

Call for Carbon Dioxide Removal (CDR) Innovation FAQs

What is the CICE Call for CDR Innovation?

This funding call seeks innovative proposals from Canadian-based climate tech companies advancing CDR solutions that will contribute to the reduction of greenhouse gases. CICE will award up to **\$3 million** in non-dilutive investments to Canadian companies implementing Canadian-based projects.

Through this call, CICE invites Canadian-based climate tech companies focused on the development of engineered and hybrid CDR projects in Canada to apply. Applicants should demonstrate their capacity to scale innovative technologies that complement emissions-reduction efforts.

Who can apply for the Call for CDR Innovation?

This program targets Canadian-based climate tech companies focused on the development of engineered and hybrid CDR solutions in Canada, with a priority given to those in British Columbia. Applicants should demonstrate their capacity to scale innovative technologies that complement emissions-reduction efforts.

Companies must demonstrate effective management, operational capacity, and sufficient financial backing to complete their project and advance their commercial potential.

Consortia of companies working together to complete a project are acceptable and welcomed. In such cases, it is recommended that a single lead company incorporated in Canada be the applicant.

How can I apply for the Call for CDR Innovation?

Applications will be accepted until April 30th, 2025. The application form can be found on the <u>Call for CDR Innovation</u> page.

The application consists of three phases:

- **Stage one** involves an expression of interest detailing the project through short answer questions and a 5-minute video.
- **Stage two** invites selected applicants to prepare and submit a detailed proposal that outlines due diligence, third-party assessments conducted by experts in their relative fields and multiple engagements with the CICE project review team.
- **Stage three** involves the development of a project funding agreement that identifies the obligations of all parties and becomes a binding agreement governing the



relationship between CICE and the company. The contribution agreement will also include key milestones for fund release and reporting requirements.

See the <u>application guideline</u> for more details.

How much funding is available through this call for innovation?

CICE will invest up to \$3 million in Canadian climate tech companies with early-stage, hard-tech carbon dioxide removal solutions to decarbonize B.C. and Canada. While proponents may request up to \$3 million per project, historically CICE has awarded an average of \$700,000 per project for applicants applying through its innovation calls. As part of this call, these investments can maximize impact by:

- Directly fund hard tech decarbonization solutions to remove carbon dioxide from the atmosphere.
- Supporting the scaling and advancing of CDR technologies for commercial deployment.
- Providing project funding on a milestone basis to early-stage CDR startups.

What are the minimum and maximum total amounts that can be requested?

CICE will fund up to 50% of the total project cost. CICE intends to invest in several projects of different sizes, with a total up to \$3 million. Historically, CICE has awarded an average of \$700,000 per project through our innovation calls.

What will the funding cover? E.g. prototyping of new equipment, R&D, employee salaries?

Project funds can be used to pay salaries, consultants, and reasonable direct costs related to the project proposed in the application. Funds can also be used to secure demonstration sites (including the operating costs of demonstrations), build prototypes, integrate system components, demonstrate pilot production or scale up manufacturing.

Project funds **cannot** be used to enhance normal business operational capabilities, purchase capital equipment, perform capital or leasehold improvements or purchase furniture or other equipment to be used in the routine course of business. Project funds cannot be used for advertising or other forms of business promotion. Human resource costs cannot be 'marked up' to include blanket overheads.



What types of projects are eligible for funding?

The 2025 CDR call for innovation provides an opportunity for furthering commercial development of needed CDR solutions in Canada. CICE will favour proposals towards scaling solutions such as:

- **Engineered Solutions:** Solutions that are technology-based, typically requiring capital equipment, process design and energy or other resource inputs (e.g. chemicals). Examples include (but not limited to) industrial point-source carbon capture and storage, and direct air capture and storage.
- **Hybrid Solutions:** Solutions that integrate natural systems, such as oceans, with engineered elements such as capital equipment or energy. Solutions that use bioenergy or alter ocean CO₂ uptake are classified in this category. Examples include (but not limited to) mineralization, ocean alkalinity enhancement, seaweed cultivation, biomass carbon removal and storage and biochar.

CICE is prioritizing companies that showcase carbon dioxide removal pathways with durable carbon dioxide storage as part of its commercialization pathways.

CICE will consider nature-based solutions as part of the call that have strong Indigenous reconciliation, ownership or partnership built into the project. Additionally, CICE will prioritize solutions that have significant co-benefits such as promoting ecosystem restoration and biodiversity conservation, enhancing community resilience and socioeconomic benefits through carbon management efforts.

CICE will also consider applications focusing on carbon dioxide utilization technologies and measuring, monitoring, and verification of CDR technologies.

There are other requirements and details in the application guide. Please review before applying.

How should applicants estimate and report the impact of their projects, particularly in terms of GHG emissions reductions?

The application should include a lifecycle analysis of the innovation, along with estimates of GHG emissions reductions, both at the project level and at scale. Assumptions and calculations should follow industry-standard methodologies, and supporting references or studies must be available upon request. In cases where it is more appropriate, such as in load-displacement applications, proposals may use proxies for GHG emissions (e.g., energy consumption metrics) for the calculations.



Are projects/technologies currently in development eligible?

Yes, project activities may include, but are not limited to, demonstrations and pilot projects, innovative implementation solutions, novel linkage of system components, mitigation or monitoring technologies, and business model innovations. See application guideline for more details.

My company is based outside of B.C., but we have a project in the province. Are we eligible?

For this call, CICE will consider applications from Canadian-based businesses with projects in Canada, with a priority given to those in British Columbia.

My company is based in B.C., but our project is outside of the province. Are we eligible?

For this call, CICE will consider projects based anywhere in Canada, with a priority given to those in British Columbia.

What is the expected timeline for the Call for CDR Innovation?



What is the expected timeline for investment dispersal?

Once the successful projects are notified, we will collaborate with the companies to develop a milestone plan. As each project milestone is achieved, the corresponding portion of the investment will be dispersed. On average, it is a two-year cycle to receive the funding.

Can partnerships or consortia of companies apply? Can larger enterprises support and partner with start-ups for this funding opportunity?



Consortia of companies working together to complete a project are acceptable and welcomed. In such cases, it is recommended that a single lead company should become the applicant.

I've received funding from previous CICE calls for innovation. Can I still apply?

Yes! We'd be happy to hear about your new projects or follow-on funding opportunities.

What types of projects and/or companies have you funded through previous calls for innovation?

To date, CICE has funded 59 climate and energy projects focused on decarbonization. Visit our website to learn more about CICE's funded projects: https://cice.ca/projects/

I don't fit the criteria for this Call for Innovation, but we meet the criteria for other funding calls. Can I speak to someone about other funding opportunities?

Sign up for email updates and follow CICE on social media to stay up to date on all of our funding opportunities. <u>Check out the current funding opportunities here.</u>

Who can I contact for more information?

Contact us with any questions at CDRcall@cice.ca.