

INCENTIVES THROUGH FEDERAL GOVERNMENT

Responsible Organization and Website

[Government of Canada](#) Industry Canada

Objectives

To increase Canada's supply of clean electricity from renewable sources such as wind, biomass, low-impact hydro, geothermal, solar photovoltaic and ocean energy. It will encourage the production of 14.3 terrawatt hours of new electricity from renewable energy sources, enough electricity to power about one million homes.

Eligible Recipients

Municipal Governments
Not-For-Profit Organizations
Private Companies or Individuals (homeowners are ineligible)
Universities and Colleges

Fund Duration

April 1, 2007 to March 31, 2011

Target Technology Area(s)

Clean electricity from renewable sources such as wind, biomass, low-impact hydro, geothermal, solar photovoltaic and ocean energy.

Eligible Activities

The production of clean, renewable energy

Funding Limits

ecoENERGY for Renewable Power will provide an incentive of one cent per kilowatt-hour for up to 10 years to eligible low-impact, renewable electricity projects constructed over the next four years, April 1, 2007 to March 31, 2011.

Eligible Costs

Most costs involved in the production of clean, renewable energy.

Repayment Terms

Non repayable support

Application Cycle

Open

Accelerated Capital Cost Allowance

Responsible Organization and Website

Canada Revenue Agency and [Natural Resources Canada](#)

[Capital Cost Allowance](#) (article in the Canada Gazette)

Objectives

To provide an accelerated rate of write-off for certain capital expenditures on equipment that is designed to produce energy in a more efficient way or to produce energy from alternative renewable sources.

Eligible Recipients

Private Companies or Individuals

Overall Fund Size

The estimated annual fiscal cost of this measure, as announced in the Economic and Fiscal Update of November 14, 2005 and reaffirmed in the 2006 Budget, starting with fiscal 2005-2006 is \$5, \$10, and \$20 million, respectively, and \$25 million for each of the next three years thereafter.

Fund Duration

To qualify for Class 43.2, Higher efficiency (efficiency = 72 percent) systems that use fossil fuels, specified-waste-fuelled electrical generation systems and renewable energy systems must be acquired between February 22, 2005 and January 1, 2012.

Target Technology Area(s)

Targets electricity generation systems (certain cogeneration and specified-waste, fuelled electrical generation systems, small-scale hydroelectric installations (not exceeding 50 megawatts of rated capacity), wind energy electrical generation systems, enhanced combined cycle systems, expansion engines, photovoltaic electrical generation systems (three kilowatts capacity or larger), geothermal electrical generation systems); and thermal energy systems (active solar systems (including groundsource heat pumps), heat recovery systems, specified-waste fuelled heat production systems).

Eligible Activities

Class 43.1 allows taxpayers an accelerated write-off of the capital cost of certain equipment that is designed to produce energy in a more efficient way or to produce energy from alternative renewable sources.

Class 43.2 has been created to provide additional incentive for those systems in Class 43.1 that use fossil fuels more efficiently (efficiency = 72 percent), for specified-waste-fuelled electrical generation systems and for renewable energy systems (small-scale hydro-electric, wind, photovoltaic, geothermal, fuel cell, active solar).

Funding Limits

Class 43.1 allows taxpayers to deduct the cost of eligible equipment from taxable income at up to 30 percent per year, on a declining balance basis.

Class 43.2 provides further acceleration of the capital cost allowance rate to 50 percent for certain energy systems.

Eligible Costs

The following types of costs are eligible: the capital cost of assets normally includes all costs associated with the acquisition and installation of the qualifying system, including: related "soft costs" for design, engineering and commissioning of the above; and costs of other services required to make the system operational. Generally, the asset acquired must be new. Therefore, the capital cost of used equipment, including equipment that has been reconditioned or remanufactured, is not generally eligible for inclusion in Class 43.1 (see the exception below). However, the capital cost of modifications or improvements to assets used in existing qualifying systems may be eligible for inclusion, provided that the modifications or improvements increase the capacity or performance of the system/equipment, and are not merely a repair and the resulting system continues to meet the conditions for qualification. The capital cost of used equipment will only be eligible for inclusion in Class 43.1 provided that the equipment was included (or was otherwise eligible for inclusion) in Class 34 or 43.1 of the vendor, remains at the same site in Canada as used by the vendor, and is not more than five years old (from the time it was originally placed in service by the vendor). The capital cost of any used Class 34 or 43.1 equipment, which can be included in Class 43.1 by the purchaser, cannot exceed the original capital cost of the equipment to the vendor when the equipment was first placed in service. Any excess should be included in the class to which the property would have been included were it not eligible for inclusion in Class 43.1.

Repayment Terms

Non repayable (deduction from taxable income)

Application Cycle

Open (tax incentive)

Large Energy Projects

Responsible Organization and Website

[Indian and Northern Affairs Canada](#)

Objectives

The objective of the program is to engage Aboriginal peoples and northerners in energy-related activities, and facilitate community driven strategies for addressing the use and provision of energy.

Eligible Recipients

Eligible organizations are:

- Aboriginal and Northern Communities;
- Band Councils;
- Tribal Councils;
- National Aboriginal Organizations and other Aboriginal Organizations, including Professional Organizations;
- Aboriginal Community Groups (volunteer groups, community associations and institutions);
- Territorial Governments and northern organizations; and,
- Aboriginal businesses and Aboriginal industries.

In all cases, the funds for approved projects will be flowed through a financial transfer from the national office to the region.

Fund Duration

Until 2011

Target Technology Area(s)

Energy

Eligible Activities

Use of INAC's Clean Energy Initiative, Large Energy Projects Contributions: INAC's Clean Energy Initiative, Large Energy Projects contributions could be allocated to one or more of the following types of project activities:

- Community climate change capacity development (directly related to the project)
- GHG emissions estimation
- GHG emissions reductions and verification, or emissions credit trading
- Technology application of energy efficiency and renewable energy technologies
- Human resource development related to energy efficiency and renewable technologies
- Project management components related to GHG estimation and management
- Pre-feasibility/Feasibility studies, Environmental Assessment, and Resource Analysis

Funding Limits

Maximum Percentage of Project Funding: the INAC's Clean Energy Initiative will fund no more than 30 percent of the project development costs and capital cost to realize energy efficiency savings or to install operational renewable energy systems in on-grid communities. Off-grid communities may receive up to a maximum of 50 percent of project costs from INAC's Clean Energy Initiative. There will be no exception to these limitations. Ideally, projects will require less than this maximum percentage from INAC to make the project viable. The maximum level of funding considered for energy efficiency and renewable energy projects is \$250 000.

Eligible Costs

Only direct costs for projects with Greenhouse Gas and Criteria Air Contaminants reductions will be supported. (Workshops, conferences and information meetings will not be supported).

Repayment Terms

n/a

Application Cycle

Not specified

Integrating Energy Efficiency/Renewable Energy Technologies to Community Infrastructure Projects

Responsible Organization and Website

[Indian and Northern Affairs Canada](#)

Objectives

The objective of the program is to integrate energy efficiency/renewable energy (EE/RE) technologies into Infrastructure projects.

Eligible Recipients

As with the previous climate change program (ANCAP 2003-2007), the eligible organizations are:

- Aboriginal and Northern Communities;
- Band Councils;
- Tribal Councils;
- National Aboriginal Organizations and other Aboriginal Organizations, including Professional Organizations;
- Aboriginal Community Groups (volunteer groups, community associations and institutions);
- Territorial Governments and northern organizations; and
- Aboriginal businesses and Aboriginal industries.

Funding will not be provided for projects where the benefit does not accrue to the community and/or band.

Target Technology Area(s)

Energy efficiency

Eligible Activities

Preference will be given to projects that are included INAC's approved 5-year Long Term Capital Plan. INAC's Clean Energy Initiative will provide funds for projects where an energy efficiency/renewable energy component is added to a new or existing (through a retrofit) building in a community, such as: water treatment plant; school; band office; other community facilities such as arenas, community centres, health centres, etc. The projects must demonstrate high cost savings (O&M savings per year) and advantageous payback periods.

The energy efficiency/renewable energy component must be a proven technology (i.e. not research and development), such as: ground source

heat pump; solar wall; district heating/waste heat recovery; solar hot water heating; other energy efficiency technologies.

Note: no funds will be given for housing projects.

Funding Limits

Up to \$100 000 per project.

Eligible Costs

Those related to the project.

Repayment Terms

n/a

Application Cycle

Projects funds will be approved on a case-by-case basis.

ecoENERGY for Renewable Heat

Responsible Organization and Website

Objectives

The ecoENERGY for Renewable Heat program is a four-year, \$36 million investment to:

- Increase the use of renewable thermal energy by industry, commercial businesses and institutions
- Boost the amount of renewable thermal energy created for these sectors
- Contribute to cleaner air by helping Canadian businesses use less fossil fuel-based energy for space and water heating in buildings across the country

Eligible Recipients

Incentives are offered to the industrial/commercial/institutional sector to install active energy-efficient solar air and/or water heating systems

Overall Fund Size

\$36 million for 3 years

Fund Duration

From April 1, 2007 to March 31, 2011

Target Technology Area(s)

Active energy-efficient solar air and/or water heating systems

Eligible Activities

The incentive will be based on a rate per square metre of collector area multiplied by a collector-specific Performance Factor and an Incentive Rate.

Funding Limits

The maximum incentive per installation \$80,000 and the corporate maximum for multiple installations is \$2 million.

Eligible Costs

In order to be eligible for funding, projects must be completed and commissioned within nine (9) months of the signing of a contribution agreement with NRCan only those solar collectors listed on the program's Accepted Collector List may be installed by the applicant.

Repayment Terms

Non repayable

Application Cycle

Open, but applications must be received by NRCan no later than October 31st, 2010.

Date Modified: 2009-05-04

Responsible Organization and Website

[Government of Alberta — Alberta Energy Research Institute](#)

Objectives

To promote innovation and technology that will enable Alberta's energy sector to evolve, to position Alberta for the future in energy development, and to enhance the sustainable development of the province's energy resources. The Program also aims to help small inventors develop and test ideas before they are brought to the marketplace.

Eligible Region(s)

Alberta

Eligible Recipients

Not-For-Profit Organizations
Private Companies or Individuals
Universities and Colleges
Others

Target Technology Area(s)

Examples of inventions receiving grants in the past include: continuous sucker rod, method of making smooth narrow keystone slots in slotted liner, method that stops gas flow outside casing, device for wire line entry above bridle, pig for cleaning process furnaces, design of antenna used in electromagnetic surveying.

Eligible Activities

Supports conceptual research and bench/pilot testing.

Funding Limits

Funding generally ranges from \$5 000 to \$500 000 per year. Larger projects will be considered. The Alberta Energy Research Institute (AERI) will consider funding multi-year projects.

Future funding is contingent on the successful achievement of milestones and the provision of timely project reports. Funding depends on a variety of factors, including type of project, state of development, strategic need for that particular research, and available funding.

Eligible Costs

The AERI does not fund capital projects or business operating costs.

Repayment Terms

Non repayable (grant)

Application Cycle

Open

[Natural Resources Canada](#)

Objectives

This site provides a list of various grant and rebate incentives from businesses and provincial governments that are available to people who make purchases and decisions with energy efficiency in mind.

Eligible Region(s)

Canada (some incentives are province-specific)

Eligible Recipients

Private Companies or Individuals
Others

Overall Fund Size

n/a

Fund Duration

Varies depending on the incentive.

Target Technology Area(s)

Energy efficiency

Eligible Activities

Varies depending on the incentive. Please see the website below for specific incentive information.

Funding Limits

Varies depending on the incentive.

Eligible Costs

Varies depending on the incentive.

Repayment Terms

Generally incentives are non repayable.

Application Cycle

Open (generally)

Date Modified: 2009-05-04

ecoENERGY Retrofit Grants and Incentives

Responsible Organization and Website

[Natural Resources Canada](#)

Objectives

Natural Resources Canada's ecoENERGY Retrofit program provides financial support to homeowners, small and medium-sized businesses, public institutions and industrial facilities to help them implement energy saving projects that reduce energy-related greenhouse gases (GHGs) and air pollution, thereby contributing to a cleaner environment for all Canadians.

Eligible Recipients

Not-For-Profit Organizations
Private Companies or Individuals
Universities and Colleges
Others (homeowner)

Overall Fund Size

The grant is based on the individual upgrades completed.

Fund Duration

April 1, 2007 to March 31, 2011

Target Technology Area(s)

Energy efficient building retrofits

Eligible Activities

Energy saving projects that reduce energy-related greenhouse gases (GHGs) and air pollution.

Funding Limits

- For homeowners: \$5,000.
- For owners of small and medium-sized buildings in the commercial and institutional sectors: Up to 25 percent of eligible project costs to a maximum of \$50,000.
- For owners of industrial facilities: up to 25 percent of eligible project costs to a maximum of \$50,000 per application and \$250,000 per corporate entity.

Eligible Costs

Incremental design and construction costs

Repayment Terms

Non repayable (incentive)

Application Cycle : open