



Powering the Regions

Industrial Transformation Stream Program

Round 1 Focus Areas

Information Session
November 2023



Australian Government
Australian Renewable
Energy Agency



Agenda

- **Welcome and Introduction to ARENA**
- Program Overview and Round 1 Focus Areas
- ARENA's Assessment Process
- Eligibility and Merit Criteria
- Key Dates & Documents
- Q&A

ARENA's Purpose

ARENA is the Australian Renewable Energy Agency.

The Agency was established by the Australian Government in July 2012 .

Our purpose is to support the global transition to net zero emissions by accelerating the pace of pre-commercial innovation, to the benefit of Australian consumers, businesses and workers.

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INVESTED BY ARENA

\$2.31B



PROJECTS

672



TOTAL PROJECT VALUE

\$9.93B



INVESTMENT LEVERAGE

\$1:\$3.29



INVESTMENT BY TECHNOLOGY

BIOENERGY



\$131M

GEOTHERMAL



\$42M

GRID INTEGRATION

\$404M



HYBRID

\$109M



HYDROGEN

\$273M



OCEAN

\$44M



SOLAR PV

\$827M



SOLAR THERMAL

\$252M



STORAGE - BATTERIES/PHES

\$230M



INVESTMENT BY STATE

NT PROJECTS
8
INVESTED
\$36M
VALUE
\$79M

WA PROJECTS
43
INVESTED
\$253M
VALUE
\$1.97B

SA PROJECTS
58
INVESTED
\$214M
VALUE
\$844M

TAS PROJECTS
21
INVESTED
\$40M
VALUE
\$99M

VIC PROJECTS
122
INVESTED
\$279M
VALUE
\$657M

QLD PROJECTS
71
INVESTED
\$338M
VALUE
\$2.33B

NSW PROJECTS
275
INVESTED
\$1.07B*
VALUE
\$3.71B

ACT PROJECTS
74
INVESTED
\$81M
VALUE
\$233M

INVESTMENT LEVERAGE ALONG THE INNOVATION CHAIN

STUDY

\$1:\$2.07



R&D

\$1:\$1.77



DEMONSTRATION

\$1:\$1.87



DEPLOYMENT

\$1:\$5.56



* Includes \$567 million contributed to projects inherited by ARENA in 2012.

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Program Overview | Powering the Regions Fund

ARENA

	Industrial Transformation stream (ITS)	Safeguard Transformation stream (STS)	Critical inputs into clean energy industries
Target applicants	Regional NGER entities	Trade exposed Safeguard facilities (regional or metro)	Specific trade exposed Safeguard facilities
Scope	Scope 1 & Scope 2 emissions Cross industry Technology agnostic	Scope 1 emissions Cross industry and regions Technology agnostic	Scope 1 decarbonisation & continued operation
Example projects	<i>Energy efficiency, electrification, hybrid renewable projects, process heat, common user infrastructure</i>	<i>Hydrogen for industrial use, bioenergy, fleet electrification, industry specific low emissions tech.</i>	<i>Industry specific support for cement, Lime, Alumina and Aluminium and Steel sectors</i>

Program Overview | Objectives

The Program Objectives are to:



support Industrial Facilities in Regional Australia to reduce emissions in line with Australia's 2030 emissions reduction goals and transition to net zero by 2050;



improve technology readiness and commercial readiness of Renewable Energy Technologies, Energy Efficiency Technologies and Electrification Technologies that will result in a significant reduction in Scope 1 and/or Scope 2 emissions and/or improve the energy efficiency of an industrial process or processes;



encourage technology demonstration, collaboration and knowledge sharing across industry and/or regions; and



support upskilling of existing industrial workforce in new decarbonisation activities.

Program Overview | Key features

Program Structure

- Time bound, series of rounds**, guided by supporting 'Focus Areas'
- Round 1 allocation of \$150 million**
- Two stage** application process
- Open communication** with ARENA
- Feasibility and FEED stage** as well as **demonstration or deployment**
- Option for Projects with two stages** (e.g., FEED + deployment)
- At least matched funding**

Key definitions (see glossary)

Industrial Activity:

The manufacturing, production or processing of raw goods, products or waste materials, including any associated distribution and storage of any such activities.

Industrial Facility:

A facility primarily undertaking one or more Industrial Activities.

Regional:

Outside the Greater Capital City Statistical Areas of Australia (as defined by the ABS) and including the Kwinana Industrial Area.

Program Overview | Round 1 Focus Areas

Round 1 Funding allocation of \$150 million

FOCUS AREA 1: Supporting the decarbonisation of process heat.



Support and accelerate the displacement of fossil fuels used in generating heat in industrial processes.

Remove barriers to the uptake and integration of low-emission technologies. Increase confidence in solutions which can be replicated across sectors.

FOCUS AREA 2: Off-road transport decarbonisation.



Support and accelerate the decarbonisation of off-road transport by removing barriers to ZEV adoption.

Specifically targeting initiatives in off-road industrial vehicle fleets including off road heavy haulage and rail.

Includes other regional industrial projects that are well developed and align with Program Objectives

Program Overview | Focus Area 1



Supporting the decarbonisation of process heat

Scope of funding support

Electrification, energy efficiency, solar thermal or renewable fuels.
Installation of relevant onsite equipment.
Enabling technologies such as energy storage and load flexibility or demand management.
Relevant production, storage and distribution for use in industrial sites.
Innovative business models, technologies and solutions.

Out of scope

Business-as-usual process upgrades.
Other technologies not incorporating energy efficiency or renewable energy technologies (or enabling technologies).

Expected minimum grant amount

Feasibility or FEED: **\$0.3M**
Pilot, demonstration, deployment: **\$1M**

Program Overview | Focus Area 2



Off-road transport decarbonisation

Scope of funding support

Fuel switching away from petroleum-based vehicles or locomotives (for industrial sites).
Trial, integration and use of battery electric vehicles (BEVs), hydrogen fuel cell electric vehicles (FCEVs) and charging solutions.
Integration of innovative charging and refueling solutions.

Out of scope

On road transport decarbonisation.
Projects which do not have a firm contractual commitment from to the industrial site(s) (e.g. public BEV charging and / or public hydrogen refueling without vehicles).
Aviation decarbonisation (see ARENA SAF Round).

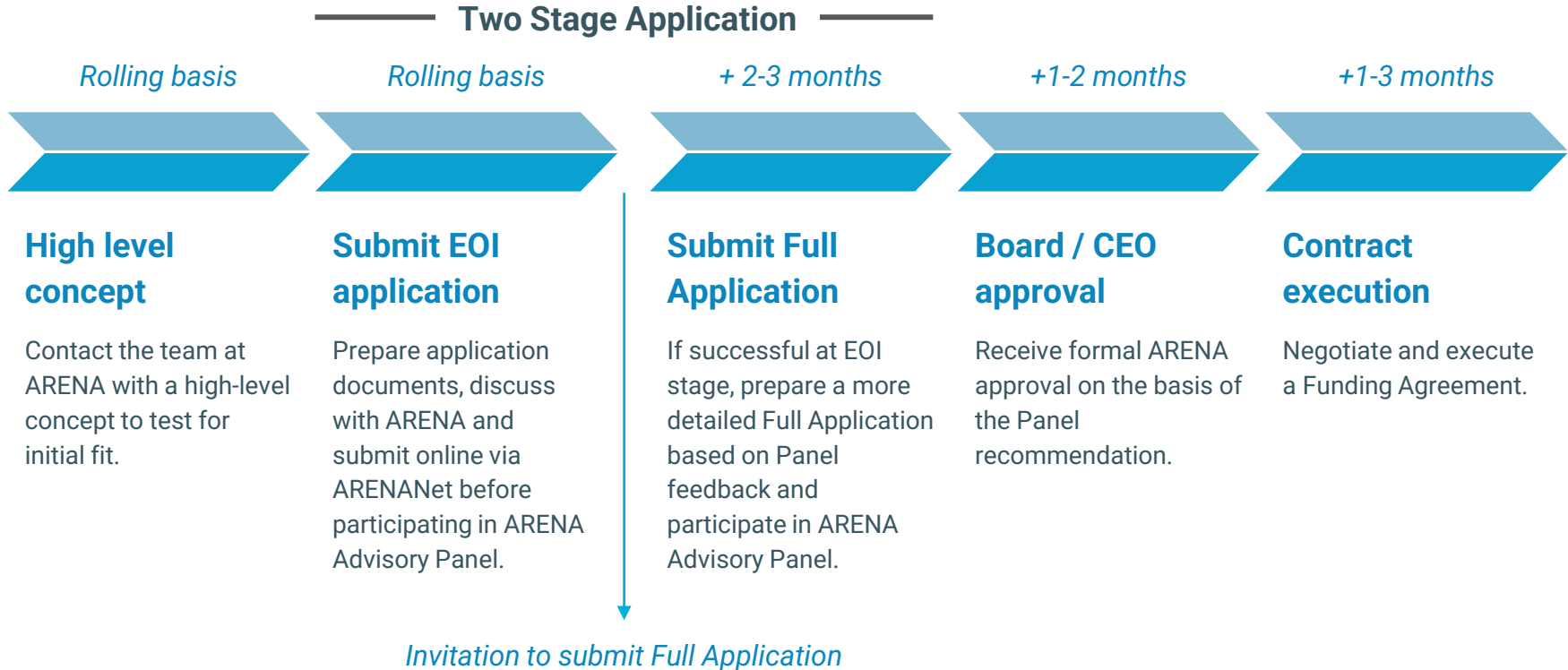
Expected minimum grant amount

Feasibility or FEED: **\$0.5M**
Pilot, demonstration, deployment: **\$2M**

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ARENA's Assessment Process



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Eligibility Criteria

Eligibility Criterion A: Eligible Applicant

Eligibility Criterion B: Eligible Project

Eligibility Criterion C: Location

Eligibility Criterion D: Intellectual Property

Eligibility Criterion E: Workplace Gender Equality

Eligibility Criterion F: Modern Slavery

Eligibility Criterion G: Other Requirements

Eligibility Criteria A | Eligible Applicant

The Applicant must hold an Australian Business Number (ABN) and be:

Entity

An Australian entity incorporated under the Corporation Act 2001 (Cth)

Corporaiton

An Australian State or Territory owned corporation, or a subsidiary of an Australian state of territory owned corporation; or

Government or Council

An Australian local government or council or an Australian organization that is purposed with representing and supporting local governments or councils

Eligibility Criteria B | Eligible Project

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

Emissions

Addresses the Scope 1 and/or Scope 2 emissions of an existing Industrial Activity

Program Objectives

Has the potential to contribute to the Program Objectives

TRL Level

Does not include TRL1-3 (Projects can include research components if they are part of a larger activity on development, demonstration, deployment or commercialisation)

Funding

Has not received funding from any other Powering the Regions Fund funding streams

Technology

The Project must be the application of some form of; Renewable Energy Technology, Electrification Technology, or Energy Efficiency Technology

Eligibility Criteria C | Eligible Location

The Applicant must demonstrate to the satisfaction of ARENA that the location of the Project:

Regional Australia

Will occur in Regional Australia (defined as outside the Greater Capital City Statistical Areas and including the Kwinana Industrial Area), subject to ARENA's discretion

Industrial Facility

Is to the direct benefit of an Industrial Facility which is under the operational control of an entity which meets the Corporate Group Threshold for reporting under the National Greenhouse and Energy Reporting Act 2007 (Cth) (NGER Act)

Coal and Gas

Projects at any new or expanded coal and gas facility are **ineligible**

Eligibility Criteria | IP, Workplace Equality and Modern Slavery

The Applicant must demonstrate to the satisfaction of ARENA that:

D – Intellectual Property

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

E – Workplace Gender Equality

Not be named as an organisation that has not complied with the Workplace Gender Equality Act 2012 (Cth)

F – Modern Slavery

Make a declaration in the Application form that it will meet requirements (where relevant) in relation to the Modern Slavery Act 2018 (Cth)

G – Other requirements

Not have contravened any Australian Sanctions Laws
Disclose any legal proceedings or investigation taking place
Not be included (or intend to join) the National Redress Scheme



Merit Criteria

Merit Criterion A: Contribution to 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 E: Knowledge Sharing

Merit Criterion A - Contribution to Program Objectives

Applicants can demonstrate merit by describing how the Project contributes to Program Objectives and Focus Areas:

Target sectors	The target sectors to which the Project is aligned.
Decrease industrial emissions	The potential of the Project to reduce Scope 1 and Scope 2 emissions for the Industrial Facility and the opportunity to replicate or scale.
Contribute to Australia's 2030 and 2050 targets	The decarbonisation plan of the Industrial Facility, and how the Project is consistent with progressing this to contribute to Australia's targets .
Improve technology and commercial readiness	The nature of the technology advancement or commercial innovation of the Project, expected advancement and commercialisation pathway .
Encourage demonstration	How the Project supports the transition to net zero in a region or industry.
Upskill existing industrial workforce	How the Project contributes to the development of regional skills and capabilities relevant to net zero economy.

Merit Criterion B - Applicant Capability and Capacity

An Applicant can demonstrate merit in the application by describing the capability and capacity to delivery the Project:

Capability

Appropriate expertise of key personnel relevant to the Project (e.g. project management, technical, regulatory, commercial, financial, knowledge sharing and risk management).
Previous **experience** delivering similar projects, in terms of scale, value, technologies or solution deployed (in Australia or internationally).

Capacity

Access to appropriate resources including physical resources and facilities, equipment, technical staff, etc. to deliver the Project on time and within budget.
Nature and status of any agreements between the Project Partner(s) and/or third-party organisations (Industrial Facility should have a **direct, contractual commitment**).

Cultural competency

Consideration of the cultural competency to **engage with First Nations communities** and plans or processes in place to ensure cultural competency.

Merit Criterion C - Project Design and Methodology

An Applicant can demonstrate merit in the application by describing the Project design and methodology:

Workplan, timing and status

Well-articulated and credible workplan including **technical design and delivery methodology**, with detailed workstreams and key activities, deliverables, and timelines. Definition of any interdependencies relevant to Project progression.

Risk assessment

Key **personnel, delivery, technical, and financial risks** and how these will be managed. Level of **contingency accommodated** in design and approach to managing variations.

Approvals and First Nations engagement

Project **governance arrangements and status** of supplier arrangements and any necessary permits or approvals.
Engagement with the community, taking into consideration cultural heritage and First Nations communities' engagement and inclusion in decision making.

Merit Criterion D - Financial Viability and Co-funding Commitment

An Applicant can demonstrate merit in the application by describing the Projects value for money:

Detailed budget and contingency

A **breakdown of the expected expenses** (including rationale for key assumptions).
If relevant, Project cashflow profile including rationale for any revenue sources).
The level of **cost estimation uncertainty** and path to increasing cost accuracy.
The level of **contingency** included and approach to managing cost overruns.

'Counterfactual' cost

Cost of **alternative investment opportunities** to illustrate the funding gap, consideration of any potential carbon costs and / or credits (against the relevant whole-of-life Project cost).

Funding sources

Sources of funding (including any grant, concessional funding), including details of cash and in-kind contributions from all sources.
Any relevant benchmarks for **Project economics** (e.g., IRR).

ARENA funding justification

Justification of ARENA funding requested and rationale for funding allocation.
Whether the Project could likely proceed in the **absence of ARENA funding**.

Merit Criterion E – Knowledge Sharing

An Applicant can demonstrate merit in the application by describing the Knowledge Sharing opportunity:

Value

How the **value of the knowledge** generated by the Project contributes to the Program Objectives.

Audience

How well that knowledge is targeted to **specific audiences**.

Methodology

How the Project will capture, store and disseminate the data, information and **lessons learned** from the Project.
The extent to which the data, information and lessons learned from the Project will be made **publicly available**.

Constraints

Any constraints that prevent the sharing of knowledge and information.

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Key Dates & Documents



Round 1 Launched
13 November 2023



Online Applications
1 December 2023



Round 1 Focus Areas Close
December 2024
(Round 1 Focus Areas may be extended with sufficient market demand)



Round 2 Focus Areas
To be announced prior to Round 1 Focus Areas close

All material can be found on the **website** “Prepare your Response”

How to apply for funding

1

Step 1 - Read the program guidelines

2

Step 2: Observe the key dates

3

Step 3: Prepare your response



Program Guidelines

Round 1 Focus Areas

FAQs

Project Plan Guidance

Funding Agreement Template
(including Knowledge Sharing Plan)