



Future Fuels Program Information Session

Australian Renewable Energy Agency

1. Introduction to ARENA



2. Program overview



What is the Future Fuels Fund?

The Future Fuels Fund, administered by ARENA, aims to support Australians to be able to choose new vehicle technologies including battery electric vehicles, hydrogen and bio-fuelled vehicles. The Fund will provide grant funding for public charging and refuelling projects or those which incorporate new vehicle technology into fleets, including the costs of charging infrastructure and electrical upgrades (as opposed to direct vehicle incentives).

The Fund has the following target areas:

Public Charging and Refuelling	Extending the national public charging network to address key blackspots in regional and metropolitan areas for both electric vehicle charging and hydrogen refueling.
New Vehicle Technologies for Businesses	Enabling businesses with passenger, courier, bus and truck fleets to transition to new vehicle technologies (including BEV, hydrogen and biofuels)
Australian Households	Supporting Australian's to install smart chargers that will boost the reliability of local electricity networks

Future Fuels expansion

In November 2021 the Fund was expanded from \$71.9 million to c.\$250 million with the following items included 1.

Focus area	Overview	Status
Public charging (Round 1)	Competitive round focused on public charging infrastructure for Battery Electric Vehicles (BEVs) in metropolitan areas.	Completed (July 2021)
Heavy fleets	Heavy vehicles and enabling infrastructure, charging and/or refueling	Current Program Focus Area
Light commercial fleets	Additional funding for fleets that would be on top of the remaining funding for fleets in the original budget measure	Current Program Focus Area
Public charging and refueling	Public charging and hydrogen refueling infrastructure	Undertaking market consultation
Household smart charging	Smart charging for households through aggregators	Undertaking market consultation

Note 1: Additional areas may be considered following market consultation

Program Overview

Key features of the Program include:

- **Applications:** Two stage process. Applicants can submit an EOI at any time, except under Targeted Rounds. Applications are expected to be assessed every two months (depending on applications received).
- **Collaboration with ARENA:** ARENA can work collaboratively with applicants, include providing feedback and ARENA can facilitate collaboration between complementary Proposals or between Applicants and other organisations or funding bodies, to develop consortia to finance and carry out Projects.
- **Funding currently available:** \$127.9 million for Program Focus Areas.
- **Program Focus Areas:** See list on next slide. The Program Focus Areas are for the period to December 2022 and may be updated periodically.

**Targeted Rounds: ARENA may choose to utilise a Targeted Round within the Program for targeted activities on the Program webpage. The start of a Targeted Round will be announced via a Funding Announcement on the Program webpage and will include information on key dates, funding available, Round structure and criteria, and the extent of which ARENA can collaborate with.*

Program Objectives

Overcome Barriers

Identify barriers and providing evidence explaining how Projects will reduce or remove barriers to high levels of ZEV uptake to inform users, industry practices, policy, regulatory or standards

Optimise grid integration and inform regulation

Demonstrate and build understanding of solutions to optimise the integration of BEVs and/or hydrogen electrolysers into the electricity grid cost effectively

Demonstrate new use cases and innovation

Demonstrate new use cases, business models or innovation that can be replicable and provide ongoing value for ZEVs

Increase skills, capacity and knowledge sharing

Knowledge gained and shared contributes to new skills, capabilities, understanding and reforms that can accelerate the transition to ZEVs

Current Program Focus Areas

Focus Area 1

Supporting integration of BEVs into Light Vehicle fleets

Aim: Supporting Australian businesses and other organisations move towards a decarbonised transport fleet, by helping to integrate BEV passenger vehicles, SUVs and light commercial vehicles (vans and utes) (Light Vehicles) into their fleets.

Minimum grant size: \$1 million.

Focus Area 2

Supporting integration of BEVs into heavy vehicle fleets

Aim: Supporting Australian businesses and other organisations decarbonise their heavy transport fleet, by supporting the deployment and integration of heavy BEVs including trucks and buses.

Minimum grant size: \$1 million.

Focus Area 3*

Commercialise hydrogen as a transport fuel

Aim: Supporting Australian businesses and other organisations integrate the use of hydrogen into their transport fleet, by supporting the deployment of hydrogen fuel cell vehicles and associated hydrogen infrastructure such as refueling stations

Minimum grant size: \$5 million.

** **Note:** At present, there is a limited range of commercially available fuel cell electric vehicles. ARENA funding under Focus Area 3 will only be available to projects that demonstrate sufficient evidence of access to vehicles.*

Current Program Focus Areas

Focus Area 1: Supporting integration of Battery Electric Vehicles (BEV) into Light Vehicle fleets

ARENA is seeking to support:

- Charging infrastructure, electrical upgrades and installation costs to help reduce the current total cost gap of BEVs.
- Integration of managed charging to optimise the integration of BEVs into the electricity system.
- A mix of different innovative solutions and business models to BEV integration including depot smart charging upgrades, home smart charging for employees and contractors, and other hardware and software solutions.
- **Note:** *Funding support for the direct costs of procuring and operating Light Vehicles is not included in this Focus Area.*

Projects must include:

- The deployment of light BEVs, charging and electrical infrastructure into:
 - a single fleet; or
 - through the aggregation of multiple smaller fleets into a combined larger application for funding;
- A commitment by Applicants and/or their partners to transition to BEVs as part of their proposal with larger commitments to be considered of higher merit; and
- Commit to source renewable energy and / or green certificates to cover electricity usage for BEVs.

Current Program Focus Areas

Focus Area 2: Supporting integration of BEVs into heavy vehicle fleets

ARENA is seeking to support:

- Charging infrastructure, electrical upgrades and installation costs to overcome the current cost gap of BEVs.
- A portion of the upfront vehicle costs to help overcome the initial cost premium of heavy BEVs where there is a justifiable economic gap.
- Integration of managed charging to optimise the integration of BEVs into the electricity system.
- A mix of different innovative solutions and business models to BEV integration including depot smart charging upgrades and other hardware and software solutions.
- A range of industries to decarbonise, including transportation, logistics, agriculture and mining.
- For bus fleets, demonstration of new innovative approaches to charging.
- As part of a broader project with vehicles, ARENA may support the development of publicly available chargers that are suitable for freight and logistics customers, when they are helping to unlock greater use cases for Heavy BEVs.

Projects must include:

- The deployment of heavy BEVs, charging and electrical infrastructure into:
 - a single fleet; or
 - through the aggregation of multiple smaller fleets into a combined larger application for funding; and
- Evidence of a firm supply commitment to securing and operating heavy BEVs in the proposed use case. Applicants must be able to demonstrate firm evidence (including from vehicle suppliers) of the ability to deliver compliant vehicles within 18 months of the award of ARENA funding.
- A commitment by Applicants and/or their partners to transition to BEVs as part of their proposal with larger commitments to be considered of higher merit; and
- Commit to source renewable energy and / or green certificates to cover electricity usage for BEVs.

Current Program Focus Areas

Focus Area 3: Commercialise hydrogen as a transport fuel

ARENA is seeking to support:

- Hydrogen infrastructure such as electrolysers, refuelers and storage.
- A portion of the upfront heavy vehicle costs to help overcome the initial cost premium of hydrogen fuel cell vehicles.
- Demonstrations of either back-to-base hydrogen use cases or intra/interstate journey enablement.

Projects must include:

- The demonstration and deployment of integrated hydrogen transport solutions which include hydrogen fuel cell vehicles that underpin demand for hydrogen and supporting hydrogen refueling infrastructure (e.g. refuelers, storage);
- Evidence of a firm supply commitment to securing and operating hydrogen fuel cell vehicles in the proposed use case. Applicants should be able to demonstrate firm evidence (including from vehicle suppliers) of the ability to deliver Australian Design Rule (ADR) compliant vehicles within 18 months of the award of ARENA funding;
- A commitment by Applicants or their partners to transition to Hydrogen fuel cell vehicles as part of their proposal with larger commitments to be considered of higher merit; and
- A firm commitment to use renewable hydrogen, produced by electrolysis, powered by renewable energy or certificate mechanism approved by ARENA (related to electricity usage).

Out of scope

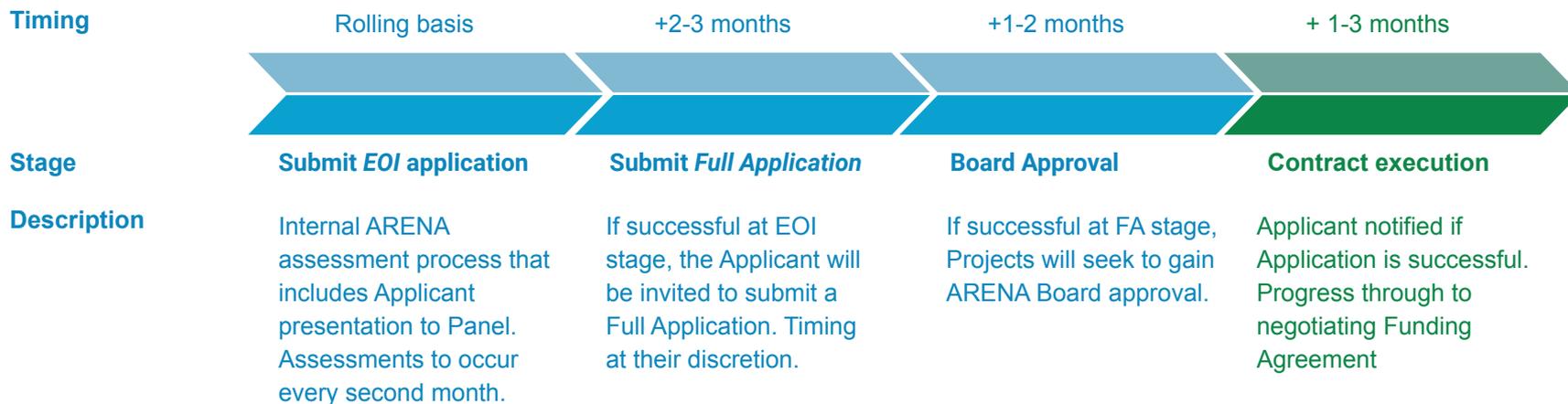
ARENA will not consider support for projects that:

- Do not include firm commitments to vehicles as part of an integrated project with recharging/refueling infrastructure.
- Are predominantly public BEV charging and / or public hydrogen refueling without vehicles, which will be considered further in a later Targeted Round.
- Support charging infrastructure for private individuals with ZEVs that are not owned, leased or otherwise utilised by a business, government agency or other organisation.
- Are using bio-fuelled vehicles which will be considered in future stages of the Future Fuels Program.
- Feasibility or other studies.

Note: Projects that align with the Program Focus Areas of the Future Fuels Program may not be considered under ARENA's Advancing Renewables Program unless otherwise agreed by ARENA.

Program operation and timeline

From February 2022, the Program is open for applications on a rolling basis except for targeted programs. Further information on timing will be released on ARENA's website for future targeted programs.



Note:

- **Conflicts:** COI due 3 weeks in advance
- **Assessment frequency:** Panel and Board meets first Wednesday of each month. Applications typically due the fortnight prior.
- **Notification of Application outcome:** For each stage, the Applicant is notified if Application is successful prior to moving to next stage
- **ARENA collaboration:** ARENA staff are available to provide guidance throughout application process, excluding targeted programs

ARENA's assessment process

Two stage process

- Submit an EOI and if successful, invited to submit a Full Application
- **Online Application form** for EOI and FA submitted online through ARENA's Grant Management System ARENANet along with a **Project Plan**

Eligibility Criteria

- 7 eligibility criteria
- All must be met to proceed to merit assessment

Merit Criteria

- All 4 merit criteria equally weighted
- ARENA Advisory Panel will assess applications against merit criteria.

Portfolio Approach

- Considers how a project contributes to the Round objectives relative to the total portfolio.

3. Eligibility and Merit Criteria

Eligibility Criteria

A - eligible applicant	<ul style="list-style-type: none"> ● Must hold an Australian Business Number (ABN) and be either: <ul style="list-style-type: none"> ○ An Australian entity incorporated under the Corporations Act 2001 (Cth); or ○ An Australian State or Territory owned corporation or a subsidiary of an Australian State or Territory owned corporation; or ○ An Australian local government or council.
B - eligible project	<ul style="list-style-type: none"> ● As outlined in item 3.3 of the Guidelines (next slide)
C - take place in Australia	<ul style="list-style-type: none"> ● All of the Project activities must take place in Australia
D - intellectual property	<ul style="list-style-type: none"> ● Must warrant that you have ownership or access to any IP necessary to complete the project
E - workplace gender equality	<ul style="list-style-type: none"> ● Applicant must not be named as being non-compliant with the Workplace Gender Equality Act 2012 (Cth)
F - modern slavery	<ul style="list-style-type: none"> ● Must agree to take reasonable steps to identify, assess and address risks of modern slavery practices in its operations and supply chains used to deliver the Project ● Comply with, and assist ARENA to comply with, required obligations under the Modern Slavery Act.
G - knowledge sharing	<ul style="list-style-type: none"> ● Must agree to ARENA's Knowledge Sharing Plan for this Round which is outlined in the Funding Agreement template

Eligibility Criteria B: Eligible Project

The Applicant must be able to demonstrate to the satisfaction of ARENA that the Project described in the application:

- a. Involves a Renewable Energy Technology that has the potential to contribute to the Program Objectives;
- b. Sources Renewable Energy or Green Certificates to cover the energy usage for ZEVs or uses sustainable biofuels or renewable hydrogen; and
- c. Includes the demonstration or deployment of equipment and/or technology solutions.

Renewable Energy Technology means technology that utilises Renewable Energy, and includes hybrid technologies and technologies that are related to Renewable Energy Technologies including ZEVs (e.g. BEVs, Hydrogen FCEV), charging infrastructure and other enabling technologies relevant to the Program.

The Project must comply with all requirements

Merit Criteria

- Merit Criterion A: Contribution to the Program Objectives
- Merit Criterion B: Applicant capability and capacity
- Merit Criterion C: Project design and methodology
- Merit Criterion D: Financial viability and co-funding commitment

Merit criterion A - Contribution to the Program Objectives

Demonstrate merit by describing how the Project aligns with the Program Focus Areas and contributes to one or more of the Program Objectives. ARENA will be seeking Projects that either:

Overcome Barriers

Identify barriers and providing evidence explaining how the Project will reduce or remove barriers to high levels of ZEV uptake to inform users, industry practices, policy, regulatory or standards

Optimise grid integration and inform regulation

Demonstrate and build understanding of solutions to optimise the integration of BEVs and/or hydrogen electrolysers into the electricity grid cost effectively.

Demonstrate new use cases and innovation

Demonstrate new use cases, business models or innovation that can be replicable and provide ongoing value for ZEVs

Increase skills, capacity and knowledge sharing

Explain how knowledge gained and shared from your Project contributes to new skills, capabilities, understanding and reforms that can accelerate the transition to ZEVs

Merit criterion A - Contribution to the Program Objectives

This Merit Criterion also assesses how the project will advance the technology along the pathway to commercialisation along with the value of knowledge generated by the Project in contributing to the Program Objectives.

Pathway to
commercialisation

How well the Project will support the commercialisation of the relevant technologies. How will the Project help unlock future projects with zero government support required.

Knowledge sharing

How the knowledge generated by the Project would contribute to the Program Objectives. This will include how well tailored the Knowledge Sharing Plan is to the purpose of the Project.

Merit criterion B - Applicant capability and capacity

This Merit Criterion focuses on the extent to which the application demonstrates that the Applicant and its Partner Organisations have the capability and capacity to deliver the Project. Assessment includes consideration of the following:

Capability

For Applicant and partner organisation(s):

- Previous **experience** delivering similar projects, in terms of scale, value, technologies or solution deployed (in Australia or internationally)
- Appropriate **expertise** as relevant to the Project - including management, technical, regulatory, commercial and professional expertise and experience of the key personnel

Capacity

- **Access to appropriate resources:** including personnel, physical resources, facilities and infrastructure to achieve the Project outcomes
- **Agreements between partner organisations or consortium members:** Evidence of agreements in place such as draft agreements, Letters of Support, co-funding commitments

Merit criterion C - Project design and methodology

The purpose of this Merit Criterion is to assess how well the Applicant has designed and planned the Project. Assessment includes consideration of the following:

Project Design

Key elements of Project design:

- Well-articulated plan for the Project including:
 - Technical design and delivery methodology (ie key steps for how you will undertake the Project)
 - Project governance arrangements
 - Delivery of knowledge sharing outcomes
- Proposed hardware and software solution to support Project integration
- Compliance with template Funding Agreement

Project risks

- Key risks for the Project being delivered on time and on budget
 - Key personnel, delivery, technical, regulatory, financial, WHS
 - Steps the Applicant proposes to take to mitigate risks

Merit criterion D - Financial viability and co-funding commitment

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.

Financial viability and co-funding commitment

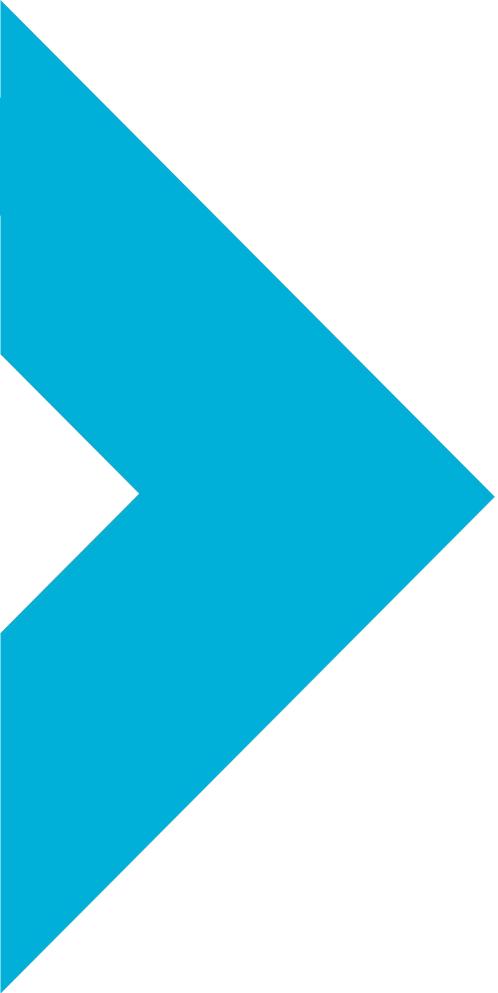
The Applicant should demonstrate merit against this Criterion in the application as follows:

- a detailed budget and/or 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
 - Other sources of funding, including any other concessional funding
 - any relevant benchmarks for the economics of the Project (which will support the grant sizing)
- evidence of support by you and any Project Partners, including commitment to provide the specified cash and In-Kind Contributions.
- 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

The following attachments are mandatory. Failure to submit one or more of these attachments may result in your application being considered low merit:

EOI stage	Full Application stage
<ul style="list-style-type: none"> • Project Plan 	<ul style="list-style-type: none"> • Project Plan • Evidence of support by participating organisation(s) • Project budget - a detailed Project budget submitted as an excel file and/or Project Financial Model (where relevant). Note this is in <u>addition</u> to the simple budget table in the application form. • Evidence of financial capacity • Compliance Table response to the Funding Agreement - use the template available at: https://arena.gov.au/assets/2020/04/future-fuels-funding-agreement-compliance-template.docx • Risk Management Plan - use your own template <u>or</u> ARENA's template available at: https://arena.gov.au/assets/2021/02/risk-management-plan-template-future-fuels-fund.docx • a WHS Management Plan;



4. General information and key links

Key links

Future Fuels Program webpage

<https://arena.gov.au/funding/future-fuels-program/>

ARENANet Online Application Form

<https://arenaomnistar.f1solutions.com.au/>

Guidelines

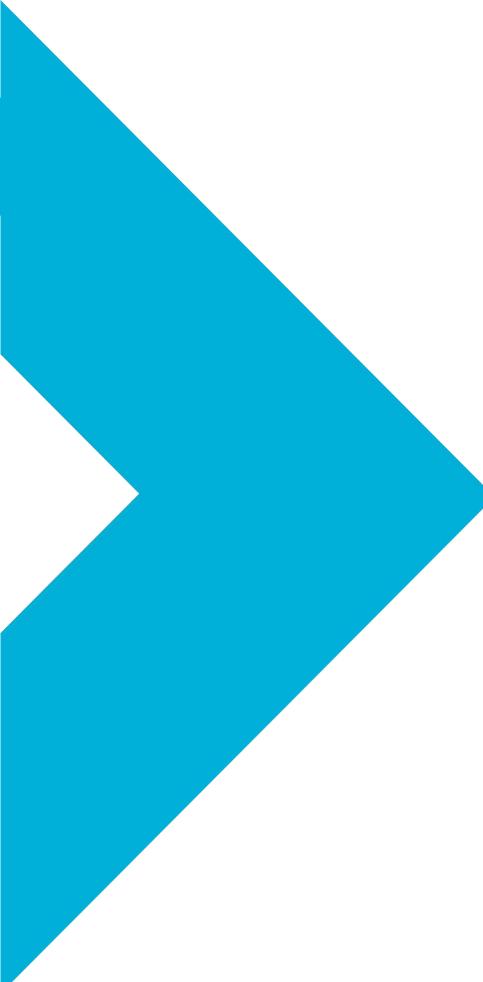
<https://arena.gov.au/assets/2022/02/future-fuels-program-guidelines.pdf>

FAQs

<https://arena.gov.au/assets/2022/02/future-fuels-program-faqs.pdf>

Further questions?

Email: futurefuels@arena.gov.au



5. Questions

Please use Zoom Q&A feature

Any further questions? Email futurefuels@arena.gov.au