

Community Efficiency Financing

Application Guide

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A program of/ Un programme de la Funded by/ Financé par



Canada

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Welcome and introduction

The Federation of Canadian Municipalities' (FCM) Green Municipal Fund's (GMF) Community Efficiency Financing (CEF) initiative supports municipalities and partner organizations throughout the life cycle of planning, implementing and expanding local programs for home energy upgrades. Specifically, it unlocks new approaches by utilizing innovative financing models, like property assessed clean energy (PACE), utility on-bill financing and third-party lending.

Through a mix of grants, low-interest loans and credit enhancements, CEF encourages innovation through a tailored approach to local programming to address stakeholder needs and community priorities.

Whatever stage you're at, we can help you reach your environmental goals, bring jobs to your community and improve quality of life. Our new funding and learning resources can help your municipality achieve the following:

• Create, launch and expand innovative financing programs for energy projects in low-rise residential buildings.

- Generate triple bottom line benefits:
 - Reduce GHG emissions, create energy savings and contribute to climate adaptation, water conservation and health and safety outcomes.
 - Accelerate energy cost savings, improve housing affordability and keep the local economy moving.
 - Increase home comfort, health and quality of life for residents

CEF is made possible through a federal government contribution of \$300 million in Budget 2019, which will be allocated by GMF to eligible initiatives through to 2026. Annually, approximately \$50 million will be made available for eligible initiatives.

What is Community Efficiency Financing?

At its core, CEF is about creating a new financial offering and services to help more homeowners upgrade the energy performance of their homes, through energy-efficiency measures, renewable energy installations, or both. While some homeowners can undertake these energy upgrades on their own, significant barriers exist that prevent widespread adoption. Some homeowners may not have the savings or access to a conventional loan from their financial institution. There is also a lot of uncertainty about the value of undertaking this work, especially if a homeowner decides to sell their home within a few years, before reaping the full benefits. These barriers can be addressed in part by a financing program that is tailored to the local context and takes into account the benefits of energy upgrades to the homeowner and the broader community.

Financing programs are different from rebates or incentives. While a rebate covers a portion of the upfront cost of a home energy audit or specific energy-efficiency equipment, a financing program covers the full upfront cost of the upgrade, and participants pay back the loan over time, often using the energy cost savings resulting from the improvement. Rebates can still be included within a financing program to increase the cost-effectiveness of specific measures and overall attractiveness of the offering.

Financing is only one part of a well-designed program. Other elements include a simplified homeowner experience that includes access to qualified renovation contractors and energy advisors, stacking of available incentives, and other supports for the homeowner throughout the home upgrade process.

Foundational to a local program for home energy upgrades is the financing model being offered to the community. CEF seeks to catalyze two main models, namely:

• Property assessed clean energy (PACE) financing: This is a form of programming led or supported by a municipality and enabled by provincial/territorial legislation. It extends financing to qualified homeowners who wish to undertake energy upgrades on private property. The financing is assessed as a special charge on the benefitting property, and repaid over time via the municipal property tax bill. In some Canadian jurisdictions, this model is also referred to as local improvement charge financing. Toronto's Home Energy Loan Program (HELP) and Halifax Solar City are examples of property assessed financing for energy-efficiency upgrades and renewable energy installations, respectively.

• Third-party lending: This involves a municipality working in partnership with a third-party lender (e.g. a financial institution, impact investor or utility company) who is responsible for qualifying homeowners and underwriting loans, while utilizing an on-bill or unsecured repayment mechanism. In jurisdictions where PACE legislation is not enacted, municipalities can work with a third party that has experience with originating and servicing residential sector financial products. This can be a viable alternative to PACE financing, especially for municipalities that wish to play a more limited role or lack the internal capacity to administer a PACE model.

Visit <u>CEF's resource library</u> for useful information and tools such as guidebooks and case studies for designing and implementing a local financing program for home-energy upgrades.

12 stages of program development

The goal of the CEF initiative is to support municipalities and their partners through all stages of program design and implementation as depicted in the diagrams below. The diagrams include a high-level description of the key milestones associated with each stage of a program. By assessing which stages you've already completed, you can determine which CEF funding stream can help advance your local program. In addition to funding, GMF offers capacity-building activities and resources to help individuals and teams develop the knowledge and skills to undertake these stages of program development successfully. These activities and resources are described further in the next section of this guide.

The first six stages represent key milestones in assessing the opportunity and designing a local program. These activities are supported by funding for feasibility studies and program design studies.

Landscape assessment	2 Stakeholder engagement	3 Goal setting	Program approach	5 Implementation planning	6 Performance impacts
Take inventory of community assets, barriers for improv- ing energy performance of housing stock and opportun- ities to mitigate barriers	Identify and engage key program stake- holders based on assessment stage	Establish municipal goals and aim to ensure that goals are aligned	Consider the outputs, services or products that could addresss goals, and are possible within the existing legislation and market	Identify who is best positioned to deliver program components based on organizational competen- cies and capabilities	Establish how the program is going to hold key actors accountable and drive toward measurable performance
CEF suppor	t	Studies Grants	Capac WWW buildi		

Opportunity assessment and program design (stages 1-6)

The next stages of development include program launch, implementation and scaling up. CEF offers funding for initial program start-up, ongoing operations, and capitalization (stages 7–9), for studies to evaluate the impact of an existing program and how that program can be improved (stage 10), and to recapitalize programs that are poised for greater impact (stage 11).

Program launch, implementation and scaling up (stages 7-12)

Internal start-up	8 External launch	9 Ongoing operations	10 Scaling programs	Recapitalization	12 Exit strategy
Put in place the staffing, business systems, and service delivery partnerships required to support launch	Engage limited number of homeowners and contractors in completing projects to test operations and systems	Drive demand broadly and streamline operations with investments in supply chain capacity	Focus on ability of deliv- ery partners to increase volume and identify/invest in any econ- omies of scale	Closely aligned and related to scale, secure funds to con- tinue program operations at increased volumes	With a trans- formed market, reduce the reliance and involvement of municipal government in supporting the local financing program
CEF suppor	t	Capital and Pilot Grants	(S) enhance	nd credit poo ements	Capacity building

Capacity Building

In addition to funding, the CEF initiative offers capacity-building activities to support municipalities and their partners in designing and delivering effective programs that are built on best practices and are tailored to their local context. This includes sharing tools and resources, offering training, and convening a community of practice so that people designing and implementing a program can connect and exchange with their peers.

Some of the activities you can benefit from include:

- An online community of practice and in-person events to connect and exchange with other municipalities and program partners at various stages of program design and implementation. CEF grant funding can be used to pay for staff time and travel costs to participate in these peer learning activities.
- Accessible and on-demand online materials, courses and training that guide interested communities through steps and tools to develop, implement and evaluate a local efficiency financing program.
- Mentorship and coaching from subject matter experts in community efficiency financing.

As a CEF funding recipient, you will also receive national recognition as a leader in community efficiency financing. FCM will share the results and lessons learned from your program with other municipalities and stakeholders to help build on and scale up successful models of local efficiency financing programs across Canada. You may be invited to share your experiences with other communities through online meetings, case studies or other activities. For information about the latest resources and activities, visit the **<u>CEF landing page</u>** and sign up for our **e-newsletter**.

How to use this guide

This document outlines everything you should know about CEF funding. It contains thorough instructions for how to apply, including tips for completing a great application. There is a section for each type of funding offering with specific directions on how to apply (i.e. study grants, pilot grant or capital project financing). You can refer to the section you are applying for to provide the guidance you need and if you're hoping to come back for funding your project at later stages, you can look ahead to inform your plans. The appendices also include key reference materials to support your navigation of this document.

More information on the program is available on our website: https://greenmunicipalfund.ca/ community-efficiency-financing. If you have questions about how to apply, please contact an FCM representative at gmfinfo@fcm.ca or 1-877-417-0550.

IMPORTANT: If you are applying for project funding, you first need to create a profile on FCM's new funding portal. Once you've completed your profile, use this guide to help you prepare and submit your application.



About the funding offer

CEF funding provides grants, loans and credit enhancements to support local programs at all stages of development, including:

- Feasibility study
- Program design study
- **Program evaluation study**
- <u>Pilot</u>
- Capital program

While the funding is designed to support a project from initiation to program launch and operation, applicants can request funding at any stage and there is no requirement to access funding in sequence.

Applications are accepted year-round on an ongoing basis until annual funds are exhausted, at which time new applications are deferred to April 1 in the following fiscal year. If this occurs, it will be publicized on the FCM website and applicants will be informed.

What we offer

Funding overview

TABLE 1: CEF Funding Offer overview		
CEF funding	Details	
Study grant	 Feasibility, program design and program evaluation studies Grant for up to 80 percent of eligible costs Up to a maximum of \$175,000 	
Pilot grant	 Grant for up to 50 percent of eligible costs Up to a maximum of \$500,000 Note: Limited funding is available for exceptional proposals that demonstrate clear market transformation potential and are otherwise ineligible under the capital program stream. 	
Capital program: Loan and Grant — Existing program Capital program: Loan and Grant — New program	 Funding for up to 80 percent of eligible costs Loan up to a maximum of \$10 million Grant up to a maximum of 50 percent of the loan amount (not to exceed the total start-up and operating costs) 	
Capital program: Credit Enhancement and Grant — Existing program Capital program: Credit Enhancement and Grant — New program	 Funding for up to 80 percent of eligible costs Up to a maximum of \$2 million in a credit enhancement pledged by GMF to support third-party financing Applicants must demonstrate a minimum leverage ratio of 5:1 (credit enhancement to third-party capital) Grant of up to \$5 million (not to exceed total start-up and operating costs and not to exceed 50% of total combined third-party financing and start-up/operating costs) 	

As noted in the table above, funding for a project is determined by a percentage of eligible costs, not necessarily total project costs. These costs are defined by GMF and are based on date incurred and activity types. For a full list of costs eligible for funding, please refer to **Appendix B: Eligible Costs Table**.

Who can apply Applicant eligibility

The following entities are eligible for CEF funding:

- Canadian municipal governments (e.g. towns, cities, regions, districts, and local boards thereof)
- Organizations applying in partnership with a municipal government, such as:
 - private sector entities
 - Indigenous communities
 - municipally owned corporations
 - a regional, provincial or territorial organization delivering municipal services (e.g. a municipal association)
 - non-governmental organizations
 - not-for-profit organizations

The following entities are not eligible to receive funds directly:

- homeowners
- federal government entities and any organizations established by those entities
- provincial and territorial government entities and any corporation that they own or control

While entities owned and controlled by provincial, territorial or federal government are ineligible to receive funding directly from FCM, this does not preclude them from collaborating with municipalities in the design and implementation of a local program.

Quebec municipal applicants, please note:

There is a slightly different process for Quebec municipal applicants. The pre-application needs to be downloaded and submitted by your municipality to the Ministère des Affaires municipales et de l'Habitation (MAMH).

The ministry will determine if your proposed project complies with Quebec policies before issuing an "Avis Favorable." GMF may not contact the applicant until MAMH provides its compliance decision.

Please visit www.mamh.gouv.qc.ca for more information. GMF may provide some assistance if needed. Municipal corporations and not-for-profit organizations do not need to submit application forms to MAMH.

What criteria your project needs to meet Project eligibility

TABLE 2: CEF program eligibility criteria		
Eligibility criteria	Description	
Finance models	Property assessed clean energy (PACE), local improvement charge (LIC), utility on-bill financing or direct lending via financial institution, or a combination thereof	
Building types	Existing, low-rise residential properties (e.g. detached, semi-detached, row housing and similar)	
Categories of qualifying energy improvements	 GMF does not specify particular types of measures to be utilized by a local program. Rather, the applicant is to define an "eligible measures" list pursuant to the following categories: energy efficiency (such as insulation, heating and cooling systems, windows and doors) renewable energy installations (such as solar rooftop photovoltaics) fuel switching Refer to <u>Appendix D "List of Sample Eligible Measures</u> <u>in Local Financing Initiatives"</u> 	
Categories of qualifying non-energy improvements	 GMF capital funding can also address, in a limited capacity, other home improvements. This funding is designed to enable multiple improvements to be undertaken as part of an overall home upgrade project and provide convenience to participating homeowners, while also advancing other municipal policy priorities. Categories of qualifying non-energy improvements include: health and safety measures such as environmental remediation electrical wiring improvements and service upgrades that are required undertakings to permit energy improvements water efficiency improvements such as low-flow fixtures climate adaptation improvement waterproofing alternative energy improvement such as electric vehicle charging stations and battery storage systems Non-energy improvements are subject to a cap of 30 percent of the total cost of an individual home upgrade project. 	

Eligibility criteria	Description	
Home energy rating system	 Homes undergoing energy improvements that are funded by the local program are subject to pre- and post-renovation assessments, using the EnerGuide rating system for homes. These assessments are to be undertaken by an energy advisor (EA) registered with Natural Resources Canada. GMF will consider, on a case-by-case basis, alternative assessments or pathways to completing EnerGuide assessments for jurisdictions that can demonstrate limitations, such as a lack of available EAs. 	
Performance thresholds	 There is no minimum threshold for energy or GHG emissions reductions. Municipalities should refer to their community energy and climate action plans (or similar) for stated performance targets. FCM's evaluation will favour programs that offer the greatest potential for energy savings and GHG emissions reductions through energy-efficiency improvements, renewable energy generation, or both. 	
Exclusions	 Be advised that programs with any of the following characteristics are deemed ineligible: programs geared to new construction programs that do not involve municipal participation and buy-in programs that do not have a financing component (e.g. incentive-only programs) programs exclusively targeted at financing for non-residential buildings (e.g. commercial, industrial) 	

What to expect:

The application process

You'll need to go through a pre-application process first. This involves submitting a simplified application package that we'll use to determine whether your proposed project is eligible. If we find it is eligible, you'll proceed to the full application stage. If we have any questions at the screening stage, a GMF representative will reach out to you to discuss your proposal. At the full application stage, you'll be paired with a GMF staff member who will act as your point of contact throughout the process. They'll review your submission, provide feedback and may invite you to revisit some steps to ensure the completeness and quality of your funding application.

Overview of the application and review process



STEP 1: Pre-application submission

You'll fill out a simple pre-application form. This is a higher-level summary of your proposed initiative for GMF to review. You'll need to provide a few key documents to support this review. **Questions and documents required to be completed and submitted during the pre-application form are indicated in this Application Guide with the following icon:**

STEP 2: Pre-application review

GMF staff will review your pre-application for eligibility. If necessary, we'll work with you to resolve any remaining questions. Pre-applications cannot proceed to the full application stage without all required documents.

STEP 3: Full application submission

If deemed eligible following the pre-application, you'll be invited to proceed with a full application. Your full application package will include a full application form, a workbook to complete and additional required documents. Information gathered from your pre-application form will already be populated in your full-application form to save time. However, you'll still be able to review, edit and add any supporting documents to these responses. **The questions that will be carried over from the pre-application form are indicated in this Application Guide with the following icon:**

GMF staff are available to answer any questions you may have when filling out the full application form and workbook, as well as any questions about supporting documentation. When you think it's ready, please verify your entire application package (refer to <u>Appendix A:</u> <u>"Required documents"</u>) is complete before submitting it to GMF.

STEP 4: GMF review

GMF staff will review your proposal for accuracy and completeness. If necessary, we'll work with you to resolve any remaining questions. Applications cannot proceed to peer review without all required documents.

STEP 5: Peer review

An external expert peer review panel will evaluate the proposal. Feedback from the peer review panel is then shared with you for your consideration. Peer review evaluation may be coupled with an internal analysis from GMF to provide a funding recommendation.

STEP 6: FCM funding decision

Funding decisions for studies are made by a member of GMF leadership on behalf of GMF Council and FCM's Board of Directors.

Decisions on pilot and capital program funding are made by the GMF Council and FCM's Board of Directors.

STEP 7: Contracting

If your application is successful, GMF staff will work with you to draft a funding agreement outlining disbursement terms and reporting requirements.

How to apply

Organize your supporting documents

Before submitting your application, please check the list of required supporting documents for your project type (see **Appendix A: "Required documents"**).

Your complete application must include the following:

- an online pre-application submission
- an online full application submission
- a completed project workbook
- all required supporting documentation

Ready to submit?

Once you have verified the information on your application form and in your project workbook and required supporting documents, **follow these steps** to submit your applications.

After submission, a GMF project officer will review your application for accuracy and completeness. They will work with you to resolve any remaining questions. **Need help or have suggestions to improve this guide?** If you're having trouble completing your application, uploading your files, or simply have some questions, please contact us at gmfinfo@fcm.ca or 1-877-417-0550.

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Feasibility study grant



What we offer Funding overview

• Grant for up to 80 percent of eligible costs



• Up to a maximum of \$175,000

Feasibility studies explore and assess options for a financing program for home energy upgrades that can achieve triple bottom line benefits within a community. Multiple municipalities and partners are encouraged to collaborate on regional opportunities, where appropriate. Your study should aim to advance or support decision-making and should include one or more of the following elements, based on the needs of the applicant:

- A baseline assessment of a community's housing stock and energy upgrade potential, including:
 - assessing building types, energy use profiles and opportunities for energy upgrades to support GHG emissions reductions
 - assessing the potential uptake for energy-efficiency and renewable energy upgrades in terms of the number of anticipated projects and the level of investment required
 - projecting the local benefits that could be achieved through energy upgrades (e.g., energy cost savings for residents, energy and GHG reductions, water savings, etc.)
- An analysis of how financing may address:
 - homeowner barriers to energy-efficiency and renewable energy upgrades (e.g., high upfront cost, split incentives, information gaps, low uptake among specific demographics, etc.)
 - homeowner barriers to participation in existing efficiency programs, such as those offered by a utility company or regional efficiency agency
- An evaluation of available financing models within the context of municipal law, including the feasibility of establishing PACE-enabling legislation, or another innovative financing instrument, in a given province or territory.
- Engagement with key municipal and external stakeholders on shared goals for a local program.

NOTE: A feasibility study, or equivalent, is a prerequisite to applying for a program design study. It can be in the form of a memo prepared by municipal staff that draws information from previously completed work, like a climate action strategy or community energy plan. At a minimum, it should describe the local context (including opportunities, regulatory context and homeowner barriers) and consider one or more financing models.

A feasibility study should ultimately lead to a recommendation to senior management or municipal government on whether to proceed with the program design stage for a local efficiency program for home energy upgrades, as well as identify a recommended financing model.

Project evaluation

Applications to GMF funding are evaluated by GMF staff and third-party peer reviewers. Evaluations consider application completeness as well as the review of application information assessed against a set of criteria. The evaluation process supports GMF in funding decisions. Feedback is shared with applicants throughout the review process.

GMF will evaluate applications for funding consideration according to the following three criteria:

- **Impact:** The program has the potential to generate measurable environmental, economic and social benefits for one or more municipalities.
- **Implementation:** The program is designed holistically by carefully taking into consideration the variables impacting program implementation, such as internal and external stakeholder engagement, planning, risk management, and appropriate resourcing.

• **Transformative potential:** The program exemplifies transformative potential through demonstrations or adoption of new and better solutions, with a high likelihood of encouraging replication.

The three key criteria described above are further broken down in Table 3.

TABLE 3: Evaluation criteria for CEF Feasibility Study applications

Impact	Implementation	Transformative potential	
 Environmental benefits Program financing and economic benefits Community benefits Relative impact (considers program benefits relative to size of community) 	 Stakeholder engagement Linkages to existing plans and policies Team and partners Work plan and budget Financing 	InnovationAudacityCapacity buildingReplication	

How to apply: Application instructions

Applicant information **8** Participating organizations

Please provide the name and role of each participating organization:

- Lead applicant: the municipality or partner organization that would sign the contract with FCM, oversee the initiative (even if it plans to have a third party complete the work), incur the costs of the initiative and submit the required reporting to FCM.
- Lead municipality: the municipality where the initiative is taking place or that will benefit from the initiative.
- Lead applicant and municipality: if the lead applicant is a municipality, this is the appropriate selection.
- **Partner:** if the organization is not the lead applicant or the lead municipality, this is the appropriate selection.

Non-municipal lead applicant information only:

If the lead applicant is **not** a municipal organization, please respond to the following in the text box provided:

- Tell us about your organization.
- How long have you been operating?
- What is your mandate?
- Are you a non-profit or for-profit organization?
- Is your organization privately or publicly owned, or both?
- How are you involved in home energy retrofit financing programs or similar initiatives?

Note that you will be asked to provide supporting documents showing municipal support for your project. For each partner municipality, please include evidence of municipal council support for the initiative, financial and/or in-kind contributions, and any other relevant documentation. A template letter is provided in **Appendix C "Sample Letters"**. If this initiative will be undertaken with additional non-municipal partners, please also include

evidence of their Board or CEO's support for the initiative, financial and/or in-kind contributions, partnership agreements, and any other relevant documentation. *Note: contractors or consultants that would invoice their work on the project are not to be included as partners.*

Project team members

In the table, please use the **Add Team Member** button to add the primary contact for the lead applicant's organization. Non-municipal lead applicants must also add the primary contact for the lead municipality or municipalities. TIP: Be as concise, specific and quantitative (measurable) as possible when you answer the questions in the pre- and full application forms. We encourage you to attach any supporting documents that provide additional details or context to your responses.

Feasibility study information

In this section, please tell us about your initiative, the anticipated benefits, why this study is important and how you intend to implement it.

Awareness

Please indicate how you heard about FCM's funding.

Study details 🍪

Project working title	 The title should: Indicate the initiative type (i.e., use words like "feasibility study" or "studying") Indicate the initiative sector (e.g., home energy retrofit financing, PACE, LIC, utility on-bill financing, etc.) Mention the name of the lead applicant and/or municipality
Financing model	 Please specify which financing model(s) your feasibility study will evaluate: Property assessed clean energy (PACE)/local improvement charge (LIC) Utility on-bill financing Third-party lending Other
Project start and end date (YYYY-MM-DD)	Indicate the start and end dates for your proposed initiative.
Anticipated total project costs (\$)	Provide the anticipated total costs of your proposed initiative.
Funding request (\$)	Indicate the amount of funding you are requesting for your proposed initiative. See Table 1 for available funding.

Objectives and rationale 🚯

Please summarize your proposed study in a couple of paragraphs. Be sure to highlight the following:

- Why is this initiative a priority for your municipality or organization?
- How does your initiative align with existing plans, policies or strategies (municipal, regional, provincial/territorial or national)?
- What barriers will your study seek to address to improve homeowner access to energy efficiency and/or renewable energy upgrades (e.g., high upfront cost of improvements, property-tied versus unsecured financing, information gaps, low uptake among specific demographics or underserved segments)?
- Any other information you feel will help us understand your local context, the scope of your initiative and the intended outcomes.

Non-municipal lead applicants may provide additional details on their partnership(s) with the lead municipality and any other partnering municipalities.

Project management

Tell us about your approach for managing the execution of your study and how it will help you achieve the study's objectives.

Project team

In the table provided, identify key members of your project team and attach their resumés or documents/descriptions that list their professional qualifications and experience. The table should include at least one member of the lead applicant's project management team. If your project is sponsored or championed by a municipal elected official, include them as well.

If some project team members have yet to be assigned or contracted, you may add the position to the project team and under **Name** put "to be assigned" or "to be determined," including the anticipated **Job Title** and their **Role** in the initiative.

If applicable, attach an organizational chart that illustrates the project team's structure. Please be sure to include all key internal and external team members.

Key stakeholders

Describe the key municipal and external stakeholders involved in study planning, design and implementation, where relevant (i.e., those who will be or were involved in the work or affected by the outcomes). Then describe their role(s) or potential role(s) in ensuring broad municipal and community support and uptake, as well as their role(s) or potential role(s) in delivery and operation.

Key stakeholders may include provincial or territorial agencies, regulators, utilities, building contractors and suppliers, citizen groups, energy advisors, non-profit organizations, financial institutions, municipal council and staff from various departments (e.g., senior leadership, finance, legal), and others. Consider providing a diagram as a supporting document to illustrate stakeholder relationships (e.g., a stakeholder map).

TIP: If you are considering grid connected measures (e.g., solar photovoltaic) in your community efficiency financing program, engage and inform your local power utility to identify potential grid capacity limitations.

Capacity building

Please consider how your study can help build the awareness and skills of key members of your project team or potential program delivery partners, and how you could share lessons learned with other communities. For example, consider dedicating time for learning and knowledge-sharing activities, developing public tools or resources, involving other municipalities that are interested in replicating your initiative, or partnering with organizations that can help share the results of your initiative.

These activities are not mandatory, but many of the costs associated with them are eligible for funding under this study grant. So, if you plan to include any of these activities in your study proposal, please describe them.

NOTE: GMF will be offering successful applicants capacity-building support to help them achieve the best possible results from their funded initiative and to support replication in other communities. Please ask us about how to budget appropriate time and travel costs to participate in CEF Community of Practice meetings with our other funding recipients.

Financing terms and other features of the proposed program

Describe the financing model(s) and program features you will be analyzing as part of your study to make home energy upgrades more attractive, and the key considerations to determine whether they are appropriate for your local context.

Program benefits

As best as possible, tell us about the actual or potential environmental, economic and social benefits that could be realized by your financing program for home energy upgrades.

Environmental benefits

Describe the direct energy and greenhouse gas (GHG) reduction benefits you expect to evaluate as part of your study (e.g., energy consumption savings, renewable energy generation and GHG emissions reduction).

Notwithstanding the energy efficiency focus of the program, initiatives that evaluate additional quantifiable environmental benefits (e.g., water conservation, EV chargers) and other qualitative environmental benefits (e.g., improved air quality, climate change resiliency) will be evaluated more favourably. Please also consider how these measures may be tracked or measured.

Do NOT complete the "Environmental Benefits" tab in the project workbook. At this stage, it is understood that your expected

benefits may be a preliminary estimate.

Social and economic benefits

Describe the social and economic benefits you expect to evaluate as a part of your study. These might include the following: job creation in the home-energy sector (measured in full-time-equivalent positions); number of contractor trainings and the number of attendees at these trainings; other types of skills training; energy bill savings (\$/year); new partnerships being established (i.e., formal or informal partnerships with entities such as utilities, contractors, delivery partners, non-profit organizations, different levels of government, etc.); reduced energy poverty at the local level (%); increased tax revenue for the local government (\$); better air quality and health; and improved home comfort of participating households.

Furthermore, if your study plans to investigate measures related to equity, please describe them. Equity-related measures could include the following: establishing strong consumer-protection measures; building equity within your procurement practices (for instance, through social procurement practices); ensuring that the program, its services and materials are accessible through different means of communication and in various languages; establishing a separate grant carve-out for low- to moderate-income households; and more.

Please also consider how these measures may be tracked or measured.

TIP: GMF-funded programs are required to issue homeowner surveys that may aid in collecting data on these types of indicators. Consider incorporating survey creation into your program design.

Budget and workplan

In addition to your application in the funding portal, you will be sent a separate project workbook file to complete and upload with other required documents. You'll use the workbook to provide information on the budget, timeline and sources of funding for your proposed initiative. Please complete the project workbook by following the instructions in it. As you're filling in the workbook, it's helpful to keep in mind the following questions:

- Is the budget complete and does it reflect the full scope of the proposed initiative as described in the application form?
- Does the budget represent good value for money based on the described deliverables? Are costs reasonably broken out and explained?

- Have I used the "cost categories" column to define who will be completing each task where relevant? For example:
 - For lead applicant staff time, select "Staff remuneration"
 - For tasks to be paid out to consultants and other service providers, select "Services"
 - For non-lead applicant staff time to be provided from partners, select "*In-kind*" and place in the ineligible column
- Are the timelines reasonable to complete the initiative?
- Do the sources of funding match my confirmed funding letters (see <u>Appendix C</u> <u>"Sample Letters"</u>) and are any unconfirmed sources properly explained in my application?

Declaration and signature

In the declaration and signature section, simply type in the information of the person with the appropriate signing authority from the lead applicant organization.

Note: Only the application contact can submit the application form. The application contact must ensure they have permission to submit the application on behalf of their organization. Consultants working with a lead applicant to prepare this application cannot sign this declaration or submit this form.

Ready to submit your application?

Ensuring your submission is complete with all supporting documents will reduce processing time.

Please make sure you have uploaded the required supporting documents (see **<u>Appendix</u>** <u>**A: "Required documents"**).</u> Here are some tips for completing the submission process:

- The portal will let you know if all sections of the form have been properly completed. You will not be able to submit until all the required information has been provided.
- When everything is ready, you will see that the submit button is available, which means you are ready to submit your application.

Quebec municipal applicants, please note:

There is a slightly different process for Quebec municipal applicants. The pre-application needs to be downloaded and submitted by your municipality to the Ministère des Affaires municipales et de l'Habitation (MAMH).

The ministry will determine if your proposed project complies with Quebec policies before issuing an "Avis Favorable." GMF may not contact the applicant until MAMH provides its compliance decision.

Please visit www.mamh.gouv.qc.ca for more information. GMF may provide some assistance if needed. Municipal corporations and not-for-profit organizations do not need to submit application forms to MAMH.

Need help or have suggestions to improve this guide?

If you're having trouble completing your application or uploading your files, or if you have any questions or suggestions, please contact us at **gmfinfo@fcm.ca** or 1-877-417-0550.



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Program design study grant



What we offer Funding overview

• Grant for up to 80 percent of eligible costs



• Up to a maximum of \$175,000

Program design studies build upon market intelligence and research, including feasibility studies, by advancing a program design to meet stakeholder needs and municipal priorities. They lay the foundation for a financing program for home energy upgrades by documenting the program parameters to obtain approval by a municipal government. Based on the needs of the applicant, a program design study may address the following design considerations:

- target audience
 - participant eligibility criteria
 - eligible measures list

- funding sources and budgets
 - sources of capital funding and administration funding (both start-up and operations).
 If you intend to apply for FCM funding to capitalize your program, also assess other sources.
 - capital and operating budgets
- recommended financing model (PACE, utility on-bill or third-party lender)
 - financing terms and conditions
 - de-risking strategies (e.g., credit assessment, municipal loan loss reserve and partial loan guarantee for third-party lenders)
- program activities
 - program delivery model(s) to be employed
 - a program theory logic model outlining how the program will intervene to address local barriers, generate energy savings, and support market transformation
 - application of the EnerGuide rating system and relevant requirements for program participants
 - integration with other relevant incentive programs
 - consumer-protection measures
 - marketing and communications strategies
 - workforce training needs
- program setup and administration
 - program implementation plan
 - stakeholder roles and responsibilities
 - client journey and application process
 - program process flow diagrams
 - program monitoring and evaluation

- legal and risk issues
 - risk identification and management strategies
 - contracting and procurement

NOTE: A completed program design study or equivalent is a prerequisite when applying for pilot or capital program funding.

Project evaluation

Applications to GMF funding are evaluated by GMF staff and third-party peer reviewers. Evaluations consider application completeness as well as the review of application information assessed against a set of criteria. The evaluation process supports GMF in funding decisions. Feedback is shared with applicants throughout the review process.

GMF will evaluate applications for funding consideration according to the following three criteria:

- **Impact:** The program has the potential to generate measurable environmental, economic and social benefits for one or more municipalities.
- **Implementation:** The program is designed holistically by carefully taking into consideration the variables impacting program implementation, such as internal and external stakeholder engagement, planning, risk management, and appropriate resourcing.
- **Transformative potential:** The program exemplifies transformative potential through demonstrations or adoption of new and better solutions, with a high likelihood of encouraging replication.

The three key criteria described above are further broken down in Table 4.

TABLE 4: Evaluation criteria for CEF Program Design Study applications

Impact

Implementation

Transformative potential

- Environmental benefits
- Program financing and economic benefits
- Community benefits
- Relative impact (considers program benefits relative to size of community)
- Stakeholder engagement
- Linkages to existing plans and policies
- Team and partners
- Work plan and budget
- Financing
- Risk management
- Financing
- Measurement and monitoring

- Innovation
- Audacity
- Capacity building
- Replication

How to apply: Application instructions

Applicant information **8** Participating organizations

Please provide the name and role of each participating organization:

- Lead applicant: the municipality or partner organization that would sign the contract with FCM, oversee the initiative (even if it plans to have a third party complete the work), incur the costs of the initiative and submit the required reporting to FCM.
- Lead municipality: the municipality where the initiative is taking place or that will benefit from the initiative.
- Lead applicant and municipality: if the lead applicant is a municipality, this is the appropriate selection.
- **Partner:** if the organization is not the lead applicant or the lead municipality, this is the appropriate selection.

Non-municipal lead applicant information only:

If the lead applicant is **not** a municipal organization, please respond to the following in the text box provided:

- Tell us about your organization.
- How long have you been operating?
- What is your mandate?
- Are you a non-profit or for-profit organization?
- Is your organization privately or publicly owned, or both?
- How are you involved in home energy retrofit financing programs or similar initiatives?

Note that you will be asked to provide supporting documents showing municipal support for your project. For each partner municipality, please include evidence of municipal council support for the initiative, financial and/or in-kind contributions, and any other relevant documentation. A template letter is provided in **Appendix C "Sample Letters"**. If this initiative will be undertaken with additional non-municipal partners, please also include evidence of their Board or CEO's support for the initiative, financial

Community Efficiency Financing Application Guide: Program design study grant

and/or in-kind contributions, partnership agreements, and any other relevant documentation. Note: contractors or consultants that would invoice their work on the project are not to be included as partners.

Project team members

In the table, please use the **Add Team Member** button to add the primary contact for the lead applicant's organization. Non-municipal lead applicants must also add the primary contact for the lead municipality or municipalities. **TIP:** Be as concise, specific and quantitative (measurable) as possible when you answer the questions in the pre- and full application forms. We encourage you to attach any supporting documents that provide additional details or context to your responses.

Program design study information

In this section, please tell us about your initiative, the anticipated benefits, why this study is important and how you intend to implement it.

Awareness

Please indicate how you heard about FCM's funding.

Study or program details 😵

Project working title	The title should:
	 Indicate the initiative type (i.e., use words like "program design study" or "designing")
	 Indicate the initiative sector (e.g., home energy retrofit financing, PACE, LIC, utility on-bill financing, etc.)
	• Mention the name of the lead applicant and/or municipality
Financing model	Please specify which financing model(s) your program design study will evaluate:
	 Property assessed clean energy (PACE)/local improvement charge (LIC)
	Utility on-bill financing
	Third-party lending Other
	• Other
Project start and end date (YYYY-MM-DD)	Indicate the start and end dates for your proposed initiative.
Anticipated total project costs (\$)	Provide the anticipated total costs of your proposed initiative.
Funding request (\$)	Indicate the amount of funding you are requesting for your proposed initiative. See Table 1 for available funding.

Objectives and rationale 😵

Please summarize your proposed study in a couple of paragraphs. Be sure to highlight the following:

- Why is this initiative a priority for your municipality or organization?
- How does your initiative align with existing plans, policies or strategies (municipal, regional, provincial/territorial or national)?
- What barriers will your study seek to address to improve homeowner access to energy efficiency and/or renewable energy upgrades (e.g., high upfront cost of improvements, property-tied versus unsecured financing, information gaps, low uptake among specific demographics or underserved segments)? Any other information you feel will help us understand your local context, the scope of your initiative and the intended outcomes.

Non-municipal lead applicants may provide additional details on their partnership(s) with the lead municipality and any other partnering municipalities.

Program features and impacts 🍪

Key program features

Tell us about the key features of your envisioned program by answering the questions in the spaces provided. If additional details are included in your supporting documents, please specify the relevant document name(s) and page number(s).

Project management

Tell us about your approach for managing the execution of your study and how it will help you achieve the study's objectives.

Project team

In the table provided, identify key members of your project team and attach their resumés, or documents/descriptions that list their professional qualifications and experience. The table should include at least one member of the lead applicant's project management team. If your project is sponsored or championed by a municipal elected official, include them as well.

If some project team members have yet to be assigned or contracted, you may add the position to the project team and under **Name** put "to be assigned" or "to be determined," including the anticipated **Job Title** and their **Role** in the initiative.

If applicable, attach an organizational chart that illustrates the project team's structure. Please be sure to include all key internal and external team members.

Key stakeholders

Describe the key municipal and external stakeholders involved in study planning, design and implementation, where relevant (i.e., those who will be or were involved in the work or affected by the outcomes). Then describe their role(s) or potential role(s) in ensuring broad municipal and community support and uptake, as well as their role(s) or potential role(s) in delivery and operation.

Key stakeholders may include provincial or territorial agencies, regulators, utilities, building contractors and suppliers, citizen groups, energy advisors, non-profit organizations, financial institutions, municipal council and staff from various departments (e.g., senior leadership, finance, legal), and others. Consider providing a diagram as a supporting document to illustrate stakeholder relationships (e.g., a stakeholder map). TIP: If you are considering grid connected measures (e.g., solar photovoltaic) in your community efficiency financing program, engage and inform your local power utility to identify potential grid capacity limitations.

Capacity building

Please consider how your study could help build the awareness and skills of key members of your project team or potential program delivery partners, and how you could share lessons learned with other communities. For example, consider dedicating time for learning and knowledge-sharing activities, developing public tools or resources, involving other municipalities that are interested in replicating your initiative, or partnering with organizations that can help share the results of your initiative.

These activities are not mandatory, but many of the costs associated with them are eligible for funding under this study grant. So, if you are including any of these activities in your study proposal, please describe them below.

NOTE: GMF will be offering successful applicants capacity-building support to help them achieve the best possible results from their funded initiative and to support replication in other communities. Please ask us about how to budget appropriate time and travel costs to participate in CEF Community of Practice meetings with our other funding recipients.

Financing terms and other features of the proposed program

Describe the financing features you are considering offering to homeowners, and how you will evaluate these during your study (e.g., minimum and maximum funding amount per project, interest rate, term, participant costs, loan underwriting criteria, repayment mechanism, etc.).

Where relevant, describe the specific barriers you expect to address and the design features you will consider to make energy upgrades more equitable, accessible and attractive to homeowners (e.g., streamlined approval process, lower interest rates, stacking with incentive programs, flexible underwriting criteria, etc.). Please ensure that you also provide a description of the consumer-protection measures that will be evaluated as part of your study.

Financing program process flow

Your program design study will need to determine an appropriate governance framework for the new or expanded financing program, including the roles and responsibilities of the municipality, program administrator and delivery partners, and how program capital will flow into home energy upgrades and be repaid. Describe as well as you can what options you're considering and how these will be assessed as part of the study.

Program delivery and performance monitoring

Where possible, tell us how your study will address the following questions:

- How might you monitor program delivery and make adjustments as needed throughout program implementation to address challenges as they arise?
- How might you hold key actors accountable?

- How will you establish quantifiable outcomes for completed projects?
- How will you establish clear expectations from service delivery partners/vendors?
- How will the program implement business systems to serve homeowners and support contractors?
- How will you approach using the EnerGuide home rating system as a platform for data collection and the reporting of energy and environmental benefits?

NOTE: If you have copies of your requests for proposals or consultants' reports/ proposals, please attach them in this section.

Program benefits

As best as possible, tell us about the actual or potential environmental, economic and social benefits that could be realized by your financing program for home energy upgrades.

Environmental benefits

Describe the direct energy and environmental benefits you expect to evaluate as a part of your study (e.g., energy consumption savings, renewable energy generation and greenhouse gas emissions reduction).

Please also make sure to complete the "Environmental Benefits" tab in the project workbook to help you quantify the forecasted environmental benefits that will result directly from your fully implemented program. These should reflect the anticipated level of preliminary uptake and eligible measures of your program. Notwithstanding the energy efficiency focus of the program, initiatives that generate additional quantifiable environmental benefits (e.g., water conservation, EV chargers) and other qualitative environmental benefits (e.g., improved air quality, climate change resiliency) will be evaluated more favourably.

Please list the indicators that may be tracked or measured.

Social and economic benefits

Describe the social and economic benefits you expect to evaluate as a part of your study. These might include the following: job creation in the home-energy sector (measured in full-time-equivalent positions); number of contractor trainings and the number of attendees at these trainings; other types of skills training; energy bill savings (\$/year); new partnerships being established (i.e., formal or informal partnerships with entities such as utilities, contractors, delivery partners, non-profit organizations, different levels of government, etc.); reduced energy poverty at the local level (%); increased tax revenue for the local government (\$); better air quality and health; and improved home comfort of participating households.

Furthermore, if your study plans to investigate measures related to equity, please describe them. Equity-related measures could include the following: establishing strong consumer-protection measures; building equity within your procurement practices (for instance, through social procurement practices); ensuring that the program, its services and materials are accessible through different means of communication and in various languages; establishing a separate grant carve-out for low- to moderate-income households; and more.

Initiatives that intend to track and measure these indicators will be evaluated more favourably.

TIP: GMF-funded programs are required to issue homeowner surveys that may aid in collecting data on these types of indicators. Consider incorporating survey creation into your program design.

Program implementation risks

In the spaces provided, describe how your study will investigate the risks and challenges you may face during the implementation of your financing program, and how your study will develop risk mitigation approaches for each. If you are aware of any other risks, you are strongly encouraged to add them.

Budget and workplan

In addition to your application in the funding portal, you will be sent a separate project workbook file to complete and upload with other required documents. You'll use the workbook to provide information on the environmental benefits, budget, timeline and sources of funding for your proposed initiative. Please complete the project workbook by following the instructions in it. As you're filling in the workbook, it's helpful to keep in mind the following questions:

- Is the budget complete and does it reflect the full scope of the proposed initiative as described in the application form?
- Does the budget represent good value for money based on the described deliverables? Are costs reasonably broken out and explained?
- Have I used the "cost categories" column to define who will be completing each task where relevant? For example:
 - For lead applicant staff time, select "Staff remuneration"

- For tasks to be paid out to consultants and other service providers, select "Services"
- For non-lead applicant staff time to be provided from partners, select "*In-kind*" and place in the ineligible column
- Are the timelines reasonable to complete the initiative?
- Do the sources of funding match my confirmed funding letters (see <u>Appendix C: "Sample</u> <u>Letters"</u>) and are any unconfirmed sources properly explained in my application?

Declaration and signature

In the declaration and signature section, simply type in the information of the person with the appropriate signing authority from the lead applicant organization.

Note: Only the application contact can submit the application form. The application contact must ensure they have permission to submit the application on behalf of their organization. Consultants working with a lead applicant to prepare this application cannot sign this declaration or submit this form.

Ready to submit your application?

Ensuring your submission is complete with all supporting documents will reduce processing time. Please make sure you have uploaded the required supporting documents (see **Appendix A: "Required documents"**).

Here are some tips for completing the submission process:

- The portal will let you know if all sections of the form have been properly completed. You will not be able to submit until all the required information has been provided.
- When everything is ready, you will see that the submit button is available, which means you are ready to submit your application.

Quebec municipal applicants, please note:

There is a slightly different process for Quebec municipal applicants. The pre-application needs to be downloaded and submitted by your municipality to the Ministère des Affaires municipales et de l'Habitation (MAMH).

The ministry will determine if your proposed project complies with Quebec policies before issuing an "Avis Favorable." GMF may not contact the applicant until MAMH provides its compliance decision.

Please visit www.mamh.gouv.qc.ca for more information. GMF may provide some assistance if needed. Municipal corporations and not-for-profit organizations do not need to submit application forms to MAMH.

Need help or have suggestions to improve this guide?

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Program evaluation study grant



What we offer Funding overview

• Grant for up to 80 percent of eligible costs



• Up to a maximum of \$175,000

Program evaluation studies aim to help municipalities with existing financing programs assess the historical performance of those programs and identify opportunities to improve them. These studies are often undertaken at an interim stage or at the conclusion of a program. The findings from these studies help to determine if the local program should be continued, expanded or discontinued. These studies provide the details needed to justify recommendations to stakeholders and municipal decision-makers.

A program evaluation study should aim to determine the overall effectiveness of, and market receptivity to, an existing or completed financing program for home energy upgrades and will point to ways that the program can be improved to better meet market needs.

Program evaluations include a consideration of the program impacts, as well as the program implementation processes, including the following elements:

- An evaluation of program processes to indicate if the program is being delivered as intended and recommend adjustments to improve effectiveness.
 - A review of the program logic model and comparison to the actual program delivered.
 - A review of marketing and outreach strategy and materials.
 - A review of the internal management process and the application process.
 - Information-gathering from relevant program stakeholders, including program staff, participants, non-participants, partners, and trade allies (i.e., registered contractors).
- An evaluation of program impacts to provide insight on program performance to all stakeholders by comparing stated goals against actual performance (i.e., environmental, energy and economic impacts).
 - Quantification of the program's key performance indicators, such as energy savings, GHG emissions reductions, number of participants, and type and sizes of upgrades supported.

• **Recommended strategies** for scaling environmental and energy performance impacts by increasing uptake and investment.

Project evaluation

Applications to GMF funding are evaluated by GMF staff and third-party peer reviewers. Evaluations consider application completeness as well as the review of application information assessed against a set of criteria. The evaluation process supports GMF in funding decisions. Feedback is shared with applicants throughout the review process.

GMF will evaluate applications for funding consideration according to the following two criteria:

- **Implementation:** The program is designed holistically by carefully taking into consideration the variables impacting program implementation, such as internal and external stakeholder engagement, planning, risk management, and appropriate resourcing.
- **Transformative potential:** The program exemplifies transformative potential through demonstrations or adoption of new and better solutions, with a high likelihood of encouraging replication.

The two key criteria described above are further broken down in Table 5.

TABLE 5: Evaluation criteria for CEF ProgramEvaluation Study applications

Implementation

- Stakeholder engagement
- Linkages to existing plans and policies
- Team and partners
- Work plan and budget
- Financing
- Risk management

How to apply: Application instructions

Applicant information **8** Participating organizations

Please provide the name and role of each participating organization:

- Lead applicant: the municipality or partner organization that would sign the contract with FCM, oversee the initiative (even if it plans to have a third party complete the work), incur the costs of the initiative and submit the required reporting to FCM.
- Lead municipality: the municipality where the initiative is taking place or that will benefit from the initiative.
- Lead applicant and municipality: if the lead applicant is a municipality, this is the appropriate selection.
- **Partner:** if the organization is not the lead applicant or the lead municipality, this is the appropriate selection.

Transformative potential

- Innovation
- Audacity
- Replication

Non-municipal lead applicant information only:

If the lead applicant is **not** a municipal organization, please respond to the following in the text box provided:

- Tell us about your organization.
- How long have you been operating?
- What is your mandate?
- Are you a non-profit or for-profit organization?
- Is your organization privately or publicly owned, or both?
- How are you involved in home energy retrofit financing programs or similar initiatives?

Note that you will be asked to provide supporting documents showing municipal support for your project. For each partner municipality, please include evidence of municipal council support for the initiative, financial and/or in-kind contributions, and any other relevant documentation. A template letter is provided in Appendix C "Sample Letters". If this initiative will be undertaken with additional non-municipal partners, please also include evidence of their Board or CEO's support for the initiative, financial and/or in-kind contributions, partnership agreements, and any other relevant documentation. Note: contractors or consultants that would invoice their work on the project are not to be included as partners.

Project team members

In the table, please use the **Add Team Member** button to add the primary contact for the lead applicant's organization. Non-municipal lead applicants must also add the primary contact for the lead municipality or municipalities.

Awareness

Please indicate how you heard about FCM's funding.

TIP: Be as concise, specific and quantitative (measurable) as possible when you answer the questions in the pre- and full application forms. We encourage you to attach any supporting documents that provide additional details or context to your responses.

Program Evaluation Study information

In this section, please tell us about your initiative, the anticipated benefits, why this study is important and how you intend to implement it.

Project working title	 The title should: Indicate the initiative type (i.e., use words like "program evaluation study" or "evaluating") Indicate the initiative sector (e.g., home energy retrofit financing, PACE, LIC, utility on-bill financing, etc.) Mention the name of the lead applicant and/or municipality
Financing model	 Please specify which financing model(s) your program evaluation study will evaluate: Property assessed clean energy (PACE)/local improvement charge (LIC) Utility on-bill financing Third-party lending Other
Project start and end date (YYYY-MM-DD)	Indicate the start and end dates for your proposed initiative.
Anticipated total project costs (\$)	Provide the anticipated total costs of your proposed initiative.
Funding request (\$)	Indicate the amount of funding you are requesting for your proposed initiative. See Table 1 for available funding.

Study or Program Details 🚯

Objectives and rationale

Please summarize your proposed study in a couple of paragraphs. Be sure to highlight the following:

- Why is this initiative a priority for your municipality or organization?
- How does your initiative align with existing plans, policies or strategies (municipal, regional, provincial/territorial or national)?
- What barriers will your study seek to address to improve homeowner access to energy efficiency and/or renewable energy upgrades (e.g., high upfront cost of improvements, property-tied versus unsecured financing, information gaps, low uptake among specific demographics or underserved segments)?
- Any other information you feel will help us understand your local context, the scope of your initiative and the intended outcomes.

Non-municipal lead applicants may provide additional details on their partnership(s) with the lead municipality and any other partnering municipalities.

Program features and impacts 😻 Key program features

Tell us about the key features of your existing program by answering the questions in the spaces provided. If additional details are included in your supporting documents, please specify the relevant document name(s) and page number(s).

Program impacts

GMF seeks to support existing programs that have the potential to scale up their environmental, financial and community impacts. Describe here how you plan to assess the impact of your existing program. What new approaches or enhancements are you considering to expand program access or equity, or to increase the number, degree or types of benefits that will be achieved?

Project management

Tell us about your approach for managing the execution of your study and how it will help you achieve the study's objectives.

Project team

In the table provided, identify key members of your project team and attach their resumés, or documents/descriptions that list their professional qualifications and experience. The table should include at least one member of the lead applicant's project management team. If your project is sponsored or championed by a municipal elected official, include them as well.

If some project team members have yet to be assigned or contracted, you may add the position to the project team and under **Name** put "to be assigned" or "to be determined," including the anticipated **Job Title** and their **Role** in the initiative.

If applicable, attach an organizational chart that illustrates the project team's structure. Please be sure to include all key internal and external team members.

Key stakeholders

Describe the key municipal and external stakeholders involved in study planning, design and implementation, where relevant (i.e., those who will be or were involved in the work or affected by the outcomes). Then describe their role(s) or potential role(s) in ensuring broad municipal and community support and uptake, as well as their role(s) or potential role(s) in delivery and operation.

Key stakeholders may include provincial or territorial agencies, regulators, utilities, building contractors and suppliers, citizen groups, energy advisors, non-profit organizations,
financial institutions, municipal council and staff from various departments (e.g., senior leadership, finance, legal), and others. Consider providing a diagram as a supporting document to illustrate stakeholder relationships (e.g., a stakeholder map).

TIP: If you are considering grid connected measures (e.g., solar photovoltaic) in your community efficiency financing program, engage and inform your local power utility to identify potential grid capacity limitations.

Capacity building

Please consider how your study could help build the awareness and skills of key members of your project team or potential program delivery partners, and how you could share lessons learned with other communities. For example, consider dedicating time for learning and knowledge-sharing activities, developing public tools or resources, involving other municipalities that are interested in replicating your initiative, or partnering with organizations that can help share the results of your initiative.

These activities are not mandatory, but many of the costs associated with them are eligible for funding under this study grant. So, if you plan to include any of these activities in your study proposal, please describe them.

NOTE: GMF will be offering successful applicants capacity-building support to help them achieve the best possible results from their funded initiative and to support replication in other communities. Please ask us about how to budget appropriate time and travel costs to participate in CEF Community of Practice meetings with our other funding recipients.

Financing terms and other features of the proposed program

Describe the financing features that you're considering offering to homeowners in an improved or expanded program, and how you will evaluate these during your study (e.g., minimum and maximum funding amount per project, interest rate, term, participant costs, loan underwriting criteria, repayment mechanism, etc.).

Where relevant, describe the specific barriers you expect to address and the design features you will consider to make energy upgrades more equitable, accessible and attractive to homeowners (e.g., streamlined approval process, lower interest rates, stacking with incentive programs, flexible underwriting criteria, etc.). Please ensure that you also provide a description of the consumer-protection measures that will be evaluated as part of your study.

Financing program process flow

Your program evaluation study will need to determine an appropriate governance framework for the improved or expanded financing program, including the roles and responsibilities of the municipality, program administrator and delivery partners, and how program capital will flow into home energy upgrades and be repaid. Describe as well as you can what options you're considering and how these will be assessed as part of the study.

Program delivery and performance monitoring

Where possible, tell us how your study will address the following questions:

- How might you monitor program delivery and make adjustments as needed throughout program implementation to address challenges as they arise?
- How might you hold key actors accountable?
- How will you establish quantifiable outcomes for completed projects?

- How will you establish clear expectations from service delivery partners/vendors?
- How will the program implement business systems to serve homeowners and support contractors?
- How will you approach using the EnerGuide home rating system as a platform for data collection and the reporting of energy and environmental benefits?
- **NOTE:** If you have copies of your requests for proposals or consultants' reports/ proposals, please attach them in this section.

Program benefits

Tell us as much as you can about the actual environmental, economic and social benefits realized by your financing program. Tell us also about benefits that would be realized by an improved or expanded financing program for home energy upgrades.

Environmental benefits

Describe the direct energy and environment benefits you have achieved to date with the implementation of your program (e.g., energy consumption savings, renewable energy generation and greenhouse gas emissions reduction). Explain how your actual program uptake numbers and environmental performance compares to the planned uptake and environmental performance at the start of your program.

Please also make sure to complete the "Environmental Benefits" tab in the project workbook. The program uptake numbers in Step 2 of the "Environmental Benefits" tab should reflect the total number of homes that have participated in your program since inception. Notwithstanding the energy-efficiency focus of the program, describe and/or quantify other generated environmental benefits (e.g., water conservation, EV chargers) and other qualitative environmental benefits (e.g., improved air quality, climate change resiliency).

In addition, describe any benefits that could be realized as part of an improved or expanded financing program.

Social and economic benefits

Describe the social and economic benefits you have achieved to date with the implementation of your program. These might include the following: job creation in the home-energy sector (measured in full-time-equivalent positions); number of contractor trainings and the number of attendees at these trainings; other types of skills training; energy bill savings (\$/year); new partnerships being established (i.e., formal or informal partnerships with entities such as utilities, contractors, delivery partners, non-profit organizations, different levels of government, etc.); reduced energy poverty at the local level (%); increased tax revenue for the local government (\$); better air quality and health; and improved home comfort of participating households.

Furthermore, if your program considered measures related to equity, please describe them. Equity-related measures could include the following: establishing strong consumer-protection measures; building equity within your procurement practices (for instance, through social procurement practices); ensuring that the program, its services and materials are accessible through different means of communication and in various languages; establishing a separate grant carve-out for low- to moderate-income households; and more.

In addition, describe any benefits that could be realized as part of an improved or expanded financing program.

Program implementation risks

In the spaces provided, describe the biggest risks and challenges you have faced to date and any you might expect to face during an improved or expanded financing program. Detail how your study will investigate these risks and develop risk management approaches.

Budget and workplan

In addition to your application in the funding portal, you will be sent a separate project workbook file to complete and upload with other required documents. You'll use the workbook to provide information on the environmental benefits, budget, timeline and sources of funding for your proposed initiative. Please complete the project workbook by following the instructions in it. As you're filling in the workbook, it's helpful to keep in mind the following questions:

- Is the budget complete and does it reflect the full scope of the proposed initiative as described in the application form?
- Does the budget represent good value for money based on the described deliverables? Are costs reasonably broken out and explained?
- Have I used the "cost categories" column to define who will be completing each task where relevant? For example:
 - For lead applicant staff time, select "Staff remuneration"
 - For tasks to be paid out to consultants and other service providers, select "Services"
 - For non-lead applicant staff time to be provided from partners, select "*In-kind*" and place in the ineligible column

- Are the timelines reasonable to complete the initiative?
- Do the sources of funding match my confirmed funding letters (see <u>Appendix C:</u> <u>"Sample Letters"</u>) and are any unconfirmed sources properly explained in my application?

Declaration and signature

In the declaration and signature section, simply type in the information of the person with the appropriate signing authority from the lead applicant organization.

Note: Only the application contact can submit the application form. The application contact must ensure they have permission to submit the application on behalf of their organization. Consultants working with a lead applicant to prepare this application cannot sign this declaration or submit this form.

Ready to submit your application?

Ensuring your submission is complete with all supporting documents will reduce processing time. Please make sure you have uploaded the required supporting documents (see <u>Appendix</u> <u>A: "Required documents"</u>).

Here are some tips for completing the submission process:

- The portal will let you know if all sections of the form have been properly completed. You will not be able to submit until all the required information has been provided.
- When everything is ready, you will see that the submit button is available, which means you are ready to submit your application.

Quebec municipal applicants, please note:

There is a slightly different process for Quebec municipal applicants. The pre-application needs to be downloaded and submitted by your municipality to the Ministère des Affaires municipales et de l'Habitation (MAMH).

The ministry will determine if your proposed project complies with Quebec policies before issuing an "Avis Favorable." GMF may not contact the applicant until MAMH provides its compliance decision.

Please visit www.mamh.gouv.qc.ca for more information. GMF may provide some assistance if needed. Municipal corporations and not-for-profit organizations do not need to submit application forms to MAMH.

Need help or have suggestions to improve this guide?

If you're having trouble completing your application or uploading your files, or simply have some questions, please contact us at **gmfinfo@fcm.ca** or 1-877-417-0550.



Pilot grant



What we offer Funding overview

• Grant for up to 50 percent of eligible costs



• Up to a maximum of \$500,000

Pilot funding is available, on a limited basis, for exceptional pilot program proposals with strong potential for market transformation. Additionally, eligible initiatives must be able to demonstrate why they are unable to access funding through the capital program stream. Interested applicants are encouraged to **contact FCM** to undergo an eligibility assessment prior to completing a pre-application form. As there are no minimum loan and grant amounts under the capital program streams, small-scale program capitalization does not automatically constitute eligibility for pilot funding.

NOTE: A completed program design study or equivalent is a prerequisite when applying for pilot program funding.

Project evaluation

Applications to GMF funding are evaluated by GMF staff and third-party peer reviewers. Evaluations consider application completeness as well as the review of application information assessed against a set of criteria. The evaluation process supports GMF in funding decisions. Feedback is shared with applicants throughout the review process. GMF will evaluate your application for funding consideration according to the following three overarching criteria:

- **Transformative potential:** The program exemplifies transformative potential through demonstrations or adoption of new and better solutions, with a high likelihood of encouraging replication.
- **Impact:** The program has the potential to generate measurable environmental, economic and social benefits for one or more municipalities.
- **Implementation:** The program is designed holistically by carefully taking into consideration the variables impacting program implementation, such as internal and external stakeholder engagement, planning, risk management, and appropriate resourcing.

The three key criteria described above are further broken down in Table 6.

Transformative potential	Impact	Implementation
 Innovation Audacity Capacity building Replication 	 Environmental benefits – Direct energy and GHG reduction Environmental benefits – other Program financing terms, financial and economic benefits Community benefits Relative impact (considers program benefits relative to community size) 	 Stakeholder engagement Linkages to existing plans and policies Team and partners Workplan and budget Risk management Financing Measurement and monitoring

TABLE 6: Evaluation criteria for CEF Pilot Program applications

How to apply: Application instructions

Applicant information **8** Participating organizations

Please provide the name and role of each participating organization:

- Lead applicant: the municipality or partner organization that would sign the contract with FCM, oversee the initiative (even if it plans to have a third party complete the work), incur the costs of the initiative and submit the required reporting to FCM.
- Lead municipality: the municipality where the initiative is taking place or that will benefit from the initiative.
- Lead applicant and municipality: if the lead applicant is a municipality, this is the appropriate selection.
- **Partner:** if the organization is not the lead applicant or the lead municipality, this is the appropriate selection.

Non-municipal lead applicant information only:

If the lead applicant is **not** a municipal organization, please respond to the following in the text box provided:

- Tell us about your organization.
- How long have you been operating?
- What is your mandate?
- Are you a non-profit or for-profit organization?
- Is your organization privately or publicly owned, or both?
- How are you involved in home energy retrofit financing programs or similar initiatives?

Note that you will be asked to provide supporting documents showing municipal support for your project. For each partner municipality, please include evidence of municipal council support for the initiative, financial and/or in-kind contributions, and any other relevant documentation. A template letter is provided in **Appendix C** "Sample Letters". If this initiative will be undertaken with additional non-municipal partners, please also include evidence of their Board or CEO's support for the initiative, financial and/or in-kind contributions, partnership agreements, and any other relevant documentation. Note: contractors or consultants that would invoice their work on the project are not to be included as partners.

Project team members

In the table, please use the **Add Team Member** button to add the primary contact for the lead applicant's organization. Non-municipal lead applicants must also add the primary contact for the lead municipality or municipalities.

Awareness

Please indicate how you heard about FCM's funding.

TIP: Be as concise, specific and quantitative (measurable) as possible when you answer the questions in the pre- and full application forms. We encourage you to attach any supporting documents that provide additional details or context to your responses.

Pilot program information

In this section, please tell us about your initiative, the anticipated benefits, why this pilot is important and how you intend to implement it.

Pilot program details 😵

Project working title	 The title should: Indicate the initiative type (i.e., use words like "pilot" or "piloting") Indicate the initiative sector (e.g., home energy retrofit financing, PACE, LIC, utility on-bill financing, etc.) Mention the name of the lead applicant and/or municipality
Financing model	 Please specify which financing model(s) your pilot program will evaluate: Property assessed clean energy (PACE)/local improvement charge (LIC) Utility on-bill financing Third-party lending Other
Project start and end date (YYYY-MM-DD)	Provide the anticipated start date and end date of your proposed initiative.
Anticipated total project costs (\$)	Provide the anticipated total costs of your proposed initiative.
Funding request (\$)	Indicate the amount of funding you are requesting for your proposed initiative. See Table 1 for available funding.
Legal authority	Attach evidence that your organization has the legal authority to carry out the pilot based on the prevailing legislation in your municipality and in your province or territory.

Objectives and rationale 🍪

Please summarize your proposed pilot program in a couple of paragraphs. Be sure to highlight the following:

- Why is this initiative a priority for your municipality or organization?
- How does your initiative align with existing plans, policies or strategies (municipal, regional, provincial/territorial or national)?
- What barriers will your pilot seek to address to improve homeowner access to energy efficiency and/or renewable energy upgrades (e.g., high upfront cost of improvements,

property-tied versus unsecured financing, information gaps, low uptake among specific demographics or underserved segments)?

• Any other information you feel will help us understand your local context, the scope of your initiative and the intended outcomes.

Non-municipal lead applicants may provide additional details on their partnership(s) with the lead municipality and any other partnering municipalities.

Program features and impacts Key program features

Tell us about the key features of your pilot program by answering the questions in the spaces provided. If additional details are included in your supporting documents, please specify the relevant document name(s) and page number(s).

Project management

Tell us about your management approach for the proposed pilot and demonstrate how it is appropriate given your pilot's stage of development and risk profile. Please also describe the project team, including the structure, individuals, roles, expertise, and any gaps along with how you will address these gaps.

Project team

In the table provided, identify key members of your project team and attach their resumés, or documents/descriptions that list their professional qualifications and experience. The table should include at least one member of the lead applicant's project management team. If your project is sponsored or championed by a municipal elected official, include them as well.

If some project team members have yet to be assigned or contracted, you may add the position to the project team and under **Name** put "to be assigned" or "to be determined," including the anticipated **Job Title** and their **Role** in the initiative.

We strongly recommended that you attach an organizational chart that illustrates the project team's structure. Please be sure to include all key internal and external team members.

Key stakeholders

Describe the key municipal and external stakeholders involved in your pilot program planning, design and implementation, where relevant (i.e., those who were or will be involved in the work or affected by the outcomes). Then describe each stakeholder's roles or potential roles in securing broad municipal and community support and uptake; providing program services or financing; and supporting program delivery, operation and performance monitoring. Key stakeholders may include provincial or territorial agencies, regulators, utilities, building contractors and suppliers, citizen groups, energy advisors, non-profit organizations, financial institutions, homeowner participants, municipal council and staff from various departments (e.g., senior leadership, finance, legal), and others. We recommend that you attach a diagram as a supporting document to illustrate stakeholder relationships (e.g., a stakeholder map).

TIP: If you are considering grid connected measures (e.g., solar photovoltaic) in your community efficiency financing program, engage and inform your local power utility to identify potential grid capacity limitations.

Capacity building

Please describe how you will ensure that your project team and key program delivery partners (e.g., municipal staff, elected officials, local trades, community-based partners, contractors, financial institutions, energy advisors) have the necessary knowledge, capacity and skills to successfully implement the pilot program and achieve the expected uptake and results. If you have identified any gaps during your market research or program design, please describe how will you work to address those gaps. Remember that costs for staff training and market-building activities, such as workforce skills development (including training for renovation contractors and energy advisors), are eligible for CEF funding.

NOTE: GMF will be offering successful applicants capacity-building support to help them achieve the best possible results from their funded initiative and to support replication in other communities. Please ask us about how to budget appropriate time and travel costs to participate in CEF Community of Practice meetings with our other funding recipients.

Adoption and replication

Describe any activities or materials that will be developed as part of your pilot program, and how they could encourage other municipalities or organizations to implement a similar program elsewhere (e.g., toolkits, business cases, open data). Please also describe any approaches you will take to share your program's results and lessons learned beyond those that may be facilitated directly by GMF. You might mention any conference presentations, coalitions of interested municipalities, partnerships with public- or private-sector organizations, etc.

Financing terms and other features of the proposed program

Explain how each of the points below will be addressed in the financing offer you will make available to participating homeowners. Where relevant, please highlight any preferred lending terms that seek to improve the affordability and/or general attractiveness of home energy retrofits for residents of your community (e.g., lower interest rates, stacking with existing local or regional incentive programs to capital reduce costs, etc.). The points are as follows:

- Loan underwriting criteria used to evaluate homeowner eligibility (e.g., loan-to-home value ratio, property tax billing history)
- Maximum and minimum funding available per energy upgrade project (e.g., \$40,000 or 10 percent of assessed property value)
- Interest rates and amortization periods
- Administrative charges, if applicable
- Consumer-protection measures (e.g., price control and quality assurance oversight mechanisms)
- Other attractive or innovative features

Financing program process flow

Describe how the funds will flow through the pilot program, addressing the following:

- What sources of capital will be used for home upgrade projects?
- How will the funds flow between the capital provider, municipality, program administrator, delivery agents (e.g., contractors, energy advisors) and homeowners?
- What repayment vehicles will the program use?

We encourage you to attach a process diagram as a supporting document.

Program delivery and performance monitoring

Tell us about the key steps and interventions that will occur during the start-up phase and implementation of your pilot program by addressing the following:

- What key milestones are you planning to achieve over the implementation of your program (as reflected in the project workbook's "Capital Budget" tab)?
- What is your approach to marketing and promotions, and how will it help you achieve the targeted level of uptake?
- How will you monitor program delivery and make adjustments as needed throughout program implementation to address challenges as they arise?
- How will you use the EnerGuide home rating system as a platform for data collection and reporting on energy and environmental benefits?
- NOTE: If you have copies of your requests for proposals or consultants' reports/ proposals, please attach them in this section.

Program benefits

As best as possible, tell us about the actual or potential environmental, economic and social benefits that you expect to be realized by your financing program for home energy upgrades.

Environmental benefits

In the text box, describe the direct energy and greenhouse gas (GHG) reduction benefits you expect to achieve with the implementation of your pilot program. **Please also make sure to** complete the "Environmental Benefits" tab in the project workbook to quantify the energy consumption savings (GJ/year), GHG emissions reductions ($tCO_2e/year$), and any renewable energy generation (GJ/year) expected over the course of your **FCM-funded pilot program**. These should reflect the anticipated level of uptake and eligible measures of the proposed pilot program. If your estimates differ significantly from what is calculated in the project workbook, you may explain your calculations and assumptions in your response.

Notwithstanding the energy efficiency focus of the program, initiatives that generate additional quantifiable environmental benefits (e.g., water conservation, EV chargers) and other qualitative environmental benefits (e.g., improved air quality, climate change resiliency) will be evaluated more favourably.

You are required to monitor and report on the environmental performance of the pilot program. Beyond using the EnerGuide home rating system for direct energy and GHG reduction benefits, describe how you will track and measure your other indicated benefits.

Please be sure to attach any reports, uptake benchmarking, energy modelling, GHG reduction calculations, etc., that support your estimated environmental benefits as supporting documents.

TIP: GMF-funded programs require that all participants complete both pre- and post-retrofit EnerGuide home energy evaluations. These evaluations may aid in tracking and measuring some of these indicators. Consider this while completing this section.

Social and economic benefits

Describe the social and economic benefits you expect to achieve with the implementation of your pilot program. These might include the following: job creation in the home-energy sector (measured in full-time-equivalent positions); number of contractor trainings and the number of attendees at these trainings; other types of skills training; energy bill savings (\$/ year); new partnerships being established (i.e., formal or informal partnerships with entities such as utilities, contractors, delivery partners, non-profit organizations, different levels of government, etc.); reduced energy poverty at the local level (%); increased tax revenue for the local government (\$); better air quality and health; and improved home comfort of participating households.

Furthermore, if your program includes any measures related to equity, please describe them. Equity-related measures could include the following: establishing strong consumer-protection measures; building equity within your procurement practices (for instance, through social procurement practices); ensuring that the program, its services and materials are accessible through different means of communication and in various languages; establishing a separate grant carve-out for low- to moderate-income households; and more.

Initiatives that intend to track and measure these indicators will be evaluated more favourably.

Please be sure to attach reports, benchmarking, financial modelling, or anything else that shows your estimated social and economic benefits as supporting documents. TIP: GMF-funded programs are required to issue homeowner surveys upon the completion of each home energy retrofit project. These surveys may aid in tracking and measuring these types of indicators. Consider this while completing this section.

Program implementation risks

Describe the biggest risks and challenges you expect to face during the implementation of your financing program, and how your program will mitigate each of these risks. In the application form, you must respond to the risks already identified that are common to most home energy retrofit financing programs. If you are aware of any other risks to your pilot, you are strongly encouraged to add them and describe how they will be addressed.

Budget and workplan

In addition to your application in the funding portal, you will be sent a separate project workbook file to complete and upload with other required documents. You'll use the workbook to provide information on the environmental benefits, budget, timeline and sources of funding for your proposed initiative. Please complete the project workbook by following the instructions in it. As you're filling in the workbook, it's helpful to keep in mind the following questions:

• Are the anticipated total number of participating homes calculated over a two-to-four-year CEF-funded program implementation period? Note: If some projects are expected to complete deep energy retrofits and solar PV, you would count these under both measure categories. In other words, the total number of project upgrades can be greater than the total number of participating homes.

- Is the budget complete and does it reflect the full scope of the proposed initiative as described in the application form?
- Does the budget represent good value for money based on the described deliverables? Are costs reasonably broken out and explained?
- Have I used the "cost categories" column to define who will be completing each task where relevant? For example:
 - For lead applicant staff time, select *"Staff remuneration"*
 - For tasks to be paid out to consultants and other service providers, select "Services"
 - For non-lead applicant staff time to be provided from partners, select "*In-kind*" and place in the ineligible column
- Are the timelines reasonable to complete the initiative?
- Do the sources of funding match my confirmed funding letters and have I properly explained any unconfirmed sources in the Financing Program Process Flow section of the application form?

Quebec municipal applicants, please note:

There is a slightly different process for Quebec municipal applicants.

The pre-application needs to be downloaded and submitted by your municipality to the Ministère des Affaires municipales et de l'Habitation (MAMH).

The ministry will determine if your proposed project complies with Quebec policies before issuing an "Avis Favorable." GMF may not contact the applicant until MAMH provides its compliance decision.

Please visit www.mamh.gouv.qc.ca for more information. GMF may provide some assistance if needed. Municipal corporations and not-for-profit organizations do not need to submit application forms to MAMH.

Declaration and signature

In the declaration and signature section, simply type in the information of the person with the appropriate signing authority from the lead applicant organization.

Note: Only the application contact can submit the application form. The application contact must ensure they have permission to submit the application on behalf of their organization. Consultants working with a lead applicant to prepare this application cannot sign this declaration or submit this form.

Ready to submit your application?

Ensuring your submission is complete with all supporting documents will reduce processing time. Please make sure you have uploaded the required supporting documents (see **Appendix A: "Required documents**").

Here are some tips for completing the submission process:

- The portal will let you know if all sections of the form have been properly completed. You will not be able to submit until all the required information has been provided.
- When everything is ready, you will see that the submit button is available, which means you are ready to submit your application.

Need help or have suggestions to improve this guide?

If you're having trouble completing your application or uploading your files, or simply have some questions, please contact us at **gmfinfo@fcm.ca** or 1-877-417-0550.



Capital program



What we offer — Loan and Grant Funding overview

- Funding for up to 80 percent of eligible costs
- Loan up to a maximum of \$10 million



• Grant up to a maximum of 50 percent of the loan amount (not to exceed the total start-up and operating costs)

programs

Capital program funding comes in the form of a loan in combination with a grant to implement a local financing program for home energy upgrades. FCM aims to provide loans with competitive interest rates, extended payment terms, and flexibility in accessing capital as needed based on program demands and expected uptake. The loan is paired with a substantial grant to support start-up and operating costs for up to four years. During this period, a local program is expected to launch, undertake financings for home upgrade projects, periodically report to FCM on uptake and complete a program evaluation, amongst other activities.

In all instances, the capital program grant is to be paired with a loan or credit enhancement.

Loan capital: Up to \$10 million is provided to capitalize a local program. In turn, the applicant will on-lend this capital within the community to finance home energy upgrades (and related costs) on private property. Up to 30 percent of the approved loan amount can be used for approved non-energy improvements (e.g., water conservation, climate adaptation, alternative energy) at the individual participating home.

Grant: Up to 50 percent of the GMF loan amount is provided to cover program setup costs (e.g., legal services, procurement of IT tools, website development) and multi-year operating costs (e.g., staffing, marketing and promotion). This amount is not to exceed the planned start-up and operating costs identified in the Application Workbook.

A unique feature of CEF's capital program funding is a municipal loss provision to mitigate the default risk of participating homeowner loans. A dedicated loss reserve is established for each program and five percent of the loan capital disbursed is committed as a backstop to cover any losses that might be realized in the event of a loan default or delinquency. Amounts committed to the loss reserve are considered an eligible cost and funded by the grant allocation. Please reach out to your GMF staff contact for a guidance document on what's required to demonstrate your loss reserve as an eligible cost.

NOTE: A completed program design study or equivalent is a prerequisite when applying for capital program funding.

What we offer — Credit Enhancement and Grant

• Funding for up to 80 percent of eligible costs



- Up to a maximum of \$2 million in a credit enhancement pledged by GMF to support third-party financing
- Applicant must demonstrate a minimum leverage ratio of 5:1 (credit enhancement to third party capital)
- Grant of up to \$5 million (not to exceed the total start-up and operating costs and not to exceed 50 percent of combined third-party financing and start-up and operating costs)

The scale of investment required to improve the energy performance of residential housing in Canada is massive. In an effort to incentivize private investment into local financing programs and stimulate more home upgrade projects, CEF offers another option to capitalize a local financing program—its credit enhancement stream.

Participating lenders (PLs) are financial institutions or investors that have partnered with municipalities by providing or arranging capital for the financing of home energy upgrades. The objective of CEF's credit enhancement is to offset a PL's risk by providing partial coverage for losses that may arise, while also unlocking preferential financing products for homeowners (e.g., below-market interest rate, extended repayment terms, or expanded underwriting criteria) that would otherwise not be made available in the absence of the credit enhancement.

To be eligible, a municipality or partner organization must demonstrate that it has secured capital commitments from PLs to satisfy a minimum 5:1 leverage ratio (i.e., ratio of loan capital to credit enhancement). For example, a \$1 million loss reserve pledged by FCM must mobilize at least \$5 million in third-party loan capital.

Features of CEF's credit enhancement include:

- Maximum contribution of up to \$2 million pledged by GMF for the benefit of PLs
- Partial coverage of 80 percent for unrecovered individual loan losses
- Each participating PL will have a loss reserve account established with an amount (not to exceed \$2 million) commensurate to the value of its loan portfolio (i.e., no risk pooling across separate PLs).

While applicants have the flexibility to design a local program that meets stakeholder needs and is tailored to the local context, below is a description of potential roles and responsibilities provided as guidance.

Expected role of funding recipient

(Canadian municipalities or partner organizations)

- Establish eligible energy measures and permitted uses for financing.
- Demonstrate capital commitments needed to meet or exceed leverage ratio.
- Recruit PLs and enter into any necessary agreements.
- Enter into a funding agreement with GMF.
- Set up a dedicated loan loss reserve account for each PL.
- Administer eligible loss claims made by PLs.
- Periodically report to GMF on program-level lending activity, including loan defaults.

Expected role of participating lenders

(financial institutions, credit unions, impact investors, utility companies)

- Provide or arrange for capital for direct lending.
- Administer homeowner financing applications.
- Originate loans in amounts appropriate to support the objectives and eligible energy measures supported by the local program.
- Offer preferred rates, terms and underwriting criteria compared to conventional financing products in consideration of the availability of the credit enhancement.

- Ensure prudent lending practices consistent with prevailing regulations and standard practices.
- Exhaust standard default loan remedies prior to making claims against the loss reserve.
- Report to the local program on new loan originations and defaults, in a manner prescribed by GMF.
- NOTE: A completed program design study or equivalent is a prerequisite when applying for capital program funding.

Project evaluation

Applications to GMF funding are evaluated by GMF staff and third-party peer reviewers. Evaluations consider application completeness as well as the review of application information assessed against a set of criteria. The evaluation process supports GMF in funding decisions. Feedback is shared with applicants throughout the review process.

GMF will evaluate applications for funding consideration according to the following three criteria:

- **Transformative potential:** The program exemplifies transformative potential through demonstrations or adoption of new and better solutions, with a high likelihood of encouraging replication.
- **Impact:** The program has the potential to generate measurable environmental, economic and social benefits for one or more municipalities.
- **Implementation:** The program is designed holistically by carefully taking into consideration the variables impacting program implementation, such as internal and external stakeholder engagement, planning, risk management, and appropriate resourcing.

The three key criteria described above are further broken down in Table 7.

Transformative potential	Impact	Implementation
 Innovation Audacity Capacity building Replication 	 Environmental benefits – Direct energy and GHG reduction Environmental benefits – other Program financing terms, financial and economic benefits Community benefits Relative impact (considers program benefits relative to community size) 	 Stakeholder engagement Linkages to existing plans and policies Team and partners Workplan and budget Risk management Financing Measurement and monitoring

TABLE 7: Evaluation criteria for CEF Capital Program applications

How to apply: Application instructions

Applicant information **Participating organizations**

Please provide the name and role of each participating organization:

- Lead applicant: the municipality or partner organization that would sign the contract with FCM, oversee the initiative (even if it plans to have a third party complete the work), incur the costs of the initiative and submit the required reporting to FCM.
- Lead municipality: the municipality where the initiative is taking place or that will benefit from the initiative.
- Lead applicant and municipality: if the lead applicant is a municipality, this is the appropriate selection.
- **Partner:** if the organization is not the lead applicant or the lead municipality, this is the appropriate selection.

Non-municipal lead applicant information only:

If the lead applicant is **not** a municipal organization, please respond to the following in the text box provided:

- Tell us about your organization.
- How long have you been operating?
- What is your mandate?
- Are you a non-profit or for-profit organization?
- Is your organization privately or publicly owned, or both?
- How are you involved in home energy retrofit financing programs or similar initiatives?

Note that you will be asked to provide supporting documents showing municipal support for your project. For each partner municipality, please include evidence of municipal council support for the initiative, financial and/or in-kind contributions, and any other relevant documentation. A template letter is provided in **Appendix C "Sample Letters"**. If this initiative will be undertaken with additional non-municipal partners, please also include evidence of their Board or CEO's support for the initiative, financial and/or in-kind contributions, partnership agreements, and any other relevant documentation. *Note: contractors or consultants that would invoice their work on the project are not to be included as partners.*

Project team members

In the table, please use the **Add Team Member** button to add the primary contact for the lead applicant's organization. Non-municipal lead applicants must also add the primary contact for the lead municipality or municipalities.

Awareness

Please indicate how you heard about FCM's funding.

TIP: Be as concise, specific and quantitative (measurable) as possible when you answer the questions in the pre- and full application forms. We encourage you to attach any supporting documents that provide additional details or context to your responses.

Capital program information

In this section, please tell us about your initiative, the anticipated benefits, why this capital program is important and how you intend to implement it.

Capital program details 😵

Project working title	 The title should: Indicate the initiative type (i.e., use words like "program" or "implementing") Indicate the initiative sector (e.g., home energy retrofit financing, PACE, LIC, utility on-bill financing, etc.) Mention the name of the lead applicant and/or municipality
Financing model	 Please specify which financing model(s) your capital program design study will evaluate: Property assessed clean energy (PACE)/local improvement charge (LIC) Utility on-bill financing Third-party lending Other
Project start and end date (YYYY-MM-DD)	Indicate the start and end dates for your proposed initiative.
Anticipated total project costs (\$)	Provide the anticipated total costs of your proposed initiative.
Funding request (\$)	Indicate the amount of funding you are requesting for your proposed initiative. See Table 1 for available funding.
Legal authority	Attach evidence that your organization has the legal authority to carry out the pilot based on the prevailing legislation in your municipality and in your province or territory.

Objectives and rationale 😵

Please summarize your proposed capital program in a couple of paragraphs. Be sure to highlight the following:

- Why is this initiative a priority for your municipality or organization?
- How does your initiative align with existing plans, policies or strategies (municipal, regional, provincial/territorial or national)?
- What barriers will your new or enhanced program seek to address to improve homeowner access to energy efficiency and/ or renewable energy upgrades (e.g., high

upfront cost of improvements, property-tied versus unsecured financing, information gaps, low uptake among specific demographics or underserved segments)?

• Any other information you feel will help us understand your local context, the scope of your initiative and the intended outcomes.

Non-municipal lead applicants may provide additional details on their partnership(s) with the lead municipality and any other partnering municipalities.

Program features and impacts 🛞

Key program features

Tell us about the key features of your new or existing program by answering the questions in the spaces provided. If additional details are included in your supporting documents, please specify the relevant document name(s) and page number(s).

Program impacts (for existing capital programs only)

GMF seeks to support existing programs that have the potential to scale up their environmental, financial and community impacts.

Describe any new approaches or enhancements you will implement to expand program access, equity or uptake, or to increase the types of benefits that will be achieved. Describe how additional funding and support from GMF could facilitate this upscaling.

Project management

Tell us about your management approach for the proposed program and demonstrate how it is appropriate given your program's stage of development and risk profile. Please also describe the project team, including the structure, individuals, roles, expertise, and any gaps along with how you will address these gaps.

Project team

In the table provided, identify key members of your project team and attach their resumés, or documents/descriptions that list their professional qualifications and experience. The table should include at least one member of the lead applicant's project management team. If your project is sponsored or championed by a municipal elected official, include them as well.

If some project team members have yet to be assigned or contracted, you may add the position to the project team and under **Name** put "to be assigned" or "to be determined," including the anticipated **Job Title** and their **Role** in the initiative.

We strongly recommended that you attach an organizational chart that illustrates the project team's structure. Please be sure to include all key internal and external team members.

Key stakeholders

Describe the key municipal and external stakeholders involved in your program planning, design and implementation, where relevant (i.e., those who were or will be involved in the work or affected by the outcomes). Then describe each stakeholder's roles or potential roles in securing broad municipal and community support and uptake; providing program services or financing; and supporting program delivery, operation and performance monitoring.

Key stakeholders may include provincial or territorial agencies, regulators, utilities, building contractors and suppliers, citizen groups, energy advisors, non-profit organizations, financial institutions, homeowner participants, municipal council and staff from various departments (e.g., senior leadership, finance, legal), and others. We recommend that you attach a diagram as a supporting document to illustrate stakeholder relationships (e.g., a stakeholder map).

TIP: If you are considering grid connected measures (e.g., solar photovoltaic) in your community efficiency financing program, engage and inform your local power utility to identify potential grid capacity limitations.

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Please describe how you will ensure that your project team and key program delivery partners (e.g., municipal staff, elected officials, local trades, community-based partners, contractors, financial institutions, energy advisors) have the necessary knowledge, capacity and skills to successfully implement the program and achieve the expected uptake and results. If you have identified any gaps during your market research or program design, please describe how will you work to address those gaps.

Remember that costs for staff training and market-building activities, such as workforce skills development (including training for renovation contractors and energy advisors), are eligible for CEF funding.

NOTE: GMF will be offering successful applicants capacity-building support to help them achieve the best possible results from their funded initiative and to support replication in other communities. Please ask us about how to budget appropriate time and travel costs to participate in CEF Community of Practice meetings with our other funding recipients.

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Describe any activities or materials that will be developed as part of your program, and how they could encourage other municipalities or organizations to implement a similar program elsewhere (e.g., toolkits, business cases, open data). Please also describe any approaches you will take to share your program's results and lessons learned beyond those that may be facilitated directly by GMF. You might mention any conference presentations, coalitions of interested municipalities, partnerships with public- or private-sector organizations, etc.

Financing terms and other features of the proposed program

Explain how each of the points below will be addressed in the financing offer you will make available to participating homeowners. Where relevant, please highlight any preferred lending terms that would improve the affordability and/or general attractiveness of home improvements for residents of the community (e.g., lower interest rates, stacking with utility incentive programs to reduce cost, etc.). The points are as follows:

- Loan underwriting criteria used to evaluate homeowner eligibility (e.g., loan-to-home value ratio, property tax billing history)
- Maximum and minimum funding available per energy upgrade project (e.g., \$40,000 or 10 percent of assessed property value)
- Interest rates and amortization periods
- Administrative charges, if applicable
- Consumer-protection measures (e.g., price control and quality assurance oversight mechanisms)
- Other attractive or innovative features

Financing program process flow

Describe how the funds flow through the program, addressing the following:

- What sources of capital will be used for home upgrade projects?
- How will the funds flow between the program administrator, municipality, delivery agents (e.g., contractors, energy advisors) and homeowners?
- What repayment vehicles will the program use?

We encourage you to add a process diagram as a supporting document.

Program delivery and performance monitoring

Tell us about the key steps and interventions that will occur during the start-up phase and implementation of your program by addressing the following:

- What key milestones are you planning to achieve over the implementation of your program (as reflected in the project workbook's "Capital Budget" tab)?
- What is your approach to marketing and promotions, and how will it help you achieve the targeted level of uptake?
- How will you monitor program delivery and make adjustments as needed throughout program implementation to address challenges as they arise?
- How will you use the EnerGuide home rating system as a platform for data collection and the reporting of energy and environmental benefits?
- NOTE: If you have copies of your requests for proposals or consultants' reports/ proposals, please attach them in this section.

Program benefits

As best as possible, tell us about the actual or potential environmental, economic and social benefits that you expect to be realized by your financing program for home energy upgrades.

Environmental benefits

In the text box, describe the direct energy and greenhouse gas (GHG) reduction benefits you expect to achieve with the implementation of your program. **Please also make sure to**

complete the "Environmental Benefits" tab in the project workbook to quantify the energy consumption savings (GJ/year), GHG emissions reductions ($tCO_2e/year$), and any renewable energy generation (GJ/year) expected over the course of your **FCM-funded program**. These should reflect the anticipated level of uptake and eligible measures of the proposed program. If your estimates differ significantly from what is calculated in the project workbook, you may explain your calculations and assumptions in your response.

Notwithstanding the energy efficiency focus of the program, initiatives that generate additional quantifiable environmental benefits (e.g., water conservation, EV chargers) and other qualitative environmental benefits (e.g., improved air quality, climate change resiliency) will be evaluated more favourably.

You are required to monitor and report on the environmental performance of the program. Beyond using the EnerGuide home rating system for direct energy and GHG reduction benefits, describe how you will track and measure your other indicated benefits.

Please be sure to attach any reports, uptake benchmarking, energy modelling, GHG reduction calculations, etc., that support your estimated environmental benefits as supporting documents.

TIP: GMF-funded programs require that all participants complete both pre- and post-retrofit EnerGuide home energy evaluations. These evaluations may aid in tracking and measuring some of these indicators. Consider this while completing this section.

Social and economic benefits

Describe the social and economic benefits you expect to achieve with the implementation of your program. These might include the following: job creation in the home-energy sector (measured in full-time-equivalent positions); number of contractor trainings and the number of attendees at these trainings; other types of skills training; energy bill savings (\$/year); new partnerships being established (i.e., formal or informal partnerships with entities such as utilities, contractors, delivery partners, non-profit organizations, different levels of government, etc.); reduced energy poverty at the local level (%); increased tax revenue for the local government (\$); better air quality and health; and improved home comfort of participating households.

Furthermore, if your program is undertaking measures related to equity, please describe the specific elements that you are considering. Equity-related measures could include the following: establishing strong consumer-protection measures; building equity within your procurement practices (for instance, through social procurement practices); ensuring that the program, its services and materials are accessible through different means of communication and in various languages; establishing a separate grant carve-out for low- to moderate-income households; and more.

Initiatives that intend to track and measure these indicators will be evaluated more favourably.

Please be sure to attach reports, benchmarking, financial modelling, or anything else that shows your estimated social and economic benefits as supporting documents.

Program implementation risks

Describe the biggest risks and challenges you expect to face during the implementation of your financing program, and how your program will mitigate each of these risks. In the application form, you must respond to the risks already identified that are common to most home energy retrofit financing programs. If you are aware of any other risks to your program, you are strongly encouraged to add them and describe how they will be addressed.

Budget and workplan

In addition to your application in the funding portal, you will be sent a separate project workbook file to complete and upload with other required documents. You'll use the workbook to provide information on the environmental benefits, budget, timeline and sources of funding for your proposed initiative. Please complete the project workbook by following the instructions in it. As you're filling in the workbook, it's helpful to keep in mind the following questions:

- Are the anticipated total number of participating homes calculated over a two-to-four-year CEF-funded program implementation period? *Note: If some projects are expected to complete deep energy retrofits and solar PV, you would count these under both measure categories. In other words, the total number of project upgrades can be greater than the total number of participating homes.*
- Is the budget complete and does it reflect the full scope of the proposed initiative as described in the application form?
- Does the budget represent good value for money based on the described deliverables? Are costs reasonably broken out and explained?

- Have I used the "cost categories" column to define who will be completing each task where relevant? For example:
 - For lead applicant staff time, select *"Staff remuneration"*
 - For tasks to be paid out to consultants and other service providers, select "Services"
 - For non-lead applicant staff time to be provided from partners, select "*In-kind*" and place in the ineligible column
- Are the timelines reasonable to complete the initiative?
- Do the sources of funding match my confirmed funding letters and have I properly explained any unconfirmed sources in the Financing Program Process Flow section of the application form?

Quebec municipal applicants, please note:

There is a slightly different process for Quebec municipal applicants.

The pre-application needs to be downloaded and submitted by your municipality to the Ministère des Affaires municipales et de l'Habitation (MAMH).

The ministry will determine if your proposed project complies with Quebec policies before issuing an "Avis Favorable." GMF may not contact the applicant until MAMH provides its compliance decision.

Please visit www.mamh.gouv.qc.ca for more information. GMF may provide some assistance if needed. Municipal corporations and not-for-profit organizations do not need to submit application forms to MAMH.

Declaration and signature

In the declaration and signature section, simply type in the information of the person with the appropriate signing authority from the lead applicant organization.

Note: Only the application contact can submit the application form. The application contact must ensure they have permission to submit the application on behalf of their organization. Consultants working with a lead applicant to prepare this application cannot sign this declaration or submit this form.

Ready to submit your application?

Ensuring your submission is complete with all supporting documents will reduce processing time. Please make sure you have uploaded the required supporting documents (see **Appendix A: "Required documents"**).

Here are some tips for completing the submission process:

- The portal will let you know if all sections of the form have been properly completed. You will not be able to submit until all the required information has been provided.
- When everything is ready, you will see that the submit button is available, which means you are ready to submit your application.

Need help or have suggestions to improve this guide?

If you're having trouble completing your application or uploading your files, or simply have some questions, please contact us at **gmfinfo@fcm.ca** or 1-877-417-0550.



Appendix A: Required documents

Documents required at the pre-application stage are indicated with the following icon 🛞

TIP: Please add to each document's title the application section (e.g., environmental benefits, etc.) that the document supports and reference specific pages in supporting documentation in your application. This will help ensure staff and peer reviewers are best positioned to evaluate your application.

TABLE 8: Required documents		
Application category	Documents	
All applications	 Complete pre-application form & Completed full application form Project workbook A community energy, sustainability or climate action plan, or similar, that identifies energy efficiency and renewable energy in the residential sector as a priority area for action Project team organizational chart and resumes Evidence of municipal support: resolution from council or letter of support signed by the Mayor on behalf of council, or by the chief administrative officer or city manager, describing the municipality's commitment to this application A letter from each confirmed funding source specifying the amount of cash contributed and/or the value of any staff time or in-kind contributions to the study or program (see Appendix C in this application guide) Letter of confirmation of consultation with your provincial or territorial government¹ 	

¹ Consultation with the provincial or territorial government for municipal lead applicants is a requirement of FCM's funding agreement with the federal government. A template consultation letter is provided in Appendix C. For Quebec municipal applicants, the consultation with MAMH prior to the submission of the pre-application is sufficient to meet the provincial consultation requirement. However, third-party applicants working in collaboration with a Quebec municipality must submit this consultation letter to the relevant provincial ministry.

Application category	Documents
Additional information required for program design studies	 A completed feasibility study, or equivalent, that recommends one or more financing models for detailed program design
Additional information required for program evaluation studies	 Documented results from at least one year of implementation of an existing program
Additional information required for capital and pilot programs	 Evidence of having completed detailed program design work Proof that you have legal authority to pursue the proposed initiative² For PACE and on-bill financing, a municipal program enabling by-law, resolution, or equivalent, that authorizes the use of the specified financing mechanism in accordance with relevant provincial or territorial legislation A municipal borrowing by-law or resolution, or a Board resolution, that authorizes your organization to borrow the requested loan amount from FCM. <i>Note: not required with your application but required if approved for funding.</i> Audited financial statements for the last three years New Brunswick municipalities (other than the City of Saint John): evidence that you have obtained the New Brunswick Municipal Capital Borrowing Board's authorization to borrow funds Nova Scotia municipalities: evidence that you have obtained the Minister of Service Nova Scotia and Municipal Relations' authorization to borrow funds Guebec municipalities: evidence that you have obtained the reglement d'emprunt issued by the Minister des Affaires municipales et de l'Habitation (MAMH) British Columbia municipalities: evidence of consultation with the Municipal Finance Authority of BC
Additional information required for municipal partner applicants	 Constating documents³ Image: A signed agreement between the partner organization and the participating municipality or municipalities highlighting the contractual obligations of all parties Image: Signed letter from your organization's chief executive officer confirming your level of commitment, and giving evidence of your board of directors' support for the proposed initiative and GMF funding application Image: A complete wire diagram of the corporate structure (including sponsors, shareholders, borrowers, guarantors, and their material subsidiaries)

FCM reserves the right to request additional information at any time.

² If this proof of legal authority is a letter from your province or territory, you may also use this letter to satisfy the provincial/territorial consultation letter requirement.

³ Founding articles of incorporation of the Lead Applicant, in order to ensure eligibility.



Appendix B: Eligible costs table

This table outlines the costs that can and cannot be funded by FCM. **Please pay particular attention to any costs that may be ineligible.**

TABLE 9: Eligible and ineligible costs		
Section A: Costs incurred prior to date application received by FCM		
Cost category	Eligible costs	Ineligible costs
Pre-application	Costs to prepare the GMF application, including inserting information into the project workbook, incurred up to 90 days prior to the full application receipt date. Note a maximum of \$5,000 can be assigned to these task(s).	All other costs incurred prior to the full application receipt date, including any stakeholder engagement or research that took place to support the writ- ing of the full application or insertion of information into the project workbook

Section B: Costs incurred after date full application received by FCM		
Cost category	Eligible costs	Ineligible costs
Administrative	 Administrative costs that are directly linked to and have been incurred for the project, such as: communication costs (e.g. long-distance calls or faxes) permits or certifications required for the project printing or photocopying by outside suppliers acquisition of documents used exclusively for the project document translation For capital and pilot programs only: business systems and tools, such as information technology products (software and hardware) needed to support communications, application intake, renovation contractor management and oversight, accounting, and reporting 	Office space, supplies and general overhead costs incurred in the ordinary course of business
Advertising	 Advertising costs essential to communicating the project to the public, such as: advertising development media distribution website development 	Advertising costs for general education or publicity that is a result of ongoing or other business activity and not a specific requirement of the project, such as: • promotional items
Audit (capital programs only)	The cost of a financial audit for the program if required by FCM	N/A

Section B: Costs incurred after date full application received by FCM

Cost category	Eligible costs	Ineligible costs
Capital (capital and pilot programs only)	 Capital costs as defined and determined in accordance with generally accepted accounting principles (GAAP) Any costs associated with a qualifying home upgrade project, including: costs for acquiring, developing, constructing, modernizing or leasing systems (equipment, hardware, software, etc.). costs of construction, renovation or modernization of facilities and structures such as materials and installation costs costs directly related to upgrading the energy performance of an existing residential building such as equipment, materials and labour costs the Provincial/Harmonized Sales Tax and the Goods and Services Tax which the homeowner must pay cost of performing pre- and post- home energy assessments Note: Up to 30 percent of GMF funding is eligible for other home improvements such as water conservation, climate resilience and health and safety improvements prioritized by a municipality. This 30 percent non-energy improvement cap is applied to the individual home upgrade project.	 purchase or lease of real property home upgrades that are not permanently affixed to the property debt service costs paid by homeowners
Equipment rental	Rental of tools or equipment related to the project	Rental of tools or equipment related to ongoing or other business activities
Meetings and public gatherings	Costs related to meetings and public gatherings that communicate the project to the public and that collect feedback, such as: facility rental audiovisual equipment rental public surveys 	 Any hospitality expenses such as: food and drink alcohol door prizes entertainment music decorations, flowers, centerpieces, etc.

Cost category	Eligible costs	Ineligible costs
Services	Fees for professional or technical consultants and contractors	Costs for engineering studies, audit studies or feasibility studies for which grants or contribu- tions are provided by or committed to be provided by any program of the Government of Canada
Staff remuneration	 Daily rates actually paid by the Eligible Recipient (Lead Applicant) to its employees (including permanent and contract employees) in Canada for time actually worked on the implementation of the project (including staff time to participate in FCM-led capacity-building activities related to community financing programs for home energy upgrades). The daily rate per employee shall include the following costs: direct salaries: actual and justifiable sums paid by the Eligible Recipient to employees in accordance with the Eligible Recipient to employees in accordance with the Eligible Recipient's pay scales as regular salary excluding overtime pay and bonuses fringe benefits: in accordance with the Eligible Recipient's policies and as detailed in this column under "Time-off Benefits" and "Paid Benefits" prorated to the annual percentage (%) of time actually worked on the implementation of the project: allowable number of days to be paid by the Eligible Recipient for the following payable absences: statutory holidays, annual vacation Paid benefits: actual sums paid by the Eligible Recipient for paid benefits (prorated to the annual percentage (%) of time actually worked on the implementation of the Project): the Eligible Recipient's contribution to employment insurance and workers' compensation plans (where applicable), health and medical insurance, group life insurance or other mandatory government benefits Note: For private (for-profit) entities only, as determined by FCM, the value of total staff remuneration cannot exceed 10 percent of the program's eligible costs. 	 overtime pay bonuses/ performance pay fringe benefits such as sick days, maternity leave, parental leave, pension plan and any other fringe benefits not listed as eligible costs related to ongoing or other regular business activities and not specifically required for the project staff wages while receiving train- ing or attending learning events professional membership fees or dues staff remuneration for which a grant or contribution are provided by or com- mitted to be provided by FCM—this includes funding provided or committed through Climate Change Staff Grants from FCM's Municipalities for Climate Innovation Program

Cost category	Eligible costs	Ineligible costs
Supplies and materials	Supplies and materials that are specifically needed to undertake the project	Costs related to ongoing or other business activ- ities that are not a specific requirement of the project
Transportation, shipping and courier charges	Transportation costs for delivery of materials and services essential for the project	Any transportation expense related to ingoing or other business activities
Travel and accommodation	Travel and project-associated expenses for staff and consultants, to the extent that the travel and accom- modation rates comply with Treasury Board of Canada guidelines and to the extent the travel is necessary to complete the project—including travel and accommo- dation costs to attend CEF capacity-building activities organized by FCM	 travel, accommodation and fees to attend conferences, missions, trade shows, etc. travel and associated expenses of a partner in the project
Taxes	The portion of taxes for which your organization is not otherwise eligible for rebate	The portion of taxes for which your organization is eligible for rebate (provincial, territorial or federal)
In-kind	N/A (Please note that Lead Applicants can include staff time costs for time actually worked on the implementation of the project and list this as "Staff Remuneration." See "Staff Remuneration" category above.)	Any goods and services that are received through donation or in-kind
Training	 staff training necessary for the successful design and implementation of the program. costs associated with market-building activities such as renovation contractor training, workforce skills development and energy advisor training 	N/A
Loan loss provision (capital programs only)	A portion of costs related to default or delinquent payment as approved by FCM	N/A
Rebates and incentives (capital programs only)	Direct rebates and incentives for equipment and materials for home upgrade projects that qualify under the program	Interest rate buy downs



Appendix C: Sample letters

Sample letter confirming consultation with provincial/territorial government

[Insert Lead Applicant letterhead]

[Date]

[Municipal Affairs contact]

[Municipal Affairs department address]

Re: [Consultation with provincial/territorial government for GMF application]: [initiative title], [name of lead municipality]

Dear [name of contact],

[Lead applicant organization name] is submitting an application to the Federation of Canadian Municipalities' (FCM) Green Municipal Fund for the above-mentioned [project type].

As part of the application process, FCM requires the Lead Applicant to supply evidence of consultation with the provincial/territorial government about the initiative [**STUDIES**: to avoid potential conflicts with other provincial/territorial funding sources or policies. Regulatory issues do not need to be addressed at this time, as they are addressed through compliance clauses in the funding agreement of approved applications.] [**IMPLEMENTATION PROJECTS**: to demonstrate that the applicant has the legal authority to pursue [the PACE financing or third-party lending model] described in the overview of this application package.]

[**STUDIES:** We are sending this letter to initiate the required consultation. Please review the attached application and advise us if there is any potential conflict with provincial/territorial funding or policy.]

[**CAPITAL PROGRAMS:** We are sending this letter to provide proof that as the applicant to GMF, we have the legal authority to pursue the [PACE financing or third-party lending model].]

[**STUDIES:** If we do not receive correspondence from you within 90 days, we will assume that no such conflicts exist.]

Yours sincerely,

[Lead applicant contact]

Encl.

Sample letter from confirmed funding sources for GMF

[Insert letterhead of contributing organization]

[Date]

Green Municipal Fund Federation of Canadian Municipalities 24 Clarence Street Ottawa, Ontario K1N 5P3

Re: Confirmation of financial contribution for GMF application: [initiative title], [name of lead municipality]

To whom it may concern,

This letter is to confirm that [name of organization] will make a cash contribution of [\$XXX] and/or a staff remuneration contribution of [\$XXX]⁴ to undertake the financing initiative mentioned above and for which funding is requested from the Green Municipal Fund.

Yours sincerely,

[Authorized person and title]

[Name of contributing organization]

⁴ Please note that only the Lead Applicant can claim staff remuneration as an eligible cost.



Appendix D: List of sample eligible measures in local financing initiatives

To support those planning local programs in creating the list of measures that will be eligible under their program, CEF offers a sample list as a guideline.

TABLE 10: Sample energy-efficiency and renewable energymeasures that could be eligible under a local program	
Measure category	Measure type
Building envelope	 air sealing* attic insulation* basement insulation* exterior wall insulation*
Heating, ventilation and air conditioning (HVAC)	 air-source heat pump* attic fan biomass/wood stove boiler* ceiling fan* central air conditioner* duct replacement duct sealing evaporative cooler furnace* geothermal heat pump* heat/energy recovery ventilator hydronic radiant heating system mini-split air conditioner* mini-split heat pump* programmable thermostat* ventilation fan* whole-house fan wi-fi thermostat*

Measure category	Measure type
Lighting	lighting controllighting fixture*
Pool equipment	 automatic pool cover electric heat pump pool heater gas pool heater pool pump*
Water heating	 drain water heat recovery electric heat pump storage water heater* gas storage water heater* gas tankless water heater* hot water delivery system
Windows, doors and skylights	 exterior door* exterior window shading device skylights and tubular daylight device* window*
Solar electric	solar invertersolar panel
Solar thermal	solar pool heatersolar water heater*
Other	 energy storage system electric vehicle charging station*

*Denotes products that are evaluated by ENERGY STAR[®].