Amendments to "O. Reg. 429/04", "Adjustments Under Section 25.33 of the Act" under the "Electricity Act, 1998"

Current Regulation	Proposed Amendment	Rationale for Change
Optional Class A consumer – calculation required for separate load facilities: 6.1.1 (1) A consumer in Ontario that does not satisfy the condition set out in clause 6.1 (2) (a) in respect of a load facility for an adjustment period that begins on or after July 1, 2015 (the "applicable adjustment period") is a Class A consumer for that load facility and adjustment period if the following conditions are satisfied: 1. The consumer elects, under subsection (3), to be a Class A consumer for the load facility for the applicable adjustment period, or has made such an election for a prior adjustment period and the election has not been revoked. 2. Throughout the applicable base period, the load facility is identified by NAICS code 493120 or a NAICS code commencing with the digits "21", "31", "32", "33", "518" or "1114". 3. The conditions set out in paragraphs 1, 2 and 4 of subsection 6 (1) are satisfied for the load facility for the applicable adjustment	**1. The definition of "NAICS" in subsection 5 (1) Ontario Regulation 429/04 would be revoked.** **2. (1) Subsection 6.1.1 (1) of the Regulation is amended by striking out "on or after July 1, 2015" in the portion before paragraph 1 and substituting "in 2015 or 2016".** **(2) Subsection 6.1.1 (1) of the Regulation, as amended by subsection (1), is revoked.** **(3) Section 6.1.1 of the Regulation is amended by adding the following subsection:** (1.1) A consumer in Ontario that does not satisfy the condition set out in clause 6.1 (2) (a) in respect of a load facility for an adjustment period that begins on or after July 1, 2017 (the "applicable adjustment period") is a Class A consumer for that load facility and adjustment period if the following conditions are satisfied: 1. The consumer elects, under subsection	The Ministry of Energy is proposing to amend Ontario Regulation 429/04 (Adjustments Under Section 25.33 of the Act) made under the *Electricity Act, 1998* ("O. Reg. 429/04") in order to expand eligibility under the Industrial Conservation Initiative (ICI) to include all electricity consumers and market participants with an average monthly peak demand greater than one megawatt. Currently, ICI is available only to electricity consumers and market participants with an average monthly peak demand of greater than 5 MW and electricity consumers and market participants in certain energy intensive industrial sectors with an average monthly peak demand of greater than 3 MW and less than or equal to 5 MW. The new proposed amendments will provide eligible electricity consumers/market participants with an average monthly peak demand of greater than 1 MW and less than or equal to 5 MW the opportunity to opt-in to be eligible for participation in the ICI program. In addition, sector restrictions would be removed and smaller institutional and commercial businesses would be eligible to participate.

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period. 4. The consumer's maximum hourly demand for electricity for the load facility in a month from the licensed distributor exceeds an average of 3 megawatts but is less than or equal to an average of 5 megawatts for the applicable base period. O. Reg. 126/14, s. 2. (2) Subsections 6.1 (3) and (5) apply, with necessary modifications, with respect to the consumer and the load facility. O. Reg. 126/14, s. 2. (3) A consumer may elect to be a Class A consumer in respect of a load facility for an adjustment period commencing on or after July 1, 2015 by giving written notice of the election to its licensed distributor no later than June 15 of the calendar year in which the adjustment period begins, together with information to establish that the consumer satisfies the requirement described in paragraph 2 of subsection (1). O. Reg. 126/14, s. 2. (4) An election in respect of a load facility is revoked for an adjustment period (the "applicable adjustment period"), and the election has no further effect with respect to any subsequent adjustment period, if any of	(3), to be a Class A consumer for the load facility for the applicable adjustment period, or has made such an election for a prior adjustment period and the election has not been revoked. 2. The conditions set out in paragraphs 1, 2 and 4 of subsection 6 (1) are satisfied for the load facility for the applicable adjustment period. 3. The consumer's maximum hourly demand for electricity for the load facility in a month from the licensed distributor exceeds an average of 1 megawatt but is less than or equal to an average of 5 megawatts for the applicable base period. **(4) Subsection 6.1.1 (3) of the Regulation is revoked and the following substituted:** (3) A consumer may elect to be a Class A consumer in respect of a load facility for an adjustment period, by giving written notice of the election to its licensed distributor no later than June 15 of the calendar year in which the adjustment period begins. **(5) Paragraph 2 of subsection 6.1.1 (4) of the Regulation is revoked.**	About 300 businesses are already utilizing ICI to achieve electricity savings, and with these changes, over 1,000 new businesses are estimated to be eligible.

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the following circumstances exist: 1. The consumer has elected under section 19 to be a Class B consumer for the applicable adjustment period. 2. During the applicable base period for the applicable adjustment period, the load facility ceases to be identified by a NAICS code described in paragraph 2 of subsection (1). 3. The consumer's maximum hourly demand for electricity for the load facility in a month from the licensed distributor does not satisfy the condition described in paragraph 4 of subsection (1) for the applicable base period. O. Reg. 126/14, s. 2. (5) A licensed distributor shall rely on the information provided by the consumer under subsection (3). O. Reg. 126/14, s. 2.	**(6) Paragraph 3 of subsection 6.1.1 (4) of the Regulation is revoked and the following substituted:** 3.The consumer's maximum hourly demand for electricity for the load facility in a month from the licensed distributor for the applicable base period does not meet the requirements of this section.	

Current Regulation	Proposed Amendment	Rationale for Change
Former Class A consumer, continued status 6.2 (1) A consumer in Ontario that does not satisfy the condition set out in paragraph 3 of subsection 6 (1) for an adjustment period under this Part that begins on or after July 1, 2013 and ends before July 1, 2016 (the "applicable adjustment period") is a Class A consumer for that adjustment period if the following conditions are satisfied: 1. The conditions set out in paragraphs 1, 2 and 4 of subsection 6 (1) are satisfied for the applicable adjustment period. 2. The consumer was a Class A consumer for a previous adjustment period. However, the previous adjustment period cannot be an adjustment period that began before January 1, 2011 or that begins after July 1, 2014. 3. During the base period for any previous adjustment period in which the consumer was a Class A consumer, or during the following base period, i. the consumer entered into a contract with the OPA or the IESO or with a licensed distributor to participate in an eligible program listed in subsection 6.2 (3) offered by the OPA, the IESO, the licensed distributor or	**3. Sections 6.2 and 6.3 of the Regulation are revoked.**	The Ministry of Energy is proposing to revoke the expired sections 6.2 and 6.3. On July 1, 2016, sections 6.2 and 6.3 which enabled current and former participants in the province's conservation and demand management (CDM) programs to remain participants in the Industrial Conservation Initiative (ICI) as Class A consumers expired, resulting in some electricity consumers being exposed to higher electricity costs. Electricity consumers with average monthly peak demand greater than 1MW who participated in ICI under these expired provisions will be eligible for ICI participation from July 1, 2017 following the amendments to section 6.1.1.

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both, and ii. the consumer has received, or is entitled to receive, funding or another incentive under the program. 4. The consumer gives its licensed distributor the information requested by the licensed distributor to establish that the consumer satisfies the condition described in paragraph 3. If the applicable adjustment period begins on July 1, 2013, the information must be given to the licensed distributor on or before July 15, 2013. If the applicable adjustment period begins on July 1, 2014 or July 1, 2015, the information must be given to the licensed distributor on or before June 15, 2014 or June 15, 2015, as the case may be. O. Reg. 203/13, s. 1; O. Reg. 285/14, s. 3. (2) Subsections 6 (2) and (3) apply, with necessary modifications, with respect to the consumer. O. Reg. 203/13, s. 1. (3) The following is the list of eligible programs: 1. Demand Response 2 (DR2) program, established under a direction of the Minister dated June 15, 2005, entitled “Immediate Launch of Procurement Processes to address		

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needs in Downtown Toronto, Western Greater Toronto Area, and to develop additional Demand Management, Demand Response and High Efficiency Combined Heat and Power Supply", as amended by a direction of the Minister dated February 9, 2006, entitled "Addendum #1 to Procurement Processes Directive of June 15, 2005". 2. Electricity Retrofit Incentive Program, established under a direction of the Minister dated July 13, 2006, entitled "Coordination and Funding of LDC activities to deliver Conservation and Demand-Side Management Programs". 3. Industrial Accelerator Program, established under a direction of the Minister dated March 4, 2010, entitled "Industrial Transmission Connected Electricity Efficiency Program". 4. Equipment Replacement Incentive Initiative, established under a direction of the Minister dated April 23, 2010, entitled "Conservation and Demand Management Initiatives Under the GEA Conservation Framework". 5. Process and Systems Upgrade Initiative, established under a direction of the Minister dated April 23, 2010, entitled "Conservation		

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and Demand Management Initiatives Under the GEA Conservation Framework". 6. Demand Response 3 (DR3) program, established under a direction of the Minister dated April 23, 2010 entitled "Conservation and Demand Management Initiatives Under the GEA Conservation Framework". O. Reg. 203/13, s. 1. (4) For the purposes of this section, the period that began on January 1, 2011 and ended on June 30, 2011 is deemed to be an adjustment period and the period that began on May 1, 2010 and ended on October 31, 2010 is deemed to be the base period for that adjustment period. O. Reg. 203/13, s. 1. (5) A licensed distributor shall rely on the information provided by the consumer under this section. O. Reg. 203/13, s. 1. **Former Class A consumer, continued status — calculation for separate load facilities** 6.3 (1) For the purpose of subsection 6.2 (1), a consumer in Ontario that does not satisfy the condition set out in clause 6.1 (2) (a) in respect of a load facility for an adjustment period under this Part that begins on or after July 1, 2013 and ends before July 1, 2016		

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(the "applicable adjustment period") is a Class A consumer for that load facility and adjustment period if the following conditions are satisfied: 1. The consumer was a Class A consumer in respect of the load facility for a previous adjustment period. However, the previous adjustment period cannot be an adjustment period that began before January 1, 2011 or that begins after July 1, 2014. 2. During the base period for any previous adjustment period in which the consumer was a Class A consumer in respect of the load facility, or during the following base period, i. the consumer entered into a contract with the OPA or the IESO or with a licensed distributor to participate in an eligible program listed in subsection 6.2 (3) offered by the OPA, the IESO, the licensed distributor or both, and ii. the consumer has received, or is entitled to receive, funding or another incentive under the program in respect of the load facility. 3. The consumer gives its licensed distributor the information requested by the licensed distributor to establish that the consumer		

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satisfies the condition described in paragraph 2. If the applicable adjustment period begins on July 1, 2013, the information must be given to the licensed distributor on or before July 15, 2013. If the applicable adjustment period begins on July 1, 2014 or July 1, 2015, the information must be given to the licensed distributor on or before June 15, 2014 or June 15, 2015, as the case may be. O. Reg. 203/13, s. 1; O. Reg. 285/14, s. 4. (2) If the conditions set out in subsection (1) are not satisfied in respect of a load facility for the applicable adjustment period, the consumer is a Class B consumer in respect of the load facility for that adjustment period. O. Reg. 203/13, s. 1. (3) Subsections 6.1 (3), (4) and (5) apply, with necessary modifications, with respect to the consumer and the load facility. O. Reg. 203/13, s. 1. (4) For the purposes of this section, the period that began on January 1, 2011 and ended on June 30, 2011 is deemed to be an adjustment period and the period that began on May 1, 2010 and ended on October 31, 2010 is deemed to be the base period for that adjustment period. O. Reg. 203/13, s. 1.		

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(5) A licensed distributor shall rely on the information provided by the consumer under this section. O. Reg. 203/13, s. 1.		

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Optional Class A market participant – calculation required for separate load facilities 7.1.1 (1) A market participant in Ontario that does not satisfy the condition set out in clause 7.1 (2) (a) in respect of a load facility for an adjustment period that begins on or after July 1, 2015 (the "applicable adjustment period") is a Class A market participant for that load facility and adjustment period if the following conditions are satisfied: 1. The market participant elects, under subsection (3), to be a Class A market participant for the load facility for the applicable adjustment period, or has made such an election for a prior adjustment period and the election has not been revoked. 2. Throughout the applicable base period, the load facility is identified by NAICS code 493120 or a NAICS code commencing with the digits "21", "31", "32", "33", "518" or "1114". 3. The conditions set out in paragraphs 1, 2 and 4 of subsection 7 (1) are satisfied for the load facility for the applicable adjustment period.	**4. (1) Subsection 7.1.1 (1) of the Regulation is amended by striking out "on or after July 1, 2015" in the portion before paragraph 1 and substituting "in 2015 or 2016".** **(2) Subsection 7.1.1 (1) of the Regulation, as amended by subsection (1), is revoked.** **(3) Section 7.1.1 of the Regulation is amended by adding the following subsection:** (1.1) A market participant in Ontario that does not satisfy the condition set out in clause 7.1 (2) (a) in respect of a load facility for an adjustment period that begins on or after July 1, 2017 (the "applicable adjustment period") is a Class A market participant for that load facility and adjustment period if the following conditions are satisfied: 1.The market participant elects, under subsection (3), to be a Class A market participant for the load facility for the applicable adjustment period, or has made such an election for a prior adjustment period and the election has not been revoked. 2.The conditions set out in paragraphs 1, 2 and 4 of subsection 7 (1) are satisfied for the	As above: The Ministry of Energy is proposing to amend Ontario Regulation 429/04 (Adjustments Under Section 25.33 of the Act) made under the Electricity Act, 1998 ("O. Reg. 429/04") in order to expand eligibility under the Industrial Conservation Initiative (ICI) to include all electricity consumers and market participants with an average monthly peak demand greater than one megawatt. Currently, ICI is available only to electricity consumers and market participants with an average monthly peak demand of greater than 5 MW and electricity consumers and market participants in certain energy intensive industrial sectors with an average monthly peak demand of greater than 3 MW and less than or equal to 5 MW. The new proposed amendments will provide eligible electricity consumers/market participants with an average monthly peak demand of greater than 1 MW and less than or equal to 5 MW the opportunity to opt-in to be eligible for participation in the ICI program. In addition, sector restrictions would be removed and smaller institutional and commercial businesses would be eligible to participate.

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4. The market participant's maximum hourly demand for electricity for the load facility in a month, as determined by the IESO, exceeds an average of 3 megawatts but is less than or equal to an average of 5 megawatts for the applicable base period. O. Reg. 126/14, s. 2. (2) Subsections 7.1 (3) and (5) apply, with necessary modifications, with respect to the market participant and the load facility. O. Reg. 126/14, s. 2. (3) A market participant may elect to be a Class A market participant in respect of a load facility for an adjustment period commencing on or after July 1, 2015 by giving written notice of the election to the IESO no later than June 15 of the calendar year in which the adjustment period begins, together with information to establish that the market participant satisfies the requirement described in paragraph 2 of subsection (1). O. Reg. 126/14, s. 2. (4) An election in respect of a load facility is revoked for an adjustment period (the "applicable adjustment period"), and the election has no further effect with respect to any subsequent adjustment period, if any of	load facility for the applicable adjustment period. 3.The market participant's maximum hourly demand for electricity for the load facility in a month, as determined by the IESO, exceeds an average of 1 megawatt but is less than or equal to an average of 5 megawatts for the applicable base period. **(4) Subsection 7.1.1 (3) of the Regulation is revoked and the following substituted:** (3) A market participant may elect to be a Class A market participant in respect of a load facility for an adjustment period by giving written notice of the election to the IESO no later than June 15 of the calendar year in which the adjustment period begins.	About 300 businesses are already utilizing ICI to achieve electricity savings, and with these changes, over 1,000 new businesses are estimated to be eligible.

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the following circumstances exist: 1. The market participant has elected under section 19 to be a Class B market participant for the applicable adjustment period. 2. During the applicable base period for the applicable adjustment period, the load facility ceases to be identified by a NAICS code described in paragraph 2 of subsection (1). 3. The market participant’s maximum hourly demand for electricity for the load facility in a month, as determined by the IESO, does not satisfy the condition described in paragraph 4 of subsection (1) for the applicable base period. O. Reg. 126/14, s. 2. (5) The IESO shall rely on the information provided by the market participant under subsection (3). O. Reg. 126/14, s. 2.		

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Former Class A market participant, continued status 7.2 (1) A market participant in Ontario that does not satisfy the condition set out in paragraph 3 of subsection 7 (1) for an adjustment period under this Part that begins on or after July 1, 2013 and ends before July 1, 2016 (the "applicable adjustment period") is a Class A market participant for that adjustment period if the following conditions are satisfied: 1. The conditions set out in paragraphs 1, 2 and 4 of subsection 7 (1) are satisfied for the applicable adjustment period. 2. The market participant was a Class A market participant for a previous adjustment period. However, the previous adjustment period cannot be an adjustment period that began before January 1, 2011 or that begins after July 1, 2014. 3. During the base period for any previous adjustment period in which the market participant was a Class A market participant, or during the following base period, i. the market participant entered into a contract with the OPA or the IESO or with a licensed distributor to participate in an	**5. Sections 7.2 and 7.3 of the Regulation are revoked.**	The Ministry of Energy is proposing to revoke the expired sections 7.2 and 7.3. On July 1, 2016, sections 7.2 and 7.3 which enabled current and former participants in the province's conservation and demand management (CDM) programs to remain participants in the Industrial Conservation Initiative (ICI) as Class A consumers expired, resulting in some electricity consumers being exposed to higher electricity costs. Market participants with average monthly peak demand greater than 1MW who participated in ICI under these expired provisions will be eligible for ICI participation from July 1, 2017 following the amendments to section 6.1.1.

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eligible program listed in subsection 6.2 (3) offered by the OPA, the IESO, the licensed distributor or both, and ii. the market participant has received, or is entitled to receive, funding or another incentive under the program. 4. The market participant gives the IESO the information requested by the IESO to establish that the market participant satisfies the condition described in paragraph 2. If the applicable adjustment period begins on July 1, 2013, the information must be given to the IESO on or before July 15, 2013. If the applicable adjustment period begins on July 1, 2014 or July 1, 2015, the information must be given to the IESO on or before June 15, 2014 or June 15, 2015, as the case may be. O. Reg. 203/13, s. 2; O. Reg. 285/14, s. 5. (2) Subsections 7 (2) and (4) apply, with necessary modifications, with respect to the market participant. O. Reg. 203/13, s. 2. (3) For the purposes of this section, the period that began on January 1, 2011 and ended on June 30, 2011 is deemed to be an adjustment period and the period that began on May 1, 2010 and ended on October 31,		

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2010 is deemed to be the base period for that adjustment period. O. Reg. 203/13, s. 2. (4) The IESO shall rely on the information provided by the market participant under this section. O. Reg. 203/13, s. 2. **Former Class A market participant, continued status — calculation for separate load facilities** 7.3 (1) For the purpose of subsection 7.2 (1), a market participant in Ontario that does not satisfy the condition set out in clause 7.1 (2) (a) in respect of a load facility for an adjustment period under this Part that begins on or after July 1, 2013 and ends before July 1, 2016 (the “applicable adjustment period”) is a Class A market participant for that load facility and adjustment period if the following conditions are satisfied: 1. The market participant was a Class A market participant in respect of the load facility for a previous adjustment period. However, the previous adjustment period cannot be an adjustment period that began before January 1, 2011 or that begins after July 1, 2014. 2. During the base period for any previous adjustment period in which the consumer		

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was a Class A market participant in respect of the load facility, or during the following base period, i. the market participant entered into a contract with the OPA or the IESO or with a licensed distributor to participate in an eligible program listed in subsection 6.2 (3) offered by the OPA, the IESO, the licensed distributor or both, and ii. the market participant has received, or is entitled to receive, funding or another incentive under the program in respect of the load facility. 3. The market participant gives the IESO the information requested by the IESO to establish that the market participant satisfies the condition described in paragraph 2. If the applicable adjustment period begins on July 1, 2013, the information must be given to the IESO on or before July 15, 2013. If the applicable adjustment period begins on July 1, 2014 or July 1, 2015, the information must be given to the IESO on or before June 15, 2014 or June 15, 2015, as the case may be. O. Reg. 203/13, s. 2; O. Reg. 285/14, s. 6. (2) If the conditions set out in subsection (1)		

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are not satisfied in respect of a load facility for the applicable adjustment period, the market participant is a Class B market participant in respect of the load facility for that adjustment period. O. Reg. 203/13, s. 2. (3) Subsections 7.1 (3), (4) and (5) apply, with necessary modifications, with respect to the market participant and the load facility. O. Reg. 203/13, s. 2. (4) For the purposes of this section, the period that began on January 1, 2011 and ended on June 30, 2011 is deemed to be an adjustment period and the period that began on May 1, 2010 and ended on October 31, 2010 is deemed to be the base period for that adjustment period. O. Reg. 203/13, s. 2. (5) The IESO shall rely on the information provided by the market participant under this section. O. Reg. 203/13, s. 2.		