



Australian Government

Australian Renewable Energy Agency

ARENA

Emerging Renewables Program

Information Manual

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1. Overview

1.1 Purpose

The purpose of the Emerging Renewables Program Information Manual (the Manual) is to explain, clarify and expand upon the requirements for the Emerging Renewables Program set out in the Emerging Renewables Program Guidelines (the Guidelines). The Manual provides guidance to potential applicants wishing to apply for funding from the program and establishes the policies and practices to be adopted by ARENA in the administration of the program.

The Manual may be revised and reissued at ARENA's discretion, in which case a revised version will be placed on the ARENA website at www.arena.gov.au

The Guidelines set out the program's governance and administrative arrangements on which the Manual is based, and should be read in conjunction with this document. In the event of any inconsistency between the Manual and the Guidelines, the Guidelines will prevail.

Potential applicants should be aware that it is their responsibility to inform themselves of the requirements and criteria for funding from the program, including the requirements and guidance contained in the Manual.

In the Manual, a word takes the meaning defined in Part 7 – Glossary, unless otherwise indicated. When italicised, the terms *Projects* and *Measures*, take the meaning defined in the glossary, but otherwise have their common meaning.

1.2 Introduction

The Australian Renewable Energy Agency (ARENA) was established on 1 July 2012 through the *Australian Renewable Energy Agency Act 2011* with a remit to improve the competitiveness and increase the supply of renewable energy in Australia.

As part of achieving these goals, ARENA is continuing the Emerging Renewables Program that was originally developed by the Australian Centre for Renewable Energy.

Under its 2012/13 Investment Plan, ARENA identified the need to remove or reduce roadblocks to the success of its strategic initiatives, as well as, through its Supporting High-value Australian Renewable Energy Knowledge (SHARE) initiative, to develop and support comprehensive activities that promote knowledge sharing about renewable energy solutions. The focus and scope of the Emerging Renewables Program has been expanded to accommodate these important priorities.

1.3 Objectives of the Program

*Guidelines
section 1.6*

The objectives of the program are to provide funding to:

- drive innovation of renewable energy technologies in Australia*
- reduce or remove roadblocks*
- achieve renewable energy industry development and capacity building in Australia*
- support the delivery of ARENA's SHARE initiative.*

1.4 Outcomes of the Program

Guidelines section 1.7

The program is expected to deliver:

- *a range of renewable energy technologies with the capacity to provide competitively-priced energy for Australia over the long term*
- *increased capacity and skills in Australia's renewable energy industry*
- *increased knowledge and information about Australia's renewable energy industry and renewable energy technologies*
- *increased investment in the renewables sector, including from the private sector and governments*
- *improved coordination and collaboration between governments, industry, the finance sector and the research community, both nationally and internationally*
- *reduced or removed roadblocks.*

1.5 Program Features

The program provides funding for the development, demonstration and early stage deployment of renewable energy technologies with the potential to lower the cost, and thereby increase the supply, of renewable energy in Australia. The program also provides funding to: reduce or remove barriers and impediments to the delivery of ARENA's strategic initiatives, increase knowledge and stimulate industry development and capacity building activities, leading to further investment in renewable energy technologies.

The program is broad in scope, and allows for funding to be provided for meritorious projects across a diverse range of activities, spanning across a range of renewable energy technology sectors along the technology innovation chain.

In order for ARENA to maintain this broad program scope, whilst also being able to give greater merit to those activities which it considers to be higher priority for the program, ARENA has developed the Program Priorities, which are included at Appendix A. The Program Priorities detail the innovation, roadblock and SHARE priorities, and give guidance to the activities that ARENA considers a priority. As detailed in the program's merit criteria, activities that contribute to the delivery of the Program Priorities are considered more meritorious than activities that do not.

The Program Priorities may be updated from time to time to account for changes to ARENA's priorities for the program and in light of changes to ARENA's General Funding Strategy and Investment Plan. Should the program priorities be updated, changes will be made available in an updated version of the manual on ARENA's website.

The program is continuously open to accepting proposals for funding, with each proposal assessed for funding on its own merits.

1.6 Projects and Measures

Applicants to the program can apply for funding for either *Projects* or *Measures*.

Guidelines section 2.2

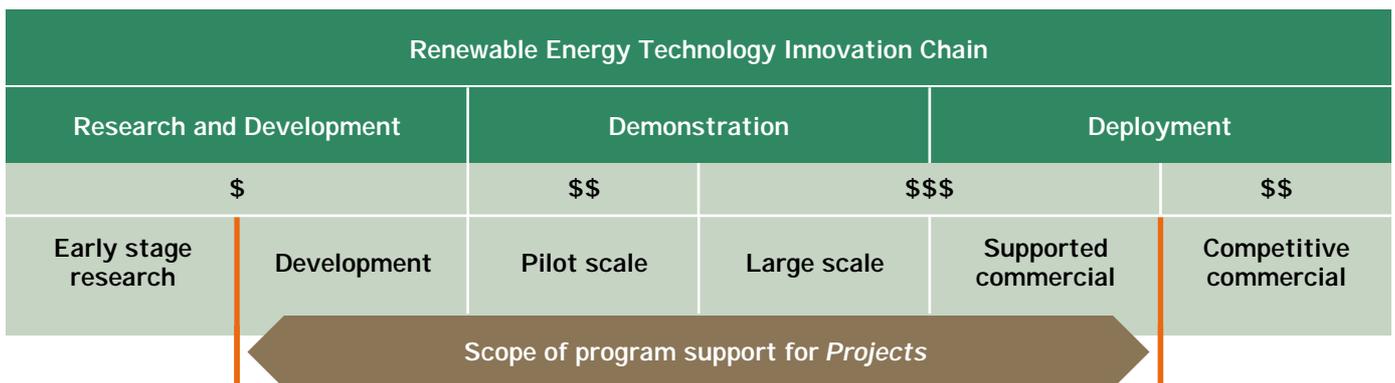
Projects

Projects are defined as activities that:

- *progress the development of a renewable energy technology along the technology innovation chain*
- or
- *develop or demonstrate a renewable energy technology to remove or reduce a roadblock.*

Projects is a funding category through which ARENA provides funding for renewable energy technology projects. *Projects* support a range of renewable energy technologies, across most stages of the technology innovation chain.

Projects does not include support for renewable energy technologies which are at early stage research, or technologies which ARENA considers are commercially competitive.



A *Project* supported under this category typically involves electricity generation plant, fuel production facilities, equipment, systems, components or software using renewable energy technologies. Examples of *Projects* include:

- construction of innovative renewable energy technology plant or systems
- development of components or software for use with renewable energy technologies in Australia, either as a standalone development or as part of a larger project.

Projects progressing the development of a renewable energy technology along the innovation chain either progress development of new Australian renewable energy technologies or adapt overseas renewable energy technologies for Australian renewable energy sources or conditions, where those sources or conditions differ significantly from those overseas.

Projects which develop or demonstrate a renewable energy technology to reduce or remove a roadblock will focus on reducing or removing barriers and impediments to delivery of ARENA's strategic initiatives, such as the Regional Australia's Renewables initiative, which was announced in ARENA's 2012/13 Investment Plan. Examples of roadblock *Projects* include:

- innovative integration of renewable energy technologies, such as combining a renewable energy generation plant with forecasting and storage, to improve grid integration and dispatch ability in islanded grids
- projects demonstrating storage, to address needs for guaranteed electricity supply and reliability in remote locations
- testing facilities, to improve understanding of the performance of renewable energy in remote climates.

*Guidelines
section 2.3*

Measures

Measures are defined as:

- *knowledge activities, in support of the program's objectives*
 - *renewable energy industry development and capacity building activities*
- or*
- *preparatory activities for projects, including potential projects for funding by ARENA.*

Measures is a funding category through which ARENA provides funding for the activities defined above in order to achieve the program's objectives. Through *Measures*, the program will fund activities that support the development of renewable energy technologies and advance Australia's renewable energy industry, knowledge activities in support of the program's objectives and preparatory activities for projects.

The types of *Measure* knowledge activities and industry development and capacity building activities that the program might fund are quite broad and could include:

- modelling
- methodology development
- data collection and dissemination
- skills development
- training
- analysis of development and deployment costs.
- collaboration activities
- best practice guidelines
- course materials
- standards
- analysis of innovative business models

The purpose of these activities is also quite broad, where they could be used to support one or more objectives for innovation of renewable energy technologies, reduction or removal of roadblocks, renewable energy industry development and capacity building or support of the delivery of the SHARE initiative.

To be able to achieve the program's objectives, *Measures* may consider applied research for technologies along the technology innovation chain.

A *Measure* to complete preparatory activities for projects may include project development activities up until project financial close, including, but not limited to; feasibility studies, front end engineering and design, planning and regulatory compliance activities and activities to raise project capital.

1.7 Program Funding Model

*Guidelines
section 1.14*

The ARENA Board has allocated \$215 million funding to the program.

All funding available under the program is in the form of grants.

The program has considerable flexibility about the funding it is able to provide. Funding for the program is available until the program funds have been exhausted or until the program is revoked. Also there is no minimum or maximum funding available per *Project* or *Measure*, other than the available program funds.

To allow for this flexibility while maximising public value for money and the expected economic benefits from the funding allocated to the program, ARENA has developed the guidance below on the types of funding requests it expects to receive. This guidance recognises that different renewable energy technologies at different stages of the technology innovation chain warrant different levels of funding support.

Applicants may apply for any level of *Project* or *Measure* funding, however should be mindful that a strong case will be needed to justify seeking funding outside of the parameters below.

Program Funding Parameters

- funding for any *Project* is expected to be between \$2 million and \$30 million
- funding for any *Measure* is expected to be up to \$3 million
- ARENA will not normally fund the majority of the cost of a project
- proposals for *Projects* and *Measures* seeking 100% of the funding required, or nearly 100% of the required funding, are likely to not be found of a high standard against the merit criteria, noting this is factor in the assessment of merit for both *Projects* and *Measures*
- *Projects* further along the technology innovation chain towards deployment, or where applicants apply for higher funding amounts, will be expected to contribute a larger proportion of the total funding of the proposal.

The funding sought from the program compared with the total cost of the *Project* or *Measure* is a merit criterion for both *Projects* and *Measures*, with proposals seeking a lower proportion of the funding from the program having higher merit. Applicants should see Appendix C for more information on these merit criteria.

ARENA may offer less or more funding than what is sought by an applicant and may attach conditions or requirements to any funding offer.

1.8 Contact

Applicants may clarify any questions about the program or the application process with ARENA as they prepare their proposals. ARENA can be contacted at:

Telephone: (02) 6243 7054
Email: proposals@arena.gov.au

Only responses from the email address proposals@arena.gov.au or published on the ARENA will be regarded as definitive for the purposes of communication with applicants.

ARENA will endeavour to respond promptly to applicants' queries and may choose to provide the questions and answers to all people and organisations registered for ARENA program updates, without disclosing the source of any questions, or revealing confidential information.

2. Application and Assessment Process

2.1 Overview

Applications are invited at any time and will be assessed on a continuous basis on their own merits. An applicant may submit more than one proposal and may participate in other *Projects* or *Measures* as a member of a joint venture or consortium.

The application and assessment process for *Project* proposals involves two steps:

- an initial expression of interest (EOI) stage
- a *Project* funding application stage.

For *Projects*, the EOI stage involves submission of an EOI application, in order for ARENA to determine the eligibility and potential merit of the proposed *Project*. Successful applicants will be invited to progress to the *Project* funding application stage, where upon submission of a *Project* funding application, ARENA will assess and, subject to approval by the Minister for projects over \$50 million, decide on whether a funding offer will be made.

For *Projects*, the level of information required from applicants in the EOI step is less detailed than what is required during the *Project* funding application stage.

For *Measures*, the application process consists only of a *Measures* funding application stage, with no EOI stage. Upon submission of a *Measure* funding application, ARENA will assess and decide whether a funding offer will be made.

In planning *Projects* and *Measures*, applicants should allow time in their project plans for assessment and consideration of their proposal by ARENA and the negotiation and execution of a Funding Agreement. Applicants should contact ARENA with any queries they might have in regards to the amount of time to allow for in project plans.

2.2 Collaboration

ARENA may choose to facilitate collaboration between any applicants with similar or complementary applications or between applicants and other research institutions or funding bodies, to develop consortia to finance and carry out *Projects* or *Measures*. Any such facilitation of collaboration, including the release of confidential information to another applicant or person, will be subject to the applicant's prior consent.

ARENA may seek to work with applicants, potential applicants and their partners to initiate or develop EOIs and funding applications. ARENA may initiate collaborations between potential project proponents and/or funding partners with the consent of respective parties.

ARENA will seek to work with applicants or potential funding partners in an open and flexible manner.

When facilitating collaborations, ARENA is not responsible or liable for any comments, consultation or assistance provided by ARENA, its staff or any associates, and the opportunity must not be taken to imply that ARENA will invite the applicant to submit a *Project* funding application or that ARENA will offer funding for the collaborative project.

2.3 Submitting an Application

Applicants must submit their proposal using ARENANet, ARENA's grants management system or as otherwise directed by ARENA. A link to ARENANet is available on the ARENA website.

Before submitting an application, potential applicants should contact ARENA to discuss their proposal.

Strict word limits may apply at various points when completing an application. Where these words limits occur, applicants can indicate to ARENA that they have further clarifying information available to support their application, which ARENA can, at its discretion, choose to request. ARENA is not obliged to request or consider this information in its assessment.

Where a page limit is prescribed in the Manual or in any program documentation, and an applicant provides a document in response which exceeds that limit, ARENA may choose to stop reading the document at the end of the last page of that prescribed limit and not take into account any further information in the document.

Applicants should take care to ensure they have comprehensively completed each section of the application form when preparing an application.

Determination of *Project* and *Measure* costs, budgets and funding sources must be in accordance with the Eligible Expenditure Guidelines detailed at Appendix D.

Various documents are required to be completed and submitted as a part of an application for each funding stage. These documents are listed below.

2.4 Project Application Requirements

Project EOIs must include:

- a completed Budget and Funding Sources form, including an indicative budget and list of funding sources
- a Compliance Table detailing the applicant's level of compliance with the draft Funding Agreement. A template for the Compliance Table is available on the ARENA website
- a proposed Project Plan of no more than 10 pages in length, which includes an indicative timeline for the implementation of the project.

These are the only attachments allowed as part of an EOI. Any other attachments provided by applicants will be excluded from the assessment process and returned to the applicant.

Project funding applications are required to include:

- a detailed Project Plan
- a completed Budget and Funding Sources form, including a detailed budget and list of funding sources
- a Risk Management Plan
- a Knowledge Sharing Plan as per the requirements of section 4 of the Manual
- an Intellectual Property (IP) Management Plan that includes and identifies:
 - any third party background intellectual property, and measures that will be put in place to ensure continuing access to and protection of this intellectual property
 - the effect any external ownership of background intellectual property will have on ownership of intellectual property expected to be created by the project
 - any measures that may be needed to protect intellectual property created by the project
 - any licensing arrangement required
 - a Compliance Table, identifying the general conditions in the Funding Agreement that the applicant does not accept, accepts in part or does not consider appropriate to its *Project*. This Compliance Table must also include reasons why the applicant does not accept, accepts in part or does not consider appropriate the general conditions it identifies.

Of note, low compliance with the Funding Agreement may impact on ARENA's assessment of project risk. Strong compliance with the Funding Agreement will generally increase the merit of a *Project* or *Measure*.

If an EOI application or a *Project* funding application is received by ARENA and does not include the documents listed above, it may be deemed unsuccessful and returned to the applicant without being assessed.

Where an applicant receives a funding offer of over \$20 million, the applicant may be required to develop an Australian Industry Participation Plan as part of the Funding Agreement and to have this plan approved by the Department of Industry, Innovation, Climate Change, Science and Research and Tertiary Education prior to entering into the Funding Agreement. Applicants may choose to volunteer this information at the *Project* funding application stage. More information is available at www.innovation.gov.au/Industry/AustralianIndustryParticipation

In preparing a *Project* funding application, applicants should provide:

- data and any other information needed to substantiate claims made in the proposal
- details of any assumptions used in calculations
- information on expected financial stability of the company for the duration of the *Project*, including two years of financial information and forward cash flows for the duration of the *Project*.

2.5 Measure Application Requirements

Measure funding applications must include:

- a Project Plan, including a Risk Management Plan
- a completed Budget and Funding Sources form, including an indicative budget and list of funding sources
- a Knowledge Sharing Plan as per the requirements of section 4 of the Manual and
- a Compliance Table detailing the applicant's level of compliance with the draft Funding Agreement. Strong compliance will generally mean higher merit for the risk merit criterion. A template for the Compliance Table is available on the ARENA website.

If a *Measure* funding application is received by ARENA and does not include the documents listed above, it may be deemed unsuccessful and returned to the applicant without being assessed.

Applicants may provide additional attachments to their *Measure* funding applications in addition to those listed above.

Measure funding applications should be a total of no longer than 100 pages in length.

2.6 Eligibility

To be considered for funding under the program, applicants must comply with the program's eligibility criteria.

The eligibility criteria for *Projects* and *Measures* are listed below. Further detail about the eligibility criteria, including additional detail about the criteria and how applicants can demonstrate eligibility, is provided in Appendix B. It is considered essential that applicants closely review this appendix when applying for funding.

2.7 Projects Eligibility Criteria

To be eligible for *Project* funding under the program, an applicant must meet all of the following eligibility criteria:

*Guidelines
section 2.18*

- A. At the time of entering into a Funding Agreement, the applicant must be an Australian entity incorporated under the Corporations Act 2001.*
- B. The applicant must be able to demonstrate to the satisfaction of ARENA that the project described in the proposal meets the definition of a Project.*
- C. The applicant must be able to demonstrate to the satisfaction of ARENA that the Project will take place primarily in Australia.*
- D. The applicant must be able to demonstrate to the satisfaction of ARENA that the applicant has ownership of, access to, or the beneficial use of, any intellectual property necessary to carry out the Project.*
- E. The applicant must not be named as an organisation that has not complied with the Workplace Gender Equity Act 2012 (Cth).*
- F. The applicant must agree that it will enter into an agreement with ARENA to publicly share knowledge and information about, and resulting from, the Project described in its proposal.*
- G. The applicant must comply with any other requirements specified in the Manual.*

2.8 Measures Eligibility Criteria

To be eligible for *Measures* funding under the program, an applicant must meet all of the following eligibility criteria:

*Guidelines
section 2.20*

- A. At the time of entering into a Funding Agreement, the applicant for a Measure must hold an Australian Business Number (ABN).*
- B. The applicant must be able to demonstrate to the satisfaction of ARENA that the activity described in the proposal meets the definition of a Measure.*
- C. The applicant must be able to demonstrate to the satisfaction of ARENA that the applicant has ownership of, access to, or the beneficial use of, any intellectual property necessary to carry out the Measure.*
- D. The applicant must not be named as an organisation that has not complied with the Workplace Gender Equity Act 2012 (Cth).*
- E. The applicant must agree that it will enter into an agreement with ARENA to publicly share knowledge and information about, and resulting from, the Measure described in its proposal.*
- F. The applicant must comply with any other requirements specified in the Manual.*

2.9 Merit

Upon determining that applicants and their proposals are eligible for funding under the program, the merit of eligible applicants and their proposals will be assessed for overall value for money against the program's merit criteria. The merit criteria listed for *Projects* and *Measures* below are not weighted. Only proposals that satisfy each merit criterion to a high standard will be successful.

The merit criteria for *Projects* and *Measures* are summarised below. Further detail about the merit criteria, including additional detail about the criteria and how applicants can demonstrate merit, is provided in Appendix C. ARENA strongly advises that applicants closely review this appendix when applying for funding.

2.10 Projects Merit Criteria

The merit of eligible applicants and their *Projects* will be assessed for overall value for money against the following merit criteria:

*Guidelines
section 2.19*

- A. The extent to which knowledge and information about, and resulting from, the Project will be collected, analysed, stored, used and shared.*
- B. The potential of the renewable energy technology encompassed in the Project to deliver economic benefits by lowering the cost and increasing the supply of renewable energy in Australia over the long term.*
- C. The technical strength of the Project to deliver clearly defined technical outcomes to either:
 - progress the renewable energy technology along the technology innovation chain, considering the national or international significance of any technical innovation involved*
 - or*
 - develop or demonstrate the renewable energy technology to support the removal or reduction of a roadblock**
- D. The contribution of the Project to the program priorities, as detailed in the Manual.*
- E. The capability of the applicant and any proposed supporting consortium to implement the Project and the readiness of the applicant to commence delivery of the Project, including the:
 - management capability and expertise of the applicant*
 - track record of the applicant in undertaking similar projects, including delivering projects on time and on budget*
 - roles of consortium members and the status of any relevant agreements between consortium members*
 - comprehensiveness of planning for the Project, including costing, budgets and planning activities*
 - ability of the applicant to show a clear path to achieving financial close and commencing Project delivery upon execution of a Funding Agreement with ARENA**

Guidelines section 2.19 continued, over

*Guidelines
section 2.19
continued*

- F. The financial viability of the Project and the amount of ARENA funding sought, taking into account:*
- the amount of funding sought from the program for the Project, compared with the total cost of the Project and considering the position of the Project along the technology innovation chain*
 - other expected sources of funding and evidence of any funding that has been secured*
 - the demonstrated financial capacity of the applicant to fund its contribution to the costs of the Project.*
- G. The overall risk associated with the Project including, without limitation: compliance, technical, planning and financial risks.*

2.11 Measures Merit Criteria

The merit of eligible applicants and their *Measures* will be assessed for overall value for money against the following merit criteria:

*Guidelines
section 2.21*

- A. The extent to which knowledge and information about, and resulting from, the Measure will be collected, analysed, stored, used and shared.*
- B. The contribution of the Measure to the program's objectives, taking into account the program priorities.*
- C. The capability of the applicant and any proposed supporting consortium to implement the Measure and the readiness of the applicant to commence delivery of the Measure, including the:*
- management capability and expertise of the applicant*
 - track record of the applicant in undertaking similar activities*
 - roles of any consortium members and the status of any relevant agreements between consortium members*
 - comprehensiveness of planning for the Measure, including costing, budgets and planning activities*
 - ability of the applicant to show a clear path to commencing delivery of Measure activities, upon receipt of ARENA funds.*
- D. The financial viability of the Measure and the amount of ARENA funding sought, taking into account:*
- the amount of funding sought from the program for the Measure, compared with the total cost of the Measure*
 - other expected sources of funding and evidence of any funding that has been secured*
 - the financial capacity of the applicant to fund its contribution of the costs of the Measure.*
- E. The overall risk associated with the Measure including, without limitation: compliance, technical, planning and financial risks.*

2.12 Assessment

Upon receiving a proposal, ARENA will assess the proposal against the relevant eligibility criteria as listed in sections 2.7 and 2.8 above. This will include whether the proposal has been correctly and comprehensively completed.

ARENA may seek further information to clarify, or choose to return without assessing, any proposal it considers to be insufficiently completed to allow it to satisfactorily complete its assessment.

If the applicant is determined to not meet one or more of the eligibility criteria, ARENA may discontinue further assessment of a proposal and will deem the proposal as unsuccessful.

Where the application is assessed as meeting the eligibility criteria, ARENA will assess the application against the merit criteria detailed in sections 2.10 and 2.11.

ARENA may seek further information from the applicant or engage independent experts in relation to any matter arising during and from its assessment of an application. ARENA may also form independent panels or committees or otherwise engage relevant consultants to provide it with advice or otherwise assist it with the assessment of an application against either the eligibility or merit criteria.

For a proposal that ARENA determines is of low merit against one or more merit criterion, ARENA may deem the proposal as unsuccessful.

ARENA may also change the amount and type of due diligence activities it undertakes when assessing a proposal, considering the value, size and complexity of the proposal. Due diligence activities may include, but are not limited to, inviting the applicant to present to ARENA, commissioning or completing relevant research, analysis and modelling to support project assessment and contacting any relevant state, territory and international government agencies, project partners or other relevant parties.

2.13 Outcome

*Guidelines
section 2.11*

Following its assessment of a proposal, ARENA will:

- in the case of a Project EOI, invite successful applicants to progress to the Project funding application stage*
- or*
- in the case of a Project or Measure funding application, offer successful applicants funding for their Projects or Measures.*

Applicants may request feedback from ARENA, or ARENA may offer to provide feedback, on the eligibility and merit of their proposals at the conclusion of ARENA's assessment. For unsuccessful applicants, should feedback be provided, reasons for not inviting EOI applicants to progress to the *Project* funding application stage or for not offering funding to *Project* and *Measure* applicants will be included.

**Application and
Assessment
Process**
continued

Applicants that are not invited to progress to the *Project* funding application stage or are not offered funding may submit a revised proposal at least once. Applicants must wait until after they have received feedback from ARENA and take this feedback into account, before submitting a revised proposal. ARENA may decide at its discretion whether to allow any additional revised proposals. ARENA may refuse to assess a revised proposal that, in the opinion and absolute discretion of ARENA, has not taken into account the feedback provided by ARENA.

ARENA will advise the applicant in writing of the outcome of the assessment of their application, and if the project has been accepted for funding, the amount and nature of any funding support to be offered by ARENA and any conditions attached to the funding offer. A funding offer under the program may be for less or more than the amount of funding requested by the applicant and may exclude parts of a project submitted by an applicant.

Where ARENA proposes to offer funding of over \$50 million, ARENA will seek the Minister for Resources and Energy's approval before offering the funding.

3. Funding Arrangements

3.1 Overview

Applicants are required to enter into a Funding Agreement before funding will be paid. The Funding Agreement sets out the obligations of each party and terms around payment. Sample Funding Agreements for the program are available on ARENA's website.

As part of all proposals, applicants are required to certify that they have read, understood and agreed to the general conditions of the Funding Agreement.

3.2 Funding Offers

Applicants offered funding under the program are required to enter into a legally binding Funding Agreement with ARENA. All applicants offered funding would have a negotiation period, as specified in the letter offering funding, in which to negotiate and execute the Funding Agreement with ARENA. Failure to execute within this period may result in withdrawal of the funding offer.

ARENA may extend the negotiation period at its absolute discretion and applicants may request that ARENA extend the negotiating period. Requests for extensions must be made in writing and may be granted at ARENA's absolute discretion.

ARENA reserves the right to terminate contract negotiations if an applicant raises a new issue regarding compliance with the Funding Agreement that they did not raise in their compliance statement at the time of submitting a *Project* funding application or *Measure* funding application.

Applicants who have received funding offers may not disclose the funding offer until the Funding Agreement has been executed. Disclosure of the funding offer by an applicant prior to execution of the Funding Agreement may result in the funding offer being withdrawn by ARENA.

3.3 Funding Agreement

Funds will not be provided unless the Funding Agreement has been finalised, has legally commenced and any conditions precedent have been met.

The Funding Agreement will provide the legal framework for the obligations of each party and terms around payment of milestones.

Once a Funding Agreement has been executed, ARENA will make an announcement and publish details on its website.

3.4 Variation to Funding Agreement

Requests to vary the Funding Agreement (for example, extensions to a project's timeframe or changes in scope) must be made in writing to ARENA (as specified in the relevant agreement).

In considering a request to vary a Funding Agreement, ARENA may consider the impacts the variation would have on the basis for selection of the *Project* or *Measure*, including:

- whether the *Project* or *Measure* would remain consistent with the policy objectives and outcomes for the program
- whether the *Project* or *Measure* would still satisfy the program's eligibility and merit criteria
- whether the proposed changes would affect the likelihood of the *Project* or *Measure* satisfying the agreed milestones and stage gate criteria
- whether the proposed changes are appropriate in the circumstances.

Approval of variations to a Funding Agreement is at the discretion of ARENA. All variations to Funding Agreements will be by written agreement of the parties.

ARENA may engage relevant expertise to assist with the assessment of requests to vary Funding Agreements.

3.5 Monitoring and Evaluation of Projects

Monitoring and reporting requirements will be specified in the Funding Agreement and will be tailored to suit individual projects.

Projects are expected to progress at a rate consistent with the milestones for the project specified in the Funding Agreement. To demonstrate the performance of their project against the agreed performance milestones and stage gate criteria detailed in the Funding Agreement, agreements will specify the reports that funding recipients will be required to provide. These reports may include:

- regular progress reports
- notifying ARENA of significant developments that ARENA may wish to use in its knowledge sharing activities
- milestone reports
- audited financial reports
- a final report.

Funding recipients are required to take a risk-mitigation based approach to project management and to advise ARENA if they are experiencing significant issues.

ARENA may terminate a Funding Agreement or suspend further payments of funding where a project fails to meet agreed milestones or stage gate criteria.

ARENA may select funded projects for site visits and/or program audits.

More information on reporting requirements can be found in the draft Funding Agreement on the ARENA website.

3.6 Recognition Requirements

In all publications, promotional and advertising materials, public announcements and activities in relation to a project, a funding recipient must acknowledge the financial support that it has received from the Australian Government, through ARENA (as specified in the Funding Agreement).

ARENA reserves the right to publicise and report on the funding awarded to funding recipients. The Australian Government may also do this. ARENA and the Australian Government may do this by including in media releases, general announcements about funding and annual reports, the funding recipient's name, the amount of the funds given to the funding recipient and the title and a brief description of the project.

4. Knowledge Sharing

Knowledge sharing refers to both a high level ARENA strategic objective and to specific activities and requirements that apply to all ARENA-funded activities.

At a strategic level, ARENA wants to ensure that each and every activity that it supports contributes to the store of publically available data, information and knowledge about renewable energy in Australia. ARENA considers knowledge sharing an essential, public-good outcome arising from the investment of public funds in renewable energy projects.

The program will contribute to knowledge sharing in two ways. Firstly, in common with all ARENA programs each grant recipient will be required to implement a Knowledge Sharing Plan that determines how data, information and knowledge generated in the course of implementing any ARENA funded activity will be collected, analysed, stored, used and disseminated.

Secondly, through ERP *Measures* ARENA will provide support for activities that are either wholly or primarily intended to generate, collect, analyse, use, store or disseminate data, information and/or knowledge about renewable energy.

The knowledge sharing required to support the program's objectives and outcomes should be balanced with the need to preserve the confidentiality of intellectual property in projects funded by the program. To provide a basis for balancing these competing priorities, all applicants are required to prepare a Knowledge Sharing Plan for their project and also demonstrate compliance with any of ARENA's existing knowledge sharing programs.

A proposed Knowledge Sharing Plan is required as part of a *Project* funding application and a *Measure* funding application and a final agreed Knowledge Sharing Plan will be negotiated as part of the Funding Agreement for the project. A template for the Knowledge Sharing Plan is available on the ARENA website.

The Knowledge Sharing Plan will identify the information that can be released into the public arena, and the information that both parties agree should be retained as confidential. At a general level, the information for public release is expected to include:

- the information to be published on the ARENA website about the *Project* or *Measure*
- a description of the *Project* or *Measure* for public release for use in publications and announcements by ARENA. This description is expected to provide a clear and concise summary of the *Project* or *Measure* including its objectives, key activities and timeframes
- any community consultation documentation required in accordance with the Funding Agreement
- reports prepared by the recipient for public release on progress with the *Project* or *Measure* and its outcomes, including, as far as possible and if relevant, the operational and financial performance of any renewable energy system, including costing and levelised cost of energy figures
- where relevant, case studies and similar documentation prepared by the recipient for publication describing the *Project* or *Measure*
- where relevant, the provision of renewable energy resource data, such as solar irradiation data, for inclusion in commonwealth databases used to develop renewable energy resource maps or similar documents for publication.

In addition, the Knowledge Sharing Plan will:

- identify information about the *Project* or *Measure* and any renewable energy system to be made available to ARENA, but to be treated as commercial-in-confidence by ARENA
- provide for presentations by the recipient on the progress of the *Project* or *Measure* to relevant industry forums
- encourage and facilitate the sharing of information about the *Project* or *Measure* with other stakeholders, including with other funding recipients, the energy sector and other relevant industries
- if relevant, allow for escorted on-site visits to the site of any *Project* or *Measure* activities for the purpose of explaining the *Project* or *Measure* and demonstrating any renewable energy system to interested parties, subject to any safety and operational requirements.

Applicants should be aware that the *Freedom of Information Act 1982* (FOI Act) gives the public the right to access information collected or in the possession of the Commonwealth, unless exempted under the relevant provisions of the FOI Act.

5. Further Program Information

5.1 Governance

**Guidelines
sections
5.1 and 5.2**

The ARENA Board is responsible for the program and is the decision-maker in respect of the program, except where a grant for a Project or Measure exceeds \$50 million initially, or a further grant would increase the total funding from ARENA for a Project or Measure to over \$50 million, in which the case the grant must be approved by the Minister.

The ARENA Board may delegate responsibility for the program, including responsibility for making decisions with respect to the program, in accordance with the ARENA Act.

The ARENA Board may provide advice to the Minister and the Australian Government Department of Resources, Energy and Tourism on the program in accordance with the ARENA Act.

The administrative framework for the program is derived from:

- the ARENA Act
- the General Funding Strategy made under Subdivision A, Division 2, Part 3 of the ARENA Act
- the Guidelines
- the Investment Plan
- the Manual
- the delegations from ARENA, the ARENA Board and the CEO
- the draft Funding Agreement
- any other program documentation approved by ARENA.

ARENA may make policies and issue guidance documents for the administration of the program, which should be consistent with the guidelines, but in the event of any inconsistency real or perceived, the guidelines shall prevail.

The Guidelines will be supported by other program documentation, including the Manual, which may expand, constrain, or define terms, concepts and other requirements of these guidelines and add additional processes or requirements.

The Guidelines and the Manual will be available on ARENA's website.

Documentation for the program will be updated from time to time to account for changes to details of the program and to the relevant provisions of Commonwealth legislative requirements and policies.

5.2 Confidentiality and Disclosure of Information

*Guidelines
sections
5.3 and 5.4*

Subject to section 5.4, information of a confidential nature which is provided by an applicant as part of, or in connection with, any application or negotiation process (if any) will be treated as commercial-in-confidence information by ARENA and will only be disclosed with the consent of the applicant.

ARENA may disclose any information, referred to in section 5.3, including commercial-in-confidence information:

- A. To the Minister and the Minister's office.*
- B. In response to a request by a House or a Committee of the Parliament of the Commonwealth of Australia.*
- C. To the Auditor General, Ombudsman, Information Commissioner or Privacy Commissioner.*
- D. To ARENA staff, consultants and advisers.*
- E. To any Commonwealth agency or body, or to any other organisation or individual considered by ARENA to have a need or an entitlement to know that information (including any state or territory agency or body), where that need or entitlement arises out of or in connection with ARENA's assessment, verification or due diligence of any aspect of an application.*
- F. Where authorised or required by law to be disclosed.*

For the sake of clarity, if ARENA discloses commercial-in-confidence information, ARENA will require the recipient of that information to treat it as commercial-in-confidence information.

The guidelines deal with the treatment of information of a confidential nature that is provided to ARENA by an applicant as part of the application or negotiation process. The Funding Agreement will govern the treatment of confidential information if and when a Funding Agreement is executed.

Applicants should therefore identify any information that they regard as confidential in nature in their applications, so that ARENA is aware of the applicant's views about what ought to be treated as commercial-in-confidence information.

5.3 Use of Applicants' Information

ARENA, including its internal management, agents and advisers, will use the information provided by applicants and grantees for the purposes of discharging their respective functions under the program. ARENA may also:

- use information received in proposals in any of its legitimate business
- consult with other commonwealth agencies or bodies, other organisations or relevant individuals about an applicant's claims during the application process and the course of the program
- engage third parties (such as consultants) to review and assess proposals, in which case, ARENA will require these third parties to observe appropriate confidentiality.

If, during the application process or funding period, ARENA provides an applicant's information to a third party, ARENA will require these parties to observe appropriate confidentiality.

5.4 Privacy

In administering the program, ARENA is bound by the provisions of the *Privacy Act 1988* (Cth) (Privacy Act). Section 14 of the Privacy Act contains the Information Privacy Principles (IPPs) that prescribe the rules for handling personal information. Persons, bodies and organisations involved in the program must abide by the IPPs, the Privacy Act and any other relevant laws when handling personal information collected for the purposes of the program.

5.5 Feedback and Complaints Handling

In the first instance, applicants should provide any concerns or complaints to the email address specified in section 1.8 of the Manual.

If ARENA staff cannot resolve a complaint from an applicant or recipient within thirty business days of receiving the complaint, they must notify the applicant of the identity of a Complaints and Review Officer for the assessment process and of any next steps, should the applicant wish to pursue the complaint.

If an applicant or recipient is not satisfied with the complaint resolution procedure, the applicant can approach the Commonwealth Ombudsman for external review of the administrative actions of ARENA. The Commonwealth Ombudsman can be contacted by telephoning 1300 362 072 or by writing to the relevant contact address specified on the Ombudsman's website at www.ombudsman.gov.au

5.6 Disclosure of Proceedings

All applicants must disclose any litigation, arbitration, mediation, conciliation or proceeding or any investigations (Proceedings) that to the best of the applicant's knowledge, after having made proper enquiry, are taking place, pending or threatened, against them or a related body corporate, as defined in the *Corporations Act 2001* (Corporations Act), where such Proceedings have the potential to affect either:

- the applicant's capacity to undertake the proposed project
- or
- the applicant's reputation.

If an applicant fails to disclose Proceedings and is subsequently found to have Proceedings that ARENA considers, in its absolute discretion, should have been disclosed to it, ARENA may determine that the applicant's proposal is ineligible for funding.

If a recipient fails to disclose Proceedings and is subsequently found to have Proceedings that ARENA considers, in its absolute discretion, should have been disclosed to it, ARENA may terminate the recipient's Funding Agreement.

5.7 Changes to Proposals

Applicants must notify ARENA promptly and in writing of any change to a proposal that could affect the basis upon which the applicant will have access to the necessary skills, resources or corporate or financial backing to undertake the proposed *Project* or *Measure*. ARENA will consider the notification as a part of the process of assessment of the proposal, which may prolong the assessment as to allow ARENA suitable time to assess the additional information, and its effect on the *Project* or *Measure*.

5.8 Applicant's Responsibilities

Subject to the terms of any Funding Agreement executed with a recipient, all costs and expenses incurred by an applicant in connection with a proposal under the program are the sole responsibility of the applicant and are not recoverable from ARENA. These include, but are not limited to:

- preparing a proposal
- any subsequent negotiation
- any other action including any dispute or response in relation to this information manual or at law.

Applicants are responsible for conducting their own examinations of matters relating to their proposals and will be deemed to have made their own enquiries regarding participation in the program. ARENA may deem any proposal unsuccessful, should it be subject to due diligence or other investigation to be performed by or for the applicant after the proposal is submitted.

When preparing proposals, applicants should be aware that it is their responsibility to inform themselves of the responsibilities and risks associated with applying for funding from the program.

All applicants should obtain and will be deemed to have obtained their own advice on the effect of laws and Commonwealth policies, including those referred to in part 6 of the Manual.

5.9 No Contract or Liability

Despite:

- anything else contained in this information manual (or in any guidelines)
- any conduct, statement, act or omission (whether negligent or otherwise) by or on behalf of ARENA at any time

by submitting an application, or by otherwise participating in or conducting any activities in relation to the program, (individually and collectively, Participation), each applicant:

- acknowledges that neither ARENA nor the applicant intends to create any contract or other relationship under which ARENA is obliged to conduct:
 - the application process
 - any negotiation or subsequent processor
 - the program more generally

(collectively the program process), in any manner or at all, and that there is in fact no such contract or other relationship in existence

- accordingly, acknowledges that neither the program process nor any Participation:
 - will create any legal or other obligation upon ARENA to conduct the program process in any manner or at all
 - will be, or will be deemed to be, a binding undertaking of any kind by ARENA on the basis of any promissory estoppel, quantum meruit, quantum valebat, or any other contractual, quasi-contractual or restitutionary grounds or in negligenceor
 - will, or will be deemed to, give rise to any responsibility or liability of ARENA under any circumstances

- releases ARENA from any claim it might otherwise have been able to make or bring against ARENA, arising out of or in connection with:
 - ARENA's conduct of, or failure to conduct, the program process in any manner or at all or
 - any Participation.

It is a condition of Participation that each applicant acknowledges and accepts that a contract may only be created between ARENA and that applicant by both parties entering into a Funding Agreement through formal execution.

5.10 ARENA's Rights

Without limiting its rights at law or otherwise, ARENA reserves the right and absolute discretion at any time to:

- cease to proceed with, or suspend, the program
- cease working with an applicant at any time at its discretion
- amend the Manual, including altering the details of the program, giving written notice where possible
- otherwise vary the assessment process
- require additional information or clarification from any applicant or anyone else associated with a proposal
- shortlist applicants
- negotiate with any one or more applicants and discontinue such negotiations
- call for new proposals
- publish or disclose the names of the recipients of funding under the program
- allow or not allow a related body corporate, as defined in the Corporations Act, to take over a proposal in substitution for the original applicant
- discontinue assessment of a proposal and reject any proposal
- perform security, probity and financial investigations and procedures such as ARENA, in its absolute discretion, may determine are necessary in relation to each applicant, its partners, associates, subcontractors or related bodies corporate (as defined in the Corporations Act) or consortium members and their respective employees or officers.

Any time or date in this information manual is for the sole convenience of ARENA.

The establishment of a time or date in this information manual does not:

- create an obligation on the part of ARENA to take any action
- or
- create any right in any applicant that any action be taken on the date established.

ARENA may, but is not obliged to, notify affected applicants if ARENA exercises any of its rights listed in this section 5.10, but will not be obliged to provide any reasons for its actions.

5.11 Conflicts Of Interest

In submitting a proposal, the applicant warrants that, to the best of its knowledge after making diligent enquiries and at the date of submitting the proposal, no conflict of interest exists or is likely to arise in the application process or in the performance of its obligations under the program. Where a conflict of interest arises, or appears likely to arise (whether at the time of, or after submitting, a proposal), the applicant must:

- immediately notify ARENA in writing
- make full disclosure of all relevant information relating to the conflict
- take such steps as ARENA requires to resolve or otherwise deal with the conflict.

Where an applicant declares any conflicts of interest, it should set out a proposed strategy for managing and monitoring these conflicts to ensure it does not compromise the success of the *Project or Measure*. ARENA will assess the situation and decide an appropriate course of action, including whether not to accept the proposal for funding.

ARENA administers conflict of interest procedures, including procedures for Board members, the Chief Executive Officer, the Chief Financial Officer of ARENA and other ARENA staff to declare their interests.

All consultants or experts engaged by ARENA to assist in the assessment of proposals or variations to proposals or Funding Agreements will be required to disclose any conflicts of interest they may have in relation to applicants and may be excluded from the assessment of a proposal or a request for variation because of their conflict of interest.

5.12 Due Diligence Checks

ARENA may conduct due diligence and other checks on an applicant, application or progress of an approved project including by having discussions with:

- consortium members, subcontractors or other organisations involved in a project
- or
- other organisations with experience in dealing with the applicant or with an aspect of the project, whether or not those organisations are provided as referees.

6. Applicable Requirements

This section outlines a range of requirements that may affect the conduct of projects under the program. Applicants should seek their own advice on any relevant legislation.

6.1 Australian National Audit Office

The Auditor-General has statutory powers to obtain information. *The Auditor-General Act 1997* (Cth) provides the Auditor-General or an authorised person with a right to have at all reasonable times, access to information, documents and records.

In addition to the Auditor-General's statutory powers and in recognition of the need for the Auditor-General's functions to be conducted in an efficient and co-operative manner, a recipient with a Funding Agreement will be required to provide to the Auditor-General or a delegate of the Auditor-General, access to the recipient's premises, in respect of any inquiry concerning the project for which the recipient is receiving or has received funding and to otherwise facilitate monitoring of compliance with the Funding Agreement. Such access will apply for the term of the Funding Agreement and for a period of seven years after the date of termination or expiry of the Funding Agreement.

6.2 Anti-Terrorism

ARENA will not enter into a Funding Agreement with a person or organisation on the list of persons and entities designated as terrorists. Part 4 of the *Charter of United Nations Act 1945* (Cth) and the Charter of United Nations (Dealing with Assets) Regulations 2008 (Cth) require any person who holds assets or funds belonging to a person or organisation on the list of persons and entities designated as terrorists to immediately freeze those assets. It is an offence to make any funds or assets available to a person or organisation on the list. The list and more information on these requirements are available at:

http://www.dfat.gov.au/icat/UNSC_financial_sanctions.html

6.3 Anti-Money Laundering

Recipients will be required to comply with any obligations applicable to them contained in the legislation arising from the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth).

6.4 Equal Opportunity

The Australian Government has a policy of not entering into agreements with or providing discretionary grant or loan funds to organisations that do not comply with their obligations, if any, under the *Workplace Gender Equity Act 2012* (Cth). To be considered for funding under the program, the applicant must demonstrate that they understand and meet their obligations, if any, under the Act. ARENA will also check applicants' names against the List of Non-Compliant Organisations on the website of the Workplace Gender Equity Agency at: www.wgea.gov.au

6.5 Archiving

Funding recipients should be familiar with the requirements of record keeping in an outsourced environment, particularly the National Archives publication *Records Issues for Outsourcing*. Copies of this publication can be downloaded from:

http://www.naa.gov.au/Images/GDA25_tcm2-1129.pdf

6.6 Environmental Regulation

Funding recipients will be required through the Funding Agreement to comply with the National Model Regulations for the Control of Workplace Hazardous Substances [NOHSC:1005(1994)] and National Code of Practice for the Control of Workplace Substances [NOHSC:2007(2004)]. Copies of both documents can be obtained from the Australian Safety and Compensation Council (ASCC) website at www.ascc.gov.au.

6.7 Construction and Occupational Health and Safety (OH&S) Compliance

Construction projects funded by ARENA may be required to comply with relevant Australian Government policies and schemes to promote good workplace relations and safety practices in the construction industry. Relevant schemes include:

- the Building Code 2013 in force pursuant to the *Fair Work (Building Industry) Act 2012* (Cth), and the Supporting Guidelines for Commonwealth Funding Entities (respectively, the Code and the Supporting Guidelines)
- the Australian Government Building and Construction OHS Accreditation Scheme established under the *Fair Work (Building Industry) Act 2012* (Cth) (the Scheme).

The Code and the Supporting Guidelines apply to all construction activity undertaken by, or on behalf of funding entities irrespective of the value of a project. The Code and Supporting Guidelines also apply to all construction projects indirectly funded by the Australian Government through grant and other programs where:

- the value of the Australian Government contribution to a project is at least \$5 million and represents at least 50 per cent of the total construction project value
- or
- the Australian Government contribution to a project is \$10 million or more, irrespective of the proportion of Australian Government funding.

The Scheme applies to projects directly funded by Australian Government with a value of at least \$3 million, and projects indirectly funded by Australian Government where:

- the value of the Australian Government contribution to the project is at least \$5 million and represents at least 50 per cent of the total construction project value
- or
- the Australian Government contribution to the project is \$10 million or more irrespective of the proportion of Australian Government funding
 - the head contracts for building work are greater than \$3 million (GST inclusive).

Further information about the Code and Guidelines is available at www.deewr.gov.au/building
Further information about the Scheme is available at www.fsc.gov.au

7. Glossary

ARENA – Australian Renewable Energy Agency, as established by section 7 of the ARENA Act

ARENA Act – *Australian Renewable Energy Agency Act 2011* (Cth)

ARENA's strategic initiatives – Those initiatives identified as being strategic initiatives by ARENA in its Investment Plan

Applicant – Any entity, or the lead proponent of a consortium, that has submitted a proposal for funding under the program

Conflict of interest – A situation where a person makes a decision or exercises a power in a way that may be, or may be perceived to be, influenced by either material personal interests (financial or non-financial) or material personal associations

Consultant – A consultant engaged by ARENA pursuant to section 63 of the ARENA act to provide services to assist ARENA in the performance of its functions

Eligibility criteria – The eligibility criteria listed in section 2.7 for *Projects*, and section 2.8 for *Measures*

Eligible expenditure – Expenditure of the kind set out in Appendix D of the Manual

Expression of interest application or EOI application – A preliminary submission under the EOI stage of the application and assessment process for *Projects*, which is submitted by an applicant and received by ARENA

Funding Agreement – The agreement between a recipient and ARENA for funding under the program, as amended from time to time in accordance with the guidelines for the program. The Funding Agreement consists of two parts: the General Conditions and the Schedule

- *General Conditions* – The predetermined standard contract approved by ARENA
- *Schedules* – The specific information and conditions that are consistent with the funding offer

Funding application – Either a *Project* funding application or a *Measure* funding application

General Funding Strategy – The document made under Subdivision A, Division 2, Part 3 of the ARENA Act

Grant – An amount awarded for a particular *Project* or *Measure* in return for the completion of specified milestones. A grant is not to be confused with a gift or a loan. In the case of the program, the grant is the amount identified in the Funding Agreement. Grants are subject to normal taxation treatment as income and no special taxation arrangements will apply to grants under the program

Guidelines – The Emerging Renewables Program Guidelines

Investment Plan – The ARENA Investment Plan, a document that ARENA releases annually, outlining ARENA's investment programs and initiatives

Manual – This Emerging Renewables Program Information Manual, the document issued by ARENA to provide potential applicants with more information about the program

Measures – Refers to:

- knowledge activities, in support of the program's objectives
 - renewable energy industry development and capacity building activities
- or
- preparatory activities for projects, including potential projects for funding by ARENA

Measures funding application – The submission for funding under the *Measures* funding application stage of the program

Merit criteria – The merit criteria listed in section 2.10 in the case of *Projects*, and section 2.11 in the case of *Measures*

Minister – Minister for Resources and Energy

Program – Emerging Renewables Program

Program Priorities – ARENA's innovation, knowledge sharing and roadblock priorities or any other priorities for the Emerging Renewables Program as set out in Appendix A of the Manual

Projects – Activities that:

- progress the development of a renewable energy technology along the innovation chain or
- develop or demonstrate a renewable energy technology to remove or reduce a roadblock

Project funding application – The submission for funding under the *Project* funding application stage of the application and assessment of proposals for *Projects* under the program

Proposal – A submission for a *Measure* or *Project* under any stage of the application and assessment process for the program, which is submitted by an applicant and received by ARENA

Recipient – An entity that has entered into a Funding Agreement with ARENA for funding of a *Project* or *Measure*

Renewable Energy Technology – A technology that uses or enables the use of one or more renewable energy sources. This may include technologies that:

- generate or supply energy, including hybrid systems
 - provide a direct energy input for other uses, such as transport, heating, cooling, cogeneration and trigeneration
- or
- are otherwise associated with, or used in conjunction with, renewable energy technologies where:
 - renewable energy sources are those that are generated from natural resources that can be constantly replenished
 - hybrid integrate renewable energy technologies with other energy production systems
 - enabling technologies and systems are those that enable renewable energy technologies to function more effectively
 - cogeneration technologies involve the combined production of electricity and useful heat from the same process (also known as combined heat and power)
 - trigeneration technologies involve the simultaneous production of three forms of energy (electricity, useful heat and cooling) from the same process (also known as combined heat, cooling and power)

Roadblock – Any barrier or impediment to the achievement or efficient delivery of ARENA's strategic initiatives

SHARE initiative – The Supporting High-value Australian Renewable Energy Knowledge initiative described in ARENA's Investment Plan

Technology innovation chain – The process of development, demonstration and early-stage deployment of new technologies as defined in the Manual. The technology innovation chain does not include early stage research and development activities or commercial scale deployment

Appendix A – Program Priorities

Overview

The program priorities detail those activities that ARENA considers are priority areas for funding through the program. These program priorities may change from time to time to reflect changes to ARENA's views on focus areas for the program and to align the program with ARENA's General Funding Strategy and Investment Plan. When this occurs, the revised priorities will be published on the ARENA website at www.arena.gov.au, in a revised version of the Manual.

Projects and *Measures* may contribute to one or more of the priority areas listed below.

To achieve a diverse portfolio of projects funded through the program, ARENA may, at its discretion, choose to not prioritise *Projects* or *Measures* for funding where that *Project* or *Measure* would not significantly add to the program's portfolio of projects, considering the outcomes and objectives of projects that ARENA has already funded or is intending to fund. When considering the diversity of the portfolio of projects it funds, ARENA will place a higher priority on delivery of projects that it considers maximises the project's value for money for ARENA against the program's objectives, rather than delivery of a broad range of renewable energy technologies. The program's portfolio of projects is listed on ARENA's website.

ARENA's decisions on funding from the program will also consider the extent to which any renewable energy technology involved in a *Project* or *Measure* has originated and continues to be developed within Australia.

ARENA may, at its discretion, consider exceptional and innovative proposals not detailed in this appendix that ARENA believes may justify funding support from the program.

Innovation Priorities

The focus of these innovation priorities is to realise opportunities and overcome barriers to the development of renewable energy technologies of particular importance to Australia, through supporting:

- the piloting, demonstration and early-stage commercial deployment of innovative renewable energy technologies in Australia
- the development of critical enabling technologies and systems
- knowledge creation, collection, analysis, storage, use and sharing activities that contribute to renewable energy industry development and capacity building in Australia.

Priority areas for innovation for each technology sector are listed by technology below.

Projects targeting these innovation priorities will either progress development of new Australian renewable energy technologies along the technology innovation chain or adapt overseas renewable energy technologies for Australian renewable energy sources or conditions, where these sources or conditions differ significantly from those overseas.

Measures targeting these innovation priorities will support the creation, collection, analysis, storage, use and sharing of knowledge to assist the development of the Australian renewable energy industry, including through building its skills and capacity to develop renewable energy technologies.

Solar

The program's priority for solar energy is on compelling enabling technologies, including energy storage, grid connection technologies and hybrid systems.

ARENA will also support innovative pilot and demonstration scale solar *Projects*.

Geothermal

The program's priorities for geothermal energy are:

- to facilitate national coordination and information dissemination activities to advance geothermal energy deployment
- improving pre-competitive data to facilitate resource discovery and proving
- support pilot-scale demonstration projects that have a clear pathway to commercialisation to enable learning by doing and information gathering and dissemination
- research to de-risk resource characterisation or sub-surface engineering, or other ways to reduce the expected cost or risk of geothermal resource development.

Wind

In light of its widespread deployment, ARENA does not propose to provide funding from the program for the development of wind energy technologies.

ARENA may, however, consider supporting those enabling technologies that may help to resolve grid connection issues, or *Measures* to broaden understanding of wind development issues.

Hydro

In light of its widespread deployment, ARENA does not propose to provide funding from the program for hydroelectric technologies except where there is an outstanding opportunity to increase deployment in this area.

Wave, Ocean and Tidal Energy

The priority of the program is to support *Measure* activities that build on developments internationally in ocean technologies and contribute to capacity building and knowledge generation for the ocean energy sector.

ARENA will also consider funding pilot-scale ocean energy technology *Projects*.

Bioenergy

The program's priorities for energy from biological sources are:

- The assessment of sustainable and economic pathways for biofuels from Australian sources
- Innovative pilot-scale bioenergy *Projects*, including second-generation biofuels projects such as algae.

ARENA does not propose to provide funding from the program for waste to energy projects from non-renewable feedstock or for projects where economic viability is highly dependent on the production of co-products (for example, agricultural feed and fertiliser). Bioenergy feedstocks from non-renewable sources are not eligible for the program.

Hybrid Systems

The program's priority is to support hybrid *Projects* that would facilitate early commercial deployment of renewable energy technologies.

Enabling Technologies and Systems

The program's priority is to support critical enabling technologies for Australian conditions and technology concepts with breakthrough potential.

Roadblock Priorities

The roadblock priorities discussed below are considered priority activities to reduce or remove barriers and impediments to the delivery of ARENA's Regional Australia's Renewables Initiative. These roadblock priorities may be updated to address new roadblock priorities as ARENA develops and updates its strategic initiatives.

System Integration

The program's priorities for system integration are:

- *Projects* and *Measures* that demonstrate the reliability of hybrid/integrated renewable energy systems, including heating and cooling, through integration of renewable energy with current energy generation systems
- *Projects* and *Measures* that demonstrate/increase the ability to redeploy renewable energy systems in an economically efficient manner
- control and forecasting systems that enhance the economic or reliability aspects of renewable energy that is used in hybrid or integrated systems.

Storage

The program's priorities for storage are:

- storage technologies or systems that facilitate the integration of renewable energy with other energy generation systems and have a clear pathway to commercialisation
- storage technologies or systems that enable a significantly higher penetration of renewable energy and have a clear pathway to commercialisation
- enabling technologies that integrate storage systems with renewable energy generation for better demand side and load management.

Testing Facilities

The program's priorities for testing facilities are:

- facilities which demonstrate renewable energy technologies' ability to perform in Australian specific climatic conditions
- facilities which demonstrate integration of exceptionally high levels of renewable energy penetration.

System Maintenance in a Remote Environment

The priority for system maintenance is for *Measures* for tools or programs that decrease the cost but increase the effectiveness of servicing renewable energy facilities in remote environments.

SHARE Priorities

These SHARE priorities detail the knowledge collection, analysis, storage, use and sharing activities that ARENA is calling for to support delivery of ARENA's SHARE Knowledge initiative. These priorities are listed by area of focus below:

Understanding Renewable Energy Potential

A SHARE priority is to support *Measure* activities that improve the understanding and availability of resource data required to develop the economic case for investment in renewable energy projects. For example:

- studies that increase the information about the availability, amount and quality of renewable energy resources in Australia where it can be demonstrated that the provision of the information will increase the competitiveness of renewable energy solutions
- studies that assist buyers and providers of renewable energy in remote areas determine the most viable opportunities.

Grid Integration

A SHARE priority is to support knowledge activities that improve renewable energy grid integration, including:

- reducing or removing technical barriers to distributed generation, including deployment of district level storage technologies
- analysis of future renewable energy infrastructure needs and investment requirements to inform future regulatory design
- information that improves the efficiency and cost effectiveness of connecting renewable energy projects to the grid
- performance data that assists developers, investors and/or operators to better understand and assess the characteristics and potential of a technology in an operational situation.

International Engagement

The ARENA Investment Plan: 2012-13 to 2014/15 includes a commitment under the complementary initiatives to provide support where Australia has a competitive advantage. A SHARE priority, and the key international engagement priority of the program, is to support *Measures* which facilitate strategic partnerships between Australian and international researchers and technology developers, where collaboration between the parties will deliver outcomes that could not otherwise be achieved by either party on its own.

Appendix B – Eligibility Criteria

This appendix provides further guidance on the eligibility criteria for the Emerging Renewables Program, including how applicants can demonstrate compliance against the eligibility criteria.

Project Eligibility Criteria

To be eligible for funding under the Emerging Renewables Program, an applicant applying for *Project* funding must meet all of the following eligibility criteria:

A.

At the time of entering into a Funding Agreement, the applicant must be an Australian entity incorporated under the Corporations Act 2001.

Applicants cannot be unincorporated joint ventures. Where the applicant is the lead entity representing a consortium or joint venture, it must meet the requirement for incorporation under the Corporations Act, though the other members of the consortium or joint venture do not need to be incorporated. If the applicant's proposal is successful and the applicant receives a funding offer, the lead entity of a joint venture or consortium will need to be incorporated and enter into a Funding Agreement with ARENA and then enter into back-to-back agreements with other consortium or joint venture partners. ARENA will not enter into a Funding Agreement with an unincorporated joint venture.

To demonstrate eligibility, an applicant must provide an undertaking to be an Australian entity incorporated under the *Corporations Act 2001* at the time of entering into a Funding Agreement.

State or territory government agencies and Australian research institutions that are not incorporated under the Corporations Act are not eligible to be an applicant for a project, but are encouraged to participate in consortiums, joint ventures or other partnerships with industry.

B.

The applicant must be able to demonstrate to the satisfaction of ARENA that the project described in the proposal meets the definition of a Project.

ARENA will use the definition of a *Project* in section 7 – Glossary in the Guidelines to assess *Projects* against this criterion.

C.

The applicant must be able to demonstrate to the satisfaction of ARENA that the Project will take place primarily in Australia.

The applicant will need to demonstrate to the satisfaction of ARENA that the *Project* will take place primarily in Australia. This means that the *Project* must be either:

- constructed in Australia
- or
- if no construction is involved, the majority of the technology development and all key personnel must be located in Australia.

Within this requirement, applicants may be able to purchase services, supplies and technology from overseas, if the expenditure on overseas sourced inputs is unable to be undertaken in Australia and is agreed by ARENA.

D.

The applicant must be able to demonstrate to the satisfaction of ARENA that the applicant has ownership of, access to, or the beneficial use of, any intellectual property necessary to carry out the Project.

The applicant must be able to provide evidence that they have the necessary rights to any intellectual property (IP) needed to undertake the *Project*. This includes identifying and dealing with:

- any third party background intellectual property, and the measures that will be put in place to ensure continuing access to this intellectual property and to protect it
- the effect any third party ownership of background intellectual property will have on the ownership of intellectual property expected to be created by the *Project*
- any measures that may be needed to protect intellectual property created by the *Project*
- any licensing arrangement required.

Evidence to support claims against this eligibility criterion could include patents, licences or any relevant intellectual property agreements.

Following its consideration of a *Project* EOI or *Project* funding application, ARENA may request evidence or documentation supporting the applicant's claim of access to the appropriate rights to any intellectual property necessary to carry out the *Project*, or a documented plan detailing the proposed course of action to acquire such access.

A template for an Intellectual Property Management Plan is available on the ARENA website and is required as part of a *Project* funding application.

E.

The applicant must not be named as an organisation that has not complied with the Workplace Gender Equity Act 2012 (Cth).

The Australian Government has a policy of not entering into agreements with or providing discretionary grant or loan funds to organisations that do not comply with their obligations, if any, under the *Workplace Gender Equity Act 2012 (Cth)*.

Applicants must sign the declaration in the EOI application form or the *Project* application form to demonstrate that they understand and meet their obligations, if any, under the Act. ARENA will check applicants' names against the list of non-compliant organisations on the website of the Workplace Gender Equality Agency at www.wgea.gov.au

F.

The applicant must agree that it will enter into an agreement with ARENA to publicly share knowledge and information about, and resulting from, the Project described in its proposal.

Applicants must agree to enter into an agreement with ARENA to publicly share knowledge and information about, and resulting from, the *Project*.

To determine the knowledge and information to be shared about a *Project*, applicants must complete a Knowledge Sharing Plan as a part of a *Project* funding application, as per the requirements of section 4 of the Manual.

G.

The applicant must comply with any other requirements specified in the Manual.

Applicants must comply with any requirements stated throughout the Manual.

This includes, but is not limited to the requirements for applying and for submitting an application to the program (including completeness and comprehensiveness), and the requirements for disclosure of legal proceedings listed in section 5.6 of the Manual.

Measure Eligibility Criteria

To be eligible for funding under the Emerging Renewables Program, an applicant applying for *Measure* funding must meet all of the following eligibility criteria:

A.

At the time of entering into a Funding Agreement, the applicant for a Measure must hold an Australian Business Number (ABN).

The applicant may be the lead entity representing a joint venture or a consortium of entities. Where this is the case, the applicant must meet the requirements for an ABN, although the other members of the consortium or joint venture do not need to meet this requirement. If the *Measure* application is successful and the applicant is offered funding for its *Measure*, the applicant representing a consortium or joint venture will need to enter into a Funding Agreement with ARENA and may also need to enter into back-to-back agreements with its consortium or joint venture partners.

To demonstrate eligibility, an applicant must provide an undertaking to hold an ABN at the time of entering into a Funding Agreement.

State and territory government agencies and Australian research institutions are eligible to apply for funding of a *Measure*, so long as they hold an ABN.

B.

The applicant must be able to demonstrate to the satisfaction of ARENA that the activity described in the proposal meets the definition of a Measure.

ARENA will use the definition of a *Measure* in section 7 – Glossary in the Guidelines to assess *Measures* against this criterion.

C.

The applicant must be able to demonstrate to the satisfaction of ARENA that the applicant has ownership of, access to, or the beneficial use of, any intellectual property necessary to carry out the Measure.

The applicant must be able to provide evidence that they have the necessary rights to any intellectual property (IP) needed to undertake the project. This includes identifying and dealing with:

- any third party background intellectual property, and the measures that will be put in place to ensure continuing access to this intellectual property and to protect it
- the effect any third party ownership of background intellectual property will have on the ownership of intellectual property expected to be created by the *Measure*
- any measures that may be needed to protect intellectual property created by the *Measure*
- any licensing arrangements required.

Evidence to support claims against this eligibility criterion could include patents, licences or any relevant intellectual property agreements.

Following its consideration of a *Measure* funding application, ARENA may request evidence or documentation supporting the applicant's claim of access to the appropriate rights to any intellectual property necessary to undertake the *Measure*, or a documented plan detailing the proposed course of action to acquire such access.

A template for an Intellectual Property Management Plan is available on the ARENA website.

D.

The applicant must not be named as an organisation that has not complied with the Workplace Gender Equity Act 2012 (Cth).

The Commonwealth has a policy of not entering into agreements with or providing discretionary grant or loan funds to organisations that do not comply with their obligations, if any, under the *Workplace Gender Equity Act 2012 (Cth)*.

Applicants must sign the declaration in the application form to demonstrate that they understand and meet their obligations, if any, under the Act. ARENA will check applicants' names against the list of non-compliant organisations on the website of the Workplace Gender Equality Agency at www.wgea.gov.au

E.

The applicant must agree that it will enter into an agreement with ARENA to publicly share knowledge and information about, and resulting from, the Measure described in its proposal.

Applicants must agree to enter into an agreement with ARENA to publicly share knowledge and information about, and resulting from, the *Measure*.

To determine the knowledge and information to be shared about a *Measure*, applicants must complete a Knowledge Sharing Plan as a part of a *Measure* funding application, as per the requirements of section 4 of the Manual.

F.

The applicant must comply with any other requirements specified in the Manual.

Applicants must comply with any requirements stated throughout the Manual. This includes, but is not limited to the requirements for applying and for submitting an application to the program (including completeness and comprehensiveness), and the requirements for disclosure of legal proceedings listed in section 5.6 of the Manual.

Appendix C – Merit Criteria

Projects Merit Criteria

The merit of eligible applicants and their proposals will be assessed for overall value for money against the following merit criteria:

A.

The extent to which knowledge and information about, and resulting from, the Project will be collected, analysed, stored, used and shared.

This merit criterion assesses the extent to which knowledge and information about, and resulting from, the development, delivery and operation of the *Project* is collected, analysed, stored, used and shared for the broad benefit of industry, research and the public.

Expression of Interest

The applicant may demonstrate merit by:

- briefly describing the activities the applicant proposes to undertake and the *Project* knowledge and information that is to be collected, analysed, stored, used and shared from its activities
- briefly describing the *Project* knowledge and information the applicant considers to be commercial in confidence
- providing details, including reasons, in its Compliance Table, of any conditions in the Knowledge Sharing Plan schedule of the draft Funding Agreement that the applicant does not accept, accepts in part or does not consider to be applicable to its *Project*.

Project Funding Application

The applicant may demonstrate merit by:

- detailing the *Project* knowledge and information that will arise from the project and providing a detailed explanation of how that knowledge and information will be collected, analysed, stored, used and shared
- clearly identifying any *Project* information that it considers to be commercial in confidence and specifying any restrictions it proposes on use of that information, in accordance with the provisions in section 5.2 of the Manual
- including a Knowledge Sharing Plan as per the requirements of section 4 of the Manual
- providing details, including reasons, in its Compliance Table of any conditions in the Knowledge Sharing Plan schedule of the draft Funding Agreement that the applicant does not accept, accepts in part or does not consider to be applicable to its *Project*.

B.

The potential of the renewable energy technology encompassed in the Project to deliver economic benefits by lowering the cost and increasing the supply of renewable energy in Australia over the long term.

This merit criterion focuses on the potential for the *Project* to:

- reduce the cost of a renewable energy technology that has the potential to increase the supply of renewable energy in Australia over the long term
- or
- develop or demonstrate a renewable energy technology that reduces or removes a roadblock.

Expression Of Interest

The applicant may demonstrate merit by briefly describing:

- the main economic costs and benefits of the renewable energy technology, both in Australia and internationally, including the potential for the renewable energy technology to reduce the cost of energy from renewable sources or to provide economic benefits by reducing or removing roadblocks
- the cost of the renewable energy technology compared with other renewable energy technologies, both in similar and differing applications
- the expected pathway to wide-scale deployment and cost competitiveness of the renewable energy technology, including expected technology development timeframes.

Project Funding Application

The applicant may demonstrate merit by detailing:

- a comprehensive economic analysis of the costs and benefits of the renewable energy technology, both in Australia and internationally, showing the potential of the technology to lower the cost of renewable energy in Australia or to provide economic benefits by reducing or removing roadblocks
- the demonstration of a clear and direct pathway to the deployment of the renewable energy technology, including a timeline. Applicants should document this clear and direct pathway in the commercialisation strategy for the renewable energy technology
- estimates of the Levelised Cost of Electricity (LCOE) generated by the technology (for renewable energy technologies that generate electricity), how this LCOE is likely to change over time and details on the assumptions and calculations used to derive these estimates of LCOE. Guidance on how to calculate LCOE is available on the ARENA website
- evidence of the cost competitiveness or other benefits of the renewable energy technology compared with other energy sources and technologies or provision of a detailed pathway to cost competitiveness in the commercialisation plan for the renewable energy technology, specifying how increasing scale, progressive technical advances, technology proving, market demonstration or other credible means will reduce the cost of the renewable energy technology over time
- evidence, where relevant, of the extent to which the renewable energy technology can provide dispatchable electricity supply, including any hybrid or backup power generation.

C.

The technical strength of the Project to deliver clearly defined technical outcomes to either:

- *progress the renewable energy technology along the technology innovation chain, considering the national or international significance of any technical innovation involved*
- or
- *develop or demonstrate the renewable energy technology to support the removal or reduction of a roadblock.*

This merit criterion assesses the technical strength of the *Project* to deliver clearly defined technical outcomes, considering the contribution the *Project* will make against the outcomes to be delivered.

For applicants with *Projects* primarily focused on progressing a renewable energy technology along the technology innovation chain, critical aspects in assessment include; the innovative

nature of the renewable energy technology proposed, its significance both nationally and in a global context and how the *Project* will move this technology along the technology innovation chain to the next logical step for the renewable energy technology on the pathway toward commercial deployment.

For applicants with *Projects* primarily focused on developing or demonstrating a renewable energy technology to support the removal or reduction of a roadblock, critical aspects in assessment include the significance of the renewable energy technology in reducing or removing a roadblock and how the *Project* will develop or demonstrate the renewable energy technology.

All applicants should include details of the Technology Readiness Level (TRL) of any renewable energy technologies in their *Project* (using an internationally accepted technology readiness scale) and the expected TRL of those renewable energy technologies on completion of the *Project*. Guidance on TRLs is available on the ARENA website.

Expression of Interest

The applicant may demonstrate merit by describing briefly:

- the main technical outcomes to be delivered by the *Project*, including key milestones and dates
- the technical feasibility of the *Project*
- where relevant, the innovative aspects of the *Project* that represent a significant step forward in the development of the renewable energy technology or the application of the renewable energy technology in Australia
- where relevant, the significance of the renewable energy technology in reducing or removing a roadblock and how the *Project* will develop or demonstrate the renewable energy technology.
- where the renewable energy technology stands in relation to other similar technologies internationally in terms of cost and stage of development.

Project Funding Application

The applicant may demonstrate merit by detailing:

- a well-articulated Project Plan that covers technical feasibility and design and includes a clear and concise description of the *Project*, clearly defined technical outcomes, a sound technical approach to accomplish the *Project*, and feasible deliverables, milestones and timelines for undertaking the *Project*. Applicants should note that a Project Plan is not a description of the technology
- where relevant, an explanation of the innovative aspects of the renewable energy technology and an explanation of how the *Project* will progress the development of the renewable energy technology
- where relevant, an explanation of the significance of the renewable energy technology in reducing or removing a roadblock and how the *Project* will develop or demonstrate the renewable energy technology
- a technical comparison of the renewable energy technology with other renewable energy technologies
- an explanation, where relevant, of why the adaptation of an existing renewable energy technology is needed to take advantage of renewable energy resources in Australia
- a Risk Management Plan that includes the main technical risks to the *Project* and how these will be managed
- an Intellectual Property Management Plan for the renewable energy technology required for the *Project* and developed in the course of the *Project*, which includes the origin and ownership of background intellectual property.

D.

The contribution of the Project to the program priorities, as detailed in the Manual.

As detailed in Appendix A, the program priorities are intended to change from time to time to reflect changes to ARENA's views on focus areas for the program and to align the program with ARENA's General Funding Strategy and Investment Plan. When this occurs, the revised priorities will be published on the ARENA website at www.arena.gov.au, in a revised version of the Manual.

An important aspect of the program priorities is ARENA's desire for a diverse portfolio of projects, accordingly ARENA may choose to not prioritise *Projects* or *Measures* for funding where that *Project* or *Measure* would not significantly add to ARENA's portfolio of projects, considering the outcomes and objectives of projects that ARENA has already funded or is intending to fund.

Expression of Interest

The applicant may demonstrate merit by describing briefly:

- how the *Project* will contribute to the program's objectives
- which of the program priorities the *Project* addresses and why
- how the *Project* will fit within ARENA's portfolio mix of technologies.

Project Funding Application

The applicant may demonstrate merit by detailing:

- how the *Project* will contribute to the program's objectives
- which of the program priorities the *Project* addresses and why
- how the *Project* will fit within ARENA's portfolio mix of technologies.

E.

The capability of the applicant and any proposed supporting consortium to implement the Project and the readiness of the applicant to commence delivery of the Project, including the:

- *management capability and expertise of the applicant*
- *track record of the applicant in undertaking similar projects, including delivering projects on time and on budget*
- *roles of consortium members and the status of any relevant agreements between consortium members*
- *comprehensiveness of planning for the Project, including costing, budgets and planning activities*
- *ability of the applicant to show a clear path to achieving financial close and commencing Project delivery upon execution of a Funding Agreement with ARENA.*

The purpose of this merit criterion is to ensure applicants have the capability and expertise to undertake and complete the project successfully and that the *Project* is ready to be commenced shortly after provision of ARENA funds. In making its assessment ARENA may consider the following:

- the management capability and expertise of the applicant
- the track record of the applicant in undertaking similar projects, including delivering projects on time and on budget
- the roles of consortium members and the status of any relevant agreements between consortium members
- comprehensiveness of planning for the *Project*, including costing and budgets
- the status of preparatory activities for the *Project*, including the number of outstanding activities that are required to be completed in order to be able to start the *Project*.

Expression of Interest

The applicant may demonstrate merit by describing briefly:

- the key personnel upon whom the *Project* depends (including technical and commercial personnel) and an outline of how their experience and capability will ensure delivery of the *Project*
- any similar projects completed and how this experience will contribute to delivering the proposed *Project* on time and on budget
- where relevant, the roles of consortium members and the status of any relevant agreements between consortium members
- an indicative costing and budget for the *Project* on the Budget and Funding Sources form provided on the ARENA website
- the status of the preparatory activities for the *Project*, including those outstanding activities that are required to be able to start the *Project*, the applicant's path to financial close and the status and government approvals that the *Project* has secured.

Project Funding Application

The applicant may demonstrate merit by providing evidence of:

- an appropriate level of expertise of the applicant organisation and that of key personnel, outlining their level of expertise and professional experience in:
 - project management, with particular regard to the scale and complexity of the proposed *Project* and the type of *Project* proposed
 - business and commercial management, including in human resources and financial management
 - delivering technical outcomes
- the track record, experience and reputation of the applicant for achieving business, engineering or research outcomes professionally
- core business that is directly relevant to the *Project*
- details, where relevant, of the capability of consortium members, their roles in the *Project*, and the extent of their commitment to the *Project* as evidenced by the nature and status of formal agreements between consortium members
- a detailed budget of eligible expenditure and ineligible expenditure for the *Project* consistent with the Eligible Expenditure Guidelines at Appendix D in the Manual and detailed in the Budget and Funding Sources form required for all proposals
- a comprehensive Project Plan for the *Project*, which includes milestones and timelines for undertaking the *Project*
- where relevant, a detailed commercialisation strategy for the *Project*, which includes:
 - a clearly defined commercial pathway for the renewable energy technology to enter the market or to progress further along the technology innovation chain, as appropriate to the stage of development of the renewable energy technology
 - an understanding of the critical structural or market challenges to be resolved before the renewable energy technology can compete in the energy market in Australia

- a Risk Management Plan that includes key personnel risks and how these will be managed
- the status of preparatory activities for the *Project*, including an explanation detailing; any outstanding activities that are required to be able to start the *Project*, the applicant's path and timeline to financial close and the status of regulatory and planning approvals that the *Project* is required to secure.

F.

The financial viability of the Project and the amount of ARENA funding sought, taking into account:

- *the amount of funding sought from the program for the Project, compared with the total cost of the Project and considering the position of the Project along the technology innovation chain*
- *other expected sources of funding and evidence of any funding that has been secured*
- *the demonstrated financial capacity of the applicant to fund its contribution to the costs of the Project*

This merit criterion, assesses whether the applicant and its proposed *Project* financiers have the financial capacity and level of commitment to deliver the *Project* successfully. ARENA will also assess whether the amount of funding sought and the total cost of the *Project* is appropriate for the stage of development of the renewable energy technology.

The Australian Government has a policy that funding programs should focus on activities that would not occur, or would not proceed in a timely manner, without ARENA funding assistance. Applicants must demonstrate that the *Project* has a need for ARENA funding and that it would be unreasonable to expect that they should obtain the funding they are seeking from the program from other sources.

The greater the degree of commitment of funding from other sources for the *Project*, the higher the level of merit of the *Project* under this merit criterion. Similarly, the lower the proportion of funding required from the program for the *Project*, the higher the merit of the *Project* under this merit criterion.

Applicants should, therefore, provide a financial contribution from their own resources to their *Projects*. ARENA expects that applicants with *Projects* closer to commercialisation will make a larger financial contribution to the *Project*, than applicants with *Projects* at an earlier stage of development. Similarly, ARENA expects that applicants with higher cost *Projects* will make a proportionately larger financial contribution to the *Project*, than applicants with lower cost *Projects*. Applicants should identify other funding sources for their *Projects* in the Budget and Funding Sources form to be attached to the application.

In addition, while financial contributions to *Projects* from state and territory governments are welcome, the program would not usually fund proposals that are mostly funded by government sources.

Expression of Interest

The applicant may demonstrate merit by detailing:

- the expected sources of funding for the *Project* including the amounts and sources of debt and equity for the *Project* and any planned offtake or sales agreements
- a statement of any signed financial agreements for the *Project*
- the financial status and viability of the applicant, including cashflow, financial growth and stability

- an explanation of why the ratio of program funding sought compared with other funding sources is appropriate for the stage of development of the renewable energy technology
- actions the applicant has undertaken to obtain other sources of funding for the *Project*, including funding from other government and commercial sources
- why the *Project* will either not proceed, or else will not proceed in a timely fashion, without ARENA support
- any in-kind or other non-cash contributions to the *Project*
- how management incentives and remuneration are effectively tied to project performance, such as through Employee Stock Ownership Plans (ESOPs). Incentives should be used to ensure the management team have a genuine interest in company success.

Project Funding Application

The applicant may demonstrate merit by detailing:

- a breakdown of the expected expenses for the *Project*, including any overseas expenses
- a breakdown of the expected sources of funding for the *Project*, including, where applicable, the amounts of any debt or equity contributions to the *Project* and any offtake agreement or sales agreements for the *Project*
- for each funding source, the nature and timing of any financial commitments, including the terms of any signed financial agreements for the *Project*, noting that the stronger the commitment of funding from sources other than the program, the higher the merit of the *Project* against this criterion
- actions the applicant has undertaken to obtain other sources of funding for the *Project*, including funding from other government and commercial sources
- why the *Project* will either not proceed, or else will not proceed in a timely fashion, without ARENA support
- information on expected financial stability of the company for the duration of the *Project*, including two years of financial information and forward cash flows for the duration of the *Project*
- the justification for the level of funding from the program for the *Project* and how the level of funding is appropriate for the stage of development of the renewable energy technology
- any in-kind or other non-cash contributions
- details on management incentives and remuneration being effectively tied to project performance, such as through employee stock ownership plans (ESOPs). Incentives should be used to ensure the management team have a genuine interest in company success.

G.

The overall risk associated with the Project including, without limitation: compliance, technical, planning and financial risks.

This criterion assesses any other risks not identified when assessing the other *Project* merit criteria, as well as the overall risk of the *Project* not being completed successfully, considering as a whole any compliance, technical, planning and financial risks, and the steps the applicant proposes to take to mitigate those risks.

This risk assessment will also take into account other risks identified during the assessment of the *Project*, including from information obtained from sources other than the applicant.

Expression of Interest

The applicant may demonstrate merit by:

- describing briefly the key technical, planning and financial risks associated with the *Project* together with appropriate mitigation measures for each risk
- a Compliance Table stating any general conditions of the draft Funding Agreement that the applicant does not accept, accepts in part or does not consider to be applicable to its *Project*. This Compliance Table must include reasons why the applicant does not accept, accepts in part or does not consider a general condition to be applicable to its *Project*.

Funding Application

To enable assessment of *Project* funding applications against this merit criterion, applicants must provide:

- a comprehensive Risk Management Plan, in accordance with relevant industry standards and best practice for this type of proposal. This Risk Management Plan must identify and assess the full range of technical, financial and other *Project* risks, the treatment strategies proposed for these risks and the residual risk to the *Project* remaining after the proposed treatments have been applied. A template for a Risk Management Plan is available on the ARENA website
- a Compliance Table stating any general conditions of the draft Funding Agreement that the applicant does not accept, accepts in part or does not consider to be applicable to its proposal. This Compliance Table must include reasons why the applicant does not accept, accepts in part or does not consider a general condition to be applicable to its proposal.

Measures Merit Criteria

The merit of eligible applicants and their *Measures* will be assessed for overall value for money against the following merit criteria:

A.

The extent to which knowledge and information about, and resulting from, the Measure will be collected, analysed, stored, used and shared.

This merit criterion assesses the extent to which knowledge and information about, and resulting from, the development, delivery and performance of the *Measure* is collected, analysed, stored, used and shared for the broad benefit of industry, research and the public.

Funding Application

The applicant may demonstrate merit by:

- detailing the *Measure* knowledge and information that is to either be developed as a result of, or else arise from its activities
- providing a detailed explanation of how the *Measure's* knowledge and information is to be collected, analysed, stored, used and shared
- clearly identifying any *Measure* information that it considers to be commercial-in-confidence and specifying any restrictions it proposes on use of that information, in accordance with the provisions in section 5.2 of the Manual
- including a Knowledge Sharing Plan as per the requirements of section 4 of the Manual
- providing details, including reasons, in its Compliance Table, of any conditions in the Knowledge Sharing Plan schedule of the draft Funding Agreement that the applicant does not accept, accepts in part or does not consider to be applicable to its *Measure*.

B.

The contributions of the Measure to the program's objective, taking into account the program priorities.

This merit criterion assesses the extent to which the *Measure* activities proposed contribute to the program's objective (as stated in the guidelines and in section 1.3 of the Manual) while giving additional merit to those *Measure* activities identified as priorities in the program priorities at Appendix A.

As detailed in Appendix A, the program priorities are intended to change from time to time to reflect changes to ARENA's views on focus areas for the program and to align the program with ARENA's General Funding Strategy and Investment Plan. When this occurs, the revised priorities will be published on the ARENA website at www.arena.gov.au, in a revised version of the Manual.

An important aspect of the program priorities is ARENA's desire for a diverse portfolio of projects, accordingly ARENA may choose to not prioritise *Projects* or *Measures* for funding where that *Project* or *Measure* would not significantly add to ARENA's portfolio of projects, considering the outcomes and objectives of projects that ARENA has already funded or is intending to fund.

Funding Application

The applicant may demonstrate merit by describing briefly:

- how the *Measure* will contribute to the program's objectives
- which, if any, of the program priorities the *Measure* addresses and why
- how the *Measure* will fit within ARENA's portfolio mix of technologies.

For those *Measure* activities that are preparatory activities for projects, applicants can demonstrate merit by showing how the proposed *Measure* is necessary before consideration can be given to undertaking a possible project, and identifying the likely benefits of the project to achieving the program's objectives and program priorities.

C.

The capability of the applicant and any proposed supporting consortium to implement the Measure and the readiness of the applicant to commence delivery of the Measure, including the:

- *management capability and expertise of the applicant*
- *track record of the applicant in undertaking similar activities*
- *roles of any consortium members and the status of any relevant agreements between consortium members*
- *comprehensiveness of planning for the Measure, including costings, budgets and planning activities*
- *ability of the applicant to show a clear path to commencing delivery of Measure activities, upon receipt of ARENA funds.*

The purpose of this merit criterion is to ensure applicants have the capability and expertise to undertake and complete the *Measure* successfully and that the *Measure* is ready to be commenced shortly after provision of ARENA funds. In making its assessment ARENA may consider the following:

- the management capability and expertise of the applicant
- the track record of the applicant in undertaking similar projects, including delivering projects on time and on budget
- the roles of consortium members and the status of any relevant agreements between consortium members
- comprehensiveness of planning for the *Measure*, including costing and budgets
- the status of preparatory activities for the *Measure*, including the number of outstanding activities that are required to be completed in order to be able to start the *Measure*.

Funding Application

The applicant may demonstrate merit by providing evidence of:

- an appropriate level of expertise of the applicant organisation and that of key personnel, outlining their level of expertise and professional experience in:
 - project management, with particular regard to the scale and complexity of the proposed *Measure* and the type of *Measure* proposed
 - business and commercial management, including in human resources and financial management
 - delivering technical outcomes
- the track record, experience and reputation of the applicant for achieving business, engineering or research outcomes professionally
- core business that is directly relevant to the *Measure*
- details, where relevant, of the capability of consortium members, their roles in the *Measure*, and the extent of their commitment to the *Measure* as evidenced by the nature and status of formal agreements between consortium members
- a detailed budget of eligible expenditure and ineligible expenditure for the *Measure* consistent with the eligible expenditure guidelines at Appendix D to the Manual and detailed in the Budget and Funding Sources form required for all *Measures*
- a comprehensive Project Plan for the proposal, which includes milestones and timelines for undertaking the *Measure*
- a Risk Management Plan that includes key personnel risks and how these will be managed
- the status of preparatory activities for the *Measure*, including an explanation detailing; any outstanding activities that are required to be able to start the *Measure*, the applicant's path and timeframe to commence the *Measure* and the status of regulatory and planning approvals that the *Measure* is required to secure.

D.

The financial viability of the Measure and the amount of ARENA funding sought, taking into account:

- *the amount of funding sought from the program for the Measure, compared with the total cost of the Measure*
- *other expected sources of funding and evidence of any funding that has been secured*
- *the financial capacity of the applicant to fund its contribution of the costs of the Measure.*

Under this merit criterion, ARENA will assess whether the applicant and its supporting sources of finance have the financial capacity and level of commitment to deliver the *Measure* successfully. ARENA will also assess whether the amount of funding sought and the total cost of the *Measure* is appropriate for the *Measure's* stage of development, if applicable.

The Australian Government has a policy that funding programs should focus on activities that would not occur, or would not proceed in a timely manner, without ARENA funding assistance. Applicants must demonstrate that the *Measure* has a need for ARENA funding and that it would be unreasonable to expect that they should obtain the funding they are seeking from the program from other sources.

The greater the degree of commitment of funding from other sources for the *Measure*, the higher the level of merit of the *Measure* under this merit criterion. Similarly, the lower the proportion of funding required from the program for the *Measure*, the higher the merit of the *Measure* under this merit criterion.

Applicants should, therefore, provide a financial contribution from their own resources to their *Measures*. ARENA expects that applicants with *Measures* closer to commercialisation will make a larger financial contribution to the proposal, than applicants with *Measures* at an earlier stage of development. Similarly, ARENA expects that applicants with higher cost *Measures* will make a proportionately larger financial contribution to the *Measure*, than applicants with lower cost proposals. Applicants should identify other funding sources for their *Measures* in the Budget and Funding Sources form to be attached to the application.

In addition, while financial contributions to *Measures* from state and territory governments are welcome, the program would not usually fund *Measures* that are mostly funded by government sources.

Funding Application

The applicant may demonstrate merit by detailing:

- a breakdown of the expected expenses for the *Measure*, including any overseas expenses
- a breakdown of the expected sources of funding for the *Measure*, including where applicable the amounts of any debt or equity contributions to the *Measure* and any offtake agreement or sales agreements for the *Measure*
- for each funding source, the nature and timing of any financial commitments, including the terms of any signed financial agreements for the *Measure*, noting that the stronger the commitment of funding from sources other than the program, the higher the merit of the *Measure* against this criterion
- actions the applicant has undertaken to obtain other sources of funding for the *Measure*, including funding from other government and commercial sources
- why the *Measure* will either not proceed, or else will not proceed in a timely fashion, without ARENA support
- information on expected financial stability of the company for the duration of the *Measure*, including two years of financial information and forward cashflows for the duration of the *Measure*
- the justification for the level of funding from the program for the *Measure* and how the level of funding is appropriate for the *Measure*
- any in-kind or other non-cash contributions
- details on management incentives and remuneration being effectively tied to project performance, such as through Employee Stock Ownership Plans (ESOPs). Incentives should be used to ensure the management team have a genuine interest in company success.

E.

The overall risk associated with the Measure including, without limitation: compliance, technical, planning and financial risks.

This criterion assesses any other risks not identified when assessing the other *Measure* merit criteria, as well as the overall risk of the *Measure* not being completed successfully, considering as a whole any compliance, technical, planning and financial risks, and the steps the applicant proposes to take to mitigate those risks.

This risk assessment will also take into account other risks identified during the assessment of the *Measure*, including from information obtained from sources other than the applicant.

Funding Application

To enable assessment of *Measure* funding applications against this merit criterion, applicants must provide:

- a comprehensive Risk Management Plan, in accordance with relevant industry standards and best practice for this type of *Measure*. This Risk Management Plan must identify and assess the full range of technical, financial and other *Measure* risks, the treatment strategies proposed for these risks and the residual risk to the *Measure* remaining after the proposed treatments have been applied. A template for a Risk Management Plan is available on the ARENA website
- A Compliance Table stating any general conditions of the draft Funding Agreement that the applicant does not accept, accepts in part or does not consider to be applicable to its *Measure*. This Compliance Table must include reasons why the applicant does not accept, accepts in part or does not consider a general condition to be applicable to its *Measure*.

Appendix D – Eligible Expenditure

These eligible expenditure guidelines specify what kinds of expenditure is eligible or ineligible expenditure for the Emerging Renewables Program. These eligible expenditure guidelines are recognised in the Funding Agreement for the program.

These eligible expenditure guidelines are to be followed:

- in the preparation of the Budget and Funding Sources form for submission with a proposal for funding under the program
- by recipients as part of the regular milestone reporting and annual financial reporting required of recipients under the Funding Agreement.

Applicants are required to prepare a budget of eligible expenditure for their project for submission with their proposal using the Budget and Funding Sources form available at the ARENA website.

Applicants are required to identify verifiable milestones and to prepare their budgets in terms of meeting the expenditure required for each milestone. Budgets should be realistic and feasible in relation to the nature of the project. Applicants are required to:

- explain the underlying assumptions and the basis for calculation of expenditure items
- indicate where quotations and contracts are in place
- provide any documentary evidence to support the expenditure calculations used by the applicant.

If a proposal is accepted for funding and a Funding Agreement executed, ARENA will make payments upon the achievement of agreed milestones. Payments for each milestone will be calculated as a proportion of the eligible expenditure expected to be required to achieve the milestone, subject to review where actual eligible expenditure for the milestone falls significantly short of the expected eligible expenditure. The proportion of eligible expenditure to be paid for each milestone will be determined on a case-by-case basis as part of the process of negotiating the Funding Agreement. In addition, the Funding Agreement will require recipients to provide financial reports in respect of eligible expenditure on the project.

Where an applicant is in any doubt as to the eligibility of some of the expenditure on their proposed project, the applicant should discuss the matter with ARENA. ARENA will consider the request and make a determination about the eligibility of the expenditure.

General Principles

The following general principles apply in the consideration of eligible expenditure:

- eligible expenditure is expenditure related directly to the undertaking of the project
- non-cash and in-kind contributions may be considered as eligible expenditure, provided that the applicant can demonstrate to the satisfaction of ARENA that the requirements in these eligible expenditure guidelines are satisfied
- expenditure is generally not eligible expenditure if it is undertaken prior to the signing of the Funding Agreement or after the completion date for the project specified in the Funding Agreement
- opportunity costs are not eligible expenditure (opportunity costs are any benefits or production lost due to the allocation of resources to the project ahead of any other possible activities by the recipient)
- where resources are used on a project and on unrelated activities elsewhere in the recipient organisation, the cost of those resources should be apportioned to the project on the basis of the proportion of those resources that were used by the recipient in undertaking the project. Where it is not possible to make such a proportionate allocation, the recipient should allocate the cost of the resources on a reasonable basis and provide information to ARENA to support this allocation of the cost of the resources
- related party transactions must be treated on an at cost basis, without mark-up, unless the recipient can demonstrate to the satisfaction of ARENA that the transaction has been

- calculated on an arms-length basis
- generally accepted accounting principles are to be followed and it must be possible to track expenditure relating to the project through a recipient's accounting system to meet the financial reporting and audit requirements in the Funding Agreement
- eligible expenditure is calculated net of GST.

Specific Eligibility Provisions

Eligible expenditure includes:

- expenditure on the preparation of contracts entered into for the purposes of undertaking the activities required for the conduct of the project, subject to the ineligible expenditure constraints below
- labour expenditure, such as salaries and wages, including reasonable on-costs for personnel employed directly on the *Project* or *Measure*. Labour on-costs include: worker's compensation insurance, employer contributions to superannuation, recreation and sick leave, long service leave accrual and payroll tax
- administrative expenses, including expenses incurred on communications, accommodation, computing facilities, travel, recruitment, printing and stationery, where such expenses can be related directly to the *Project* or *Measure*
- expenditure for plant installed for the *Project* at the full delivered cost of the plant
- expenditure on plant used for the construction of a *Project*, calculated on the basis of hire or lease costs or depreciation charges, if owned, and running costs directly related to the construction of the project, such as rent, power, fuel and repairs and maintenance
- expenditure activities that directly contribute to or enable knowledge including database development, websites, applications and reports
- expenditure on legal, audit and accounting costs related directly to the *Project* or *Measure*
- expenditure related to the raising of funds for the *Project* or *Measure*, or the formation of consortia or joint ventures or other partnership arrangements, where such activities can be related directly to the *Project* or *Measure*
- expenditure such as relevant licence fees or intellectual property purchase costs, where the applicant needs to access specific technology to undertake the *Project* or *Measure*
- expenditure related directly to obtaining government approvals to undertake the *Project*.

Ineligible expenditure includes, but is not limited to:

- expenditure related to the general operations and administration of the applicant or recipient that the applicant or recipient could reasonably be expected to undertake in the normal course of business
- expenditure on activities that a local, state, territory or Commonwealth government agency has the responsibility to undertake, unless the applicant or recipient can demonstrate to the satisfaction of ARENA that the expenditure is related to a co-contribution
- interest on loans for new and pre-existing capital items used for the *Project* or *Measure*
- expenditure on the acquisition of land for a *Project* or *Measure*
- sales or promotional activities that do not support directly the successful completion of the *Project* or *Measure*
- geothermal license retention fees
- membership fees
- donations
- expenditure that does not support directly the successful completion of the *Project* or *Measure*.

Labour

Eligible labour expenditure is the gross amount paid or payable to an employee of the applicant's or recipient's company or organisation. Eligible salary includes any components

of the employee's total remuneration package that are itemised on their Pay As You Go (PAYG) Annual Payment Summaries submitted to the Australian Taxation Office (ATO).

Recipients must provide evidence to demonstrate the amount of time that an employee spent on project. Evidence to support eligible expenditure on labour could include timesheets, job cards or diaries.

Labour costs cannot be claimed based on an estimation of the employee's worth to the company, where no cash has changed hands.

Contract Expenditure

Eligible contract expenditure is the cost of any activities to support the *Project or Measure* performed for the recipient by another organisation. Work to be performed on a project must be the subject of a written contract, including a letter or purchase order, which specifies the nature of the work to be performed for the recipient and the applicable fees, charges and other costs payable. The written contract must be executed prior to the commencement of the work undertaken under the contract.

It is not a requirement for contracts to be in place at the time an applicant submits a proposal to ARENA. However, for major items of contract expenditure, such as purchases of major items of hardware to be incorporated in the *Project or Measure*, applicants will be expected to have some form of documentary evidence, such as written quotes from suppliers, to substantiate the expenditure included in the budget for the *Project or Measure*.

Where the contractor and the applicant or recipient are not at 'arm's length', the amount assessed for work performed will be an amount considered to be a reasonable charge for that work and contain no unacceptable overheads and no element of 'in group profit'. Organisations considered not at 'arm's length' include related companies and companies with common directors or shareholders.

Expenditure Prior to Execution of the Funding Agreement

Expenditure is generally not eligible, if undertaken prior to the signing of the Funding Agreement. A recipient, however, may be able to claim some expenditures incurred prior to execution of a Funding Agreement, with the prior agreement of ARENA and only where such expenditures are incurred after ARENA has made a funding offer to the applicant for the project. This expenditure and the funding attached to it will be considered by ARENA on a case-by-case basis.

Overseas Expenditure

Items of overseas expenditure must be detailed when submitting the project budget in a proposal. Following execution of a Funding Agreement, expenditure on goods and services overseas may be subject to approval by ARENA as specified in the Funding Agreement.

Accounting Systems

Recipients are required to have in place suitable accounting systems and to provide to ARENA assurances that the accounting system used by the recipient and any consortium partners allows for:

- the separate and accurate identification of contributions and eligible expenditure on the project
- that a clear audit trail of all program funding contributions and eligible expenditure to be available on request and as required to meet the requirements in the Funding Agreement.

ARENA

Further information on initiatives and individual projects is available on ARENA's website
arena.gov.au

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