



Natural Resource Sector

**GOVERNMENT TRANSFER –  
SHARED COST ARRANGEMENT**

**Agreement #: CA15MAN0022**

**Project Title: CLEAN ENERGY VEHICLE HYDROGEN FUELLING PROGRAM**

THIS AGREEMENT dated for reference the 25<sup>TH</sup> day of MARCH, 2015.

**BETWEEN**

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF  
BRITISH COLUMBIA, represented by the Minister of Energy and Mines  
Community and Transportation Branch

(the "Province")

**AND**

CANADIAN HYDROGEN AND FUEL CELL ASSOCIATION (CHFCA) /  
Association Canadienne De L'Hydrogene Et Des Pile A Combustible  
(ACHPC)

(the "Recipient")

The parties to this Agreement agree as follows:

## **SECTION 1 - DEFINITIONS**

### **1. Where used in this Agreement**

- (a) "Financial Contribution" means the total aggregate value stipulated in Schedule B;
- (b) "Material" means all findings, data, reports, documents, records and material, (both printed and electronic, including but not limited to, hard disk or diskettes), whether complete or otherwise, that have been produced, received, compiled or acquired by, or provided by or on behalf of the Province to, the Recipient as a direct result of this Agreement, but does not include
  - I. personal Information which could reasonably be expected to reveal the identity of clients;
  - II. property owned by the Recipient;
- (c) "Project" means the project described in Schedule A;
- (d) "Services" means the services described in Schedule A;
- (e) "Term" means the duration of the Agreement stipulated in Schedule A;
- (f) "Third Party" means any person or entity or its officers, employees or agents, other than a party to this Agreement that is involved in the delivery of the Services.
- (g) "Refund" means any refund or remission of federal or provincial tax or duty available with respect to any items that the Province has paid for or agreed to pay for under this Agreement.

## **SECTION 2 - APPOINTMENT**

The Recipient must carry out and complete the Project described in Schedule A and may use the Province's funding only for the purpose specified in Schedule A.

### **SECTION 3 – PAYMENT OF FINANCIAL CONTRIBUTION**

Subject to the provisions of this Agreement, the Province must pay the Recipient the amount, in the manner, and at the times set out in Schedule B.

The Province has no obligation to make the Financial Contribution unless the Recipient has complied with the criteria set out in Schedule A.

The Province's obligation to make the Financial Contribution is subject to

- (a) sufficient monies being available in an appropriation, as defined in the *Financial Administration Act* ("FAA"), to enable the Province, in any fiscal year when any payment of money by the Province to the Recipient falls due pursuant to this Agreement, to make that payment; and
- (b) Treasury Board, as defined in the FAA, not having controlled or limited, pursuant to the FAA, expenditure under any appropriation referred to in subparagraph (a) of this paragraph.

The Recipient must

- (a) apply for any Refund or remission of federal or provincial tax or duty available with respect to any items that the Province has paid for or agreed to pay for under this Agreement, and
- (b) on receipt of the Refund, comply with the requirements concerning the use, application or remittance of the Refund set out in Schedule B.

The previous paragraph continues in force indefinitely, even after this Agreement expires or is terminated.

The Recipient is responsible for any Provincial Sales Tax (PST) and Goods and Services Tax (GST) and any other charges for which the Province has not expressly agreed to accept responsibility under the terms of this Agreement.

The Recipient must declare any amounts owing to the government under legislation or an agreement. Amounts due to the Recipient under this Agreement may be set-off against amounts owing to the government.

### **SECTION 4 - REPRESENTATIONS AND WARRANTIES**

The Recipient represents and warrants to the Province, with the intent that the Province rely on it in entering into this Agreement, that

- (a) all information, statements, documents and reports furnished or submitted by the Recipient to the Province in connection with this Agreement are true and correct;

- (b) the Recipient has no knowledge of any fact that materially adversely affects, or so far as it can foresee, might materially adversely affect, the Recipient's properties, assets, condition (financial or otherwise), business or operations or its ability to fulfill its obligations under this Agreement; and
- (c) the Recipient is not in breach of, or in default under, any law of Canada or of the Province of British Columbia applicable to or binding on it.

All statements contained in any certificate, application, proposal or other document delivered by or on behalf of the Recipient to the Province under this Agreement or in connection with any of the transactions contemplated by it are deemed to be representations and warranties by the Recipient under this Agreement.

All representations, warranties, covenants and agreements made in this Agreement and all certificates, applications or other documents delivered by or on behalf of the Recipient are material, have been relied on by the Province, and continue in effect during the continuation of this Agreement.

## **SECTION 5 - INDEPENDENT RELATIONSHIP**

No partnership, joint venture, agency or other legal entity is created by this Agreement or by any actions of the parties pursuant to this Agreement.

The Recipient is independent and neither the Recipient nor its servants, agents or employees are the servants, employees, or agents of the Province.

The Recipient must not commit or purport to commit the Province to the payment of money to anyone.

## **SECTION 6 – RECIPIENT'S OBLIGATIONS**

The Recipient must

- (a) carry out the Services in accordance with the terms of this Agreement during the Term stated in Schedule A;
- (b) comply with the payment requirements set out in Schedule B, including all requirements concerning the use, application and expenditure of the payments provided under this Agreement;
- (c) comply with all applicable laws;
- (d) hire and retain only qualified staff;
- (e) unless agreed otherwise, supply, at its own cost, all labour, materials and approvals necessary to carry out the Services;
- (f) unless agreed otherwise, retain ownership to all assets acquired or intangible property created in the process of carrying out this Agreement;



- (g) co-operate with the Province in making the public announcements regarding the Services and the details of this Agreement that the Province requests; and
- (h) acknowledge the financial contribution made by the Province to the Recipient for the Services in any Materials, by printing on each of the Materials the provincial logo and the following statement:

*"The Clean Energy Vehicle Hydrogen Fuelling Program is a program funded by the Province of British Columbia's Innovative Clean Energy Fund".*

## **SECTION 7 - RECORDS**

The Recipient must

- (a) establish and maintain accounting and administrative records in form and content satisfactory of the Province, to be used as the basis for the calculation of amounts owing;
- (b) establish and maintain books of account, invoices, receipts and vouchers for all expenses incurred in form and content satisfactory to the Province; and
- (c) permit the Province, for contract monitoring and audit purposes, at all reasonable times, on reasonable notice, to enter any premises used by the Recipient to deliver the Services or keep any documents or records pertaining to the Services, in order for the Province to inspect, audit, examine, review and copy any findings, data, specifications, drawings, working papers, reports, surveys, spread sheets, evaluations, documents, databases and material, (both printed and electronic, including, but not limited to, hard disk or diskettes), whether complete or not, that are produced, received or otherwise acquired by the Recipient as a result of this Agreement.

The Province does not have control, for the purpose of the *Freedom of Information and Protection of Privacy Act*, of the records held by the Recipient.

## **SECTION 8 - REPORTS/STATEMENTS AND ACCOUNTING**

At the sole option of the Province, any portion of the funds provided to the Recipient under this Agreement and not expended at the end of the Term

- (a) must be returned by the Recipient to the Minister of Finance;
- (b) may be retained by the Recipient as supplemental funding provided for under an amendment to this Agreement; or
- (c) may be deducted by the Province from any future funding requests submitted by the Recipient and approved by the Province.

## **SECTION 9 - CONFLICT OF INTEREST**

The Recipient must not, during the Term, perform a service for or provide advice to any person if the performance of that service or the provision of the advice may, in the reasonable opinion of the Province, give rise to a conflict of interest between the obligations of the Recipient to the Province under this Agreement and the obligations of the Recipient to the other person.

## **SECTION 10 - CONFIDENTIALITY**

The Recipient must treat as confidential all information and material supplied to or obtained by the Recipient, or any Third Party, as a result of this Agreement. The Recipient must not, without the prior written consent of the Province, permit its disclosure, except as required by applicable law or to the extent that the disclosure is necessary to enable the Recipient to fulfill its obligations under this Agreement.

## **SECTION 11 - DEFAULT**

Any of the following events constitute an Event of Default:

- (a) the Recipient fails to comply with any provision of this Agreement;
- (b) any representation or warranty made by the Recipient in accepting this Agreement is untrue or incorrect;
- (c) any information, statement, certificate, report or other document furnished or submitted by or on behalf of the Recipient pursuant to or as a result of this Agreement is untrue or incorrect;
- (d) the Recipient ceases, in the opinion of the Province, to operate;
- (e) a change occurs with respect to any one or more, of the properties, assets, condition (financial or otherwise), business or operations of the Recipient which, in the opinion of the Province, materially adversely affects the ability of the Recipient to fulfill its obligations under this Agreement;
- (f) an order is made or a resolution is passed or a petition is filed for the liquidation or winding up of the Recipient;
- (g) the Recipient becomes insolvent or commits an act of bankruptcy or makes an assignment for the benefit of its creditors or otherwise acknowledges its insolvency;
- (h) a bankruptcy petition is filed or presented against, or a proposal under *the Bankruptcy and Insolvency Act* (Canada) is made by, the Recipient;
- (i) a receiver or receiver-manager of any property of the Recipient is appointed;
- (j) the Recipient permits any sum which is not disputed to be due by it to remain unpaid after legal proceedings have been commenced to enforce payment.

## **SECTION 12 - TERMINATION**

Upon the occurrence of any Event of Default and at any time after that the Province may, despite any other provision of this Agreement, at its option, elect to do any one or more of the following:

- (a) terminate this Agreement, in which case the payment of the amount required under the last paragraph of Section 12 of this Agreement discharges the Province of all liability to the Recipient under this Agreement;
- (b) require the Event of Default be remedied within a time period specified by the Province;
- (c) suspend any installment of the Financial Contribution or any amount that is due to the Recipient while the Event of Default continues;
- (d) waive the Event of Default;
- (e) pursue any other remedy available at law or in equity.

The Province may also terminate this Agreement on 30 days written notice, without cause.

The payment of the amount required under the last paragraph of Section 12 of this Agreement discharges the Province of all liability to the Recipient under this Agreement.

If this Agreement is terminated before 100% completion of the Project, the Province must pay to the Recipient that portion of the Financial Contribution which is equal to the portion of the Project completed to the satisfaction of the Province prior to termination.

## **SECTION 13 – DISPUTE RESOLUTION**

The Parties agree to first refer any matter in dispute under this Agreement to senior officers of the Parties. If the matter cannot be resolved, they must submit it to a mediator as agreed upon by both Parties. The Parties must bear equally the expenditures directly related to the mediation process.

## **SECTION 14 – INSURANCE AND INDEMNITY**

### **Insurance**

Without limiting its obligations or liabilities under this Agreement, and at its own expense, the Recipient must obtain and maintain insurance which it is required to have by law and insurance which a prudent businessperson conducting similar operations would obtain and maintain to cover the risks it has assumed or may encounter as a result of entering into this Agreement or providing the Services during the Term.

If applicable, the Recipient must ensure the Province is added as an additional insured on insurance policies of the Recipient and Third Parties.

Within 10 business days of obtaining each relevant policy of insurance, and from time to time if requested by the Province, the Recipient must provide to the Province evidence of the insurance in the form of a completed Province of British Columbia Certificate of Insurance. If requested by the Province at any time, the Recipient must provide to the Province certified true copies of the relevant insurance policies.

The Recipient must require and ensure that each Third Party maintains insurances comparable to those required above.

#### Indemnity

The Recipient must indemnify and save harmless the Province, its employees and agents, from and against any and all losses, claims, damages, actions, causes of action, cost and expenses that the Province may sustain, incur, suffer or be put to at any time either before or after the expiration or termination of this Agreement, if the same or any of them are based on, arise out of or occur, directly or indirectly, by reason of any act or omission of the Recipient, or of any agent, employee, officer, director or Third Party pursuant to this Agreement, excepting always liability arising out of the independent negligent acts of the Province.

### **SECTION 15 – ASSIGNMENT AND SUB-CONTRACTING**

The Recipient must not, without the prior, written consent of the Province

- (a) assign, either directly or indirectly, this Agreement or any right of the Recipient under this Agreement; or
- (b) sub-contract any obligation of the Recipient under this Agreement.

No sub-contract entered into by the Recipient relieves the Recipient from any of its obligations under this Agreement or imposes on the Province any obligation or liability arising from it.

This Agreement binds the Province and its assigns and the Recipient and the Recipient's successors and permitted assigns.

### **SECTION 16 - REPAYMENT OR REDUCTIONS**

An amount paid by the Province to the Recipient or which is treated as such pursuant to the terms of this Agreement, and to which the Recipient is not entitled according to the terms of this Agreement is repayable to the Province and until repaid constitutes a debt due to the Province.

If for any reason, the Project is not completed to the satisfaction of the Province, the Recipient must repay to the Province the Province's Financial Contribution (or any part which has been paid to the Recipient) under this Agreement, within 30 days of receipt by the Recipient of a written request for repayment from the Province.

## SECTION 17 – OTHER FUNDING

If the Recipient receives funding for or in respect of the Services from any person, firm, corporation or other government or governmental body, then the Recipient must immediately provide the Province with full details.

## SECTION 18 - NOTICES

If in this Agreement any notice or other communication is required to be given by any of the parties, it must be given in writing. It is effectively given

- (a) by delivery to the address of the party set out below, on the date of delivery; or,
- (b) by pre-paid registered mail, to the address of the party set out below, on the fifth business day after mailing;
- (c) by facsimile, to the facsimile number of the party, mentioned in this Agreement, on the date the facsimile is sent; or
- (d) by e-mail, to the e-mail address of the party, mentioned in this Agreement, on the date the e-mail is sent.

The contact details of the parties are

**Province:**

Christina Ianniciello  
Director, Communities and Transportation  
4<sup>th</sup> Floor, 1810 Blanshard St  
Victoria, BC V8W 9N1  
[Christina.Ianniciello@gov.bc.ca](mailto:Christina.Ianniciello@gov.bc.ca)  
Phone 250-952-0686

**Recipient:**

Eric Denhoff  
President & CEO, Canadian Hydrogen and Fuel Cell Association (CHFCA) / Association  
Canadienne De L'Hydrogene Et Des Pile A Combustible (ACHPC)  
#660-475 West Georgia Street  
Vancouver BC V6B 4M9  
[edenhoff@chfca.ca](mailto:edenhoff@chfca.ca)  
Phone 604-760-7176

The address, phone number, facsimile number, or email set out above may be changed by notice in the manner set out in this provision.

## SECTION 19 - NON-WAIVER

No term or condition of this Agreement and no breach by the Recipient of any term or condition is waived unless the waiver is in writing signed by the Province and the Recipient.

A written waiver by the Province of any breach by the Recipient of any provision of this Agreement is not a waiver of any other provision or of any subsequent breach of the same or any other provision of this Agreement.

## SECTION 20 – ENTIRE AGREEMENT

This Agreement including the Schedules constitutes the entire Agreement between the parties with respect to the subject matter of this Agreement.

## SECTION 21 - MISCELLANEOUS

Changes to this Agreement are only effective if made in writing and by both parties.

All of the provisions of this Agreement in favour of the Province and all of the rights and remedies of the Province, either at law or in equity, survive any expiration or sooner termination of this Agreement.

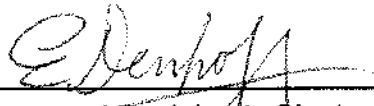
Nothing in this Agreement operates as a consent, permit, approval or authorization by the Province to or for anything related to the Project that by law, the Recipient is required to obtain unless it is expressly stated to be.

## SECTION 22 - ACCEPTANCE

The Recipient indicates its agreement by dating and executing both copies of this Agreement in the space and manner indicated below and returning them to the contact shown above, free of any conditions. In signing or executing below, the Recipient is committing to a binding agreement.

IN WITNESS OF WHICH the parties have duly executed this Agreement as of the 26 day of March, 2015.

**SIGNED AND DELIVERED on behalf of the Recipient**

  
Signature of Recipient's Signing Authority

March 26, 2015  
Date

ERIC DENHOF  
Printed Name & Title of Recipient's Signing Authority

**SIGNED AND DELIVERED on behalf of the Province,**

  
Signature of Province's Signing Authority

April 7/15  
Date

DANIEL GREEN, EXECUTIVE DIRECTOR  
Printed Name & Title of Province's Signing Authority

## **SCHEDULE A – SERVICES**

### **The Project**

#### **Term**

Notwithstanding the date of execution of this Agreement, the term of this Agreement starts on March 31, 2015 and ends on March 31, 2018.

#### **Project**

The Innovative Clean Energy (ICE) fund has allocated funding over three years for a renewed Clean Energy Vehicle Program.

Further details on the Clean Energy Vehicle Program, that provide broader context for this Agreement, are contained in the attached Schedule C "Program Guide for the British Columbia Clean Energy Vehicle Program". Some sections of Schedule C to this Agreement form part of the Project description. The sections are those that apply to specifically the Recipient, referred to in the schedule as the Canadian Hydrogen and Fuel Cell Association (CHFCA) / Association Canadienne De L'Hydrogene Et Des Pile A Combustible (ACHPC), and the sections that apply generally to all other participating organizations in the British Columbia Clean Energy Vehicle Program.

This Agreement is for the \$300,000 Clean Energy Vehicle Hydrogen Fuelling Program. The Clean Energy Vehicle (CEV) Hydrogen Fuelling Program will be administered and implemented through a partnership between the Province and the Recipient.

The CEV Hydrogen Fuelling Program will build on existing hydrogen stations to expand the hydrogen fuelling network in British Columbia, further reducing one of the key barriers to market adoption of hydrogen vehicles: fuelling infrastructure. The CEV Hydrogen Fuelling Program is required to help achieve the overall CEV Program vision that by 2020, 5% of new light duty vehicle purchases in British Columbia are clean energy vehicles.

## **Purpose & Expected Results**

This program is intended to encourage and accelerate the adoption of clean energy vehicles in British Columbia for both their environment and economic benefits. Increased use of clean energy vehicles like electric vehicles and hydrogen fuel cell vehicles will help shift spending on imported transportation fuels to locally made electricity and hydrogen, and will help stimulate jobs and economic development in the local clean technology sector. The CEV Program vision is to stimulate the market such that by 2020 5% of new light duty vehicle purchases in B.C. are clean energy vehicles.

The purpose of CEV Hydrogen Fuelling Program is to continue to encourage clean energy vehicle deployment and technology innovation in the province, by:

1. Supporting as many as possible additional hydrogen fuelling station locations,
2. Supporting increased awareness and understanding of hydrogen vehicles and fuelling infrastructure
3. Leveraging industry, including automaker, investment in fuelling infrastructure in the lower mainland.

## **Deliverables**

The CEV Hydrogen Fuelling Program will operate until March 31, 2018, or earlier if funds are fully expended before that time. The Province will provide program oversight and direction, in consultation with the Recipient and stakeholders. The Recipient will provide day-to-day program administration in accordance with the attached Schedule C "Program Guide for the British Columbia Clean Energy Vehicle Program" and this Agreement.

The Recipient will deliver the CEV Hydrogen Fuelling Program within the following parameters:

1. It is expected that the CEV Hydrogen Fuelling Program will be able to leverage industry funding to maximize the number of fuelling stations installed in British Columbia.



2. The target for this Program is to install as many public and permanent hydrogen fuelling stations as possible through a funding application process, to be administered by the Recipient.
3. The funding application process may be designed as a competitive hydrogen station incentive program or a percentage investment program in a planned station development.
4. The funding application process must not preclude automotive manufacturers and fuel suppliers from agreeing to submit a mutually agreed upon application for comprehensive hydrogen fuelling in British Columbia to the program.
5. The funding call details will be developed in collaboration between the Province and the Recipient.
6. The Recipient will initiate a call, with Provincial staff support as needed, by September 1, 2015 with a close date of November 1, 2015. Proposals will be evaluated and funds awarded by December 15, 2015.

Table 1 presents the CEV Hydrogen Fuelling Program Timeline.

**Table 1: CEV Hydrogen Fuelling Program Timeline**

Item	Dates
Recipient, in consultation with the Province, develop funding call details and project evaluation matrix	By May 31, 2015
Recipient initiates Project Funding Call	By September 1, 2015
Project Funding Call close date	November 1, 2015
Project applications evaluated and awarded funding	By December 15, 2015
Ongoing project monitoring	Until March 31, 2018

Table 2 presents the CEV Hydrogen Fuelling Program Budget, and the categories under which the Recipient may spend the funds. Detailed descriptions for each budget category follow Table 2.

**Table 2: CEV Hydrogen Fuelling Program Budget**

Item	Budget	Dates	Leveraging
Hydrogen Fuelling Stations	\$ 270,000	March 31, 2015 – March 31, 2018	Minimum one new public fuelling station with a goal of incenting 3 new public fuelling stations in BC. A stretch goal of incenting 10 new public fuelling stations in BC.
Administration & Outreach	\$ 30,000	March 31, 2015 – March 31, 2018	

**Earned Interest**

Interest earned by the Recipient on CEV Hydrogen Fuelling Program funds must be reported to the Province and added to the total Program funds available. The Recipient must maintain accounting records (e.g. general ledger) that tracks interest earned and expended on the Program, as follows:

1. The calculation of interest must be based on an average daily balance or some other reasonable and demonstrable method of allocating the proceeds from the interest- generating account back into the program.
2. The methodology for tracking earned interest must ensure that it is separately identifiable from interest earned on non-CEV Hydrogen Fuelling Program funds.
3. Earned interest must be fully expended by March 31st, 2018, or subject to Section 8 of this Agreement.
4. Earned interest and demonstration of the expenditures of earned interest on the program will be captured in the quarterly reporting to the Province.

Documentation of interest earned on CEV Hydrogen Fuelling Program funds and expended on the Program must be retained for a minimum of three years after it is generated and spent.

## **Administration & Outreach**

Eligible expenditures for administration and implementation must be directly related to, and necessary for, the implementation and conduct of the CEV Hydrogen Fuelling Program, and can include:

1. reimbursement payments for fuelling infrastructure
2. salaries and benefits for employees on the payroll of the Recipient for the time spent by the employees on the program
3. professional, marketing, technical and other contracting services, if directly applicable to the program
4. reasonable travel expenditures, including transportation, meals and accommodation
5. printing and mailing services
6. data collection services directly related to the program reporting, including database development, management, analysis and reporting
7. website development, operation and maintenance
8. marketing, promotion, events expenses, program collateral, and public outreach, as approved by the Province prior to expenditures being incurred
9. office expenses that can be clearly demonstrated to be above and beyond expenditures that the Recipient would be incurring regardless of the Program.

Additional eligible expenditures may be proposed to the Province, prior to the expenditures being occurred, if necessary for implementation and administration of the program, and may be approved at the Province's discretion. These additional expenditures are not to be incurred until approved by the Province as eligible expenditures under this agreement.

## **Duties and Requirements**

### **Ministry of Energy and Mines**

The Province is responsible for:

1. Development of the CEV Program Guide
2. Developing funding call details in collaboration with the Recipient

3. Developing Project evaluation matrix in collaboration with the Recipient
4. Participating with the Recipient in the evaluation of funding proposals
5. Participating in regular meetings with the Recipient to discuss program elements and materials and guide program implementation
6. Review and approval of program elements and materials provided by the Recipient, such as Program Plan and progress reports.
7. Distribution of program funds to the Recipient.
8. CEV Hydrogen Fuelling Program oversight and accountability.

### **Canadian Hydrogen and Fuel Cell Association**

The Recipient is responsible for:

1. Developing the funding call details in collaboration with the Province
2. Completing a funding call to distribute funds
3. All communications regarding the funding call including: start and end dates and call details
4. Developing Project evaluation matrix in collaboration with the Province
5. Evaluating, in conjunction with the Province, the project proposals submitted
6. Ensuring applicants are leveraging funds
7. Ensuring the Province is informed of project development
8. Preparing any education materials necessary regarding the program
9. Providing potential project call applicants with information regarding the project call
10. Ensuring any funding call applications meet all applicable program requirements
11. Tracking expenditure of program funding
12. Respond to Recipient member and public inquiries regarding the funding call
13. Providing the Province with status reports and a final report that summarizes total fund expenditures, identifies all leveraged funds, program deliverables, lessons learned, and recommendations.

## **REPORTING REQUIREMENTS:**

### Ongoing Communication

The Recipient must make all reasonable efforts to respond to ad-hoc requests within 3 business days by the Province for information on Project progress. The Recipient must also advise the Province immediately of any substantial events that could impact the Project timeline.

The Recipient will establish, on an as-needed basis, monthly recurring meetings with the Province to discuss and resolve program items or issues.

### Quarterly Reporting

The Recipient will provide Quarterly Reports to the Province detailing progress on the CEV Hydrogen Fuelling Program components and expenditures. The Quarterly Reports must include, at a minimum, the following information:

1. A financial statement detailing the use of the funds
2. The proposed spending plan for the remaining funds
3. Timeline for program deliverables, and progress against that timeline
4. Details on Fuelling infrastructure:
  - a. For each station supported: region, owner / host, total cost, total program investment, leveraged cost, type of station, station status (e.g. planned, in construction, completed, commissioned, etc.)
  - b. If funds dispersed through an application process, applications received, program funds committed, each project's status
5. Administrative expenditure details
6. Outreach expenditures details (by project category / deliverable / event)
7. Remaining funding available.
8. Identified problems, concerns, lessons learned, recommendations
9. Program feedback, and frequently asked questions

The first Quarterly Report must be submitted by August 1st, 2015, after which regular status reports will be submitted every 90 days. Data for the October – December quarter

will be included within the Annual Report submitted to the Province, as opposed to in a separate quarterly report.

### Annual Reporting

The Recipient must, no later than 30 days after the end of each the calendar year, provide an annual report including

- an annual Project income and expenditure summary which identifies all sources and use of the Project funds during the Term;
- The proposed spending plan for the remaining program funds; and
- The detailed summary of the quarterly reporting data
- Lessons learned and recommendations for future years

### Final Reporting

The Recipient will submit a Final Report to the Province, no later than 90 days after all funding has been expended, or the Agreement Term has expired, whichever occurs earlier, provide a program Final Report that is a summary of the Annual Reports, with Project highlights, description of outcomes with respect to results set out in Schedule A, quantitative and qualitative description of the accomplishments / success of the program; challenges faced and solutions found, information on results (negative or positive) that were not anticipated. This report must document all stations supported with the program (may be provided as summaries of previously submitted Status Reports) and fulfillment of all program commitments. The Final Report must include, at a minimum, total fund expenditures, stations funded, outreach efforts, and implementation challenges, and recommendations for potential program improvements.

The Final Report must contain a final financial statement that includes

- a Project income and expenditure summary which identifies all sources and use of the total Project funds over the duration of the entire Agreement; a statement detailing the use of the Province's contributions provided over the duration of the entire Agreement, including an explanation of any financial variances.

## **SCHEDULE B**

### **FINANCIAL CONTRIBUTION**

#### **PAYMENTS**

1. The Province agrees to provide to the Recipient a maximum amount of \$ 300,000 during the Term of the Agreement.
2. Payments must be made as follows:
  - a) a lump sum payment of \$ 300,000 by March 31, 2015.
3. The Recipient must submit to the Province upon signing of the agreement, a written statement of account showing
  - (a) the Recipient's legal name and address;
  - (b) the date of the statement and a statement number for identification;
  - (c) the Agreement Number;
  - (d) any other information reasonably requested by the Province.



Natural Resource Sector

**GOVERNMENT TRANSFER –  
SHARED COST ARRANGEMENT**

**Agreement #:** CA15MAN0021

**Project Title:** CLEAN ENERGY VEHICLE INCENTIVE PROGRAM

THIS AGREEMENT dated for reference the 25<sup>TH</sup> day of March, 2015.

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BRITISH COLUMBIA, represented by the Minister of Energy and Mines,  
Communities and Transportation Branch

(the "Province")

**AND** NEW CAR DEALERS ASSOCIATION OF B.C.

(the "Recipient")

The parties to this Agreement agree as follows:



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## **SECTION 2 - APPOINTMENT**

The Recipient must carry out and complete the Project described in Schedule A and may use the Province's funding only for the purpose specified in Schedule A.

### **SECTION 3 – PAYMENT OF FINANCIAL CONTRIBUTION**

Subject to the provisions of this Agreement, the Province must pay the Recipient the amount, in the manner, and at the times set out in Schedule B.

The Province has no obligation to make the Financial Contribution unless the Recipient has complied with the criteria set out in Schedule A.

The Province's obligation to make the Financial Contribution is subject to

- (a) sufficient monies being available in an appropriation, as defined in the *Financial Administration Act* ("FAA"), to enable the Province, in any fiscal year when any payment of money by the Province to the Recipient falls due pursuant to this Agreement, to make that payment; and
- (b) Treasury Board, as defined in the FAA, not having controlled or limited, pursuant to the FAA, expenditure under any appropriation referred to in subparagraph (a) of this paragraph.

The Recipient must

- (a) apply for any Refund or remission of federal or provincial tax or duty available with respect to any items that the Province has paid for or agreed to pay for under this Agreement, and
- (b) on receipt of the Refund, comply with the requirements concerning the use, application or remittance of the Refund set out in Schedule B.

The previous paragraph continues in force indefinitely, even after this Agreement expires or is terminated.

The Recipient is responsible for any Provincial Sales Tax (PST) and Goods and Services Tax (GST) and any other charges for which the Province has not expressly agreed to accept responsibility under the terms of this Agreement.

The Recipient must declare any amounts owing to the government under legislation or an agreement. Amounts due to the Recipient under this Agreement may be set-off against amounts owing to the government.

### **SECTION 4 - REPRESENTATIONS AND WARRANTIES**

The Recipient represents and warrants to the Province, with the intent that the Province rely on it in entering into this Agreement, that

- (a) all information, statements, documents and reports furnished or submitted by the Recipient to the Province in connection with this Agreement are true and correct;

- (b) the Recipient has no knowledge of any fact that materially adversely affects, or so far as it can foresee, might materially adversely affect, the Recipient's properties, assets, condition (financial or otherwise), business or operations or its ability to fulfill its obligations under this Agreement; and
- (c) the Recipient is not in breach of, or in default under, any law of Canada or of the Province of British Columbia applicable to or binding on it.

All statements contained in any certificate, application, proposal or other document delivered by or on behalf of the Recipient to the Province under this Agreement or in connection with any of the transactions contemplated by it are deemed to be representations and warranties by the Recipient under this Agreement.

All representations, warranties, covenants and agreements made in this Agreement and all certificates, applications or other documents delivered by or on behalf of the Recipient are material, have been relied on by the Province, and continue in effect during the continuation of this Agreement.

## **SECTION 5 - INDEPENDENT RELATIONSHIP**

No partnership, joint venture, agency or other legal entity is created by this Agreement or by any actions of the parties pursuant to this Agreement.

The Recipient is independent and neither the Recipient nor its servants, agents or employees are the servants, employees, or agents of the Province.

The Recipient must not commit or purport to commit the Province to the payment of money to anyone.

## **SECTION 6 – RECIPIENT'S OBLIGATIONS**

The Recipient must

- (a) carry out the Services in accordance with the terms of this Agreement during the Term stated in Schedule A;
- (b) comply with the payment requirements set out in Schedule B, including all requirements concerning the use, application and expenditure of the payments provided under this Agreement;
- (c) comply with all applicable laws;
- (d) hire and retain only qualified staff;
- (e) unless agreed otherwise, supply, at its own cost, all labour, materials and approvals necessary to carry out the Services;
- (f) unless agreed otherwise, retain ownership to all assets acquired or intangible property created in the process of carrying out this Agreement;

- (g) co-operate with the Province in making the public announcements regarding the Services and the details of this Agreement that the Province requests; and
- (h) acknowledge the financial contribution made by the Province to the Recipient for the Services by including on the program website the following statement, "The CEV for BC Program is a program funded by the Province of British Columbia", and including the provincial logo on Materials where appropriate.

## **SECTION 7 - RECORDS**

The Recipient must

- (a) establish and maintain accounting and administrative records in form and content satisfactory of the Province, to be used as the basis for the calculation of amounts owing;
- (b) establish and maintain books of account, invoices, receipts and vouchers for all expenses incurred in form and content satisfactory to the Province; and
- (c) permit the Province, for contract monitoring and audit purposes, at all reasonable times, on reasonable notice, to enter any premises used by the Recipient to deliver the Services or keep any documents or records pertaining to the Services, in order for the Province to inspect, audit, examine, review and copy any findings, data, specifications, drawings, working papers, reports, surveys, spread sheets, evaluations, documents, databases and material, (both printed and electronic, including, but not limited to, hard disk or diskettes), whether complete or not, that are produced, received or otherwise acquired by the Recipient as a result of this Agreement.

The Province does not have control, for the purpose of the *Freedom of Information and Protection of Privacy Act*, of the records held by the Recipient.

## **SECTION 8 - REPORTS/STATEMENTS AND ACCOUNTING**

At the sole option of the Province, any portion of the funds provided to the Recipient under this Agreement and not expended at the end of the Term

- (a) must be returned by the Recipient to the Minister of Finance;
- (b) may be retained by the Recipient as supplemental funding provided for under an amendment to this Agreement; or
- (c) may be deducted by the Province from any future funding requests submitted by the Recipient and approved by the Province.

## **SECTION 9 - CONFLICT OF INTEREST**

The Recipient must not, during the Term, perform a service for or provide advice to any person if the performance of that service or the provision of the advice may, in the reasonable opinion of the Province, give rise to a conflict of interest between the obligations of the Recipient to the Province under this Agreement and the obligations of the Recipient to the other person.

## **SECTION 10 - CONFIDENTIALITY**

The Recipient must treat as confidential all information and material supplied to or obtained by the Recipient, or any Third Party, as a result of this Agreement. The Recipient must not, without the prior written consent of the Province, permit its disclosure, except as required by applicable law or to the extent that the disclosure is necessary to enable the Recipient to fulfill its obligations under this Agreement.

## **SECTION 11 - DEFAULT**

Any of the following events constitute an Event of Default:

- (a) the Recipient fails to comply with any provision of this Agreement;
- (b) any representation or warranty made by the Recipient in accepting this Agreement is untrue or incorrect;
- (c) any information, statement, certificate, report or other document furnished or submitted by or on behalf of the Recipient pursuant to or as a result of this Agreement is untrue or incorrect;
- (d) the Recipient ceases, in the opinion of the Province, to operate;
- (e) a change occurs with respect to any one or more, of the properties, assets, condition (financial or otherwise), business or operations of the Recipient which, in the opinion of the Province, materially adversely affects the ability of the Recipient to fulfill its obligations under this Agreement;
- (f) an order is made or a resolution is passed or a petition is filed for the liquidation or winding up of the Recipient;
- (g) the Recipient becomes insolvent or commits an act of bankruptcy or makes an assignment for the benefit of its creditors or otherwise acknowledges its insolvency;
- (h) a bankruptcy petition is filed or presented against, or a proposal under *the Bankruptcy and Insolvency Act* (Canada) is made by, the Recipient;
- (i) a receiver or receiver-manager of any property of the Recipient is appointed;
- (j) the Recipient permits any sum which is not disputed to be due by it to remain unpaid after legal proceedings have been commenced to enforce payment.

## **SECTION 12 - TERMINATION**

Upon the occurrence of any Event of Default and at any time after that the Province may, despite any other provision of this Agreement, at its option, elect to do any one or more of the following:

- (a) terminate this Agreement, in which case the payment of the amount required under the last paragraph of Section 12 of this Agreement discharges the Province of all liability to the Recipient under this Agreement;
- (b) require the Event of Default be remedied within a time period specified by the Province;
- (c) suspend any installment of the Financial Contribution or any amount that is due to the Recipient while the Event of Default continues;
- (d) waive the Event of Default;
- (e) pursue any other remedy available at law or in equity.

The Province may also terminate this Agreement on 30 days written notice, without cause.

The payment of the amount required under the last paragraph of Section 12 of this Agreement discharges the Province of all liability to the Recipient under this Agreement.

If this Agreement is terminated before 100% completion of the Project, the Province must pay to the Recipient that portion of the Financial Contribution which is equal to the portion of the Project completed to the satisfaction of the Province prior to termination.

## **SECTION 13 – DISPUTE RESOLUTION**

The Parties agree to first refer any matter in dispute under this Agreement to senior officers of the Parties. If the matter cannot be resolved, they must submit it to a mediator as agreed upon by both Parties. The Parties must bear equally the expenditures directly related to the mediation process.

## **SECTION 14 – INSURANCE AND INDEMNITY**

### **Insurance**

Without limiting its obligations or liabilities under this Agreement, and at its own expense, the Recipient must obtain and maintain insurance which it is required to have by law and insurance which a prudent businessperson conducting similar operations would obtain and maintain to cover the risks it has assumed or may encounter as a result of entering into this Agreement or providing the Services during the Term.

If applicable, the Recipient must ensure the Province is added as an additional insured on insurance policies of the Recipient and Third Parties.

Within 10 business days of obtaining each relevant policy of insurance, and from time to time if requested by the Province, the Recipient must provide to the Province evidence of the insurance in the form of a completed Province of British Columbia Certificate of Insurance. If requested by the Province at any time, the Recipient must provide to the Province certified true copies of the relevant insurance policies.

The Recipient must require and ensure that each Third Party maintains insurances comparable to those required above.

### **Indemnity**

The Recipient must indemnify and save harmless the Province, its employees and agents, from and against any and all losses, claims, damages, actions, causes of action, cost and expenses that the Province may sustain, incur, suffer or be put to at any time either before or after the expiration or termination of this Agreement, if the same or any of them are based on, arise out of or occur, directly or indirectly, by reason of any act or omission of the Recipient, or of any agent, employee, officer, director or Third Party pursuant to this Agreement, excepting always liability arising out of the independent negligent acts of the Province.

## **SECTION 15 – ASSIGNMENT AND SUB-CONTRACTING**

The Recipient must not, without the prior, written consent of the Province

- (a) assign, either directly or indirectly, this Agreement or any right of the Recipient under this Agreement; or
- (b) sub-contract any obligation of the Recipient under this Agreement.

No sub-contract entered into by the Recipient relieves the Recipient from any of its obligations under this Agreement or imposes on the Province any obligation or liability arising from it.

This Agreement binds the Province and its assigns and the Recipient and the Recipient's successors and permitted assigns.

## **SECTION 16 - REPAYMENT OR REDUCTIONS**

An amount paid by the Province to the Recipient or which is treated as such pursuant to the terms of this Agreement, and to which the Recipient is not entitled according to the terms of this Agreement is repayable to the Province and until repaid constitutes a debt due to the Province.

If for any reason, the Project is not completed to the satisfaction of the Province, the Recipient must repay to the Province the Province's Financial Contribution (or any part

which has been paid to the Recipient) under this Agreement, within 30 days of receipt by the Recipient of a written request for repayment from the Province.

## **SECTION 17 – OTHER FUNDING**

If the Recipient receives funding for or in respect of the Services from any person, firm, corporation or other government or governmental body, then the Recipient must immediately provide the Province with full details.

## **SECTION 18 - NOTICES**

If in this Agreement any notice or other communication is required to be given by any of the parties, it must be given in writing. It is effectively given

- (a) by delivery to the address of the party set out below, on the date of delivery; or,
- (b) by pre-paid registered mail, to the address of the party set out below, on the fifth business day after mailing; or
- (c) by e-mail, to the e-mail address of the party, mentioned in this Agreement, on the date the e-mail is sent.

The contact details of the parties are

### **Province:**

Christina Ianniciello  
Director, Communities and Transportation  
PO Box 9314 Stn Prov Govt  
Victoria, BC V8W 9N1  
[Christina.Ianniciello@gov.bc.ca](mailto:Christina.Ianniciello@gov.bc.ca)  
Phone 250-952-0686

### **Recipient:**

Blair Qualey  
President & CEO  
New Car Dealers Association of B.C.  
70-10551 Shellbridge Way  
Richmond, BC V6X 2W9  
[BQualey@newcardealers.ca](mailto:BQualey@newcardealers.ca)  
604.214.9964 x 228

The address, phone number, or email set out above may be changed by notice in the manner set out in this provision.



## **SECTION 19 - NON-WAIVER**

No term or condition of this Agreement and no breach by the Recipient of any term or condition is waived unless the waiver is in writing signed by the Province and the Recipient.

A written waiver by the Province of any breach by the Recipient of any provision of this Agreement is not a waiver of any other provision or of any subsequent breach of the same or any other provision of this Agreement.

## **SECTION 20 – ENTIRE AGREEMENT**

This Agreement including the Schedules constitutes the entire Agreement between the parties with respect to the subject matter of this Agreement.

## **SECTION 21 - MISCELLANEOUS**

Changes to this Agreement are only effective if made in writing and by both parties.

All of the provisions of this Agreement in favour of the Province and all of the rights and remedies of the Province, either at law or in equity, survive any expiration or sooner termination of this Agreement.

Nothing in this Agreement operates as a consent, permit, approval or authorization by the Province to or for anything related to the Project that by law, the Recipient is required to obtain unless it is expressly stated to be.

## SECTION 22 - ACCEPTANCE

The Recipient indicates its agreement by dating and executing both copies of this Agreement in the space and manner indicated below and returning them to the contact shown above, free of any conditions. In signing or executing below, the Recipient is committing to a binding agreement.

IN WITNESS OF WHICH the parties have duly executed this Agreement as of the 15<sup>th</sup> day of March, 2015.

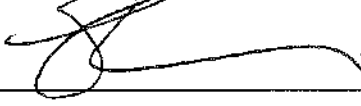
### SIGNED AND DELIVERED on behalf of the Recipient

  
\_\_\_\_\_  
Signature of Recipient's Signing Authority

March 25/15  
Date

Blair Quakenbush President & CEO  
Printed Name & Title of Recipient's Signing Authority

### SIGNED AND DELIVERED on behalf of the Province,

  
\_\_\_\_\_  
Signature of Province's Signing Authority

March 26/15  
Date

LES MCLAREN, ADM  
Printed Name & Title of Province's Signing Authority

## **SCHEDULE A – SERVICES**

### **The Project**

#### **TERM**

Notwithstanding the date of execution of this Agreement, the term of this Agreement starts on March 25, 2015 and ends on March 31, 2018.

#### **PROJECT**

The British Columbia Clean Energy Vehicle (CEV) Incentive Program will be administered and implemented through a partnership between the Province and the Recipient. The CEV Incentive Program has a total budget of \$7.5 million, from the Innovative Clean Energy Fund, for point-of-sale vehicle incentives, salesperson incentives, and administration and marketing. Clean energy vehicles included in this program include light-duty vehicles that use or can use hydrogen or electricity as their primary fuel source. The CEV Incentive Program benefits the citizens of British Columbia by making clean energy vehicles more affordable, providing immediate emission reductions and stimulating jobs and economic development in the clean technology sector.

The Recipient will administer program funding to dealers, who will provide point-of-sale rebates to their CEV customers. Under the program, dealers will provide point-of-sale vehicle incentives of up to \$5,000 (additional up to \$1,000 for hydrogen fuel cell vehicles for fuelling) to qualified British Columbia residents, businesses, public agencies and entities, and nonprofit organizations for the purchase or lease of eligible vehicles, including electric vehicles (EVs) (which include battery electric vehicles (BEVs), plug in hybrid electric vehicles (PHEVs) and extended range electric vehicles), and hydrogen fuel cell vehicles (FCVs). In addition, dealers will provide salesperson incentives to encourage increased clean energy vehicle sales.

The current allocation of \$ 7.5 million is expected to achieve approximately 1,400 clean energy vehicles on the road in British Columbia.

The CEV Incentive Program will run from April 1, 2015 until March 31, 2018 or until funds are exhausted, whichever comes first.

The directions for administering the program, in particular details around incentive eligibility and amounts, are contained in the attached Schedule C "Program Guide for the British Columbia Clean Energy Vehicle Program". Some sections of Schedule C to this Agreement form part of the Project description. The sections are those that apply to specifically the Recipient, referred to in the schedule as New Car Dealers Association of B.C. (NCDABC), and the sections that apply generally to all other participating organizations in the British Columbia Clean Energy Vehicle Program.

## **PURPOSE & EXPECTED RESULTS**

The purpose of this incentive program is to continue to encourage clean energy vehicle deployment and technology innovation in the province, by:

1. offering point-of-sale incentives to reduce the cost barriers for customers,
2. offering salesperson incentives for selling clean energy vehicles to reduce the cost barriers for dealers and salespersons to have clean energy vehicles available on lots for purchase, and by
3. increasing awareness and knowledge of clean energy vehicles in British Columbia via a directed marketing plan.

The expected results from the CEV Incentive Program include:

1. incenting, at a minimum, the purchase of up to 1400 clean energy vehicles depending on the number of full and half incentives issued,
2. providing \$110,000 in salesperson incentives (minimum 50 province wide incentives, program to be determined in conjunction with the Recipient, dealerships and approved by the Province),
3. increasing British Columbians' awareness of clean energy vehicles, and

4. continuing to encourage clean energy vehicle deployment.

The CEV Incentive Program assists in supporting the Province's commitment under the Pacific Coast Action Plan on Climate and Energy to expand the use of zero-emission vehicles in public and private fleets.

The CEV Incentive Program helps to achieve Objective 2.2 in the Ministry of Energy and Mines Service Plan: British Columbia's economic and environmental priorities are served through sustainable energy use and development across all sectors of the economy. Specifically, the program supports electric and hydrogen transportation options that help solve environmental issues, increase use of locally-made electricity and hydrogen, and help create new economic opportunities for all British Columbians.

## **DELIVERABLES**

The CEV Incentive Program will be administered and implemented through a partnership between the Province and the Recipient. The Province will provide program oversight and direction, in consultation with the Recipient and stakeholders. The Recipient will provide day-to-day program administration in accordance with the attached Schedule C "Program Guide for the British Columbia Clean Energy Vehicle Program" and this Agreement.

The \$7.5 million in funds are to be expended as follows, with the exception that funds from the Administration category may be moved to public outreach and marketing only following a modified agreement between the Province and the Recipient while remaining under the 10% cap for both Administration and public outreach and marketing:

1. Vehicle point-of-sale incentives: \$6,640,000 plus interest earned on the \$7.5 million
2. Dealer Salesperson incentives: \$110,000
3. Administration, excluding marketing: \$375,000
4. Public outreach, marketing: \$375,000

Table 1 below provides a budget summary for each program deliverable.

**Table 1: CEV Incentive Program Deliverables and Budget**

<b>Item</b>	<b>Budget</b>	<b>Dates</b>
Vehicle point-of-sale incentives (Minimum 1400)	\$ 6,640,000 + interest earned on the \$7.5 million	April 1, 2015 – March 31, 2018 (or until funds are fully expended, whichever is earlier)
Dealer Salesperson bonus incentives (Minimum 50)	\$ 110,000	April 1, 2015 – March 31, 2018
Administration, excluding marketing (see eligible administration cost section below table)	\$ 375,000	March 1, 2015 – March 31, 2018
Public outreach and marketing, including \$30,000 for a marketing plan to be completed by September 30, 2015	\$ 375,000	April 1, 2015 – March 31, 2018

Eligible expenditures must be directly related to, and necessary for, the implementation and conduct of the CEV Incentive Program, and can include:

1. reimbursement payments of point-of-sale incentives and salesperson incentives to dealers
2. salaries and benefits for employees on the payroll of the Recipient for the time spent by the employees on the program
3. professional, marketing, technical and other contracting services, if directly applicable to the program
4. reasonable travel expenditures, including transportation, meals, and accommodation
5. printing and mailing services
6. data collection services directly related to the program reporting, including database development, management, analysis and reporting
7. website development, operation and maintenance

8. marketing, promotion, events expenses, program collateral, and public outreach, as approved by the Province prior to expenditures being incurred
9. office expenses that can be clearly demonstrated to be above and beyond expenditures that the Recipient would be incurring regardless of the Program.

Additional eligible expenditures may be proposed to the Province, prior to the expenditures being occurred, if necessary for implementation and administration of the program, and may be approved at the Province's discretion. These additional expenditures are not to be incurred until approved by the Province as eligible expenditures under this agreement.

### **Earned Interest**

Interest earned by the Recipient on CEV Incentive Program funds must be reported to the Province and added to the total vehicle incentive funds available, and included on the website tracker for vehicle incentive funds remaining. All interest income on CEV Incentive Program funds, including both vehicle incentive funds and program administration/outreach funds, must be reinvested in the CEV Incentive Program to fund additional incentives for eligible vehicles. The Recipient is responsible for reporting to the Province on all vehicles funded with interest earned on CEV Incentive Program funds the Recipient must maintain accounting records (e.g. general ledger) that tracks interest earned and expended on CEV Incentive Program funds, as follows:

1. The calculation of interest must be based on an average daily balance or some other reasonable and demonstrable method of allocating the proceeds from the interest-generating account back into the program.
2. The methodology for tracking earned interest must ensure that it is separately identifiable from interest earned on non-CEV Incentive Program funds.
3. The methodology for calculating earned interest must be consistent with how it is calculated for the Recipient's other fiscal programs.
4. Earned interest must be fully expended by March 31, 2018, and if not fully expended by March 31, 2018, repaid as per Section 8 of this Agreement.
5. Earned interest and demonstration of the expenditures of earned interest on vehicle incentives will be captured in the quarterly reporting to the Ministry.

Documentation of interest earned on CEV Incentive Program funds must be retained for a minimum of three years after it is generated. Documentation of interest expended on eligible vehicles must be retained for a minimum of three years after the interest-funded incentive has been redeemed

### Key Milestones for CEV Incentive Program Development and Implementation

Table 1: CEV Incentive Program Development and Implementation Timeline

Action Item	Date or Time Period
Program Announcement	February 17, 2015 and March 23, 2015
The Recipient develops program webpage, conducts outreach, and dealer reimbursement procedures/ application forms finalized.	By March 31, 2015
Official Program launch & incentives available	April 1, 2015
Status Reports to the Province Program Liaison	August 1, 2015 and every 90 days following (1 month after the end of each quarter, for the duration of the program)
Final Report	April 1, 2018, (or if all of the funds are fully expended earlier than December 31, 2017, 60 days following the date of all the funds being expended).

### Vehicle Point-Of-Sale Incentive Administration

Each dealership that requests reimbursement for point-of-sale incentives provided to purchasers / lessees of eligible vehicles under the CEV Incentive Program will be required to submit an application to the NCDABC for the incentive, using an application that has been designed by the NCDABC and approved by the Province.

Required documentation to be maintained by the Recipient for incentives issued will include, at a minimum, the following:



1. Proof that each sale / lease of an eligible CEV vehicle was made to a BC resident (or BC business operating in BC with a valid business license or to a public agency in BC).
2. A copy of the sales or lease contract signed by all parties with an itemization of credits, discounts, and incentives received, if applicable.
3. The customer's agreement that they will be contacted via email and / or phone for the purposes of program evaluation, along with the customer's contact information.

Dealership incentive reimbursement applications should be submitted to the Recipient no later than the 15th of the following month to allow the Recipient to accurately track program uptake expenditures.

For the purposes of this program, the date of purchase shall be the day of sale. A vehicle Original Equipment Manufacturer (OEM) order will be considered the day the order is accepted by the OEM, and the deposit has been placed by the customer, to allow reservation of the vehicle incentive amount. A sale is deemed completed and consummated when the purchaser of the vehicle has paid the purchase price, or, in lieu thereof, has signed a purchase contract or security agreement and taken physical possession or delivery of the vehicle. For the purposes of the program, incentive amounts will be reserved for up to 90 days for OEM order vehicles; if a vehicle sale is not completed within the 90 days, the reserved incentive funds for that vehicle will be re-allocated to the general incentive funds available. Incentive funds expended, reserved and remaining will be tracked on the CEV for BC website tracker.

For purposes of this program, a vehicle shall be deemed to be leased on the date upon which the lease of the vehicle commences, which is typically specified in a signed lease agreement.

### **Dealer Salesperson Incentive**

This program component is to address barriers to ensuring vehicles are available across British Columbia for customers to see and test drive on the lots, and to incent dealers and salespersons to have clean energy vehicles available on lots for purchase.

The total budget for this program component is \$110,000 with a targeted minimum 50 province wide incentives. This program will be developed in conjunction with the Recipient, dealerships and will be launched following approval, in writing, by the Province. The target launch date for this program component is September 30, 2015.

### **Public Outreach and Marketing**

The main objective of the public outreach and marketing for the CEV Incentive Program is to encourage increased uptake of electric and hydrogen fuel cell vehicles across British Columbia. A secondary objective is to raise awareness on the incentives available, and the CEV for BC program. To ensure coordinated public outreach and marketing efforts and budget efficiencies across the broader CEV Incentive Program, the CEV for BC public outreach and marketing will be coordinated with the Emotive campaign (e.g. social media and Ride-and-Drives / events), through the Recipient's participation in the Emotive working group and the Emotive working group's feedback on the CEV for BC outreach and marketing.

The Recipient will develop a marketing plan by September 30, 2015, for public outreach and marketing. The marketing plan will build on the Recipient's recommendations from the previous CEV for BC program, and the Emotive campaign.

The marketing plan, and yearly marketing activities with their budgets, will be developed in consultation with the Province and submitted for approval on an annual basis, or more frequently if required by the Recipient.

Marketing and public outreach activities may include, but not be limited to digital marketing, ride-and-drives, contests, print and radio marketing, prizes, etcetera.

### **Website**

The development and ongoing maintenance of the cev4bc website, the Province will provide all materials from the previous website to the Recipient.

### **Duties and Requirements**

#### **Ministry of Energy and Mines**

The Province is responsible for:

1. Development of the CEV Program Guide
2. Evaluating and approving vehicles for CEV Incentive Program eligibility, and providing the Recipient an up-to-date list of eligible vehicles, complete with dates of eligibility. The Province is responsible for working closely with vehicle manufacturers in order to determine vehicle eligibility.
3. Determining vehicle incentive amounts and providing this information to the Recipient.
4. Participating in regular meetings with the Recipient to discuss program refinements and guide program implementation
5. Review and approval of program elements provided by the Recipient, such as the CEV Incentive Program webpage, dealer reimbursement verification, and progress reports.
6. Distribution of program funds to the Recipient.
7. Program oversight and accountability (in conjunction with the Recipient).

#### **New Car Dealers Association of BC**

The Recipient's responsibilities encompass three phases to ensure the efficient and proper distribution of incentives for eligible vehicles – program development, program implementation, and program reporting.

The Recipient is responsible for the on-the-ground program implementation of reimbursing dealers for point of sale incentives and salesperson incentives provided for eligible Clean Energy Vehicles, including, but not limited to, the following tasks:

1. Prepare outreach and educational materials in consultation with the Province and conduct the province-wide public outreach necessary for the program to be successful.
2. Provide dealerships with program literature and outreach marketing materials to promote / advance the program.
3. Develop a user-friendly public webpage which must include, at a minimum:
  - a. The List of Eligible Vehicle Models and each vehicle's incentive amount.
  - b. Procedures for dealers to apply for reimbursement for incentives provided under the program.
  - c. Ability to track total CEV Incentive Program funds available in real-time.
  - d. All documents and forms related to the program.
4. Ensure that applications received from the dealers for reimbursement meet all applicable CEV Incentive Program requirements.
5. Use the criteria in this CEV Incentive Program Guide to review and approve or disapprove reimbursement applications.
6. Distribute reimbursement payments to dealers who have provided point-of-sale incentives to eligible vehicle purchasers and lessees of eligible vehicles.
7. Track expenditure of CEV Incentive Program funding.
8. Closely communicate with the Province to ensure that the most current list of eligible vehicles is being used and any new dates of eligibility are disclosed.
9. Respond to public inquiries regarding the CEV Incentive Program.
10. Provide Status Reports to the Province detailing incentives provided for purchased vehicles. The agreement with the Recipient may specify an electronic format for quarterly reporting as needed for transparent and effective data tracking.
11. Provide the Province with a CEV Incentive Program Final Report that summarizes and evaluates total fund expenditures (including match and in-kind funds), vehicles funded, outreach efforts, and implementation challenges, and recommends potential program improvements.
12. Provide information, upon request, to individuals or organizations that wish to appeal an incentive denial to the Province's Program Liaison.

13. If requested, provide the Province with all webpage(s), software or other intellectual property developed or purchased by the Recipient for the purposes of administering or implementing the CEV Incentive Program.
14. Meet all applicable requirements the CEV Incentive Program agreement with the Ministry.
15. Accept from the dealerships the repayments made by non-abiding applicants (e.g. for breaking a lease returning the difference between the original lease time incentive and the actual lease time incentive, or returning the full incentive if the applicant is found to not reside or be located in British Columbia) and allocate those funds to the Vehicle point-of-sale incentives, unless the repayments are received after completion of the Agreement in which case the Recipient is to submit those repayments to the Province.
16. In the circumstances in which the dealership is unsuccessful after 12 months of attempting to obtain repayments from the non-abiding applicants, accept from the dealership documentation of all attempts at recovery, then submit the documentation to the Province.
17. Provisions 15 and 16 above are intended to survive the completion of the termination of this Agreement and will continue in force 24 months after the termination of this Agreement.

Dealerships that sell or lease CEVs during the program duration play a critical role in educating consumers and making sure that they are aware of the point of sale incentive program. The Recipient will:

1. Work with and provide dealerships with appropriate marketing material and information pertaining to the CEV Incentive Program.
2. Ensure dealers follow procedures and policies prescribed by the CEV Incentive Program in order to receive reimbursement.
3. Ensure that, in order for the dealership to receive a reimbursement for point-of-sale incentives provided for eligible vehicles the dealership:
  - a. Ensure the purchaser / lessee of the vehicles is an individual, business, nonprofit, or public entity that is a British Columbia resident of the business, nonprofit or public entity is based in British Columbia or has a British

Columbia-based affiliate. All businesses must be licensed to operate in British Columbia.

- b. Provide email, phone and contact information for follow up survey to be delivered by the Province or organization appointed by the Province.
- c. Ensure the purchase/lease date is not prior to the vehicle being included on the list of Eligible vehicles.
- d. Submit the application form and attach all required supporting documentation no later than the 15th of the preceding month.
- e. Not make or allow any modifications to the vehicle's emissions control systems, hardware, software calibrations, or hybrid system.
- f. Be available for follow-up inspection if requested by the Recipient, the Province, or the Province's designee for the purposes of program oversight and accountability.
- g. Ensure the accuracy of the information on all incentive reimbursement applications and required documentation submitted to the Recipient.
- h. Provide information and a link to the Emotive online community.
- i. Be a member in good standing of the Recipient.
- j. Track the applicants to ensure that the applicant abides by the conditions that the vehicle remains plated and is registered and insured in British Columbia in the applicant's name.
- k. Collect from non-abiding applicants the repayment of the appropriate amount of the point-of-sale discount that the applicant had received through the CEV Incentive Program (e.g. for breaking a lease returning the difference between the original lease time incentive and the actual lease time incentive, or returning the full incentive if the applicant is found to not reside or be located in British Columbia).
- l. Submit to the Recipient the repayments received from the non-abiding applicants.
- m. In the circumstances in which the dealership is unsuccessful after 12 months of attempting to obtain repayments from the non-abiding applicants, submit to the Recipient documentation of all attempts at recovery.

- n. Provisions j, k, l and m above are intended to survive the completion of the termination of this Agreement and will continue in force 24 months after the termination of this Agreement.

## **REPORTING REQUIREMENTS:**

### Ongoing Communication

The Recipient must make all reasonable efforts to respond to ad-hoc requests within 3 business days by the Province for information on Project progress. The Recipient must also advise the Province immediately of any substantial events that could impact the Project timeline.

### Quarterly Reporting

The Recipient will provide Quarterly Reports to the Province detailing the vehicles and associated incentives assigned and redeemed to date. The Quarterly Reports must include, at a minimum, the following information:

1. A financial statement detailing the use of the funds
2. The proposed spending plan for the remaining funds
3. Number of incentives requested by:
  - a. vehicle type,
  - b. city,
  - c. unique customer ( if one customer has more than one vehicle – no personal identifying information required)
  - d. if a fleet customer, fleet name
  - e. suggested vehicle MSRP
4. Number of vehicles ordered / reserved / open orders by above categories
5. Number and dollar amount of incentives issued detailed by dealership where vehicle was purchased/leased, vehicle, purchase price, fleet type (public or private), other financial incentives received.
6. Administrative expenditure details
7. Marketing expenditures details (by project category / deliverable / event)
8. Remaining funding available.
9. Identified problems, concerns, lessons learned, recommendations
10. Program feedback, and frequently asked questions
11. Marketing performance (to be refined following the marketing plan):
  - a. Website analytics
  - b. Events by type, location, estimated # of people at event, cost
  - c. Social media analytics (tweets, re-tweets, Facebook posts, etc.)
  - d. Web ad analytics (clicks, impressions, etc.)
  - e. Traditional media (radio, print) analytics
  - f. Earned media

The first Quarterly Report must be submitted by August 1, 2015, after which regular quarterly reports will be submitted every 90 days. Data for the October – December quarter will be included within the Annual Report submitted to the Province, as opposed to in a separate quarterly report.

### Annual Reporting

The Recipient must, no later than 30 days after the end of each the calendar year, provide an annual report including

1. an annual Project income and expenditure summary which identifies all sources and use of the Project funds during the Term;
2. The proposed spending plan for the remaining program funds; and
3. The detailed summary of the quarterly reporting data
4. Lessons learned and recommendations for future years

### Final Reporting

The Recipient will submit a Final Report to the Province, no later than 60 days after all vehicle funding has been expended, provide a program Final Report that is a summary of the Annual Reports, with Project highlights, description of outcomes with respect to results set out in Schedule A, quantitative and qualitative description of the accomplishments / success of the program; challenges faced and solutions found, information on results (negative or positive) that were not anticipated. This report must document all vehicles paid for by the program (may be provided as summaries of previously submitted Status Reports) and fulfillment of all program commitments. The Final Report must include, at a minimum, total fund expenditures, vehicles funded, marketing and outreach efforts, and implementation challenges, and recommendations for potential program improvements.

The Final Report must contain a final financial statement that includes:

1. a Project income and expenditure summary which identifies all sources and use of the total Project funds over the duration of the entire Agreement; a statement detailing the use of the Province's contributions provided over the duration of the entire Agreement, including an explanation of any financial variances.



## **SCHEDULE B**

### **FINANCIAL CONTRIBUTION**

#### **PAYMENTS**

1. The Province agrees to provide to the Recipient a maximum amount of \$ 7,500,000 during the Term of the Agreement.
2. Payments must be made as follows:
  - a) a lump sum payment of \$7,500,000 by March 31, 2015.
3. The Recipient must submit to the Province, upon signing the agreement, a written statement of account showing:
  - (a) the Recipient's legal name and address;
  - (b) the date of the statement and a statement number for identification;
  - (c) the Agreement Number; and
  - (d) any other information reasonably requested by the Province.

## **SCHEDULE C**

### **PROGRAM GUIDE FOR THE BRITISH COLUMBIA CLEAN ENERGY VEHICLE PROGRAM**

**Revision Date: March 24, 2015**

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## **ABBREVIATIONS**

CEV- Clean Energy Vehicle

CEV Program-Clean Energy Vehicle Program

MEM-Ministry of Energy and Mines

NCDABC-New Car Dealers Association of B.C.

FBCS-Fraser Basin Council Society

CHFCA-Canadian Hydrogen and Fuel Cell Association

EPA-US Environmental Protection Agency

## Executive Summary

The province of British Columbia has restored funding for the Clean Energy Vehicle Program (CEV Program). The new program includes point-of-sale incentives for electric and hydrogen vehicles, investments in charging infrastructure and hydrogen fuelling infrastructure, additional support for fleets to adopt CEVs, and investments in research, training and outreach.

This program is intended to encourage and accelerate the adoption of clean energy vehicles in British Columbia for both their environment and economic benefits. Increased use of clean energy vehicles like electric vehicles and hydrogen fuel cell vehicles will help shift spending on imported transportation fuels to locally made electricity and hydrogen, and will help stimulate jobs and economic development in the local clean technology sector.

The CEV Program vision is to stimulate the market such that by 2020 5% of new light duty vehicle purchases in British Columbia are clean energy vehicles.

This document serves as guidance to all participating organizations in the CEV Program to assist in managing the CEV Program, and identifies the requirements for administration, implementation, and oversight of the CEV Program. The document may be periodically updated as needed to clarify program requirements and improve program effectiveness.

## 1.0 Introduction

The original CEV Program, funded with \$14.3 million, operated from December 2011 to March 31, 2014. It was highly successful in reducing barriers and encouraging the adoption of clean energy vehicles by British Columbians, and achieved:

- 950 new electric vehicles on the road
- over 1,000 charging stations
- one new hydrogen fuelling station
- 10 research and new academic curriculum projects
- an outreach and awareness program, and
- over \$10 million in leveraged funding.

The Innovative Clean Energy (ICE) fund has allocated \$10.59 million over three years for a renewed Clean Energy Vehicle Program, with funding distributed as follows:

- \$7.5 million for vehicle point-of-sale incentives, dealer and sales staff incentives for electric and hydrogen fuel cell vehicles, administration and marketing
- \$1.59 million for investments in charging infrastructure and hydrogen fuelling infrastructure
- \$1 million to assist fleets in adopting CEVs
- \$500,000 for research, training, technology development and public outreach to help grow a local clean transportation technology sector

The CEV Program is expected to achieve approximately 1400 additional CEVs in British Columbia, depending upon the number of full and half incentives issued.

The CEV Program is intended to build on British Columbians' awareness and knowledge from the previous CEV Program and further develop the marketplace for electric and hydrogen vehicles in British Columbia. The purpose of this incentive program is to continue to encourage clean energy vehicle deployment and technology innovation in British Columbia. The vision for the CEV Program is to stimulate the

market such that by 2020 5% of new vehicle purchases in British Columbia are clean energy vehicles and to create training, job and economic development opportunities in the clean transportation sector in British Columbia.

This document serves as guidance to all participating organizations in the CEV Program to assist in managing the CEV Program and identifies the minimum requirements for administration, implementation, and oversight of the CEV Program. The document may be periodically updated as needed to clarify program requirements and improve program effectiveness.

## **2.0 Program Overview**

The Clean Energy Vehicle Program consists of the following components:

- Vehicle point-of-sale incentives
- Salesperson bonuses and dealer incentives
- Charging infrastructure incentives / investments (Level 2 and DC Fast Charging)
- Hydrogen fuelling station investment (1 new public fuelling station)
- Fleet incentives for adopting CEVs and
- Research, training, and public outreach

The CEV Program will run until March 31, 2018 or until funds are exhausted, whichever comes first.

### **2.1 Program Management**

The Ministry of Energy and Mines (MEM) is responsible for overall CEV Program management, including ensuring the CEV Program and its delivery partners meet expectations. MEM will work with stakeholders through Plug-In BC, the Canadian Hydrogen and Fuel Cell Association (CHFCA), the New Car Dealers Association of British Columbia (NCDABC), automakers, vehicle owner groups, and program participants, to seek advice on the CEV Program.

In order to meet CEV Program targets, MEM can modify any component of the CEV Program. This program modification can include but is not limited to, addition of new vehicle types, vehicle and fuelling investment levels, and any program aspect that MEM wishes to change. The CEV Program will be reviewed and evaluated by MEM staff in an interim basis at 12, 18, and 24 months, with a full CEV Program evaluation at 36 months or whenever the current funding is fully expended.

The CEV Program components will be administered by partner organizations. The point of sale vehicle incentives and salesperson bonuses will be administered by the NCDABC. The charging infrastructure investments and incentives will be administered by the Fraser Basin Council Society (FBCS), and the hydrogen fuelling infrastructure investments will be administered by the CHFCA.

The fleet incentives, research, training and public outreach funding are still under design, and will either be administered by the Innovative Clean Energy Fund or CEV Program administration partners.

## 2.2 Program Communications

It is important that the CEV Program information be centrally available to the public and other interested parties. In order to achieve this, the [cevforbc.ca](http://cevforbc.ca) website, will be used as the central repository for all CEV Program information. The Plug-In-BC website and the CHFCA website will host information or links to information that is relevant to the electric vehicle and hydrogen vehicle program components respectively.

The CEVforBC website will include an up-to-date list of eligible vehicles as well as the incentive amount for each vehicle, all supporting documentation and forms, and daily update indicating the total available funds remaining in the program. In addition, the website will host static information and / or links to information on the other program components.

The Emotive Facebook page and website will still be used as a general outreach tool



to share information, updates, and / or stories of interest that relate to CEVs.

### **3.0 Vehicle Incentive**

The vehicle incentive in the CEV Program enables the purchaser or lessee of an eligible vehicle to receive a before tax point of sale vehicle incentive of up to \$5,000 (additional up to \$1,000 for hydrogen fuel cell vehicles for fuelling). The incentive amounts will be reviewed yearly to determine if they are appropriate for the marketplace. MEM will adjust the incentive amounts as necessary based on market performance; the incentive may decline each 12 month period of the program. This incentive is not part of the price negotiation process; the dealership will be required to mark down the MSRP by the amount of the incentive that has been approved for each clean energy vehicle (before tax).

No vehicle purchased prior to April 1, 2015 shall be considered for an incentive.

#### **3.1 Eligible Vehicles**

This section discusses the categories of vehicles eligible for point of sale incentives under the CEV Program and the specific criteria that a vehicle model must meet to be considered eligible. Vehicle models will be approved by MEM, on a model year basis and placed on a List of Eligible Vehicle Models. A continuously updated list of eligible vehicles and incentive amounts will be maintained on the [cevforbc](http://cevforbc.com) website. Vehicle manufacturers must submit a Vehicle Eligibility Application (available on the website) to MEM to have a vehicle(s) considered for CEV Program eligibility after April 1, 2015 that are not on the original list of eligible vehicles. MEM is responsible for providing the NCDABC with the current list of eligible vehicles and the corresponding incentive amounts.

There are four categories of vehicles eligible for incentives under the Program as provided in Table 2 below.

**Table 2 – Categories of eligible Clean Energy Vehicles under the Program**

<b>Category</b>	<b>Vehicle Type</b>	<b>Vehicle Example</b>
<b>1</b>	Battery Electric Vehicle (BEV)	Mitsubishi iMiev / Nissan Leaf / Tesla model S, Mercedes Smart For two ED
<b>2</b>	Fuel Cell Vehicle (FCV)	Hyundai Tucson, Honda Clarity, Mercedes Benz B-class F-cell
<b>3</b>	Plug In Hybrid Electric Vehicle (PHEV) / Extended Range Electric Vehicles (E-REV) min. battery capacity of above 15kWh	Chevrolet Volt
<b>4</b>	Plug In Hybrid Electric Vehicle (PHEV) / Extended Range Electric Vehicle (E-REV) min. battery capacity of below 15kWh but above 4kWh	Toyota Plug-In Prius

### 3.2 Vehicle Eligibility Criteria

Vehicles must meet the following criteria to be eligible for a point of sale incentive:

#### 3.2.1 Be New

To be eligible, the vehicle must be a new vehicle constructed entirely from new parts that have never been the subject of a retail sale, or previously registered in British Columbia or other jurisdiction. The Original Equipment Manufacturer (OEM) or its authorized licensee must manufacture the vehicle. Registration of Out-of-Province Vehicles, are not eligible vehicles. If the vehicle is not new, has been re-leased, is the subject of a lease assumption or has been transferred into British Columbia after previously having been registered out-of province, the vehicle is not eligible for an incentive through the CEV Program. Aftermarket plug-in hybrid electric vehicle

conversions are not eligible for CEV Incentive funding.

#### 3.2.2 Be Certified

To be eligible, the vehicle must be either covered by a US Environmental Protection Agency (EPA) certificate or be deemed to be covered by an EPA certificate in accordance with the On-Road Vehicle and Engine Emission Regulation under the Canadian Environmental Protection Act, 1999 (CEPA,1999), and must meet all requirements outlined in Transport Canada's Motor Vehicle Safety Act and its regulations.

#### 3.2.3 Be Highway Capable

MEM may request that a vehicle manufacturer provide a written statement declaring whether or not the vehicle is capable of highway operation. A vehicle will be presumed not capable of operation on the highway if any one of the following circumstances apply:

- The vehicle is a low-speed vehicle
- The vehicle is prohibited by law from being operated on the highway or is only capable of limited operation on the highway
- The manufacturer has required, or will require, the purchaser or lessee to sign an agreement that limits, or prevents, the operation of the vehicle on the highway.
- There is a written manufacturer's statement or recommendation (which can include the owner's manual for the vehicle) that the vehicle should not be operated on the highway or should have limited operation on the highway.

#### 3.2.4 Time in British Columbia

To receive a vehicle incentive the vehicle must remain plated, registered and insured in British Columbia in the applicant's name for at least 12 months from date of sale.

It will be expected that the dealership through tracking of the applicant ensure that the applicant abides by the above conditions for 12 months.

If before the 12 months is up, the applicant does not abide by all of the above conditions, the dealership will be required to collect from the applicant the repayment of the full amount of the point-of-sale discount they had received through the CEV Program.

The dealership would submit the repayment to the NCDABC, who would put it back into the point-of-sale funding. However, if the repayment is received after the term of the agreement has expired, NCDABC would in that case submit the repayment to MEM.

In the circumstances in which the dealership is unsuccessful after 12 months of attempting to obtain repayments from the non-abiding applicants, the dealership would submit documentation of all attempts at recovery. NCDABC would submit the documentation to MEM.

These repayment procedures would also apply to any repayments received regarding leases.

### 3.3 Development of List of Eligible Vehicle Models

The list of Eligible Vehicle Models for the CEV Program will be periodically updated as manufacturers submit applications and vehicle models are approved. In order for a vehicle to be eligible for an incentive through this program, the vehicle manufacturer must submit the Vehicle Eligibility Application (form on the CEVforBC website) and all supporting documentation to MEM.

MEM will work with the vehicle manufacturer to ensure that all the required documentation is received and request any additional information needed to make an eligibility determination. If the vehicle meets the eligibility requirements MEM will add the vehicle to the list of Eligible Vehicle Models, calculate the incentive amount, and provide the updated list to the NCDABC. Vehicles purchased prior to the vehicle being added to the List of Eligible Vehicle Models are not eligible for a point of sale incentive. MEM will be responsible for getting the information to the NCDABC in a timely manner to assign a start date.

### 3.4 Vehicle Incentive Amounts

#### 3.4.1 List of incentives available by vehicle type

Table 3 summarizes the maximum initial per vehicle incentive amount. The incentive amounts are subject to change dependent on marketplace conditions.

**Table 3: CEV Program Maximum Incentive Amounts per type of vehicle**

<b>Category</b>	<b>Vehicle Type</b>	<b>Vehicle Example</b>	<b>Initial Maximum Point of Sale Incentive</b>
<b>1</b>	Battery Electric Vehicle (BEV)	Mitsubishi iMiev / Nissan Leaf / Tesla model S, Mercedes Smart For two ED	<b>\$5,000</b>
<b>2</b>	Fuel Cell Vehicle (FCV)	Hyundai Tucson, Honda Clarity, Mercedes Benz B-class F-cell	<b>\$5,000 + \$1,000 H2 fuel adder = \$6,000</b>
<b>3</b>	Plug In Hybrid Electric Vehicle (PHEV) / Extended Range Electric Vehicle (E-REV) min. battery capacity of above 15kWh	Chevrolet Volt	<b>\$5,000</b>
<b>4</b>	Plug In Hybrid Electric Vehicle (PHEV) / Extended Range Electric Vehicle (E-REV) min. battery capacity of below 15kWh but above 4kWh.	Toyota Plug-In Prius	<b>\$2,500</b>

MEM has established incentive amounts based on vehicle type and battery capacity. Battery electric, fuel cell vehicle and plug in hybrids above a 15kWh capacity are eligible for the full incentive amount up to \$5,000 (+ up to \$1,000 fuelling for fuel cell vehicles). Plug in hybrids below 15kWh but above 4kWh are eligible for incentives up

to \$2,500.

#### 3.4.2 Incentive Amounts for Leased Vehicles

Leased vehicles are eligible for an incentive depending on the term of the lease and whether the vehicle is used for personal or fleet purposes as shown below. To qualify for the full value of the incentive, a minimum 36-month lease term is required. If the applicant breaks the lease, the applicant will be required to return the difference between the original lease time incentive and the actual lease time incentive.

<b>Term of Lease</b>	<b>Applicable Incentive for Personal</b>	<b>Applicable Incentive for Fleet</b>
<b>12</b>	33.3%	0%
<b>24</b>	66.7%	0%
<b>36</b>	100%	100%

#### 3.4.3 Hydrogen Fuelling Rebate

A qualified fuel cell vehicle that is eligible to receive a vehicle incentive under the CEV Program will also receive an additional before-tax up to \$1,000 point-of-sale incentive, known as the “fuelling point-of-sale incentive”. This additional incentive is to offset the current barrier of limited hydrogen fuelling locations for fuel cell vehicles. This incentive is also not part of the price negotiation process; the dealership will be required to mark down the MSRP by the amount of the fuelling point-of-sale incentive for each eligible hydrogen fuel cell vehicle (before tax).

#### 3.4.4 Opportunities for Additional Vehicle Cost Buy-Down

Participation in the CEV Program does not preclude a vehicle purchaser or lessee from taking advantage of other incentive opportunities. CEV Program incentives can be combined with federal, other provincial or local agency incentives. This rule will be revisited, and may change depending on market conditions, following the interim

program review and evaluations.

#### 3.4.5 Total Rebate Maximum

An individual or fleet may receive a maximum of 10 rebates from the CEV Program. Requests for more than 10 rebates will be considered on a case-by-case basis. Any exception is at the sole discretion of the Ministry of Energy and Mines.

### 3.5 BC SCRAP-IT Program and CEV Program

A Part 3 Agreement between the Province and a fuel supplier under the Renewable and Low Carbon Fuel Requirements Regulation allows the fuel supplier to receive compliance credits under the Regulation in exchange for investing in a new BC Scrap-It incentive for electric vehicles. The BC SCRAP-IT Program will offer incentives to owners of vehicles to scrap their older high polluting vehicles and provide them with an incentive towards the purchase of a new electric vehicle. Specifically, SCRAP-IT will offer a \$3,000 incentive to vehicle owners to scrap their existing vehicle and replace it with a new electric vehicle. The program will last three years and target 1000 scrap/EV transactions. Plug-in hybrid and extended range electric vehicles with a battery capacity over 15kWh will qualify for the program. In the first year (April 1, 2015 – March 31, 2016), the BC SCRAP-IT Program electric vehicle incentive can be combined with the CEV Program's incentive. This rule will be revisited, and may change depending on market conditions, following the interim program review and evaluations. The SCRAP-IT Program has no affiliation with the CEV Program.

The NCDABC have also included a \$250 dollar incentive from their own funding for a qualifying vehicle in the SCRAP-IT Program. The table below includes the \$250 NCDABC incentive for the SCRAP-IT Program.

The application of the CEV Program incentive to an eligible SCRAP-IT transaction for the period between April 1, 2015 and March 31, 2016 is shown below.

Table 4: SCRAP-IT BC and the CEV Program Incentives

Vehicle Type	SCRAP-IT Incentive	CEV Program Incentive	Initial Total Combined Incentive
Battery Electric Vehicle	\$3,250	\$5,000	\$8,250
Plug In Hybrid Electric Vehicle (PHEV) / Extended Range Electric Vehicle (E-REV) min. battery capacity of above 15kWh	\$3,250	\$5,000	\$8,250
Plug In Hybrid Electric Vehicle (PHEV) / Extended Range Electric Vehicle (E-REV) min. battery capacity of below 15kWh but above 4kWh	\$0	\$2,500	No combined incentive

### 3.6 Dealer Salesperson Incentive

The CEV Program will incent salespersons at dealerships for the sale of qualifying vehicles. The salesperson incentive is currently being developed however, the full funding amount for this aspect of the program will be capped at \$110,000 with a minimum 50 province-wide incentives. This program will be focused on address barriers and incent dealers and salespersons to have clean energy vehicles available on lots for purchase and will include a regional aspect so as to encompass all qualified potential salespersons and dealers in British Columbia. This program component is yet to be determined but will be developed in conjunction with NCDABC, dealerships and approved by MEM. This incentive amount will be approximately \$75 per vehicle sold.



## 4.0 Charging and Fuelling Infrastructure Investments

### 4.1 Electric Vehicle Charging Infrastructure

As a result of the previous Clean Energy Vehicle Program, there are 550 public level 2 charging stations across British Columbia, 142 level 2 charging stations in multi-unit buildings, 306 residential level 2 charging stations, 13 DC fast charging stations (with 17 more planned by March 31, 2016). In addition, there is an existing array of resources, available on the PlugInBC.ca website, for planning and installing charging stations.

The CEV Charging Program will seek to fill in regional and use-case gaps in electric vehicle charging infrastructure to further reduce one of the key barriers to market adoption of electric vehicles: range anxiety. In some cases the installation of charging infrastructure requires targeted education programs with building owners, operators and / or tenants. The CEV Charging Program will include these types of targeted, case-specific, education projects. The CEV Charging Program is required to help achieve the overall CEV Program vision that by 2020 5% of new light duty vehicle purchases in British Columbia are clean energy vehicles

The purpose of CEV Charging Program is to continue to encourage clean energy vehicle deployment and technology innovation in the province, by:

- Supporting up to 30 additional DC Fast Charging station locations, and refitting up to 6 of the existing DC Fast Charging stations to be compatible with vehicles requiring the SAE standard for charging,
- Supporting up to 300 more Level 2 charging stations in sectors or geographic locations where there is a gap in charging infrastructure
- Supporting increased awareness and understanding of electric vehicles and charging infrastructure in stations or geographic locations where there is a gap in vehicle adoption or charging infrastructure (e.g. multi-unit residential buildings, workplace charging)
- Leveraging industry, including automaker, investment in charging infrastructure

across British Columbia.

#### 4.2 Electric Vehicle Charging Infrastructure Gap Analysis

There are 692 Level 2 stations across British Columbia at various types of locations (parking lots, malls, community centres, strata buildings etc.), 13 DC fast charging locations and another 17 already planned. There is a need to complete a detailed gap analysis to better inform the charging infrastructure program design. The gap analysis would evaluate current infrastructure barriers (e.g. geographic gaps in DC Fast Chargers), higher cost barriers in strata-owned buildings, need for education and training for fleet charging), conduct surveys with EV owners, and summarize funding partners' strategic infrastructure interests (e.g. Tesla Superchargers, BMW investments, utility investments, etc.). This would allow the program to determine the most strategic areas in which to invest the infrastructure funding, while providing a documented rationale for the investments. Potential partners in this project would be utilities and municipalities.

The project would deliver recommendations for distribution of the remainder of the CEV Charging Program funds, including recommendations on regional locations, the types of locations, the funding levels, and the distribution of expenditures (e.g. between infrastructure vs. outreach activities).

The Charging Infrastructure Gap Analysis may be completed in-house by the FBCS, or contracted out, but will be led by the FBCS with input from the Ministry and Plug-In BC Stakeholders as appropriate. For example, major automakers who have a Memorandum of Understanding for investing in charging infrastructure in British Columbia will provide input into the Charging Infrastructure Gap Analysis.

#### 4.3 Upgraded DC Fast Chargers

There are currently three main standards for Direct Current Fast Chargers (DCFCs) on the market: CHAdeMO (Japanese), SAE Combo (US), and Tesla Superchargers (a

proprietary standard). When the first 15 DCFCs were purchased in British Columbia, only DCFCs with the CHAdeMO standard were available. However, American and European electric vehicles are designed primarily to use the SAE Combo chargers. SAE Combo chargers and "Dual Standard" chargers (DCFCs that have both a CHAdeMO and an SAE Combo cord-set) are now coming to market. The remaining DCFCs deployed in British Columbia will be the Dual Standard, while Tesla is investing in its own Supercharger network across British Columbia for Tesla owners. We have identified a need to add SAE Combo Chargers to the first 15 sites so that American and European electric vehicles can also use these first sites. BMW has indicated an interest in sharing the cost of SAE Combo Chargers at these sites.

This project would deliver the installation of up to 6 SAE Combo Chargers at up to 6 of the existing DCFC sites, in partnership with BC Hydro.

#### 4.4 New DC Fast Chargers

Following the Charging Infrastructure Gap Analysis, new DC Fast Charging station sites will be identified. The CEV Charging Program will aim to have up to 20 new DCFC stations installed at new locations throughout the province.

#### 4.5 New Level 2 chargers

The Charging Infrastructure Gap Analysis will identify sector (e.g. multi-unit residential buildings, workplace charging) or geographic gaps in Level 2 charging infrastructure across British Columbia. Based in this gap analysis, the FBCS will operate a program to invest in new Level 2 charging stations. The program design will be determined in the Program Plan, but will need to follow these guidelines:

- per station investment is up to 75% of installed costs, up to a maximum of \$1,300 per station
- Charging station equipment must either have communications and data transfer capabilities, or, in the absence of these capabilities, have one meter for the

charging station or group of charging stations at a particular site

- Program participants must fit within one of the gaps identified in the Charging Infrastructure Gap Analysis, or another gap as identified by the Recipient and approved by the Ministry

#### 4.6 Hydrogen Fuelling Infrastructure

The CEV Hydrogen Fuelling Program will build on existing hydrogen stations to expand the hydrogen fuelling network in British Columbia, further reducing one of the key barriers to market adoption of hydrogen vehicles: fuelling infrastructure. The CEV Hydrogen Fuelling Program is required to help achieve the overall CEV Program vision that by 2020 5% of new light duty vehicle purchases in British Columbia are clean energy vehicles.

The purpose of CEV Hydrogen Fuelling Program is to continue to encourage clean energy vehicle deployment and technology innovation in the province, by:

- Supporting as many as possible additional hydrogen fuelling station locations,
- Supporting increased awareness and understanding of hydrogen vehicles and fuelling infrastructure
- Leveraging industry, including automaker, investment in fuelling infrastructure in the lower mainland.

It is expected that the CEV Hydrogen Fuelling Program will be able to leverage industry dollars to maximize the number of fuelling stations installed in the lower mainland. The target for this Program is to install as many public and permanent hydrogen fuelling stations as possible through a funding application process, to be completed by the CHFCA. To note: this does not preclude automotive manufacturers and fuel suppliers from agreeing to submit a mutually agreed upon application to the program. The CHFCA will initiate a call, with Ministry staff support, by May 1, 2015 with a close date of October 1, 2015. The bids will be evaluated and funds awarded by December 15, 2015.

## **5.0 Fleet Deployment Incentives**

The fleet incentive program is still under development, with details to be announced in the coming months. The fleet incentives will be used to provide additional incentives to fleets who sign on to the Pacific Coast Collaborative West Coast Fleets Pledge to make 10% of their new fleet purchases zero emission vehicles.

## **6.0 Research and Training Incentive**

The research, training and public outreach program is still under development, with details to be announced in the coming months. The public outreach program will be in part supported by the CEV for BC program, and will support events that provide British Columbians with an opportunity to experience electric and hydrogen fuel cell vehicles.

The training and research program will be an application-based program that will ensure British Columbia's workforce has the skills and knowledge necessary to take part in the low carbon transportation economy in British Columbia.

## **7.0 Public Outreach**

The public outreach component of the CEV Program is still under development, with details to be announced in the coming months. A marketing plan will be completed within the first 6 months of program operation which will determine the actions taken for public outreach.



**MODIFICATION AGREEMENT FOR GOVERNMENT TRANSFER No. CA15MAN0021**

**Modification No.: 2**

**THIS MODIFICATION AGREEMENT** dated for reference May 31, 2016

**BETWEEN:**

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister of Energy and Mines (the "Province")

**AND:**

NEW CAR DEALERS ASSOCIATION OF BC (the "Recipient")

**BACKGROUND**

- A. The parties entered into an agreement dated for reference 25<sup>th</sup> of March 2015 (the "Agreement").
- B. The parties agreed to modify the Agreement dated for reference 23<sup>rd</sup> of March 2016 ("Modification 1").
- C. The parties have agreed to modify the Agreement.

**AGREEMENT**

The parties agree as follows:

- 1. The language is *Section 14 – TERMINATION*, will be amended to:

**SECTION 14 - TERMINATION**

Either of the Province, or the Recipient (in the case of Section 14(b)), may terminate this Agreement:

- (a) upon the occurrence of an Event of Default in accordance with Section 13.2(a); or
- (b) at any time with thirty (30) calendar days' written notice, without cause,

and upon such termination, the Recipient shall repay the Financial Contribution, less any amounts that, in the objective analysis of the Province, acting reasonably, has been properly expended by the Recipient in accordance with this Agreement, to the Minister of Finance for credit to the ICE Fund Special Account, promptly and in any event within ten (10) Business Days.

- 2. In all other respects, the Agreement is confirmed.

SIGNED AND DELIVERED on the 15<sup>th</sup> day of June, 2016 on behalf of the Province by its duly authorized representative:

Signature [Signature]

Print Name LES MACLAREN

SIGNED AND DELIVERED on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by or on behalf of the Recipient (or by its authorized signatory or signatories if the Recipient is a corporation):

Signature [Signature]

Print Name BLAIR DUNN

Transfer Modification Version Date: April 1, 2015



Natural Resource Sector

**GOVERNMENT TRANSFER –  
SHARED COST ARRANGEMENT**

**Agreement #:** CA15MAN0021

**Project Title:** CLEAN ENERGY VEHICLE INCENTIVE PROGRAM

THIS **AMENDED AND RESTATED SHARED COST ARRANGEMENT AGREEMENT**  
dated for reference the 25<sup>th</sup> day of March, 2015 (the "**Reference Date**").

BETWEEN:

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF  
BRITISH COLUMBIA**, represented by the Minister of Energy and Mines,  
Communities and Transportation Branch

(the "**Province**")

AND:

**NEW CAR DEALERS ASSOCIATION OF BC**

(the "**Recipient**")

The parties to this Agreement agree as follows:

## SECTION 1 – DEFINITIONS & INTERPRETATION

### 1.1 Where used in this Agreement:

**“Accounting Standards”** means those accounting standards approved by the Canadian Accounting Standards Board in effect from time to time, in each case applied on a consistent basis, acceptable to the Province.

**“Administration Eligible Expenditures”** has the meaning ascribed thereto in Schedule “A”.

**“Annual Reports”** has the meaning ascribed thereto in Schedule “D”.

**“Applicable Laws”** means in respect of any Person, transaction or event, all applicable provisions of laws, statutes, rules, policies, directives and regulations of any Governmental Authority in effect from time to time having the force of law; and all judgments, orders, awards, decrees, official directives, writs and injunctions all having the force of law from time to time in effect of any Governmental Authority in an action, proceeding or matter in which the Person is a party or by which it or its property is bound.

**“Business Days”** means a day on which provincial government offices are open for business, other than a Saturday, Sunday or statutory holiday in the Province.

**“CEV Incentive Program”** and **“program”** have the meanings ascribed thereto in Schedule “A”.

**“Event of Default”** has the meaning ascribed thereto in Section 13.

**“FAA”** has the meaning ascribed thereto in Section 18.

**“Final Report”** has the meaning ascribed thereto in Schedule “D”.

**“Financial Contribution”** means the total aggregate value stipulated in Schedule “B”.

**“Governmental Authority”** means any government, parliament, legislature or commission or board of any government, parliament or legislature, or any political subdivision thereof, or any court or (without limitation to the foregoing) any other law, regulation or rule-making entity having or purporting to have jurisdiction in the relevant circumstances, or any Person acting or purporting to act under the authority of any of the foregoing (including any arbitrator) or any other authority charged with the administration or enforcement of Applicable Laws.

**“Material”** means all findings, data, reports, documents, records and material, (both printed and electronic, including but not limited to, hard disk or diskettes), whether complete or otherwise, that have been produced, received, compiled or acquired by, or provided by or on behalf of the Province to, the Recipient as a direct result of this Agreement, but does not include:



- (a) personal Information which could reasonably be expected to reveal the identity of clients; and
- (b) property owned by the Recipient.

**“Marketing Eligible Expenditures”** has the meaning ascribed thereto in Schedule “A”.

**“Material Adverse Effect”** means, in relation to any Person, any fact, event or circumstance that, alone or when taken with other events or conditions occurring or existing concurrently with such event or condition (a) has or is reasonably expected to have a material adverse effect on the business, operations, condition (financial or otherwise), assets, liabilities, prospects or properties of such Person, (b) has or is reasonably expected to have any material adverse effect on the validity or enforceability of this Agreement or any agreement related hereto and/or (c) materially impairs or is reasonably expected to materially impair the ability of such Person to either pay or otherwise perform its obligations under this Agreement or any agreement related hereto.

**“Person”** means any individual, partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator, other legal personal representative, Governmental Authority or entity howsoever designated or constituted.

**“Program Website”** has the meaning ascribed thereto in Schedule “A”.

**“Program Termination Date”** has the meaning ascribed thereto in Schedule “A”.

**“Project”** means the project described in Schedule “A”.

**“Project Category”** has the meaning ascribed thereto in Schedule “A”.

**“Province”** has the meaning ascribed thereto in the recitals.

**“Quarter”** means (a) in respect of the first fiscal quarter, the period beginning on April 1, 2015 and ending on June 30, 2015, and (b) thereafter, each successive three (3) calendar month period ending on September 30, December 31, March 31 and June 30 of each year.

**“Quarterly Reports”** has the meaning ascribed thereto in Schedule “D”.

**“Recipient”** has the meaning ascribed thereto in the recitals.

**“Reference Date”** has the meaning ascribed thereto in the recitals.

**“Term”** has the meaning ascribed thereto in Section 2.

**“Third Party”** means any Person or any of its officers, employees or agents that is involved in the delivery of the Project, other than a party to this Agreement.

- 1.2 For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:
- (a) the headings preceding the text, sections and/or other subdivisions hereof are for convenience only and do not form a part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provisions hereof;
  - (b) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with Accounting Standards;
  - (c) all references to “dollar” or “\$” refer to the lawful currency of Canada;
  - (d) the words “herein”, “hereof” and “hereunder” and other words of familiar import refer to this Agreement as a whole and not to any particular Section or other subdivision of this Agreement;
  - (e) the word “including”, when following any general statement, term or matter, is not to be construed to limit such general statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto but rather refers to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter;
  - (f) a reference to a Section, Subsection or other subdivisions is a reference to the specified section, subsection or other subdivision of this Agreement;
  - (g) any reference to a statute or a section of a statute shall include and shall be deemed to be a reference to such statute or section and to the regulations made pursuant thereto, with all amendments made thereto and in force at the relevant time, and to any statute, section of a statute or regulation that may be passed which has the effect of supplementing or superseding the statute or section so referred to or the regulations made pursuant thereto, and unless otherwise indicated, all statutes and regulations referred to in this Agreement are statutes and regulations of the Province of British Columbia;
  - (h) a reference to any agreement is a reference to such agreement as amended, restated, supplemented, replaced and/or modified from time to time, in accordance with the provisions of this Agreement;
  - (i) the word “party” means a party to this Agreement and the word “parties” means all parties to this Agreement;

(j) a reference to any Person shall include and shall be deemed to be a reference to each Person that is the successor or permitted assigns of such Person; and

(k) words in the singular include the plural and vice versa.

1.3 The following are the Schedules attached hereto and incorporated by reference and deemed to be part of this Agreement. If there is a conflict between the terms of this Agreement (other than the Schedules), and the terms of a Schedule, the terms of this Agreement (other than the Schedules) prevail to the extent of any conflict.

Schedule "A"	Project
Schedule "B"	Financial Contribution
Schedule "C"	Program Guide for the British Columbia Clean Energy Vehicle Program
Schedule "D"	Recipient Reporting Requirements

## **SECTION 2 - TERM**

Notwithstanding the date of execution of this Agreement, the term of this Agreement starts on the Reference Date and ends on the day that is ninety (90) calendar days after the Program Termination Date (the "**Term**").

## **SECTION 3 - APPOINTMENT**

The Recipient must:

- (a) carry out and complete the Project in accordance with the terms and conditions of this Agreement, including as described in Schedules "A", "C" and "D"; and
- (b) use the Financial Contribution only for the purposes and in the manner specified in Schedule "A", and for greater certainty, the Financial Contribution may not be used to secure any debt or obligation of the Recipient.

## **SECTION 4 – PAYMENT OF FINANCIAL CONTRIBUTION**

Subject to the provisions of this Agreement, the Province must pay the Recipient the Financial Contribution for the Project, in the manner, and at the times set out in Schedule "B".

The Province has no obligation to make the Financial Contribution unless the Recipient has complied with the criteria set out in Schedule "A".

Notwithstanding any other provision of this Agreement, in no event will the Province be or become obligated to pay the Recipient any amount exceeding the Financial Contribution under this Agreement.

## **SECTION 5 – UNEXPENDED FUNDS**

At the sole option of the Province, any portion of the Financial Contribution provided to the Recipient under this Agreement and not expended at the end of the Term in accordance with the terms hereof must either be:

- (a) returned by the Recipient to the Minister of Finance for credit to the ICE Fund Special Account within ten (10) Business Days of written demand;
- (b) retained by the Recipient as supplemental funding provided for under an amendment to this Agreement; or
- (c) deducted from any future funding requests submitted by the Recipient and approved by the Province.

## **SECTION 6 - REPRESENTATIONS AND WARRANTIES**

The Recipient represents and warrants to the Province, with the intent that the Province rely on it in entering into this Agreement, that:

- (a) it is duly organized under the laws of the Province of British Columbia;
- (b) it has full power and authority to enter into this Agreement and to do all acts and execute and deliver all other documents as are required hereunder to be done, observed or performed by it in accordance with their terms;
- (c) it has taken all necessary actions and proceedings to authorize the execution, delivery and performance of this Agreement and to observe and perform the provisions of this Agreement in accordance with its terms;
- (d) this Agreement constitutes a valid and binding obligation of the Recipient, enforceable against it in accordance with its terms;
- (e) all information, statements, reports or any other documents furnished or submitted by the Recipient to the Province in connection with this Agreement are true and correct as of the date such information, statement, report or other document was furnished or submitted to the Province;
- (f) the Recipient has no knowledge of any fact that has, or so far as it can foresee, might have, a Material Adverse Effect on the Recipient; and
- (g) the Recipient is not in breach of, or in default under, any Applicable Laws.

All statements contained in any certificate, application, proposal or other document delivered by or on behalf of the Recipient to the Province under this Agreement or in connection with any of the transactions contemplated by it are deemed to be representations and warranties by the Recipient under this Agreement.

## **SECTION 7 – RECIPIENT’S OBLIGATIONS**

During the Term, the Recipient must:

- (a) submit to the Province, upon signing this Agreement, a written statement of account showing:
  - (i) the Recipient’s legal name and address;
  - (ii) the date of the statement and a statement number for identification;
  - (iii) the Agreement Number; and
  - (iv) any other information reasonably requested by the Province;
- (b) carry out the Project in accordance with the terms of this Agreement diligently and to the best of its abilities;
- (c) provide the reports specified in Schedule “D” to the Province;
- (d) calculate, use and account for any interest earned on the Financial Contribution in accordance with Schedule “A”;
- (e) comply with all Applicable Laws;
- (f) hire and retain only qualified staff;
- (g) unless agreed otherwise, supply, at its own cost, all labour, materials and approvals necessary to carry out the Project;
- (h) unless agreed otherwise, retain ownership to all assets acquired or intangible property created in the process of carrying out this Agreement;
- (i) promptly (and in any event within five (5) Business Days) give written notice to the Province: (i) forthwith upon becoming aware of any default in the performance of any covenant or agreement or default in the satisfaction of any condition contained in this Agreement, the occurrence of an Event of Default or any event that with the giving of notice, lapse of time or both would become an Event of Default, specifying such default(s) and Event(s) of Default, (ii) any material litigation, proceeding or dispute, (iii) any other matter which has resulted in or could have a Material Adverse Effect and (iv) such other information respecting the Project as the Province may reasonably request in order to determine compliance by the Recipient under

this Agreement, or otherwise in connection with the administration or enforcement hereof;

- (j) be solely responsible for determining the tax consequences of any payments made under this Agreement, including any Provincial Sales Tax (PST) and Goods and Services Tax (GST) and any other charges for which the Province has not expressly agreed to accept responsibility under the terms of this Agreement, and for further clarity, the Recipient hereby releases the Province from any responsibility whatsoever regarding tax implications;
- (k) promptly declare to the Province any amounts owing to the Province under legislation or an agreement. Amounts due to the Recipient under this Agreement may be set-off against amounts owing to the Province at the Province's sole discretion;
- (l) co-operate with the Province in making the public announcements regarding the Project and the details of this Agreement that the Province requests; and
- (m) acknowledge the financial contribution made by the Province to the Recipient for the Project by including on the Program Website the following statement, "The CEV for BC Program is a program funded by the Province of British Columbia", and including the provincial logo on Materials where appropriate.

## **SECTION 8 - RELIANCE**

All representations, warranties, covenants and agreements made in this Agreement and all certificates, applications or other documents delivered by or on behalf of the Recipient are material, and will conclusively be deemed to have been relied on by the Province notwithstanding any prior or subsequent investigation by the Province, and continue in effect during the continuation of this Agreement.

## **SECTION 9 – RECORDS AND ACCOUNTING**

The Recipient must:

- (a) establish and maintain in accordance with Accounting Standards, accurate accounting and administrative records for the Financial Contribution, in form and content satisfactory of the Province. Such records shall be used as the basis for the calculation of any amounts owing under this Agreement;
- (b) establish and maintain books of account, invoices, receipts and vouchers for all expenses incurred in form and content satisfactory to the Province;
- (c) permit the Province, for contract monitoring and audit purposes, at all reasonable times, on reasonable notice, to enter any premises used by the

Recipient to deliver the Project or keep any documents or records pertaining to the Project, in order for the Province to inspect, audit, examine, review and copy any findings, data, specifications, drawings, working papers, reports, surveys, spread sheets, evaluations, documents, databases and material, (both printed and electronic, including, but not limited to, hard disk or diskettes), whether complete or not, that are produced, received or otherwise acquired by the Recipient as a result of this Agreement; and

- (d) maintain all such accounts and records for a period of six (6) years after the end of the Term.

The Recipient acknowledges and understands that the Province does not have control, for the purpose of the *Freedom of Information and Protection of Privacy Act*, of the records held by the Recipient.

## **SECTION 10 - INDEPENDENT RELATIONSHIP**

No partnership, joint venture, agency or other legal entity is created by this Agreement or by any actions of the parties pursuant to this Agreement.

The Recipient is independent and none of the Recipient, its servants, agents or employees are the servants, employees, or agents of the Province.

The Recipient must not in any manner whatsoever commit or purport to commit the Province to the payment of money to anyone under this Agreement.

## **SECTION 11 - CONFLICT OF INTEREST**

The Recipient must not, during the Term, perform a service for or provide advice to any Person if the performance of that service or the provision of the advice may, in the reasonable opinion of the Province, give rise to a conflict of interest between the obligations of the Recipient to the Province under this Agreement and the obligations of the Recipient to the other Person.

## **SECTION 12 - CONFIDENTIALITY**

The Recipient must treat as confidential all information, Material or document of any kind supplied to or obtained by the Recipient as a result of this Agreement. The Recipient must not, without the prior written consent of the Province, permit its disclosure to any other Person, except as required by Applicable Laws or to the extent that the disclosure is necessary to enable the Recipient to fulfill its obligations under this Agreement, provided that in the latter case, the Recipient shall ensure the Person the Recipient has disclosed the information, Material or document to has agreed to keep such information, Material or document confidential and will not permit its further disclosure.

## **SECTION 13 - DEFAULT**

13.1 Any of the following events constitute an “**Event of Default**” under this Agreement:

- (a) the Recipient fails to comply with any provision of this Agreement;
- (b) any representation or warranty made by the Recipient under this Agreement is untrue or incorrect;
- (c) any information, statement, certificate, report or other document furnished or submitted by or on behalf of the Recipient pursuant to or as a result of this Agreement is untrue or incorrect;
- (d) the Recipient ceases, in the opinion of the Province, to operate;
- (e) there is a Material Adverse Effect with respect to the Recipient;
- (f) an order is made or a resolution is passed or a petition is filed for the liquidation or winding up of the Recipient;
- (g) the Recipient becomes insolvent or commits an act of bankruptcy or makes an assignment for the benefit of its creditors or otherwise acknowledges its insolvency;
- (h) a bankruptcy petition is filed or presented against, or a proposal under the *Bankruptcy and Insolvency Act* (Canada) is made by, the Recipient;
- (i) a receiver or receiver-manager of any property of the Recipient is appointed; and
- (j) the Recipient permits any sum which is not disputed to be due by it to remain unpaid after legal proceedings have been commenced to enforce payment.

13.2 Upon the occurrence of any Event of Default and at any time after that the Province may, despite any other provision of this Agreement, at its option, elect to do any one or more of the following:

- (a) terminate this Agreement;
- (b) require the Event of Default be remedied within a time period specified by the Province;
- (c) suspend any installment of the Financial Contribution or any amount that is due to the Recipient while the Event of Default continues;
- (d) waive the Event of Default; or
- (e) pursue any other remedy available at law or in equity.



## **SECTION 14 - TERMINATION**

The Province may terminate this Agreement:

- (a) upon the occurrence of an Event of Default in accordance with Section 13.2(a); and
- (b) at any time with thirty (30) calendar days' written notice, without cause,

and upon such termination, the Recipient shall repay the Financial Contribution, less any amounts that, in the opinion of the Province, has been properly expended by the Recipient in accordance with this Agreement, to the Minister of Finance for credit to the ICE Fund Special Account, promptly and in any event within ten (10) Business Days.

## **SECTION 15 – DISPUTE RESOLUTION**

In the event of any dispute between the parties arising out of or in connection with this Agreement, the following dispute resolution process will apply unless the parties otherwise agree in writing:

- (a) the parties agree to first refer the dispute to senior officers of the parties and attempt to resolve the dispute through collaborative negotiation;
- (b) if the dispute is not resolved through collaborative negotiation within thirty (30) calendar days of the dispute arising, the parties must then attempt to resolve the dispute through non-binding mediation under the rules and rosters of the Mediate BC Society and for the purposes of such mediation:
  - (i) the parties will use their best efforts to agree, within thirty (30) calendar days of the dispute arising, to agree upon and appoint a single individual, having appropriate education, training, and technical expertise in relation to the dispute, to act as mediator;
  - (ii) failing agreement on the mediator within the time stipulated, either party may apply to the Supreme Court of British Columbia for the appointment of a single mediator from a roster of the Mediate BC Society; and
  - (iii) the parties must bear equally the expenditures directly related to the mediation process; and
- (c) if the dispute is not resolved through mediation within thirty (30) calendar days of the commencement of mediation, the dispute must be referred to and finally resolved by arbitration under the *Commercial Arbitration Act*. For the purposes of the arbitration:
  - (i) the place of arbitration will be Vancouver, British Columbia;

- (ii) the parties may agree, in writing, to make or change rules or additions to the rules for the conduct of the arbitration; and
- (iii) the decision of the arbitrator is final and binding on the parties.

## **SECTION 16 – INSURANCE**

Without limiting its obligations or liabilities under this Agreement, and at its own expense, the Recipient must obtain and maintain insurance which it is required to have by Applicable Laws and insurance which a prudent businessperson conducting similar operations would obtain and maintain to cover the risks it has assumed or may encounter as a result of entering into this Agreement or implementing the Project during the Term.

Upon the Province's request, the Recipient must add or ensure the Province is added as an additional insured on insurance policies of the Recipient and Third Parties.

Within ten (10) Business Days of obtaining each relevant policy of insurance, and from time to time if requested by the Province, the Recipient must provide to the Province evidence of the insurance in the form of a completed Province of British Columbia Certificate of Insurance. If requested by the Province at any time, the Recipient must provide to the Province certified true copies of the relevant insurance policies.

The Recipient must require and ensure that each Third Party maintains insurance comparable to those required above.

## **SECTION 17 – INDEMNITY**

The Recipient must indemnify and save harmless the Province, its employees and agents, from and against any and all losses, claims, damages, actions, causes of action, cost and expenses that the Province may sustain, incur, suffer or be put to at any time either before or after the expiration or termination of this Agreement, if the same or any of them are based on, arise out of or occur, directly or indirectly, by reason of any act or omission of the Recipient or any Third Party, or any of their respective agents, employees, officers or directors pursuant to this Agreement, excepting always liability arising out of the independent negligent acts of the Province.

## **SECTION 18 – APPROPRIATION**

Notwithstanding any other provision of this Agreement, the Province's obligation to make the Financial Contribution is subject to:

- (a) sufficient monies being available in an appropriation, as defined in the *Financial Administration Act* ("**FAA**"), to enable the Province, in any fiscal year when any payment of money by the Province to the Recipient falls due pursuant to this Agreement, to make that payment; and

- (b) Treasury Board, as defined in the FAA, not having controlled or limited, pursuant to the FAA, expenditure under any appropriation referred to in subparagraph (a) of this paragraph.

## **SECTION 19 – ASSIGNMENT AND SUB-CONTRACTING**

The Recipient must not, without the prior written consent of the Province, at its sole discretion:

- (a) assign, either directly or indirectly, this Agreement or any right of the Recipient under this Agreement; or
- (b) sub-contract any obligation of the Recipient under this Agreement.

No sub-contract entered into by the Recipient relieves the Recipient from any of its obligations under this Agreement or imposes on the Province any obligation or liability arising from it.

## **SECTION 20 - REPAYMENT OR REDUCTIONS**

An amount paid by the Province to the Recipient or which is treated as such pursuant to the terms of this Agreement, and to which the Recipient is not entitled according to the terms of this Agreement is repayable immediately to the Ministry of Finance for credit to the ICE Fund Special Account, and until repaid constitutes a debt due to the Province.

If for any reason, the Project is not completed to the satisfaction of the Province, the Recipient must repay to the Province the Financial Contribution (or any part which has been paid to the Recipient) under this Agreement, within thirty (30) calendar days of receipt by the Recipient of a written request for repayment from the Province.

## **SECTION 21 – OTHER FUNDING**

If the Recipient receives funding for or in respect of the Project from any Person (other than the Province under this Agreement), then the Recipient must immediately provide the Province with full details.

## **SECTION 22 - NOTICES**

If in this Agreement, any notice or other communication is required to be given by any of the parties, it must be given in writing, at the contact addresses set out below:

**Province:**

Christina Ianniciello  
Director, Communities and Transportation  
PO Box 9314 Stn Prov Govt  
Victoria, BC V8W 9N1

Email: [Christina.lanniciello@gov.bc.ca](mailto:Christina.lanniciello@gov.bc.ca)  
Phone: 250-952-0686

**Recipient:**

Blair Qualey  
President & CEO  
New Car Dealers Association of BC  
70-10551 Shellbridge Way  
Richmond, BC V6X 2W9

Email: [BQualey@newcardealers.ca](mailto:BQualey@newcardealers.ca)  
Phone: 604-214-9964 x228

It is deemed effectively given:

- (a) by personal delivery to the address of the party set out above, on the date of delivery;
- (b) by pre-paid registered mail, to the address of the party set out below, on the fifth (5<sup>th</sup>) Business Days after mailing;
- (c) by guaranteed delivery by recognized national courier, on the date of delivery; or
- (d) by e-mail, on the date the e-mail is sent,

*provided that* if the notice or other communication is received after 4:00 p.m. (addressee's local time), then the notice or other communication shall be deemed to have been given and received on the next Business Day.

The address, phone number, or email set out above may be changed by notice in the manner set out in this provision.

## **SECTION 23 - MISCELLANEOUS**

- 23.1 This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.
- 23.2 Changes to this Agreement are only effective if made in writing and by both parties.
- 23.3 All of the provisions of this Agreement in favour of the Province and all of the rights and remedies of the Province, either at law or in equity, survive any expiration or sooner termination of this Agreement.

- 23.4 Nothing in this Agreement operates as a consent, permit, approval or authorization by the Province to or for anything related to the Project that by law, the Recipient is required to obtain unless it is expressly stated to be.
- 23.5 This Agreement binds the Province and its assigns and the Recipient and the Recipient's successors and permitted assigns.
- 23.6 Each of the parties will, upon the reasonable request of the other, make, do, execute or cause to be made, done or executed all further and other lawful acts, deeds, things, devices, documents, instruments and assurances whatsoever for the better and absolute performance of the terms and conditions of this Agreement.
- 23.7 Any provision of this Agreement that is or becomes unenforceable shall be unenforceable to the extent of such unenforceability without invalidating the remaining provisions hereof. To the extent permitted by Applicable Laws, each of the parties hereby waives any provision of any Applicable Laws that renders any provision hereof unenforceable in any respect.
- 23.8 No term or condition of this Agreement and no breach by the Recipient of any term or condition is waived unless the waiver is in writing signed by the Province and the Recipient. A written waiver by the Province of any breach by the Recipient of any provision of this Agreement is not a waiver of any other provision or of any subsequent breach of the same or any other provision of this Agreement.
- 23.9 This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement.
- 23.10 This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by e-mail or other electronic means shall be equally effective as delivery of a manually executed counterpart thereof.

**[Remainder of Page Intentionally Left Blank]**

## **SECTION 24 - ACCEPTANCE**

The Recipient indicates its agreement by executing both copies of this Agreement in the space and manner indicated below and returning them to the contact shown above, free of any conditions. In signing or executing below, the Recipient is committing to a binding agreement.

**IN WITNESS OF WHICH the parties have duly executed this Agreement as of the Reference Date.**

### **SIGNED AND DELIVERED on behalf of the Recipient**

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Signature of Recipient's Signing Authority

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Printed Name & Title of Recipient's Signing Authority

### **SIGNED AND DELIVERED on behalf of the Province**

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Signature of Province's Signing Authority

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Printed Name & Title of Province's Signing Authority

## **SCHEDULE “A” PROJECT**

### **A. DESCRIPTION OF PROJECT**

The British Columbia Clean Energy Vehicle (CEV) Incentive Program (the “**CEV Incentive Program**” or “**program**”) will be administered and implemented through a partnership between the Province and the Recipient. The CEV Incentive Program has a total budget of \$13,370,000 million during the Term, being the Financial Contribution from the Innovative Clean Energy Fund, for point-of-sale vehicle incentives, salesperson incentives, and administration and marketing. Clean energy vehicles included in this program include light-duty vehicles that use or can use hydrogen or electricity as their primary fuel source. The CEV Incentive Program benefits the citizens of British Columbia by making clean energy vehicles more affordable, providing immediate emission reductions and stimulating jobs and economic development in the clean technology sector.

The Recipient will administer program funding to dealers, who will provide point-of-sale rebates to their CEV customers. Under the program, dealers will provide point-of-sale vehicle incentives of up to \$5,000 (with up to \$1,000 of additional incentives for hydrogen fuel cell vehicles for fuelling) to qualified British Columbia residents, businesses, public agencies and entities, and nonprofit organizations for the purchase or lease of eligible vehicles, including electric vehicles (EVs) (which include battery electric vehicles (BEVs), plug in hybrid electric vehicles (PHEVs) and extended range electric vehicles), and hydrogen fuel cell vehicles (FCVs). In addition, dealers will provide salesperson incentives to encourage increased clean energy vehicle sales.

The current allocation of \$13,370,000 million is expected to achieve approximately 2,600 clean energy vehicles on the road in British Columbia.

The CEV Incentive Program will run from April 1, 2015 until March 31, 2018 or until funds in each Project Category are exhausted, whichever comes first (the “**Program Termination Date**”).

Section 3 of Schedule “C” forms part of this Project description.

### **B. PURPOSE & EXPECTED RESULTS**

The purpose of this program is to continue to encourage clean energy vehicle deployment and technology innovation in the province, by:

1. offering point-of-sale incentives to reduce the cost barriers for customers;
2. developing salesperson education videos for clean energy vehicles;
3. managing the CEV dealer awards which recognize the top dealers in selling clean energy vehicles in various areas of the province; and
4. increasing awareness and knowledge of clean energy vehicles in British Columbia via a directed marketing plan.

The expected results from the CEV Incentive Program include:

1. incenting, at a minimum, the purchase of 2,600 clean energy vehicles depending on the number of full and half incentives issued;
2. providing \$110,000 for development of salesperson education videos and managing the CEV dealer awards (province wide program to be determined in conjunction with the Recipient, and approved by the Province);
3. increasing British Columbians' awareness of clean energy vehicles; and
4. continuing to encourage clean energy vehicle deployment.

The CEV Incentive Program assists in supporting the Province's commitment under the Pacific Coast Action Plan on Climate and Energy to expand the use of zero-emission vehicles in public and private fleets.

The CEV Incentive Program helps to achieve Objective 2.2 in the Ministry of Energy and Mines Service Plan: British Columbia's economic and environmental priorities are served through sustainable energy use and development across all sectors of the economy. Specifically, the program supports electric and hydrogen transportation options that help solve environmental issues, increase use of locally-made electricity and hydrogen, and help create new economic opportunities for all British Columbians.

### C. KEY MILESTONES

The following table summarizes certain key milestones to be met by the Recipient for CEV Incentive Program. In the event of any conflict between the information in this table and elsewhere in this Agreement, the provisions elsewhere in this Agreement shall govern:

Table 1: CEV Incentive Program Development and Implementation Key Milestones

Action Item	Date or Time Period
Program announcement	February 17, 2015 and March 23, 2015
The Recipient develops Program Website, conducts outreach, and dealer reimbursement procedures/application forms finalized.	By March 31, 2015
Official program launch & incentives available	April 1, 2015
Quarterly Reports to the Province Program Liaison	First Quarterly Report, by August 1, 2015, and thereafter, within 30 days of the end of each Quarter for the duration of the Term



Annual Reports to the Province Program Liaison	First Annual Report, by February 1, 2016, and thereafter, within 30 days after the end of each calendar year for the duration of the Term
Final Report	By May 1, 2018 (or if the Program Termination Date is earlier than March 31, 2018, within 60 days following the Program Termination Date).

#### D. PROJECT CATEGORIES AND BUDGET

The budget for the Financial Contribution during the Term is as stipulated in Table 2 below, with the indicated funds being the maximum amounts the Recipient may use for each applicable category of the CEV Incentive Program (each, a “**Project Category**”) during the dates indicated. The funds for a Project Category cannot be used for another Project Category and must only be used in accordance with the terms and conditions of this Agreement, *provided that* funds from a Project Category may be moved to another Project Category upon the Province’s prior written approval. Any funds remaining under a Project Category at the end of the Term shall be considered unexpended and dealt in accordance with Section 5 of this Agreement. If the Recipient uses funds in excess of the applicable maximum amounts indicated below, the Recipient acknowledges that any such amounts is its sole responsibility and the Province will not be making any additional Financial Contribution in respect thereof.

Table 2: CEV Incentive Program Categories and Budget

<b>Project Category</b>	<b>Budget</b>
Vehicle Point-of-Sale Incentives	April 1, 2015 to February 29, 2016: \$6,921,750 March 31, 2016 to Program Termination Date: \$5,677,390  Total: \$12,599,140 <i>plus</i> interest earned on the Financial Contribution.
Salesperson Education Videos and CEV Dealer Awards	April 1, 2015 – Program Termination Date: \$110,000

Administration (including Program Website but excluding Public Outreach and Marketing)	<p>April 1, 2015 to February 29, 2016: \$178,490</p> <p>March 1, 2016 to Program Termination Date: \$219,120</p> <p>Total: \$397,610</p>
Public Outreach and Marketing	<p>April 1, 2015 to March 31, 2016: \$93,250</p> <p>April 1, 2016 to Program Termination Date: \$170,000</p> <p>Total: \$263,250</p>

Further details relating to the Recipient's obligations with respect to (1) interest earned on the Financial Contribution is set out in Section E of this Schedule "A" and (2) the Program Categories is set out in Sections F and G of this Schedule "A".

## **E. EARNED INTEREST**

All interest earned by the Recipient on the Financial Contribution, regardless of which Project Category the underlying funds are allocated to, must be reported to the Province and added to the Vehicle Point-of-Sale Incentives Project Category budget to fund additional incentives for eligible vehicles, and included on the Program Website tracker for vehicle incentive funds remaining. The Recipient must maintain accounting records satisfactory to the Province (e.g. general ledger) that tracks interest earned on the Financial Contribution and expended on the program, as follows:

1. The calculation of interest must be based on an average daily balance or some other reasonable and demonstrable method of allocating the proceeds from the interest- generating account back into the CEV Incentive Program.
2. The methodology for tracking earned interest on the Financial Contribution must ensure that it is separately identifiable from any interest earned on funds outside of the Financial Contribution.
3. The methodology for calculating earned interest must be consistent with how it is calculated for the Recipient's other fiscal programs.
4. Earned interest must be fully expended by March 31, 2018, and if not fully expended by March 31, 2018, repaid as per Section 5 of this Agreement.
5. Earned interest and demonstration of the expenditures of earned interest on vehicle incentives will be captured in the Quarterly Reports.

Documentation of interest earned on Financial Contribution must be retained for a minimum of six (6) years after it is generated. Documentation of interest expended on eligible vehicles must be retained for a minimum of six (6) years after the interest-funded incentive has been redeemed.

## **F. PROJECT CATEGORIES**

### ***Vehicle Point-Of-Sale Incentives***

The Recipient shall deliver the Vehicle Point-of-Sale Incentives in accordance with, amongst other things, the following rules:

1. Adhere to the directions for administering the program in Schedule “C”, in particular, the details around incentive eligibility and amounts.
2. Each dealership that requests reimbursement for point-of-sale incentives provided to purchasers / lessees of eligible vehicles under the CEV Incentive Program will be required to submit an application to the Recipient for the incentive, using an application that has been designed by the Recipient and approved by the Province.
3. Required documentation to be maintained by the Recipient for incentives issued will include, at a minimum, the following:
  - a. proof that each sale / lease of an eligible CEV vehicle was made to a BC resident (or BC business operating in BC with a valid business license or to a public agency in BC);
  - b. a copy of the sales or lease contract signed by all applicable parties with an itemization of credits, discounts, and incentives received, if applicable; and
  - c. the customer’s agreement that they will be contacted via email and / or phone for the purposes of program evaluation, along with the customer’s contact information.
4. Dealership incentive reimbursement applications for a month should be submitted to the Recipient no later than the 15<sup>th</sup> day of the following month to allow the Recipient to accurately track program uptake expenditures.
5. For the purposes of the CEV Incentive Program, the date of purchase shall be the day of sale. A vehicle Original Equipment Manufacturer (OEM) order will be considered the day the order is accepted by the OEM, and the deposit has been placed by the customer, to allow reservation of the vehicle incentive amount. A sale is deemed completed and consummated when the purchaser of the vehicle has paid the purchase price, or, in lieu thereof, has signed a purchase contract or security agreement and taken

physical possession or delivery of the vehicle. For the purposes of the program, incentive amounts will be reserved for up to 90 days for OEM order vehicles; if a vehicle sale is not completed within the 90 days, the reserved incentive funds for that vehicle will be re-allocated to the general incentive funds available. Incentive funds expended, reserved and remaining will be tracked on the Program Website tracker.

6. For purposes of this program, a vehicle shall be deemed to be leased on the date upon which the lease of the vehicle commences, which is typically specified in a signed lease agreement.

### ***Salesperson Education Videos and CEV Dealer Awards***

This Project Category is to address awareness of salespersons and dealers regarding clean energy vehicles. This Project Category will provide online awareness/education videos with an incentive for salespeople to complete all the videos. In addition, a dealership award program will be developed that recognizes top performing dealerships from various areas for the province.

The total budget for this Project Category during the Term is \$110,000 with a targeted 9 yearly dealer awards and 5 educational videos, both to operate until the Program Termination Date. The Recipient will develop the education videos and dealer awards in conjunction with the Province, and each video or award will be launched following approval, in writing, by the Province. The target launch date for this Project Category is March 2016 for CEV dealer awards and May 2016 for the education videos.

### ***Administration***

The Recipient may utilize the funds under the “Administration” Project Category only for the Administration Eligible Expenditures. **“Administration Eligible Expenditures”** must be costs and expenses incurred by the Recipient directly related to, and necessary for, the implementation and conduct of the CEV Incentive Program, and can only include the following:

1. salaries and benefits for employees on the payroll of the Recipient for the time spent by the employees on the program;
2. professional, technical and other contracting services, if directly applicable to the program;
3. reasonable travel expenditures, including transportation, meals, and accommodation;
4. printing and mailing services;
5. data collection services directly related to the program reporting, including database development, management, analysis and reporting;
6. development, operation and ongoing maintenance of the Program Website; and
7. office expenses that can be clearly demonstrated to be above and beyond expenditures that the Recipient would be incurring regardless of the Program.

Additional eligible expenditures may be proposed to the Province, prior to the expenditures being occurred, if necessary for implementation and administration of the program, and may be approved at the Province's discretion. These additional expenditures are not to be incurred until approved by the Province as Administration Eligible Expenditures under this Agreement.

### ***Public Outreach and Marketing***

The main objective of public outreach and marketing for the CEV Incentive Program is to encourage increased uptake of electric and hydrogen fuel cell vehicles across British Columbia. A secondary objective is to raise awareness on the incentives available, and the CEV Incentive Program. To ensure coordinated public outreach and marketing efforts and budget efficiencies across the broader CEV Incentive Program, the CEV Incentive Program public outreach and marketing will be coordinated with the Emotive campaign (e.g. social media and Ride-and-Drives / events), through the Recipient's participation in the Emotive working group and the Emotive working group's feedback on the CEV incentive Program outreach and marketing.

The yearly marketing activities, along with their budgets, will be developed by the Recipient in consultation with the Province and submitted for approval on an annual basis, or more frequently if required by the Recipient or Province.

Marketing and public outreach activities may include, but not be limited to digital marketing, ride-and-drives, contests, print and radio marketing, prizes, etcetera.

The Recipient may utilize the funds under the "Public Outreach and Marketing" Project Category only for the Marketing Eligible Expenditures. "**Marketing Eligible Expenditures**" must be costs and expenses incurred by the Recipient directly related to, and necessary for, the implementation and conduct of the CEV Incentive Program, and can only include the following:

1. marketing and other contracting services, if directly applicable to the CEV Incentive Program; and
2. marketing, promotion, events expenses, program collateral and public outreach, as approved by the Province prior to expenditures being incurred.

Additional eligible expenditures may be proposed to the Province, prior to the expenditures being occurred, if necessary for implementation and administration of the program, and may be approved at the Province's discretion. These additional expenditures are not to be incurred until approved by the Province as Marketing Eligible Expenditures under this Agreement.

## **G. OTHER DUTIES & REQUIREMENTS OF THE PARTIES**

### ***The Province***

The Province will provide program oversight and direction, in consultation with the Recipient and stakeholders. The Province is responsible for:

1. Development of the Program Guide for the British Columbia Clean Energy Vehicle Program.
2. Providing all materials from the previous cev4bc website to the Recipient.
3. Evaluating and approving vehicles for CEV Incentive Program eligibility, and providing the Recipient an up-to-date list of eligible vehicles, complete with dates of eligibility. The Province is responsible for working closely with vehicle manufacturers in order to determine vehicle eligibility.
4. Determining vehicle incentive amounts and providing this information to the Recipient.
5. Participating in regular meetings with the Recipient to discuss program refinements and guide program implementation.
6. Review and approval of program elements provided by the Recipient, such as the Program Website, dealer reimbursement verification, and progress reports.
7. Distribution of program funds to the Recipient through the Financial Contribution.
8. Program oversight and accountability (in conjunction with the Recipient).

### ***The Recipient***

The Recipient's responsibilities encompass three parts to ensure the efficient and proper distribution of incentives for eligible vehicles: program development, program implementation, and program reporting.

#### ***Program Development and Implementation***

The Recipient is responsible for the on-the-ground program development and implementation of reimbursing dealers for point of sale incentives and salesperson incentives provided for eligible Clean Energy Vehicles, including, but not limited to, the following tasks:

1. Prepare outreach and educational materials in consultation with the Province and conduct the province-wide public outreach necessary for the program to be successful.
2. Provide dealerships with program literature and outreach marketing materials to promote / advance the program.
3. Develop a user-friendly public website for the program (the "**Program Website**") which must include, at a minimum:
  - a. a list of eligible vehicle models and each vehicle's incentive amount;
  - b. procedures for dealers to apply for reimbursement for incentives provided under the program;
  - c. ability to track total CEV Incentive Program funds available in real-time; and
  - d. all documents and forms related to the CEV Incentive Program.

4. Ensure that applications received from the dealers for reimbursement meet all applicable CEV Incentive Program requirements.
5. Use the criteria in the Program Guide for the British Columbia Clean Energy Vehicle Program to review and approve or disapprove reimbursement applications.
6. Distribute reimbursement payments to dealers who have provided point-of-sale incentives to eligible vehicle purchasers and lessees of eligible vehicles.
7. Track expenditure of CEV Incentive Program funding.
8. Closely communicate with the Province to ensure that the most current list of eligible vehicles is being used and any new dates of eligibility are disclosed.
9. Respond to public inquiries regarding the CEV Incentive Program.
10. Provide the reports specified in Schedule "D" to the Province.
11. Provide information, upon request, to individuals or organizations that wish to appeal an incentive denial to the Province's Program Liaison.
12. If requested, provide the Province with access to all webpage(s), software or other intellectual property developed or purchased by the Recipient for the purposes of administering or implementing the CEV Incentive Program.
13. Meet all applicable requirements the CEV Incentive Program agreement with the Province.
14. Accept from dealerships the repayments made by non-abiding applicants (e.g. for breaking a lease returning the difference between the original lease time incentive and the actual lease time incentive, or returning the full incentive if the applicant is found to not reside or be located in British Columbia) and reallocate those funds to the "Vehicle Point-of-Sale Incentives" Project Category, unless the repayments are received after completion of this Agreement in which case the Recipient is to submit those repayments to the Province.
15. In the circumstances in which the dealership is unsuccessful after 12 months of attempting to obtain repayments from the non-abiding applicants, accept from the dealership documentation of all attempts at recovery, then submit the documentation to the Province.
16. Provisions 14 and 15 above are intended to survive the completion of the termination of this Agreement and will continue in force 24 months after the termination of this Agreement.

Dealerships that sell or lease CEVs during the program duration play a critical role in educating consumers and making sure that they are aware of the point of sale incentive program. The Recipient will:

1. Work with and provide dealerships with appropriate marketing material and information pertaining to the CEV Incentive Program.
2. Ensure dealers follow procedures and policies prescribed by the CEV Incentive Program in order to receive reimbursement.
3. Ensure that, in order for the dealership to receive a reimbursement for point-of-sale incentives provided for eligible vehicles the dealership:

- a. Ensure the purchaser / lessee of the vehicles is an individual, business, nonprofit, or public entity that is a British Columbia resident of the business, nonprofit or public entity is based in British Columbia or has a British Columbia-based affiliate. All businesses must be licensed to operate in British Columbia.
- b. Provide email, phone and contact information for follow up survey to be delivered by the Province or organization appointed by the Province.
- c. Ensure the purchase/lease date is not prior to the vehicle being included on the list of Eligible vehicles.
- d. Submit the application form and attach all required supporting documentation no later than the 15th of the preceding month.
- e. Not make or allow any modifications to the vehicle's emissions control systems, hardware, software calibrations, or hybrid system.
- f. Be available for follow-up inspection if requested by the Recipient, the Province, or the Province's designee for the purposes of program oversight and accountability.
- g. Ensure the accuracy of the information on all incentive reimbursement applications and required documentation submitted to the Recipient.
- h. Provide information and a link to the Emotive online community.
- i. Be a member in good standing of the Recipient.
- j. Track the applicants to ensure that the applicant abides by the conditions that the vehicle remains plated and is registered and insured in British Columbia in the applicant's name.
- k. Collect from non-abiding applicants the repayment of the appropriate amount of the point-of-sale discount that the applicant had received through the CEV Incentive Program (e.g. for breaking a lease returning the difference between the original lease time incentive and the actual lease time incentive, or returning the full incentive if the applicant is found to not reside or be located in British Columbia).
- l. Submit to the Recipient the repayments received from the non-abiding applicants.
- m. In the circumstances in which the dealership is unsuccessful after 12 months of attempting to obtain repayments from the non-abiding applicants, submit to the Recipient documentation of all attempts at recovery.
- n. Provisions j, k, l and m above are intended to survive the completion of the termination of this Agreement and will continue in force 24 months after the termination of this Agreement.

### *Program Reporting*

See Schedule "D".



## **SCHEDULE "B"**

### **FINANCIAL CONTRIBUTION**

1. The Province agrees to provide to the Recipient an aggregate maximum amount financial contribution of \$13,370,000 during the Term (the "**Financial Contribution**").
2. Payments of the Financial Contribution must be made as follows:
  - a. a lump sum payment of \$7,500,000 by March 31, 2015; and
  - b. Upon receipt and acceptance by the Province of the first Annual Report, a lump sum payment of \$5,870,000.

**SCHEDULE “C”**  
**PROGRAM GUIDE FOR THE BRITISH COLUMBIA CLEAN ENERGY**  
**VEHICLE PROGRAM**

See attached.

## **SCHEDULE “D” RECIPIENT REPORTING REQUIREMENTS**

### Ongoing Communication

The Recipient must make all reasonable efforts to respond to ad-hoc requests within 3 (three) to 5 (five) Business Days by the Province for information on Project progress. The Recipient must also advise the Province immediately of any substantial events that could impact the Project timeline.

### Quarterly Reporting

The Recipient will provide reports within thirty (30) calendar days of the end of each Quarter (each, a “**Quarterly Report**”) to the Province detailing the vehicles and associated incentives assigned and redeemed to date. The Quarterly Reports must include, at a minimum, the following information:

1. A financial statement detailing the use of the funds adhering to Accounting Standards.
2. The proposed spending plan for the remaining funds.
3. Number of incentives requested by:
  - a. vehicle type,
  - b. city,
  - c. unique customer (if one customer has more than one vehicle – no personal identifying information required),
  - d. if a fleet customer, fleet name, and
  - e. suggested vehicle MSRP.
4. Number of vehicles ordered / reserved / open orders by above categories.
5. Number and dollar amount of incentives issued detailed by dealership where vehicle was purchased/leased, vehicle, purchase price, fleet type (public or private), other financial incentives received.
6. Administrative expenditure details.
7. Marketing expenditures details (by project category / deliverable / event).
8. Remaining funding available.
9. Identified problems, concerns, lessons learned, and recommendations.
10. Program feedback, and frequently asked questions.
11. Marketing performance (to be refined following the marketing plan):
  - a. Website analytics,
  - b. Events by type, location, estimated # of people at event, cost,
  - c. Social media analytics (tweets, re-tweets, Facebook posts, etc.),
  - d. Web ad analytics (clicks, impressions, etc.),
  - e. Traditional media (radio, print) analytics, and
  - f. Earned media,

*provided that*, such and other information for each October 1 to December 31 quarter will be included within the annual report submitted to the Province, as opposed to in a separate quarterly report.

### Annual Reporting

The Recipient must, no later than thirty (30) calendar days after the end of each calendar year during the Term, provide an annual report (each, an “**Annual Report**”) to the Province, which shall include the following information:

1. An annual Project income and expenditure summary which identifies all sources and use of the Project funds during the Term.
2. The proposed spending plan for the remaining program funds.
3. The detailed summary of the quarterly reporting data.
4. Lessons learned and recommendations for future years.

### Final Reporting

The Recipient will submit a final report (the “**Final Report**”) to the Province, no later than sixty (60) calendar days after the Project Termination Date, which shall include the following information:

1. A summary of the Annual Reports, with Project highlights, description of outcomes with respect to results set out in Schedule “A”, quantitative and qualitative description of the accomplishments / success of the program; challenges faced and solutions found, information on results (negative or positive) that were not anticipated.
2. All vehicles paid for by the program (may be provided as summaries of previously submitted Quarterly Reports and Annual Reports) and fulfillment of all program commitments.
3. Total fund expenditures (including match and in-kind funds), vehicles funded, marketing and outreach efforts, and implementation challenges, and recommendations for potential program improvements.
4. A final financial statements that includes a Project income and expenditure summary which identifies all sources and use of the total Project funds over the duration of the entire Term; a statement detailing the use of the Province’s contributions provided over the duration of the entire Term, including an explanation of any financial variances.

### Format of Reports

The Province may request that each report be provided by the Recipient in electronic format for transparent and effective data tracking.



**MODIFICATION AGREEMENT FOR GOVERNMENT TRANSFER No. CA15MAN0021**

**Modification No.: 2**

**THIS MODIFICATION AGREEMENT** dated for reference May 31, 2016

**BETWEEN:**

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister of Energy and Mines (the "Province")

**AND:**

NEW CAR DEALERS ASSOCIATION OF BC (the "Recipient")

**BACKGROUND**

- A. The parties entered into an agreement dated for reference 25<sup>th</sup> of March 2015 (the "Agreement").
- B. The parties agreed to modify the Agreement dated for reference 23<sup>rd</sup> of March 2016 ("Modification 1").
- C. The parties have agreed to modify the Agreement.

**AGREEMENT**

The parties agree as follows:

- 1. The language is *Section 14 – TERMINATION*, will be amended to:

**SECTION 14 - TERMINATION**

Either of the Province, or the Recipient (in the case of Section 14(b)), may terminate this Agreement:

- (a) upon the occurrence of an Event of Default in accordance with Section 13.2(a); or
- (b) at any time with thirty (30) calendar days' written notice, without cause,

and upon such termination, the Recipient shall repay the Financial Contribution, less any amounts that, in the objective analysis of the Province, acting reasonably, has been properly expended by the Recipient in accordance with this Agreement, to the Minister of Finance for credit to the ICE Fund Special Account, promptly and in any event within ten (10) Business Days.

- 2. In all other respects, the Agreement is confirmed.

SIGNED AND DELIVERED on the 15<sup>th</sup> day of June, 2016 on behalf of the Province by its duly authorized representative:

Signature [Signature]

Print Name LES MACLAREN

SIGNED AND DELIVERED on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by or on behalf of the Recipient (or by its authorized signatory or signatories if the Recipient is a corporation):

Signature [Signature]

Print Name BLAIR DUNN

Transfer Modification Version Date: April 1, 2015

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Withheld pursuant to/removed as

s.21;s.13;s.17

## REVISED SCHEDULE A – SERVICES

### The Project

#### Term

Notwithstanding the date of execution of this Agreement, s.17,s.21

s.17,s.21

#### Project

s.13,s.17

The CEV Hydrogen Fuelling Program builds on existing hydrogen stations to expand the hydrogen fuelling network in British Columbia (BC), further reducing one of the key barriers to market adoption of hydrogen vehicles: fuelling infrastructure. Furthermore, this investment is intended to provide a baseline of support to increase awareness and understanding of hydrogen vehicles within BC. The CEV Hydrogen Fuelling Program is required to help achieve the overall CEV Program vision that by 2020, 5% of new light duty vehicle purchases in BC are clean energy vehicles.

s.13,s.17,s.21

Phase 1 encompasses a Provincial investment of \$300,000 to deliver one (1) hydrogen fuelling station within the Metro Vancouver region under the Clean Energy Vehicle Hydrogen Fuelling Program (the Program). The Program will be administered and implemented through a partnership between the Province and the Recipient.

s.13,s.17,s.21

s.13

**Phase 1: March 31, 2015 – March 31, 2018**

In Phase 1 of the Program, after a competitive request for proposals, the Recipient entered into a contribution agreement with one proponent, HTEC Hydrogen Technology & Energy Corporation, to install and commission the first hydrogen fuelling station within the Metro Vancouver area. Final commissioning is expected Summer 2017.

**Table 1: CEV Hydrogen Fuelling Program Timeline – Phase 1**

Item	Dates
Recipient, in consultation with the Province, develop funding call details and project evaluation matrix	By May 31, 2015
Recipient initiates Project Funding Call	By September 1, 2015
Project Funding Call close date	November 1, 2015
Project applications evaluated and awarded funding	By December 15, 2015
Ongoing project monitoring	Until March 31, 2018

s.17,s.21



Page 101 to/à Page 102

Withheld pursuant to/removed as

s.21;s.17

### **Earned Interest**

Interest earned by the Recipient on CEV Hydrogen Fuelling Program funds must be reported to the Province and added to the total Program funds available. The Recipient must maintain accounting records (e.g. general ledger) that tracks interest earned and expended on the Program, as follows:

1. The calculation of interest must be based on an average daily balance or some other reasonable and demonstrable method of allocating the proceeds from the interest-generating account back into the program.
2. The methodology for tracking earned interest must ensure that it is separately identifiable from interest earned on non-CEV Hydrogen Fuelling Program funds.

3.

4. Earned interest and demonstration of the expenditures of earned interest on the program will be captured in the quarterly reporting to the Province.

Documentation of interest earned on CEV Hydrogen Fuelling Program funds and expended on the Program must be retained for a minimum of three years after it is generated and spent.

### **Remaining Funds:**

s.17,s.21

### **Administration & Outreach**

Eligible expenditures for administration and implementation must be directly related to, and necessary for, the implementation and conduct of the Program, and can include:

1. reimbursement payments for fuelling infrastructure
2. salaries and benefits for employees on the payroll of the Recipient for the time spent by the employees on the program
3. professional, marketing, technical and other contracting services, if directly applicable to the program
4. reasonable travel expenditures, including transportation, meals and accommodation
5. printing and mailing services
6. data collection services directly related to the program reporting, including database development, management, analysis and reporting
7. website development, operation and maintenance
8. marketing, promotion, events expenses, program collateral, and public outreach, as approved by the Province prior to expenditures being incurred
9. office expenses that can be clearly demonstrated to be above and beyond expenditures that the Recipient would be incurring regardless of the Program.

Additional eligible expenditures may be proposed to the Province, prior to the expenditures being occurred, if necessary for implementation and administration of the program, and may be approved at the Province's discretion. These additional expenditures are not to be incurred until approved by the Province as eligible expenditures under this agreement.

## **Duties and Requirements**

### **Ministry of Energy and Mines**

The Province is responsible for:

#### **1. Development of the CEV Program Guide**

s.17,s.21

### **Canadian Hydrogen and Fuel Cell Association**

s.17,s.21

13. Providing the Province with status reports and a final report that summarizes total fund expenditures, identifies all leveraged funds, program deliverables, lessons learned, and recommendations.

## **REPORTING REQUIREMENTS:**

### Ongoing Communication

The Recipient must make all reasonable efforts to respond to ad-hoc requests within 3 business days by the Province for information on Project progress. The Recipient must also advise the Province immediately of any substantial events that could impact the Project timeline.

The Recipient will establish, on an as-needed basis, monthly recurring meetings with the Province to discuss and resolve program items or issues.

### Quarterly Reporting

The Recipient will provide Quarterly Reports to the Province detailing progress on the CEV Hydrogen Fuelling Program components and expenditures. The Quarterly Reports must include, at a minimum, the following information:

1. A financial statement detailing the use of the funds
2. The proposed spending plan for the remaining funds
3. Timeline for program deliverables, and progress against that timeline

s.17,s.21

5. Administrative expenditure details
6. Outreach expenditures details (by project category / deliverable / event)
7. Remaining funding available.
8. Identified problems, concerns, lessons learned, recommendations
9. Program feedback, and frequently asked questions

The first Quarterly Report were to be submitted by August 1st, 2015, after which regular status reports will be submitted every 90 days. Data for the October – December quarter will be included within the Annual Report submitted to the Province, as opposed to in a separate quarterly report.

### Annual Reporting

The Recipient must, no later than 30 days after the end of each the calendar year, provide an annual report including

- an annual Project income and expenditure summary which identifies all sources and use of the Project funds during the Term;
- The proposed spending plan for the remaining program funds; and
- The detailed summary of the quarterly reporting data
- Lessons learned and recommendations for future years

### Final Reporting

The Recipient will submit a Final Report to the Province, no later than 90 days after all funding has been expended, or the Agreement Term has expired, whichever occurs earlier, provide a program Final Report that is a summary of the Annual Reports, with Project highlights, description of outcomes with respect to results set out in Schedule A, quantitative and qualitative description of the accomplishments / success of the program; challenges faced and solutions found, information on results (negative or positive) that were not anticipated. This report must document all stations supported with the program (may be provided as summaries of previously submitted Status Reports) and fulfillment of all program commitments. The Final Report must include, at a minimum, total fund expenditures, stations funded, outreach efforts, and implementation challenges, and recommendations for potential program improvements.

The Final Report must contain a final financial statement that includes

- a Project income and expenditure summary which identifies all sources and use of the total Project funds over the duration of the entire Agreement; a statement detailing the use of the Province's contributions provided over the duration of the entire Agreement, including an explanation of any financial variances.

## **REVISED SCHEDULE B**

### **FINANCIAL CONTRIBUTION**

#### **PAYMENTS**

s.17,s.21

3. The Recipient must submit to the Province upon signing of the modification agreement, a written statement of account showing
  - (a) the Recipient's legal name and address;
  - (b) the date of the statement and a statement number for identification;
  - (c) the Agreement Number;
  - (d) any other information reasonably requested by the Province.



Natural Resource Sector

**GOVERNMENT TRANSFER –  
SHARED COST ARRANGEMENT**

**Agreement #: CA15MAN0021**

**Project Title: CLEAN ENERGY VEHICLE INCENTIVE PROGRAM**

**THIS AMENDED AND RESTATED SHARED COST ARRANGEMENT AGREEMENT**  
dated for reference the 25<sup>th</sup> day of March, 2015 (the "Reference Date").

**BETWEEN:**

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF  
BRITISH COLUMBIA**, represented by the Minister of Energy and Mines,  
Communities and Transportation Branch

(the "Province")

**AND:**

**NEW CAR DEALERS ASSOCIATION OF BC**

(the "Recipient")

The parties to this Agreement agree as follows:



## **SECTION 1 – DEFINITIONS & INTERPRETATION**

### **1.1 Where used in this Agreement:**

**"Accounting Standards"** means those accounting standards approved by the Canadian Accounting Standards Board in effect from time to time, in each case applied on a consistent basis, acceptable to the Province.

**"Administration Eligible Expenditures"** has the meaning ascribed thereto in Schedule "A".

**"Annual Reports"** has the meaning ascribed thereto in Schedule "D".

**"Applicable Laws"** means in respect of any Person, transaction or event, all applicable provisions of laws, statutes, rules, policies, directives and regulations of any Governmental Authority in effect from time to time having the force of law; and all judgments, orders, awards, decrees, official directives, writs and injunctions all having the force of law from time to time in effect of any Governmental Authority in an action, proceeding or matter in which the Person is a party or by which it or its property is bound.

**"Business Days"** means a day on which provincial government offices are open for business, other than a Saturday, Sunday or statutory holiday in the Province.

**"CEV Incentive Program"** and **"program"** have the meanings ascribed thereto in Schedule "A".

**"Event of Default"** has the meaning ascribed thereto in Section 13.

**"FAA"** has the meaning ascribed thereto in Section 18.

**"Final Report"** has the meaning ascribed thereto in Schedule "D".

**"Financial Contribution"** means the total aggregate value stipulated in Schedule "B".

**"Governmental Authority"** means any government, parliament, legislature or commission or board of any government, parliament or legislature, or any political subdivision thereof, or any court or (without limitation to the foregoing) any other law, regulation or rule-making entity having or purporting to have jurisdiction in the relevant circumstances, or any Person acting or purporting to act under the authority of any of the foregoing (including any arbitrator) or any other authority charged with the administration or enforcement of Applicable Laws.

**"Material"** means all findings, data, reports, documents, records and material, (both printed and electronic, including but not limited to, hard disk or diskettes), whether complete or otherwise, that have been produced, received, compiled or acquired by, or provided by or on behalf of the Province to, the Recipient as a direct result of this Agreement, but does not include:

- (a) personal Information which could reasonably be expected to reveal the identity of clients; and
- (b) property owned by the Recipient.

**"Marketing Eligible Expenditures"** has the meaning ascribed thereto in Schedule "A".

**"Material Adverse Effect"** means, in relation to any Person, any fact, event or circumstance that, alone or when taken with other events or conditions occurring or existing concurrently with such event or condition (a) has or is reasonably expected to have a material adverse effect on the business, operations, condition (financial or otherwise), assets, liabilities, prospects or properties of such Person, (b) has or is reasonably expected to have any material adverse effect on the validity or enforceability of this Agreement or any agreement related hereto and/or (c) materially impairs or is reasonably expected to materially impair the ability of such Person to either pay or otherwise perform its obligations under this Agreement or any agreement related hereto.

**"Person"** means any individual, partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator, other legal personal representative, Governmental Authority or entity howsoever designated or constituted.

**"Program Website"** has the meaning ascribed thereto in Schedule "A".

**"Program Termination Date"** has the meaning ascribed thereto in Schedule "A".

**"Project"** means the project described in Schedule "A".

**"Project Category"** has the meaning ascribed thereto in Schedule "A".

**"Province"** has the meaning ascribed thereto in the recitals.

**"Quarter"** means (a) in respect of the first fiscal quarter, the period beginning on April 1, 2015 and ending on June 30, 2015, and (b) thereafter, each successive three (3) calendar month period ending on September 30, December 31, March 31 and June 30 of each year.

**"Quarterly Reports"** has the meaning ascribed thereto in Schedule "D".

**"Recipient"** has the meaning ascribed thereto in the recitals.

**"Reference Date"** has the meaning ascribed thereto in the recitals.

**"Term"** has the meaning ascribed thereto in Section 2.

**"Third Party"** means any Person or any of its officers, employees or agents that is involved in the delivery of the Project, other than a party to this Agreement.

**1.2 For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:**

- (a) the headings preceding the text, sections and/or other subdivisions hereof are for convenience only and do not form a part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provisions hereof;**
- (b) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with Accounting Standards;**
- (c) all references to "dollar" or "\$" refer to the lawful currency of Canada;**
- (d) the words "herein", "hereof" and "hereunder" and other words of familiar import refer to this Agreement as a whole and not to any particular Section or other subdivision of this Agreement;**
- (e) the word "including", when following any general statement, term or matter, is not to be construed to limit such general statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto but rather refers to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter;**
- (f) a reference to a Section, Subsection or other subdivisions is a reference to the specified section, subsection or other subdivision of this Agreement;**
- (g) any reference to a statute or a section of a statute shall include and shall be deemed to be a reference to such statute or section and to the regulations made pursuant thereto, with all amendments made thereto and in force at the relevant time, and to any statute, section of a statute or regulation that may be passed which has the effect of supplementing or superseding the statute or section so referred to or the regulations made pursuant thereto, and unless otherwise indicated, all statutes and regulations referred to in this Agreement are statutes and regulations of the Province of British Columbia;**
- (h) a reference to any agreement is a reference to such agreement as amended, restated, supplemented, replaced and/or modified from time to time, in accordance with the provisions of this Agreement;**
- (i) the word "party" means a party to this Agreement and the word "parties" means all parties to this Agreement;**

- (j) a reference to any Person shall include and shall be deemed to be a reference to each Person that is the successor or permitted assigns of such Person; and
  - (k) words in the singular include the plural and vice versa.
- 1.3 The following are the Schedules attached hereto and incorporated by reference and deemed to be part of this Agreement. If there is a conflict between the terms of this Agreement (other than the Schedules), and the terms of a Schedule, the terms of this Agreement (other than the Schedules) prevail to the extent of any conflict.
- |              |   |
|--------------|---|
| Schedule "A" | Project   |
| Schedule "B" | Financial Contribution  |
| Schedule "C" | Program Guide for the British Columbia Clean Energy Vehicle Program |
| Schedule "D" | Recipient Reporting Requirements                                    |

## SECTION 2 - TERM

Notwithstanding the date of execution of this Agreement, the term of this Agreement starts on the Reference Date and ends on the day that is ninety (90) calendar days after the Program Termination Date (the "Term").

## SECTION 3 - APPOINTMENT

The Recipient must:

- (a) carry out and complete the Project in accordance with the terms and conditions of this Agreement, including as described in Schedules "A", "C" and "D"; and
- (b) use the Financial Contribution only for the purposes and in the manner specified in Schedule "A", and for greater certainty, the Financial Contribution may not be used to secure any debt or obligation of the Recipient.

## SECTION 4 – PAYMENT OF FINANCIAL CONTRIBUTION

Subject to the provisions of this Agreement, the Province must pay the Recipient the Financial Contribution for the Project, in the manner, and at the times set out in Schedule "B".

The Province has no obligation to make the Financial Contribution unless the Recipient has complied with the criteria set out in Schedule "A".

Notwithstanding any other provision of this Agreement, in no event will the Province be or become obligated to pay the Recipient any amount exceeding the Financial Contribution under this Agreement.

## **SECTION 5 – UNEXPENDED FUNDS**

At the sole option of the Province, any portion of the Financial Contribution provided to the Recipient under this Agreement and not expended at the end of the Term in accordance with the terms hereof must either be:

- (a) returned by the Recipient to the Minister of Finance within ten (10) Business Days of written demand;
- (b) retained by the Recipient as supplemental funding provided for under an amendment to this Agreement; or
- (c) deducted from any future funding requests submitted by the Recipient and approved by the Province.

## **SECTION 6 - REPRESENTATIONS AND WARRANTIES**

The Recipient represents and warrants to the Province, with the intent that the Province rely on it in entering into this Agreement, that:

- (a) it is duly organized under the laws of the Province of British Columbia;
- (b) it has full power and authority to enter into this Agreement and to do all acts and execute and deliver all other documents as are required hereunder to be done, observed or performed by it in accordance with their terms;
- (c) it has taken all necessary actions and proceedings to authorize the execution, delivery and performance of this Agreement and to observe and perform the provisions of this Agreement in accordance with its terms;
- (d) this Agreement constitutes a valid and binding obligation of the Recipient, enforceable against it in accordance with its terms;
- (e) all information, statements, reports or any other documents furnished or submitted by the Recipient to the Province in connection with this Agreement are true and correct as of the date such information, statement, report or other document was furnished or submitted to the Province;
- (f) the Recipient has no knowledge of any fact that has, or so far as it can foresee, might have, a Material Adverse Effect on the Recipient; and
- (g) the Recipient is not in breach of, or in default under, any Applicable Laws.



All statements contained in any certificate, application, proposal or other document delivered by or on behalf of the Recipient to the Province under this Agreement or in connection with any of the transactions contemplated by it are deemed to be representations and warranties by the Recipient under this Agreement.

## **SECTION 7 – RECIPIENT’S OBLIGATIONS**

During the Term, the Recipient must:

- (a) submit to the Province, upon signing this Agreement, a written statement of account showing:
  - (i) the Recipient’s legal name and address;
  - (ii) the date of the statement and a statement number for identification;
  - (iii) the Agreement Number; and
  - (iv) any other information reasonably requested by the Province;
- (b) carry out the Project in accordance with the terms of this Agreement diligently and to the best of its abilities;
- (c) provide the reports specified in Schedule “D” to the Province;
- (d) calculate, use and account for any interest earned on the Financial Contribution in accordance with Schedule “A”;
- (e) comply with all Applicable Laws;
- (f) hire and retain only qualified staff;
- (g) unless agreed otherwise, supply, at its own cost, all labour, materials and approvals necessary to carry out the Project;
- (h) unless agreed otherwise, retain ownership to all assets acquired or intangible property created in the process of carrying out this Agreement;
- (i) promptly (and in any event within five (5) Business Days) give written notice to the Province: (i) forthwith upon becoming aware of any default in the performance of any covenant or agreement or default in the satisfaction of any condition contained in this Agreement, the occurrence of an Event of Default or any event that with the giving of notice, lapse of time or both would become an Event of Default, specifying such default(s) and Event(s) of Default, (ii) any material litigation, proceeding or dispute, (iii) any other matter which has resulted in or could have a Material Adverse Effect and (iv) such other information respecting the Project as the Province may reasonably request in order to determine compliance by the Recipient under

this Agreement, or otherwise in connection with the administration or enforcement hereof;

- (j) be solely responsible for determining the tax consequences of any payments made under this Agreement, including any Provincial Sales Tax (PST) and Goods and Services Tax (GST) and any other charges for which the Province has not expressly agreed to accept responsibility under the terms of this Agreement, and for further clarity, the Recipient hereby releases the Province from any responsibility whatsoever regarding tax implications;
- (k) promptly declare to the Province any amounts owing to the Province under legislation or an agreement. Amounts due to the Recipient under this Agreement may be set-off against amounts owing to the Province at the Province's sole discretion;
- (l) co-operate with the Province in making the public announcements regarding the Project and the details of this Agreement that the Province requests; and
- (m) acknowledge the financial contribution made by the Province to the Recipient for the Project by including on the Program Website the following statement, "The CEV for BC Program is a program funded by the Province of British Columbia", and including the provincial logo on Materials where appropriate.

## **SECTION 8 - RELIANCE**

All representations, warranties, covenants and agreements made in this Agreement and all certificates, applications or other documents delivered by or on behalf of the Recipient are material, and will conclusively be deemed to have been relied on by the Province notwithstanding any prior or subsequent investigation by the Province, and continue in effect during the continuation of this Agreement.

## **SECTION 9 – RECORDS AND ACCOUNTING**

The Recipient must:

- (a) establish and maintain in accordance with Accounting Standards, accurate accounting and administrative records for the Financial Contribution, in form and content satisfactory of the Province. Such records shall be used as the basis for the calculation of any amounts owing under this Agreement;
- (b) establish and maintain books of account, invoices, receipts and vouchers for all expenses incurred in form and content satisfactory to the Province;
- (c) permit the Province, for contract monitoring and audit purposes, at all reasonable times, on reasonable notice, to enter any premises used by the

Recipient to deliver the Project or keep any documents or records pertaining to the Project, in order for the Province to inspect, audit, examine, review and copy any findings, data, specifications, drawings, working papers, reports, surveys, spread sheets, evaluations, documents, databases and material, (both printed and electronic, including, but not limited to, hard disk or diskettes), whether complete or not, that are produced, received or otherwise acquired by the Recipient as a result of this Agreement; and

- (d) maintain all such accounts and records for a period of six (6) years after the end of the Term.

The Recipient acknowledges and understands that the Province does not have control, for the purpose of the *Freedom of Information and Protection of Privacy Act*, of the records held by the Recipient.

## **SECTION 10 - INDEPENDENT RELATIONSHIP**

No partnership, joint venture, agency or other legal entity is created by this Agreement or by any actions of the parties pursuant to this Agreement.

The Recipient is independent and none of the Recipient, its servants, agents or employees are the servants, employees, or agents of the Province.

The Recipient must not in any manner whatsoever commit or purport to commit the Province to the payment of money to anyone under this Agreement.

## **SECTION 11 - CONFLICT OF INTEREST**

The Recipient must not, during the Term, perform a service for or provide advice to any Person if the performance of that service or the provision of the advice may, in the reasonable opinion of the Province, give rise to a conflict of interest between the obligations of the Recipient to the Province under this Agreement and the obligations of the Recipient to the other Person.

## **SECTION 12 - CONFIDENTIALITY**

The Recipient must treat as confidential all information, Material or document of any kind supplied to or obtained by the Recipient as a result of this Agreement. The Recipient must not, without the prior written consent of the Province, permit its disclosure to any other Person, except as required by Applicable Laws or to the extent that the disclosure is necessary to enable the Recipient to fulfill its obligations under this Agreement, provided that in the latter case, the Recipient shall ensure the Person the Recipient has disclosed the information, Material or document to has agreed to keep such information, Material or document confidential and will not permit its further disclosure.

## **SECTION 13 - DEFAULT**



13.1 Any of the following events constitute an "Event of Default" under this Agreement:

- (a) the Recipient fails to comply with any provision of this Agreement;
- (b) any representation or warranty made by the Recipient under this Agreement is untrue or incorrect;
- (c) any information, statement, certificate, report or other document furnished or submitted by or on behalf of the Recipient pursuant to or as a result of this Agreement is untrue or incorrect;
- (d) the Recipient ceases, in the opinion of the Province, to operate;
- (e) there is a Material Adverse Effect with respect to the Recipient;
- (f) an order is made or a resolution is passed or a petition is filed for the liquidation or winding up of the Recipient;
- (g) the Recipient becomes insolvent or commits an act of bankruptcy or makes an assignment for the benefit of its creditors or otherwise acknowledges its insolvency;
- (h) a bankruptcy petition is filed or presented against, or a proposal under the *Bankruptcy and Insolvency Act* (Canada) is made by, the Recipient;
- (i) a receiver or receiver-manager of any property of the Recipient is appointed; and
- (j) the Recipient permits any sum which is not disputed to be due by it to remain unpaid after legal proceedings have been commenced to enforce payment.

13.2 Upon the occurrence of any Event of Default and at any time after that the Province may, despite any other provision of this Agreement, at its option, elect to do any one or more of the following:

- (a) terminate this Agreement;
- (b) require the Event of Default be remedied within a time period specified by the Province;
- (c) suspend any installment of the Financial Contribution or any amount that is due to the Recipient while the Event of Default continues;
- (d) waive the Event of Default; or
- (e) pursue any other remedy available at law or in equity.

## **SECTION 14 - TERMINATION**

Either of the Province, or the Recipient (in the case of Section 14(b)), may terminate this Agreement:

- (a) upon the occurrence of an Event of Default in accordance with Section 13.2(a); or
- (b) at any time with thirty (30) calendar days' written notice, without cause,

and upon such termination, the Recipient shall repay the Financial Contribution, less any amounts that, in the objective analysis of the Province, acting reasonably, has been properly expended by the Recipient in accordance with this Agreement, to the Minister of Finance, promptly and in any event within ten (10) Business Days.

## **SECTION 15 – DISPUTE RESOLUTION**

In the event of any dispute between the parties arising out of or in connection with this Agreement, the following dispute resolution process will apply unless the parties otherwise agree in writing:

- (a) the parties agree to first refer the dispute to senior officers of the parties and attempt to resolve the dispute through collaborative negotiation;
- (b) if the dispute is not resolved through collaborative negotiation within thirty (30) calendar days of the dispute arising, the parties must then attempt to resolve the dispute through non-binding mediation under the rules and rosters of the Mediate BC Society and for the purposes of such mediation:
  - (i) the parties will use their best efforts to agree, within thirty (30) calendar days of the dispute arising, to agree upon and appoint a single individual, having appropriate education, training, and technical expertise in relation to the dispute, to act as mediator;
  - (ii) failing agreement on the mediator within the time stipulated, either party may apply to the Supreme Court of British Columbia for the appointment of a single mediator from a roster of the Mediate BC Society; and
  - (iii) the parties must bear equally the expenditures directly related to the mediation process; and
- (c) if the dispute is not resolved through mediation within thirty (30) calendar days of the commencement of mediation, the dispute must be referred to and finally resolved by arbitration under the *Commercial Arbitration Act*. For the purposes of the arbitration:
  - (i) the place of arbitration will be Vancouver, British Columbia;

- (ii) the parties may agree, in writing, to make or change rules or additions to the rules for the conduct of the arbitration; and
- (iii) the decision of the arbitrator is final and binding on the parties.

## **SECTION 16 – INSURANCE**

Without limiting its obligations or liabilities under this Agreement, and at its own expense, the Recipient must obtain and maintain insurance which it is required to have by Applicable Laws and insurance which a prudent businessperson conducting similar operations would obtain and maintain to cover the risks it has assumed or may encounter as a result of entering into this Agreement or implementing the Project during the Term.

Upon the Province's request, the Recipient must add or ensure the Province is added as an additional insured on insurance policies of the Recipient and Third Parties.

Within ten (10) Business Days of obtaining each relevant policy of insurance, and from time to time if requested by the Province, the Recipient must provide to the Province evidence of the insurance in the form of a completed Province of British Columbia Certificate of Insurance. If requested by the Province at any time, the Recipient must provide to the Province certified true copies of the relevant insurance policies.

The Recipient must require and ensure that each Third Party maintains insurance comparable to those required above.

## **SECTION 17 – INDEMNITY**

The Recipient must indemnify and save harmless the Province, its employees and agents, from and against any and all losses, claims, damages, actions, causes of action, cost and expenses that the Province may sustain, incur, suffer or be put to at any time either before or after the expiration or termination of this Agreement, if the same or any of them are based on, arise out of or occur, directly or indirectly, by reason of any act or omission of the Recipient or any Third Party, or any of their respective agents, employees, officers or directors pursuant to this Agreement, excepting always liability arising out of the independent negligent acts of the Province.

## **SECTION 18 – APPROPRIATION**

Notwithstanding any other provision of this Agreement, the Province's obligation to make the Financial Contribution is subject to:

- (a) sufficient monies being available in an appropriation, as defined in the *Financial Administration Act* ("FAA"), to enable the Province, in any fiscal year when any payment of money by the Province to the Recipient falls due pursuant to this Agreement, to make that payment; and

- (b) Treasury Board, as defined in the FAA, not having controlled or limited, pursuant to the FAA, expenditure under any appropriation referred to in subparagraph (a) of this paragraph.

## **SECTION 19 – ASSIGNMENT AND SUB-CONTRACTING**

The Recipient must not, without the prior written consent of the Province, at its sole discretion:

- (a) assign, either directly or indirectly, this Agreement or any right of the Recipient under this Agreement; or
- (b) sub-contract any obligation of the Recipient under this Agreement.

No sub-contract entered into by the Recipient relieves the Recipient from any of its obligations under this Agreement or imposes on the Province any obligation or liability arising from it.

## **SECTION 20 - REPAYMENT OR REDUCTIONS**

An amount paid by the Province to the Recipient or which is treated as such pursuant to the terms of this Agreement, and to which the Recipient is not entitled according to the terms of this Agreement is repayable immediately to the Ministry of Finance, and until repaid constitutes a debt due to the Province.

If for any reason, the Project is not completed to the satisfaction of the Province, the Recipient must repay to the Province the Financial Contribution (or any part which has been paid to the Recipient) under this Agreement, within thirty (30) calendar days of receipt by the Recipient of a written request for repayment from the Province.

## **SECTION 21 – OTHER FUNDING**

If the Recipient receives funding for or in respect of the Project from any Person (other than the Province under this Agreement), then the Recipient must immediately provide the Province with full details.

## **SECTION 22 - NOTICES**

If in this Agreement, any notice or other communication is required to be given by any of the parties, it must be given in writing, at the contact addresses set out below:

**Province:**

Chris Frye  
Acting Director, Communities and Transportation  
PO Box 9314 Stn Prov Govt  
Victoria, BC V8W 9N1

Email: Chris.Frye@gov.bc.ca  
Phone: 250-952-0686

**Recipient:**

Blair Qualey  
President & CEO  
New Car Dealers Association of BC  
70-10551 Shellbridge Way  
Richmond, BC V6X 2W9

Email: [BQualey@newcardealers.ca](mailto:BQualey@newcardealers.ca)  
Phone: 604-214-9964 x228

It is deemed effectively given:

- (a) by personal delivery to the address of the party set out above, on the date of delivery;
- (b) by pre-paid registered mail, to the address of the party set out below, on the fifth (5<sup>th</sup>) Business Days after mailing;
- (c) by guaranteed delivery by recognized national courier, on the date of delivery; or
- (d) by e-mail, on the date the e-mail is sent,

*provided that if the notice or other communication is received after 4:00 p.m. (addressee's local time), then the notice or other communication shall be deemed to have been given and received on the next Business Day.*

The address, phone number, or email set out above may be changed by notice in the manner set out in this provision.

## **SECTION 23 - MISCELLANEOUS**

- 23.1 This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.
- 23.2 Changes to this Agreement are only effective if made in writing and by both parties.
- 23.3 All of the provisions of this Agreement in favour of the Province and all of the rights and remedies of the Province, either at law or in equity, survive any expiration or sooner termination of this Agreement.

- 23.4 Nothing in this Agreement operates as a consent, permit, approval or authorization by the Province to or for anything related to the Project that by law, the Recipient is required to obtain unless it is expressly stated to be.
- 23.5 This Agreement binds the Province and its assigns and the Recipient and the Recipient's successors and permitted assigns.
- 23.6 Each of the parties will, upon the reasonable request of the other, make, do, execute or cause to be made, done or executed all further and other lawful acts, deeds, things, devices, documents, instruments and assurances whatsoever for the better and absolute performance of the terms and conditions of this Agreement.
- 23.7 Any provision of this Agreement that is or becomes unenforceable shall be unenforceable to the extent of such unenforceability without invalidating the remaining provisions hereof. To the extent permitted by Applicable Laws, each of the parties hereby waives any provision of any Applicable Laws that renders any provision hereof unenforceable in any respect.
- 23.8 No term or condition of this Agreement and no breach by the Recipient of any term or condition is waived unless the waiver is in writing signed by the Province and the Recipient. A written waiver by the Province of any breach by the Recipient of any provision of this Agreement is not a waiver of any other provision or of any subsequent breach of the same or any other provision of this Agreement.
- 23.9 This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement.
- 23.10 This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by e-mail or other electronic means shall be equally effective as delivery of a manually executed counterpart thereof.

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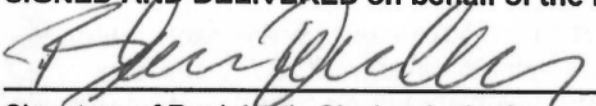


## SECTION 24 - ACCEPTANCE

The Recipient indicates its agreement by executing both copies of this Agreement in the space and manner indicated below and returning them to the contact shown above, free of any conditions. In signing or executing below, the Recipient is committing to a binding agreement.

**IN WITNESS OF WHICH** the parties have duly executed this Agreement as of the Reference Date.

**SIGNED AND DELIVERED** on behalf of the Recipient

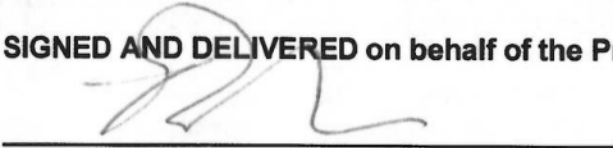


Signature of Recipient's Signing Authority

BLAIR QUALEY, PRESIDENT + CEO

Printed Name & Title of Recipient's Signing Authority

**SIGNED AND DELIVERED** on behalf of the Province



Signature of Province's Signing Authority

LES MCLAREN, ADM.

Printed Name & Title of Province's Signing Authority

## **SCHEDULE "A" PROJECT**

### **A. DESCRIPTION OF PROJECT**

The British Columbia Clean Energy Vehicle (CEV) Incentive Program (the "CEV Incentive Program" or "program") will be administered and implemented through a partnership between the Province and the Recipient. The CEV Incentive Program has a total budget of \$40,370,000 million during the Term, being the Financial Contribution from the Province, for point-of-sale vehicle incentives, salesperson incentives, program administration and program marketing. Clean energy vehicles included in this program include light-duty vehicles that use or can use hydrogen or electricity as their primary fuel source. The CEV Incentive Program benefits the citizens of British Columbia by making clean energy vehicles more affordable, providing immediate emission reductions and stimulating jobs and economic development in the clean technology sector.

The Recipient will administer program funding to dealers, who will provide point-of-sale rebates to their CEV customers. Under the program, dealers will provide point-of-sale vehicle incentives of up to \$5,000 (with up to \$1,000 of additional incentives for hydrogen fuel cell vehicles for fuelling) to qualified British Columbia residents, businesses, public agencies and entities, and nonprofit organizations for the purchase or lease of eligible vehicles, including hydrogen fuel cell vehicles (FCVs) and electric vehicles (EVs), which include battery electric vehicles (BEVs), plug in hybrid electric vehicles (PHEVs) and extended range electric vehicles. In addition, dealers will provide salesperson incentives to encourage increased clean energy vehicle sales.

The current allocation of \$40,370,000 million is expected to achieve approximately 8,000 clean energy vehicles on the road in British Columbia.

The CEV Incentive Program will run from April 1, 2015 until March 31, 2020 or until funds in each Project Category are exhausted, whichever comes first (the "Program Termination Date").

Section 3 of Schedule "C" forms part of this Project description.

### **B. PURPOSE & EXPECTED RESULTS**

The purpose of this program is to continue to encourage clean energy vehicle deployment and technology innovation in the province, by:

1. offering point-of-sale incentives to reduce the cost barriers for customers;
2. engaging CEV dealers and salespeople in learning about and promoting clean energy vehicles through various initiatives, including, but not limited to developing salesperson education videos for clean energy vehicles and managing the CEV dealer awards, which recognize the top dealers in selling clean energy vehicles in various areas of the province; and



3. increasing awareness and knowledge of clean energy vehicles in British Columbia via a directed marketing plan.

The expected results from the CEV Incentive Program include:

1. incenting, at a minimum, the purchase of 8,000 clean energy vehicles depending on the number of full and half incentives issued;
2. providing \$160,000 for development of salesperson education videos and managing the CEV dealer awards (province wide program to be determined in conjunction with the Recipient, and approved by the Province);
3. increasing British Columbians' awareness of clean energy vehicles; and
4. continuing to encourage clean energy vehicle deployment.

The CEV Incentive Program assists in supporting the Province's commitment under the Pacific Coast Action Plan on Climate and Energy to expand the use of zero-emission vehicles in public and private fleets.

The CEV Incentive Program helps to achieve Objective 3.1 in the Ministry of Energy and Mines 2017/18 Service Plan: Accelerate the market transformation of the light-duty vehicles used in B.C. to zero emission vehicles through effective delivery of government's Clean Energy Vehicle Program and associated policy development. Specifically, the program supports electric and hydrogen transportation options that help solve environmental issues, increase use of locally-made electricity and hydrogen, and help create new economic opportunities for all British Columbians.

### C. KEY MILESTONES

The following table summarizes certain key milestones to be met by the Recipient for CEV Incentive Program. In the event of any conflict between the information in this table and elsewhere in this Agreement, the provisions elsewhere in this Agreement shall govern:

Table 1: CEV Incentive Program Development and Implementation Key Milestones

Action Item	Date or Time Period
Program announcement	February 17, 2015 and March 23, 2015
The Recipient develops Program Website, conducts outreach, and dealer reimbursement procedures/application forms finalized.	By March 31, 2015
Official program launch & incentives available	April 1, 2015

Quarterly Reports to the Province Program Liaison	First Quarterly Report, by August 1, 2015, and thereafter, within 30 days of the end of each Quarter for the duration of the Term
Annual Reports to the Province Program Liaison	First Annual Report, by February 1, 2016, and thereafter, within 30 days after the end of each calendar year for the duration of the Term
Final Report	By May 1, 2020 (or if the Program Termination Date is earlier than March 31, 2020, within 60 days following the Program Termination Date).

#### D. PROJECT CATEGORIES AND BUDGET

The budget for the Financial Contribution during the Term is as stipulated in Table 2 below, with the indicated funds being the maximum amounts the Recipient may use for each applicable category of the CEV Incentive Program (each, a "Project Category") during the dates indicated. The funds for a Project Category cannot be used for another Project Category and must only be used in accordance with the terms and conditions of this Agreement, *provided that* funds from a Project Category may be moved to another Project Category upon the Province's prior written approval. Any funds remaining under a Project Category at the end of the Term shall be considered unexpended and dealt in accordance with Section 5 of this Agreement. If the Recipient uses funds in excess of the applicable maximum amounts indicated below, the Recipient acknowledges that any such amounts is its sole responsibility and the Province will not be making any additional Financial Contribution in respect thereof.

Table 2: CEV Incentive Program Categories and Budget

Project Category	Budget
Vehicle Point-of-Sale Incentives	<p>April 1, 2015 to February 29, 2016: \$6,921,750</p> <p>March 31, 2016 to Program Termination Date: \$31,382,390</p> <p>Total: \$38,304,140 <i>plus</i> interest earned on the Financial Contribution.</p>

Salesperson Education Videos and CEV Dealer Awards	April 1, 2015 – Program Termination Date: \$160,000
Administration (including Program Website but excluding Public Outreach and Marketing)	April 1, 2015 to February 29, 2016: \$178,490 March 1, 2016 to Program Termination Date: \$1,014,120  Total: \$1,192,610
Public Outreach and Marketing	April 1, 2015 to March 31, 2016: \$93,250 April 1, 2016 to Program Termination Date: \$620,000  Total: \$713,250

Further details relating to the Recipient's obligations with respect to (1) interest earned on the Financial Contribution is set out in Section E of this Schedule "A" and (2) the Program Categories is set out in Sections F and G of this Schedule "A".

#### **E. EARNED INTEREST**

All interest earned by the Recipient on the Financial Contribution, regardless of which Project Category the underlying funds are allocated to, must be reported to the Province and added to the Vehicle Point-of-Sale Incentives Project Category budget to fund additional incentives for eligible vehicles, and included on the Program Website tracker for vehicle incentive funds remaining. The Recipient must maintain accounting records satisfactory to the Province (e.g. general ledger) that tracks interest earned on the Financial Contribution and expended on the program, as follows:

1. The calculation of interest must be based on an average daily balance or some other reasonable and demonstrable method of allocating the proceeds from the interest- generating account back into the CEV Incentive Program.
2. The methodology for tracking earned interest on the Financial Contribution must ensure that it is separately identifiable from any interest earned on funds outside of the Financial Contribution.

3. The methodology for calculating earned interest must be consistent with how it is calculated for the Recipient's other fiscal programs.
4. Earned interest must be fully expended by March 31, 2020, and if not fully expended by March 31, 2020, repaid as per Section 5 of this Agreement.
5. Earned interest and demonstration of the expenditures of earned interest on vehicle incentives will be captured in the Quarterly Reports.

Documentation of interest earned on Financial Contribution must be retained for a minimum of six (6) years after it is generated. Documentation of interest expended on eligible vehicles must be retained for a minimum of six (6) years after the interest-funded incentive has been redeemed.

## **F. PROJECT CATEGORIES**

### ***Vehicle Point-Of-Sale Incentives***

The Recipient shall deliver the Vehicle Point-of-Sale Incentives in accordance with, amongst other things, the following rules:

1. Adhere to the directions for administering the program in Schedule "C", in particular, the details around incentive eligibility and amounts.
2. Each dealership that requests reimbursement for point-of-sale incentives provided to purchasers / lessees of eligible vehicles under the CEV Incentive Program will be required to submit an application to the Recipient for the incentive, using an application that has been designed by the Recipient and approved by the Province.
3. Required documentation to be maintained by the Recipient for incentives issued will include, at a minimum, the following:
  - a. proof that each sale / lease of an eligible CEV vehicle was made to a BC resident (or BC business operating in BC with a valid business license or to a public agency in BC);
  - b. a copy of the sales or lease contract signed by all applicable parties with an itemization of credits, discounts, and incentives received, if applicable; and
  - c. the customer's agreement that they will be contacted via email and / or phone for the purposes of program evaluation, along with the customer's contact information.
4. Dealership incentive reimbursement applications for a month should be submitted to the Recipient no later than the 15<sup>th</sup> day of the following month to allow the Recipient to accurately track program uptake expenditures.

5. For the purposes of the CEV Incentive Program, the date of purchase shall be the day of sale. A vehicle Original Equipment Manufacturer (OEM) order will be considered the day the order is accepted by the OEM, and the deposit has been placed by the customer, to allow reservation of the vehicle incentive amount. A sale is deemed completed and consummated when the purchaser of the vehicle has paid the purchase price, or, in lieu thereof, has signed a purchase contract or security agreement and taken physical possession or delivery of the vehicle. For the purposes of the program, incentive amounts will be reserved for up to 90 days for OEM order vehicles; if a vehicle sale is not completed within the 90 days, the reserved incentive funds for that vehicle will be re-allocated to the general incentive funds available. Incentive funds expended, reserved and remaining will be tracked on the Program Website tracker.
6. For purposes of this program, a vehicle shall be deemed to be leased on the date upon which the lease of the vehicle commences, which is typically specified in a signed lease agreement.

#### ***Salesperson Education Videos and CEV Dealer Awards***

This Project Category is to address awareness of salespersons and dealers regarding clean energy vehicles. This Project Category will provide online awareness/education videos with an incentive for salespeople to complete all the videos. In addition, a dealership award program will be developed that recognizes top performing dealerships from various areas for the province.

The total budget for this Project Category during the Term is \$160,000 with a targeted 9 yearly dealer awards and 5 educational videos, both to operate until the Program Termination Date. The Recipient will develop the education videos and dealer awards in conjunction with the Province, and each video or award will be launched following approval, in writing, by the Province. The target launch date for this Project Category is March 2016 for CEV dealer awards and May 2016 for the education videos.

The Recipient may propose to the Province other activities that will address engagement of dealers and salespeople. All activity will be approved by the Province prior to being undertaken and must remain within the \$160,000 allocated for the category.

#### ***Administration***

The Recipient may utilize the funds under the "Administration" Project Category only for the Administration Eligible Expenditures. "**Administration Eligible Expenditures**" must be costs and expenses incurred by the Recipient directly related to, and necessary for, the implementation and conduct of the CEV Incentive Program, and can only include the following:

1. salaries and benefits for employees on the payroll of the Recipient for the time spent by the employees on the program;



2. professional, technical and other contracting services, if directly applicable to the program;
3. reasonable travel expenditures, including transportation, meals, and accommodation;
4. printing and mailing services;
5. data collection services directly related to the program reporting, including database development, management, analysis and reporting;
6. development, operation and ongoing maintenance of the Program Website; and
7. office expenses that can be clearly demonstrated to be above and beyond expenditures that the Recipient would be incurring regardless of the Program.

Additional eligible expenditures may be proposed to the Province, prior to the expenditures being occurred, if necessary for implementation and administration of the program, and may be approved at the Province's discretion. These additional expenditures are not to be incurred until approved by the Province as Administration Eligible Expenditures under this Agreement.

#### ***Public Outreach and Marketing***

The main objective of public outreach and marketing for the CEV Incentive Program is to encourage increased uptake of electric and hydrogen fuel cell vehicles across British Columbia. A secondary objective is to raise awareness on the incentives available, and the CEV Incentive Program. To ensure coordinated public outreach and marketing efforts and budget efficiencies across the broader CEV Incentive Program, the CEV Incentive Program public outreach and marketing will be coordinated with the Emotive campaign (e.g. social media and Ride-and-Drives / events), through the Recipient's participation in the Emotive working group and the Emotive working group's feedback on the CEV incentive Program outreach and marketing.

The yearly marketing activities, along with their budgets, will be developed by the Recipient in consultation with the Province and submitted for approval on an annual basis, or more frequently if required by the Recipient or Province.

Marketing and public outreach activities may include, but not be limited to digital marketing, ride-and-drives, contests, print and radio marketing, prizes, etcetera.

The Recipient may utilize the funds under the "Public Outreach and Marketing" Project Category only for the Marketing Eligible Expenditures. "Marketing Eligible Expenditures" must be costs and expenses incurred by the Recipient directly related to, and necessary for, the implementation and conduct of the CEV Incentive Program, and can only include the following:

1. marketing and other contracting services, if directly applicable to the CEV Incentive Program; and
2. marketing, promotion, events expenses, program collateral and public outreach, as approved by the Province prior to expenditures being incurred.

Additional eligible expenditures may be proposed to the Province, prior to the expenditures being occurred, if necessary for implementation and administration of the program, and may be approved at the Province's discretion. These additional expenditures are not to be incurred until approved by the Province as Marketing Eligible Expenditures under this Agreement.

## **G. OTHER DUTIES & REQUIREMENTS OF THE PARTIES**

### ***The Province***

The Province will provide program oversight and direction, in consultation with the Recipient and stakeholders. The Province is responsible for:

1. Development of the Program Guide for the British Columbia Clean Energy Vehicle Program.
2. Providing all materials from the previous cev4bc website to the Recipient.
3. Evaluating and approving vehicles for CEV Incentive Program eligibility, and providing the Recipient an up-to-date list of eligible vehicles, complete with dates of eligibility. The Province is responsible for working closely with vehicle manufacturers in order to determine vehicle eligibility.
4. Determining vehicle incentive amounts and providing this information to the Recipient.
5. Participating in regular meetings with the Recipient to discuss program refinements and guide program implementation.
6. Review and approval of program elements provided by the Recipient, such as the Program Website, dealer reimbursement verification, and progress reports.
7. Distribution of program funds to the Recipient through the Financial Contribution.
8. Program oversight and accountability (in conjunction with the Recipient).

### ***The Recipient***

The Recipient's responsibilities encompass three parts to ensure the efficient and proper distribution of incentives for eligible vehicles: program development, program implementation, and program reporting.

#### ***Program Development and Implementation***

The Recipient is responsible for the on-the-ground program development and implementation of reimbursing dealers for point of sale incentives and salesperson incentives provided for eligible Clean Energy Vehicles, including, but not limited to, the following tasks:

1. Prepare outreach and educational materials in consultation with the Province and conduct the province-wide public outreach necessary for the program to be successful.

2. Provide dealerships with program literature and outreach marketing materials to promote / advance the program.
3. Develop a user-friendly public website for the program (the "**Program Website**") which must include, at a minimum:
  - a. a list of eligible vehicle models and each vehicle's incentive amount;
  - b. procedures for dealers to apply for reimbursement for incentives provided under the program;
  - c. ability to track total CEV Incentive Program funds available in real-time; and
  - d. all documents and forms related to the CEV Incentive Program.
4. Ensure that applications received from the dealers for reimbursement meet all applicable CEV Incentive Program requirements.
5. Use the criteria in the Program Guide for the British Columbia Clean Energy Vehicle Program to review and approve or disapprove reimbursement applications.
6. Distribute reimbursement payments to dealers who have provided point-of-sale incentives to eligible vehicle purchasers and lessees of eligible vehicles.
7. Track expenditure of CEV Incentive Program funding.
8. Closely communicate with the Province to ensure that the most current list of eligible vehicles is being used and any new dates of eligibility are disclosed.
9. Respond to public inquiries regarding the CEV Incentive Program.
10. Provide the reports specified in Schedule "D" to the Province.
11. Provide information, upon request, to individuals or organizations that wish to appeal an incentive denial to the Province's Program Liaison.
12. If requested, provide the Province with access to all webpage(s), software or other intellectual property developed or purchased by the Recipient for the purposes of administering or implementing the CEV Incentive Program.
13. Meet all applicable requirements the CEV Incentive Program agreement with the Province.
14. Accept from dealerships the repayments made by non-abiding applicants (e.g. for breaking a lease returning the difference between the original lease time incentive and the actual lease time incentive, or returning the full incentive if the applicant is found to not reside or be located in British Columbia) and reallocate those funds to the "Vehicle Point-of-Sale Incentives" Project Category, unless the repayments are received after completion of this Agreement in which case the Recipient is to submit those repayments to the Province.
15. In the circumstances in which the dealership is unsuccessful after 12 months of attempting to obtain repayments from the non-abiding applicants, accept from the dealership documentation of all attempts at recovery, then submit the documentation to the Province.
16. Provisions 14 and 15 above are intended to survive the completion of the termination of this Agreement and will continue in force 24 months after the termination of this Agreement.



Dealerships that sell or lease CEVs during the program duration play a critical role in educating consumers and making sure that they are aware of the point of sale incentive program. The Recipient will:

1. Work with and provide dealerships with appropriate marketing material and information pertaining to the CEV Incentive Program.
2. Ensure dealers follow procedures and policies prescribed by the CEV Incentive Program in order to receive reimbursement.
3. Ensure that, in order for the dealership to receive a reimbursement for point-of-sale incentives provided for eligible vehicles the dealership:
  - a. Ensure the purchaser / lessee of the vehicles is an individual, business, nonprofit, or public entity that is a British Columbia resident of the business, nonprofit or public entity is based in British Columbia or has a British Columbia-based affiliate. All businesses must be licensed to operate in British Columbia.
  - b. Provide email, phone and contact information for follow up survey to be delivered by the Province or organization appointed by the Province.
  - c. Ensure the purchase/lease date is not prior to the vehicle being included on the list of Eligible vehicles.
  - d. Submit the application form and attach all required supporting documentation no later than the 15th of the preceding month.
  - e. Not make or allow any modifications to the vehicle's emissions control systems, hardware, software calibrations, or hybrid system.
  - f. Be available for follow-up inspection if requested by the Recipient, the Province, or the Province's designee for the purposes of program oversight and accountability.
  - g. Ensure the accuracy of the information on all incentive reimbursement applications and required documentation submitted to the Recipient.
  - h. Provide information and a link to the Emotive online community.
  - i. Be a member in good standing of the Recipient.
  - j. Track the applicants to ensure that the applicant abides by the conditions that the vehicle remains plated and is registered and insured in British Columbia in the applicant's name.
  - k. Collect from non-abiding applicants the repayment of the appropriate amount of the point-of-sale discount that the applicant had received through the CEV Incentive Program (e.g. for breaking a lease returning the difference between the original lease time incentive and the actual lease time incentive, or returning the full incentive if the applicant is found to not reside or be located in British Columbia).
  - l. Submit to the Recipient the repayments received from the non-abiding applicants.
  - m. In the circumstances in which the dealership is unsuccessful after 12 months of attempting to obtain repayments from the non-abiding applicants, submit to the Recipient documentation of all attempts at recovery.

- n. Provisions j, k, l and m above are intended to survive the completion of the termination of this Agreement and will continue in force 24 months after the termination of this Agreement.

*Program Reporting*

See Schedule "D".

**SCHEDULE "B"**  
**FINANCIAL CONTRIBUTION**

1. The Province agrees to provide to the Recipient an aggregate maximum amount financial contribution of \$40,370,000 during the Term (the "Financial Contribution").
2. Payments of the Financial Contribution must be made as follows:
  - a. a lump sum payment of \$7,500,000 by March 31, 2015;
  - b. Upon receipt and acceptance by the Province of the first Annual Report, a lump sum payment of \$5,870,000.
  - c. Upon receipt and acceptance by the Province of the second Annual Report, a payment of \$7,000,000
  - d. Upon receipt and acceptance by the Province of the second Quarterly Report for the period of July 1, 2017 through September 30, 2017, a payment of \$5,000,000
  - e. Upon receipt and acceptance by the Province of the third Annual Report, a payment of \$15,000,000

# **SCHEDULE "C"** **PROGRAM GUIDE FOR THE BRITISH COLUMBIA CLEAN ENERGY** **VEHICLE PROGRAM**

See attached.

The attached schedule contains the program guide for the British Columbia Clean Energy Vehicle Program. It provides information on the program's objectives, eligibility criteria, and the application process. The program is designed to encourage the purchase of clean energy vehicles and reduce greenhouse gas emissions.

The program is administered by the British Columbia Ministry of Transportation and Infrastructure.

The program will provide a rebate of up to \$2,000 for the purchase of a new clean energy vehicle. The rebate is available for vehicles that meet the program's eligibility criteria. The rebate is applied as a credit towards the purchase price of the vehicle.

Eligible vehicles include electric vehicles (EVs), plug-in hybrid electric vehicles (PHEVs), and fuel cell vehicles (FCVs). The vehicle must be a new model year 2016 or later. The vehicle must also be registered in British Columbia. The program is available to individuals who are residents of British Columbia.

To apply for the program, you must complete an application form and provide proof of eligibility. The application form is available on the program's website. You must also provide proof of the vehicle's purchase price and the vehicle's registration information.

The program is subject to funding availability. The number of vehicles that can be purchased under the program is limited. The program is available on a first-come, first-served basis.

For more information about the program, please visit the program's website or contact the program administrator.

The program is a key component of the British Columbia government's strategy to reduce greenhouse gas emissions and promote clean energy.

The program is designed to encourage the purchase of clean energy vehicles and reduce greenhouse gas emissions.

The program is available to individuals who are residents of British Columbia.

## **SCHEDULE "D"**

### **RECIPIENT REPORTING REQUIREMENTS**

#### Ongoing Communication

The Recipient must make all reasonable efforts to respond to ad-hoc requests within 3 (three) to 5 (five) Business Days by the Province for information on Project progress. The Recipient must also advise the Province immediately of any substantial events that could impact the Project timeline.

#### Quarterly Reporting

The Recipient will provide reports within thirty (30) calendar days of the end of each Quarter (each, a "Quarterly Report") to the Province detailing the vehicles and associated incentives assigned and redeemed to date. The Quarterly Reports must include, at a minimum, the following information:

1. A financial statement detailing the use of the funds adhering to Accounting Standards.
2. The proposed spending plan for the remaining funds.
3. Number of incentives requested by:
  - a. vehicle type,
  - b. city,
  - c. unique customer (if one customer has more than one vehicle – no personal identifying information required),
  - d. if a fleet customer, fleet name, and
  - e. suggested vehicle MSRP.
4. Number of vehicles ordered / reserved / open orders by above categories.
5. Number and dollar amount of incentives issued detailed by dealership where vehicle was purchased/leased, vehicle, purchase price, fleet type (public or private), other financial incentives received.
6. Administrative expenditure details.
7. Marketing expenditures details (by project category / deliverable / event).
8. Remaining funding available.
9. Identified problems, concerns, lessons learned, and recommendations.
10. Program feedback, and frequently asked questions.
11. Marketing performance (to be refined following the marketing plan):
  - a. Website analytics,
  - b. Events by type, location, estimated # of people at event, cost,
  - c. Social media analytics (tweets, re-tweets, Facebook posts, etc.),
  - d. Web ad analytics (clicks, impressions, etc.),
  - e. Traditional media (radio, print) analytics, and
  - f. Earned media,

*provided that*, such and other information for each October 1 to December 31 quarter will be included within the annual report submitted to the Province, as opposed to in a separate quarterly report.

#### Annual Reporting

The Recipient must, no later than thirty (30) calendar days after the end of each calendar year during the Term, provide an annual report (each, an "Annual Report") to the Province, which shall include the following information:

1. An annual Project income and expenditure summary which identifies all sources and use of the Project funds during the Term.
2. The proposed spending plan for the remaining program funds.
3. The detailed summary of the quarterly reporting data.
4. Lessons learned and recommendations for future years.

#### Final Reporting

The Recipient will submit a final report (the "Final Report") to the Province, no later than sixty (60) calendar days after the Project Termination Date, which shall include the following information:

1. A summary of the Annual Reports, with Project highlights, description of outcomes with respect to results set out in Schedule "A", quantitative and qualitative description of the accomplishments / success of the program; challenges faced and solutions found, information on results (negative or positive) that were not anticipated.
2. All vehicles paid for by the program (may be provided as summaries of previously submitted Quarterly Reports and Annual Reports) and fulfillment of all program commitments.
3. Total fund expenditures (including match and in-kind funds), vehicles funded, marketing and outreach efforts, and implementation challenges, and recommendations for potential program improvements.
4. A final financial statements that includes a Project income and expenditure summary which identifies all sources and use of the total Project funds over the duration of the entire Term; a statement detailing the use of the Province's contributions provided over the duration of the entire Term, including an explanation of any financial variances.

#### Format of Reports

The Province may request that each report be provided by the Recipient in electronic format for transparent and effective data tracking.