



Town of Okotoks

Residential Clean Energy Improvement Program

Terms and Conditions

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1 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.

“Alberta Municipalities” means the Alberta Municipal Services Corporation (AMSC), wholly-owned subsidiary of Alberta Municipalities, the designated program administrator for the Clean Energy Improvement Program.

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

“Bylaw” means the Town of Okotoks Clean Energy Improvement Tax Bylaw 29-23 and the CEIP Borrowing Bylaw 17-23.

“Capital Cost” means the cost to purchase and install the Upgrade, but does not include Professional Service costs or Incidental Costs;

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

“Program 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 Alberta Municipalities and the Municipality.

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

“Clean Energy Improvement Tax” means a tax recorded on the eligible Property Owner’s Property tax roll for repayment, which is equal to the sum of:

- all outstanding Eligible Costs approved by Alberta Municipalities and the Municipality for each Upgrade;
- the Administration Fee;
- and the Financing Costs.;

“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 CEIP website.

“Effective Useful Life” is also referred to as probable lifespan and is the average time in years where the Upgrade 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 Upgrade will be functioning.

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

“Financing Costs” means the sum of interest charged that will be included in the Clean Energy Improvement Tax. The interest charged will include:

- interest on the Eligible Costs over the payment term; and
- any interest accrued on the Eligible Costs prior to the Eligible Costs being recorded on the property tax bill.

“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 Upgrade on the Property but required for successful execution and excludes the installation of Upgrade and Professional Services.

“Installation Authorization Notice” means the notification provided by Alberta Municipalities to the eligible Property Owner and the Qualified Contractor to authorize the start of Upgrade installations.

“Municipality” means the Town of Okotoks.

“EnerGuide Home 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 to deliver EnerGuide rating services for eligible homes in Canada.

“NRCan” means Natural Resources Canada.

“Pre-Qualification Form” means the form completed and submitted by the Property Owner to enter the Program.

“Primary Qualified Contractor” is the Qualified Contractor who is leading the installation of the Upgrade/s and is the Qualified Contractor responsible for the execution of the Project Agreement.

“Professional Service” means a service provided by a professional with specialized education or training, including engineering studies, EnerGuide Home Evaluations, feasibility studies, or related studies, but exempting installation of the Upgrade or Incidental Work.

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

“Project” means the installation of Upgrades, Incidental Work, or Professional Services at the eligible Property Owner’s Property by the Qualified Contractor(s), as detailed in the Project Application Form.

“Project Agreement” means the agreement between Alberta Municipalities, a 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 Upgrades and/or Incidental Work.

“Project Application Form” means the form completed and submitted by the eligible Property Owner after receiving pre-qualification approval, which lists the proposed Upgrades and Project Cost.

“Project Cost” means the sum of all costs for a Project, both eligible and ineligible.

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

“Property Owner” means the individual(s) or legal entity(ies) that is the registered owner(s) of the Property where the Upgrades 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 CEIP 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 Upgrade have been obtained and the Upgrade is ready for use or is being used for its intended purpose.

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

“Upgrade” means an energy efficiency or renewable energy product or installation on a Property that meets minimum eligibility requirements listed on the Program website, is included in the eligible upgrades on the [Eligible Residential CEIP Upgrades](#) pages eligible upgrades list found on the Program website, and will be paid for in whole or in part by a Clean Energy Improvement Tax imposed by the Municipality on the Property.

“Upgrade Completion Form” means the form completed and submitted by the eligible Property Owner to Alberta Municipalities, once an Upgrade has reached Substantial Performance, which lists the Upgrades installed and confirms the Eligible Costs.

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

2 Background

The Clean Energy Improvement Program (CEIP) is a financing program that makes energy efficiency and renewable energy Upgrades more accessible to residential property owners. CEIP is administered by the Alberta Municipal Services Corporation. CEIP allows property owners to access financing through their municipality to install eligible Upgrades 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. The Act authorizes certain amendments to the Municipal Government Act, RSA 2000, c M-26 that 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 attendant regulation (Clean Energy Improvements Regulation, Alta Reg 212/2018) came into force on January 1, 2019. Alberta Municipalities is the provincial administrator of the CEIP.

Town of Okotoks passed the Clean Energy Improvement Tax Bylaw 29-23 and the CEIP Borrowing Bylaw 17-23 on October 23, 2023. These bylaws enables and govern the implementation of the Clean Energy Improvement Program in Okotoks.

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

3 Property Owner and Property Eligibility

3.1 Property Owner Eligibility

- a. The Property Owner must be the current legal owner of a property located in the Municipality.
- b. The Property Owner must be current on property tax payments. If the Property Owner has held tax arrears in the Municipality during the five consecutive year period prior to the date of the Pre-Qualification Form submission they will be deemed ineligible for the Program.
 - i. Where a Property Owner owned a residence outside the Municipality during that five consecutive year period, similar confirmation of positive tax payment history from the previous municipality will be required.
 - ii. Property Owners that do not have a five consecutive year property tax history may be subject to an enhanced financial eligibility review by the Municipality. This may include a credit check, which would be the responsibility of the Participant to provide.
- c. The Property Owner must attest they are current on any outstanding property-secured debt (e.g., mortgage and/or home equity line of credit) associated with the property on the Pre-Qualification Form and may be required to submit a letter from their financial institution confirming this.
- d. If a mortgage is on the property, the Property Owner bears sole responsibility to obtain consent from their mortgage lender to participate in the Program if required by their mortgage lender. Failure to obtain consent from all mortgage lender(s) could result in the Property Owner breaching a mortgage obligation with the lender, and Alberta Municipalities and the Municipality are not responsible or liable to the mortgage lender, the Property Owner nor any other party, and the Property Owner will indemnify and hold harmless Alberta Municipalities and the Municipality in any such circumstances.

- e. If a mortgage is on the property, and the mortgage amount exceeds the assessed value of the home, the Municipality reserves the right to reject participation in the Program.
- f. The Property Owner must not be in bankruptcy (or insolvency).
- g. The Property Owner must be in good standing with the Municipality. The Municipality reserves the right to define what good standing entails, and this includes, but is not limited to:
 - i. The Property Owner must have not been in collections with the Municipality for the five consecutive years prior to the date of the Pre-Qualification Form submission.
 - ii. If the Property Owner has any current or previous enforcement, compliance, licensing, legal, or other issues with the Municipality they may be deemed ineligible.
- h. If the Property Owner is currently enrolled in either the Government of Alberta [Seniors Property Tax Deferral Program](#) or [Seniors Home Adaptation and Repair Program](#), the Property Owner must notify the Government of Alberta of their intention to participate in CEIP, prior to submitting a CEIP Pre-Qualification Form. Participation in CEIP may impact eligibility to participate in the Government of Alberta Seniors Property Tax Deferral Program or Seniors Home Adaptation and Repair Program. For more information, contact the [Alberta Supports Contact Centre](#) at 1 (877) 644 - 9992.
- i. The Property Owner must meet any additional eligibility criteria as identified by the Municipality or Alberta Municipalities.

3.2 Property Eligibility

- a. The Property must be located within the boundaries of the Municipality.
- b. The Property must be insured. A minimum of \$1,000,000 in personal liability insurance must be included in the insurance policy.
- c. Residential properties are eligible if they meet the following criteria:
 - i. classified as a low-rise residential property, i.e., detached or semi-detached home; row housing or town house; or multi-unit residential buildings with three stories or fewer, and not more than 600m² in building area; and
 - ii. lawfully occupied as a residence at the time of Pre-Qualification Form submission.
- d. 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.
- e. The Property must not be in foreclosure.

3.3 Ineligible Properties

While not an exhaustive list, the following properties are ineligible for the Program.

- a. Non-residential buildings, farmland, or multi-unit residential buildings having four or more stories and over 600m² of building area.
- b. Federal, provincial, or municipally owned properties.
- c. New construction homes as defined by NRCan standards.¹
- d. Designated industrial properties as defined in the Act.
- e. Designated manufactured homes as defined in the Act.
- f. Property assessed as Class – 4 (machinery and equipment) under the Act.

¹ 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](#)).

- g. The Municipality may deem, at their discretion, leisure properties or those properties that are not utilized for year-round residential occupancy.

3.4 Eligibility updates

- a. Alberta Municipalities and the Municipality have the right to amend the list of ineligible properties, or these terms and conditions at any time and notification of any amendments will be located on the CEIP website. Alberta Municipalities and the Municipality reserve the right to change, at any time, the upgrades that may be eligible under the Program without any notice or liability.

4 Upgrade Eligibility Requirements

4.1 Eligible Upgrades

For Upgrades to be eligible for financing, they must meet the following criteria:

- a. The Upgrade must increase the energy efficiency or use of renewable energy on the Property.
- b. The Upgrade 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 Upgrade must be listed as an eligible Upgrade on the [CEIP website](#) at the time of submission of the Project Application Form.
- e. The Upgrade must meet all eligibility requirements described on the CEIP website at the time of submission of the Project Application Form.
- f. All Upgrades must be new, installed, and operational. Upgrades that are used, refurbished, or rebuilt are not eligible.
- g. All Upgrades must meet the Canadian Certification Standards, as outlined by the Standards Council Canada, for product approval, or equivalent certification by an applicable certification body².
- h. Upgrades must have a manufacturer's warranty period that is consistent with the industry standard³. The minimum manufacturer warranty period for Upgrades is the greater of one year or the required warranty period listed in the Eligible Residential CEIP Upgrades pages on the [CEIP website](#).
- i. Upgrades must have a one-year minimum warranty provided by the Qualified Contractor for defects in materials and labour.
- j. Upgrades must have a warranty that is transferrable to subsequent owners of the Property.
- k. Eligible Property Owners will not remove any installed Upgrades before their expected lifetime unless the Upgrade fails. The eligible Property Owner agrees not to move, remove, tamper with, disable or damage any Upgrade.

4.2 Ineligible Upgrades

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

- a. Health and safety improvements not directly related to or otherwise incorporated into the Project.

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

³ For example, industry standard warranty is 25 years for solar panels. The Qualified Contractor will provide the Participant with warranty information specific to the upgrade.

- b. Any upgrades 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 upgrades not permanently affixed to the property (e.g., plug-in appliances).
- d. Any upgrade associated with new additions⁴ at an existing residence that serves only that addition. If the upgrade 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. Upgrades associated with new additions will be evaluated on a case-by-case basis.
- e. Any upgrade that is leased or financed through the Qualified Contractor or manufacturer.
- f. Any upgrade not listed on the on the [CEIP website](#).
- g. Alberta Municipalities and the Municipality have the right at any time to amend the list of upgrades, services or products that they deem to be ineligible for funding under the Program.

5 Program Fees

5.1 Administration Fee

- a. An Administration Fee of 5% of Upgrade Capital Costs will be added to the Clean Energy Improvement Tax in the Clean Energy Improvement Agreement for CEIP Projects in the Municipality.
- b. Grant funds obtained by the Municipality from the Federation of Canadian Municipalities will be used to reduce the Administration Fee to \$0 before the Clean Energy Improvement Tax is applied to the eligible Property Owner's tax roll.

6 Application Requirements and Conditions

6.2 Pre-Qualification Application

- c. The Property Owner must complete and submit the Pre-Qualification Form and the following documents to Alberta Municipalities to be considered for Pre-Qualification:
 - i. Proof the property to be upgraded is insured (i.e., home insurance with personal liability coverage of at least \$1 million). Accepted proof includes documentation that clearly states the policy provider, policy number, property address, personal liability coverage, and duration of the policy (e.g., insurance binder letter).
 - ii. If the Property Owner resided outside of the Municipality in the last five years, the Property Owner must provide proof of payment of property taxes in their previous municipality.
 - iii. 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.
- d. Contact information for all Property Owners on title must be provided, and all Property Owners must review and agree to these CEIP Terms and Conditions.
- e. Pre-Qualification Forms are reviewed by Alberta Municipalities 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.

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

- 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, Alberta Municipalities will provide a copy of the Project Application Form to be completed and submitted by the eligible Property Owner.
- i. Pre-qualification will be valid for three months after pre-qualification approval has been granted by Alberta Municipalities. 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. Extensions may be granted at the sole discretion of the Municipality.

6.3 Project Application

- a. Prior to submitting a Project Application Form, the eligible Property Owner must:
 - i. Have a valid pre-qualification approval from Alberta Municipalities for the same Property listed on the Application Form.
 - ii. Have an EnerGuide Home Evaluation completed by a registered NRCan Energy Advisor.
 - i. The NRCan Energy Advisor must be registered with a service organization listed on the Contractor Directory on the [CEIP website](#).
 - ii. The eligible Property Owner must pay for the EnerGuide Home Evaluation out of pocket.
 - iii. In the Project Application Form, the eligible Property Owner may request to finance the costs paid out of pocket for the pre- and post-Project EnerGuide Home Evaluation; if financing is requested and approved, the eligible Property Owner will be reimbursed after all Upgrades are complete and a complete and accurate Upgrade Completion Form(s) are submitted and approved. To be eligible for financing, the pre-Project EnerGuide 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.
 - iv. Eligible Property Owners who completed a pre-Project EnerGuide Home Evaluation on or after April 1, 2020, and have not completed any upgrades on the property since this time, are not required to complete a new evaluation.
 - iii. Receive a quote for the cost of the Upgrade equipment and installation from a Qualified Contractor listed on the [CEIP website](#).
 - i. The eligible Property Owner must submit Upgrade specification documentation from the Qualified Contractor and any other Supporting Documentation listed on the [CEIP website](#).
 - iv. 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 or is in a building of less than five units that includes common property or shared facilities, and the Project will impact common property or shared facilities in the building.
- b. The eligible Property Owner must complete and submit the Project Application Form and required Supporting Documentation to Alberta Municipalities.
- c. All Property Owners on title must sign the Project Application Form.

6.4 Program Agreements

- a. Once a Project Application Form is deemed eligible, Alberta Municipalities will provide the eligible Property Owner with the Clean Energy Improvement Agreement and Project Agreement for their Project.
 - i. Alberta Municipalities 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 Agreement.
 - ii. All Property Owners on title and the Municipality must sign the Clean Energy Improvement Agreement.
 - iii. All Property Owners on title, Alberta Municipalities, and the Primary Qualified Contractor, must sign the Project Agreement. If multiple Primary Qualified Contractors are completing different Upgrades, a separate Project Agreement must be signed with each Primary Qualified Contractor.
 - iv. Alberta Municipalities will facilitate the execution of the agreements.
- b. Once the Clean Energy Improvement Agreement and Project Agreement are executed, the eligible Property Owner will receive:
 - i. Electronic copies of executed agreements.
 - ii. An Installation Authorization Notice email, provided to the eligible Property Owner and the Primary Qualified Contractor(s), indicating the Project may commence. The email will include a copy of the Upgrade Completion Form that the eligible Property Owner must complete and submit once Upgrades reach Substantial Performance.

6.5 Deposit Payments

- a. If requested by the Qualified Contractor, the Municipality allows a maximum of 30% of the Upgrade Capital Costs to be advanced to the Qualified Contractor as a deposit payment.
- b. The eligible Property Owner must request the deposit payment and the amount in the Project Application Form.
- c. The eligible Property Owner must submit an invoice for the deposit payment from the Qualified Contractor with the Project Application Form.
- d. Payment of the deposit payment to the Qualified Contractor will be made in accordance with Section 7.2 [Payment].

6.6 Upgrade Installation

- a. Upgrade installation may only commence after:
 - i. the Clean Energy Improvement Agreement and Project Agreement have been executed; and
 - ii. the Installation Authorization Notice email has been provided to the eligible Property Owner and Primary Qualified Contractor by Alberta Municipalities.
- b. All Upgrades must be installed within six months of the Commencement Date.
 - i. Requests for extensions will only be considered under extenuating circumstances.
 - ii. The process for submitting requests for extensions will be detailed in the Project Agreement and Clean Energy Improvement Agreement.

6.7 Upgrade Completion

- a. Once an Upgrade has been installed, the eligible Property Owner must submit an Upgrade Completion Form to Alberta Municipalities within 3 business days of the Upgrade reaching Substantial Performance.
- b. A separate Upgrade Completion Form must be submitted for each Upgrade if the Upgrades reach Substantial Performance at different times.
- c. The eligible Property Owner must submit all required Supporting Documentation with the Upgrade Completion Form, including but not limited to:
 - i. Itemized invoice from the Qualified Contractor detailing all costs associated with the Upgrade installation.
 - ii. Photos of the installed Upgrade(s) that confirm the Upgrade meets all Upgrade Eligibility Requirements.
- d. Additional Project costs:
 - i. If at least one Upgrade with a Capital Cost of \$3,000 or greater has been installed and reached Substantial Performance, the eligible Property Owner may include an Incidental Cost, Professional Service Cost, or deposit payment request associated with the Upgrade installed on the Upgrade Completion Form.
 - ii. Proof of payment for any Incidental Cost, Professional Service Cost, or deposit payment request associated with the Upgrade installed must be included if the eligible 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.

6.8 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 eligible Property Owner to Alberta Municipalities. Upon request, Alberta Municipalities will prepare a Change Order to be signed by all applicable parties .
- 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.b. [Installation], an extension request must be included on the Change Order. The request for extension will be approved at the sole discretion of both Alberta Municipalities 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 will be detailed in the Clean Energy Improvement Agreement and Project Agreement.

6.9 Site Inspection

- a. Alberta Municipalities, the Municipality or their agents or service providers may conduct a site inspection prior to or during the installation of Upgrades 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 Upgrades. 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 Alberta Municipalities or the Municipality chooses to conduct a site inspection, the eligible 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 Upgrade(s) listed on the Upgrade Completion Form and the Upgrade(s) that were installed, Alberta Municipalities will endeavour to work with the eligible Property Owner and Qualified Contractor to attempt to resolve the issue and facilitate a Project amendment, if required. If, due to the discrepancies, Program eligibility criteria are no longer met, Alberta Municipalities reserves the right to seek reimbursement on behalf of the Municipality of any payments made to the Qualified Contractor or the eligible Property Owner.

7 Incentives

7.1 Project Incentive

- a. A \$500 incentive 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 eligible Property Owners who complete a CEIP Project - as determined by the Municipality - which includes submitting a final Upgrade Completion Form, completing a pre- and post-Project EnerGuide Home Evaluation, and signing an amended Clean Energy Improvement Agreement.
- c. 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 eligible Property Owner directly.
- d. The Municipality does not guarantee the incentive will be available once a CEIP Project is complete and does not guarantee processing time to have the incentive applied to the Clean Energy Improvement Tax.
- e. Only one incentive of \$500 is available per Property.
- f. The incentive offered does not restrict the eligible Property Owner for applying for incentives, rebates, grants, or financing programs through other entities or levels of government unless otherwise stated by the other funding agencies.

8 Project Financing

8.1 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 [Definitions]:

- a. Capital Costs
 - i. Supporting Documentation must be provided for all Capital Costs associated with Upgrades.
 - ii. Supporting Documentation may vary with each type of Upgrade, the eligible Property Owner must review the requirements provided by Alberta Municipalities on the CEIP website.
- b. Professional Services
 - i. Only Professional Services specifically required for the completion of a CEIP Project and completed by a Qualified Contractor are eligible for financing.

- ii. The eligible 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 eligible Property Owner has paid for the full cost of Professional Services and is requesting the cost be financed, the eligible Property Owner must submit proof of payment (e.g., receipts).
- c. Incidental Costs
- i. All Incidental Costs related work must be completed by a Qualified Contractor.
 - ii. The eligible Property Owner must be able to demonstrate to the satisfaction of Alberta Municipalities that the Incidental Cost 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 work is started or any costs are incurred.
 - v. If the eligible Property Owner has paid for the full Incidental Cost work and is requesting the cost be financed, the eligible Property Owner must submit proof of payment (e.g., receipts).

8.2 Payment

- a. Payment to a Qualified Contractor for deposits
 - i. Payment for a deposit will be issued by Alberta Municipalities directly to the Qualified Contractor within 30 days after the Project Agreement and Clean Energy Improvement Agreement are executed and a proper invoice is received by Alberta Municipalities, provided all information is accurate and complete.
- b. Payment to Qualified Contractor for Completed Upgrade(s), and for work directly related to Incidental Costs, and Professional Services costs
 - i. Subject to the eligible Property Owner's and Qualified Contractor's compliance with the Clean Energy Improvement Agreement, the Project Agreement and with these CEIP Terms and Conditions, Alberta Municipalities will issue payment directly to the Qualified Contractor for completed Upgrades, Professional Service costs, or Incidental Costs within 28 days of Alberta Municipalities approving a complete and accurate Upgrade Completion Form and required Supporting Documentation.
 - ii. The eligible Property Owner must pay the Qualified Contractor(s) directly for any costs that were not approved by Alberta Municipalities, any costs incurred for the Project in excess of the total approved financing amount, and any costs associated with an Upgrade that does not reach Substantial Performance or is deemed ineligible when the Upgrade Completion Form and Supporting Documentation are submitted.
- c. Eligible Property Owner reimbursement for Eligible Costs
 - i. If part of the Eligible Cost includes an amount paid by the eligible Property Owner, and the eligible Property Owner has requested to finance that amount, the reimbursement payment will be issued to the eligible Property Owner after

Alberta Municipalities has approved a complete and accurate Upgrade Completion Form and includes required Supporting Documentation.

- d. Any parties receiving payments from Alberta Municipalities 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 Alberta Municipalities 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 Alberta Municipalities.

8.3 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 and the Administration Fee) cannot exceed the Property's annual property tax levy.⁵ 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.

8.4 Project Financing

- a. In order for a residential CEIP Project to be eligible for financing, pre- and post-Project EnerGuide Home Evaluations are required.
 - i. A post-Project EnerGuide Home Evaluation must be completed after all Upgrades have been installed and the Project is deemed complete by Alberta Municipalities and the Municipality.
 - ii. The post-Project EnerGuide Home Evaluation must be completed, and the post-Project EnerGuide Homeowner Information Sheet and label submitted to Alberta Municipalities, within six (6) weeks of the final Upgrade Completion Form being submitted to Alberta Municipalities.
 - iii. Projects that fail to complete a post-Project EnerGuide 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 eligible Property Owner.
- b. The financing terms and conditions for a CEIP Project are listed in the Clean Energy Improvement Agreement provided by the Municipality.
- c. Eligible 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.
- d. Only Eligible Costs and any related interest charges as listed in the Clean Energy Improvement Agreement, are eligible for financing through the Program.
- e. 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 each Property Owner on title and the Municipality.
 - i. 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 eligible Property Owner for those costs.
- f. The interest rate provided by the Municipality for Projects financed through CEIP is 3%, fixed for the duration of the financing term.

⁵ For example, if you submit a Pre-Qualification Form in 2024 and your annual municipal property tax in 2024 is \$3,000, the annual payment for the Clean Energy Improvement Tax (excluding interest and the Administration Fee) cannot be more than \$3,000.

- g. The maximum term for financing will be the lesser of 20 years or the effective useful life (EUL).⁶ of the Upgrade. Financing terms for multiple Upgrades will be calculated for each Upgrade separately and added to the property tax bill as one line item. The EUL for all eligible Upgrades is posted on the Program website.
- h. The following costs cannot be financed under the Program, and the eligible Property Owner is solely liable for paying these costs:
 - i. any Incidental Costs exceeding 15% of the Capital Costs of an associated Upgrade;
 - ii. any costs not approved by Alberta Municipalities and the Municipality; and
 - iii. any costs associated with an Upgrade where the Upgrade does not reach Substantial Performance or is deemed ineligible upon submission of the Upgrade Completion Form and Supporting Documentation.
- i. If the final Eligible Costs for a Project are less than the amount listed in the Clean Energy Improvement Agreement, the eligible Property Owner will only be entitled to finance the true Eligible Costs for the Project and will forfeit the rest of the financing indicated in the Clean Energy Improvement Agreement
- j. If the final Eligible Costs for a Project are more than the amount listed in the Clean Energy Improvement Agreement, and no Project amendment was approved by Alberta Municipalities and the Municipality, the eligible Property Owner will only be entitled to the financing amount that is indicated in the Clean Energy Improvement Agreement.

9 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 eligible 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 Municipal Government Act against the eligible Property Owner should the eligible 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.

10 Evaluation, Measurement, and Verification

- a. The eligible Property Owner agrees to participate in any survey, studies, audits, evaluations, or verifications conducted by Alberta Municipalities or the Municipality or their 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.

11 Sale or Subdivision of Property

- a. The eligible Property Owner shall have the right to sell, transfer, charge, mortgage, encumber or otherwise deal with the Property, provided that:
 - i. the eligible 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;

⁶ The effective useful life (EUL) of an Upgrade is the average time in years where the Upgrade is expected to result in energy savings. The EUL is standardized for each type of Upgrade and does not equate to the actual length of time the Upgrade will be functioning.

- ii. the eligible 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 eligible 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; and
 - iv. the Clean Energy Improvement Agreement is appended to the contract of sale; or
 - v. the eligible Property Owner repays the full outstanding amount of the Clean Energy Improvement Tax in full prior to the sale or transfer of the property.
- b. In the event the Property is transferred to a new owner by the eligible 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 eligible 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.

12 Remedies and Warranties

- a. Alberta Municipalities 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. Alberta Municipalities and the Municipality provide no warranties, expressed or implied, for any products or services.
- b. There is no implied nor express representation or warranty by the Municipality, Alberta Municipalities, or their respective affiliates, agents, subcontractors, successors and assigns related to the design, installation, functionality or performance of the Upgrade(s), and the Municipality, Alberta Municipalities and their respective affiliates, agents, subcontractors, successors and assigns expressly disclaim any and all warranties relating to the Upgrade(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.

13 Limitation of Liability

- a. The eligible Property Owner acknowledges that any Qualified Contractor or other market provider selected by the eligible Property Owner is not an agent, contractor or subcontractor of Alberta Municipalities or the Municipality.
- b. The eligible Property Owner agrees that they have independently assessed the risks of Program participation and decided to proceed.
- c. Alberta Municipalities or the Municipality shall have no obligation to maintain, remove or perform any work whatsoever on the Upgrades installed.
- d. The eligible 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 an Upgrade, has commercial general liability insurance and is registered and in good standing with WCB-Alberta.

- e. The eligible Property Owner acknowledges and agrees that none of the Municipality, Alberta Municipalities, nor their respective affiliates, agents, subcontractors, successors or consultants will be liable under any theory of relief or recovery to the eligible 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 Upgrade(s) or anything done under this Program.
- f. The eligible Property Owner indemnifies and saves harmless the Municipality, Alberta Municipalities 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.
- g. The eligible Property Owner bears sole responsibility to ensure that their Property is compliant with all applicable development and zoning regulations, restrictive covenants, and the existing municipal land use bylaws. Alberta Municipalities and the Municipality are not responsible or liable to the eligible Property Owner, nor any other party, and the eligible Property Owner will indemnify and hold harmless the Alberta Municipalities and the Municipality against any damages, losses, or claims that relate to the Property not being compliant with the applicable development and zoning regulations, restrictive covenants, and the existing municipal land use bylaws.

14 Data Collection and Use

- a. The eligible Property Owner consents to Alberta Municipalities releasing any information contained in Program applications, or related to it, and obtained by Alberta Municipalities in the course of verifying or auditing the applications, to the Municipality for the purposes of verifying the 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 Alberta Municipalities 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 Owners 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 Alberta Municipalities 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 Alberta Municipalities, the Municipality, their agents or service providers to contact the Property Owner directly by email, telephone, 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 Alberta Municipalities obtaining pre- and post-Project EnerGuide Home Evaluation data as it relates to the participation in CEIP from Natural Resources Canada (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 Alberta Municipalities under the authority of Section 33 (c) of the Freedom of Information and Protection of Privacy Act (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 Alberta Municipalities 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 Executive Director of Sustainability Services at Alberta Municipalities.