

REGIONAL MICROGRIDS PROGRAM

GUIDELINES

AUGUST 2023



Australian Government
Australian Renewable
Energy Agency

ARENA

EXECUTIVE SUMMARY

-
1. The Regional Microgrids Program (RMP) (the Program) is delivered by the Australian Renewable Energy Agency (ARENA) under the following two funding streams:
 - a. Stream A: Regional Australia Microgrid Pilots; and
 - b. Stream B: First Nations Community Microgrids.

For the purposes of the Program, the meaning of the term Microgrid can be found in the Glossary.

2. The total funding allocated for the Program is \$125 million (Total Funding Allocation). It is expected that \$50 million will be allocated under Stream A, and \$75 million will be allocated under Stream B.
3. The purpose of these Program Guidelines is to describe the procedures to be followed by Applicants and the criteria applied by ARENA in determining which Applications will receive ARENA grant funding.
4. Under the Program, the application and assessment process will consist of two stages: an Expression of Interest (EOI) stage and a Full Application stage. Both stages involve an assessment against all Eligibility Criteria and Merit Criteria
5. Only Applications that meet the Eligibility Criteria, outlined in Part 3, will be assessed under the Merit Criteria, outlined in Part 4. ARENA will review and assess applications on an ongoing basis, until all funds available under the Program are exhausted or these Guidelines are revoked.
6. ARENA will award Grant funding to eligible Full Applications based on an individual Merit Criteria assessment, as set out in Part 4 of these Guidelines.
7. All Applications must be completed online using ARENA's Grants Management System, ARENANet, which is accessible from the Program webpage on ARENA's website arena.gov.au.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	2
PART 1. OVERVIEW	5
PURPOSE	5
OUTCOMES OF THE PROGRAM	5
COMMENCEMENT AND AUTHORITY FOR GUIDELINES	5
PROGRAM FUNDING MODEL	6
PART 2. APPLICATION AND ASSESSMENT PROCESS	7
OVERVIEW	7
EXPRESSION OF INTEREST	7
FULL APPLICATION	7
SUBMITTING AN APPLICATION	7
ASSESSMENT PROCESS	8
PORTFOLIO APPROACH	8
COLLABORATION	9
PART 3. ELIGIBILITY CRITERIA	10
ELIGIBILITY CRITERION A - ELIGIBLE APPLICANT	10
ELIGIBILITY CRITERION B - ELIGIBLE PROJECT	10
ELIGIBILITY CRITERION C - TAKE PLACE IN AUSTRALIA	10
ELIGIBILITY CRITERION D - INTELLECTUAL PROPERTY	11
ELIGIBILITY CRITERION E - KNOWLEDGE SHARING	11
ELIGIBILITY CRITERION F - COMPLIANCE WITH OTHER REQUIREMENTS	11
PART 4. MERIT CRITERIA	12
MERIT CRITERION A - CONTRIBUTION TO PROGRAM OUTCOMES	12
MERIT CRITERION B - APPLICANT CAPABILITY AND CAPACITY	13
MERIT CRITERION C - PROJECT DESIGN AND METHODOLOGY	14
MERIT CRITERION D - FINANCIAL VIABILITY AND CO-FUNDING COMMITMENT	16
MERIT CRITERION E - KNOWLEDGE SHARING	16
PART 5. FUNDING AGREEMENTS	18
FUNDING OFFERS	18
FUNDING AGREEMENT	18
USE OF FUNDING	18
KNOWLEDGE SHARING AND PUBLICATION OF PROJECT INFORMATION	18

PART 6. FURTHER PROGRAM INFORMATION	19
CONFIDENTIALITY AND DISCLOSURE OF INFORMATION	19
ACKNOWLEDGEMENT AND PUBLICITY	19
REVIEW OF DECISIONS AND COMPLAINTS	19
CONFLICTS OF INTEREST	19
ARENA'S DISCRETION	20
NO CONTRACT OR LIABILITY	20
WORK HEALTH AND SAFETY	20
APPENDIX A - ELIGIBLE EXPENDITURE	21
GENERAL PRINCIPLES	21
SPECIFIC ELIGIBILITY PROVISIONS	22
EXPENDITURE PRIOR TO EXECUTION OF THE FUNDING AGREEMENT	23
OVERSEAS EXPENDITURE	23
ACCOUNTING SYSTEMS	23
GLOSSARY	24

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 Microgrids 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/RMP/>.
- 1.3 In these Guidelines, the common meaning of the word applies, unless otherwise defined in the Glossary at the end of these Guidelines.
- 1.4 In the event of any inconsistency between other ARENA materials and these Guidelines, the Guidelines will prevail.

OUTCOMES OF THE PROGRAM

- 1.5 Each Stream within the Program has its own Outcomes, which are collectively referred to as Program Outcomes (Program Outcomes).
- 1.6 **Regional Australia Microgrid Pilots (Stream A)**

The aim of Stream A is to fund Projects that contribute to the following Outcomes:

 - a. Innovation and/or acceleration of the development and deployment of equipment and technology solutions that enable the coordinated use of distributed renewable energy technologies.
 - b. Improved resilience and reliability of electricity supply in regional areas.
 - c. Resolving one or more of the remaining barriers to deployment of microgrid solutions.
- 1.7 **First Nations Community Microgrids (Stream B)**

The aim of Stream B is to fund Projects that contribute to the following Outcomes:

 - a. Reduced cost of energy and other community benefits in First Nations Communities.
 - b. Cleaner and more reliable energy in First Nations Communities.
 - c. First Nations Communities are empowered to participate in their electricity supply arrangements and the development of energy infrastructure.
 - d. Resolving one or more of the remaining barriers to deployment of microgrid solutions.

COMMENCEMENT AND AUTHORITY FOR GUIDELINES

- 1.8 The Guidelines have been approved by the ARENA Board and Minister for Climate Change and Energy and commence on 25 August 2023. The Guidelines supersede the previous Regional Australia Microgrid Pilots Program dated September 2021.
- 1.9 The Guidelines may be revoked or varied by ARENA from time to time. Where this occurs, all current Applicants will be notified in writing of any such withdrawal or amendment.
- 1.10 Without limiting its rights, ARENA may, in its absolute discretion:
 - a. suspend, defer or terminate this Program at any time;
 - b. amend the Program Outcomes 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. add or remove Funding Streams as ARENA determines is required by way of amending and reissuing these Guidelines; or
 - e. amend Application Final Submission Dates and assessment timeframes at any time.
- 1.11 The ARENA Board is responsible for approving grants of ARENA funding and entry into funding agreements under the Program and may delegate this responsibility in accordance with the ARENA Act.

PROGRAM FUNDING MODEL

- 1.12 The Total Funding Allocation for the Program is up to a total amount of \$125 million, which may be reduced or increased at the discretion of ARENA.
- 1.13 ARENA reserves the right to allocate an amount of funding that is lower than the Total Funding Allocation or to reallocate funding from Stream A to Stream B if there is an insufficient number of high merit Proposals received under Streams A. ARENA may, at its discretion, allocate an amount of funding greater than the Total Funding Allocation if it considers this to represent value for money.
- 1.14 ARENA will only provide funding to Full Applications considered to be of sufficient merit to support an offer of ARENA funding.
- 1.15 All funding provided through the Program will 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.
- 1.16 Grant amount:
 - a. The minimum Grant amount under the Program is \$1 million.
 - b. Under Stream A, ARENA expects that most Grants will be between \$5 million and \$10 million, depending on the scope and complexity of the Project.
 - c. Under Stream B, ARENA expects that most Grants will be between \$5 million and \$25 million, depending on the scope and complexity of the Project.
 - d. ARENA will provide the minimum amount of funding to allow the Project to proceed.
 - e. ARENA expects that the grant amount will be no more than 50 per cent of eligible Project costs (Grant percentage), though grant amounts of greater than 50 per cent of eligible Project costs may still be considered.

PART 2. APPLICATION AND ASSESSMENT PROCESS

OVERVIEW

- 2.1 The application and assessment process under the Program involves two stages:
 - a. an Expression of Interest (EOI); and
 - b. a Full Application.
 - 2.2 Eligible Applicants can apply for funding under the Program for eligible Projects (the Project). The Eligibility Criteria for Applicants and Projects are described in Part 3 of these Guidelines.
-

EXPRESSION OF INTEREST

- 2.3 Applicants must submit their EOIs by the Final Submission Date.
 - 2.4 EOIs must include the information specified in the Program Guidelines.
 - 2.5 If the Applicant does not provide the specified information, in the format set out in ARENA's online application system ARENANet or on the Program's webpage on ARENA's website arena.gov.au, ARENA may, in its sole discretion, seek supplementary information or clarification from the Applicant or decline to assess the EOI as is considered necessary. ARENA is under no obligation to seek such information where an Application is incomplete or does not address all of the requirements.
 - 2.6 ARENA may, in its sole discretion, waive the requirement to submit an EOI.
-

FULL APPLICATION

- 2.7 Full Applications may be submitted after any feedback set out in the invitation to Full Application stage letter has been addressed. Invitations to Full Application will include any details on the period of time to submit Full Application.
 - 2.8 Full Applications must include the information specified in the Program Guidelines unless one or more requirements have been waived by ARENA. If the Applicant does not provide the specified information, in the format set out in ARENA's online application system ARENANet or on the Program's webpage on ARENA's website arena.gov.au, ARENA may, in its sole discretion, seek supplementary information or clarification from the Applicant or decline to assess the Full Application as is considered necessary. ARENA is under no obligation to seek such information where an Application is incomplete or does not address all of the requirements.
-

SUBMITTING AN APPLICATION

- 2.9 All EOIs and Full Applications must be completed online using ARENA's Grants Management System, ARENANet, unless otherwise directed by ARENA. ARENANet is accessible from the Program webpage on ARENA's website <https://arena.gov.au/funding/RMP/>.
 - 2.10 The online application system prescribed by ARENA may include a mix of mandatory fields, optional fields (including free text fields) and may require attachments to be provided by the Applicant.
 - 2.11 Strict word limits may apply at various fields when completing the online application. The ARENANet application form (EOI and Full Application) will prevent Applicants from submitting answers in excess of specified word limits.
 - 2.12 Word and page limits may also apply to requested responses and attachments that accompany an Application. ARENA may, acting in its sole discretion, elect to not read words beyond the specified word limit or any attached document beyond the last page of the specified page limit.
 - 2.13 Applicants should ensure they have comprehensively completed each section of the online application form.
 - 2.14 Different documents may be required to be completed and submitted at each stage of the application process. The documents required to be submitted are specified in the Program Guidelines.
-

ASSESSMENT PROCESS

- 2.15 ARENA may engage consultants or advisors to assist with the assessment of an Application against the Eligibility Criteria or Merit Criteria.
- 2.16 ARENA will assess the eligibility of Applicants and their Applications against the Eligibility Criteria set out in Part 3 of these Guidelines. Applications that do not meet the Eligibility Criteria will not be assessed for merit.
- 2.17 Eligible Applications will be assessed against the Program's Merit Criteria set out in Part 4 of these Guidelines. The merit assessment will be undertaken by the ARENA Advisory Panel in its role as advisor to ARENA. Information on the members of the ARENA Advisory Panel is available on the ARENA website at arena.gov.au. Eligible Applications may not progress to the ARENA Advisory Panel for assessment where ARENA has assessed the Application to be of low merit.
- 2.18 ARENA may seek further information from the Applicant at any time throughout the application process in relation to any matter arising from the assessment of the Application.
- 2.19 ARENA may, at any time during the application process, modify the due diligence activities it proposes to undertake when assessing an Application. Due diligence activities may include, but are not limited to: inviting the Applicant to present on its Application to ARENA; commissioning or completing relevant research, analysis and modelling to support assessment of Applications; and contacting any relevant Commonwealth, State, Territory and international government agencies, Project Partners or other relevant parties about an Application.
- 2.20 Eligible Applicants may be asked to give a short presentation on their Project to the ARENA Advisory Panel meeting, which may involve answering questions relating to their Application. Advisory Panel meetings will generally take place in Sydney and, where permissible, in person attendance is required. ARENA will not reimburse travel expenses associated with Advisory Panel meeting attendance by Applicants.
- 2.21 Following its assessment of an Application ARENA may:
- in the case of an EOI, invite shortlisted Applicants to progress to the Full Application stage; or
 - in the case of a Full Application, offer successful Applicants funding for their Project, subject to conditions, such as negotiation of a funding agreement on terms acceptable to ARENA; or
 - in the case of an EOI or Full Application (as the case may be), not accept the Application submitted by the Applicant or elect not to fund the Project.
- 2.22 Only eligible Applicants with Applications that satisfy the Merit Criteria to an overall high standard will be successful.
- 2.23 Applicants that are unsuccessful at the EOI or Full Application stage may submit one revised EOI or Full Application in relation to the Project. Revised 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 decline to assess the revised Application.
- 2.24 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.
- 2.25 ARENA will advise the Applicant in writing of the outcome of the Application assessment, including the amount and nature of any funding 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.
- 2.26 Unsuccessful Applicants may request feedback from ARENA on the merit of their Application at the conclusion of the assessment process. Any such feedback will be provided in a form determined suitable by ARENA.

PORTFOLIO APPROACH

- 2.27 ARENA may take a portfolio approach to selecting Projects for funding. That is, it may consider how a Project will contribute to the Program Outcomes, or as part of a suite of complementary ARENA Projects.
- 2.28 ARENA may elect not to fund an otherwise meritorious Project if the Outcomes of that Project are the same as, or similar to, the Outcomes of a Project that has previously been funded or is currently under assessment. ARENA's current portfolio of Projects is listed on its website arena.gov.au.

COLLABORATION

- 2.29 ARENA may work with Applicants to develop an 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.
- 2.30 ARENA may, in its discretion, elect to facilitate collaboration between any Applicants with similar or complementary Applications 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 each Applicant's prior consent.
- 2.31 Any such facilitation does not constitute a commitment by ARENA that it will offer funding for a particular Application. When facilitating collaboration, ARENA is not responsible or liable for any comments, consultation or assistance provided by the relevant parties or by ARENA.

PART 3. ELIGIBILITY CRITERIA

-
- 3.1 All of the Eligibility Criteria specified in Part 3 must be met for both EOIs and Full Applications, and continue to be met throughout the process.
-

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);
 - ii. an Australian State or Territory Government;
 - iii. an Australian local government or council;
 - iv. an Australian State or Territory owned corporation or a subsidiary of an Australian State or Territory owned corporation;
 - v. an Aboriginal and Torres Strait Islander corporation incorporated under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (Cth);
 - vi. the Torres Strait Regional Authority or Indigenous Land and Sea Corporation established under the *Australian and Torres Strait Islander Act 2005* (Cth);
 - vii. an Aboriginal Land Council, Aboriginal Land Trust or Torres Strait Islander Land Trust (or equivalent entity) established under Commonwealth, State or Territory legislation;
 - viii. an Australian entity incorporated under the *Associations Incorporation Act 1991* (ACT), the *Associations Incorporation Act 1984* (NSW), the *Associations Act 2003* (NT), the *Associations Incorporation Act 1981* (Qld), the *Associations Incorporation Act 1985* (SA), the *Associations Incorporation Act 1964* (TAS), the *Associations Incorporation Act 1981* (VIC) or the *Associations Incorporation Act 1987* (WA);
 - ix. an Australian entity incorporated under the *Co-operatives (Adoption of National Law) Act 2012* (NSW), *Co-operatives National Law Application Act 2013* (VIC), *Co-operatives National Law (South Australia) Act 2013* (SA), *Co-operatives (National Uniform Legislation) Act 2015* (NT), *Co-operatives National Law (Tasmania) Act 2015* (TAS), *Co-operatives Act 2009* (WA), *Co-operatives National Law (ACT) Act 2017* (ACT) or the *Co-operatives National Law Act 2020* (QLD);
 - x. an Australian university; or
 - xi. 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. Includes the deployment of equipment and/or technology solutions that enable the Project.
 - b. Includes the use of a Renewable Energy technology or enabling technology and/or the Project contributes to increased uptake of Renewable Energy.
 - c. 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.

¹ <https://www.abs.gov.au/websitedbs/D3310114.nsf/home/remoteness+structure>

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 - KNOWLEDGE SHARING

- 3.7 It is a condition of award of ARENA funding that Applicants agree to publicly share knowledge and information about, and resulting from, the Project described in the Application.

ELIGIBILITY CRITERION F - COMPLIANCE WITH OTHER REQUIREMENTS

- 3.8 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 any applicable obligations under the *Workplace Gender Equality Act 2012* (Cth).
 - a. The Applicant must not be named as an organisation that has not complied with the *Workplace Gender Equality Act 2012* (Cth). Any Applicant so named will be excluded from further consideration.
 - b. Applicants must make a declaration in the Application form to demonstrate that they understand and meet their obligations, if any, under the *Workplace Gender Equality Act 2012* (Cth). 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>, or as provided to ARENA by the Workplace Gender Equality Agency.
- 3.9 The Australian Government is taking a global leadership role in combating modern slavery through its landmark *Modern Slavery Act 2018* (Cth) (Modern Slavery Act). 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.
- 3.10 The Applicant must make a declaration in the Application form that it will meet these requirements in relation to the Modern Slavery Act.
- 3.11 Applicants must disclose any legal proceedings or investigation including litigation, arbitration, mediation or conciliation that to the best of its knowledge, after having made proper enquiry, are taking place, pending or threatened against the Applicant or a related body corporate as defined in the Corporations Act 2001 (Cth).
- 3.12 The Applicant, its Related Bodies Corporate, and their Personnel, must not have contravened any Australian Sanctions Laws which means the *Charter of the United Nations Act 1945* (Cth) and the *Autonomous Sanctions Act 2011* (Cth) including the *Autonomous Sanctions Regulations 2011* (Cth) (as amended from time to time) and must not be listed on the Consolidated List which includes all persons and entities listed under Australian sanctions laws. The list and more information on the requirements are available at [Consolidated List | Australian Government Department of Foreign Affairs and Trade \(dfat.gov.au\)](#).

PART 4. MERIT CRITERIA

-
- 4.1 Eligible Applications will be assessed for merit, having regard to overall value for money and risk against the Merit Criteria. In assessing merit, 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, for the Project to deliver the desired outcome.
 - 4.2 This section provides non-exhaustive guidance on how the Applicant can demonstrate merit against each criterion. The amount of detail and supporting evidence an Applicant provide in its Application should correspond with the Project size, complexity and Grant amount requested and Application stage. ARENA acknowledges that Applications may be less developed at the EOI stage. Detailed evidence and substantiation of claims are required with a Full Application. For a full list of what is required at each stage, including mandatory and optional attachments, please refer to each of the Merit Criterion as listed below.
 - 4.3 All of the Merit Criteria are equally weighted.
-

MERIT CRITERION A - CONTRIBUTION TO PROGRAM OUTCOMES

OVERVIEW

- 4.4 This Merit Criterion focuses on the extent that the Project contributes to the Program Outcomes as set out in item 1.5-1.7 of these guidelines.

DEMONSTRATING MERIT AGAINST THIS CRITERION

- 4.5 **Under Stream A**, Applicants can demonstrate merit by describing how the Project contributes to the Program Outcomes, such as:
 - a. **Support technical innovation:** Includes innovation that unlocks, accelerates, or delivers new system services such as greater demand flexibility and efficient use of the grid and local Distributed Energy Resources.
 - b. **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.
 - c. **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:
 - › **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.
- 4.6 **Under Stream B**, Applicants can demonstrate merit by describing how the Project contributes to the Program Outcomes, such as:
 - a. **Reduced cost of energy:** Demonstrating that First Nations Communities will receive lower total cost of electricity and other benefits.
 - i. Demonstration of reduced costs may include (but is not limited to) reduced electricity tariffs, reduced consumption through demand management, more efficient appliances, or behind the meter PV solar.
 - ii. Demonstration of other benefits may include (but is not limited to) benefit agreements or other payments, local employment, local procurement, community projects.

- b. **Cleaner energy:** Demonstrating high renewable penetration electricity supply will be considered higher merit. Projects should aim to improve upon previous demonstrations of renewable energy penetration and aim for a renewable penetration at least as high as the relevant jurisdictional target.
- c. **Reliable energy:** Demonstrating improved reliability of electricity supply that seeks to meet the equivalent jurisdictional norms for urban areas.
 - i. Indicators of reliability may include (but are not limited to) unmet energy demand, volume of disconnections, duration of disconnections, power quality, and/or resilience to natural disaster.
 - ii. Reliability may also be demonstrated through improved availability of related essential services, such as refrigeration, thermal management, water supply and heating, lighting, and/or communications and internet connectivity.
 - iii. Applicants should demonstrate how the reliable operation of the microgrid will be guaranteed over its lifetime, which may include consideration of future demand modifiers such as climate change, population changes, and/or electrification.
- d. **Empowered Communities:** Demonstrating that First Nations Communities are empowered to participate in their electricity supply arrangements and the development of energy infrastructure. This may include (but is not limited to) co-design processes, capacity building activities, training, education, employment, local procurement, and provision of high-quality information.
- e. **Microgrid Barriers:** Identifying the technical, regulatory, commercial, barriers, social, cultural, and governance 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.

MERIT CRITERION B - APPLICANT CAPABILITY AND CAPACITY

OVERVIEW

- 4.7 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.
- 4.8 Assessment of this Merit Criterion includes consideration of the following:
 - a. Capability:
 - i. Of the Applicant and any partner organisation(s) and personnel: including commercial, professional and technical skills, risk management (including Work Health and Safety Management System 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. Of 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.
- 4.9 Under Stream B, assessment of this Merit Criterion also includes consideration of the following:
 - a. Cultural competency of personnel and/or organisation to engage with First Nations Communities and plans or processes in place to ensure cultural competency.

DEMONSTRATING MERIT AGAINST THIS CRITERION

- 4.10 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 deliver the Project.
 - › Outline what agreements will be required between Applicant partner organisation(s) and/or consortia to deliver the Project. Outline the current status of these agreements and the steps the Applicant will take to secure the agreement and when they will be finalised. Note, Applicants should provide any evidence in the attachment section of the Full Application form. This may be a Letter of Support or a Letter of Co-Funding Commitment signed by a Director or equivalent of Applicant partner organisation(s).

4.11 Attachments:

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

MERIT CRITERION C - PROJECT DESIGN AND METHODOLOGY

OVERVIEW

- 4.12 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.
- 4.13 Assessment of this Merit Criterion includes consideration of the following:
 - a. A well-articulated Project Plan.
 - b. The quality and appropriateness of the Risk Management Plan including how the Applicant will manage safety issues (e.g. safety standard compliance).
 - c. The quality and appropriateness of the Project's Community Engagement Plan and expected stakeholder management.
 - d. The quality of any other application attachments as required for a given Stream.
 - e. How the Project will meet the requirements outlined in Part 5.
- 4.14 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.
- 4.15 ARENA expects Applicants to have reviewed and identified any proposed departures from ARENA's template Funding Agreement, which is available on the Program webpage at <https://arena.gov.au/funding/RMP/>. ARENA is unlikely to accept any proposed departures that were not raised in the Applicant's Full Application.
- 4.16 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 terms of the Funding Agreement will generally increase the merit of a Project.

DEMONSTRATING MERIT AGAINST THIS CRITERION

- 4.17 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 the Applicant and the Application meet the requirements outlined in Part 5.

4.18 Attachments:

- a. **Project Plan (mandatory at both stages, for both streams):** Applicants must include a detailed Project Plan, which should include:
 - i. Summary of the Project.
 - ii. Status of any development, planning and environmental approvals, permits and /or licenses required for the Project and anticipated pathway and timing to finalisation.
 - iii. Details of approach to land access for the proposed project location(s), including details of any land agreements.
 - iv. Timeline for the Project, including key milestones.
 - v. Approach to managing potential cost overruns, and amount of contingency allowed.
 - vi. An outline of the approach to sources of funds required for the lifetime of the Project.
 - vii. Evidence to support budget estimates.
 - viii. Details of the proposed operations and maintenance regime for the lifetime of the asset.
 - ix. Demonstration that the Project would not be able to proceed without the requested Grant Funding.
- b. **Risk Management Plan (mandatory at Full Application stage, for both streams):** Applicants 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 Plan.
- c. **Community Engagement Plan (mandatory at Full Application stage, for both streams):** Applicants must include a Community Engagement Plan, which should include identification of key stakeholder groups, outline the proposed Community Engagement processes, consider a process for complaints and how Community Engagement feedback will be regularly monitored and, where necessary, incorporated into the Project for ongoing improvement.
 - i. Under Stream B, it is additionally expected that the Community Engagement Plan will:
 1. Demonstrate the Applicant's commitment to Free, Prior, and Informed consent, including details of how this will be implemented and monitored.
 2. Support the Program Outcome of Community Empowerment as set out in item 1.7c. This should, at a minimum, include consideration of the Applicant's cultural competence, culturally appropriate engagement, and follow best practice guidelines, as appropriate.
- d. **Compliance Table (mandatory at Full Application stage, for both streams):** (using ARENA's Funding Agreement template available at <https://arena.gov.au/funding/RMP>) 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. **Community Benefit Plan (mandatory at Full Application stage, Stream B only):** Under Stream B, Applicants must include a Community Benefit Plan that sets out the financial and non-financial benefits that the Project will deliver for the community. This may include, but is not limited to, reduced electricity costs, financial payments, community projects, education, training, employment, and/or local procurement. Note that this attachment and the Community Engagement Plan attachment may be combined into a single document.
- f. **Letters of Support and other evidence (optional):** Applicants may include any additional evidence to support Project readiness, evidence of financial support, and the level of commitment from Partner Organisations or other stakeholders (e.g. letters of support, procurement contracts etc).

MERIT CRITERION D - FINANCIAL VIABILITY AND CO-FUNDING COMMITMENT

OVERVIEW

- 4.19 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.
- 4.20 Assessment of this Merit Criterion includes consideration of the following:
- Whether the Applicant and any Project Partners have the financial capacity and appropriate levels of co-funding commitment to deliver the Project successfully.
 - The extent to which the Applicant or other Project Partners are providing funding or in-kind support for the Project.
 - Relevant industry benchmarks for the economics of a particular Project.
 - The appropriateness of the budget allocated to knowledge sharing to deliver the outcomes as proposed.
 - Capacity to operate and maintain the system over its lifetime.
- 4.21 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

- 4.22 Applicants can demonstrate merit against this Criterion in the Application as follows:
- a detailed financial model in excel format or similar.
 - evidence of support by the Applicant and any Project Partners, including commitment to provide the specified cash and in-kind contributions.
 - information to demonstrate that the Applicant (and any Project Partners) have the financial capacity to fund its proposed share of the funding or in-kind contributions for the duration of the Project.

4.23 Attachments:

Financial Model (mandatory at both stages, for both streams): A dynamic financial model in excel format or similar that includes (at a minimum):

- expected revenues over the life of the Project, including the source of these revenue projections.
- expected costs over the life of the Project, with a clear breakdown of cost categories.
- All assumptions to be clearly labelled and dynamic.
- Ability to sensitise the model to view the Project returns with and without Grant Funding

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.

MERIT CRITERION E - KNOWLEDGE SHARING

OVERVIEW

- 4.24 This criterion assesses:
- the value of the knowledge generated by the Project in contributing to the Program Outcomes;
 - how well that knowledge is targeted to specific audiences; and
 - how the Applicant will capture, store and disseminate the data, information and lessons learned from the Project.

DEMONSTRATING MERIT AGAINST THIS CRITERION

- 4.25 Applicants can demonstrate merit by describing:
- how the knowledge generated by the Project would contribute to the Program Outcomes;
 - how well tailored the Knowledge Sharing Plan is to the purpose of the Project;
 - how the data, information and lessons learned from the Project will be collected, stored, analysed and disseminated so that it reaches the target audiences;

- d. a commitment from Applicant and other Project Partners to deploy Applicant resources to produce high quality knowledge products and communicate the results beyond the Project consortium;
- e. the extent to which the data, information and lessons learned from the Project will be made publicly available, including clear identification of what data, information and lessons learned:
 - i. can be released into the public arena;
 - ii. Applicant will provide to ARENA but is to be treated as commercial in confidence by ARENA and
 - iii. Applicant wishes to keep confidential; and
- f. any constraints that may prevent Applicant from sharing knowledge and information, such as IP protection processes and rights of any third parties including third party materials and Intellectual Property.

4.26 Under Stream B, Applicants may also demonstrate merit by demonstrating:

- a. How the knowledge generated in the Project will build community capacity to participate in their electricity supply arrangements and the development of energy infrastructure. This may include, but is not limited to, public dissemination of project development information, community engagement information, community benefit arrangements, and/or establishment of community governance structures.

4.27 Attachments:

Knowledge Sharing Plan (Mandatory at Full Application stage, for both streams): a Knowledge Sharing Plan which sets out how knowledge and information from the Activity will be collected, analysed, stored, used and shared.

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 in a form and substance satisfactory to 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, if appropriate, include details on the Funding Agreement negotiation process, including timing. 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 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 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 Funding Agreement template prior to submitting a Full Application.
- 5.9 Successful Applicants may 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 may be required to calculate and report on the emission reductions resulting from successful Projects. Funding Recipients may be required to cooperate with ARENA to provide the data required to complete these calculations.
- 5.11 ARENA reserves the right to not 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.
- 5.13 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.

USE OF FUNDING

- 5.14 Applicants are required to prepare a budget for the Project, which is to be submitted with the Full Application.
- 5.15 An agreed budget will form part of the Funding Agreement for the Project.
- 5.16 Funding from ARENA must be used only for approved expenditure on the Project, as set out at Appendix A (Eligible Expenditure) of these Guidelines and the approved project budget.

KNOWLEDGE SHARING AND PUBLICATION OF PROJECT INFORMATION

- 5.17 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.
- 5.18 An approved Knowledge Sharing Plan will form part of the Funding Agreement for the Project.

PART 6. FURTHER PROGRAM INFORMATION

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:
- the Minister and the Minister's office;
 - 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;
 - the Auditor General, Ombudsman, Information Commissioner or Privacy Commissioner;
 - the Australian Energy Market Operator (AEMO);
 - ARENA staff, Consultants and advisers;
 - 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
 - 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 following information relating to successful Applications:
- The names of successful Applicants.
 - The locations and beneficiaries of the proposed Projects.
 - Proposed project configurations and sizes (kW, kWh).
 - Total Project cost (actual and normalised per kW, kWh).
 - Grant Funding amount (actual and normalised per kW, kWh).
 - Grant Funding as a percentage of total Project cost.
 - Other information relevant to supporting the microgrid market.

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 and on the ARENA website at <https://arena.gov.au>. Any complaints concerning assessments or processes should be discussed with the ARENA representative involved in the assessment or process in the first instance. If the Applicant is not satisfied following this discussion, 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 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 an 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 submitting an Application, the Applicant acknowledges and agrees to ARENA's right (in its absolute discretion) to reject, refuse to consider or cease evaluating an Applicant's Application, at any time, if ARENA is of the view (in its absolute discretion) that the Applicant's Application is unlikely to be successful.
-

NO CONTRACT OR LIABILITY

- 6.12 Despite anything in the Guidelines or in any Application submission, or any other documentation that forms part of this process (in part or together), by submitting an 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 Program.
 - 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.

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 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.3 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.4 If an Application 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.5 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.6 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. 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.

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.

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;

- 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. 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).

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.

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.

Labour costs cannot be claimed based on an estimation of the employee's worth to the company, where no cash has changed hands;

- 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.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. expenditure on Feasibility Studies;
 - d. interest on loans for new and pre-existing capital items used for the Project;
 - e. expenditure on the acquisition of land for a Project;
 - f. sales or promotional activities that do not directly support the successful completion of the Project;
 - g. membership fees;
 - h. donations; and
 - i. any other expenditure that does not directly support the delivery of the Project.
-

EXPENDITURE PRIOR TO EXECUTION OF THE FUNDING AGREEMENT

- A.8 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.9 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.10 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.11 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 an Application for funding under the Program.

Application - an Expression of Interest or Full Application submitted under the Program.

Conflict of Interest - a situation where a person has a private interest (financial or non-financial) or personal associations, that could improperly influence or be perceived to influence, their decisions, the exercise of a power, or the performance of their professional duties.

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* (NSW)
- › the *Occupational Health and Safety Act 2004* (VIC)
- › the *Work Health and Safety Act 2011* (QLD)
- › the *Work Health and Safety Act 2020* (WA)
- › the *Work Health and Safety Act 2012* (SA)
- › the *Work Health and Safety Act 2012* (TAS)
- › the *Work Health and Safety Act 2011* (ACT)
- › the *Work Health and Safety (National Uniform Legislation) Act 2011* (NT)
- › 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.

First Nations Communities - communities of majority Aboriginal and/or Torres Strait Islander people.

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.

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.

Microgrid - 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 may be managed by State Government owned corporations.

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 Application.

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

Project - the activity proposed to be delivered as set out in the 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.

Final Submission Date - the deadline for submission of all required application materials through the ARENANet Application form. The Final Submission Date will be published on the ARENA website at <https://arena.gov.au/funding/RMP/>.

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.

Further information is available at
arena.gov.au

Australian Renewable Energy Agency

To discuss potential for funding:
Phone +61 1800 804 847
Email proposals@arena.gov.au

Postal Address
GPO Box 643
Canberra ACT 2601

Location
2 Phillip Law Street
New Acton ACT 2601

Engage with us

ARENAWIRE



This work is copyright, the copyright being owned by the Commonwealth of Australia. With the exception of the Commonwealth Coat of Arms, the logo of ARENA and other third-party material protected by intellectual property law, this copyright work is licensed under the Creative Commons Attribution 3.0 Australia Licence.

Wherever a third party holds copyright in material presented in this work, the copyright remains with that party. Their permission may be required to use the material.

ARENA has made all reasonable efforts to:

- clearly label material where the copyright is owned by a third party
- ensure that the copyright owner has consented to this material being presented in this work.

Under this licence you are free to copy, communicate and adapt the work, so long as you attribute the work to the Commonwealth of Australia (Australian Renewable Energy Agency) and abide by the other licence terms. A copy of the licence is available at <http://creativecommons.org/licenses/by/3.0/au/legalcode>

This work should be attributed in the following way:
© Commonwealth of Australia (Australian Renewable Energy Agency) 2023

Requests and enquiries concerning reproduction and rights should be submitted to the ARENA website at arena.gov.au.



Australian Government
Australian Renewable
Energy Agency

ARENA