



INDUSTRIAL ACCELERATOR™ PROGRAM

**Incentive Schedule for Retrofit
(Version 1.1, January 24, 2018)**

issued under the Master Program Agreement

between

[name of Participant]

- and -

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

DATED as of the ♦ day of ♦, ♦

IESO Project Identification No. ♦

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INCENTIVE SCHEDULE - RETROFIT

This Incentive Schedule is between ♦, a ♦ [Set forth the name and legal form of the Participant] created under the laws of ♦ (the “**Participant**”) and the Independent Electricity System Operator (the “**IESO**”) and is dated ♦.

BACKGROUND:

A. The Participant and the IESO are the Parties to a Master Program Agreement dated ♦ (the “**Master Agreement**”), pursuant to which the Parties may enter into Incentive Schedules.

B. The Participant has submitted an Application for a Retrofit Incentive under the Industrial Accelerator Program, which the IESO has accepted.

NOW THEREFORE, in consideration of the mutual agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I **INCENTIVE SCHEDULE**

1.1 Master Agreement and Exhibits

This Incentive Schedule forms part of the Agreement. It is subject to the terms and conditions of the Master Agreement. Unless otherwise defined in this Incentive Schedule, defined terms have the meanings given in the Master Agreement. Unless otherwise stated, references to a “Section” or “Article”, are to sections and articles of this Incentive Schedule.

1.2 Exhibits and Eligibility Requirements

(a) The following Exhibits are attached to and will form part of this Incentive Schedule:

Exhibit "A" - Eligibility Criteria

Exhibit "B" - Pre-Project Submission Form(s) (completed)

Exhibit "C" - Post-Project Submission Form

Exhibit "D" - M&V Plan (required only for Projects that include Custom Measures for which the Retrofit Incentive is estimated to be greater than \$10,000)

(b) Version ♦ ([insert date]) of the Eligibility Requirements are incorporated by reference and form part of this Incentive Schedule.

1.3 Term

This Incentive Schedule is effective as of the date first written above and will terminate on the earliest of: (a) the date it is terminated by a Party in accordance with the Agreement; and (b) 48 months after the IESO pays the Retrofit Incentive.

1.4 Representations

- (a) By executing this Incentive Schedule, the Participant makes the representations and warranties set out in Sections 6.1 and 6.2 of the Master Agreement as of the date of this Incentive Schedule.
- (b) The Participant also represents and warrants to the IESO that:
 - (i) no Project set out in the Pre-Project Submission Form has received, is receiving or will receive any Third Party Contributions or other funding from the IESO;
 - (ii) if applying for a Participant Incentive relating to a Multi-Family Building, it is a Multi-Family Housing Provider;
 - (iii) all of the additional eligibility criteria set forth in Exhibit "A" have been satisfied.

ARTICLE II **INCENTIVE**

2.1 Purpose of Incentive

Subject to the terms of the Master Agreement and this Incentive Schedule, the IESO agrees to pay the Participant the Retrofit Incentive in consideration for the Participant undertaking its obligations under the Agreement.

2.2 Amount of Incentive

- (a) The Retrofit Incentive for a Project is determined as follows:
 - (i) for Prescriptive Measures, the Prescriptive Incentive is calculated according to the Prescriptive Worksheet up to a maximum of 110% the approved Retrofit Incentive for Prescriptive Measures set out in section 12 of Exhibit "B";
 - (ii) for Custom Measures, the Custom Incentive is the least of:
 - (A) (x) for each of the Custom Measures that are light bulbs or lighting fixtures, \$0.05/kWh of Annualized Electricity Savings in the first year after they are implemented; plus (y) for each of the other Custom Measures, \$0.10kWh of Annualized Electricity Savings in the first year after they are implemented;
 - (B) 50% of the actual Eligible Costs for the Custom Measures; and
 - (C) 110% of the Approved Retrofit Incentive for Custom Measures set out in section 12 of Exhibit "B";

provided that if the Participant is a Multi-Family Housing Provider and the Project is undertaken in a Multi-Family Building, the Retrofit Incentive will also include an incremental Multi-Family Building Adder equal to the product of \$200/kW and the total estimated Demand Savings set forth in the worksheets included as part of the Pre-Project Submission Form, to a maximum of 10% of the Retrofit Incentive that would otherwise be granted without including of the Multi-Family Building Adder.

- (b) For the purposes of determining the Retrofit Incentive, notwithstanding the definition of Eligible Costs in the Master Agreement, Eligible Costs will mean costs that meet the criteria set out in Exhibit "A".

2.3 Payment of Incentive

- (a) As a condition to receiving the Retrofit Incentive, for each Project, the Participant will continue to meet, and to ensure that the applicable Project meets, the eligibility criteria set out in Exhibit "A".
- (b) The total amount of the Retrofit Incentive calculated by the IESO in accordance with Section 2.2 will be paid by the IESO as a lump sum payment, upon the occurrence of all of the following:
 - (i) the Project has been completed and achieves its In-Service Date;
 - (ii) The Participant completes and signs a Post-Project Submission Form in the form attached as Exhibit "C" and sends it to the IESO;
 - (iii) The Participant provides the IESO with evidence of the implementation and completion of each Project and verification of each Project's Eligible Costs, in the form of accounting records and contractor invoices, and any other evidence that the IESO may require, including visual inspections by the IESO or its representatives, provided that 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 2.3(b)(iii);
 - (iv) for Projects that do not require the completion and approval of a Final Evaluation and Incentive Report under s. 3.3(a)(ii), any post-Project site visits and inspections required in respect of the Project are completed;
 - (v) for Projects that require the completion and approval of a Final Evaluation and Incentive Report under s. 3.3(a)(ii), the last of such Final Evaluation and Incentive Reports have been finalized; and
 - (vi) if the Project relates to a Multi-Family Building, the activities identified in the Tenant Education Proposal are completed.

ARTICLE III PARTICIPANT RESPONSIBILITIES

3.1 General

In addition to the other obligations under the Agreement, the Participant agrees to:

- (a) implement each of the Projects by the Program Expiry Date;
- (b) ensure that all equipment being replaced in whole or in part as part of the Project, when removed, is not sold for reuse and is decommissioned or disposed of in accordance with Applicable Laws (and at the request of the IESO provide written confirmation of the foregoing on behalf of the Participant);

- (c) maintain, or will cause to be maintained, all of the equipment and improvements implemented through each Project in good working order and will operate and maintain, or will cause to be operated and maintained, such equipment and improvements without any modification during the Electricity Savings Period, which will be the continuous period of 48 months starting on the first day of the month immediately following the month in which the IESO pays the Retrofit Incentive;
- (d) if the Participant is a Multi-Family Building Provider:
 - (i) undertake the activities described in the Tenant Education Proposal; and
 - (ii) prominently display in at least one common area of the multi-family building in which a Project is being completed, signage provided by the IESO, with such signage to be displayed during the implementation of the Project and to remain in place for a minimum of two weeks following the completion of the Project;

3.2 Covenant Not to Increase Rent

If 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 Participant Incentives as a basis for applying to the Landlord and Tenant Board, for an increase in the annual rent amounts paid by such tenants above the annual rent-increase guideline permitted under the *Residential Tenancies Act, 2006* (Ontario).

3.3 Reporting

- (a) The Participant agrees to:
 - (i) submit to the IESO an Advanced Evaluation and Incentive Report including an M&V Plan for each Project and review and provide comments to the IESO within two weeks after receiving a request from the IESO relating to such report; and
 - (ii) if required by the IESO, submit to IESO a Final Evaluation and Incentive Report and review and provide comments to the IESO within two weeks after receiving a request from the IESO relating to such reports.
- (b) 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.

3.4 Supporting Information

The Participant agrees to assist the IESO in reviewing any M&V Plan, Advanced Evaluation and Incentive Reports and Final Evaluation and Incentive Reports (if applicable) for each Project by, among other things:

- (a) obtaining and providing to the IESO interval electricity data for such Project (where available) for the 12 months leading up to the start of such Project and up to 48 months following the completion of such Project;

- (b) if applicable, providing empirical evidence to the IESO to determine why estimated Electricity Savings for the 48-month Electricity Savings Period contemplated in an Advanced Evaluation and Incentive Report differ substantially from savings assessed in a Final Evaluation and Incentive Report.

ARTICLE IV
REMEDY FOR DEFAULT

4.1 Additional IESO Remedies

- (a) In addition to the remedies set out in Section 7.2 of the Agreement, if any Participant Event of Default occurs and is continuing, the IESO may require the Participant to repay, as liquidated damages and not as a penalty, a portion of the Participant Incentive, calculated as follows for each Project that is in default:

$$\text{Liquidated Damages} = (\text{Participant Incentive paid}) \times (\text{months remaining in the Electricity Savings Period under 3.1(c)}) \div 48$$

provided that where the Participant Event of Default arises as a result of the Participant having made modifications to the equipment that formed part of the Project without first obtaining the consent of the IESO, the Participant will be required to repay the full amount of the Retrofit Incentive for that Project.

- (b) For the purposes of this calculation, a Participant Event of Default occurring at any time during a month will be deemed as a Participant Event of Default for the full month.

[Signature page to follow]

IN WITNESS WHEREOF the Parties have executed this Incentive Schedule as of the date first above written.

[NAME OF PARTICIPANT]

Per: _____
Name:
Title:

I have authority to bind the Corporation.

**INDEPENDENT ELECTRICITY SYSTEM
OPERATOR**

Per: _____
Name:
Title:

I have authority to bind the Corporation.

EXHIBIT "A"
ELIGIBILITY CRITERIA

1. Project and Measure Eligibility Criteria

To be an eligible Project, the proposed Project must, in addition to the Eligible Project requirements:

- (a) be comprised of eligible Prescriptive Measures only, Custom Measures only, or both Prescriptive Measures and Customer Measures with the prior written consent of the IESO;
- (b) in the case of a Project with only Prescriptive Measures, have a minimum Retrofit Incentive of \$100;
- (c) in the case of a Project with Custom Measures or Custom Measures and Prescriptive Measures:
 - (i) have a minimum estimated Demand Savings of 1kW and/or annual estimated Energy Savings of 2,000 kWh; and
 - (ii) must be projected to deliver such Demand Savings and/or Energy Savings for a minimum period of 48 months from the In-Service Date of the Project;
- (d) in the case of a Project involving Custom Measures, the estimated Participant Incentive must be no more than \$500,000; and
- (e) not be an Ineligible Project, as set out in Section 2 of this Exhibit.

2. Ineligible Projects and Measures

The following types of Projects (in addition to Excluded Projects) are Ineligible Projects for the purposes of the Retrofit Incentive:

- (a) projects based on Prescriptive Worksheets where the proposed Project proposes to replace existing equipment that is not listed on the Prescriptive Worksheet;
- (b) projects that have entered into a Project Incentive Agreement or have submitted a Project Incentive Application under any predecessor program of the IESO.

3. Eligible Costs

Costs which are eligible to be included in determining applicable Incentives must be (i) reasonable, (ii) directly related to the procurement and implementation of the Project, (iii) incurred and paid or payable, and (iv) are limited to:

- (a) for Prescriptive Measures, the actual costs of the equipment purchased and installed;
- (b) for Custom Measures:
 - (i) actual costs of energy assessments not funded under other IESO initiatives;

- (ii) costs of equipment purchased from and installed by a third party;
- (iii) costs of labour for the installation of the equipment by a third party;
- (iv) actual costs of design, engineering and/or architecture associated with a Project;
- (v) project management costs provided by third parties;
- (vi) shipping, delivery, duties and other costs applicable to the delivery of equipment to the facility; and
- (vii) if applicable, actual costs to prepare and implement the M&V Plan or costs to assist the IESO in obtaining the information and supporting documentation to prepare the Advanced Evaluation and Incentive Report and the Final Evaluation and Incentive Report.

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) other Ineligible Costs as defined in the Agreement.

EXHIBIT "B"
PRE-PROJECT SUBMISSION FORM

To be completed.

INSTRUCTIONS:

Please complete ALL required fields below.

Check each box below to confirm the required documentation is submitted to the Independent Electricity System Operator for each facility as part of your Pre-Project Submission Form **prior to beginning your Project(s)**:

- Equipment cost estimates, quotes or proposals
- Cut sheets or detailed manufacturers' data
- Tenant Education Proposal (if applicable)
- Proposed M&V Plan (if applicable)

For Prescriptive Measures, one or more of the following worksheets:

- Lighting Eligible Measures Worksheet
- Unitary AC Eligible Measures Worksheet
- Agribusiness Eligible Measures Worksheet
- VFD Eligible Measures Worksheet
- Motors Eligible Measures Worksheet
- Multi-Residential In-suite Appliances Eligible Measures Worksheet
- Alternative Energy Measures for Space Cooling Eligible Measures Worksheet
- Synch Belt Eligible Measures Worksheet

For Custom Measures, at least one of the following worksheets:

- Custom Lighting Project Worksheet
- Custom Non-Lighting Project Worksheet

1. Tenant Education Election (optional)

The Applicant is a Multi-Family Housing Provider and is applying for a Multi-Family Building Adder: YES NO

2. Building where Eligible Measures will be installed:

BUILDING NAME (if applicable)

ADDRESS

CITY

PROVINCE

POSTAL CODE

HST REGISTRANT #

12. Project Management (FOR INDEPENDENT ELECTRICITY SYSTEM OPERATOR USE ONLY)

PROJECT APPLICATION NUMBER:
APPROVED PRESCRIPTIVE INCENTIVE AMOUNT: \$
APPROVED CUSTOM INCENTIVE AMOUNT: \$
APPROVED TENANT EDUCATION INCENTIVE AMOUNT: \$
DATE APPLICATION APPROVED (MM/DD/YYYY): / /
ADVANCED PROJECT EVALUATION REQUIRED? <input type="checkbox"/> YES <input type="checkbox"/> NO
DATE OF PROJECT EVALUATION (MM/DD/YYYY): / /
COMMENTS:

NAME: _____ TITLE: _____

INDEPENDENT ELECTRICITY SYSTEM OPERATOR _____ DATE: _____
AUTHORIZED SIGNATURE:

NAME: _____ TITLE: _____

INDEPENDENT ELECTRICITY SYSTEM OPERATOR _____ DATE: _____
AUTHORIZED SIGNATURE:

EXHIBIT "C"
POST-PROJECT SUBMISSION FORM

To be completed.

INSTRUCTIONS:

Please complete ALL required fields below.

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

- Invoices showing proof of payment
- Other supporting documentation as required pursuant to the Prescriptive Worksheets, Engineered Worksheets and/or Custom Worksheets.

1. Tenant Education Election (optional)

The Applicant is a Multi-Family Housing Provider and has applied for a Multi-Family Building Adder: YES NO

2. Building where Eligible Measures were installed:

BUILDING NAME (if applicable)

ADDRESS	CITY	PROVINCE	POSTAL CODE
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HST REGISTRANT #

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

- PRESCRIPTIVE PROJECT CUSTOM PROJECT

4. Actual Eligible Project Costs (required). Please refer to the Participant Agreement for a list of Eligible Costs.

ACTUAL TOTAL ELIGIBLE COSTS for PRESCRIPTIVE PROJECTS: \$
ACTUAL TOTAL ELIGIBLE COSTS for CUSTOM PROJECTS: \$

5. Final Participant Incentive amounts

TOTAL PRESCRIPTIVE INCENTIVE BEING APPLIED FOR: \$
TOTAL CUSTOM INCENTIVE BEING APPLIED FOR: \$
AMOUNT OF TOTAL INCENTIVE BEING APPLIED FOR THAT ACCOUNTS FOR MULTI-FAMILY ADDER (IF APPLICABLE): \$

6. Actual Project Timeline:

ACTUAL PROJECT START DATE	ACTUAL PROJECT COMPLETION DATE
(DD/MM/YYYY): / /	(DD/MM/YYYY): / /

7. Other Comments (for example, special site requirements or conditions which Technical Reviewers should be aware of, etc):

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

*NAME: _____ *TITLE: _____

*APPLICANT/LEGAL COMPANY NAME: _____ AUTHORIZED SIGNATURE: _____ DATE: _____

*NAME: _____ *TITLE: _____

APPLICANT/LEGAL COMPANY NAME: _____ AUTHORIZED SIGNATURE: _____ DATE: _____

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

8. Project Management (FOR INDEPENDENT ELECTRICITY SYSTEM OPERATOR USE ONLY)

PROJECT APPLICATION NUMBER:
FINAL PRESCRIPTIVE INCENTIVE AMOUNT: \$
FINAL CUSTOM INCENTIVE AMOUNT: \$
FINAL TENANT EDUCATION INCENTIVE AMOUNT: \$
DATE (MM/DD/YYYY): / /
FINAL PROJECT EVALUATION REQUIRED? <input type="checkbox"/> YES <input type="checkbox"/> NO
DATE OF PROJECT EVALUATION (MM/DD/YYYY): / /
COMMENTS:

NAME: _____ TITLE: _____

INDEPENDENT ELECTRICITY SYSTEM OPERATOR AUTHORIZED SIGNATURE: _____ DATE: _____

NAME:

TITLE:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
AUTHORIZED SIGNATURE:

DATE:

EXHIBIT "D"
M&V PLAN

Required only for Projects that include Custom Measures for which the Retrofit Incentive is estimated to be greater than \$10,000.

Attached, if required.