



The Ontario Ministry of Economic Development, Trade &
Employment

AND

The Ontario Ministry of Research and Innovation

Innovation Demonstration Fund (IDF)
Presentation to WeTech – “Connecting to the Money”
March 27, 2013

What is the Innovation Demonstration Fund?

- **Supports** pilot-scale technology demonstration projects.
- **Focuses** on globally-significant, environmental, bio-based, and alternative energy technologies that have both a high potential environmental and commercial impact. The program is not aimed at routine engineering, upgrading, marketing, business development or improvements to existing technologies, processes, products or designs.
- **Funds** between \$100K to a maximum of \$4M per project, which covers up to 50% of eligible costs. Typically as a secured forgivable loan.
- **Bridges the funding gap** between the critical transition point between the validated R&D stage and the marketing a commercial product and/or service, but face significant technical and financial hurdles to develop and demonstrate their technology.

Evaluation Process

1. Proposal Development
 - Preliminary Review – application and business plan
2. 60 business day Proposal Review and Approval process
 - Interministerial Staff Evaluations
 - Technical Evaluation by external technical experts
 - Financial Due Diligence is performed by third party experts
 - IDF Executive Review Committee
 - Funding approval by the Minister of Research and Innovation
3. Contract Negotiation
 - Once approved, a Letter of Offer is negotiated, followed by a Loan Agreement

Some Evaluation Criteria

- State of Development of the Technology
- Uniqueness / Global Competitive Advantage
- IP Strategy
- Organizational Capacity
- Financial Capacity
- Pilot and Commercialization Plans
- Technical Challenge
- Project Risk (non-technical)
- Market Potential
- Market / Follow-on Investment Potential
- Potential Economic / Environmental Benefits

Eligible Costs

- Start-up costs associated with the development and design of Pilot Demonstration prototypes;
- Equipment purchase, installation and retrofitting costs;
- Direct labour costs for personnel involved in the project;
- Maintenance costs;
- Costs associated with training of skilled resources; and
- Monitoring and evaluation costs

IDF Projects

- Ecosynthetix
 - Relocates Michigan based global headquarters to Ontario and develops and commercialize Ecosphere, the biolatem paperboard binder derived from starch instead of the traditional petroleum-based latex.
 - In 2011, becomes largest cleantech initial public offering (IPO) on Toronto Stock Exchange. Raises \$100M in IPO and is valued at over \$400M
 - Deloitte Technology Green 15TM Award Winner – 2011
 - Next 10 Emerging Cleantech Leaders Award Winner – 2011
 - PWC's Innovator of the Year award – 2011
 - The Ontario Green Chemistry and Engineering Award (Organization) - 2011

IDF – Key Success Stories

- Plasco Energy Group
 - One of the world's most efficient waste to energy producers - Plasco process results in net energy production while converting 98% of waste to clean, valuable products.
 - In March 2011, Plasco Energy Group Inc. announced a \$140M equity financing to fund commercial projects in development in Canada, the United States (California), the United Kingdom, Poland, the Caribbean, and China.
 - In 2010, received Canada's Top 10 award in Cleantech – an investment oriented competition focused on selecting the best potential investments in Canada for investors.
 - The City of Ottawa just approved a 20 year contract with Plasco to extend the life of Ottawa's landfill by diverting thousands of tonnes of garbage.

IDF – Key Success Stories

- Morgan Solar
 - Morgan Solar created their unique Sun Simba solar panel to address typical solar problems of inefficient collection, installation problems, and high costs.
 - Plan is to generate electricity from solar energy at cost parity with current conventional production – a full nine years ahead of current solar industry projections.
 - On February 2, 2011, Morgan Solar received the Biggest Spark Award in the Toronto Atmospheric Fund's first ever ClimateSpark competition. Morgan Solar's Sun Simba Rooftop was judged by the competition's experts to have the biggest potential impact on worldwide GHG emissions.
 - May 2011, Morgan Solar Inc. closed US\$16.5M in the first tranche of its Series B funding round to ramp up manufacturing and deployment of its Sun Simba concentrated photovoltaic module.