



**GRANT FOR LOW-GWP REFRIGERANT
CHILLERS
(LOGR)**

**APPLICATION GUIDELINES FOR BUILDING OWNERS
(8 OCT 2020)**

GUIDELINES FOR APPLICATION OF GRANT FOR LOW-GWP REFRIGERANT CHILLERS (LOGR)

1.0 OBJECTIVE

- 1.1 The Grant for Low-Global Warming Potential (GWP) Refrigerant Chillers (LoGR) (the “Scheme”) aims to encourage building owners to reduce their carbon emissions through retrofitting of existing water-cooled chillers using high-global warming potential (GWP) refrigerants to water-cooled chillers using low-GWP refrigerants.
- 1.2 The Scheme is targeted at existing buildings using high-GWP hydrofluorocarbons (HFC) refrigerant water-cooled chillers. Industrial buildings, transport facilities, religious buildings, data centres, utility buildings and residential buildings (except for serviced apartments) are not covered.

2.0 DEFINITIONS & INTERPRETATIONS

- 2.1 In these Guidelines:-

‘Administrative or System Error’ means an error in calculation, clerical procedure, typing, or application of policy, and which is attributable to BCA.

‘Aircon System Efficiency’ shall mean the system efficiency of the central chilled water air-conditioning plant or the variable refrigerant flow system.

‘Applicant’ refers to the person or legal entity who/which submits the Application. For Energy Performance Contracting (EPC), ‘Applicant’ refers to both the Building Owner and EPC Contractor who jointly submit the Application and where the context otherwise requires, ‘Applicant’ may refer to either the Building Owner or EPC Contractor.

‘Application’ means the Applicant’s application to participate in the Scheme through the submission of his Application Form.

‘Application Form’ means the application form to be submitted by the Applicant for participation in the Scheme.

‘BCA’ shall mean the Building and Construction Authority.

‘Building’ shall refer to the building in which the Chiller Retrofit Works are to be carried out.

‘Building Owner’ shall mean the owner of the Building.

'Chiller Retrofit Works' in relation to a Building shall mean works involving the installation of new chillers aimed at improving the GWP of refrigerants used in the Building.

'Estimated Qualifying Costs' means the genuine indicative estimate made and submitted by the Applicant in the Application Form in relation to the estimated costs (excluding GST) to be incurred by the Applicant for the purchase and installation of the Approved Equipment and the procurement of Professional Services.

'Excess Incentive Amount' means any cash incentive disbursed to the Applicant by BCA under the Scheme in excess of the Total Incentive Amount that the Applicant is entitled to receive based on the tonne of CO₂ equivalent mitigated or to be mitigated by the Applicant in regards of the Building as solely determined by BCA pursuant to paragraph 5.2.2.

'GST' means the tax chargeable in respect of the Approved Equipment and/or Professional Services, under the GST Act.

'GST Act' means the Goods and Services Tax Act (Cap. 117A).

'Professional Engineer' means a professional engineer registered and having the valid practicing certificate pursuant to the Professional Engineers Act (Cap. 253).

"Professional Services" shall mean the consultancy services on the design, project management, Green Mark certification and other services with respect to the Chiller Retrofit Works.

"Professional Services Consultant" shall mean the consultant hired to perform the Professional Services.

'Qualifying Costs' means the actual costs (excluding GST) involved in the Chiller Retrofit Works which consists only of the following items:

- (a) cost of such Approved Equipment;
- (b) cost of installation of such Approved Equipment; and
- (c) Professional Services.

'Total Incentive Amount' means the total cash incentives the Applicant may receive under the Scheme.

3.0 ELIGIBILITY CRITERIA

3.1 Applicant that is a Building Owner

To qualify for participation in this Scheme, the Applicant must submit the following documents below:

- (a) documentary evidence of Building ownership;
 - (b) documentary evidence showing that the Applicant's Building is (i) an existing non-residential commercial development, and (ii) contains a central chilled water-cooled air-conditioning plant using a high-GWP HFC refrigerant;
 - (c) quotations showing the details, technical specifications and costs of each of the Chiller Retrofit Works, which shall inter alia, act to provide evidentiary proof and/or a basis for the Chiller Retrofit Costs;
 - (d) schedule or timelines including the dates for the start and completion for the whole Chiller Retrofit Works. If there are different schedules for the different works, the Applicant shall submit a summary or the master schedule. The Applicant is to note that the timelines indicated by him in the Application Form shall be binding on the Applicant and any deviation from the indicated timelines shall require the prior written consent of BCA; and
 - (e) such other documents as requested by BCA from time to time.
- 3.2 Applications submitted without the required and complete supporting documents mentioned in paragraph 3.1 above will be rejected.
- 3.3 The Scheme is not applicable in relation to any chiller retrofit works or any equipment which had already commenced or already been installed before the time of application for participation in this Scheme.
- 3.4 BCA shall be entitled to reject any Application at its discretion notwithstanding the Applicant's compliance with this paragraph 3.0 without assigning any reason and without being liable to the Applicant in damages (direct damages, indirect damages or otherwise) or otherwise.
- 3.5 If BCA accepts the Application, BCA will issue a formal letter of offer (the "Letter of Offer") incorporating and / or modifying the terms herein and / or setting out further terms, and by which BCA offers the Applicant participation in the Scheme. If the Applicant wishes to accept BCA's offer as set forth in the Letter of Offer, the Applicant shall sign and return the letter of acceptance (the "Letter of Acceptance") appended to the Letter of Offer by the date stipulated in the Letter of Offer and if no stipulated date is mentioned in the Letter of Offer, a calendar month from the date of the Letter of Offer.
- 3.6 Upon acceptance of offer, the Applicant is to register an account with Vendors@Gov, for record of payment details, and inform BCA of the registered UEN.

4.0 OBLIGATIONS OF APPLICANT

- 4.1 Within 36 calendar months from the receipt of the Letter of Acceptance by BCA (the "Expected Completion Date"), the Applicant shall complete the Chiller Retrofit Works (including testing and commissioning works) as proposed pursuant to paragraph 3.1 above. If the Applicant is unable to complete the Chiller Retrofit Works by the Expected Completion Date, the Applicant may send a written request to BCA at least 14 days prior to the Expected Completion Date setting out the reasons for his inability to complete the said works by the Expected Completion Date for BCA's consideration. BCA may, at its sole discretion, consent to an extension to the Expected Completion Date by sending a written notice to the Applicant, stipulating the extended Expected Completion Date and any other terms and conditions that BCA may impose on the Applicant in consideration of BCA granting the said extension. The said further extension to be granted by BCA (if any) is purely at BCA's sole discretion and nothing contained herein shall act to impose an obligation on BCA to agree to further extend the Expected Completion Date.
- 4.2 From the time of the commencement of the Chiller Retrofit Works as indicated in the Application Form submitted by the Applicant, until the expiry of 12 months from the date of the completion of the Chiller Retrofit Works or the disbursement of the grant, whichever is later, the Applicant shall permit BCA's designated staff to enter the Building for the purposes of inspecting the Chiller Retrofit Works or the installed Approved Equipment, provided that BCA shall give 1 week's written notice of its intention to carry out such inspection.

5.0 DISBURSEMENT OF GRANTS

- 5.1 Subject to the Applicant complying with all the terms and conditions of these Guidelines, BCA shall, at its sole discretion disburse the Total Incentive Amount to the Applicant. The Total Incentive Amount is based on the quantum approved in the Letter of Offer or actual installed cooling capacity, whichever is lower.
- 5.2 If the Total Incentive Amount exceeds S\$100,000, all claims must be externally audited by a Public Accountant/audit firm registered with the Accounting and Corporate Regulatory Authority (ACRA). The auditor's statement shall follow the format in Annex 1. The Applicant shall make available to its auditor the Letter of Offer and all its accompanying annexes, including the Terms of Reference for External Auditors at Annex 2. The Applicant shall ensure that the external auditor forwards a copy of the auditor's statement directly to BCA upon its completion of the audit. In the event that the external auditor cannot issue an unqualified statement, BCA shall have direct access to the external auditor to obtain details with regard to the audit findings.
- 5.3 The Total Incentive Amount will be disbursed in 1 tranche, upon verification of the retrofit of water-cooled air-conditioning system by BCA and subject to paragraph 5.2. All disbursements will be made on a reimbursement basis and will be made through

Vendors@Gov. The Applicant is to ensure that payment details are updated for disbursement of grant.

- 5.3.1 For the disbursement, the Applicant shall submit the request/application to BCA no later than 3 months from the date of completion of the Chiller Retrofit Works. The request/application must be submitted together with an Operating System Efficiency (OSE) report verifying the Aircon System Efficiency and the format of such report shall be in accordance with the template in Annex B – Energy Audit Report¹ under the Regulatory Requirements for Existing Buildings². This shall be approved and endorsed by a BCA Registered Energy Auditor or Professional Engineer (Mechanical) (PE(Mech)).
- 5.3.2 BCA shall determine at its sole discretion if the calculations by the Applicant of the Aircon System Efficiency are accurate. BCA shall be entitled to substitute its own calculations for those by the Applicant if it is of the view that the Applicant's calculation(s) is / are not accurate. BCA shall also be entitled to substitute the Registered Energy Auditor or PE(Mech) determination of the Aircon System Efficiency with its own if it is of the view that the Aircon System Efficiency figure(s) as stated in the OSE report is not accurate. BCA's determination of the Aircon System Efficiency shall prevail and be conclusive.
- 5.3.3 BCA reserves the right to withhold the disbursement if:-
- (a) any or all of the supporting documents mentioned in paragraph 5.3.1 is/are missing; and/or
 - (b) the targeted and/or required Aircon System Efficiency is not achieved; and/or
 - (c) the external auditor cannot issue an unqualified statement and the adverse findings cannot be reconciled.

In the event BCA exercises its right to withhold disbursement as described in this paragraph 5.3.3 or elsewhere in these Guidelines and notwithstanding anything to the contrary contained herein, BCA shall not be held liable to the Applicant under any circumstance whatsoever and howsoever arising.

6.0 SUBMISSION PROCEDURES

- 6.1 All Applications should be made in the format found in Grant for Low-GWP Chillers (LoGR) Application Form and sent to LoGR_Grant@bca.gov.sg

¹ https://www1.bca.gov.sg/docs/default-source/docs-corp-buildsg/sustainability/annexb_energy_audit_report.doc

² <https://www1.bca.gov.sg/regulatory-info/legislation-on-environmental-sustainability-for-buildings/regulatory-requirements-for-existing-buildings>

7.0 MISCELLANEOUS

- 7.1 The Annexes hereto form an integral part of these Guidelines. In the event of any inconsistency between the contents of the Annexes and the contents of this main document of the Guidelines, the contents of this main document of the Guidelines shall prevail.
- 7.2 Without prejudice to the rights of BCA at common law, equity or otherwise, in the event:-
- (a) of any failure by the Applicant to discharge its obligations set out in paragraph 4 above; or
 - (b) BCA, in its sole discretion, determines that any information supplied to or declaration made to BCA by the Applicant and any of the Applicant's tenants arising from or in connection with the Applicant's participation in the Scheme, whether in the Application Form or elsewhere, is false or misleading,
- then BCA:-
- (i) shall, if the grant has not been disbursed, be entitled to terminate the Applicant's participation in the Scheme and shall be under no obligation to make further payments which would otherwise be paid; and
 - (ii) shall, whether or not the grant has been disbursed, be entitled to recover from the Applicant all monies disbursed.
- 7.2A Where applicable, and without prejudice to the rights of BCA at common law, equity or otherwise, BCA shall be entitled to recover from the Applicant the Excess Incentive Amount, provided that the Excess Incentive Amount was disbursed to the Applicant by BCA due to Administrative or System Error.
- 7.3 Any risk associated with and damages arising from the Applicant's participation in the Scheme shall be borne solely by the Applicant. BCA shall not be liable in contract, tort or any other cause of action for any damages, loss or expense including without limitation, direct, indirect, special or consequential damage or economic loss, however sustained by the Applicant arising out of the Applicant's participation (direct or indirect) in the Scheme and/or any use (direct or indirect) of, provision of or reliance on the Scheme or these Guidelines or any part thereof. BCA specifically excludes the same to the fullest extent permitted by law even if BCA has been advised in advance of the possibility of such damages.
- 7.4 BCA expressly disclaims any and all representations or warranty regarding the Scheme, whether express or implied, including but not limited to warranties as to accuracy, timeliness, completeness, compliance with a particular description or any implied warranty arising from the course of performance or otherwise, to the fullest

extent permitted by law. BCA makes no warranty that the Scheme and/or the provision of the cash incentives thereunder will meet the requirements of the Applicant.

- 7.5 The Applicant indemnifies and keeps indemnified BCA and its servants and/or agents against all damages (including without limitation, direct, indirect, special or consequential damage or economic loss) BCA and/or its servants and/or agents may sustain or incur (including those sustained or incurred as a result of a claim by a third party against BCA or its servants and/or agents) directly or indirectly relating to or in connection with:-
- (a) the Applicant's breach of any terms and conditions contained herein, howsoever arising;
 - (b) any injury to or death of any person whomsoever or damage to any property whatsoever due to any act or omission of the Applicant or any party acting on behalf of the Applicant arising out of or in any way relating to the Scheme and/or these Guidelines; and/or
 - (c) any negligence, fraud or unlawful act or omission of the Applicant or any party acting on behalf of the Applicant.
- 7.6 These Guidelines shall be interpreted, construed and governed by the laws of the Republic of Singapore and all parties under the Scheme pursuant to these Guidelines submit to the exclusive jurisdiction of the courts of the Republic of Singapore.
- 7.7 From the time of issuance of the Letter of Acceptance until the disbursement of the Total Incentive Amount, the Applicant shall:-
- (a) ensure that the Building is used strictly for the purpose indicated in the Application Form, which in any event shall be solely for non-residential purposes;
 - (b) not effect any change in the use of the Building without the prior written consent of BCA; and
 - (c) remain the owner of the Building.
- 7.8 The Applicant shall not assign or attempt to assign or otherwise transfer any right or obligation arising out of or in relation with these Guidelines or the Scheme without the prior written consent of BCA.
- 7.9 Notwithstanding anything set out herein, BCA shall be entitled to amend any of the contents herein or in the Annexes hereto at any time upon provision of written notice to the Applicant.
- 7.10 Time shall be of the essence in regards to the Applicant's participation in the Scheme, both as regards the dates and periods mentioned in these Guidelines and as regards

any dates and periods which may be substituted for them in accordance with these Guidelines.

- 7.11 For the purposes of the Contracts (Rights of Third Parties) Act (Chapter 53B), any agreement between BCA and the Applicant is not intended to, and does not, give any person who is not a party to it any right to enforce any of its provisions.
- 7.12 The Applicant undertakes that he shall obtain all and any necessary approvals, licences and/or permits as may be required by any relevant competent authority in regards to any and all aspects of the Building. The Applicant further undertakes that he shall comply with all applicable codes and standards set by any relevant competent authority in respect of the design of the air-conditioning system and/or the Chiller Retrofit Works in relation to the Building, which shall include without limitation engaging a Professional Engineer to endorse on the design, where necessary.
- 7.13 BCA is entitled from the date of completion of the Chiller Retrofit Works, until the expiry of 12 months from the date of the completion of the Chiller Retrofit Works or the disbursement of the grant, whichever is later, through its Audit Agents, to conduct ad-hoc on-site audits to ensure that the terms of the Agreement (as defined in the Letter of Offer) are being, or were met and that reports and all information submitted to BCA by the Applicant are accurate, correct and not misleading. The Applicant shall ensure that BCA's Audit Agents are given full access to all accounts, records, documents, assets and premises in connection with the grant, and shall provide BCA and its Audit Agents with all reasonable cooperation and assistance in connection with the audits, provided that BCA shall give 1 week's written notice of its intention to carry out such inspection. The Parties shall bear their own respective costs and expenses incurred in respect of compliance with their obligations under this paragraph 7.13, unless the audit identifies a material breach or default of the Agreement by the Applicant, in which case the Applicant shall reimburse BCA for all of BCA's reasonable costs incurred in connection with the audit. For the purpose of paragraph 7.13, the term "Audit Agents" means such auditor as may be appointed by BCA.
- 7.14 In case any provision of these Guidelines shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision such be ineffective only to the extent of such invalidity, illegality or unenforceability.
- 7.15 Any waiver by BCA of the Applicant's failure to adhere to or to perform any provision of these Guidelines is not a waiver of BCA's rights to subsequently insist on compliance or performance or to pursue any remedy for any such failure.

8.0 ENQUIRIES

For enquiries on the application, please contact the officers listed in BCA's website: <https://www1.bca.gov.sg/buildsg/sustainability/green-mark-incentive-schemes/grant-for-low-gwp-refrigerant-chillers-logr>

FORMAT FOR EXTERNAL AUDITOR'S STATEMENT

Report on Factual Findings

To:

Mr / Ms _____ <Name>
_____ <Designation>

_____ <Street Address 1>

_____ <Street Address 2>

_____ <City>

_____ <Country> <Postal Code>

We have performed the procedures in accordance with the Terms of Reference on the expenditure incurred by _____ (name of grant recipient) for the claim period from _____ (date) to _____ (date). This is in connection with the development of _____ (project name or description and reference number) under the Grant for Low-GWP Refrigerant Chillers of the Building and Construction Authority ("BCA") for the Qualifying Period from _____ (date) to _____ (date). Our engagement was undertaken in accordance with the Singapore Standard on Related Services SSRS 4400 Engagements to Perform Agreed-upon Procedures Regarding Financial Information.

The procedures were performed solely for the purpose of the grant recipient's submission of the Disbursement Application Form to BCA in accordance with the terms and conditions specified by the BCA in its Letter of Offer dated _____ .

We report our findings below:

- (a) With respect to item 1 of the Terms of Reference, we found no exceptions from performing the procedures (a) to (j).
- (b) With respect to item 2 of the Terms of Reference, based on related parties identified by _____ (name of grant recipient) and as represented to us, we confirm that (i) related party claims are excluded from item categories that prohibit related party transactions and (ii) for item categories that allow related party transactions, the qualifying costs are net of mark-ups and administrative charges incurred by the grant recipient.
- (c) With respect to item 3 of the Terms of Reference, we confirm that qualifying cost items supported under the incentive are used exclusively for the project. For qualifying cost items not used exclusively for the project, we confirm that they are suitably pro-rated.
- (d) With respect to item 4 of the Terms of Reference, we have enquired and are *not aware of any* sale/lease/disposal/transfer of Approved Equipment, software or intellectual property rights that is funded by BCA during the execution of the project.
- (e) With respect to item 5 of the Terms of Reference, we confirm that there is no going concern matter included in the latest audit report of the grant recipient.

(Detail the exceptions if any)

Because the above procedures do not constitute either an audit or a review made in accordance with Singapore Standards on Auditing or Singapore Standards on Review Engagements, we do not express any assurance on the expenditure of the project as at _____(date).

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with Singapore Standards on Auditing or Singapore Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the second paragraph of this report and for your information, and is not to be used for any other purpose or to be distributed to any other parties other than BCA. This report relates only to the accounts and items specified above and do not extend to any financial statements of _____ (name of grant recipient), taken as a whole.

_____(firm)
Public Accountants and
Chartered Accountants
Singapore

_____(date)

TERMS OF REFERENCE FOR EXTERNAL AUDITORS

- 1 Check that:
 - (a) Items and amounts claimed are in accordance with the Details on Qualifying Cost Items in the Disbursement Application Form.
 - (b) Items and amounts claimed are in accordance with all terms and conditions of the Letter of Offer (and supplemental offer letters, if any).
 - (c) Items claimed are used for the project as stated in the Letter of Offer, unless otherwise stated.
 - (d) Items claimed by the grant recipient are accurately recorded in all the claim forms and schedules, and in accordance with the books and records maintained by the grant recipient.
 - (e) Description and authenticity of items claimed are valid by agreeing to appropriate source documents and other records.
 - (f) Claims agree to the appropriate source documents, e.g. invoices, personnel and payroll records, etc.
 - (g) Claims are made only upon disbursement of cash by the grant recipient, and do not include those that are purely accounting entries without cash outlays (e.g. accruals, depreciation).
 - (h) All items claimed are incurred and paid within the Qualifying Period for the Project as per the terms and conditions of the Letter of Offer (and supplement offer letters, if any).
 - (i) Approved Equipment claimed exists through physical sighting at the date of visit and are installed/operating for the project as stipulated in the Letter of Offer.
 - (j) There is no duplication of claims submitted, i.e. claims made were not disbursed in previous claim periods.
- 2 The auditors shall check that item categories that prohibit related party transactions do not include related party claims and that qualifying costs for item categories that allow related party transactions are net of mark-ups and administrative charges incurred by the grant recipient.
- 3 The auditors shall check that qualifying cost items supported under the incentive are used exclusively for the project. Otherwise, the qualifying costs shall be suitably pro-rated.
- 4 The auditors shall enquire and report on any sale/lease/disposal/transfer of the Approved Equipment, software or intellectual property rights, if applicable, that is funded by BCA during the execution of the project.
- 5 The auditors shall highlight any going concern issues raised in the latest audit report of the grant recipient.

- 6 In the event that there are errors and deviations found, the auditors shall report accordingly and provide details.

ADDENDUM TO TERMS OF REFERENCE FOR EXTERNAL AUDITORS

(Additional guidance for External Auditors)

Claims should be filed in accordance to below notes and conditions unless prior approval has been granted by BCA to waive the conditions.

<u>General</u>	
1	Grant quantum and level of support is in accordance with BCA's Letter of Offer.
2	Claims do not include any form of taxes, including but not limited to GST and withholding taxes.
3	Items should be itemised and categorised as per Details on Qualifying Cost Items in the Disbursement Application Form.
4	Claims must be incurred/delivered within the Qualifying Period and before end of current claim period (e.g. prepayment for consultancy service is not claimable before consultancy service is completed).
5	Item of expenditure in this present claim should not be included in another claim for reimbursement under the present grant; or included in any claim under other incentives granted by BCA, the Government of Singapore or any other agency of the Government of Singapore.
<u>Approved Equipment</u>	
6	For Approved Equipment, only purchase price and any direct cost attributed to bringing the Approved Equipment to working condition, e.g. initial transportation, insurance, handling costs, installation costs and calibration costs upon delivery. Approved Equipment can only be considered as a qualifying cost item after it has been commissioned for the project.
7	Maintenance cost of Approved Equipment and used equipment from related parties are not supportable.