



Anaerobic Digester Feasibility Studies Funding Program

FUNDING GUIDELINES

May 2024

Regional Development Corporation
Department of Agriculture, Aquaculture and Fisheries
Climate Change Secretariat Department of Environment
and Local Government



Context

New Brunswick's waste management and agriculture sectors are responsible for approximately eight percent of the province's total greenhouse gas (GHG) emissions. Anaerobic digesters are an innovative clean energy solution, not fully established in New Brunswick, that reduce GHG emissions from these sectors and also produce additional benefits to the province.

Anaerobic digesters, also known as bioreactors, are closed systems that use fermentation to break down organic matter (food waste, animal waste, sewerage, etc.) to produce renewable biogas.

This renewable biogas can be used to generate renewable electricity or be upgraded to produce renewable natural gas (RNG) which can be used interchangeably with traditional natural gas (e.g. injected in the natural gas network, used on-site for heat). In doing so, anaerobic digesters reduce GHG emissions from the decay of organic waste in landfills, from replacing fossil fuel-based electricity with renewable electricity and from replacing fossil fuel natural gas with RNG.

Anaerobic digesters also produce a digestate that contains all the nutrients and minerals from the input materials. This digestate can replace synthetic nitrogen-based fertilizers to reduce GHG emissions in the agriculture sector or can possibly be used as livestock bedding.

***Anaerobic digesters reduce GHG emissions from
New Brunswick's waste management and agriculture sectors.
They produce **renewable biogas** and **digestate**.***

Developing anaerobic digesters in the province would offer new clean energy business development opportunities for New Brunswick's waste management and agriculture sectors, create local clean energy jobs, and enhance the province's energy security.

*Anaerobic digesters are **new clean energy business development opportunities** that **create local clean energy jobs** and **enhance energy security**.*

Each potential anaerobic digester project requires a complex and costly feasibility study to determine whether or not a project is technically and economically viable by evaluating the technology, feedstocks, energy production, off-take agreements and business potential.

In order to de-risk and accelerate the development of anaerobic digester projects in the province, the Regional Development Corporation (RDC) in collaboration with the Department of Agriculture, Aquaculture and Fisheries (DAAF) and the Climate Change Secretariat of the Department of Environment and Local Government are providing financial support for Feasibility Studies for Anaerobic Digester Projects.

This initiative shows progress towards government's commitment in Action #14 of New Brunswick's *Climate Change Action Plan 2022-27 - Our Pathway Towards Decarbonization and Climate Resilience* and aligns with New Brunswick's *Strategic Action Plan for Solid Waste Management 2023-2030 - A Roadmap for Transforming Our Waste into Materials for Tomorrow*.

***New Brunswick Climate Change Action Plan Action #14** - Provincial Government **will support** the development of strategic projects (e.g. **anaerobic digesters** and **bioreactors**) by 2027 to produce and utilize **renewable methane** from organic waste, including animal waste and by-products.*

Objectives

This initiative promotes anaerobic digester project feasibility studies.

The funding reduces the financial barriers to study the feasibility of anaerobic digester projects in the province.

Eligibility

Funding to support Anaerobic Digester Feasibility Studies is available to:

- Not-for-profit incorporated organizations;
- Municipalities, Regional Service Commissions and First Nations; and,
- Agricultural Producers.

Funding is available to **study the feasibility of an anaerobic digester project in New Brunswick** with regard to the following aspects:

- **Technical feasibility** of the anaerobic digester project and its connection to the natural gas network or electricity grid, including preliminary engineering work and process or technology evaluations;
- **Economic feasibility**, including analyses and market studies as well as securing inputs;
- Analysis related to the **regulatory** and **legal framework**;
- The assessment of the sustainable management and potential conflicting usage of **anaerobic digester feedstocks** along with potential impacts to agricultural operations; and,
- The **assessment of environmental** (including determination of GHG emission reductions in New Brunswick resulting from the project) and **social impacts** and possible mitigation measures.

Approved projects must be completed within the fiscal year for which they were approved (April 1 to March 31).

Eligible Expenditures

Eligible expenditures are:

- Consultant fees;
- Environmental Impact Assessments;
- Rental or use of equipment or software; and,
- Travel is an eligible expense only if it is directly related to the project and must respect GNB travel policies.

Ineligible Expenditures

The following expenditures are **not eligible** for funding:

- Any expense incurred or purchase order issued before the date of submission to RDC or to DAAF of the application for funding to support Anaerobic Digester Feasibility Studies or after the end date of the study;
- The costs of acquiring or renting land, real estate, easements, rights of way or equipment;
- Cost of licenced vehicles;
- Support of operating costs including wages and salaries;
- Reduction of deficits or the retirement of debts;
- Fundraising campaigns;
- Taxes for which the recipient is eligible for a tax rebate and all other expenditures eligible for rebates;
- Hospitality expenses (for example, alcoholic beverages, meals and gifts);
- Municipal administrative buildings (town halls, garage);
- Funding to any organization that has not complied with the terms of any previous contribution agreement;
- Activities that serve primarily the membership or purpose of religious or political organizations;
- Legal fees;
- Financing charges and interest costs;

- Mergers;
- Volunteer labour costs and any other in-kind contribution;
- Any expenditure not relating to a study or a component of a study aimed at determining the feasibility of the project concerned or aimed at improving the knowledge associated with its feasibility; and,
- Any expense that RDC or DAAF deems unjustified or unreasonable for the purposes of carrying out the study.

Assessment

Applications will be evaluated against the following eligibility and assessment criteria:

The project benefits

- The proposed project benefits, and their value to the province / region, in particular:
 - A description of the study to be carried out and for which the requested funding would be used, including the components that will be analyzed;
 - The results expected from the study to be carried out, including the expected margins of error; and,
 - The list of aspects that will be covered by the study (technical feasibility, economic feasibility, analyses linked to the regulatory and legal framework, environmental impact assessment and social).

The project viability

- The likelihood that the proposed project can be realized / completed as proposed, in particular:
 - The planned timeline for carrying out the study; and
 - The level of progress of the study and its components at the time of submitting the application.

The project sustainability

- The probabilities that the project or the intended effects of the project can be maintained once it has been completed.

The applicant viability

- The state of the operational and financial stability of the applicant.

The applicant capacity

- The management and financial capacity of the client to meet costs associated with the delivery of the project, in particular:
 - The estimated costs of the study and the baselines used to evaluate these costs;
 - The costs must be presented in a broken-down manner, detailing each of the components and related calculations where applicable;
 - For external costs, the baselines must be quotes or service offers accepted, unless this is not possible with justification and supporting demonstration; and,
 - For internal costs, the baselines should be an estimate of professional hours to be worked, including hourly rates and work performed.
 - The financial arrangement for financing the study.

Proposals submitted for assessment are subject to applicable environmental assessment requirements and to the Government of New Brunswick's duty to consult policy where applicable.

The amount of detail and supporting evidence to be provided in an application will be relative to the size, complexity and funding amount requested. Due to limited resources however, projects meeting eligibility criteria may not be approved.

Proposal Process

All proposals will be submitted through the application form and **include one or more documents** detailing all relevant **information required in the eligibility and assessment criteria**.

- **Non-profit, Municipalities, Regional Service Commissions and First Nation governments**
 - Applicants will submit proposals for funding directly to RDC.

- **Agricultural Producers**
 - **ResearchNB** is offering a concierge service for Agricultural Producers to help make successful funding applications and expedite comprehensive feasibility studies.

 - The concierge service will provide hands-on support to Agricultural Producers as they move through the key steps of successful anaerobic digester projects at **no extra cost**.

 - Funding for this concierge service is provided through the New Brunswick Climate Change Fund.

 - For more information, Agricultural Producers are invited to visit: www.BioGasNB.ca

 - Applicants will submit proposals for funding directly to DAAF.

- If applicable, RDC/DAAF will obtain a sector review from the appropriate department when receiving a request directly from the client.
- Where a submission is deemed sufficiently detailed and in accordance with the eligibility requirements, RDC/DAAF will review for consideration.
- Initiatives from Non-profit, Municipalities, Regional Service Commissions and First Nation governments will be approved by the President of RDC.

Level and Type of Assistance

Through its Development Programs, RDC may assist in the form of a **non-repayable contribution** at the following levels:

- Provincial contribution of **40%** towards eligible expenditures with a maximum of **50%** under extenuating circumstances to Non-profit, Municipalities, Regional Service Commissions and First Nation governments.
 - Note: The Federation of Canadian Municipalities is also providing support for feasibility studies through the Organic Waste-to-Energy stream of the Green Municipal Fund Program.
- For Non-profit, Municipalities, Regional Service Commissions and First Nation governments, the **total level of government funding must not exceed 90%** of eligible expenditures.

Through its Agriculture Programs with support from the New Brunswick Climate Change Fund, the DAAF may assist in the form of a **non-repayable contribution** at the following levels:

- Provincial contribution of **95%** with a maximum total amount of **\$300,000** towards eligible expenditures to Agricultural Producers.
- For Agricultural Producers, the **total level of government funding must not exceed 100%** of eligible expenditures.

For Agricultural Producers, **upfront funding of up to 25%** can be made available if requested.

Funding commitments for individual initiatives **will not exceed the fiscal year in which an application was made.**

This funding will not provide incremental assistance to, or replace, existing programs delivered by provincial government and funding will be done on a reimbursement basis after the applicant has submitted a claim for eligible costs complete with invoices and proof of payment.

The payment of any funding is subject to there being an appropriation for the fiscal year in which the payment is to be made. RDC/DAAF may reduce or cancel the funding if departmental funding levels are changed by the Legislative Assembly during the term of RDC Development Programs, DAAF Agriculture Programs or the New Brunswick Climate Change Fund.

Payment Procedures

All applicants will be subject to the following in order to receive payments related to a study:

- Applicants must complete, sign and forward a claim form including copies of all pertinent documentation relating to the study for reimbursement of expenditures.
- **Cash payments will not be eligible for reimbursement.**
- Donations of materials, equipment, or services are not eligible to be included in the claim as they are not actual costs incurred (paid out) on the study. Only actual costs incurred are eligible for reimbursement.
- Reimbursement of expenditures:
 - For Non-profit, Municipalities, Regional Service Commissions and First Nation governments, expenditures can be reimbursed in installments, or one lump sum at the end of the study.
 - For Agricultural Producers, expenditures can be reimbursed up to 25% upfront, in installments, or one lump sum at the end of the study.
- **Payments will be made by direct deposit service only.**

Reporting Requirements

RDC and DAAF will measure outcomes / objectives and results will be published in the annual report. RDC and DAAF will require all applicants to submit appropriate documentation to support all investments made under RDC Development Programs, DAAF Agriculture Programs and the New Brunswick Climate Change Fund.

Supporting documentation may be in the form of:

- Outcome report including metrics;
- Financial report;
- Audited financial statements;
- Invoices;
- Proof of payments;
- Legal agreements; and/or
- Any other necessary documentation.

RDC and DAAF reserve the right to collect information and communicate with the participant's subcontractors in order to:

- Ensure that the study is carried out according to the conditions of this normative framework and the agreement;
- Evaluate its program and its efficiency;
- Assess costs and expenses related to the study or program; and,
- Inform the public of the award of the funding to the participant (the amount, the type of study as well as the name of the participant).

Any personal information submitted to the Regional Development Corporation, the Department of Agriculture, Aquaculture and Fisheries, the Climate Change Secretariat, and the Department of Environment and Local Government is protected under the Right to Information and Protection of Privacy Act.