2026 Call for Innovation: Capacity & Energy Solutions

Applicant Guide

DEVELOPED BY NORTHX CLIMATE TECH

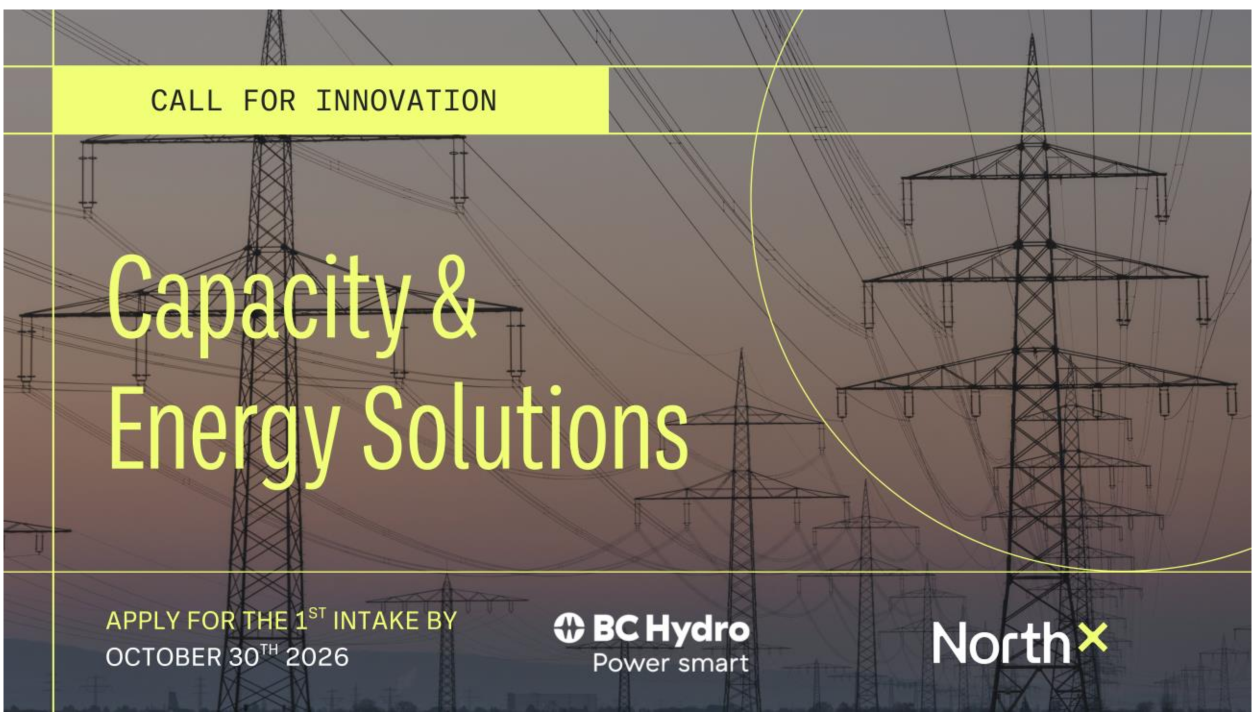


Table of Contents

Introduction

Founded in 2021 with an initial investment from the BC Government, the Government of Canada, through Natural Resources Canada's Energy Innovation Program, and Shell Canada, NorthX Climate Tech (NorthX) is a catalyst for climate action, funding the climate hard tech solutions that transform industries and build lasting prosperity.

Rooted in British Columbia but global in vision, we unite visionaries, investors, industry, government, and partners to scale technologies that drive deep decarbonization and economic growth for Canada. Like the "X" on a map, we pinpoint that pivotal moment when potential is immense, but capital is scarce, that place where local strengths become global solutions.

BC Hydro is a Crown corporation that generates and delivers reliable, affordable, and renewable electricity to more than five million people across BC. As one of the largest clean electricity producers in North America, BC Hydro plays a critical role in powering BC's communities and economy while supporting the transition to a low carbon future.

An ongoing partnership

NorthX and BC Hydro have partnered to accelerate the development, commercialization and scaling of innovative capacity and energy solutions. The collaboration brings together NorthX's expertise in climate tech investment and commercialization with BC Hydro's expertise in BC's electricity system and evolving energy needs. The organizations first partnered in 2024 through the Call for Energy Storage Innovation, which supported the commercialization and scaling of energy storage, microgrid and grid solutions across British Columbia.

The partnership supports BC Hydro's efforts to meet growing electricity demand and attract innovative industries, while helping locally developed technologies move from development toward market adoption. BC Hydro gains access to emerging solutions that could help address evolving capacity and energy needs, while NorthX gives innovators access to a credible market partner with expertise, opportunities for testing and validation, and potential pathways to deployment. Together, the organizations are helping reduce barriers to commercialization, build market confidence, and create opportunities for BC-developed climate technologies to scale in BC and beyond.

By enabling testing and validation within BC Hydro's infrastructure and operating environment, the partnership can help strengthen the business case for emerging technologies and accelerate their adoption. In turn, this can support BC's capacity and energy efficiency priorities, strengthen local supply chains and create opportunities for BC-developed climate technologies to scale into broader markets.

Supporting ventures beyond the cheque

Once funded, NorthX provides portfolio companies with ongoing support. Through investor introductions, sector convenings, expert-led events, and industry roundtables, we look forward to establishing a lasting partnership that supports portfolio companies well after the Call for Innovation closes.

2026 Call for Innovation: Capacity and Energy Opportunity

BC is at a pivotal moment in its clean energy transition. Growing demand for electricity and the need to make the most of existing and future grid capacity are creating an urgent need for innovative approaches to energy management and system efficiency.

Through the **2026 Call for Innovation: Capacity and Energy Solutions**, NorthX will award up to **$5 million in non-dilutive investment** to innovators developing commercially viable solutions that can address critical capacity and energy challenges. The Call is designed to help promising technologies advance toward validation, market readiness, and deployment, while supporting BC's electrification goals, local supply chains, and clean energy economy.

Objectives

- To identify high-impact projects that accelerate the reduction of global greenhouse gas (GHG) emissions while facilitating the integration of flexible demand innovation, prioritizing behind-the-meter solutions within an expanding grid infrastructure.

- In support of BC Hydro's Power Smart 2.0 and Powering Growth plans, NorthX will prioritize innovations and solutions that can contribute to BC Hydro's targets of 2,200 GWh in energy savings and 800 MW in capacity savings, while meeting the relevant program capabilities and eligibility requirements of programs including
  - Demand Response for Business Program (bchydro.com)
  - Energy Storage Incentive (bchydro.com)
  - Peak Saver Program (bchydro.com)
  - Power Smart Business Programs (bchydro.com)

What we're looking for

BC Hydro and NorthX will prioritize behind-the-meter solutions that advance BC Hydro's capacity and demand response priorities under its Power Smart 2.0 and Powering Growth plans.

Priority areas include demand response and flexible load, energy storage, distributed energy resources and virtual power plants, managed and bidirectional charging (including V2X), energy efficiency, and technologies that enable flexibility and dispatch.

Eligible activities may include demonstrations, pilot projects, field validation and utility integration testing, and innovative business models that support broader market deployment.

Why BC can lead

Electricity demand in BC is entering a period of sustained, structural growth driven by industrial electrification, transportation, and new digital load. That growth is not only larger in aggregate; it is sharper at the peak. Meeting those peaks efficiently will take flexibility within capacity that utilities can dispatch on demand.

On the customer side, behind-the-meter resources are the primary focus of this call, including electric vehicle and stationary batteries, flexible industrial processes, thermal storage, and managed charging. These resources first solve site-level problems: reducing demand charges, riding through outages, deferring costly upgrades, enabling electrification, and displacing fossil fuels. But their value doesn't end at the meter. Once these resources can respond to a dispatch signal, they serve as a system resource that utilities can use to shave peaks.

While behind-the-meter solutions are the priority for this Call, front-of-meter approaches will also be considered, including distributed energy resource management systems, and non-wires alternatives that tackle grid constraints directly, relieving congestion at substations and balancing the variable renewables that Canada's rapidly growing storage pipeline is built to support, a pipeline projected to multiply by 2030.

BC is positioned to lead. Its hydro-based system is a clean, flexible foundation for storage and demand flexibility, and its industrial base offers exactly the large, controllable loads where that flexibility pays off most - interruptible heavy industry like mining and pulp and paper, electrifying ports, and inherently flexible loads such as cold storage, greenhouses, and clean-fuel production.

Remote and constrained communities add real-world proving grounds, where dispatchable resources displace diesel and strengthen reliability. BC can lead a market around hydro-system optimization and industrial flexibility, turning early demonstrations here into globally competitive climate hard tech companies, advancing decarbonization and prosperity while keeping the benefit in BC.

NorthX created the 2026 Call for Innovation: Capacity and Energy Solutions to meet this moment. We invite companies building capacity and energy solutions to apply for early-stage, non-dilutive funding, a direct pathway designed to close the gap between research and field deployment. This is where innovation turns into industry, and where the future gets built.

NorthX impact to date

Since its inception in 2021, NorthX has become one of the largest Canadian early-stage funders of technologies focused on decarbonizing a majority of BC's largest emitting sectors. In almost five short years, NorthX has generated tangible economic impact in BC and across Canada - funding 80 companies with $62 million in capital while catalyzing over $715 million in follow-on investment.

These investments are fuelling the creation of over 975 jobs, more than 75 patents and trade secrets, and the advancement of technologies with the potential to abate 56 megatonnes of emissions per year at scale in 2035. Collectively, they will strengthen competitiveness for industries in BC and support the growth and trade diversification of our core sectors.

NorthX is also ensuring its approach to backing the builders of climate tech brings all our talent to the table. Over 60% of our portfolio companies are led and managed by underrepresented groups, while 28% include Indigenous participation at the core of their company leadership and/or business model. To accelerate commercialization, 38% of our funding has supported post-secondary spin-outs, bridging the gap from research to market.

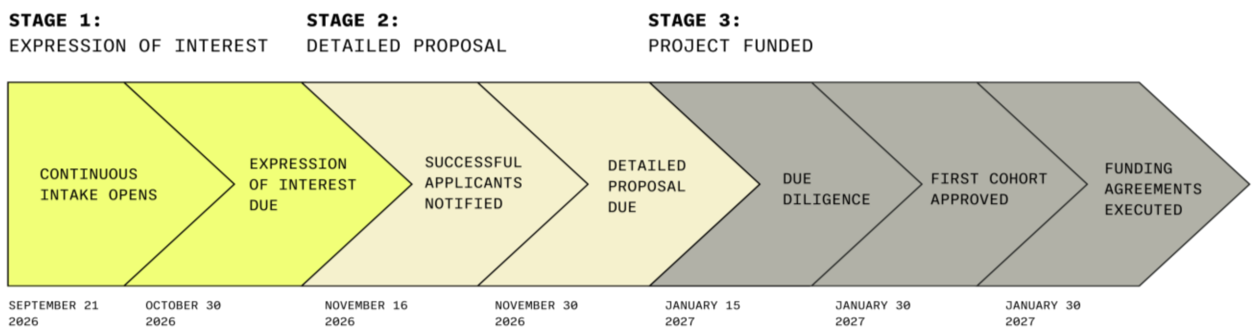
Connecting with NorthX Climate Tech

Have a question about the Call or the funding on offer? Contact NorthX directly or submit a short Expression of Interest (EOI) through our website. Our team can walk you through eligibility, what non-dilutive funding is available, and whether your technology fits the Call's flexibility focus before you invest time in a full application. If you're weighing whether your solution qualifies, reach out early; a short conversation now saves effort later.

Call for Innovation Details

General information

Timeline



Continuous intake: *EOIs submitted after October 30, 2026 will continue to be reviewed and will be considered as part of the next funding decision window in Q1 2027.* ***As funding is limited, ventures are encouraged to submit as early as possible.***

Application and evaluation

Stage 1	Applications include: • A 5-minute video and • A short, written expression of interest, and pitch deck (if available). • Most recent company pitch deck
Stage 2	Successful applicants selected to advance to Stage 2 will be required to submit a detailed proposal for competitive evaluation through NorthX's existing systems and processes.
Stage 3	Projects will undergo final due diligence. Those approved will sign project funding agreements and receive non-dilutive, milestone-based reimbursement funding from NorthX.

Considerations

To comply with NorthX requirements, technologies being advanced within the project will fall between Technology Readiness Level (TRL) 4-9. Proposals where the entire project scope consists solely of studies or reports (including feasibility or FEED studies) will not be considered. Projects may, however, include studies or reports as part of a broader project scope. Consortium projects must be led by a single Canadian-based applicant, preferably the technology developer. Projects that demonstrate strong Indigenous participation and contribute to enhancing economic reconciliation in Canada are encouraged. NorthX will prioritize projects that align with and complement BC Hydro's pilot programs, positioning proponents to advance directly into utility-supported demonstration.

Eligibility

NorthX funds are restricted to Canadian companies advancing greenhouse gas reduction and removal innovations, with clear commercialization pathways and economic benefits. NorthX will consider Canadian based projects and will prioritize those demonstrating the greatest impact in BC while contributing across Canada.

NorthX is particularly interested in capacity and energy solutions that align with BC Hydro's Powering Growth and Power Smart 2.0 priorities: energy storage and dispatchable resources that help customers participate in demand response and energy efficiency programs, that are scalable and commercially ready for mass market, and that can be proven in BC and replicated across jurisdictions to drive global climate impact.

Funding details

Funding amount and intake summary

NorthX's goal through the 2026 Call for Innovation: Capacity and Energy Solutions is to provide up to $5,000,000 in total in non-dilutive funding for project proposals aimed at developing commercial clean grid technologies in BC. NorthX will accept EOIs on a continuous basis throughout the call. EOIs submitted by October 30, 2026 will be reviewed as part of the first cohort, with funding decisions communicated no later than the end of January 2027. EOIs submitted after October 30, 2026 will continue to be reviewed and will be considered as part of the next funding decision window in Q1 2027.

As funding is limited, ventures are encouraged to submit as early as possible.

Target cheques size and funding type

NorthX evaluates each project individually. Our grant sizes range from $250,000 to $1,500,000 CAD, with an average cheque size of $750,000, though funding amounts are determined by the stage of development and alignment with NorthX's mandate, and will vary accordingly. Proponents are encouraged to propose a funding amount appropriate to their project's needs and maturity. NorthX will fund up to 50% of any eligible project. NorthX will consider follow-on funding to existing portfolio companies.

NorthX is continuing to evolve its funding tools. Currently, NorthX provides non-dilutive funding in the form of a grant. NorthX may consider other financial instruments if appropriate. The final funding instrument will be determined in discussion with the company.

How NorthX funds are used

Funding is provided on a project level basis. NorthX provides reimbursements to costs incurred during the project. Each project will have various milestones in which committed capital will be disbursed. Milestones are negotiated between NorthX and the proponent in the final stage of the application process.

Only project costs are eligible for funding. Please ensure you segment project costs from general corporate and company-related costs. Applicants should be prepared to provide accurate estimates of project costs to NorthX upon request.

Timeline restrictions on NorthX funds

Projects must start within 6 months of the signing of a project funding agreement and be completed by the earlier of 2 years from the project start date or June 30, 2029.

Capital at risk with NorthX Funds

NorthX will fund up to 50% of projects costs. The company must provide the balance of funds from internal or external sources. Cash and in-kind funding are considered towards capital at risk based on the level of commitment and amount from funders and/or partners including future commitments.

Evaluation criteria

2026 Call for Innovation: Capacity and Energy Solutions

The 2026 Call for Innovation: Capacity and Energy Solutions invites applications from companies advancing the commercial development of dispatchable flexibility technologies and help BC meet rising peak demand as electrification accelerates. Eligible projects support BC Hydro's capacity and demand response priorities under its Power Smart 2.0 and Powering Growth plans, and include, but are not limited to:

- Demand response, flexible load, and industrial process flexibility that reduce peak and respond to a dispatch signal
- Energy storage solutions, stationary or mobile, at the customer or community scale
- Distributed energy resources, virtual power plants, and hybrid systems
- Managed and bidirectional charging, including vehicle-to-everything (V2X) technologies*
- Energy Efficiency
- Power electronics, integrated energy systems, and sensing technologies that enable flexibility and dispatch

**Vehicle-to-everything (V2X).* NorthX will prioritize pilot projects that test integration with BC Hydro's Distributed Energy Resource Management System (DERMS). Areas of interest include residential, multi-unit, and fleet bidirectional charging that can utilize EVs as flexible energy resources for emergency power and energy management; and solutions that integrate V2X with other capacity-program assets, including renewable energy and storage.

This Call will also consider flexibility and energy-efficiency solutions for BC's largest industrial loads, with highest priority in mining, oil and gas, and district energy, with continued interest in forestry, pulp and paper, and industrial transportation. Within these sectors, NorthX is interested in energy-efficiency and capacity solutions that reduce peak load and enable demand response; advanced controls driven by AI and machine learning, including sector-specific industrial platforms that enables hardware development; efficient electrification and high-temperature heat pumps for process heating, where they deliver electric-efficiency gains aligned with BC Hydro's Power Smart 2.0 programs; and proven technologies not yet deployed in Canada that can be piloted to overcome barriers to adoption.

If your technology helps shift, shed, store, or manage electricity demand at a home, a building, a fleet, or an industrial site, and can directly support BC Hydro’s targets of 2,200GWh in energy savings and 800MW in capacity savings, this opportunity is likely a fit.

Additional Considerations

Front-of-meter solutions including utility-scale storage, DERMS, and non-wires alternatives are eligible but are not the primary focus of this innovation call. NorthX will consider strong front-of-meter proposals, with priority given to customer-sited and demand-side flexibility that helps British Columbians participate in BC Hydro's capacity programs.

NorthX favours projects that deliver co-benefits alongside flexibility: improving affordability and reliability, strengthening community resilience, displacing diesel in remote and constrained communities, and creating socio-economic benefit in BC.

Eligible project activities may include, but are not limited to, demonstrations and pilot projects, field validation and integration testing with utility systems such as DERMS, and innovative business models that move proven technology toward mass-market deployment.

Projects will be evaluated by the NorthX team and external experts. The following lists the major decision criteria which will be applied to project proposals:

Strategic alignment

NorthX is looking for projects that advance the commercialization of a technology or business model innovation with potential to significantly contribute to BC Hydro's targets of 2,200GWh in energy savings and 800MW in capacity savings by fiscal 2030 in accordance with the Power Smart 2.0 Plan. Projects must demonstrate measurable direct impact to the Power Smart 2.0 targets and should enable eligible customers to participate in BC Hydro Capacity Programs, including Demand Response, Energy Storage, Peak Saver, Vehicle to Grid Solutions, and Energy Efficiency programs. The innovation must be validated, developed, and commercialized by a Canadian company in Canada, with a measurable BC-based impact.

Mandate match

To be eligible, projects must be led by a Canadian-incorporated company and demonstrate a clear impact in Canada.

Team strength

Applicants present a strong team with the required skills for growth aspiration. The team possesses a depth of knowledge on what is required to successfully scale their solution.

Technology viability and regulatory compliance

The plan for technology development is realistic. Barriers have been identified and plans to overcome barriers have clear and measurable targets. Regulatory, permitting, and IP ownership issues are addressed to enable project implementation.

Commercial viability and market validation

Proponents demonstrate a clear understanding of the market opportunity and the customers or offtakers their solution serves. Evidence of market engagement, such as letters of intent, paid pilots, or off-take agreements, are strong signals of commercial readiness. Proponents can articulate the size and nature of the addressable market, the competitive landscape, and the barriers to adoption. Early-stage projects are not expected to have secured commercial agreements, but must demonstrate meaningful customer discovery and a credible path to market entry and scale.

Financial readiness and organizational capacity

Financial and organizational capacity to execute the proposed project is demonstrated. A project budget is in place for the scope of work being applied for, and financial projections demonstrate the underlying commercial potential of the solution to scale and deliver both financial and GHG returns. Proponents also demonstrate access to the resources, infrastructure, and expertise required to successfully deliver the project within the proposed timeline.

Impact measurement

Proponents demonstrate a strong understanding of impact measurement, clearly articulating the climate achievements and potential of the technology and/or innovation and project outcomes. Supporting impact reports and other documents should be available upon request.

Application process

Stages of application

A staged application process funnels ventures from initial expression of interest to final evaluation, as outlined below. All applications will be submitted to NorthX through the application portal, found at portal.northx.ca.

Stage 1 - Expression of Interest ("EOI")

The expression of interest includes both a written and video component. The written component is a short summary of the company, covering the technology or innovation, its climate effect, the business opportunity, a company overview, and the proposed use of proceeds.

The accompanying video submission has a maximum length of five minutes. Video quality and production elements are not evaluated or prioritized in the decision process.

Questions to address in your video submission

Companies are invited to submit a maximum 5-minute video that provides an overview of the project, and clearly articulates the following:

1. Who are you and why this problem?
    - Briefly introduce yourself and your company. What led you to tackle this technical challenge, and why are you well-positioned to solve it?

2. What are you building?
    - What problem are you trying to solve? What is your technology or innovation, what specific market gap or problem does it solve, and what clearly differentiates your approach from existing alternatives? How does your solution help customers access BC Hydro Capacity and Energy Efficiency Programs?

3. What is the current status of your company and technology?
    - Please describe your company's current position and the commercial readiness of your technology. Highlight key traction such as pilots, customers, partners, funding secured, and your anticipated path to market.

4. What solution and project are you proposing to advance this technology?
    - What specific project are you seeking support for through NorthX, and how will it advance your technology towards commercialization?
    - Where and how will it be tested or implemented your technology, and what key technical, regulatory, or partnership milestones does it address?

5. What is the commercialization potential of this solution:
    - Who is your target market (target market, first addressable market)
    - Who is the target customer? Do you have existing partners?
    - What is the proposition to the target customer, why would they pay for your solution?
    - How does this solution align with BC's Hydro's Power Smart 2.0 targets, and Capacity and Energy Efficiency Programs?

6. What would NorthX support unlock?
    - What are you requesting from NorthX, and what outcomes will this project unlock over the next 12-24 months?
    - What measurable climate, economic, or social impacts do you expect, and how does it align with NorthX's mandate? How does NorthX funding unlock additional support?

Videos will be uploaded via the web-based application form on the portal.

Stage 1 evaluation will consist of a preliminary review of proposal details to ensure eligibility against program requirements. A limited number of project proposals will be invited to execute a confidentiality agreement and proceed to Stage 2.

Stage 2 - Detailed proposal submission and review

This stage includes preparation and submission of a detailed proposal, detailed due diligence, third-party assessments conducted by experts in their relative fields and multiple engagements with the NorthX project review team.

NorthX will provide Stage 2 applicants with a document template for the detailed proposal submission. Applicants will be required to enter into a confidentiality agreement with NorthX before confidential or detailed information on the project is submitted. Proposals will be reviewed on a competitive basis by NorthX and relevant experts.

Successful project proposals will be subject to a final stage of due diligence review after which they may proceed to Stage 3.

Stage 3 - Funding decision

Successful project proponents will work with NorthX to develop and agree on a project funding agreement ("PFA") which will identify obligations of all parties and will become a binding agreement governing the relationship between NorthX and the project proponent(s). The PFA will also include key milestones for fund release and reporting requirements.

Thank you for your interest. For inquiries, please contact info@northx.ca.

Schedule

Date	Event
September 21, 2026	Program Start Date - Open to receive Expression of Interest
October 30, 2026, at 5:00pm PT	Deadline for submission of Expression of Interest
November 16, 2026	Notification of Stage 1 outcome, invitation for successful projects to advance to Stage 2
November 30, 2026, at 5:00pm PT	Deadline for submission of detailed proposals
January 15, 2027	Due Diligence for Cohort 1 Ends
January 30, 2027	NorthX Non-Dilutive Investment - Successful Applicants Notified
January 30, 2027	Execution of contribution agreements, projects start

About NorthX

NorthX backs the builders of climate hard tech, pinpointing the critical moment when potential is immense, but capital is scarce - where our strategic investments turn local strengths into global climate solutions.

Rooted in British Columbia (BC) but global in vision, we fund the climate technologies that transform industries and build lasting prosperity. We unite visionaries, investors, and partners to scale solutions that drive deep decarbonization and economic growth for Canada.

NorthX is where the future gets built.

About BC Hydro

BC Hydro is a provincial Crown corporation, owned by the government and people of British Columbia, Canada. It is a leader in clean and renewable electricity generation and delivers power to 95% of the population of B.C. and serves over five million people.
www.bchydro.com