

MUNICIPAL ELECTRICITY GENERATION PROGRAM GUIDEBOOK

September 2024

This Guidebook provides an overview of the eligibility requirements, available funding, and process for municipalities to participate in the Municipal Electricity Generation Program.



**Municipal
Climate Change
Action Centre**

CONTENTS

1.0 Program Overview 3

2.0 Eligibility 3

3.0 Financial Rebate 4

4.0 How to Participate 6

5.0 Verification and Inspection 9

6.0 Additional Terms 10

7.0 Application Checklist 11

Contact Us 11

1.0 PROGRAM OVERVIEW

Program Name	Municipal Electricity Generation (MEG) Program
Timelines	<p><u>Applications open</u> – September 24, 2024</p> <p><u>Application closure and approval deadline</u> – March 2026 or upon funding becoming fully allocated, whichever comes first</p> <p><u>Project completion deadline</u> – 12 months following a funding agreement being signed or March 2027, whichever comes first</p>
Rebate Rates*	<p><u>On-site electricity generation projects</u> – 30% of pre-GST project costs up to the per-watt rates outlined in Table 3.1</p> <p><u>First-time applicant bonus</u> – Available as a \$0.20/watt bonus, to a maximum of \$100,000.00</p> <p>*Conditions apply. See Section 3.0</p>
Maximum Funding	\$500,000.00 per municipality

The Government of Alberta is incentivizing municipalities to install grid-connected alternative electricity generation systems on municipally owned facilities or land through the Municipal Electricity Generation (MEG) Program. This program is administered by the Municipal Climate Change Action Centre (MCCAC). The MCCAC is a partnership of Alberta Municipalities, Rural Municipalities of Alberta, and the Government of Alberta. Alberta Municipalities is the lead delivery partner for MCCAC. Funding for the Municipal Electricity Generation Program is provided by the Government of Alberta.

2.0 ELIGIBILITY

2.1 Eligible Participants

The following participants are eligible for the MEG Program:

- a. Municipalities: designated municipalities within the province of Alberta are eligible to participate in the MEG 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. repealed 1995 c24 s2;
 - iii. a town under the Parks Towns Act;
 - iv. or a municipality formed by a special Act; or, 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 MEG Program if the project is located on a municipally owned facility or on municipally owned land. While CROs can manage and lead projects, the municipality must be the signatory to the funding agreement and all reimbursements made under the program will be directed to the municipality. CRO participation will be evaluated on a case-by-case basis.

2.2 Eligible Project Types

Eligible project types can include:

- a. Solar photovoltaic systems (both ground and roof mount);
- b. Combined heat and power systems; and
- c. Other on-site electricity generation systems as evaluated on a case-by-case basis.

2.3 Project Criteria

To qualify for funding under the MEG Program, each project must comply with the following criteria:

- a. The system must be located on a facility or parcel of land wholly owned by the participating municipality;
- b. The system must be entirely paid for by the participating municipality, with the exception of any external grant funding received for the project:
 - i. The project must not receive combined funding in excess of 100% of eligible system costs;
- c. The system must be wholly owned by the participating municipality for the life of the project;
- d. The system must be grid-connected and compliant with the Government of Alberta's [Micro-generation Regulation \(AR 27/2008\)](#), as amended from time to time;
- e. The system must be greater than or equal to 2 kilowatts (kW DC or AC depending on the generation type);
- f. All systems must be designed and installed by a qualified installer (not self-installed) that is a member in good standing of an applicable industry association, trade association or engineering society such as [Solar Alberta](#), [Canadian Renewable Energy Association \(CanREA\)](#), Association of Professional Engineers and Geoscientists of Alberta (APEGA), or equivalent Alberta-specific professional association;
- g. All system components must meet the Canadian Standards Association (CSA) requirements for electrical safety or an equivalent certification to applicable Canadian standards;
- h. The system must be a new installation utilizing system components that have not be used in previous installations; and
- i. The following project types must carry these minimum warranty levels:
 - i. Solar photovoltaic systems
 - Modules: 20-year power performance and 10-year manufacturing
 - Inverter(s) and/or micro-inverter(s): 10-year manufacturing
 - Installation: 2 years
 - ii. Combined heat and power and other on-site electricity generation systems
 - Equipment and installation: 2 years
 - iii. Other on-site electricity generation systems
 - Equipment and installation: 2 years

2.3 Ineligible Projects

The following project types are ineligible for the MEG Program:

- a. Projects located on facilities or land owned by any other entity than a municipality, including but not limited to the private sector, homeowners, schools, universities, hospitals, and the provincial or federal governments;
- b. In-progress projects that have not received approval and a signed MEG Program funding agreement;
- c. Projects located on temporary structures;
- d. Energy efficiency projects or technologies that only generate heat or reduce energy consumption;
- e. Diesel or gasoline powered generators;
- f. Battery energy storage systems;
- g. Utility-scale projects;
- h. Solar thermal projects; and
- i. Off-grid projects of any kind.

3.0 FINANCIAL REBATE

3.1 MEG Program Rebate Rates

Municipalities are eligible to receive a financial rebate for the completion of approved projects through the MEG Program. The MCCAC will provide a prescriptive per-watt rebate on the total installed system capacity (\$/W),

measured in either Direct Current (DC) or Alternating Current (AC) watts, depending on the generation source, for approved projects in accordance with the incentive rates defined in Table 3.1.

Table 3.1: MEG Program Rebate Rates

Total Installed System Capacity	Rebate
<10 kilowatts	\$0.85/watt
10 kilowatts to <150 kilowatts	\$0.70/watt
150 kilowatts to <2 Megawatts	\$0.55/watt
2 Megawatts to 5 Megawatts	\$0.50/watt
BONUS - First-Time Applicant Rebate	\$0.20/watt

The MCCAC, at its sole discretion, reserves the right to adjust program rebate levels over time in accordance with changing market conditions (systems costs, electricity prices, etc.). Such changes will be announced publicly, highlighting a clear cut-off date for application approval under existing rebate levels.

3.2 Maximum Funding Limits

The total rebate funding provided by the MCCAC will not exceed 30% of the total eligible expenses per project, as defined in Section 3.4, with the exception of first-time applicants eligible for a bonus rebate. To ensure equitable and geographic distribution of program funds, the total MEG Program funding distributed to a single municipality is capped at \$500,000. Funding issued to a municipality under previous MCCAC programs does not count towards this cap.

3.3 First-Time Applicant Bonus

To encourage diverse participation in the MEG Program, an additional bonus rebate of \$0.20/watt is available to municipalities that have not previously participated in previous MCCAC programs. The bonus rebate is applied towards the first project for which a municipality submits an MEG Program application. The incentive is not available for multiple systems or projects. The incentive is calculated as a separate rebate and is offered in addition to the standard incentive. The first-time applicant bonus is capped at a maximum of \$100,000. The \$500,000.00 maximum funding limit still applies for first-time applicants.

3.4 Eligible Expenses

Eligible expenses incurred by the municipality will be used to calculate the rebate value as described in Section 3.1 and must be outlined by the municipality in the MEG Program application. To be included in the rebate calculation, eligible expenses must be incurred by the municipality prior to project completion.

The following expenses will be included in calculating the maximum rebate:

- a. Expenses for the purchase of the generating equipment and all associated components;
- b. Electricity generation equipment required for the project (i.e. solar PV modules, racking, inverters, transformer (if any), main distribution panel (if necessary), generators, heat exchangers, cabling, conduit, fittings, disconnects and monitoring interface);
- c. Expenses for the design, development, energy modelling, engineering (structural, electrical, civil, geotechnical), specification, procurement, and construction of the project, including the initial structural engineering assessment;
- d. Expenses for obtaining the required electrical permit and grid-connected approvals, and any required building and development permits;

- e. Expenses for fencing or any other protective infrastructure for the project if required by the current applicable version of the Canadian Electrical Code; and
- f. Expenses for completing the required electrical inspection and building inspection for the project.

3.5 Ineligible Expenses

Expenses that are ineligible for reimbursement through the MEG Program include:

- a. Goods and Services Tax (GST);
- b. Expenses for the operation and maintenance of a project;
- c. Expenses for any security or protective infrastructure not required for the project by the current applicable version of the Canadian Electrical Code;
- d. Expenses for roads or any other site access costs for a project;
- e. Expenses for upgrades to electrical wires to the project site or any other expenses which would fall within the responsibility of the Wire Services Provider (WSP);
- f. Lease payment expenses incurred after the project is energized;
- g. Batteries or battery storage units;
- h. Expenses incurred by the municipality to complete the MEG Program Expression of Interest or MEG Program application;
- i. Expenses incurred by the municipality to prepare documents, process invoices, or other administrative and internal costs; and
- j. Any other expense deemed by the MCCAC to be ineligible.

3.6 Incentive Disbursement

The approval and allocation of qualified funds will occur on a first-come, first-served basis based on MEG Program funding agreement execution dates. Applicants will be placed into the first-come, first-served queue in the order in which they sign and receive a fully executed MEG Program funding agreement. Any municipalities that do not complete the construction and submit completion documentation within 12 months of signing the MEG Program funding agreement are subject to removal from the MEG Program and must contact the MCCAC if they still wish to participate.

The MEG Program rebate will be paid to the municipality by electronic funds transfer (EFT) after the MCCAC has verified that the project is complete. The MCCAC encourages municipalities to sign up for EFT prior to project completion to enable secure and fast payments. Designated MCCAC representatives will provide the EFT form.

3.7 Incentive Stacking

The municipality agrees to disclose to the MCCAC participation in any other programs through which additional funding is being pursued for the project. The municipality may access government or non-government programs to supplement the cost of the project, however, the maximum amount of combined funding towards the cost of the project from all sources cannot exceed the total eligible costs of the project.

4.0 HOW TO PARTICIPATE

Step 1: Review Program Materials

Prior to starting the MEG Program, the MCCAC recommends that municipalities review all MEG Program materials in detail including: this Guidebook, the MEG Program application form, the [How to Choose a Solar Contractor](#) guidance document, the [Request for Proposals \(RFP\) Checklist](#), and any other applicable information or documents listed on the MEG Program web page.

Step 2: Submit the MEG Program Expression of Interest

Municipalities must submit the MEG Program Expression of Interest (EOI), accessible through the MCCAC website, to notify the MCCAC of their intent to participate and provide MCCAC an opportunity to screen for eligibility. The EOI submission may include only one eligible electricity generation project. A separate EOI must be submitted for each project pertaining to a separate facility, a separate electrical meter, or located on a different property. It is recognized that the values provided for the proposed electricity generation system and the project description are preliminary and may be updated prior to submission of the MEG Program application.

The MCCAC recommends that participants solicit quotes from a minimum of two vendors prior to entering into any contract. The [How to Choose a Solar Contractor](#) guidance document provides advice to assist in the process of selecting a solar vendor, and the [Request for Proposals Checklist](#) provides a list of best practices to guide procurement processes. The MCCAC will review all information provided in the EOI and will contact the municipality to provide information regarding subsequent stages of the application process. *Note: Completion of the 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 3.6.*

Step 3: Submit the MEG Program Application

Municipalities must submit the MEG Program application and all required attachments to contact@mccac.ca or the designated MCCAC representative. The MEG Program application form is available on the MEG Program webpage.

For each project, municipalities are required to provide a detailed description of the electricity generation system as per the final design completed by the contractor/engineer. This includes the location name and address, site ID, a description of the electricity generation system, rated capacity (watts DC or AC) of the electricity generation system, and calculated annual energy yield of the system (kWh per year).

The following supporting information is also required:

- a. Project contractor(s) engaged to complete the design and installation the project;
- b. Wire Services Provider (WSP) through which the electricity generation system is connected;
- c. Estimated project starting and completion dates;
- d. Total installed capacity (watts DC or AC) of the project; and
- e. Total eligible expenses.

The following documentation must be included as attachments to the MEG Program application:

- a. A signed copy of the [Form A - Micro-generation Notice](#) from your Wire Services Provider and any supporting documentation submitted to the Wire Services Provider (WSP) through which the electricity generation system is connected;
- b. A minimum of 12 months of energy consumption and cost data from utility providers for all electricity and natural gas used in the facility or the connected load(s);
- c. A copy of the draft contract between the municipality and the contractor for the project including a quote and detailed breakdown of the anticipated total eligible expenses and total installed capacity of the project;
- d. A report or equivalent information package, approved by an engineer, which includes the expected annual electrical energy yield generated and all relevant assumptions. If applicable, the report must also detail any changes in fuel consumption and the resulting net greenhouse gas emissions. Outputs of modelling software may be approved on a case-by-case basis;

- e. If applicable, a copy of a structural engineering assessment certified by a duly qualified engineer, for all building-mounted electricity generating systems, indicating that the building can support all loads created by the addition of the infrastructure; and
- f. A copy of all applicable specification sheets for all equipment included in the application and distinct proof or product certification with CSA, or cUL and/or qualified product list compliance.

Upon submission, the MCCAC will review and make a decision regarding project approval. Approved projects will proceed to Step 4. While municipalities may submit multiple MEG Program applications, no more than one MEG Program application may be submitted for any one electricity meter (as per the site identifier number shown on the Micro-Generation Notice). In other words, individual electricity generation systems are not eligible for multiple separate MEG Program rebates.

The MCCAC, at its sole discretion, reserves the right to deny or limit approval of any MEG Program application for reasons including but not limited to low energy yield, low GHG emission reduction potential, and inappropriate or insufficient design.

Step 4: Sign Funding Agreement

Approved projects will be issued a MEG Program funding agreement via OneSpan, MCCAC's secure virtual signing solution. Once the Agreement has been signed by both the municipality and the MCCAC, a final copy will be returned, and the project can begin. The MCCAC must be immediately notified of any deviation from the funding agreement and any attached schedules. All changes in project scope, installation capacity, or completion date change must be captured in a signed amendment. Changes in installation capacity may result in rebate adjustments.

Step 5: Project Construction

Once the MEG Program funding agreement is fully executed, project funding is formally reserved, and construction may begin. The project must be completed and energized within 12 months of signing the MEG Program funding agreement. Municipalities are responsible for ensuring that construction is completed by the deadline. Should an extension of the completion deadline be required, the municipality must submit a request to the MCCAC in writing detailing the nature of the request. The MCCAC, at its sole discretion, reserves the right to approve or deny extension requests. Municipalities are responsible for exercising due diligence in selecting qualified contractors and ensuring that the project is completed in accordance with all applicable municipal bylaws (e.g. permitting and inspections) and the laws of the Province of Alberta.

Step 6: Submit Completion Documentation

Once the project is energized, municipalities must notify the MCCAC and provide the following documentation indicating that the project was completed in accordance with the MEG Program funding agreement:

- a. A copy of the final interconnection and operating agreement with the interconnecting wires service provider;
- b. Final project invoices demonstrating a detailed breakdown of the work completed as well as the cost of such work:
 - i. The invoices must, at a minimum, separate equipment costs, permitting costs, labour costs, and GST;
 - ii. The invoices must confirm the final installed system size (Watts);
- c. Confirmation of full payment by the municipality for all invoices provided. Proof of payment documentation must match all totals on the provided invoices and clearly demonstrate that all invoices have been paid in full. This may include accounts payable registers, electronic funds transfer (EFT) payment advice, cheque copies, or vendor confirmation;

- d. A copy of the Single Line Diagram (SLD) from the project contractor;
- e. Post-installation photographs of key project components (inverters, modules, generators, heat exchangers) and nameplates that clearly show the Canadian Standards Association (CSA), UL, or equivalent Canadian certification approval labels;
- f. Completion of MCCAC's [program evaluation survey](#).
- g. Proof of completion of project profiling activities including:
 - o A **DRAFT** media release for the project to be shared with MCCAC 10 business days before publishing to provide reasonable time to request quotes for inclusion in the media release. The release must:
 - Include a description of the project and its benefits;
 - Include one or more quotes from municipal leaders or other municipal representatives, to be used for MCCAC program marketing;
 - An acknowledgement that the "*Municipal Climate Change Action Centre is a partnership of Alberta Municipalities, the Rural Municipalities of Alberta, and the Government of Alberta. Funding for the Municipal Electricity Generation Program was provided by the Government of Alberta*"; and;
 - Publishing the media release only after receiving approval from MCCAC.
 - o Other forms of public announcements are acceptable such as webpage updates, a project profile in the local newspaper, or event which includes news releases resulting from project completion, providing all other listed requirements are met;
 - o MCCAC, partner organizations, and the Government of Alberta must be sent invitations to all public events sharing information related to the project with at least 15 working days notice;
 - o Sharing of project details and photographs on municipal social media networks such as Facebook, Twitter, or LinkedIn, as applicable; and
 - o A set of high-resolution photographs of the project suitable for print publication. Photographs should clearly show the completed electricity generation system. Photographs with local elected officials and municipal staff are encouraged. The municipality grants permission for the MCCAC and its partners to use the submitted photographs and/or videos in perpetuity.

Step 7: Receive Confirmation and Payment

After verifying the Step 6 submission is complete, the MCCAC will inform the municipality that all completion documents have been received and calculate the final rebate amount. The MCCAC will outline changes in the rebate from the signed funding agreement as applicable. The MCCAC will issue rebate payments via electronic fund transfer (EFT). The MCCAC encourages municipalities to sign up for EFT prior to project completion to enable secure and fast payments. Designated MCCAC representatives will provide the EFT form for set up.

5.0 VERIFICATION AND INSPECTION

5.1 Verification and Inspection

The municipality must submit documentation to establish, to the satisfaction of the MCCAC, that the municipality incurred and paid all eligible expenses reported. All items on an invoice submitted by the municipality must be listed and the cost for each eligible expense must be clearly identified. If the municipality fails to provide information within a reasonable time on reasonable notice, as determined by MCCAC, for the audit and evaluation of the project, the municipality may be required to refund all, or a portion of the payments received under the program, as well as forfeit any future payments under the program. Any municipality receiving funding under the program may be contacted by the MCCAC or a third-party evaluator retained on behalf of the MCCAC to verify projects or be asked to complete a written, oral, or electronic participant survey.

If a MEG Program project is approved and completed, up to December 31, 2032, the MCCAC or its designees are entitled, at any reasonable time and upon reasonable notice to the municipality, to attend the project site for the purpose of examining items pertinent to the project in order to assess to what extent the municipality is in compliance with the MEG Program funding agreement and program conditions, and to conduct other measurement and verification activities if necessary.

6.0 ADDITIONAL TERMS

This document is subject to change at the discretion of the MCCAC. As the Government of Alberta's program administrator, MCCAC reserves the right to modify, amend, or update any provisions within this document as deemed necessary. Changes may be made with or without prior notice, and all modifications shall be effective upon posting or notification to the relevant parties. It is the responsibility of users to regularly review this document for any updates or revisions.

6.1 Refunds and Right of Set-Off

The municipality shall immediately refund to MCCAC any payment received under the MEG Program not in accordance with the MEG Program Guidebook and the MEG Program funding agreement 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. 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 MEG Program.

6.3 False or Misleading Information

If the municipality provides any false, misleading, or incomplete information under the MEG Program, the municipality shall forgo all rights to benefit from the MEG Program.

6.4 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.

6.5 Limitation of Liability

MCCAC's sole liability is limited to paying the properly qualified incentives specified herein. The municipality acknowledges that any service provider, contractor or engineer 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 electricity generation system or equipment installed.

Neither MCCAC nor any of its affiliates shall be liable to the municipality or to any other party for a service provider's and/or installation contractor's failure to perform, for failure of the electricity generation system to function, for any damage to the municipality's premises, or for any and all damages to property or injuries to persons caused by or arising from any activities associated with this program.

7.0 MEG Program Checklist

Step 1: Review Program Materials

Review the MEG Program Guidebook, application form, and any other applicable documents on the MEG Program web page, as applicable.

Step 2: Submit the MEG Program Expression of Interest

Complete and submit an Expression of Interest (EOI).
 Receive approval to proceed to Step 2 from the MCCAC.

Step 3: Submit the MEG Program Application

Complete and submit the MEG Program application, available for download on the web page, and all required attachments.

Step 4: Sign the Funding Agreement

Review, sign, and submit the MEG Program funding agreement issued by the MCCAC upon approval of the application.

Step 5: Project Construction

Install and energize the project.

Step 6: Submit Completion Documentation

Submit all applicable project verification documentation to contact@mccac.ca or the designated MCCAC representative within twelve (12) months of signing the funding agreement.
 Complete project profiling and funder acknowledgement activities.
 Complete [program evaluation survey](#).

Step 7: Receive Confirmation and Payment

Receive completion confirmation from MCCAC.
 Receive the rebate payment via electronic fund transfer or cheque.

CONTACT US

Questions about the MEG Program may be directed to:
Municipal Climate Change Action Centre
300-8616 51 Avenue, Edmonton, AB T6E 6E6
780.433.4431 | contact@mccac.ca | www.mccac.ca

Founding partners of the Municipal Climate Change Action Centre



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