

**RETROFIT VENDOR  
NETWORK**  
FOR LARGE BUILDINGS

ALBERTA ENERGY EFFICIENCY ALLIANCE



# Introducing the Retrofit Vendor Network

February 26, 2026

Shaping Alberta's energy-efficient future, together.

# A one stop source for building owners

Access a directory of experienced contractors, consultants, and suppliers who lead Alberta in sustainable building practices.

The directory simplifies the process of finding experienced providers to deliver energy-efficient upgrades for large buildings.



RETROFIT VENDOR NETWORK  
FOR LARGE BUILDINGS

A screenshot of the website for the Alberta Energy Efficiency Alliance's Retrofit Vendor Network for Large Buildings. The page features a dark blue header with the AEEA logo and navigation links for "Our Work", "Membership", and "Retrofit Vendor Network". The main content area has a dark blue background with a building facade image. It includes a "Find a vendor" section with a search form containing three dropdown menus: "I'm looking for (\*required)" with "All Services" selected, "Specializing in (optional)" with "Service type" selected, and "Serving (optional)" with "Service area" selected. A blue "Search" button is positioned to the right of the form. A call-to-action box on the right asks "Are you a retrofit vendor?" and provides a link to "Join the network". A descriptive text block below the search form explains the network's purpose: "AEEA's Retrofit Vendor Network for Large Buildings offers building owners access to a specialized directory of experienced contractors, consultants, and suppliers who lead Alberta in sustainable building practices. Find the right retrofit providers for your building's energy-efficient upgrades here."

# Vendor eligibility

To join the AEEA Retrofit Vendor Network for Large Buildings and be listed in the directory, each vendor must meet at least two of five criteria.

## Must-haves:

- Experience delivering projects that meet recognized sustainability standards, such as LEED, BOMA, or Energy Star.
- Direct involvement in projects focused on building energy performance, including areas like building envelopes or mechanical systems.

# Understanding the Clean Technology Investment Tax Credit



## Peter Sundberg

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General Manager &  
Senior Consultant

- 20+ years leading building retrofit initiatives
- Oversees large-scale retrofit programs and technical strategy to accelerate retrofits
- Training specialist



- M.A. Public Policy (Energy & Sustainability)
- Low-carbon building retrofit strategy
- Develops research, guidance, and industry education

## Jasmine Mastracci

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Policy & Strategy  
Consultant



# BUILDING FINANCIAL & WORKFORCE CAPACITY FOR ENERGY RETROFITS

**Federally funded initiative by Natural Resources Canada (NRCan)  
through the Deep Retrofit Accelerator Initiative**

- A partnership with LandlordBC and FRESCo
- In collaboration with other national & regional partners
- **Purpose:** Develop a wide range of education and tools to support industry build a better business case for energy retrofits.

LANDLORDBC



# ABOUT US

## SERVICES:

- Mechanical & Electrical Engineering
- Policy Research, Strategic Analysis & Reporting
- Training & Education
- Program Design & Management
- Building Performance Assessments

15+ years experience

1,600+ buildings assessed

20,000+ buildings served

50,000+ rental units



# COVERED TOPICS

- CT ITC Basics
- Key Eligibility
- Labour Requirements
- Documentation & Timing
- Long-Term Rules
- Strategic Implications

# What You'll Take Away Today

**Today isn't about turning you into tax expert.**

**It's about helping you understand:**

- How the program works
- Common pitfalls — and how to avoid them
- Why this evolving program matters for retrofit projects

# HOW TAX INCENTIVES SUPPORT RETROFITS



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## Reduce Costs

Of purchasing and installing energy-efficient or low-carbon technologies.



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## Improve Financial Returns

Through tax savings - improving the business case to proceed.



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## Enable More, and Deeper, Retrofits

Help go beyond basic upgrades and invest in more comprehensive solutions.

# A MISSED OPPORTUNITY

Significant funding available — but  
underused by building owners and contractors



Low  
Awareness



Limited  
Experience



Uncertainty  
of Return



Expertise  
Required

# UNDERSTANDING TAX CREDITS

## Two types:

- **Refundable:** If credit exceeds your taxes, you get extra \$ as a refund.
- **Non-refundable:** Can reduce your tax to zero, but no \$ is paid out beyond that.

Tax credits can help offset capital costs, improve affordability, and strengthen the overall business case for upgrades.

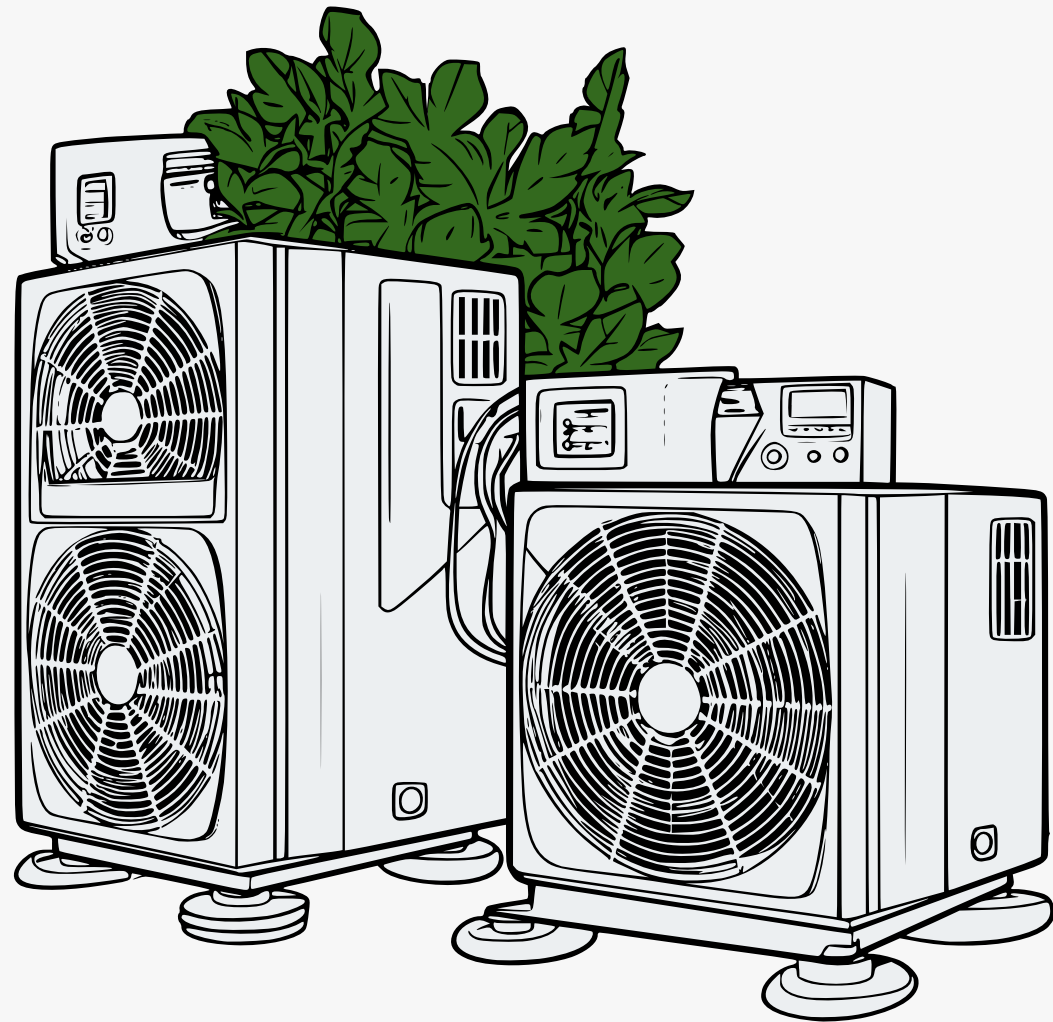


## **Clean Technology Investment Tax Credit (CT ITC)**

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**Federal refundable tax credit,  
up to 30%, for installation of  
eligible clean energy  
equipment**

# WHAT IT IS DESIGNED TO DO



- Lower the cost of decarbonization
- Accelerate clean energy adoption
- Drive private investment

# THE CT ITC

## IS NOT:

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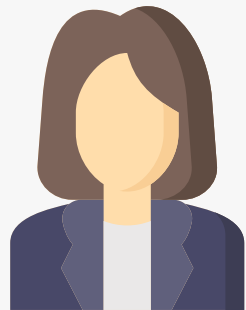
- ✗ Based on energy savings
- ✗ Not tied to emissions targets
- ✗ Not pre-approved
- ✗ Not a grant

## IS:

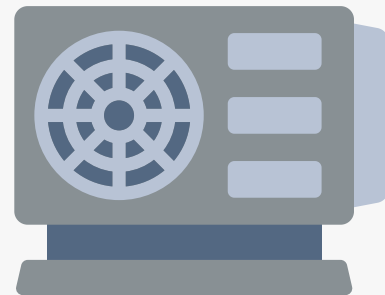
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- ✓ A refundable federal tax credit
- ✓ Based on specific eligible equipment
- ✓ Claimed through corporate tax filings
- ✓ Requires audit-ready documentation

# KEY ELIGIBILITY REQUIREMENTS



1. CLAIMANT



2. EQUIPMENT



3. COSTS



4. PROJECT  
CONDITIONS



5. ONGOING

# 1. ELIGIBLE CLAIMANT



# WHO CAN CLAIM?

## Available to:

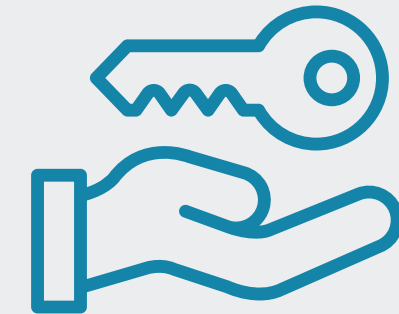
- Taxable Canadian corporations
- Partnerships
- Mutual Fund Trust – Real Estate Investment Trusts (MFT-REITs)

## Not eligible:

- Individuals
- Most non-profits and tax-exempt entities
- Trusts that are not MFT-REITs



Eligible Claimant



**The equipment must be installed in a building that is:**

- Owned by the claimant
- Used for business or income-earning purposes.

# PARTNERSHIPS & “AT-RISK” LIMITS



Eligible Claimant

## If owned through a partnership:

- The partnership calculates the CT ITC
- The credit is allocated to partners
- Each partner claims their share

## Important:

- Each partner can only claim up to the amount they have “at risk”
- **“At risk” = personal capital invested and exposed to loss**
- Certain scenarios may reduce usable credit.

# Ownership Structure Matters



## The CT ITC does not depend on:

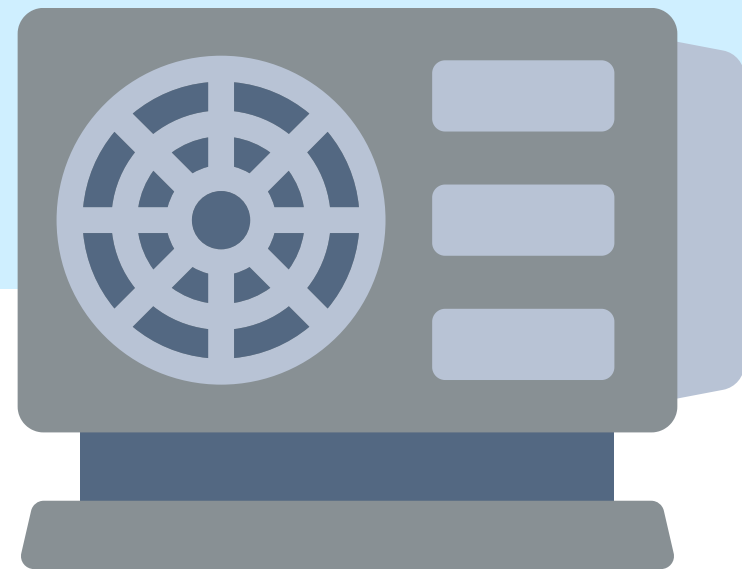
- Revenue
- Number of employees
- Total assets

This means **any size business**, including small to large corporations can all be eligible.

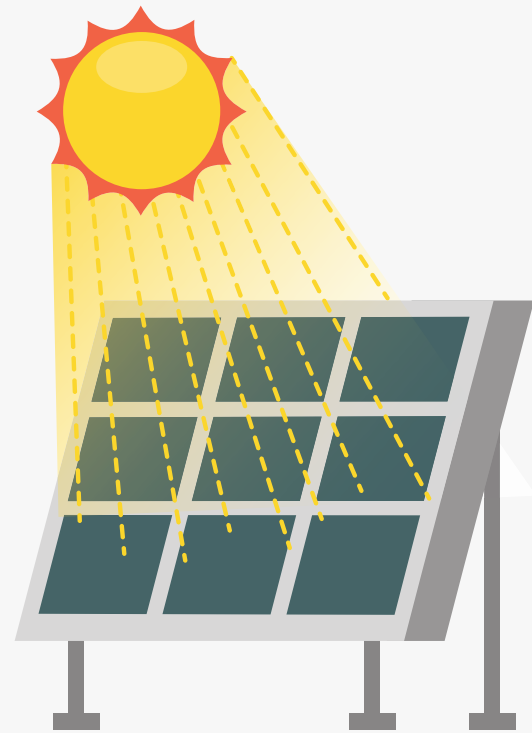


Eligible Claimant

## 2. ELIGIBLE EQUIPMENT



# WHAT EQUIPMENT CATEGORIES QUALIFY?



*\*Confirm specific equipment eligibility with qualified professional*




**Eligible Technology**

 **Air-source heat pumps**

 **Ground-source heat pumps**

 **Solar panels**

 **Battery storage**

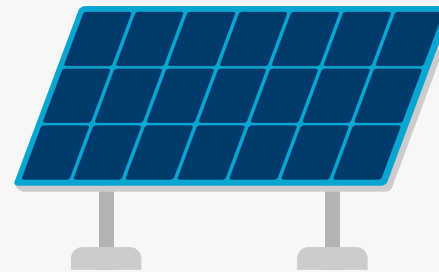
# SUPPORTED RETROFITS



## Air- & Ground-Source Heat Pumps

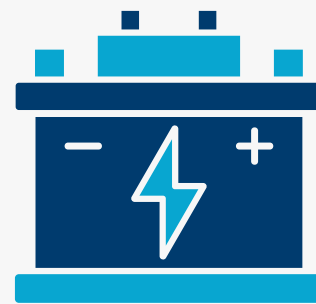
Replacement or conversion of the following systems:

- Space heating & cooling:
  - Central heat pump plants
  - In-suite heat pump systems
  - Rooftop & make-up air unit (MUA) systems
- Domestic hot water (DHW).



## Solar Panels

- Supply building electrical loads through solar energy



## Battery Energy Storage

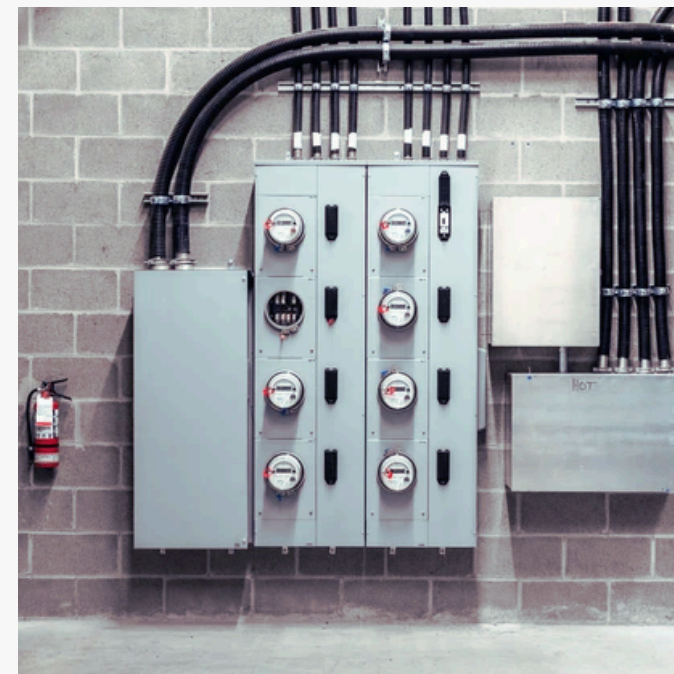
- Supports load shifting, backup power, and grid resilience



Eligible Technology

# UNSUPPORTED RETROFITS

- Windows upgrades
- Insulation or air sealing
- Passive shading
- Standard ventilation upgrades
- Electrical service upgrades



Eligible Technology

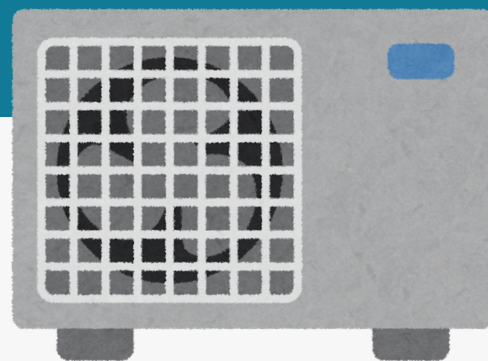
# ADDITIONAL ELIGIBILITY REQUIREMENTS

## Equipment must:

- Be new and never previously used
- Be installed and available for use in Canada
- Meet prescribed technical standards

## Key Takeaways:

- No official equipment list, eligibility is determined case-by-case
- Applies to specific equipment, not full retrofit scopes.
- In hybrid systems, only eligible electric heat pump portion qualifies.



# What Parts of a Heat Pump System Qualify?



## PRIMARY EQUIPMENT

### Core heat pump components

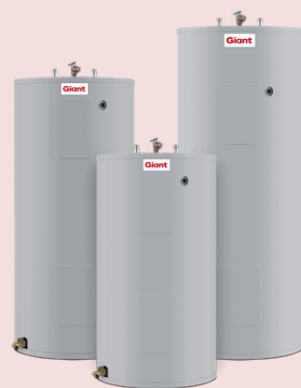
- Indoor and outdoor heat pump units
- Compressors and refrigerant systems
- Packaged or central systems



## SUPPORTING EQUIPMENT

### Required for equipment operation

- Heat pump control systems
- Dedicated electrical connections
- Refrigerant loop or hydronic piping



## SECONDARY EQUIPMENT

### Non-core building infrastructure

- Building distribution systems
- Storage or buffer tanks
- Backup or auxiliary systems

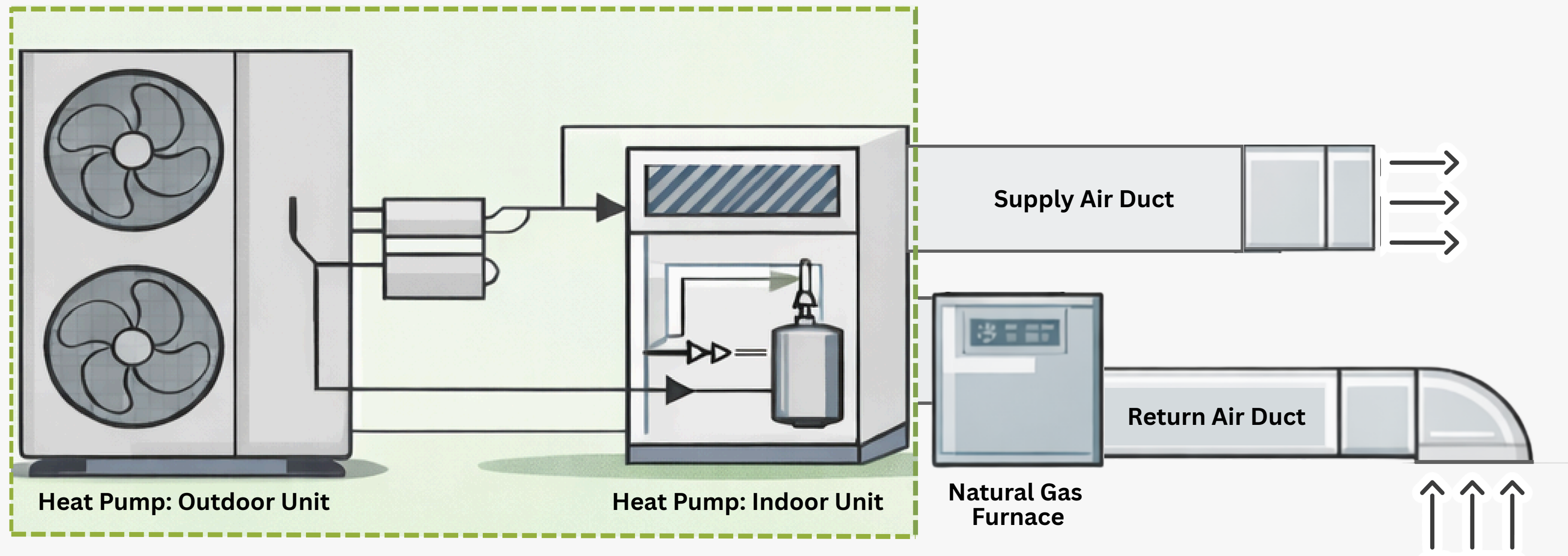


# EXAMPLE: AIR-SOURCE HEAT PUMP SYSTEM

*Ducted Unit with Natural Gas Furnace*

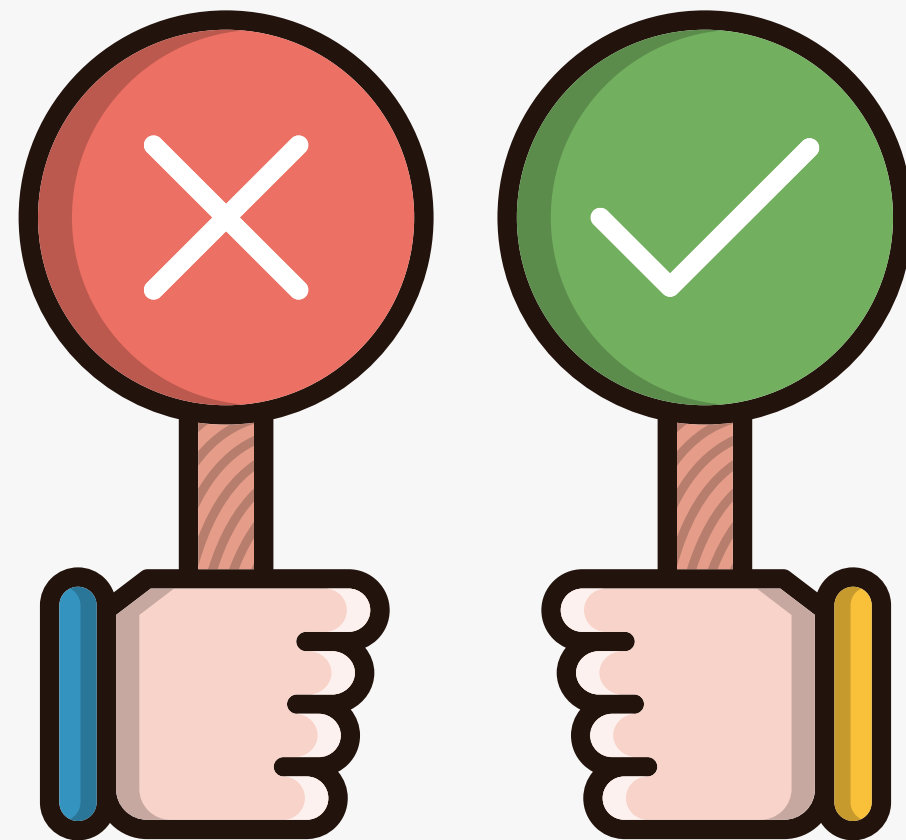
**PRIMARY & SUPPORTING: ELIGIBLE**

**SECONDARY: NOT ELIGIBLE**



**Eligible Technology**

# CLARIFY TECHNICAL ELIGIBILITY WITH NRCAN



Technology-specific criteria can be unclear.

Request an **optional non-binding opinion** to clarify equipment eligibility.

- **Include:**

- Equipment list (make/model)
- Process schematic & diagram
- System description
- Info on used/existing equipment

Requires third-party (e.g. engineer) support.



Eligible Technology

# 3. ELIGIBLE COSTS



# ELIGIBLE COSTS



## Eligible:

- Direct costs of purchasing eligible equipment:
  - Labour directly related to installation
  - Supporting components necessary for equipment operation

## Not Eligible:

- Secondary components

## Evolving:

- Engineering & design costs: Eligibility evolving and should be confirmed with a tax professional.



Eligible Costs

# 4. ELIGIBLE PROJECT CONDITIONS



# LABOUR REQUIREMENT

Most confusing  
and high-risk  
component of the  
CT ITC.



Eligible Project Conditions



# WHAT IS THE LABOUR REQUIREMENT?

## To receive the 30% credit:



Pay prevailing wages (federal standard)



10% of total on-site labour hours completed by Red Seal apprentices

If unmet, credit drops to 20%



Eligible Project Conditions

# LABOUR REQUIREMENT

## Which Workers Does it Apply To?



All individuals performing **manual or physical work** related to preparing or installing eligible clean technology equipment at the project site.

Includes workers employed by:

- General contractors
- Subcontractors
- Installation crews supporting the project



Eligible Project Conditions

# LABOUR REQUIREMENT: DOCUMENTATION

- **To access the full 30% credit:**
  - Elect in
  - Attest to compliance
  - Collect & keep documentation
- Records must exist at the time of work, not recreated later.
- CRA has indicated **all claims** and documentation are **subject to audit**.

- **Documentation may include:**
- Payroll records
- Proof wages paid at required levels
- Employee records of hours worked
- Labour contracts & terms
- Work-site activity tracking
- Invoices and delivery records
- Progress draws and commissioning



Eligible Project Conditions

# OWNER RESPONSIBILITY & RISK



Eligible Project Conditions

Even if contractors perform the work and install equipment:  
**the owner is responsible for compliance.**

If non-compliant:

- Credit may be reduced
- Financial penalties may apply
- CRA may reassess the claim

**Best practice:**

- Address labour compliance before/with procurement
- Include compliance language in contracts
- Contractor maintains detailed documentation

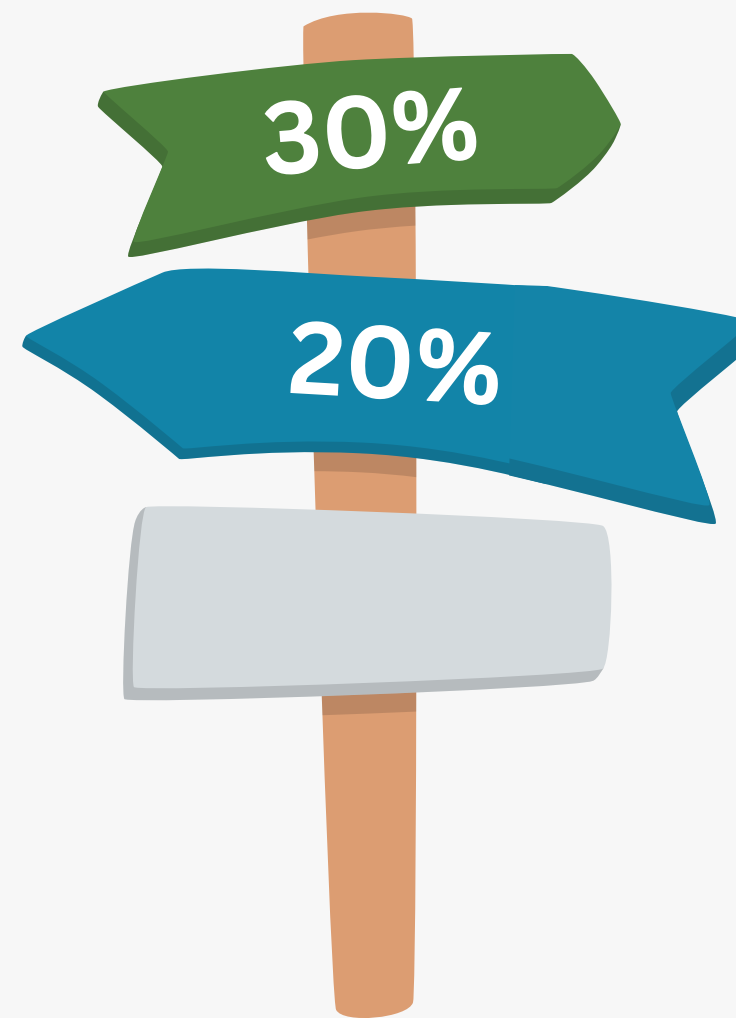
# PRACTICAL DECISION

## 30% or 20%?

Some projects **intentionally elect the 20% rate**

Decision should be made **prior to construction**

- Consider:
  - Size of eligible spend
  - Administrative burden and cost
  - Contractor readiness
  - Documentation complexity



### EXAMPLE

**\$500,000** eligible cost

**30%** = \$150,000

**20%** = \$100,000

*Is the additional **\$50k** worth the added compliance risk and administrative effort?*



**Eligible Project Conditions**

# Filing & Audit Readiness

- Claimed through the annual corporate (T2) or trust (T3) tax return
- Supporting schedules and documentation required
- Plan for audit readiness during project delivery

## The CRA may review:

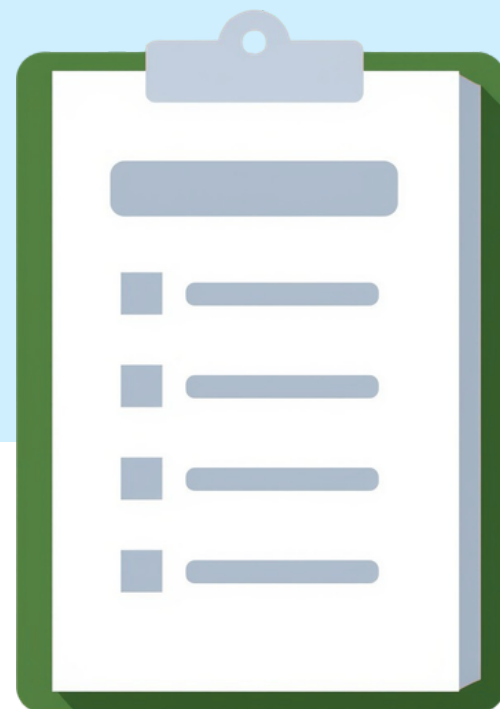
- Technical eligibility
- Labour compliance
- Cost allocations
- Available-for-use timing



Eligible Project Conditions



# 5. ONGOING ELIGIBILITY



# LONG TERM RULES: RECAPTURE RISK



## **CT ITC credits can be reassessed after being claimed:**

- Equipment is expected to remain owned and in eligible use for to 10 years.

## **Recapture risk triggered if:**

- Sold
- Removed
- Converted to non-income use
- Ownership changes

**Repayment proportional to remaining asset life.**



**Ongoing Eligibility**

# KEY TAKEAWAYS



**CT ITC is a major opportunity**

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**It requires structured planning & professional support**

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**Labour compliance is the highest risk area**

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**Documentation determines success**

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**Early coordination avoids costly surprises**

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# YOUR PROJECT TEAM MATTERS



**For first time,  
anticipate a  
learning curve**

## **Tax Professional**

- Lead claim strategy and interpretation of eligibility
- Structure filings and reporting
- Manage audit risk and compliance

## **Technical Consultant / Engineer**

- Confirm eligible equipment
- Support technical opinion & documentation

## **Contractor**

- Supply and install eligible equipment
- Track costs and labour compliance

**Prior claim  
experience is  
valuable**



# FEEDBACK & QUESTIONS?



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 FOLLOW

**Stay Tuned:** More webinars and training on building the business case for retrofits

