

Retrofit Program - Eligibility Criteria

1.1 Participant Eligibility Criteria

To be an eligible person under the Retrofit Program the Applicant must:

- a) have required rights and authority to have the Eligible Measure(s) installed;
- b) be Non-Residential Distribution Customers or Recognized Farm Operations that have not previously entered into a binding commitment to acquire the Measure or services required to install the Measure subject to section 1.3(c), subject to the Participant evidencing the intent to apply as determined by the LDC in its sole discretion; and
- c) agree to all terms and conditions in the Participant Agreement.

1.2 Project and Measure Eligibility Criteria

To be an eligible project, the proposed Project must:

- a) be comprised of Eligible Measures; provided, however, that a Project that is comprised only of Custom Measures may not include Prescriptive Measures without the prior written consent of the IESO;
- b) in the case of a Project with only Prescriptive Measures, have a minimum Participant Incentive of \$100;
- c) in the case of a Project with Custom 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 the greater of 48 months from the in-service date of the Project or until December 31, 2020;
- d) be based on a reasonable estimate of Demand Savings and Energy Savings for Custom Measures;
- e) be in respect of a single Facility connected to, or behind the meter of another electricity consumer connected to, the LDC's Distribution System that is a Distribution Consumer, but not a Residential consumer;
- f) not be an Ineligible Project; and
- g) be located in a Facility that is connected to the Distribution System and is not classified as Residential.

For certainty, an eligible Project may be in relation to a Facility that is a structure that is not a building, including for example a free standing billboard.

1.3 Ineligible Project and Measures

None of the following types of projects qualifies as an Eligible Project (each, an “Ineligible Project”):

- a) projects based on Custom Worksheets or Engineered Worksheets proposing Measures that are not generally commercially available, are pilot or demonstration projects, or are otherwise unproven;
- b) projects based on Prescriptive Worksheets where the proposed Project purports to replace existing equipment that is not listed on the Prescriptive Worksheet;
 - i) for clarity, the amendment to the amendment to the Unitary AC Eligible Measures Worksheet arising from version 4.2 (January 1, 2014) will be effective from January 1, 2014 and of no force and effect after December 31, 2014, at which time it will revert to the version 3 (December 4, 2012) Unitary AC Eligible Measures Worksheet
- 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, subject to the following exceptions:
 - i) the LDC is not required to reject an Application for a proposed Small Project solely on the grounds of this Section 1.3(c) where the Application was submitted for approval after February 1, 2011 but prior to January 1, 2012 and no more than 30 days following the completion of such Small Project, in which case Section 3.2(a)(i) of this Schedule will not apply to such Small Project;
 - ii) if a non-residential Distribution Consumer or Recognized Farm Operation had, after January 1, 2011 but prior to the LDC Registering for the Retrofit Program, submitted in writing to the LDC a statement that indicated its intent to apply to participate in the Retrofit Program, the LDC is not required to reject the proposed Project solely on the grounds of this Section 1.3(c) even if such Distribution Consumer had entered into a binding commitment to acquire the Measures or services required to install the Measures if such binding commitment was entered into after January 1, 2011; and
 - iii) the LDC is not required to reject an Application for a proposed Small Project solely on the grounds of this Section 1.3(c) where the Application is in respect of an unplanned replacement of recently failed existing equipment with an Eligible Measure that is listed on the Unitary AC Eligible Measures Worksheet or the VFD or VFD compressor Eligible Measures worksheet, in which case Section 3.2(a)(i) of this Schedule will not apply to such Small Project, provided that (i) the Application was submitted for approval no more than 45 days following the completion of such unplanned replacement Small Project and (ii) the corresponding estimated Participant Incentive does not exceed \$10,000.00; and
 - iv) the LDC is not required to reject an Application with respect to a proposed Project where an Applicant can establish that an intent to apply to or participate in the Retrofit Program with respect to the proposed Project existed prior to entering into such binding commitment, as determined by the LDC, acting reasonably.

- d) projects that involve installation of Measures at a Facility that has previously participated in the Direct Install Lighting and Water Heating Initiative or in its predecessor IESO-funded program (i.e. Power Savings Blitz) for the same Measures in the same area of such Facility; provided, however, a project may relate to the installation of Measures in a different area of such Facility if the applicant can provide evidence that the proposed Measures are not to be installed in such area;
- e) An Application for Prescriptive measures that proposes the replacement of existing equipment that were previously incented under the 2011-14 Save on Energy programs (must use Custom Measures for any incremental Benefit);
- f) projects that involve implementation of Direct Service Space Cooling Initiative Measures at a Facility that has previously participated in the Direct Service Space Cooling Initiative;
- g) projects that have entered into or have applied for a Project Incentive Contract under the Process and System Upgrades Program; or
- h) projects that relate to the commissioning of a Chilled Water Plant (as defined in the Building Commissioning Initiative).

1.4 Eligible Costs

- a) Costs which are eligible to be included in determining applicable Participant Incentives must be directly related to the procurement and implementation of the Eligible Measures and are limited to:
 - i) for Prescriptive Measures, the actual costs of the equipment purchased and installed;
 - ii) for Custom Measures:
 - (A) the actual costs of the equipment purchased and installed;
 - (B) the actual costs of labour for the installation of the equipment by suppliers;
 - (C) actual costs to dispose of or decommission the replaced equipment;
 - (D) actual costs of inspections of the Project as may be required pursuant to Laws and Regulations;
 - (E) actual costs of energy audits not funded by the IESO;
 - (F) actual costs of design, engineering and/or architecture associated with the Project;
 - (G) project management costs provided by third parties;
 - (H) shipping, delivery, duties and other costs applicable to the delivery of equipment to the Facility; and

- (I) actual costs to prepare and implement the Project M&V Plan or costs to assist the LDC in obtaining the information and supporting documentation to prepare the Advanced Evaluation and Incentive Report and the Final Evaluation and Incentive Report.
 - (J) Performance-based optimization activities for Monitoring and Targeting Measures for up to a 12-month period following Project completion.
- 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;
 - vii) HST; and
 - 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 (other than funding principally directed to Social Housing Providers if, combined with the Participant Incentive, such funding does not exceed the actual cost of the Project) or rebates from manufacturers or wholesalers or other supply chain participants.