



TAKE CONTROL

with Ontario's Industrial
Conservation Initiative (ICI)



Agenda

- Industrial Conservation Initiative (ICI) overview
- Understanding Global Adjustment (GA)
- ICI rate classes, eligibility, & timing
- Making the most out of ICI



Industrial Conservation Initiative (ICI)

ICI is a provincial program that allows eligible customers choices to manage their Global Adjustment (GA) costs.

Understanding how GA is billed, along with your own consumption and demand profiles, can potentially lead to significant savings.



Industrial Conservation Initiative (ICI)

Your electricity bill is made up of the following components:



Electricity costs

- ~~Hourly Ontario Energy Price (HOEP)~~ Ontario Electricity Market Price
- Global Adjustment (GA)

TODAY'S
FOCUS



Distribution costs

- Delivery (includes transmission, delivery, other fees)
- Regulatory

IESO's Market Renewal Program

Effective May 1, 2025

The IESO Market Renewal Program is an update to how Ontario buys and sells electricity:

- Hourly Ontario Electricity Price (HOEP) => Ontario Electricity Market Price (OEMP)
- Visit www.ieso.ca/market-renewal for more information
- No change to the ICI program



Understanding electricity costs

Market Price ~~(HOEP)~~ (OEMP)

is the fluctuating market price of electricity

- Market price of electricity
- Covers operational costs of electricity production
- Impacted by consumption, weather, time of day, etc.
- Weighted average used for billing



Global Adjustment (GA)

makes up the difference between ~~HOEP~~ OEMP and the real cost of the Provincial Grid

- Fixed costs to build or refurbish infrastructure
- Contracts and regulated rates to generators
- Conservation initiative funding
- Set on a monthly basis

Everyone pays Global Adjustment

Dependant on rate class



Residential & small business

Time-of-use or tiered
(embedded in rates)



Class B commercial

By Rate (\$/kWh)



Class A commercial

By contribution to
provincial peaks
(% of total GA cost)

Recent rate fluctuations

- Recent fluctuations in both the commodity cost of electricity as well as the Global Adjustment (GA) costs have been more significant than normal
- In late 2024/early 2025, the commodity cost of electricity rose due to several market factors including a colder winter this year (vs. recent years).
- Result: A corresponding drop in GA costs in the first few months of 2025.
- Both commodity pricing and GA costs are available at the Independent Electricity System Operator (IESO) website.



Class A vs. Class B

ICI program lets eligible customers choose to be billed for GA either as a Class A or Class B customer

Class A

- GA charged based your facility's contribution to the 5 provincial peak hours from the 12 month baseline period
- This creates your Peak Demand Factor (PDF)
- GA billing = your peak demand factor * total provincial GA cost each month
- GA is not tied to monthly kWh consumption

Class B

- GA charge is the monthly GA 1st estimate rate, provided by IESO each month
- GA billing = 1st estimate rate * unadjusted kWh consumed during billing period
- GA is tied to monthly kWh consumption

Example

Class A GA Billing

Peak	Day	Hour	Customer's Consumption (MWh/h)	Peak System Consumption (MWh/h)
1	Sep 5, 202X	HE 17	3.1	23,627.02
2	Jul 6, 202X	HE 15	4.4	23,833.72
3	Aug 26, 202X	HE 18	3.9	22,857.05
4	Jul 16, 202X	HE 17	4.1	22,713.16
5	Sep 4, 202X	HE 17	4.3	22,182.49
			19.8	115,213.43

Peak demand factor

PDF used for full 12 month billing period (Jul 1 – Jun 30)

PDF

0.00017185

EXAMPLE

System-wide GA costs for Feb '2X = **\$1,136.5M**

Customer Class A GA charge for Feb '2X = **\$1,136.5M * 0.00017185 = \$195,307.53**

Industrial Conservation Initiative (ICI)

Eligibility based on your facility's average monthly peak demand over a 12 month baseline period

Avg. peak demand	Default class	Option to switch classes	NAICS code requirements
Greater than 5 MW	Class A	Yes, can opt OUT of Class A	All NAICS codes are eligible, but must still provide with submission
Greater than 1 MW but less than 5 MW	Class B	Yes, can opt IN to Class A	
Greater than 500 kW but less than 1 MW	Class B	Yes, can opt IN to Class A	Only customers with NAICS codes starting with 31, 32, 33, or 1114
Greater than 50 kW but less than 500 kW	Class B	No, ineligible for ICI	NA

Note: If you default to Class A, you still have to make a submission of your decision to remain Class A. Confirmation of the decision is a Ministerial requirement.

Eligibility baseline period

Baseline period - Determines eligibility & peak demand factor											
2024								2025			
May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr

Billed as Class A or Class B - Based on your selection											
2025						2026					
Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun



Next steps

By May 30th, Hydro Ottawa will provide eligible customers with our ICI analyzer, which outlines your peak demand factor, and other useful information.

ACCOUNT NUMBER:	
CUSTOMER NAME:	
ADDRESS:	
ELIGIBILITY GROUP:	1000 - 4999
AVG KW DEMAND:	3926.4002
EXISTING CLASS TYPE (2023/24):	CLASS A

	Customer Specific - Peak Demand Factor (CS-PDF)	
	Adjustment Period July 2023 - June 2024 (PREVIOUS YEAR)	Adjustment Period July 2024 - June 2025 (UPCOMING YEAR)
CS-PDF:	0.00018728	0.00018490
Total Ontario MW:	115,503.183	112,764.221

Compare these two columns for a hypothetical look at Class A vs Class B for the upcoming adjustment

Billing Month (End date)	Your Account Consumption (kWh)
2022-05-31	2,118,598.64
2022-06-30	2,262,336.57
2022-07-31	2,542,880.26
2022-08-31	2,566,081.55
2022-09-30	2,060,222.48
2022-10-31	1,776,803.11
2022-11-30	1,742,690.95
2022-12-31	1,667,168.70
2023-01-31	1,674,015.91
2023-02-28	1,542,908.22
2023-03-31	1,737,636.55
2023-04-30	1,678,978.15
Grand Total	23,370,321.09

Provincial Inputs		Current Billing		Upcoming Hypothetical Class A & Savings	
Class A Total Ontario GA Cost (\$)	Class B GA 1st Estimate (\$/MWh)	Class A Billable GA using CS-PDF July 2023 - June 2024	Class B Billable GA July 2023 - June 2024 (Hypothetical for 2024/25)	Class A Hypothetical GA using CS-PDF July 2024 - June 2025	Potential GA Savings (Class A Hypothetical vs. Class B Billable)
\$ 772,302,881.57	59.68	\$ 144,636.88	\$ 126,437.97	\$ 142,796.45	11.5%
\$ 763,016,762.64	82.93	\$ 142,897.78	\$ 187,615.57	\$ 141,079.47	-33.0%
\$ 433,865,823.80	84.75	\$ 81,254.39	\$ 215,509.10	\$ 80,220.47	-168.6%
\$ 55,294,881.35	48.71	\$ 10,355.63	\$ 124,993.83	\$ 10,223.85	-1122.6%
\$ 293,353,222.03	40.08	\$ 54,939.19	\$ 82,573.72	\$ 54,240.12	-52.2%
\$ 513,238,908.01	4.99	\$ 96,119.38	\$ 8,866.25	\$ 94,896.31	90.7%
\$ 650,884,888.07	47.39	\$ 121,897.72	\$ 82,586.12	\$ 120,346.63	31.4%
\$ 370,565,483.95	59.62	\$ 69,399.50	\$ 99,396.60	\$ 68,516.43	-45.1%
\$ 579,406,429.57	31.38	\$ 108,511.24	\$ 52,530.62	\$ 107,130.48	51.0%
\$ 825,026,702.99	62.85	\$ 154,511.00	\$ 96,971.78	\$ 152,544.92	36.4%
\$ 829,492,202.05	69.89	\$ 155,347.30	\$ 121,443.42	\$ 153,370.58	20.8%
\$ 876,019,809.94	82.49	\$ 164,060.99	\$ 138,498.91	\$ 161,973.39	14.5%
Sum		Sum	Sum	Sum	Average
\$1,303,931.01		\$1,337,423.89	\$	1,287,339.11	-3.9%

Completing your submission

We get many inquiries on a submission. You must submit the following information:

1. NAICS CODE
(<https://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=1369825>)
2. GPS Coordinates (<https://gps-coordinates.org/>)
3. Opt In/Opt Out

Have your ICI Analyzer on hand when you complete the form. All other required information required for the submission is found on the analyzer



Program timing

2025 Key Dates

May 1st to 15th

Hydro Ottawa assesses customer eligibility from baseline average peak demand.

Mid May

Hydro Ottawa receives confirmation of 5 Provincial peaks during baseline period & final April usage data.

May 30th (or earlier)

Hydro Ottawa will provide the ICI Analyzer for potentially eligible site(s). This also includes those sites that have been previously aggregated in the past.

June 1st - 15th (at the latest)

Customer completes online registration form for each eligible site.

Note: This year, June 15th is a SUNDAY.

Class A or Class B?

There are several factors that you should consider:

- Operational schedule and demand profile
- Ability to anticipate peaks and to curtail
- Impact on facility operations e.g. tenants
- Changes to facility's future demand
- Embedded generation or storage



Class A or Class B?

The most beneficial Class for you will depend on what you can control

Class A

Might make sense if:

- You were able to curtail or shift your demand during system peak times.
- You were able to lower your overall demand
- Your kWh will remain fairly consistent (or increase)
- Electrification (outside of peak times), or introduction of DERs.



Class B

Might make sense if:

- Your peaks coincided with system peaks, and you were unable to curtail or shift (e.g. entertainment facilities)
- You are expecting a reduction in consumption due to reduced operations or staff, or effective conservation and energy efficiency



Anticipating peaks

Control your demand (how much and when)

- Monitoring the IESO website (Peaktracker)
- 3rd party energy management consultants
 - Predict peaks and targeting reduction of demand
 - Provide analysis of whether ICI would make sense for you



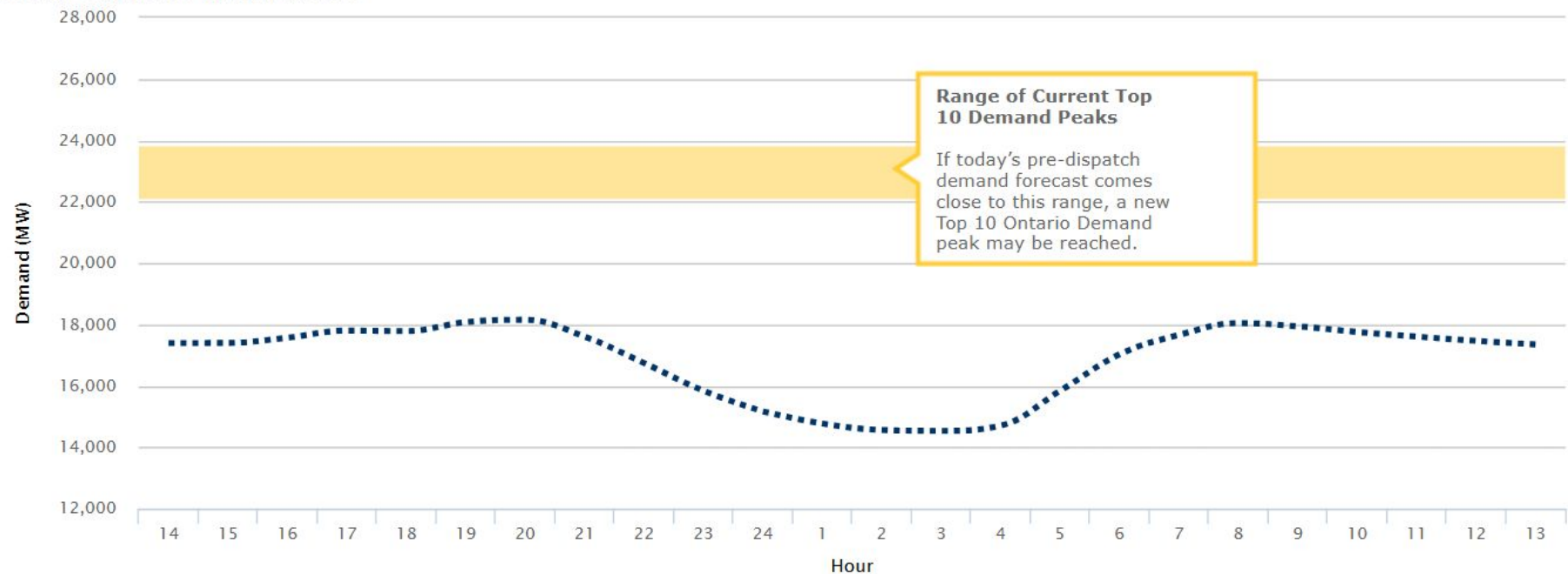
Anticipating peaks

ieso.ca/peaktracker

Today's Ontario Demand Forecast

The graph below identifies the forecasted Ontario demand for the next 24 hours and whether it could be a top 10 ICI Ontario demand peak during the current base period.

As of 1:32 PM EST on March 24, 2025



Curtailment strategies

- Reduce refrigeration set points
- Set back HVAC or lighting in the facility
- Turning off production lines and processes
- Switch to Distributed Energy Resources (solar, batteries, etc.)



Conservation and energy efficiency

- Equipment upgrade and retrofit to reduce consumption and demand
- Hydro Ottawa's CDM team
 - Trusted energy advice
 - Support in building a business case
 - Connect you to incentive programs
- Provincial incentive programs (Save On Energy)
- If your kW demand drops below the threshold because of participation in an IESO conservation program, you may still be eligible to participate in the program



Aggregating multiple accounts

Accounts MAY be aggregated and submitted for opting in as Class A provided ALL of these conditions are met*:

- All accounts are on the same property.
- All buildings on the property share a common purpose (i.e. same NAICS code).
- All accounts are Commercial accounts.
- The coincident peak demand** is greater than 1MW.
- If ALL of the above apply, **please contact us before May 30th** to inquire and request if aggregation is possible for your accounts.

*As determined by Hydro Ottawa, with guidance from the OEB.

**Coincident peak demand refers to the highest simultaneous electricity demand among the eligible accounts.



Incentives

Save on Energy

IESO's Save On Energy incentive programs offer several opportunities to receive funds to help implement energy efficiency measures:

Solar incentive: Receive up to 50% of eligible costs for roof or wall mounted solar, including parking canopies.

Retrofit Program: Receive up to 50% of eligible costs to upgrade equipment. Prescriptive or custom track available.

Strategic Energy Management (SEM) program: Participate in facilitate peer-to-peer learning, one-on-one coaching, and online learning, while also earning performance incentives for facility electricity savings.

The Energy Performance Program (EPP): Pay-for-performance incentives for persistent facility electricity savings

Incentives

Ottawa Retrofit Accelerator

3-year, \$10M program, funded by NRCan's Deep Retrofit Accelerator Initiative.

Supports **meaningful progress on the path to decarbonization.**

Provides **an ecosystem of support services** building owners and operators at any stage of your decarbonization journey.

Reach out to ora@hydroottawa.com if you are interested.



More information

Hydro Ottawa - Industrial Conservation Initiative (ICI):

www.hydroottawa.com/ici
ici@hydroottawa.com

Hydro Ottawa Conservation & Demand Management Team:

cdm@hydroottawa.com
ora@hydroottawa.com

Hydro Ottawa - Programs, Incentives & ORA

www.hydroottawa.com/en/save-energy/save-energy-businesses

IESO – Global Adjustment Class A Eligibility:

www.ieso.ca/en/Sector-Participants/Settlements/Global-Adjustment-Class-A-Eligibility

IESO – Market Renewal

www.ieso.ca/market-renewal

Ontario Regulation 429/04:

www.ontario.ca/laws/regulation/040429

NAICS:

www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=1181553

GPS Coordinates:

<https://gps-coordinates.org>

Questions