

Frequently Asked Questions

COMMUNITY ENERGY CAPACITY BUILDING PROGRAM

What is community energy?

Community energy refers to renewable energy that is generated locally and provides benefits to communities or groups of individuals. It allows communities and citizens to directly participate in energy projects through full or partial ownership of the projects or by subscribing to the electricity generated by the projects. Through access to small- and medium-scale shared renewable projects, community energy projects give Albertans an alternative to purchasing electricity from utility retailers. Community Energy projects may also, generate revenues from community investment.

What types of projects are community energy projects?

Today's electric grid in Alberta consists mainly of centralized, **transmission-connected** generating stations like large coal plants, gas plants, or utility-scale renewables. Community energy projects are smaller and are connected to the distribution network, either as **behind-the-meter** systems or as a direct **distribution-connected** systems.

Behind-the-meter systems are attached to an individual facility/building such that energy produced from them can be used directly by the facility/building reducing the need for purchasing electricity from the grid. Excess energy is exported to the grid. The systems are typically in the range of a few kW for homes up to hundreds of kW or even a few MW for large buildings. The Alberta Microgeneration Regulation limits the size of these systems to 5 MW.

Distribution-connected systems are not tied to a single load facility. The electricity produced is sold directly to the grid. The size of the system is limited by the capacity of the local distribution network.

Community energy is often renewable energy – as that is one of the main motivations for community participation. This includes wind, solar, geothermal, sustainable biomass, and small-scale hydropower.

How is community energy aligned with the climate leadership plan?

The main objectives of the Climate Leadership Plan are to diversify the economy, create jobs and reduce greenhouse gas emissions. Community energy allows for community economic development and creates more jobs per MW of capacity installed than utility-scale projects. Community Energy projects use renewable energy technologies and also reduce losses in energy transmission by being located close to the load.

Why should we participate in community energy projects? What are the benefits of these projects?

Community energy projects allow more Albertans to access the benefits of renewable energy technologies that were previously only available at the utility-scale or to individual home and property owners. For example, condominium owners, rental homes, or home owners with inadequate solar

exposure or access to upfront capital can now invest in community energy projects. Community Energy projects cost less compared to individual rooftop solar PV projects because of economies of scale. These projects also cost less compared to utility-scale renewables because of lower connection and transmission costs. Between these two extremes, community energy may also access unique cost reduction features such as accelerated municipal-supported permitting and zoning, equity financing and crowdfunding, and community volunteer labour.

Community energy projects also represent economic opportunities for Albertans. Through ownership, communities can hedge themselves against variable future prices of fuel and create new local economic opportunities. Community energy projects often take the form of social enterprises or co-operatives, and provide local jobs.

Does a project need to be located within a community to be a community energy project?

Community energy projects do not need to be located within a community. However they do need to be located either as a behind-the-meter system attached to a community facility, or as a distribution-connected system without a direct load.

Is there a specific regulation that governs community energy projects?

The [Micro-Generation Regulation](#), established in 2008, governs the small-scale production of electricity from renewable or alternative energy sources by individual home owners and small business, as well as municipal and community buildings. This rule applies to behind-the-meter electricity generation projects.

In March 2017, the Alberta Utilities Commission conducted a [review](#) into matters around distributed generation in Alberta. Here, distributed generation refers to small-scale electricity generation, but unlike micro-generation, distributed generation is not necessarily limited by the size or presence of an individual home owner, small business, or municipal or community building.

PROGRAM

How does the program work? What is the incentive structure?

The Community Energy Capacity Building Program will provide funding for capacity building activities. Projects with activities focused on community energy development could include but are not limited to, renewable energy project feasibility studies, business case development, webinars and training. An Expression of Interest (EOI) with details on eligibility and application process will be announced on Energy Efficiency Alberta's website on February 12, 2018. Funding will be disbursed by March 31, 2018 and projects must be completed implemented within following 6 months.

What is the difference between this program and other renewable energy programs run by the government?

The Community Energy Capacity Building (CECB) program is specifically meant to support capacity building projects related to community and distributed energy projects. Other renewable energy

programs run by the Government of Alberta, such as the Residential and Commercial Solar Program and the Alberta Municipal Solar Program, provide funding toward capital costs of the projects.

How did you determine the structure and details of this program?

The program has been designed by Energy Efficiency Alberta and its agents. The program has been structured to support those organizations having capacity and interest to deploy renewable energy generation and to those which reach the widest number of people but having the largest gap in their ability to deploy renewable energy projects.

How long will the program run?

The program will accept applications until Monday, March 12th, 2018 by Midnight (Mountain Time).

Where do the funds for this program come from?

The program is funded by Energy Efficiency Alberta, the new Government of Alberta agency dedicated to helping the province save energy.

How much clean energy is expected to be generated from this program?

The purpose of this program is not to generate energy, but to provide communities the tools or information they need to develop clean energy projects in the future.

Does this program support jobs?

The program will support the development of community-scale renewable energy projects in the long term. Studies have shown that community-scale solar projects create up to 2.8 times as many jobs and 3.4 times as much local economic impact as large-scale renewable energy projects.¹

Who is administering this program?

The program is being administered by Energy Efficiency Alberta and its agent; ICF Consulting Canada Inc.

APPLICATION

Who is eligible for this program? What are the eligibility criteria?

All non-commercial organizations registered in Alberta and under an applicable government act as described in the Contribution Agreement may apply for the program. The following is a non-exhaustive list of the types of organizations who should consider an application:

- Co-operative organizations
- Registered charity
- Community associations

¹ John Farrell, *Advantage Local: Why Local Energy Ownership Matters* (Institute for Local Self-Reliance, 2014), 2. <https://ccednet-rcdec.ca/en/toolbox/advantage-local-why-local-energy-ownership-matters>

- Industry associations
- Not-for-profit corporations
- Municipalities
- Post-secondary educational institutions
- Medical institutions
- Indigenous communities or organizations

What type of activities and projects can apply for this program?

The program will fund proposals for projects that build capacity of a community organization toward the eventual development of a specific, small or micro-scale renewable energy system. Proposals for the following types of activities would be considered “project-based”:

- Renewable energy project pre-feasibility and feasibility studies (e.g. cost-benefit analysis, investor engagement, and identifying financing options)
- Regulatory (e.g. environmental impact assessment, municipal bylaws and permitting), insurance, and legal requirements for a renewable energy system
- Analysis of technical or structural project requirements
- Identification of technology options given a specific climate/geographic location
- Partnerships with financial entities, adjacent municipalities and/or Indigenous communities
- Assessment of financial constraints such as capital costs, operating, and maintenance costs
- Frameworks to support ownership agreements for a renewable energy project
- Business case development for renewable energy projects
- Any initiative that the applicant deems to be valuable as a capacity building activity for community energy development

Second, the program will fund proposals to develop tools or initiatives designed to improve the capacity of Albertans in general to undertake small and micro-scale renewable energy projects. The following types of activities would be considered “tool-based”:

- Webinars
- Workshops
- Training
- Toolkits
- Other knowledge tools
- Development of standardized processes for renewable energy development with municipal governments or other entities
- Any initiative that the applicant deems to be valuable as a capacity building activity for community energy development

Can completed projects that would have met the eligibility criteria apply with the intention of getting refunded for capacity building expenses?

No. Only projects that submit an application under the Expression of Interest process can be considered eligible to receive funding under this program.

What is the application process?

Applicants need to complete the EOI application form available on the [website](#). Completed applications along with supporting documents, if any, must be submitted electronically to CECB.Info@efficiencyalberta.ca no later than **Monday, March 12th, 2018 by Midnight (Mountain Time)**. Please note in the email subject line “CECB Application - (Community/Organization Name).” Please note that applications will be awarded funding based on the relative merits of the proposed projects, and application to the program **does not guarantee the funding**.

What expenses are eligible?

The entire project budget must be provided either within the application or in a separate MS Excel-based workbook. The project budget must include both eligible expenses and ineligible expenses needed to complete the proposed project. Applicants will be required to show proof of payment for eligible expenses. Please note Government of Alberta Travel, Meals and Hospitality regulations applies to relevant expenses incurred. Please see full terms and conditions in the Contribution Agreement.

Eligible Expenses

- Salary costs associated with the operation of the project
- Contract costs associated with the operation of the project
- Travel expenses for project participants or personnel
- Project supplies and training materials
- Training enrollment fees

Ineligible Expenses

- In-kind expenses
- Payment for services that would normally be provided without charge (e.g. honoraria)
- Capital purchases or equipment
- Living allowances or expenses related to training activities
- Expenses related to non-program related facilities or premises (i.e. construction, rent, utilities)
- Costs associated with preparing funding applications, project planning, and fundraising
- Any expenses incurred prior to approval
- Alcohol
- Goods and Services Tax and the Harmonized Sales Tax

Can a participant submit more than one application?

A participant may submit for more than one application given that the applications are for different projects with different benefactors.

Can I partner with another company for the purposes of submitting an EOI application?

Partnerships are allowed but the application must be submitted by a single organization with partners listed. Partnerships differ from project suppliers who provide a distinct product or service on a for-profit basis. Please refer to the definitions of “Partnering Organization” and “Supplier” or contact program staff provided in the program application form for further information.

What is the scoring criteria for applications to determine which projects get funded?

The application form will be used to gather all the information needed for Energy Efficiency Alberta to evaluate the proposal. Information on the following categories will be collected from all applications and scored based on the quality of responses:

- Organizational information
- Project information
- Project objectives and outcomes
- Project personnel
- Needs and risks Identification
- Budget

Highest scoring applications will be funded until the available program budget is exhausted. Please see “Appendix B – Proposal Evaluation Overview” of the Application Form for more details.

Do I need to report project progress after approval?

Successful applicants must submit and complete a final report for their project no later than **September 30th, 2018**. Projects must be completed upon submission of the final report. An interim report may be required to ensure project progress.

How does the government know that there is a demand for community energy in Alberta?

Many community organizations, co-operatives and non-profit organizations have expressed interest in community energy, but capacity building funding is needed to help the project proponents take next steps in project development.

What is the maximum amount that will be provided?

The total program budget is \$400,000 that may be disbursed toward one or more projects at Energy Efficiency Alberta’s discretion. In an effort to support as many projects as possible with the available funds, Energy Efficiency Alberta encourages all applicants to contribute to their respective project budget to the maximum extent practicable. As such, it is required that for projects seeking funding equal to or greater than \$80,000, the applicant must contribute a minimum of 20% of the total project expenses to the project budget. This contribution could be in the form of direct financial input to the project budget or in the form of services provided by the applicant organization in delivering the project. This requirement enables Energy Efficiency Alberta to support as many projects as possible and ensures that applicants undertaking large projects demonstrate their commitment to the work from inception.

Can a project access funding from the CECB while also accessing funding from other micro-generation and REP related programs?

No, the project cannot access funds from any other program funded by the Provincial government.

How do I check on the application(s) I have submitted?

Applicants will be notified of the decision via e-mail no later than **March 31st, 2018**.

How will the funds be disbursed to successful applicants?

Funding will be provided via cheque following the decision.