1. Introduction

1.1 Background

The Manitoba Biomass Energy Support Program is a component of the Manitoba Bioproducts Strategy which was launched in January 2011. This program is also part of the Manitoba’s Clean Energy Strategy launched in November 2012.

Biomass is an environmentally advantageous and effective way of providing energy for heat. Some forms of dry biomass can possess as much or more energy (BTU) than coal (e.g. lignite). Farm-produced products such as straw, chaff and wood products represent a significant untapped resource for the production of biomass energy. The use of locally produced biomass fuels has the potential to reduce economic leakages associated with the costly import of fossil fuels.

Manitoba is committed to reducing greenhouse gas (GHG) emissions from coal burning. The use of biomass as a replacement for coal has significant environmental benefits through the reduction of greenhouse gases and other contaminants. Therefore, the provincial government is encouraging the development of a biomass energy industry in Manitoba, using primarily agricultural and forestry residues.

The Manitoba Biomass Energy Support Program was established in 2011. It is intended to assist users of coal to shift to the use of biomass for heat, and to assist processors with the capital costs of establishing or expanding biomass processing in the province.

A Research and Development Grant was added to the program in 2014 with the goal of supporting innovation activities that advance biomass processing and product development technology.

The program seeks to assist in the development of the broader biomass sector in Manitoba. The program is intended to meet a number of provincial objectives including:

- providing a direct benefit to agriculture, agri-food and/or agri-based products industry;
- increasing the availability and affordability of Manitoba-made renewable biomass cubes, pellets etc for use as alternatives to imported coal;
- developing technology useful in advancing biomass product development;
• assisting the development and commercialization of emerging biomass fuel producers in the province; and
• assisting in demonstrating new biomass processing technology.

1.2 Program Scope

The program will consist of two components, the Capital Incentive and the Research and Development Grant.

1.3 Research and Development

The program’s Research and Development Grant is designed to accelerate the adoption of innovations in biomass processing and use. It will provide financial assistance for research and development activities that will support the leadership of industry, producers and not-for-profit organizations by constructing a more competitive position for the biomass sector through increased product development, improved profitability, and advanced sustainability.

Technologies and processing systems for biomass projects could be sourced from domestic or international science or technology developers, and be adapted to local conditions by Manitoba agri-businesses, farms and researchers through science-based evaluation of these innovations within Manitoba.

Eligible activities supported through this program may be on the continuum of applied research and demonstration activities through to evaluation of full scale prototypes and production systems.

2. Definitions

**Agriculture Producer**: An individual, partnership, corporation, cooperative or any other association of persons (for example, a Hutterite Colony) who is actively engaged in farming and under The Income Tax Act (Manitoba), is liable to pay Manitoba income tax, or is a permanent resident of Manitoba and specifically exempted from paying income tax.

**Minister**: The Minister of Agriculture for the Province of Manitoba, and includes any person authorized to act on the Minister’s behalf.

**Program Administrator**: Any person engaged by the Government of Manitoba to carry out administrative activities in connection with the Program.

**Eligible Biomass**: plant-derived products including agricultural residues, agri-processing by-products, compacted biomass, such as flax shives, sunflower hulls, oat-hulls, wheat chaff and oat hull pellets; forestry residues such as hog fuel, forestry operations residues, salvaged timber; purpose-grown crops, such as switchgrass, willow crops, poplar crops.
**Program**: The Manitoba Biomass Energy Support Program, Research and Development Grant.

**Program Terms and Conditions**: These terms and conditions as revised, altered or amended from time to time.

3. **Eligibility**

3.1 The following groups could be eligible for the program, with collaborative applications encouraged especially where expertise from research institutions and organizations is utilized in carrying out the project.
   - Industry and commodity development organizations serving agriculture and related industries in Manitoba and Canada.
   - Diversification Centres
   - Not-for-profit organizations
   - Cooperatives
   - Agribusiness
   - Agriculture producers

3.2 All applicants must obtain an AccessManitoba client identification number.

3.3 Manitoba Agriculture (MB Ag), Food Development Centre (FDC), and Manitoba Agricultural Services Corporation (MASC) staff, and any farm operation in which those staff are an equal partner or a majority shareholder, are ineligible.

3.4 If the applicant’s project proposal has a potential or real environmental impact, an Environmental Farm Plan (EFP) must be current or obtained.

4. **Funding Levels**

4.1 The maximum government non-repayable financial contribution to a project will be determined by:
   (a) the project’s ability to meet the program’s goals and objectives; and,
   (b) such contributions collectively not to exceed the maximum budget allocated for the program.

Projects conducted by private individuals or businesses will require a minimum 25% contribution (cash and/or in-kind) from the applicant.

5. **Application Process**

5.1 Application forms will be available on the MB Ag website as well as in hard copy upon request.
5.2 The applicant must be in compliance with all Manitoba and Federal Government laws and regulations applicable to their operations.

5.3 Applicants who do not have a premises identification number or an AccessManitoba client identification number should contact a MB Ag office for information on how to obtain them.

5.4 Application forms are to be filled out and signed by the applicant.

5.5 Applications must be submitted no later than the dates announced by the Program Administrator.

5.6 No one other than the applicant may sign the program application or other program documentation, unless they are a duly authorized power of attorney; proof of which is to be provided with the signed document.

5.7 In the case of corporations, partnerships, cooperatives and communes, the program application and other program documentation must be signed by a properly authorized person(s). Proof of authorization may be required by MB Ag representatives.

5.8 Proposals should be enclosed in a sealed envelope and addressed to:

Manitoba Agriculture
Unit 13 - 59 Scurfield Blvd
Winnipeg, MB R3Y 1V2
Attention: Jeff Kraynyk
E-mail: jeff.kraynyk@gov.mb.ca

5.9 Applications received will be assessed on a competitive basis.

5.10 The applicants will receive a funding decision letter from the Program Administrator.

5.11 Failing to comply with all application requirements may delay the processing of the application, or may make the program applicant ineligible to receive assistance under the Program.

5.12 Applicants are seeking to develop a new product or process for eventual sale may be requested by the Program Administrator to provide a business and/or marketing plan and may be referred to alternative programs for assistance with these plans.

5.13 The applicant is expected to retain records of project costs for three years after the termination date of the contract for audit purposes and make such records available for the inspection of the Program Administrator.
6. **Eligible Costs**

6.1 Funding will be provided only for eligible costs directly related to the project. The applicant must provide detailed costing for each activity and sub-activity identified in the application.

6.2 Eligible costs include but are not limited to:

(a) Consultant and engineering fees;
(b) Incremental costs for rental/lease of facilities/equipment related to program implementation over and above costs for the use of these during normal commercial endeavour by the applicant;
(c) Labour costs specific to the project (excluding salary wages paid to the principal investigator(s) or business owner(s);
(d) Project supplies and materials;
(e) Operational costs of equipment;
(f) Administration costs to a maximum of 15% of total project cost with invoice for time and services provided; and
(g) Other costs approved in advance by the Program Administrator.

7. **Ineligible Costs**

7.1 Ineligible costs include but are not limited to:

(a) Support of normal commercial expansion;
(b) Goods and Services Tax;
(c) Capital expenditures;
(d) Normal, current, or ongoing operation and/or maintenance costs; and
(e) Any other expense that at the discretion of the Program Administrator is deemed to be ineligible.

7.2 The applicant is and will remain liable for any ineligible costs or costs that exceed the limits identified.

8. **Appeals**

8.1 The Minister may establish an appeal body and an appeal process with respect to the Program.

9. **Payments**

9.1 Payments will be issued based on the schedule in the approval letter.

9.2 The applicant must pay all expenses associated with the project, and then submit proof of payment for approved eligible costs to the Program Administrator. The Program payment for approved and paid eligible costs will be made to the applicant, provided the applicant has met all Program requirements.
9.3 Amounts received from other government sources to cover project costs must be declared on the application.

9.4 Any payment made under this program is subject to:
   (a) an appropriation of funds by the Legislature of Manitoba in the fiscal year in which such payment is due; and
   (b) cancellation or reduction of payments in the event that departmental funding levels are changed by the Legislature of Manitoba.

9.5 Any payments made under this Program may have income tax implications for the applicant. The applicant is advised to consult his/her own tax advisor as to the income tax consequences of participation in this Program. MB Ag does not assume any responsibility for the tax implications of financial support under the Program.

10. Reporting
   10.1 A major thrust of the Manitoba Biomass Energy Support Program, Research and Development Grant is to accelerate the development of biomass innovations in processing and product development leading to improved profitability, competitiveness and sustainability. To achieve these outcomes data on project activities and results must be collected and reported.

   10.2 Performance Reporting. Performance Measures are required with reporting timelines to be specified in consultation with the project applicant. These include a measurement process to report the particular impacts of the project for the biomass sector.

11. Public Communications
   11.1 The Government of Canada and the Government of Manitoba may make public announcements or otherwise publicly release the applicant’s name, the amount of funding received under the Program and the general nature of the project or activity that the applicant is undertaking for which funding under the Program is being made available. Reporting requirements will be outlined in the approval letter.

12. Collection, Use and Disclosure of Personal Information, Protection of Privacy
   12.1 The applicant’s personal information is being collected under the authority of section 36(1)(b) of The Freedom of Information and Protection of Privacy Act (FIPPA) as it is directly related to and necessary for the purpose of determining eligibility for the Program.

   12.2 The applicant’s information will be disclosed to Manitoba Agriculture and the Program Administrator for program administration. It may also be disclosed to another third party, for audit purposes.
12.3 The applicant's personal information is protected under the privacy provisions of FIPPA. If you have questions concerning the collection, use or disclosure of the applicant's information please contact: MB Ag Manager of Administration at 204-945-0913.

12.4 The collection of personal information has been limited to only as much personal information as is reasonably necessary to accomplish the purpose for which it is collected. Only those employees and agents who need to know the information to carry out the purpose for which it was collected can use personal information. Personal information must be collected directly from you unless you consent to collection from another source.

12.5 The applicant's personal information will be used to verify eligibility for the Program, to contact you for further information or clarification or to communicate any future programs that you may be interested in.

12.6 By submitting an application under the Program, the applicant has consented to the following:

(a) to supply any other relevant and required documentation to confirm eligibility;
(b) to participate in any surveys, focus groups, interviews or other methods for the purpose of program evaluation;
(c) to on-site requests to verify program eligibility and to monitor the applicant’s progress under the Program;
(d) to the public release by the Government of Canada and the Government of Manitoba of the applicant’s name, the amount of funding received and the general nature of the project or activity being undertaken for which funding is being made available; and
(e) to authorize indirect collection of personal information from someone other than the applicant to verify program eligibility, verification and/or audit purposes.

13. False or Misleading Information

13.1 An applicant who provides false or misleading information under the Program:

(a) foregoes all rights to Program payments and any other benefits under the Program for which they would be otherwise eligible;
(b) is liable to repay all Program payments received; and
(c) may be subject to prosecution.

13.2 The provision of false or misleading information under the Program may be taken into account in determining eligibility under other provincial funding programs.
14. **Refunds**

14.1 The applicant shall refund to the Program Administrator any payment received under the Program not in accordance with these Program Terms and Conditions, within 30 days of notice being provided to them. Failure to make repayment as required shall create a debt due and owing by the applicant to the Government of Manitoba.

15. **Right of Set-off**

15.1 In addition to any rights of set-off the Government of Manitoba may have at law, the Minister may set-off any amount payable to the applicant under the Program against:

(a) any amount due and owing by the applicant under the Program and;

(b) any other amount due and owing by the applicant to the Government of Manitoba or a government agency.

16. **Changes to the Program Terms and Conditions**

16.1 The Minister may revise, alter or amend these Program Terms and Conditions at any time, by posting the revised Program Terms and Conditions on the MB Ag website. The applicant is responsible to monitor the MB Ag website for any such revisions, alterations or amendments.

16.2 Applications shall be administered and governed by the Program Terms and Conditions posted on the MB Ag website at the date of application receipt.

17. **No Liability, Indemnification by Applicant**

17.1 The Government of Manitoba and their respective Ministers, officers, employees and agents shall not be liable for any injury to, loss or damage suffered by the applicant, the directors, officers, employees or agents of the applicant, or any other party, including, without limitation, any injury to persons (including death), damage to or loss or destruction of property, economic loss, consequential damages or infringement of rights caused by or related, either directly or indirectly, to the activities of the applicant under the Program or the applicant’s participation in the Program.

17.2 The applicant shall, at all times during and following the applicant’s participation in the Program, be solely responsible for, and shall save harmless and indemnify the Government of Manitoba and their respective Ministers, officers, employees and agents from and against all claims, liabilities and demands with respect to any injury to persons (including, without limitation, death), damage to or loss or destruction of property,
economic loss, consequential damages or infringement of rights caused by, or related, either directly or indirectly, to the activities of the applicant under the Program or the applicant’s participation in the Program.

18. Lobbying

18.1 Any persons lobbying on behalf of the applicant must be registered pursuant to The Lobbyists Registration Act with the Office of the Lobbyist Registrar for Manitoba.

19. Liability Insurance

19.1 It is recommended that the applicant discuss their insurance requirements, as a result of participating in this Program, with a licensed insurance broker.

20. Conflict of Interest

20.1 No civil service employee shall be allowed to derive any financial advantage or benefit under the Program unless the provision or receipt of such advantage or benefit is in compliance with these Program Terms and Conditions and all applicable conflict of interest policies.

20.2 No current or former member of the Legislative Assembly of Manitoba, current or former member of the Executive Council, or current or former senior public servant to whom The Legislative Assembly and Executive Council Conflict of Interest Act applies shall derive any advantage or benefit from the Program unless the provision or receipt of such advantage or benefit is in compliance with such legislation.

21. Representations, Warranties, Obligations, Joint and Several Liability

21.1 The Program and the applicant’s participation in the Program does not create a partnership, agency, joint venture, or similar relationship between the Government of Manitoba and the applicant, and the applicant shall not represent itself as such, including in any agreement with a third party.

21.2 The individual(s) signing the application must indicate his/her official position with the applicant or relationship to the applicant. By signing and submitting an application, the individual(s) signing the application represent and warrant:

(a) the execution and delivery of the application and such other agreements and documents required in connection with the applicant’s participation in the Program are within the proper powers and capacities of the applicant, have been duly and validly authorized by the applicant, and constitute binding legal obligations of the applicant;
21.3 The applicant is solely responsible to ensure that:

(a) the applicant’s activities under the Program are completed and performed in compliance with all applicable laws; and

(b) the applicant obtains all environmental and other approvals, licences and permits (whether federal, provincial or municipal) required with respect to the applicant’s activities under the Program.

21.4 If the applicant is an unincorporated business or a partnership, all the owners of the business and all partners of the partnership, as the case may be, shall be jointly and severally liable for all the undertakings and obligations of the applicant under the application and all other agreements and documents related to the Program.

22. Ministerial Discretion

22.1 Notwithstanding these Program Terms and Conditions, the Minister has the absolute discretion to determine any matter related to the Program including, without limitation, the amount of payments and project completion dates under the Program. The decision of the Minister is final and there is no appeal there from.

23. Termination of the Program

23.1 The Minister has the absolute discretion to terminate the Program at any time.

Proponents wishing to receive further information on this Program are invited to contact Manitoba Agriculture in writing at the address above or by calling 204-250-1906.