
PROGRAM GUIDE: THE CLEAN TECHNOLOGY COMMERCIALIZATION PROGRAM

Part of the Climate Change Innovation and Technology Framework



PROGRAM OVERVIEW

Background

In December 2017, the Government of Alberta (GOA) published the Climate Change Innovation and Technology Framework (CCITF) as the overarching guide for the government's investments in innovation and technology to reduce greenhouse gas (GHG) emissions, while preparing our province for the lower carbon economy of tomorrow. Alberta Innovates, on behalf of Economic Development & Trade, is offering five programs: Clean Technology Development, Clean Technology Networks & Emerging Partnerships, Clean Technology Commercialization, Clean Technology Business Innovation Vouchers, and Clean Technology Facilities Support.

Building upon the success of the Alberta Small Business Innovation and Research Initiative (ASBIRI) a dedicated **Clean Technology Commercialization program** has been developed.

Program Details

In the first stage of the program, Alberta Innovates develops relationships with Industry Partners to identify challenges in operations that, if addressed, would give Industry quantifiable reductions of greenhouse gases and a leading competitive edge in the global marketplace.

Next, Alberta Innovates and our Industry Partners jointly invite Alberta's Small Medium Enterprises (SMEs) to leverage their ingenuity and compete for the opportunity to develop a technology-based greenhouse gas reduction solution for the well-defined operational challenge. These challenges may be in areas such as:

- Cleaner oil and gas
- Methane emissions reductions
- Low carbon electricity
- Waste to value added
- Green buildings
- Energy efficiency

The result is a focused, industry-government partnership and a GHG reduction project built on the principles of demand- pull innovation. Resources are allocated where there is a clear existing industry need and opportunity, ensuring a targeted research and innovation investment.

HOW THE PROGRAM WORKS

Eligibility

(a) Applicant Eligibility Criteria - To qualify as an Applicant, an SME is required to satisfy the following criteria:

- be a for-profit SME;
- demonstrate the relationship between the Applicant and the Industry Partner does not create a conflict of interest;
- have a physical presence in Alberta;
- meet the following definition of an SME: a company with fewer than 500 Full Time employees, and less than \$50,000,000 annual gross revenue;
- be a legal entity:
 - incorporated in Alberta; or
 - incorporated federally or in another jurisdiction AND extra-provincially registered in Alberta; or
 - a General Partnership, Limited Partnership or Limited Liability Partnership AND registered in Alberta;
- have no outstanding balance or otherwise owe money to Alberta Innovates or its subsidiaries.

(b) Project Eligibility Criteria

To qualify for funding all projects must:

- have the participation of both an Industry Partner and an Alberta based SME as the Applicant;
- start after the execution of the Agreement between Alberta Innovates, the Applicant, and the Industry Partner, and must be stepped with critical “go/no go” milestones;
- be completed within three (3) years unless an extension is specifically approved in writing by Alberta Innovates;
- submit to other criteria that Alberta Innovates may develop from time to time.

Performance Management and Evaluation

Over the life of a project, Alberta Innovates employs an active project management philosophy, regularly monitoring performance and supporting the Applicant and Industry Partner to reach their outcomes. Funding is tied to outcomes and achievement of results and submission of progress and performance reports. For this reason, Alberta Innovates funds on a milestone completion basis. This means the Applicant and Industry Partner are expected to complete a task and submit a progress report before Alberta Innovates advances the next tranche of funds. Failure to complete annual performance reporting will also impact fund release.

All investment agreements outline the intended outcomes of the program and the corresponding performance indicators (measures) that will be tracked over the course of the project. Specific performance indicators will also be developed at the level of the individual project given the uniqueness of each project. The Applicant is responsible for annually reporting on all required indicators to Alberta Innovates.

The annual performance reports are used to inform program planning and performance management. The Program level performance results will be communicated back to Applicants, key stakeholders and the public.

Once projects are completed, Alberta Innovates continues to monitor performance for an additional five-year period to accurately evaluate the economic, environmental and social benefits realized for Albertans and our province.

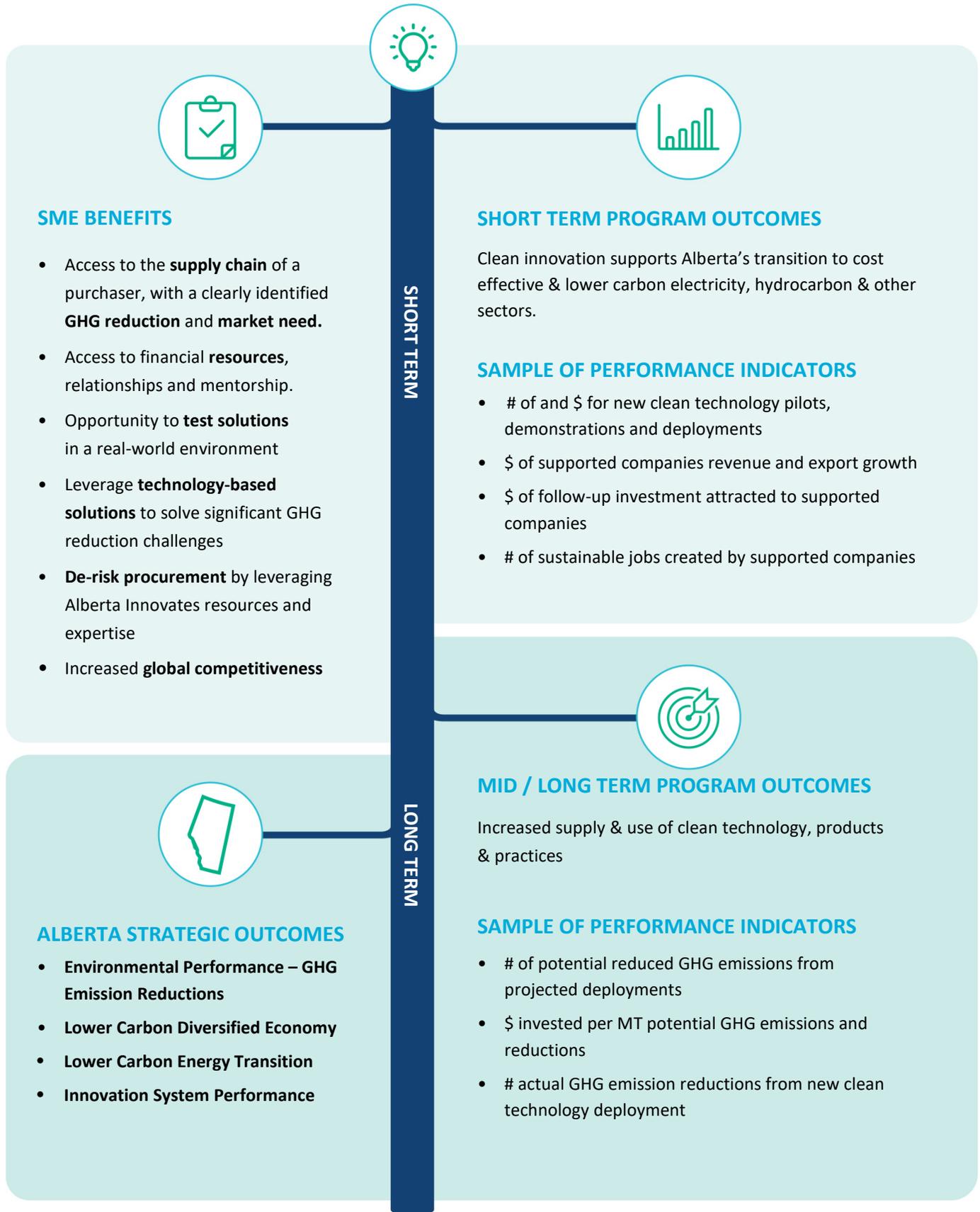
A results-focused organization, Alberta Innovates uses a performance management framework to monitor and evaluate the outcomes and impacts of its investments. The Applicant is responsible for annually reporting on all required indicators to Alberta Innovates.

The Clean Technology Commercialization Program contributes to the strategic outcomes of the Climate Change Innovation and Technology Framework (CCITF).

CCITF Vision: *By year 2030, Alberta’s use of innovation and clean technology (“Clean Innovation”) will accelerate the shift to lower carbon economy, generating significant environmental and economic benefits.*

Short, mid and long-term program outcomes and a sample of key performance indicators are highlighted in the following diagram.

Pathway to Outcomes



SME BENEFITS

- Access to the **supply chain** of a purchaser, with a clearly identified **GHG reduction** and **market need**.
- Access to financial **resources**, relationships and mentorship.
- Opportunity to **test solutions** in a real-world environment
- Leverage **technology-based solutions** to solve significant GHG reduction challenges
- **De-risk procurement** by leveraging Alberta Innovates resources and expertise
- Increased **global competitiveness**

SHORT TERM PROGRAM OUTCOMES

Clean innovation supports Alberta's transition to cost effective & lower carbon electricity, hydrocarbon & other sectors.

SAMPLE OF PERFORMANCE INDICATORS

- # of and \$ for new clean technology pilots, demonstrations and deployments
- \$ of supported companies revenue and export growth
- \$ of follow-up investment attracted to supported companies
- # of sustainable jobs created by supported companies

MID / LONG TERM PROGRAM OUTCOMES

Increased supply & use of clean technology, products & practices

SAMPLE OF PERFORMANCE INDICATORS

- # of potential reduced GHG emissions from projected deployments
- \$ invested per MT potential GHG emissions and reductions
- # actual GHG emission reductions from new clean technology deployment

ALBERTA STRATEGIC OUTCOMES

- **Environmental Performance – GHG Emission Reductions**
- **Lower Carbon Diversified Economy**
- **Lower Carbon Energy Transition**
- **Innovation System Performance**



How Funding Works

(a) Project Funding

Funding from Alberta Innovates is specific to each project. Both the Applicant and the Industry Partner are required to contribute to the project, either through a cash injection or with in-kind resources (labour, facilities, etc.) Alberta Innovates encourages co-funding of projects with other funding agencies, but employs a stacking limit to ensure there is sufficient financial commitment from the Industry Partner and Applicant. Funded research initiatives may provide experiential learning opportunities for undergraduate and graduate students, aiming to develop HQPs, supporting new technology development, and adoption of technologies in practice;

Alberta Innovates encourages co-funding of projects with other funding agencies, but employs a stacking limit to ensure there is sufficient financial commitment from the Industry Partner and Applicant.

(b) Eligible and ineligible expenses

Alberta Innovates funds expenses directly attributable to the performance of agreed upon projects. All costs incurred must be critical to the performance of the project, as outlined in the application.

Alberta Innovates only funds reasonable costs incurred as defined in the investment agreement after it has been executed.

For a high-level summary of eligible and ineligible expenses please refer to the chart in Appendix A.

HOW TO APPLY

The Clean Technology Commercialization Program is delivered in three phases.



PHASE 1 Challenge Selection

Alberta Innovates and the Industry Partner identify a well-defined GHG reduction technological need within the Industry Partner's operations and what technologies will be required to find a solution.

Requirements for Applicants, key performance indicators for a successful project and the evaluation process are defined.



PHASE 2 Solution Evaluation

Alberta based SMEs submit an application outlining their technological capabilities to address the challenge, together with details of their business readiness and an overall project plan. This phase has 3 sub-stages.

STAGE 1: Open call to invite all SMEs who fit the eligibility requirements to apply. All applications are evaluated.

STAGE 2: Only the successful applicants from substage 1 are invited to apply to this stage, called Business Readiness.

STAGE 3: Successful Applicant(s) engage the Industry Partner to mutually develop a project plan and will execute an agreement with Alberta Innovates to proceed with the activities of the Project.

For current Competition timelines, please see the [CCITF landing page](#).



PHASE 3 Technology Development & Demonstration

Alberta Innovates actively supports the Industry Partner and selected Applicant in the execution phase of the project. Timelines are specific to each individual Challenge.

Agreement expectations will include:

- participation in project management activities;
- reporting on progress to milestones and budget on a quarterly basis during the term of the Agreement; and
- reporting on progress to outcomes on an annual basis during the term of the Agreement and annually for five years after that term.

Project payment is tied to milestone, progress and performance reporting.

APPLICATION REVIEW PROCESS

During the different phases of the program, Alberta Innovates leverages internal staff, representatives from the Industry Partner and external expert reviewers to evaluate applications submitted by SMEs. Alberta Innovates retains the sole right to determine the evaluation process, and does not disclose the names of its external reviewers to ensure their objectivity and impartiality. All external parties are subject to confidentiality, intellectual property management and conflict of interest policies set by Alberta Innovates.

All investment decisions are at the sole discretion of Alberta Innovates.

TERMS AND CONDITIONS

This Program Guide is intended as a high-level overview of the Clean Technology Commercialization program. It provides interested SMEs with a roadmap of what to expect over the lifecycle of a Clean Technology Commercialization project, from the formation of a challenge, through the application stage, during the project and post-completion. Should you have any questions about this guide or what is expected, please contact Alberta Innovates. As each challenge is unique, certain elements or expectations may be present in one challenge and not in another. Please be aware Alberta Innovates may modify this guide from time to time in keeping with any changes to the Clean Technology Commercialization program.

Once we have evaluated and approved an application for funding, Alberta Innovates will require the Applicant and Industry Partner to sign our standard form investment agreement. The investment agreement sets out in detail the roles, responsibilities and obligations of the various parties to ensure a successful project. Alberta Innovates will not provide any funding until the investment agreement has been signed by all parties.

CONTACT INFORMATION

To discuss eligibility for this program, to receive an application form or for specific questions regarding this program and guide, please contact:

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APPENDIX A

Summary of Eligible and Ineligible Expenses

Category	Eligible Expenses	Ineligible Expenses
Labour	<ul style="list-style-type: none"> ✓ Salary and benefits for individuals who are specifically working on the project 	<ul style="list-style-type: none"> ✗ Overhead costs charged to employee labour rates ✗ Professional training & development ✗ Professional fees unless directly related to the project
Materials	<ul style="list-style-type: none"> ✓ Reasonable material costs 	
Capital Assets & Software	<ul style="list-style-type: none"> ✓ Capital improvements ✓ Capital equipment ✓ Software or information databases <p><i>Note: Eligible costs will be pro-rated to the project time frame based on the asset's expected economic life</i></p>	<ul style="list-style-type: none"> ✗ Acquisitions of land or buildings ✗ The undepreciated value of eligible capital costs which extends beyond the project timeframe
Travel	<ul style="list-style-type: none"> ✓ Mileage, lowest economy class airfare, and accommodation where the Industry Partner's place of business is in a different city than the SME 	<ul style="list-style-type: none"> ✗ Costs relating to meals, entertainment, hospitality and gifts ✗ Passport or immigration fees ✗ Reimbursement for airfare purchased with personal frequent flyer programs ✗ Commuting costs between place of residence and place of employment
Sub-contractors	<ul style="list-style-type: none"> ✓ Services or products of another entity 	<ul style="list-style-type: none"> ✗ Costs associated with applying for government grants and programs ✗ Provisions for contingencies, technical or professional journals ✗ Routine testing and maintenance
Other	<ul style="list-style-type: none"> ✓ Costs which Alberta Innovates pre-approves in writing as an eligible expense 	<ul style="list-style-type: none"> ✗ Collection charges, allowance for interest on debt, fines and penalties ✗ Federal and provincial income taxes, goods and services taxes ✗ Expenses for projects or activities outside the approved Project