



**ENERGY  
EFFICIENCY  
FUND**  
for Gaz Métro Customers

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**New Technologies Program Financing**  
Version September 2010

## New Technologies Program Financing

The purpose of this document is to define the objectives and the rules governing the financing of New Technologies projects of the Energy Efficiency Fund of Gaz Métro (EEF). The New Technologies program is aimed at encouraging the development and demonstration of technologies and innovative approaches related to energy efficiency.

The financing for New Technologies program is provided by the EEF in order to contribute to the emergence of new technologies and innovative approaches in the Québec market and, if possible, to incorporate these new technologies or approaches to the EEF programs in place, thus making them available to Gaz Métro customers.

### 1- PRESENTATION OF ENERGY EFFICIENCY FUND

#### What is the Energy Efficiency Fund?

The Energy Efficiency Fund proposes different financial assistance programs for the implementation of energy efficiency measures for Gaz Métro customers who use natural gas for space and water heating. The EEF's programs and activities are specifically aimed at energy efficiency measures done on building envelopes or the integration of renewable energies.

The Energy Efficiency Fund (EEF) was created following an agreement reached between representatives from various socio-economic and environmental interest groups in Québec and Gaz Métro. The assets of the EEF are administrated by Gaz Métro. A Management Committee composed of ten representatives ensures the development of a multi-annual action plan.

The EEF's **mandate** is to carry out energy efficiency projects that:

- Target the building envelope or introduce new or emerging technologies to the marketplace;
- Are carried out by customers using, or in the process of using natural gas;
- Are partly in the residential market and partly in the business market, in proportion, more or less, to the respective contributions of these two markets to Gaz Métro's revenues;
- Are to be made as much as possible in partnership, so as to maximize the spin-offs of monies invested for Gaz Métro customers.

### 2- TERMS AND CONDITIONS FOR FINANCIAL ASSISTANCE

#### Who can apply?

Any organization in the private, public or para-public sectors, including municipalities, universities, community groups or associations, can submit a proposal.

Interested organizations must have the expertise, material and human resources necessary to carry out the proposed project. They must share the project costs through monetary contributions. They can also rely on monetary contributions from other partners.

## Types of projects

The projects admissible for the New Technologies program are **those for development, experimentation and demonstration. They must allow for energy savings and they must be relevant to buildings that use natural gas for space and water heating. The technology or innovative approaches must target the building's envelope integrate renewable energies** or any other innovative technology or approach deemed admissible by the EEF.

Moreover, the project must meet one of the following objectives :

- To test the utilization of new or emerging technologies in the Quebec market, making it possible to save natural gas in space or water heating applications;
- To test one or more innovative commercial approaches resulting in savings of natural gas used in space or water heating applications;
- To test the development of measures or incentives resulting in the elimination or reduction of barriers to the adoption of energy efficiency measures for space or water heating with natural gas by Gaz Métro customers, more notably low-income customers.

The innovative projects relating to gas technologies, HVAC units, control measures or processes are not eligible for the program.

## What is the financial assistance?

The EEF's support is in the form of a **financial assistance**. In general, the following expenses are admissible:

- The salary of each person hired to work on the project, (The EEF reserves the right to question the compensation rate as well as the period it covers. A record of the hours worked may be required);
- The fees of consultants who provide an expertise the applicant or its partners do not have;
- The costs of equipment and supplies that are directly related to the project (supporting documents must be supplied);
- Depending on the nature of the work done, all reasonable administrative and travel expenses directly associated with the project.

**Non-qualifying expenses** include (non-exhaustive list):

- Costs incurred prior to date of project approval by the EEF;
- Costs of acquiring land or buildings;
- Spare parts for equipment;
- Service costs, such as heating, lighting, etc.;
- Entertainment expenses;
- Goods and Services Tax (GST) and Quebec Sales Tax (QST) paid to suppliers (except for organisations that do not qualify for a refund of these taxes);

- Translation service;
- Insurance costs;
- Purchase of books and magazines, attendance at seminars or conferences;
- Expenses for the purchase or lease of an automobile;
- Accounting fees for certifying the accuracy of the costs incurred and claimed;
- Professional fees related to any lawsuit against the EEF;
- Travel costs.

### Financial assistance payment terms

The applicant must specify, in the financial plan, all sources and amounts of financial assistance obtained from or applied for from organisations other than the EEF.

The terms of payment of financial assistance are outlined in the contractual agreement drawn up after the project's acceptance by the EEF. However, the financial assistance is usually paid as follows:

- The financial assistance will be paid in three instalments, the amounts of which will have been determined previously in the contractual agreement;
- The first instalment will be paid upon the signing of the contract and once the final financial plan and project timetable are submitted;
- The second instalment will be paid at the mid-point of the project. The applicant must submit a project progress report showing the status of the project and the expenses incurred to date;
- The last instalment will be paid upon receipt and acceptance of the final project report outlining the results and respecting the conditions and terms of the contractual agreement, the accounting report detailing the expenses related to the project (with copies of bills) and all documents requested by the EEF.

### Project monitoring

A contact person must be designated within the project team so that the EEF can monitor the project for its duration.

Any modification to the nature of the project or its timetable must be immediately indicated and justified in a written report for insertion into the file. The EEF will consider the appropriateness of the modifications and whether or not it will continue to pay the financial assistance in accordance with the terms and conditions already stipulated in the contract.

## Notice

The EEF reserves the right to:

- Refuse any proposal that does not meet the criteria of the program or to ask the applicant to make modifications;
- Limit the number of projects accepted in order to stay within its budget;
- Terminate or modify the program at any time without notice.

The EEF is acting as a backer and its only obligation is the payment of the financial assistance authorised for a project. The applicant shall be responsible for ensuring the project is implemented as presented and approved in accordance with the EEF's New Technology program.

### 3- GUIDELINES FOR SUBMITTING A PROPOSAL

#### What must the application contain?

The application form available online must be completed. The information requested includes the following:

- Description of applicant organisation;
- Detailed project description;
- Methods for evaluating results and follow-ups;
- Presentation of the project team;
- Deliverables;
- Estimated energy efficiency potential;
- Description of potential market;
- Environmental or social benefits;
- Timetable;
- Amount of financial assistance and a detailed financial plan.

Any additional information or reference material can be included in annex to the application form.

### How are applications evaluated?

The proposals are evaluated based on their adherence to the following **criteria (partial list)**:

- The project satisfies the criteria for admissibility;
- The project enriches the existing knowledge base of energy efficiency interveners in Quebec;
- The energy savings are significant and calculations are well demonstrated;
- The project allows for a gain in comparison to current conventional technology;
- The project has good commercial potential according to the cost of technology and services provided the return on investment, etc.
- The potential market described in the proposal is a part of the EEF's target markets;
- The degree of innovation is high and the technology proposed is relevant in Quebec setting;
- The proposed experimentation methodology is well developed and the information provided in the application is reliable and well presented;
- The financial plan submitted with the application is complete and realistic for the proposed activities;
- The contributions of the applicant and partners are listed in the budget.

### What is the deadline for submitting an application?

Contact the EEF to learn the dates of the next period for submitting projects.

The proposition, as well as the appendices, must be sent to Mr. Benoit Paillé in an electronic version (paper version is optional) to the following address:

**Energy Efficiency Fund**  
1717, du Havre  
Montreal, Quebec, Canada  
H2K 2X3  
Telephone: 514 719-8169  
Fax: 514 719-8207

### Selection of projects

Applications will be reviewed by the EEF technical staff. Projects are retained by the Selection Committee formed by members of the EEF and members of the Management Committee. Based on this analysis, the application may:

- Be accepted;
- Be accepted subject to making changes requested by the EEF;
- Have to be resubmitted with substantial improvements to concerns identified;
- Be refused for the reasons given, which shall be at the sole discretion of the EEF.