



EMISSIONS REDUCTION ALBERTA
**INDUSTRIAL EFFICIENCY
CHALLENGE**

FREQUENTLY ASKED QUESTIONS

Online submission: www.ERAadmin.ca
Deadline: May 31, 2018 - 5 p.m. MDT



1. Q: What types of facilities are eligible? Can a list of the eligible LFEs be provided?

This funding opportunity requires that the project site be a Large Final Emitter facility in Alberta, defined as an industrial facility covered by the CCI regulation. These include facilities that emit more than 100kT/year OR facilities that choose to opt into the CCIR. ERA has posted a list of LFE facilities on the [ERA Industrial Efficiency Challenge](#) website.

2. Q: How new or innovative do technologies need to be? Are off-the-shelf technologies eligible? What is meant by 'leading' technologies?

The guidelines contain details on how 'leading' is defined. A technology that is proven elsewhere but is being deployed at a particular plant for the first time could meet the definition of a leading technology. However, technologies that are already broadly deployed could present a less compelling project compared to technologies that represent a departure from business as usual. Leading technologies should represent a strong value proposition relative to competing technologies/opportunities.

3. Q: Are technologies that quantify or detect GHG emissions eligible if they do not inherently achieve GHG reductions?

All technologies in this call must lead to GHG reductions at LFE sites. For a detection or monitoring technology to be eligible the applicant would need to make a compelling case for how the technology would directly lead to emissions reductions.

4. Q: Does the applicant need to be a company incorporated in Alberta? Do all project partners need to be from Alberta?

No. The applicant, technology, and consortium partners can come from anywhere. However, an Alberta LFE site must be a project partner.

5. Q: Can you submit multiple applications?

Yes, there is no limit on the number of submissions from any party. However, we encourage applicants to be judicious and present their highest quality applications.

6. **Q: Can ERA's Industrial Efficiency Challenge be used as provincial support for other programs (example: NRCan Clean Growth)? How should pending applications for other grants be addressed in the proposal—should the full amount be requested if a portion of the grant funding could come from elsewhere? Are projects that have received other government funding eligible?**

Yes, ERA can fund projects in partnership with other organizations. ERA does not have a strict "stacking" limit for government funds provided that ERA's contribution is matched at least 1:1 by industry dollars. However, other funding organizations may restrict stacking of government funds.

If the intent is to apply to other grant programs with the same project, ERA recommends that this is noted when completing the financing table in the ERA application. Having other grant proposals in progress can improve ERA's assessment of the project's financial viability.

ERA reserves the right to award less funding than was asked, so it is incumbent upon applicants to justify the amount requested from ERA, taking into consideration the likelihood of securing other grant funding.

7. **Q: For calculating GHG reductions, what timeline should we consider (savings per year and cumulative to 2030?) or another date?**

The specific elements of the GHG assertion that are needed are listed in the application template. Typically, ERA will base our assessment on annual emissions reductions for the project life, but including cumulative estimates by 2030 and (if applicable) 2050 can be helpful as well.

8. **Q: If an idea is accepted, does the IP become public?**

No, under normal circumstances all IP remains with the original owner. ERA does require public reporting of the project outcomes and learnings but business/competitive confidentiality is maintained.

9. **Q: If an applicant has agreed to have their application shared with ERA's partners, should the applicant still submit independent applications to those partnering organizations?**

Yes, applicants should still submit applications to other programs where appropriate.

10. Q: Is emissions reduction potential assessed for the project only or on a market basis?

ERA considers both the project-level emissions reductions as well as the potential for reductions from market adoption. Applicants must justify the assumptions used in all GHG reduction estimates.

11. Q: If an application is shared with a trusted partner who decides to fund the project, would the funding be additional to ERA's funding?

Generally, funding from ERA's trusted partners will be in addition to the amount awarded by ERA. However, there could be situations where a trusted partner's funding is used to offset a portion of the funding request to ERA, for example, if ERA is unable to fund the entire requested amount.

12. Q: What is meant by "enhancing carbon competitiveness?"

Many LFE facilities in Alberta must compete in Emissions Intensive Trade Exposed (EITE) sectors. Reducing the carbon footprint of these industries can allow them to maintain or enhance global competitiveness as the world moves to an increasingly carbon-constrained future. At the same time, reducing carbon intensity can also reduce the carbon compliance cost faced by LFE facilities under the CCIR.

13. Q: Can an Alberta-based company receive funding for a project at a facility located outside Alberta?

No. All projects must occur at an Alberta LFE facility.

14. Q: What criteria are used for decision making? Does ERA share the relevant Key Performance Indicators?

Proposals are assessed based on the criteria described in the "Call of Expressions of Interest Guidelines" document that is posted on ERA's website. Specific targets for key performance indicators are not used due to the diversity of proposals expected and the need for all proposals to stand on their own merits in addition to competing amongst each other.

15. Q: Can LFE's participate in more than one EOI? Can projects occur at multiple LFE sites?

LFE's are welcome to participate in more than one EOI. In addition, proposed projects may include demonstrations or installations at multiple sites provided that each site adds to the overall value proposition or advancement of the project.

16. Q: Would a portfolio of projects qualify or is it preferable to submit as individual projects?

ERA funds “projects”, with clear timelines, objectives, deliverables, and milestones. Proposals may include multiple technologies and multiple sites; however, ERA recommends that each proposal be kept as focused as possible, with a clear objective. Having a large “portfolio” of technologies within a single project risks “diluting” the value of the most compelling elements of the portfolio.

17. Q: Are project details kept confidential throughout the entire application process? Or does the project become public at some point?

Project details are kept confidential during the application process. When funding is announced, ERA will publically share a non-confidential summary of only the projects selected for funding. At the end of the project, public reporting of outcomes and learnings is required.

18. Q: What constitutes 1:1 matching? As an example, can patents be considered a matchable contribution? Can debt financing be used to match ERA funds?

ERA will only match contributions related to actual eligible expenses incurred during the term of the project and related to the project. Use of patents would not be eligible for matching. Applicants may use debt or equity financing to provide their share of funds. Please refer to the eligible expense guidelines on the ERA website for more detail.

19. Q: If a pilot location has not been finalized for the technology can an EOI still be submitted for consideration or must it already be finalized?

Proposals may be submitted without a host site finalized, however applicants should be aware that having a site confirmed will be viewed positively during the review process. The potential sites and the plan to finalize the project site should be indicated in the proposal.

20. Q: Can projects funded by ERA also earn carbon offset credits? Does ERA claim ownership of carbon credits?

ERA funding does not preclude a project from applying for carbon credits. Ownership of offset credits from ERA funded projects will be discussed with successful applicants. However, due to the nature of these projects being located at LFE sites, it is anticipated that offset credits will not likely be involved in the proposed projects.

21. Q: Do all project team members, partners, and consultants need to be finalized prior to the application?

No, ERA recognizes that project elements may not be finalized at the time of EOI submission. Applicants are encouraged to provide as much detail as possible about the core project team, plans to acquire additional expertise where needed, and planned subcontracting in order to provide ERA's review team with confidence that the right expertise is available to successfully execute the project.

22. Q: Does ERA provide examples of strong proposals to guide EOI development?

No, ERA does not provide example proposals at this time.

23. Q: How long after project does the ERA monitor the facility? What ongoing verification and validation is required?

ERA requires that a third-party verification report be submitted one year after commissioning of the project technology/installation to verify the emissions reductions. In addition, ERA requires that funding recipients provide a short update annually for a short period after the project is complete (typically three years). Details of the post-completion reporting requirements will be detailed in the contribution agreement between ERA and the successful recipients.