

Climate Change Challenge Fund (CCCF)

Program Guidelines

February 2025

Department of Environment and Climate Change (ECC)



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1.0 Introduction

The Climate Change Challenge Fund (CCCF) is a competitive, application-based grant program designed to support projects that result in material greenhouse gas (GHG) reductions in Newfoundland and Labrador, to be implemented over four fiscal years (2024-2025 to 2027-2028).

The CCCF is funded by the Government of Newfoundland and Labrador and is delivered by the Department of Environment and Climate Change ("the Department").

The objectives of the CCCF are to:

- Cost-effectively reduce GHG emissions that contribute to climate change.
- Improve energy efficiency and reduce energy costs through reduced GHG emission sources.
- Promote growth and job creation.

See section 4 for a complete overview of eligibility criteria.

2.0 How to Apply

To apply for CCCF funding, applicants must:

1. Be eligible to apply.

2. Fill out a CCCF Application Form

(<https://www.gov.nl.ca/ecc/files/CCCF-Application-Form-2025.pdf>)

3. Complete a signed project proposal and include supporting documentation (guidance included in CCCF Project Proposal Drafting Guidelines in Annex A of Application form)

(<https://www.gov.nl.ca/ecc/files/CCCF-Application-Form-2025.pdf>)

4. Submit completed CCCF Application Form, project proposal and supporting documentation:

By Email: terrymcneil@gov.nl.ca

Or

By Mail: Mr. Terry McNeil, Manager

Climate Change Division
Climate Change Branch
Department of Environment and Climate Change
West Block, Confederation Building
P.O. Box 8700
St. John's, NL A1B 4J6

3.0 Priority Areas

The target areas for investment under the CCCF are:

- energy efficiency and fuel switching in the commercial, industrial, and public sectors;
- process changes in the industrial sector;
- reducing GHG emissions in the forestry, agricultural and waste sectors, including carbon sinks and methane destruction; and
- transportation retrofits – off-road vehicles (e.g., forklifts, marine vessels).

4.0 Eligibility Criteria

4.1 Eligible Applicants

The following entities are eligible to receive funding under the CCCF:

- Private sector, for-profit organizations including:
 - primary agriculture, forestry and fishing;
 - electricity generation;
 - mining and quarrying;
 - oil and gas;
 - manufacturing;
 - transportation; and
 - commercial sector, including wholesale/retail trade, warehousing, business and professional services, information services, arts, environmental services, waste management, recreation, accommodations food and related services;
- not-for-profit organizations;
- public sector bodies or boards that are established by or under provincial statute or regulation or are wholly owned by a province or local or regional government;

- municipal governments established by or under provincial statute and municipal organizations; and
- Indigenous governments and organizations.

4.2 Project Eligibility

The following table outlines the general types of eligible and ineligible projects under the CCCF; however, the list is not exhaustive.

Applicants are encouraged to contact the Department to determine project eligibility if the project type is not listed below. Contact details are listed in **Section 10.0**.

	Eligible Project Types (examples)
All Projects	<p>Projects must be located in Newfoundland and Labrador.</p> <p>The project must result in incremental GHG reductions and these reductions must occur in Newfoundland and Labrador.</p> <p>The project must deliver material GHG reductions cost-effectively (\$3,000/tonne or less).</p>
Energy Projects	<p>Energy efficiency retrofits that result in the reduction of on-site fossil fuel use.</p> <p>On-site (i.e., within the project boundary) fuel switching to lower-carbon energy sources (e.g., electricity; biomass) in existing buildings and facilities.¹</p> <p>New renewable on-site energy production and retrofits to existing on-site energy production for own-use that results in the reduction of fossil fuel use, including own-use biogas.</p> <p>On-site combined heat and power for own- use that results in reduced fossil fuel usage.</p>

	<p>Process changes in the commercial and industrial sectors that result in reduced fossil fuel usage.</p> <p>Retrofits to existing mobile equipment, marine vessels and locomotives that results in the reduction of fossil fuel use.</p>
Non-energy Projects and Industrial Processes	<p>Carbon sequestration (i.e. enhancing carbon sinks in the agriculture and forestry sectors).</p> <p>Methane capture and destruction in the agriculture and waste sectors.</p> <p>Reduced Hydrofluorocarbon (HFC) and Perfluorocarbon (PFC) use.</p>

1. Fuel switching to electricity generated by Newfoundland and Labrador Hydro in isolated off-grid communities is not eligible unless a project results in decreased GHG emissions from both electricity generation as well as on-site GHG emissions.

4.3 Specific Project Criteria

The project must be fully identified and described in the application. The CCCF will not fund a project where activities or locations have not been confirmed in a CCCF application.

Project expenditures must be incurred by March 31, 2028 or the end date of the CCCF Contribution Agreement (see **Section 5.5**) executed between the recipient and the Department, whichever is sooner.

5.0 Funding Criteria

Successful applicants will be eligible to receive a non-repayable grant for eligible expenditures in accordance with the funding criteria listed below and the terms and conditions of the Program Guidelines.

Multi-year funding will be considered provided that all project expenditures are incurred by March 31, 2028.

Payment of grants will be made in arrears on the receipt of satisfactory reporting on project milestones and deliverables.

Similar to other Provincial Government programs which involve multi-year funding, in the case of projects spanning multiple fiscal years, funding for future fiscal years is contingent on the provision of appropriations in the provincial legislature.

A maximum Cost per Tonne (CPT) threshold of \$3,000/tCO₂e will be applied to grants offered up to the maximum cost share by % of project cost eligible by recipient.

5.1 Cost-Share Levels

Successful applicants are eligible to receive grant funding for the eligible expenditures of an approved CCCF project at a maximum of \$3,000/tCO₂e, up to a maximum cost share percentage applicable to recipient type as outlined in the following table:

	For-Profit	Not-for-Profit Organizations	Public Sector Bodies or Boards	Municipal Governments	Indigenous Governments and Organizations
Maximum CCCF Cost-Share*	50%	75%	50%	73.33%	75%
Maximum Provincial Cost Share (from all provincial sources (See Section 5.2))	50%	75%	100%	73.33%	75%
Maximum Cost Share for All government funding for a	75%	100%	100%	100%	100%

project which also has a Federal Contribution					
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*CCCF funding pays up to \$3,000/tCO₂e, up to a maximum cost share % applicable to the recipient type (whichever is less).

5.2 Stacking of Funds

CCCF funding can be combined with other federal and provincial funding programs up to the maximum Provincial cost share from all Provincial sources as listed in the above table.

For example, a private sector project with a \$2 million (before HST) eligible cost can only receive CCCF funding up to a maximum of 50%, up to a maximum of \$3,000/tCO₂e **whichever is less**. If a project of this cost were to save 200 tonnes, then the provincial CCCF grant would be assessed as follows:

$$\begin{array}{ll}
 50\% \text{ cost share of } \$2,000,000 & = \$1,000,000 \\
 200 \text{ tCO}_2\text{e reduction at } \$3,000/\text{tCO}_2\text{e} & = \$600,000
 \end{array}$$

A grant of \$600,000 would be offered to the applicant as it's the lesser of the assessed contributions as per the Guidelines.

To allow a for-profit applicant who has Federal funding for the same project, the CCCF permits for overall funding from Federal and Provincial Governments up to 75% of total eligible project costs. That would mean that the project could bring in additional \$1,100,000 in other federal funding sources on top of the \$600,000 CCCF grant to total \$1.5 million (75 per cent). All other recipient types can have up to 100% stacking if they have other Federal sources of funding accessible.

In the case of a project that accesses funding from a federal-provincial cost-shared agreement, any federal funding share or provincial funding share from that cost-shared agreement will be included in the assessed eligible CCCF grant as per the stacking limits as ascribed to the CCCF program in the table above.

Applicants will be required to disclose all sources of federal and provincial funding requested and/or approved for the project, any commercial loans requested and/or approved for the project, and their own contributions.

5.3 Eligible Expenditures

The following are eligible expenditures for CCCF projects:

- management and professional service costs, such as accounting, communications, audit charges, GHG emission reduction and cost-per tonne estimate verification, and results monitoring, measuring and reporting;
- material and supplies 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 Program;
- any Goods and Services Tax (GST)/Harmonized Sales Tax (HST) that is not reimbursable by Canada Revenue Agency and any Provincial Sales Tax (PST) not reimbursable by the Province;
- incremental human resource costs, including salaries and benefits; and
- other costs that, as determined by the Department, are considered to be direct and necessary for the successful implementation of the project and have been approved in writing by the Department prior to being incurred.

Eligible expenditures must be incurred after the execution of the CCCF Contribution Agreement between the Department and the funding recipient. Expenditures incurred prior to the execution of the Contribution Agreement will not be reimbursed, regardless of whether they are otherwise eligible.

Applicants may contact the Department for clarification as to whether a proposed expenditure for a project is eligible. Contact details are listed in **Section 10.0**.

5.4 Ineligible Expenditures

Ineligible expenditures include the following:

- costs incurred for rejected, withdrawn or cancelled projects;

- land acquisition;
- leasing land, buildings and other facilities;
- leasing equipment other than equipment directly related to the construction of a project;
- leasing equipment from a company owned by the same owner of the proponent company;
- real estate fees and related costs;
- financing charges, legal fees, and loan interest payments, including those related to easements (e.g. surveys);
- costs for services or work normally provided by the funding recipient, incurred in the course of implementation of a project, except those specified as eligible expenditures;
- overhead and administrative costs;
- costs associated with operating expenses and regularly scheduled maintenance work; and
- provincial sales tax and GST/HST, for which the funding recipient is eligible for a rebate and any other costs eligible for rebates.

5.5 Payments and Contribution Agreement

Approved funding recipients will be required to enter into a CCCF Contribution Agreement with the Department, which outlines the funding terms and conditions. The contribution agreement will state that payment is based upon a reimbursement of eligible expenses based upon provision of supporting Invoices to demonstrate incurred expenditures prior to a payment being issued by the Department. Advance payments will not be considered. This Contribution Agreement will also outline reporting requirements and key milestones.

6.0 Application Process

6.1 Application Timelines

Applications will be accepted after a call-for-applications is initiated and application closing dates will be posted on the Department's website. If you require further information, please contact terrymcneil@gov.nl.ca

6.2 Application Requirements

Applicants are required to submit a signed CCCF Application Form, as well as a project proposal to the Department including, at a minimum:

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- project description and background;
- organizational structure and management abilities;
- projected outcomes including reduction of tonnes CO₂e; and,
- a detailed budget.

Detailed information on proposal requirements, including methodological guidance for estimating project outcomes, is contained in the CCCF Project Proposal Drafting Guidelines included in Annex A of the Application form (<https://www.gov.nl.ca/ecc/files/CCCF-Application-Form-2025.pdf>).

6.3 Evaluation and Assessment

Once an application is received:

- It is registered, and the applicant will be notified of receipt via email.
- The application is reviewed for completeness and eligibility prior to assessment. If the application is incomplete or ineligible, the applicant will be notified prior to the commencement of an assessment.
- Completed applications will then proceed to the assessment phase. If more information is required from the applicant in order to assess the application, the applicant will be notified and the information must be provided by the applicant in a timely manner in order for the assessment to continue.
- Applicants are notified of application acceptance or rejection at the conclusion of assessment and decision as to which projects will be supported with a grant.
- Successful applicants will receive a funding letter and copy of a CCCF Contribution Agreement for signature.

Applications will be assessed on a competitive basis against the following general criteria:

- GHG reductions:
 - Tonnes of GHG emissions reduced; and
 - Maximum CCCF grant eligibility based upon Cost-per-tonne threshold of \$3,000/t, up to a maximum cost share by recipient type (whichever is less);
- Co-benefits, such as job creation; and
- Project feasibility, including capacity of the applicant to carry out the project and evidence of funding need.

7.0 Reporting Requirements

Funding recipients will be required to provide the Department with a report on project outcomes, such as energy savings and GHG emission reduction estimates for one calendar year after the project has been deemed to be substantially completed by the Department unless otherwise agreed to by the Department and applicant (eg. In case of 100% switch to electricity as outcomes known at completion). Detailed reporting requirements are set out in the template Contribution Agreement.

The Department will **hold back fifteen (15) per cent of the funding for which the funding recipient is entitled, for up to one year, until the recipient submits a project outcomes report** that is satisfactory to the Department. This 15% is retained from each claim submitted.

8.0 Additional Terms and Conditions

8.1 Public Communications

Newfoundland and Labrador may request a sign recognizing their funding contribution to a CCCF project, and this will be considered an eligible program expenditure, if required. Sign design, content and installation guidelines will be provided to the funding recipient if signage is requested.

All public information activities undertaken in connection with a CCCF project by a funding recipient shall clearly reference the contribution(s) of the Government of Newfoundland and Labrador. In addition, the wordmarks for the Government of Newfoundland and Labrador shall be prominently and equally displayed on all communicative products used by the funding recipient in relation to the project.

8.2 Auditing

Recipients of CCCF funding may be audited by the Government of Newfoundland and Labrador or its representatives, and must consent to allowing access to a facility or location where a project has been implemented as a condition of funding. Additionally, funding recipients will be required to maintain project records for at least **six (6)** years following the termination of a contribution agreement.

8.3 Disposal of Assets

A funding recipient may be required to reimburse Newfoundland and Labrador any funds received from Newfoundland and Labrador for the eligible expenditures of a CCCF project if at any time within five (5) years from the end date of the contribution agreement the recipient 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, the Contribution Agreement, other than to Newfoundland and Labrador, a local government, or with Newfoundland and Labrador's consent.

9.0 Privacy & Confidentiality

The Department will only use the information collected or provided as part of the CCCF application for purposes directly related to the operation of the relevant program and for program-related outcomes reports.

Information applicants provide to the Department in confidence, both personal and business-related, will be kept confidential unless:

- the applicant approves of its release, or
- the Department is required or authorized by laws such as the *Access to Information and Protection of Privacy Act, 2015* to release the information.

The funding recipients' legal name, the approved and expended amount of CCCF funding, and a brief description of the project may be released as public information.

10.0 Contact

For questions relating to these Program Guidelines or the application process for the Climate Change Challenge Fund (CCCF), please contact Department of Environment and Climate Change at:

Email: terrymcneil@gov.nl.ca

Phone: (709) 729-1394

Mail: Mr. Terry McNeil, Manager
Climate Change Division
Climate Change Branch
Department of Environment and Climate Change
West Block, Confederation Building
P.O. Box 8700
St. John's, NL A1B 4J6