

POWERING THE REGIONS: INDUSTRIAL TRANSFORMATION STREAM

**ROUND 1 PROGRAM
FOCUS AREAS**

NOVEMBER 2023



Australian Government
Australian Renewable
Energy Agency

ARENA

ROUND 1 PROGRAM FOCUS AREAS

The Industrial Transformation Stream Program (**the Program**) is delivered by the Australian Renewable Energy Agency (**ARENA**). The Program is focused on supporting projects that accelerate decarbonisation of industry in regional locations.

These Program Focus Areas are enabled by, and should be read in conjunction with the Program Guidelines published on the Program [webpage](#).

The Program Focus Areas are aligned with the Program objectives and are intended to give clarity to potential applicants regarding the types of funding proposals that are expected to be supported in 2023 and 2024. The Program Focus Areas aim to accelerate emissions reduction in regional industrial facilities by:

- › addressing significant sources of emissions across the diverse set of industrial sectors;
- › enabling a range of high impact decarbonisation technologies to be supported that are replicable across the industrial sector in the short to medium term; and
- › targeting solutions where there is a funding gap and a market need.

The Program will support a range of Program Focus Areas, and this document will be updated by ARENA from time to time. Any material changes to the Program Focus Areas, including new focus areas, will be published on the Program [webpage](#). Updated Program Focus Areas are expected to be announced prior to 2025.

FUNDING AMOUNT

ARENA has allocated \$150 million towards the first round of the Program. ARENA reserves the right to increase or decrease the amount of funding allocated to support projects under the Program Guidelines.

FOCUS AREA 1: SUPPORTING THE DECARBONISATION OF PROCESS HEAT USED IN INDUSTRIAL PROCESSES

- › This Program Focus Area 1 aims to support and accelerate the displacement of fossil fuels used in generating heat in industrial processes. Funding support is intended to remove barriers to the uptake and integration of low-emission technologies into existing industrial processes to increase confidence in solutions which can be replicated across industrial sectors for efficient, cost effective zero emissions process heat.
- › ARENA funding support is intended for the following:
 - technologies including, but not limited to the use of electrification, energy efficiency, solar thermal or renewable fuels such as renewable hydrogen or bioenergy in projects that facilitate or advance integration of new technologies into existing industrial processes;
 - installation of relevant onsite equipment such as electric boilers, calciners, heat pumps, solar thermal systems, thermal storage or other onsite equipment required to decarbonise renewable heat;
 - enabling technologies such as energy storage (including thermal energy storage) where this enables or supports the renewable energy technology; and load flexibility or demand management (such as processes with flexible energy demand that can be more easily matched with renewable electricity supply);
 - renewable fuels (including renewable hydrogen and biofuels) production, storage and distribution where there is offtake by a regional industrial facility to decarbonise process heat solutions; and
 - innovative business models, technologies and solutions that address technical, regulatory, or commercial barriers to deployment or reduce the cost of deploying low emissions process heat technologies or solutions.
- › This Program Focus Area 1 will not support:
 - business-as-usual process upgrades (which may be expected to be addressed as part of regular asset maintenance or investment cycles); or
 - other technologies not incorporating energy efficiency or renewable energy technologies (or enabling technologies).
- › ARENA expects the minimum grant amount for a project focused on feasibility studies or front-end engineering and design (**FEED**) to be \$300,000.

- › ARENA expects the minimum grant amount that can be sought projects focused on pilot, demonstration or deployment to be \$1,000,000.
- › Applicants are expected to at least match the funding being sought from ARENA. Applications should justify why the requested grant funding is the lowest required for the project to proceed.

FOCUS AREA 2: OFF-ROAD TRANSPORT DECARBONISATION

- › This Program Focus Area 2 aims to support and accelerate the decarbonisation of off-road transport by removing barriers to the adoption of zero emissions vehicles (**ZEVs**). This Program Focus Area is specifically targeting initiatives in off-road industrial vehicle fleets including off road heavy haulage and rail. Funding support is intended to de-risk investment in ZEV adoption, incentivize Original Equipment Manufacturers (**OEMs**) and related supply chains to progress heavy ZEVs solutions and accelerate deployment and associated infrastructure in industrial locations.
- › ARENA funding support is intended for the following:
 - technologies including, but not limited to fuel switching away from petroleum-based vehicles or locomotives related to industrial sites;
 - the trial, integration and use of battery electric vehicles (**BEVs**), hydrogen fuel cell electric vehicles (**FCEVs**) and charging solutions; and
 - integration of innovative charging and refueling solutions.
- › This Program Focus Area 2 will not support:
 - on road transport decarbonisation;
 - projects which do not have a firm contractual commitment from to the industrial site(s) of an eligible NGER entity (e.g. public BEV charging and / or public hydrogen refueling without vehicles); or
 - aviation decarbonisation. Please refer to ARENA's other funding opportunities related to [Sustainable Aviation Fuels](#).
- › ARENA expects the minimum grant amount for a project focused on feasibility studies or FEED to be \$500,000.
- › ARENA expects the minimum grant amount that can be sought projects focused on pilot, demonstration or deployment to be \$2,000,000.
- › Applicants are expected to at least match the funding being sought from ARENA. Applications should justify why the requested grant funding is the lowest required for the project to proceed.

OTHER REGIONAL INDUSTRIAL DECARBONISATION

- › The Program will also accept applications related to other high impact projects that align with the Program Objectives (as defined in the Program Guidelines) and are well formulated.
- › The intention is to provide a pathway for submission of proposals that may not align with the above Program Focus Areas but meet the criteria of the Industrial Transformation Stream Program as set out in the Program Guidelines, and that are well developed.
- › ARENA expects the minimum grant amount for a project focused on feasibility studies or FEED to be \$500,000.
- › ARENA expects the minimum grant amount that can be sought projects focused on pilot, demonstration, or deployment to be \$2,000,000.
- › Applicants are expected to at least match the funding being sought from ARENA. Applications should justify why the requested grant funding is the lowest required for the project to proceed.

NOT CURRENTLY UNDER CONSIDERATION

ARENA will not consider support for projects that:

- › are not part of a net zero pathway, or provide only a partial abatement solution (without a pathway to net zero);
- › have limited replicability, and/or do not have a pathway to commercial deployment beyond the Project;
- › are not part of a net zero pathway;
- › options analysis, opportunity assessments or concept studies;
- › grid connected or behind-the-meter development of commercially proven renewable energy supply or the procurement of PPAs (including deployment of solar PV, wind turbines or rooftop solar);
- › predominately scale up or deploy established technologies or business models already proven in Australia;
- › repair and maintenance projects that would be undertaken in the normal course of business;
- › plant closure projects; and
- › measures that are not integral to the industrial process, including but not limited to building space heating and cooling and building lighting.

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

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