

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

The Small Business Lighting (“SBL”) 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 Participants in this SBL Program are owners and tenants of commercial, institutional, agricultural facilities and multi-family buildings that meet the Eligibility Criteria.

This SBL Program is offered under, and is subject to the terms of, the Energy Conservation Agreement.

All capitalized terms not defined in these SBL Program Rules have the definitions given to them in the Energy Conservation Agreement between the Local Distribution Company (“LDC”) and the Independent Electricity Systems Operator (“IESO”).

2. Program Offer / Participant Incentives**2.1 Standard (Provincially Consistent) Incentives**

The SBL Program offers Participants a turn-key service which provides:

- a lighting Assessment at no charge to the Participant
- up to \$2,000 of Eligible Measures provided and installed; and
- Standard Incentive once the next incremental Eligible Measure to be installed causes the Direct Install Eligible Cost Payment to exceed \$2,000.

Incentives will be provided based on the Direct Install Eligible Cost, to a maximum of \$2,000.

Attached hereto as Exhibit “A” is the Eligible Measures List which may be updated from time to time.

3. Program Eligibility Criteria**3.1.1 Participant Eligibility**

Participants 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
- (d) sign a Work Order.

3.2 Facility Eligibility

3.2.1 A Facility must:

- (a) be within the LDC's service area;
- (b) meet the following criteria for the average demand of the Facility:
 - (i) where the Facility is individually metered by the LDC, 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;
 - (ii) where the Facility is not individually metered by the LDC, 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; and

3.2.2 Participants that have previously participated in the SBL Program under the Energy Conservation Agreement for the 2015-2020 Conservation First Framework may re-apply to participate under these Program Rules provided that the total Direct Install Eligible Cost Payment from their previous participation and current participation does not exceed \$2,000.

3.3 Project and Measures Eligibility

3.3.1 Eligible Measures

A project must:

- (a) be comprised of Eligible Measures;
- (b) be based on the Work Order presented to and signed by the Participant; and
- (c) be completed by a Contractor in accordance with the electrical safety requirement of the *Electrical Safety Act* (Ontario).
- (d) be comprised of measure(s) that have not been previously incented under the Energy Conservation Agreement for the 2015-2020 Conservation First Framework

3.3.2 Eligible Costs

ESA permit fees will be paid according to the Eligible Measures List only for projects that require the ESA permit.

4. Participant Agreement

The Participant Agreement will include the terms and conditions specified in the Energy Conservation Agreement. In addition, it must include the following:

- (a) Neither the IESO nor the LDC will 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;
- (b) 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 "RTA"), the Participant shall not use the incentives provided under this SBL Program as a basis for applying to the Landlord and Tenant Board (being the "Board" in the RTA), for an increase in the annual rent amounts paid by such tenants above the annual rent-increase guideline permitted under the RTA; and
- (c) any other provision required to give effect to these Program Rules.

5. Disposal Requirements

The LDC must ensure that equipment removed is disposed of or decommissioned in compliance with applicable laws and regulations, and commercially reasonable environmental practices, and shall evidence such activities by appropriate disposal certificates or similar documentation.

6. QA/QC and Project M&V – Minimum requirements

Inspections will be conducted annually of Facilities selected for QA/QC inspections in accordance with the Sampling Protocol. The LDC will determine the following for each QA/QC inspection:

- (a) the Eligibility Criterion was met;
- (b) the type of Existing Equipment at the Facility verified by means of photo evidence;
- (c) the Facility Type is correct;
- (d) the Participant signed the Participant Agreement prior to commencing the work and signed the Work Order;
- (e) the Eligible Measures that were installed are in accordance with the Work Order as evidenced by photos;
- (f) the invoices submitted by the Contractor to the LDC in connection with the Work Order accurately set forth the descriptions and quantities of the purchased Eligible Measures;

- (g) the invoices submitted by the Contractor to the Participant for the Participant Contribution (if applicable) were in accordance with the Work Order;
- (h) the Contractor Payment and Participant Contribution was calculated correctly and in accordance with the Assessment Tool; and
- (i) the Participant is in compliance with all requirements of the Work Order and Participant Agreement.

7. Minimum Record Keeping and Data Submission Requirements

At a minimum, and subject to the Energy Conservation Agreement, the LDC will retain and submit to IESO the following information:

- (a) all data from Work Orders;
- (b) data from any invoices provided by the Contractor to the Participant where Participant Contributions are being made;
- (c) data from invoices from the Contractor to LDC; and
- (d) Data related to QA/QC.

8. Program Specific Definitions

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

“Assessment” means a review of the lighting equipment at the Facility of an Eligible Person 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, incentive as well as any Participant Contribution to be developed, implemented and maintained by the IESO in accordance with Section 8 of these Program Rules;

“Contractor” means an employee of the LDC or a third party service provider under contract to the LDC;

“Contractor Payment” means the sum of the Direct Install Eligible Cost Payment and the Standard Incentive Payment;

“Data Repository” means the data repository developed, implemented and maintained by the IESO for purposes of storing data in accordance with the ECA. ;

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

“Direct Install Eligible Cost Payment” means the Direct Install Eligible Cost multiplied by the number of corresponding Eligible Measures for all Eligible Measures installed under the 2015-2020 SBL Program;

“Eligible Person” means an individual that meets the Participant Eligibility criteria described in Section 3.1;

“Eligibility Criteria” means both the Participant Eligibility criteria described in Section 3.1 and the Facility Eligibility criteria described in Section 3.2;

“Eligible Measures” means the measures listed in the column identified as “Eligible Measures” in the Eligible Measures List;

“Eligible Measures List” means the list of Eligible Measures attached hereto as Exhibit “A”; ;

“Existing Equipment” means the equipment listed in the column identified as “Existing Equipment” of the Eligible Measures List;

“Facility” means the building, premises, or part thereof, owned or occupied by the Participant;

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

“Funding Rate” means the incentive rate of \$0.55/kWh of energy savings calculated as follows:

- Energy Savings = Demand Savings x Assumed Annual Operating Hours
- Demand Savings = Base Wattage – Replacement Wattage

Base Wattage, Replacement Wattage and Assumed Annual Operating Hours as per the Eligible Measures List

“Measure Cost Cap” means the maximum cost of the Eligible Measures as listed in the Eligible Measures List in the column identified as “Measure Cost Cap” as may be updated from time to time;

“Measure Cost” means the LDC’s negotiated measure price for measures on the Eligible Measure List which shall not exceed the Measure Cost Cap;

“Participant” means a party who meets the Eligibility Criteria and has signed a Participant Agreement;

“Participant Agreement” means the agreement between the LDC and the Participant setting out the terms and conditions of their participation in the SBL Program;

“Participant Contribution” means the amount payable by the Participant to the Contractor for costs associated with the installation of Eligible Measures in excess of the Contractor Payment which is the Measure Cost less the Funding Rate where such sum is greater than \$0;

“Recognized Farm Operation” means a farm property that possesses a Farm Business Registration FBR number, being the 6 or 7- digit number that is administered by Agricorp, an agency of the Government of Ontario;

“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.

“Sampling Protocol” means the protocol to create a randomly selected sample of Work Orders such that:

- (a) the Facilities are geographically spread over the LDC’s service area;
- (b) each Contractor is represented in the sample;
- (c) the number of Work Orders sampled in a calendar year, based on an estimate of the number of Work Orders in that calendar year, is (i) sufficient to provide a confidence level that is at least 90% with a margin of error no greater than 10%, assuming a response distribution of 3%; or (ii) equal to 10% of all estimated Work Orders, whichever of (i) or (ii) is less.

“Standard Incentive” means the incentive amount listed in the column identified as “Standard Incentives” in the Eligible Measures List;

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

“Work Order” means the completed work order in the form made available by the LDC.

9. Other

9.1 Assessment Tool

The Assessment Tool will be made available for use to LDCs by the IESO.

The LDC will provide any information reasonably requested by the IESO to develop, implement and maintain the Data Repository and the Assessment Tool.

Exhibit “A”
ELIGIBLE MEASURES LIST

[as attached]