

CEDR

Community Energy Diesel Reduction Funding Guide

Contact Info

Program Administrators
New Relationship Trust
cedr@nrtf.ca
newrelationshiptrust.ca



Introduction

The purpose of this document is to provide guidelines for the Community Energy for Diesel Reduction Program (“CEDR”).

Program Background

The Government of British Columbia’s CleanBC Plan is a pathway to a more prosperous, balanced, and sustainable future. CleanBC funding supports project planning, feasibility, and design in Indigenous and civic communities who are working to advance energy efficiency and clean energy projects.

The CleanBC Remote Community Energy Strategy (RCES) is a multi-stakeholder effort to reduce diesel electricity generation and heating in remote communities by 80% by 2030. The Ministry of Energy, Mines, and Low Carbon Innovation is developing the strategy in collaboration with First Nations and several key partners.

The Community Energy Diesel Reduction Program (“CEDR”, or the “Program”) is intended to support RCES and will provide funding support for Community Energy Plans (CEPs), and both energy efficiency/Demand-Side Management (DSM) and renewable energy generation projects (collectively, “Projects”).

CEDR Program Purpose & Goals

CEDR will support eligible remote communities that want to transform their diesel-based energy systems with a streamlined and flexible approach. The Program will support remote communities by meeting them at the stage they are at. The program adopts a stage-gated approach that starts with community energy planning, followed by demand side management and finally, renewable energy generation project planning.

Community Energy Plans establish the foundation for tangible actions to implement DSM measures and de-risk renewable energy generation (REG) opportunities that promise to substantially reduce diesel consumption.

DSM measures are then prioritized over renewable energy generation, as DSM is a lower cost method of reducing diesel consumption.

Funding Streams

Community Energy Planning & Management

- Develop, update, & maintain CEPs

Energy Efficiency & Demand Side Management Projects

- Assessment & quotes
- project management & logistical planning
- implementation & installation

Renewable Energy Generation Projects

- Project conception & pre-feasibility
- Feasibility
- Pre-construction
- Construction



Hydroelectric Powerhouse in Atlin, BC

CEDR Funding Streams

Community Energy Planning

The CEDR Program will work with participating Remote Communities to develop and maintain CEPs, including establishing an energy baseline, collaborating on load forecasting activities, identifying opportunities for DSM and renewable energy generation and tracking changes over time.

Remote Communities that do not have a CEP will have a CEP developed as a first step in the Program. Remote Communities that have older CEPs can access CEDR funding to have their CEPs updated, and Remote Communities that have CEPs that do not meet the full criteria identified by the Program, can address these gaps. Remote Communities that have completed a CEP that meets all Program criteria, whether these CEPs were developed through the Program or prior to Program launch, can receive ongoing support, including regular updates to CEPs.

The CEDR Program has developed a checklist of CEP criteria for remote communities to follow to ensure that valuable and actionable reports are created. The checklist is available on the CEDR Website.

Energy Efficiency & Demand-Side Management Projects

Demand-Side Management represents the most cost-effective approach to the elimination of diesel generated GHGs and the amount of fuel transported to Remote Communities. This component of the Program will support implementation of strong DSM initiatives, focusing on deep retrofits. These deep retrofits may take place in residential or community buildings and their selection should be informed by community needs as well as the CEP. Please visit the CEDR website to view the list of incentives and product requirements for DSM projects.

Renewable Energy Generation

The renewable energy generation stream aims to achieve diesel reduction and facilitate energy sovereignty through the development of projects. Remote Communities entering the Program may be at a variety of stages in the implementation of renewable energy generation systems. This stream of the Program consists of stage-gated support for renewable electricity generation, which provides funding at any stage of project development.

As Projects progress, additional funding for subsequent Project development stages will be accessible through the stage-gated review process.

Please refer to Appendix A of this document for the list of eligible project technologies and costs.

Turn-key versus Community-led

The CEDR Program is designed to be flexible in the level of support that Remote Communities receive. Remote Communities that receive funding will be able to determine their approach to managing their CEP or DSM projects by leading the projects internally and selecting consultants and contractors to support the work, or having enhanced implementation support through CEDR and its preferred service providers. We have called this approach 'turn-key' and the processes are as follows:

Turn-key CEP

The CEDR Program staff and consultants will develop the CEP in partnership with community staff and members.

Turn-key DSM

The CEDR Program staff and contractors will work with the Remote Community to identify buildings that would benefit from upgrades and appropriate measures to be installed. The Remote Community may approve or request adjustments to the recommended approach, and, once approved, the CEDR Program will manage the installation of measures.

Mentorship & Support

Part of the CEDR Program staff's mandate is to provide support to communities participating in the Program. Program staff are available for questions and other support as required by the community. Mentorship by the program staff is part of the CEDR program for each community as they advance their clean energy project forward. This can include:

- liaising with other organizations, such as contractors or other funders;
- reviewing funding submissions;
- providing project planning advice;
- providing technical advisory services

This program is designed for communities to succeed in their clean energy priorities and staff are available to help make community projects a reality.

The Indigenous Climate Action Network (I-CAN) administered by the Coastal First Nations - Great Bear Initiative (CFN-GBI) is a sister program to CEDR. Climate Action Coordinators hired by ICAN will work on projects that support community diesel reduction. Both CEDR staff and CFN-GBI staff will support the Climate Action Coordinators and other participants in the CEDR program to ensure project success.

As an expert on clean energy projects within the Great Bear Rainforest, New Relationship Trust has partnered with Coast Funds to deliver this Program. Communities within the Great Bear Rainforest can continue to rely on the mentorship and support that Coast Funds already provides with technical advisory for renewable energy projects.

Funding Amounts/Caps

Community Energy Planning

New CEP up to \$95,000

Update Existing CEP up to \$40,000

Demand Side Management

Up to \$300,000 per application/Fiscal Year. Refer to the NRT website for individual incentive amounts.

Renewable Energy Generation

The CEDR Program will endeavor to fund as many projects in as many remote communities as possible. To facilitate an equal distribution, the maximum funding available per remote community applicant is \$2,000,000.

| Renewable Energy Generation Funding Caps | |
|--|--|
| Project Development Phase | Funding Cap (up to) |
| Project conception and pre-feasibility | \$200,000 |
| Feasibility | \$500,000 |
| Detailed design and pre-construction | \$1,000,000 |
| Construction | Funds remaining in \$2,000,000 community funding cap |



Program Eligibility

Eligible First Nations And Local Governments

Remote Communities with diesel generating stations

* Served by BC Hydro diesel generating station (baseload)

** Served by BC Hydro diesel generating station (backup)

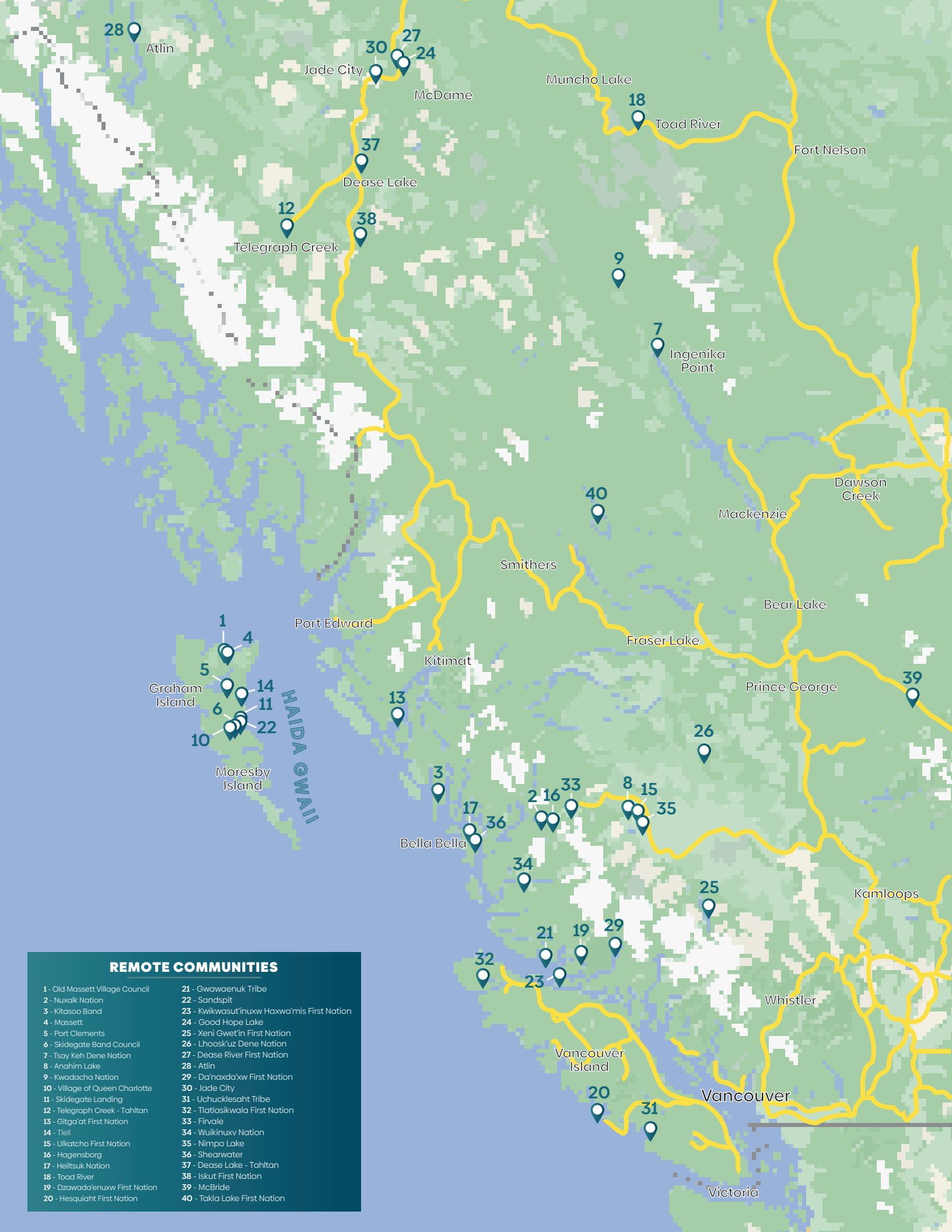
*** “End of line” communities that also rely on diesel generators for backup

| Northern Interior | | Southern Interior | |
|---------------------------------|---|---------------------------------------|------------------------------|
| Indigenous Nation | Remote Community | Indigenous Nation | Remote Community |
| Dease River First Nation | Good Hope Lake* Dease River* | Lhoosk'uz Dene Nation- | Kluskus Lakes |
| Tahltan Nation | Dease Lake** Iskut*** Eddontenajon*** Telegraph Creek* | Xeni Gwet'in First Nations Government | Xeni Gwet'in / Nemiah Valley |
| Taku River Tlingit First Nation | Atlin** | Ulkatcho First Nation | Anahim Lake* Nimpo Lake* |
| Tsay Keh Dene Nation | Tsay Keh Dene* | | McBride*** |
| Takla Lake First Nation | Takla Landing*** | | |
| | Kwadacha / Fort Ware* | | |
| | Jade City* | | |
| | Toad River* | | |



| North Coast | | South Coast | |
|-------------------------|---|---|---|
| Indigenous Nation | Remote Community | Indigenous Nation | Remote Community |
| Haida Nation | Masset* Old Masset* Tlell* Port Clements* Queen Charlotte/Daajing Giids* Sandspit* Skidegate* Skidegate Landing* | Wuikinuxv Nation | Oweekeno / Rivers Inlet |
| Gitga'at First Nation | Txalgiuw / Hartley Bay* | Tlatlasikwala First Nation | Bull Harbour (Hope Island) |
| Nuxalk Nation | Bella Coola* Hagensborg* Firvale* | Uchucklesaht Tribe | Elhlateese* |
| Kitasoo/Xai'xais Nation | Klemtu | Kwikwasut'inuxw Haxwa'mis First Nations | Gwa'yas'dums / Health Bay (Gilford Island) |
| Heiltsuk Nation | Waglisla / Bella Bella* Shearwater* | Gwa'yas'dums / Health Bay (Gilford Island) | Heghums / Hopetown (Watson Island) |
| | | Hesquiaht First Nation | Hot Springs Cove Refuge Cove |
| | | Ka:yu:k't'h' / Che:k'tles7et'h' First Nations | Houpsitas/ Walter's Cove*** |
| | | Da'naxda'xw First Nation | Tsatsisnukwomi / New Vancouver (Harbledown Island) Kwatse / Knight Inlet |
| | | Dzawada'enuxw First Nation | Ukwanalís / Kingcome Inlet |





REMOTE COMMUNITIES

- | | |
|---------------------------------|---|
| 1 - Old Massett Village Council | 21 - Gwawaenuk Tribe |
| 2 - Nuxalk Nation | 22 - Sandspit |
| 3 - Kitasoo Band | 23 - Kwikwasut'inuxw Haxwa'mis First Nation |
| 4 - Massett | 24 - Good Hope Lake |
| 5 - Port Clements | 25 - Xenj Gwet'in First Nation |
| 6 - Skidegate Band Council | 26 - Lhoos'kuz Dene Nation |
| 7 - Tsay Keh Dene Nation | 27 - Dease River First Nation |
| 8 - Anahim Lake | 28 - Atlin |
| 9 - Kwadacha Nation | 29 - Da'naxda'xw First Nation |
| 10 - Village of Queen Charlotte | 30 - Jade City |
| 11 - Skidegate Landing | 31 - Uchucklesaht Tribe |
| 12 - Telegraph Creek - Tahltan | 32 - Tlatlasikwala First Nation |
| 13 - Gitga'at First Nation | 33 - Firvale |
| 14 - Tlell | 34 - Wuikinuxv Nation |
| 15 - Ulkatcho First Nation | 35 - Nimpo Lake |
| 16 - Hagensborg | 36 - Shearwater |
| 17 - Halitsuk Nation | 37 - Dease Lake - Tahltan |
| 18 - Toad River | 38 - Iskut First Nation |
| 19 - Dzawada'enuxw First Nation | 39 - McBride |
| 20 - Hesquiaht First Nation | 40 - Takla Lake First Nation |



Eligible Projects & Costs

There are three project streams that are eligible for funding in this program:

- Community Energy Planning (CEP) and updates;
- Demand Side Management (DSM) and;
- Renewable Energy Generation

During the application window, a community will be entered into a project stream that best fits the goals and future projects of a community. Entry into one stream does not exclude funding from other streams, but rather informs the types of supports a community will receive as part of CEDR funding.

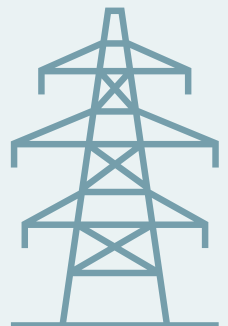
See Appendix A for more details on eligible renewable energy generation project types and specific project costs that are eligible for funding.

For DSM projects please refer to the list of incentives and requirements found on the CEDR website.

| Application Submission | | | |
|------------------------------------|---|---|--|
| Step | Data Required | Details | Timeline |
| Application Support | <ul style="list-style-type: none"> Community priorities Project ideas | Conversations as requested with CEDR staff to prepare an application | Prior to application submission |
| Application Submission | Application form <ul style="list-style-type: none"> Applicant's contact information; Community champion; Project name(s) and type(s); Project description(s); Stated energy efficiency, renewable energy, and/or GHG reduction target(s); Turn-key vs community-led Total estimated project cost(s); CEDR funding request; and Other funding sources | Further project details may be necessary, in which case communities will be invited to fill out an application form with assistance from Program staff as needed | Second intake opens May 29, 2023, and closes July 10, 2023 |
| Community Support | <ul style="list-style-type: none"> Band Council Resolution or equivalent Letter from Chief, Council, or Senior Management Other approved documentation | A letter from an authorized signatory on an official letterhead is required to confirm community support to participate in the CEDR program. Contact Program staff on alternative support documentation | Prior to final application submission |
| Technical Submission | <ul style="list-style-type: none"> Supporting documents Other materials as requested | Further technical details may be required to be submitted alongside the application. This can include previous feasibility studies, engineering drawings, etc. | Prior to application submission |
| Application review & Due Diligence | <ul style="list-style-type: none"> Program staff will work with communities should additional information be required | | As required |

Funding Decision

| Approval? | Details | Next Steps | Timeline |
|-----------|---|--|-----------|
| Yes | <ul style="list-style-type: none">• Program staff will work with the community to implement the project | <ul style="list-style-type: none">• Confirmation of Project milestones• Signing of funding agreements | Fall 2023 |
| No | <ul style="list-style-type: none">• Program staff will work with the community to revise their funding application for the next intake and identify support finding other funding opportunities | <ul style="list-style-type: none">• Potential updates to CEP | Fall 2023 |



Project Review Criteria

The program is governed by an Advisory Committee that is responsible for reviewing all applications, providing an assessment and ranking according to the evaluation criteria established by the Province of B.C., and providing funding recommendations to NRT.

All eligible projects will be assessed by CEDR Program staff who will support the Advisory Committee by preparing all application materials in order to complete the committee's independent ranking and evaluation process.

Projects will be reviewed using the following considerations:

- CEP status;
- Technical feasibility and risk mitigation;
- Projected diesel reduction impact;
- Social, economic and environmental benefits (beyond diesel reduction);
- Strength of project team, including community resources and consultants;
- Level of community support;
- Geographical distribution across four regions (Northern Interior, Southern Interior, North Coast and South Coast); and
- Total funding cap for Program participants.



Review & Approval

Priority will be given to communities that have a current and complete CEP that is guiding the development of energy efficiency and renewable energy generation projects. CEDR Program staff will work with remote communities that may require updates to CEPs.

An initial cohort of communities will be determined based on an even distribution across each funding stream and REG Project development stage. If there are too many applicants in one stream, priority will be given to applicant communities with the highest diesel use, and ensuring geographical representation across the four regions.

CEDR Program staff will collaborate with every applicant throughout the review and approval process and expediently address any questions regarding project eligibility and viability with the applicant. As mentioned above, all eligible projects will be reviewed and ranked by the Advisory Committee.

The Advisory Committee is made up of partner organizations appointed by the Province of B.C. whose members have knowledge, experience, and expertise relevant to the fund goals outlined above. Individuals from the following organizations may be included in the composition of the Advisory Committee: Ministry of Energy, Mines, and Low Carbon Innovation, Coast Funds, Coastal First Nations, New Relationship Trust, Remote Communities/Indigenous Organizations, BC Hydro, Natural Resources Canada, Indigenous Services Canada, and the Ministry of Indigenous Relations and Reconciliation.

The funding recommendations from the Advisory Committee will include:

- Key issues and considerations;
- Conditions and estimated timeline for disbursement of funds; and
- Interim and final reporting requirements.

If an application is not approved, due consideration will then be given to facilitating the provision of support to the applicant by CEDR Program staff for the purpose of enabling the re-submission of a successful funding application.

Monitoring, Reporting & Project Evaluation

A funding agreement must be signed by NRT and the applicant prior to disbursement of any funds. The funding agreement will address:

- Disbursement conditions and estimated timeline;
- Milestones and deliverables; and
- Reporting requirements.

The applicant will be required to submit progress reports and a final report that demonstrates appropriate monitoring and evaluation including the degree of success in achieving stated objectives as presented in the approved funding application.

CEDR Program staff will be responsible for monitoring compliance with the terms of the funding agreement and evaluating the outcomes of all funded projects.

Appendix A

EXAMPLES OF ELIGIBLE AND INELIGIBLE RENEWABLE ENERGY GENERATION PROJECT TYPES, ELIGIBLE AND INELIGIBLE COSTS, AND ACTIVITIES NOT ELIGIBLE FOR FUNDING

Renewable Energy project types that are eligible for funding:

1. Micro-hydro;
2. Wind;
3. Solar photo-voltaic (not solar thermal);
4. Biomass projects, (including power, heat, and combined heat and power);
5. Hydrogen
6. Tidal/wave
7. Geothermal
8. Subsystems (batteries, inverters, and micro-grid controls) that enable GHG emissions reductions through a renewable electricity generation project;
9. Transmission systems that enable GHG emissions reductions through a renewable electricity generation project; or
10. Some combination of the above, provided the combination of technologies has been proven elsewhere.

Project technologies that have not yet been demonstrated in BC need to enter the CEDR Program prior to the construction stage of the Project. This includes hydrogen, geothermal, tidal and non-commercial technologies. This will allow for sufficient evaluation of feasibility and engineering materials to allow the Program and community to make a risk-informed investment decision prior to the construction stage.

Eligible Costs:

Eligible costs are all direct costs properly and reasonably incurred and paid specifically to the project.

Eligible costs include:

1. Professional and technical services (e.g. engineering);
2. Contract labour and equipment for project construction, including site preparation;
3. Training costs directly related to the construction and/or the operations and maintenance of the project;
4. Overhead costs (e.g. administrative costs, office supplies, printing) below 10% of the total project cost;
5. The incremental costs of employees who are directly involved in the construction of the project;
6. Travel (transportation, accommodation, meals, and allowances);
7. Technology procurement; and
8. Associated materials.

Ineligible Costs:

The following are deemed ineligible costs:

1. Ongoing operating costs of Indigenous organizations or local governments;
2. Costs and expenses incurred prior to the date of CEDR application;
3. Financing charges, real estate and legal fees, and interest payments on loans);
4. Costs associated with operating expenses and regularly scheduled maintenance work;
5. Leasing land, buildings and other facilities;
6. Leasing of equipment other than equipment directly related to the construction of the project;
7. Costs related to furnishing and non-fixed assets which are not essential for the operation of the asset/project;
8. Any goods and services costs which are received through donations or in kind;
9. Taxes for which the ultimate recipient is eligible for a tax rebate and all other costs eligible for rebates;
10. Any financial costs or obligations incurred by First Nations with respect to any consultations with any government or corporation concerning that government or corporation's duty to consult or accommodate;
11. Costs associated with meeting statutory obligations of the provincial or federal governments or other entities. This restriction is not intended to preclude the funding of negotiations or discussions between Eligible First Nations and the provincial or federal governments regarding the implementation of a clean energy project;
12. Any activity or expenditure for initiatives not consistent with provincial laws, permits, regulations, established policies, orders and/or approvals; and
13. Expenditures incurred prior to the date the funding agreement is signed.