

Saskatchewan Biofuels Investment Opportunity (SaskBIO)

Program Overview

SaskBIO is a four-year, \$80 million provincial program that provides repayable contributions of up to \$10 million per project for the construction or expansion of transportation biofuels production facilities in Saskatchewan that have a minimum of five per cent farmer-community investment.

SaskBIO was created to provide an opportunity for farmers and communities to participate in the value-added biofuels industry in Saskatchewan through investment ownership in biofuels facilities. Furthermore, the program will ensure that Saskatchewan is an attractive jurisdiction in which to build a sustainable biofuels industry.

Who is eligible to apply?

Corporations, individuals or partnerships (including co-operatives) are eligible to apply for funding. To be eligible to apply, applicants must meet the following requirements:

- Program applicants must have a minimum of five per cent farmer-community investment to be eligible to apply for funding; and
- The minimum annual production capacity of a new facility or the increased capacity of an existing facility must be at least two million litres per year.

Who is considered a farmer-community investor?

- Agricultural producers (farmers) are defined as persons who filed their Saskatchewan income tax as farmers in at least one of the five years previous to the signing of the Contribution Agreement.
- A community investor is an individual or business whose primary address is located in a municipality in Saskatchewan, within a 100 kilometre radius of the applicant and who files their income taxes as a Saskatchewan resident or business.
- A maximum of \$1 million investment per individual farmer or community investor will be recognized when calculating the total farmer-community investment in a project.

How is the contribution amount calculated for eligible applicants?

- Incentive rates will be calculated on a sliding scale ranging from two to 10 cents per litre according to community - farmer investment rates ranging from five per cent to 50 per cent.
- Program contribution rate (cents per litre) will be calculated using the following formula:

$$0.1778 \times (\% \text{ of equity investment by community-farmer investors}) + 1.1111$$

- Total contribution will be calculated by multiplying the cent per litre contribution rate by the nameplate capacity or expansion of the eligible biofuels facility.

- Sample program funding contributions with varying plant capacity, costs and community-farmer investment:

| | Name plate capacity | % community-farmer investment | contribution rate (cents per litre) | Total contribution (cent per litre contribution rate X nameplate capacity) (capped at \$10M) |
|------------------|---------------------|-------------------------------|-------------------------------------|--|
| Example 1 | 25ML/yr | 50 | 10 | \$2.5M |
| Example 2 | 50ML/yr | 25 | 5.6 | \$2.8M |
| Example 3 | 100ML/yr | 50 | 10 | \$10M |
| Example 4 | 150ML/yr | 25 | 5.6 | \$8.4M |
| Example 5 | 300ML/yr | 5 | 2 | \$6M |

Does the contribution have to be repaid?

Yes. Program funding is in the form of repayable contributions. Repayment will be based upon conditions of profit.

Will existing facilities be eligible to apply for funding?

No. Biofuels facilities that have been commissioned to produce fuel will not be eligible for funding. However, expansion of existing transportation biofuels facilities will be eligible to apply for funding.

How can I apply?

Applications will be accepted once program details are finalized. Detail finalization is expected to be complete by late summer or early fall 2007.

The application process will consist of six steps:

1. Letter of Interest
2. Funding Proposal
3. Verification of Start of Construction
4. Commissioning of the Facility and Contribution Allocation
5. Confirmation of Continued Community-Farmer Investment
6. Repayment

Who can I contact for more information?

For information concerning this program, please contact:

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