



Australian Government
Australian Renewable Energy Agency

ARENA

Emerging Renewables Program

Guidelines

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Emerging Renewables Program

Part 1 - Overview

Introduction

- 1.1 The Australian Renewable Energy Agency (ARENA) was established on 1 July 2012 under the *Australian Renewable Energy Agency Act 2011* (ARENA Act) with a remit to improve the competitiveness and increase the supply of renewable energy in Australia.
- 1.2 The Emerging Renewables Program aims to support innovation in the renewable energy industry and to support the wider development and adoption of renewable energy in Australia.
- 1.3 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 to develop and support 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.
- 1.4 ARENA may call for proposals to address additional specific program priorities. These priorities will be set out in the Manual from time to time.
- 1.5 The program is merit-based and offers funding to selected, eligible applicants that lodge proposals.

Objectives of the Program

- 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.

Outcomes of the Program

- 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.

Purpose of the Guidelines

- 1.8 The purpose of Emerging Renewable Program Guidelines (the Guidelines) is to provide a framework for the operation of the program. The Guidelines are not an exclusive statement of ARENA's requirements for the program.
- 1.9 In the Guidelines, a word generally takes its common meaning unless defined in Part 6 - Glossary. When italicised, the terms *Projects* and *Measures* take the meaning in the glossary section, but otherwise have their common meaning.

- 1.10 Other resources available for applicants to assist in understanding the program include the Manual, the program's Funding Agreement and the program's webpage. These resources can be accessed from the ARENA website at www.arena.gov.au
- 1.11 More information about the program can be found in the Manual, which should be read in conjunction with the Guidelines. The Manual may be updated from time to time to account for changes to the details of the program.

Commencement

- 1.12 The Guidelines have been approved by the Minister for Resources and Energy (the Minister) and have effect from 1 July 2013. The Guidelines may be revoked or varied, pursuant to section 24 (1)(b) of the ARENA Act.

Authority for Guidelines

- 1.13 The Guidelines are approved by the Minister and may be varied in accordance with the ARENA Act from time to time.

Program Funding Model

- 1.14 The ARENA Board has allocated \$215 million funding to the program. Funding for the program is available until the program funds have been exhausted or until the program is revoked.
- 1.15 The Guidelines do not specify the minimum or maximum levels of funding available per *Project* or *Measure*, other than the available program funds.
- 1.16 Guidance on the appropriate level of funding for *Projects* and *Measures* is available in the Manual.
- 1.17 All funding available under the program is in the form of grants.

Part 2 - Application and Assessment Process

Types of Proposals

- 2.1 Applicants to the program can apply for funding for:
- » Projects
 - or
 - » Measures.
- 2.2 *Projects* provides funding for renewable energy technology 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.
- 2.3 *Measures* provides funding for activities that achieve the program's objectives. *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.

Application and Assessment Process

- 2.4 The application and assessment process for *Project* proposals involves two stages:
- » an initial expression of interest (EOI) stage
 - » a *Project* funding application stage.
- 2.5 The application and assessment process for *Measure* proposals is a single stage process consisting only of a *Measures* funding application stage, with no EOI stage.
- 2.6 During each stage ARENA will assess the eligibility of applicants and their proposals against the program's *Project* or *Measure* eligibility criteria. Eligible proposals will then be assessed by ARENA against the program's *Project* or *Measure* merit criteria, subject to section 2.8. Ineligible proposals will be deemed unsuccessful.
- 2.7 Details of the application and assessment process, including how to apply to the program, how to demonstrate eligibility and merit, required information and ARENA's assessment process will be outlined in the Manual.
- 2.8 For a proposal that ARENA determines is of low merit against one or more merit criterion, ARENA may deem the proposal as unsuccessful.
- 2.9 ARENA may seek further information regarding an applicant or its proposal in relation to any matter.
- 2.10 ARENA may engage consultants to assist with the assessment of a proposal against the eligibility criteria or the merit criteria.
- 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*.
- 2.12 Only eligible applicants with proposals that satisfy each merit criterion to a high standard will be successful. All other applicants will be unsuccessful.

- 2.13 Applicants will be advised in writing of the outcome of the assessment of their proposal at the conclusion of the assessment process.
- 2.14 Applicants may request feedback from ARENA, or else ARENA may offer to provide feedback on the eligibility and merit of proposals at the conclusion of ARENA's assessment at each stage.
- 2.15 Unsuccessful applicants may submit a revised proposal at least once. Applicants must wait until after they have received feedback from ARENA before submitting a revised proposal and the revised proposal must take this feedback into account. ARENA may decide at its discretion whether to allow any additional resubmissions.
- 2.16 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.
- 2.17 The decision of the Minister or ARENA on whether to offer funding will be final.

Projects Eligibility Criteria

- 2.18 To be eligible for *Project* funding under the program, an applicant 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* (Cth).
 - 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 Equality 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.

Projects Merit Criteria

- 2.19 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.
 - 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 costings, 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.
- 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.

Measures Eligibility Criteria

2.20 To be eligible for *Measures* funding under the program, an applicant 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).
- 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 Equality 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.

Measures Merit Criteria

- 2.21 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.
 - 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 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.
 - 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.

Collaboration

- 2.22 ARENA may seek to work with applicants or potential applicants and their partners or with prospective partners and associates to initiate or to develop proposals, with the consent of respective parties.
- 2.23 Further details of how ARENA may assist applicants are provided in the Manual.

Part 3 - Funding Arrangements

Funding Offers

- 3.1 All funding offers and any payment of funds under the program are conditional upon the execution of a Funding Agreement with ARENA.
- 3.2 Applicants must keep funding offers and invitations to progress to the *Project* funding application stage confidential until the execution of a Funding Agreement with ARENA.
- 3.3 ARENA may withdraw its offer of funding, at its absolute discretion, should an applicant not comply with section 3.2.

Funding Agreement

- 3.4 The Funding Agreement will provide the legal framework for the obligations of each party and terms around payment.
- 3.5 Details of the negotiation process are provided in the Manual.
- 3.6 Details of the process for management and variation of the Funding Agreement will be as set out in the Manual and the agreement.

Part 4 - Knowledge Sharing

Knowledge Sharing and Publication of Project Information

- 4.1 A condition of funding through the program is agreement to a Knowledge Sharing Plan about the funded *Project* or *Measure* to inform industry and the broader community about the development of, and findings from, the *Project* or *Measure*.
- 4.2 Applicants must agree to a Knowledge Sharing Plan as a part of any EOI submission and provide one as part of a *Project* or *Measure* funding application. Following negotiation, an agreed Knowledge Sharing Plan will form a part of any Funding Agreement. Applicants must also demonstrate compliance with any of ARENA's knowledge sharing programs. A template for Knowledge Sharing Plans is available on the ARENA website.
- 4.3 ARENA will identify the minimum requirement of the Knowledge Sharing Plan in the Manual. ARENA may amend the knowledge sharing requirements, including the Knowledge Sharing Plan template or tailor a Knowledge Sharing Plan to suit a particular project at its discretion.

Part 5 - Further Program Information

Governance

- 5.1 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* initially exceeds \$50 million, or a further grant would increase the total funding from ARENA for a *Project* or *Measure* to over \$50 million, in which case the grant must be approved by the Minister.
- 5.2 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.

Confidentiality

- 5.3 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.
- 5.4 ARENA may disclose any information referred to in section 5.3, including commercial-in-confidence information:
 - » to the Minister and the Minister's office
 - » in response to a request by a House or a Committee of the Parliament of the Commonwealth of Australia
 - » to the Auditor General, Ombudsman, Information Commissioner or Privacy Commissioner
 - » to ARENA staff, consultants and advisers
 - » 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
 - » 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.

Complaints Process

- 5.5 Complaints concerning assessments or processes will, in the first instance, be reviewed by ARENA. If ARENA cannot resolve the complaint within 30 business days of receiving the complaint, ARENA must notify the applicant of the identity of a nominated Complaints and Review Officer and of the next steps. If the applicant is not satisfied with the complaint resolution procedure, the applicant can approach the Commonwealth Ombudsman's office for external review of the administrative actions of ARENA.

Eligible Expenditure

- 5.6 Funding from the program must be paid only in respect of eligible expenditure on the *Project* or *Measure*.
- 5.7 The Manual specifies the kinds of expenditure that constitute eligible expenditure and the kinds of expenditure that constitute ineligible expenditure.

Conflicts of Interest

- 5.8 ARENA has established and will administer conflict of interest procedures, including procedures for Board members, the CEO, the Chief Financial Officer of ARENA and other ARENA staff to declare their interests.
- 5.9 All Consultants 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.

No contract or liability

5.10 Despite:

- » anything else contained in the Guidelines (or in the Manual)
- » 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 process

or

- 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 negligence

or

- » 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.

Part 6 - Glossary

In the Guidelines, unless the contrary intention applies:

ARENA - Australian Renewable Energy Agency, as established by section 7 of the *Australian Renewable Energy Agency Act 2011* (Cth), including the ARENA Board, Chief Executive Officer, Chief Financial Officer and staff engaged under the *Public Service Act 1999* (Cth), employed in the Department of Resources, Energy and Tourism and made available by the Secretary to ARENA.

ARENA Act - *Australian Renewable Energy Agency Act 2011* (Cth).

ARENA staff - The staff necessary to assist ARENA, who are engaged under the *Public Service Act 1999* (Cth), employed in the Department of Resources, Energy and Tourism and made available by the Secretary of the Department of Resources, Energy and Tourism to ARENA.

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.

CEO - the Chief Executive Officer of ARENA.

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 2.18 for *Projects*, and section 2.20 for *Measures*.

Eligible expenditure - Expenditure of the kind set out in the Manual.

Expression of interest or **EOI** - 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. The Funding Agreement consists of two parts: the General Conditions and the Schedule.

» General Conditions means the predetermined standard contract approved by ARENA.

» Schedule means 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 - The Emerging Renewables Program Manual, the document issued by ARENA to provide potential applicants with more information about the program.

Measure funding application - The submission for funding under the *Measures* funding application stage of 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.

Merit criteria - The merit criteria listed in section 2.19 in the case of *Projects*, and section 2.21 in the case of *Measures*.

Minister - The Minister for Resources and Energy.

Program - The 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 the Manual.

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.

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.

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 systems 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.