

REGIONAL AUSTRALIA MICROGRID PILOTS PROGRAM

FREQUENTLY ASKED QUESTIONS

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ARENA

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FAQS

This document contains frequently asked questions (FAQ) regarding the Regional Australia Microgrid Pilots Program (the Program). ARENA will update this FAQ list as the Program progresses. Please refer to the Program Guidelines for further details.

1. APPLYING TO THE PROGRAM

HOW CAN I APPLY?

In the first instance potential Applicants should review the Program Guidelines for information on the application and assessment process.

From 24 September 2021, potential Applicants may register their Feasibility Study through ARENA's Grants Management System [ARENANet](#). This form is also available by going to ARENA's website and selecting the Regional Australia Microgrid Pilots Program or navigating to <https://arena.gov.au/funding/RAMPP>. ARENA will seek to provide feedback, in writing, on the suitability of the Feasibility Study within 20 business days of registration.

If suitable, Applicants will be able to submit a Full Application through ARENANet. Each section of the application contains instructions on the information required and any word limits that may apply. Applicants can save their application at any time and submit at any time.

WHEN CAN I APPLY? IS THERE A DEADLINE FOR SUBMITTING AN APPLICATION?

Applicants are able to register a Feasibility Study from 24 September 2021. The Program will remain open until all funds available under the Program are exhausted or the Program Guidelines are revoked. ARENA will review and assess applications on an ongoing basis, in line with the Submission Dates and assessment periods published on the Program webpage. ARENA expects Submission Dates to occur on a bi-monthly basis however this timing may be shortened or extended as required by ARENA.

HOW DO I ASK QUESTIONS IN RELATION TO THE PROGRAM? CAN ARENA ASSIST ME WITH MY APPLICATION?

ARENA can provide general guidance and advice to Applicants seeking to prepare a Full Application. ARENA may also request additional information or clarification from the Applicant in relation to the Feasibility Study or Full Application.

Applicants can submit questions to ARENA relating to the Program by emailing microgrids@arena.gov.au. Please note, ARENA reserves the right to publish any general questions and answers around the assessment process, information requirements and timetable in this FAQ document.

WHO IS ELIGIBLE TO APPLY FOR FUNDING UNDER THE PROGRAM?

To be eligible Applicants must hold a valid Australian Business Number (ABN) and be on of the following:

- (a) an Australian entity incorporated under the Corporations Act 2001 (Cth); or
- (b) an Australian State or Territory owned corporation or a subsidiary of an Australian state or territory owned corporation; or
- (c) an Australian local government or council; or
- (d) registered with the Australian Charities and Not-for-Profit Commission (ACNC); or
- (e) an Australian university; or
- (f) the Commonwealth Scientific and Industrial Research Organisation (CSIRO).

Please refer to the Eligibility Criteria outlined in Part 3 of the Program Guidelines for all details regarding eligibility.

WILL I BE ELIGIBLE FOR THE PROGRAM IF MY MICROGRID CONFIGURATION INVOLVES NON-RENEWABLE ENERGY (E.G. DIESEL)?

Yes, provided all other eligibility criteria are met. Section 3.3 of the Program Guidelines provides that an Eligible Project must include the use of a Renewable Energy Technology or enabling technology and/or the Project contributes to increased uptake of Renewable Energy. However, this does not preclude microgrid solutions that may also use non-renewable sources of energy such as diesel.

DO I NEED TO HAVE BEEN SUCCESSFUL UNDER THE REGIONAL AND REMOTE COMMUNITIES RELIABILITY FUND (RRCRF) TO APPLY TO THE PROGRAM?

No, any eligible project that has been proven to be feasible through a completed Feasibility Study (that meets the requirements outlined in section 2.6 of the Program Guidelines) may apply to the Program. Although it is anticipated that a number of projects that were successful in the RRCRF will apply to the Program, there is no requirement for the Feasibility Study to have received funding under the RRCRF.

WHY IS THE PROGRAM ONLY SUPPORTING DEPLOYMENT STAGE PROJECTS, NOT FEASIBILITY STUDIES? WHY IS A FEASIBILITY STUDY REQUIRED TO APPLY TO THE PROGRAM?

The focus of the Program is to provide funding to deployment stage projects. The Program builds on the RRCRF, which previously provided \$50.4 million towards supporting feasibility studies for regional and remote communities to investigate deployment of local microgrid technologies. Although it is anticipated that the Program will support the further development of a number of projects that were successful under the RRCRF, a project does not need to have been successful under the RRCRF to apply to the Program.

In line with this objective, it is a requirement of the Program that all projects have been demonstrated to be feasible prior to commencement of an application. A Feasibility Study is required to be registered prior to Applicants receiving access to the Full Application form for the Program.

ARENA may consider projects or activities that are not at deployment stage or do not align with the objectives of the Program as part of ARENA's Advancing Renewables Program, which is continuously open. If you would like to discuss a project for funding under ARENA's Advancing Renewables Program please email proposals@arena.gov.au.

HOW DO YOU DEFINE A MICROGRID?

For the purpose of the Program the term microgrid is used to include the following technical configurations:

- › **Embedded Microgrid:** An electricity supply arrangement that coordinates and optimises the use of connected, locationally proximate distributed energy resources (DER) to provide secure and reliable electricity within the microgrid and is able to provide value to the major grid. This could include energy market participation, provision of system flexibility, systems services and deferral of network investment.
- › **Standalone Power Systems (SAPS):** An electricity supply arrangement that can demonstrate temporary or permanent operation when not physically connected to a major grid. SAPS encompasses supply to single and multiple customers. Where:
 - › customers, currently connected to a major grid, can move to a SAPS, or
 - › a SAPS is installed rather than a new grid connection.
- › **Remote Isolated Microgrid:** An electricity supply arrangement that already operates as an isolated SAPS and will continue to do so. These systems are often in very remote locations and managed by State Government owned corporations.

Acknowledging the diversity of potential microgrid configurations, ARENA may also consider projects that do not fit the microgrid technical configurations above.

WHAT IS THE DEFINITION OF 'REGIONAL'?

To be eligible for the Program, the project must be located in an inner regional, outer regional, remote or very remote area as defined by the Australian Statistical Geography Standard (ASGS) Remoteness Area. This can be accessed at <https://www.abs.gov.au/websitedbs/D3310114.nsf/home/remoteness+structure>.

IF I DON'T MEET THE PROGRAM OBJECTIVES, CAN I APPLY UNDER THE ADVANCING RENEWABLES PROGRAM?

Yes, a microgrid project may be eligible under the 'Optimise the transition to renewable electricity' ARENA strategic priority. Please read the [ARENA Advancing Renewables Program Guidelines \(Guidelines\)](#) to ensure you meet the eligibility requirements.

Please note that only applications that meet the requirements in the Guidelines and are assessed as high merit against the merit criteria will be considered for funding.

ARENA takes a portfolio approach to funding as stipulated in our ARP Guidelines (Clauses 4.23 and 4.24). This may result in ARENA not funding an otherwise meritorious project if the objectives or outcomes of the project are similar to a project ARENA has already funded.

To determine if you may be eligible for funding through ARP, please complete the [Eligibility and Alignment Tool assessment](#) available on the ARP webpage. .

CAN AN ORGANISATION OR INDIVIDUAL SUBMIT MORE THAN ONE APPLICATION OR BE A MEMBER OF MORE THAN ONE PROJECT TEAM?

Yes, there is no limit to the number of applications that can be submitted by an individual or organisation. However, if you or an organisation intend to be part of more than one application you must be able to justify that you will have, or be able to allocate, sufficient time and resources to all of the projects should they be successful. Each application must meet the requirements set out in the Program Guidelines.

AM I ABLE TO SUBMIT AN APPLICATION AS PART OF A CONSORTIUM?

Yes, Projects are able to be undertaken by multiple entities, however the consortium will need to nominate a Lead Applicant which, if successful, will become the party that enters into the Funding Agreement with ARENA. Details of any partner organisations can be included within the Application form.

2. ASSESSMENT

WHAT IS THE ASSESSMENT PROCESS?

ARENA is using an open, single stage Full Application process. Applicants will first need to register a suitable Feasibility Study with ARENA via ARENANet. ARENA will review the Feasibility Study against the requirements in part 2.6 of the Program Guidelines. If eligible, Applicants will then be provided access to the Full Application form in order to apply to the Program. Application and assessment periods will be published on the Program website.

Further details on the assessment process are set out in Part 2 of the Program Guidelines.

HOW WILL ARENA ASSESS APPLICATIONS?

ARENA will review applications against the Merit Criteria outlined in Part 4 of the Program Guidelines. Given the Program is being run as an open, non-competitive program, ARENA will not undertake a comparative assessment of applications. However, ARENA may also take a portfolio approach to selecting Projects for funding, giving consideration to how a Project will contribute to the Program Objectives either uniquely or as part of a suite of complementary ARENA activities. ARENA may choose not to fund an otherwise meritorious Project if the aims or outcomes of that Project are the same, or similar to, the aims and outcomes of a Project that has previously been funded (either by ARENA or alternative investors) or that ARENA is intending to fund.

ARENA may seek advice on the merit of a Proposal from the ARENA Advisory Panel, and may request Applicants to provide a presentation to the ARENA Advisory Panel regarding their Application.

Greater detail around the assessment process is provided in Part 2 of the Program Guidelines.

WHAT ARE THE OBJECTIVES OF THE PROGRAM? DOES MY PROJECT NEED TO MEET ALL OBJECTIVES OF THE PROGRAM TO BE SUCCESSFUL?

The Program Objectives focus on supporting demonstration of improved resilience and reliability of electricity supply in regional Australia through pilot microgrid demonstrations that use or enable the use of renewable energy, and resolving the remaining barriers to final investment and full deployment. Greater detail around the Program Objectives is provided in Part 4 (Merit Criterion A) of the Program Guidelines.

A high merit Project should contribute to each of the Program Outcomes:

- (a) Demonstrating improved electricity resilience and reliability
- (b) Addressing the technical, regulatory and commercial barriers to final investment and full deployment of microgrids in Regional Australia
- (c) Advance upon learnings and innovation already demonstrated within the existing portfolio of microgrid projects.

A successful Project does not need to address all barriers to the deployment of microgrids as identified in the Program Guidelines. A Project that addresses barriers other than those identified in the Program Guidelines may also be considered.

3. APPLICATION CONTENT AND FINANCES

IS THERE ANY LIMIT ON OVERSEAS EXPENDITURE?

Any ARENA-funded expenditure incurred by you outside of Australia, other than for equipment or materials, must be limited to no more than 10 percent of the total amount of ARENA funds, except in exceptional circumstances that must be justified by you and agreed to in writing by ARENA before submission of a Proposal. To seek an exemption for overseas expenditure please contact microgrids@arena.gov.au.

DOES THE PROJECT NEED TO BE BASED IN AUSTRALIA?

Yes. The project needs to primarily take place in Australia and there are limits on overseas eligible expenditure. Please refer to Eligibility Criterion B (d) and Eligibility Criterion C in the Program Guidelines.

WHAT ARE THE MINIMUM AND MAXIMUM AMOUNTS OF FUNDING I CAN APPLY FOR?

The minimum Grant amount under the Program that can be sought from an applicant is \$250,000. There is no limit on the maximum grant but is subject to funds available. ARENA expects that most Grants will be between \$1 million and \$5 million, depending on the scope and complexity of the project. Applicants may apply for grants greater than \$5 million; however, such applications will need to demonstrate exemplary merit with very broad industry benefit.

HOW DOES ARENA CONSIDER THE INCLUSION OF OTHER GRANT FUNDING OR CONCESSIONAL FUNDING?

ARENA will consider the total amount of concessional funding that an Applicant has applied for or received for the project in assessing projects. This includes both ARENA funding and other grant funding a project may receive from State or Commonwealth Government initiatives. ARENA will also assess any project arrangements that may not be considered to be on commercial or arms length terms (such as land supply or technology supply) in its consideration of concessional funding. ARENA retains discretion on any classification adopted.

Consideration of concessional funding specifically excludes finance that may be obtained from the Clean Energy Finance Corporation (CEFC) or the Northern Australia Infrastructure Facility (NAIF).

SHOULD SALARIES BE COUNTED AS IN-KIND OR CASH CONTRIBUTIONS?

Where personnel are already engaged by the Applicant prior to the commencement of the Project and have not been engaged specifically to work on the Project, this cost should be classified as an In-kind Contribution, as opposed to Cash Contributions. In addition, where an existing member of personnel is transferred to work on the Project (for all or part of the time), then the proportion of time that is spent on the Project should be classed as an In-kind Contribution.

Where personnel are (or will be) specifically hired to work on the Project, this can be classed as a cash contribution. The hire of personnel to work on the Project may also include the hire of existing personnel, where the duration of their existing engagement does not cover their proposed involvement in the Project. The appropriate FTE must be apportioned to the Project and must not overlap with any pre-existing role or work on other projects. The Applicant can elect to assign cash salaries from either a cash contribution or the ARENA grant funding request under the budget. This budget and its justification will be assessed for merit under Merit Criterion D.

HOW WILL PAYMENTS BE MADE IF MY APPLICATION IS SUCCESSFUL?

In general, ARENA pays upon the completion of project milestone payments. These activities that will form the project milestones can be proposed by the Applicant and will be agreed upon during negotiation of the Funding Agreement. Item 1.6 in Schedule 1 of the Funding Agreement template contains a number of example milestone payments.

HOW WILL KNOWLEDGE BE SHARED FROM THE PROGRAM?

Knowledge sharing is a requirement of ARENA funding. Successful Applicants will be required to produce deliverables summarising key learnings from their Project, which will be published by ARENA and made publicly available for the benefit of industry.

Applicants are required to provide a Knowledge Sharing Plan as part of the Full Application, which allows Applicants to propose which deliverables will be made publicly available and detail any confidential information that will be made available to ARENA only. ARENA has provided a template Knowledge Sharing Plan for the Program, however Applicants are able to propose additional or different knowledge sharing deliverables where this may be beneficial.

A Knowledge Sharing Agent may be engaged to facilitate knowledge sharing across successful projects. ARENA reserves the right to engage a Knowledge Sharing Agent at any time.

IS THERE A TEMPLATE THAT APPLICANTS SHOULD USE TO STRUCTURE THEIR APPLICATION, OR CAN APPLICANTS CHOOSE THEIR OWN FORMAT?

Applicants should follow the instructions on ARENANet when completing the online application form. Applicants are required to attach further documentation as set out in the Part 4 (Merit Criterion C) of the Program Guidelines. ARENA has not provided a template for the Community Consultation Plan.

WILL ALL DELIVERABLES LISTED IN THE KNOWLEDGE SHARING PLAN BE DISSEMINATED PUBLICLY?

Yes, ARENA intends to publish Knowledge Sharing Plan deliverables unless explicitly stated otherwise. The Knowledge Sharing deliverables should be prepared considering the stakeholders, as set out in the Audience column in the Knowledge Sharing Plan.

Any limitations identified where applicants do not agree to the Knowledge Sharing Plan must be clearly raised in the Knowledge Sharing Plan document and attached to the application.

WILL THE INFORMATION THAT IS PROVIDED IN AN APPLICATION BE DISCLOSED BY ARENA TO EXTERNAL PARTIES OUTSIDE OF ARENA?

All information provided as part of an Application will be treated as confidential in accordance with section 6.1-6.3 of the Program Guidelines. Once a Funding Agreement is executed between the successful Applicants, Confidential Information will be managed in accordance with the terms of the Funding Agreement.

Further information is available at
arena.gov.au

Australian Renewable Energy Agency
Phone +61 1800 804 847

Postal Address
GPO Box 643
Canberra ACT 2601

Location
2 Phillip Law Street
New Acton ACT 2601

Engage with us

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