

## **THE TECHNICAL ASSISTANCE (TA) GRANT FACILITY – GUIDELINES**

### **PRODUCTS**

The TA facility provides funding to eligible businesses to support the preparation of EE audits and RE studies and to finance pilot projects. These audits and studies will test the economic, environmental, technical and financial viability of each project, prior to its implementation. Pilot projects, which implement recommended interventions from the audit/study, can be financed by this facility as well. Businesses applying for funding through this facility are required to provide counterpart funding in the form of a deposit which is reimbursed in full if the project is implemented or deemed not viable and therefore not implemented.

### **WHO QUALIFIES**

Small and Medium-Sized Enterprises (SME's) as well as companies owned by government, incorporated under the Companies Act, and any other organisations acceptable to EGFL, who require funds for pre-feasibility studies and/or pilot projects are eligible. Grants for pre-feasibility studies under the TA facility are targeted at small or medium-sized businesses while grants for EE and RE pilot projects are reserved for small businesses. However, EGFL and the Project Execution Unit can make exceptions to this ruling on a case by case basis. The pre-feasibility component of this facility is geared towards businesses that require financing to implement EE and RE solutions.

An SME is defined as a business incorporated under The Companies Act and approved as a small business in accordance with the Small Business Development Act 1999-23; or one that meets the criteria set out here:

#### Small Business

- Gross sales/revenues up to and not exceeding BDS\$2 million per year,
- Stated or paid-up capital up to and not exceeding BDS\$1 million,
- Majority (over 50 percent) Barbadian owned,
- Not more than 25 employees,
- Not controlled by another business whose reserves and/or capital or non-Barbadian ownership exceed the criteria above.

#### Medium-sized Business

- Gross sales/revenues up to and not exceeding BDS\$5 million per year,
- Stated or paid-up capital up to and not exceeding BDS\$2 million,
- Majority (over 50 percent) Barbadian-owned,
- Not controlled by another business whose reserves and/or capital or non-Barbadian ownership exceed the criteria above,
- Criterion for hotels only: Accommodation capacity must not exceed fifty (50) rooms,
- Criterion for businesses engaged in agriculture only: Acreage under cultivation must not exceed 25 acres.

### **Eligible Projects**

- **EE audits that assess the:**
  - Baseline energy consumption patterns and key energy end-uses of the business involved in the audit.
  - Detailed capital, installation, and operation and maintenance costs of each EE measure proposed to achieve energy savings.
  - Proposed financing of EE measures considered through equity and debt instruments.

- Savings expected to be achieved through proposed EE measures, in energy terms (kWh saved per year and over life cycle) and in monetary terms (BDS\$ saved per year and over life cycle, net present value of measures, payback period of measures).
- **Preliminary (walk-through) audits** are only eligible for support by the TA Facility for applications from small businesses for EE and RE projects. These audits assess the:
  - Initial count of equipment to identify energy use and performance.
  - Baseline energy consumption patterns and key energy end-uses of the business involved in the audit
- **RE studies**—these include:
  - technical and economic feasibility studies,
  - studies on the financial structuring of a RE project,
  - environmental impact assessments for a RE project,
  - any study required to facilitate governmental permissions where appropriate; and
  - generally any study that is necessary for assessing the technical, economic, financial or environmental viability of RE projects, thus allowing them to be financed and implemented.
- **Pilot projects**—these are defined as eligible EE and Energy conservation projects and distributive scale RE including:
  - EE Lighting Retrofit projects replacing incandescent/other less efficient bulbs with LEDS and/or installing occupancy sensors.
  - EE A/C Retrofit projects replacing split systems with inverter technology.
  - Energy Conservation projects installing power monitors.
  - Distributed scale renewable energy projects including small solar photovoltaic (PV) systems: no larger than 24 kw (AC) and/or solar water heater systems.
  - Electric mobility projects including electric bicycle, motorcycles, and golf carts.

## HOW TO ACCESS TECHNICAL ASSISTANCE

Businesses wishing to access funding must first:

- Sign a Letter of Intent.
- Select a qualified energy auditor who has been approved as a Smart Fund Partner (SFP) for the purposes of conducting an energy audit.
- Submit a brief overview of the project idea outlining the expected costs, performance and benefits of the project. Ideally, this review should be undertaken by an approved SFP.
- Submit details of electricity and gas usage for the last 12 months.
- Submit corporate documents, including Certificate of Incorporation; Notice of Address or Notice of Change of Address of the registered office; Notice of Directors or Notice of Change of Directors; Articles of Incorporation; Bylaws and financial statements for the preceding 3 years.

## TERMS AND CONDITIONS

The terms and conditions for receiving grant funding under the TA Facility are as follows:

- **Size of Grants:** Grants to finance EE audits, RE studies and pilot projects may amount to a maximum of BDS\$50,000 per applicant.
- **Deposit (counterpart funding and management fee):** EGFL determines the size of the deposit an applicant should make to the account of the TA Facility. Deposits should be received prior to the

disbursement of the grant to pay for the EE audit or RE study. The value of the deposit may be up to 50 percent of the grant amount, depending on EGFL's assessment of the project.

- A management fee of 2% will be deducted from each grant disbursement.
- The remainder of the deposit (after subtracting the management fee) is treated in one the following three ways, depending on the project outcome:
  - If the project assessed by the EE audit or RE study is deemed viable, and ultimately implemented with a loan from the EE Retrofit and RE Finance Facility, the remainder of the deposit is fully reimbursed to the applicant.
  - If the project assessed by the EE audit or RE study is deemed viable, but is ultimately not implemented, or is implemented but without a loan from the EE Retrofit and RE Finance Facility, the deposit is not reimbursed.
  - If the project assessed by the EE audit or RE study is deemed not viable and is not implemented, the remainder of the deposit is fully reimbursed to the applicant.
- **Grant Restrictions.** A maximum of two **grants** may be awarded to any business. In this case, the maximum amount per applicant remains BDS\$50,000. Grants are awarded to businesses on a first-come, first-served basis. To be eligible for a grant for a pilot project, a business must first complete an energy audit undertaken by an approved SFP. The list of approved SFPs is found on EGFL's website.
- **Inspection.** Businesses receiving grant funding for an EE audit, RE study or pilot project, commit to using the funding only for the purposes agreed to with EGFL and agree to random inspections by independent auditors hired by the Ministry of Energy, Small Business and Entrepreneurship (MESBE), MESBE staff, EGFL staff and Inter-American Bank staff to verify that funds are used appropriately and that compliance with the terms and conditions of the financing is respected.
- **Grant Agreement.** As a prior condition for disbursement of any grant funding provided under the TA facility, the Grant Agreement must be signed by EGFL and the beneficiary of the grant.