

Natural Resources Canada

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About the Incentive

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The ecoENERGY for Biofuels Program is aimed at helping producers of renewable alternative(s) to gasoline and/or diesel by providing financial incentives. Financial incentives are provided for the number of litres produced in Canada and sold, based on fixed declining incentive rates established by the Program and as agreed upon in each Contribution Agreement.

How are the incentive payments calculated?

Incentives will be calculated separately for renewable alternatives to gasoline and diesel by taking into consideration eligible sales and incentive rate, as follows:

$$\text{Incentive} = \text{Eligible Sales (L)} \times \text{Incentive Rate (\$/L)}$$

What does the incentive formula mean?

Eligible Sales:

The portion of total sales, in litres, of renewable alternatives to gasoline and/or diesel that is produced in Canada and accepted under the Program for an incentive and sold by the proponent during the reporting period.

Incentive Rate:

Fixed declining rates are established by the Program. Rates start at \$0.10 per litre for ethanol and \$0.26 per litre for biodiesel and decline thereafter as described in the table below:

Incentive Rate (\$ per L)

| Fiscal Year* | 2008 - | 2009 - | 2010 - | 2011 - | 2012 - | 2013 - | 2014 - | 2015 - | 2016 - |
|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Renewable | 0.10 | 0.10 | 0.09 | 0.08 | 0.07 | 0.06 | 0.05 | 0.04 | 0.03 |

| | | | | | | | | | |
|--|------|------|------|------|------|------|------|------|------|
| Alternatives to Gasoline | | | | | | | | | |
| Renewable Alternatives to Diesel | 0.26 | 0.24 | 0.20 | 0.18 | 0.14 | 0.10 | 0.08 | 0.06 | 0.04 |
| * April 1 of a year to March 31 of the following year. | | | | | | | | | |

What are the basis and timing of payment?

Proponents are paid monthly. Incentive payments will be made following receipt of monthly claims submitted to NRCan. Every six months a more comprehensive claim for payment report and a complimentary information spreadsheet is needed. Claims submitted must include verifiable amounts of eligible sales in litres (as certified by a duly authorized officer and as defined in the Contribution Agreement) and revenue (sales) information.

Service Standard for Processing Monthly Claims for Payment for ecoENERGY for Biofuels

The following service standard applies in the case where the invoice received is acceptable to the Minister in that it is complete as per the terms of the contribution agreement, no component of the invoice is in dispute and where all conditions to issuing payment have been met, per the contribution agreement (e.g., Canadian Environmental Assessment Agency requirements).

This standard is applicable solely to the functions within the responsibility of Natural Resources Canada i.e., processing claim to the point of forwarding the payment to Public Works and Government Services Canada so they may process the cheque or issue electronic payment.

The processing of claims for payment will be completed within 20 business days, from the deadline specified for proponents to submit their monthly claim, to the date the processed claim is sent by Natural Resources Canada to Public Works and Government Services Canada to issue payment.

Please note that in the event that claims submitted require questions of clarification to be posed, the 'clock will stop' and resume only once clarification questions have been answered to the Program's satisfaction. Should circumstances warrant, and additional time be required, proponents will be advised in writing.

When does the Program start to recognize eligible Sales?

Recognition of eligible sales is from the first day of the month in which an applicant is deemed eligible under the Program.

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