

What is the Industrial Conservation Initiative (ICI)?

The Industrial Conservation Initiative (ICI) provides an incentive for large electricity consumers to conserve electricity. Companies that participate in ICI are incented to lower their electricity usage in peak hours in order to reduce their costs.

Electricity consumers that participate in ICI are charged global adjustment (GA) based on their contribution to the “top five peak” demand hours in Ontario each year. Participants in ICI are able to reduce their GA costs based on their ability to reduce demand during these five peaks.

The better that an ICI participant can forecast the top five hours of peak demand and shift their electricity usage accordingly, the more they will be able to benefit from the ICI program.

What's new with this program?

THRESHOLD
LOWERED
> 1 MW

SECTOR
RESTRICTIONS
REMOVED

JANUARY
2017

Ontario is expanding the ICI program to include over 1,000 newly eligible electricity consumers with monthly peak demand greater than one megawatt, down from the current threshold of three megawatts. In addition, sector restrictions will be removed to allow smaller institutional and commercial businesses with monthly peak demand greater than one megawatt to be eligible to participate in the ICI program. These changes will come into effect in January 2017 and customers will see the impact on bills beginning July 2017.

What are the benefits of participating in ICI?

The expanded ICI program will reduce cost pressures on the province's electricity system by empowering more electricity consumers to lower their electricity demand during peak periods and reduce electricity bills for new ICI participants who are able to lower their electricity demand during peak demand periods. ICI has the added benefit of deferring the need to build new peaking generation facilities in the longer term.

Cost impact across sectors and industries will vary. For example, a plastics manufacturer with an average peak demand of 2 MW that participates in the ICI program could see its electricity price reduced from \$154 per MWh to as low as \$102 per MWh. This would result in energy cost savings of up to \$42,000 per month.

How do I know if I will benefit?

ICI participants are charged GA based on their contribution to the "top five peak" demand hours in a year, rather than on the total volume of electricity they consume during a year. If your electricity demand is relatively flat you will likely benefit under ICI. The more an ICI participant is able to reduce its electricity consumption during the five peak demand hours, the more they will be able to benefit from the program. In addition, there are many energy management specialists who may be able to help you determine the potential benefits.

Am I eligible? If so, how do I opt-in?

If your peak demand for electricity is above one megawatt, you will be eligible to opt-in to the ICI program. Each year, new participants to the ICI program are assessed for eligibility and are notified by their local electricity distributor (LDC) in May if they qualify. Qualified participants must then notify their LDC by June 15th if they would like to "opt-in" to the ICI program.

Electricity consumers with a peak demand above five megawatts (MW) are classified as Class A consumers and must "opt-out" if they choose not to participate in the ICI program.

For more information on eligibility requirements, please contact your LDC.

For more information contact **this office** at the Ministry of Energy.



www.ontario.ca/energy

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