024 Conservation and Demand Management Framework"** means the framework established by the 2020 Ministerial Directive issued September 30, 2020 pursuant to which the IESO is to design, coordinate, deliver, and/or fund the delivery of electricity conservation and demand management programs under the Save on Energy brand.

**"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.

**"Contractor"** means a third-party service provider under contract to the Program Delivery Agent.

**"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 Measure"** means any measure listed in the column titled "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", which may be updated from time to time by the IESO in its sole discretion.

**"ESA Fees"** means the applicable Electrical Safety Authority fees for an Eligible Measure, as shown in the "ESA Costs" table in the "Efficient Measure List" worksheet in the Eligible Measures List, and which will be reflected in the Work Order and count towards the Project Cost Cap.

**"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 to be installed and which meets the Facility Eligibility Criteria.

**"Facility Eligibility Criteria"** means the eligibility criteria specified in Section 3.2.

**"HVAC Measure(s)"** means an Eligible Measure listed as "HVAC" in the "End-Use" column of the "Eligible Non-Lighting Measures List" table in the "Efficient Measure List" worksheet in the Eligible Measures List.

**"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.

**"Lighting Measure(s)"** means an Eligible Measure listed in the "Eligible Lighting Measures List" table of the "Efficient Measure List" worksheet in the Eligible Measures List.

**"Measure Cost"** means the price set by the Program Delivery Agent for an Eligible Measure, including cost of installation, which will be reflected on the Work Order. For clarity, the Measure Cost cannot exceed the Measure Cost Cap.

**"Measure Cost Cap"** means the maximum price that can be set by the Program Delivery Agent, including the cost of installation, as shown in the "Measure Cost Cap" column of the "Efficient Measure List" worksheet in the Eligible Measures List.

**"Measure Eligibility Criteria"** means the eligibility criteria specified in Section 3.4.

**"Non-Lighting Measure(s)"** means an Eligible Measure listed in the "Eligible Non-Lighting Measures List" table of the "Efficient Measure List" worksheet in the Eligible Measures List.

**"Participant"** means, in respect of the SBP, an eligible business entity who has (i) satisfied the Participant Eligibility Criteria, (ii) agreed to the terms and conditions in the Participant Agreement, and (iii) signed a Work Order(s).

**"Participant Agreement"** means the agreement between the IESO and the Participant setting out the terms and conditions of the Participant's participation in the SBP.

**"Participant Contribution"** means where Eligible Measures are installed in excess of the Project Cost Cap or applicable portion thereof, the amount payable by the Participant to the Program Delivery Agent or Contractor for the portion of the Work Order that is greater than the Project Cost Cap or applicable portion thereof, and calculated as (a) the Measure Cost for each additional Eligible Measure (less the applicable Standard Incentive) multiplied by the quantity of the additional Eligible Measures installed plus (b) any applicable ESA Fees.

**"Participant Eligibility Criteria"** means the eligibility criteria specified in Section 3.1.

**"Participant Incentive"** means the incentives provided to a Participant, as approved by the IESO or the Program Delivery Agent in accordance with the Program Requirements and the Participant Agreement.

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

**"Project Cost Cap"** has the meaning given to it in Section 2(d).

**"Program Delivery Agent(s)"** means the service provider(s) under contract with the IESO to provide program delivery services for the SBP.

**"Program Requirements"** means the terms and conditions contained herein governing the SBP.

**"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.

**"Refrigeration Measure(s)"** means an Eligible Measure listed as "Refrigeration" in the "End-Use" column of the "Eligible Non-Lighting Measures List" table in the "Efficient Measure List" worksheet in the Eligible Measures List.

**"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.

**"Small Business Program" or "SBP"** has the meaning given to it in Section 1.

**"Standard Incentive"** means the incentive amount listed in the column titled "Standard Incentives" on the "Efficient Measure List" worksheet in the Eligible Measures List that is available to the Participant for applicable Eligible Measures installed in excess of the Project Cost Cap.

**"Work Order"** means the work order containing the Participant, Facility and Project details, including the name and quantity of applicable Eligible Measures to be installed, details and quantity of all existing equipment to be replaced, Measure Costs, Participant Incentive amounts, applicable ESA Fees, Standard Incentive amounts, and Participant Contribution, which must be signed by the Participant prior to the commencement of any work related to the installation of an Eligible Measure and after the completion of work related to the installation of an Eligible Measure.

**Exhibit "A"**  
**ELIGIBLE MEASURES LIST**

[as attached]