

Frequently Asked Questions:

Reduce Global Adjustment Charges with Automated Backup Generator Controls

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. Ontario businesses work with Enel X to use qualified generators to reduce GA costs with minimal impact on operations.

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 electric demand across the system from the previous base period (May through April, annually).



Enel X predicts when system peak events are likely to occur



Enel X will remotely transfer your facility’s load onto a generator during these times



Your organization saves more than \$500K in GA charges for every MW reduced

Enel X customers in Ontario saved a combined \$15M on GA charges alone last year through Enel X’s System Peak Predictor program.



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 Class A customers pay GA charges based on their load during the top five demand hours 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 when system peaks will occur and reduce their load accordingly. Organizations that reduce their PDF by 1 MW in the previous base period will save more than \$500K 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.

Will I need to know when to transfer my facility's load onto a generator?

Enel X takes care of that for you. Our System Peak Predictor program, which currently provides insight to more than 1,100 sites in different markets across North America, uses a complex predictive model to assess the daily likelihood of a system peak event on the grid based on an analysis of weather information and market data.

On the occasions when the likelihood is high, Enel X will remotely transfer its customers' facilities' electric load onto their backup generators, reducing their demand from the grid for these critical periods without requiring them to shut down any additional equipment.

Enel X customers in Ontario saved a combined \$15M on GA charges alone last year through Enel X's System Peak Predictor program.

This approach also enables Enel X customers to maximize earnings through Ontario's demand response program, which offers incentive payments to large commercial and industrial customers that agree to reduce energy consumption when the grid is under duress.

How do I get started?

To participate in the program, backup generators need to comply with certain emissions requirements and standards. For example, many agricultural facilities are eligible to use their backup generators to manage GA charges.

To help our customers capitalize on this opportunity, Enel X will:

- > Evaluate backup generator assets to determine eligibility
- > Finance and install equipment enabling Enel X to transfer your facility's load onto its generator assets remotely
- > Enroll your organization in Enel X's System Peak Predictor to reduce GA charges

To determine the best approach 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 their operational behavior. Then we can discuss your options and begin putting the plan into action.

If you're interested, just reach out to Enel X to learn more: www.enelx.com/n-a/en/forms/contact-sales

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