

CEPP PROJECT GRANT OVERVIEW

Types of Grants

CEPP Grant 1 (G1): Design & Development

CEPP Grant 2 (G2): Regulatory Approvals

Maximum total CEPP grant is \$200,000 per project. How much of the \$200,000 the CEPP applicant proposes to allocate to G1 activities versus G2 activities is up to each applicant to decide based on their project plan.

CEPP does not provide funding for pre-feasibility work or for work undertaken following issuance of a Notice to Proceed by the OPA. Your Grant 1 Application is designed to assist you to complete core pre-feasibility work at the same time as providing you with a comprehensive application to the CEPP.

Technology Specific Grant Caps

The following charts are general guidelines to indicate typical project requirements. Actual grants will vary based on the actual costs of activities required for your project.

Solar

Size (kW)	Max CEPP Grant
10.1 - 50	10,000
50 - 1,000	75,000
1,000 - 10,000	200,000

Wind

Size (kW)	Max CEPP Grant
10.1 - 50	10,000
50 - 1,000	75,000
1,000 - 10,000	200,000

Biogas / Biomass / Landfill Gas

Size (kW)	Max CEPP Grant
10.1 - 500	75,000
500 - 10,000	200,000

Waterpower

Size (kW)	Max CEPP Grant
10.1 - 10,000	200,000

Grantee Contribution Requirement

CEPP will cover up to 90% of the actual costs of each eligible activity. Applicants are required to contribute 10% of all costs of project activities funded by CEPP. The CEPP Budget templates are set up for applicants to input CEPP contribution amounts, and applicant contribution amounts.

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Eligible Projects:

Renewable energy projects are eligible for CEPP funding if they:

- (a) are greater than 10 kW and less than or equal to 10 MW;
- (b) use wind, solar photovoltaic, biomass, biogas, landfill gas or waterpower;
- (c) are located in Ontario;
- (d) are economically viable and the subject of a future FIT contract;
- (e) are not funded by another any other OPA funded program;
- (f) are developed by a “Community” (see below) and;
- (g) have not yet been issued a Notice to Proceed by the OPA.

Eligible Applicants:

Funding under the CEPP and entry into a Funding Agreement is available to a community in the province of Ontario (each, a “**Community**”) that falls in one of the following categories, which mirror a 100% Community Participation Level as defined in the FIT Rules:

- (a) one or more individuals resident in Ontario;
- (b) a Registered Charity with its head office in Ontario (registered with the Canada Revenue Agency);
- (c) a Not-For-Profit organization with its head office in Ontario (incorporated under the *Corporations Act* (Ontario) or the *Canada Corporations Act*);
- (d) a “co-operative corporation”, as defined in the *Co-operative Corporations Act* (Ontario), all of whose members are resident in Ontario;
- (e) a private corporation whose shareholders all fall into categories (a) – (d) above, and for whom commercial electricity generation is not their primary business or employment;
- (f) a partnership or limited partnership whose partners all fall into categories (a) – (d) above, and for whom non-community electricity generation is not their primary business or employment; or
- (g) any other organization that would be considered to have a 100% Community Participation Level under the FIT rules.

No Funding for Past Work

CEPP provides funding only for work carried out following receipt of a complete CEPP Application. Any work done prior to submitting a complete application will not

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be funded by CEPP. If an activity is commenced before submitting a complete application, only the portion of work carried out after submission will be funded.

Funding Disbursements

Your CEPP Funding Agreement will clearly identify your disbursement schedule based on your project and your proposal. CEPP funds will be disbursed upfront and after achieving milestones for each set of activities. 10% of total CEPP funds awarded will be held back until final deliverables have been submitted to the satisfaction of the CEPP Program Manager.

CEPP Funded Activities

Activities in the **charts below** in **bold type** are activities that must be completed before applicants can receive their next or final CEPP grant payment.

Activities not in bold type are optional and may or may not be required for your particular project, or may be activities you decide to do at another stage of your project.

Applicants are only required to submit applications for G1 and G2, not for the subsets of each (for e.g. G1-A, G1-B). Rather these letters represent groupings of milestones to be achieved in order to release the next and/or final tranche of funding.

CEPP Prerequisites

G1 Prerequisites	G2 Prerequisites
<ul style="list-style-type: none"> • Completed CEPP G1 Application Form and requisite attachments: <ul style="list-style-type: none"> ○ Landowner MOI (where relevant); ○ Copy of MNR Site Release Application submission (waterpower only); ○ If completed, EA Phase 1 Project Concept Document (waterpower only); ○ RETScreen preliminary resource and financial assessment; ○ Detailed Site Plan; ○ LDC Consultation Report; and ○ Completed G1 CEPP Budget 	<ul style="list-style-type: none"> • FIT Contract or not in FIT Reserve; • Completion of all required G1 activities relevant to your project; • MNR Site Release Approval (waterpower only); and • CEPP G2 Application Form & Budget <p>NOTE: Site-specific studies may be funded without these prerequisites with consent of the Program Manager.</p>

Some projects may have additional prerequisites for G1 and/or G2 based on the specific technology being used. Additional specific prerequisites are listed in the charts below.

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CEPP Funded Activities for Wind Projects

Grant 1 Funded Activities	Grant 2 Funded Activities
<p><u>Grant 1-A1 Activities</u></p> <ol style="list-style-type: none"> 1. 3rd party site verification report which includes: <ol style="list-style-type: none"> a. validation of site map/plan b. validation of sufficient land to site proposed project c. validation of preliminary resource assessment (e.g. wind atlas projections) d. environmental constraints analysis and review of required regulatory approvals (Renewable Energy Approval and/or other government approvals) 2. Obtaining site control (signed option or lease agreement) 3. Grid connection update (LDC verification that your project is Capacity Allocation Exempt (CAE) or capacity exists) 4. Legal (e.g. incorporation, joint venture agreement, partnership agreement, option agreement) 5. Tendering for consultants 6. Project co-ordination or project management 7. Noise study 8. Supplier requests for proposals (RFP's) 9. Community engagement (related to other Funded Activities) <p><u>Grant 1-A2 Activities</u> (Funds for Grant 1-A2 disbursed upon successful completion of G1-A)</p> <ol style="list-style-type: none"> 1. Resource assessment tower installation, data collection, data interpretation, micro siting plan 2. Application to FIT Program (CEPP does not cover costs of security deposits or application fees, only the activities involved in preparing the application that coincide with the list of CEPP eligible activities, e.g. project manager's time.) 3. Draft business plan 4. Grid connection update (LDC verification that project is CAE or capacity exists) 5. Transportation study 6. Noise study 7. Project coordination or project management 8. Offering document/member agreement or prospectus 9. Negotiating supplier agreement and operations & maintenance agreement 10. Community engagement (related to other Funded Activities) 11. Bird study 12. Bat study <p><u>Grant 1-B Activities</u> (Funds for Grant 1-B disbursed upon submission of FIT application and successful completion of A 1 and 2 activities)</p> <ol style="list-style-type: none"> 1. Engineering studies, including: <ol style="list-style-type: none"> a. Electrical b. Geotechnical c. Civil 	<ol style="list-style-type: none"> 1. Renewable Energy Approval (REA) 2. Connection Impact Assessment (CIA) and/or System Impact Assessment (SIA) 3. Final business plan 4. Negotiating supplier agreement 5. Negotiating operations & maintenance agreement 6. Negotiating construction contract(s) 7. Electrical Safety Authority (ESA) approval 8. Offering document 9. Membership agreement 10. Project management/project co-ordination 11. Community engagement (related to other Funded Activities) 12. Sales and marketing plan Database management system design and setup

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CEPP Funded Activities for Solar PV Projects

Grant 1 Funded Activities	Grant 2 Funded Activities
<p><u>Grant 1-A1 Activities</u></p> <ol style="list-style-type: none"> 1. 3rd party site verification report which includes: <ol style="list-style-type: none"> a. validation of site map/plan b. validation of sufficient land/rooftop space to site proposed project (including preliminary system design, roof assessment) c. validation of preliminary resource assessment d. environmental constraints analysis and review of required regulatory approvals (Renewable Energy Approval and/or other government approvals) e. feasibility engineering study (system design and structural analysis) 2. Obtaining site control (Signed Option or Lease Agreement) 3. Grid connection update (LDC verification that your project is Capacity Allocation Exempt (CAE) or capacity exists) 4. Legal (e.g. incorporation, joint venture agreement, partnership agreement, option agreement) 5. Tendering for consultants 6. Project co-ordination or project management 7. Supplier Requests For Proposals (RFPs) 8. Noise study (if ground mounted) 9. Community engagement (related to other Funded Activities) <p><u>Grant 1-A2 Activities</u> (Funds for Grant 1-A2 disbursed upon successful completion of Grant 1-A1)</p> <ol style="list-style-type: none"> 1. Application to FIT Program (CEPP does not cover costs of security deposits or application fees, only the activities involved in preparing the application that coincide with the list of CEPP eligible activities, e.g. project manager's time) 2. Draft business plan 3. Grid connection update (LDC verification that project is CAE or that capacity exists) 4. Supplier RFP 5. Noise study (if ground mounted) 6. Project coordination or project management 7. Offering document/member agreement or prospectus 8. Negotiating supplier agreement and operations & Maintenance agreement 9. Negotiating construction contract(s) 10. Community engagement (related to other Funded Activities) <p><u>Grant 1-B Activities</u> (Funds for Grant 1-B disbursed upon submission of FIT application and successful completion of A1 and A2 activities)</p> <ol style="list-style-type: none"> 2. Engineering studies, including: <ol style="list-style-type: none"> a. Electrical b. Geotechnical c. Civil 	<ol style="list-style-type: none"> 1. Renewable Energy Approval 2. Connection Impact Assessment and/or System Impact Assessment 3. Final business plan 4. Negotiating supplier agreement 5. Negotiating operations & maintenance (O&M) agreement 6. Negotiating construction contract(s) 7. Electrical Safety Authority approval 8. Offering document 9. Membership agreement 10. Project management/project co-ordination 11. Community engagement (related to other Funded Activities) 12. Sales and marketing Plan 13. Database management system design and setup

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CEPP Funded Activities for Biogas, Biomass Projects & Landfill Gas

Grant 1 Funded Activities	Grant 2 Funded Activities
<p><u>Grant 1-A1 Activities</u></p> <ol style="list-style-type: none"> 1. 3rd party site verification report which includes: <ol style="list-style-type: none"> a. validation of suitability of supply mix and quantity for Bio Energy System(s) being proposed b. validation of sufficient land to site proposed facility and facilitate fuel storage/and or fuel delivery c. validation of preliminary resource assessment based on list of proposed input materials and proposed system d. environmental constraints analysis and review of required regulatory approvals based on scale and scope of project and source materials 2. Obtaining site control (signed option or lease Agreement) 3. Fuel study and MOI(s) with fuel suppliers 4. Grid connection update (LDC verification that capacity still exists, or OPA list verifies capacity exists) 5. Legal (e.g. incorporation, joint venture agreement, partnership agreement, option agreement) 6. Tendering for consultants 7. Project co-ordination or project management 8. Supplier Request For Proposals (RFPs) 9. Odour study 10. Community engagement (related to other Funded Activities) <p><u>Grant 1-A2 Activities</u> (Funds for Grant 1-A2 disbursed upon successful completion of Grant 1-A1)</p> <ol style="list-style-type: none"> 1. Application to FIT Program (CEPP does not cover costs of security deposits or application fees, only the activities involved in preparing the application that coincide with the list of CEPP eligible activities, e.g. projects manager's time) 2. Draft business plan 3. Grid connection update (LDC verification that capacity exists, or OPA list verifies capacity exists) 4. Supplier RFPs 5. Odour study 6. Fuel contracts 7. Project coordination or project management 8. Offering document/member agreement or prospectus 9. Community engagement (related to other Funded Activities) 10. Negotiating supplier agreement 11. Negotiating operations & maintenance agreement 12. Negotiating construction contract(s) <p><u>Grant 1-B Activities</u> (Funds for Grant 1-B disbursed upon submission of FIT application and successful completion of A1 and A2 activities)</p> <ol style="list-style-type: none"> 1. Engineering studies, including: <ol style="list-style-type: none"> a. Electrical b. Geotechnical c. Civil 	<ol style="list-style-type: none"> 1. Renewable Energy Approval or Nutrient Management Act Approval 2. Connection Impact Assessment and/or System Impact Assessment 3. Final business plan 4. Negotiating supplier agreement 5. Negotiating operations & maintenance agreement 6. Negotiating construction contract(s) 7. Electrical Safety Authority approval 8. Offering document 9. Membership agreement 10. Project management/project co-ordination 11. Community engagement (related to other Funded Activities) 12. Sales and marketing plan 13. Database management system design and setup

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CEPP Funded Activities for Waterpower Projects

G1 Funded Activities	G2 Funded Activities
<p><u>Grant 1-A1 Activities</u></p> <ol style="list-style-type: none"> 1. EA Phase 1 – Project Concept Document (including project description and environmental context, project coordination and developing public and aboriginal engagement plans) 2. EA Phase 2 - Project Definition Document (including Notice of Commencement, Identification of potential effects, public consultation and aboriginal engagement, and gap analysis, data, and information collection) 3. 3rd party site verification report which includes: <ol style="list-style-type: none"> a. validation of sufficient land to site proposed project b. validation of preliminary resource assessment (e.g. Ontario Water Power Atlas and completed Annual Energy Generation Potential Equation) c. validation of site map/plan 4. Grid connection update (LDC verification that your project is CAE, capacity exists, or OPA list verifies capacity exists) 5. Legal (e.g. incorporation, JV, partnership, and option agreement) 6. Tendering for consultants 7. Project co-ordination or project management 8. Community engagement (related to Funded Activities) <p><u>Grant 1-A2 Activities</u> (Funds for A2 disbursed upon successful completion of A1)</p> <ol style="list-style-type: none"> 1. EA Phase 1 - Project Concept Document (including project description and environmental context, project coordination and developing public and aboriginal engagement plans) 2. EA Phase 2 - Project Definition Document (including Notice of Commencement, Identification of potential effects, public consultation and aboriginal engagement, and gap analysis, data, and information collection) 3. EA Phase 3 - Project Assessment (Assessment of Effects, and impact and issue management strategies) 4. Draft Business Plan 5. Plan of Development (MNR template) 6. Grid connection update (LDC verification that your project is CAE, capacity exists, or OPA list verifies capacity exists) 7. Application to FIT Program (CEPP does not cover costs of security deposits or application fees, only the activities involved in preparing the application that coincide with the list of CEPP eligible activities, e.g. project manager's time) 8. Obtaining water-use rights, licenses, permits 9. Waterpower Lease agreement application and multi-use permit 10. Project coordination or project management 11. Offering Document/Member Agreement or prospectus 12. Negotiating Supplier Requests for Proposals (RFP) 13. Community engagement (related to Funded Activities) <p><u>Grant 1-B Activities</u> (Disbursed upon submission of FIT application and A1 and A2 completion)</p> <ol style="list-style-type: none"> 1. Engineering studies, including: <ol style="list-style-type: none"> a. Electrical b. Geotechnical c. Civil 	<ol style="list-style-type: none"> 1. EA Phase 2 - Project Definition Document (including Notice of Commencement, Identification of potential effects, public consultation and aboriginal engagement, and gap analysis, data, and information collection) 2. EA Phase 3 - Project Assessment (Assessment of Effects, and impact and issue management strategies) 3. EA Phase 4 - Project Documentation (preparation of environmental report, notice of inspection for projects on unmanaged waterways, and notice of completion) 4. Obtaining water-use rights, licenses, permits 5. Waterpower Lease agreement application and multi-use permit 6. Connection Impact Assessment and/or System Impact Assessment 7. Final Business Plan 8. Negotiating RFPs and supplier agreements 9. Negotiating Operations & Maintenance Agreement 10. Construction Contract(s) 11. ESA (Electrical Safety Authority) approval 12. Offering Document 13. Membership Agreement 14. Project Management/Project Co-ordination 15. Community Engagement (related to Funded Activities) 16. Sales and Marketing Plan 17. Database Management System design and setup