

## **New Opportunities for Building Owners and Managers to Save on Energy**

**The IESO's updated suite of energy efficiency programs can help energy users improve building performance, lower GHG emissions and reduce costs**



As any building owner or operator in Ontario knows, energy costs can have a significant impact on the bottom line – but strategic investments in energy efficiency can substantially reduce electricity consumption and costs.

Over the past 10 years, the Independent Electricity System Operator (IESO) has offered a portfolio of conservation and demand management (CDM) programs to electricity consumers in Ontario under the Save on Energy brand. In that time, the province has achieved 16 terawatt-hours (TWh) of energy savings – enough to power over 1.8 million homes for a year – and more than 250,000 residential and business customers have participated in an energy efficiency program.

In early January of this year, the IESO launched Ontario's 2021-2024 CDM Framework. Over the next four years, this \$692-million framework will help the province to cost-effectively meet its electricity system needs through the delivery of programs, training and other mechanisms that enable Ontario's electricity consumers to improve the energy efficiency of their homes, businesses, institutions and industrial facilities. This ambitious framework is expected to achieve 2.7 TWh in total energy savings and to drive down peak demand by 440 megawatts (MW).

As the province starts to recover from the economic impacts of COVID-19, energy usage is changing. CDM programs provide continued opportunities for electricity consumers – particularly business customers – to reduce their energy costs and focus their efforts on core operations.

The Retrofit Program and the Energy Performance Program (EPP) are two of several programs available to consumers in the industrial, commercial and institutional sectors. Although these programs existed under previous frameworks, the updated versions include some important changes.

The Retrofit program now offers businesses a more customer-friendly experience through an expanded list of energy-efficient measures, faster application review processes and quicker incentive payments. New measures are available under three streams: lighting, HVAC, and manufacturing and other equipment. To help businesses reduce their energy costs and increase their competitiveness, measures focus on the most commonly used products and technologies, including the most popular measures from the discontinued custom track. These include LED lighting and control systems; chillers, fans and HVAC controls; and exhaust ventilation, process chillers, variable frequency drives and other building equipment.

While projects funded through the Retrofit Program are effective at reducing electricity consumption and costs, that's not their sole purpose. In addition, some of the non-energy benefits include reduced maintenance and downtime and enhanced productivity. The program's design also provides an opportunity to keep pace with changing marketplace needs over the four-year framework with the introduction of a new measure suggestion form and a mid-term review.

Unlike the prescriptive Retrofit Program, the Energy Performance Program is highly customizable and takes a holistic view of building energy performance. Introduced in 2016, it enables businesses to achieve continuous, whole-building energy improvements under a pay-for-performance model. The program continues to be available for commercial and institutional facilities and under the new framework, industrial facilities are eligible as well. Reducing total facility consumption is an EPP priority, but there's more to the program than that. Changes made in the 2021-2024 CDM Framework include new incentives for achieving annual peak demand reductions in addition to annual energy savings. The contract term has been extended to three years from two and upfront incentive payments are now included to support initial capital investments. Technical requirements have been streamlined to reduce administrative burden and to improve the customer experience. In addition to lower bills, program participants can expect to experience a range of non-energy benefits, such as improved occupant comfort, reduced maintenance costs, increased property value, and a demonstrated corporate commitment to energy management and sustainability.

Another option for businesses is the Energy Manager Program. Since 2011, more than 150 energy managers across Ontario have become part of a highly skilled network of professionals. This program will evolve over the course of the four-year framework, and will transition from an embedded energy manager model to a strategic energy management model in 2023. This new model will provide enhanced technical support and resources to companies with dedicated energy managers.

Nik Schruder, the IESO's Director of Energy Efficiency, has been involved in CDM programming for more than a decade. He considers the new framework to be evidence of the value CDM has delivered to ratepayers, the electricity system and the energy sector as a whole. It also represents an evolution of programming to address not only bulk system needs and customer needs, but local and/or regional electricity needs as well. "Although we've been working with customers and industry partners in this space for many years, our approach to CDM continues to evolve," he says. "We regularly tweak our programs, our delivery models, our priorities and our objectives to ensure everything is aligned to support the province's long-term energy goals."

In response to feedback from the marketplace and from customers, going forward there will be greater emphasis on supporting customer-driven projects and advancing energy management practices within organizations. The IESO intends to introduce more program changes – such as additional measures and

new delivery approaches – beginning in July 2021 and continuing throughout the four-year framework. In addition, the IESO will undertake a formal review of progress and strategy at the midpoint of the framework in late 2022. This review will ensure that program offerings, targets and budgets are effectively meeting both electricity system and customer needs. Findings and recommendations from the mid-term review may be used to adjust and enhance the CDM program offerings in the second half of the framework.

Competition will play a greater role in the second half of the framework, to seek out flexibility and innovation from the marketplace. An open call for customer-driven solutions is scheduled for 2022, and will provide an opportunity for industrial electricity users to pursue custom solutions to reduce their electricity consumption. A new retro-commissioning program will help mid-size and large electricity customers in Ontario identify operational and maintenance savings opportunities. The IESO will also competitively procure demand-side resources through a variety of means, including capacity auctions, to address province-wide and/or local needs and to reduce the need to build traditional infrastructure such as generating stations, transmission lines or stations, and distribution-level equipment.

So the next time you or your organization are looking to reduce electricity costs, take a moment to consider whether you're doing everything in your power to reduce your consumption. Chances are there's a Save on Energy energy-efficiency program that can help you lower your costs and achieve your goals. For more information on programs for business and industry, visit the [Save on Energy website](#).

#### **SIDEBAR:**

##### **HED: Energy Management Training**

Building owners, operators and managers, and other energy professionals in Ontario may be eligible to receive incentives of up to 50 percent for training in energy management. If approved for a course, they may receive financial support to enroll in the following offerings, among others:

- Building Operator Certification
- Certified Energy Manager
- Certified Measurement & Verification Professional
- Building Commissioning Professional Certification
- Certified Energy Auditor
- Energy-Efficient Building Operations
- Custom training incentives.

Training in these and other areas provides individuals with new skills that enable them to optimize and leverage the performance of building processes and systems; use building automation, predictive maintenance and energy data collection and analysis tools; and further integrate energy-efficiency actions into making strategic business decisions and achieving climate-related goals.