

RECREATION ENERGY CONSERVATION PROGRAM GUIDEBOOK

July 2020

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



**Municipal
Climate Change
Action Centre**

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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 rebates to help identify energy-saving opportunities and implement energy-saving projects. Through REC, municipalities can receive rebates for Scoping Audits and Engineering Studies that support investment decisions in addition to Implementation Project rebates 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 rebates 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

Eligible facilities must be recreationally-focused and utilize complex and high energy consuming systems. 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;
- e. Athletic parks such as football or soccer parks; and
- f. Other recreationally-focused facilities deemed eligible by the MCCAC.

The following are not eligible for the REC program:

- a. New facilities less than 36 months old/additions under construction;
- b. Public gathering spaces such as community halls;
- c. Non-profit organizations who own their facility;
- d. Agricultural societies;
- e. Private facilities;

- f. 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;
- g. Provincially or federally operated buildings located on municipal lands; and
- h. Other facilities deemed ineligible by the MCCAC.

2.3 REC Project Types

2.3.1 Scoping Audits

Scoping Audits are energy audits that 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 purchase and installation of energy-saving retrofits, or energy conservation measures (ECMs) in which a rebate is requested through the REC program such as one of the initiatives listed in Section 2.3.4. Implementation Projects require project information such as the expected energy and GHG savings prior to approval. 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.

Simplified Measures may proceed directly to an Implementation Project without a Scoping Audit or Engineering Study due to the predictability of the energy savings achieved by these types of ECMs. Simplified Measures include:

- Lighting and lighting controls retrofits
 - Lighting related projects may utilize the REC Lighting Calculator to calculate the energy, cost, and GHG savings. All applicable lighting equipment must be listed on a qualified products list (QPL) such as the [Design Lights Consortium \(DLC\)](#), Energy Star, or equivalent. QPLs ensure that lamps and ballasts are safe, warranted, and meet their efficacy and lamp life claims.
- Ice rink flood water de-aerators
- Pump replacements (below 20 horsepower)
- Pump variable frequency drives (below 50 horsepower)

- Space heating boilers, furnaces, and unit heaters (below 2.5 million BTUH)
- Smart thermostats
- Rooftop unit replacements

Contact REC@clearesult.com for assistance applying for any of the Simplified Measures listed above. CLEAResult will estimate the energy savings, cost savings, payback, and greenhouse gas emission savings to supplement the REC application and may require additional information such as temperature setpoints, photographs of existing equipment, nameplate ratings, or other information, as applicable.

All Implementation Projects require specification sheets for all equipment included in the REC Application. All Implementation Project equipment must be CSA, or cUL certified, equivalencies may be evaluated on a case-by-case basis. Implementation Projects such as lighting retrofits may require the submission of recycling or disposal certificates to verify the number of baseline measures and ensure proper recycling or disposal practices of heavy metals and other toxic substances are followed.

2.3.4 Eligible and Ineligible Energy Conservation Measures

REC funds ECMs that will reduce GHG emissions. Rebates will not be provided for cosmetic or non-GHG reducing installation. All equipment must be safe, installed correctly, and approved for use in Canada. Eligible ECMs may include, but are not limited to the following:

- Interior and exterior lighting and lighting control equipment listed on the DLC, Energy Star, or equivalent QPL;
- Building envelope upgrades including insulation, weather-stripping, and seals;
- 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 rebates 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, solar thermal, electric vehicles, or electric vehicle infrastructure.

2.3.5 Eligible and Ineligible Project Costs

Eligible Project costs include the ECM equipment, materials, labour, installation, and project or construction management costs related to the implementation of eligible ECMs. Ineligible costs include Goods and Services Tax (GST), operation and maintenance costs, system design, in-house facility labour, administrative costs related to preparing and meeting REC documentation requirements, and any other expense deemed ineligible by MCCAC.

3.0 FINANCIAL REBATES

3.1 Rebate Rates

The REC program will provide rebates in accordance with the offers, rebate 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 Requirements available on the [REC web page](#). All offers, rebate rates, maximums, requirements and payment schedules are subject to change.

Table 1: Scoping Audit Rebates

Offer	Rebate and Funding Maximums**	Requirements and Limitations
Scoping Audit	Up to 100% of pre-GST Scoping Audit costs (per facility) 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 past 24 months

Table 2: Engineering Study Rebates

Offer	Rebate and Funding Maximums**	Requirements and Limitations
Engineering Study	Up to 100% of pre-GST Engineering Study costs (per facility) to a maximum of \$20,000 for all recreational facility building types	<ul style="list-style-type: none"> • Cost estimate required to determine eligibility and maximums • Study must be completed by pre-approved Program Ally contractors • Ineligible if the facility has undergone a similar study within the past 24 months

**NOTE: See Section 3.2 regarding Payment Schedule for Scoping Audits and Engineering Studies

Table 3: Implementation Project Rebates

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.

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

Offer	Rebate 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"> • Equipment and installation cost estimate required from contractor to determine eligibility and rebate • ECMs with a simple payback of less than one year without rebates are ineligible • Projects must, at a minimum, have a total installed cost of \$10,000 or greater before any rebates for pre-approval. Multiple measures may be combined on one application to reach the minimum project cost threshold

The three hypothetical ECMs below provide example applications of the above rebate structure:

- Example ECM #1
 - Installed cost before rebate: \$20,000
 - Annual energy cost savings: \$5,000 per year
 - Simple payback before rebate: \$20,000 / \$5,000 per year = 4 years
 - Simple payback after applying REC program buydown: 1 year
 - REC program rebate 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 rebate: \$40,000
 - Annual energy cost savings: \$20,000 per year
 - Simple payback before rebate: \$40,000 / \$20,000 per year = 2 years
 - Simple payback after applying REC program buydown: 1 year
 - REC program rebate 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 rebate: \$20,000
 - Annual energy cost savings: \$1,000 per year
 - Simple payback before rebate: \$20,000 / \$1,000 per year = 20 years
 - Simple payback after applying REC program buydown: 5 years
 - REC program rebate 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.

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. municipalities may receive funding for one or more facilities. One facility may not receive more than \$750,000.

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. Rebate amounts are subject to change according to the rebate tables above and final invoice amounts.

3.2 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 rebate payment of 50% is paid upon completion of a pre-approved Scoping Audit or Engineering Study. The second rebate payment of 50% is paid upon execution of an Offer Letter for an application of at least one unique Implementation Project identified in a completed Scoping Audit or Engineering Study.

Implementation Project rebates 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 rebates, MCCAC reserves the right to hold back up to 10% of the total rebate 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.

3.3 Rebates 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 received. Applicants will be placed into the first-come, first-served queue in the order in which they execute an Offer Letter. Funding will not be awarded retroactively. The Offer Letter must be executed prior to the Project commencing. The Project must be completed within 12 months of the date listed on the executed Offer Letter.

All rebates will be paid after the Third-Party Administrator and MCCAC verify the completion of the Project and all public engagement and profiling activities outlined in Section 4.0.

3.4 Rebate 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 rebates provided through the Alberta Climate Leadership Plan for funding towards the same Project.

3.5 Document Submission

Please review the REC Documentation Guidance documents available on the [REC webpage](#) prior to submitting documents related to the REC program. The Documentation Guidance documents outline the requirements, naming conventions, file types and description of each document at each stage of a REC 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 webpage](#).

Step 2: Submit an Expression of Interest (EOI)

Municipalities can submit an EOI to notify the MCCAC of their intent to participate and for eligibility screening purposes prior to any REC project starting. Municipalities proceeding to an Implementation Project from a Scoping Audit or Engineering Study are not required to submit another EOI and can move to Step 3: Submitting a REC Application.

Note: Submitting an 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 3.3.

Step 3: Submit a REC Application

Municipalities must submit a REC Application and the following required attachments through the [REC Portal](#) (<https://cr107.secure.force.com/rec/>).

Scoping Audit and Engineering Study REC Applications must include the following documentation, as applicable:

- A copy of the Scoping Audit or Engineering Study quote from a Program Ally that meets the REC Engineering Requirements
- A minimum of 6 months of actual utility bills from utility providers for all fuel sources used in the facility
- A minimum of 12 months of utility consumption data that reflects standard operations (ie. prior to March 2020) or the most recent 24 months of utility consumption data. Utility consumption data must include all sources of fuel used in the facility such as electricity and natural gas (as applicable)

Implementation Project REC Applications must include the following documentation, as applicable:

- A copy of the Implementation Project equipment and installation quotes (clearly describing the costs of each separately)
- A minimum of 6 months of actual utility bills from utility providers for all fuel sources used in the facility

- A minimum of 12 months of utility consumption data that reflects standard operations (ie. prior to March 2020) or the most recent 24 months of utility consumption data. Utility consumption data must include all sources of fuel used in the facility such as electricity and natural gas (as applicable)
- A copy of the energy audit/engineering study that includes financial and greenhouse gas analysis for the intended project (not required for lighting projects or Simplified Measures)
- A copy of the REC Lighting Project Calculator that includes energy and GHG savings calculations and photos of existing lighting equipment (for lighting projects only)
- A copy of all applicable specification sheets for all equipment included in the REC Application and distinct proof or product certification with CSA, or cUL and/or qualified product list compliance

The MCCAC recommends all municipalities participating in the REC program solicit quotes from two or more Program Allies or other vendors, depending on the REC Project Type described in Section 2.3. 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 3.3.

Step 4: Receive Pre-Approval to Proceed with Scoping Audit, Engineering Study or Implementation Project and Sign Offer Letter

After receiving pre-approval for your project, you will receive an Offer Letter via the [REC Portal](#) that outlines the pre-approved rebate value for a Scoping Audit, Engineering Study, or Implementation Project (per ECM). Payments are contingent upon the service provided or the equipment being installed as described in the application. Rebates are subject to final project costs as outlined in final invoices. Review, sign, and submit the Offer Letter through the [REC Portal](#).

Step 5: Complete Project

Complete a Scoping Audit, Engineering Study, or Implementation Project. Projects must be completed within 12 months of the date listed on the executed Offer Letter. Municipalities are responsible for ensuring that all work is completed by the deadline. Should an extension of the completion deadline be required, the municipality must submit a written request to REC@clearesult.com detailing the nature of the extension request.

Submit the completed Scoping Audit or Engineering Study and any supporting documentation via email to REC@clearesult.com for review and approval prior to proceeding to Step 6. Scoping Audit or Engineering Study reports must be in accordance with the Scoping Audit and Engineering Study Requirements.

Step 6: Submit Payment Request with Completion Documentation

After completing the Project, submit the required documentation through the [REC Portal](#) which may include, but is not limited to, equipment purchase dates, proof that the equipment is operational, photographs, manufacturer specifications, warranty information, ECM layout descriptions, metering, data collection, final

invoices, and proof of payment. Please use the following naming convention for document submission: EA-XXXX_Document Name_YYYYMMDD (example: EA-1234_Payment Request Form_20200629).

All Scoping Audit and Engineering Study Projects require completion documentation including the following:

- Signed Offer Letter Payment Request Form
- Final itemized invoice
- Proof of payment to the Program Ally such as accounts payable records, invoices stamped as PAID by the Program Ally, or copies of cheques
- Other information as necessary and as requested

All Implementation Projects require completion documentation including the following:

- Signed Offer Letter Payment Request Form
- Final itemized invoices with labour and equipment costs distinctly broken out
- Proof of payment to the contractor such as accounts payable records, invoices stamped as PAID by the contractor, or copies of cheques
- Part numbers and serial numbers of equipment, as applicable
- Post-installation photographs of each unique type of installed equipment
- Other information as necessary and as requested, such as disposal certificates (lighting projects only)

Step 7: Complete Public Engagement and Profiling Activities (as applicable)

All projects receiving REC funding must complete the [program evaluation form](#). Implementation Projects require the completion of public engagement and profiling activities prior to receiving rebate payments. Submit proof of completion for the following activities through the [REC Portal](#) as part of your Payment Request:

- a. A media release for the Project or any other public engagement activities deemed acceptable by the MCCAC that clearly identifies the full Municipal Climate Change Action Centre name. Examples include municipal news releases via the municipality's website, a Project profile in the local newspaper, or event which includes new releases resulting from Project completion;
- b. Sharing of Project details and photographs on municipal social media networks such as Facebook, Twitter, or LinkedIn, as applicable;
- c. A set of high-resolution photographs of the Project suitable for print publication. Photographs must clearly show the Energy Conservation Measures included in the Project. Photographs with municipal staff are encouraged. If submitting photos with staff, the municipality grants permission for the MCCAC and partners in perpetuity to use the submitted photographs and/or videos of municipal staff for program marketing; and
- d. A brief abstract describing the Project and its benefits including one or more quotes from municipal leaders or other municipal representatives, to be used for MCCAC program marketing.

Step 8: Receive Payment

Receive your rebate 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 rebates 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 web page](#), [REC Guidebook](#), and [Terms and Conditions](#).

Step 2: Submit the REC EOI

- Complete and submit an Expression of Interest.

Step 3: Submit a REC Application

- Submit a REC Application with all supporting documentation through the [REC Portal](#).

Step 4: Receive and Sign Offer Letter

- Receive, review, sign, and submit the Offer Letter through the [REC Portal](#).

Step 5: Complete Project

- Complete Scoping Audit, Engineering Study, or Implementation Project within 12 months of signing the Offer Letter.

Step 6: Submit Completion Documentation

- Submit the necessary completion documentation through the [REC Portal](#).

Step 7: Complete Public Engagement and Profiling Activities (as applicable)

- Submit proof of completion of the required public engagement and project profiling activities through the [REC Portal](#).

Step 8: Request and Receive Payment

- Submit rebate payment request form through the [REC Portal](#).
- Receive your rebate payment via cheque.

CONTACT US

General questions about the REC program (ie. eligibility) may be directed to:

Municipal Climate Change Action Centre

300-8616 51 Avenue

Edmonton, AB T6E 6E6

780-433-4431

contact@mccac.ca

Twitter: @MCCAC_Alberta

Facebook: @mccacab

Questions regarding REC application status may be directed to:

CLEAResult

587-319-2889

REC@clearesult.com



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