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Participant's Guide

Energy Efficiency Program – Energy Efficient Innovation

All markets (building, transport,...)

Innovation Grant

January 1, 2023

Imagine energy differently

As part of its Energy Efficiency Plan, Énergir offers grants to its customers through its energy efficiency programs to help them reduce their natural gas consumption and their greenhouse gas (GHG) emissions.

This *Participant's Guide* is intended for customers who wish to get an Innovation Grant. It explains the steps to follow to make a request for financial assistance, as well as the eligibility criteria. It also includes the form required to make a request for financial assistance.

Énergir encourages participants to submit their requests electronically, along with the supporting documentation.

The current conditions for participation came into effect on **January 1, 2023**. Énergir reserves the right to modify and to interpret the terms of the program, or to terminate it at any time without prior notice. However, all requests accepted by Énergir before the end of the program will be processed.

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For more information, consult:

- your commercial representative;
- our website;
- the Énergir DATECH team of engineers.

To submit requests or for any administrative information regarding an application:

By e-mail:

efficaciteenergetique@energir.com

By phone:

514 598-3840

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Objective

The main objective of the Innovation Grant is to identify and develop energy innovations that make a more efficient use of natural gas, have good market potential, plus energy savings that could ultimately contribute to achieving GHG emission-reduction targets.

In encouraging demonstration and experimental initiatives, the grant helps validate one of the aspects of innovation, for example:

- efficiency, cost effectiveness, and commercial acceptability of new technologies or of new approaches to energy efficiency,
- innovative uses of existing technologies,
- the complementary integration of renewable energy.

Énergir's Innovation Grant is aimed at **confirming the applicability of new energy efficiency solutions** for its customers, offering grants to cover up to 75% of the costs incurred in carrying out a project, up to a maximum of $25,000 for an experimental project, and up to $250,000* for a demonstration project.

* Amount of financial assistance subject to review by the Régie de l'Énergie.

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Experimental project

Experimental projects have a tested innovation that is not yet ready to be implemented in the field. Such projects are usually carried out in a laboratory or in a controlled environment using a test bank to determine if the innovation is functional. This facilitates collecting preliminary data on the performance, efficiency and security of the innovation being tested, as well as validating the technical and energy efficiency parameters of the proposed technologies.

Carried out in situ, these projects often involve prototypes or small-scale technologies that are dismantled once the tests have been run.

Demonstration projects

Demonstration projects have a tested innovation that is ready to be implemented in the field. The demonstration stage normally follows the experimental stage.

Demonstration projects are usually carried out on site, either with a unique or with a limited number of voluntary customers. This facilitates collecting data on energy savings, on implementation and operation, as well as on the cost effectiveness of the innovation being tested in an actual situation. It also helps validate its potential to be copied by other customers (reproducibility).

The approaches or technologies implemented usually remain in place after the project and they continue, where applicable, to generate energy savings.

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Eligibility criteria

The eligibility criteria for requests to the Innovation Grant are as follows:

- Organizations that meet the program objectives and are based in Québec or elsewhere in North America can submit a project.
- The grant targets all markets. Projects for customers in the Residential, Commercial, Institutional, Industrial and Transportation markets are eligible for the grant, regardless of their Rate.
- The project must not be eligible for other Énergir Energy Efficiency Grants.
- The measure must be reproducible and have energy savings potential.
- One of the following aspects of the measure has not yet been proven in Québec:
  - Energy performance,
  - Cost effectiveness,
  - Applicability.
- The proposed project aims at evaluating one of the aspects of innovation, that is, efficiency, cost effectiveness, and commercial acceptability of the new energy efficiency solution.
- The applicant and his/her partners have the capacity to carry out the project. Énergir requires follow-up and control reports, as well as a final report once the project is completed.

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Financial assistance

Experimental projects can receive financial assistance covering up to 75% of the project costs incurred, **up to a maximum of $25,000 per project**.

Demonstration projects can receive financial assistance covering up to 75% of the project costs incurred, **up to a maximum de $250,000* per project**.

Important

Any financial contribution is subject to the project's being accepted by Énergir and the amount is determined by Énergir, according to the terms of the Innovation Grant currently in effect.

Financial contribution from other organizations

Any participant who is benefiting from, or in the process of requesting financial assistance from any other innovation-support grant offered by an organization other than Énergir, for example, the TEQ** *Technoclimat* grant, agrees to inform Énergir of any sum received or to be received that is related to the same innovation project as the one submitted to Énergir.

In such cases, Énergir will pay the customer the financial assistance determined under this grant, reduced by the contribution(s) from any other organization for the same innovation project, so that the portion payable to the customer represents at least 25% of the project costs incurred.

* Amount of financial assistance subject to review by the Régie de l'Énergie.
** Transition énergétique Québec

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Evaluation procedure for an innovation project

An energy innovation project that meets the eligibility criteria outlined above is not automatically admitted to the Innovation Grant.

In fact, once the applicant has met the eligibility criteria, completed and submitted the form requesting financial assistance, as well as responded to any possible requests from Énergir for additional information, the project is evaluated by a multidisciplinary team of Énergir employees:

- Energy Efficiency team,
- DATECH Engineers, and
- Market managers.

This committee reserves the right to refuse a project even if it respects the eligibility criteria outlined above. The committee also reserves the right to determine the amount of the final financial contribution granted the participant, as well as the conditions for granting the amount determined.

Once accepted, the projects chosen will be subject to a contract with Énergir that specifies Énergir's requirements and the applicant's deliverables. Any failure to meet those requirements or deliverables could result in the cancellation of the project or a revision of the amount of financial assistance granted.

Evaluation criteria for innovation projects

The energy innovation projects submitted are evaluated according to the following four categories:

- energy impact,
- market potential and cost effectiveness,
- degree of innovation,
- guarantee of realization.

The aspects evaluated in each category are detailed in the following table:

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Project evaluation grid

Criteria	Aspects considered
Energy impact	• Energy savings linked directly to the project (expressed in units of energy) • Potential energy savings (expressed in units of energy) • Real gain in energy efficiency resulting from the project compared with a conventional technology or approach or with the current market benchmark
Market potential and cost effectiveness	• Payback period (ROI) • Potential reproducibility of the project in the same activity sector and in other sectors • Marketing potential (local or export market) • Willingness and ability of applicant to promote the results of the project within or outside his/her activity sector • Potential for integrating the technology/approach into the Énergir Energy Efficiency Plan • Target market reaches Énergir customers
Degree of innovation	• Level of technological and innovation progress in energy efficiency • Originality of project or concept • Technology/process or approach is rarely or never seen on the Québec market • Complements other research in developing new energy efficiency technologies
Guarantee of realization	• Quality and reliability of information submitted • Reliability and accuracy of project timeline • Training and experience of Project Manager and other team members • Applicant's previous experience • Interest of applicant and partners in the project's results • Level of financial contribution by project applicant • Financing from other sources

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When submitting an application, participants must provide Énergir with a project proposal. The proposal document must include, but is not limited to, the following information:

1. A **project overview**:
   a. Context;
   b. Project location;
   c. Description of the project and the innovation;
   d. Target objectives;
   e. Risks associated with the project.
2. A presentation of the **market potential**, describing the context and the specific target market.
3. A presentation of the **savings and the proposed approach** for validating them.
4. A **financial plan detailing the cost breakdown** and the confirmed and unconfirmed funding sources as of the date of the initial application.
5. A **work schedule** detailing the project phases, their respective durations and the partners involved in each stage.
6. A presentation of the **project team**, including a description of the company or organizations involved in the project and a description of key team members.

A preliminary measurement and verification plan is highly recommended. This plan generally covers most of the required information and can be quickly adapted to become the first project deliverable.

Successful projects will enter into a contract with Énergir. This agreement will set out Énergir's requirements and the participant's deliverables. The following is the list of deliverables typically requested by Énergir from the participant:

- A measurement and verification plan in accordance with the International Performance Measurement and Verification Protocol (IPMVP) prior to the start of work;
- Project progress reports on key project dates, including: preliminary measurement and data collection results:
  - preliminary measurement and data collection results;
  - financial report detailing expenses incurred as of the date of the progress report, etc.
- A final report that demonstrates the achievement of the project objectives.

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Eligible and ineligible expenses

Project expenses are eligible if they can be justified and are related to the project. The following expenses are eligible (non-exhaustive list):

- Salary for the participant's internal staff and partners working directly on the project;
- Professional fees required for the project;
- Purchase or rental costs for materials, equipment, supplies;
- Professional fees and costs associated with validation and auditing services.

The following expenses are not eligible (non-exhaustive list):

- Production/scrap losses or other losses due to project-related activities;
- Land purchases;
- Unnecessary expenses that cannot be justified under the project, such as salaries for executives or management, or expenses that are not an additional cost to the participant;
- Any other expenses not directly related to the project.

Steps to follow to get the Innovation Grant

	Actions on the part of the participant	Actions on the part of Énergir
Submission of request	• Contact one of the program's managers in advance to confirm the eligibility of your project. • Provide a project proposal document based on the program requirements so that Énergir can analyze the application.	Analyze the request and, if needed, request additional information.
Evaluation of request	Supply missing documents or supporting documentation to respond to any question from Énergir.	Decision on the project's eligibility for the Innovation Grant and on the maximum amount of financial assistance to be granted by Énergir.

• Preparation and signature of contract binding the different parties.
• Project startup

Project realization	• Collect data needed to confirm potential energy savings, using appropriate methods; • Submit deliverables (measurement plan, follow-up reports, etc.) to Énergir according to contract provisions.	• Analyze and validate expected deliverables according to contract provisions. • Pay the financial assistance according to contract provisions.
End of project	Prepare final report according to contract provisions and submit to Énergir.	• Analyze and validate the final report; close project. • Pay the financial assistance according to contract provisions.
Post-project		If the results are conclusive, consider making the energy efficiency measure eligible for inclusion in Énergir's EEP.

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