

Recreation Energy Conservation Program Guidebook

This Guidebook provides an overview of the eligibility requirements, available funding, and process for municipalities to participate in the Recreation Energy Conservation (REC) program.

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MCCAC
Municipal Climate Change Action Centre

Contents

1.0 Program Overview	2
2.0 Eligibility	2
2.1 Eligible Participants	2
2.2 Eligible and Ineligible Facilities	2
2.3 REC Project Types	3
2.3.1 Scoping Audits	3
2.3.2 Engineering Studies	3
2.3.3 Implementation Projects	3
2.4 Eligible and Ineligible Energy Conservation Measures	3
3.0 Financial Incentives	4
3.1 Incentive Rates	4
3.2 Maximum Funding Limits	5
3.3 Payment Schedule	6
3.4 Incentives Disbursement	6
3.5 Incentive Stacking	6
4.0 How to Participate	6
Step 1: Review Program Materials	6
Step 2: Submit an Expression of Interest (EOI)	6
Step 3: Make an Account	7
Step 4: Submit a REC Application	7
Step 5: Receive Pre-Approval to Proceed with Audit, Study or Project and Sign Offer Letter	7
Step 6: Complete Project	7
Step 7: Submit Payment Request with Completion Documentation	7
Step 8: Complete Public Engagement and Profiling Activities (as applicable)	7
Step 9: Request and Receive Payment	8
5.0 Remedies and Warranties	8
5.1 Refunds	8
5.2 Right of Set-Off	8
5.3 False or Misleading Information	8
5.4 Environmental Attributes or Products	8
5.5 Limitation of Liability	8
REC Checklist	10
Contact Us	10

1.0 Program Overview

Recreation facilities typically use more energy and produce more greenhouse gas (GHG) emissions than other municipal facilities. The Recreation Energy Conservation (REC) program helps municipally-owned recreation facilities reduce energy use and GHG emissions by providing financial incentives to help identify energy-saving opportunities and implement energy-saving projects. Through REC, municipalities can receive incentives for Scoping Audits and Engineering Studies that support investment decisions in addition to Implementation Project incentives for implementing energy efficient retrofits in their facilities.

2.0 Eligibility

2.1 Eligible Participants

The following organizations are eligible to participate in the REC program:

- a. Municipalities: all designated municipalities within the province of Alberta are eligible to participate in the REC program. As per Section 1(1)(s) of the [Municipal Government Act](#), a “municipality” is defined as:
 - i. a city, town, village, summer village, municipal district or specialized municipality,
 - ii. a town under the Parks Towns Act, or
 - iii. a municipality formed by a special Act; or,
 - iv. if the context requires, the geographical area within the boundaries of a municipality described in sub-clauses (i) to (iii).
- b. Community-related organizations: non-profit community-related organizations (CROs) are eligible to participate in the REC program if the Project is within a municipally-owned facility. While CROs are eligible to participate, the Municipality must submit the REC Application and be the signatory to the Offer Letter. All reimbursements of incentives made under the program will be directed to the Municipality. Such instances of community-related organization participation will be evaluated on a case-by-case basis.

2.2 Eligible and Ineligible Facilities

The following municipally-owned recreation facility types are eligible for the REC program:

- a. Arenas and curling rinks;
- b. Aquatic centres and swimming pools;
- c. Dry sport centres such as facilities that do not include ice surfaces or aquatic facilities;
- d. Multiplexes such as facilities that include a combination of dry sports, ice surfaces, and aquatic facilities; and
- e. Other recreationally-focused facilities deemed eligible by the MCCAC.

The following facility types are not eligible for the REC program:

- a. Non-profit facilities who own their facility;
- b. Agricultural societies;
- c. Private facilities;
- d. Facilities operated by a for-profit business or organization, including facilities that are located on lands owned by a municipality or leased from a municipality;
- e. Provincially or federally operated buildings located on municipal lands; and
- f. Other facilities deemed ineligible by the MCCAC.

2.3 REC Project Types

2.3.1 Scoping Audits

Scoping Audits are energy audits with a level of analysis that falls between an ASHRAE Level I or “walk-through audit” and an ASHRAE Level II, or an “investment grade audit”. Scoping Audits focus on identifying and estimating cost-saving and GHG reducing opportunities which will include several low or no cost opportunities and may include more capital-intensive opportunities. Scoping Audits provide direction and a base-level understanding of energy-saving opportunities within a facility and provide the necessary resources to prioritize and target these opportunities through an Implementation Project. Scoping Audits must be completed by an approved Program Ally.

A Municipality may move on to an Engineering Study, an Implementation Project, or both after the completion of a Scoping Audit.

2.3.2 Engineering Studies

Engineering Studies are comprehensive, investment-grade reports which analyze the feasibility of large capital energy efficiency projects. Engineering Studies will include in-depth analysis on GHG reductions, and project economics, over the life of the equipment. Engineering Studies help give greater certainty on the performance of a proposed retrofit project. Engineering Studies must be completed by an approved Program Ally.

A Municipality may move on to an Implementation Project after the completion of an Engineering Study.

2.3.3 Implementation Projects

Implementation Projects are the energy-saving retrofits, or energy conservation measures (ECMs) in which an incentive is requested through the REC program. If valid project information such as the expected energy and GHG savings are not available or provided upon application, an Engineering Study or Scoping Audit must be completed prior to proceeding with the Implementation Project.

2.4 Eligible and Ineligible Energy Conservation Measures

REC funds ECMs that will reduce GHG emissions. Incentives will not be provided for cosmetic or non-GHG reducing installation. The following are examples of eligible types of ECMs:

- Interior and exterior lighting and lighting controls;
- Building envelope upgrades including insulation and weather-stripping;
- Energy management control systems including direct digital controls, occupancy/motion sensors, and thermostats;
- Building automation systems;
- Heating, ventilation and air-conditioning (HVAC) systems including boilers and chillers, furnaces, heat pumps, ventilation systems, pipe insulation, air conditioners, thermal storage systems, and heat recovery systems;
- Motors including high-efficiency motors and variable frequency drives; and
- Combined heat and power systems.

Other ECMs or actions that are ineligible for incentives through REC include those that:

- Merely terminate existing processes, facilities or operations;
- Relocate existing processes, facilities or operations out of the Province of Alberta;
- Are required by local, provincial, or federal law, building or other codes; or are standard industry practices;
- Reduce voltage or improve power factor or power quality other than an ancillary benefit for obtaining quantifiable energy savings;

- Involve installation of any equipment or system if such equipment or system, or the operation of either would not comply with all existing laws and regulations;
- Are regular routine maintenance;
- Are electronic equipment (i.e. computers, printers, photocopiers, etc.) and appliances (i.e. refrigerators, ovens, washers and dryers, etc.); and
- Include solar photovoltaics, electric vehicles, or electric vehicle infrastructure.

3.0 Financial Incentives

3.1 Incentive Rates

The REC program will provide incentives in accordance with the offers, incentive rates, funding maximums, and requirements in Tables 1 through 3. The approval and allocation of eligible funds will occur on a first-come, first-served basis. When available funding is fully committed, the program will be closed to further applications. Application pre-approval and payment are subject to technical review in accordance with the Engineering Guidelines available at www.mccac.ca/programs/REC. All offers, incentive rates, maximums, requirements and payment schedules are subject to change.

Table 1: Scoping Audit Incentives

Offer	Incentive and Funding Maximums	Requirements and Limitations
Scoping Audit	Up to 100% of Scoping Audit costs to a maximum of: <ul style="list-style-type: none"> • \$8,000 for dry sports centres • \$10,000 for arenas and curling rinks • \$10,000 for aquatic centres and pools • \$12,000 for multiplexes 	<ul style="list-style-type: none"> • Cost estimate required to determine eligibility and maximums • Audit must be completed by pre-approved Program Ally contractors • Ineligible if the facility has undergone a similar audit within the previous 24 months

Table 2: Engineering Study Incentives

Offer	Incentive and Funding Maximums	Requirements and Limitations
Engineering Study	Up to 100% of Engineering Study costs to a maximum of \$20,000 for all recreational facility building types	<ul style="list-style-type: none"> • Cost estimate and invoice required from contractor to determine eligibility and caps • Study must be completed by pre-approved Program Ally contractors • Ineligible if the facility has undergone a similar study within the previous 24 months • A facility may complete several Engineering Studies if each Study is performed on a different energy system

Table 3: Implementation Project Incentives

Implementation Projects will fund eligible ECMs on an individual basis to the lesser of 75% of the ECM cost or amount required to reach 1-year simple payback. Simple payback is calculated by dividing the net capital cost of implementing the ECM, by the annual energy cost savings produced by the ECM, as seen in the example equation below.

Simple Payback (years) = Net ECM capital cost (\$) / Annual energy cost savings (\$/year)

Offer	Incentive and Funding Maximums	Requirements and Limitations
Implementation Project	The lesser of 75% of ECM costs, OR the amount required to reach 1-year simple payback.	<ul style="list-style-type: none"> • Cost estimate and invoice required from contractor to determine eligibility and incentive • ECMs with a simple payback of less than one year without incentives are ineligible • Project must, at a minimum, have a total installed cost of \$10,000 or greater before any incentives for pre-approval. Multiple measures may be combined on one application to reach the minimum project cost threshold

The two hypothetical ECMs below provide example applications of the above incentive structure:

- Example ECM #1
 - Installed cost before incentive: \$20,000
 - Annual energy cost savings: \$5,000 per year
 - Simple payback before incentive: \$20,000 / \$5,000 per year = 4 years
 - Simple payback after applying REC program buydown: 1 year
 - REC program incentive for Example ECM #1: **\$15,000 or 75% of costs**

In the Example ECM #1, the 75% cost coverage maximum decreased the project cost to \$5,000, and as a result, the simple payback decreases to maximum of 1 year.

- Example ECM #2
 - Installed cost before incentive: \$4,000
 - Annual energy cost savings: \$2,000 per year
 - Simple payback before incentive: \$4,000 / \$2,000 per year = 2 years
 - Simple payback after applying REC program buydown: 1 year
 - REC program incentive for Example ECM #2: **\$2,000 or 50% of costs**

In the Example ECM #2, only 50% of cost are covered as the simple payback reached the maximum of 1 year.

- Example ECM #3
 - Installed cost before incentive: \$20,000
 - Annual energy cost savings: \$1,000 per year
 - Simple payback before incentive: \$20,000 / \$1,000 per year = 20 years
 - Simple payback after applying REC program buydown: 5 years
 - REC program incentive for Example ECM #3: **\$15,000 or 75% of costs**

In the Example ECM #3, the 75% cost coverage maximum decreased the project costs to \$5,000, and as a result, the simple payback decreases to 5 years.

3.2 Maximum Funding Limits

To enable broad participation by Alberta Municipalities, the total program funding for Scoping Audits, Engineering Studies, and Implementation Projects distributed to a single Municipality is capped at \$750,000 over the program lifespan.

The MCCAC, at its sole discretion, reserves the right to adjust the maximum funding cap per Municipality in response to program demand and changing market conditions.

3.3 Payment Schedule

Both Scoping Audits and Engineering Studies are intended to identify energy-saving opportunities that a participating Municipality can target with an Implementation Project. Therefore, the payment for Scoping Audits and Engineering Studies are divided in two payments to encourage Municipalities to proceed with an Implementation Project. The first incentive payment of 50% is paid upon completion of a pre-approved Scoping Audit or Engineering Study. The second incentive payment of 50% is paid upon execution of an Offer Letter for an Implementation Project application.

Implementation Project incentives are paid in a lump sum after the Third-Party Administrator completes the review of Implementation Project completion documentation. In the event of Implementation Projects that receive greater than \$50,000 in incentives, MCCAC reserves the right to hold back up to 10% of the total incentive amount pending completion of site measurement to confirm the associated energy savings and greenhouse gas reductions. In some instances, additional metering may be required of the municipality. The need for a hold back as well as the need for additional metering will be assessed on a case by case basis.

3.4 Incentives Disbursement

The approval and allocation of qualified funds will occur on a first-come, first-served basis based on the time-stamp and date in which the executed Offer Letter is uploaded to the application portal. Applicants will be placed into the first-come, first-served queue in the order in which they submit a completed REC application to the satisfaction of the Third-Party Administrator and execute an Offer Letter. Funding will not be awarded retroactively. Eligible costs must be agreed upon and the Offer Letter must be executed prior to the Project commencing.

All incentives will be paid after the Third-Party Administrator has verified that the Project is complete. The verification process is described in detail in Section 4.0.

3.5 Incentive Stacking

The Municipality agrees to disclose to the MCCAC participation in any other government programs through which funding towards the cost of the Project is being pursued. The Municipality is eligible to access other government programs for funding towards the cost of the Project. However, the maximum amount of combined funding from all sources cannot exceed the total eligible costs of the Project.

The Municipality is not eligible to access multiple incentives provided through the Alberta Climate Leadership Plan for funding towards the same Project.

4.0 How to Participate

Step 1: Review Program Materials

Prior to getting started in the REC program, the MCCAC recommends that interested Municipalities review all REC program materials in detail such as this Guidebook, the Terms and Conditions, and any other information available on the [REC web page](#).

Step 2: Submit an Expression of Interest (EOI)

Municipalities must submit an EOI, to notify the MCCAC of their intent to participate and for eligibility screening purposes prior to any REC project beginning. The MCCAC will review all information provided in the EOI and will contact the municipality to provide information regarding subsequent stages of the application process.

Note: Completion of the EOI does not secure funding or a place in the first-come, first-serve queue. For details on how this queue is established, see Section 3.4.

Step 3: Make an Account

To apply for the REC program, an account must be created on the REC portal. The REC portal is the online interface where a Municipality can apply for REC program funding, submit supporting documentation, check the status of their applications, view payment status, and update applications. To make an account on the REC portal:

- a. Visit the MCCAC [REC program web page](#).
- b. Click the “Apply Now” link.
- c. Under “Municipality Log-In”, click “Register”
- d. Fill in the required fields.
- e. Submit.

Step 4: Submit a REC Application

To submit a REC Application:

- a. Sign in to your account.
- b. Click the “New Incentive Application” button.
- c. Fill in the required fields and upload the required documentation.
- d. Sign and Submit.

The Third-Party Administrator will review all information provided in the application and will contact the Municipality to gather additional information or documentation where required, as well as provide information regarding subsequent stages of the application process. Note: completion of an application does not secure funding or a place in the first come, first serve queue. For details on how this queue is established, see Section 3.4.

Step 5: Receive Pre-Approval to Proceed with Audit, Study or Project and Sign Offer Letter

After receiving pre-approval for your project, you will receive an Offer Letter that outlines the pre-approved incentive value per ECM. Payments are which are contingent to the equipment being installed as described in the application. Review, sign, and submit the Offer Letter via the REC portal.

Step 6: Complete Project

Complete a Scoping Audit, Engineering Study, or Implementation Project.

Step 7: Submit Payment Request with Completion Documentation

After completing the Project, submit the required documentation which may include, but is not limited to, equipment purchase dates, installation dates, proof that the equipment is operational, manufacturer specifications, warranty information, ECM layout descriptions, metering, data collection, utility bill data analysis, Scoping Audit or Engineering Study reports, final invoices, and proof of payment to the REC portal.

Step 8: Complete Public Engagement and Profiling Activities (as applicable)

Implementation Projects require the completion of public engagement and profiling activities prior to receiving incentive payments. Submit proof of completion the following activities to contact@mccac.ca:

- a. Featuring the Project in the MCCAC's web-based project showcase;
- b. Issuing a media release for the project or any other public engagement activity deemed acceptable by the MCCAC;
- c. A set of high-resolution photographs of the Project suitable for print publication. Photographs must show the Project during construction and after completion;
- d. A brief abstract describing the Project including one or more quotes from Municipal leaders, to be used for MCCAC program marketing; and
- e. Completion of program evaluation.

Step 9: Request and Receive Payment

Submit incentive payment request form through the REC portal and receive your incentive payment via cheque.

5.0 Remedies and Warranties

5.1 Refunds

The Municipality shall immediately refund to MCCAC any payment received under the REC program not in accordance with the REC Guidebook and the Offer Letter upon notice being provided to the Municipality by the MCCAC. Failure to make repayment as required by MCCAC creates a debt owing to the Government of Alberta that can be offset against any money the Government of Alberta owes to the Municipality.

5.2 Right of Set-Off

The Municipality agrees that the MCCAC may off-set against any other grant or amount payable to the Municipality under any programs administered by the MCCAC any amounts that become repayable by the Municipality to the MCCAC under the REC program.

5.3 False or Misleading Information

If the Municipality provides any false, misleading, or incomplete information under the REC program, the Municipality shall forgo all rights to benefit from the REC program.

5.4 Environmental Attributes or Products

"Environmental attributes" means emission offsets, renewable energy certificates, renewable energy credits, and any and all other current or future credits, benefits, emissions reductions, offsets or allowances, however entitled, named, registered, created, measured, allocated or validated

- a) that are at any time recognized or deemed of value, or both, by any buyer, applicable law, or any voluntary or mandatory program of any government or other person and
- b) that are attributable to
 - i. generation by the Project and
 - ii. the emissions or other environmental characteristics of such generation or its displacement of conventional or other types of energy generation through the avoidance of environmental impacts on air, soil or water, including but not limited to the emission of greenhouse gases.

The Municipality or applicant will not register or claim any environmental attributes generated by the Project. The Municipality or applicant will not transfer or assign any rights,

title and interests, if any, in all environmental attributes generated by the Project to any person.

The Municipality or applicant warrants that no environmental attributes generated by the Project have been claimed, sold or otherwise transferred to a third party and that no other person has any claim to or ownership of the environmental attributes generated by the Project.

5.5 Limitation of Liability

MCCAC's sole liability is limited to paying the properly qualified incentives specified herein.

The Municipality acknowledges that any service provider, Program Ally, or other provider selected by the Municipality is not an agent, contractor or subcontractor of MCCAC.

MCCAC shall have no obligation to maintain, remove or perform any work whatsoever on the equipment installed.

Neither MCCAC nor any of its affiliates shall be liable to the Municipality or to any other party for a Program Ally's, service provider and/or installation contractor's failure to perform, for failure of the Installed Incentivized Equipment and Products to function, for any damage to the Municipality's premises caused by the Program Ally, service provider and/or installation contractor, or for any and all damages to property or injuries to persons caused by or arising from any activities associated with this program.

REC Checklist

Step 1: Review Program Materials

- Review the REC program webpage, REC Guidebook, and Terms and Conditions available at www.mccac.ca/programs/REC.

Step 2: Submit the REC EOI

- Complete and submit an [Expression of Interest](#).
- Receive approval to proceed to Step 3 from the MCCAC.

Step 3: Make an Account

- Make an account in the REC portal, where you can apply for incentives, check the status of applications, view payment history and update applications.

Step 4: Submit a REC Application

- Submit a REC Application with all supporting documentation.

Step 5: Receive and Sign Offer Letter

- Receive, review, sign, and submit the Offer Letter.

Step 6: Complete Project

- Complete Scoping Audit, Engineering Study, or Implementation Project.

Step 7: Submit Completion Documentation

- Submit the necessary completion documentation.

Step 8: Complete Public Engagement and Profiling Activities (as applicable)

- Submit proof of completion of the required public engagement and project profiling activities.

Step 9: Request and Receive Payment

- Submit incentive payment request form through the REC portal.
- Receive your incentive payment via cheque.

Contact Us

Questions about the REC program may be directed to:

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