

## ERA RESPONDS TO GLOBAL HEALTH PANDEMIC AND OIL PRICE COLLAPSE WITH SHORT AND LONG-TERM SUPPORT

Alberta is facing unprecedented uncertainty and disruption due to the COVID-19 pandemic, the decline in global oil prices, and the instability in financial markets and economies around the world. This has created an urgent need to respond to near-term threats, while also identifying opportunities and solutions for longer term economic recovery, investment attraction, job growth, and emissions reductions.

To help navigate the immediate impacts of these challenges, ERA made up to \$10 million available to speed up cash flow and support the liquidity of active projects. ERA temporarily adjusted its payment holdback policy, reducing red tape and quickening the pace of investments to companies.

“ERA’s projects face inherent risk as they are focused on accelerating the development and deployment of innovative new technologies, and they all represent the opportunity for significant reward. We want to ensure there are projects in the pipeline that are part of the economic recovery and confirm confidence in Alberta’s industries with local and global capital markets,” said Steve MacDonald, ERA’s CEO.

ERA funding is distributed on a milestone basis, reimbursing costs already incurred by a project. A standard per cent of payment is held back at each of these stages until the project is completed and a final outcomes report is shared publicly for the broader benefit of Alberta.

By reducing this holdback, funds were more quickly distributed to entrepreneurs and organizations working hard on technologies that improve economic competitiveness and reduce greenhouse gas emissions. This will help 74 approved projects access amounts previously committed to them to address immediate cash constraints. The remaining holdback will be made available upon project completion and report publication.



Enerkem’s waste-to-biofuels facility in Edmonton was one of ERA’s active projects that benefited from a \$10 million temporary policy adjustment.

### \$40 MILLION ANNOUNCED FOR FOOD, FARMING, AND FORESTRY INNOVATION

As COVID-19 restrictions began to ease, ERA announced its \$40 million Food, Farming, and Forestry Challenge. This funding opportunity will accelerate innovation in support of long-term competitiveness and stimulate growth in the critically important agriculture, agri-food, and forestry sectors. It also provides near-term capital to innovators.

This \$40 million Food, Farming, and Forestry Challenge assists farmers, ranchers, industry, innovators, and more as they work to ensure sustainable food and fibre supplies, navigate the economic repercussions of COVID-19 and ongoing market implications. Innovation will include technology solutions that lead to lower production and processing costs for food and fibre, nature-based solutions that sequester carbon from the atmosphere, and more.

ERA will fund up to \$5 million per project. Funding is being sourced from the carbon price paid by Large Final Emitters (LFE’s) in Alberta through the Technology Innovation and Emissions Reduction (TIER) fund.

“Investment in innovation plays an important part in the continuation of stable, sustainable food production in Canada. This investment is a positive thing for Alberta’s beef producers, while helping ensure Canadians have continued access to high-quality and nutritious products,” said Bob Lowe, President, Canadian Cattlemen’s Association.

ERA worked with leaders in agriculture, agri-food, and forestry to design this funding challenge. Ideas for innovation included creating value from agricultural and forest waste, nutrient management, automation and digitization of operations, genomics, applications of alternative energy, zero carbon seeding, monitoring and detection technologies, and nature-based solutions.

### NATURAL GAS CHALLENGE FINALISTS TO BE ANNOUNCED THIS SUMMER

ERA is moving forward with its \$50 million Natural Gas Challenge focused on technology innovation across the value chain. Finalists will be determined following review at ERA’s May Board of Directors meeting. ERA’s team of experts reviewed 117 submissions and 27 were invited to submit Full Project Proposals and make virtual presentations. ERA will fund up to \$10 million per project and up to 50 per cent of total project costs. Proponents must match ERA’s investment with private funds.

ERA’s competitive review process includes a team of experts in science, engineering, business development, commercialization, financing, and GHG quantification. The entire process involves participation by an independent Fairness Monitor that reports directly to ERA’s Board of Directors to ensure all applicants are treated in a fair and equitable manner. The Fairness Monitor’s findings will be presented to the Board before any funding decisions are made.

### ADDITIONAL OPPORTUNITIES TO SUPPORT LONG-TERM RECOVERY

ERA is also exploring additional opportunities to fund projects that will enable job creation and economic growth by lowering costs and carbon in sectors heavily impacted by COVID-19 and the economic downturn. Through funding mechanisms such as the launch of a new, competitive call for proposals or through its Partnership Intake Program, ERA is considering how to best support a sustainable economic recovery for Alberta.

“We have over a decade of experience identifying and funding projects through a robust, transparent and efficient project selection process that will enable us to quickly deploy these funds to companies that will benefit from support in this extraordinary time,” said MacDonald.

## COMMITTED TO ACTION

- ▶ ERA is a key partner in addressing Alberta's climate and economic priorities. We fund and de-risk late-stage technologies to reduce GHG emissions and help grow and create competitive industries in Alberta.

## CONVENING RESOURCES FOR COLLABORATION

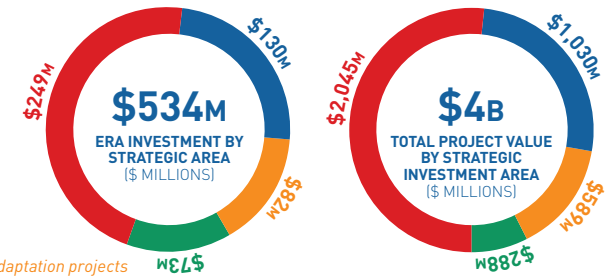
- ▶ The Government of Alberta provides grants to ERA. For more than 10 years, ERA has been investing revenues from the carbon price paid by Large Final Emitters (LFEs) to accelerate the development and adoption of innovative and clean technology solutions.
- ▶ We work with industry, government, and technology developers to make Alberta a hub for innovative ideas that reduce GHG emissions and improve economic competitiveness.
- ▶ We convene the resources—policy, regulatory, and business development tools—to be a catalyst and steward projects toward commercialization.
- ▶ With our stakeholders, we developed a Technology Roadmap that guides investment decisions and informs our portfolio mix.

FUNDING OPPORTUNITY	WHAT'S IT ABOUT?	ERA FUNDING	HIGHLIGHTS
<b>GRAND CHALLENGE</b>	Technologies to transform CO <sub>2</sub> from waste to value	\$31M	2 projects awarded \$5M each in the final round
<b>METHANE CHALLENGE</b>	New methane detection and reduction technologies	\$25M	11 projects funded worth \$66M in total project value
<b>OIL SANDS INNOVATION</b>	Late-stage, GHG-reducing technologies to help Alberta's oil sands industry remain competitive	\$61M	8 projects funded worth \$683M in total project value
<b>INDUSTRIAL EFFICIENCY CHALLENGE</b>	Technologies to increase efficiencies for LFE industrial facilities	\$59M	9 projects funded worth \$235M in total project value
<b>BEST CHALLENGE</b>	GHG-reducing technologies in biotechnology, electricity and sustainable transportation	\$77M	14 projects funded worth \$286M in total project value
<b>NATURAL GAS CHALLENGE</b>	Unlocking innovation across Alberta's Natural Gas value chain	\$50M	Full Project Proposal deadline was April 16, 2020. Successful projects will be announced in the summer of 2020.

## INVESTING IN A DIVERSE PORTFOLIO

### 161 Projects

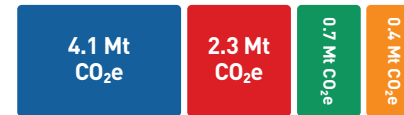
- ▶ **Cleaner Oil & Gas** (56 Projects)
- ▶ **Low Emitting Electricity Supply & Demand** (24 Projects)
- ▶ **Food, Fibre, & Bioindustries\*** (42 Projects)
- ▶ **Low Carbon Industrial Processes & Products** (39 Projects)



\*In 2012, ERA provided funding for three adaptation projects in consultation with Alberta Environment and Parks.

## CUMULATIVE PROJECT EMISSION REDUCTIONS

### 7.5 Mt CO<sub>2</sub>e Total by 2020



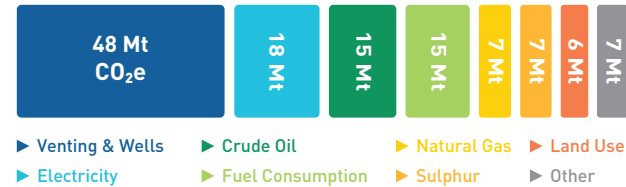
### 32.9 Mt CO<sub>2</sub>e Total by 2030



Note: We have estimated emission reductions for all projects with approved funding commitments and executed funding agreements and assumed the projects will continue successfully and as planned. Should circumstances change for these projects, emission reduction estimates may change materially.

## CUMULATIVE MARKET EMISSION REDUCTIONS

### 123 Mt CO<sub>2</sub>e Total by 2030



ERA estimates our investments could result in emissions reductions of an average of 3.2 million tonnes of CO<sub>2</sub>e per year. This is the equivalent of removing 679,000 cars off the road for one year.

## LEVERAGING FUNDING AND CREATING JOBS

Technology is the engine of environmental and economic opportunity. For every ERA dollar we commit to advancing new technologies, over \$6 has been invested by funding partners.



\*A person-year is equal to one-year of employment for one individual. Please note: economic impact is reported on a calendar year basis, not fiscal year.