The Regional Australia Microgrid Pilots Program (the Program) aims to support pilot projects for microgrids in Regional Australia that:

a. Have demonstrated Project viability through a Feasibility Study.

b. Include the deployment of equipment and technology solutions that enable the coordinated use of distributed renewable energy technologies and the microgrid demonstration.

c. Demonstrate improved resilience and reliability of microgrids in regional areas; and

d. Demonstrate capability of resolving one or more of the remaining barriers to final investment and full deployment of microgrid solutions.

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

a. 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.

b. 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.

c. 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.

The funding allocated for the Program is up to $50 million. The Program is expected to provide Grants between $1 million and $5 million. Applicants seeking more than $5 million will need to demonstrate exemplary merit with very broad industry benefit. This total funding allocated for the Program may be reduced or increased at the discretion of the ARENA Board.

The application and assessment process for the Program involves a one stage Full Application process. All potential Applicants will be required to register their Feasibility Study with ARENA prior to submission. Part 2 of these Guidelines provides further details on the application process.

ARENA will award Grant funding to eligible Full Applications on the basis of an individual Merit Criteria assessment, as set out in Part 4 of these Guidelines. The four Merit Criteria will be equally weighted, and are as follows:

a. Merit Criterion A: Contribution to Program Objectives

b. Merit Criterion B: Applicant capability and capacity

c. Merit Criterion C: Project design and methodology

d. Merit Criterion D: Financial viability and co-funding commitment

All successful Applicants will be expected to share data and knowledge from their Projects under Eligibility Criterion G items 3.13 and 3.14, and items 5.16 and 5.17 of these Guidelines. The Knowledge Sharing Plan will form part of the Funding Agreement.

The Applicants should also meet other applicable requirements described in these Guidelines, including compliance with relevant legislative requirements (see items 6.15 to 6.17).

All applications must be completed online using ARENA’s Grants Management System, ARENANet, which is accessible from the Program webpage at https://arena.gov.au/funding/RAMPP/.

ARENA will review and assess applications on an ongoing basis, until all funds available under the Program are exhausted or these Guidelines are revoked. ARENA will post upcoming Submission Dates and assessment periods 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.
10. ARENA will assess applications for suitability against the Merit Criteria, but will not undertake a comparative assessment of applications. Submission of a Full Application by the published Submission Date does not guarantee assessment during the allotted assessment period. ARENA will advise all Applicants in writing upon receipt of their Full Application and the expected timeframe for assessment.
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PART 1. OVERVIEW

PURPOSE

1.1 The purpose of these Guidelines is to provide rules and guidance for Applicants seeking an ARENA Grant through the Regional Australia Microgrid Pilots Program (the Program).

1.2 Applicants should read the Guidelines in conjunction with any supporting information provided on the Program’s webpage. These resources can be accessed at https://arena.gov.au/funding/RAMPP/.

1.3 In these Guidelines, the common meaning of the word applies, unless defined in the Glossary at the end of the Guidelines.

1.4 In the event of any inconsistency between other ARENA materials and these Guidelines, the Guidelines will prevail.

OBJECTIVE OF THE PROGRAM

1.5 The Objective of the Program is to support improved resilience and reliability of electricity supply in Regional Australia through pilot microgrid demonstrations that use or enable the use of renewable energy and resolve the remaining barriers to final investment and full deployment.

COMMENCEMENT AND AUTHORITY FOR GUIDELINES

1.6 The Guidelines commence on 24 September 2021.

1.7 The Guidelines may be revoked or varied by ARENA from time to time. Without limiting its rights, ARENA may, in its absolute discretion:
   a. suspend, defer or terminate this Program at any time;
   b. amend the Program Objectives to either include or exclude certain requirements;
   c. issue Program market announcements to call for specific types of Projects that may be required to fill gaps in the emerging Program portfolio;
   d. choose to withhold a portion of the Total Funding Allocation to invest in the latter stages of the Program; or
   e. amend Application Submission Dates and assessment timeframes at any time.

1.8 The ARENA Board is responsible for approving financial assistance and entry into contracts under the Program and may delegate this responsibility in accordance with the ARENA Act.

FUNDING MODEL

1.9 The total funding allocated for the Program is up to a total amount of $50 million (Total Funding Allocation), which may be reduced or increased at the discretion of ARENA.

1.10 ARENA will only provide funding to Full Applications considered to be of sufficient merit to support an offer of ARENA funding.

1.11 All funding provided through the Program will generally be in the form of Grants, although the type of Grant may vary and may include recoupable Grants, which means that some of the Grant may be repayable by the Recipient on terms to be agreed by the parties.

1.12 Grant amount:
   a. The minimum Grant amount under the Program that can be sought from an applicant is $250,000.
   b. ARENA expects that most Grants will be between $1 million and $5 million, depending on the scope and complexity of the project.
   c. Applicants may apply for grants greater than $5 million; however, such applications will need to demonstrate exemplary merit with very broad industry benefit.
   d. ARENA will endeavour to provide the minimum amount of funding to allow the Project to proceed, and in certain cases, subject to all other parties to the Project receiving a commercial return.
   e. The grant amount must be no more than 50 per cent of eligible Project costs (Grant percentage).
PART 2. APPLICATION AND ASSESSMENT PROCESS

OVERVIEW

2.1 The application and assessment process for the Program involve a single stage Full Application process. However, Applicants are required to provide their Feasibility Study for review by ARENA prior to commencing their Full Application. See items 2.3 to 2.12 for more information on registering a Feasibility Study.

2.2 Eligible Applicants can apply for funding under the Program for eligible Projects. The Eligibility Criteria, which are mandatory in nature, are set out in Part 3 of these Guidelines.

REGISTERING A FEASIBILITY STUDY

2.3 A requirement of the Program is that all Projects have been demonstrated to be feasible prior to commencement. Evidence of feasibility is required in the form of a Feasibility Study or equivalent feasibility assessment.

2.4 Feasibility Studies must be registered through ARENA's Grants Management System, ARENANet, or as otherwise directed by ARENA. ARENANet is accessible from the Program website https://arena.gov.au/funding/RAMPP/. Applicants can register a Feasibility Study at any time. ARENA will seek to provide feedback, in writing, on the suitability of the Feasibility Study within 20 business days following registration.

2.5 Where possible, the Feasibility Study should be registered by the same entity that is intending to apply for ARENA funding (the Applicant).

2.6 The Feasibility Study should be prepared by an appropriately qualified individual. ARENA expects a Feasibility Study to include at a minimum:
   b/ A clear description of the Project.
   c/ The proposed Project location.
   d/ A description of the proposed microgrid technology and concept design solution including any known design limitations.
   e/ A description of the renewable energy technology(ies) or enabling technologies considered including any technology comparisons considered as relevant.
   f/ Justified capital and operating cost estimates for the Project.
   g/ A Project Financial Model in a format readable with common spreadsheet software such as Microsoft Excel that enables the analysis of the capital cost, operational expenses, revenue, cash flow and returns of the Project.
   h/ Consideration of potential risks associated with the proposed Project (these may include but are not limited to technical, environmental, community and/or commercial risks).
   i/ Demonstrated consideration of the commercial model (including contractual relationships between the project participants and customers) and regulatory treatment or requirements (including potential exemptions) needed for the Project to proceed.
   j/ A statement on the technical, regulatory and financial feasibility (viability) of the Project and consideration of any further work or assessment that may be required.

2.7 ARENA will consider a Project to be financially feasible even if it requires a portion of grant funding to proceed. Additionally, ARENA will consider projects that are not feasible under existing regulations, however, the Feasibility Study should state the proposed pathway to Project delivery given those regulatory barriers.

2.8 ARENA may request additional information or clarification from the Applicant in relation to their Feasibility Study.

2.9 The Feasibility Study should be primarily focused on the specific Project that Applicant intends to submit as a Full Application for ARENA funding. However, Feasibility Studies can be supported by evidence from studies and projects in similar locations that demonstrate similar outcomes.
2.10 The format and style of the Feasibility Study may be determined by the Applicant. Additional information beyond what is listed in item 2.6 of these Guidelines may be included to the extent that it is relevant to the Project or feasibility assessment.

2.11 Only Feasibility Studies that meet the minimum requirements will be offered an opportunity to submit a Full Application to apply for ARENA funding. An offer to submit a Full Application does not guarantee an offer of funding. ARENA reserves the right to refuse progression of a Feasibility Study to a Full Application if it does not meet the minimum requirements specified in item 2.6 or provide sufficient evidence of the feasibility of the Project.

2.12 ARENA reserves the right to waive the requirement for Feasibility Study registration. However, a Feasibility Study that meets the requirements outlined in item 2.6 of these Guidelines would be required to be submitted with a Full Application.

**SUBMITTING A FULL APPLICATION**

2.13 All Full Applications must be submitted online using ARENA's Grants Management System, ARENANet, or as otherwise directed by ARENA. ARENANet is accessible from the Program website [https://arena.gov.au/funding/RAMPP/](https://arena.gov.au/funding/RAMPP/).

2.14 The online application system prescribed by ARENA may include a mix of mandatory fields, optional fields (including free text fields) and require attachments to be provided by the Applicant.

2.15 Word limits may apply at various fields when completing the online Full Application.

2.16 Word and page limits may also apply to requested responses and attachments that accompany a Full Application. ARENA may, acting in its sole discretion, elect not to read words beyond the specified word limit or any attached document beyond the last page of the specified page limit.

2.17 Applicants should ensure they have completed each section of the online application form, including mandatory attachments.

2.18 Documents required to be attached to the Full Application are listed under the Merit Criteria set out in Part 4 of these Guidelines.

2.19 If the Application does not include the information required (and in the format set out in ARENA's prescribed online application system) ARENA may, acting in its sole discretion, decline to assess the Application or seek supplementary information or clarification from the Applicant.

**ASSESSMENT PROCESS**

2.20 ARENA will assess the eligibility of Applicants and their Full Applications against the Eligibility Criteria set out in Part 3 of these Guidelines. Applications that do not meet all Eligibility Criteria will be considered ineligible and will not be assessed. In addition, Full Applications that ARENA considers to be of obvious low merit against one or more merit criteria will not proceed to assessment by the ARENA Advisory Panel.

2.21 Eligible Applications (except those considered to be of obvious low merit) will be assessed against the Program's Merit Criteria set out in Part 4 of these Guidelines. ARENA may seek advice on the merit of a Proposal from the ARENA Advisory Panel. Information on the members of the ARENA Advisory Panel is available on the ARENA website at [https://arena.gov.au/about/advisory-panel](https://arena.gov.au/about/advisory-panel).

2.22 ARENA may, at any time during the application process:

a. Seek further information from the Applicant in relation to any matter arising from the assessment of the Full Application.

b. Undertake due diligence activities and may also modify the due diligence activities it proposes to undertake. Due diligence activities may include, but are not limited to:

i. commissioning or completing relevant research, analysis and modelling to support assessment of Full Applications including engagement of consultants or advisors for this purpose; and

ii. contacting any relevant Commonwealth, State, Territory, local or municipal and international government agencies, Project partners or other relevant parties about an Application.

2.23 Eligible applicants may be asked to give a short presentation on their Project to the ARENA Advisory Panel and ARENA Executive. This may include answering questions relating to their Full Application as required. Advisory Panel meetings will generally take place in Sydney and where permissible, in person attendance is required. If not permissible under State or Federal law, meetings will be held via video conference. ARENA will not reimburse travel expenses associated with Advisory Panel meeting attendance.
2.24 Following its assessment, only Full Applications that meet all Eligibility Criteria, and that satisfy the Merit Criteria with a high level of merit, will be considered for an award of funding by ARENA. ARENA may:
   a. consider a Full Application to be not of high merit and therefore not offer funding to the Applicant;
   b. negotiate with Applicants to modify their Full Application prior to finalising its assessment; or
   c. offer funding for the Project and invite successful applicants to negotiate a Funding Agreement with ARENA.

2.25 Applicants that are not offered funding may submit one revised Full Application in relation to the Project. Revised Full Applications must take into account any feedback from ARENA. If, in the opinion of ARENA, any such feedback has not been taken into account, ARENA may refuse to assess the revised Full Application.

2.26 The decision on whether funding will be offered to an Applicant under this Program will be final and ARENA may stipulate conditions to the offer of funding.

2.27 ARENA will advise the Applicant in writing of the outcome of the assessment of their Application, including 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. A funding offer may exclude parts of a Project submitted by an Applicant, or include additional parts as requested by ARENA.

2.28 Applicants may request feedback from ARENA on their Full Application at the conclusion of the assessment process. Feedback will be provided in a form determined suitable by ARENA.

PORTFOLIO APPROACH

2.29 ARENA may 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.

2.30 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.

COLLABORATION

2.31 ARENA may, in its discretion, elect to facilitate collaboration between any Applicants with similar or complementary proposals or between Applicants and other organisations or funding bodies, to develop consortia to finance and carry out Projects. 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.

2.32 Any such facilitation does not constitute any commitment by ARENA that it will offer funding for the collaborative or any other Project. When facilitating collaboration, ARENA is not responsible or liable for any comments, consultation or assistance provided by ARENA.

2.33 When working with Applicants to develop a Full Application, ARENA’s involvement may include but not be limited to:
   a. Providing detailed guidance on the preparation of financial and/or technical evidence relevant to the Project.
   b. Helping to develop knowledge sharing plans.
3.1 All of the following Eligibility Criteria must be met to submit a Full Application, and must continue to be met throughout the Project.

**ELIGIBILITY CRITERION A - ELIGIBLE APPLICANT**

3.2 The Applicant must:
   a. at the time of applying and throughout the life of the Project, hold an Australian Business Number (ABN) and
   b. be either:
      i. an Australian entity incorporated under the Corporations Act 2001 (Cth); or
      ii. an Australian State or Territory owned corporation or a subsidiary of an Australian state or territory owned corporation; or
      iii. an Australian local government or council; or
      iv. registered with the Australian Charities and Not-for-Profit Commission (ACNC); or
      v. an Australian university; or
      vi. the Commonwealth Scientific and Industrial Research Organisation (CSIRO).

**ELIGIBILITY CRITERION B - ELIGIBLE PROJECT**

3.3 The Applicant must be able to demonstrate to the satisfaction of ARENA that the Project described in the Application:
   a. is demonstrated to be feasible through a Feasibility Study which has been accepted by ARENA in accordance with Part 2 of these Guidelines.
   b. includes the deployment of equipment and/or technology solutions that enable the microgrid demonstration.
   c. includes the use of a Renewable Energy Technology or enabling technology and/or the Project contributes to increased uptake of Renewable Energy.
   d. is located in an inner regional, outer regional, remote or very remote area as defined by the Australian Statistical Geography Standard (ASGS) Remoteness Area1.

**ELIGIBILITY CRITERION C - TAKE PLACE IN AUSTRALIA**

3.4 The Application must demonstrate to the satisfaction of ARENA that the majority of Project activities will take place in Australia.

**ELIGIBILITY CRITERION D - INTELLECTUAL PROPERTY**

3.5 The Applicant must warrant it has ownership of, access to, or the beneficial use of, any intellectual property rights, including moral rights (IP) necessary to carry out the Project.

3.6 ARENA’s IP requirements will be reflected in the finalised Funding Agreement.

**ELIGIBILITY CRITERION E - WORKPLACE GENDER EQUALITY**

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

3.8 The Applicant must not be named as an organisation that has not complied with the Workplace Gender Equality Act. Any Applicant so named will be excluded from further consideration.

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3.9 Applicants must make a declaration in the application form to demonstrate that they understand and meet their obligations, if any, under that Act. ARENA will check Applicants’ names against the list of non-compliant organisations on the website of the Workplace Gender Equality Agency at https://wgea.gov.au.

ELIGIBILITY CRITERION F - MODERN SLAVERY

3.10 The Australian Government is taking a global leadership role in combating modern slavery through its landmark Modern Slavery Act 2018 (Cth) (Modern Slavery Act).

3.11 The Applicant must agree that it will:
   a. take reasonable steps to identify, assess and address risks of modern slavery practices in the operations and supply chains used in delivering the Project;
   b. if applicable, comply with its obligations under the Modern Slavery Act; and
   c. assist ARENA to comply with its obligations under the Modern Slavery Act.

3.12 The Applicant must make a declaration in the Application form that it will meet these requirements in relation to the Modern Slavery Act.

ELIGIBILITY CRITERION G - KNOWLEDGE SHARING

3.13 The Applicant must agree that it will participate in any knowledge sharing events and activities related to the Program. The Applicant must agree to publicly share knowledge and information about, and resulting from, the Project described in its Application.

3.14 Applicants must agree to ARENA’s Knowledge Sharing Plan for this Program, which can be found on the ARENA website at https://arena.gov.au/funding/RAMPP/. ARENA may negotiate additional bespoke requirements for individual Applications that will be agreed upon with the Applicant and set out in the Funding Agreement.
PART 4. MERIT CRITERIA

4.1 Once a Full Application has been assessed to have satisfied the eligibility criteria, it will be assessed for overall value for money against the merit criteria. In assessing value for money, ARENA will need to be satisfied that the Project is not commercially viable without ARENA support. ARENA will seek to provide the minimum financial assistance that is needed, and in the most appropriate form, in order for the Project to deliver the desired outcomes. All of the merit criteria are equally weighted.

4.2 This section provides non-exhaustive guidance on how you can demonstrate merit against each criterion. The amount of detail and supporting evidence you provide in your Full Application should correspond with the Project size, complexity and Grant amount requested.

MERIT CRITERION A – CONTRIBUTION TO OBJECTIVES

OVERVIEW

4.3 This Merit Criterion focuses on the extent that the Project contributes to the Program Objectives of 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.

DEMONSTRATING MERIT AGAINST THIS CRITERION

4.4 You can demonstrate merit by describing how the Project contributes to the Program Outcomes, such as:

a. **Electricity Resilience and Reliability**: Demonstrating improved resilience - ability to maintain continuous supply of electricity to the microgrid in preparation for, during and after natural disasters. Demonstrating improved reliability - ability to balance electricity supply and demand from a very short time to a very long time.

b. **Microgrid Barriers**: Identifying the technical, regulatory and commercial barriers and how the project will address those barriers to provide replicable, scalable models for the deployment of microgrids; and, if relevant, evidence of engagement with relevant stakeholders to deliver those solutions. ARENA will be seeking projects that:
   - Support technical innovation: Includes innovation that mitigates challenges and delivers or unlocks new system services such as greater demand flexibility and efficient use of the grid and locally generated DER.
   - Inform regulatory reform: Inform regulatory reforms, licensing frameworks, customer protections and procedural change while unlocking new technologies that can support the energy transition.
   - Demonstrate commercial feasibility: Improve the business case (revenue enhancement and cost reductions), demonstrate new business models and bankability, and unlock and reduce the cost of debt finance.

c. **Portfolio Fit**: Advancing upon learnings and innovation already demonstrated within the existing portfolio of microgrid projects, including non-ARENA projects.

MERIT CRITERION B – APPLICANT CAPABILITY AND CAPACITY

OVERVIEW

4.5 This Merit Criterion focuses on the extent to which the Full Application demonstrates that the Applicant and its partner organisations have the capability and capacity to deliver the Project.

4.6 Assessment of this Merit Criterion includes consideration of the following:

a. **Capability**:
   i. For the Applicant and any partner organisation(s) and personnel: including commercial, professional and technical skills, risk management (including Work Health and Safety Management System (WHSMS) skills), project management skills, financial management skills, knowledge management skills, understanding of the current electricity regulatory environment and track record (including safety record) in delivering projects of a similar scope and scale.
b. Capacity:
   i. For the Applicant and any partner organisation(s) and personnel: including what and how
      proposed resources (e.g. physical resources and facilities, equipment, technical staff, project
      managers, contract managers, etc.) will be made available for the duration of the Project to
      ensure the proposed Project is delivered on time and within budget.
   ii. The nature and status of any agreements between partner organisations.

DEMONSTRATING MERIT AGAINST THIS CRITERION

4.7 The Applicant should demonstrate merit in the Application as follows:

Statement against the following:

a. Capability:
   › Demonstrate the management, technical, regulatory, commercial and professional expertise
     and experience of the key personnel, as relevant to the Project. This should include examples
     of other similar projects (and their outcomes) undertaken by the Applicant, partners or the key
     personnel (in the past five years) or other projects of a similar nature, scale or value in Australia
     or internationally.

b. Capacity:
   › Demonstrate the Applicant organisation, any partner organisations and key personnel have the
     resources, including personnel, physical resources, facilities and infrastructure (or that these will
     be accessible or made available) to achieve the Project outcomes.
   › Outline what the necessary agreements that will be required between your partner
     organisation(s) and/or consortia to deliver the Project. Outline the current status of these
     agreements and the steps you will take to secure these and when you will deliver them. Note,
     you should provide any evidence in the attachment section of your Full Application form. This
     may be a Letter of Support or a Letter of Co-Funding Commitment signed by a Director or
     equivalent of your partner organisation(s).

Attachments: Applicants may include CVs of Key Personnel (limit of 2 pages per person, up to 5 CVs
per Application).

MERIT CRITERION C – PROJECT DESIGN AND METHODOLOGY

OVERVIEW

4.8 The purpose of this Merit Criterion is to assess how well the Applicant has designed and planned
the Project, including identifying and managing risks (e.g. personnel, delivery, technical, regulatory
and financial), in order to successfully deliver the Project within the timeframe and budget set out
in the Application.

4.9 Assessment of this Merit Criterion includes consideration of the following:
   a. The Project Feasibility Study.
   b. A well-articulated plan for the Project.
   c. The quality and appropriateness of the Risk Management Plan including how the Applicant will
      manage safety issues (e.g. safety standard compliance).
   d. The appropriateness of the Project’s Community Consultation Plan and expected stakeholder
      management.
   e. How the Project will meet the requirements outlined in Part 5.

4.10 This Merit Criterion also assesses Project risks (including WHS risks) not identified in the assessment
of the other Merit Criteria and the steps the Applicant proposes to take to mitigate any such risks.
Project risk is also assessed in terms of the likely success of the Project and the achievement of
stated outcomes.

4.11 ARENA expects Applicants to have reviewed and identified any proposed departures from ARENA’s
template Funding Agreement, which is available on the Fund’s webpage at https://arena.gov.au/
funding/RAMPP/. ARENA is unlikely to accept any proposed departures that were not raised in the
Applicant’s Full Application.

4.12 Applicants should be aware that low compliance with the Funding Agreement template may impact
on ARENA’s assessment of Project risk. Strong compliance with the Funding Agreement will generally
increase the merit of a Project.
DEMONSTRATING MERIT AGAINST THIS CRITERION

4.13 Applicants can demonstrate merit by describing:

a. the technical design and delivery methodology of the Project including the delivery of any knowledge sharing outcomes;

b. a well-articulated plan for the Project including Project governance arrangements;

c. key personnel, delivery, technical, regulatory and financial risks of the Project and how these will be managed;

d. how you and the Proposal meet the requirements outlined in Part 5.

Attachments:

a. Project Feasibility Study (mandatory): You must include a completed Feasibility Study for the Project in a final format which incorporates any feedback provided by ARENA at the registration phase.

b. Risk Management Plan (mandatory): You must include a Risk Management Plan, which should include:
   i. Identification of risks (including but not limited to schedule and Project delivery, safety, regulatory, technical, environmental and commercial) and the proposed mitigation strategies; and
   ii. Work Health and Safety Management System Plan.

c. Community Consultation Plan (mandatory): You must include a Community Consultation Plan which includes identification of key stakeholder groups, outlines the proposed community consultation processes, considers a process for complaints and how community consultation feedback will be regularly monitored and, where necessary, incorporated into the Project for ongoing improvement.

d. Compliance Table (mandatory): (using ARENA's Funding Agreement template available at https://arena.gov.au/funding/RAMPP) setting out any proposed departures from the general conditions of the draft Funding Agreement template, including clauses that the Applicant does not accept, accepts in part, or does not consider to be applicable.

e. Letters of Support and other evidence (optional): You may include any additional evidence to support Project readiness and the level of commitment from Partner Organisations (e.g. letters of support, procurement contracts etc).

MERIT CRITERION D - FINANCIAL VIABILITY AND CO-FUNDING COMMITMENT

OVERVIEW

4.14 This Merit Criterion assesses the Project’s value for money, financial ability of the Applicant and any Project partners to deliver the Project and the level of cost certainty over total Project costs.

4.15 Assessment of this Merit Criterion includes consideration of the following:

a. Whether the Applicant and any Project Partners have the financial capacity and appropriate levels of co-funding commitment to deliver the Project successfully.

b. The extent to which the Applicant or other Project Partners are providing funding or in-kind support for the Project.

c. Relevant industry benchmarks for the economics of a particular Project.

d. The appropriateness of the budget allocated to knowledge sharing to deliver the outcomes as proposed.

4.16 Applicants should refer to the Eligible Expenditure Guide at Appendix A for information on what the ARENA funding may and may not be used for.

DEMONSTRATING MERIT AGAINST THIS CRITERION

4.17 The Applicant should demonstrate merit against this Criterion in the Application as follows:

a. a detailed budget and financial model for the Project that shows (taking into account the eligible expenditure guidelines in Appendix A):
   › a breakdown of the expected expenses for the Project including any overseas expenses
   › the total cost of the Project
   › the funding sought from ARENA and the proposed payment milestones

b. evidence of support by you and any Project Partners, including commitment to provide the specified cash and in-kind contributions.

c. information to confirm that you (and any Project Partners) have the financial capacity to fund your proposed share of the funding or in-kind contributions for the duration of the Project.
Attachments:

**Project Budget and Financial Model (Mandatory):** You must include a Financial Model of the Project that is in a format readable with common spreadsheet software such as Microsoft Excel and enables the analysis of the capital cost, operational expenses, revenue, cash flow and returns of the Project.

**Evidence of financial capacity (Optional):** Where applicable, Applicants should include evidence of the financial commitment (both cash and in-kind) to the Project from any relevant Project Partners. Evidence may include term sheets, letters of support (from an appropriately authorised representative) or draft agreements. Where possible the specific contribution should be referenced.
PART 5. FUNDING AGREEMENTS

FUNDING OFFERS

5.1 All funding offers and any payment of funds under the Program are conditional upon the execution of a Funding Agreement with ARENA.

5.2 ARENA reserves the right to withdraw or reduce an offer of funding during the negotiation process.

5.3 The funding offer will include details on the Funding Agreement negotiation process. ARENA may stipulate conditions to the funding offer.

5.4 Applicants must ensure that funding offers are kept confidential until the execution of the Funding Agreement by both the Applicant and ARENA.

5.5 Any public statements relating to the Full Application or the proposed Project by the Applicant between the Application lodgement date and execution of the Funding Agreement require ARENA's prior written consent.

5.6 ARENA may withdraw its offer of funding should an Applicant not comply with item 5.4 and 5.5 of these Guidelines.

5.7 During Funding Agreement negotiations, ARENA may mutually agree with the Applicant to make minor changes to the Project in order to improve the overall outcomes of the Project.

FUNDING AGREEMENT

5.8 The Funding Agreement will provide the legal framework for the obligations of each party and payment in relation to the Project. Applicants should review and understand the draft Funding Agreement prior to submitting a Full Application.

5.9 Successful Applicants will be required to report on the number of direct jobs (full time equivalents (FTEs)) created during the construction phase and ongoing operation of the Project. Jobs will include permanent roles, contractors (including subcontractors) and consultants involved in the Project.

5.10 ARENA will be required to calculate and report on the carbon abatement resulting from successful Projects. Funding Recipients will be required to cooperate with ARENA to provide the data required to complete these calculations.

5.11 ARENA reserves the right not to consider changes to the Funding Agreement that were not raised in the Applicant's Compliance Table submitted with the Full Application.

5.12 Details of the process for management and variation of the Funding Agreement will be set out in the Funding Agreement.

USE OF FUNDING

5.13 Applicants are required to prepare a budget for the Project, which is to be submitted with the Full Application.

5.14 An agreed budget will form part of the Funding Agreement for the Project.

5.15 Funding from ARENA must be used only for approved expenditure on the Project, as set out at Appendix A (Eligible Expenditure) of these Guidelines.

KNOWLEDGE SHARING AND PUBLICATION OF PROJECT INFORMATION

5.16 A condition of funding through the Program is agreement to a Knowledge Sharing Plan to inform industry and the broader community about the Project’s development and findings. ARENA will adopt a standardised process for refining knowledge sharing requirements for the Project. The template Knowledge Sharing Plan is included on the Program website in the ARENA Funding Agreement Template.

5.17 An approved Knowledge Sharing Plan will form part of the Funding Agreement for the Project.
CONFIDENTIALITY AND DISCLOSURE OF INFORMATION

6.1 Subject to item 6.2, information of a confidential nature that 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.

6.2 Despite 6.1 above, commercial-in-confidence information provided by Applicants may be disclosed by ARENA to the following parties:
   a. the Minister and the Minister’s office;
   b. the Parliament of the Commonwealth of Australia in response to a request by a House or a Committee of the Parliament of the Commonwealth of Australia;
   c. the Auditor General, Ombudsman, Information Commissioner or Privacy Commissioner;
   d. the Australian Energy Market Operator (AEMO);
   e. ARENA staff, Consultants and advisers;
   f. any Commonwealth agency or body, or 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; or
   g. where authorised or required by law to be disclosed.

6.3 Any ARENA Confidential Information provided to the Applicant as part of this process is not to be disclosed to any third party, unless required by law or with ARENA’s prior written consent.

6.4 ARENA may publicly release the names of successful Applicants and the locations of the proposed Projects following announcements of successful Full Applications.

ACKNOWLEDGEMENT AND PUBLICITY

6.5 Unless otherwise agreed, ARENA requires that all funding Recipients acknowledge the financial and other support received from ARENA in all publications, promotional and advertising materials, public announcements, events and activities in relation to the Project, or any products, processes or inventions developed as a result of that Project. The form of any such acknowledgement will be set out in the Funding Agreement.

REVIEW OF DECISIONS AND COMPLAINTS

6.6 ARENA has in place a Complaints Handling Policy, which is available here https://arena.gov.au/assets/2018/07/complaints-handling-policy-procedure-form.pdf and on the ARENA website at https://arena.gov.au. Any complaints concerning assessments or processes should be discussed with the ARENA official involved in the assessment or process in the first instance. If the Applicant is not satisfied following the discussion with the ARENA official, a formal complaint can be made at complaints@arena.gov.au.

CONFLICTS OF INTEREST

6.7 ARENA has in place policies to manage any conflicts of interest that may arise with respect to the ARENA Board, personnel and Advisory Panel members.

6.8 Applicants must advise ARENA in writing of any actual, apparent or potential conflicts of interest that arise in its Full Application and during any part of the application process.

6.9 The Applicant must comply with any directions from ARENA as to the management of a material conflict of interest.

6.10 ARENA reserves the right to cease consideration of a Feasibility Study or Full Application, at any stage of the process, where a conflict arises that ARENA considers, in its sole discretion, cannot be appropriately managed.
ARENA'S DISCRETION

6.11 By registering a Feasibility Study or submitting a Full Application, you acknowledge and agree to ARENA's right to reject, refuse to consider or cease evaluating your application, at any time, as set out in these Guidelines.

NO CONTRACT OR LIABILITY

6.12 Despite anything in the Guidelines or in any Full Application submission, or any other documentation that forms part of this process (in part or together), by registering a Feasibility Study or submitting a Full Application, each Applicant:

a. Acknowledges that neither ARENA nor the Applicant intends to create any contract or other relationship under which ARENA is obliged to conduct the process in relation to the Program in any manner or at all, and that there is in fact no such contract or other relationship in existence.

b. Acknowledges that neither the Guidelines nor any submission will create any legal or other obligation upon ARENA to conduct the process in any manner or at all.

c. Agrees that ARENA will not be liable whatsoever for any costs incurred by the Applicant in preparing an Application for the purposes of applying for funding under this Fund.

d. 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 process in any manner or at all.

WORK HEALTH AND SAFETY

6.13 All organisations have obligations under relevant Work Health and Safety law (WHS Law) to ensure the health and safety of workers so far as is reasonably practicable and that the health and safety of other persons is not put at risk from their undertakings. This obligation includes funding Recipients ensuring that safe systems of work are in place for each of their activities. ARENA expects Applicants to be committed to health and safety management in the proposed Project.

6.14 ARENA also has a policy of ensuring that it enters into agreements with, or provides funding to, only those organisations that take a proactive approach to managing work health and safety risks in accordance with the requirements of WHS Law.

OTHER APPLICABLE REQUIREMENTS

6.15 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 (Cth)), where such Proceedings have the potential to affect either:

 › the Applicant’s capacity to undertake the proposed Project, or
 › the Applicant’s reputation.

6.16 A range of Commonwealth policy and legislative requirements may also affect the conduct of Projects funded through the Program. Applicants should seek their own advice on any relevant legislation that may be applicable under the Funding Agreement.

6.17 ARENA will not enter into a Funding Agreement with an organisation on the list of persons and entities designated as terrorists. The list and more information on the anti-terrorism requirements are available at: https://www.dfat.gov.au/international-relations/security/sanctions/consolidated-list.
APPENDIX A. ELIGIBLE EXPENDITURE

A.1 This Appendix A regarding Eligible Expenditure specifies the kinds of expenditure that are eligible or ineligible for Projects funded through the Program. Eligible Expenditure requirements are incorporated in the Funding Agreements for the Program, and are to be followed:

a. in the preparation of the Project budget that is submitted with a Full Application for funding under the Program; and
b. in the preparation of reports required under the Funding Agreements.

A.2 Budgets should be realistic and feasible in relation to the nature of the Project and the expected cash flow. As part of a Full Application, Applicants are required to:

a. explain any underlying assumptions in the calculation of proposed expenditure;
b. indicate where quotes have been received or contracts are already in place; and
c. provide relevant document(s) to support expenditure calculations.

A.3 If a proposal is accepted for funding and a Funding Agreement is executed, ARENA will make payments as per the terms of the Funding Agreement. The amount and timing of funding to be paid will be determined on a case by case basis as part of the process of negotiating the Funding Agreement. Where an Applicant is in any doubt as to the eligibility of proposed expenditure, the Applicant must bring the matter to ARENA for decision. ARENA's determination on the eligibility of expenditure will be final.

GENERAL PRINCIPLES

A.4 The following general principles apply in the consideration of Eligible Expenditure:

a. Eligible Expenditure is expenditure related directly to the undertaking of the Project and is calculated net of GST;
b. 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;
c. In-Kind Contributions are non-monetary resources used on the Project where no cash has been transferred to the Recipient’s account(s) for the Project;
d. expenditure that is undertaken prior to the signing of the Funding Agreement may be eligible, if prior written approval has been granted by ARENA;
e. 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;
f. 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;
g. related party transactions must be treated on an at cost basis, without any cost mark-up, unless the Recipient can demonstrate to the satisfaction of ARENA that the transaction has been calculated on an arm's-length basis; and
h. 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.

SPECIFIC ELIGIBILITY PROVISIONS

A.5 The following is Eligible Expenditure:

a. Eligible contract expenditure, is the cost of any activities to support the Project performed for the Recipient by another organisation. Such work to be performed on a Project must be substantiated with a written contract, which includes a letter or purchase order. If the contractor and the Applicant or Recipient are not at "arms-length", ARENA may request further information in order
to satisfy itself whether the amounts charged were reasonable. Organisations considered not at ‘arm’s-length’ include related companies and companies with common directors or shareholders. It is not a requirement for contracts to be in place at the time an Applicant submits a Full Application to ARENA.

b. Labour expenditure, such as salaries and wages, including reasonable on-costs for personnel employed directly on the Project. Labour on-costs include: workers’ compensation insurance, employer contributions to superannuation, recreation and sick leave, long service leave accrual and payroll tax. Labour expenditure is further described in A.8 – A.11 below;

c. Administrative expenses, including expenses incurred on communications, accommodation, computing facilities, travel, recruitment, printing and stationery, where such expenses are related directly to the Project;

d. Expenditure for plant installed for the Project at the full delivered cost of the plant;

e. Expenditure on plant used for the construction of a Project, calculated on the basis of hire or lease costs, and running costs directly related to the construction of the Project, such as rent, power, fuel and repairs and maintenance;

f. Expenditure activities that directly contribute to or enable knowledge including database development, websites, applications and reports;

g. Expenditure on legal, audit and accounting costs related directly to the Project;

h. Expenditure related to the raising of funds for the Project, or the formation of consortia or joint ventures or other partnering arrangements, where such activities can be related directly to the Project;

i. Expenditure such as relevant licence fees or intellectual property purchase costs, where the Applicant needs to access specific technology to undertake the Project; and

j. Expenditure related directly to obtaining government approvals to undertake the Project.

A.6 Expenditure that does not fall under Eligible Expenditure can be included in the total Project cost as ineligible expenditure, however, ARENA funds can only be used for Eligible Expenditure.

A.7 For the avoidance of doubt, expenditure that is not Eligible Expenditure includes, but is not limited to:

a. 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, other than costs that are directly related to the Project;

b. 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;

c. Interest on loans for new and pre-existing capital items used for the Project;

d. Expenditure on the acquisition of land for a Project;

e. Sales or promotional activities that do not directly support the successful completion of the Project;

f. Membership fees;

g. Donations; and

h. Any other expenditure that does not directly support the delivery of the Project.

ELIGIBLE LABOUR EXPENDITURE

A.8 Eligible labour expenditure is the gross amount paid or payable to an employee of the Applicant 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).

A.9 Where personnel are already engaged by the Recipient 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 a cash contribution. 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 shall be classed as an In-kind Contribution.

A.10 Recipients must provide evidence to demonstrate the amount of time that an employee spent on the Project. Evidence to support Eligible Expenditure on labour could include timesheets, job cards or diaries.

A.11 Labour costs cannot be claimed based on an estimation of the employee’s worth to the company, where no cash has changed hands.
ELIGIBLE CONTRACT EXPENDITURE

A.12 Eligible contract expenditure is the cost of any activities to support the Project 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.

A.13 It is not a requirement for contracts to be in place at the time an Applicant submits a Full Application to ARENA. However, for major items of contract expenditure, such as purchases of major items of hardware to be incorporated in the Project, 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.

A.14 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

A.15 ARENA reserves the right to approve expenditure incurred after ARENA has made a funding offer, but before a Funding Agreement has been executed. Requests must be submitted in writing after an offer of funding has been made. Note that any expenditure made before the execution of a Funding Agreement in the absence of ARENA’s prior approval is ineligible expenditure and incurred at the sole risk of the Applicant.

OVERSEAS EXPENDITURE

A.16 No more than 10% of ARENA funds awarded to a Project may be spent overseas, with the exception of the purchase or use of equipment and materials. ARENA may consider a specific request for exemption for critical activities. Any such request should be made in writing before the Full Application is lodged with an explanation of why the Project activity conducted overseas:

a. cannot be done in Australia; and/or
b. would benefit from being performed outside Australia.

A.17 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

A.18 Recipients and any relevant Project partners are required to have suitable accounting systems in place that allow for:

a. the separate and accurate identification of contributions and Eligible Expenditure on the Project; and
b. a clear audit trail of all Project funding contributions and Eligible Expenditure to be available upon request and as required to meet the requirements in the Funding Agreement.
GLOSSARY

**Applicant** - an eligible organisation or institution as defined in item 3.2 of these Guidelines that has submitted a Full Application 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.

**Corresponding WHS Law** - as defined in the *Work Health and Safety Act 2011* (Cth), means each of the following:
- the *Work Health and Safety Act 2011* of New South Wales
- the *Occupational Health and Safety Act 2004* of Victoria
- the *Work Health and Safety Act 2011* of Queensland
- the *Occupational Safety and Health Act 1984* of Western Australia
- the *Work Health and Safety Act 2012* of South Australia
- the *Work Health and Safety Act 2012* of Tasmania
- the *Work Health and Safety Act 2011* of the Australian Capital Territory
- the *Work Health and Safety (National Uniform Legislation) Act 2011* of the Northern Territory
- any other law of a State or Territory prescribed by the regulations, as amended from time to time.

**Eligibility Criteria** - the Eligibility Criteria for Projects listed Part 3 of these Guidelines.

**Eligible Expenditure** - expenditure of the kind set out in Appendix A of these Guidelines.

**Feasibility Study** - an assessment of Project viability which meets the minimum requirements as set out in item 2.6 of these Guidelines.

**Full Application** - An application for ARENA Grant funding that is submitted by an Applicant through the ARENANet Full Application form for funding under the Program.

**Full Time Equivalent (FTE)** - the ratio of the total number of paid hours during a period (part time, full time, contracted) by the number of working hours in that period Mondays through Fridays. The ratio units are FTE units or equivalent employees working full-time. In other words, one (1.0) FTE is equivalent to one employee working full-time.

**Funding Agreement** - the agreement between a Recipient and ARENA for funding under the Program.

**Grant** - an amount awarded for a particular Project 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.

**Guidelines** - the Program Guidelines.

**In-Kind Contribution** - non-monetary resources used on the Project where no cash has been transferred to the Recipient’s account(s) for the Project.

**Investment Plan** - the ARENA Investment Plan, a document that ARENA releases annually, outlining ARENA’s investment programs and initiatives.

**Knowledge Sharing Plan** - an agreement entered into between ARENA and the Applicant under a Funding Agreement to share knowledge from the Project.

**Merit Criteria** - the Merit Criteria listed in Part 4 of these Guidelines.

**Opportunity Costs** - any benefits or production lost due to the allocation of resources to the Project ahead of any other possible activities by the Recipient.
**Partner Organisations** - a person, organisation or institution that the Applicant has engaged as a joint venturer, contractor, financier or consultant to help deliver the Project as part of its Proposal.

**Program Objectives** - the aims of the Program as described in item 1.5 of these Guidelines.

**Project** - the project proposed to be delivered as set out in the Full Application. Eligible Projects are defined in item 3.3 of these Guidelines.

**Recipient** - An entity that has entered into a Funding Agreement with ARENA for funding of a Project.

**Renewable Energy** - includes energy that is produced using natural resources that are constantly replaced and never run out. Renewable energy sources include solar PV, wind, hydro, geothermal, bioenergy and ocean energy.

**Submission Date** - the deadline for submission of all required application materials through the ARENANet Application form. Submission Dates will be published on an ongoing basis on the ARENA website at [https://arena.gov.au/funding/RAMPP/](https://arena.gov.au/funding/RAMPP/).

**WHS Law or WHS Legislation** - the *Work Health and Safety Act 2011*(Cth), Corresponding WHS Law or superseded work health and safety or occupational health and safety law in any jurisdiction. The WHS Law includes regulations established under the relevant Acts.

**WHSMS** - work health and safety management system.