



*Investing In Sustainable Communities*

# Application Guidelines

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## Large Grant Program Guidelines

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# Application Guidelines

## *Large Grant Program*

### Introduction to the Large Grant Program Guidelines

These guidelines have been provided to inform you on the process for applying to the Large Grant Program. We ask that you please read these guidelines carefully before beginning your application. You are also required to contact Community Power Fund (Fund) staff before submitting your application to ensure that your project meets the eligibility criteria and funding priorities of the Fund.

The first section of this Guide outlines the general information that applies to all Large Grant Program applicants, including a description of the funding priorities of the Fund, application timelines, a description of the Large Grant Program, a list of activities eligible for funding, basic eligibility criteria for all applicants to the Fund, a description of the disbursement timelines and reporting requirements, and some of the basic conditions that all successful applicants must meet.

The following sections deal with the eligibility and requirements specific to each technology. There are separate sections for Wind, Solar, Small Hydro, Geothermal, and Biogas projects.

## Information for All Large Grant Applicants

### Funding Priorities

The CPFund Board believes that the best support it can offer to the *Community Power* sector at this time is to support those projects that have the greatest likelihood of increasing the installed capacity of *Community Power* in Ontario over the next few years. To date, one singular wind turbine on the Toronto Waterfront, built 5 years ago, represents the total installed capacity of community-owned renewable energy in Ontario.

The CPFund will strive to support projects representing a diversity of communities, organizational models, technologies and goals (financial, social, environmental). The CPFund will give priority to wind, solar thermal, solar photovoltaic, small hydro and geothermal projects over and above biogas because the Ministry of Agriculture, Food and Rural Affairs currently has a \$9 million Fund for bio-energy projects including biogas. However, the CPFund will entertain good community-based biogas proposals should they be brought forward.

The majority of the Community Power Fund's current funding, has been allocated to the Large Grant Program supporting a few advanced projects that will likely be commissioned over the next few years.

### Grant Timelines

The large grant program is an open program. This means that applications will be accepted at any time throughout the year. There is no need to wait for a call for proposals. Fund staff will evaluate the applications as they are received and bring the applications before the Board of Directors at the next Board meeting for approval.

### The Large Grant Program – Please Read Carefully

The Large Grant Program is for organizations that have completed their feasibility activities and are ready to begin or are currently completing the project development stage of their projects. Ideally, projects should be in advanced stages of development and should have a proposed commissioning date within the next two or three years. In general, projects with longer timeframes may be considered, although preference will be given to projects that can be installed within the timeframe of the Fund's pilot grant program.

Applicants must demonstrate a high probability of success in their application including no foreseeable barriers to grid access, resource exploitation, site control and approval of permits and environmental assessments. Your workplan should show an understanding of what can be accomplished within your chosen timeframe.

The maximum grant amount ranges from \$50,000 to \$300,000 depending on the technology being used and the timeline of the project. Please provide actual quotes for services whenever possible so that your application budget accurately reflects your expected costs.

### *Geothermal, Solar and Biogas*

Geothermal, solar PV, solar thermal and biogas projects may apply for up to \$50,000 in funding over a one or two year timeline. One-year projects are eligible for up to \$50,000; two-year projects are eligible for \$25,000 per year for two years.

Applicants should choose their project timeline based on the specific eligibility criteria outlined below, a realistic understanding of the remaining activities to be completed and your organizational capacity to do the work. The commissioning date for Large Grant Program applicants should match the length of grant requested. For example, if you apply for a one-year grant, your commissioning date should also be within one year of receiving your first cheque from the Fund.

### *Wind and Small-Scale Hydro*

Wind and small-scale hydro applicants to the large grant program can choose between a one, two or three-year grant. The maximum available grant amounts for wind and small hydro projects are as follows: \$150,000 for a one-year grant, \$300,000 (\$150,000 per year) for a two-year grant, and \$300,000 (\$100,000 per year) for a three-year grant.

Applicants should choose their project timeline based on the specific eligibility criteria outlined below, the current status of the project, a realistic understanding of remaining activities to be completed, and your organizational capacity to do the work. The commissioning date for Large Grant Program applicants should match the length of grant requested. For example, if you apply for a one-year grant, your commissioning date should also be within one year of your grant being approved.

## Eligible Activities Covered by the Large Grant Program

- Staff and Board Training
- Core operating costs (salaries, rent etc.)
- Environmental Assessment
- Landuse Planning Application/Process/Permit
- Sales, Marketing and Community engagement and communications materials
- Membership Agreement
- Offering Document
- Connection Cost Recovery Agreement (CCRA) application
- Comprehensive Business Plan
- Legal/contractual negotiations
- Engineering studies
- Supplier/installer RFP and agreement
- Standard Offer Contract
- Net Metering contract
- Financing agreements
- Construction agreements
- Electrical Safety Authority agreement
- Local Distribution Company agreement
- Other related permitting and approval activities undertaken during this stage of development

## Basic Eligibility for All Community Power Fund Applicants

- Open to not for profits, co-operatives, co-operatively structured corporations, and First Nations organizations pursuing Community Power projects using the following renewable energy technologies: wind, solar PV, solar thermal, biogas, small-hydro, and geo-thermal
- Applicants must be voting members of the Ontario Sustainable Energy Association (OSEA). For information on becoming a member of OSEA, visit [www.ontario-sea.org](http://www.ontario-sea.org)
- Projects and applicants must be located within Ontario
- Proponents must be pursuing a Community Power project as defined by OSEA

## Basic Conditions for All Successful Applicants

All applicants should be aware that Fund staff may request to meet with project representatives before, during and/or after the application process for the purposes of evaluating the project and the capacity of the proponents to develop the project. Applicants must, within reason, be available to meet with Fund representatives. The Fund will cover travel expenses for the meeting. The meeting may be held in applicant's community or a location proposed by the Fund representatives.

All applicants will be required to sign a Letter of Agreement agreeing to certain terms, conditions and deadlines. The Agreement will outline in detail what is required of the applicant over the length of the grant.

One of the specific requirements of the Agreement is that applicants must agree that all project materials in the application to the Fund be shared with the Fund to use to support the Community Power sector and other Community Power projects. The Fund will provide and sign a non-disclosure agreement limiting the use of applicants' information to support other community power projects. Use of information by other community power project proponents will not be permitted unless they too sign the non-disclosure agreement.

Finally, the Letter of Agreement also includes a section on Community Power branding. Applicants will be required to include the Community Power Fund logo and the words "Community Power" and links to the Fund's website on electronic and print communications materials, websites etc. Successful applicants will also be required to recognize the contribution made by the Fund in public announcements, press releases and media events concerning the grant and to invite the Fund to participate in such events.

## Reporting Requirements and Disbursements

### *General Reporting Requirements and Disbursement Guidelines for All Successful Large Grant Applicants*

Successful applicants will be required to sign a Letter of Agreement which outlines the conditions of the grant that all applicants must fulfil, as well as conditions specific to your grant. The Letter of Agreement must be signed by a recognized signing authority for your organization, for example the Chair or President of your organization, the Chief of your Band or other recognized authority if you are unincorporated, and returned to the CPFund office before payment of the approved grant disbursement will be made.

All applicants are required to submit interim progress reports and final reports to the CPFund. In order to receive subsequent instalment(s) of your grant, proposed activities, milestones and timelines as outlined in your submitted workplan must have been met. Progress Reports must prove that no significant barriers will prevent the continued development of the project.

Please note that after your grant is approved, modest changes to your project plan and funded activities are acceptable, but must be discussed with Fund staff as soon as possible so that progress reports can be evaluated accordingly. Fundamental changes to your submitted project plan and funded activities must first be approved by the Fund and should be discussed with Fund staff before they take place.

If your project encounters a barrier that prevents it from moving forward, your organization will not be entitled to subsequent instalments. Rather, you will have to apply to the Strategic Opportunities Grant Program for up to \$25,000 to try to address and remove the barrier. If the barrier is overcome, you may then return to the Fund for subsequent instalments of your original grant, assuming you can prove no significant barriers remain and can still complete the project by the projected commissioning date.

### *Financial Reporting Requirements*

All successful large grant applicants will be required to submit their most recent year-end financial statements and cash flow along with their interim and final reports. An updated budget (using the Fund's budget template) highlighting and explaining any differences from what was submitted in their application must also be submitted. The type of financial statements will default to what is legally required of the particular organization.

### *One-Year Timeline*

All Large Grant Program applicants, regardless of technology, who apply for a one-year grant, may receive up to 50% of their total approved grant amount up front upon approval of the grant application and fulfilment of any conditions. An interim progress report is due within six months from the date of the grant approval. The progress report will be reviewed by Fund staff and approved by the Fund Board of Directors. Fund staff may require additional info from you regarding the progress report, so please ensure someone will be available to answer questions. The final disbursement will be issued within one month of receiving a satisfactory interim progress report. You are also required to submit a Final Report within 1 month following the completion of the project activities for which funding was granted.

### *Two-Year Timeline*

For two-year timelines, 50% of the total grant amount may be disbursed upon approval of the grant application and fulfilment of conditions. An interim progress report is due 11 months after the approval of your grant. The progress report will be reviewed by Staff and approved by the Fund Board of Directors. Fund staff may require additional info from you regarding the progress report, so please ensure someone will be available to answer questions. The final disbursement will be issued within one month of receiving a satisfactory interim progress report. A final report is due one month following the completion of the project activities for which funding was granted.

*Three-Year Timeline (Wind and Small Hydro Applicants Only)*

Applicants to the three-year Large Grant Program may receive payment of up to 1/3 of the total approved grant amount following the fulfilment of the conditions in the Letter of Agreement. The second and third disbursements will be made following the receipt of satisfactory progress reports. An interim progress report is due 11 months after the approval of your grant, and 11 months after receiving the second instalment of your grant. The progress report will be reviewed by Fund staff and approved by the Board of Directors. Fund staff may require additional information from you regarding the progress report, so please ensure someone will be available to answer questions. A Final Report will be due one month following the completion of the project activities for which funding was granted.

## Wind Projects

### Specific Guidelines and Eligibility Criteria for Wind Applicants

#### *Criteria for All Wind Applicants*

- Applicants must contact Fund staff prior to completing the application in order to ensure their proposed project fits with the Fund's priorities and is eligible to receive funding
- Applicants must complete all questions listed in the Large Grant Application
- Applicants must complete the Workplan and Budget Templates as directed (available for download from [www.cpfund.ca](http://www.cpfund.ca))
- Applicants must submit their most recent financial statements and cash flow along with their completed budget
- **Applicants must have completed all feasibility activities, have a valid CIA, proof of site control, and have a completed RETScreen indicating a viable project**
- Projects must meet the general eligibility criteria listed above, the funding priorities of the Community Power Fund, and should be beyond the feasibility stage of development. Ideally, projects should have a proposed commissioning date within the next three years, however longer timelines will be considered.
- **Applicants must provide proof/documentation of having completed ALL of the following activities**
  - Site control (signed Lease Option Agreement)
  - A valid Connection Impact Assessment (CIA) as of the date of your application to the Fund
  - RETScreen Analysis showing a financially sustainable project
  - Feasibility study/analysis
  - Minimum 12 months of resource assessment data and analysis/report by a qualified resource assessment company
  - An inventory of completed permits and approvals
  - An inventory of First Nations who may be impacted by your project and any documentation you may have indicating support for your project (see question 3i in the application)
  - Draft Business Plan (The application will be reviewed on the basis of its short and long term financial sustainability as well as proposed social and environmental "returns" to your community)
  - Most recent financial statements and cash flow

#### *Timeline Specific Criteria (Please Read Carefully!)*

In addition to the criteria above, applicants must submit supporting documentation based on the timeline of the grant they apply for. Use this section to help you determine what documentation you are required to submit to the Fund as requested in Section 4 of the Large Grant Application Form.

Applicants to the one-year Large Grant Program must also have completed and provide documentation for the **MAJORITY** of the following project activities:

Applicants to the two-year Large Grant Program must have completed and provide documentation for **50%** of the following project activities:

- Environmental Assessment
- Land Use Planning Application/Process/Permit
- Membership Agreement
- Offering Document
- Connection Cost Recovery Agreement (CCRA) application
- Comprehensive Business Plan
- Supplier/installer agreement
- Renewable Energy Standard Offer Contract Program (RESOP)
- Sales and Marketing resulting in significant member equity in escrow.
- Financing agreements
- Construction agreements
- Electrical Safety Authority agreement
- Local Distribution Company agreement

Applicants to the three-year Large Grant Program may have completed some of the activities listed above, but none of them are required for the three-year grant.

## A Note on Financial Sustainability

Undertaking a wind project is a significant endeavour. If you are pursuing a wind project, you must be able to demonstrate that your organization is willing and able to pursue a financially viable project, which in Ontario is generally not possible for projects less than 10 MW. Therefore, your application must reflect the understanding of what is involved in pursuing a project of that size and a dedication to moving forward. Please note that small wind demonstration/educational projects will not receive funding at this time.

## Small-Scale Hydro

### Specific Guidelines and Eligibility Criteria for Small-Scale Hydro Projects

- Applicants must contact Fund staff prior to completing the application in order to ensure their proposed project fits with the Fund's priorities and is eligible to receive funding
- Applicants must complete all questions listed in the Large Grant Application
- Applicants must complete the Workplan and Budget Templates as directed (available for download from [www.cpfund.ca](http://www.cpfund.ca))
- Applicants must submit their most recent financial statements and cash flow along with their completed budget
- **Applicants must have completed all feasibility activities, have a valid CIA, proof of site control, and have a completed RETScreen indicating a viable project**
- Projects must meet the general eligibility criteria listed above, the funding priorities of the Community Power Fund, and should be beyond the feasibility stage of development. Ideally, projects should have a proposed commissioning date within the next three years (please see section below on timelines for small hydro projects).
- **Applicants must provide proof/documentation of having completed ALL of the flowing activities**
  - Site control (signed Option or Lease Agreement, Conditional or Approved Applicant of Record Status, Ministry of Natural Resources)
  - A valid Connection Impact Assessment (CIA) as of the date of your application to the Fund
  - RETScreen Analysis showing a financially sustainable project
  - Feasibility study/analysis
  - Minimum 12 months of resource assessment data and analysis/report by a qualified resource assessment company
  - An inventory of completed permits and approvals
  - An inventory of First Nations who may be impacted by your project and any documentation you may have indicating support for your project (see question 3i in the application)
  - Draft Business Plan (The application will be reviewed on the basis of its short and long term financial sustainability as well as proposed social and environmental "returns" to your community)
  - Most recent financial statements and cash flow

### A Note on Timelines

It is our understanding that most small-scale hydro projects will require at least a 3-year timeline even if they have been under development for a number of years. Projects with a completion timeline of longer than three years will be evaluated and approved at the discretion of the Fund Board of Directors. While we encourage small hydro projects to apply to the Fund, this grant program is not at this time appropriate for new initiatives with long commissioning timelines.

## Solar PV and Solar Thermal

### Specific Guidelines and Eligibility Criteria for Solar Projects

- Applicants must contact Fund staff prior to completing the application in order to ensure their proposed project fits with the Fund's priorities and is eligible to receive funding
- Applicants must complete all questions listed in the Large Grant Application
- Applicants must complete the Workplan and Budget Templates as directed (available for download from [www.cpfund.ca](http://www.cpfund.ca))
- Applicants must submit their most recent financial statements and cash flow along with their completed budget
- Applicants must have completed all feasibility activities, have a valid CIA (if applicable), have proof of site control, and have a completed RETScreen indicating a viable project
- Projects must meet the general eligibility criteria listed above, the funding priorities of the Community Power Fund, and should be beyond the feasibility stage of development. Ideally, projects should have a proposed commissioning date within the next two years, but longer timelines will be considered.
- **Applicants must provide proof/documentation of having completed ALL of the flowing activities:**
  - Site control (signed Lease Option Agreement)
  - RETScreen Analysis showing a financially sustainable project
  - Feasibility study/analysis
  - An inventory of completed permits and approvals
  - An inventory of First Nations who may be impacted by your project and any documentation you may have indicating support for your project (see question 3i in the application)
  - Draft Business Plan showing a financially sustainable project (please see the note below on this criterion)
  - Draft Project Plan

### A Note on Financial Sustainability Criteria - Please Read

The Fund recognizes that for Solar PV projects, the current RESOP rate of 42 cents/kWh is not sufficient to support a financially profitable project without either a top up to the RESOP price or a capitalization subsidy. The Fund is willing to consider proposals that are financially sustainable (e.g. a simple payback scenario with no surplus to members) and which emphasize non-financial "paybacks" or "social and environmental returns" that would accrue to your community as a result of the project. Such benefits could be educational opportunities, civic engagement, jobs, skills development etc. or secondary economic benefits such as tourism.

## Geothermal/Geoexchange

### Specific Guidelines and Eligibility Criteria for Geothermal Projects

- Applicants must contact Fund staff prior to completing the application in order to ensure their proposed project fits with the Fund's priorities and is eligible to receive funding
- Applicants must complete all questions listed in the Large Grant Application
- Applicants must complete the Workplan and Budget Templates as directed (available for download from [www.cpfund.ca](http://www.cpfund.ca))
- Applicants must submit their most recent financial statements and cash flow along with their completed budget
- Applicants must have completed all feasibility activities, have proof of site control, and have a completed RETScreen analysis (or similar financial analysis) indicating a viable project
- Projects must meet the general eligibility criteria listed above, the funding priorities of the Community Power Fund, and should be beyond the feasibility stage of development. Ideally, projects should have a proposed commissioning date within the next two years, but longer timelines will be considered.
- **Applicants must provide proof/documentation of having completed ALL of the following activities:**
  - Site control (signed Lease Option Agreement)
  - An inventory of completed permits and approvals
  - An inventory of First Nations who may be impacted by your project and any documentation you may have indicating support for your project (see question 3i in the application)
  - Engineering feasibility analysis and business plan showing a financially sustainable project and/or RETScreen if possible (please see the note below on financial sustainability)
  - Draft Project Plan

### A Note on Financial Sustainability Criteria

The Fund is willing to consider proposals that are financially sustainable (e.g. a simple payback scenario with no surplus to members) and emphasize non-financial “paybacks” or “social and environmental returns” that would accrue to your community as a result of the project such as educational opportunities, community/civic engagement, jobs, skills development etc. or secondary economic benefits such as tourism

## Biogas

### Specific Guidelines and Eligibility Criteria for Biogas Projects

- Applicants must contact Fund staff prior to completing the application in order to ensure their proposed project fits with the Fund's priorities and is eligible to receive funding
- Applicants must complete all questions listed in the Large Grant Application
- Applicants must complete the Workplan and Budget Templates as directed (available for download from [www.cpfund.ca](http://www.cpfund.ca))
- Applicants must submit their most recent financial statements and cash flow along with their completed budget
- Applicants must have completed all feasibility activities, have a valid CIA, proof of site control, and have a completed RETScreen indicating a viable project
- Projects must meet the general eligibility criteria listed above, the funding priorities of the Community Power Fund, and should be beyond the feasibility stage of development. Ideally, projects should have a proposed commissioning date within the next two years, but projects with longer timelines will be considered.
- **Applicants must provide proof/documentation of having completed ALL of the following activities**
  - Site control (signed Lease Option Agreement)
  - A valid Connection Impact Assessment (CIA) as of the date of your application to the Fund
  - RETScreen Analysis showing a financially sustainable project
  - Feasibility study/analysis
  - An inventory of completed permits and approvals
  - An inventory of First Nations who may be impacted by your project and any documentation you may have indicating support for your project (see question 3i in the application)
  - Draft Business Plan (The application will be reviewed on the basis of its short and long term financial sustainability as well as proposed social and environmental "returns" to your community)

### A Note on Funding for Biogas Projects

As mentioned above, the Fund will give priority to wind, solar thermal, solar photovoltaic, small hydro and geothermal projects over and above biogas because the Ministry of Agriculture, Food and Rural Affairs created an \$11 million Fund for bio-energy projects including biogas. However, the Fund will be happy to entertain good community biogas proposals should they be brought forward. If you have a community owned project in mind, we encourage you to contact Fund staff to discuss it.

For more information on the OMAFRA Biogas Systems Financial Assistance Program, please visit their website, <http://www.omafra.gov.on.ca/english/engineer/biogas/index.html>.



## Contact Us

Please contact us before beginning your application and speak to one of our staff about your project to ensure it fits with the Community Power Fund's priorities and that you are eligible for funding. If you have any questions while completing your application you are encouraged to talk to us about your project as well. We can be reached at (416) 977-3154 or [info@cpfund.ca](mailto:info@cpfund.ca).