



Climate Change and Emissions Management
(CCEMC) Corporation

2010 Call for Proposals Guide and Instructions

June 2010 – Energy Efficiency – Expression of Interest Stage
Online submission: www.ccemc.ca
Deadline for submission: August 13, 2010 – 4:30 pm mdt

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Legal Notice

By submitting an Expression of Interest, you confirm that you have read, understand and accept the information contained in this Call for Proposal EOI Stage and, that each of you, the Proponent and the Project Partners agree as follows:

- a) CCEMC may at any time suspend, terminate, cancel, withdraw, amend or alter all or any portion of this Call for Proposal EOI Stage.
- b) No conduct, act or omission of CCEMC, or its directors, officers, consultants, Project Advisors, agents, servants and their respective successors and assigns (collectively the “CCEMC Parties”) other than a written notice to the Proponent in writing signed by an authorized person for the CCEMC, will constitute an acceptance of an EOI.
- c) Proposals that do not comply with the requirements described in the EOI Stage may be rejected in whole or in part or not considered by the CCEMC.
- d) As between the parties, the EOI Stage and all intellectual property in it are the exclusive property of CCEMC.
- e) You, and each of the Proponent and the Project Partners will keep the EOI Stage confidential and will not use, reproduce or distribute it, any portion of it, or any data, information, drawings, or specifications included in or provided with it except as necessary to preparing a Proposal to the CCEMC in response to it.
- f) You, and each of the Proponent and the Project Partners will not make a claim against CCEMC or the CCEMC Parties for any reason whatsoever or howsoever relating to the EOI and you hereby waive and release the CCEMC and the CCEMC Parties from any, demands, liability, claim, costs, expenses, or damages incurred whatsoever or howsoever arising out of or relating to the EOI Stage or any EOI prepared in response to it.

Neither CCEMC nor any of the CCEMC Parties will have any liability whatsoever or howsoever to any one or more of you, the Proponent and the Project Partners, or any of them, in connection with the EOI Stage or any EOI prepared in response to it.

1.0 Introduction

The CCEMC is a not-for-profit, independent organization with a mandate to reduce greenhouse gas emissions through the discovery, development, and deployment of clean technology.

Based in Alberta, the CCEMC is a transparent, accountable organization with a deep interest in finding and pursuing technology development opportunities that offer transformative technology solutions. Our focus is to enhance the value of energy resources, conserve and use energy efficiently, and support green energy production.

Our projects and investments will provide a range of benefits, including leading-edge green jobs, and the development of transformational green technology, resulting in greenhouse gas emissions reductions.

The CCEMC is now inviting Expressions of Interest (EOI) in the area of Energy Efficiency. Energy efficiency is defined as using the same amount of energy to do more work; energy efficiency improvements are consistent with CCEMC goals of reducing GHG emissions.

The EOI process is competitive so proponents should ensure their submissions are complete and all questions have been adequately responded to.

1.1 Document Scope

This document provides information about the CCEMC and the Call for Proposals process for project funding. This Call for Proposals is divided into two stages: the EOI stage and the Full Project Proposal (FPP) stage. These instructions provide information on the EOI stage only. Information specific to the FPP stage will be available in September 2010, and will discuss the preparation and evaluation of FPPs for applicants who are successful at the EOI stage.

1.2 Strategic Investment Area for the 2010 Call for Proposals

This Call for Proposals - Expressions of Interest is intended for projects which have a strong potential to make significant, verifiable, immediate, and sustainable reductions in GHG emissions through improvements in the energy efficiency of industrial production and processing through enhanced energy management and the application of best- available commercial and near-commercial technologies.

2.0 Terms of Funding

2.1 Maximum Funds Available for Energy Efficiency Call for Proposals

The maximum funds for investment by the CCEMC in the June 2010 Energy Efficiency Call for Proposals is \$40M. The maximum CCEMC contribution to an individual project will be \$7M for eligible project expenses.

2.2 Project Term

The maximum project length for this Call for Proposal is two years.

2.3 Eligibility

Energy Efficiency EOIs will be accepted for projects from industrial organizations, seeking to reduce GHG emissions through industrial energy efficiency. A significant SPECIFIED EMITTER (pursuant to the Specified Gas Emitters regulation) must be involved in the project in a substantive manner. Projects that have been approved for funding in the CCEMC's 2009 EOI and Full Project Proposal process are not eligible.

However, this does not exclude successful applicants from the 2009 project proposal process from applying for a project or projects unrelated to previously funded projects. There are no restrictions on the number of EOIs that may be submitted by an applicant.

This Call for Proposals is not intended for projects at the commercial, consumer, or residential level.

2.4 Project Team Lead and Members

Subject to the requirements of this Call for Proposals no restrictions have been placed on the selection of the project team lead or project team members. They may include, without limitation, industry, international organizations, service companies, technology licensors, consultants, academia, not-for-profit organizations, and government.

2.5 Project Cost Sharing

Up to \$40M will be made available for projects under this EOI. The maximum CCEMC contribution will be \$7 M over the life of the project (maximum two years) and will support no more than 50% of the project's eligible expenses (see the Eligible Expenses and Cost Instructions document for further information).

The CCEMC will only match unencumbered private-sector cash contributions to the project. Furthermore, no other government sources of funds, including offset credits associated with the project, may constitute any part of the proponent's 50% contribution.

Although the proponent's 50% contribution must be in cash, any non-cash contributions will be noted and may be taken into consideration in the evaluation process. Quantification and benefits of any non-cash contributions must be clearly identified and described in the EOI to be considered in the evaluation process.

2.6 Project Initiation

The start-date for CCEMC-funded projects is considered to be the date on which the project funding is approved. However, no disbursements will be made prior to the execution of a contribution agreement between CCEMC and the project proponent. Consequently, investments made prior to a formal funding decision will not be considered eligible as matching funds.

2.7 Project Location

The project must be located in Alberta, and be relevant to the reduction of GHG emissions in Alberta.

2.8 GHG Validation and Verification

To be eligible for funding, all projects will require third-party validation of assertions made regarding GHG emissions reductions. In addition, during and after the term of the project, proponents will be required to verify the GHG reductions arising from the CCEMC-sponsored project. For your information, third party validation and verification requirements, consistent with Alberta Government policy, can be found in Appendix 1 of this document.

At the time the EOI is submitted, proponents must demonstrate how they arrived at the specified GHG reductions and the supporting rationale. Section 4.3.3 outlines these requirements.

2.9 Proponent Workshops

To ensure that prospective applicants have a clear understanding of the submission and evaluation process for this Energy Efficiency EOI, workshops will be held in Edmonton and Calgary on July 13 and 15 respectively. For workshop details, please visit www.ccemc.ca. To register for one of these workshops, please send an email with Workshop REGISTRATION in the subject line to info@ccemc.ca. Please provide your email address and telephone number and you will be contacted to confirm registration.

3.0 Call for Proposal Process

3.1 EOI Submission

EOIs must conform to the submission requirements outlined in Section 4.0.

3.2 Initial Screening

EOIs will be evaluated and screened by the CCEMC. Proponents of the successful screened EOIs will be short-listed and invited to submit a Full Project Proposal. Proponents whose EOIs are not short-listed will be notified by the CCEMC. Project-specific feedback will not be provided at the EOI stage.

3.3 Full Project Proposal

EOI proponents who are invited to submit Full Project Proposals will be given completion guidance from the CCEMC, including advice on content, scope, and structure. Criteria for the evaluation of FPPs, and additional details on the FPP process, will be made available at the time the short-list is announced.

Successful applicants will be required to enter in to and sign a contribution agreement (“Contribution Agreement”) with the CCEMC. The Contribution Agreement will specify the work scope, funding schedule, project targets and metrics, reporting requirements, project plan, milestones, deliverables, budget and schedule and other aspects of the project.

3.4 Quality of Proposal

The CCEMC process is competitive, and not all projects will be funded. Successful EOI submissions will depend on the quality of the proposal presented by the proponent. Only high-quality proposals will be considered for funding. If no projects of a sufficiently high quality are presented, funds will not be made available.

3.5 Future Calls

Further Calls for Proposal will be issued by the CCEMC as new funds are made available.

3.6 Intellectual Property (IP) Principles

Intellectual property will be addressed through contractual agreements with each project proponent, and will be based on the circumstances specific to each project. However, a few general principles apply:

- Background IP (patents, copyright, software) and third-party technology remains with its original owner(s)
- The CCEMC retains unlimited rights to the project research results – i.e., the technical data, reports, analysis, discussion and analysis of the reports. The intent of the CCEMC is to make the project results publicly available after a confidentiality period, typically two years following the end of the project.
- Project technology (based on patent disclosures) developed as part of the co-funded activities will normally be owned by the applicant, with an obligation to protect the technology within a period specified in the contribution agreement. If the technology is not commercialized within the specified period, the project technology may be made available by the CCEMC to other Alberta users.

3.7 Confidentiality

The CCEMC is committed to operating in a transparent and accountable manner, while recognizing the importance of confidentiality with respect to both competitive advantage and regulatory requirements.

The CCEMC will keep certain application details confidential. The CCEMC is subject to the provisions of the Freedom of Information and Privacy Act (FOIP). Applicants’ rights as a third party are protected under the provisions of the protection of privacy sections of this Act. The CCEMC is prohibited from disclosing personal or business information where disclosure would be harmful to an applicant’s business interests or would be an unreasonable invasion of personal privacy (FOIP Act s.15 and s.16).

4.0 Submission of Expressions of Interest

4.1 Schedule

The following steps and general timelines are anticipated:

Action	Who	Timing
EOI Submissions	Proponent submits	August 13, 2010
EOI Evaluation	CCEMC Review Committees	August -September, 2010
EOI Short List Review	CCEMC	Late September, 2010
EOI Short List Approval	CCEMC	Late September, 2010
FPP Development	Proponent submits	November, 2010
FPP Evaluation	CCEMC Review Committees	November, - January , 2011
FPP Short list Review	CCEMC	January, 2011
FPP Short List Approval	CCEMC	February, 2011

The CCEMC at its sole discretion reserves the right to alter or cancel the currently envisaged process and deadlines.

4.2 Instructions for Online Submission of Expressions of Interest

The EOI submission will be uploaded using the online EOI submission system in PDF format, following the format outlined in Section 4.3, as an attachment. Applicants will also provide certain general information online. The online system will be available at www.ccemc.ca, commencing July 5, 2010.

The deadline for submissions is August 13, 2010 at 16:30 MDT. Only complete Expressions of Interest received on time, addressing all the criteria listed below, and providing all the required information, will be considered.

The following general information will be entered in the on-line system (www.ccemc.ca) by the applicant:

- Project Title
- Project Location
- Principal Applicant Organization
- Contact person information (name, address, title, email etc)
- 750 character public summary of the project (the public summary should describe the proponent, the relevant partners, the innovation being developed or applied, and what benefits will arise, including the estimated GHG reductions); and
- 1500 character confidential outline of the project
- Estimated GHG reduction over certain time frames
- Total project budget
- Amount requested from CCEMC
- Sources of funding

4.3 Format for Submission of Expressions of Interest

Applicants must upload an EOI submission on-line in a PDF format. The EOI is limited to 10 - 8.5” x 11” pages, including all graphics and tables. The font used must be no smaller than 12 point.

The headings and topics listed below provide the required structure for the preparation of the EOI, and represent the main topical content that will be used to evaluate the submissions.

1. GENERAL PROJECT INFORMATION

- a) Title of the proposed project
- b) Name, address, and affiliation of the principal applicant
- c) Contact information for the project leader
- d) Industry sector
- e) Project location

2. LINKAGES WITH OTHER PROJECTS

- a) Describe any relationship with other projects, information regarding other funders and any funding overlap

3. DELIVERABLES, IN TERMS OF GHG REDUCTIONS

- a) Contribution to Climate Change Goals – describe the extent to which the proposed project will result in significant and direct reductions in GHG. Information should be of sufficient clarity that it could be used by an independent third party validator/verifier/ as a basis for assessing the project condition against the baseline, and assessing your project’s emissions reductions. Include brief descriptions of:
 - Baseline condition. The baseline condition is a reasonable representation of conditions that would likely have occurred during the project, had the project not been implemented. In other words, the baseline represents “business as usual” and the project represents a change from this practice. Greenhouse gas emission reductions achieved by the project are measured by comparing the project conditions against the project baseline to quantify the difference in emissions between the two scenarios.
 - Project condition. The project condition is a specific action or intervention targeted at reducing greenhouse gas emissions and may consist of one or more related activities. The project condition may include modification of existing production, process, consumption, service, delivery or management systems, or introduction of new systems.
 - How the GHG reductions (in tonnes CO₂e) were calculated, including clearly identifying all assumptions, inputs, emission factors, equations and methods.
 - What GHG monitoring methodologies will be employed throughout the course of the project.
 - How the project data will be managed.
- b. Proposed Innovation Advancement – describe any innovation that could lead to an advancement or breakthrough in technology.
- c. Impacts and Benefits – describe the potential impact of the project in terms of economic, environmental, and social benefits.

4. BROAD INDUSTRIAL APPLICABILITY

- a) Describe the extent to which this project will lead to other projects, or to the proposed technology being adopted, in other facilities or in related industries.

5. PROJECT PLAN

- a) Provide sufficient detail to enable the evaluation committee to judge the quality of the project plan. Description, objectives, milestones, deliverables, budget, and schedule should be linked together to make a coherent plan.

6. TEAM LEADERSHIP, CAPACITY, AND CAPABILITY

- a) Show that the key personnel have the right expertise and experience to undertake the project. Describe their responsibilities and the time committed to this project.

7. BUDGET, FINANCIAL STRUCTURE AND LEVERAGE

- a) Project budget information must be sufficiently detailed and realistic. Detailed information to be provided should include charge-out rates for any consultants/contractors, in-house labour rates including overhead allocation rates included in salary or labour costs, breakdown of any project related capital purchases including the estimated cost, how the estimated cost is determined and useful life of the capital item, identification and information for any parties included as sub-contractors, cost mitigation strategies and any other key assumptions used to create the budget.
- b) Information on financial structure of the project must include details on sources of all funds proposed to be used in the projects, including the party providing the funds, whether this funding is confirmed, expected timing and the type of funding to be received. Details should also, where applicable, include debt financing agreements or letters of credit, letters of commitment from other entities or funding agencies, restrictions imposed by other funders on the funds provided, alternate financing arrangements, and any other key information pertaining to the source of funds.

8. EVALUATION CRITERIA

The EOIs will be evaluated using the criteria shown in the following table.

Criterion	Maximum Points
Deliverables, in terms of GHG reductions	25
Methodology used for GHG assertion	15
Broad industrial applicability of the energy-efficient technology, practice, or process	15
Project Plan Quality	10
Team leadership, capacity, and capability	10
Budget and financial structure	15
Leverage – cash and non-cash	10
Total Possible Points	100

The deadline for submissions is August 13, 2010 at 16:30 MDT.

For additional information please contact:

Climate Change and Emissions Management (CCEMC) Corporation
P.O. Box 3197
Sherwood Park, Alberta T8H 2T2
Tel: 780.417.1920
email: info@ccemc.ca

Appendix 1: Requirements for Third Party Validators and Verifiers

Qualifications of the Third Party Validators and Verifiers

The Third Party Validator and Verifier (lead verifier and verification team) is defined as a qualified person or persons that make up a validation/verification body that validates/verifies and provides assurance on a greenhouse gas inventory and reduction assertion.

Alberta Environment requires that the lead validator/verifier must be an accountant registered under the Alberta Regulated Accounting Profession Act, or professional engineer in good standing and be trained in one of the three acceptable standards identified below.

Validation and Verification Standards

Third Party Validators/Verifiers must use one of the following standards and must be able to demonstrate how they meet the qualification criteria for the standard being used:

- ISO 14064 Part 3 – Greenhouse Gases: Specification with guidance for the validation and verification of greenhouse gas assertions
- Standards for Assurance Engagements, Canadian Institute of Chartered Accountants (CICA) Handbook – Assurance Section 5025
- International Standard on Assurance Engagements (ISAE) 3000 - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information

Additionally, the validation/verification team should have technical expertise and competencies in the following areas:

- Data audit practices, data verification standards and inventory techniques
- Validation/verification criteria and their appropriate application within the defined scope of the work undertaken

Relevant expertise in:

- The specific industry, GHG activity and/or technology being reviewed
- Greenhouse gas inventory techniques including the identification and selection of GHG sources, sinks, reservoirs
- The relevant quantification methods
- Situations that may affect the materiality of the GHG assertion, including typical and atypical operating conditions

The team lead must sign and submit the Statement of Qualification, Statement of Validation/Verification, and Conflict of Interest.

As an overarching principle, Validation/Verification Bodies should seek consistency with the principles defined in ISO 14064-3, which are:

1. INDEPENDENCE

To ensure the credibility of the emissions data reported to the Registry, it is crucial that the process is free from bias and conflicts of interest. Validation/Verification Bodies must maintain objectivity throughout the process to ensure that findings and conclusions will be based on objective evidence.

2. ETHICAL CONDUCT

Validation/Verification Bodies must demonstrate ethical conduct through trust, integrity, confidentiality, and discretion throughout the process.

3. FAIR PRESENTATION

Validation/Verification Bodies must reflect truthfully and accurately the results of the activities conducted.

4. DUE PROFESSIONAL CARE.

Alberta Environment expects Validation/Verification Bodies to exercise due professional care and judgment in accordance with the importance of the task performed and the confidence placed by clients and intended users. In addition, Validation/Verification Bodies must have the necessary skills and competences when executing the work activities.