

HIGH PERFORMANCE NEW CONSTRUCTION

Application Form & Participant Agreement

All required worksheets, project appendices and supporting documentation must be attached to this Application. Incomplete Applications will not be processed and will be returned to the Applicant. The Applicant must signify its acceptance of the Terms and Conditions of this Application (together with all Worksheets, project appendices and supporting documentation, in each case, as amended, this “**Application**”) and the accompanying Participant Agreement, including all Schedules thereto (together with the Application, in each case, as amended, the “**Agreement**”) before forwarding to the Independent Electricity System Operator (the “**IESO**”).

Please check each box to confirm the required documentation is submitted to the IESO prior to your Prescriptive Project(s), Engineered Project(s) and/or Custom Project(s) commencing:

- Completed and signed **Application**
- Completed and signed **APPENDIX A: PRE-PROJECT SUBMISSION FORM** for each facility
- Signed Participant Agreement
- Signed Design Decision-Maker Agreement (as applicable)

THIS APPLICATION MAY BE REJECTED BY THE IESO FOR ANY REASON.

PRIOR TO commencing your Project(s):

- Ensure that the IESO has accepted this Application and your Participant Agreement

AFTER completing your project(s):

- You must complete and sign **APPENDIX B: POST-PROJECT SUBMISSION FORM** and mail it to the IESO in order to receive your Participant Incentive.

To the Applicant: ALL REQUIRED fields must be completed in order for the Application to be accepted for review by the IESO. See Schedule 1 attached to the Participant Agreement for defined terms.

1. Applicant Information (required): (Participant Incentive payment will be made to Applicant ONLY.)

LEGAL NAME OF APPLICANT

		ON	
ADDRESS	CITY	PROVINCE	POSTAL CODE

CONTACT NAME AND TITLE

DAY PHONE	FAX	EMAIL
OWNERSHIP TYPE (check one):		
OWNER <input type="checkbox"/>		TENANT/LEASEHOLDER <input type="checkbox"/>

HST REGISTRANT #:

2. Applicant Representative Information (optional): (To be completed only if you want a vendor or other third party to be the main point of contact.)

NAME AND TITLE OF CONTACT

		ON	
ADDRESS	CITY	PROVINCE	POSTAL CODE

DAY PHONE	FAX	EMAIL

NAME AND TITLE OF CONTACT

		ON	
ADDRESS	CITY	PROVINCE	POSTAL CODE

DAY PHONE	FAX	EMAIL

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3. Applicant's Certification Statement (required):

I have the authority to bind the company,

*NAME:

*TITLE:

APPLICANT/LEGAL COMPANY NAME:

AUTHORIZED SIGNATURE:

DATE
(DD/MM/YYYY):

* please print and send an original copy with signatures to the **Independent Electricity System Operator**

PARTICIPANT AGREEMENT

The Participant (being the “**Applicant**” in the Application) has applied for Participant Incentives, in respect of Eligible Costs, pursuant to the Application submitted to the IESO under the High Performance New Construction Initiative under the Industrial Accelerator Program (the “**HPNC Initiative**”).

1. DEFINED TERMS: All capitalized terms not herein defined will have the meanings given in Schedule 1.
2. PARTICIPANT INCENTIVE(S): The IESO will, subject to the terms and conditions of this Participant Agreement and the Application, pay to the Participant a Participant Incentive for the implementation of the Project(s) described in the approved Application.
3. In addition to the other provisions hereof, payment of the Participant Incentive(s) is subject to and conditional upon the following terms and conditions:
 - (a) the Participant will implement the Project(s) described in the Application by each Project's project completion date and in no event after December 31, 2022;
 - (b) the Participant will provide the IESO with evidence of the implementation and completion of such Project(s) and, if required, that it has passed the formal occupancy inspection conducted by the applicable municipality and meets the minimum occupancy requirements of the Applicable Building Code and/or occupancy permit has been issued by the applicable municipality and a copy has been provided to the IESO;
 - (c) the Participant will provide the IESO with specification sheets or detailed manufacturers' data and/or mechanical and electrical schedules and drawings for each proposed Eligible Measure demonstrating that such measure satisfies the requirements to be an Eligible Measure;
 - (d) the Participant will provide the IESO, where applicable, for Custom Projects (A) copies of mechanical zoning diagrams, documentation of control sequences for building equipment, documented percent of outside air on air return systems, manufacturer's specifications for any plant equipment including boiler system hot water, chiller, cooling tower, air handling and rooftop units; and (B) bona fide and reasonable evidence, including at least one of: third party quotes, advertisements, price lists or catalogues, supporting the Eligible Costs for the Base Case and the Energy Efficient Case;
 - (e) the Participant providing such additional documentation and information if and as requested by the IESO;
 - (f) the IESO will have the right in its absolute discretion to decide whether or not to accept or approve the evidence provided pursuant to this Section 3; and
 - (g) the Participant will provide an invoice to the IESO for the Participant Incentive no later than 150 days following project completion.
4. AMOUNT AND FORM OF PARTICIPANT INCENTIVE(S): The Participant acknowledges that the total amount of the Participant Incentives set forth in the Application is based upon estimated demand savings, energy savings or estimated Eligible Costs, based on the Application and Worksheets and, subject to the following, will be the maximum amount payable hereunder. Upon the completion and verification of each Project, the IESO will recalculate the amount of the Participant Incentive based upon the best available information at such time subject, however to the limitation that the recalculated Participant Incentive may not be more than 30 % greater than the estimated Participant Incentive in the Application. A Participant may however submit an Application to amend the scope of a Project, prior to the completion of that Project. Upon the completion and verification of each Project, the IESO will recalculate the amount of the Participant Incentive based upon the best available information at such time. The total amount of the Participant Incentives determined by the IESO will be paid by the IESO as a lump sum payment on the later of:
 - (a) for projects that do not require the completion and approval of a Final Evaluation and Incentive Report, within 90 days of the completion of the last of such projects, and any post-project site visits and inspections required in respect thereof; and
 - (b) for projects that require the completion and approval of a Final Evaluation and Incentive Report, within 90 days of the completion of the last of such projects and of the last of such Final Evaluation and Incentive Reports.

The Participant acknowledges and agrees that it is in the IESO's discretion to determine which projects require the completion and approval of a Final Evaluation and Incentive Report.

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5. **MODELLING INCENTIVE:** Where the Participant has applied to receive a Modelling Incentive for a Custom Project and the IESO has approved the Application, the IESO will calculate the Modelling Incentive which will be the lowest of the following amounts:
- \$10,000;
 - 100% of third party costs of preparing the Modelling Assumptions Report, excluding taxes, financing costs, insurance costs, or costs of purchasing or leasing equipment, parts or tools; and
 - the Estimated Custom Incentive; provided, however, that if the Estimated Custom Incentive is greater than the Custom Incentive, and the Modelling Incentive is based on the Estimated Custom Incentive, the Modelling Incentive will be reduced accordingly. The difference shall be a debt owed by the Participant to the IESO, and the IESO has the right to set off the difference from any amounts payable to the Participant.
6. **DESIGN DECISION-MAKER INCENTIVE:** The Participant acknowledges and agrees that the IESO will not be obligated to pay a Design Decision-Maker Incentive to a Design Decision-Maker unless the Design Decision-Maker has entered into a separate agreement with the IESO.
7. **OPERATION OF PROJECT:** The Participant will maintain all of the Prescriptive Measures and Custom Measures implemented through each Custom Project and Prescriptive Project in good working order and will operate and maintain such equipment and improvements without any modification for a continuous period of at least 48 months (the “**Period**”) starting on the first day of the month immediately following the month in which the IESO pays the Participant Incentive hereunder.
8. **EVENTS OF DEFAULT:** Each of the following is an “**Event of Default**” hereunder:
- if any Prescriptive Measures, Engineered Measures or Custom Measures implemented require any modification during the Period and the Participant does not obtain the IESO’s written consent prior to carrying out any such modification, which consent may be withheld in the IESO’s sole discretion;
 - if any Prescriptive Measures, Engineered Measures or Custom Measures implemented ceases operation before the end of the Period;
 - if the Participant does not perform or comply with any term or condition of this Agreement or if any representation, warranty or certification made by the Participant is untrue, incomplete or inaccurate; or
 - if the Participant is insolvent or files or is the subject of a petition in bankruptcy.
9. **REPAYMENT AND MULTIPLE EVENTS OF DEFAULT:** If an Event of Default occurs then, on written notice by the IESO, the Participant will repay to the IESO a portion of the Participant Incentive, calculated as follows:
- $$\text{Participant Incentive paid (in relation to each defaulting project) } \times \text{ months remaining in Period } \div 48$$
- For the purposes of this calculation, an Event of Default occurring at any time during a month will be deemed as an Event of Default for the full month.
- If an Event of Default is occurring under two or more Participant Agreements for a Participant, the IESO may, upon written notice, refuse payment of Participant Incentives for all Projects completed by the Participant under any agreement.
10. **PROJECT DETAILED INFORMATION:** The IESO will have the right to publicize the features or equipment described in the Application to potential participants who are considering the HPNC Initiative and may refer any interested party to the Participant, unless the Participant clearly indicates which sections of the Application are to remain confidential or otherwise provides a written request to the IESO that this information remain confidential.
11. **REPRESENTATIONS AND WARRANTIES:** The Participant represents, warrants and agrees that:
- except as set out in the Application, no Projects set out in the Application has received, is 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;
 - it owns all equipment in respect of which the Participant Incentive is requested;
 - it has all required rights and authority to have the Eligible Measure(s) installed;
 - all information in the Application, including any attached documentation, is true, accurate and complete;
 - it would not otherwise have undertaken the Project(s) without the financial support and participation of the IESO;
 - all of the applicable Eligibility Criteria have been satisfied; and
 - it has the authority and capacity to enter into this Agreement.

The Participant further acknowledges that it is an independent contractor, and that there is no joint venture, partnership or agency created or implied by this Agreement.

12. **EVALUATION, MEASUREMENT AND VERIFICATION; AUDIT:** The Participant will participate in any surveys, studies, audits, evaluations or verifications conducted by the IESO or its service providers and/or contractors (collectively, the “**Program Operators**”) in connection with the HPNC Initiative, including for the purpose of proper administration, monitoring and verification of this Agreement or evaluation of the HPNC Initiative, and will provide to the Program Operators reasonable access to the Participant’s records and Facilities for such purposes.
13. **ENVIRONMENTAL ATTRIBUTES:** All right, title and interest in and to all benefits or entitlements associated with decreased environmental impacts now or in the future, direct or indirect, arising as a result of, relating to or in connection with the electricity savings or demand savings for which the Participant Incentive has been paid, and the right to quantify and register these, including without limitation, any energy efficiency certificate, renewable energy certificate, credit, reduction right, offset, allocated pollution right, emission reduction allowance (collectively, the “**Environmental Attributes**”) are hereby

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transferred and assigned, or to the extent transfer or assignment is not permitted, held in trust for, by the Participant to the IESO and its successors and assigns. The IESO shall be entitled, unilaterally and without the consent of the Participant, to deal with such Environmental Attributes in any manner it determines. The Participant acknowledges that the IESO may direct the Participant to take such actions and do all such things necessary to certify, obtain, qualify and register with the relevant authorities or agencies such Environmental Attributes for the purpose of transferring such Environmental Attributes to the IESO and the Participant shall comply with such actions and take such steps as directed by the IESO.

14. NO WARRANTY: Except as specifically set forth or referenced in this Agreement, there are no representations, warranties, or conditions of either party to this Agreement, express, implied, statutory or otherwise, regarding any matter, including any implied warranties or conditions of quality, workmanship, safety, legal compliance or fitness for a particular purpose. Without limiting the generality of the foregoing, the Participant acknowledges that its participation in the HPNC Initiative is based upon its own assessment of the HPNC Initiative and not on any reliance on anticipated or projected results, and that such participation may not result in the achievement of any electricity savings, which are expressly disclaimed by the Participant.
15. SUBCONTRACTING BY THE IESO: The IESO may subcontract any of its responsibilities under this Agreement to an affiliate or a third party.
16. MISCELLANEOUS: Except as otherwise provided, this Agreement constitutes the entire agreement between the parties hereto in connection with its subject matter and supersedes all prior representations, communications, negotiations and understandings, whether oral, written, express or implied, concerning the subject matter of this Agreement. This Agreement may not be varied, amended or supplemented except by an agreement in writing executed by both of the parties hereto. The Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each of the parties hereto will, from time to time, on written request of the other party, do all such further acts and execute and deliver or cause to be done, executed and delivered all such further things as may be reasonably required in order to fully perform and to more effectively implement the terms of this Agreement. The invalidity, unenforceability or illegality of any provision in this Agreement will not, to the extent permitted by applicable law, affect the validity, enforceability or legality of any other provision of this Agreement, which will remain in full force and effect. The insertion of headings is for convenience of reference only and will not affect the interpretation of this Agreement. Any reference in this Participant Agreement to the terms “hereof”, “hereunder” and similar expressions refer to this Participant Agreement and not to any particular Section or other part of this Participant Agreement. Unless otherwise indicated, any reference in this Participant Agreement to a Section or Schedule refers to the specified section of or schedule to this Participant Agreement. The word “including” means “including without limitation”, and the words “include” and “includes” have a corresponding meaning.
17. TERM AND TERMINATION: Except as otherwise specified herein, this Agreement will terminate upon the expiration of the Period, upon notice from the IESO following any Event of Default herein, or as otherwise determined by the IESO in its reasonable discretion. Sections 7, 8, 11, 12, 13, 14, 15, 16, 17, and 18 of this Participant Agreement will survive the termination of this Agreement.
18. COLLECTION OF PARTICIPANT INFORMATION AND INDEMNITY: The Participant understands and agrees that by submitting the Application, whether or not this Application is accepted:
 - (a) it hereby consents to the collection, use, disclosure and other handling of any information it provides to the Program Operators, including personal information and records showing historical energy use and consumption (the “Participant Information”) by the Program Operators for purposes relating to the operation, administration or assessment of the HPNC Initiative or the Application or the Agreement, and in connection with any reporting activities relating to the HPNC Initiative, which shall include, without limitation:
 - (i) sharing of Participant Information among the Program Operators;
 - (ii) use by the Program Operators of the Participant Information provided by the Participant to conduct, analyze and report on the results of surveys and modify the HPNC Initiative based on such surveys; and
 - (iii) disclosure to the Ontario Energy Board, the Ontario Ministry of Energy or the Ontario Environmental Commissioner or their respective successors;
 - (b) it will indemnify and save harmless each of the Program Operators and their respective directors, officers and employees from any and all liability and all claims, losses, damages (including indirect or consequential damages), expenses and proceedings for personal injury (including death) or property damage of any person relating to, in connection with, resulting from, or arising out of the HPNC Initiative, including by reason of the actual or alleged implementation of any Project and its operation or any other matter contemplated by this Application or the Agreement.
19. COMPLIANCE WITH LAWS: Each party to this Agreement will comply, in all material respects, with all laws and regulations required to be complied with in the performance of its obligations hereunder.
20. ASSIGNMENT: This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. This Agreement will not be assigned by the Participant to another person other than an affiliate except with the prior written consent of the IESO, which consent may not be unreasonably withheld or delayed.
21. FACSIMILE/ELECTRONIC SIGNATURES: This Agreement may be executed and delivered by facsimile transmission or by any other method of electronic execution and the parties hereto may rely upon all such signatures as though such signatures were original signatures.

I, the Participant, certify that I understand and agree to the terms and conditions as set forth above in this Agreement.

PARTICIPANT/LEGAL COMPANY NAME:

AUTHORIZED SIGNATURE:

DATE (DD/MM/YYYY):

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SCHEDULE 1 DEFINITIONS

Capitalized terms not otherwise defined in the Agreement will have the following meaning:

“**Applicable Building Code**” means (a) the “building code” as defined in the *Building Code Act, 1992* (Ontario), as may be amended; and (b) any other applicable building code imposed by a municipality, if any, to the extent that it supplements the building code referred to in (a) or any part thereof.

“**Applicant**” has the meaning given to it in the opening line of the Participant Agreement.

“**Application**” means the application completed by the Applicant for a Custom Project, Engineered Project and/or Prescriptive Project and includes all Worksheets and supporting documentation submitted and to which this Participant Agreement relates.

“**Approved Modelling Software**” means any of the following software, the output of which is the Modelling Results Report which is used to determine Demand Savings and/or Energy Savings associated with a Custom Project:

- (a) EE4-OBC or EE4 version 1.7 or higher;
- (b) DOE 2 version 2.1 or higher;
- (c) eQUEST version 3.64 or higher;
- (d) EnergyPro version 5.1.6.2 or higher;
- (e) CAN-QUEST; or
- (f) any additional modelling software that may be considered by the IESO, provided such software is ASHRAE 140-compliant, as represented by the software's program developer, and as approved by the IESO.

“**Base Case**” means the case based on the assumption that the new construction or major renovation that is the subject of the Application would be completed without a Participant Incentive under this HPNC Initiative and at least meeting the minimum requirements of the Applicable Building Code.

“**Custom Incentive**” means the Participant Incentive payable by the IESO for Custom Project(s).

“**Custom Measure**” means a measure that satisfies the applicable Custom Measure Eligibility Criteria set out in Section 1.7 of Schedule 2.

“**Custom Project**” means, in respect of a new construction or major renovation, a project that satisfies the Custom Project Eligibility Criteria set out in Section 1.5 of Schedule 2.

“**Custom Worksheet**” means the worksheet in the form made available on the IESO Website in respect of a Custom Project.

“**Demand Savings**” means the estimated, determined or actual (as the context may require) reduction in electricity demand, expressed in kW, obtained as a result of one or more Custom Measures and as determined pursuant to the Energy and Demand Savings Summary.

“**Design Decision-Maker**” means a person who satisfies the applicable Design Decision-Maker Eligibility Criteria in Section 1.9 of Schedule 2.

“**Design Decision-Maker Agreement**” means the IESO form of Design Decision-Maker Agreement made available on the IESO Website, pursuant to which each Design Decision-Maker agrees to be bound.

“**Design Decision-Maker Incentive**” means the incentive payable by the IESO directly to the Design Decision-Maker in connection with the Custom Project(s).

“**Eligibility Criteria**” means the eligibility criteria that must be satisfied to qualify as an Eligible Person, an Eligible Project, an Eligible Custom Project, an Eligible Prescriptive Project, Eligible Engineered Project, a Custom Measure or Eligible Costs (for Custom Projects), as the case may be, as provided in Schedule 2.

“**Eligible Costs**” has the meaning given to it in Section 1.8 of Schedule 2.

“**Eligible Measures**” means, collectively, the Prescriptive Measures, Engineered Measures and the Custom Measures.

“**Eligible Person**” means a person who satisfies the applicable Eligibility Criteria provided in Section 1.1 of Schedule 2.

“**Eligible Project**” means, in respect of a new construction or major renovation project, a project that satisfies the Project Eligibility Criteria provided in Section 1.2 of Schedule 2 and that is not an Ineligible Project.

“**Energy and Demand Savings Summary**” means a summary in the required form and contains the Energy Savings and Demand Savings.

“**Energy Efficient Case**” means the case based on using the Eligible Measures specified in the Application.

“**Energy Savings**” means the estimated, determined or actual (as the context may require) electricity savings achieved over the course of the first year after the completion of a Custom Project, expressed in kWh, obtained as a result of one or more Custom Measures and as determined pursuant to the output of the Energy and Demand Savings Summary.

“**Engineered Incentive**” means the Participant Incentive payable by the IESO for Engineered Project(s).

“**Engineered Measure**” means a measure listed on an Engineered Worksheet.

“**Engineered Project**” means, in respect of a new construction or major renovation, a project that satisfies the Engineered Project Eligibility Criteria set out in Section 1.4 of Schedule 2.

“**Engineered Worksheet**” means the worksheet made available on the IESO Website in respect of an Engineered Project.

“**Environmental Attributes**” has the meaning given to it in Section 13 of this Participant Agreement.

“**Estimated Custom Incentive**” means the estimated Custom Incentive calculated by the IESO based on the information in the Application.

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“**Estimated Engineered Incentive**” means the estimated Engineered Incentive calculated by the IESO based on the information in the Application.

“**Estimated Prescriptive Incentive**” means the estimated Prescriptive Incentive calculated by the IESO based on the information in the Application.

“**Event of Default**” has the meaning given to it in Section 8.

“**Facility**” means the facility where the Prescriptive Project, Engineered Project or Custom Project will be implemented.

“**Final Evaluation and Incentive Report**” means a report, prepared by the Technical Reviewer in compliance with the required form, for the purpose of reporting to the IESO and the Participant an updated estimate of Energy Savings and/or Demand Savings following the completion of a Custom Project.

“**IESO**” means the Independent Electricity System Operator in the Province of Ontario, or its successor.

“**IESO-Controlled Grid**” has the meaning ascribed to it by the IESO Market Rules made under section 32 of the *Electricity Act, 1998*, together with all market manuals, policies and guidelines issued by the IESO, all as amended or replaced from time to time.

“**IESO Website**” means the IESO’s Industrial Accelerator program website at “<http://www.industrialaccelerator.ca/>” or such other website as the IESO may designate from time to time.

“**Ineligible Project**” has the meaning given to it in Section 1.8 of Schedule 2.

“**Insolvent**” means, in respect of a person, a person:

- (a) who is for any reason unable to meet its obligations as they generally become due or otherwise acknowledges its insolvency,
- (b) who has ceased paying its current obligations in the ordinary course of business as they generally become due,
- (c) who has ceased to carry on business in the ordinary course,
- (d) who institutes any proceeding, taking any corporate action, or executes any agreement to authorize its participation in or the commencement of any proceeding seeking: (1) to adjudicate it a bankrupt or insolvent; (2) liquidation, dissolution, winding-up, reorganization, arrangement, protection, relief or composition of it or any of its property or debts or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws; or (3) appointment of a receiver, trustee, agent, custodian or other similar official for it or for any substantial part of its properties and assets, or
- (e) the aggregate of whose property is not, at a fair valuation, sufficient, or if disposed of at a fairly conducted sale under legal process, would not be sufficient to enable payment of all its obligation, due and accruing due.

“**kW**” means kilowatt.

“**kWh**” means kilowatt hour.

“**Modelling Assumptions Report**” means a report to be submitted by a Participant to the IESO summarizing the assumptions used with the Approved Modelling Software, in accordance with the required form.

“**Modelling Incentive**” means the Participant Incentive payable to a Participant for the preparation of the Modelling Assumptions Report in connection with a Custom Project.

“**Modelling Results Report**” means a computer simulation file submitted by the Participant that is the model of the Eligible Project and which provides information, among other things, about a Custom Project, including the specification and quantities of Eligible Measures, resulting from the use of Approved Modelling Software.

“**Participant**” means a person who has (a) submitted an Application which was approved by the IESO; (b) agreed to the terms and conditions in the Participant Agreement and the Agreement; and (c) satisfied the applicable Eligibility Criteria.

“**Participant Agreement**” means this Participant Agreement, including all Schedules, as it or they may be amended, restated or supplemented from time to time.

“**Participant Incentive**” means a Custom Incentive, Engineered Incentive, or Prescriptive Incentive as applicable.

“**Participant Information**” has the meaning given to it in Section 18.

“**Period**” has the meaning given to it in Section 7.

“**Prescriptive Incentive**” means the Participant Incentive payable by the IESO for Prescriptive Project(s).

“**Prescriptive Measures**” means measures listed on the Prescriptive Worksheets.

“**Prescriptive Project**” means, in respect of a new construction or major renovation project, a project that satisfies the Prescriptive Project Eligibility Criteria set out in Section 1.3 of Schedule 2.

“**Prescriptive Worksheet**” means the worksheet made available on the IESO Website in respect of a Prescriptive Project.

“**Program Operators**” has the meaning given to it in Section 12.

“**Project**” means either a Prescriptive Project or a Custom Project or an Engineered Project that satisfies the eligibility criteria set out in Schedule 2.

“**Technical Reviewer**” means an individual who is an employee of the IESO or of a third party service provider to the IESO and who will review materials relating to Projects.

“**Worksheet**” means any Prescriptive Worksheet or Custom Worksheet or Engineered Worksheet.

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SCHEDULE 2 ELIGIBILITY CRITERIA

1.1 Eligible Person Eligibility Criteria

To be an Eligible Person under the HPNC Initiative, a person must:

- (a) be an industrial, commercial or institutional consumer with a Project that is directly or indirectly connected to the IESO-Controlled Grid and not to a distribution system;
- (b) be an owner of a new construction or major renovation that represents an Eligible Project. Where there is more than one owner, each owner must satisfy all of the criteria for Eligible Persons set out in this Section 1.1. The owners must appoint one owner to represent them;
- (c) have all required rights and authority to have the Project(s) installed;
- (d) agree to all terms and conditions in the Participant Agreement; and
- (e) not be insolvent or bankrupt.

1.2 Project Eligibility Criteria

To be an Eligible Project under the HPNC Initiative:

- (a) the proposed Project must be in respect of a single facility;
- (b) the facility must, when completed, be connected, directly or indirectly to the IESO-Controlled Grid and not to a distribution system;
- (c) the facility, when completed, must conform to Part 3 of the “building code” as defined in the *Building Code Act, 1992* (Ontario) and be intended for industrial, commercial, institutional or multi-residential occupancy;
- (d) The proposed Project must be in relation to the construction of a new facility, a new addition to an existing facility, a major renovation that converts the building to another use, or a major renovation which results in the facility being unfit for occupation for a minimum of 30 days and in the replacement of at least two building systems;
- (e) the project must have a building permit for it issued on or after January 1, 2011;
- (f) the project must be completed by the Participant (that is, be in-service) and delivering kW and/or kWh savings on or before December 31, 2022; and
- (g) not be an Ineligible Project.

1.3 Prescriptive Project Eligibility Criteria

To be an Eligible Project, a Prescriptive Project must:

- (a) meet all the Project Eligibility Criteria;
- (b) include only Prescriptive Measures;
- (c) involve at least one completed Prescriptive Worksheet; and
- (d) have a minimum Estimated Prescriptive Incentive of \$1,000.

1.4 Engineered Project Eligibility Criteria

To be an Eligible Project, an Engineered Project must:

- (a) meet all the Project Eligibility Criteria;
- (b) include only Engineered Measures;
- (c) involve at least one completed Engineered Worksheet; and
- (d) have a minimum Estimated Engineered Incentive of \$1,000.

1.5 Custom Project Eligibility Criteria

To be an Eligible Project, a Custom Project must:

- (a) meet all the Project Eligibility Criteria;
- (b) involve at least one completed Custom Worksheet;
- (c) not include any Prescriptive Worksheets other than the Multi-Residential In-Suite Appliance Eligible Measures Worksheet or Alternative Measures for Space Cooling Eligible Measures Worksheet;
- (d) have a minimum Estimated Custom Incentive (and where applicable, including the Estimated Prescriptive Incentives) of \$5,000; and
- (e) be projected to be in-service for a minimum period of 48 months from the in-service date of the project.

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1.6 Ineligible Projects

The following projects are not eligible (each, an “**Ineligible Project**”):

- (a) projects based on the Custom Worksheet proposing measures that are not generally commercially available, are pilot or demonstration projects, or are otherwise unproven;
- (b) projects where any anticipated Energy Savings and/or Demand Savings are the result of an electrical (fuel) substitution (unless incorporating a defined alternative energy measure for space cooling);
- (c) projects where prior to submitting an Application, the applicant has entered into a binding commitment to acquire the measures or services required to install the measures. A binding commitment means the execution of a construction contract, purchase order or similar documentation with respect to the project. Notwithstanding the foregoing, the IESO is not required to reject a proposed Project where the Participant can establish that an intent to apply to or participate in the HPNC Initiative with respect to the proposed Project existed prior to entering into a binding commitment, as determined by the IESO, acting reasonably;
- (d) a project that has previously participated in an IESO funded New Construction/Major Renovation electricity conservation and demand management program, specifically, the City of Toronto – Better Buildings Partnership New Construction Program and the Enbridge High Performance New Construction Program;
- (e) any project in respect of which a Participant receives funding, directly or indirectly from the IESO, other than from the HPNC Initiative or certain IESO funded capability building initiatives;
- (f) any project in respect of which Participants have already applied to this HPNC Initiative, provided, however, that where Participants have already applied for non-electric space cooling (see Alternative Energy Measures for Space Cooling Prescriptive List) or energy efficient appliances in a custom multi-residential building (see Multi-Residential In-Suite Appliance Prescriptive List), then, for such measures only, a previous Application shall not render ineligible an otherwise Eligible Project; or
- (g) projects that have entered into a Project Incentive Agreement or have submitted a Project Incentive Application under the Process and Systems Initiative (formerly known as the Industrial Accelerator Program).

1.7 Custom Measure Eligibility Criteria

To be eligible as a Custom Measure under the HPNC Initiative, the measure must involve one or more of the following, all being relative to the Participant’s proposed Base Case:

- (a) the purchase and installation of new energy-efficient equipment for space heating, water heating and/or space cooling or lighting;
- (b) the purchase and installation of new energy-efficient equipment, or replacement of inefficient/oversized equipment; or
- (c) the improvement of thermal performance of a building envelope through increased insulation, installation of new energy-efficient windows and frames, low emissive window glazing or low emissive roof barriers.

1.8 Eligible Costs for Custom Projects

- (a) The below-listed costs may be “Eligible Costs”, provided they are reasonable, and incurred directly in connection with the Eligible Project. The costs must be actually incurred and payable, in the case of the Energy Efficient Case, or supported by bona fide third party estimates in the Base Case.
 - (i) The costs of equipment purchased from and installed by a third party;
 - (ii) costs of labour for the installation of the equipment by a third party;
 - (iii) costs of energy assessments not funded by the IESO;
 - (iv) design, engineering and/or architecture fees that are not compensated with a Modelling Incentive;
 - (v) project management costs provided by third parties;
 - (vi) shipping, delivery, duties and other costs applicable to the delivery of equipment; and
 - (vii) costs to obtain the information and supporting documentation to prepare the Final Evaluation and Incentive Report.
- (b) For certainty, costs which are not eligible to be included in Eligible Costs include:
 - (i) any costs that are not third party costs or that are internal costs of the Participant, including costs of the Participant’s labour, service, administration or overhead;
 - (ii) financing costs of the Participant;
 - (iii) related insurance costs of the Participant;
 - (iv) costs associated with post-installation maintenance or service contracts;
 - (v) costs of spare parts, spare equipment or other inventories;
 - (vi) purchase or lease of tools for installation of equipment;

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- (vii) taxes payable under Part IX of the *Excise Tax Act* (Canada);
- (viii) a portion of the costs of Eligible Measures that have been or will be received from 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; or
- (ix) costs associated with any Project for which an application has been made to recover or obtain reimbursement for or payment for such costs under any other IESO initiative or program.

1.9 Design Decision-Maker Eligibility Criteria

To be a Design Decision-Maker under the HPNC Initiative, a person must:

- (a) be an architect or professional engineer (as an individual or as a firm), and be licensed to practice in the Province of Ontario;
- (b) not be an employee of the Eligible Person;
- (c) be designated as the Design Decision Maker by the Applicant in the Application; and
- (d) have signed off on the plans for Eligible Project.

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Appendix A: PRE-PROJECT SUBMISSION FORM

INSTRUCTIONS:

Please complete ALL fields below.

Check each box below to confirm the required documentation is submitted to the IESO for each Facility as part of your Application **prior to beginning your Project(s)**:

For Prescriptive Projects, one or more of the following Prescriptive Worksheet(s) for each building site:*

- Lighting Eligible Measures Worksheet
- Motors Eligible Measures Worksheet
- Agribusiness Eligible Measures Worksheet
- Multi-Residential In-suite Appliances Eligible Measures Worksheet
- Unitary AC Eligible Measures Worksheet
- Alternative Energy Measures for Service Hot Water Eligible Measures Worksheet
- Synchronous Belts Eligible Measures Worksheet
- Variable Frequency Drives Eligible Measures Worksheet
- Alternative Energy Measures for Space Cooling Worksheet

For Engineered Projects, one or more of the following Engineering Worksheet(s) for each building site:*

- Commercial Directional Lighting Engineering Worksheet
- Commercial High Bay Lighting Engineering Worksheet
- Commercial Exterior Lighting Engineering Worksheet
- Commercial Interior Lighting Engineering Worksheet
- Unitary AC Engineering Worksheet

For Custom Projects, ALL the documents listed below:*

- Custom Worksheet (with the Project Description, Building Energy Assumptions, and Custom Incentive Calculation sections completed)
- Working EE4, DOE 2.x, eQuest, Energy Pro, CANQUEST or other IESO approved software data file (Modelling Results Report)
- Modelling Assumptions Report (Modelling notes only)
- Energy & Demand Savings Summary
- Complete set of preliminary drawings and specifications

** Note: a project may be prescriptive, engineered, or custom but may not be a combination of any two or three (except where the prescriptive measure is from any of the Multi-Residential In-suite Appliances Eligible Measures Worksheet or Non-electric cooling measure from the Alternative Energy Measures for Space Cooling Eligible Measures Worksheet or from the Alternative Energy Measures Service Hot Water Prescriptive Worksheet.)*

1. Modelling Incentive Election (optional)

The Applicant is submitting a Custom Project and is applying for Modelling Incentives: YES NO

2. Design Decision Maker Incentive Election (optional)

The Applicant is submitting a Custom Project and has identified the Design-Decision Maker in the Custom Worksheet: YES NO

3. Building where Eligible Measures will be installed (required):

BUILDING NAME (if applicable)

ADDRESS

CITY

PROVINCE

POSTAL CODE

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4. Please specify the building type and end-use(s) that applies to your Project (required):

Commercial Industrial/Manufacturing Government/Public Institutions Agricultural

Other (please specify) _____

Please list below all applicable end-uses that apply to your building (i.e., Office, Restaurant, Data Centre, Rental Apartment, etc.)

5. Building Characteristics (required):

TOTAL BUILDING/FLOOR AREA: m2 sq. ft NUMBER OF FLOORS:

ESTIMATED ANNUAL CONSUMPTION (kWh): ESTIMATED SUMMER PEAK DEMAND (kW):

6. Which type of Project(s) is included in this Application (required)?

PRESCRIPTIVE PROJECT ENGINEERED PROJECT CUSTOM PROJECT

7. Custom Project Cost:

ESTIMATED CUSTOM PROJECT INCREMENTAL COST: \$

8. Participant Incentive amounts (required):

TOTAL PRESCRIPTIVE INCENTIVE BEING APPLIED FOR: \$

TOTAL ENGINEERED INCENTIVE BEING APPLIED FOR: \$

TOTAL CUSTOM INCENTIVE BEING APPLIED FOR: \$

TOTAL MODELLING INCENTIVE BEING APPLIED FOR (IF APPLICABLE): \$

TOTAL ELIGIBLE DESIGN DECISION MAKER INCENTIVE (IF APPLICABLE): \$

9. Project Timeline (required):

ESTIMATED PROJECT START DATE

ESTIMATED PROJECT COMPLETION DATE

(DD/MM/YYYY): / /

(DD/MM/YYYY): / /

10. Have you received any other financial incentive(s) for this project through any other public program (required)? YES NO

If yes, please specify the following:

NAME OF PROGRAM:

FUNDING PROVIDER:

FUNDING AMOUNT: \$

11. Other comments (for example, special site requirements or conditions which the Technical Reviewer should be aware of)

12. Certification Statement

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By signing below, I certify that the information provided in this **Appendix A** is true, accurate and complete.

*NAME:

*TITLE:

*APPLICANT/LEGAL COMPANY NAME:

AUTHORIZED SIGNATURE:

DATE
(DD/MM/YYYY):

* please print and send an original copy with signatures to the **Independent Electricity System Operator**

13. Project Management (FOR IESO USE ONLY)

PROJECT APPLICATION NUMBER: _____
APPROVED PRESCRIPTIVE INCENTIVE AMOUNT: \$
APPROVED ENGINEERED INCENTIVE AMOUNT: \$
APPROVED CUSTOM INCENTIVE AMOUNT: \$
APPROVED MODELLING INCENTIVE AMOUNT (IF APPLICABLE): \$
APPROVED DESIGN-DECISION MAKER INCENTIVE AMOUNT (IF APPLICABLE): \$
DATE APPLICATION APPROVED (MM/DD/YYYY): / /
COMMENTS:

NAME:

TITLE:

IESO AUTHORIZED SIGNATURE:

DATE (DD/MM/YYYY):

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Appendix B: POST-PROJECT SUBMISSION FORM

INSTRUCTIONS:

Please complete ALL fields below.

Check each box to confirm the required documentation is submitted to the IESO for each facility as part of your Application **following completion of your Project(s):**

- Invoices or other documents demonstrating proof of payment
- Copies of architectural, mechanical and electrical specifications and drawings showing the Eligible Measures installed and implemented
- Manufacturer's equipment specification sheets (cut sheets) or detailed manufacturer's data for actual measures
- Proof of occupancy

For Custom Projects:

- Copies of mechanical zoning diagrams
- Documentation of control sequences for building equipment
- Documented fraction of outside air on air return systems
- Manufacturer's specifications for any plant equipment including the boiler system hot water, chiller, cooling tower, air handling and rooftop units
- Completed Custom Worksheet including actual Eligible Costs
- Modelling Assumptions Report including Appendices
- Complete set of as-built drawings and specifications

1. Modelling Incentive Election (optional)

The Applicant has submitted a Custom Project and has applied for a Modelling Incentive: YES NO

2. Design Decision Maker Incentive Election (optional)

The Applicant has submitted a Custom Project and has identified the Design Decision-Maker Incentive in the Custom Worksheet:
 YES NO

3. Building where Eligible Measures were installed:

BUILDING NAME (if applicable)

ADDRESS CITY ON PROVINCE POSTAL CODE

4. Which type of project(s) is included in this Application?

- PRESCRIPTIVE PROJECT ENGINEERED PROJECT CUSTOM PROJECT

5. Actual Project Costs: (as indicated in the Custom Worksheet):

ACTUAL CUSTOM PROJECT INCREMENTAL COST: \$

6. Incentive Application (subject to Final Project Measurement & Verification):

TOTAL PRESCRIPTIVE INCENTIVE BEING APPLIED FOR: \$
TOTAL ENGINEERED INCENTIVE BEING APPLIED FOR: \$
TOTAL CUSTOM INCENTIVE BEING APPLIED FOR: \$
TOTAL MODELLING INCENTIVE BEING APPLIED FOR (IF APPLICABLE): \$
TOTAL DESIGN DECISION MAKER INCENTIVE BEING APPLIED FOR (IF APPLICABLE): \$

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7. Actual Project Timeline:

ACTUAL PROJECT START DATE

ACTUAL PROJECT COMPLETION DATE

(DD/MM/YYYY): / /

(DD/MM/YYYY): / /

8. Other Comments (for example, special site requirements or conditions which the Technical Reviewer should be aware of)

9. Certification Statement

By signing below, I certify that the information provided in this **Appendix B** is true, accurate and complete.

*NAME:

*TITLE:

*APPLICANT/LEGAL COMPANY NAME:

AUTHORIZED SIGNATURE:

DATE
(DD/MM/YYYY):

10. Project Management (FOR IESO USE ONLY)

PROJECT APPLICATION NUMBER: _____
FINAL PRESCRIPTIVE INCENTIVE AMOUNT: \$
FINAL ENGINEERED INCENTIVE AMOUNT: \$
FINAL CUSTOM INCENTIVE AMOUNT: \$
FINAL MODELLING INCENTIVE AMOUNT (IF APPLICABLE): \$
FINAL DESIGN-DECISION MAKER INCENTIVE AMOUNT (IF APPLICABLE): \$
DATE (MM/DD/YYYY): / /
FINAL EVALUATION AND INCENTIVE REPORT REQUIRED? <input type="checkbox"/> YES <input type="checkbox"/> NO
DATE OF FINAL EVALUATION AND INCENTIVE REPORT (MM/DD/YYYY): / /
COMMENTS:

NAME:

TITLE:

IESO AUTHORIZED SIGNATURE:

DATE (DD/MM/YYYY):