

# CLIMATE ACTION INCENTIVE FUND FOR SCHOOLS

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## OVERVIEW OF CLIMATE ACTION INCENTIVE FUND

The Climate Action Incentive Fund (CAIF) is a new proposed program designed to meet Canada's commitment to returning all proceeds collected from the fuel charge under the federal price on pollution back to the jurisdiction of origin. Subject to passage of the Budget Implementation Act and subsequent specifications by the Minister of Finance, this program will be available in the provinces of Saskatchewan, Manitoba, Ontario, and New Brunswick, where the federal price on pollution came into effect on April 1, 2019. Funding will be provided to support projects and measures that decrease energy usage, save money and reduce greenhouse gas (GHG) emissions.

The CAIF has three funding streams to support projects and measures undertaken by small and medium-sized enterprises (SMEs), municipalities, universities and colleges, schools, hospitals ("MUSH sector"), and not-for-profit organizations. These are:

- the SME Project stream, which is expected to launch in July 2019 to support SMEs;
- the Rebate stream, which is expected to launch in July 2019 to support SMEs and non-profit organizations; and
- **MUSH Retrofit stream with a focus on school for the 2019–2020 intake, which is the focus of this annex.**

Funding support specifically for Indigenous communities will be provided through separate federal programming.

## MUSH RETROFIT STREAM

### 1. Overview

- The MUSH Retrofit stream will provide funding to municipalities, universities/colleges, schools, and hospitals to help them make energy efficiency improvements and retrofits to reduce energy use, costs, and GHG emissions.
- In the current fiscal year (2019–2020), the funding for this stream will focus on supporting energy efficiency and retrofit projects in schools.
- Starting in 2020–2021, in addition to schools, funding is expected to be made available for municipalities, universities/colleges, and hospitals. Discussions about how best to invest this funding will occur over the coming months.
- Estimated funding available for schools are as follows:

Jurisdiction	Allocation in 2019-2020
Saskatchewan	\$12,004,000
Manitoba	\$5,383,000
Ontario	\$40,869,000
New Brunswick	\$2,017,000
Total	\$60,273,000

## 2. Program Delivery Approach for Schools

- Environment and Climate Change Canada (ECCC) plans to enter into funding agreements with provinces, which will in turn flow funds to schools through school boards to undertake eligible projects.

## 3. Formula for Funding Allocation

- Allocations for schools will be determined using a base level of 25 percent of the total funding being allocated evenly to each school board with the remaining 75 percent allocated on a per student basis.

EXAMPLE: A total of \$2M is available in a province. 10 school boards and a total student population of 100,000 students will be calculated as follows:

- each school board will receive a base amount of \$50,000 (25 percent of the \$2M allocation divided between the 10 boards); and
- the remaining \$1.5M will be allocated on a per student basis to each school board.

## 4. Project Identification and Approval

- School boards will be responsible for identifying and prioritizing projects for funding. Provinces will submit eligible projects from school boards to ECCC for approval using the template provided by ECCC.

### Eligible Project Categories and Sample Activities

#### 1) Building energy efficiency retrofits

- Enhancements to building envelope (with direct energy savings), including energy efficient windows/doors/skylights, increased insulation, weatherproofing and glazing
- Energy efficient lighting system
- Heating, ventilation, and air conditioning systems/controls
- Water heating retrofits, including high efficiency condensing water heating
- High efficiency motors and controls
- Energy management controls, including building automation systems
- Fuel switching to cleaner energy sources in existing buildings

#### 2) Electricity, energy or fuel production

- District energy (heating and/or cooling)
- Combined heat and power for own use
- Renewable energy systems (e.g. solar photovoltaic, wind energy, micro-hydro) on-site and for own use.

## 5. Cost Sharing and Federal Stacking

- Canada will provide up to 40 percent of total eligible costs of the project. Funding recipients will continue to be bound by the stacking rules of other federal programs.
- There is no requirement for provincial governments to match the federal funding.

## 6. Reporting and Payments

- Provinces will be required to submit reports on progress, and final reports at the end of projects, which must be no later than March 31, 2021.
- The funding agreement between the Government of Canada and provinces will set out the terms of payments.