

FREQUENTLY ASKED QUESTIONS:

Reduce Global Adjustment Charges at No Upfront Cost with Intelligent Energy Storage

Ontario organizations paid approximately \$12B in Global Adjustment (GA) charges last year. Did your business pay more than it had to? Those that can strategically lower their demand during system peaks can drastically reduce their GA charges, saving hundreds of thousands of dollars annually Enel X delivers the solutions to predict system peak and help your organization minimize GA costs with minimal impact on operations—and with no capital budget required.



What is Global Adjustment?

Global Adjustment (GA) is a charge included on your monthly electricity bill to cover the costs of providing adequate generating capacity and conservation programs throughout the province. All energy consumers in Ontario—residential, commercial, and industrial—are assessed GA, which varies each month depending on what’s happening in the real-time energy markets.

Organizations that participate in the Industrial Conservation Initiative (ICI) are categorized as ‘Class A’, and their monthly

GA charges are based on their electricity demand during the top five hours of system peak from the previous base period (May through April, annually).

While the ICI is nothing new in Ontario, a recent change in eligibility creates an opportunity for businesses in the region to reduce long-term energy costs. Effective January 1, 2017, all sites with a peak demand greater than 1 MW—as well as those in certain industries with peak demand exceeding 500 kW—may opt in to the ICI to be charged as a Class A customer.

How does opting in to the ICI impact my organization?

Since organizations participating in the ICI pay GA charges based on their load during the top five demand hour in the base period—which is known as their Peak Demand Factor (PDF)—they can significantly reduce GA charges for a full 12 months if they can accurately anticipate system peaks and reduce their load accordingly. Organizations that reduce their PDF by 1 MW in the previous base period will save more than \$500,000 in GA charges over the following 12 months.

GA costs have steadily increased since 2010, making it the largest line item on most customers’ electricity bills—up



to 70% for some. Plus, GA is expected to become more expensive and complex as Ontario's grid continues to evolve.

How will I know when to reduce my demand?

Accurately predicting the peak periods that set GA fees requires a great deal of precision. This is where Enel X makes it easy. Our advanced technology, market data, and weather information form the basis of a complex predictive model that we use to calculate the likelihood of system peaks each day for more than 1,100 sites across North America. Based on that information, our software recognizes when system peak is most likely and automatically initiates the use of on-site distributed energy resources, such as advanced energy storage technology, to provide power to the site and temporarily reduce demand on the grid.

How do I reduce my demand on the grid?

The key to keeping GA costs in check is reducing your demand on the grid at the right time. Traditionally, this meant curtailing energy use within the site. However, that approach limits the amount your organization can save to the amount of equipment you're willing to shut down when a peak interval is forecasted.

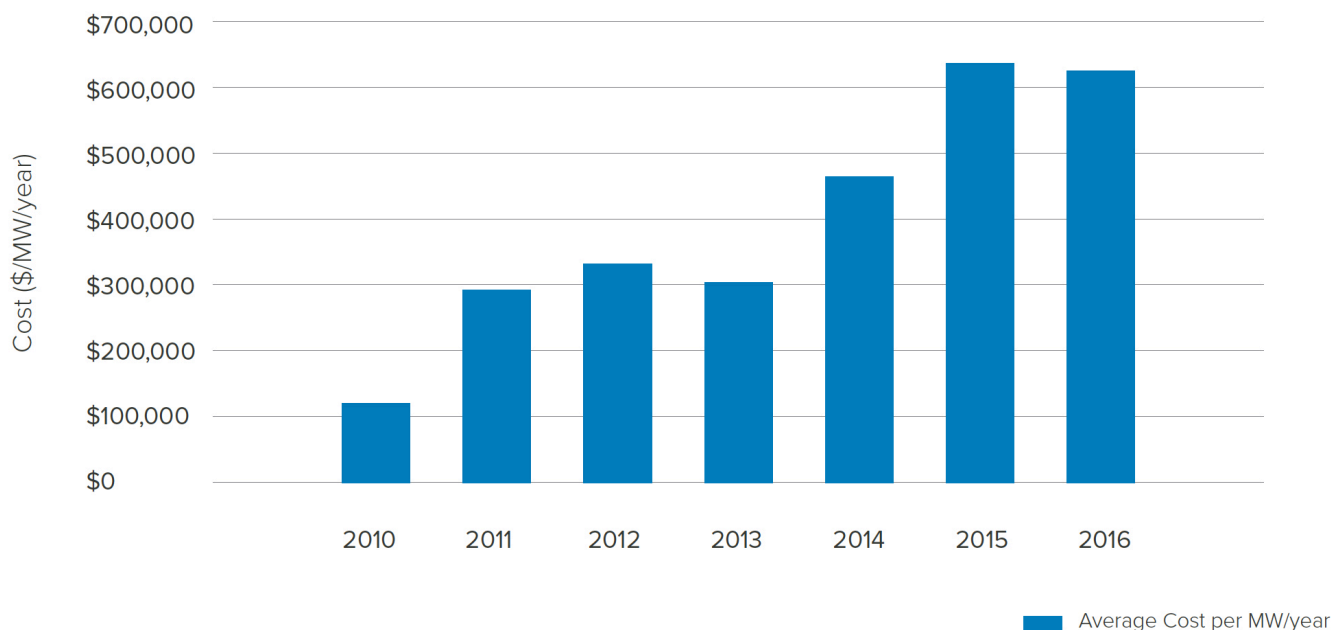
Intelligent energy storage technology enables businesses to reduce their demand without curtailing energy usage, providing a temporary source of power your building can rely on while the grid is at system peak. This shift to the power supplied by an energy storage solution is automatic and seamless. That means you can reduce your GA charges without shutting down additional equipment or manually switching to a backup generator.

How does intelligent energy storage help reduce GA costs?

Combining our proprietary predictive analytics (based on the more than 1 billion points of energy data we collect each month) with externally sourced weather and market data, our market analysts continually monitor the market to assess the likelihood of a system peak.

When a system peak is anticipated, our solution automatically discharges the intelligent energy storage technology to transition the appropriate load for your site off of the grid. Your site will experience no difference in energy consumption, but your GA charges will decrease as if it did.

Global Adjustment Costs in Ontario



Global Adjustment costs have steadily increased since 2010. In 2016, Ontario organizations paid approximately \$12B into Global Adjustment.

How does Enel X help manage an intelligent energy storage system?

To help our customers capitalize on the opportunity to leverage intelligent energy storage, Enel X will help select, purchase, and install the right solution for each of your sites at no upfront cost.

Our innovative software is designed to optimize the financial value of an intelligent energy storage system. When low-cost energy is available, the software will set the system to “charge” and store energy for future use. This not only provides a lowcost alternative power source for reducing GA charges, but also enables your organization to generate new revenue by participating in demand response programs and reduce costs by managing risk on the energy markets.

How will I be billed?

We offer our intelligent energy storage solution at no upfront cost to our customers. Throughout the partnership, we share in the financial value your organization derives from the energy storage system, meaning your ability to reduce GA charges—and maximize the overall benefits from the system—is just as much our incentive as it is yours.

How do I get started?

If you're interested, just reach out to Enel X to learn more. We start by performing a tariff analysis to assess your eligibility and determine whether it would be advantageous for you to opt in to the ICI. Organizations must have an average peak demand greater than 1 MW from May 1 to April 30 of a given year to be eligible to participate in ICI. Please note that peak demand is assessed at the site level and loads from multiple sites cannot be combined to qualify.

If your site has an average peak demand between 1 MW and 5 MW, you will need to officially opt-in to have your GA assessed as a Class A customer. Sites with an average peak demand greater than 5 MW are automatically considered Class A, but can opt out of participating. The opt-in/-out deadline is June 15.

To determine the best intelligent energy storage system for your organization, we will review 12 months of utility bills for each site you'd like to opt in to the ICI alongside interval data to provide a full understanding of your sites' operational behavior. Then we can discuss your options and begin putting the plan into action.