

EMISSIONS  
REDUCTION  
ALBERTA



# ERA OIL SANDS INNOVATION CHALLENGE

Frequently Asked  
Questions

**Online submissions:**  
[www.ERAadmin.ca](http://www.ERAadmin.ca)

**Deadline:**  
September 7, 2017  
5:00 PM MDT (UTC-6h)

**1. Does the post-secondary collaborator on a project have to be an Alberta university or post-secondary institution?**

Applications are not required to include a post-secondary institution, however including such a collaboration may strengthen an application. If a post-secondary institution is included, collaboration is not restricted to Alberta post-secondary institutions, however it is encouraged, given their local knowledge, contacts, and expertise.

**2. Is the GHG reduction quantification limited to within Alberta’s boundaries or is a life-cycle analysis approach including emissions from outside the province acceptable?**

ERA’s mandate is to identify and accelerate innovative solutions that secure Alberta’s success in a lower carbon economy. ERA uses GHG quantification experts to assess the GHG reduction potential of projects. Where appropriate, a life-cycle approach will be used.

The potential for technologies to achieve reductions outside of Alberta would contribute to the strength of the overall emissions reduction opportunity as assessed by ERA's review team.

**3. Are project related costs considered to be eligible project expenses when the funding decision notification is received, even if the Contribution Agreement (CA) hasn’t been finalized?**

After projects are notified that they have been selected for funding, ERA works with project proponents to develop and execute a Contribution Agreement (CA). This includes legal consultation and development of the official project work plan.

Costs incurred between the funding notification and Contribution Agreement (CA) execution are eligible for reimbursement provided that they are directly related to the scope outlined in the CA and assuming that they meet ERA’s [Eligible Expenses and Cost Instructions](#), a document that is posted on the ERA website. If for any reason a CA with ERA is not signed, such costs would be incurred at the applicant’s sole risk and would not be reimbursed.

**4. If a pilot project is proposed for funding that involves utilization of process well equipment and if the proposed industry partner has such equipment available for the pilot test, are the capital costs or a portion allowed as eligible expenses? As well, can any existing infrastructure that reduces the project costs be considered as an eligible expense?**

ERA requires project costs to be incremental to the organization’s costs. Existing assets are typically not considered eligible expenses as they are not incremental to the costs of the proponent. If there are operating costs incurred to utilize the asset, such as labour to operate the asset for the benefit of the project, then these costs would be eligible.

If a partner organization is allowing access to specialized equipment that a project would have to rent otherwise, they could record this as an eligible in-kind contribution, as long as it is supported by fair value evidence of cost and invoices.

**5. If revenue is generated from the pilot how is the income treated in the overall project accounting - is revenue subtracted from costs?**

Revenue generated during a project does not result in reduced ERA funding or eligible projects costs.

**6. If the industry partner provides personnel for operation of the pilot, are these costs eligible?**

Yes, labour costs directly related to the project are eligible expenses. The industry partner would need to document and provide an invoice for the hours spent on the project by its personnel. Additional important details can be found in the [Eligible Expenses and Cost Instructions](#) posted on the ERA website.

**7. Would projects that make use of significant existing infrastructure be given more consideration than projects that do not have this benefit?**

Projects with access to existing sites, or that have partners who can commit to site access, are viewed favourably by ERA evaluators, as it demonstrates a level of interest and commitment from the partner. In-kind contributions from partners are considered in ERA's evaluation and can add to the strength of the funding opportunity.

**8. How important is the aspect of leveraging ERA contributions to a project?**

Applicants are encouraged to justify the request for ERA funding by demonstrating how ERA's contribution will be leveraged to take advantage of resources such as existing assets, previous work, and industry funds. This will be considered by ERA's evaluators as one of several factors when assessing the funding request and the overall strength of the project opportunity.

**9. Are costs such as energy, electrical and chemical costs included as eligible costs?**

Yes. Consumables, materials, and electricity costs related to the project are eligible expenses. Please refer to the [Eligible Expenses and Cost Instructions](#) document posted on the ERA website.

**10. Can the same private money be used to match against both SDTC and ERA funding for a single project?**

Yes. From a cost-matching perspective, ERA does not prohibit 'double matching' of industry funds. When developing the scope of the project, proponents must ensure that both ERA's and SDTC's contributions add value and that the two organizations are not 'double funding' the same activity.

**11. If a technology is at the stage where it is ready to be scaled-up and preparations are being made for a field demo, would process optimization lab work be an eligible expense for this program?**

Lab work as a component of a technology demonstration project is eligible, but a project that is solely or predominantly focused on lab-scale work is less likely to be selected than a project focused on in-field testing and demonstration.

The earliest stage that a project is eligible for this call is the development and testing of a representative prototype in simulated field conditions. However, proposals that are further along (real in-field testing, for example) are viewed more favourably.

**12. Regarding Letters of Support, does the definition of “partnering organizations” include technology providers/developers?**

Yes, letters of support are highly recommended from any key partner in the project, including technology providers/developers. If for example the lead applicant is an Oil Sands producer/lease holder who has partnered with a technology provider, then it would be highly recommended to include a letter of support from the technology developer/provider.

**13. How much detail is required for entering “general information about the project” into the ERIMS online system?**

The ERIMS form asks for information that includes contact details, a non-confidential abstract for the project and other project information such as eligible costs, industry category, proponent details, etc. The ERIMS form can be viewed in advance by [creating an account](#).

**14. At the time of applying for funding for a 3-year application, are we required to provide funding for 50% of the sum total estimated for 3 years, or can we match funding on a per milestone basis?**

In the application, proponents are encouraged to commit to funding at least 50% of the sum total eligible cost of the project. However, at the EOI stage there is no requirement to have all of the match funding confirmed and it can be indicated that some portion of the contribution is ‘confirmed’ while another portion is ‘pending’. Having more funding ‘confirmed’ will improve the strength of the project opportunity from the evaluators’ perspective.

If a project is asked to provide a [Full Project Proposal](#) and is approved for funding, written confirmation that funding for the full project is in place must be provided at the time of agreement signing.

Proponents must have sufficient funds available to cover costs for the project work (ERA funds are distributed upon completion of each milestone). That does not mean proponents must have all the funds on hand at the beginning of the project, but they need to have a line of sight to funding the full project scope.

**15. As the maximum project length is 3 years, does that imply funds will be evenly distributed over 3 years?**

ERA funding is disbursed based on a Contribution Agreement. Upon completion of each project milestone, the project proponent must submit an invoice and progress report to ERA, then ERA pays its contribution to the eligible costs for the completed milestone. The funding distribution within the project is directly linked to the distribution of costs in the project.

**16. Who would qualify as an "oil sands partner" for a project submission?**

The [Call for Expressions of Interest](#) document covers the types of partnerships expected by ERA. Specifically, projects in this call require an oil sands operator or lease holder as a partner (or lead) in the project. There are many organizations that fit this definition. Support from a company with experience in the oil sands business, and with the capability or assets to facilitate a field demonstration and subsequent potential commercial adoption of the technology, is integral to the project.

**17. Does ERA help proponents find project partners? Is it possible to submit before confirming a partner in Alberta?**

Proponents could apply for ERA funding through this opportunity without a partner, but it is unlikely that a project would be shortlisted for a Full Project Proposal without (at minimum) evidence of engagement with potential partners. For this reason, ERA recommends engaging with relevant oil sands organizations for assistance in finding a suitable partner.

ERA is not able to facilitate partnerships for this funding opportunity for fairness reasons.