

# AGRICULTURE ENERGY SYSTEMS PILOT PROGRAM

## Program Guidelines

2025-2026

The ***Agriculture Energy Systems Pilot Program*** 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.

<b>Application Intake</b>	<b>Project Activity Period</b>	<b>Claim Deadline</b>
October 29 <sup>th</sup> , 2024 - February 7 <sup>th</sup> , 2025	April 1 <sup>st</sup> 2025 - March 13 <sup>th</sup> , 2026	March 13 <sup>th</sup> , 2026



## PROGRAM OBJECTIVE

The **Agriculture Energy Systems Pilot Program** 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

50% of eligible expenses up to \$75,000 per recipient to offset direct costs of approved agriculture energy projects.

Recipients of funding from the first intake of the Agriculture Energy Systems Pilot Program (2024-2025) will only be eligible for project funding up to the difference between the funding received in the first intake and the maximum funding (\$75,000).

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.

## ELIGIBLE ACTIVITIES

The program supports farmers to undertake energy projects in the following categories.

**Please Note:** Proposals for other innovative, effective, and resilient energy projects may be considered by the Agriculture Energy Systems Pilot Program review committee.

### CATEGORY 1: LIVESTOCK BARN, CROP STORAGE AND GREENHOUSES

*Upgrade building heating, ventilation, cooling, lighting equipment and systems.*

*Generate and use renewable energy.*

Eligible activities include, but are not limited to, installing or upgrading:

- Heating systems:
  - Increased combustion efficiency;
  - Switching fuel sources;
  - Adopting renewable energies (solar thermal, biomass, ground source heat pumps/geothermal, air source heat pumps);
  - Heat recovery and recirculation systems; and
  - Heating pads to replace heat lamps (livestock);
- Higher efficiency lighting;
- Higher efficiency ventilation and/or cooling systems;
- Milking system upgrades (i.e. plate coolers, compressor and vacuum pumps, etc.);
- Energy monitoring systems;
- Motor controls and variable speed drives; and
- Other energy efficiency opportunities identified in an energy assessment.

**Please note: 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).

### **CATEGORY 2: IMPROVED EFFICIENCY GRAIN DRYERS**

*Retrofit existing grain dryers or purchase and install upgrade components on new grain dryers.*

Eligible activities include, but are 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.

### **CATEGORY 3: FARM EQUIPMENT AND PROCESS EFFICIENCY**

*Switch processes and equipment from fossil fuels to electricity and/or biofuels and undertake activities to optimize equipment energy use efficiency.*

Eligible activities include, but are not limited to:

- Converting tractor or generator-powered processes to electric, biofuels and/or other renewable energy (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

### **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”);
- Buildings, including 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;
  - disposable assets or ongoing costs; and
- Installation of solar photovoltaic (PV) panels, as these projects are supported by the Renewables in Agriculture program.  
<https://www.princeedwardisland.ca/en/information/environment-energy-and-climate-action/solar-electric-rebate-program>

## APPLICATION PROCESS

1. To apply to the Agriculture Energy Systems Pilot Program: complete, sign, and submit the application and supporting documents (written quotes, equipment specifications, previous energy assessments) prior to the **intake deadline (February 7<sup>th</sup>, 2025)**.

**Email:** [agenergy@gov.pe.ca](mailto: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
Oct 29 <sup>th</sup> , 2024 – Feb 7 <sup>th</sup> , 2025	Apr 1 <sup>st</sup> , 2025- Mar 13 <sup>th</sup> , 2026	Mar 13 <sup>th</sup> , 2026

Eligible project expenses will be recognized within the Project Activity Period stated above. Expenses incurred prior to April 1<sup>st</sup>, 2025 will be ineligible for program support.

Applications received after the intake deadline *may* be considered, if there is available funding.

## 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 your funding offer may expire.

## CLAIMING PROCESS

**Project claim deadline is March 13<sup>th</sup>, 2026.** 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;
- any additional documentation required and as listed in the Funding Agreement or Approval Letter.

## 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; and
- To validate bona fide farmer status, proof of farming income may be requested: 2022 or 2023 Canada Revenue Agency (CRA) filings showing Gross Farming Income. Please note: the CRA Income Tax must match the CRA number given on the application form.

## CONTACT INFORMATION

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

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