

Ministry of Education

Office of the Assistant Deputy Minister
Capital and Business Support Division

15th Floor
315 Front St West
Toronto ON M7A 0B8
Tel.: 416 212-9675
Fax.: 416 325-4024
TTY: 1-800-268-7095

Ministère de l'Éducation

Bureau du sous-ministre adjoint
Division du soutien aux immobilisations et aux
affaires
15^e étage
315, rue Front ouest
Toronto ON M7A 0B8
Tél. : 416 212-9675
Télééc. : 416 325-4024
ATS : 1-800-268-7095

2020: B26

DATE: December 18, 2020

MEMORANDUM TO: Directors of Education

FROM: Didem Proulx
Assistant Deputy Minister
Capital and Business Support Division

Re: **Intake Request for Funding through the Federal Climate Action
Incentive Fund (CAIF)**

I am writing to let you know that through the Government of Canada's Climate Action Incentive Fund (CAIF), the Federal government will provide up to \$40.9 million in funding to support energy efficient improvements and retrofits to schools in Ontario to reduce energy consumption, utility costs and carbon pollution in Ontario.

CAIF is a time-limited, cost-matching program for eligible and approved expenditures incurred by school boards between **May 15, 2020 and March 31, 2021**. Projects must be approved as eligible by the federal government prior to reimbursement and eligible projects must be completed by March 31, 2021.

Please see the attached appendices for details about the program. Please submit the attached template (Appendix F) to the Ministry of Education by **January 15, 2021** as the ministry needs to review, finalize and send project packages to the federal government by January 29, 2021. This is to ensure that the federal government can review and approve projects by the March 31, 2021 deadline. Through the program intake, school boards should submit project proposals to be funded within their preliminary CAIF allocations for approval by the Federal government, and identify additional projects similar in nature to address program requirements.

.../2

The ministry will communicate to school boards details of approved projects and budgets when available.

Thank you for your ongoing cooperation. If you have any questions or require additional information, please contact:

Hitesh Chopra, Manager Capital Policy Unit 416-258-3368 Hitesh.chopra@ontario.ca	Andrea Dutton, Director Capital Policy Branch 416-325-1705 Andea.Dutton@ontario.ca
---	--

Sincerely,

Original signed by:

Didem Proulx
Assistant Deputy Minister
Capital and Business Support Division

cc: Senior Business Officials
Board Facilities Managers

Appendix A: Climate Action Incentive Funding (CAIF)

Program Overview

CAIF supports the federal government's commitment to return proceeds from the federal carbon pricing system to its jurisdiction of origin. The federal carbon tax was introduced to Ontario in 2019 through the *Greenhouse Gas Pollution Pricing Act* (Canada).

The objectives of CAIF are to reduce energy usage, achieve cost savings, and reduce greenhouse gas emissions. The first phase of the municipalities, universities, colleges, schools and hospitals (MUSH) Retrofit Stream is intended to provide funding for energy efficient retrofit projects in schools.

CAIF is a time-limited, cost-matching program for eligible and approved expenditures incurred by school boards between **May 15, 2020 and March 31, 2021**. Projects must be approved as eligible by the federal government prior to reimbursement and eligible projects must be completed by March 31, 2021. School board allocations cannot be carried forward beyond the program end date.

Please submit the attached template (Appendix F) to the Ministry of Education by **January 15, 2021** as the ministry needs to review, finalize and send project packages to the federal government by January 29, 2021. This is to ensure that the federal government can review and approve projects by the March 31, 2021 deadline.

Program Scope

Eligible facilities are board-owned elementary and secondary schools that are expected to remain open and operating for a minimum of five years from December 31, 2021.

Projects must decrease energy consumption, reduce energy costs and/or reduce greenhouse gas emissions to be considered eligible. Eligible expenditures include those that support the replacement, renewal and installation of new energy efficient building components, which include: energy efficient lighting systems, HVAC systems/controls, solar photovoltaic and electric vehicle charging stations (on site and for own-use), and other pre-defined enhancements to the building envelope. Any product or equipment that is being proposed to be funded under this program (for renewal / replacement) should be of higher energy efficiency than what is being replaced.

See Appendix B for a list of qualifying items that can be funded through this program.

Program Requirements

The federal government the following to be met by the province under this program:

- **Matching Requirement:** for every dollar provided by Canada, an additional \$1.50 must be spent by school boards (using existing School Condition Improvement and/or School Renewal Allocation funding) towards retrofit projects that will reduce energy use, energy costs, and/or greenhouse gas emissions in such schools; and
- **Non-Urban Spending:** 25% of federal funding must be directed to non-urban areas (non-urban areas have a population of less than 100,000 people).

School Board Allocations

School board allocations have been derived using the required federal funding formula:

- Each school board receives an equal base allocation totalling twenty-five percent (25%) of federal funding; and
- The remainder of the federal funding is allocated to each school board on a per pupil basis.

Note that, to maximize federal funding, school boards' allocations could be reallocated in instances where boards submit eligible project expenses less than their allocation.

Please see Appendix C for school board initial allocations. Final funding amounts will be provided once board projects have been confirmed and approved.

Program Intake

To ensure federal program requirements are met at a provincial level, please submit all eligible projects to the ministry that have been or will be undertaken and completed between May 15, 2020 and March 31, 2021. School boards are to submit this information using the requested template by January 15, 2021 (please see Appendix F).

- Completed templates must be signed by the Director of Education to confirm that all project expenditures are eligible to be funded under the CAIF.
- Template submission deadline: January 15, 2021
- Send to: Jacqueline.Chan@ontario.ca

Projects funded under CAIF must be approved for eligibility by the federal government. Final board allocations will be provided once the projects have been reviewed / confirmed by the province and the federal government. Expenditures determined to be ineligible by the province or federal government will need to be covered through school board renewal funds. There will be no additional provincial funding to offset ineligible expenses or to assist boards in meeting the matching requirement. School boards are expected to manage with existing funds.

Additional federal program requirements can be found in Appendix D. All school boards are required to adhere to these requirements.

Communications Protocol

School boards are reminded to follow the federal government's communications protocol requirements for all CAIF-funded projects as outlined in Appendix E.

Appendix B: Eligibility Criteria

Eligible project categories are identified below.

- Being identified on the list below does not mean that a project is automatically eligible for funding. All projects must be reviewed and approved by the federal government.
- Any product or equipment that is being proposed to be funded under this program (for renewal / replacement) should be of higher energy efficiency than what is being replaced.
- Projects that may not be listed below, but support the objectives of this program, can be submitted for review and consideration.

Project Category	Eligible Components
Building Retrofits: - Increased wall and roof insulation - Energy efficient windows / doors / skylights	Energy Efficient Windows / Doors / Skylights (e.g. lower thermal conductivity fenestration)
	Increased Wall & Roof Insulation (with increased air tightness)
	Roof replacement (must increase insulation to be eligible)
Energy efficient lighting system	High Efficiency Lighting Systems (e.g. LED), including Controls and Sensors
Replacement, renewal and installation of new heating, ventilation, and air conditioning systems / controls	Building Automation Systems
	Chillers
	Controls for Entrance Heaters
	Demand Ventilation
	Economizers
	Energy Efficient Ventilation
	Ground Source Heat Pump (Geothermal)
	Air/Water Source Heat Pump
	Heat Recovery / Enthalpy Wheels for Ventilation
	High Efficiency Boilers & Furnaces
	High Efficiency Boiler Burners
	High Efficiency Domestic Hot Water
	High Efficiency HVAC Systems
	High Efficiency Rooftop and MUA units
	High Efficiency Motors
	Variable Frequency Drives
	Voltage Harmonizer
Real time energy monitoring	Will only be considered if part of an eligible energy reducing system. Stand-alone installations will not be considered.
Electric vehicle charging stations on site and for own-use	Electric Vehicle Charging Stations

Project Category	Eligible Components
Fuel switching to cleaner energy sources in existing buildings	Must reduce greenhouse gas emissions to be eligible (for ex. switching from natural gas to electricity (but not the reverse))
Refrigerant replacement	Capital costs involved in replacing and/or upgrading refrigeration systems to decrease leakage or enable use of refrigerants with lower global warming potential
Electricity, energy or fuel production including: <ul style="list-style-type: none"> - 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 	Solar Air & Water
	Various Solar Photovoltaic
Low-emission fuel production	Projects that involve the production of low carbon fuels (like biogas, captured landfill gas, etc.) for use within the school's own operations
Commissioning / Retro-commissioning (as part of a capital project)	

Appendix C: School Board Initial Allocations

Board ID	Board Name	Allocation (\$)
1	DSB Ontario North East	238,490
2	Algoma DSB	281,884
3	Rainbow DSB	337,488
4	Near North DSB	285,470
5A	Keewatin-Patricia DSB	207,593
5B	Rainy River DSB	175,150
6A	Lakehead DSB	269,646
6B	Superior-Greenstone DSB	160,816
7	Bluewater DSB	392,815
8	Avon Maitland DSB	368,630
9	Greater Essex County DSB	695,305
10	Lambton Kent DSB	461,859
11	Thames Valley DSB	1,339,645
12	Toronto DSB	3,836,509
13	Durham DSB	1,229,608
14	Kawartha Pine Ridge DSB	638,299
15	Trillium Lakelands DSB	387,297
16	York Region DSB	2,058,524
17	Simcoe County DSB	939,884
18	Upper Grand DSB	664,483
19	Peel DSB	2,513,649
20	Halton DSB	1,130,439
21	Hamilton-Wentworth DSB	899,897
22	DSB of Niagara	713,257
23	Grand Erie DSB	530,912
24	Waterloo Region DSB	1,122,674
25	Ottawa-Carleton DSB	1,258,923
26	Upper Canada DSB	533,749
27	Limestone DSB	433,334
28	Renfrew County DSB	275,429
29	Hastings and Prince Edward DSB	363,888
30A	Northeastern Catholic DSB	175,547
30B	Nipissing-Parry Sound Catholic DSB	181,696
31	Huron-Superior Catholic DSB	206,062
32	Sudbury Catholic DSB	234,366

Board ID	Board Name	Allocation (\$)
33A	Northwest Catholic DSB	160,208
33B	Kenora Catholic DSB	161,177
34A	Thunder Bay Catholic DSB	253,698
34B	Superior North Catholic DSB	150,700
35	Bruce-Grey Catholic DSB	211,027
36	Huron Perth Catholic DSB	211,965
37	Windsor-Essex Catholic DSB	452,138
38	London District Catholic School Board	464,873
39	St. Clair Catholic DSB	274,287
40	Toronto Catholic DSB	1,512,535
41	Peterborough V N C Catholic DSB	367,257
42	York Catholic DSB	933,041
43	Dufferin-Peel Catholic DSB	1,335,457
44	Simcoe Muskoka Catholic DSB	473,258
45	Durham Catholic DSB	469,323
46	Halton Catholic DSB	695,474
47	Hamilton-Wentworth Catholic DSB	589,790
48	Wellington Catholic DSB	262,517
49	Waterloo Catholic DSB	500,938
50	Niagara Catholic DSB	453,429
51	Brant Haldimand Norfolk Catholic DSB	298,058
52	Catholic DSB of Eastern Ontario	338,998
53	Ottawa Catholic DSB	809,052
54	Renfrew County Catholic DSB	215,612
55	Algonquin and Lakeshore Catholic DSB	316,325
56	CSD du Nord-Est de l'Ontario	174,105
57	CSP du Grand Nord de l'Ontario	181,094
58	CS Viamonde	338,840
59	CÉP de l'Est de l'Ontario	391,847
60A	CSD catholique des Grandes Rivières	227,326
60B	CSD catholique Franco-Nord	182,721
61	CSD catholique du Nouvel-Ontario	240,515
62	CSD catholique des Aurores boréales	154,877
63	CS catholique Providence	294,864
64	CS catholique MonAvenir	403,262
65	CSD catholique de l'Est ontarien	297,208
66	CSD catholique du Centre-Est de l'Ontario	527,987

Appendix D: Program Requirements

Commitments

School boards will:

- Notify the Ministry of Education, as soon as school boards become aware of any fact or event that may compromise or delay wholly, or in part, any approved project or supporting matching project.
- Take full responsibility for any unapproved expenditures and costs overruns related to the projects.
- Be responsible for repaying Canada any and all ineligible or disallowed costs, surpluses, unexpended funding, and overpayments within forty-five (45) days.
- Provide access to Canada to the project site(s) associated with approved projects to conduct site visits upon Canada giving school boards reasonable notice of the visit, which notice shall not be less than fourteen (14) days.

Procurement

Awarding of Contracts

- School boards shall ensure that any contract awarded in connection with the implementation of a project is carried out in a fair, transparent and competitive manner, consistent with value for money principles and school board procurement rules, directives, policies or other applicable instruments, and if applicable, in accordance with any domestic and international trade agreements.
- If it is determined that a contract is awarded in a manner that is not in compliance with the foregoing, Canada or Ontario may consider the expenditures associated with the contract to be ineligible.

Contract Provisions

- School boards shall keep proper and accurate financial accounts and records, including but not limited to its contracts, invoices, statements, receipts, and vouchers, in respect of any aspect of their projects for at least six (6) years (starting December 31, 2021) and that Ontario or Canada has the right to audit them;
- All applicable labour, environmental, and human rights legislation are respected; and
- Canada, the Auditor General of Canada, Ontario, the Auditor General of Ontario, and their designated representatives, to the extent permitted by law, shall, at all times, be permitted to inspect the terms and conditions of a contract and any records and accounts respecting any aspect of their project including free access to offices on reasonable notice during regular business hours and any documentation relevant for audit purposes.

Audit Requirement

- Ontario or Canada may ask school boards for supporting documents such as detailed invoices or any other documents required for all costs that are claimed to have been incurred as eligible expenditures in relation to this program.
- Canada and/or Ontario reserves the right to undertake any audit in relation to this program at its expense.
- School boards agree to inform Ontario of any audit that has been conducted on the use of funding under this Agreement, provide Ontario with all relevant audit reports, and ensure that prompt and timely corrective action is taken in response to any audit findings and recommendations.

Project Approval

School boards shall submit a list of projects for approval. Each project identified shall include, at a minimum, the following information:

- a) a unique project identifier;
 - b) name of school board;
 - c) name of the school;
 - d) project location;
 - e) project address;
 - f) project title;
 - g) project description;
 - h) total project cost, total eligible cost and a breakdown of all funding sources;
 - i) forecasted project start date and end date;
 - j) eligible project category as per Appendix B;
 - k) whether any part of the project is located on federal/reserve land;
 - l) anticipated energy savings, cost savings and greenhouse gas emission reductions;
 - m) confirmation of asset ownership/governance of the project; and
 - n) description of any risk factors of the project, risk level, and mitigations strategies.
- Ontario and Canada reserve the right to request additional information for review and approval purposes.
 - School boards shall notify Ontario in writing as soon as they become aware of any cancelled, withdrawn project, or changes to the project list, that had been approved by Canada and promptly provide to Ontario a revised Project List for Canada's approval.

Eligible Expenditures

Eligible expenditures, for projects submitted to Ontario and approved by Canada, must:

- be reasonable and directly related to approved projects, as determined by Canada;

- be incurred between May 15, 2020 and March 31, 2021 and relate to projects on the Project List approved by Canada; and
- consist of one or more of the following categories of expenditures:
 - a) costs of acquiring, installing, rehabilitation and improvement of Assets;
 - b) costs of material and supplies;
 - c) professional fees for contracted services, such as accounting, communications, official languages translation, audit, GHG emission reductions and energy savings estimate verification, and results monitoring, measuring and reporting;
 - d) costs of planning and assessment, such as surveying, engineering, architectural supervision, testing, and management consulting services. Canada will only contribute up to a maximum of 5% of its total Program funding to an approved project towards these costs;
 - e) all capital costs, including site preparation and construction costs, only once Canada is satisfied that Canada's obligations, if any, related to applicable federal environmental or impact assessment legislation and Canada's agreements with Indigenous peoples, and the legal duty to consult with, and accommodate, Indigenous peoples have been met;
 - f) costs of performing activities related to an approved project by contractors;
 - g) costs associated with licenses and permits;
 - h) costs of renting or leasing of equipment related to an approved project;
 - i) training costs related to new technologies, equipment, software and systems;
 - j) costs of engineering and environmental reviews, including costs related to an environmental or impact assessment carried out pursuant to applicable environmental or impact assessment legislation, and the costs of mitigation measures, follow-up, and remedial activities identified in an environmental or impact assessment;
 - k) costs related to the consultation of Indigenous peoples, specifically project on the Project List-related consultation activities arising as a result of the Government of Canada's legal duty to consult, where applicable;
 - l) the incremental costs of school board's employees may be included as Eligible Expenditures. Canada will only contribute up to a maximum of 2% of its total Program funding to an approved project towards these costs provided that:
 - 1. School board is able to demonstrate that it is not economically feasible to tender a Contract and clearly demonstrate that there is value for money in using internal employees;
 - 2. the employee is engaged directly in respect of the work that would have been the subject of the Contract; and
 - 3. the arrangement is approved in advance and in writing by Canada.

- m) costs directly associated with joint federal communication activities (e.g. press releases, press conferences, translation) and with Project signage related to funding recognition;
- n) travel expenditures (including the cost of accommodations, vehicle rental and kilometric rates, bus, train, airplane or taxi fares, allowances for meals and incidentals). Canada will only contribute up to a maximum of 5% of its total Program funding to an approved project towards these costs. Of note, travel and per diem expenses cannot be more than the rates and allowances determined in the Travel Directive of the National Joint Council;
- o) provincial/territorial sales tax, goods and services tax, or harmonized sales tax for which Ontario, a school board or a third party is not eligible for a rebate, and any other costs that are ineligible for rebate; and
- p) other costs that, in the opinion of Canada, are considered to be direct and necessary for the successful implementation of an approved project and have been approved by Canada in writing prior to being incurred.

Eligible Expenditures do not include cash-equivalent expenditures associated with In-Kind Contributions.

Ineligible Expenditures:

The ineligible expenditures include, but are not limited to the following:

- a) expenses incurred by school boards as a result of having withdrawn or cancelled a project on the Project List, as well as any legal, auditing or other professional expenses;
- b) expenditures related to developing a business case or proposal for funding;
- c) expenditures related to purchasing land, buildings and associated real estate and other fees, and vehicles;
- d) financing charges and interest payments on loans, including those related to easements and servitudes (e.g. surveys);
- e) legal fees;
- f) allowance for interest on invested capital, bonds, debentures, bank or other loans together with related bond discounts and finance charges;
- g) provisions for contingencies;
- h) premiums for life insurance on the lives of officers and/or directors;
- i) amortization of unrealized appreciation of assets;
- j) depreciation of assets;
- k) fines and penalties;
- l) increase in compensation for officers and employees;

- m) entertainment expenses;
- n) dues and other memberships;
- o) costs of renting or leasing of equipment, except those specified as Eligible Expenditures;
- p) furnishing and non-fixed Assets which are not essential for the operation of the Project or a project on the Project List;
- q) expenditures associated with operating expenses and regularly scheduled maintenance work;
- r) any goods and services which are received through donations or in-kind contributions;
- s) any overhead costs, including salaries and other employment benefits of any employees of a school board, direct or indirect operating or administrative costs of a school board, and more specifically the costs related to planning, engineering, architecture, supervision, management and other activities normally carried out by its staff, except for those costs specified as Eligible Expenditures in d) and l) of this Appendix, above;
- t) all capital costs, including site preparation and construction costs, until Canada is satisfied that Canada's obligations, if any, related to applicable federal environmental or impact assessment legislation and Canada's agreements with Indigenous peoples, and the legal duty to consult with, and accommodate, Indigenous Peoples have been met and continue to be met; and
- u) provincial/territorial sales tax, goods and services tax, or harmonized sales tax for which Ontario, a school board or a third party is eligible for a rebate, and any other costs eligible for rebates.

Disposal of Assets

- Unless otherwise agreed to by Canada, school boards may be required to reimburse Canada any funds received for eligible expenditures related to a project, if at any time within five (5) years from the end date (December 31, 2021) of this program a school board sells, leases, or otherwise disposes of, directly or indirectly, any asset purchased, acquired, constructed, rehabilitated or renovated, in whole or in part, as a result of or in connection with this program, other than to Canada, Ontario, a local government, or with Canada's consent.

Reporting

- The ministry will require additional project details from school boards on approved projects at a later date. It is recommended that school boards keep the following information to ensure that project details can be submitted to the Ministry of Education for review by the federal government.

School boards shall submit an attestation with each report/template to confirm that funding was used to support eligible projects and expenditures.

Title of the project as indicated on the Project List
Fiscal Year of the project progress report
Updated project details
Federal signage installed
Risks and mitigation measures
Energy savings and GHG emissions reduction estimates for the reporting Fiscal Year
Data, underlying assumptions, description of calculations and information to support original estimates and changes to estimates
Detailed description of the activities undertaken and work completed for the reporting Fiscal Year
Progress of actions/work towards completion (%)
Detailed description of the actions/work to be completed in the next Fiscal Year
Explain any changes that would affect the project scope, timeline, budget and estimation for GHG emissions and other outcomes, if applicable.

Note that Canada reserves the right to request project related additional information up to six (6) years following the termination or expiry of this Agreement (six years after December 31, 2021).

Appendix E

CAIF COMMUNICATIONS PROTOCOL

1. Purpose

- a) This Communications Protocol outlines the roles and responsibilities of school boards with respect to Communications Activities related to projects funded under CAIF.
- b) This Communications Protocol will guide the planning, development and implementation of all Communications Activities to ensure clear, consistent and coordinated communications to the public.

2. Joint Communications

- a) Canada and Ontario may engage in Joint Communications about the funding of a project on the Project List (hereinafter referred to as “PPL” for the purposes of this Appendix) and may involve school boards, as appropriate.
- b) Canada, Ontario, and/or school boards may request Joint Communications to communicate to the public about the progress or completion of a PPL. The requestor shall provide at least ten (10) business days’ notice to the other Parties.
- c) If the Communications Activity is an event, it shall take place at a mutually agreed upon date and location. The requestor of the Joint Communications, in this case, shall provide an equal opportunity for the other Parties to participate and choose their own designated representatives.
- d) All Joint Communications material shall recognize the funding of Canada and Ontario, if applicable.
- e) Canada’s communications products related to events must be bilingual and include the Canada wordmark and the other party(ies)’s logos. In such cases, Canada will provide, at its sole cost, the translation services.

3. Individual Communications

- a) Ontario may communicate with school boards to obtain one or more photographs and a description of the work in progress of or a completed PPL, for use by Canada in social media and other digital individual Communications Activities. By sending the photographs, the school board grants the other Parties permission to use its photographs; the school name shall include the PPL name and location with the photographs.

4. Operational Communications

- a) School boards are solely responsible for operational communications with respect to a PPL, including but not limited to: calls for tender, work and public safety notices. Such products should include, where appropriate, the following statement, “This [PPL] is funded in part by the Government of Canada” and the Canada wordmark.

5. Signage

- a) Canada may request a sign recognizing their funding contribution to a PPL. The sign design, content, and installation guidelines will be provided by Canada.
- b) Unless otherwise agreed by Canada, the school boards shall produce and install a physical sign, as appropriate, to recognize the funding of Canada and/or Ontario, as applicable, at each PPL site.
- c) Digital signage may also be used in addition or in place of a physical sign in cases where a physical sign would not be appropriate due to a PPL type, scope, location or duration.
- d) Where school board decides to install a permanent plaque or other suitable marker with respect to a PPL, the plaque or marker must recognize the federal funding and be approved by Canada.
- e) School boards agrees to inform Ontario of sign installations through future progress reports.
- f) Signage should be installed at PPL site(s), be visible for the duration of the PPL, and remain in place for a minimum of one (1) month once the infrastructure is fully operational or in use.
- g) Signage should be installed in a prominent and visible location that takes into consideration pedestrian and traffic safety and visibility.