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# PROGRAM GUIDE: THE CLEAN TECHNOLOGY BUSINESS INNOVATION VOUCHER 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, Clean Technology Commercialization, Clean Technology Business Innovation Vouchers, and Clean Technology Facilities Support.

Alberta businesses can benefit from existing and emerging growth opportunities in the low carbon economy; however, effective strategy development requires an in-depth assessment, impact analysis and implementation plan unique to each business.

The **Clean Technology Business Innovation (CTBI) Voucher** Program includes two streams (1 & 2) and is designed to encourage and support Alberta's established Small and Medium Enterprises (SMEs) to pursue growth opportunities while reducing their direct and/or indirect carbon footprint.

**Stream 1** provides up to \$25,000 in non-dilutive funding for businesses to engage a third-party subject matter expert (Service Provider) that will identify GHG reduction opportunities through a business / market assessment and development of a comprehensive plan that leads to:

- clean technology adoption for energy efficiency; and/or
- productivity enhancement; and/or
- product or service iterations (redesign, configuration or optimization of existing products or services); and/or
- new export or vertical market entry.

**Stream 2** provides up to \$100,000 in non-dilutive funding to implement a project plan developed through Stream 1 or independently, which can possibly be leveraged to apply for other funding and supports delivered by private or other public sources.

The program supports projects in six targeted sectors:

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

## Program Details

The CTBI program supports SMEs to pursue significant growth opportunities in the low carbon economy.

In phase one, the CTBI Program Manager will provide navigation support and will work with the SME to determine if the Program is a good fit for them. Two streams are then available to the SME.

The intent of the Stream 1 voucher is to support the SME in making objective strategic decisions and create an implementation plan that will result in reduced greenhouse gas emissions (GHG) and economic benefits (at least one of the following: job creation, increased revenues and/or exports). Supporting methodology and quantification of identified potential outcomes is required in the completion of this plan. Alberta Innovates will provide access to a GHG Manager to assist the SME and their Service Provider in determining the GHG impact of their low carbon plan.

A Stream 2 CTBI voucher is available as seed funding to implement a low carbon plan either developed through the Stream 1 voucher or developed independently. This stream is a large undertaking and is expected to require funding from the company and other sources to succeed.

SME's may apply to Stream 1 and then Stream 2 in consecutive order or may apply directly to Stream 2.

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*Key technology opportunities: energy efficiency solutions, green building solutions contributing to less GHG-intensive building practices and operating costs and adapting existing products to improved GHG emissions.*

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## HOW THE PROGRAM WORKS

### Eligibility

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

- have contacted the CTBI Program Manager and confirmed that they meet all requirements;
- be an existing, viable, for-profit SME with a physical presence in Alberta for more than 2 years;
- 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;
- be in good financial standing with Alberta Innovates and its subsidiaries InnoTech Alberta and C-Fer Technologies; and
- [for Stream 1 only](#): have obtained a Service Provider quote and commitment and demonstrated the relationship between the Applicant and the Service Provider does not pose a conflict of interest;

**(b) Service Provider Eligibility Criteria** - To qualify as a Service Provider, the following criteria must be met:

- be Arm's Length from the Applicant (cannot have any legal relationship with the Applicant);
- provide the service(s) and/or product(s) at reasonable market rates;
- be legally permitted to enter, remain in, and perform the services in Canada during the Project Term; and
- be in good financial standing with Alberta Innovates and its subsidiaries InnoTech Alberta and C-Fer Technologies.

### **(c) Project Eligibility Criteria**

CTBI projects must focus on the following themes:

- clean technology adoption for energy efficiency; and/or
- productivity enhancement; and/or
- product or service iterations (redesign, configuration or optimization of existing products or services); and/or
- new geographic or vertical market entry.

To qualify for funding through Stream 1, all Projects must have the participation of both an Alberta based SME as the Applicant and at the time of submission an identified Service Provider (including a quote) that is tasked with building a work plan.

To qualify for funding through Stream 2, all Projects must have an Alberta based SME as the Applicant who has either successfully completed Stream 1 or has independently developed a low carbon project plan. Any additional participants will be sub-contractors of the Applicant.

Additionally, to qualify for funding in either Stream 1 or Stream 2, all Projects must:

- be stepped with critical “go/no go” milestones;
- be completed within one (1) year unless an extension is specifically approved in writing by Alberta Innovates; and
- submit to any other criteria that Alberta Innovates may implement.

## 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 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 is expected to complete milestones that are initially set forth in the agreement and submit a progress report before Alberta Innovates advances the next tranche of funds. The applicant is also required to include performance reporting on how the Project is tracking to intended outcomes. Failure to complete the performance reporting will also impact fund release.

All Investment Agreements outline the intended outcomes of the Program and the corresponding performance indicators 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.

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*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.*

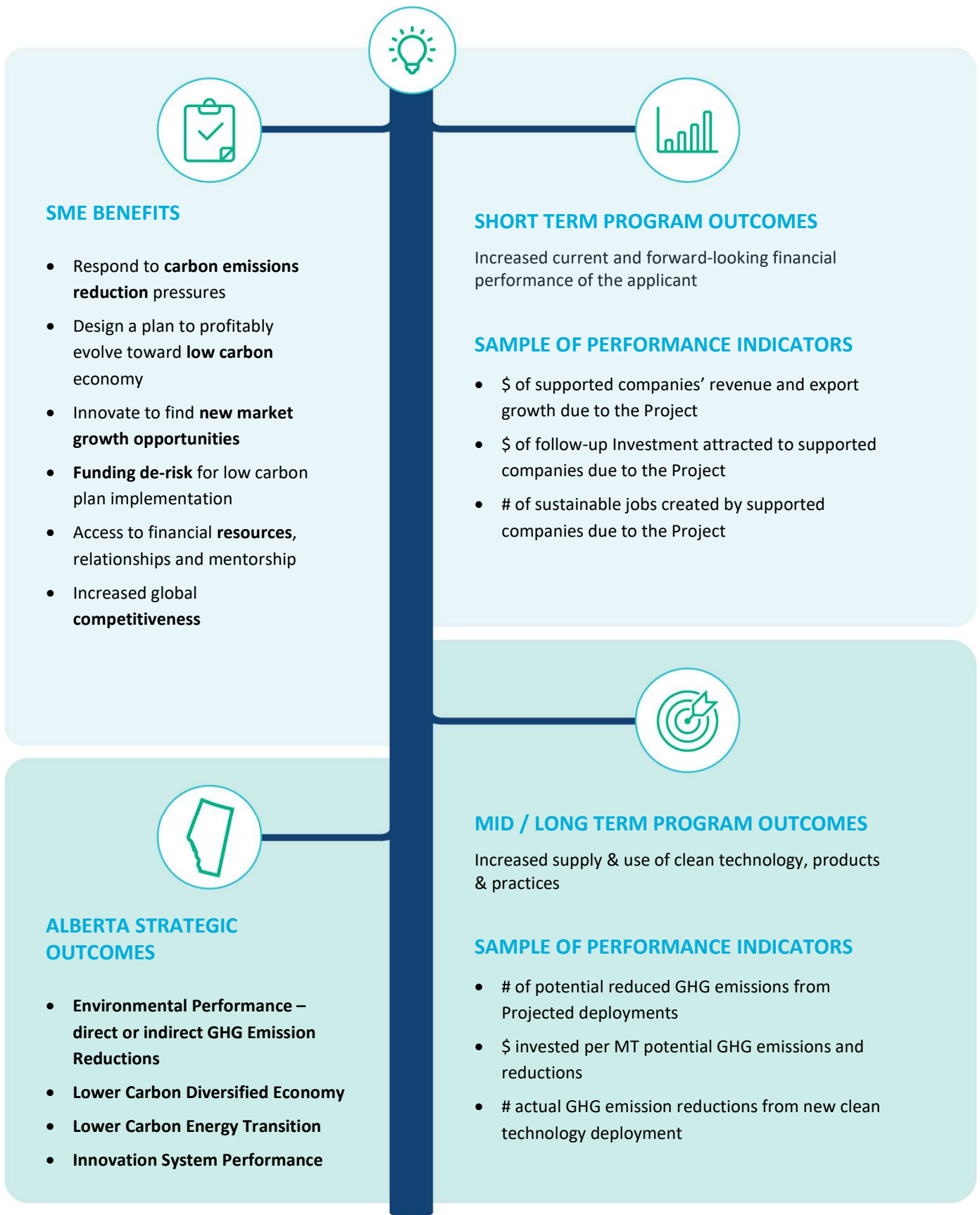
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The Clean Technology Business Innovation Program contributes to the strategic outcomes of the Climate Change Innovation and Technology Framework (CCITF).

**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





## How Funding Works

### (a) Project Funding

The Program is a “matching” grant Program, meaning Alberta Innovates will invest up to 50% of the total eligible Project costs, up to a maximum for each stream (\$25,000 for Stream 1; \$100,000 for Stream 2). If the Project is more than the combined allowable total (i.e. \$50,000 for Stream 1, and \$200,000 for Stream 2), it is the Applicant’s responsibility to source the other funding. A government funding (municipal, provincial, federal) stacking limit from Alberta Innovates will not apply to this extra funding, though limits may exist with other funders. Any deposits required by the Service Provider are to be paid by the SME applicant.

Funding for Stream 1 will be paid directly to the Service Provider and based on approved Project milestones. Funding for Stream 2 will be paid directly to the Applicant. Payments for both Streams will be dispersed at the end of each milestone, based on milestone proof. **Applications will be received, reviewed and funded until Program funding is expired. All projects must be completed by March 31<sup>st</sup>, 2022.**

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#### *The Clean Technology Business Innovation Voucher Program:*

- *Stream 1 - Low Carbon Plan development with funding up to \$25,000 over a one-year term*
  - *Stream 2 – Implementation of the Low Carbon Plan with funding up to \$100,000 over a one-year term.*
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## (b) Eligible and ineligible expenses

Alberta Innovates only funds reasonable costs incurred subsequent to a signed Investment Agreement between Alberta Innovates, the Applicant and the Service Provider. Any costs incurred prior to the signing of the Investment Agreement, or costs greater than market prices are deemed ineligible. Please refer to our standard form Investment Agreement found on our website to get an in-depth understanding of eligible and ineligible costs. For a high-level summary of eligible and ineligible expenses please refer to the chart on the next page.

### Summary of Eligible and Ineligible Expenses

Category	Eligible Expenses	Ineligible Expenses
<b>Labour</b>	<ul style="list-style-type: none"> <li>✓ Salary and benefits for individuals who are specifically working on the project (Stream 2 only)</li> <li>✓ Labour costs for those individuals specifically identified as performing the service for the service provider (Stream 1 only)</li> </ul>	<ul style="list-style-type: none"> <li>✗ Overhead costs charged to employee labour rates</li> <li>✗ Professional training &amp; development</li> <li>✗ Professional fees unless directly related to the project</li> </ul>
<b>Materials</b>	<ul style="list-style-type: none"> <li>✓ Reasonable costs of materials which can be specifically identified for use in the Project</li> </ul>	<ul style="list-style-type: none"> <li>✗ Sales and marketing collateral</li> </ul>
<b>Capital Assets &amp; Software</b> (Stream 2 only)	<ul style="list-style-type: none"> <li>✓ Software critical to the Project will be considered</li> <li>✓ Other capital assets critical to the Project will be considered on a case by case basis</li> </ul> <p><i><b>Note:</b> 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"> <li>✗ Acquisitions of land or buildings</li> <li>✗ The undepreciated value of eligible capital costs which extends beyond the Project term</li> </ul>
<b>Travel and Relocation</b>	<ul style="list-style-type: none"> <li>✓ Travel, including mileage, low economy airfare, and accommodation for the purposes of executing the project</li> </ul>	<ul style="list-style-type: none"> <li>✗ Passport or immigration fees</li> <li>✗ Reimbursement for airfare purchased with personal frequent flyer programs</li> <li>✗ Commuting costs between place of residence and place of employment</li> </ul>
<b>Sub-contractors</b>	<ul style="list-style-type: none"> <li>✓ Sub-contractors Services or products of another entity</li> </ul>	<ul style="list-style-type: none"> <li>✗ Routine testing and maintenance</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>✓ Costs which Alberta Innovates pre-approves in writing as an eligible expense</li> </ul>	<ul style="list-style-type: none"> <li>✗ Costs associated with applying for government grants and programs</li> <li>✗ Technical or professional journals</li> <li>✗ Provisions for contingencies</li> <li>✗ Collection charges, allowance for interest on debt, fines and penalties</li> <li>✗ Federal and provincial income taxes, goods and services taxes</li> </ul>



Category	Eligible Expenses	Ineligible Expenses
		<ul style="list-style-type: none"> <li>✘ Expenses for Projects or activities outside the approved Project</li> <li>✘ Costs which Alberta Innovates deems ineligible at its sole discretion</li> </ul>

## HOW TO APPLY

The Clean Technology Business Innovation Voucher Program is delivered in four phases.



### PHASE 1

#### Program Fit

CTBI Program Manager works with the SME to determine if the Program is a fit for the SME.

Requirements for Applicants and key performance indicators for a successful Project are defined.

For Stream 1, Applicants identify their Service Provider.



### PHASE 2

#### Stream 1 Voucher: Low Carbon Plan Development

Alberta SMEs who fit the eligibility criteria apply, outlining their defined needs to address the move to low carbon, together with details of their business readiness and an estimated overall consulting Project plan.

A formal quote from the applicant's proposed Service Provider is required.

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



### PHASE 3

#### Stream 2 Voucher: Implementation of Low Carbon Plan

Applicants may apply after completing Stream 1 or directly apply to this Stream.

~~All Applications are evaluated.~~

The Applications must include predicted GHG reductions and estimate of increases in jobs, revenues, and exports.



### PHASE 4

#### Project Management

For approved Applications of both Streams, the Applicant will execute an Investment Agreement with Alberta Innovates to proceed with the activities of the Project.

Investment Agreement expectations will include:

- participation in Project management activities;
- reporting on progress to milestones and budget on a bi-yearly 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.

## EVALUATION PROCESS

During the different phases of the Program, Alberta Innovates leverages internal staff 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 decisions made by Alberta Innovates, acceptance or decline, are final, non-appealable and binding on the Applicant. Any failure to inform the Applicant of the determination regarding an application, within the timelines provided above will not result in any obligation or liability of Alberta Innovates to the Applicant. Alberta Innovates may also, in its sole and absolute discretion, forward feedback to the Applicant.

## DIVERSITY, EQUITY AND INCLUSIVITY

The Alberta research and innovation (R&I) ecosystem is stronger and more sustainable when it is broadly reflective of the overall diversity of our community. Alberta Innovates strives to ensure all interested and qualified parties have an equitable opportunity to participate and contribute. Historically, there have been a number of groups/populations that have been under-represented in the Alberta R&I landscape including:

- Women entrepreneurs/researchers;
- Indigenous entrepreneurs/researchers;
- Remote/small community entrepreneurs/researchers; and
- New immigrant entrepreneurs/researchers.

We are guided by the principles of:

- **Diversity** – both internal and external participants to our processes are comprised of a varied composition of demographics;
- **Equity** – our processes support equal access across all demographics; and
- **Inclusivity** – our processes proactively work to include underrepresented segments of the R&I landscape.

As part of its commitment to Diversity, Equity and Inclusion (DEI), Alberta Innovates will:

- Collect data in the grant Application on a voluntary basis to better understand diversity;
- Provide grant Application navigation support to Applicants from under-represented groups; and
- Integrate a DEI focus into its due diligence processes including striving to have diverse review committees to foster unbiased decision making.

## TERMS AND CONDITIONS

This Program Guide is intended as a high-level overview of the CTBI Voucher Program. It provides interested SMEs with a roadmap of what to expect over the lifecycle of a Project, from the Application stage, during the Project and post-completion. Please be aware Alberta Innovates may

modify this guide from time to time in keeping with any changes to the Clean Technology Business Innovation Voucher Program, or the Climate Change Innovation and Technology Framework.

Alberta Innovates will only correspond in writing and provide copies of the Application to the person named in the application form as the one authorized to speak for the Applicant.

Once we have evaluated and approved an Application for funding, Alberta Innovates will require the Applicant and the Service Provider to sign a 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.

Alberta Innovates will only fund Applicants who have satisfied all eligibility criteria. Meeting the eligibility criteria does not guarantee access to funding, and all funding decisions will be made by Alberta Innovates at its sole discretion.

## INFORMATION DISCLOSURE

Alberta Innovates is committed to protecting the confidentiality of application details. External experts who act as reviewers must sign a confidentiality agreement.

As a provincial corporation, Alberta Innovates is subject to the protection and disclosure provisions of the Freedom of Information and Protection of Privacy (FOIP) Act. Personal information is collected pursuant to Section 33(c) of the Freedom of Information and Protection of Privacy Act as it relates to and is necessary for the sub-program. Should you have any questions about the collection of this information, please contact us at [cleantechdev@albertainnovates.ca](mailto:cleantechdev@albertainnovates.ca).

## CONTACT INFORMATION

To discuss eligibility or specific questions regarding this guide, please contact Alistair Hazewinkel (Senior Business Partner, Funding Solutions) at 780-450-5334 or [Alistair.hazewinkel@albertainnovates.ca](mailto:Alistair.hazewinkel@albertainnovates.ca)

## STREAM 1 SERVICE PROVIDER IDENTIFICATION RESOURCES

Contact us for assistance in identifying qualified Service Providers.