Emissions Reduction Alberta releases new Energy Savings for Business Program

February 16, 2021

Emissions Reduction Alberta (ERA) is providing $55 million in funding to incentivize emissions reduction among small and medium-sized businesses through the Energy Savings for Business program (the ESB Program). The ESB Program provides funds to offset the cost of facility upgrades designed to increase energy efficiency and operational capacity.

The ESB Program will help Alberta create jobs and allow the province to achieve its emission reduction goals. The ESB Program's funds are now available for qualified projects starting after Nov. 2, 2020 and will be distributed on a first-come, first-served basis.

What you need to know

- **The ESB Program provides funds to offset the cost of facility upgrades designed to increase energy efficiency and operational capacity;**
- **Facility upgrades must appear on the Eligible Measures List;**
- **Small and medium-sized businesses in Alberta with a physical facility can benefit from the ESB Program; and**
- **There is limited funding and an expedited application process;** contractors responsible for installation can collaborate on the application process through the ERA application portal.

Who can apply to the ESB Program?

An entity planning an Eligible Project can apply for ESB Program funding. Many forms of business are eligible to participate in the ESB programs. As long as the business is a privately owned entity and not a Public Authority or receive more than 50 per cent of its annual revenue from a Public Authority, it may be an eligible entity (referred to as the Applicant). Some of the approved forms include: private businesses, non-profits, co-operatives, and farms registered as a business. Entities who receive any funding from the TIER Regulation, *Climate Leadership Act*, or the Pan-Canadian Framework Programs are not eligible to apply.

What are Eligible Projects?

An Eligible Project is a capital investment or upgrade that aims to improve efficiencies and reduce emissions. The project must be installed at an eligible facility and appear on the "Eligible Measures List" provided by the ERA.

The specific and detailed Eligible Measures List includes broad categories of eligible technologies such as: Motors and Drives, Compressed Air, Refrigeration, Lighting Systems, HVAC, Onsite Generation (Solar PV, Combined Heat Power only), and Geothermal.

The Eligible Measures List identifies specific technologies within each category and provides details concerning the calculation of incentives and any applicable restrictions. Further, the Eligible Measures List also provides categories of measures that are not finalized as of the writing date. For example, HVAC is a Measures category that will have specified technologies and matching incentives released in the near future.

Are there program restrictions?

There are various restrictions, requirements and quotas for applicants and their proposed projects, the most significant of which include:

- The ESB Program will provide a maximum level of funding of $250,000 per approved project and up to a maximum of $500,000 per Applicant, or its affiliates;
- Projects must appear on the ERA's Eligible Measures List;
- The Applicant meets the requirements of the Participant Terms and Conditions;
    - These Terms and Conditions are directed largely to the requirements of the eligible Applicant, facility and project, as discussed above; and
    - There are other general requirements relating to the Applicant's economic and legal good standing
- The lead contractor responsible for project installation must be registered with the program and adhere to the Contractor Code of Conduct;
- Funding is only available to projects that receive pre-approval; retroactive expenses incurred between Nov. 2, 2020 (ESB Program announcement) and Feb. 1, 2021 (ESB Program launch) may be considered for funding if their application are received prior to March 1, 2021; and
- Projects must be completed within six months, while certain projects may be considered for longer time horizons.

Funding application and approval

In order to submit an application for funding, both the Applicant and the contractor must register on the ERA website. Once registered, the application is completed through the ERA's application portal. The application can be a cooperative process between the applicant and the contractor hired by the Applicant. The cooperative process ensures that the project is an eligible Measure technology and coordinates the contractor's own compliance to the requirements of the Contractor's Code of Conduct. Once the application is complete with the requisite technical details, it is submitted. An Applicant and their contractor can expect the following steps:

- ERA accepts the application and issues a Pre-Approval Notice;
- The Applicant accepts the terms of the Pre-Approval Notice and any associated conditions;
- The Applicant and their contractor install the proposed project;
- The Applicant notifies ERA that the project is complete by submitting additional documentation; and
- Once the ERA has confirmed the project has been installed accurately and within the scope of the Pre-Approval Notice, the ERA provides final approval notice and the incentive is delivered to the applicant or contractor.

Final thoughts

The ESB Program provides funds to upgrade facilities with the intention of increasing energy efficiency and reducing emissions. The ERA hopes that the ESB Program will create over 1,400 local jobs, provide over $300 million in GDP impact, and reduce C02 by 1.1 million tons in the projects' collective lifetimes.

The ESB Program is open to applications as of Feb. 1, 2021. Funds are being allocated to eligible projects on a first-come, first-serve basis. Readers are encouraged to learn more and register to benefit from the ESB Program.

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