

# Low Carbon Economy Challenge

Champions stream

Expression of Interest Guide 2022



Environment and  
Climate Change Canada

Environnement et  
Changement climatique Canada

Canada 

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# Low Carbon Economy Challenge – Champions stream Expression of Interest Guide 2022

## Contents

I. Purpose of this Guide.....	3
II. Program Overview .....	3
III. How to Apply.....	3
IV. Key Dates.....	4
V. Expression of Interest Eligibility .....	4
Section 1. Applicant Information .....	4
Eligible applicant types (Q1.1-1.3) .....	4
Official language (Q1.4) .....	5
Primary contact and secondary contact (Q.1.5-1.6) .....	5
Participating organizations and assets (Q1.7) .....	6
Section 2. Project Eligibility Requirements.....	6
Technology Readiness Level (Q2.1) .....	6
Ineligible activities (Q2.2-2.6) .....	6
Project location (Q2.7) .....	7
Construction of new buildings or facilities (Q2.8).....	7
Funds for endowments, revolving funds, financing, loans, or loan guarantees (Q2.9) .....	7
Generation of electricity or production of low-carbon fuels (Q.2.10) .....	7
Section 3. Project Description.....	8
Project title (Q3.1) .....	8
Project summary (Q3.2) .....	8
General description (Q3.3).....	8
Province/Territory where the project will take place (Q3.4).....	8
Activity types (Q3.5).....	8
Start and end dates (Q3.6-3.7).....	9
Section 4. Project Expenditures.....	9
Eligible expenditures (Q4.1) .....	9

Ineligible expenditures .....	11
Contribution Requested: Cost-Share and Stacking Limits (Q4.2-4.3) .....	12
Other funding parameters .....	13
Section 5. Project Outcomes .....	13
GHG emissions reductions (Q5.1).....	14
Sources of GHG emissions the project aims to reduce (Q5.2) .....	14
Control of GHG emissions reductions (Q5.3) .....	14
Qualitative description/metrics of GHG emissions reductions (Q5.4).....	14
Change of emissions over time (Q.5.5) .....	14
Optional GHG estimates (Q5.6) .....	15
Section 6. Optional Feedback.....	15
Section 7. Permission to Share & Attestation.....	15
VI. Selection Process .....	15
Stage 1. Expressions of Interest.....	15
Stage 2. Formal Proposals .....	16
Stage 3. Formal Recommendations, Project Approval and Funding Decisions.....	17
VII. Service Standards .....	17
VIII. Contact Us.....	17
Glossary and Acronyms .....	18
Definitions .....	18
Activity types .....	19
Acronyms for greenhouse gasses .....	21
Other acronyms.....	21

## I. Purpose of this Guide

This guide walks through the Expression of Interest (EOI) process for the **Low Carbon Economy Challenge – Champions stream 2022** intake administered by Environment and Climate Change Canada (ECCC).

ECCC will be accepting Expressions of Interest starting **January 27, 2022, at 00:01 am Eastern Standard Time (EST)** until **March 25, 2022, at 08:00 pm Eastern Daylight Time (EDT)**. Submitting an EOI is a mandatory step for funding consideration. Potential applicants should read all sections of this guide thoroughly in order to ensure submission of an eligible [project](#). The glossary provides definitions for key terms referenced throughout the main body of this guide.

## II. Program Overview

Launched in 2017, the Government of Canada's Low Carbon Economy Fund (LCEF) is an important part of the Pan-Canadian Framework on Clean Growth and Climate Change and Canada's new strengthened climate plan, *A Healthy Environment and a Healthy Economy*.

The LCEF supports the implementation of the Pan-Canadian Framework and Canada's strengthened climate plan by leveraging investments in projects that will generate clean growth and reduce greenhouse gas (GHG) emissions. The LCEF helps Canada to meet or exceed its commitments under the Paris Agreement, and supports innovation, reduction of energy bills, and the creation of jobs for Canadians for years to come.

Funding for the LCEF is divided into two envelopes:

- **The Leadership Fund** provides funding to provinces and territories that have adopted the Pan-Canadian Framework to help them deliver on their commitments to reduce GHG emissions.
- **The Challenge Fund** is open to a wide range of applicants with projects that reduce GHG emissions and generate clean growth. The Challenge is further divided into two streams:
  - **the Champions stream**; and
  - **the Partnerships stream**.

The first Champions stream intake launched in spring 2018. The second Champions stream intake (the purpose of this guide) will provide over \$200 million in funding for GHG emission reducing projects.

**The projects selected for funding will result in measurable GHG emissions reductions toward Canada's 2030 emissions reductions target** and demonstrate the other key guiding principles of the LCEF, including [materiality](#), [incrementality](#), [cost-effectiveness](#) and **other merit-based criteria** outlined in section VI of this guide.

## III. How to Apply

The Champions stream has a two-stage application process:

1. Submission of an EOI to screen projects for eligibility; and

2. Submission of a Formal Proposal to evaluate projects for merit.

**Only** eligible Expressions of Interest will be invited to submit a Formal Proposal. Applicants with Expressions of Interest that do not meet the eligibility criteria, are incomplete, or lack the clarity required for assessment, will be notified that they have not been invited to submit a Formal Proposal. It is the responsibility of the applicant to provide comprehensive, clear and complete information in order to demonstrate project eligibility. Decisions are final and not subject to review.

**Applicants with an eligible EOI will be invited to submit a Formal Proposal for each eligible EOI submitted, separately.** Applicants must submit Formal Proposals that are materially the same as described in the EOI, but may adjust project scale, cost estimates, and other specific details with updated information.

**There is no limit on the number of Expressions of Interest that an organization can submit** within the January 27 to March 25, 2022, submission period.

Expressions of Interest must be submitted through an online application portal called the Program Information Management System (PIMS). To access PIMS you will need to create a Single Window Information Manager (SWIM) profile. You can find instructions on how to complete a user profile on the [SWIM website](#), including [a step-by-step walk through](#).

## IV. Key Dates

The EOI process for the Champions stream in 2022 opens on **January 27, 2022**, at **00:01 am Eastern Standard Time (EST)** and closes **March 25, 2022**, at **08:00 pm Eastern Daylight Time (EDT)**.

Other key dates include:

- ECCC expects to notify eligible and ineligible applicants **within six (6) weeks** of the closure of the EOI intake period.
- The Formal Proposal intake will last approximately two months and take place **mid 2022**.
- ECCC expects to notify eligible applicants of funding decisions in **fall 2022**.

## V. Expression of Interest Eligibility

The following information on eligibility follows the sequence of the EOI Application Form. Please provide all required information.

### Section 1. Applicant Information

Eligible applicant types (Q1.1-1.3)

Applicants must be located in and operating in Canada. When determining eligible applicant type, please use the definitions below:

SHORT TITLE ON EOI FORM	DEFINITION
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<ul style="list-style-type: none"> <li>• Provincial government</li> <li>• Territorial government</li> </ul>	Provinces and territories
<ul style="list-style-type: none"> <li>• Regional/local/municipal government with population of 99,999 or below</li> <li>• Regional/local/municipal government with population of 100,000 or above</li> </ul>	Regional entities delivering municipal type services, local, or regional municipal governments established by or under provincial statute or territorial statute, or regional municipal organizations
<ul style="list-style-type: none"> <li>• First Nations, Métis and Inuit government, community or organization</li> </ul>	<p>First Nations, Métis and Inuit communities; First Nations, Métis and Inuit development corporations; Indigenous organizations; modern land claim organizations; band or tribal councils; modern treaty signatories; and self-governing First Nations</p> <p>An Indigenous-owned business is considered a “private sector for-profit” applicant under this intake. Indigenous-operated not-for-profits that do not belong to any of the above organization types are considered “private-sector not-for-profit” applicants</p>
<ul style="list-style-type: none"> <li>• Public sector body or board</li> </ul>	Public sector bodies or boards that are established by or under provincial or territorial statute or by regulation or are wholly owned by a province, territory or local or regional government
<ul style="list-style-type: none"> <li>• Private sector not-for-profit</li> </ul>	Canadian not-for-profit non-governmental organizations, such as provincial and territorial municipal associations, professional and industry associations, and educational institutions in partnership with a provincial or municipal government
<ul style="list-style-type: none"> <li>• Private sector for-profit small business (1 to 99 employees)</li> <li>• Private sector for-profit medium business (100 to 499 employees)</li> <li>• Private sector for-profit large business (500 employees or more)</li> </ul>	Canadian for-profit organizations with established businesses in Canada

#### Official language (Q1.4)

The official language at ECCC for applying to funding opportunities that you select will form the basis of the Official Languages Clauses in the [funding agreement](#).

#### Primary contact and secondary contact (Q.1.5-1.6)

For the primary contact, it is necessary for all lead applicants to notify ECCC, in writing, of any changes to their contact information and/or position. If the primary contact is to be replaced, the outgoing primary contact must notify ECCC, in writing, of their replacement. If the application

has not yet been submitted, the outgoing primary contact must make the corresponding changes in the online application tool.

#### Participating organizations and assets (Q1.7)

Is any cooperation/participation from other organizations (excluding contractors) required to implement this project? Answer “yes” if any of the [assets](#) will be owned or operated by organizations other than the lead applicant, or if any other organization’s approval (other than permits/authorizations) and cooperation is required to complete the project (e.g., for required funding, site access, etc.).

Provide the organization type(s) that best describe the other [participating organization](#)(s) of the project, using the definitions provided for applicant types above. Note if any organization will own, in full or in part, any of the assets for which funding is being requested and describe these assets. In addition, describe what participation is required of the organization and the type of agreements you have/will need to seek with this organization.

Organizations that will own assets funded by the LCEF are considered [ultimate recipients](#). Note that the lead applicant may also be, but is not required to be, an ultimate recipient.

## Section 2. Project Eligibility Requirements

#### Technology Readiness Level (Q2.1)

Select whether this project will deploy [commercially available](#) technology. The Champions stream will only fund projects using technologies at the [Technology Readiness Level \(TRL\) scale 8 or above](#) (i.e., the technology has been proven to work in its final form under expected conditions). Technologies that are commercially available usually correspond with a level 8 or above on the [Technology Readiness Level \(TRL\) Scale](#).

#### Ineligible activities (Q2.2-2.6)

These questions will confirm the eligibility of a project [activity](#). A project **cannot include the following**:

- X **[Research, development and demonstration \(RD&D\) elements](#)**, as these activities are ineligible for funding. RD&D refers to activities surrounding the initial stages of new technology development, idea generation, and testing.
- X **Standalone [educational](#) or [capacity building](#) elements**; however, it should be noted that technical staff or end-user training directly related to the implementation of the project is not considered a “standalone” element and can be eligible for funding.
- X **[Behavioural change as the primary outcome of the project](#)**. In order to focus on activities that result in certain, in-scope GHG emissions reductions, projects with the primary aim of incenting behavioural change, either of persons working for an applicant organization or otherwise, are ineligible for funding. For example, projects that monitor energy use to encourage reductions in consumption but do not implement energy-saving technology are ineligible for funding.
- X **A standalone [feasibility study](#), standalone engineering study, or other prospective studies**. The project must include concrete actions that will lead to measurable GHG



reductions. The project cannot be dependent on any preliminary or other prospective studies aimed at informing the decision of whether to go forward with the initiative. Such studies must be completed before the EOI Application Form is submitted. The project cannot be a standalone engineering study without the action of the project.

- X **Consist of activities that are required to satisfy existing standards or regulations for energy, GHG emissions, or air pollution performance requirements.** The Champions stream will only fund projects that are not required by existing federal, provincial or territorial regulations. If regulations require specific activities or require regulations to meet specific performance standards, those activities or supporting activities are ineligible. Projects that reduce carbon costs or compliance obligations are not considered “required” regulatory actions and are eligible for consideration.

#### Project location (Q2.7)

**Project locations must be confirmed by the Formal Proposal stage in order to be eligible.**

If they are not currently confirmed, please explain when and how they will be confirmed in order to meet this requirement. Note that this program will not fund calls for proposals by other parties; all projects, locations, and recipients must be identified at the Formal Proposal stage.

Projects in different provincial or territorial jurisdictions must be submitted in separate Expressions of Interest and individually meet all eligibility requirements. In addition, a proposal cannot contain projects at multiple sites where the owners of the sites or project assets are different between sites. Projects across multiple sites with the same owner are eligible to be submitted in a single proposal.

#### Construction of new buildings or facilities (Q2.8)

**A project cannot primarily consist of the [construction of new buildings](#) or new facilities.**

Projects for which GHG emissions reductions are achieved based on the construction of new buildings (e.g., reductions stemming from building beyond code or via carbon sequestration in wood buildings) are ineligible. However, new buildings that are necessary as part of projects that aim to reduce GHG emissions through other methods (e.g., buildings to house large equipment to improve energy efficiency in industrial processes) are acceptable.

Similarly, projects that could result in GHG emissions reductions at an industrial or manufacturing facility that is not yet built are ineligible. Projects must impact the GHG emissions related to existing facilities and GHG emissions reductions cannot be claimed for reductions relative to a hypothetical construction of a new facility. If a project is associated with a facility currently under construction, the applicant will be required to demonstrate that the project is clearly incremental to existing plans in the Formal Proposal.

#### Funds for endowments, revolving funds, financing, loans, or loan guarantees (Q2.9)

Projects involving funds for [endowments](#), revolving funds, financing, loans, or loan guarantees are ineligible.

#### Generation of electricity or production of low-carbon fuels (Q.2.10)

Projects involving the generation of electricity or production of low-carbon fuels are eligible if primarily for [own-use](#) and not for market sale. A majority (over 50%) of the energy produced by project assets must be used within the applicant’s own operations (and/or that of an identified

participating organization). For electricity generation, electricity consumption must be at the same site as the generation asset(s) (i.e., “behind-the-meter” or “behind-the-fence”). Net-metering arrangements can be considered “own-use” as long as all other criteria are met.

Costs and GHG emissions reductions should be estimated for the full system, regardless of the percentage consumed for own-use vs. sold.

Projects do not have to meet the “own-use” requirement if the project is either:

- Located in a rural or a remote community, defined as follows:
  - **Remote Communities** refers to communities that are connected to neither North American or regional (i.e., provincial or territorial) electrical grids nor the natural gas pipeline network. They must be a long-term settlement (5 years or more) with at least 10 dwellings.
  - **Rural Communities** refers to communities that are connected to the North American electrical grid but not to the natural gas pipeline network. They have a population of fewer than 1,000 people or a population density of less than 400 people per square kilometer.
- Producing heat (alone or alongside electricity from the same assets) for a specific facility or as part of a district energy system.

## Section 3. Project Description

### Project title (Q3.1)

Provide the title of the project. It is not necessary to repeat the applicant name in the project title.

### Project summary (Q3.2)

Provide a concise summary of the project (e.g., ABCDEFG Canadian Warehouses Inc. will install selected high efficiency measures in all its buildings. Measures include upgraded insulation, new refrigerators, new windows, etc.).

### General description (Q3.3)

Provide a description of the project and the scope of the project (e.g., what equipment will be installed, what activities will be undertaken, what facilities will be involved, what organizations will be involved, who will perform the work, etc.).

### Province/Territory where the project will take place (Q3.4)

Please note the **project must be within a single provincial or territorial jurisdiction**.

### Activity types (Q3.5)

From the activity types provided, please select all activity types contained in your project. See the Glossary and Acronyms – [Activity Types](#) section for explanations of the project types.

The Champions stream is open to projects that reduce greenhouse gas emissions that are under the control of the applicant or a participating organization to the project. In addition, it is open to projects that reduce consumption of purchased electricity where the corresponding provincial, territorial, or regional grid uses fossil fuels.

However, several activity types are **ineligible** for funding. These are:

- LED lighting [retrofits](#)
- Enhancing carbon sinks (e.g., carbon sequestration in forests or soils)
- Zero Emission Vehicles (ZEVs) and ZEV infrastructure
- New vehicle purchases
- Active transport (e.g., biking or pedestrian infrastructure)
- Public transit infrastructure and vehicles
- Fuel transportation infrastructure
- Electricity transmission and distribution infrastructure
- District energy systems for [new construction](#)
- Activities where GHG reductions are based solely on products manufactured or sold by the Applicant for market consumption (i.e., where GHG reductions can only be realized upon purchase, installation and/or use of the product by an unidentified third party).

#### Start and end dates (Q3.6-3.7)

Please provide the expected start and end dates for activities for which you are seeking funding. March 2023 is the earliest possible project start date, and projects must complete all activities and incur all eligible expenses by March 31, 2025.

## Section 4. Project Expenditures

#### Eligible expenditures (Q4.1)

ECCC does not require a detailed accounting of expenditures at the EOI stage. However, applicants are encouraged to review this section to estimate the total eligible expenditures of the project and the [contribution](#) requested of the program.

[Eligible expenditures](#) are costs considered by ECCC to be direct and necessary for the successful implementation of an eligible project. In other words, contributions will be made toward eligible expenditures directly related to eligible projects that, in the opinion of ECCC, are reasonable, required to achieve program objectives and outcomes, and have been incurred and paid on or after the signing of a funding agreement.

Eligible expenditures include, but are not restricted to, those listed in the following table:

ELIGIBLE EXPENDITURE	DESCRIPTION
<b>Assets &amp; Capital Expenditures</b>	Costs of acquiring, constructing, rehabilitation and improvement of <a href="#">assets</a> . All capital expenditures, including site preparation and construction costs, only once ECCC is satisfied that the Government of Canada's obligations, if any, related to the <i>Impact Assessment Act</i> and the legal duty to consult with, and accommodate, Indigenous peoples have been met.
<b>Contractors</b>	Professional fees for contracted services, such as accounting, communications, official languages translation, audit, GHG emissions reductions and energy savings estimate verification, and results monitoring, measuring and reporting. Costs of performing activities related to the project by contractors.
<b>Consultation</b>	Costs related to the consultation of First Nations, Métis and Inuit governments, communities or organizations, specifically project-

ELIGIBLE EXPENDITURE	DESCRIPTION
	related consultation activities arising as a result of the Government of Canada's legal duty to consult, where applicable.
<b>Environmental Review</b>	Costs of engineering and environmental reviews, including costs related to an environmental or impact assessment carried out pursuant to the <i>Impact Assessment Act</i> , and the costs of mitigation measures, follow-up, and remedial activities identified in any environmental or impact assessment.
<b>Federal Activities</b>	Costs directly associated with joint federal communication activities (e.g., press releases, press conferences, translation) and with project signage related to funding recognition.
<b>Overhead</b>	<p>In general, overhead encompasses the indirect costs, necessary to support the achievement of the project objectives, that cannot normally be obviously traced to a specific project activity and/or which are not material enough to be detailed under their specific expenditure category. [Eligible costs may include:]</p> <ul style="list-style-type: none"> <li>• Licenses and permits;</li> <li>• Leasing of equipment related to the construction of the project;</li> <li>• Training related to new technologies, equipment, software and systems.</li> </ul>
<b>Travel</b>	Travel expenditures (including the cost of accommodations, vehicle rental and kilometric rates, bus, train, airplane or taxi fares, allowances for meals and incidentals). Canada will only contribute up to a maximum of 5% of its total contribution to the project toward these costs. Of note, travel and per diem expenses cannot be more than the rates and allowances determined in the <a href="#">Travel Directive of the National Joint Council</a> .
<b>Salary</b>	<p>The incremental costs of the recipient's employees may also be included as eligible expenditures. Canada will only contribute up to a maximum of 2% of its total contribution to the project toward these expenditures provided that:</p> <ul style="list-style-type: none"> <li>• the recipient is able to demonstrate that it is not economically feasible to tender a contract and clearly demonstrate that there is value for money in using internal employees;</li> <li>• the employee is engaged directly in respect of the work that would have been the subject of the contract; and</li> <li>• the arrangement is approved in advance and in writing by Canada before expenditures are incurred.</li> </ul>
<b>Planning and Assessment</b>	Planning and assessment, such as surveying, engineering, architectural supervision, testing, and management consulting services. Canada will only contribute up to a maximum of 5% of its total contribution to the project toward these costs.

ELIGIBLE EXPENDITURE	DESCRIPTION
<b>Tax</b>	Provincial sales tax, goods and services tax, or harmonized sales tax for which the recipient or a third party is ineligible for a rebate, and any other costs that are ineligible for rebates.

### Ineligible expenditures

Certain expenditures are **ineligible for funding**. Applicants must not include them in the calculation of the total eligible expenditures of the proposed project. The Champions stream will only reimburse eligible expenditures incurred for a specific project, as agreed to in the funding agreement.

All costs incurred **prior** to the signing of a funding agreement between ECCC and the recipient are ineligible for funding. This includes any costs related to a contract signed prior to the signing of the funding agreement.

INELIGIBLE EXPENDITURE	DESCRIPTION
<b>Assets &amp; Capital Costs</b>	Expenditures related to purchasing land, endowments, buildings and associated real estate and other fees, and vehicles.
<b>Cancelled Projects</b>	Furnishing and non-fixed assets which are not essential for the operation of the project. Costs incurred for cancelled projects and incomplete elements of projects.
<b>Donations</b>	Any goods and services which are received through donations or in-kind contributions.
<b>Legal Fees</b>	Any legal fees incurred.
<b>Loans</b>	Financing charges and interest payments on loans, including those related to easements (e.g., surveys).
<b>Overhead</b>	Other overhead costs, including direct or indirect operating or administrative costs of recipients, and more specifically the costs related to planning, engineering, architecture, supervision, management and other activities normally carried out by its staff, except for those specified as eligible expenditures. Costs associated with operating expenses and regularly scheduled maintenance work. Rental of buildings, office space or land. Leasing of equipment, except those specified as eligible expenditures.
<b>Proposal Development</b>	Expenditures related to developing a business case or proposal for funding.

<b>Tax</b>	Provincial sales tax, goods and services tax, or harmonized sales tax for which the recipient or a third party is eligible for a rebate, and any other costs eligible for rebates.
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#### Contribution Requested: Cost-Share and Stacking Limits (Q4.2-4.3)

Every project must request **a minimum of \$1,000,000** in federal funding through this intake. The total funding requested from the LCEF for a project **must not exceed \$25,000,000**.

The maximum contribution that can be requested for the project is determined by the total eligible expenditures and the maximum cost-share. Cost-sharing is the maximum level of assistance from **a specific program** (in this case, the Champions stream of LCEF) for a project, as a percentage of total eligible expenditures. Under the LCEF, cost-sharing and stacking limits vary depending on the [ultimate recipient](#) of the funding. See the table below for the maximum cost-share per ultimate recipient. For definitions, see Section 1.

[Stacking](#) limits are the maximum level of assistance from **all federal sources** of funding for a project, as a percentage of total eligible expenditures. These also vary depending on the ultimate recipient of the funding and are listed in the table below. For definitions, see Section 1.

Ultimate Recipient Type	LCEF cost-share	Stacking Limit
For-profit private sector business	25%	25%
Regional/local/municipal government	40%	40%
Not-for-profit organization	40%	40%
Provincial government/body/board	50%	50%
Territorial government/body/board	75%	75%
First Nations, Métis and Inuit government, community or organization	75%	100%

The Champions stream does not fund projects that have received funding through the Low Carbon Economy Leadership Fund, which funds a variety of provincial and territorial programs. Applicants whose projects receive provincial or territorial funding must confirm that this does not include Leadership funds. Applicants should declare all sources of government funding (federal, provincial/territorial and municipal) for their projects. ECCC will verify if those sources of funds are permissible under the Challenge Fund.

It is incumbent upon the applicant to properly account for all funding that is being provided for the implementation of the project.

For example, a private sector for-profit company receiving a contribution from Employment and Social Development Canada equivalent to 10% of eligible expenditures would only be eligible for up to 15% LCEF funding to ensure the combined amount of federal funding remained no more than 25% (i.e., the maximum LCEF cost-share for private sector for-profit applicants).

Costs and results associated with existing activities cannot be included in the project scope. This is important in determining if the project meets cost-sharing parameters and in estimating GHG results.

For example, if an applicant has an existing \$100 million project resulting in 10,000 tonnes of [carbon dioxide equivalent](#) (CO<sub>2</sub> eq.) of GHG emissions reductions and is seeking LCEF funding for a \$10 million expansion of this project which would add 1,000 tonnes CO<sub>2</sub> eq. in reductions, the project description should detail that the funding requested is only for the incremental \$10 million expansion. The LCEF contribution would be up to 25% of the total eligible expenses for a private sector for-profit company (according to cost-share percentages detailed in the table above), in this case a maximum of \$2,500,000, and the project would be considered to contribute 1,000 tonnes CO<sub>2</sub> eq. in emissions reductions.

#### Other funding parameters

The **LCEF funding is not taxable**, as it does not represent a source of revenue to an eligible organization.

Applicants can choose to, at their own risk, issue requests for proposals (i.e., tender) for project-related work prior to the signature of the funding agreement. This undertaking would not affect the eligibility of expenditures, as long as contracts are **only signed after** the signature of the funding agreement.

## Section 5. Project Outcomes

This section will provide an overview of a project's outcomes. To be considered for funding, projects must result in GHG emissions reductions toward Canada's 2030 target. For the EOI stage, applicants are not required to provide estimates of GHG emissions reductions for their project. Instead, applicants must provide a qualitative explanation of how their project will reduce GHG emissions, explaining what sources of emissions will be reduced, how the project will impact them, and how the emissions might change over time in the absence of the project.

Projects under the Champions stream must result in material, incremental, and cost-effective GHG emissions reductions. The cost-effectiveness of GHG emissions reductions (i.e., the federal funding requested per tonne of CO<sub>2</sub> eq. reduced) in 2030 and over the lifetime of the project is worth 75% of the project's total score during the Formal Proposal assessment. There are no fixed thresholds for cost-effectiveness.

While it is optional for applicants to provide estimates for GHG reductions or fuel, electricity, or energy savings in Question 5.6 of the EOI, detailed quantification will be necessary for the Formal Proposal stage. Applicants who are invited to submit a Formal Proposal will be required to complete a GHG Workbook (mandatory templates to be provided by ECCC) for the project. The GHG workbook will support the process of estimating the annual and cumulative GHG reductions for each project, as well as energy savings (if applicable). Detailed GHG guidance will be provided at the Formal Proposal stage. For more information on GHG accounting



standards for projects, applicants are encouraged to consult the ISO 14064-2 standards or the internationally recognized [GHG Protocol on Project Accounting](#).

#### GHG emissions reductions (Q5.1)

GHG emissions reductions are required for a project to be eligible for consideration. This is a yes/no answer.

#### Sources of GHG emissions the project aims to reduce (Q5.2)

Describe the sources of emissions the project aims to reduce. The most common sources of emissions that may be listed are:

- **Grid-purchased electricity** (due to fuel combustion by electricity generators, e.g., coal or natural gas-fired electricity). If a project location is not connected to a provincial or territorial electricity grid, please explain the make-up of the electricity being purchased. This is the only [indirect source of emissions](#) that is considered “in-scope” for this program.
- **Combustion of fossil fuels**, e.g., in stationary or mobile equipment for the production of energy. Please describe the fuel used (e.g., natural gas, diesel, fuel oil, etc.) and the energy end-use associated with the combustion (e.g., space heating, process heat, mobile engines, etc.).
- **Industrial processes**, i.e., non-energy emissions released through chemical reactions in manufacturing processes used for the production of chemicals, metals, mineral products, or other goods. Please describe the process and type of greenhouse gas released.
- **Industrial product use**, primarily the use of halocarbons (HFCs and PCFs) as refrigerants. Please list the use of and type of greenhouse gas or refrigerant.

Other sources of emissions that may be relevant are methane emissions from landfill gasses in the waste sector, and fugitive, venting, and flaring emissions from the production of fossil fuels. In these cases, please ensure the project activities are incremental to regulatory requirements.

#### Control of GHG emissions reductions (Q5.3)

Provide a yes or a no and explain how if unclear. Other than acquired emissions from grid-purchased electricity, emissions must be under the control of the lead applicant or other participating organization to this project to be considered in-scope. If the emissions are not under the direct control of the lead applicant or other participating organization, please describe the relationship to the organization in control and ensure they are listed in question 1.14.

#### Qualitative description/metrics of GHG emissions reductions (Q5.4)

For each source of emissions listed in question 5.2, please describe how the project will reduce these emissions. This question is asking for a qualitative description, not quantitative estimates. Quantitative estimates are optional for the EOI but may be included in question 5.6.

#### Change of emissions over time (Q5.5)

Please describe if these emissions are expected to increase or decrease over time if the project were not to occur (e.g., increased facility demands may increase emissions required for space or process heating needs, coal-fired electricity retirements may decrease emissions associated with grid-purchased electricity).



### Optional GHG estimates (Q5.6)

At this time does the organization have any estimates for GHG reductions or fuel, electricity, or energy savings associated with this project (e.g., 20% reduction in annual GHG emissions, 10,000 tonnes of CO<sub>2</sub> eq. per year)? If so, what are the estimates? Optional metrics could include:

- Estimated annual GHG emissions reductions in the year 2030. This could be expressed as a percentage reduction.
- Estimated cumulative GHG emissions reductions over the lifetime of the project.

## Section 6. Optional Feedback

ECCC encourages all applicants to share their views, questions or suggestions in this section of the EOI Form.

You may also send feedback to [lcef-fefec@ec.gc.ca](mailto:lcef-fefec@ec.gc.ca). Any feedback will be considered anonymously and will not impact the evaluation of Expressions of Interest or Formal Proposals.

## Section 7. Permission to Share & Attestation

To complete your EOI, you must attest to the accuracy of the information provided in the EOI Application Form.

In addition, you must provide consent to ECCC for the sharing of the EOI including the personal information contained therein, with other Federal Government departments, for the purposes of assisting ECCC with project assessment, and/or to determine eligibility under other Federal Government funding opportunities.

We also encourage you to provide consent to ECCC for the sharing of the EOI with selected experts external to the Federal Government, subject to confidentiality agreements between ECCC and the selected experts, for the purpose of assisting ECCC with project assessment. However, providing consent to share with external experts is optional.

## VI. Selection Process

Under the Champions stream, projects will undergo the following three-stage assessment process.

### Stage 1. Expressions of Interest

Every EOI submitted to the Champions stream will be reviewed to verify the eligibility of the project according to the guidance outlined in this guide. Applicants will be notified of the result of this review and, if the EOI is eligible, invited to submit a Formal Proposal.

It is the responsibility of the applicant to provide comprehensive, clear and complete information. It should be assumed that EOI(s) will be reviewed **as submitted only**. Failure to demonstrate the eligibility of a project under any of the eligibility criteria could lead to project rejection.

## Stage 2. Formal Proposals

Every project will be evaluated for merit by a cross-disciplinary review committee on a combination of the following criteria. GHG emissions reductions and co-benefits will be scored. Risk and feasibility will be evaluated.

EVALUATION CRITERIA	OVERVIEW
<b>GHG Emissions Reductions</b> (75% of score)	<p>GHG emissions reductions estimates will be evaluated for correctness, relevance (of methods, data, and assumptions), completeness, consistency, transparency, and incremental to existing regulations, standards, and plans to determine the overall certainty of the estimates. Project scores will depend on both the results of this evaluation and on the cost-effectiveness of the project.</p> <p>The cost-effectiveness of a project refers to the number of federal LCEF dollars (funding) invested per tonne of greenhouse gas (GHG) emissions reductions. For this program, cost-effectiveness is calculated as the ratio of funding to the project's GHG emissions reductions in 2030 (2030 cost-effectiveness) and the cumulative greenhouse gas reductions over the lifetime of the project to 2050 (lifetime cost-effectiveness).</p>
<b>Co-benefits</b> (25% of score)	<p>Other project benefits will also be assessed, including:</p> <ul style="list-style-type: none"> <li>• Other environmental benefits, such as reductions in air pollution or improving resiliency and adaptation to climate change;</li> <li>• The creation of positive impacts for First Nation, Métis or Inuit communities or organizations; and</li> <li>• Clean growth benefits such best-in-class practices and technologies, potential for replicability, etc.</li> </ul> <p>Co-benefits will be scored following expert assessment of supporting information provided by the applicant. Significant co-benefits on one or two criteria will carry more weight than minor co-benefits across several criteria.</p>
<b>Risk and feasibility</b>	<p>Projects will be assessed for risk and feasibility. Applicants will be required to detail organization and financial capacity, project design complexity, and work plan feasibility, identifying associated risks and accompanying mitigation strategies. Projects with a high level of risk and insufficient mitigation strategies may be rejected.</p>

## Stage 3. Formal Recommendations, Project Approval and Funding Decisions

Subsequent to the Formal Proposal evaluation process, formal recommendations will be made to the Minister of Environment and Climate Change for project approval and funding decisions. Applicants will be notified of the result of their application following the Minister's funding decision.

## VII. Service Standards

A service standard is a public commitment to a measurable level of performance that clients (in this case, applicants) can expect under normal circumstances. Circumstances outside of ECCC's control may result in delays and would be communicated to applicants. ECCC has set three service standards for the timely and accurate delivery of the Champions stream:

SERVICE	STANDARD
<b>Determination of EOI eligibility</b>	Within 30 business days of the deadline to submit
<b>Formal proposal application determination</b>	Within 90 business days of the deadline to submit the Formal Proposal
<b>Provision of the draft funding agreement</b>	Within 10 business days of approval-in-principle

## VIII. Contact Us

Please visit the Champions stream [Frequently Asked Questions](#) webpage for additional information. Updates will be made periodically throughout the application stage.

If you are unable to find the information you require on the FAQ webpage or in this guide, or if you encounter any technical issues related to website functionality and access, you can contact ECCC via email at [lcef-fefec@ec.gc.ca](mailto:lcef-fefec@ec.gc.ca).

## Glossary and Acronyms

### Definitions

**Activity** – A specific action or intervention targeted at changing GHG emissions, removals, or storage. It may include modifications to existing production, process, consumption, service, delivery or management systems, as well as the introduction of new systems.

**Asset** – Any real or personal property or immovable or movable property acquired, purchased, constructed, rehabilitated or improved, in whole or in part, with funds contributed by Canada under the terms and conditions of this program.

**Behavioural change** – An ineligible project type whose primary objective is the reduction of GHG emission through incenting or modifying conscious human actions.

**Capacity building** – An ineligible project type that results in the development and enhancement of human and institutional resources, which does not directly result in measurable GHG reductions.

**Carbon dioxide equivalent (CO<sub>2</sub> eq.)** – The mass of carbon dioxide that would result in the same global warming impact as an equivalent mass of another greenhouse gas. The carbon dioxide equivalent is calculated, for this program, by multiplying the mass of the greenhouse gas by its corresponding 100-year global warming potential from the Fourth Assessment Report from the United Nations Intergovernmental Panel on Climate Change.

**Commercially available** – Currently available for purchase in the market. Technologies that are commercially available usually correspond with a level 8 or above on the [Technology Readiness Level \(TRL\)](#) scale.

**Contribution** – Funding that is based on meeting conditions of project performance and delivery. Contribution funding will be accounted for to ensure that it is being used for the intended purpose. Reporting is required to track progress, how the funds are being used, and how the project contributes to the program objectives.

**Cost-effectiveness** – The ratio of federal funding requested per tonne of carbon dioxide equivalent (CO<sub>2</sub> eq.) reduced in 2030 (2030 cost-effectiveness) and over the lifetime of the project to 2050 (lifetime cost-effectiveness).

**Educational project** – An ineligible project type that seeks only to educate, generate knowledge, or promote awareness and which do not directly result in measurable GHG reductions.

**Eligible expenditures** – Project expenditures considered by ECCC to be direct and necessary for the successful implementation of an eligible project. For more details please refer to Section 4 of this guide.

**Endowment** – A source of (usually non-redeemable) funding awarded to a recipient for the sole purpose of being invested. Endowments are intended to produce an ongoing source of income to be used by the recipient for purposes specified in a funding agreement.

**Feasibility study** – An analysis of the economic, technical, scheduling, legal, and other considerations of a potential project to determine if it is likely to be successful.

**Formal Proposal** – The application to this program submitted after ECCC has determined the EOI to be eligible. Only Expressions of Interest determined to be eligible will be invited to submit a Formal Proposal.

**Funding Agreement** – A written agreement between the Government of Canada and a recipient governing the terms and conditions associated with receiving funding.

**Greenhouse gas (GHG)** – The seven gasses or categories of gasses recognized by the United Nations Framework Convention on Climate Change (UNFCCC) for their contributions to the greenhouse effect: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>).

**Incremental GHG reductions** – Incremental projects are those that obtain GHG reductions beyond what would have occurred without the requested funding being provided. Projects that must proceed as described because of regulatory requirements, routine maintenance, or pre-

existing commitments are thus ineligible for funding. See Section 4.5.3 of this guide for a description of the eligibility requirements regarding incremental GHG reductions.

**Indirect GHG reductions** – GHG emissions that are a result of project activities that are not owned or controlled by the project applicant. This includes emissions associated with purchases of electricity, steam, heating, or cooling (acquired emissions), the production or transportation of goods used by the applicant (upstream emissions), or the use of products produced by the applicant, by consumers or third parties not partnering in this project (downstream emissions). Of these indirect emissions types, only acquired electricity, steam, heat, or cooling emissions are considered in-scope for this program.

**Material GHG reductions** – GHG emissions reduction results that are tangible, measurable, achievable, and sizeable enough to contribute toward Canada's GHG reduction targets relative to project size and scope.

**New construction projects** – An ineligible project type whose primary objective is the construction of a new building or facility (e.g., Net Zero Ready building, new mine, etc.) and/or where the emissions reductions are generated from a comparison between the performance of the new building or facility and a hypothetical baseline for the building or facility in the absence of LCEF funding.

**Own-use** – Refers to energy or fuel that is produced and used within the organization's own operations. See Section 2 of this guide for a description of the eligibility requirements regarding own-use.

**Participating organization** – An organization whose participation in the project is necessary in order for the project to proceed but whom is not otherwise an ultimate recipient. Participating organizations are required to attest to the content of the project and their participation in the project's implementation.

**Project** – A set of activities that are functionally distinct in terms of implementation, outcomes, budget, and work plan. Multiple activities at multiple project sites may be combined within one project, so long as the activities are within one province or territory and the sites have the same owner.

**Research, Development and Demonstration (RD&D)** – An ineligible project type where activities are primarily based on the initial stages of innovative technology development, idea generation, and testing.

**Retrofit** – Changes to an existing building or asset that seek to renovate, upgrade, or repair aspects of the building or asset in a manner that improves environmental outcomes.

**Stacking** – Acquiring more than one source of federal financial assistance through contributions, whether provided by one or multiple federal departments or agencies.

**Technology Readiness Level (TRL)** – A scale that rates technological maturity based on its status from inception to commercially available. This tool helps determine TRL level [Technology Readiness Level \(TRL\) Assessment Tool](#).

**Ultimate recipients** – Organizations that, as owner in whole or in part of a project asset, receive the intended material benefit as a result of the implementation of the project.

## Activity types

**Stationary equipment retrofits for energy efficiency** – The replacement or upgrade of existing mechanical or electrical systems for the purpose of increasing their energy efficiency. Stationary equipment refers to those systems that remain fixed in a single location throughout the course of its operation. Common examples include boilers, pumps, and compressors.

**Stationary equipment retrofits for fuel switching** – The replacement or upgrade of existing mechanical or electrical systems for the purpose of switching the energy/fuel on which they operate. Stationary equipment refers to those systems that remain fixed in a single location throughout the course of its operation. Common examples include boilers, pumps, and compressors.

**Mobile equipment retrofits for energy efficiency** – The replacement or upgrade of existing vehicles or their onboard systems for the purpose of increasing their energy efficiency. This can include cars, trucks, planes, trains, excavators, or any other such vehicle.

**Mobile equipment retrofits for fuel switching** – The replacement or upgrade of existing vehicles or their onboard systems for the purpose of switching the energy/fuel on which they operate. This can include cars, trucks, planes, trains, excavators, or any other such vehicle.

**Building envelope upgrades (insulation, windows, doors)** – The replacement or restoration of a building’s envelope or shell. This includes all activities that improve the air-tightness or insulation of the building. Note that upgrades to heating or cooling equipment are generally considered stationary equipment retrofits.

**Clean electricity production for own use** – The generation of electricity from renewable sources to offset the consumption of electricity from non-renewable sources. Common examples of renewable energy include solar, wind, hydro, and biomass. Electricity production projects must meet the “own-use” requirement as defined in Section 2 of this guide.

**Low-carbon fuel production for own use** – The production of a fuel that, when used, has significantly lower carbon emissions than that of traditional fuels. Low-carbon fuel production projects must meet the “own-use” requirement as defined in Section 2 of this guide.

**Cogeneration or combined heat & power production** – The installation or upgrade of a cogeneration or combined heat and power unit to generate electricity and heat that can be used to meet space, water, or other process heating requirements.

**Heat recovery** – The capture of residual heat from a process for use elsewhere. For example, the capture of heat that would otherwise be wasted from an industrial process to pre-heat a secondary process or to provide space heating.

**District energy and/or heating** – Heating and/or cooling networks in which multiple buildings are connected to a central heating/cooling plant. District energy and/or heating systems for new industrial or residential buildings are ineligible.

**Landfill gas capture** – The capture of greenhouse gasses, primarily methane, stemming from the decomposition of organic materials in a landfill. These gasses can be used as a fuel for own-use in another process, or flared.

**Organics diversion** – The diversion of organic materials from the landfill to another controlled environment such as a composting facility or an anaerobic digester, which will prevent the release of greenhouse gasses (primarily methane) as they decompose.

**Industrial process emissions changes** – Changes to industrial processes that release non-energy related GHG emissions, such as manufacturing processes that release CO<sub>2</sub> through chemical reactions (e.g., in cement or steel production).

**Industrial product use changes** – Changes in GHG emissions from the use of products in an industrial process that does not involve a chemical or physical reaction. This includes emissions from the production or consumption of sulfur hexafluoride (SF<sub>6</sub>), nitrogen trifluoride (NF<sub>3</sub>), hydrofluorocarbons (HFCs), and perfluorocarbons (PFCs).

**Carbon Capture and Storage** – Technologies that energy/emission-intensive industries implement to remove CO<sub>2</sub> emissions from their point source (capture), followed by the permanent storage of CO<sub>2</sub> underground by injecting it into rock formations (storage).

**Carbon Capture and Utilization** – Technologies that energy/emission-intensive industries implement to remove CO<sub>2</sub> emissions from their point source (capture), followed by the conversion of this carbon to fuels or carbonate minerals through mineralization processes with higher conversion efficiency and lower energy requirements, compared to incumbent technologies (utilization).

## Acronyms for greenhouse gasses

CH <sub>4</sub>	Methane
CO <sub>2</sub>	Carbon dioxide
HFC	Hydrofluorocarbon
N <sub>2</sub> O	Nitrous oxide
NF <sub>3</sub>	Nitrogen trifluoride
PFC	Perfluorocarbon
SF <sub>6</sub>	Sulfur hexafluoride

## Other acronyms

CO <sub>2</sub> eq.	Carbon dioxide equivalent
ECCC	Environment and Climate Change Canada
EDT	Eastern Daylight Time
EST	Eastern Standard Time
GHG	Greenhouse gas
LCEF	Low Carbon Economy Fund
NGO	Non-governmental organization
PIMS	Program Information Management System
SWIM	Single Window Information Manager
TRL	Technology Readiness Level
WBS	Workplan Breakdown Structure