



Rural Electric Program Guidelines

December 2014

Eligibility

Only bona fide producers holding a valid and current Alberta Farm Fuel Number are eligible to apply for grant assistance under the Rural Electric Grant Program.

Applications

The Rural Electric Grant Program runs from March 1 to February 28 each year.

The approval of any application is subject to the availability of funds.

Eligible producers must make an application to the Alberta Federation of Rural Electrification Associations (AFREA).

An application for grant will only be processed once construction of the service has been completed.

Only services or upgrades constructed within one year prior to the date the application is processed by the AFREA are eligible for consideration.

Applications for a grant must be made on a form prescribed by the AFREA and shall be accompanied by the following:

- (a) Sketch of the proposed route,
- (b) Township map showing existing single and three phase lines,
- (c) A detailed costing sheet prepared by the applicable electric utility company or rural electrification association (REA).

Grant Criteria

The following general criteria will be used to determine eligible costs:

- (a) Grants will be based on the most practical and economical route, a standard 25kVA transformer for an overhead service and 50 kVA on an underground service.
- (b) Irrigation, grain dryer and three phase services may include the additional transformer capacity in calculating the grant,

- (c) Where a service must be constructed in a more expensive manner as a result of federal, provincial or municipal regulation or law, the additional cost may be eligible for a grant (up to the maximum grant amount),
- (d) One transformer equals one service equals one grant,

There is no limit on the amount or number of grants that an eligible producer may receive. The maximum grant per service is \$5,250.

A service conversion from a small single phase (25kVA transformer or less) to a large single (over 25kVA transformer) or three phase service is eligible for grant, as it is considered a new service. Once a service has been upgraded to a larger transformer or to a three phase service, no further upgrades to the service are eligible for grants. Existing services over 25kVA are not eligible for grants.

The cost of a service move (transformer and/or line) is not eligible for a grant.

Where an individual has two or more services constructed at the same time, they shall be treated as separate consecutive services for the purpose of calculating line share and basic cost.

When two or more individuals have services constructed at the same time, the cost of the line common to all parties shall be equally shared and assigned to each individual. The costs assigned to each individual shall be included in determining the line share and basic cost of each service.

Ineligible Costs

The following costs shall be excluded from the grant calculation:

- (a) Refunds to the owner of an existing service,
- (b) Brushing,
- (c) Extra transformer capacity in excess of 25kVA (excepting irrigation, underground and grain dryer services),
- (d) Easements except crown easements,
- (e) Longer line routing as requested by the customer.
- (f) Connection fees charged by one wire service provider to another wire service provider.
- (g) Costs associated with the installation of a new electric irrigation service that replaces an existing natural gas service are not eligible for grants.

Line Share

An electric utility company or a rural electrification association may add a line share component to the cost of the service.

The intent of line share is to adjust the cost of an electrical service such that cost of the service reflects the historical average of all services constructed.

Line share may be an additional charge or may be a credit depending on the cost of the service compared to the average costs.

Services with a construction cost that is greater than the historical average will receive a credit. Services with a construction cost that is less than the historical average will have an additional charge assessed to the cost of the service.

Each electrical utility or REA will determine the line share component based on the historical costs specific to their electrical system.

Grant Calculation

The AFREA will determine the final basic system capital cost to be used to calculate total grant eligibility.

The grant eligibility will be calculated as follows:

Where an electric utility or an REA invest in the new service and the investment exceeds the cost of the service, no grant will be paid.

If the investment by the electric utility or REA does not exceed the cost of the service, grant eligibility will be the lesser of the grant eligibility prior to the investment or the amount that the customer is responsible to pay to the electric utility or REA.

Basic Capital Cost	Sharing of Capital Costs
Up to \$4,500	100% customer
Over \$4,500 to \$15,000	50% customer 50% grant

Grant Processing

Upon approval of the application and determination of the grant eligibility, the AFREA will issue a payment to the applicant equal to 65 percent of the grant eligibility.

Prior to March 31 of each calendar year, the AFREA will calculate the total amount of grant eligibility based on all applications received and approved between March 1 and February 28 of the previous program year.

If the total amount of grant eligibility is equal to or less than the funding available for distribution to eligible applicants, the AFREA will generate and pay to all applicants the remaining 35 percent of each applicant's respective grant eligibility.

If the total grant eligibility is greater than the funding available for distribution to eligible applicants, the AFREA will adjust the grant eligibility of each approved applicant by an equal percentage such that the total adjusted grant eligibility equals the total funding available for distribution to program applicants. The AFREA will subsequently pay the applicants the adjusted grant amount less the 65 percent advance payment previously issued to the applicant.