

Government Programs Support Private Sector Cleantech Development Projects



Sources of government funding available to clean energy technology entrepreneurs.

One big part of the national strategy for achieving climate change objectives is to provide funding to private sector initiatives to develop sources of clean energy and technologies for reducing greenhouse gas emissions. Here's a 30,000-foot overview of the key federal programs and eligibility criteria.

The Sustainable Development Technology Canada Fund (SDTC)

Established in 2000, the SDTC is a federal government foundation that offers non-repayable funding to pre-commercial cleantech projects with the potential to make demonstrable contributions to climate change, clean air, clean water or clean soil. Criteria for eligibility:

- The applicant must be a Canadian company that develops novel technologies with significant and quantifiable environmental benefits that will provide a significant retained benefit to Canada;
- At least 50% of eligible project costs must be incurred in Canada, and the total level of funding from all levels of government can't exceed 75% of eligible costs, with the rest being funded via private sector contributions;
- The applicant must have a defined project and be looking to demonstrate a pre-commercial technology;
- There must be a strong end-user, value proposition and demonstrated capacity to validate the technology's market and commercialization potential; and
- The applicant must cultivate consortium partners that are either end users of the product or otherwise able to validate the needs and market for the technology.

SIF Net Zero Accelerator Fund

The Strategic Innovation Fund ('SIF') Net Zero Accelerator Fund ('Net Zero Accelerator') is an \$8 billion 5-year program that the government created at the

end of last year to provide minimum contributions of \$10 million to cleantech projects costing at least \$20 million which are designed to wean industry away from carbon. To qualify for Net Zero Fund support, firms must submit a statement of interest listing:

- Details of the proposed project;
- Metrics, targets and timeframes demonstrating the resulting environmental benefits or GHG reductions of the proposed clean technology or project activities;
- Other environmental benefits; and
- A description of how the product links to Canada's environmental priorities, including the transition towards a low-carbon economy.

Industrial Research Assistance Program (IRAP)

IRAP is a program run by the National Resource Council of Canada to provide up to \$10 million in research and development funding, as well as advisory services and network connections to help small and medium sized businesses develop and commercialize clean technologies. To qualify for IRAP assistance, an applicant must:

- Be an incorporated, profit-oriented small or medium-sized business in Canada;
- Have 500 or fewer full-time equivalent employees; and
- Have plans to pursue profit in Canada by developing and commercializing innovative, technology-driven new or improved products, services or processes for use in the country.

Business Development Bank of Canada (BDC)

The federally owned BDC provides financing and other assistance to small businesses, entrepreneurs and start-ups for a broad array of projects with a practice dedicated to cleantech development. To qualify for BDC investment, applicants must show that they possess:

- Commercially validated intellectual property-protected technology with a positive environmental impact;
- Traction in the market with significant potential for revenue growth and commercial contracts;
- Ambition to scale beyond \$100 million in annual revenue; and
- A clear pathway to profitability.

Other Federal Funding Programs

In addition to the above programs, the federal government provides financial and other forms of assistance, services and support to businesses seeking to develop, commercialize and/or improve cleantech via:

- The Clean Growth Hub, a free service that helps producers and adopters of cleantech find sources of funding for their projects;
- The Business Scale-up and Productivity Program, which is run across 6 regional development agencies and provides interest-free repayable funding to high-growth businesses, that is those growing at an annual clip of at

least 20%, that are seeking to scale up and produce innovative goods, services or technologies; and

- The Zero Emission Vehicle (ZEV) Infrastructure Program, which is administered by Natural Resources Canada, provides up to \$5 million per project in funding to projects designed to promote the establishment ZEV charging stations across the country.

Provincial Funding Programs

Several provinces have also established their own funding programs to support private sector cleantech development projects. Notable examples include:

- The Ontario Centre for Innovation's Voucher for Innovation and Productivity (VIP) program;
- Alberta's Technology, Innovation and Emission Reduction (TIER) System and Carbon Capture Utilization Programs; and
- BC's Innovate Clean Energy (ICE) Fund, Innovate BC Ignite Program, Advanced Research and Commercialization (ARC) Program and BC Fast Pilot programs.