



Natural Resource Sector

**GOVERNMENT TRANSFER –
SHARED COST ARRANGEMENT**

Agreement #: CA16MAN0008

Project Title: RUTLAND ARENA – ENERGY CONSERVATION MEASURES

THIS AGREEMENT dated for reference the 01 day of AUGUST, 2015.

BETWEEN

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF
BRITISH COLUMBIA, represented by the Minister of **ENERGY AND
MINES**

(the “Province”)

AND

City of Kelowna

(the “Recipient”)

The parties to this Agreement agree as follows:

SECTION 1 - DEFINITIONS

1. Where used in this Agreement

- (a) "Financial Contribution" means the total aggregate value stipulated in Schedule B;
- (b) "Material" means all findings, data, reports, documents, records and material, (both printed and electronic, including but not limited to, hard disk or diskettes), whether complete or otherwise, that have been produced, received, compiled or acquired by, or provided by or on behalf of the Province to, the Recipient as a direct result of this Agreement, but does not include
 - I. personal Information which could reasonably be expected to reveal the identity of clients;
 - II. property owned by the Recipient;
- (c) "Project" means the project described in Schedule A;
- (d) "Services" means the services described in Schedule A;
- (e) "Term" means the duration of the Agreement stipulated in Schedule A;
- (f) "Third Party" means any person or entity or its officers, employees or agents, other than a party to this Agreement that is involved in the delivery of the Services.
- (g) "Refund" means any refund or remission of federal or provincial tax or duty available with respect to any items that the Province has paid for or agreed to pay for under this Agreement.

SECTION 2 - APPOINTMENT

The Recipient must carry out and complete the Project described in Schedule A and may use the Province's funding only for the purpose specified in Schedule A.

SECTION 3 – PAYMENT OF FINANCIAL CONTRIBUTION

Subject to the provisions of this Agreement, the Province must pay the Recipient the amount, in the manner, and at the times set out in Schedule B.

The Province has no obligation to make the Financial Contribution unless the Recipient has complied with the criteria set out in Schedule A.

The Province's obligation to make the Financial Contribution is subject to

- (a) sufficient monies being available in an appropriation, as defined in the *Financial Administration Act* ("FAA"), to enable the Province, in any fiscal year when any payment of money by the Province to the Recipient falls due pursuant to this Agreement, to make that payment; and
- (b) Treasury Board, as defined in the FAA, not having controlled or limited, pursuant to the FAA, expenditure under any appropriation referred to in subparagraph (a) of this paragraph.

The Recipient must

- (a) apply for any Refund or remission of federal or provincial tax or duty available with respect to any items that the Province has paid for or agreed to pay for under this Agreement, and
- (b) on receipt of the Refund, comply with the requirements concerning the use, application or remittance of the Refund set out in Schedule B.

The previous paragraph continues in force indefinitely, even after this Agreement expires or is terminated.

The Recipient is responsible for any Provincial Sales Tax (PST) and Goods and Services Tax (GST) and any other charges for which the Province has not expressly agreed to accept responsibility under the terms of this Agreement.

The Recipient must declare any amounts owing to the government under legislation or an agreement. Amounts due to the Recipient under this Agreement may be set-off against amounts owing to the government.

SECTION 4 - REPRESENTATIONS AND WARRANTIES

The Recipient represents and warrants to the Province, with the intent that the Province rely on it in entering into this Agreement, that

- (a) all information, statements, documents and reports furnished or submitted by the Recipient to the Province in connection with this Agreement are true and correct;

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- (b) the Recipient has no knowledge of any fact that materially adversely affects, or so far as it can foresee, might materially adversely affect, the Recipient's properties, assets, condition (financial or otherwise), business or operations or its ability to fulfill its obligations under this Agreement; and
- (c) the Recipient is not in breach of, or in default under, any law of Canada or of the Province of British Columbia applicable to or binding on it.

All statements contained in any certificate, application, proposal or other document delivered by or on behalf of the Recipient to the Province under this Agreement or in connection with any of the transactions contemplated by it are deemed to be representations and warranties by the Recipient under this Agreement.

All representations, warranties, covenants and agreements made in this Agreement and all certificates, applications or other documents delivered by or on behalf of the Recipient are material, have been relied on by the Province, and continue in effect during the continuation of this Agreement.

SECTION 5 - INDEPENDENT RELATIONSHIP

No partnership, joint venture, agency or other legal entity is created by this Agreement or by any actions of the parties pursuant to this Agreement.

The Recipient is independent and neither the Recipient nor its servants, agents or employees are the servants, employees, or agents of the Province.

The Recipient must not commit or purport to commit the Province to the payment of money to anyone.

SECTION 6 – RECIPIENT'S OBLIGATIONS

The Recipient must

- (a) carry out the Services in accordance with the terms of this Agreement during the Term stated in Schedule A;
- (b) comply with the payment requirements set out in Schedule B, including all requirements concerning the use, application and expenditure of the payments provided under this Agreement;
- (c) comply with all applicable laws;
- (d) hire and retain only qualified staff;
- (e) unless agreed otherwise, supply, at its own cost, all labour, materials and approvals necessary to carry out the Services;
- (f) unless agreed otherwise, retain ownership to all assets acquired or intangible property created in the process of carrying out this Agreement;

- (g) co-operate with the Province in making the public announcements regarding the Services and the details of this Agreement that the Province requests; and
- (h) acknowledge the financial contribution made by the Province to the Recipient for the Services in any Materials, by printing on each of the Materials the following statement:

"We gratefully acknowledge the financial support of the Province of British Columbia"

SECTION 7 - RECORDS

The Recipient must

- (a) establish and maintain accounting and administrative records in form and content satisfactory of the Province, to be used as the basis for the calculation of amounts owing;
- (b) establish and maintain books of account, invoices, receipts and vouchers for all expenses incurred in form and content satisfactory to the Province; and
- (c) permit the Province, for contract monitoring and audit purposes, at all reasonable times, on reasonable notice, to enter any premises used by the Recipient to deliver the Services or keep any documents or records pertaining to the Services, in order for the Province to inspect, audit, examine, review and copy any findings, data, specifications, drawings, working papers, reports, surveys, spread sheets, evaluations, documents, databases and material, (both printed and electronic, including, but not limited to, hard disk or diskettes), whether complete or not, that are produced, received or otherwise acquired by the Recipient as a result of this Agreement.

The Province does not have control, for the purpose of the *Freedom of Information and Protection of Privacy Act*, of the records held by the Recipient.

SECTION 8 - REPORTS/STATEMENTS AND ACCOUNTING

At the sole option of the Province, any portion of the funds provided to the Recipient under this Agreement and not expended at the end of the Term

- (a) must be returned by the Recipient to the Minister of Finance;
- (b) may be retained by the Recipient as supplemental funding provided for under an amendment to this Agreement; or
- (c) may be deducted by the Province from any future funding requests submitted by the Recipient and approved by the Province.

SECTION 9 - CONFLICT OF INTEREST

The Recipient must not, during the Term, perform a service for or provide advice to any person if the performance of that service or the provision of the advice may, in the reasonable opinion of the Province, give rise to a conflict of interest between the obligations of the Recipient to the Province under this Agreement and the obligations of the Recipient to the other person.

SECTION 10 - CONFIDENTIALITY

The Recipient must treat as confidential all information and material supplied to or obtained by the Recipient, or any Third Party, as a result of this Agreement. The Recipient must not, without the prior written consent of the Province, permit its disclosure, except as required by applicable law or to the extent that the disclosure is necessary to enable the Recipient to fulfill its obligations under this Agreement.

SECTION 11 - DEFAULT

Any of the following events constitute an Event of Default:

- (a) the Recipient fails to comply with any provision of this Agreement;
- (b) any representation or warranty made by the Recipient in accepting this Agreement is untrue or incorrect;
- (c) any information, statement, certificate, report or other document furnished or submitted by or on behalf of the Recipient pursuant to or as a result of this Agreement is untrue or incorrect;
- (d) the Recipient ceases, in the opinion of the Province, to operate;
- (e) a change occurs with respect to any one or more, of the properties, assets, condition (financial or otherwise), business or operations of the Recipient which, in the opinion of the Province, materially adversely affects the ability of the Recipient to fulfill its obligations under this Agreement;
- (f) an order is made or a resolution is passed or a petition is filed for the liquidation or winding up of the Recipient;
- (g) the Recipient becomes insolvent or commits an act of bankruptcy or makes an assignment for the benefit of its creditors or otherwise acknowledges its insolvency;
- (h) a bankruptcy petition is filed or presented against, or a proposal under *the Bankruptcy and Insolvency Act* (Canada) is made by, the Recipient;
- (i) a receiver or receiver-manager of any property of the Recipient is appointed;
- (j) the Recipient permits any sum which is not disputed to be due by it to remain unpaid after legal proceedings have been commenced to enforce payment.

SECTION 12 - TERMINATION

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Upon the occurrence of any Event of Default and at any time after that the Province may, despite any other provision of this Agreement, at its option, elect to do any one or more of the following:

- (a) terminate this Agreement, in which case the payment of the amount required under the last paragraph of Section 12 of this Agreement discharges the Province of all liability to the Recipient under this Agreement;
- (b) require the Event of Default be remedied within a time period specified by the Province;
- (c) suspend any installment of the Financial Contribution or any amount that is due to the Recipient while the Event of Default continues;
- (d) waive the Event of Default;
- (e) pursue any other remedy available at law or in equity.

The Province may also terminate this Agreement on 30 days written notice, without cause.

The payment of the amount required under the last paragraph of Section 12 of this Agreement discharges the Province of all liability to the Recipient under this Agreement.

If this Agreement is terminated before 100% completion of the Project, the Province must pay to the Recipient that portion of the Financial Contribution which is equal to the portion of the Project completed to the satisfaction of the Province prior to termination.

SECTION 13 – DISPUTE RESOLUTION

The Parties agree to first refer any matter in dispute under this Agreement to senior officers of the Parties. If the matter cannot be resolved, they must submit it to a mediator as agreed upon by both Parties. The Parties must bear equally the expenditures directly related to the mediation process.

SECTION 14 – INSURANCE AND INDEMNITY

Insurance

Without limiting its obligations or liabilities under this Agreement, and at its own expense, the Recipient must obtain and maintain insurance which it is required to have by law and insurance which a prudent businessperson conducting similar operations would obtain and maintain to cover the risks it has assumed or may encounter as a result of entering into this Agreement or providing the Services during the Term.

If applicable, the Recipient must ensure the Province is added as an additional insured on insurance policies of the Recipient and Third Parties.

Within 10 business days of obtaining each relevant policy of insurance, and from time to time if requested by the Province, the Recipient must provide to the Province evidence of the insurance in the form of a completed Province of British Columbia Certificate of Insurance. If requested by the Province at any time, the Recipient must provide to the province certified true copies of the relevant insurance policies.

The Recipient must require and ensure that each Third Party maintains insurances comparable to those required above.

Indemnity

The Recipient must indemnify and save harmless the Province, its employees and agents, from and against any and all losses, claims, damages, actions, causes of action, cost and expenses that the Province may sustain, incur, suffer or be put to at any time either before or after the expiration or termination of this Agreement, if the same or any of them are based on, arise out of or occur, directly or indirectly, by reason of any act or omission of the Recipient, or of any agent, employee, officer, director or Third Party pursuant to this Agreement, excepting always liability arising out of the independent negligent acts of the Province.

SECTION 15 – ASSIGNMENT AND SUB-CONTRACTING

The Recipient must not, without the prior, written consent of the Province

- (a) assign, either directly or indirectly, this Agreement or any right of the Recipient under this Agreement; or
- (b) sub-contract any obligation of the Recipient under this Agreement.

No sub-contract entered into by the Recipient relieves the Recipient from any of its obligations under this Agreement or imposes on the Province any obligation or liability arising from it.

This Agreement binds the Province and its assigns and the Recipient and the Recipient's successors and permitted assigns.

SECTION 16 - REPAYMENT OR REDUCTIONS

An amount paid by the Province to the Recipient or which is treated as such pursuant to the terms of this Agreement, and to which the Recipient is not entitled according to the terms of this Agreement is repayable to the Province and until repaid constitutes a debt due to the Province.

If for any reason, the Project is not completed to the satisfaction of the Province, the Recipient must repay to the Province the Province's Financial Contribution (or any part which has been paid to the Recipient) under this Agreement, within 30 days of receipt by the Recipient of a written request for repayment from the Province.

SECTION 17 – OTHER FUNDING

If the Recipient receives funding for or in respect of the Services from any person, firm, corporation or other government or governmental body, then the Recipient must immediately provide the Province with full details.

SECTION 18 - NOTICES

If in this Agreement any notice or other communication is required to be given by any of the parties, it must be given in writing. It is effectively given

- (a) by delivery to the address of the party set out below, on the date of delivery; or,
- (b) by pre-paid registered mail, to the address of the party set out below, on the fifth business day after mailing;
- (c) by facsimile, to the facsimile number of the party, mentioned in this Agreement, on the date the facsimile is sent; or
- (d) by e-mail, to the e-mail address of the party, mentioned in this Agreement, on the date the e-mail is sent.

The contact details of the parties are

Province:

Ministry of Energy and Mines
Leah Davies leah.davies@gov.bc.ca
PO Box 9314 Stn Prov Govt,
Victoria BC V8W 9N1
Phone- 250-952-0665 Fax 250-952-0258

Recipient:

CITY OF KELOWNA
1435 WATER STREET,
KELOWNA, BC V1Y 1J4
Martin Johansen mjohansen@kelowna.ca
PHONE: (250) 469-8997

The address, phone number, facsimile number, or email set out above may be changed by notice in the manner set out in this provision.

SECTION 19 - NON-WAIVER

No term or condition of this Agreement and no breach by the Recipient of any term or condition is waived unless the waiver is in writing signed by the Province and the Recipient.

A written waiver by the Province of any breach by the Recipient of any provision of this Agreement is not a waiver of any other provision or of any subsequent breach of the same or any other provision of this Agreement.

SECTION 20 – ENTIRE AGREEMENT

This Agreement including the Schedules constitutes the entire Agreement between the parties with respect to the subject matter of this Agreement.

SECTION 21 - MISCELLANEOUS

Changes to this Agreement are only effective if made in writing and by both parties.

All of the provisions of this Agreement in favour of the Province and all of the rights and remedies of the Province, either at law or in equity, survive any expiration or sooner termination of this Agreement.

Nothing in this Agreement operates as a consent, permit, approval or authorization by the Province to or for anything related to the Project that by law, the Recipient is required to obtain unless it is expressly stated to be.

SECTION 22 - ACCEPTANCE

The Recipient indicates its agreement by dating and executing both copies of this Agreement in the space and manner indicated below and returning them to the contact shown above, free of any conditions. In signing or executing below, the Recipient is committing to a binding agreement.

IN WITNESS OF WHICH the parties have duly executed this Agreement as of the _____ day of _____, 20__.

SIGNED AND DELIVERED on behalf of the Recipient

Signature of Recipient's Signing Authority

Date

Printed Name & Title of Recipient's Signing Authority

SIGNED AND DELIVERED on behalf of the Province,

Signature of Province's Signing Authority

Date

Printed Name & Title of Province's Signing Authority

SCHEDULE A – SERVICES

The Project

TERM

Notwithstanding the date of execution of this Agreement, the term of this Agreement starts on August 1, 2015 and ends on March 31, 2016.

PROJECT

In partnership with FortisBC and the Provincial Government, the City of Kelowna will implement a heat recovery project at the Rutland Twin Arena beginning in the Fall of 2015. This initiative will reduce energy consumption at the arena by up to 20 percent and reduce the City's carbon footprint by 131 tonnes of CO₂e (carbon dioxide equivalent) per year.

This project is a direct result of the City of Kelowna's strategic goals to be a Sustainable City and Grow our Economy by re-investing in existing assets, pursuing partnerships, and reducing energy consumption and GHG emissions.

After an extensive Energy Study by SES Consulting in partnership with Fortis BC, the following project bundle has been identified as having the most favorable business case for the Rutland Twin Arenas.

1. Design and installation of Ammonia Desuperheater Heat Reclaim system to transfer waste heat from the refrigeration plant to preheat shower and zamboni domestic hot water and improve the performance of the Snow Pit melting system.
2. Condensing boiler upgrade for zamboni heating including installation of an automatic shut-off at the zamboni fill station.
3. Mechanical system Retro-commissioning to identify and improve less-than-optimal performance of the arena's HVAC system supplying the dressing rooms.

This project bundle takes full advantage of the considerable heat rejected by the refrigeration plant, improves existing equipment efficiency, and addresses operational inefficiencies.

PURPOSE & EXPECTED RESULTS

The purpose of this heat recovery project is to reduce the City of Kelowna's dependence on fossil fuels, reduce GHG emissions and unnecessary operating costs and extend the life of infrastructure and assets. The resulting energy savings will also help the City of Kelowna get closer to the energy reduction target as outlined in its 2011 Corporate Energy and GHG Emissions Plan.

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The project is estimated to save \$26,600 in operational savings and will pay for itself within 6.4 years. This correlates to annual energy savings at the Arena of 2,660 GJ, which is approximately 20% of the current annual energy consumption for this facility.

In addition, this project will provide the opportunity to upgrade existing infrastructure, extending the useful life of this facility.

Funding from FortisBC is available for this project however it is conditional upon the City implementing the entire project bundle. Funding provided by the province through the Community Energy Leadership Program (CELP) will allow the City of Kelowna to implement the full project bundle and achieve the full potential energy savings as identified in the Energy Study. The expected energy savings will help the City of Kelowna as well as the province of BC reduce its reliance on fossil fuels and reduce the energy footprint resulting from Civic facilities.

FortisBC, as part of their funding requirements, will be monitoring the energy savings for one year, to ensure the expected savings are achieved. A portion of the funding from FortisBC is predicated on maintaining the estimated energy savings for one year and full funding will only be delivered to the City of Kelowna if the total savings are achieved. The City of Kelowna is motivated to achieve full funding and will ensure operators receive adequate training to continue to monitor the systems performance through the Building Management System and utilize the DDC controls to achieve maximum results.

DELIVERABLES

PROJECT COSTS

| Cost Explanation | Amount (\$) | CELP | Fortis | City of Kelowna |
|---------------------------------------|------------------|-----------------|-----------------|------------------|
| Consulting - Heat Recovery Design | \$28,000 | | \$21,000 | \$7,000 |
| Boiler Replacement, RTU Commissioning | \$77,383 | \$20,000 | \$15,581 | \$41,802 |
| Heat Reclaim | \$92,384 | \$25,000 | \$16,186 | \$51,198 |
| Total Cost | \$197,767 | \$45,000 | \$52,767 | \$100,000 |

*Please note that the cost of consulting is slightly higher than originally estimated, and the contribution from Fortis has increased the scope of work to provide additional capacity for an upcoming dehumidification project.

PROJECT MONTHLY COSTS

| Month | Amount (\$) | Description |
|-----------|-------------|---|
| August | \$0 | |
| September | \$0 | |
| October | \$7,000 | Heat Reclaim Design |
| November | \$14,000 | Heat Reclaim Design |
| December | \$80,000 | Equipment (desuperheater, storage tanks) and Labour |
| January | \$80,000 | Equipment (Boiler and materials) and Labour |
| February | \$16,767 | Labour |

TIMELINE

| Major Milestones | Duration or Date | Deliverable(s) (optional) |
|-------------------------|------------------|---------------------------|
| Tender | Nov 1, 2015 | |
| Construction Start Date | Dec 1, 2015 | |
| Construction End Date | Mar 15, 2016 | |

Total Duration: 4.5 MONTHS (based on the milestone table above.)

The Recipient is to use the Financial Contribution only for the eligible costs as laid out in the Community Energy Leadership Program CELP – 2015/16 Program Guide, attached as Appendix A.

The Recipient must:

1. Design and install Ammonia Desuperheater Heat Reclaim system to transfer waste heat from the refrigeration plant to preheat the shower and Zamboni domestic hot water and improve the performance of the Snow Pit melting system.
2. Condense boiler upgrade for Zamboni heating including installing of an automatic shut-off at the Zamboni fill station.
3. Use Mechanical system retro-commissioning to identify and improve less-than-optimal performance of the arena's HVAC system supplying the dressing rooms.
4. Provide more information on additional deliverables once a contractor is selected and equipment purchased.

The CELP funding will be used to:

- a) Pay for a portion of the RTU commissioning component. This could include controls equipment and contractor costs. (CELP funding estimated to be \$20,000)
- b) Purchase equipment for the heat reclaim system. This could include an ammonia desuperheater for recovering heat, and thermal storage tanks for storing the heat until it is needed. This portion of the project is estimated to be \$80,000. (CELP funding estimated to be \$24,000)

REPORTING REQUIREMENTS:

Financial and Project Reporting:

Interim Reporting

The Recipient must, by December 31, 2015 provide to the Province, a progress report on the Project, and progress made in achieving the results as set out in Schedule A. (to include a schedule with expenditures to date.)

Ongoing Communication

The Recipient must make all reasonable efforts to respond to ad-hoc requests by the Province for information on Project progress. The Recipient must also advise the Province immediately of any substantial events that could impact the Project timeline.

By March 30, 2016 provide to the Province, and email to confirm project completion with an attached final invoice for payment.

Final Reporting

Following completion of the Project the Recipient must, no later than 30 days after the end of the Term, provide to the Province, a final report in a two page case study format that may be made public, (template provided) including:

- a) photos, energy and emissions impacts, jobs creations, budget summary, schedule from start to finish; and
- b) details on how the project aligns with community leadership and community goals; and
- c) lessons learned and recommendations for other communities

Final Financial Reporting

Following completion of the Project the Recipient must, no later than 30 days after the end of the Term provide to the Province a project income and expenditure summary which identifies all sources and use of the total Project budget over the duration of the entire Agreement. The summary will include eligible and non-eligible expenditures, as laid out in Appendix A, detailing the use of the Province's contributions of no more than 33% from the Community Energy Leadership Program (CELP), including an explanation of any financial variances.

Certification / Attestation

All financial reports submitted by the Recipient must be certified by a senior officer of the Recipient's organization (such as a CEO or CFO) attesting to the correctness and completeness of the financial information provided.

SCHEDULE B

FINANCIAL CONTRIBUTION

PAYMENTS

The Province agrees to provide to the Recipient up to a maximum amount of \$45,000* during the Term of the Agreement, for only eligible costs that are stated in Appendix A.

1. Payment will be triggered within thirty (30) days as follows:
 - a) on completion of the Project; and
 - b) upon receipt and approval by the Province of the final written report clearly demonstrating; how the CELP requirements in Appendix A were met and deliverables noted in Schedule A were met and formatted as outlined in the reporting section of the Schedule A; and
 - c) upon receipt and approval by the Province of the financial report as outlined in the reporting section of the Schedule A and demonstrating that the invoice and requested payment meet the eligibility requirements in Appendix A; and
 - d) upon receipt by the Province of an invoice for the Project The invoice is to include:
 - i. the Recipient's legal name and address;
 - ii. the date of the invoice and an invoice number for identification;
 - iii. the Agreement Number;
 - iv. the calculation of the Financial Contribution being claimed, with reasonable detail of the Project completed; and
 - v. any other billing information reasonably requested by the Province.

* Payment not to exceed \$45,000 and will be less than \$45,000 if the total actual eligible costs for the project are less than the total project costs stated in Schedule A that are to be CELP funded, but will be no more than \$45,000 if the total actual eligible costs that are to be CELP funded for the project exceed the total project costs stated in Schedule A.

APPENDIX A

Community Energy Leadership Program

CELP – 2015/16

Program Guide



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APPENDIX A

1. Program Overview

1.1. Purpose

Most local governments and First Nations communities across British Columbia have adopted climate action, energy efficiency and/or clean energy reporting and policies through broad-based plans and commitments, such as Community Energy and Emissions Plans, Comprehensive Community Plans, and the Climate Action Charter. Partnerships between BC communities and the energy efficiency and clean energy sectors in the province continue to grow, but there remain substantial opportunities to develop local small-scale projects with the right combination of community champions, strategic partnerships and secured funding.

In order to advance these prospects, the Community Energy Leadership Program (CELP or Program) has been established to support local governments' and First Nations' investments in energy efficiency and clean energy projects. The primary purposes of the Program are to reduce greenhouse gas emissions, increase energy efficiency, stimulate economic activity in the clean energy sector, and support vibrant and resilient communities.

Funding will support new community energy partnerships that will encourage investments in small-scale community-owned energy generation from clean or renewable resources such as biomass, biogas, geothermal heat, hydro, solar, ocean or wind. The Program will also encourage energy efficiency through retrofits of community-owned buildings and other infrastructure. The Program will promote community projects and partnerships with industry that advance this growing sector of the provincial economy.

Funding for CELP was established through the Innovative Clean Energy (ICE) Fund. Established in 2007, the ICE Fund is designed to support the province's energy, economic, environmental and greenhouse gas reduction priorities and advance B.C.'s clean energy sector.

The Community Energy Leadership Program was designed in accordance with, and to advance, the goals and objectives of the: *Clean Energy Act*, Climate Action Plan, Energy Plan, Jobs Plan, and Energy Efficient Buildings Strategy.

1.2. Amount of Contribution

CELP is currently funded with \$1.24 million over three fiscal years (2015/16 through 2017/18 inclusive). Separate calls for applications will be made each year. For 2015/16, a total allotment of \$250,000 is available to fund projects; contributions will range from \$20,000 to \$80,000 per proponent.

This funding will be administered via a conditional Contribution Agreement between successful proponents and the Ministry of Energy and Mines (Ministry).

2 Eligibility

2.1. Eligible Applicants

Eligible applicants or proponents are:

- British Columbia local governments, which includes municipalities and regional districts. Local governments must be signatories to the B.C. Climate Action Charter to be eligible; or

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- First Nations governments.

2.2. Eligible Projects

Eligible projects encompass:

- energy efficiency and clean or renewable energy projects as defined in B.C.'s *Clean Energy Act*. Under the *Act*:
 - A "clean or renewable resource means biomass, biogas, geothermal heat, hydro, solar, ocean, wind or any other prescribed resource"; and
 - A "demand-side measure includes a project that aims to conserve energy or promote energy efficiency";
- new construction, renewal, retrofit, expansion or material enhancements; and
- investment in either community-owned infrastructure, community-owned clean or renewable energy projects, or a community-owned equity stake in clean or renewable energy projects.

2.3. Ineligible Projects

Projects will be considered ineligible where:

- the project does not meet the definition of Eligible Projects in Section 2.2 of this Program Guide;
- the applicant does not meet either one of the definitions of Eligible Applicants in Section 2.1;
- the project has already received funding from the Innovative Clean Energy Fund;
- construction has already begun on the project;
- the proposed project is determined to be routine maintenance or repair;
- the project will either not be completed, or will not be significantly close to completion, prior to March 31, 2016; or
- the project does not otherwise meet the mandatory criteria as outlined in this Program Guide.

2.4. Eligible Costs

Eligible costs are defined as all direct costs properly and reasonably incurred, and paid solely and specifically in relation to the project. Such costs would normally be capitalized in the records of the local or First Nations government.

Eligible costs* for reimbursement by the Program include:

- engineering;
- contract labour and equipment for project construction, including site preparation;
- energy efficiency and clean energy technology; and
- associated materials.

*Only those itemized project costs approved by the Province will be funded.

When calculating the total overall project costs to determine the project's percentage of Program funding, the proponent's staff labour costs that can be demonstrated to be used directly for project construction can be used to calculate total project costs. These costs are, however, not reimbursable by the Program.

2.5. Ineligible Costs

Cost items that are not eligible include:

- administration or administrative overhead charges;

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- PST and GST;
- preliminary planning and design;
- costs incurred prior to execution of a Contribution Agreement resulting from this Call for Applications;
- training costs;
- proponent's own staff costs (although these can be used for calculating total project costs);
- costs incurred after March 31, 2016; and
- land and building acquisition.

Application Process

2.6. How to Apply

Each proponent, upon receipt of the Call for Applications, is allowed to submit **one application**, and only for the project specifically selected by the Ministry from the Request for Expression of Interest (RFEI) (RFEI Number: CELP2015).

Step 1: Download and read the Community Energy Leadership Program Guide (this is the Guide).

Step 2: Download the Application Form

at: <http://www.empr.gov.bc.ca/EAED/ICEFund/Documents/Application%20Form.docx>

Step 3: The Application Form is a protected Word® Document which must be completed electronically. Please note that the response area below each question will expand as necessary to provide additional space to answer a question. Note –

use <http://www.empr.gov.bc.ca/EAED/ICEFund/Documents/Energy%20and%20GHG%20Calculator.xlsx> when completing Section D of the Application Form – Energy and Greenhouse Gas Savings.

Step 4: Save the completed Application Form with the following filename format using the applicant's name, CELP (acronym of the Program) and date completed (yymmdd).

For example: **CommunityName_CELP_150620.doc**.

Step 5: Prepare supporting documentation that will be submitted with the Application Form (see Guide Section 4: Application Guidelines and Documentation).

Step 6: Email the completed Application Form and any supporting documentation to the Ministry at: CELP@gov.bc.ca.

Closing Date for Applications to CELP:

All completed applications and supporting documentation must be received in the CELP@gov.bc.ca inbox **by 5:00pm, Pacific Daylight Time, Tuesday, June 23, 2015** in order to be considered.

Notes:

- For each project, a proponent must submit a completed Application Form and related supporting documentation. Proponents are responsible for ensuring that full and accurate information is submitted to the Ministry. Applications with incomplete information will not be considered.
- The information being collected is for the administration of the Program and will be used to evaluate eligibility. The information submitted is subject to the *Freedom of Information and*

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Protection of Privacy Act. As such, any questions about the collection, use or disclosure of this information should be directed to the Contact at the end of this Program Guide.

- The Ministry will review applications and assign each with a CELP file number. Acknowledgement of application receipt will be sent to proponents by Friday, June 26, 2015. If a proponent has not heard from the Ministry by that time, please contact CELP@gov.bc.ca. The Ministry will strive to notify successful proponents by July 31, 2015.
- This Call for Applications must not be construed as an agreement to purchase goods or services, or as approval of any activity or development contemplated in any proposal that requires any approval, permit or license pursuant to any federal, provincial, regional district or municipal statute, regulation or by-law. The Province is not bound to enter into an agreement with any applicant. Applications will be evaluated in light of the Mandatory and Evaluation Criteria. The Province will be under no obligation to receive further information, whether written or oral, from any Proponent. All application approval decisions are final.

2.7. Application Evaluation

2.7.1 Initial Screening - Mandatory Criteria

For projects to be considered for evaluation, CELP applications will be initially screened to ensure that the following mandatory criteria have been completely fulfilled:

- The completed project Application Form and supporting documentation are submitted by email to CELP@gov.bc.ca by **5:00pm, Pacific Daylight Time, Tuesday, June 23, 2015.**
- The proponent, the project and proposed costs are all eligible as defined in this Guide (see Section 2: Eligibility).
- The application confirms that the proponent is covering a minimum of 5% of the total project costs, that no more than 33% of total project costs are being requested from the Program, and that the CELP portion will be applied 100% to the portion owned by the proponent.
- The application clearly stipulates that the project will be completed, or will be significantly close to completion, on or prior to March 31, 2016.
- If approved by the Ministry, the project will be duly authorized by a Resolution of the appropriate Municipal Council, Regional District Board or First Nations Council, or it is clearly stated in the Application that this will take place before the execution of a Contribution Agreement.
- The proposed project must not already have received funding through the Innovative Clean Energy Fund.
- For local governments only: Local Government applicants are a signatory to the Climate Action Charter.

Applications not meeting each of the Mandatory Criteria above will not be considered

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further for evaluation.

3.2.2 Evaluation Criteria

Applications meeting the Mandatory Criteria will be further reviewed against the Evaluation Criteria. These criteria are designed to allow the selection committee to assess applications against their ability to support the Program Purpose as outlined in Section 1.1.

The selection committee will use the following criteria and point system, drawing primarily on the information provided by each proponent in the submitted application form, and secondly on the relevant information in the supporting documentation that is highlighted for reviewers to consider (see Section 4 for examples of supporting documentation).

Table 1: Evaluation Points by Criteria

| Criteria | Points | Minimum Score* |
|---|------------|----------------|
| Project Feasibility | 50 | 35 |
| Energy & GHG Savings | 15 | 10 |
| Employment and Economic Benefits | 15 | 10 |
| Other Benefits to the Community | 5 | n/a |
| Innovation & Replicability | 5 | n/a |
| Demonstrated Need for Funding | 5 | n/a |
| Leverage of Other Funding | 5 | n/a |
| Total | 100 | 65 |

During the evaluation period, proponents may be contacted directly to provide clarification on their application. Applicants must not send unsolicited additional information after the closing date.

Applications must meet the minimum score for each of the three categories and the total minimum score noted above. Applications that do not meet any one of the minimum scores will not be eligible for funding.

Final funding approval decisions will be made based on:

- Each application's final score; and
- Availability of the \$250,000 maximum allotment for 2015/16 CELP projects.

The selection committee will strive for a reasonable balance of selected projects between Renewable Energy and Energy Efficiency, and between First Nations and Local Governments, as long as the relative quality of the applications among the four categories warrants such a balance.

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Application Guidelines and Documentation

When preparing applications, please refer to Table 2 below for the guidelines on submitting information and supporting documentation to address the evaluation criteria. The supporting documents listed are examples; proponents may wish to substitute alternative documentation that includes the information being evaluated.

NOTE: When attaching supporting documentation, please ensure that the text in the Application Form highlights the relevant points and references the page / sections in the supporting materials where this information can be found. If the selection committee cannot easily identify or find relevant information in the supporting documentation pursuant to the evaluation criteria, an application may receive a low score.

Table 2: Guidelines for Submissions

| Section | Evaluation Criteria | Example Supporting Documentation |
|---------------|---|--|
| Section 4.1.1 | <p>Project Relevance and Feasibility</p> <p>Describe the rationale for the project, why it is feasible and will succeed, using the following five categories:</p> <p><u>Community Leadership</u> Describe why the project is important to the community and consistent with the community's broader strategic, energy and / or capital plan. Reference the specific rationale or the relevant energy/greenhouse gas context for the proposed project in one of the appropriate broader community planning documents - answer the question, "Why is this project important to the community?". If relevant, describe broader community consultation on the project, and the community's level of support.</p> | <ul style="list-style-type: none"> Comprehensive Community Plan / Community Energy & Emissions Plan / Corporate Climate Action Plan / Integrated Community Sustainability Plan / Capital Asset Plan |
| Section 4.1.2 | <p><u>Project Management, Plan & Schedule</u> Identify the community's own project management team (including the council and staff champions). From the project plan, describe the project's purpose, goals and deliverable(s), a project map, and the detailed tasks, resources and schedule for completing (or close to completing) the project no later than March 31, 2016. Finally, provide assurance that sufficient staffing or other resources will be in place to reliably operate and maintain the facility/equipment over its service life.</p> | <ul style="list-style-type: none"> Project Plan and Schedule / Timeline |
| Section 4.1.3 | <p><u>Technical Feasibility and Preparedness</u> Demonstrate the project's technical feasibility and readiness by:</p> <ul style="list-style-type: none"> providing a feasibility study, business case, or similar plan that clearly demonstrates the viability of the project including costs and benefits; | <ul style="list-style-type: none"> Feasibility Study Business Case |

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| Section | Evaluation Criteria | Example Supporting Documentation |
|-----------------------------|---|---|
| <p><i>Section 4.1.4</i></p> | <ul style="list-style-type: none"> • showing that all initial design work has been completed, all federal, provincial or local licenses, approvals or permits are either in place or there is a reasonable expectation to obtain permits without compromising the project schedule; and • providing reasonable evidence that the project team is ready to proceed, including the technical team’s track record of successfully delivering similar projects. <p>Budget & Financial Feasibility Provide a summary of the project budget, including total project cost. The project budget must also detail the funding commitment from all partners, and verify both the amount and the percentage of CELP funding requested in relation to total project costs.</p> <p>The proponent will identify:</p> <ul style="list-style-type: none"> • the total before-tax estimated cost of the project; • the community’s own contribution; • the other funder(s) and funding amount(s) (itemized); • the funding amount requested from CELP; and • an itemized cost estimate of the project components <p>The budget should outline the project’s monthly costs until project completion, and then predicted quarterly or annual revenue or energy cost savings following project completion.</p> <p>If relevant, for any funding shortfall, the proponent must demonstrate the capacity to borrow the balance outstanding, or will receive additional funding from project partners prior to execution of a Contribution Agreement with the Ministry.</p> | <ul style="list-style-type: none"> • Copies of approved permits, etc. • Professional Team credentials • Project Plan • Detailed project budget, including all funding documentation |
| <p><i>Section 4.1.5</i></p> | <p>Risks Outline any project risks to completion (financial, regulatory, operational or seasonal), and describe risk mitigation measures that are in place to ensure project success.</p> | <ul style="list-style-type: none"> • Risk Register • Project Plan |
| <p><i>Section 4.2.0</i></p> | <p>Energy and GHG Savings For either renewable energy or energy efficiency projects, state the annual energy projected to be saved (if an energy efficiency project), or produced (if a renewable energy project), and greenhouse gas emissions reduced compared to business-as-usual as a result of the completed project.</p> <p>Use the “Energy&GHG Calculator” provided.</p> | <ul style="list-style-type: none"> • Feasibility Study or similar documentation modelling annual energy savings and/or GHG emission reductions |

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| Section | Evaluation Criteria | Example Supporting Documentation |
|-----------------------------|--|--|
| <p><i>Section 4.3.0</i></p> | <p>Employment and Economic Benefits Detail the additional employment hours that the project will create during the construction phase, as well as during the operations & maintenance phase. Describe the types of employment and number of jobs, and training (if relevant).</p> <p>Describe any broader economic benefits to the community and to the clean energy sector in B.C.</p> | <ul style="list-style-type: none"> • Feasibility Study, business case, Project Plan, or similar documentation demonstrating employment hours |
| <p><i>Section 4.4.0</i></p> | <p>Other Benefits to the Community This section should outline how the project is expected to benefit the community, aside from energy savings, greenhouse gas emissions reductions and economic benefits:</p> <ul style="list-style-type: none"> • Explain the nature of community collaboration or consultation undertaken, and partnerships gained, either as part of gaining approval for the proposed project, or during the community's larger planning process (many other benefits come out of such engagements); • Describe measures that minimize environmental impact on build-out (e.g., materials use, local ecological sensitivities, local air quality) and during ongoing operations; • Describe the 'sense of place' of the community: fosters its established identity or culture, and possibly its 'fit' with the surrounding environment; and • Profile any other benefits you feel will result from the project. | <ul style="list-style-type: none"> • Project Plan • Feasibility Study • Business Case • Stakeholder letters of support |
| <p><i>Section 4.5.0</i></p> | <p>Innovation and Replicability Describe how this project is innovative globally, nationally, provincially, or within your region. The selection committee recognizes that although a technology might be generally proven, the project might be innovative in your community for a variety of reasons. If this is the case, please describe why this is either innovative for your community or for the specific application.</p> <p>Describe how this project or its components could be replicated in other communities in B.C., how this project's completion might inform the further development of the clean energy sector, and how the lessons learned from this project might be shared.</p> <p>Describe your interest and availability to participate in interviews, webinars or conferences to share project outcomes.</p> | <ul style="list-style-type: none"> • Project Plan or similar documentation |

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| Section | Evaluation Criteria | Example Supporting Documentation |
|---------------|---|--|
| Section 4.6.0 | <p>Funding Need & Leveraging Describe and demonstrate how this project cannot proceed as described in this application without the assistance of CELP funding, and to what extent this funding has been able to confirm or leverage funding from other sources (itemized amounts by funding source).</p> | <ul style="list-style-type: none"> Project Budget |

Approval and Contribution Agreements

It is anticipated that successful proponents will receive notification of approved project funding by July 31, 2015. Once contribution agreements are finalized, all proponents will be advised of the successful CELP projects funded for the 2015/16 fiscal year.

Successful proponents will enter into a Contribution Agreement with the Ministry that sets out the terms and conditions of the funding. This will confirm both parties' understanding of the project, the maximum contribution amount to which the proponent is entitled, reporting requirements and the payment terms and conditions. CELP funding will be provided to the successful applicants following the execution of the Contribution Agreement, and as project expenses are incurred, with a 10% hold back, payable upon project completion and acceptance of a Final Project Report, submitted by the proponent.

Contributions are project-specific and may not be transferred from an approved application to a new proposal.

Recipients will be required to complete quarterly Progress Reports and a Final Report in accordance with terms in the Contribution Agreement.

Contact Information

Contact

Leah Davies - Coordinator, Community Energy Programs, Ministry of Energy and Mines

Email: CELP@gov.bc.ca

Other links: <http://www.empr.gov.bc.ca/EAED/ICEFund/Documents/Application%20Form.docx>
<http://www.empr.gov.bc.ca/EAED/ICEFund/Documents/Energy%20and%20GHG%20Calculator.xlsx>