

NATIONAL INDUSTRIAL TRANSFORMATION PROGRAM

FREQUENTLY ASKED QUESTIONS

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Australian Government
Australian Renewable
Energy Agency

ARENA

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FREQUENTLY ASKED QUESTIONS

This document contains FAQs regarding the National Industrial Transformation Program (**NIT Program**). ARENA will update this FAQ list as needed. Please refer to the Program Guidelines and the Program [webpage](#) for further details.

Applicants can submit questions to ARENA relating to the Program by emailing industrialtransformation@arena.gov.au. Please note, ARENA reserves the right to publish any general questions and answers around the assessment process, information requirements and timetable in this FAQ document.

PROGRAM

WHAT IS THE DIFFERENCE BETWEEN THE PRIOR INDUSTRIAL ENERGY TRANSFORMATION STUDIES PROGRAM AND THE NIT PROGRAM?

In September 2022, ARENA launched the *Industrial Energy Transformation Studies (IETS) Program*. The Program consisted of two funding streams, each supported by published Guidelines (**Original Guidelines**): *Stream A Feasibility Studies* and *Stream B Engineering Studies*.

Following the Australian Government's announcement of the Powering the Regions Fund – Industrial Transformation Stream (**ITS**), ARENA has revised the original IETS Guidelines to harmonise the delivery of the former IETS Program and the newly announced ITS Program. The revised IETS Program will now be known as the National Industrial Transformation Program and will be supported by a new single Guideline document.

The Original Guidelines continue to apply to any Applicant who submitted an EOI or Full Application for funding under the IETS Program on a date up to and including Tuesday, 19 December 2023. No further applications can be made to the IETS Program after that date. The National Industrial Transformation Program Guidelines will then apply to any Applicant who submits an EOI or Full Application for funding under this Program from Wednesday, 20 December 2023 onwards.

WHAT IS THE DIFFERENCE BETWEEN THE NIT PROGRAM AND THE ITS PROGRAM?

The ITS Program is a program within the \$1.9 billion Power the Regions Fund. The ITS Program allocates up to \$400 million in Grant funding to specifically support decarbonisation projects that:

- › Support emissions reduction at existing industrial facilities;
- › will occur in regional Australia (defined as being outside the Greater Capital City Statistical Areas, and including the Kwinana Industrial Area); and
- › are 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**).

The detailed ITS Eligibility Criteria can be found in Part 3 of the ITS Guidelines.

The NIT Program (formerly the IETS Program) is a \$40 million funding program to support industrial decarbonisation which has been re-scoped to align with and support the ITS Program.

Key elements of each program are shown below:

	ITS	NIT
Total funding available (as of Dec 2023)?	\$400 million	\$40 million
Relevant locations?	Regional	No constraint
Facility must meet the NGER Eligibility Criteria?	Yes	No constraint
Existing industrial facilities or new build?	Existing	Both
In scope emissions abatement?	Yes, Scope 1 and Scope 2	Yes, Scope 1 and Scope 2

In scope technologies ¹ ?	Renewable Energy Technologies, Energy Efficiency Technologies and Electrification Technologies	Renewable Energy Technologies, Energy Efficiency Technologies and Electrification Technologies
Support for studies, pilots and deployment?	Yes, all	Yes, all
Encourage technology demonstration, collaboration and knowledge sharing across industry and/or regions	Yes	Yes

Applicants are strongly encouraged to contact ARENA at industrialtransformation@arena.gov.au to discuss the appropriate program for its proposal prior to the submission of an EOI.

WHAT ARE THE OBJECTIVES OF THE NIT PROGRAM?

The Program Objectives are to:

- support Industrial Facilities 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 industrial workforce in new decarbonisation activities

DO I NEED TO ADDRESS ALL OBJECTIVES IN MY APPLICATION?

While it is not mandatory to address all Program Objectives, Projects that can address multiple objectives may be considered of higher merit. Merit Criterion A is focused on assessing how Projects meet the NIT Program Objectives (see Part 4 of the NIT Guidelines).

WHAT ARE SCOPE 1 AND 2 GREENHOUSE GAS EMISSIONS?

Scope 1 Greenhouse Gas Emissions are the emissions released to the atmosphere as a direct result of an activity or series of activities at a facility level. Scope 1 Emissions are sometimes referred to as direct emissions. Emissions produced from the burning of fossil fuels on site are Scope 1 Emissions.

Scope 2 Greenhouse Gas Emissions are the emissions released to the atmosphere from the consumption of an energy commodity produced elsewhere. For example, using electricity sourced from the electricity grid results in Scope 2 Emissions.

IS ARENA TARGETING SPECIFIC INDUSTRIAL SECTORS FOR THIS PROGRAM?

The following target sectors (based on the Australian and New Zealand Standard Industrial Classification (**ANZSIC**) codes published by the Australian Bureau of Statistics (**ABS**)) are considered to be well aligned to the Program Objectives in terms of industrial emissions abatement opportunity:

- agriculture, forestry and fishing;
- electricity, gas, water and waste;
- manufacturing;
- mining; and
- transport.

Other sectors may be considered based on a compelling emissions reduction opportunity. If a Project addresses multiple sites, the sector which aligns with most of the sites in the Project should be selected.

HOW DO I FIND THE RIGHT ANZSIC CODE?

The ABS maintains the publication Australian and New Zealand Standard Industrial Classification 2006 (ABS cat no. 1292.0) which can be accessed and downloaded for free on the [ABS website](#).

¹ See the NIT Program Guidelines glossary for detailed technology definitions

CAN MY PROJECT INCLUDE MULTIPLE SITES?

Yes, a Project can consider multiple industrial sites, provided the Eligibility Criteria for Project location are met (see Part 3 of the NIT Guidelines). The total emissions abatement will consider the aggregated opportunity across all sites.

WILL PROJECTS AT HIGH EMITTING FACILITIES BE OF HIGHER MERIT?

Merit Criterion A will consider the site specific industrial emissions opportunity (at the facility/facilities where the Project will take place) as well as potential replicability for broader industrial emissions abatement if the solution is scaled. Merit assessment will consider all five criteria detailed in Part 4 of the NIT Guidelines.

ARE FEASIBILITY AND FEED STAGE PROJECTS INCLUDED?

Yes, the NIT Program can fund feasibility stage Projects (i.e. 'studies') through to demonstration and deployment stage Projects (see item 1.13 of the NIT Guidelines).

ARE ANY PROJECT ACTIVITIES EXCLUDED FROM THE NIT PROGRAM?

ARENA considers the following activities outside the scope of the Program:

- a. are not part of a net zero pathway, or provide only a partial abatement solution (without a pathway to net zero);
- b. have limited replicability, and/or do not have a pathway to commercial deployment beyond the Project;
- c. options analysis, opportunity assessments or concept studies;
- d. 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);
- e. predominately scale up or deploy established technologies or business models already proven in Australia;
- f. repair and maintenance projects that would be undertaken in the normal course of business;
- g. plant closure projects; and
- h. measures that are not integral to the industrial process, including but not limited to building space heating and cooling and building lighting.

WHAT IS AN "OPPORTUNITY ASSESSMENT" AND WHY IS IT EXCLUDED FROM THE PROGRAM?

An "opportunity assessment", sometimes also known as an "energy audit" or "options study" or "trade study", is an early-stage study which seeks to identify a range of possible energy and emission reduction options for further consideration. The NIT Program is seeking to fund later-stage studies which examine a specific chosen solution.

WILL ARENA RECOMMEND OR ASSIGN CONSULTANTS TO SUPPORT PROJECTS?

No, ARENA will not be recommending or assigning consultants to undertake the Project. If relevant, Applicants should select their preferred consultant to undertake the work.

ELIGIBILITY

CAN MY ORGANISATION APPLY FOR FUNDING?

To be eligible for funding, at the time of applying and for the life of the Project, the Applicant must hold an Australian Business Number (**ABN**) and be:

- a. an Australian entity incorporated under the *Corporations Act 2001* (Cth);
- b. an Australian State or Territory owned corporation, or a subsidiary of an Australian state or territory owned corporation; or
- c. an Australian local government or council or an Australian organisation that is purposed with representing and supporting local governments or councils.

Research institutions such as universities are not eligible to apply for funding, however they may partner with an eligible Applicant.

WHAT TYPE OF PROJECTS ARE ELIGIBLE?

To be eligible for funding, an Applicant must be able to demonstrate to the satisfaction of ARENA that the Project described in the application (see NIT Guidelines item 3.4):

- a. addresses the Scope 1 and/or Scope 2 emissions of an existing or planned Industrial Activity²;
- b. has the potential to contribute to the Program Objectives;
- c. does not include research (Technology Readiness Level (**TRL**³) 1-3); and
- d. meets any other requirements as specified in any Funding Announcement.

WHAT LOCATIONS ARE ELIGIBLE FOR PROJECT SITES?

To be eligible for funding, an Applicant must be able to demonstrate to the satisfaction of ARENA that the Project will primarily take place in Australia and is to the direct benefit of an Industrial Facility (see NIT Guidelines item 3.6).

Projects at any new or expanded coal and gas facilities are considered ineligible. A new facility means not already in operation before 1 June 2023. An expanded facility means not expanded post 1 June 2023.

IS ARENA TARGETING SPECIFIC TECHNOLOGIES?

No, the NIT Program is technology agnostic. However, ARENA will assess the innovation potential of a chosen technology or solution as part of its merit assessment.

The Applicant must also be able to demonstrate to the satisfaction of ARENA that the Project described in the application is a technology that ARENA can lawfully fund in accordance with the ARENA Act (see NIT Guidelines item 3.5), being some form of:

- a. Renewable Energy Technology, which includes hybrid technologies and technologies (including enabling technologies) that are related to renewable energy technologies;
- b. Electrification Technology, which means technologies that use electricity and replace technologies that use fossil fuels or technologies that facilitate the replacement of technologies that use fossil fuels with technologies that use electricity; and/or
- c. Energy Efficiency Technology, which includes energy conservation technologies, demand management technologies and technologies (including enabling technologies) that are related to energy efficiency technologies.

ARENA will consider supporting feasibility studies through to demonstration and deployment stage projects.

CAN I APPLY FOR FUNDING FOR THE SAME PROJECT FROM THE NIT AND ITS PROGRAMS?

No, Applicants cannot apply for funding from both the NIT and ITS Programs for the same project. However, if an Applicant has multiple projects that are eligible for both programs, they can apply for funding from both programs for unique projects.

² Refer to the glossary of the NIT Guidelines for a definition of Industrial Activity.

³ Refer to Appendix B of the NIT Guidelines for an explanation of the TRL index.

CAN THE LEAD APPLICANT CHANGE DURING A PROJECT?

No. The nominated lead Applicant would be expected to lead the entirety of the Project. The lead Applicant would be able to change during the assessment period.

CAN I MAKE MORE THAN ONE APPLICATION OR BE A MEMBER OF MORE THAN ONE PROJECT TEAM?

Yes, there is no limit to the number of applications individuals may make or number of applications in which individuals are included. However, if individuals intend to be part of more than one Application it will need to be justified that individuals will have, or be able to allocate, sufficient time to all of the applications should they be successful.

ASSESSMENT PROCESS

HOW DO I APPLY FOR FUNDING?

The NIT Program is a two-stage application process consisting of an Expression of Interest (**EOI**) and Full Application. Applications must be submitted using ARENA's Grants Management System (**ARENANet**). ARENANet can be accessed through the NIT Program [website](#). Applicants can commence an online application by going to ARENANet. Please review the NIT Guidelines for a full list of mandatory and optional attachments required.

IS THERE A DEADLINE TO APPLY FOR FUNDING?

No, the NIT Program is an open, ongoing program which will remain active until all funds available under the Program are exhausted or the Program Guidelines are revoked. An EOI for ARENA funding under this Program can be submitted at any time while this Program remains open.

CAN I SUBMIT A ONE-STAGE APPLICATION?

Where deemed appropriate ARENA may, at its sole discretion, provide Applicants with the option of a one-stage Full Application. One-stage Full Applications processes will generally be reserved for simpler, low cost and complexity projects such as feasibility and Front End Engineering Design (**FEED**) studies. Applicants should consult with ARENA to assess as to whether their Project would be suitable for the One-Stage Full Application process.

SHOULD I TALK TO ARENA PRIOR TO SUBMITTING AN APPLICATION?

ARENA may seek to work with Applicants or potential Applicants and their Project partners who are in the process of preparing an EOI or Full Application, except in the instance of any Targeted Funding Rounds (see NIT Guidelines, items 2.27-2.29)

Applicants may apply at any time; however, Applicants are strongly encouraged to contact ARENA at industrialtransformation@arena.gov.au to discuss proposals prior to submitting an online application.

Each section of the application contains instructions on what information is required and any word limits which may apply. Applicants can save their application at any time before submitting to ARENA. If the application does not include the information required (and in the format prescribed by ARENA), ARENA may, acting in its sole discretion, decline to assess the application or seek supplementary information or clarification from the Applicant.

WHAT DO I NEED TO APPLY?

Please refer to Part 2 of the NIT Guidelines and Project Plan Guidance available on the NIT Program [webpage](#) for an outline of what is expected to form part of respective EOI and Full Application Applicants. With the exception of a Targeted Funding Round, ARENA will typically engage and collaborate with Applicants regarding potential Projects.

DO I NEED A NEW ARENA APPLICATION FOR A SECOND PHASE OF WORK ON THE SAME PROJECT?

No, the NIT Program has a 'Multi-Stage Funding Mechanism' that will allow Applicants to seek funding approval for the first stage of a Project and conditional funding approval for the second stage of a Project, without having to start a new application. Funding for Stage 2 is conditional only and will be contingent on the completion of Stage 1 and on a detailed Stage Gate Review (see items 5.7-5.10 in the NIT Guidelines). The stages considered are:

- a) **Stage 1:** for feasibility or FEED work; and
- b) **Stage 2:** an implementation stage that may be a subsequent pilot, demonstration, or deployment commencing within a specified timeline and subject to a Stage Gate Review.

The inclusion of a Multi-Stage Funding Mechanism in a Project is at the sole discretion of ARENA. ARENA may progress an EOI or Full Application to the next stage with or without the inclusion of a Multi-Stage Funding Mechanism, despite its inclusion in an application. See Part 5 of the NIT Guidelines for further detail.

WHAT LEVEL OF DETAIL IS EXPECTED FOR A MULTI-STAGE PROJECT?

Where a Multi-Stage Funding Mechanism is proposed, the Project plan should include all relevant stages of the Project. Stage 1 is expected to be addressed in detail (as recommended in the supporting Project Plan Guidance on the NIT Program [webpage](#)). Stage 2 should be addressed in sufficient detail such that ARENA can adequately assess the conditional funding proposal. Please refer to items 5.5-5.6 of the NIT Guidelines for more information.

WHAT SHOULD I EXPECT AT A STAGE GATE REVIEW?

As part of Funding Agreement negotiations, ARENA and the Applicant will agree a set of conditions, processes, and timeframes (considering the specific circumstances of each Project) that will form part of a Stage Gate Review. Please refer to items 5.7-5.10 of the NIT Guidelines for more information on the Stage Gate Review requirements.

HOW DOES ARENA DECIDE WHICH PROJECTS RECEIVE FUNDING?

ARENA will review applications against the Merit Criteria outlined in Part 4 of the NIT Guidelines. ARENA may take a portfolio approach to selecting projects for funding, considering how a project will contribute to the Program Objectives either uniquely or as part of the suite of complementary ARENA projects.

ARENA may choose not to fund an otherwise meritorious project if the aims or outcomes of that project are the same, or similar to, the aims and outcomes of a project that has previously been funded (either by ARENA or alternative investors) or that ARENA is intending to fund. ARENA may seek advice on the merit of a proposal from the ARENA Advisory Panel and may request Applicants to provide a presentation to the ARENA Advisory Panel regarding their application. Greater detail around the assessment process is provided in Part 2 of the NIT Guidelines.

CAN ARENA PROVIDE AN EXAMPLE APPLICATION FORM?

No, ARENA does not provide sample answers or applications for any of its programs. ARENA expects all answers to be honest, succinct, well justified and complete.

ARE THERE MINIMUM OR MAXIMUM FUNDING THRESHOLDS?

The total maximum Grant amount for a particular Project under the Program is \$15 million, however this is subject to funds available under the Program. ARENA funding is typically expected to be matched on a minimum of a 1:1 contribution, including the value of the In-Kind Contributions. Refer to Part 1 of the NIT Program Guidelines for further information on the ARENA funding model.

IS THERE A REQUIRED LEVEL OF CO-INVESTMENT THAT MUST BE PROVIDED?

It is expected that Applicants will provide a combination of cash and In-Kind Contributions, alongside the ARENA Grant. ARENA will contribute a maximum of 50 per cent of eligible costs for projects. Projects which require lesser contributions from ARENA may be considered of higher merit.

WHY DOES ARENA REQUIRE CO-INVESTMENT?

ARENA funds Projects to support commercialisation outcomes over the short, medium, and long-term. ARENA therefore expects that Project proponents should bear some of the cost and risk associated with the Project.

ARENA is seeking to fund Projects that offer high value for its contribution to the total Project cost. Projects that seek a lower proportion of ARENA funding as a share of the total Project cost may be of higher merit. Please refer to Merit Criteria D in the NIT Guidelines.

DOES ARENA CONSIDER THE INCLUSION OF GRANT FUNDING OR CONCESSIONAL FUNDING?

ARENA will consider the total amount of Grant funding that an Applicant has applied for or received for the Project in assessing projects. This includes both ARENA Grant funding and other Grant funding a Project may receive from State or Commonwealth Government initiatives. ARENA will also assess any Project arrangements that may not be on commercial or arm's length terms in its consideration of concessional funding. ARENA retains discretion on any classification adopted.

Consideration of concessional funding excludes finance that may be obtained from the Clean Energy Finance Corporation (**CEFC**) or the Northern Australia Infrastructure Facility (**NAIF**).

SHOULD SALARIES BE COUNTED AS IN-KIND OR CASH CONTRIBUTIONS?

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 cash contributions.

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 should be classed as an In-Kind Contribution. Where Personnel are (or will be) specifically hired to work on the Project, this can be classed as a cash contribution. The hire of Personnel to work on the Project may also include the hire of existing Personnel, where the duration of their existing engagement does not cover their proposed involvement in the Project. The appropriate FTE must be apportioned to the Project and must not overlap with any pre-existing role or work on other projects.

The Applicant can elect to assign cash salaries from either a cash contribution or the ARENA Grant funding request under the budget. This budget and its justification will be assessed for merit under Merit Criterion D.

WILL OVERHEADS BE ACCEPTED AS A CONTRIBUTION?

Where overheads are directly related to the Project, e.g. contract negotiation or administration costs incurred as part of the Project management, expenses should be included as Eligible Expenditure. Where overheads are related to costs incurred in the normal course of business and do not relate directly to the Project these should be considered ineligible expenditure.

HOW WILL PAYMENTS BE MADE IF MY PROPOSAL IS SUCCESSFUL?

If a Full Application is accepted for Grant 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.

KNOWLEDGE SHARING

WHAT ARE ARENA'S REQUIREMENTS FOR KNOWLEDGE SHARING

Knowledge sharing refers to lessons learnt throughout the Project and creating opportunities for further uptake of the Project technologies in the wider energy and industrial sectors. In some cases, this may be made publicly available, in others it may be restricted to a relevant audience within the specific sector.

Knowledge sharing does not include any commercially valuable information or intellectual property (**IP**). For any successful Applicants, ARENA support must be acknowledged in all communications material distributed by Grant recipients in relation to the ARENA-funded Project.

Applicants are required to agree to a Knowledge Sharing Plan which can be found on the NIT Program [webpage](#) and in the NIT Program Funding Agreement template.

Further information is available at
arena.gov.au

Australian Renewable Energy Agency

To discuss potential for funding:
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