



## Growing Forward 2 – On-Farm Energy Management Program

### Terms and Conditions

Effective October to December 2016

#### Purpose

The On-Farm Energy Management Program is designed to encourage energy management in agricultural facilities, resulting in cost savings, energy conservation, and reduced carbon emissions.

The Program offers financial support, subject to financial constraint, to Applicants who incorporate high efficiency equipment in their construction and/or retrofitting projects.

There is limited funding in the Growing Forward 2 On-Farm Energy Management Program. Applications will be considered for approval on a first-come, first-served basis, subject to the Program funding constraints.

If an Application is approved, funds will be granted to the Applicant pursuant to a Grant Agreement that is in the form of an Approval Letter or an Executed Agreement. If the Minister approves an Application for \$50,000 grant dollars or less, the Applicant will be sent an Approval Letter. If the Minister approves an Application for more than \$50,000 grant dollars, the Applicant must enter into an Executed Agreement with the Minister.

**1. Definitions** - In these Program Terms and Conditions, the following terms have the following meanings:

- 1.1 Active Producer:** means an individual or a registered corporation responsible for the day-to-day management and work on the farm, including responsibility for input costs for agricultural crops or livestock producing at least \$10,000 worth of farm commodities annually, but does not include a landlord whose only interest in the crop or livestock is that of ownership of the land.
- 1.2 AF:** means Alberta Agriculture and Forestry
- 1.3 Applicant:** means the legal entity that submits an Application and meets the eligibility criteria in s. 2.1.1.
- 1.4 Application:** means the Program application form and all documents required to be submitted pursuant to that form and the Program Terms and Conditions.
- 1.5 Approval Letter:** means the letter sent by AF to an Applicant notifying the Applicant that they have been approved for a grant, specifying the amount of the grant, describing the Project, and listing the Eligible Expenses, as may be amended.
- 1.6 Eligible Expenses:** means the expenses listed in the Grant Agreement.

- 1.7 Executed Agreement:** means the executed agreement between the Minister and an Applicant specifying the details of the grant, describing the Project, and listing the Eligible Expenses, as may be amended.
- 1.8 Federal Crown:** means Her Majesty the Queen in Right of Canada.
- 1.9 Funding List:** means the On-Farm Energy Management Program Funding List that identifies and refers to expenses that may be incurred for Projects under the Program, as may be amended.
- 1.10 Grant Agreement:** means an Approval Letter or an Executed Agreement.
- 1.11 Growing Forward 2:** means the federal-provincial-territorial initiative to create a profitable and competitive agricultural sector in Canada.
- 1.12 Minister:** means the Minister of AF and his authorized representative(s).
- 1.13 Program:** means the Growing Forward 2 On-Farm Energy Management Program.
- 1.14 Program Term:** means the time period for the Program, being April 1, 2013 to March 31, 2018.
- 1.15 Program Terms and Conditions:** means the terms and conditions of the Program set out in this document, as may be amended.
- 1.16 Project:** means the activities described in the Grant Agreement that have Eligible Expenses associated with them.
- 1.17 Project Term:** means the period between April 1, 2013 (the start date) and the Project end date stated in the Grant Agreement.
- 1.18 Provincial Crown:** means Her Majesty the Queen in Right of Alberta.
- 1.19 Reimbursement Claim Form:** means the form to be submitted by the Applicant, together with all documentation required to be submitted pursuant to that form and the Program Terms and Conditions, to request payment from the Program.

## **2. Eligibility**

### **2.1. Eligible Applicants**

- 2.1.1. To be eligible to apply for this Program, a person must be an Active Producer.

### **2.2. Ineligible Applicants**

- 2.2.1. The following persons are ineligible to apply for this Program:
- (a) research stations, universities and other organizations funded in whole or in part by the government; and
  - (b) any other person deemed ineligible by the Minister.

### **2.3. Eligible Activities**

- 2.3.1. Subject to s. 2.3.2, the following activities may be included in an Application:
- (a) the purchase of equipment that is identified or referred to in the Funding List, provided that the equipment is:

- i. to be used in the Applicant's agricultural practice producing a primary commodity;
    - ii. an input cost for the Applicant's agriculture crop or livestock; and
    - iii. considered by the Minister to be acceptably energy efficient; and
  - (b) independent third party energy assessments as described in the Funding List.
- 2.3.2. Activities included in an Application must be reasonably appropriate for the size of the Applicant's operation. The Minister has the absolute discretion to:
  - (a) only approve some activities in an Application if the activities included are not reasonably appropriate for the size of the Applicant's operation, in the sole discretion of the Minister; and
  - (b) reject an Application if the activities in the Application, when considered with activities in other Applications submitted by the Applicant, are not together reasonably appropriate for the size of the Applicant's operation, in the sole discretion of the Minister.
- 2.3.3. In completing a Project, the Applicant must:
  - (a) comply with all applicable laws and regulations; and
  - (b) obtain all required governmental approvals prior to commencing the Project, including those related to public health and safety, labour codes and standards, care and use of animals in research, wildlife habitat, and environmental protection.
- 2.3.4. Acceptance of an Application under this Program creates no obligation on the part of the Provincial Crown or Federal Crown to provide licenses or approvals under any legislation, including the Canadian Environmental Assessment Act.

## **2.4. Eligible Expenses**

- 2.4.1. The following expenses may be included in an Application:
  - (a) expenses listed or referred to in the Funding List; and
  - (b) any other expense otherwise approved by the Minister.
- 2.4.2. If an Application is approved, all Eligible Expenses must be incurred by the Applicant during the Project Term.
- 2.4.3. In incurring Eligible Expenses, the Applicant must follow a process that is transparent, fair, and promotes the best value for the money expended. Eligible Expenses incurred by the Applicant must be at competitive prices that are no greater than fair market value.
- 2.4.4. If the Minister, in his sole discretion, considers the amount of any Eligible Expense claimed by the Applicant to be unreasonable, the Minister may adjust the amount of that Eligible Expense to an amount the Minister considers reasonable.

## **2.5. Ineligible Expenses**

2.5.1. Expenses that are not eligible for reimbursement under the Program and which must not be included in an Application include:

- (a) Goods and Services Tax (GST);
- (b) installation costs;
- (c) costs for equipment funded through any other government grants, programs or projects;
- (d) labour costs of the Applicant, or the Applicant's employees;
- (e) costs incurred by the Applicant to prepare documents, process invoices, administration costs and other internal costs;
- (f) costs incurred outside the Project Term, as determined by the Minister; and
- (g) any other expense deemed by the Minister to be an ineligible expense.

## **3. Applications**

**3.1.** Applications must be received by AF or postmarked on or before the deadline stated on the Alberta Growing Forward 2 website for the Program.

**3.2.** Applications must include:

- (a) a completed Program application form, signed by an authorized representative, and all documents required to be submitted pursuant to the Program application form; and
- (b) any supplementary documentation requested by the Minister.

**3.3.** Applications must be delivered to:

**Growing Forward 2  
On-Farm Energy Management Program  
306, 7000-113 Street NW  
Edmonton, AB, T6H 5T6**

**3.4.** The Minister will not accept an Application for which the total grant request is less than \$500.

**3.5.** There is limited funding in the Program. Applications will be considered by AF for approval on a first-come, first-served basis, subject to the Program funding constraints.

**3.6.** The Minister may reject any Application that is ineligible, inaccurate or incomplete in the sole discretion of the Minister.

**3.7.** Applications must be signed by the Applicant or on behalf of the Applicant by a properly authorized representative. The Minister may require evidence of authorization. Personal designates are not permitted to sign Applications unless they have Power of Attorney (submitted with the Application). Either executors or administrators can sign on behalf of estates.

**3.8.** An Application will not be considered complete unless the Statement of Certification on the Program application form is signed.

**3.9.** Submission of an Application does not entitle the Applicant to a grant under the Program.

- 3.10.** The Applicant acknowledges that the grant may not be sufficient to cover the entire cost of the Project, and that the Applicant shall be solely responsible for raising funds from other sources to complete the Project. The Applicant acknowledges that the grant is the only financial assistance the Minister will provide under the Program to the Applicant for the Project.
- 3.11.** If an Application for \$50,000 grant dollars or less is approved by the Minister, the Applicant will be sent an Approval Letter.
- 3.12.** If an Application for more than \$50,000 grant dollars is approved by the Minister, the Applicant must enter into an Executed Agreement with the Minister.

#### **4. Amendments to the Grant Agreement**

- 4.1.** A Grant Agreement may be amended as follows during the Project Term:
  - a) The Applicant may request that:
    - i. activities described in s. 2.3.1 be added to the Grant Agreement, or that approved activities described in the Grant Agreement be removed;
    - ii. expenses listed in the Funding List be added to the Grant Agreement, or that Eligible Expenses listed in the Grant Agreement be removed; or
    - iii. the Project Term be changed,by submitting a written request to the Minister outlining and justifying the proposed amendments.
  - b) If the Minister approves a proposed amendment, the Minister will:
    - i. send an amendment letter to the Applicant if the Grant Agreement is an Approval Letter; or
    - ii. enter into an amending agreement with the Applicant if the Grant Agreement is an Executed Agreement.
- 4.2.** The Minister is not required to approve any proposed amendment to a Grant Agreement.
- 4.3.** Prior to the Applicant receiving an amendment letter from the Minister or entering into an amending agreement with the Minister, any activities undertaken by the Applicant or expenses incurred by the Applicant that are not described in the Grant Agreement are undertaken and incurred by the Applicant at the Applicant's own risk as they may not be approved or funded by the Minister.

#### **5. Funding Levels**

- 5.1.** The Program provides grants on a cost-shared, reimbursement basis to cover Eligible Expenses for Projects up to a maximum of \$750,000 for each Applicant under the Program.
- 5.2.** Eligible Expenses shall be cost-shared pursuant to the funding levels stated in the Funding List.
- 5.3.** Funding received through any other Growing Forward 2 program may not be used toward the cost-share requirements of this Program.
- 5.4.** The total amount of funding from municipal, provincial and federal governments must not exceed 100% of the Eligible Expenses claimed by the Applicant and paid under the Program. The amount of the grant shall be adjusted so that the Minister's funding does not exceed 100% of the cost of Eligible Expenses.

- 5.5. In the event that federal funding levels are changed to the extent that the money available to the Minister to make the grant is reduced or eliminated, the Minister may, in his sole discretion, cancel or reduce the amount of the grant.

## **6. Payments**

- 6.1. Grant payments will be made on a reimbursement basis based on Eligible Expenses incurred and claimed by the Applicant and approved by the Minister pursuant to the Grant Agreement during the Project Term.
- 6.2. The only Eligible Expenses for which the Applicant may make a claim for reimbursement are the Eligible Expenses listed in the Grant Agreement which are directly incurred by the Applicant in completing the Project during the Project Term, unless otherwise authorized by the Minister.
- 6.3. To make a claim for reimbursement, the Applicant must submit:
  - (a) a completed Reimbursement Claim Form with copies of all documentation (eg. invoices, receipts, or other supporting documentation) necessary to establish, to the satisfaction of the Minister, that the Applicant incurred and paid all of the Eligible Expenses claimed;
  - (b) a status report or final report for the Eligible Expenses incurred in and paid in the period covered by the report; and
  - (c) any supplementary documentation requested by the Minister.
- 6.4. The Grant Agreement will specify when the Reimbursement Claim Form and all required supporting documentation must be submitted. The completed Reimbursement Claim Form and all supporting documentation must be submitted to the Minister on or before the date stated in the Grant Agreement.
- 6.5. The determination of whether an expense incurred by the Applicant constitutes an Eligible Expense that is eligible for reimbursement under the Program is at the sole discretion of the Minister.
- 6.6. Eligible Expenses shall be calculated based on the actual out of pocket cost to the Applicant (i.e. cost of the Eligible Expense less any rebates, discounts, incentives and/or credits, whether provided at the time of purchase or at a later date).
- 6.7. Projects and Eligible Expenses qualify only once under the Program.
- 6.8. The amount of the grant stated in the Grant Agreement will be adjusted based on Eligible Expenses claimed by the Applicant and approved by the Minister, but shall not exceed the amount stated in the Grant Agreement.
- 6.9. Applicants cannot assign or defer any payment under this Program.
- 6.10. Payments may be considered farm support payments and AGR-1 tax slips will be issued in the name of the Applicant, if applicable.
- 6.11. The Applicant shall not return any items for which the Applicant has received a payment under the Program.
- 6.12. With the exception of items that are permanently affixed to the Applicant's land and the Applicant sells their land, the Applicant shall not sell or trade any items for which the Applicant has received a payment under the Program for at least three years after the end of the Project Term.
- 6.13. The maximum payment an Applicant may receive under the Program is \$750,000.

## **7. Reporting Requirements**

- 7.1.** If required by the Minister, the Applicant shall provide the Minister with written status reporting, to the Minister's satisfaction and by dates specified by the Minister, detailing:
- a) the status of the Project, including the estimated percentage of the work completed and the estimated date of completion, and a financial report detailing all expenditures to date;
  - b) any other grants received or to be received from any level of government in respect of the Project;
  - c) any material events, developments or circumstances arising in relation to the Project; and
  - d) any other information requested by the Minister.
- 7.2** If required by the Minister, the Applicant shall provide the Minister with a written final report, to the Minister's satisfaction and by the date specified by the Minister, which includes:
- a) a list of the Project activities completed by the Applicant;
  - b) if the Applicant obtained an independent third party energy assessment, a copy of the energy assessment report that was produced; and
  - c) any other information requested by the Minister.
- 7.3** The Minister may request the Applicant to submit additional reports during the Project Term which the Applicant shall submit, to the Minister's satisfaction, on the dates specified by the Minister.
- 7.4** If required by the Minister at any time during the Program Term and during the three years following the Program Term, the Applicant shall complete a follow-up survey, to the Minister's satisfaction, and submit the survey by the date specified by the Minister.

## **8. Verification**

- 8.1.** The Applicant must submit documentation to establish, to the satisfaction of the Minister, that the Applicant incurred and paid all of the Eligible Expenses claimed. Documents the Applicant may submit to do this include:
- a) invoices for the claimed Eligible Expenses that are in the Applicant's name;
  - b) proof of payment for the claimed Eligible Expenses.
- The Applicant must also provide any other documentation requested by the Minister that the Minister requires to be satisfied that the Applicant incurred and paid the Eligible Expenses claimed.
- 8.2.** All items on an invoice submitted by the Applicant must be listed separately, and the cost for each Eligible Expense must be clearly identified.
- 8.3.** The Applicant consents to the Minister releasing any information contained in the Application, or related to it, and obtained by the Minister in the course of verifying or auditing the Application, to any other government department, agency or other body for the purposes of verifying this Application, determining the Applicant's

eligibility for this Program, or both. The Applicant expressly authorizes the Minister to obtain information from any government department, agency or other body to verify the contents of this Application and to determine the Applicant's eligibility for this Program.

- 8.4.** The Applicant agrees to give representatives of the Minister access to examine their farming or business operation from the date of the Approval Letter or the effective date of the Executed Agreement until six years following the end of the Project Term. The Applicant agrees to make available to the Minister all farm records, books of account, invoices, income tax returns, and audit and evaluation reports in relation to the Project that are necessary for the audit and evaluation of the Project. If the Applicant fails to provide such information within a reasonable time on reasonable notice, as determined by the Minister, the Applicant may be required to refund any payments received under the Program, as well as forfeit any future payments under the Program.

## **10. Inspection**

- 10.1.** If an Application is approved, from the date of the Approval Letter or the effective date of the Executed Agreement until three years following the end of the Project Term, the Minister is entitled, at a reasonable time and upon reasonable notice to the Applicant, to attend the farming or business operation of the Applicant for the purpose of examining items pertinent to the Project in order to assess whether the Applicant is in compliance with these Program Terms and Conditions and the Grant Agreement.

## **11. Equipment Purchased**

- 11.1.** Equipment purchased by the Applicant pursuant to the Grant Agreement must be installed in the Applicant's agricultural facility, operational and available for verification by the Minister by the end of the Program Term.

## **12. Energy Assessments**

- 12.1** Successful Applicant may be required by the Minister to participate in a pre and/or post Project energy assessment at any time during the Program Term and during the three years following the end of the Program Term.

## **13. Use of Data**

- 13.1.** Data collected by the Minister from Applicants under the Program may be used by the Minister to:
- (a) develop energy use benchmarks; and
  - (b) determine the following:
    - i. aggregate energy savings as a result of the Program;
    - ii. aggregate energy savings as a result of the Program by farm type;
    - iii. aggregate carbon emission reductions as a result of the Program; and
    - iv. aggregate carbon emission reductions as a result of the Program by farm type.



Applicants' personal information shall not be presented with this data.

#### **14. Non-Compliance**

**14.1** Any one or more of the following shall constitute an event of default ("Event of Default"):

- (a) failure of the Applicant to make satisfactory progress on the Project pursuant to the Grant Agreement, in the sole discretion of the Minister, during the Project Term;
- (b) failure of the Applicant to comply with any of its obligations under the Program Terms and Conditions or the Grant Agreement, in the sole discretion of the Minister;
- (c) the Applicant ceases to carry out the Project during the Project Term, in the sole discretion of the Minister;
- (d) the Applicant becomes insolvent or ceases to carry on its operations during the Project Term; and
- (e) a resolution is passed or an application is made for winding up, dissolution, liquidation or amalgamation of the Applicant during the Project Term.

**14.2** Upon the occurrence of an Event of Default:

- (a) in addition to any other remedy under the Program Terms and Conditions, the Grant Agreement, or at law, the Minister may do one or more of the following:
  - (i) withhold payments of the grant to the Applicant;
  - (ii) demand that the Applicant immediately repay to the Minister all or part of the grant. Any such amount shall be a debt due to and recoverable by the Minister;
  - (iii) terminate the grant; and
- (b) the Minister may require the Applicant to do one or more of the following:
  - (i) make no further commitments for expenditures and make no further disbursements that would be Eligible Expenses, except with the Minister's prior written approval;
  - (ii) pay to the Minister the amount demanded pursuant to s. 14.2(a)(ii); and
  - (iii) provide an accounting of the full amount of the grant with an audit report.

#### **15. Refunds**

**15.1.** The Applicant shall immediately refund to the Provincial Crown any payment received under the Program not in accordance with the Program Terms and Conditions and the Grant Agreement upon notice being provided to the Applicant by the Minister. Failure to make repayment as required by the Minister creates a debt owing to the Provincial Crown that can be set off against any money the Provincial Crown owes to the Applicant.

**16. Right of Set-Off**

**16.1.** The Applicant agrees that the Minister may set-off against any other grant or amount payable to the Applicant under any programs administered within AF any amounts that become repayable by the Applicant to the Minister under this Program.

**17. False or misleading information**

**17.1.** An Applicant who provides false, misleading or incomplete information under this Program forgoes all rights to benefit from this Program.

**18. Debts to Provincial Crown or Federal Crown**

**18.1.** The Minister has the right to deduct from any grant approved for an Applicant any amount due and owing to the Provincial Crown or Federal Crown by the Applicant.

**19. Representations and Warranties**

**19.1.** By submitting an Application, the Applicant represents and warrants that:

- (a) the person signing is duly authorized to make this Application, bind the Applicant to the Program Terms and Conditions, and, in the case of a partnership, bind the partners to the Program Terms and Conditions on the basis of joint and several liability;
- (b) no other person has submitted an Application and received funding for the same activities, including without limitation, a person who is not arm's length or a related person as defined by the Income Tax Act (Canada), or by a shareholder, member or partner who is actively carrying on farming or business on behalf of a corporation;
- (c) it has made full, true and plain disclosure to the Minister of all facts relating to the activities that are material to its Application, including without limitation all sources of funding from federal, provincial and municipal governments;
- (d) it has the necessary financial resources to complete the activities listed in the Application;
- (e) no member of the House of Commons shall derive any financial advantage from the grant that would not be permitted under the Parliament of Canada Act;
- (f) no employee, contractor or agent of the Applicant who is not in compliance with federal conflict of interest guidelines shall derive a direct benefit from the grant;
- (g) any person lobbying, as that term is defined in the Lobbyists Registration Act (Canada), on the Applicant's behalf is registered pursuant to that Act;
- (h) it is not aware of any discussions to effect a sale, transfer, assignment or pledge of interest which would result in a change of the control of the Applicant or of the disposition of all or substantially all the assets of the Applicant;
- (i) it has adequate human resources, experience and skills to carry out the activities described in the Application;
- (j) there is presently no action, suit, or proceeding being brought or pending

or threatened against or affecting the Applicant which could result in the expropriation of any property of the Applicant, or which could affect its operations, properties, financial condition, or its ability to complete the activities described in the Application;

- (k) if activities described in the Application require authorization by an agency, the Applicant has obtained such approval prior to the commencement of the activities;
- (l) it is in compliance with all laws, orders and authorizations which relate to or affect it and is not subject to any order of any court or other tribunal affecting its operations;
- (m) it has the power and authority and all necessary licenses and permits to own and operate its properties and carry on its operations, to make the Application, and to perform its obligations pursuant to the Application and these Program Terms and Conditions; and
- (n) the execution of the Statement of Certification in the Application has been duly and validly authorized by the Applicant in accordance with applicable law, and shall constitute a binding legal obligation of the Applicant.

**20. Grant Regulation and Disclosure of Grant Recipient Information**

**20.1.** Payments under this Program are grants subject to the *Agriculture and Rural Development Grant Regulation*. The Applicant acknowledges that, in addition to complying with these Program Terms and Conditions and the Grant Agreement, the Applicant must comply with the *Agriculture and Rural Development Grant Regulation*, as may be amended.

**20.2.** The Applicant acknowledges that AF publicly discloses the following information for all grant recipients: the grant recipient name, the amount of the grant, the program the grant is paid under, and the payment date.

**21. Changes to the Program, Program Terms and Conditions, or Funding List**

**21.1.** The Minister may change or terminate the Program, or revise the Program Terms and Conditions and/or Funding List, by posting the revised Program Terms and Conditions and/or Funding List on the Alberta Growing Forward website.

**21.2.** An Application shall be administered by, and the grant provided by the Minister to the Applicant shall be governed by, the Program Terms and Conditions and Funding List that were posted on the Alberta Growing Forward website as of the date that the Application was received.

**22. Ministerial discretion**

**22.1.** The Minister has the absolute discretion to determine the eligibility of any Applicant and any payments due under this Program. The decision of the Minister is final.