

BIOENERGY INFRASTRUCTURE DEVELOPMENT PROGRAM GUIDELINES

PURPOSE OF THE PROGRAM:

- To assist with the development and expansion of the distribution infrastructure of biofuel and energy transmission in Alberta.
- To assist municipalities and biorefining processors/investors to construct the industrial infrastructure required to connect to the market place in the development of biorefining processing projects.
- To facilitate major new investment into biorefining in Alberta.

A. PROGRAM ELEMENTS

ELIGIBLE CAPITAL PROJECTS

Funding is to a maximum of \$5 million per project, in combination with the Biorefining Commercialization and Market Development Program.

Industrial Infrastructure

- Cogeneration units
- Biogas upgrading facilities
- Specified Risk Material (SRM) processing facilities
- Electrical interconnections
- Low pressure natural gas pipeline and installations
- Biofuel storage
- Biofuel blending and distribution
- Biofuel retail distribution infrastructure
- Quality assurance/quality control laboratory testing facilities and equipment
- Specialized metering and distribution systems or pumps
- Other infrastructure as deemed appropriate by the review committee.

Environmental Infrastructure

- Site landscaping and other measures for storm water management, noise and dust abatement, visual screening and separation
- Odour suppression systems
- Odour control and monitoring equipment
- Emission control management systems
- Noise suppression systems
- Other infrastructure as deemed appropriate by the review committee.

PROGRAM FUNDING LEVELS

Capital Projects

- Maximum of 35% of eligible costs.

ELIGIBLE APPLICANTS

All Alberta municipalities (including cities, municipal districts, counties, improvement districts, towns, hamlets, villages, or special areas) working with existing or prospective biorefining processors/investors (companies, partnerships, new generation co-operatives).

Existing or prospective biorefining processors/investors (companies, partnerships, new generation co-operatives).

OTHER FUNDING CRITERIA

- The Minister of Energy will have discretion in determining eligibility of projects, project costs and levels of assistance.
- Support from other government programs and other sources are encouraged.
- Any federal government funding received would be considered against the total project cost and the cost sharing would be based on the balance
- Any other assistance received for a project would also be taken into consideration in the determination of the level of provincial funding.
- Funding below the maximum level may be approved to reflect factors such as financial capacity of the applicant, the impact of the project and availability of program funds.

Commitment for financial assistance cannot be made until the request has been approved by the Minister of Energy.



PROGRAM ADMINISTRATION

- Applications are received on an ongoing basis before March 1, 2011. All approvals under the program must be made on or before March 31, 2011.
- Funds will be advanced under an agreement once an approved project is committed to proceed. An engineering study may be required for large-scale projects to validate the need/use of funds.
- Full costing documentation and statements of expenditure including supporting invoices and proof of payment will be required on completion of the project. Interim reports may be identified in the contract agreement for the project. An audited statement of expenditures may be required. Funds may only be used for approved projects.

B. GENERAL GUIDELINES

Application for assistance must be made prior to undertaking a project. Allow at least three to four weeks for the grant approval process. Commitment for financial assistance cannot be made until the request has been approved by the Minister of Energy.

All grants are subject to provincial audit as to the expenditure of awarded funds. Funds must be used only for project expenditures as approved by the Minister of Energy.

The ability of an applicant to successfully carry out the proposed project is part of the assessment process. Applicants must provide financial information to support their application.

A statement of expenditures including supporting invoices/receipts must be provided upon completion of a project. A report on the project is to be submitted with this statement and should include:

- a) a summary of the project and the results;
- b) the effect of the project on the applicant and the future use of the information obtained or the materials developed.

Unless otherwise negotiated, the findings, data or information obtained from the use of any grant becomes the property of the Minister to be used for the general benefit of the agriculture industry in the province. When confidentiality is required, the length of time must be negotiated at the time of application.

Projects must demonstrate a significant value-added contribution to the Alberta biorefining industry. Priority will be given to projects that add value to Alberta-grown or raised agricultural commodities.

C. HOW TO APPLY

An authorized signing officer of the applicant should submit an *Application Form* along with a *project proposal* to: Alberta Energy, c/o Bioindustrial Technologies Division, 5712 - 48 Avenue, Camrose, Alberta, Canada, T4V 0K1. The proposal should include:

- a. detailed description of the project and time period involved to complete the project;
- b. detailed budget of the proposed expenditures;
- c. personnel involved in the project and their qualifications;
- d. goals, objectives and anticipated benefits of the project;
- e. explanation of how the project relates to applicant's business and competitiveness strategies; and
- f. applicant's background information including current financial statements.



Alberta Energy Grant Regulation (AR 103/2003)

Interpretation

1 In this Regulation, “Minister” means the Minister of Energy.

Authority to make grants

2 The Minister may, in accordance with this Regulation, make grants to any person or organization in respect of any matter that is under the Minister’s administration.

Applications for grants

3 An application for a grant must be made in the manner and form determined by the Minister.

Delegation of powers and duties

4 The Minister may delegate in writing to any employee of the Government any power conferred or duty imposed on the Minister by section 13 of the *Government Organization Act* or by this Regulation.

Agreements

5 The Minister may enter into agreements, and may make it a condition of any grants that applicants for them enter into agreements, with respect to any matters relating to the payment of grants under this Regulation.

Use of money and repayment

6 (1) The Minister and the recipient or prospective recipient of a grant may jointly in writing vary the purpose for which a grant was made.

(2) It is a condition of a grant that the recipient use the grant money

(a) only for the purpose for which the grant was made, or

(b) if that purpose is varied under subsection (1), only for the purpose as so varied.

(3) If the recipient of a grant uses any of the grant money for purposes other than for the purpose for which the grant was made, with any subsequent variations, if applicable, made under subsection (1), the Minister may require the recipient to repay to the Government all or any part of the grant money.

(4) If

(a) the recipient does not comply with any conditions of the grant other than those referred to in subsection (3), or

(b) any of the information provided by the recipient to obtain the grant is determined by the Minister to be false, misleading or inaccurate,

the Minister may require the recipient to repay to the Government all or part of the grant money.

(5) If the recipient of a grant does not use all of the grant money received, the Minister may require the recipient to repay to the Government the unused portion of the grant money.

(6) Money that the Minister requires to be repaid to the Government under this section constitutes a debt due to the Government and is recoverable by the Minister in an action in debt against the recipient of the grant.

(7) A certificate signed by the Minister stating that a grant was made under this section and that the Minister has required repayment of the money in accordance with this section is prima facie proof of the debt due by the recipient of the grant to the Government.

Accountability after grant made

7 (1) The Minister may require that the recipient of a grant

- (a) provide information satisfactory to the Minister to enable determination of whether the recipient is complying with all or any of the conditions of the grant,
- (b) account to the satisfaction of the Minister for how the grant money or any portion of it was or is being used, and
- (c) permit a representative of the Minister or of the Auditor General to examine any books or records that the Minister or the Auditor General considers necessary to determine whether the grant money or any portion of it was or is being used properly.

(2) Without limiting subsection (1) and unless subsection (3) applies, the recipient of a grant shall, within one year of the date when the grant was made, account to the Minister, in the manner that the Minister determines, for the way in which expended grant money has been spent.

(3) Without limiting subsection (1), if the Minister has entered into an agreement that contains terms that require the recipient to account for the way in which the grant was used, the recipient shall account to the Minister in accordance with those terms.

Methods of payment

8 The Minister may provide for the payment of a grant in a lump sum or by instalments at the times the Minister considers appropriate.

Set-off

9 (1) Where any grant money is or remains payable to a recipient or prospective recipient who is or who becomes indebted in any respect to the Government, the Minister may pay the whole or any part of that grant money into the General Revenue Fund in reduction or by way of elimination of the indebtedness.

(2) A certificate signed by the Minister stating

- (a) the amount of the indebtedness to the Government,
- (b) the amount of grant money applied towards reduction or elimination of the indebtedness,
- (c) the amount, if any, of the debt remaining after application of the grant money, and
- (d) the situation respecting interest, if any, due on the indebtedness,

is prima facie proof of the facts stated in the certificate.

Repeal

10 The *Energy Grant Regulation* (AR 309/86) is repealed.

Expiry

11 For the purpose of ensuring that this Regulation is reviewed for ongoing relevancy and necessity, with the option that it may be repressed in its present or an amended form following a review, this Regulation expires on April 30, 2013.