



NATURAL GAS CHALLENGE

*Unlocking Innovation
Across Alberta's Value Chain*

ONLINE SUBMISSION:
www.eraadmin.ca

DEADLINE:
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Frequently Asked Questions

Introduction

This document is intended to provide answers to common questions from prospective applicants to ERA's funding programs. In the event of discrepancy between this document and the official Call guidelines/template, the latter shall govern.

Applicants are encouraged to contact ERA (applications@eralberta.ca) with specific questions regarding their project(s) or to clarify any of the information provided.

Frequently Asked Questions

1. How can I access the EOI template? Can I submit an EOI without using the online system?

The EOI template can be downloaded on ERA's application portal (<http://www.eraadmin.ca>) after you have created an account and started a submission. All submissions must be completed through the ERIMS; no submissions will be accepted via other means.

2. What sectors are eligible for this call? What are some examples of technologies you are looking for?

This Call for Proposals is targeted at innovations for greenhouse gas (GHG) emissions reductions in Alberta's natural gas industry. Specifically, the eligible areas are upstream, midstream, and downstream operations in the natural gas industry, including natural gas production, processing, storage, transportation, distribution, and conversion.

In general, this Call is not technology-prescriptive. Any technology that reduces GHG emissions in the natural gas sector could be eligible. A non-exhaustive list of example technology areas of interest can be found in the official Call guidelines document. When in doubt, applicants are encouraged to contact ERA's technical team (applications@eralberta.ca) to discuss the eligibility and fit of their technology.

3. Are GHG detection projects or other projects with indirect emissions reductions eligible?

GHG detection, quantification, and monitoring technologies are eligible, provided a strong case can be made for how the technology will support emissions benefits. In general, projects without direct emissions reductions but with a strong case for indirect and/or enabled emissions reductions are eligible, however it is incumbent upon the applicant to justify why a project without direct reductions represents a compelling opportunity compared to those with direct impacts.

4. If I have already received funding from ERA, can I still apply?

Projects that have received funding or funding approval from ERA/CCEMC are not eligible to receive further ERA funding. Past recipients are eligible for funding for new projects or technologies, or for follow-on projects. The scope of proposals submitted to this Call must be distinct from work previously funded by ERA.

5. How does ERA define “novel,” “innovative,” or “first-of-kind” technologies?

ERA’s funding is intended to support advancement of new technologies towards commercialization within Alberta. Applicants must justify how their proposed projects represents a departure from “business as usual” activity and how the technology involved is differentiated from current options used in the province. In general, projects must feature an element of technical risk. This can include:

- Entirely new technologies or unique combinations of technologies;
- Application of existing technology to a new end use, new sector, new product, etc.;
or
- Testing and/or implementation of technology that is in use elsewhere but has not previously been utilized in Alberta.

Applicants are encouraged to contact ERA to discuss questions regarding alignment.

6. How strict are the stage of development requirements? What Technology Readiness Level is required at the start/end of the project?

ERA is targeting projects spanning a range of TRLs. Regardless of the current stage of development, all projects must reach the stage of a field pilot / field testing by the end of their ERA-funded scope of work.

7. Does the applicant need to be incorporated in Alberta? Do all project partners need to be from Alberta?

No. The applicant, technology, and consortium partners can come from anywhere. However, the technology must be piloted, demonstrated, or implemented in Alberta. All projects supported through this Call must demonstrate a clear and justified value proposition for reducing GHG emissions in Alberta.

8. Can a portion of project activity occur outside of Alberta?

Yes, projects may involve activities or incur expenses outside of Alberta. However, the focus of the project must involve piloting, demonstration, or implementation of the technology within Alberta. Applicants must justify the balance of in-province and out-of-province activities associated with their project.

9. Can one applicant submit multiple applications?

Yes. There is no limit on the number of submissions from any party. Due to the large volume of proposals expected and the competitive nature of the process we encourage applicants to present their highest quality applications.

10. Would a portfolio of projects qualify or is it preferable to submit as individual projects?

ERA funds "projects" with clear timelines, objectives, deliverables, and milestones. Proposals may include multiple technologies and multiple sites; however, ERA recommends that each proposal be kept as focused as possible, with a clear objective. Having a large

portfolio of technologies within a single project risks diluting the value of the most compelling elements of the portfolio and/or creating an overly complex project.

11. Can ERA's Natural Gas Challenge be used as provincial support for other programs? How should pending applications for other grants be addressed in the proposal? Should the full amount be requested if a portion of the grant funding could come from elsewhere? Are projects that have received other government funding eligible?

Yes, ERA can fund projects that have received or will receive other government funding. ERA does not have a strict "stacking" limit for government funds if ERA's contribution is matched at least 1:1 by industry dollars. However, other funding organizations may restrict stacking of government funds.

If the intent is to apply to other grant programs with the same project, ERA recommends that this is noted when completing the financing table in the ERA application. Having other grant proposals in progress can improve ERA's assessment of the project's financial viability. ERA reserves the right to award less funding than was asked, so it is incumbent upon applicants to justify the amount requested from ERA, taking into consideration the likelihood of securing other grant funding.

12. If an applicant has agreed to have their application shared with ERA's partners, should the applicant still submit independent applications to those partnering organizations?

Generally, applicants are encouraged to submit applications to other programs where appropriate. ERA proposal sharing does not guarantee consideration by partner organizations.

In the case of ERA's *Natural Gas Challenge*, ERA has launched this call in parallel with the Natural Gas Innovation Fund's (NGIF's) \$3 million funding program. Applicants who agree to sharing with NGIF will have their ERA submission automatically forwarded to NGIF's challenge for consideration. Similarly, applicants to NGIF may request to have their submission be considered for cofounding under the ERA Natural Gas Challenge if eligible. Applicants may choose to submit a single application to ERA or to NGIF, or submit to both programs for redundancy. ERA and NGIF have designed almost identical EOI templates for these two programs.

13. If an application is shared with a trusted partner who decides to fund the project, would the funding be additional to ERA's funding?

Generally, funding from ERA's trusted partners will be in addition to the amount awarded by ERA. However, there could be situations where a trusted partner's funding is used to offset a portion of the funding request to ERA, for example, if ERA is unable to fund the entire amount requested.

14. How does the amount of ERA funding requested impact the decision whether to fund a project?

The amount of funding requested does not change how projects are evaluated. Projects are not sorted or grouped based on funding amount or project size; all projects must stand on their own merits regardless of the funding amount requested. It is incumbent upon applicants to justify the request to ERA. Funding requests should be commensurate with the scale of the project and potential associated outcomes.

15. For calculating GHG reductions, what timeline should we consider?

Typically, ERA will base our assessment on annual emissions reductions for the life of the project, and will consider the overall GHG impact by 2025, 2030, and 2040. Further information is available in the Call for Expressions of Interest Guidelines.

16. Is emissions reduction potential assessed for the project only or on a market basis?

ERA considers both the project-level emissions reductions as well as the potential for reductions from market adoption. The size of opportunity and potential for widespread GHG and economic benefits will be taken into consideration during ERA's project selection. Applicants must justify the assumptions used in all GHG reduction estimates.

17. If a project is accepted, does the IP become public? What information does ERA share for funded projects?

No, under normal circumstances all IP remains with the original owner. ERA does require public reporting of the project outcomes and learnings, but business/competitive confidentiality is maintained.

18. Are project details kept confidential throughout the entire application process? Do project details become public at some point?

Application details are kept confidential on a permanent basis. When funding is announced, ERA will publicly share a non-confidential summary of only the projects selected for funding. At the end of funded projects, public reporting of outcomes and learnings is required.

19. What criteria are used for decision making? Does ERA have Key Performance Indicators or targets for successful projects, for example: a specific \$/tCO₂e target?

Proposals are assessed based on the criteria described in the Call guidelines document that is posted on ERA's website. Specific quantitative targets for key performance indicators are not used due to the diversity of proposals expected and the need for all proposals to stand on their own merits in addition to competing amongst each other.

20. What constitutes 1:1 matching? Can use of IP, facilities, etc. be considered an eligible matching contribution? Can debt financing be used to match ERA funds?

ERA will only match contributions related to actual eligible expenses related to the project incurred during the term of the project. Use of patents or existing infrastructure would not be eligible for matching, however certain other in-kind contributions such as use of internal

personnel can be eligible. Applicants may use debt or equity financing to provide their share of funds, among other options.

Please refer to the eligible expense guidelines on the ERA website for more details on eligible in-kind and cash matching contributions.

21. If a pilot location has not been finalized for the project can an EOI still be submitted for consideration?

Proposals may be submitted without a host site finalized, however applicants should be aware that having a site confirmed will be viewed positively during the review process. Potential sites and plans to finalize the project site should be indicated in the proposal.

22. Do all project team members, partners, and consultants need to be finalized prior to the application?

No, ERA recognizes that some project elements may not be finalized at the time of EOI submission. Applicants are encouraged to provide as much detail as possible about the core project team, plans to acquire expertise where needed, and planned subcontracting to provide ERA's review team with confidence that the right expertise is available to successfully execute the project.

23. If changes/developments to the project occur after my EOI is submitted, is there an opportunity to revise?

After the EOI deadline no changes can be made to EOI submissions. Applicants that are shortlisted to advance to the next stage of the process will have the opportunity to make changes when preparing their Full Project proposal, although the core project scope cannot change between EOI and FPP.

24. Does ERA provide a “matchmaking” service to connect technology developers with host sites or other consortium members?

No, at this time ERA does not provide this type of service. Interested parties are encouraged to make use of industry associations, technology accelerators, and other resources when assembling a consortium.

25. How long does ERA monitor the project? What ongoing verification and validation is required?

ERA requires that a third-party verification report be submitted one year after commissioning of the project technology/installation to verify the emissions reductions. In addition, ERA requires that funding recipients provide a short update annually for a short period after the project is complete (typically three years). Details of the post-completion reporting requirements will be detailed in the contribution agreement between ERA and the successful recipients.

26. Does ERA provide examples of previously submitted strong proposals?

Unfortunately, ERA cannot share previous proposals due to the need to respect the confidentiality of past applicants.