

# AUGUST 2015 JOINT CALL FOR FUNDING APPLICATIONS FOR CANADIAN SMALL AND MEDIUM ENTERPRISES

## August 2015 Joint Call Guidelines

Online submission: <https://applications.sdtc.ca/>

Deadline: Wednesday, October 14, 2015 at 8 PM EDT



Sustainable Development  
Technology Canada

Two funders. One simple process. \$40 million available.

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## Legal Notice

By submitting a Funding Application (“FA”), you confirm that you have read, understand and accept the information contained in this Call for Funding Applications and, that each of you, the applicant (the “Applicant”) and any project partners, agree as follows:

- a) The Climate Change and Emissions Management (CCEMC) Corporation (“CCEMC”) and Sustainable Development Technology Canada (“SDTC”) (collectively the “Funders”) may at any time suspend, terminate, cancel, withdraw, amend or alter all or any portion of this FA, including but not limited to the FA requirements, the FA selection and review process and the FA eligibility criteria.
- b) The Funders reserve the unqualified right to accept or reject any or all FAs for any reason. The Funders are not required to accept the highest ranked FA nor is it required to accept any FA recommended for advancement to the Funding Proposal (“FP”) stage by the applicable evaluators.
- c) The final decision with respect to the projects to be included in the FA short-list rests solely with the CCEMC board of directors and the SDTC board of directors (“Board of Directors”). The evaluation of FAs may be based on, but is not in any way limited to, the criteria set out in this FA. The respective Board of Directors may consider any criteria determined to be relevant to the mandates of CCEMC and SDTC, regardless of whether such additional criteria have been disclosed to the Applicant.
- d) FAs that do not comply with the requirements described in this document may be rejected in whole or in part or not considered by the Funders. The Funders reserve the unqualified right to accept or reject a non-compliant FA.
- e) This FA is an invitation only. It is not an offer and the submission of an FA does not create a contract or agreement of any kind between the Funders and the Applicant.
- f) No conduct, act or omission of the Funders, or their directors, officers, consultants, project advisors, agents, servants and their respective successors and assigns (collectively the “Funding Parties”) other than a written notice to the Applicant in writing signed by an authorized person for the Funders, will constitute an acceptance of an FA.
- g) Acceptance of an FA does not create any binding contract between the Funders and the Applicant. The Funders shall not be obligated in any matter whatsoever to any Applicant until a written contribution agreement (“Contribution Agreement”) between the Funders and the Applicant has been duly executed relating to an approved Funding Proposal.
- h) As between the parties, the FA and all documents and materials you submit to the Funders in connection with the Application stage are the exclusive property of the Funders immediately upon delivery to the Funders. For clarity, this refers to the materials themselves, not to any technology or innovations disclosed or discussed in them. Intellectual property developed during the course of the project will be addressed through the Contribution Agreement and will normally be owned by the Applicant.

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- i) You, the Applicant, and any project partners will keep this FA confidential and will not use, reproduce or distribute it, any portion of it, or any data, information, drawings, or specifications included in or provided with it except as necessary to prepare a Funding Proposal as requested by the Funders.
  - j) Neither the Funders nor any of the Funding Parties will have any liability whatsoever to you, the Applicant or any project partners, or any of them, in connection with this FA or any FA prepared in response to it.
  - k) You, the Applicant, and any project partners will not make a claim against the Funders or the Funding Parties for any reason whatsoever or howsoever relating to this FA. You are undertaking the expenditures required to prepare and submit an FA entirely at your own risk, and you waive any right and release the Funders and the Funding Parties from any demands, liability, claim or recovery for costs, expenses, or damages incurred whatsoever or howsoever arising out of or relating to this FA stage or any FA prepared in response to it, whether such right or claim arises in contract, negligence or otherwise.
  - l) The Funders take no responsibility for the accuracy of the information supplied in the FA process by the Funders or the Funding Parties.

Neither the Funders nor any of the Funding Parties will have any liability whatsoever or howsoever to any one or more of you, the Applicant and any project partners, or any of them, in connection with this FA or any FA prepared in response to it.

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## 1 Introduction

**Climate Change and Emissions Management (CCEMC) Corporation** (“CCEMC”) is a not-for-profit organization dedicated to the discovery, development and deployment of clean technologies to reduce greenhouse gas (“GHG”) emissions and assist Alberta in adapting to climate change. Investments in clean technology and transformative change are required to maintain and enhance our competitiveness, assist in transitioning to a lower carbon economy, and address Alberta’s climate change targets. The Climate Change and Emissions Management Fund (the “Fund”) is a key element of Alberta’s overall Climate Change Strategy, and is the primary source of revenue for CCEMC. Since inception in 2009, CCEMC has committed \$350 million in funding toward 109 clean technology and climate change adaptation projects valued at a total of \$2.18 billion. These projects are estimated to directly result in 12.7 Mt CO<sub>2</sub>e of GHG reductions in Alberta by 2020, with a further 9.3 Mt CO<sub>2</sub>e of provincial reductions resulting from market adoption of the technologies under development.

The CCEMC has identified four goals and supporting strategies that will be the basis for delivering on the mandate and mission of the CCEMC:

- GOAL 1:** To fund clean technology projects that achieve actual and sustainable reductions in GHG emissions
- GOAL 2:** To support the research, development and deployment of transformational technology
- GOAL 3:** To improve the knowledge and understanding of climate change impacts, mitigation strategies, adaptation and technological advancements
- GOAL 4:** To demonstrate full accountability to all Albertan

**Sustainable Development Technology Canada** (“SDTC”) was established by the Government of Canada as a not-for-profit to strengthen Canada’s capacity to develop and demonstrate sustainable development technologies—its mission is to be the primary catalyst for building a sustainable development technology infrastructure in Canada. From an initial investment in 2002 of just under \$5 million, SDTC has matured into an effective investment mechanism with \$707 million in SDTC funds and over \$1.9 billion in leveraged funds in a portfolio of 276 projects across Canada. These projects represent a total project value of \$2.6 billion, with the private sector contributing 82 percent of the \$1.9 billion in leveraged funding.

SDTC is a policy delivery instrument of the Government of Canada to deliver environmental and economic benefits to Canadians. As a delivery agent, SDTC fosters the development and demonstration of technological solutions that address: Clean Air, Climate Change, Clean Water, and Clean Land. SDTC forges innovative partnerships and build a sustainable development technology infrastructure and ensures timely diffusion – increasing the number and rate of uptake of technologies into the marketplace across Canada, providing national benefits. Our objective is to:

- Increase the pool of available sustainable development technologies
- Fast track technologies to market

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- Build private sector partnerships / leverage funding
  - Reduce development, market and financial risk
  - Build critical mass of sustainable development technology developers

**CCEMC and SDTC Call for Funding Applications:** For this funding call, the Funders have partnered to invite Funding Applications (“FAs”) from Canadian small and medium enterprises (“SMEs”) developing and demonstrating new and innovative GHG reduction technologies. SMEs are responsible for large amounts of innovation and are a source of many new GHG reduction technologies. The goal is to accelerate commercialization of technologies that benefit Alberta, Canada and the rest of world through GHG reductions, enterprise development, and economic growth.

## 1.1 Document Scope

This document provides information about the Funders and the current funding process. This funding process is divided into two stages: the Funding Application (FA) stage and the Funding Proposal (FP) stage. These instructions provide information about the FA stage only. Information specific to the FP stage will be available when the Funding Proposal invitations are made, and will address the preparation and evaluation of FPs for applicants who are successful at the FA stage.

**Note:** Questions for the Funders about the FA process that are not fully addressed in this document can be sent to [applications@sdtc.ca](mailto:applications@sdtc.ca). Through this contact address, Applicants will be directed to appropriate personnel within CCEMC and SDTC to address their questions.

## 1.2 Call for Funding Application Scope

This Call for Funding Applications is intended for Canadian SMEs to develop and demonstrate new and innovative technologies that have strong potential to result in significant, verifiable and sustainable GHG emissions reductions in Alberta, Canada, and the rest of the world.

## 1.3 Strategic Investment Area

Funding Applications may be for development and demonstration of technologies in the following strategic investment areas, including:

- Energy Efficiency and Conservation:** technologies in this area involve decreasing energy consumption to reduce greenhouse gas emissions. Energy efficiency refers to using energy more effectively to achieve the same outcome, and often involves new technology. Energy conservation refers to reducing overall energy consumption, and can include energy efficiency in buildings and industrial processes.
- Carbon Capture, Utilization, and Storage:** technologies in this area involve capturing carbon dioxide and utilizing it to create lower-GHG products or permanently storing it. This area includes both geological and biological sequestration opportunities.

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- iii. **Cleaner Energy Production and Usage:** technologies in this area involve reducing greenhouse gases through more sustainable approaches to energy production and usage, including cleaner fossil fuel production/processing, renewable energy, bioenergy, alternative energy sources (e.g. fuel switching), and cleaner transportation.

## 1.4 Project Type

Funding Applications must be for projects involving development and/or demonstration of innovative technology.

## 1.5 Stage of Development

This Funding Application is seeking development and demonstration projects to advance technologies currently at the stage of **Technology Readiness Level 4-7**, as defined below:

- **Prototype Development:** At this stage of development, the technological components have been integrated and the concept has been proven. Projects in this category include technology improvement, development of a prototype system, and prototype testing in a simulated operational environment (TRL 4-5).
- **Field Pilot:** At this stage of development, a small-scale prototype system is ready to be field tested in an operational environment. Projects in this category include field testing of prototype units and small-scale field pilots (TRL 6).
- **Commercial-Scale Demonstration:** At this stage of development, a prototype system is ready to demonstrate commercial viability. Projects in this category include commercial-scale demonstration of actual system prototypes in an operational environment (TRL 7).

## 1.6 Consortium requirement

This Funding Application requires that you form a consortium comprised of the applicant organization and at least one contractual non-related partner that is providing cash or in-kind contributions to the proposed project. For example, the lead applicant could be a Canadian technology developer and the consortium partner could be a future end user in Alberta validating the technology. Consortium partners can represent companies in the future value chain of the technology to be developed and demonstrated.

# 2 Terms of Funding

## 2.1 Total Funds Available

The total funding available for projects supported through this call is up to **\$40 million** Canadian Dollars (\$CAD), subject to the discretion of the Funders and the availability of funds.

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## 2.2 Cost Sharing

The maximum contribution to a single project will be no more than **two-thirds (66.67%)** of the project's eligible expenses, and the maximum funding request to the Funders for any one project is **\$10M CAD**. For information about eligible expenses and costs, please refer to the CCEMC and SDTC *August 2015 Eligible Expenses and Cost Instructions for the Joint Call* available on [www.ccemc.ca](http://www.ccemc.ca) and [www.sdtc.ca](http://www.sdtc.ca).

The Funders will only match unencumbered cash contributions to the project for eligible expenses. Furthermore, the maximum contribution will not match other Canadian government funds (federal or provincial), offset credits associated with the project, tax incentives associated with the project (e.g. Canadian SR&ED credits), revenue from sales of the project's end-products (e.g. from offtake agreement), or in-kind contributions. Although the collective maximum contribution will only match cash contributions, any non-cash or in-kind contributions should be noted in the Funding Application, as these will be taken into consideration during the evaluation process.

**Note:** Applicants must justify the amount of funding requested from the Funders. The Funders may choose at their sole discretion to award project funding for less than the requested amount.

## 2.3 Project Term

The maximum project length for projects funded under this Call for FAs is **four (4) years**.

## 2.4 Eligibility

This Call for FAs is directed at **Canadian Small and Medium-Sized Enterprises (SMEs)**. Canadian SMEs are defined as organizations incorporated and operating in Canada, having fewer than 500 employees and less than \$50 million in annual gross revenue. There are no restrictions on the number of Applications that can be submitted by any applicant. Projects or portions thereof that have received CCEMC or SDTC funding are not eligible to receive further funding for the same development. However, project proponents may request support for a new phase of development that builds on and sufficiently advances a previously-funded project.

## 2.5 Project Initiation

Projects may commence at any time after the date on which the Applicant is notified that the project has been **approved by the Funders**. However, no disbursements will be made prior to execution of the Contribution Agreement. Project costs incurred prior to receiving notification of the Funders' decision will not be considered eligible as matching funds and will not be eligible for Funders' contributions. Furthermore, Applicants are advised that project costs incurred prior to execution of the Contribution Agreement will not be reimbursed by the Funders in the event that an agreement is not executed.



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## 2.6 Project Location

All projects supported through this funding process must be applicable and well suited for deployment in the province of Alberta. Demonstration projects may take place anywhere in Canada, but applicants must demonstrate how the proposed project will result in GHG reductions, commercialization, enterprise growth, and economic growth in Alberta and Canada.

## 3 Submission Details

### 3.1 Submission Deadline

The deadline for submission of Applications in response to this call for FAs is **Wednesday, October 14, 2015 at 8:00 PM Eastern Daylight Time (UTC-4h)**. Late submissions will **not** be accepted. Applicants are encouraged to complete their submissions well in advance of the deadline. Furthermore, the Funders will not accept partial or incomplete submissions. All required content must be uploaded and inserted into the SDTC Funding Portal at <https://applications.sdtec.ca/>, and the submission must be finalized by completing all necessary steps in order for the application to be considered complete.

### 3.2 Funding Application and Funding Proposal Schedule

The following timelines are anticipated for the full funding process. Note that the Funders at their sole discretion reserve the right to alter or cancel the currently-anticipated process and deadlines.

Action	By Whom	Timing
Funding Application Submission	Applicants	August 26 – October 14, 2015
Funding Application Evaluation	The Funders	October 15 – November 24, 2015
Funding Application Results Notification	The Funders	November 26, 2015
Funding Proposal Submission	Applicants	January 13, 2016
Funding Proposal Due Diligence Visits	The Funders	February 8-26, 2016
Final Funding Proposal Submission	Applicants	March 17, 2016
Funding Proposal Oral Presentation	Applicants	April 2016
Funding Proposal Evaluation	The Funders	March 18 – May 6, 2016
Funding Approval	The Funders	May – June, 2016

### 3.3 Submission Standards

Applicants must submit their Funding Application to the SDTC Funding Portal at <https://applications.sdtec.ca/>. Standards for submission, information requirements, and a listing of mandatory attachments are available on the Portal.

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### 3.4 Funding Application Checklist

The following checklist is provided as a guideline for applicants to assemble a high-quality Funding Application. This list is intended to complement the screening and evaluation criteria, and is provided for the benefits of applicants. For information about the evaluation process, please see Section 4 below.

#### Applicant:

- Small to Medium Sized Company
- Canadian Incorporated Company
- High capacity management team
- Experienced advisory team
- Capital raised to date
- Capital requirements

#### Project:

- Project demonstration in Canada
- Development work in Canada
- Market potential for Alberta
- GHG reduction benefits for Alberta, Canada, Rest of World
- Market pull consortium partner(s)
- Technology advantage (disruptive/innovative)
- Technology Readiness Level 4-7 at start of demonstration
- Identified milestones in the demonstration.
- Project funding request up to 66.7% of eligible expenses
- Term for the project of 1-4 years
- Project Budget been defined
- Clear Intellectual property ownership

## 4 Evaluation

### 4.1 Evaluation Criteria

Funding Applications will be evaluated based on the following criteria:

Criterion	Description
<b>Technology and Innovation</b>	In this category, Funding Applications will be evaluated based on the strength of the technology involved, including: <ul style="list-style-type: none"> <li>• The scientific basis for the technology;</li> <li>• How clearly the technology will lead to GHG reductions in Alberta, Canada and rest of world;</li> <li>• The expected technology advancement over the course of the project;</li> <li>• How innovative the technology or application of technology is.</li> </ul>
<b>Consortium Strength</b>	In this category, Funding Applications will be evaluated based on the strength of the project consortium, including existing and potential relationships with technology adopters, customers, and other partners.
<b>Management and Team Capacity</b>	In this category, Funding Applications will be evaluated based on how well suited and committed the project team is to carry out the proposed work, including the management and technical capacity of the applicant.
<b>Budget and Co-Funding</b>	In this category, Funding Applications will be evaluated based on the budget and financing for the proposed project, including how well developed and realistic the budget is, and the applicant’s ability to obtain financing for the project.
<b>Project Scope and Plan</b>	In this category, Funding Applications will be evaluated based on how well developed, achievable, and impactful the scope of work and work plan are.
<b>Market and Value Proposition</b>	In this category, Funding Applications will be evaluated based on the opportunity for commercialization and market adoption of the technology, including: <ul style="list-style-type: none"> <li>• Competitiveness with existing commercial technologies/processes;</li> <li>• The market size and market value associated with the technology and its products; and</li> <li>• The commercialization plan and expected pathway for commercial deployment and market adoption in Alberta and Canada.</li> </ul>
<b>GHG Reduction Potential</b>	In this category, Funding Applications will be evaluated based on the potential to deliver significant and sustainable GHG reductions, including: <ul style="list-style-type: none"> <li>• The GHG reductions per unit of technology output/throughput;</li> <li>• The immediate GHG emissions reductions upon project completion;</li> <li>• The GHG reductions that would result from commercial-scale deployment of the proposed technology in Alberta; and</li> <li>• The broader potential for GHG emissions reductions throughout Alberta, Canada and rest of world from widespread adoption of the proposed technology.</li> </ul>

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## 4.2 Screening Criteria

In addition to the evaluation criteria above, projects may be screened out based on one or more of the following factors:

- The proposed development does not have sufficient GHG reduction, enterprise development, or economic growth potential in Alberta, across Canada, or globally;
- The proposed development carries the risk of detrimental side effects (e.g. environmental degradation);
- Failure to provide the sufficient information for a proper evaluation;
- The Funding Application is not written in English or French or is not sufficiently comprehensible and easy to read;
- The Funding Application does not conform to the submission standards (see Section 3.3);
- The proposed project is inconsistent with the intent of this call for Funding Applications;
- The project is not innovative or is assessed to be business as usual.

## 4.3 Next Steps

Applicants whose Funding Applications are rated highly, determined to be of sufficient quality, and are well aligned with the Funders' mandates will be invited to submit a Funding Proposal. Further information regarding FP submission, including evaluation criteria and timelines, will be made available at the time the FP invitations are made.

Applicants whose FAs are not accepted for FP invitation will be notified when the FA review process is completed. Applicants who wish to receive feedback regarding their FA can set up a short debrief phone call with the Funders. Information about arranging a debrief phone call will be provided in the notification letter.

## 4.4 Note on Greenhouse Gas Emissions Reductions and Commercialization

Applicants must demonstrate how the proposed project will lead to GHG emission reductions and enterprise growth. All projects are ultimately evaluated based on their potential to result in significant, sustainable emission reductions and economic growth in the province of Alberta, Canada and rest of world through commercialization activities. Preference will be given to applications with broad deployment and growth potential.

In the event that a project is successful at the FA stage, applicants will be required to submit a detailed GHG emissions reduction assertion and a detailed commercialization plan as part of the FP submission. A list of documents and information required for this evaluation will be provided at the FP stage.

Funded projects will be required to provide third-party verification of emissions reductions resulting from the project, and report on enterprise growth.

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## 4.5 Note on Proposal Quality

This call for FAs process is highly competitive, and not all projects will be short-listed. Success at the FA stage depends on the quality of the FA submitted. Only high-quality FAs will be invited to submit FPs. In this regard, “quality” means both the quality of the proposed project relative to the evaluation criteria and the quality of the written proposal (clarity, completeness, etc.).

## 5 Intellectual Property

Intellectual property will be addressed through the Contribution Agreements negotiated between the Funders and the successful Applicant, and will be specific to the circumstances of each project. However, a few general principles apply:

- Background IP (patents, copyright, software) and third-party technology remains with its original owner(s).
- The Funders retain rights to the project research results, including without limitation the technical data, reports, analysis, and discussion.

## 6 Confidentiality

The Funders shall keep confidential all information disclosed to them by the other party relating to this Invitation or approved project, except information which:

- Is part of the public domain;
- Becomes part of the public domain other than as a result of a breach of these provisions by either party;
- Either party is required to disclose pursuant to applicable Laws or by a Governmental Authority;
- Can be demonstrated to have been known or available to either party or independently developed by either party;
- Was received in good faith from an independent Person who was lawfully in possession of such information free of any obligation of confidence; or
- Is released in accordance with the provisions of the Contribution Agreement or by the written authorization of both parties.

**Note:** Questions for the Funders about the FA process that are not fully addressed in this document can be sent to [applications@sdtc.ca](mailto:applications@sdtc.ca). Through this contact address, Applicants will be directed to appropriate personnel within CCEMC and SDTC to address their questions.