

# Frequently Asked Questions:

## Ontario Ministry of the Environment Emissions Standards for Non-Emergency Backup Generators Participating in Demand Response Programs and Peak Shaving

Backup generators can help your organization earn payments through demand response (DR) programs and dramatically reduce Global Adjustment (GA) charges on your electricity bill by removing your facility's load from the grid temporarily. However, the Ministry of the Environment's (MOE) permitting regulations on the use of generators for these purposes are lengthy and complicated to decipher. We have distilled these complex regulations so you don't have to. This FAQ will help you make an informed decision about the use of your facility's backup generator for DR programs and/or peak shaving.

### Can our generator be used for Demand Response and/or Peak Shaving?

The short answer is: Yes, as long as you have Environmental Compliance Approval (ECA) or are registered under the Environmental Activity and Sector Registry (EASR) for non-emergency use.

According to [Section 9\(1\) of the MOE's Environmental Protection Act](#), use of a standby backup generator for peak shaving or to participate in demand response without an ECA<sup>1</sup> or EASR<sup>2</sup> registration that allows non-emergency use directly violates air emissions standards. There are some exemptions, however, such as use for agricultural purposes.<sup>3</sup> It is also worth noting that if your facility qualifies for EASR registration, the application process is much shorter and cheaper than applying for an ECA.

### What are the penalties associated with violating the CEPA's emissions standards?

Any violation of air emissions standards are subject to regulation by the Canadian Environmental Protection Act (CEPA) and can result in serious penalties. Fines vary significantly depending on the type and severity of offence, and can range from \$5,000 to \$6,000,000 for individuals and up to \$10,000,000 for corporations for each day the offence occurs. Repeat and severe violations can result in jail time.<sup>4</sup> CEPA enforcement officers have broad powers of investigation, including inspections and search and seizures.

That said, if you have an ECA or EASR registration that allows non-emergency use and are operating your backup generator as per the MOE's regulation, the generator can be used for DR and peak shaving.

### How do I get an ECA or registration for my generator?

Enel X will work with you to determine your current eligibility for non-emergency backup generator use in peak shaving and demand management programs, and can help you navigate the process.

To learn more about these policies or discuss other questions related to your energy needs in Ontario, please contact your Enel X Business Development Manager or Account Manager. You can also find more information about our energy services and how we can help you meet your energy needs at [www.enelx.com/northamerica](http://www.enelx.com/northamerica).

<sup>1</sup> The following MOE page provides a comprehensive description of the emissions standards under non-emergency conditions, such as DR participation: <https://www.ontario.ca/page/emission-limits-and-operating-conditions-emergency-generator-sets-non-emergency-situations>

<sup>2</sup> The following link contains the EASR registration regulations: <https://www.ontario.ca/laws/regulation/r17001>

<sup>3</sup> For a list of exceptions, first refer to Section 9(3) of the Environmental Protection Act here: <https://www.ontario.ca/laws/statute/90e19#BK11>; A longer list of exemptions to Section 9 can be found in Ontario Regulation 524/98 here: <https://www.ontario.ca/laws/regulation/980524>

<sup>4</sup> More detailed penalty information can be found in the Environmental Protection Act here: <https://www.ontario.ca/laws/statute/90e19#BK287>