

On-Farm Solar Photovoltaics Program Terms and Conditions

Purpose

The On-Farm Solar Photovoltaics (PV) Program provides funding for one, or multiple, approved solar photovoltaic System(s) on an Applicant's property. Funding is calculated using a formula that is based on an Applicant's cumulative approved System(s) size in Watts and cumulative approved Eligible Expenses under the Program since December 15, 2017.

There is limited funding in the Program. Applications will be divided into two groups based on whether or not the Applicant is an Active Producer, and then each group of Applications will be divided into three streams based on the total cumulative size of all System(s) included in the Application and for which the Applicant has received funding under the Program since December 15, 2017. Applications will be considered for approval on a first-come, first-served basis within each stream, subject to funding constraints, as described in section 3.4.

1. Definitions - In these Program Terms and Conditions, the following terms have the following meanings:

- 1.1 Active Producer:** means an individual or a registered corporation responsible for the day-to-day management and work on the farm, including responsibility for input costs for agricultural crops or livestock producing at least \$10,000 worth of farm commodities annually, but does not include a landlord whose only interest in the crop or livestock is that of ownership of the land.
- 1.2 AF:** means Alberta Agriculture and Forestry
- 1.3 Applicant:** means the legal entity that submits an Application and meets the eligibility criteria in s. 2.1.1.
- 1.4 Application:** means the Program application form and all documents required to be submitted pursuant to that form and the Program Terms and Conditions.
- 1.5 Approval Letter:** means the letter sent by the Minister to an Applicant notifying the Applicant that the Applicant has been approved for a grant, specifying the amount of the grant, describing the Project, and listing the Eligible Expenses for the Project, as may be amended.
- 1.6 Distribution Wires Owner:** means the owner of an electric distribution system.
- 1.7 Eligible Expenses:** means the expenses described in s. 2.4.1.
- 1.8 Federal Crown:** means Her Majesty the Queen in Right of Canada.
- 1.9 Fiscal Year:** means the 12 month period beginning April 1 of any year and ending March 31, of the following year.
- 1.11 Micro-Generation Regulation:** means the *Alberta Micro-Generation Regulation 27/2008* with amendments up to and including 234/2013, as may be amended.
- 1.12 Minister:** means the Minister of AF and his authorized representative(s).
- 1.13 Program:** means the On-Farm Solar Photovoltaics Program.
- 1.14 Program Terms and Conditions:** means the terms and conditions of the Program set out in this document, as may be amended.
- 1.15 Project:** means the activities described in the Approval Letter.

- 1.16 Project Term:** means the period between the start date stated in the Approval Letter and the end date stated in the Approval Letter.
- 1.17 Provincial Crown:** means Her Majesty the Queen in Right of Alberta.
- 1.18 Solar Contractor:** means a contractor listed in the Solar Provider Directory on the Solar Energy Society of Alberta website.
- 1.19 System:** means solar photovoltaic components installed as an array in a contiguous physical area and feeding electricity into a single electrical panel or electrical sub-panel, and which satisfy the requirements in s. 2.3.1.
- 1.20 Watt:** means the modules' maximum rated Direct Current (DC) power production (in Watts) at industry standard test conditions.

2. Eligibility

2.1. Eligible Applicants

- 2.1.1** To be eligible to apply for this Program, a person must fall within a "Farm", "Irrigation", or "REA Farm" Electrical Distribution Rate Class at any point in the 12 months prior to the date of the person's Application.

2.2. Ineligible Applicants

- 2.2.1** The following persons are ineligible to apply for this Program:
- (a) research stations, universities and other organizations funded in whole or in part by the government; and
 - (b) any other person deemed ineligible by the Minister.

2.3. Eligible Activities

- 2.3.1** To be eligible for funding under the Program, each System described in an Application must satisfy the following requirements:
- a) be installed by a Solar Contractor who does all of the following for the System:
 - i. obtains the electrical permits;
 - ii. provides the electrical design;
 - iii. specifies and supplies the solar photovoltaic equipment;
 - iv. installs the commercial solar photovoltaic racking;
 - v. installs the modules on the racking;
 - vi. installs the inverters;
 - vii. wires the modules and inverters;
 - viii. completes the final electrical connections for the System; and
 - ix. provides a minimum 24 month workmanship warranty for labour on the System, which includes the cost of labor and travel to replace equipment under warranty.
 - b) the System must primarily supply electricity to equipment used in the Applicant's agricultural practice producing a primary commodity;
 - c) the System's module(s), inverter(s) and/or micro-inverter(s) must have an accepted label as set out in the Alberta Electrical Standata LEG-ECR-2 [rev. 24] July 2014 indicating that it meets the Canadian Standards

Association (CSA) requirements for electrical safety, or equivalent certification to applicable Canadian standards;

- d) the System size must be pre-approved by the Distribution Wires Owner to be connected as a Micro Generation unit according to the Micro Generation Regulation (27/2008 with amendments up to and including 234/2013);
 - e) the System must be located to optimize solar availability, with at least 90% solar availability (i.e. at most 10% shading) on an annual basis;
 - f) the System must be oriented to face “Southward” between West and East, due West, or due East;
 - g) the System’s modules must have at least a 20 year pro-rated warranty from the manufacturer; and
 - h) the System’s inverter(s) and/or micro-inverter(s) must have at least a 10 year warranty from the manufacturer.
- 2.3.2** The Applicant must complete the Project during the Project Term.
- 2.3.3** By the end of the Project Term, each System described in an Application must:
- a) be installed and operational on the site ID(s) listed in the Micro-Generation Agreement submitted with the Application;
 - b) have received final approval by the Distribution Wires Owner to be connected as a Micro-Generation unit according to the *Micro-Generation Regulation*; and
 - c) be connected to the Alberta electricity grid.
- 2.3.4** In completing the Project, the Applicant must:
- (a) comply with all applicable laws and regulations; and
 - (b) obtain all required governmental approvals prior to commencing the Project, including those related to public health and safety, labour codes and standards, care and use of animals in research, wildlife habitat, and environmental protection.
- 2.3.5** Equipment purchased for the Project pursuant to the Program which requires authorization for installation by an agency must receive such approval prior to installation of the equipment.
- 2.3.6** Acceptance of an Application under this Program creates no obligation on the part of the Provincial Crown or Federal Crown to provide licenses or approvals under any legislation, including the Canadian Environmental Assessment Act.

2.4 Eligible Expenses

- 2.4.1** All Eligible Expenses incurred and reported by the Applicant and approved by the Minister under the Program (cumulative for the Program since December 15, 2017, not limited to the current Application) shall be used to calculate funding, as described in s. 5.1.
- 2.4.2** The Eligible Expenses that may be incurred and reported on by the Applicant for the System(s) described in the current Application are the expenses to hire a Solar Contractor to do all of the activities listed in s. 2.3.1(a) for a System described in the Application.

- 2.4.3 If an Application is approved, all Eligible Expenses for the System(s) described in the Application must be incurred by the Applicant during the Project Term.
- 2.4.4 In incurring Eligible Expenses, the Applicant must follow a process that is transparent, fair, and promotes the best value for the money expended. Eligible Expenses incurred by the Applicant must be at competitive prices that are no greater than fair market value.
- 2.4.5 If the Minister, in his sole discretion, considers the amount of any Eligible Expense reported by the Applicant to be unreasonable, the Minister may adjust the amount of that Eligible Expense to an amount the Minister considers reasonable.

2.5 Ineligible Expenses

- 2.5.1 Expenses that are not eligible for the System(s) described in the Application include:
 - (a) leasing costs for a System or any equipment that forms part of a System;
 - (b) Goods and Services Tax (GST);
 - (c) labour costs of the Applicant, or the Applicant's employees;
 - (d) costs incurred by the Applicant to prepare documents, process invoices, administration costs and other internal costs;
 - (e) costs incurred outside the Project Term; and
 - (f) any other expense deemed by the Minister to be an ineligible expense.

3. Applications

- 3.1 Applications must be received by AF or postmarked by the date stated on the Alberta Agriculture and Forestry website.
- 3.2 Applications must include:
 - (a) a completed Program application form, signed by an authorized representative, and all documents required to be submitted pursuant to the Program application form;
 - (b) pre-approval by the Distribution Wires Owner, including reference to approved System size, for each System described in the Application to be connected as a micro-generation unit according to the *Micro-Generation Regulation*;
 - (c) proof of the Applicant's Electrical Distribution Rate Class at any point in the 12 months prior to the date of the Application; and
 - (d) any supplementary documentation requested by the Minister.
- 3.3 Applications must be delivered to:

Solar Photovoltaics Program
Suite 302, 7000-113 Street NW
Edmonton, AB, T6H 5T6
- 3.4 There is limited funding in the Program. Applications will be divided into two groups based on whether or not the Applicant is an Active Producer, and then each group of Applications will be divided into the following three streams based on the

total cumulative size of all System(s) included in the Application and for which the Applicant has received funding for under the Program since December 15, 2017:

Stream A – Small: Less than 29.99 kilowatts (kW)

Stream B – Medium: 30kW to 74.99kW

Stream C – Large: 75kW and greater (the cumulative size of all Systems applied for may be greater than 150kW, but the maximum funded System(s) size under the Program is 150kW)

Applications will be considered for approval on a first-come, first-served basis within each stream, subject to Program funding constraints.

- 3.5** An Applicant may only submit one Application in each Fiscal Year.
- 3.6** The Minister will not approve an Application for which the total grant request is less than \$500.
- 3.7** The Minister may reject any Application that is ineligible, inaccurate or incomplete in the sole discretion of the Minister.
- 3.8.** Applications must be signed by the Applicant or on behalf of the Applicant by a properly authorized representative. The Minister may require evidence of authorization. Personal designates are not permitted to sign Applications unless they have Power of Attorney (submitted with the Application). Either executors or administrators can sign on behalf of estates.
- 3.9.** An Application will not be considered complete unless the Statement of Certification on the Program application form is signed.
- 3.10.** Submission of an Application does not entitle the Applicant to a grant under the Program.
- 3.11.** The Applicant acknowledges that the grant may not be sufficient to cover the entire cost of the Project, and that the Applicant shall be solely responsible for raising funds from other sources to complete the Project. The Applicant acknowledges that the grant is the only financial assistance the Minister will provide under the Program to the Applicant for the Project.
- 3.12.** If an Application is approved by the Minister, the Applicant will be sent an Approval Letter.

4. Amendments to the Approval Letter

- 4.1.** An Approval Letter may be amended as follows during the Project Term:
 - a) The Applicant may request that:
 - i. changes be made to a System described in the Approval Letter; or
 - ii. the Project Term be changed,by submitting a written request to the Minister outlining and justifying the proposed amendments.
 - b) If the Minister approves a proposed amendment, the Minister will send an amendment letter to the Applicant.
- 4.2.** The Minister is not required to approve any proposed amendment to an Approval Letter.
- 4.3.** Prior to the Applicant receiving an amendment letter from the Minister, any expenses incurred by the Applicant that are not described in the Approval Letter

are incurred by the Applicant at the Applicant's own risk as they may not be approved or funded by the Minister.

5. Funding Levels

- 5.1.** The Program provides grants for Projects up to a cumulative 150 kW of approved System(s) for each Applicant under the Program (based on all System(s) the Applicant has received approval for under the Program since December 15, 2017), or up to \$100,000 for each Applicant under the Program (based on all funding provided to the Applicant under the Program since December 15, 2017), whichever maximum is reached by an Applicant first. Funding is calculated based on cumulative approved System(s) size in Watts and cumulative approved Eligible Expenses under the Program as follows:
 - (a) 0 – 100 kW of the cumulative approved System(s) are funded at \$0.75/W up to a maximum of 35% of all approved Eligible Expenses under the Program; and
 - (b) 100.01 – 150 kW of the cumulative approved System(s) are funded at \$0.56/W up to a maximum of 27% of all approved Eligible Expenses under the Program.
- 5.2.** Funding received through any other municipal, provincial or federal government must not exceed 100% of the Eligible Expenses reported by an Applicant and paid under the Program. The amount of the grant shall be adjusted so that the total government funding does not exceed 100% of the Eligible Expenses.
- 5.3.** In the event that federal or provincial funding levels are changed to the extent that the money available to the Minister to make the grant is reduced or eliminated, the Minister may, in his sole discretion, cancel or reduce the amount of the grant.

6. Payments

- 6.1.** Grant payments will be made on a reimbursement basis based on the amount calculated using the formula in s. 5.1 and based on the lesser of the size of the cumulative approved or installed System(s) and cumulative approved Eligible Expenses under the Program.
- 6.2.** The only Eligible Expenses the Applicant may report for the System(s) described in the Application are the Eligible Expenses listed in the Approval Letter which are directly incurred by the Applicant in completing the Project during the Project Term.
- 6.3.** To make a claim for reimbursement, the Applicant must submit the following:
 - a) a completed reimbursement claim form with copies of all documentation (eg. time sheets, invoices, receipts, cheques, calculations, proof of payment) necessary to establish, to the satisfaction of the Minister, that the Applicant incurred and paid all Eligible Expenses claimed;
 - b) a final report that satisfies the requirements in s. 7.2; and
 - c) any supplementary documentation requested by the Minister.
- 6.4.** The determination of whether an expense incurred by the Applicant constitutes an Eligible Expense that is eligible under the Program is at the sole discretion of the Minister.

- 6.5. Eligible Expenses shall be calculated based on the actual out of pocket cost to the Applicant (i.e. cost of the Eligible Expense less any rebates, discounts, incentives and/or credits, whether provided at the time of purchase or at a later date).
- 6.6. The amount of the grant stated in the Approval Letter will be adjusted based on the amount calculated using the formula in s. 5.1 and based on the lesser of the size of the cumulative approved or installed System(s) and cumulative approved Eligible Expenses under the Program, but shall not exceed the amount stated in the Approval Letter.
- 6.7. Projects and Eligible Expenses qualify only once under the Program.
- 6.8. Applicants cannot assign or defer any payment under this Program.
- 6.9. Payments may be considered farm support payments and AGR-1 tax slips will be issued in the name of the Applicant, if applicable.
- 6.10. The Applicant shall not return any items for which the Applicant has purchased under the Program.
- 6.11. With the exception of items that are permanently affixed to the Applicant's land and the Applicant sells their land, the Applicant shall not sell, trade, give away, destroy, or otherwise take out of operation any items which the Applicant has purchased under the Program for at least three years after the end of the Project Term.

7. Reporting Requirements

- 7.1. The Applicant shall fully cooperate with the Minister in reporting progress on the Project.
- 7.2. Unless otherwise specified by the Minister, the Applicant shall provide the Minister with a written final report, in a template provided by the Minister, to the Minister's satisfaction, and by the date specified by the Minister, that:
 - a) includes a list of the Project activities completed by the Applicant;
 - b) details any material events, developments or circumstances arising in relation to the Project;
 - c) includes copies of invoices for all Eligible Expenses incurred by the Applicant;
 - d) includes the final approval by the Distribution Wires Owner for the installed System(s) to be connected as a micro-generation unit according to the *Micro-Generation Regulation*;
 - e) includes photos of the installed System(s); and
 - f) includes any other information requested by the Minister.
- 7.3. The Minister may request that the Applicant submit additional reports during the Project Term, which the Applicant shall submit, to the Minister's satisfaction, on the dates specified by the Minister.

8. Verification

- 8.1. The Applicant must submit documentation to establish, to the satisfaction of the Minister, that the Applicant incurred and paid all of the Eligible Expenses reported.

Documents the Applicant may submit to do this include:

- a) invoices for the reported Eligible Expenses that are in the Applicant's name;
- b) proof of payment for the reported Eligible Expenses.

The Applicant must also provide any other documentation requested by the Minister that the Minister requires to be satisfied that the Applicant incurred and paid the Eligible Expenses reported.

- 8.2.** All items on an invoice submitted by the Applicant must be listed separately, and the cost for each Eligible Expense must be clearly identified.
- 8.3.** The Applicant consents to the Minister releasing any information contained in the Application, or related to it, and obtained by the Minister in the course of verifying or auditing the Application, to any other government department, agency or other body for the purposes of verifying this Application, determining the Applicant's eligibility for this Program, or both. The Applicant expressly authorizes the Minister to obtain information from any government department, agency or other body to verify the contents of this Application and to determine the Applicant's eligibility for this Program.
- 8.4.** The Applicant agrees to give representatives of the Minister access to examine their farming or business operation from the date of the Approval Letter until six years following the end of the Project Term. The Applicant agrees to make available to the Minister all farm records, books of account, invoices, income tax returns, and audit and evaluation reports in relation to the Project that are necessary for the audit and evaluation of the Applicant's activities under this Program. If the Applicant fails to provide such information within a reasonable time on reasonable notice, as determined by the Minister, the Applicant may be required to refund any payments received under the Program, as well as forfeit any future payments under the Program.

9. Inspection

- 9.1.** If an Application is approved, from the date of the Approval Letter until three years following the end of the Project Term, the Minister is entitled, at a reasonable time and upon reasonable notice to the Applicant, to attend the farming or business operation of the Applicant for the purpose of examining items pertinent to the Project in order to assess whether the Applicant is in compliance with these Program Terms and Conditions and the Approval Letter.

10. Non-Compliance

10.1 Any one or more of the following shall constitute an event of default (“Event of Default”):

- (a) failure of the Applicant to make satisfactory progress on the Project pursuant to the Approval Letter, in the sole discretion of the Minister, during the Project Term;
- (b) failure of the Applicant to comply with any of its obligations under the Program Terms and Conditions or the Approval Letter, in the sole discretion of the Minister;
- (c) the Applicant ceases to carry out the Project during the Project Term, in the sole discretion of the Minister;
- (d) the Applicant becomes insolvent or ceases to carry on its operations during the Project Term; and
- (e) a resolution is passed or an application is made for winding up, dissolution, liquidation or amalgamation of the Applicant during the Project Term.

10.2 Upon the occurrence of an Event of Default:

- (a) in addition to any other remedy under the Program Terms and Conditions, the Approval Letter, or at law, the Minister may do one or more of the following:
 - (i) withhold payments of the grant to the Applicant;
 - (ii) demand that the Applicant immediately repay to the Minister all or part of the grant. Any such amount shall be a debt due to and recoverable by the Minister;
 - (iii) terminate the grant; and
- (b) the Minister may require the Applicant to do one or more of the following:
 - (i) make no further commitments for expenditures and make no further disbursements that would be Eligible Expenses, except with the Minister’s prior written approval;
 - (ii) pay to the Minister the amount demanded pursuant to s. 10.2(a)(ii); and
 - (iii) provide an accounting of the full amount of the grant with an audit report.

11. Refunds

11.1. The Applicant shall immediately refund to the Provincial Crown any payment received under the Program not in accordance with the Program Terms and Conditions and the Approval Letter upon notice being provided to the Applicant by the Minister. Failure to make repayment as required by the Minister creates a debt owing to the Provincial Crown that can be set off against any money the Provincial Crown owes to the Applicant.

12. Right of Set-Off

12.1. The Applicant agrees that the Minister may set-off against any other grant or amount payable to the Applicant under any programs administered within AF any amounts that become repayable by the Applicant to the Minister under this Program.

13. False or misleading information

13.1. An Applicant who provides false, misleading or incomplete information under this Program forgoes all rights to benefit from this Program.

14. Debts to Provincial Crown or Federal Crown

14.1. The Minister has the right to deduct from any grant approved for an Applicant any amount due and owing to the Provincial Crown or Federal Crown by the Applicant.

15. Representations and Warranties

15.1. By submitting an Application, the Applicant represents and warrants that:

- (a) the person signing is duly authorized to make this Application, bind the Applicant to the Program Terms and Conditions, and, in the case of a partnership, bind the partners to the Program Terms and Conditions on the basis of joint and several liability.
- (b) no Application has been made for the same activities by any other person, including without limitation, a person who is not arm's length or a related person as defined by the Income Tax Act (Canada), or by a shareholder, member or partner who is actively carrying on farming or business on behalf of a corporation.
- (c) it has made full, true and plain disclosure to the Minister of all facts relating to the activities that are material to its Application, including without limitation all sources of funding from federal, provincial and municipal governments;
- (d) it has the necessary financial resources to complete the activities listed in the Application;
- (e) no member of the House of Commons shall derive any financial advantage from the grant that would not be permitted under the Parliament of Canada Act;
- (f) no employee, contractor or agent of the Applicant who is not in compliance with federal conflict of interest guidelines shall derive a direct benefit from the grant;
- (g) any person lobbying, as that term is defined in the Lobbyists Registration Act (Canada), on the Applicant's behalf is registered pursuant to that Act;
- (h) it is not aware of any discussions to effect a sale, transfer, assignment or pledge of interest which would result in a change of the control of the Applicant or of the disposition of all or substantially all the assets of the Applicant;
- (i) it has adequate human resources, experience and skills to carry out the activities described in the Application;

- (j) there is presently no action, suit, or proceeding being brought or pending or threatened against or affecting the Applicant which could result in the expropriation of any property of the Applicant, or which could affect its operations, properties, financial condition, or its ability to complete the activities described in the Application;
- (k) if activities described in the Application require authorization by an agency, the Applicant has obtained such approval prior to the commencement of the activities;
- (l) it is in compliance with all laws, orders and authorizations which relate to or affect it and is not subject to any order of any court or other tribunal affecting its operations;
- (m) it has the power and authority and all necessary licenses and permits to own and operate its properties and carry on its operations, to make the Application, and to perform its obligations pursuant to the Application and these Program Terms and Conditions; and
- (n) the execution of the Statement of Certification in the Application has been duly and validly authorized by the Applicant in accordance with applicable law, and shall constitute a binding legal obligation of the Applicant.

16. Grant Regulation and Disclosure of Grant Recipient Information

16.1. Payments under this Program are grants subject to the *Agriculture and Rural Development Grant Regulation*. The Applicant acknowledges that, in addition to complying with these Program Terms and Conditions and the Approval Letter, the Applicant must comply with the *Agriculture and Rural Development Grant Regulation*.

16.2. The Applicant acknowledges that AF publicly discloses the following information for all grant recipients: the grant recipient name, the amount of the grant, the program the grant is paid under, and the payment date.

17. Changes to the Program and Program Terms and Conditions

17.1. The Minister may change or terminate the Program, or revise the Program Terms and Conditions by posting the revised Program Terms and Conditions on the Alberta Agriculture and Forestry website.

17.2. An Application shall be administered by, and the grant provided by the Minister to the Applicant shall be governed by, the Program Terms and Conditions that were posted on the Alberta Agriculture and Forestry website as of the date that the Application was received.

18. Ministerial discretion

18.1. The Minister has the absolute discretion to determine the eligibility of any Applicant and any payments due under this Program. The decision of the Minister is final.