

## *Goodmans Update*

### **Cleantech and Environmental Law**

#### **Ontario Announces Cleantech Strategy; Support for Scale Up of Cleantech Companies**

On February 13, 2018, the Minister of Research, Innovation and Science, Reza Moridi, launched Ontario's Cleantech Strategy (the "**Cleantech Strategy**") which aims to catalyze the growth of Ontario's clean technology sector to support sales into a global market which is expected to grow to \$2.5 trillion by 2022. The Cleantech Strategy is aligned with Ontario's five-year Climate Change Action Plan (CCAP) to fight climate change, reduce greenhouse gas (GHG) pollution, and drive the transition to a low-carbon economy. It is also aligned with Ontario's Business Growth Initiative (BGI), which is, among other things, assisting innovative companies to scale up.

#### **Purpose of the Cleantech Strategy**

The Cleantech Strategy bolsters Ontario's commitment to support the development of new, globally competitive low-carbon technologies that will contribute to fighting climate change and to meeting Ontario's GHG pollution reduction targets of 15% below 1990 levels by 2020, 37% by 2030 and 80% by 2050. As Minister Moridi explained:

By helping our cleantech companies get ready to scale – and helping them to connect to early customers here in Ontario – Ontario is supporting innovation and reducing emissions and environmental impact across industries. Over the longer term, we expect to see more scaled-up Ontario cleantech companies recognized as North American leaders.

Ontario has the largest share of cleantech companies in Canada and the Cleantech Strategy further supports the province's leadership in GHG pollution reduction through the development and scaling of cleantech solutions.

#### **Principal Elements of the Cleantech Strategy**

Based on Ontario's strengths in cleantech and global demand, the Cleantech Strategy prioritizes the following four cleantech sub-sectors: energy generation and storage, energy infrastructure, bio-products and bio-chemicals, and water and wastewater.

The Cleantech Strategy has four interrelated pillars through which the province intends to meet its objective of helping cleantech companies scale up and meet global demand:

1. **Venture and scale readiness** – strengthening opportunities for in-house research and development, strengthening entrepreneur knowledge of key global markets, reducing regulatory uncertainty to facilitate access to capital, and attracting and developing a strong pool of sales, marketing and management talent
2. **Access to capital** – increasing access to scaling capital, providing guidance on available provincial and federal cleantech funding, and simplifying access to such capital

3. **Regulatory modernization** – streamlining the regulatory environment where possible to reduce barriers for cleantech market entry, supporting performance-based standards and approvals processes, and supporting the development of harmonized industry standards
4. **Adoption and procurement** – increasing demonstration and pilot opportunities to de-risk and validate new technologies, and addressing prescriptive and risk-averse procurement practices

Initiatives funded through Ontario's carbon market as part of the Cleantech Strategy include the Global Market Acceleration Fund (GMAF) and the Green Focus on Innovation and Technology (GreenFIT).

### ***The Global Market Acceleration Fund***

The GMAF will help companies lower the risk associated with expanding production of a proven clean technology. The fund will also assist companies with the cost of scaling up inventory, distribution and sales to domestic and global markets. The GMAF can provide between \$2 million and \$5 million of funding to Ontario-based companies with promising GHG reduction technologies and scale-up and export potential. To receive funding, these companies must be able to demonstrate funding commitments for at least 50% of the eligible project costs. A total of \$27 million has been allotted to the GMAF.

### ***Green Focus on Innovation and Technology***

Through the GreenFIT program, Ontario will commit \$10 million towards demonstration projects of new technologies and services. Early adoption of these new technologies and services will benefit both the adopting public sector institutions with support for their emissions reductions and participating companies with opportunities for validation and credibility for their products.

For further information on Ontario's Cleantech Strategy, please contact any member of our Environmental Law and Cleantech Practice Groups.

### **Goodmans Cleantech Practice Group**

Goodmans Cleantech Group consists of lawyers who understand the connection between business, technology and energy innovation. Our cleantech practice focuses on entrepreneurs, operating companies, and investors who are looking for value-added legal advice regarding clean technology transactions.

Successful cleantech ventures often bring together different industry and professional sectors. We collaborate in interdisciplinary teams to provide more cost-efficient and extraordinarily effective counsel. Our internal team assists clients with private equity financing transactions and to secure their valuable intellectual property rights. We guide clients through M&A transactions and other financing transactions. We also assist clients with joint ventures and financings of clean technology manufacturing facilities and renewable energy power generation projects.

Goodmans is a leader in working with investors and entrepreneurs who are developing new materials and technologies, partnering with them to bring their ideas to market. We are committed to addressing our clients' needs at every stage: from the earliest discovery or concept; through development, funding, partnerships, and large-scale utility operations; to public offerings and other capital events.