

Indigenous Energy Projects (IEP) Program

PROGRAM Guidelines

Version 1.0
May 2018

IEP Program resources available at:
www.ieso.ca/iep

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1. Background

Since 2009, the Independent Electricity System Operator (“**IESO**”) (previously, the Ontario Power Authority) has designed, administered and managed a portfolio of Energy Support Programs (“**ESPs**”) to promote community energy security and inclusive participation in Ontario’s green energy future. More information about the ESPs can be found at <http://www.ieso.ca/funds>.

In 2018, the IESO articulated forward-looking priority areas through the implementation plan for the Long-Term Energy Plan (“**LTEP**”). The IESO implementation plan recognizes the leadership of First Nations and Métis in Ontario’s energy sector, while acknowledging the ongoing challenges many First Nations and Métis face in accessing clean, reliable and affordable energy. The new portfolio of ESPs is designed to address these ongoing challenges while demonstrating the IESO’s commitment to supporting Indigenous capacity and leadership in the electricity sector.

2. Program Objective

The objective of the IEP Program is to support supply-side solutions that contribute to cleaner, more reliable and more affordable energy systems for First Nations and Métis, by providing funding support for:

- the assessment and development of renewable energy projects;
- the assessment and development of partnerships for renewable energy projects and transmission projects; and
- innovative supply-side solutions relating to the IEP Program objective.

3. Eligibility Criteria

a. Eligible Applicants

- First Nation or Métis Communities; and
- First Nation or Métis Organizations (including Friendship Centres, Indigenous housing providers, and others).

Funding is not provided to individuals. Joint applications for a shared single project may be submitted by two or more eligible applicants. Applicant eligibility for the IEP Program is determined in the sole and absolute discretion of the IESO or the Ministry of Energy, as applicable.

Please see section 6 below for definitions of key eligibility terms.

b. Eligible Projects and Funding

All applications to the IEP Program must fit within one of the IEP Program Streams in the table below. The maximum amount of funding provided for a project funded under the IEP Program will be the lesser of 80% of the total project costs and the maximum funding amounts set out below. Multiple applications can be made to the IEP program however recipients are only eligible to receive up to \$200,000 per calendar year from the IEP program.

Stream	Maximum Funding Amount per Project
<p>Projects and Partnerships</p> <p><u>Project Development</u>: Eligible Expenses associated with the assessment and development of renewable energy projects by First Nation or Métis Communities or First Nation or Métis Organizations, on their own or in partnership with a third party.</p> <p><u>Partnerships</u>: Eligible Expenses associated with due diligence work required to assess and develop opportunities for First Nation or Métis Communities or First Nation or Métis Organizations to participate in: (a) partnerships in new or existing renewable energy projects; or (b) partnerships with licensed transmitters or entities seeking to become licensed transmitters, in future transmission facilities that have been included in regional plans, bulk system plans or the LTEP, and for which the Ministry of Energy has determined it prudent to commence development work, including but not limited to the East-West Tie expansion line, the transmission line to Pickle Lake, the Northwest Bulk Transmission Line, remote community connections, or others that may be identified to the IESO by the Minister of Energy.</p>	<p>Project Development: \$150,000</p> <p>Feasibility study: \$25,000</p> <p>Partnerships: \$50,000</p>
<p>Innovation</p> <p>Funding support for the demonstration and</p>	<p>\$200,000</p>

deployment of innovative delivery models and/or technologies related to renewable energy projects.	
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The IEP Program may also accept proposals based on priorities identified through strategic research and program evaluations, from time-to-time. Through a request for proposals process, these “targeted calls” help to address specific and emerging needs. Details of these calls will be published on the ESP website as they arise. To maintain the IEP Program’s flexibility to respond to emerging needs and opportunities, the investment priorities of the IEP Program are subject to change.

c. Eligible and Ineligible Expenses

Additional criteria regarding Eligible Expenses and a list of Ineligible Expenses are set out in the Funding Agreement, which must be signed by all successful applicants in order to receive funding.

Eligible Expenses

Funding is provided under the IEP Program for Eligible Expenses that are directly related and reasonably necessary to complete the project. Eligible Expenses can include costs associated with activities carried out by duly qualified internal resources and with the services of duly qualified external service providers. Any contract with an external service provider in excess of \$50,000 must follow a competitive procurement process prior to being awarded.

Ineligible Expenses

Funding is not provided under the IEP Program for Ineligible Expenses, which include:

- Costs that are not directly related to the project;
- Costs related to activities for which funding was received in relation to the project from another source;
- Costs that the applicant or joint applicant(s) did not directly incur;
- Costs incurred, or relating to any activity, matter or thing carried out before October 26, 2017;
- Costs associated with meeting the administrative obligations of the application or Funding Agreement under the IEP Program or any other IESO program, including preparing status and other reports as may be required under the Funding Agreement;
- Costs associated with submitting the application, or applications or proposals under any of the IESO programs, or entering into a funding agreement under any of the IESO programs;

- Costs related to meetings with or the lobbying of any governmental authority or the IESO;
- Costs associated with the use of personal devices (e.g. personal mobile or landline phones, laptops or internet service provider fees, etc.);
- Costs related to administrative operating expenses such as real estate expenses, insurance, utilities, memberships, dues, subscriptions, accounting, or maintenance of equipment;
- Costs incurred that are not evidenced by deliverables, including the supporting documentation required by the Funding Agreement, or other evidence of payment satisfactory to the IESO, in its sole and absolute discretion;
- Costs not approved by the IESO as part of the application and budget, unless otherwise agreed to in writing by the IESO, in its sole and absolute discretion;
- Costs incurred by means of services in-kind, bonds, promissory notes or barter;
- Costs for travel, hospitality or meals that do not comply with the Ontario Travel, Meal and Hospitality Expenses Directive;
- Costs that, in the IESO's view, in its sole and absolute discretion, materially deviate from the approved application in relation to the work plan, budget, project team, timelines or project description;
- Costs in respect of HST;
- any amounts paid to a governmental authority, including fees paid for governmental certifications;
- Partnership-related costs incurred after the applicant's acquisition of an economic interest in a renewable energy project partnership or transmission project partnership;
- Costs associated with participating in Ontario Energy Board ("OEB") proceedings related to an electricity transmission project;
- Costs incurred after the OEB designates a transmitter to develop an electricity transmission project, if the designated transmitter is not the applicant or its proposed project partner (or their affiliate); and

- Costs in respect of any deductions and withholdings, including any taxes, union dues, Canada Pension Plan contributions, employment insurance contributions and employer contributions.

4. Application Process

a. Background

The IEP Program accepts submissions on an ongoing basis, with application submission dates spread throughout the year. The application review dates will be posted online from time-to-time at www.ieso.ca/iep. Before applying to the IEP Program, applicants should review these IEP Program Guidelines and the Funding Agreement carefully, and are encouraged to seek independent legal and other professional advice, as needed.

The IEP Program application development process is supportive. Applicants should contact IEP Program staff with any questions at iep@ieso.ca or (416) 969-6317. IEP Program staff will be available to provide feedback and guidance throughout application development. As a condition of funding support, the IESO may require changes to the project scope, design or budget, and may ask for additional information or references. The development of a complete application can take several months – please allow sufficient time for application review and feedback prior to submittal of your final application.

b. Application Format

Please ensure your application is no longer than 6 pages (not inclusive of the title page, check list, work plan and budget). All applications must be in the form provided by the IESO, and include the following:

- Title page: The title page should include a project title, a list of the project team members, a confirmation of the amount of funding requested and relevant contact information. If the application includes joint applicants, list all joint applicants and identify the lead applicant.
- Description of community/organization (150 words maximum): Provide a basic description of the First Nation or Métis Community, or First Nation or Métis Organization that the project will benefit, and their energy priorities. If the community or organization has completed a community energy plan, please indicate that here.
- Applicant eligibility (50 words maximum): Describe how the applicant(s) meets the eligibility requirements of the IEP Program.
- Project purpose and description (300 words maximum): Identify the applicable IEP Program Stream and describe the project. If applying under the Projects and Partnerships Stream,

describe how the funding will contribute to the development of a renewable energy project, or the development of a project partnership. If applying to the Innovation Stream, please outline how the project is innovative. If the project is underway, please provide a summary of the current status of the project and outline any work that has been done to date.

- Project team (100 words maximum per project team member): Include a brief description of each member of the project team and provide detail demonstrating how they are qualified to support the success of the project.
- Anticipated impact on community (250 words maximum): Describe the anticipated impact the project will have on the applicable First Nation or Métis Community or First Nation or Métis Organization. What contributions will it make to the community's energy security? Will the project have any broader social or economic benefit to the community? Describe how the impact of the project will be evaluated. What constitutes success, and how will it be measured?
- Community involvement (including community agreement) (150 words maximum): Describe how community or organization members have been or will be involved, and include a Band Council Resolution, board resolution, or other endorsing document as appropriate with your application. In the case of joint applications, all joint applicants must provide a Band Council Resolution, board resolution, or other endorsing document as appropriate.
- Budget and work plan (separate document): Complete the work plan and budget document.
- Application checklist (separate document): Complete the application checklist.

c. Application Submission

Please submit your application to iep@ieso.ca. Applicants are encouraged to contact IEP Program staff prior to submitting an application.

5. Application Evaluation

Complete and eligible applications submitted to the IEP Program undergo a feasibility review by a third party firm. Applications are also assessed by a review committee comprised of members from both inside and outside the IESO. The review committee makes funding recommendations to the IESO. Final funding decisions are made by, and are at the discretion of, the IESO.

Funding decisions are based on the extent to which a proposed project addresses community energy needs and the degree to which it satisfies the IEP Program application review criteria outlined immediately below:

Strategic fit	Will the project enhance First Nation or Métis energy-related capacity and leadership and support supply-side solutions that contribute to cleaner, more reliable and more affordable energy systems for First Nations and Métis?
Community benefit, need and support	How are community members involved in the project? How does the project benefit the community? Is there an identified need for the project? Has a document expressing community support (Band Council Resolution, board resolution etc.) been included in the application?
Project team and partners	Does the project team have the qualifications and experience required to execute the project? Is there evidence of strong and appropriate partnerships if applicable?
Financial feasibility	Is the budget for the project detailed, reasonable and justified? Have revenue sources for costs outside of those assigned to the IEP Program funding been identified and secured?
Project purpose and outcomes	Are the project's purpose and intended outcomes clearly articulated? Is the plan to realize and evaluate the project outcomes sufficiently detailed and reasonable? If applying to the Innovation stream, is the project sufficiently innovative? Will it provide a novel solution? What gap is it addressing?

6. Key Definitions

First Nation or Métis Community	<p>means, for the purposes of the IEP Program:</p> <p>(a) a First Nation in Ontario that is a "band" as defined in the <i>Indian Act</i> (Canada);</p> <p>(b) the Métis Nation of Ontario or any of its active Chartered Community Councils; or</p> <p>(c) a Person, other than a natural person, that has previously been determined by the Government of Ontario to represent the collective interests of a community that is composed of First Nation or Métis individuals.</p>
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First Nation or Métis Organization	means, for the purposes of the IEP Program, an organization that, as determined in the sole and absolute discretion of the IESO, represents the interests of more than one First Nation or Métis Community, or was established to provide key services to one or more First Nation or Métis Communities or members of one or more First Nation or Métis Communities.
Funding Agreement	means the agreement that successful applicants must sign in order to be eligible to receive funding under the IEP Program.

7. General

- a. Receipt of an application to the IEP Program does not constitute a commitment by the IESO to support the application, nor does it create a business relationship between the applicant, its partners and the IESO.
- b. The approval of the IEP Program review committee is required for the IESO to provide any financial support for a project, and the IESO will not provide financial support for the work of applicants performed prior to October 26, 2017.
- c. Financial support from the IESO to an applicant to the IEP Program will only be provided upon execution of the Funding Agreement between the applicant and the IESO, and only according to the terms and conditions therein.
- d. The IESO reserves the right to make public the names of applicants, the title and a description of their proposed project, and the amount of funds applied for. All other information submitted by the applicant in their application will also be treated as non-confidential unless clearly labelled as confidential by the applicant.
- e. In the event of any conflict or inconsistency between the IEP Program Guidelines and any Funding Agreement entered into, the provisions of the Funding Agreement govern.
- f. The IESO reserves the right to:
 - i. cap the amount of funding provided under the IEP Program in any year; and
 - ii. change the IEP Program Guidelines from time to time.