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ARENA open for business on industrial decarbonisation

On behalf of the Australian Government, the Australian Renewable Energy Agency (ARENA) has today launched the first funding round of the \$400 million Industrial Transformation Stream (ITS) to support emissions reduction at existing industrial facilities in regional Australia.

The Industrial Transformation Stream is part of the Powering the Regions Fund, the design of which was finalised by the Australian Government in the 2023-24 Federal Budget.

Round 1 will see \$150 million of [ITS funding](#) be made available primarily for applications focusing on regional decarbonisation of industrial process heat and off-road transportation.

The program builds on ARENA's priority in low emissions metals and previous work under existing programs to drive innovation and support industry to reduce their emissions.

ARENA has worked closely with the Department of Climate Change, Energy, the Environment and Water throughout the development of the guidelines for the ITS Program, which will complement other programs under the Powering the Regions Fund.

To date, ARENA has supported over 660 projects with over \$2.25 billion in funding working across the electricity sector as well as hard to abate sectors such as mining, metals refining and transport. The ITS will continue to build on this momentum to support Australia's decarbonisation ambitions.

The Program will support projects ranging from studies to demonstrations and deployment. Opportunities may address a wide range of solutions, including energy efficiency, electrification, and any renewable energy technologies that support industrial decarbonisation (e.g. fuel switching to renewable fuels, solar thermal systems or zero emission vehicles). Enabling technologies such as energy storage or load flexibility / demand management and critical infrastructure to support on site industrial decarbonisation will also be considered.

Accounting for ~44% of total Australian emissions, the decarbonisation of industry is critical to progressing Australia's 2030 and 2050 net zero targets. Target sectors with a high emissions abatement opportunity include agriculture, electricity, gas, water and waste, mining, manufacturing and off-road transport.

ARENA CEO Darren Miller said "Progress in the industrial sector is vital to achieving our emissions reduction goals and will set Australia up as a renewable energy superpower that will maintain jobs and economic activity in our regions and capitalise on the world's shift to green products.

"ARENA is ready to increase its commitment to industrial decarbonisation and provide assistance to help in the clean energy transition for this sector.

"Now is the perfect opportunity for the industrial sector to make a meaningful change to adapt and future proof their businesses as we head towards net zero emissions."

Minister for Climate Change and Energy Chris Bowen said "When designing our policies to reduce industrial emissions, it was critical that that we provided support for industries of strategic importance.

"We're ensuring that the regions that have always powered Australia are the same regions that will power us into the future through the global economic transformation to net zero."

Round 1 of the ITS Focus Areas launched today, with applications accepted from 30th November and run until December 2024, or until funds are exhausted or otherwise updated at ARENA's discretion. Potential applicants are encouraged to reach out to ARENA prior to online submission.

Please visit the [Industrial Transformation Stream](#) for program guidelines, webinar dates and further information on eligibility and submitting an application.

ARENA's existing \$40 million [Industrial Energy Transformation Studies Program \(IETS\)](#) remains open to support feasibility and engineering studies and associated metering that can enable an investment decision in energy efficiency and renewable energy solutions for industrial processes.

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