

# ON-SITE ENERGY MANAGER INITIATIVE CUSTOMER INCENTIVES

## OVERVIEW

An On-site Energy Manager identifies energy-savings projects, supports decision-making for multiple facility improvements and ensures continued optimization in your facilities. An organization will benefit from the continual focus of a fully trained and supported resource within their operation. An On-site Energy Manager achieves measurable, robust and persistent energy savings using continuous improvement and employee engagement practices.

The intent of the On-site Energy Manager salary incentive is to encourage, guide and accelerate the hire and placement of qualified Energy Managers into large companies and facility portfolio owners. Once established, these On-site Energy Managers will leverage support from the On-site Energy Manager initiative as well as the Custom Projects Implementation Incentives and operational and maintenance projects (low cost/no cost projects) to drive GHG-reduction projects. The Program will target large, complex facilities or portfolios of facilities with relatively high energy consumption and GHG emissions (over 25,000t of GHG) for maximum benefit.

Participants will be required to generate and implement GHG-saving projects totaling at least 1,250 tonnes in GHG reductions or 5% of the previous year's GHG emissions (whichever is higher) for each year of participation, along with other requirements such as training, as defined in Energy Management Component documentation. If goals are missed in the first year of Energy Manager employment, the remainder will be added to the second year, but the On-site Energy Manager incentive will be made at the second-year rate (i.e., pro-rated % of salary at stake = 50% instead of 90%).

# RATE STRUCTURE

## ON-SITE ENERGY MANAGER INITIATIVE

The rate structure for year one of the CES Program's On-Site Energy Manager Initiative incentive is described in Table 1. below.

Table 1: On-site Energy Manager Incentive Rates.

Incentive Component	Incentive Rate Basis	Caps, Limitations & Requirements	Payment Schedule
On-site Energy Manager	<ul style="list-style-type: none"> <li>90% of the energy manager's 1st year salary</li> <li>50% of the energy manager's 2nd year salary (subject to change)</li> </ul>	<ul style="list-style-type: none"> <li>For the 1st year, 90% of annual salary of up to \$100,000 is covered for a maximum of \$90,000.</li> <li>For the 2nd year, 50% of annual salary of up to \$100,000 is covered, for a maximum of \$50,000. Second year savings subject to change.</li> <li>Develop Program-approved strategic energy optimization plan within 60 days of start date</li> <li>Each year, the customer must deliver total GHG reduction that is the higher of 1,250 tonnes or 5% of previous year's emissions.</li> <li>If there is a GHG reduction shortfall in Year 1, that amount rolls into Year 2 goals.</li> <li>In-scope facilities are targeted at 25,000 tonnes GHG per year to qualify (aligning with Reporting-only Regulation). Facilities between 10,000 and 25,000 tonnes GHG per year without aggregation may be eligible at the sole discretion of EEA.</li> <li>Organizations can aggregate campus facilities to meet the 25,000 tonnes GHG per year qualification, but it is recommended that the facilities share at least one utility service to ensure geographic proximity.</li> </ul>	<ul style="list-style-type: none"> <li>33% of incentive approved on day one of on-site energy manager employment</li> <li>Remainder paid on a pro-rated, milestone basis as energy savings goal is achieved</li> </ul>

Outside of the initial incentive payment that is issued upon the new On-site Energy Manager's first day of employment, all payments are made on a semi-annual or milestone basis and are based on the energy savings achieved since the previous payment.

Below is a sample calculation, for the potential funding granted through the On-Site Energy Manager Initiative for the first year\*.

*Company X produces 30,000 tonnes of annual GHG Emissions and qualifies for the On-Site Energy Manager Initiative. Company X submits all the required documentation and is approved to hire an On-Site Energy Manager. Company X then hires an On-Site Energy Manager with a starting salary of \$90,000 making Company X eligible for up to \$81,000.00 in funding.*

Savings Target: since 5% of 30,000 tonnes GHG (which totals 1,500 tonnes) is greater than 1,250, the savings target is 1,500 tonnes GHG emissions reduction for each of the two years of EEA incented employment.

With the 1,500 tonne GHG savings target and On-site Energy Manager salary of \$90,000, the following is an example payment schedule for the first-year funding timeline for hiring and GHG savings, with payments to be made within 60 days of milestone completion:

Action	Tonnes	% of Target	Funding Calculation	Funding Paid	Remaining Funding
Hire Energy Manager	N/A	N/A	$0.9 * 90,000 * 0.33 = 26,730$	\$26,730.00	\$54,270.00
Q1 Reported Savings	225 tonnes GHG	15%	$0.15 * 54,270 = 8,140.50$	\$8,140.50	\$46,129.50
Q2 Reported Savings	225 tonnes GHG	15%	$0.15 * 54,270 = 8,140.50$	\$8,140.50	\$37,989.00
Q3 Reported Savings	450 tonnes GHG	30%	$0.3 * 54,270 = 16,281.00$	\$16,281.00	\$21,708.00
Q4 Reported Savings	900 tonnes GHG	60%	$0.6 * 54,270 = 32,562.00$	\$21,708.00	\$0.00
Total GHG Reduction	1,800 tonnes GHG	Total Funding		\$81,000.00**	

Note: Funding from Q4 is less than 60% of available funding after the initial 33% is paid since only \$81,000 of total funding is available for an On-site Energy Manager with a salary of \$90,000.

\* Incentives are subject to change at the discretion of EEA

\*\*The Applicant must complete savings projects amounting to at least 10% of the annual GHG reduction goal through the implementation of operational and maintenance (“O&M”) measures. All O&M incentives will be paid after the first year of the On-site Energy Manager hire date once savings have been verified, this will be additional funding on top of the On-site Energy Manager salary incentive. The O&M incentive is \$40.00 per tonne of GHG reduced, up to a maximum of \$50,000 for the year.

Below is a sample calculation, for the potential funding granted through the On-Site Energy Manager Initiative for the second year.

*Company X is beginning the second year of the On-Site Energy Manager Initiative. Company X produced 30,000 tonnes of annual GHG Emissions the previous year to OEM employment. Company X gives a raise to their On-Site Energy Manager changing the starting salary of \$90,000 to \$95,000 annually. Company X is only eligible for up to \$45,000.00 in funding based on 50% of the Energy Managers starting annual salary.*

Savings Target: since 5% of the initial 30,000 tonnes GHG (which totals 1,500 tonnes GHG) is greater than 1,250, the savings target is also 1,500 tonnes GHG emissions reduction the second year.

With the 1,500 tonne GHG savings target and incentivised On-site Energy Manager salary of \$90,000, the following is an example of the payment schedule of the second-year funding timeline for hiring anniversary and GHG savings with payments to be made within 60 days of milestone completion:

Action	Tonnes	% of Target	Funding Calculation	Funding Paid	Remaining Funding
Energy Manager Anniversary	N/A	N/A	$0.5 * 90,000 * 0.33 = 14,850.00$	\$14,850.00	\$31,150.00
Q1 Reported Savings	225 tonnes GHG	15%	$0.15 * 30,150 = 4,522.50$	\$4,522.50	\$25,627.50
Q2 Reported Savings	225 tonnes GHG	15%	$0.15 * 30,150 = 4,522.50$	\$4,522.50	\$21,105.00
Q3 Reported Savings	450 tonnes GHG	30%	$0.3 * 30,150 = 9,045.00$	\$9,045.00	\$12,060.00
Q4 Reported Savings	450 tonnes GHG	30%	$0.3 * 30,150 = 9,045.00$	\$9,045.00	\$3,015.00
Total GHG Reduction	1,350 tonnes GHG	Total Funding		\$41,985.00	

\*Note: In this example the Applicant did not meet the GHG reduction target, so the total available funding amount was decreased proportionately to the amount the total savings were less than the target