

DEPARTMENT OF NATURAL RESOURCES
RENEWABLE ENERGY AND ELECTRICITY TECHNOLOGIES PROGRAMS
SMART RENEWABLES AND ELECTRIFICATION PATHWAYS PROGRAM
NON-REPAYABLE CONTRIBUTION AGREEMENT

THIS AGREEMENT is made in duplicate

BETWEEN:

HIS MAJESTY THE KING IN RIGHT OF CANADA ("Canada"), represented by the Minister of Natural Resources,

AND:

REGIONAL DISTRICT OF OKANAGAN-SIMILKAMEEN, a regional district, incorporated under the laws of British Columbia (the "Proponent").

WHEREAS Canada wishes to encourage the adoption of the **SMART RENEWABLES AND ELECTRIFICATION PATHWAYS PROGRAM** (the "Program");

WHEREAS the Proponent has submitted to the Minister a Proposal for the funding of a Project called "**RDOS Renewable and Electrification Feasibility Studies**" which qualifies for support under the Program;

WHEREAS Canada and the Proponent agree that in order for the Proponent to develop and implement the Project as described in Schedule A (Description of the Project), the Proponent will require financial assistance from Canada;

AND WHEREAS Canada is willing to provide financial assistance toward the Eligible Expenditures of the Project in the manner and upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, Canada and the Proponent agree as follows:

1. INTERPRETATION

1.1 In this Agreement:

"Agreement" means this Agreement and the attached Schedules A and B;

"Claim Period" means the quarter to which each payment pertains;

"Completion Date" means the date that the Proponent shall complete the Project as specified in Paragraph 4.2;

"Contribution" means the funding provided by the Minister under this Agreement;

"Eligible Expenditures" means any expenditures Incurred by the Proponent, as set out in Schedule B (Budget and Eligible Expenditures), within the Eligible Expenditure Period in accordance with the terms and conditions of this Agreement; any Eligible Expenditures Incurred by the Proponent before this Agreement is signed by both Parties are limited to thirty percent (30%) of the Contribution;

"Eligible Expenditure Period" means the period from **December 22, 2023** to **June 30, 2025**;

"Fiscal Year" means the period beginning on April 1st of any year and ending on March 31st in the next year;

"Fixed Asset" means a tangible non-current asset, including buildings and equipment, acquired not for sale but for use for the Project during the Eligible Expenditure Period;

"Incurred" means, in relation to an Eligible Expenditure, an Eligible Expenditure or a portion thereof that is owing and due by the end of each Claim Period;

"Incurred and Paid" means, in relation to an Eligible Expenditure, an Eligible Expenditure that the Proponent has paid for;

"Intellectual Property" means any intellectual property recognized by law, including any intellectual property right protected through legislation including governing patents, copyright, trade-marks, and industrial designs;

"Interest Rate" means the Bank Rate, as defined in the *Interest and Administrative Charges Regulations*, in effect on the due date, plus 300 basis points, compounded monthly. The Interest Rate for any given month can be found at: <http://www.tpsgc-pwgsc.gc.ca/recgen/txt/taux-rates-eng.html>;

"Minister" means the Minister of Natural Resources and includes any duly authorized officers or representatives;

"Party" means either the Proponent or Canada;

"Project" means the Project described in Schedule A (Description of the Project);

"Proposal" means a written Proposal, signed by the Proponent on **December 12, 2023**, including at least a background, purpose, work description, results expected, and a budget, which is accepted by the Minister for the Project;

"Total Government Funding" means cash contributions provided by the federal government and other contributions from the provincial/territorial and municipal governments toward the Total Project Costs; and,

"Total Project Costs" means the Contribution and other verifiable cash or in-kind contributions either received or contributed by the Proponent and directly attributable to the Project from **February 12, 2022** to the **Completion Date**.

1.2 The following schedules are attached to and made part of this Agreement:

- a) Schedule A (Description of the Project); and
- b) Schedule B (Budget and Eligible Expenditures).

1.3 In case of conflict between any provision in the main body of this Agreement and a provision in a schedule attached hereto, the provision in the main body of this Agreement shall take precedence.

1.4 Grammatical variations of the above defined terms have similar meanings. Words importing the singular number only shall include the plural and vice versa.

2. REPRESENTATIONS AND WARRANTIES

2.1 The Proponent represents and warrants that all factual matters contained in the Proposal and all supporting material submitted are true and accurate in all material respects, and that all estimates, forecasts and other related matters involving judgement were prepared in good faith and to the best of its ability, skill and judgement.

2.2 The Proponent represents and warrants that it is duly incorporated or registered and validly existing in good standing under the laws of Canada and has the power and authority to carry on its business, to hold property, and undertakes to take all necessary action to maintain itself in good standing and preserve its legal capacity during the term of this Agreement.

2.3 The Proponent represents and warrants that the signatory to this Agreement has been duly authorized to execute and deliver this Agreement on its behalf.

2.4 The Proponent represents and warrants that the execution, delivery, and performance of this Agreement have been duly authorized and when executed and delivered will constitute a legal, valid, and binding obligation of the Proponent enforceable in accordance with its terms.

2.5 The Proponent represents and warrants that it has not, nor has any person offered or promised to any official or employee of His Majesty the King in Right of Canada, for or with a view to obtaining this Agreement any bribe, gift or other inducement and it has not nor has any person on its behalf employed any person to solicit this Agreement for a commission, fee or any other consideration dependent upon the execution of this Agreement.

3. DURATION OF THE AGREEMENT

3.1 This Agreement comes into force when signed by the Parties.

3.2 Except as otherwise provided in the articles below, this Agreement will expire on the latest of:

- a) the Completion Date;
- b) the completion of the Project to the satisfaction of the Minister; or
- c) the date on which all amounts owed by the Proponent to the Minister under this Agreement have been paid in full.

3.3 The following clauses shall survive the expiration of this Agreement for an additional three (3) years:

- a) Article 8 (Accounts and Audits);
- b) Article 9 (Intellectual Property);
- c) Article 10 (Indemnity);
- d) Article 11 (Default);
- e) Article 13 (Reports); and
- f) Article 26 (Dispute Resolution).

4. CONDUCT OF PROJECT

4.1 The Proponent shall carry out the Project promptly, diligently and in a professional manner and in accordance with the terms and conditions of this Agreement.

4.2 The Proponent shall complete the Project by **June 30, 2025**, unless terminated earlier pursuant to the provisions of this Agreement.

4.3 The Proponent shall comply with all applicable federal, provincial and municipal laws in relation to the Project.

4.4 The Parties are satisfied that any legal duty to consult with Aboriginal groups affected by the Project, and where appropriate, to accommodate Aboriginal groups' concerns has been met and continues to be met. If as a result of changes to the nature or scope of the Project Canada determines that a legal duty to consult is triggered, the Proponent agrees that all of Canada's obligations pursuant to this Agreement will be suspended from the moment that Canada informs the Proponent that a legal duty to consult arises.

In the event that a legal duty to consult arises, the Proponent agrees that:

- a) Canada will withhold any payment of the Contribution toward Eligible Expenditures until Canada is satisfied that any legal duty to consult with, and where appropriate, to accommodate Aboriginal groups has been met and continues to be met;
- b) if, as a result of such changes to the Project, Canada determines that further consultation is required, the Proponent will work with Canada to ensure that the legal duty to consult, and where appropriate, to accommodate Aboriginal groups, is met and continues to be met to Canada's satisfaction; and
- c) it will consult with Aboriginal groups that might be affected by the changes to the Project, explain the Project to them, including Canada's role, and will provide a report to Canada, which will include:
 - i) a list of all Aboriginal groups contacted;
 - ii) a summary of all communications to date with the Aboriginal groups, indicating which groups support or object to the Project, and whether their positions are final, preliminary or conditional in nature;
 - iii) a summary of any issues or concerns that the Aboriginal groups have raised and an indication of how the Proponent has addressed or proposes to address those issues or concerns; and
 - iv) any other information Canada may deem appropriate.

5. IMPACT ASSESSMENT

5.1 The Proponent shall comply with all federal environmental laws applicable to the Project, including the provisions of the *Impact Assessment Act* related to the projects carried on federal lands or outside of Canada.

5.2 If, within the Eligible Expenditure Period, the Project becomes a "project" carried out on federal land or outside of Canada according to the *Impact Assessment Act*, the Parties agree that Canada's obligations under this Agreement will be suspended until:

- a) a determination indicating that the carrying out of the Project is not likely to cause significant adverse environmental effects by the Minister or another authority referred in the *Impact Assessment Act*; or
- b) if the carrying out of the Project is likely to cause significant adverse environmental effects, a decision of the Governor in Council indicates that those effects are justified in the circumstances.

5.3 It is understood, that, in the event that the Project becomes a “project” as defined in Paragraph 5.2 above, the Minister has no obligation to request a decision by the Governor in Council, and may, terminate this Agreement with immediate effect by giving notice in writing to the Proponent. Following such termination, no further Contribution will be disbursed under this Agreement, and the Minister will not be liable for any direct, indirect, consequential, exemplary, or punitive damages, regardless of the form of action, whether in contract, tort, or extra-contractual liability, or otherwise, arising from the termination.

6. CONTRIBUTIONS

6.1 Notwithstanding any other provision of this Agreement, the Contribution shall not in any circumstances exceed **Six Hundred Seventy Seven Thousand Nine Hundred Eighty Eight Dollars (\$677,988)**.

6.2 The Fiscal Year allocations for the Contribution are as follows:

2023-2024	Zero Dollars (\$0)
2024-2025	Six Hundred Seventy Seven Thousand Nine Hundred Eighty Eight Dollars (\$677,988)
2025-2026	Zero Dollars (\$0)

Any reallocation of the Contribution amounts in whole or in part from one Fiscal Year to another shall require a written amendment signed by the Parties.

6.3 In order to be eligible to receive payment for any remaining portion of the Contribution as described herein, the Proponent must submit its final claim for payment on or before **September 30, 2025**.

6.4 The Minister will not contribute to any Eligible Expenditure Incurred by the Proponent prior to or after the Eligible Expenditure Period.

6.5 If by the Completion Date, the Total Government Funding as set out in Schedule B (Budget and Eligible Expenditures) that the Proponent has received exceeds one hundred percent (100%) of the Total Project Costs incurred, the Minister may require the Proponent to reimburse such excess back to Canada.

6.6 The Proponent represents that no other federal, provincial, territorial or municipal government assistance, other than those described below and listed in Schedule B (Budget and Eligible Expenditures), has been or will be provided in respect of the Total Project Costs incurred:

Canada:	Six Hundred Seventy Seven Thousand Nine Hundred Eighty Eight Dollars (\$677,988)
Other Federal:	Zero Dollars (\$0)
Provincial:	Zero Dollars (\$0)
Territorial:	Zero Dollars (\$0)
Municipal:	Zero Dollars (\$0)
Total Government Funding:	Six Hundred Seventy Seven Thousand Nine Hundred Eighty Eight Dollars (\$677,988)

The Proponent shall advise the Minister promptly of any change in the Total Government Funding listed above during the term of this Agreement.

7. METHOD OF PAYMENT

7.1 Subject to the terms and conditions of this Agreement, Canada shall make the Contribution toward the Eligible Expenditures Incurred for which the goods have been received or the services have been rendered.

7.2 Subject to the terms and conditions of this Agreement, Canada shall make the Contribution toward the Eligible Expenditures Incurred for which the goods have not been received or for which the services have not been rendered, provided that:

- a) the Proponent has proper documentation, including a signed contract or a purchase order, establishing a legally binding financial obligation that the Proponent must meet during the Claim Period;
- b) upon thirty (30) days written notice, the Proponent provide the Minister with the documentation outlined in Paragraph 7.2 a) at the Proponent’s own costs; and
- c) the financial report in Paragraph 7.3 includes a declaration signed by the Chief Financial Officer or duly authorized officer, attesting that the Proponent has, at the time of the financial report, the proper

documentation outlined in Paragraph 7.2 a), and that it will provide the Minister with such documentation in accordance with Paragraph 7.2 b).

7.3 In order to receive payment of Eligible Expenditures, the Proponent shall submit claims for payment accompanied by a financial report, signed by the Chief Financial Officer or duly authorized officer, which outlines Eligible Expenditures Incurred by category of costs, and progress reports as required in Article 13 (Reports). All claims must be submitted no later than sixty (60) days after the end of each Claim Period, except the claim for the final payment.

7.4 Canada may, at its sole discretion and based on Canada's assessment of the risk associated to the Project, withhold a portion of the amount of the Contribution claimed during any given Claim Period. Canada may adjust the holdback during the term of this Agreement but at no time shall the holdback exceed **ten percent (10%)** of the Contribution. Canada shall release the holdback only after the Proponent has submitted and the Minister has accepted, to his satisfaction, all reports required under Article 13 (Reports).

7.5 Subject to the terms and conditions of this Agreement, if the Proponent cannot submit a claim for payment on or before March 31 of a Fiscal Year, the Proponent shall no later than April 5 provide the Minister with a signed statement of anticipated Eligible Expenditures Incurred up to March 31, in order for the Minister to establish a Payable at Year-End.

7.6 Notwithstanding Article 25 (Amendments), following receipt of a written request from the Proponent in accordance with Article 24 (Notices), the Minister may approve in writing at his sole discretion an extension to submit any claim or any report required to be submitted in accordance with this Agreement.

7.7 Where for any reason the Minister determines that the amount of the Contribution disbursed exceeds the amount to which the Proponent is entitled or the Proponent is not entitled to the Contribution, the Proponent must repay to Canada no later than thirty (30) days from the date of the Minister's notice, the amount of the overpayment or the amount of the Contribution disbursed. If the amount is not repaid by its due date, interest accrues at the Interest Rate for the period beginning on the due date and ending on the day before the day on which repayment to Canada is received. Any such amount is a debt due to His Majesty the King in Right of Canada and is recoverable as such.

7.8 Without limiting the scope of the set-off rights provided for under the *Financial Administration Act*, it is understood that the Minister may set off against any amount that may be payable to the Proponent pursuant to this Agreement, any amounts owed and past due by the Proponent to His Majesty the King in Right of Canada under any legislation or contribution agreements and the Proponent shall declare to the Minister all amounts outstanding in that respect when making any claim under this Agreement.

8. ACCOUNTS AND AUDITS

8.1 Prior to the Completion Date and for three (3) years after the expiration of this Agreement, as described in Article 3 (Duration of the Agreement), the Proponent shall, at its own expense.

- a) keep proper and accurate books, accounts, and records of its revenue received and expenses Incurred and Paid in connection with the Project and shall keep its invoices, receipts, and vouchers relating thereto;
- b) keep proper and accurate records of all data, analyses, and other scientific or technical assessments and reports, and any and all information relating to the outputs and outcomes of the Project;
- c) on demand, make available to the Minister such books, accounts, records, invoices, receipts, and vouchers referred to above and permit the Minister to examine and audit and take copies and extracts from such documents;
- d) allow the Minister, at the Minister's own expense and discretion, to conduct a technical audit to verify that the proposed measures outlined in Schedule A (Description of the Project) were implemented in accordance with this Agreement; and
- e) allow the Minister, at the Minister's own expense and discretion, to conduct an audit to verify the accuracy of reports submitted under Article 13 (Reports).

8.2 In respect of Eligible Expenditures related to professional, scientific and contracting services outlined in Schedule B (Budget and Eligible Expenditures), Canada's auditors may, acting reasonably, request that the Proponent's books, accounts and records be supplemented by information from the books, accounts and records of the subcontractors engaged by the Proponent having contracts in excess of twenty percent (20 %) of the Contribution for the purposes of the Project. The Proponent will use commercially

reasonable efforts to obtain such information as is reasonably requested by Canada's auditors from the Proponent's subcontractors, subject to and to the extent permitted by terms of the applicable contracts and, in particular, the audit provisions of such contracts.

9. INTELLECTUAL PROPERTY

9.1 All Intellectual Property that arises in the course of the Project shall vest in the Proponent, or be licensed to the Proponent in the event that a Proponent's subcontractor retains title to such Intellectual Property.

9.2 The Proponent shall supply to Canada the reports and documents described in Article 13 (Reports), and the Proponent hereby grants to Canada a non-exclusive, irrevocable, world-wide, free and royalty-free license in perpetuity to use, modify, and, subject to the *Access to Information Act*, make publicly available such reports and documents for non-commercial governmental purposes.

10. INDEMNITY

10.1 Neither Canada, nor its employees, officers and agents, will have any liability in respect of claims of any nature, including claims for injury or damages, made by any person involved in the activities of the Project or as a result of or arising out of this Agreement, and the Proponent will indemnify and save harmless Canada, its employees, officers and agents, in respect of such claims.

11. DEFAULT

11.1 The Minister may declare that an event of default has occurred if:

- a) the Proponent becomes insolvent or is adjudged or declared bankrupt or if it goes into receivership or takes the benefit of any statute from time to time in force relating to bankrupt or insolvent debtors;
- b) an order is made which is not being contested or appealed by the Proponent or a resolution is passed for the winding up of the Proponent or it is dissolved;
- c) in the opinion of the Minister, there has been a misrepresentation or breach of warranty under Article 2 (Representations and Warranties);
- d) in the opinion of the Minister, acting reasonably, a material adverse change in risk affecting the fulfilment of the terms and conditions of this Agreement has occurred;
- e) any term, condition or undertaking in this Agreement is not complied with, including, without limitation, any of those in Article 4 (Conduct of Project), Article 5 (Impact Assessment) or Article 7 (Method of Payment) and any such defect has not been cured by or remedied by the Proponent within thirty (30) days of written notice of such defect having been provided to the Proponent; or
- f) the Proponent neglects or fails to pay the Minister any amount due in accordance with this Agreement.

11.2 If the Minister declares that an event of default has occurred, in addition to all other remedies provided under contract law, the Minister may exercise one or more of the following remedies:

- a) suspend any obligation of Canada to contribute or continue to contribute to the Eligible Expenditures of the Project or a part of the Project, including any obligation to pay any amount owing prior to the date of such suspension;
- b) terminate any obligation of Canada to contribute or continue to contribute to the Eligible Expenditures, including any obligation to pay any amount owing prior to the date of such termination;
- c) terminate this Agreement; and
- d) direct the Proponent to repay all or part of the Contribution which has been paid to the Proponent, together with interest from the date of demand at the Interest Rate, with the exception of an event of default listed in Paragraph 11.1(d). Any such amount is a debt due to His Majesty the King in Right of Canada and is recoverable as such.

For greater clarity, all above remedies are cumulative.

11.3 The fact that the Minister does not exercise a remedy that the Minister is entitled to exercise under this Agreement will not constitute a waiver of such right and any partial exercise of a right will not prevent the Minister in any way from later exercising any other right or remedy under this Agreement or other applicable law.

12. ACCESS

12.1 Prior to the Completion Date and for three (3) years after the expiration of this Agreement, the Proponent shall provide the Minister or Minister's representatives reasonable access to any premises where the Project takes place to assess the Project's progress or any element thereof, subject to providing reasonable notice and complying with the Proponent's safety requirements for such access.

13. REPORTS

13.1 The Proponent shall submit, no later than sixty (60) days after the Claim Period, the following documentation as per the template provided by Canada.

- a) an updated Project quarterly cash flow statement and budget;
- b) where applicable, an explanatory note signed by the Chief Financial Officer or duly authorized officer explaining what overhead expenditures were Incurred; and
- c) a report of Project tasks to-date in sufficient detail, including outputs and key performance indicators, to allow progress to be evaluated.

13.2 The Proponent shall submit, no later than ninety (90) days after the Completion Date, a final report, as per a template provided by Canada, which includes the following:

- a) a final narrative report to describe how its activities have contributed to the achievement of the objectives, the benefits, and the key performance measures of the Project as described in Schedule A (Description of the Project), including the results of the Project in comparison to the original task plan and outputs;
- b) a financial report that shall demonstrate how the Contribution was spent, including a financial declaration as to whether the Proponent received contributions (including in-kind) or payments in respect of the Project in addition to, or from sources other than, those set out in Schedule B (Budget and Eligible Expenditures);
- c) a certification that the claims for payment of Eligible Expenditures of the Project have been Incurred and Paid by the Proponent; and
- d) a declaration as to the total amount of contributions or payments, including Total Government Funding, received by the Proponent.

14. DISPOSITION OF ASSETS

14.1 If, prior to the Completion Date and for three (3) years thereafter, the Proponent sells, leases or otherwise disposes of any Fixed Asset excluding Intellectual Property, where the cost of the Fixed Asset is part of the Eligible Expenditures under the Project to which Canada has contributed under this Agreement, and where the proceeds of the sale, lease or other disposition are not applied to acquire assets in replacement of the Fixed Asset, the Proponent shall immediately notify the Minister in writing of such sale, lease or disposition and, if the Minister so requires, the Proponent shall share with Canada the proceeds of the sale, lease or any other disposition in the same ratio as that of Canada's Contribution to the purchase of the Fixed Asset by the Proponent, except that Canada's share shall not exceed the Contribution.

15. SUBCONTRACTS

15.1 The Proponent shall not subcontract all or any part of the Project except as provided in the Proposal or as otherwise set forth below. The Proponent shall advise the Minister of any other new contract, not originally included in the Proposal, the Proponent enters into with a third party to undertake work on the Project where the estimate of the cost of the work to be performed exceeds twenty percent (20%) of the Contribution. The notice shall include a description of the extent and nature of the contracted work, the identity of the contractor, and the estimated cost of the contracted work. For greater certainty, for the purposes of this Article, there is no privity of contract between Canada and any of the Proponent's subcontractors; as such, the selection and amendment of any of the Proponent's subcontractors as may be listed in the Proposal is the sole responsibility of the Proponent and is not subject to the Minister's consent.

16. LEGAL RELATIONSHIP

16.1 Nothing contained in this Agreement shall create the relationship of principal and agent, employer and employee, partnership or joint venture between the Parties.

16.2 The Proponent shall not make any representation that:

- a) the Proponent is an agent of Canada; or

b) could reasonably lead any member of the public to believe that the Proponent or its contractors are agents of Canada.

17. ACKNOWLEDGEMENT

17.1 The Proponent shall acknowledge the financial support of Canada in all public information produced as part of the Project.

17.2 The Proponent will seek prior written consent of the Minister for any public acknowledgement of the financial support of Canada to this Project through news releases, public displays, and public and media events.

17.3 Except for releases of information required to comply with securities regulations or other laws, where media announcements and public events relating to this Project are to be made by a Party, the Party shall use commercially reasonable efforts to give to the other a three (3) weeks prior written notice of any media announcement or public event and a reasonable opportunity to review and comment thereon.

17.4 The Proponent acknowledges that the Proponent's name, the amount awarded, and the general nature of the activities supported under this Agreement may be made publicly available by the Government of Canada.

18. TIME OF ESSENCE

18.1 Time is of the essence with respect to all provisions of this Agreement that specify a time for performance.

19. MEMBERS OF PARLIAMENT

19.1 No Member of the House of Commons or Senate shall be admitted to any share or part of this Agreement or to any benefit arising therefrom that is not otherwise available to the general public.

20. CONFLICT OF INTEREST

20.1 It is a term of this Agreement that all current or former public servants to whom the federal *Values and Ethics Code* for the Public Sector, federal *Policy on Conflict of Interest and Post-Employment*, or *NRCan Values and Ethics Code* applies shall comply with the Codes or Policy, as applicable.

20.2 If any individual working for the Proponent formerly provided consultancy services to the Minister that are related to this Agreement, particularly any services associated with developing the Agreement or developing the Project which is the subject of this Agreement, the Proponent is considered to be in a real, perceived, or potential conflict of interest situation.

20.3 If a conflict of interest situation arises during the Agreement, the Proponent shall notify the Minister, in the manner prescribed in Article 24 (Notices). Upon request, the Proponent shall notify the Minister of all reasonable steps taken to identify, avoid, prevent, and where it exists, resolve any conflict of interest situation.

20.4 The Minister may investigate a real, perceived, or potential conflict of interest and take such steps and measures as the Minister considers appropriate, including without limitation: informing the Proponent that it is in a conflict of interest situation; requesting specific actions be taken to correct the situation; requiring the Proponent to withdraw any individual from participation in the Project for reasons of conflict of interest; suspending payments under the Agreement; or terminating the Agreement.

21. FORCE MAJEURE

21.1 The Parties shall not be in default or in breach of this Agreement due to any delay or failure to meet any of their obligations caused by or arising from any event beyond their reasonable control and without their fault or negligence, including any act of God or other cause which delays or frustrates the performance of this Agreement (a "force majeure event"). If a force majeure event frustrates the performance of this Agreement, Canada will only be liable for its proportionate share of the Eligible Expenditures Incurred and Paid to the date of the occurrence of the event.

21.2 The performance of the obligation affected by a "force majeure event" as set out above shall be delayed by the length of time over which the event lasted. However, should the interruption continue for more than thirty (30) days, this Agreement may be terminated by Canada.

21.3 Should either Party claim the existence of a "force majeure event" as above, prompt notice thereof shall be given to the other Party and the Party claiming the existence of a "force majeure event"

shall have the obligation to provide reasonable satisfactory evidence of the existence of such event and use its best efforts to mitigate any damages to the other Party.

22. GOVERNING LAW

22.1 This Agreement shall be interpreted in accordance with the applicable federal laws and the laws in force in the Province of British Columbia.

23. ASSIGNMENT

23.1 No benefit arising from this Agreement shall be assigned in whole or in part by the Proponent without the prior written consent of the Minister and any assignment made without that consent is void and of no effect.

24. NOTICES

24.1 The claims for payment, requests, reports, notices, repayments and information referred to in this Agreement shall be sent in writing or by any method of telecommunication and, unless notice to the contrary is given, shall be addressed to the Party concerned at the following address:

To Canada:

Zoe Beaulac
Associate Director, Renewable and Electrical Energy Division
Smart Renewables and Electrification Pathways Program, Capacity Building Stream
Natural Resources Canada
580 Booth Street, 19th Floor
Ottawa, Ontario K1A 0E4
Telephone: (613) 302-7506
E-mail: sreps-erite@nrca-nrcan.gc.ca

To the Proponent:

Matt Weller
Sustainability Manager
Regional District of Okanagan-Similkameen
101 Martin Street
Penticton, British Columbia
V2A 5J9
Telephone: (250) 490-4115
Mobile: (778) 531-9177
E-mail: mweller@rdos.bc.ca

24.2 Requests, notices and documents are deemed to have been received, if sent by registered mail, when the postal receipt is acknowledged by the other Party; by facsimile or electronic mail, when transmitted and receipt is confirmed; and by messenger or specialized courier agency, when delivered.

24.3 The Minister and the Proponent agree to notify each other in writing if the above contact information changes. This requirement will not cause an Amendment.

25. AMENDMENTS

25.1 No amendment of this Agreement or waiver of any of its terms and conditions shall be deemed valid unless effected by a written amendment signed by the Parties.

26. DISPUTE RESOLUTION

26.1 If a dispute arises concerning the application or interpretation of this Agreement, the Parties will attempt to resolve the matter through good faith negotiation, and may, if necessary and the Parties consent in writing, resolve the matter through mediation by a mutually acceptable mediator.

27. APPROPRIATION

27.1 The payment of monies by Canada under this Agreement is subject to there being an appropriation by Parliament for the Fiscal Year in which the payment of monies is to be made.

27.2 Notwithstanding any other provision of this Agreement, Canada may reduce or cancel the Contribution to the Project upon written notice to the Proponent in the event that the funding levels for the Department of Natural Resources are changed by Parliament during the term of this Agreement. In the event that Canada reduces or cancels the Contribution, the Parties agree to amend the Project and the

Eligible Expenditures of the Project, namely this Agreement, to take into account the reduction or cancellation of the Contribution.

28. LOBBYING ACT

28.1 The Proponent shall ensure that any person lobbying on behalf of the Proponent is registered pursuant to the *Lobbying Act* and that the fees paid to the lobbyist are not to be related to the value of the Contribution.

29. SUCCESSORS AND ASSIGNS

29.1 This Agreement shall inure to the benefit of and be binding on the Parties and their respective representatives, successors and assigns.

30. OFFICIAL LANGUAGES/LANGUES OFFICIELLES

30.1 This Agreement is drafted in **English** at the request of the Parties. Les Parties ont convenu que le présent Accord soit rédigé en **anglais**.

30.2 All public information documents related to the Project prepared or paid for in whole or in part by Canada must be made available in both official languages, when the Department of Natural Resources judges that this is required under the *Official Languages Act*. Tout document d'information publique préparé ou payé en tout ou en partie par le Canada ayant trait au Projet doit être offert dans les deux langues officielles, lorsque le Ministère des ressources naturelles le juge pertinent, conformément à la Loi sur les langues officielles.

31. COUNTERPART SIGNATURE

31.1 This Agreement (and any amendments) may be signed in counterparts including facsimile, PDF and other electronic copies, each of which when taken together, will constitute one instrument.

32. SEVERABILITY

32.1 Any provision of this Agreement prohibited by law or otherwise ineffective, will be ineffective only to the extent of such prohibition or ineffectiveness and will be severable without invalidating or otherwise affecting the remaining provisions of the Agreement. The Parties agree to negotiate in good faith a substitute provision which most nearly reflects the Parties' intent in entering into this Agreement.

33. ENTIRE AGREEMENT

33.1 This Agreement constitutes the entire Agreement between the Parties with respect to the subject matter of this Agreement and supersedes all previous negotiations, communications, and other agreements, whether written or verbal between the Parties.

IN WITNESS THEREOF, this Agreement is duly executed on behalf of His Majesty the King in Right of Canada by an officer duly authorized by the Minister of Natural Resources and on behalf of the Proponent, by an officer duly authorized on its behalf.

HIS MAJESTY THE KING IN RIGHT OF CANADA

Date

Debbie Scharf
Assistant Deputy Minister
Energy Systems Sector

REGIONAL DISTRICT OF OKANAGAN-SIMILKAMEEN

March 10, 2024
Date



Jim Zaffino
Chief Administration Officer

SCHEDULE A

To the Agreement between

HIS MAJESTY THE KING IN RIGHT OF CANADA

And

REGIONAL DISTRICT OF OKANAGAN-SIMILKAMEEN

DESCRIPTION OF THE PROJECT

PROJECT TITLE:	RDOS Renewable and Electrification Feasibility Studies
PROJECT OBJECTIVE:	The objective of this Project is capacity building activities that build knowledge and skills related to renewable energy and grid modernization projects in Canada.
PROJECT SUMMARY:	<p>The Proponent will conduct a series of energy audits, demand-side review, and renewable and electrification feasibility studies on thirty eight (38) facilities within the Proponent communities in British Columbia.</p> <p>Project activities will include:</p> <ol style="list-style-type: none"> 1) an assessment of building energy use and feasible pathways towards net zero through renewable installations with focus on solar photovoltaic (PV) arrays, energy use reduction measures, and electrification of building systems; 2) development of a community-wide energy plan to guide plans and processes for implementing the measures identified in the studies; 3) an in-depth assessment of electrifying the emergency operations center building and backing up with a 500 kilowatt (kW) electrical storage system, as well as a focused design on street lighting to electric vehicle (EV) charging station conversions in small communities; 4) a trainee program, where students from partnered institutions and Indigenous groups will assist in Project tasks and foster an inclusive and diverse workforce; and 5) data gathered and widely shared to contribute to the feasibility knowledge base of electrification, decarbonization, and renewable energy projects in community buildings in Canada, as well as to support the development of new technologies such as municipal emergency back up power and streetlight to EV charging conversions.
BENEFITS:	<p><u>Benefits to Canada / Canadians:</u></p> <p>The Project will lead long term to renewable energy projects that reduce greenhouse gas (GHG) emissions, increase electrical grid reliability and support Canada’s clean energy transition and goal of achieving net zero emissions by 2050.</p> <p><u>Benefits to Stakeholders:</u></p> <p>The Project will increase equity, diversity, and inclusion in the renewable energy sector and provide several communities with the training, tools and resources required to move forward on renewable projects that provide economic and social benefits for community members.</p>

PROJECT TASKS:

Task Number	Task	Description	Outputs
1	Project Planning April 30, 2024	Under this task, the Proponent will finalize details of the Project plan and scope, including site selection, partnered consultants, and timelines.	Plan in place and meeting occurred with Project partners and consultants.
2	Trainee Selection and Plan Refinement June 30, 2024	Under this task, the Proponent will interview and select individuals for training and mentorship, introduce to Project team and supply reference training material, develop engagement plan and goal planning process, collaboratively develop tailored training materials, assign tasks (i.e., surveys, inventory, information collection, data collection, etc.) and schedule meetings.	Two (2) trainees selected, training plan developed and stakeholder relationships established. Ongoing training throughout Project.

3	Project Kick-Off May 30, 2024	Under this task, the Proponent will host meetings with stakeholders (partners, consultants, Indigenous Communities, trainees) to discuss Project plans, establish lines of communication, and outline requirements, pain points, and schedule. The Proponent will also establish clear next steps for data collection, information gathering, and subsequent site visits.	Stakeholders acquainted and smooth lines of communication established for Project requirements.
4	Desktop Review of all Facilities, Climate Data, Interconnection and Utility August 31, 2024	Under this task, the Proponent will conduct: <ul style="list-style-type: none"> • Utility data review. • Climate data review and analysis. • Geographic analysis. • Climate change vulnerability analysis. • Local interconnection and utility agreement review. 	Completed facility baseline profile with location and geography, utility governance, utility analysis, and climate data included.
5	Desktop Review and Analysis of Renewables August 31, 2024	Under this task, the Proponent will: <ul style="list-style-type: none"> • Determine transmission line capacity and potential upgrade costs for renewable energy development. • Solar PV land identification through land-use maps, Google maps, climate data, and Helioscope/PVWatts. • Review of all rooftop spaces on facilities for solar PV. • Wind power land identification land-use maps, google maps, climate data, and WindAtlas. • GeoThermal land identification through land-use maps, google maps, climate data and GLD & Looplink software. • Biomass feedstock evaluation through land-use maps, discussion with local communities, and evaluation of appropriate technologies pending feedstocks. 	Renewable opportunities and next steps identified. General feasibility of renewables determined.
6	Desktop Review and Analysis of Demand-Side Opportunities August 31, 2024	Under this task, the Proponent will: <ul style="list-style-type: none"> • Review past energy audits, past building condition assessments, and past contractor quotes. • Conduct meeting with Proponent representatives and trainees on observed demand-side opportunities. 	Energy demand-side management opportunities and next steps identified.
7	On-site Assessments Management August 31, 2024	Under this task, the Proponent will: <ul style="list-style-type: none"> • Work with property managers to develop schedule and deadline for on-site assessment(s) and communicate schedule with trainees. • Obtain utility data, facility use activities, etc. • Prepare travel and accommodation requirements for on-site personnel. 	Clear schedule and plan developed, property managers prepared for on-site assessments.
8	On-site Assessments (Renewables, Electrification and Energy Efficiency) October 31, 2024	Under this task, the Proponent will: <ul style="list-style-type: none"> • Select site for solar PV assessments, guided by the desktop review and including measurements, surveying, general observations, SolarPath finder, potential thermal conductivity test, pictures of all potential sites, and samples of all biomass feedstocks. • Determine ideal locations for EV charging, observe electrical infrastructure and walkthrough of facility to observe layout, inventory equipment and perform measurements and data collection. 	Site measurements and data collected to cost and model energy efficiency and electrification projects, and potential electrification projects determined. Ongoing mentorship of sustainability trainees.

9	<p>Off-site Analysis (Renewables, Electrification and Energy Efficiency)</p> <p>December 15, 2024</p>	<p>Under this task, the Proponent will undertake:</p> <ul style="list-style-type: none"> Integrating site observations and measurements into specific renewable energy models, and analysis on each specific, feasible renewable and electrification & demand-side management measure. Sizing, high-level engineering, costing, feasibility study, and analysis (financial and environmental impact) of each renewable energy source. EV charger recommendations and layout design, seeking contractor pricing, creating cost estimates and performing financial and environmental impact analysis on all measures. 	<p>Models, financial feasibility studies, environmental impact analysis, and detailed costing complete on all viable renewable energy sources. Detailed list complete of demand-side management projects equipped with financial, environmental, and social metrics.</p>
10	<p>Project Identification, Targets and Next Steps</p> <p>March 31, 2025</p>	<p>Under this task, the Proponent will:</p> <ul style="list-style-type: none"> Determine a ranking matrix to determine priorities and eliminate project ideas that are not feasible. Set environmental targets for GHG emissions and create modelled scenarios with the existing project list to determine the most feasible and cost-effective pathways with detailed next steps separated by phases (i.e., applying for permits, writing a request-for-proposal, and geotechnical testing). 	<p>Ranked list, scenarios and modelling of all projects. Detailed path forward and timeline for implementing the projects.</p>
11	<p>Report, Presentation and Trainees</p> <p>June 30, 2025</p>	<p>Under this task, the Proponent will:</p> <ul style="list-style-type: none"> Draft report with site and analysis data, and recommendations for renewables, electrification and energy reduction measures. Work with trainees to write and submit two (2) papers to AEE journals based on findings from Project studies. Determine relevant AEE and municipal conferences. Create presentation based on study findings and high level data. Compare training plan with tasks completed by trainees, ensure all modules have been completed and receive sign-off from trainees. Submit final reports to NRCan. 	<p>Data published in national journals and shared across multiple platforms to interested and relevant stakeholders. Trained Indigenous individuals and students prepared to develop and present capstone project.</p>

PERFORMANCE INFORMATION:

Key Performance Indicators:
1. Number of capacity building activities that lead to renewable energy projects and reduced greenhouse gas emissions.
2. Number of Indigenous Peoples' leadership, participation in, ownership of, and benefits from renewable energy projects.
3. Number of activities that enhance equity, diversity and inclusion in the electricity sector in Canada.
4. Number of socio-economic benefits generated, such as energy sector job creation.

SCHEDULE B

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BUDGET AND ELIGIBLE EXPENDITURES

1. Subject to the limitations set out in Article 6 (Contributions), Eligible Expenditures shall be associated with the execution of the various activities as described in Schedule A (Description of the Project).

Approved Budget (\$)	2022-23	2023-24	2024-25	2025-26	TOTAL (\$)
Canada's Contribution	\$ -	\$ -	\$ 677,988	\$ -	\$677,988
ELIGIBLE EXPENDITURES					
Salaries and Benefits	\$ -	\$ -	\$ 320,487	\$ -	\$320,487
Overhead	\$ -	\$ -	\$ -	\$ -	\$0
Professional, Technical and Contracting Services	\$ -	\$ -	\$ 316,698	\$ -	\$316,698
Travel, including Meals and Accommodations	\$ -	\$ -	\$ 40,803	\$ -	\$40,803
Other Expenses	\$ -	\$ -	\$ -	\$ -	\$0
Total by Fiscal Year:	\$0	\$0	\$677,988	\$0	
Total Eligible Expenditures					\$677,988
INELIGIBLE COSTS					
INELIGIBLE EXPENDITURES					
Total Ineligible Expenditures					\$0
IN-KIND COSTS					
Total In-Kind Costs					\$0
Total Ineligible Costs					\$0
TOTAL PROJECT COSTS					\$677,988

Source of Contributions:	Percentage (%)	Cash (\$)	In-Kind (\$)	Total (\$)
Canada	100%	677,988	N/A	677,988
The Proponent	0%	0	0	0
TOTAL	100%	\$677,988	\$0	\$677,988

NOTE: the following limitations apply to the approved budget above:

- a) In accordance with the departmental GST/PST/HST certification form, the reimbursable Provincial Sales Tax, the Goods and Services Tax and Harmonized Sales Tax costs must be net of any tax rebate to which the Proponent is entitled.
- b) "Salaries and benefits" costs are for employees on the payroll of the Proponent for the actual time spent by the employees on the Project.
- c) Overhead expenditures directly related to and necessary for the conduct of the Project, including office operating expenses, are limited to fifteen percent (15%) of total Eligible Expenditures.
- d) Travel expenditures directly required for the delivery of the Project, including meals and accommodations, are to be based on National Joint Council Rates.
- e) "Other expenses" can include the following:
 - a. Field supplies, materials and testing services;
 - b. Printing services and translation;
 - c. Data collection services, including processing, analysis and management;
 - d. Facility costs for training, seminars, conference room rentals, etc. (excluding hospitality);

- e. Accreditation, license fees and permits;
 - f. Training and workshops; and
 - g. Honoraria, translation costs and costs associated with an Indigenous ceremony, where the Proponent is an Indigenous organization or distributing funding to Indigenous organizations.
- f) Ineligible costs, such as the reimbursable portion of Federal and Provincial taxes and legal costs related to notarization, may be considered towards Total Project Costs; however, they are not eligible for reimbursement.
- g) In-kind costs are those contributions of goods or services provided by the Proponent or other contributors that are considered towards Total Project Costs; however; they are not eligible for reimbursement.
- h) The following costs are not Eligible Expenditures, nor considered towards Total Project Costs:
- a. Land acquisition costs and associated real estate fees;
 - b. Legal fees;
 - c. Project Proposal preparation costs;
 - d. Tax preparation costs;
 - e. Costs that cannot be deemed necessary for the implementation of the Project;
 - f. Salary benefits deemed unrelated to the Project (e.g., employee bonuses);
 - g. Costs associated with the protection of Intellectual Property; and
 - h. Costs incurred before or after the Total Project Costs period.
2. Notwithstanding Article 25 (Amendments), provided the Contribution for any given Fiscal Year is not exceeded, the Proponent may adjust any cost allocated by Eligible Expenditure as listed above by up to twenty percent (20%) of that cost without providing notice to Canada. At the time of submitting a claim for payment, the Proponent must provide Canada with a revised budget.

The Proponent may submit a written request to Canada to make an adjustment greater than twenty percent (20%). The request must include a revised budget. This request is subject to the approval in writing by Canada's representative identified in Article 24 (Notices).