



LAB SERVICES INCENTIVE PROGRAM

PROGRAM GUIDELINES

Program Term:

October 1, 2026 – September 30, 2029

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1. Introduction

1.1 Emissions Reduction Alberta

Emissions Reduction Alberta (“ERA”) is a registered tradename of the Climate Change and Emissions Management (CCEMC) Corporation. For 17 years, ERA has responsibly invested revenues from Alberta’s Technology and Innovation for Emissions Reduction (TIER) fund – the carbon price paid by large industrial emitters in Alberta – to accelerate the development and adoption of innovative clean technology solutions. Since inception in 2009, ERA has committed, as of June 2026, \$1.22 billion to 368 projects worth \$11.53 billion that are helping reduce greenhouse gas (GHG) emissions, create competitive industries, and lead to new business opportunities in Alberta. These projects are estimated to deliver cumulative GHG reductions of more than 28 million tonnes CO₂e by 2030 and nearly 85 million tonnes CO₂e by 2050.

ERA’s mandate extends beyond greenhouse gas reduction alone. ERA’s vision is an Alberta with a diversified economy and competitive industries that deliver sustainable environmental outcomes and attract investment. ERA invests in technologies that reduce emissions and improve broader environmental performance including water use and treatment, land and soil quality, waste reduction and diversion, and resource efficiency while lowering costs and strengthening competitiveness.

ERA provides support to emissions reduction technologies in Alberta through several mechanisms and programs. Most ERA funding is disbursed via grants to specific technology piloting, demonstration, or first-of-a-kind implementation projects selected through a competitive process. A second area of ERA programming is related to incentives for energy efficiency and energy management with industrial and commercial businesses. Lastly, ERA has a number of initiatives underway designed specifically to support innovators and capacity building within Alberta, including its Innovator Support Services (ISS) program and strategic investments in the innovation ecosystem.

1.2 Document Scope

This document is focused on ERA’s Lab Services Incentive Program (LSIP), a multi-year ERA program designed to improve access to specialized laboratory services for eligible Alberta companies developing early-stage technologies aligned with ERA’s mandate, including Enhanced Efficiency, Energy Systems, Industrial Frontiers, Circular Economy, and Carbon Management.

Through LSIP, ERA will provide incentives for clearly defined lab services projects delivered by eligible Alberta-based post-secondary institutions (PSIs). The program is intended to reduce financial and administrative barriers for eligible companies, support technology validation and advancement, and strengthen collaboration between Alberta PSIs and early-stage innovators including startup companies and small and medium enterprises (SMEs).

LSIP will operate over a three-year period beginning on October 1, 2026, with an annual program budget of \$1.5 million and total program funding of \$4.5 million, subject to program terms, eligibility requirements, and funding availability.

This program document lays out the LSIP program design, targeted outcomes, support mechanisms, reporting obligations, and overall process.

2. Lab Services Incentive Program Scope

2.1 Background

Alberta’s post-secondary institutions have specialized laboratory space, equipment, technical expertise, and administrative structures that can support early-stage technology development. For many Alberta SMEs and

startups, access to these services is essential for testing, validation, characterization, and technology advancement. However, financial, administrative, and timing barriers can limit effective access. LSIP is designed to reduce these barriers and support faster, more practical engagement between Alberta companies and eligible PSIs.

2.2 Program Focus

Program Purpose: LSIP improves access to specialized lab services for eligible Alberta SMEs developing technologies aligned with ERA's mandate.

In 2023, ERA commissioned a report on barriers to commercialization faced by Alberta's innovators. This, alongside consultation with innovators, incubators, accelerators, funders, PSIs, and other stakeholders, has led to the identification of several key trends and barriers relating to the development and rapid advancement of new technologies in Alberta. The current trend in corporate innovation has shifted towards making quicker, smaller bets on new technologies, rather than engaging in multi-year research agreements. This program addresses this shift, allowing corporations to engage with cutting-edge research without the traditional long-term financial commitments. SMEs often face severe resourcing and financial constraints that may prevent them from even a basic level of engagement or access to the resources of PSIs; reducing these barriers to access will deliver significant benefits to all SMEs and startups in particular. LSIP aims to streamline the process by which private sector companies can access lab services, enabling quicker turnarounds in research development that is crucial for Alberta to lead in a lower-carbon energy future. By promoting a culture of rapid development and commercialization, LSIP positions Alberta as a leader in energy research and entrepreneurship.

LSIP Pilot (2025–2026)

LSIP builds directly on the results of a one-year pilot delivered in 2025–2026. The pilot partnered with three participating post-secondary institutions, the University of Alberta, the University of Calgary, and the University of Lethbridge, with a total pilot budget of \$1 million. Over the course of the pilot, ERA received 28 applications and approved 24 projects (an 85.7% approval rate), all of which reached completion, delivering a 100% project completion rate with an average project duration of approximately 7.3 months. This strong completion record reflected genuine market demand, meaningful SME commitment, and effective coordination between clients and PSIs.

The pilot supported 24 cleantech innovations worth a combined total value of over \$850,000 in public and private investment across six sectors spanning energy storage and hydrogen, industrial decarbonization, agriculture and environment, oil and gas efficiency, water treatment, and emerging applications. Every incentive dollar was directed to projects aligned with ERA's core mandate confirming strong strategic fit with ERA's investment priorities. Project sizes ranged widely from roughly \$1,248 to \$61,154 in incentive value, demonstrating the program's flexibility to support everything from early-stage testing to comprehensive validation work.

Client engagement was a notable strength: 21% of clients were returning users, several of whom also held ERA funding through other programs, signaling LSIP's value as an ongoing validation resource rather than a one-time intake program. A client survey conducted at the end of the pilot found that 94% of respondents would recommend LSIP. Respondents reported high satisfaction with both the laboratory services received and PSI responsiveness. Clients also indicated that the program helped accelerate testing, reduce costs, de-risk technical decisions, and advance technologies along the TRL scale.

Program Term and Funding: LSIP is expected to operate from October 1, 2026 to September 30, 2029, subject to funding availability. The program has an annual allocation of \$1.5 million and total program funding of \$4.5 million.

Program Alignment: LSIP complements ERA's Innovator Support Services (ISS) and other innovation ecosystem supports by helping early-stage Alberta companies validate and advance technologies within ERA's five Technology Roadmap focus areas (Table 1). For LSIP, the focus areas have been adapted to reflect the earlier-stage laboratory testing, characterization, validation, and technology-advancement activities supported by the program.

Targeted Outcomes:

- **Ease of access:** Lab services are accessible to clients in terms of responsiveness, collaboration, and reduction of barriers to entry.
- **Efficiency of delivered services:** Lab services are provided within targets for timelines, budget, etc.
- **Enhanced affordability:** Lab services are provided at a reduced cost to clients due to the incentive.
- **Technology advancement:** Technologies for which lab services are provided move up the Technology Readiness Level scale towards commercialization via improvements in performance and/or cost, validation of claims, etc.
- **Capacity building:** Alberta's PSIs and SMEs collaborate to gain and share knowledge, insights, and best practices arising from the lab services provided.

2.3 ERA Technology Roadmap and LSIP Focus Areas

ERA's Technology Roadmap (TRM) sets out the areas of technology development that ERA prioritizes for investment in support of its mandate. LSIP is aligned to the TRM so that the laboratory services supported through the program contribute to the same strategic objectives as ERA's broader portfolio.

Every LSIP project must credibly advance a technology within at least one of the five focus areas set out in Table 1. This alignment is assessed by ERA as part of the project pre-approval process (see Section 3.6).

One focus area is sufficient to establish eligibility, and participants should not seek to align a project across several areas unnecessarily. Where a project genuinely advances a technology within more than one focus area, more than one may be identified on the Project Pre-Approval Form. In those cases, PSIs are asked to indicate the primary focus area, i.e., the one that best reflects the technology being advanced so that ERA can report consistently on the distribution of supported projects across the five areas.

Consistent with ERA's mandate, projects may advance greenhouse gas reductions in addition to, or alongside, environmental outcomes including improvements to water, land, soil, air quality, waste reduction, and resource efficiency. A project need not demonstrate a direct GHG reduction where it credibly delivers other environmental and economic benefits within a focus area.

For LSIP, the focus areas have been adapted to reflect the earlier-stage laboratory testing, characterization, validation, and technology-advancement activities supported by the program. A project may therefore be at an earlier stage of development than would typically be expected under ERA's other funding programs, provided the technology credibly advances one of the focus areas.

Table 1 - TRM 6th Edition - 5 Focus Areas

Focus Area	Definition	Illustrative examples of lab services
1. Enhanced Efficiency	<i>Optimizing performance and productivity</i> Driving towards best-in-class management of energy and resources across the economy via improvements in productivity, optimization, and conservation.	Performance testing of efficiency-improving components against incumbents; validation of process-optimization technologies; characterization of materials that reduce energy or resource use intensity in industrial, building, or transport applications.
2. Energy Systems	<i>Looking to the future of energy</i> Reshaping how clean electricity and fuels are produced, stored, delivered, and used, while strengthening the grid and critical energy infrastructure.	Testing of hydrogen storage and production technologies; characterization of battery and energy-storage materials; validation of fuel cell performance; characterizing novel fuels; performance testing of electricity distribution or grid-support systems.
3. Industrial Frontiers	<i>Expanding the opportunity space</i> Transforming the environmental and economic performance of Alberta's major sectors via step-changes in the processes, practices, and feedstocks they use, while also supporting development of new low-emissions products and industries.	Testing of alternative feedstocks or catalysts; validation of novel industrial or processing methods; characterization of new low-emissions materials and products; testing of emissions-reducing equipment for energy or manufacturing operations.
4. Circular Economy	<i>Closing the loop</i> Reimagining how resources, materials, products, and waste streams are managed throughout their lifecycle to reduce raw material demand, reduce or upcycle waste, and sustain and recover value while enhancing conservation, treatment, remediation, and reclamation of land, soil, air, and water.	Compositional analysis of recovered or recycled materials; testing of waste-to-value conversion processes; validation of water treatment and reuse technologies; characterization of bio-based or reclaimed feedstocks and products.
5. Carbon Management	<i>Cleaning up</i> Natural and artificial technologies and practices to capture or remove carbon, convert or utilize it in new products, and/or permanently sequester it.	Testing of carbon capture materials such as sorbents, solvents, or membranes; validation of carbon utilization and conversion processes; characterization of materials for carbon storage or sequestration; measurement and

		verification of carbon removal approaches.
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The examples above are illustrative only and are not an exhaustive list. ERA will assess alignment on a project-by-project basis. Where a PSI is uncertain whether a proposed project aligns with a focus area, we encourage early contact with ERA before the pre-approval form is submitted.

Updates to the Technology Roadmap (TRM)

ERA's TRM is reviewed and updated periodically. When the TRM is revised, ERA will update these Guidelines to reflect any resulting change to the focus areas or their definitions. Projects that have already received written approval from ERA will not be affected by a subsequent change to the Roadmap.

2.4 LSIP Advisory Committee

The LSIP Advisory Committee provides strategic advice and operational feedback to ERA on the design, implementation, administration, and continuous improvement of LSIP. The Advisory Committee serves as a forum for collaboration between ERA and participating PSIs, helping to identify opportunities, challenges, emerging needs, and best practices related to program delivery.

The Advisory Committee is comprised of one designated representative from each participating PSI, representatives from ERA's Trusted Partners, together with ERA representatives responsible for program management and administration. Members are expected to have sufficient authority and subject matter expertise to represent their institution's interests and support effective program implementation. Participating PSIs are responsible for appointing and maintaining their representative on the Advisory Committee. ERA may invite additional subject matter experts or observers to participate in meetings where appropriate.

The Advisory Committee operates in an advisory capacity only and does not have authority to approve projects, allocate funding, or make decisions on behalf of ERA. All project approvals, funding decisions, and program administration remain the responsibility of ERA. The Advisory Committee will generally meet on a quarterly basis, or more frequently as required, to review program performance, discuss implementation issues, share lessons learned, provide feedback on program processes and materials, and support the ongoing evolution of LSIP.

3. Program Design and Process

3.1 Program Participants

Participants in LSIP are divided into two categories, each with eligibility criteria.

Service Providers

LSIP service providers are entities who provide laboratory services and research support. Under LSIP, the only eligible service providers are Alberta-based Post-Secondary Research Institutions (PSIs). The only eligible service providers currently are:

- The University of Lethbridge;
- The University of Alberta;
- The University of Calgary;
- Northern Alberta Institute of Technology (NAIT);
- Southern Alberta Institute of Technology (SAIT);

- Red Deer Polytechnic;
- Lethbridge Polytechnic; and
- Olds College.

PSI participation in LSIP will be reviewed annually. In conducting its review, ERA may consider factors including the volume of LSIP-supported projects originating from the institution, utilization of program funding, client demand, program performance, and alignment with program objectives. Based on this review, ERA may adjust the list of participating institutions.

Eligibility Criteria for New PSIs

Other Alberta-based PSIs may be considered for future participation if they meet ERA's eligibility requirements. A new PSI must demonstrate the following:

Requirement	Description
Alberta-based institution	Must be physically located in Alberta and registered as a post-secondary institution under Alberta legislation (university, polytechnic, college, or similar institution).
Laboratory capability	Must have access to laboratory facilities, specialized equipment, and technical infrastructure capable of delivering LSIP-supported services.
Technical expertise	Must have qualified technical staff and subject-matter experts capable of supporting early-stage technology development (TRL 2–6).
Applied research experience	Must demonstrate experience delivering applied research, testing, validation, characterization, or technical services to SMEs and industry clients.
Administrative capability	Must demonstrate financial management and legal capacity to execute agreements, manage public funds, administer claims, and meet reporting requirements.
Program compliance	Must be willing and able to comply with LSIP program eligibility, reporting, contracting, and oversight requirements.

Clients

The ultimate beneficiaries of LSIP funding will be entities who are able to access laboratory services via the program. Organizations who are eligible to have their work with PSIs incentivised through LSIP must meet the following eligibility criteria:

- Clients must be Alberta-based, for-profit enterprises. For clarity, clients are not required to be incorporated in Alberta but must maintain a significant operational presence in Alberta, including Alberta-based employees and/or facilities and technology development activities occurring in Alberta. Customers, sales activity, or partnership arrangements alone will not be sufficient to establish eligibility.
- Clients must be a small-medium enterprise (SME). For the purposes of this program, SME status is defined as having no more than 499 employees. Clients must be developing or advancing a technology for which the proposed laboratory services credibly align with at least one LSIP focus area (as defined in Table 1).

3.2 Incentive Structure and Administration

Under LSIP, participating PSIs will continue to offer lab services to SME clients through their existing processes, facilities and personnel. LSIP funding will be structured as an incentive to reduce the cost to industry to access lab services while also incentivizing PSIs to deliver improved access and more effective service delivery. The incentive is intended to reduce the amount paid by the eligible client for approved lab services and associated subject matter expertise. The PSI remains responsible for administering the client relationship, invoicing, project delivery, cost tracking, and reporting in accordance with the PSI agreement and LSIP requirements.

Each PSI will continue to manage administration and finance relating to lab services. ERA will disburse funds to PSIs to be used to reduce the cost of services offered to SME clients while also incentivizing researchers, laboratories, and PSI administrations to improve the ease of access and quality of lab services. PSIs will be responsible for reporting to ERA regarding the use of funds and key performance indicators, as described in Section 3.8. ERA will compile this reporting to assess and communicate program outcomes. Via reporting on the companies and technologies supported, ERA will verify that the use of funds under LSIP is aligned with ERA's mandate.

LSIP delivery may be informed by advice and input from the Advisory Committee and other key stakeholders from Alberta's innovation ecosystem. ERA retains decision-making authority for program design, PSI participation, project approval, funding allocation, and program changes.

3.3 Program Funding

Program funding will consist of an annual budget of \$1.5M and total program funding of \$4.5M over three years.

3.4 Incentive Amounts and Structure

LSIP funding has two components: a project incentive on eligible direct lab-service costs, plus a separate administration allowance for delivering the program at your institution.

Project Incentive	Administration Allowance	Maximum per Project
Up to \$50,000	Up to \$15,000	\$65,000
Up to 50% of eligible direct project costs	Up to 30% of the ERA project incentive	Total ERA funding available

Project Incentive

- ERA will provide up to 50% of the eligible direct project costs for approved LSIP projects.
- The maximum LSIP project incentive for any individual approved project is \$50,000.
- Projects with eligible project costs greater than \$100,000 may be eligible, but ERA's project incentive will be capped at \$50,000.
- Projects with eligible direct project costs below \$20,000 are not eligible; the minimum LSIP incentive for an approved project is \$10,000.
- A client may apply for multiple LSIP-supported projects, but the total LSIP incentive to any one client is capped at \$100,000 for the 3-year program.

Administrative Allowance

- ERA may provide an administration allowance of up to 30% of the ERA project incentive for approved LSIP projects. This allowance is provided in addition to the project incentive and recognises the cost of administering and delivering LSIP at the institution.
- The maximum LSIP administration allowance for any individual approved project is \$15,000.
- The minimum LSIP administration allowance for an approved project is \$3,000.
- Across the three-year program, the total administration allowance in respect of any one SME Client is capped at \$30,000.

Incentive Structure

The LSIP incentive provided for each lab service request will be provided on a partial-matching basis. The LSIP incentive will reduce the cost of a given lab services project by up to 50%, with the remaining cost borne by the client. Examples of possible scenarios are as follows:

Eligible Direct Project Cost	SME Client Share	ERA Project Incentive (up to 50%)	Admin Allowance (up to 30%)	Total ERA funding
< \$20,000	—	—	—	Not eligible
\$20,000	\$10,000	\$10,000	\$3,000	\$13,000
\$50,000	\$25,000	\$25,000	\$7,500	\$32,500
\$100,000	\$50,000	\$50,000 <i>at cap</i>	\$15,000 <i>at cap</i>	\$65,000
\$150,000	\$100,000	\$50,000 <i>capped</i>	\$15,000 <i>capped</i>	\$65,000

Worked example. On a project with \$100,000 in eligible direct project costs, ERA's project incentive is \$50,000 (50%, at the per-project cap). The administration allowance is 30% of that \$50,000 incentive i.e. \$15,000, also at the cap. Total ERA funding is \$65,000. The SME Client's required LSIP cost-share is \$50,000, being its share of the eligible direct project costs. Additional amounts negotiated separately between the PSI and the SME Client outside the approved LSIP project budget, if any, are not included in this amount.

Applicable Limits

Per project	Per SME client, over the 3-year program
Minimum incentive \$10,000	Maximum incentive \$100,000
Minimum allowance \$3,000	Maximum allowance \$30,000

Client Contribution and Source of Funds

The client's share of project costs must be a real cash payment to the PSI service provider; in-kind contributions or similar non-cash consideration are not allowable.

There are no restrictions or stacking limits on the source of funds used by clients to cover their share of costs. Clients may fund their share from their own revenue or from funding provided by other organizations, including other grants, investors (both public and private), or industry partners. However, lab services that

are directly related to projects or technologies supported by other ERA programming are ineligible to receive LSIP support.

Similarly, PSIs may combine LSIP funding with other public-sector or third-party funding to support delivery of an Approved Project, subject to the conditions set out in Section 3.5 (Co-Funding from Other Sources).

Amounts negotiated between a PSI and an SME Client outside the approved LSIP project budget are not LSIP costs and do not form part of the client's LSIP cost-share (see Section 3.5).

Allocation of Program Funding

LSIP funding is allocated to individual approved projects from the program's annual budget. **There is no fixed allocation reserved in advance for any individual participating institution.** Projects are approved on a first-come, first-served basis, subject to eligibility, funding availability, and the applicable limits above. The funding allocation principles, including the reservation of funding upon written approval and ERA's discretion to ensure equitable access across participating institutions, are set out in Section 3.6.

Review and Decision Timelines

ERA will acknowledge receipt of a pre-approval submission within 5 business days, confirming whether the submission is complete. Where information is outstanding, ERA will identify what is required. A submission is considered received, for the purposes of order of receipt, on the date it is complete.

ERA will aim to issue a written decision within ten business days of receiving a complete submission. Where a project requires internal escalation, or where the annual allocation is close to being fully committed and a deferral decision is required, ERA will advise the PSI and provide a revised timeline.

These are service targets rather than guarantees. PSIs are encouraged to submit complete pre-approval forms, as incomplete submissions delay both the decision and the project's position in the order of receipt.

3.5 Eligible Costs and Activities

LSIP funds must be used for clearly defined laboratory services that credibly advance a technology within at least one LSIP focus area (see Table 1). For the purposes of LSIP, laboratory services are defined as activities conducted by a PSI to test, validate, characterize, or otherwise advance element(s) of a novel technology solution under development by an eligible client. This may include experimental design, empirical studies, sampling, testing, imaging, characterization, compositional analysis, prototyping, and similar activities requiring highly specialized equipment and knowledge.

For clarity, laboratory services are not limited to activities conducted within a physical laboratory. Controlled field trials, small-plot studies, and similar applied testing environments may be eligible where the activity is a defined, scoped testing exercise that advances the client's technology.

ERA in its sole discretion will assess and approve the eligibility of project activities.

LSIP incentives will be provided to specific projects (a scope wherein certain lab services are provided to a client over a set period of time in order to accomplish a pre-determined objective). Multi-year projects are allowed within the 3-year program timeframe and must be fully completed by September 30, 2029. Open-ended research programs are not eligible.

PSIs participating in LSIP bear the primary responsibility for ensuring LSIP funds are spent in accordance with the Program Design Guidelines. The general principle for eligibility of costs under LSIP is that the incentive is intended to offset the real cost that would be billed to a client to provide the services in the absence of the incentive through existing process. All expenses must be incurred within Alberta. Only expenses that would be incurred by the PSI (and passed on to the client via fee-for-services) will be covered under LSIP; client costs to participate in the program are not eligible. Only expenses incurred during the program period

(starting October 1, 2026, and ending no later than September 30, 2029, or whenever funds are depleted) are eligible for LSIP coverage.

The following are the eligible cost categories that would be included as part of the eligible project costs:

Eligible project cost category	Description / clarification
Direct costs:	
Direct labour	PSI employees and/or contractors delivering lab services, including benefits where applicable.
Materials and consumables	Materials, supplies, consumables, utilities, and similar costs used in providing lab services.
Equipment use charges	Pro-rated charges for use of major capital equipment where these charges would typically be billed to the client.
Licensing fees	IP, software, or related licensing fees pro-rated to project use.
Training / certification	Courses, certifications, or professional development required for PSI staff or contractors.

Administration

- The administration allowance is calculated as up to 30% of the ERA project incentive, and is provided in addition to the eligible project cost.
- LSIP funding attributable to administration is capped at \$15,000 per project.
- Administration is not included in eligible project cost, and the SME Client's cost-share is calculated on the eligible direct project costs only.

Amounts above the LSIP administrative allowance cap

Where a PSI's institutional overhead rate exceeds the LSIP allowance, any additional amount falls outside the approved LSIP project budget. LSIP Funding is calculated only on the approved eligible project cost. A PSI and an SME Client may negotiate additional amounts directly in their service agreement; such arrangements are a matter between the PSI and its client and form no part of the LSIP Agreement or the approved LSIP project budget.

Per-Project Application of the Incentive

Eligible costs covered by the LSIP incentive are determined and applied on a per-project basis. Following ERA approval and receipt of the required project documentation, LSIP Funding for an Approved Project is advanced to the PSI in accordance with Section 3.7 (Disbursement and Claims), and is subsequently reconciled against actual eligible costs incurred.

Co-Funding from Other Sources

PSIs may combine LSIP funding with other public-sector or third-party funding (for example, federal or provincial research grants) to support the delivery of an Approved Project. There are no stacking limits on the source of such funds, and leveraging additional funding to expand the scope or depth of services delivered to the client is encouraged. The following conditions apply:

- The SME Client's required cost-share must be a real cash payment to the PSI; in-kind contributions or similar non-cash consideration are not allowable.

- Lab services directly related to a project or technology already supported through another ERA program are not eligible for LSIP support.
- Any other public-sector funding applied to the project should be identified on the Project Pre-Approval Form at intake, and ERA should be advised if that funding changes materially during the project. No separate approval is required for each funding source.

Ineligible Expenses

ERA will not fund administration costs beyond the allowance described above. Where a PSI's institutional overhead rate produces a figure above the LSIP allowance, the additional amount falls outside the approved LSIP project budget (see "Amounts above the LSIP administrative allowance cap").

The following costs are expressly ineligible:

- Purchases of land, buildings, or capital equipment. Capital equipment usage and depreciation may be eligible on a pro-rated basis (see above).
- Expenses relating to downstream research activities (such as writing and editing of publications) arising from the lab services work.
- Legal expenses, regulatory fees, and similar.
- Subscriptions (e.g. to journals, databases, etc.) or membership fees (e.g. to professional organizations).
- Costs to recruit personnel.
- Travel costs.
- Insurance.
- Hospitality expenses.
- Costs relating to marketing, communications, media, and similar.

3.6 Intake, Approval, Disbursement, and Claims Process

The following table summarizes the end-to-end LSIP process, from initial client–PSI discussion through advance payment and reconciliation.

Step	Responsible party	Description	Output
1. Client–PSI discussion	Client / PSI	Define the project, technology context, scope, cost, and timeline.	Draft project concept
2. PSI screening	PSI	Confirm client eligibility, project scope, LSIP fit, and preliminary cost using the Project Screening Checklist.	Screened project
3. Pre-approval submission	PSI	Submit the required project information to ERA (Project Pre-Approval Form).	Completed pre-approval form
4. ERA review & decision	ERA	Assess eligibility, ERA-mandate alignment, eligible services/costs, funding availability, completeness, and consistency with criteria. Approve, approve with conditions, request more information, defer, or decline.	Written decision
5. PSI–SME agreement & documentation	PSI / Client	For approved projects, the PSI and SME Client execute a written agreement, and the PSI assembles the documentation required for advance funding (executed agreement, project	Executed agreement and

		budget, SME invoice, and evidence of the client's cost-share).	advance-funding package
6. Advance payment	ERA / Finance	ERA reviews the advance-funding documentation and, once satisfied, advances the approved LSIP Funding to the PSI (for multi-year projects, the milestone/annual tranche).	LSIP Funding advanced
7. Delivery	PSI / Client	The PSI delivers the approved lab services and maintains project and cost records.	Active project
8. Quarterly reporting & completion	PSI	Submit quarterly reports, Project Completion Reports, Multi-Year Milestone Reports (where applicable), and supporting cost and payment documentation.	Reporting and supporting documentation
9. ERA reconciliation	ERA / Finance	Verify eligible costs and outcomes, reconcile advanced amounts against actual eligible costs, and recover or claw back any overpayment.	Reconciliation outcome

Agreement and Payment Profile Setup

PSIs must enter into an LSIP Participation and Funding Agreement ("LSIP Agreement") with ERA prior to receiving LSIP funds. The LSIP Agreement will specify the terms and conditions of funding, including program criteria and reporting obligations.

Once an LSIP Agreement has been executed, the PSI must provide a copy of the executed LSIP Agreement, completed banking information, applicable vendor setup documentation, and evidence of insurance as required under the LSIP Agreement to ERA's Finance team to establish a payment profile. Additional information and instructions regarding payment processing will be provided directly to participating PSIs.

Intake and Submission

Following program launch, PSIs should follow this process:

- PSIs will continue to offer laboratory services through their existing processes.
- At the early stages of discussing a potential lab services project with a client, the PSI will flag whether that project may be a candidate for LSIP and will submit a pre-approval form to ERA.
- The pre-approval form will be as simple as possible to facilitate ease of completion by the PSI and review by ERA, and should include the client name, technology summary, services to be provided, an estimate of costs, and any other public-sector funding being applied to the project. PSIs should briefly explain how the proposed laboratory services will advance the client's technology within the selected focus area. This explanation does not need to be lengthy; ERA is looking for a clear connection between the services being delivered and the technology outcome the client is pursuing.
- **ERA will pre-approve eligible projects in writing. No project is eligible for LSIP funding, and no funds will be advanced, until ERA has issued written approval.**
- The PSI and the applicable SME Client shall enter into a written agreement for each Approved Project prior to commencing work. The agreement shall address, at a minimum, the project scope, deliverables, timelines, costs, and payment obligations. The PSI shall maintain records relating to project costs, outcomes, and compliance with LSIP requirements.

Funding Allocation and Availability

LSIP funding is allocated to individual approved projects from the program's annual budget. There is no fixed allocation reserved in advance for any individual participating institution. The following principles apply:

- **Order of receipt.** ERA will generally consider complete project submissions in the order received; that is, a first-come, first-served approach to project approvals. A submission that is incomplete does not hold its place; ERA will consider it once the required information has been provided. PSIs are therefore encouraged to submit complete pre-approval forms and to submit early in each program year.
- **Approval is not automatic.** All approvals remain subject to eligibility, completeness, funding availability, applicable funding limits, and ERA's discretion to allocate, reserve, reallocate, limit, or discontinue LSIP funding in accordance with the LSIP Agreement and program objectives.
- **Approval reserves funding.** Once ERA has approved a project in writing, the approved LSIP incentive amount is committed to that project, subject to the PSI providing the required advance-funding documentation within a reasonable period. ERA may release a reserved amount if the project does not proceed or the required documentation is not provided.
- **Equitable access.** ERA retains discretion to limit, reserve, or reallocate funding to any one participating institution so that no single PSI draws a disproportionate share of the annual allocation. This is intended to preserve access for all participating institutions.
- **Annual budget limits.** Approvals are subject to the annual LSIP allocation. ERA will confirm funding availability as part of the pre-approval process. ERA will also advise participating PSIs periodically of funding committed and remaining against the annual allocation, including at quarterly program manager meetings. Where the annual allocation becomes fully committed, ERA may pause or close intake, or defer further approvals, until the next program year. Where a complete submission is received after the annual allocation has been committed, ERA may hold the project for consideration in the following program year rather than declining it. Projects held in this way retain their position in the order of receipt and will be considered ahead of submissions received in the new program year. ERA will advise the PSI where a project is being held, and the PSI should confirm with ERA that the project remains current before work is scoped further. Holding a project does not constitute approval, and funding is committed only when ERA issues written approval in the new program year.

Advance Payment, Reporting and Reconciliation

- Following project approval and receipt of the required documentation, ERA will advance the approved LSIP Funding to the PSI (for multi-year projects, in accordance with the approved milestone and annual funding schedule). Advance payment does not relieve the PSI of its obligations to deliver the Approved Project, maintain full supporting records, and report on project costs, activities, and outcomes. Documentation requirements and expected processing timelines are set out in Section 3.7.
- All LSIP Funding remains subject to quarterly reporting, verification, and reconciliation. Where a reconciliation identifies that actual eligible costs are lower than the amount advanced, the PSI shall promptly repay the excess amount upon request by ERA.
- ERA will monitor program outcomes and spending to ensure all funds have been appropriately used by the end of the program period.

3.7 Disbursement and Claims

Advance Funding Model

LSIP Funding will generally be provided in advance following ERA approval of an Approved Project. Participating PSIs are responsible for delivering Approved Projects in accordance with the approved scope and maintaining records sufficient to demonstrate compliance with LSIP requirements. To be eligible for advance funding, the PSI must submit documentation satisfactory to ERA, including:

- an approved Project Pre-Approval Form;
- a fully executed agreement between the PSI and the applicable SME Client;
- a project budget identifying total project costs, eligible direct project costs, applicable administrative allowance amounts, the SME Client's cost-share, and the requested LSIP Funding amount;
- an invoice issued to the SME Client identifying the SME Client's required share of project costs;
- evidence that the SME Client's required share has been paid or is payable in accordance with the PSI–SME Client agreement;
- for multi-year projects, an approved milestone and annual funding schedule; and
- any other information reasonably requested by ERA.

Following review and approval of the required documentation, ERA may provide LSIP Funding in accordance with the approved funding amount for the Approved Project.

Processing Timelines

ERA will aim to process advance payments within **approximately 30 business days** of receiving a complete and satisfactory advance-funding package, subject to funding availability and ERA's standard financial processing cycle. Where a submission is incomplete or requires clarification, processing time will run from the date the outstanding information is received. PSIs are encouraged to submit complete documentation packages to avoid delays.

Multi-Year Projects

For Approved Projects spanning more than one LSIP funding year i.e. October to September, ERA may establish project milestones and annual funding allocations as part of the project approval process. Where milestone-based funding is approved:

- LSIP Funding will be allocated across one or more LSIP funding years;
- advance funding will generally be limited to the approved funding amount associated with the applicable milestone or LSIP funding year;
- subsequent funding amounts will be subject to achievement of the applicable milestone, submission of required reports, and ERA's verification of project progress and continued eligibility; and the PSI shall submit a Multi-Year Milestone Report and supporting documentation satisfactory to ERA before subsequent funding amounts are released.

The Multi-Year Milestone Report is submitted at the end of each LSIP funding year, or on achievement of an approved milestone, and confirms project progress, milestones achieved, spend to date, and the next tranche requested. This approach is intended to align project funding with ERA's annual LSIP budget while supporting PSI cash flow needs for longer-term projects. All lab services must be completed by September 30, 2029.

Quarterly Reconciliation

- PSIs shall submit a Quarterly Reconciliation covering all active and completed LSIP-supported projects. Each quarterly submission shall include, as applicable: the completed Quarterly Reconciliation, including

project status, funding advanced, actual eligible costs, SME Client cost-share, and any amount payable or recoverable;

- a Project Completion Report for each project completed during the quarter;
- a Multi-Year Milestone Report for each approved milestone achieved during the quarter;
- supporting invoices, cost records, and evidence of amounts invoiced to or paid by SME Clients; and

any other information reasonably requested by ERA. The Quarterly Reconciliation constitutes the quarterly report required under the LSIP Agreement. This is due by the 15th day of the second month following the end of each quarter (that is, February 15, May 15, August 15, and November 15 for the quarters ending December 31, March 31, June 30, and September 30 respectively).

The purpose of the quarterly reporting process is to enable ERA to monitor project progress, verify eligible costs, confirm achievement of approved milestones, and reconcile LSIP Funding provided.

Reconciliation and Recovery

All LSIP Funding remains subject to review, verification, and reconciliation by ERA. ERA may adjust, recover, or claw back all or a portion of LSIP Funding where ERA determines that:

- funding was overpaid;
- costs were unsupported or ineligible;
- approved milestones, deliverables, or project outcomes were not achieved;
- reporting requirements were not satisfied;
- funding was not used in accordance with LSIP requirements; or
- recovery is otherwise required under the LSIP Agreement or Program Design Guidelines.

Where a reconciliation identifies that actual eligible costs are lower than the funding amount advanced by ERA, the PSI shall promptly repay the excess amount upon request by ERA.

3.8 Program Performance Metrics

ERA will assess program performance and success through qualitative and quantitative performance measurement data. Performance data will be captured through the Project Completion Report, the Multi-Year Milestone Report (for multi-year projects), and a Client Survey, and will include: number of SMEs assisted; value of incentive provided; total lab services costs; percentage of projects delivered according to timeline and budget; client satisfaction with PSI responsiveness and lab services; TRL advancement and other qualitative data to assess technology advancement; and qualitative data from the PSI and SME on knowledge sharing and collaboration.

Consistent with ERA's mandate, technology advancement supported through LSIP may deliver greenhouse gas reductions, broader environmental benefits, or both. Where a supported technology advances environmental performance for example through improvements to water use or treatment, land or soil quality, air quality, waste reduction or diversion, or resource and material efficiency, PSIs and clients are asked to describe those outcomes in their reporting. LSIP supports technologies at an early stage of development, so outcomes are generally expected to be qualitative or forward-looking rather than measured or verified at the time of reporting.

KPI category	KPI	Data source	Frequency
DEMAND AND REACH — is the program being taken up?			
Uptake	Number of SME applications and projects submitted	Pre-approval forms / program tracker	Ongoing / quarterly
Reach	Number of SMEs supported and number of participating PSIs actively submitting	Program tracker	Quarterly
Subscription level	Total funding requested against funding available, to quantify demand relative to the annual allocation	Pre-approval form / finance tracking	Quarterly
FINANCIAL PERFORMANCE — how is the funding being used?			
Funding utilization	Incentive value approved and advanced; total lab services cost	Finance tracking	Quarterly
Funding leverage	Ratio of total eligible project costs to LSIP funding provided	Finance tracking	Quarterly
DELIVERY AND EXPERIENCE — is the program working for participants?			
Delivery performance	Percentage of projects delivered according to approved timeline and budget	Pre-approval form and Project Completion Report	At project completion
Client experience	Client satisfaction with PSI responsiveness and lab services	Client survey	After project completion
OUTCOMES AND ALIGNMENT — what did the program achieve?			
Technology advancement	Qualitative evidence of technology advancement and TRL movement where available	Completion report / client survey	At project completion
Environmental outcomes	Qualitative evidence of anticipated emissions reduction and/or other environmental benefits (water, land and soil, air quality, waste reduction, resource efficiency)	Completion report / client survey	At project completion
Focus area alignment	Distribution of supported projects across the five LSIP focus areas, by primary focus area	Pre-approval form / program tracker	Quarterly
Collaboration	Qualitative evidence of PSI–SME knowledge sharing	Completion report / client survey	At project completion
SME Course adjustment	Qualitative evidence of course corrections as a result of early fund-leveraged testing	Client survey	At project completion

3.9 Financial Accountability and Outcomes Reporting Obligations

Participating PSIs will be responsible for collecting information on all projects supported by LSIP, including without limitation the performance metrics described in Section 3.8. ERA will make use of the data, where appropriate, to communicate program outcomes, assess program performance, and inform future programming.

Public Reporting and Disclosure

ERA is accountable for the public funds it administers and reports publicly on program activity and outcomes. To provide clarity for participating PSIs and their clients, the following applies:

Information ERA may publish without prior consent:

- the participating post-secondary institution;
- the client (SME) name;
- the LSIP funding amount approved or provided;
- a brief, high-level description of the project and the category of services supported; and
- aggregated or anonymized program outcomes and performance data.

Information requiring the prior consent of the SME Client (and the PSI):

- commercially sensitive information;
- technology-performance data or results; and
- detailed technical descriptions, including descriptions of intellectual property.

For clarity, ERA will not publish information that could compromise the commercial viability of a supported technology. Participating PSIs are responsible for ensuring that their agreements with SME Clients reflect these disclosure provisions, so that clients are aware of them before an Approved Project commences. These provisions are consistent with Section 4 (Intellectual Property) of these Guidelines and with the LSIP Agreement.

Records, Cost Tracking and Audit

Each PSI shall maintain records relating to receipt, stewardship, and disbursement of funds received under LSIP. Real incurred costs for all LSIP-supported projects must be tracked following standard accounting practices. ERA will require aggregate reporting of costs claimed under the program and may conduct sample-based audits of individual projects to ensure appropriate use of funds. Additional information on financial accountability for participants will be outlined in the LSIP Agreement.

4. Intellectual Property

PSIs and clients are responsible for management of Intellectual Property (IP), including agreements on ownership and use of any background IP and any IP generated or modified as a result of project activities. ERA does not negotiate IP terms between PSIs and SME Clients. ERA requires that IP agreements for LSIP-supported projects are not overly restrictive so as to not prevent commercialization of the technology for the benefit of Alberta.

Program Information and Disclosure

As described in Sections 3.8 and 3.9, ERA will collect high-level information on funding recipients and project outcomes to determine eligibility and to track key performance metrics. ERA generally regards this collected

information as being distinct from any protected IP and removed from any commercial sensitivity, and therefore reserves the right to:

- make use of such information for internal purposes;
- publish aggregated, anonymized information regarding program outcomes; and
- publish the participating institution, the client (SME) name, the LSIP funding amount, a brief high-level project description, and the category of services provided, without pre-approval from clients or PSIs.

ERA will publish commercially sensitive information, technology-performance data or results, and detailed technical descriptions (including descriptions of intellectual property) only with the express consent of the affected client and PSI. For clarity, ERA will not publish information that could compromise the commercial viability of a supported technology.

These disclosure provisions are consistent with Section 3.9 of these Guidelines and with the LSIP Agreement.

PSI and Client Obligations

Participating PSIs must agree to these and other IP terms and conditions via the LSIP Agreement with ERA, and will carry forward any relevant reporting obligations or necessary releases as part of their agreements with individual clients. PSIs are responsible for ensuring that their agreements with SME Clients reflect these disclosure provisions, so that clients are aware of them before an Approved Project commences.

5. Confidentiality

ERA must comply with the *Access to Information Act*, SA 2024, c. A-1.4 and the *Protection of Privacy Act*, SA 2024, c. P-28.5 in the course of performing duties and functions and exercising powers delegated to it under the *Technology Innovation and Emissions Reduction Fund Administration Regulation*, Alta Reg 120/2009. All data and records in the custody or under the control of ERA that are required in the performance of duties or functions or the exercise of powers delegated to ERA under the *Technology Innovation and Emissions Reduction Fund Administration Regulation*, Alta Reg 120/2009, are subject to the *Records Management Regulation*, Alta Reg 244/2001.

Subject to the requirements described above, ERA is governed by a comprehensive Privacy, Data Security and Confidentiality Policy (the “Policy”). The Policy requires that any and all information concerning the business affairs of ERA and its directors, officers, employees and applicants is to be kept private, secure and confidential. Confidential information that is collected, used or disclosed by ERA will be handled in a manner that recognizes both the right of the individual to have his or her confidential information protected and the need of ERA to collect, use and disclose such information for purposes that are reasonable. To read the entire Policy, visit <http://eralberta.ca/privacy>.

6. Conflict of Interest

ERA is committed to administering LSIP with impartiality, integrity, and transparency, and to ensuring that all program decisions are made in the public interest and consistent with ERA’s mandate. All parties involved in the design, delivery, review, approval, and oversight of LSIP must avoid situations that create an actual, potential, or perceived conflict of interest, and must disclose any such conflict promptly so that it can be appropriately managed.

For the purposes of LSIP, a conflict of interest arises where a person’s private interests (financial, personal, professional, familial, or institutional) could improperly influence, or be reasonably perceived to influence,

the exercise of their duties or responsibilities under the program. A conflict may be actual, potential, or perceived, and the obligation to disclose applies in each case.

6.1 ERA Staff

ERA employees, officers, and staff service providers involved in LSIP are governed by ERA's Code of Conduct and Conflict of Interest Policy and must conduct their duties impartially and in the best interests of ERA. ERA staff shall not take part in, or seek to influence, any LSIP project screening, review, approval, funding, or reporting decision where they, a person associated with them, or an organization in which they have an interest, could derive a direct or indirect benefit. Any ERA staff member who identifies an actual, potential, or perceived conflict in relation to a specific PSI, client, project, or funding decision must disclose it to their supervisor or the designated program lead and recuse themselves from the relevant decision. Consistent with ERA policy, information and materials relating to the matter will not be provided to the individual who has declared the conflict.

6.2 Post-Secondary Institution (PSI) Staff

Participating PSIs are responsible for ensuring that their staff, researchers, and contractors involved in screening, scoping, delivering, or administering LSIP-supported projects act with impartiality and disclose any conflict of interest that could affect, or appear to affect, the fair treatment of clients or the appropriate use of LSIP funds. A conflict may arise, for example, where PSI personnel have a financial or ownership interest in a client SME, a personal or familial relationship with a client, or another arrangement that could improperly benefit from the incentive. PSI personnel must not use their role in LSIP to further a private interest or to direct program benefits to a related party. PSIs shall maintain internal processes to identify, disclose, and manage such conflicts, and shall notify ERA where a conflict may affect the eligibility, integrity, or approval of a project. ERA may request additional information or impose conditions to manage any conflict identified.

For clarity, these provisions do not prevent a PSI from providing unrelated research, testing, training, or other services to an organization that is also an SME Client; the obligation is to disclose and manage any conflict affecting the fair delivery or integrity of an LSIP-funded project.

6.3 LSIP Advisory Committee Members

Members of the LSIP Advisory Committee are expected to act in good faith and provide advice in the interest of the program as a whole, rather than the interest of any individual institution, client, or project. Because Advisory Committee members are drawn from participating PSIs, ERA recognizes that institutional interests may arise; accordingly, members must declare any actual, potential, or perceived conflict of interest at the outset of each meeting or when a relevant matter arises. Where a conflict is declared, the member may be asked to refrain from discussion of, or to withdraw from, the relevant agenda item, and the declaration will be recorded in the meeting record. The Advisory Committee operates in an advisory capacity only and holds no authority to approve projects or allocate funding; all such decisions remain with ERA, which further mitigates the impact of any individual conflict.

6.4 Disclosure and Management

ERA maintains ultimate responsibility for managing conflicts of interest under LSIP. Where a conflict is disclosed or identified, ERA may take any steps it considers appropriate to protect the integrity of the program, including requiring recusal from a decision, reassigning a review, imposing conditions on a project, excluding affected information from the conflicted party, or declining a project where the conflict cannot be adequately managed. All disclosures will be handled in accordance with ERA's Code of Conduct and Conflict of Interest Policy and applicable confidentiality and privacy obligations, and details of any declared conflict will be maintained in the appropriate confidential record.