



# Clean Energy Improvement Program

## The City of Calgary Terms and Conditions

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# 1 Interpretation and Definitions

## 1.1 Interpretation

In the event of any conflict or inconsistency between these CEIP Terms and Conditions and the Clean Energy Improvement Agreement or the Project Agreement signed by the Property Owner, such conflict or inconsistency shall be resolved by observing the following order of precedence:

1. the Clean Energy Improvement Agreement;
2. the Project Agreement; and
3. these CEIP Terms and Conditions.

## 1.2 Definitions

In these CEIP Terms and Conditions, the following terms shall have the following meanings:

**“Act”** means the *Municipal Government Act*, R.S.A. 2000, c. M-26, as amended from time to time.

**“Administration Fee”** means an administration fee as defined in Section 1(a) of the Regulations.

**“AMSC” or “Program Administrator”** means Alberta Municipal Services Corporation, a wholly-owned subsidiary of Alberta Municipalities, the designated program administrator for CEIP.

**“Business Day(s)”** means any day except Saturday, Sunday, or statutory holidays in the Province of Alberta.

**“Bylaw”** means the Municipality’s Clean Energy Improvement Program Bylaw Number 53M2021.

**“Capital Cost”** means the cost to purchase and install the Clean Energy Improvement but does not include Professional Service Costs, Financing Costs or Incidental Costs.

**“CEIP” or “Program”** means the Clean Energy Improvement Program administered by AMSC and enabled by the Bylaw.

**“CEIP Terms and Conditions”** means these terms and conditions.

**“Change Order”** means a record of change, including any addition, modification or deletion to the Project or the Completion Date or the replacement of a supplier or proposed subcontractor which results in a material change to the Project or Project Cost. Any Change Order must be approved by the Program Administrator and the Municipality.

**“Clean Energy Improvement Agreement”** means the agreement signed between the Property Owner and the Municipality which sets out the terms and conditions of the Program and the Project financing.

**“Clean Energy Improvement Tax”** means a tax levied on the Property pursuant to the Bylaw and the Act, which tax is equal to the aggregate sum of:

- (a) the outstanding Capital Cost of undertaking the Clean Energy Improvements;
- (b) the cost of Professional Services needed for the Clean Energy Improvements;
- (c) the Administration Fee;
- (d) the Financing Costs; and
- (e) any other Incidental Costs to the undertaking of the Clean Energy Improvement and to the raising of revenue to pay for it as specified in the Agreement.

**“Clean Energy Improvement(s)” or “Upgrade(s)”** means a renovation, adaptation or installation or combination of renovations, adaptations, or installations on the Property that:

- (a) will increase energy efficiency or the use of renewable energy on that Property;
- (b) meets the criteria or requirements set out in the Bylaw;
- (c) meets the criteria or requirements set out by the Program Administrator and is listed on the [Program website](#); and
- (d) will be paid for in whole or in part by a Clean Energy Improvement Tax imposed by the Municipality on the Property.

**“Commencement Date”** means the date of issue of the Installation Authorization Notice.

**“Completion Date”** means the date when the Project has reached Substantial Performance.

**“Contractor Directory”** means a list of Qualified Contractors that is established and maintained on the Program website.

**“Effective Useful Life”** is also referred to as probable lifespan and is the average time in years where the Clean Energy Improvement is expected to result in energy savings. The Effective Useful Life is standardized for each type of Clean Energy Improvement and does not equate to the actual length of time the Clean Energy Improvement will be functioning.

**“Eligible Cost”** means a cost eligible for financing under the Program as outlined in Section 7.1 and includes the Capital Cost, Incidental Cost, and Professional Service Costs for the Project.

**“Financing Costs”** means the interest charged on the Eligible Costs over the payment term and any interest accrued on the Eligible Costs prior to the Eligible Costs being levied on the property tax bill that will be capitalized and included in the Clean Energy Improvement Tax.

**“Incidental Cost”** means an amount expended on Incidental Work.

**“Incidental Work”** means preparation or upgrading of a property that is incidental to the installation of the Clean Energy Improvement on the Property but required for successful execution and excludes the installation of Clean Energy Improvements and Professional Services.

**“Installation Authorization Notice”** means the notification provided by the Program Administrator to the Property Owner and the Qualified Contractor to authorize the start of the Clean Energy Improvement installations.

**“Municipality”** means The City of Calgary.

**“NRCan Certified Home Energy Evaluation” or “EnerGuide Version 15 Home Evaluation” or “Home Energy Evaluation”** means an energy audit adhering to either pre- or post-Project

version 15 EnerGuide Home Energy Evaluation specifications performed by a registered NRCan Energy Advisor.

**“NRCan Energy Advisor”** means a person who has met and maintained all of the required qualifications as set out by NRCan to deliver EnerGuide rating services for eligible homes in Canada.

**“NRCan”** means Natural Resources Canada.

**“Pre-Qualification Form”** means the form completed by the Property Owner and submitted to the Program Administrator to apply for pre-qualification for the Program.

**“Primary Qualified Contractor”** is the Qualified Contractor who is leading the installation of the Clean Energy Improvement(s) and is the Qualified Contractor responsible for the execution of the Project Agreement.

**“Professional Service Costs”** means the costs or any amounts expended on Professional Services.

**“Professional Service”** means services provided by a professional with specialized education or training, including engineering studies, NRCan Certified Home Energy Evaluations, feasibility studies or related studies, but exempting installation of the Clean Energy Improvement or Incidental Work.

**“Program”** or **“CEIP”** means the Clean Energy Improvement Program administered by AMSC and enabled by the Bylaw.

**“Project Agreement”** means the agreement between the Program Administrator, the Primary Qualified Contractor and the Property Owner, which defines the scope of the Project and sets out the terms relating to the Primary Qualified Contractor’s installation of the Clean Energy Improvement(s) and/or Incidental Work.

**“Project Application Form”** means the form completed by the Property Owner and submitted to the Program Administrator after receiving pre-qualification approval notification from the Program Administrator, which lists the proposed Clean Energy Improvement(s) and Project Cost.

**“Project Cost”** means the sum of the Capital Costs, Incidental Costs, and Professional Service Costs for a Project.

**“Project”** means the installation of one or more Clean Energy Improvements at the Property Owner’s Property by the Qualified Contractor(s) and any associated services.

**“Property”** means the residential land and premises where the Project is located.

**“Property Owner(s)”** means the individual(s) or legal entity(ies) that is (are) the registered Property Owner(s) of the Property where the Clean Energy Improvements are to be installed.

**“Qualified Contractor”** has the definition as set out in the [Clean Energy Improvements Regulation, Alta Reg 212/2018](#), and must be listed in the Contractor Directory on the Program website.

**“Regulations”** means the regulations made under the Act with respect to Clean Energy Improvements including the *Clean Energy Improvements Regulation*, Alta Reg 212/2018.

**“Substantial Performance”** means the date on which all required approvals of public authorities having jurisdiction over the Clean Energy Improvement have been obtained and the Clean Energy Improvement is ready for use or is being used for its intended purpose.

**“Supporting Documentation”** means any documentation required by the Program Administrator to be submitted for each Clean Energy Improvement, as specified on the [Eligible Residential CEIP Upgrades](#) pages on the Program website.

**“Upgrade Completion Form”** means the form completed and submitted by the Property Owner to the Program Administrator, once a Clean Energy Improvement has reached Substantial Performance, which lists the Clean Energy Improvements installed and confirms the Eligible Costs.

**“WCB”** means the Workers’ Compensation Board of Alberta.

## 2 Background

CEIP is a financing program that makes energy efficiency and renewable energy improvements more accessible to residential property owners. This Program allows property owners to access financing through their municipality to install eligible Clean Energy Improvements on their property. Repayment is facilitated through an added charge to the Property Owner's regular property tax bill.

*An Act to Enable Clean Energy Improvements* was passed on June 6, 2018, which authorizes certain amendments to the *Municipal Government Act*, RSA 2000, c M-26. These amendments allow municipalities to pass a clean energy improvements tax bylaw and make a borrowing to finance Projects and recover costs through the municipal property tax system. The accompanying regulation (*Clean Energy Improvements Regulation*, Alta Reg 212/2018) came into force on January 1, 2019. By virtue of Ministerial Order 34/2021 issued by the Minister of Environment and Parks on February 11, 2021, AMSC was designated as the provincial administrator of the Program.

The Municipality passed Bylaw Number 53M2021 on December 6, 2021. This Bylaw enables and governs the implementation of the Program in Calgary.

This document outlines the Municipality's terms and conditions for a Property Owner's participation in the Program.

## 3 Property and Property Owner Eligibility

### 3.1 Property Eligibility

- a. The Property must be:
  - i. a privately owned residential property;
  - ii. located within the boundaries of the Municipality; and
  - iii. a single detached or semi-detached house, row house, townhome, or residential portions of mix-use buildings and multi-unit residential buildings, provided that such buildings are both under three storeys and have a footprint of 600 meters squared (6,458 feet squared) or less.
- b. A minimum of \$1,000,000 in personal liability insurance and property insurance to cover the value of the Property and any Clean Energy Improvements must be included in an active insurance policy for the Property.
- c. The Municipality cannot enter into a Clean Energy Improvement Agreement for the Property, and the Property will be deemed ineligible, if:
  - i. there is an existing Clean Energy Improvement Agreement in place for the Property and the costs of that Clean Energy Improvement Agreement have not been placed on the tax roll;
  - ii. the Property is going through foreclosure;

- iii. there are development compliance issues or safety code issues associated with the Property; or
  - iv. the Property does not otherwise meet any of the requirements under this Bylaw, the Act, or the Regulation.
- d. The Municipality may consider the following when evaluating eligibility of the Property and determining whether to enter into a Clean Energy Improvement Agreement for the Property:
- i. whether the Property is the subject of some form of ongoing or anticipated litigation in relation to its ownership;
  - ii. whether the Property is not being used primarily for residential housing purposes; or
  - iii. whether there is any other reason, in the City Manager's, or delegate's, sole opinion, to refuse to enter into a Clean Energy Improvement Agreement or deem the Property ineligible.
- e. If a Property is in a building that includes common property or shared facilities and the Project will impact or affect the common property or shared facilities, written approval of the owner of the building or governing body of the common property or shared facilities (e.g., condominium board) is required to be eligible for participation in the Program.
- f. While not an exhaustive list, the following properties are ineligible for the Program:
- i. non-residential buildings and farmland;
  - ii. multi-unit residential buildings having four or more stories or over 600 m<sup>2</sup> of building area;
  - iii. federal, provincial, or municipally owned properties;
  - iv. new construction homes as defined by NRCan standards<sup>1</sup>;
  - v. designated industrial properties as defined in the Act;
  - vi. designated manufactured homes as defined in the Act; and
  - vii. property assessed as Class – 4 (machinery and equipment) under the Act.

### 3.2 Property Owner Eligibility

- a. The Property Owner must be the current legal owner of the Property located in the city of Calgary.
- b. The Municipality cannot enter into a Clean Energy Improvement Agreement, and the Property Owner will be deemed ineligible, if:
  - i. the Property Owner is in tax arrears on the Property or the Property Owner has fallen into tax arrears within the previous five years on the Property;

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<sup>1</sup> NRCan defines new residential buildings as those that are no more than six (6) months old following the date of first occupancy ([NRCan ENERGY STAR for New Homes Standard](#)).



- ii. the Property Owner is in bankruptcy or receivership;
  - iii. the Property Owner has not confirmed that the Property's mortgagors have approved participation in the Program;
  - iv. there is a dispute with the Property Owner about whether the Property Owner is abiding by the terms of any other grant or financial assistance that the Property Owner has received from any level of government; or
  - v. the Property Owner does not otherwise meet any of the requirements under the Bylaw, the Act, or the Regulation.
- c. The Municipality may consider the following when evaluating the Property Owner's eligibility and determining whether to enter into a Clean Energy Improvement Agreement:
- i. whether an individual or business entity related to the Property Owner is in bankruptcy, or receivership;
  - ii. whether the Property Owner owns any interest in another property that is going through foreclosure;
  - iii. whether an individual or business entity related to the Property Owner owns any interest in a property that is going through foreclosure;
  - iv. whether the Property Owner is participating in the Municipality's Property Tax Assistance Program or the Government of Alberta's Seniors Tax Deferral Program; or
  - v. whether there is any other reason, in the City Manager's, or delegate's, sole opinion, to refuse to enter into the Clean Energy Improvement Agreement.
- d. The Property Owner must provide a sworn statement by signing the Property Owner Acknowledgement of the Pre-Qualification Form, that the Property Owner is in good standing with respect to the payment of property taxes on the Property in the five-year period before the Pre-Qualification Form was submitted.
- e. If the Property Owner:
- i. has held tax arrears on the Property during the five-year period prior to the date of the Pre-Qualification Form submission, they will be deemed ineligible for the Program;
  - ii. has held past due payments on the Property during the five-year period prior to the date of the Pre-Qualification Form submission, they may be deemed ineligible for the Program in the Municipality's sole discretion;
  - iii. has owned the Property for less than five years and has held tax arrears or past due payments in the Municipality on any other property during the five-year period prior to the date of the Pre-Qualification Form submission, they may be deemed ineligible for the Program in the Municipality's sole discretion;
  - iv. does not have a five-year property tax history with the Municipality on any property, the Property Owner may apply to participate in the Program but may be subject to an

enhanced financial eligibility review. The Property Owner agrees that the Municipality may obtain such credit reports or other information that it deems necessary in order to evaluate the Property Owner's eligibility for the Program and the Municipality may disclose such information collected to other municipal departments and to the Program Administrator for the purpose of administering the Program.

- f. The Property Owner must attest they are current on any outstanding property-secured debt associated with the Property on the Pre-Qualification Form and state the total amount owing on such property-secured debt. The Property Owner may be required to submit a letter to the Municipality from the Property Owner's financial institution as confirmation that such property-secured debt is in good standing.
- g. If there is property-secured debt registered on the title to the Property and that amount is equal to or greater than the most recent assessed value of the Property as determined by the Municipality, the Municipality reserves the right to reject the Property Owner's participation in the Program.
- h. If a mortgage is registered on the title to the Property, the Property Owner bears sole responsibility to obtain consent from their mortgage lender to participate in the Program, if required by the terms of their mortgage. Failure to obtain consent from all mortgage lender(s) could result in the Property Owner breaching a mortgage obligation with such lender(s). The Program Administrator and the Municipality are not responsible or liable to the mortgage lender(s), the Property Owner nor any other party, and the Property Owner agrees to indemnify and hold harmless the Program Administrator and the Municipality in any such circumstances.
- i. The Property Owner must meet any additional eligibility criteria as identified by the Municipality or the Program Administrator.

### **3.3 Eligibility updates**

The Program Administrator and the Municipality have the right to amend the Property and Property Owner eligibility requirements or these CEIP Terms and Conditions at any time and notification of any amendments will be located on the Program website. The Program Administrator and the Municipality reserve the right to change, at any time, the Clean Energy Improvements that may be eligible under the Program without any notice or liability.

## **4 Clean Energy Improvement Eligibility Requirements**

### **4.1 Eligible Clean Energy Improvements**

For Clean Energy Improvements to be eligible for financing, they must meet all of the following criteria:

- a. The Clean Energy Improvement must increase the energy efficiency or use of renewable energy on the Property.
- b. The Clean Energy Improvement must be installed by a Qualified Contractor.
- c. The total Capital Costs of the Project must be greater than or equal to \$3,000.

- d. The Clean Energy Improvement must be listed as an eligible Clean Energy Improvement on both the Program website and the Bylaw, and must meet all eligibility requirements described on the [Program website](#) at the time of submission of the Project Application Form.
- e. All Clean Energy Improvements must be new, installed, and operational.
- f. All Clean Energy Improvements must meet the Canadian Certification Standards, as outlined by the Standards Council Canada, for product approval, or equivalent certification by an applicable certification body.<sup>2</sup>
- g. Clean Energy Improvements must have a manufacturer's warranty period that is consistent with the industry standard.<sup>3</sup> The minimum manufacturer warranty period for Clean Energy Improvements is one year.
- h. Clean Energy Improvements must have a one-year minimum warranty provided by the Qualified Contractor for defects in materials and labour.
- i. Clean Energy Improvements must have a warranty that is transferrable to subsequent owners of the Property until the warranty period expires.
- j. The Property Owners will not remove any installed Clean Energy Improvements before the end of their Expected Useful Life unless the Clean Energy Improvement fails. The Property Owner agrees not to move, remove, tamper with, disable or damage any Clean Energy Improvement at any time.

#### 4.2 Ineligible Clean Energy Improvements

The following list includes the types of services, products, and equipment that are deemed ineligible for financing through the Program:

- a. Health and safety improvements not directly related to or otherwise incorporated into the Project.
- b. Any products that are in the process of being installed or have already been installed prior to approval of the Pre-Qualification Form, Project Application Form and signing of the Clean Energy Improvement Agreement and Project Agreement (i.e., financing cannot be applied retroactively).
- c. Any products not permanently affixed to the Property (e.g., plug-in appliances).
- d. Any products or equipment associated with new additions<sup>4</sup> at an existing residence that serves only that addition.<sup>5</sup>

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<sup>2</sup> For example, Underwriters Laboratories of Canada (ULC), Electrical Testing Labs (ETL), and Canada Standards Association (CSA).

<sup>3</sup> For example, industry standard warranty is 25 years for solar panels. The Qualified Contractor will provide the Property Owner with warranty information specific to the upgrade.

<sup>4</sup> A new addition is an extension or increase in floor area or height of a building or structure.

<sup>5</sup> If the products or equipment associated with the new addition also services and increases the energy efficiency or use of renewable energy in the existing residence, it may be eligible. Products or equipment associated with new additions will be evaluated on a case-by-case basis.

- e. Any products or equipment that are leased or financed through the Qualified Contractor or manufacturer.
- f. Any products or equipment that are used, refurbished, or rebuilt are not eligible.
- g. Any products or equipment not listed on the Program website.
- h. The Program Administrator and the Municipality have the right at any time to amend the list of upgrades, improvements, services or products that they deem to be ineligible for financing under the Program.

## **5 Application Requirements and Conditions**

### **5.1 Pre-Qualification Application**

The Property Owner must complete and submit the Pre-Qualification Form and the following documents to the Program Administrator to be considered for Pre-Qualification:

- a. Proof that the Property is sufficiently insured (i.e., property insurance with evidence of full-replacement cost of the Property sufficient to cover the value of the Property plus all Clean Energy Improvements and personal liability coverage of at least \$1,000,000). Accepted proof of insurance includes documentation that clearly states the policy provider, policy number, property address, property insurance coverage, personal liability coverage and duration of the policy (e.g., insurance binder letter).
- b. If there is property-secured debt associated with the Property, the Property Owner must confirm that payments are current and may be required to provide acceptable proof of same to the Municipality.
- c. Contact information for all Property Owners on title must be provided.
- d. All Property Owners must review these CEIP Terms and Conditions. At least one Property Owner must confirm all other Property Owners agree to these CEIP Terms and Conditions by signing the Property Owner Acknowledgement section of the Pre-Qualification Form.
- e. Pre-Qualification Forms are reviewed by the Program Administrator and the Municipality in the order they are received.
- f. The Municipality retains unfettered discretion to decline pre-qualification of a Property or Property Owner for any reason.
- g. Receiving approval of a Pre-Qualification Form does not guarantee that the Property Owner will be able to finance their Project under the Program. Financing is only confirmed once a submitted Project Application Form and Supporting Documentation are approved and a Clean Energy Improvement Agreement and Project Agreement are signed by all required parties.
- h. Upon pre-qualification approval, the Program Administrator will provide a copy of the Project Application Form to be completed and submitted by the Property Owner.

- i. Pre-qualification will be valid for three months after pre-qualification approval has been granted by the Program Administrator. If a Project Application Form is not submitted within three months of pre-qualification approval, the pre-qualification approval is cancelled, and a new Pre-Qualification Form must be submitted.
- j. A maximum of 30 Pre-Qualification Forms will be processed through the Program at any one time. All Pre-Qualification Forms received in excess of 30 will be placed in a queue in the order they were received and processed as Program capacity allows.

## 5.2 Project Application

Prior to submitting a Project Application Form, the Property Owner must:

- a. Have a valid pre-qualification approval from the Program Administrator for the same Property listed on the Project Application Form.
- b. Have an EnerGuide Version 15 Home Evaluation completed by a registered NRCan Energy Advisor.
- c. The NRCan Energy Advisor must be registered with a service organization listed on the Contractor Directory on the Program website.
- d. Property Owners who completed a pre-Project EnerGuide Version 15 Home Evaluation on or after April 1, 2020, are not required to complete a new evaluation.
- e. The Property Owner must pay for the EnerGuide Version 15 Home Evaluation out of pocket.
  - i. To be eligible for financing, the pre-Project EnerGuide Version 15 Home Evaluation must be completed after submitting a Pre-Qualification Form and the post-Project EnerGuide Home Evaluation must be completed after all Upgrades related to the Project are complete.
  - ii. In the Project Application Form, the Property Owner may request to finance the cost of the pre- and post-Project Home Energy Evaluation; if financing is requested and approved, the Property Owner will be reimbursed after a Clean Energy Improvement(s) with a minimum Capital Cost of \$3,000 are installed and all complete and accurate Upgrade Completion Forms have been submitted and approved.
- f. Receive a quote for the cost of the Clean Energy Improvement equipment and installation from a Qualified Contractor listed on the Contractor Directory.
- g. The Property Owner must submit Clean Energy Improvement manufacturer specification documentation from the Qualified Contractor and any other Supporting Documentation listed on the Program website.
- h. Receive written approval from the condominium board or owner(s) of the building if the Property is a unit in a condominium plan under the *Condominium Property Act*, RSA 2000, c C-22, or is in a building that includes common property or shared facilities, and the Project will impact common property or shared facilities in the building. Proof of such written approval must be submitted with the Project Application Form.

- i. The Property Owner must complete and submit the Project Application Form and required Supporting Documentation to the Program Administrator.
- j. All Property Owners on title must sign the Project Application Form.

### **5.3 Program Agreements**

- a. Once a Project Application Form is approved, the Program Administrator will provide the Property Owner with the Clean Energy Improvement Agreement and PABroject Agreement for their Project.
- b. The Program Administrator will schedule a time with the Property Owner to review the Clean Energy Improvement Agreement and ensure the Property Owner understands the terms and conditions of the Clean Energy Improvement Agreement.
- c. All Property Owners on title and the Municipality must sign the Clean Energy Improvement Agreement.
- d. All Property Owners on title, the Program Administrator, and the Primary Qualified Contractor, must sign the Project Agreement. If multiple Primary Qualified Contractors are completing different Clean Energy Improvements, a separate Project Agreement must be signed with each Primary Qualified Contractor.
- e. The Program Administrator will facilitate the execution of the agreements.
- f. Once the Clean Energy Improvement Agreement and Project Agreement are executed, the Program Administrator will:
  - i. Provide copies of executed agreements to all parties.
  - ii. Provide an Installation Authorization Notice to the Property Owner and the Primary Qualified Contractor(s) indicating the Project may commence. The Program Administrator will include a copy of the Upgrade Completion Form that the Property Owner must complete and submit once the Clean Energy Improvements reach Substantial Performance.

### **5.4 Deposit Payments**

- a. Deposit payments of up to a maximum of 20% of the Capital Costs may be advanced by the Program Administrator to the Qualified Contractor.
- b. If a deposit is requested by the Qualified Contractor, the Property Owner must indicate the deposit has been requested and the amount in the Project Application Form.
- c. The Property Owner must submit an invoice, or proof of requested deposit amount, from the Qualified Contractor with the Project Application Form.
- d. If approved by both the Program Administrator and the Municipality, payment for the approved deposit amount will be made by the Program Administrator to the Qualified Contractor pursuant to Section 7.2.

- e. Any funds provided to the Qualified Contractor on behalf of the Property Owner in advance of Substantial Performance will be subject to interest on the date the funds are released to the Qualified Contractor.

## **5.5 Clean Energy Improvement Installation**

- a. Clean Energy Improvement installation may only commence after:
  - i. the Clean Energy Improvement Agreement and Project Agreement have been executed; and
  - ii. the Installation Authorization Notice has been provided to the Property Owner and Primary Qualified Contractor by the Program Administrator.
- b. All Clean Energy Improvements must be installed within six months of the Commencement Date.
  - i. Requests for extensions will only be considered under extenuating circumstances. The process for submitting requests for extensions will be detailed in the Project Agreement and Clean Energy Improvement Agreement.
  - ii. Requests for extensions will be approved or denied at the discretion of the Program Administrator and the Municipality.

## **5.6 Clean Energy Improvement Completion**

- a. Once a Clean Energy Improvement has been installed, the Property Owner must submit an Upgrade Completion Form to the Program Administrator within three Business Days of the Clean Energy Improvement reaching Substantial Performance.
- b. A separate Upgrade Completion Form must be submitted for each Clean Energy Improvement if the Clean Energy Improvements reach Substantial Performance at different times.
- c. The Property Owner must submit all required Supporting Documentation with the Upgrade Completion Form, including but not limited to:
  - i. Itemized invoice(s) from the Qualified Contractor detailing all costs associated with the Clean Energy Improvement installation.
  - ii. Manufacturer product specification sheets that show the Clean Energy Improvement meets all specific Clean Energy Improvement eligibility requirements.
- d. Additional Project costs:
  - i. If at least one Clean Energy Improvement with a Capital Cost of \$3,000 or greater has been installed and reached Substantial Performance, the Property Owner may include an Incidental Cost, or Professional Service Cost associated with the Clean Energy Improvement installed on the Upgrade Completion Form.

- ii. Proof of payment for any Incidental Cost or Professional Service Cost associated with the Clean Energy Improvement must be included if the Property Owner is requesting reimbursement. Proof of payment includes copies of receipts that clearly show payment has been made.
- iii. Itemized invoices from a Qualified Contractor must be submitted for each Professional Service Cost and Incidental Cost if the cost is being submitted for financing under the Program.

## **5.7 Project Amendments**

- a. Project amendments are required if there are additions, removals, variations, substitutions, delays in Project completion, or price changes to the Project after the Clean Energy Improvement Agreement and Project Agreement are executed.
- b. A change request must be submitted by the Property Owner to the Program Administrator. Upon request, the Program Administrator will provide the Property Owner with a Change Order form to complete with the support of the Qualified Contractor.
- c. If the amendment is expected to cause a delay in the Project, extending the Completion Date past the deadlines outlined in Section 5.5, an extension request must be included on the Change Order. The request for extension will be approved at the sole discretion of both the Program Administrator and the Municipality.
- d. The Clean Energy Improvement Agreement will be amended upon Project completion to reflect the final Project Cost, whether lower or higher than the estimated Project Cost. The financing amount included in the amended Clean Energy Improvement Agreement will not exceed the maximums set out in Section 7.3 of these CEIP Terms and Conditions. The process for agreement amendments and Change Orders are detailed in the Clean Energy Improvement Agreement.
- e. Full details applicable to Project amendments will be outlined in the Project Agreement.

## **5.8 Site Inspection**

- a. The Program Administrator, the Municipality or their agents or service providers may conduct a site inspection prior to or during the installation of Clean Energy Improvements in order to verify information submitted on the Project Application Form and may also conduct a site inspection after the Completion Date in order to verify installation of Clean Energy Improvements and confirm that the Clean Energy Improvements are still installed. A site inspection after the Completion Date may occur at any time within the term of the payment of the Clean Energy Improvement Tax.
- b. If the Program Administrator or the Municipality chooses to conduct a site inspection, the Property Owner will provide reasonable access to the Property for the purposes of a site inspection.
- c. If the site inspection reveals any discrepancies between the Clean Energy Improvement(s) listed on the Upgrade Completion Form and the Clean Energy Improvement(s) that were installed, the Program Administrator will endeavour to work with the Property Owner and Qualified Contractor to attempt to resolve the issue and facilitate a Change Order, if



required. If, due to the discrepancies, Program eligibility criteria are no longer met, the Program Administrator reserves the right to seek reimbursement on behalf of the Municipality of any payments made to the Qualified Contractor or the Property Owner.

## **6 Incentives**

### **6.1 Project Incentive**

- a. An incentive of up to 10% of Project Costs is offered by the Municipality for completed CEIP Projects.
- b. Incentive availability is limited and will be provided on a first come, first served basis to Property Owners who complete a Project - as determined by Municipality - which includes submitting a final Upgrade Completion Form, completing a post-Project EnerGuide Version 15 Home Evaluation, and if required, signing an amended Clean Energy Improvement Agreement. The incentive will be applied directly to the Clean Energy Improvement Tax to reduce the total Project financing amount. The incentive will not be issued to the Property Owner directly.
- c. The Municipality does not guarantee that the incentive will be available once a Project is complete and does not guarantee processing time to have the incentive applied to the Clean Energy Improvement Tax.
- d. Only one incentive of up to 10% of Project Costs is available per Project.
- e. The incentive offered by the Municipality does not restrict the Property Owner from applying for incentives, rebates, grants, or financing programs through other entities or levels of government unless otherwise stated by the other funding agencies.

## **7 Project Financing**

### **7.1 Eligible Costs**

The following are the types of costs that can be financed through the Program. The definitions of each type of cost can be found in Section 1.1 Definitions:

- a. Capital Costs
  - i. Supporting Documentation must be provided for all Capital Costs associated with Clean Energy Improvements.
  - ii. Supporting Documentation may vary with each type of Clean Energy Improvement, the Property Owner must review the requirements provided by the Program Administrator.
- b. Professional Services
  - i. Only Professional Services specifically required for the completion of a Project and completed by a Qualified Contractor are eligible for financing.

- ii. The Property Owner must submit the report generated by the Professional Service provider and an invoice for the Professional Services completed.
  - iii. Professional Service Costs must be listed in the Project Application Form.
  - iv. Professional Service Costs for approved Projects will only be eligible for financing if incurred on or after the date of submission of a Pre-Qualification Form.
  - v. If the Property Owner has paid for the full cost of Professional Services and is requesting the cost be financed, the Property Owner must submit proof of payment (e.g., receipts).
- c. Incidental Costs
- i. All Incidental Work must be completed by a Qualified Contractor.
  - ii. The Property Owner must be able to demonstrate to the satisfaction of the Program Administrator that the Incidental Work is required for the successful completion of the Project.
  - iii. The total financed amount of the Incidental Costs must not exceed 15% of the total Capital Cost of undertaking the Clean Energy Improvement.
  - iv. To be eligible for financing, all Incidental Costs must be listed in the Project Application Form. An Installation Authorization Notice must be received before any Incidental Work is started or any Incidental Costs are incurred.
  - v. If the Property Owner has paid for the full Incidental Cost and is requesting the cost be financed, the Property Owner must submit proof of payment (e.g., receipts).

## 7.2 Payment

- a. Payment to a Qualified Contractor for Deposits
- i. Payment for a deposit will be issued by the Program Administrator directly to the Qualified Contractor within 28 calendar days after the Project Agreement and Clean Energy Improvement Agreement are executed and a proper invoice, or proof of requested deposit payment, is received by the Program Administrator, provided all information is accurate and complete.
- b. Payment to Qualified Contractor for completed Clean Energy Improvement(s), and for work directly related to Incidental Costs, and Professional Services costs
- i. Subject to the Property Owner's and Qualified Contractor's compliance with the Clean Energy Improvement Agreement, the Project Agreement and with these CEIP Terms and Conditions, the Program Administrator will issue payment directly to the Qualified Contractor for completed Clean Energy Improvements, Professional Services, or Incidental Work within 28 calendar days of the Program Administrator approving a complete and accurate Upgrade Completion Form and required Supporting Documentation.
  - ii. The Property Owner must pay the Qualified Contractor(s) directly for any costs that were not approved by the Program Administrator, any costs incurred for the Project

- in excess of the total approved financing amount, and any costs associated with a Clean Energy Improvement that does not reach Substantial Performance or is deemed ineligible when the Upgrade Completion Form and Supporting Documentation are submitted.
- c. Property Owner reimbursement for Eligible Costs
    - i. If part of the Eligible Cost includes an amount paid by the Property Owner, and the Property Owner has requested to finance that amount, the reimbursement payment will be issued to the Property Owner after the Program Administrator has approved a complete and accurate Upgrade Completion Form and required Supporting Documentation.
  - d. Any parties receiving payments from the Program Administrator must submit a completed electronic funds transfer form and void cheque, clearly identifying their name and the branch, transit, and account numbers in order for the Program Administrator to direct payments to the party electronically. No payments will be made to the party until the information required by this section has been provided to the Program Administrator.

### 7.3 Maximum Financing Amount

- a. The total financing amount available to a single Property is limited by the lesser of:
  - i. A maximum of \$50,000 of Eligible Costs per Property.
  - ii. The annual Clean Energy Improvement Tax (excluding interest) cannot exceed the Property's annual property tax levy. The property tax levy amount used for this calculation is the most recent levy indicated on the tax notice for the Property in the year in which the Pre-Qualification Form is submitted.<sup>6</sup>

### 7.4 Project Financing

- a. In order for a residential Project to be eligible for financing, pre- and post-Project EnerGuide Version 15 Home Evaluations are required.
- b. A post-Project EnerGuide Version 15 Home Evaluation must be completed within 6 weeks after all Clean Energy Improvements have been installed and the Project is deemed complete by the Program Administrator and the Municipality.
- c. Projects that fail to complete a post-Project EnerGuide Version 15 Home Evaluation will be not eligible for financing and the Municipality reserves the right to seek reimbursement of any payments made to the Qualified Contractor or the Property Owner.
- d. The financing terms and conditions for a Project are listed in the Clean Energy Improvement Agreement provided by the Municipality.
- e. The Property Owners must agree to the Municipality's financing terms and conditions and sign a Clean Energy Improvement Agreement with the Municipality in order to finance their Project through the Program.

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<sup>6</sup> For example, if you submit a Pre-Qualification Form in 2022 and your annual property tax in 2022 is \$3,000, the annual payment for the Clean Energy Improvement Tax cannot be more than \$3,000.

- f. Only Eligible Costs and any accrued interest charges as listed in the Clean Energy Improvement Agreement, are eligible for financing through the Program.
- g. Financing availability under the Program is based on a first-come, first-served basis, and financing for a Project will only be confirmed once a Clean Energy Improvement Agreement has been signed by all the Property Owners on title and the Municipality.
- h. If any Eligible Cost is incurred prior to signing a Clean Energy Improvement Agreement, it is not guaranteed that financing will be available to the Property Owner for those costs.
- i. The interest rate provided by the Municipality for Projects financed through CEIP will be confirmed and specified in the final Clean Energy Improvement Agreement.
- j. The payment term for financing will be the lesser of 20 years or the Effective Useful Life of the Clean Energy Improvement. Payment terms for multiple Clean Energy Improvements will be calculated for each Clean Energy Improvement separately and added to the property tax bill separately. The Effective Useful Life for all eligible Clean Energy Improvements is posted on the Program website.
- k. The following costs cannot be financed under the Program, and the Property Owner is solely liable for paying these costs:
  - i. any costs incurred prior to submitting the Pre-Qualification Form;
  - ii. any Incidental Costs exceeding 15% of the Capital Costs of an associated Clean Energy Improvement;
  - iii. any costs not approved by the Program Administrator; and
  - iv. any costs associated with a Clean Energy Improvement where the Clean Energy Improvement does not reach Substantial Performance or is deemed ineligible upon submission of the Upgrade Completion Form and Supporting Documentation.
- l. If the final Eligible Costs for a Project are less than the amount listed in the Clean Energy Improvement Agreement, the Property Owner will only be entitled to the true Eligible Costs for the Project and will forfeit the rest of the financing indicated in the Clean Energy Improvement Agreement.
- m. If the final Eligible Costs for a Project are more than the amount listed in the Clean Energy Improvement Agreement, and no Change Order was approved by the Program Administrator, the Property Owner will only be entitled to the financing amount that is indicated in the Clean Energy Improvement Agreement.

## **8 Clean Energy Improvement Tax**

- a. The terms of the placement of the Clean Energy Improvement Tax on the Property's tax roll and the terms of repayment are outlined in the Clean Energy Improvement Agreement between the Property Owner and the Municipality.
- b. The Municipality may exercise any right available to it by contract, law, or equity, including all rights available under the Act against the Property Owner should the Property Owner fail

to pay the Clean Energy Improvement Tax, including tax penalties as outlined under the Municipality's Tax Penalty Bylaw.

- c. Failure to pay the Clean Energy Improvement Tax when due and payable may result in the tax sale of the Property.

## **9 Evaluation, Measurement, and Verification**

- a. The Property Owner agrees to participate in any survey, studies, audits, evaluations, or verifications conducted by the Program Administrator or its agents or service providers in connection with the Program for the purposes of proper administration, monitoring and verification of the Project, or evaluation of the Program.

## **10 Sale or Subdivision of Property**

- a. The Property Owner shall have the right to sell, transfer, charge, mortgage, encumber or otherwise deal with the Property, provided that:
  - i. the Property Owner pays all Clean Energy Improvement Tax amounts due and owing up to the date of a proposed sale prior to completing a sale of the Property;
  - ii. the Property Owner discloses the existence and provides a copy of their Clean Energy Improvement Agreement with the Municipality to any purchaser or prospective purchaser of the Property prior to completing a sale of the Property;
  - iii. the Property Owner discloses the existence and provides a copy of the Clean Energy Improvement Agreement to any realtor engaged in the sale of the Property;
  - iv. The Property Owner agrees to facilitate the completion of an Assignment, Novation and Release Form and attach the said form and the Clean Energy Improvement Agreement to the contract of sale.
- b. In the event the Property is transferred to a new owner by the Property Owner, the obligation to repay the Clean Energy Improvement Tax is transferred to the new owner along with the Property, at which time the new owner will become liable for the Property Owner's obligations and liabilities under the Program and the Clean Energy Improvement Agreement.
- c. In the event the Property is subdivided, condominiumized or consolidated with another, the Clean Energy Improvement Tax will be allocated on a pro rata basis as determined by the Municipality in its sole discretion.

## **11 Remedies and Warranties**

- a. The Program Administrator and the Municipality do not endorse, guarantee, or warrant any particular Qualified Contractor or other market provider, manufacturer, product, labour, or system design by offering this Program. The Program Administrator and the Municipality provide no warranties, express or implied, for any products or services.

- b. There is no implied nor express representation or warranty by the Municipality, Program Administrator, or their respective affiliates, agents, subcontractors, successors or assigns related to the design, installation, functionality or performance of the Clean Energy Improvement(s), and the Municipality, Program Administrator and their respective affiliates, agents, subcontractors, successors and assigns expressly disclaim any and all warranties relating to the Clean Energy Improvement(s), associated equipment or materials as to workmanship, quality, fitness for purpose or performance.
- c. The Property Owner acknowledges and accepts the energy savings reported in the Program are based on estimates and actual results may differ.
- d. The Property Owner's reliance on any warranties is limited to those warranties that may arise from, or be provided by Qualified Contractors, manufacturers, or other market providers, etc.

## **12 Limitation of Liability**

- a. The Property Owner acknowledges that any Qualified Contractor or other market provider selected by the Participant is not an agent, contractor or subcontractor of the Program Administrator or the Municipality.
- b. The Property Owner agrees that they have independently assessed the risks of Program participation and decided to proceed.
- c. Neither the Program Administrator nor the Municipality shall have any obligation to maintain, remove or perform any work whatsoever on the Clean Energy Improvements installed.
- d. The Property Owner is wholly responsible for ensuring that any Qualified Contractor or other party entering its Property for the purposes of the Program, including but not limited to, providing an estimate or quote for a Clean Energy Improvement, has commercial general liability insurance and is registered and in good standing with WCB.
- e. The Property Owner acknowledges and agrees that none of the Municipality, Program Administrator, nor their respective affiliates, agents, subcontractors, successors or consultants will be liable under any theory of relief or recovery to the Property Owner or the Qualified Contractor for any damages of any kind or nature arising at law or in equity (whether in negligence, because of breach of contract, in tort or under any other provision of law) including but not limited to property damage, direct or consequential losses, economic loss, or personal injury, that arises from or is related to the design, installation or operation of the Clean Energy Improvement(s) or anything done under this Program.
- f. The Property Owner indemnifies and saves harmless the Municipality, Program Administrator and their respective officers, employees and agents from and against any losses, costs (including legal costs on a solicitor and his own client basis), damages, liens, charges, claims, demands, suits, proceedings, recoveries and judgments arising from or related to the Qualified Contractor's performance or non-performance of the Qualified Contractor's obligations under the Program.

## 13 Data Collection and Use

- a. The Property Owner consents to the Program Administrator releasing any information contained in Program applications, or related to it, and obtained by the Program Administrator in the course of verifying or auditing the applications, to the Municipality for the purposes of verifying this application, determining the Property Owner's eligibility for this Program, or both, as subject to the *Freedom of Information and Protection of Privacy Act* ("FOIP Act").
- b. The Property Owner expressly authorizes the Program Administrator to obtain information from the Municipality to verify the contents of Program applications and to determine the Property Owner's eligibility for this Program including current annual property tax payments, property tax payment history, and the assessed value for the Property.
- c. The Property Owner consents to the collection, use, disclosure and other handling of any information provided by the Property Owner including but not limited to property address, phone number, and account number with the Municipality for the purposes relating to the operation and administration of the Program.
- d. The Property Owner agrees that Property and Property Owner information may be shared between the Municipality and the Program Administrator and its agents, service providers, and partner organizations in order to:
  - i. conduct, analyze and report on the results of the Program and to conduct surveys; and
  - ii. schedule and complete site inspections at the Property.
- e. The Property Owner provides express consent allowing the Program Administrator, the Municipality, their agents or service providers to contact the Property Owner directly by email and other electronic communications for the purposes of Program administration, evaluation, verification, and for collecting market research data related to the Program.
- f. The Property Owner consents to the Program Administrator obtaining pre- and post-Project EnerGuide Home Evaluation data as it relates to the participation in the Program from NRCan and sharing this data with the Municipality. This data will be used for program evaluation, performance monitoring, and future program planning or potential studies. Information collected is managed and protected by the Program Administrator under the authority of Section 33(c) of the FOIP Act and/or in accordance with any applicable agreements in place. If the pre-Project EnerGuide Home Evaluation was completed prior to the Property Owner submitting their CEIP Pre-Qualification form, the Property Owner consents to have the data shared by NRCan with the Program Administrator retroactively. The Federation of Canadian Municipalities (FCM), as the Municipality's capital provider, will also collect EnerGuide Home Evaluation program monitoring and evaluation of its Community Efficiency Financing (CEF) program. Questions about the collection of this data should be directed to the Program Administrator's Executive Director of Sustainability Services.