AGRICULTURE ENERGY SYSTEMS PILOT PROGRAM

Technology Adoption Sub-Program Guidelines

2027-2028

The ***Agriculture Energy Systems Pilot Program, Technology Adoption Sub-Program (AgEnergy),*** supports the adoption of clean technologies and implementation of on-farm projects that improve energy efficiency, generate renewable energy, reduce greenhouse gas emissions, and increase farm resilience to energy costs.

Application Intake	Project Activity Period	Claim Deadline
November 2nd, 2026 – January 18th, 2027	April 1st, 2027 – February 15th, 2028	February 15th, 2028

PROGRAM OBJECTIVE

The ***Agriculture Energy Systems Pilot Program, Technology Adoption Sub-Program*** (AgEnergy) supports the adoption of clean technologies and implementation of on-farm projects that improve energy efficiency, generate renewable energy, reduce greenhouse gas emissions, and increase farm resilience to energy costs.

ELIGIBLE RECIPIENTS

- Bona fide agricultural producers
- Mi'kmaq First Nations and other Indigenous groups conducting farming activities; and
- Other agri-businesses may be considered at the discretion of the program review committee.

FUNDING

Solar Photovoltaic (Solar PV):

For solar PV projects, the maximum funding available is $450/kilowatt DC installed, up to $50,000. Note: The value of solar PV projects may be pro-rated, depending on program resources and applicant demand.

Energy Audits and Feasibility Studies:

Applicants can apply to receive a Level 1 energy assessment.

Applicants can apply to receive up to 100% of eligible expenses, to a maximum of $15,000, for a level 2 energy audit or feasibility study, based on the funding level below:

Annual energy use (*ekWh)	Maximum funding level
0-100,000	$ -
100,000-250,000	$5,000
250,000-500,000	$10,000
+500,000	$15,000

*ekWh= equivalent kilowatt hour considers the energy content of all fuel(s) used.

All Other Projects:

Applicants can apply to receive funding for up to 50% of eligible expenses, to a maximum of $75,000 per recipient over lifetime of AgEnergy to offset direct costs of approved projects.

Recipients of funding from previous intakes of AgEnergy will only be eligible for project funding up to difference between maximum funding ($75,000) and the funding previously received.

Affiliated companies will be treated as a single whole-farm business.

EVALUATION CRITERIA

Funding will be allocated on a competitive basis, prioritizing for approval projects that achieve the most cost-effective reduction of greenhouse gas emissions (i.e. the lowest abatement cost). Projects with abatement costs greater than $400 per tonne CO_2 equivalent will only be considered at the discretion of the review committee.

ELIGIBLE ACTIVITIES

The program supports farmers to undertake energy projects in the following categories.
Please note: Proposals for other innovative and effective energy projects may be considered at the discretion of the AgEnergy review committee.

ENERGY AUDITS AND FEASIBILITY STUDIES

Level 1 Assessment: a preliminary assessment that identifies energy saving opportunities and provides a quick overview of potential improvements (funded through efficiencyPEI's Strategic Energy Solutions Program).

Level 2 Audit: a more detailed evaluation of farm's energy use, including data collection, equipment analysis, recommendations for energy savings, financial savings and payback period. Note: Level 2 energy audits and feasibility studies must be performed by a professional engineer or energy auditor.

HIGH EFFICIENCY UPGRADES TO BUILDINGS

Upgrade building heating, ventilation, controls, and energy systems, including installing/upgrading:

- High efficiency heating systems (e.g. electrification, switching fuel sources, higher efficiency combustion systems, adopting renewable technologies, heat recovery and recirculation systems);
- Higher efficiency ventilation systems and controls;
- Milking system upgrades (i.e. plate coolers, scroll compressor and vacuum pumps, etc.);
- Sensors, controls, timers and energy monitoring systems;
- Motor controls and variable frequency drives;
- New three-phase service connections, where needed to achieve energy efficiency goals;
- Other energy efficiency opportunities identified in an energy assessment.

Notes:

- Three-phase service is only eligible when supported by energy efficiency projects.
- Some project activities in this category may require an energy audit or assessment and/or detailed energy expenses for past 12 months (electricity and fuel bills).

IMPROVED EFFICIENCY GRAIN DRYERS

Retrofit existing grain dryers or purchase and install upgrade components on new grain dryers, including but not limited to:

- Top dry grain dryers (minus storage bin components);
- Modification of bins to make possible in-bin grain cooling or dryeration;
- New high-efficiency burners;
- Moisture and temperature monitors and/or controllers;
- Variable speed drives for electric motors;
- Insulated plenums;
- Exhaust air recirculation systems or secondary heat exchangers; and
- Gravity-fill roofs that replace powered leveling augers.

FARM EQUIPMENT AND PROCESS EFFICIENCY

- Converting tractor or generator-powered processes to electric, biofuels and/or other renewable energy (e.g. electrification of total mixed ration (TMR) mixers, grain augers and vacuums, crop conveyors, and other equipment); and
- Adopting technologies designed to optimize equipment energy use efficiency and reduce emissions.

SOLAR PHOTOVOLTAIC (PV) INSTALLATION

Installation of solar PV systems on farm.

Solar PV systems must be installed by efficiencyPEI's Network of Excellence contractor. Please visit Network of Excellence Contractor website to find contractors that can provide services for solar PV installation: https://www.princeedwardisland.ca/en/feature/search-network-of-excellence-contractors-for-energy-efficient-programs-and-services/#/service/NetworkOfExcellence/Vendors

Notes:

- Solar PV systems must be eligible for your electric utility's net metering program (Maritime Electric and City of Summerside Electric Utility).
- To be eligible for support, approval is required prior to installing equipment.
- Applicant must submit quotes from two different contractors for solar PV application. Only the contractor who will perform the work will then fill the solar installer information in the application form.
  Note: Applicants must obtain quotes independently from two separate contractors. Contractors must not be involved in arranging second quote on behalf of the applicant.

ELIGIBLE EXPENSES FOR ALL ACTIVITY CATEGORIES

Direct project costs to adopt approved energy efficiency projects, including:

- Specialized commercial grade equipment (including used equipment that has not been previously funded through government programs);
- Contracted labour, consultants, and professional fees for project design and implementation;
- Materials, supplies, and rentals;
- Modifications to existing equipment or technology;
- One-time purchase of specialized software systems related to upgrading and acquiring new equipment and technology; and
- Other costs as specifically approved by the Agriculture Energy Systems Pilot Program review committee.

INELIGIBLE ACTIVITIES AND EXPENSES

- For new builds, activities and projects that are identified as the industry standard by PEI Department of Agriculture;
- Storage bins, conveyors, legs, and/or other standard components as part of new grain dryer purchase or dryer retrofits;
- Modifications to fuel delivery emissions reduction systems on diesel internal combustion engines (i.e. "Chipping tractors");
- Building envelope and insulation upgrades;
- Tractor implements;
- In-kind contributions (including wages and labour);
- Non arms-length transactions;

- Normal and on-going operating and maintenance activities, including regular maintenance activities that have an energy efficiency benefit including:
    - maintenance cleaning of heaters, motors, and pumps;
    - cleaning of ventilation systems; and
    - disposable assets or ongoing costs.

APPLICATION PROCESS

1. To apply to the Agriculture Energy Systems Pilot Program, Technology Adoption Sub-Program: complete, sign, and submit the application and supporting documents (written quotes, equipment specifications, previous energy assessments) prior to the **intake deadline (January 18th, 2027, 8:00am)**.

   Email: agenergy@gov.pe.ca

   Mail: PEI Department of Agriculture
   Agriculture Energy Systems Pilot Program
   11 Kent Street PO Box 2000
   Charlottetown, PE
   C1A 7N8

2. Department staff will review your application for completeness and follow up if any additional project information is needed to inform project assessment.

Application Intake	Project Activity Period	Final Claim Deadline
Nov 2nd, 2026 – Jan 18th, 2027, 8:00 am	Apr 1st, 2027 – Feb 15th 2028	Feb 15th, 2028

Eligible project expenses will be recognized within the Project Activity Period stated above. Expenses incurred prior to April 1st, 2027 will be ineligible for program support. To be eligible for rebates, approval is required prior to installing equipment.

EVALUATION AND APPROVAL PROCESS

Following the application intake deadline, the program review committee will assess and rank project applications based on the information and supporting documentation provided.

Funding will be allocated on a competitive basis to projects with the greatest merit. Those projects that achieve the most cost-effective reduction of greenhouse gas emissions will be prioritized for approval.

If approved, applicants will receive an Approval Letter, Funding Agreement, and Claim Form. The Funding Agreement will identify the eligible project activities, financial assistance offered, and the terms and conditions for funding.

Those applicants that receive an Approval Letter, Funding Agreement, and Claim Form are required to review, sign, and return the Funding Agreement to the Department of Agriculture **within 30 days of the date of the letter** or the funding offer may expire.

Application information and decisions with respect to applications will be shared by the Department of Agriculture with efficiencyPEI for the purpose of program administration.

CLAIMING PROCESS

Project claim deadline is Feb 15th, 2028. Projects should be claimed as soon as they are completed. Applicants shall maintain an accurate record of expenditures incurred and shall submit (at claiming) the following:

- a claim form detailing expenditures and project activities;
- copies of all paid invoices with verification of payment;
- project evaluation reporting on the project and its results (a template will be provided);
- photos of projects funded; and
- any additional documentation required and listed in the Funding Agreement.

TERMS AND CONDITIONS

- Recipients must meet the eligibility criteria and submit a complete application to the Department of Agriculture;
- Incomplete applications may be rejected;
- Approved projects must be completed within the timeframe outlined in the Funding Agreement;
- If the project is not approved, all incurred costs are the responsibility of the applicant;
- Assistance will be available until funds are totally allocated within that year;
- Projects may be funded below the maximum contribution rate upon assessment and availability of funding;
- To assist with the evaluation of program impacts, some successful applicants may be required to submit energy bills for one year following project completion;
- To validate Bona fide Farmer status, proof of farming income may be requested: Canada Revenue Agency (CRA) filings for either of last two years showing Gross Farming Income. **Please note**: the CRA Income Tax must match the CRA number given on the application form; and
- Application information and decisions with respect to applications will be shared by the Government of PEI Department of Agriculture with the Government of PEI Department of Energy, efficiencyPEI for the purpose of program administration.

CONTACT INFORMATION

For more information or to apply, please contact Ankita Shrestha, Agriculture Energy Systems Specialist:

Phone: 782-772-6414
Email: agenergy@gov.pe.ca

Regular mail: PEI Department of Agriculture
Agriculture Energy Systems Pilot Program
11 Kent Street, PO Box 2000
Charlottetown, PE
C1A 7N8