Climate and Economy Solutions Program

Applicant Guide for Directed Intake

Environment and Climate Change
October 2025

Canada

Manitoba

Contents

Overview

1. Purpose of this Guide

The purpose of this Applicant Guide is to provide information for applicants submitting proposals to Manitoba's Climate and Economy Solutions Program (CESP). This includes information about the CESP, applicant eligibility, project eligibility, eligible expenditures, application assessment guidelines, and required documents. Applicants should use the PDF intake and application forms when applying for the CESP.

2. About the CESP

The CESP is funded jointly by the governments of Canada and Manitoba under the Recapitalized Low Carbon Economy Leadership Fund and is administered by Manitoba Environment and Climate Change. The CESP provides grants to eligible applicants for stationary equipment retrofit and efficiency projects, industrial or commercial vehicle retrofit projects, and self-generated renewable energy and fuel production projects. The CESP is intended to:

- reduce greenhouse gas (GHG) emissions that contribute to climate change in a cost-effective way,
- lower energy costs,
- support industry competitiveness in the emerging low-carbon economy,
- promote economic growth and job creation in Manitoba, and
- support Manitoba and Canada's pathways to net-zero by 2050.

3. How to Apply

To apply to the CESP, applicants are encouraged to complete the PDF CESP Intake Form – Part A located on the Manitoba Grants Online. Applications (CESP Intake Form – Part A) must be received by December 1, 2025. Environment and Climate Change will open a second intake of the CESP on February 2, 2026.

Completed intake forms must be submitted via email to MB_LCEF@gov.mb.ca with the subject line "**CESP INTAKE *Your Name*".** Applicants will receive an email indicating receipt of submission within two business days.

All forms are available in alternate formats.

Eligibility Requirements

4. Eligible Recipients

Eligible Recipients include:

a. Manitoba government entities (e.g., government departments, Crown corporations, Special Operating Agencies),

b. Municipalities and municipal entities,

c. Indigenous recipients (e.g., First Nations communities and organizations, Métis organizations. Includes for-profit entities),

d. Not-for-profit organizations,

e. Canadian public sector bodies or boards (e.g., school boards, regional health authorities),

f. Research and academic institutions, and

g. For-profit businesses.

5. Eligible Projects

Eligible projects may include one or more of the following:

a. Stationary equipment[1] retrofit projects for fuel-switching from natural gas, diesel, propane and heating oil to renewable energy sources. (e.g. boiler, grain dryer).

b. Energy efficiency projects for stationary equipment that uses diesel, propane and heating oil.

c. Vehicle retrofit projects that convert internal combustion engines to electric in industrial or commercial transportation fleets (e.g., school buses, shunt trucks).

d. Self-generated renewable energy and fuel production projects to offset the need for fossil fuels (e.g., solar, biogas, landfill gas capture and use, district geothermal heating systems).[2]

[1] Stationary equipment refers to a piece of equipment that primarily operates at a fixed location.

[2] Renewable energy and fuel production must be primarily for own use and not to be sold. Potential applicants seeking funding for self-generated energy and fuel production projects are encouraged to contact the CESP program manager (MB_LCEF@gov.mb.ca) to discuss their project's eligibility prior to submitting their application.

Eligible projects must demonstrate material GHG emission reductions in the year 2030 (i.e., emissions reductions must be tangible, measurable, and achievable) and align with Manitoba's goals for net-zero emissions by 2050.

Eligible projects must demonstrate value-for-money and should not exceed $2,500 per tonne of carbon dioxide equivalents ($2,500/ tCO_2e) reduced.[3] Project applications will be evaluated partly on the basis of value-for-money.

Projects must take place in Manitoba and be time-bound (have a start and end date). Any project expenses eligible for funding must be incurred between **April 1, 2025, and March 31, 2029**.

6. Eligible Expenditures

Manitoba will contribute towards eligible expenditures that, in the opinion of Manitoba, are reasonable and required to achieve project objectives and outcomes. Eligible expenditures include, but are not limited to:

- Incremental human resources costs, including salary and benefits;
- Management and professional service costs, such as accounting, monitoring, communications, official language translation, audit charges, GHG emissions reductions and federal cost-effectiveness estimate verifications, results monitoring, measuring and reporting;
- Material and supply costs;
- Printing, production, and distribution costs;
- Equipment and capital assets purchase or rental;
- Vehicle rental and operation costs;
- Contractors required to perform activities related to the project;
- Training fees and expenses, including materials;
- Monetary Honoraria offered to Indigenous Elders and/or Knowledge Keepers related to specific participation activities, which may include but not be limited to translation and interpretative costs, leading a traditional opening/closing ceremony and/or prayer, the sharing of Indigenous knowledge and protocols (including spiritual advice to individuals), and demonstrating traditional art and other practices;
- Goods and Services Tax/Harmonized Sales Tax (GST/HST) that is **not reimbursable** by Canada Revenue Agency and Provincial Sales Tax (PST) **not reimbursable** by the provinces; and

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[3] See Section 9 of this Guide, *Merit Evaluations: GHG Reductions and Value for Money* for a description on how to calculate cost-per-tonne.

- Other costs that, in the opinion of Manitoba, are considered to be direct and necessary for successful project implementation.

Ineligible Expenditures

Ineligible expenditures include, but are not limited to, the following:

- Any costs incurred in implementing projects that are cancelled or withdrawn;
- Expenditures for land securement, leasing land, buildings and other facilities, leasing equipment other than equipment directly related to the construction of the project components, and real estate including fees and related costs;
- Financing charges, legal fees, and loan interest payments, including those related to easements;
- Provincial Sales Tax (PST) and Goods and Services Tax / Harmonized Sales Tax (GST/PST) for which the grant Recipient is **eligible for a rebate, and any other costs eligible for a rebate**; and
- Expenditures incurred before **April 1, 2025**.
- Expenditures incurred after **March 31, 2029**.

7. Project Funding

Grant Recipients may be eligible for project funding up to the maximum cost-share under the CESP. The **Cost-share** refers to the maximum level of CESP funding for a project as a percentage of total eligible expenditures (see Table 1 below). All funding must align with established federal and overall stacking limits.

> *The **federal stacking limit** refers to the maximum amount of assistance from all federal sources of funding for a project as a percentage of total eligible expenditures.*
>
> *The **overall stacking limit** is the maximum amount of total government sources of funding (federal, provincial, and municipal) for a project which can total 100% of eligible project expenditures.*

Table 1

Ultimate Recipient Type	Maximum CESP Cost-Share	Maximum Federal Stacking Limit
Manitoba government entities	50%	50%
Municipalities and municipal entities	50%	75%
Indigenous recipients (including Indigenous for-profit entities)	75%	75%
Not-for-profit organizations	50%	75%
Canadian public sector bodies or boards	50%	75%
Research and academic institutions	50%	75%
For-profit entities	35%*	25%

*Manitoba may provide for-profit entities with up to an additional 10 per cent of total eligible project costs under the CESP. Ultimate Recipients could then stack provincial funds with eligible federal contributions for a total of 35% of project costs. All other CESP funds for other Ultimate Recipient types are provided by Canada and count toward the maximum federal stacking limit.
†Projects may not be eligible for the full cost-share if exceed cost-per-tonne of GHG emissions or stacking limits.

8. Eligibility Screening

Only CESP Intake Form – Part A received during the declared intake period will be assessed. It is the applicant's responsibility to provide clear, comprehensive, succinct and accurate information in their intake form.

CESP Intake Form – Part A submissions will be reviewed to confirm:

1) all elements of the form are complete,
2) all activities and expenditures are eligible for funding, and
3) the requested funding follows cost-sharing and stacking requirements.

CESP Intake Form – Part A will be assessed on a rolling basis. Within six weeks of receipt of the Intake Form, a representative from Environment and Climate Change will contact the applicant's Primary Contact to discuss:

- If the proposal does not meet eligibility criteria, the applicant will be informed, and their application will not proceed to the merit evaluation.
- If the proposal meets the eligibility criteria, the applicant will be provided the CESP Application – Part B, which includes questions relating to the merit evaluation criteria.

Application Evaluation

9. Merit Evaluation

Eligible CESP applications will be evaluated for merit based on a combination of the following criteria:

a. Project Risks and Mitigation Strategies

Applicants must identify risks they may face in developing and implementing their proposed project. This includes financial risks, timeline risks, technical risks, or other risks that may delay or prevent full implementation of the project. Risk factors include but are not limited to internal risks associated with the project budget and schedule, as well as environmental, operational, supply chain disruptions, and legal risks. Applicants must also provide strategies on how to mitigate or reduce the identified risks.

b. Project Viability

Applicants must demonstrate the viability of their proposed project. This includes an achievable workplan and methodology for the project scope, as well as a demonstration of the applicant's capacity to complete the project, such as sufficient financial, technical and human resources to assure timely completion of project activities.

c. GHG Reductions and Value-for-Money

Applicants must show how their project will result in GHG emission reductions in the year 2030, using the **GHG Reduction Estimation Tool** included as part of the CESP Application – Part B. Applicants must also describe uncertainties associated with their estimates. Manitoba may require more information and supporting materials from the applicant as part of its merit evaluation.

Applicants' proposed projects must be cost-effective and show value-for-money, which is the total CESP contribution (Canada funds only – see stacking limits above) divided by the per tonne of CO2 equivalent reduced in the year 2030 ($/tCO$_2$e).

Manitoba has established a range in the cost-per-tonne for deciding value-for-money, with $500/tCO$_2$e considered excellent and $2500/tCO$_2$e considered a poor cost-per-tonne of GHG emissions reduced. Projects that have a cost-per-tonne higher than $2500/tCO$_2$e may still be eligible for funding provided they support other priority co-benefits.

d. Co-Benefits

Applicants must indicate if the proposed project results in the following additional co-benefits.

Industry-Leading Clean Growth Practices

The project will involve the deployment of industry-leading clean technologies or practices (e.g. market transformations, innovative implementation of Technology Readiness Level 8+ technologies[4]).

Clean Growth Collaboration

The project will involve, create, or directly incentivize collaboration on clean technology deployment with or between non-governmental organizations, such as technology companies, industry networks or organizations, or academic or other research organizations. Collaboration should involve co-design, co-development, or co-implementation such that collaborators are providing non-financial value to the implementation of the proposal. Flowing funding to another organization for independent delivery of a project is not sufficient to demonstrate collaboration.

Indigenous Climate Leadership

The project will support Indigenous communities or organizations as climate leaders. Applicants must identify the Indigenous communities or organizations involved in the proposal and the nature of their participation in the project.

Climate Adaptation

The project will enhance the resiliency of one or more systems (such as a community, service, economic sector or geographic region) that are vulnerable to the impacts of a changing climate.

e. Net-Zero Alignment

Applicants must demonstrate how their project aligns with Manitoba's goals of achieving net-zero emissions by 2050. Projects will be assessed on four net-zero criteria:

- degree of decarbonization
- carbon lock-in and stranded assets

[4] See Innovation, Science, and Economic Development Canada's defined Technology Readiness Levels (www.ised-isde.canada.ca/site/innovation-canada/en/technology-readiness-levels).

- best available technology
- scope 3 emissions

Degree of Decarbonization

Applicants should qualitatively describe the degree of decarbonization that the project will achieve. For the purposes of this application, decarbonization should be understood as a process to reduce the GHG emissions of an organization toward zero. If quantification is possible, the proposed project's degree of decarbonization can also be identified as a percentage by drawing on information provided as part of the project's GHG emissions reduction estimation.

For those projects that will result in partial decarbonization (e.g., energy efficiency projects for stationary equipment that reduces demand for fossil fuels), applicants must describe how the project is an enabling step on a pathway to net-zero and will further reduce emissions.

Carbon Lock-In and Stranded Assets

Applicants must indicate if their proposed project will avoid carbon lock-in or stranded assets, i.e., does the proposed project result in the use of technology or assets that would either prevent or delay the transition to a low-carbon alternative?

Carbon lock-in occurs when an activity creates barriers to further decarbonization by increasing the cost or difficulty of subsequent retrofits.

Stranded assets are equipment, buildings, facilities, or other assets decommissioned prior to their economic end-of-life.

Best Available Technology

For those projects that do not represent complete decarbonization, applicants must describe how they plan to use best available technology or process and how the technology/process will reduce GHG emissions. Applicants must describe what barriers exist to complete decarbonization and why the proposed project is a viable alternative.

Scope 3 Emissions

Applicants must qualitatively describe the degree of scope 3 emissions that are estimated as a result of their proposed projects. Scope 3 emissions arise from sources not owned or controlled by the project applicant but are indirectly related to the applicant's operations.

Upstream emissions are associated with the production of goods or services that are inputs into the applicant's operations (e.g. emissions arising from the extraction, production, and transportation of source materials required for the project, including purchased fuels other than electricity, by a third party).

Downstream emissions are associated with the purchase and use of goods that are outputs of the applicant's operations (e.g. GHG emissions arising from the transportation/distribution of products by a third party, transportation or processing of wastes, or use of sold products)

A comprehensive quantitative accounting of lifecycle emissions is **not required** for project applications, and applicants are only expected to provide a qualitative estimate on the relative magnitude of a project's scope 3 emissions to the best of their ability.

Additional Information

10. Grant Funding Agreement

Following application selection and approval, a grant funding agreement between the Ultimate Recipient and Manitoba will outline the terms and conditions of the CESP grant. The awarding of grants is at the discretion of Manitoba.

11. Processing Applications

Applicants will be notified by email of the selection decision pertaining to their application. Selection decisions are final. There is no appeal process. Approved projects are funded subject to the availability of funds. Grant Recipients' (Ultimate Recipients) names and project descriptions may be published or made publicly known by Manitoba or Canada through government websites, news releases, or through other forms of communication.

12. Contact Information

Climate Action and Energy Innovation Division
Manitoba Environment and Climate Change
In Winnipeg: 204-945-7246
Toll free in Manitoba: 1-866-444-4207
Email: MB_LCEF@gov.mb.ca
Or Manitoba Government Inquiry toll free in North America: 1-866-626-4862