

Solar Sunshot Program

FREQUENTLY ASKED QUESTIONS



Australian Government
Department of Climate Change, Energy,
the Environment and Water



Australian Government
Australian Renewable
Energy Agency

ARENA

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OVERVIEW

On 28 March 2024, the Australian Government announced up to \$1 billion funding for the Solar Sunshot Program (the **program**), to build Australia's solar photovoltaic (**PV**) manufacturing capabilities. ARENA and the Department of Climate Change, Energy, the Environment and Water (**DCCEEW**) are consulting with stakeholders to inform the design of the program.

This document contains frequently asked questions (**FAQ**) regarding the program and should be read in conjunction with the [Consultation Paper](#). ARENA may update this document from time to time and publish general questions and answers. Please refer to the ARENA [Solar Sunshot webpage](#) for further details.

Questions relating to the program can be submitted by emailing solarsunshot@arena.gov.au.

THE PROGRAM

1. WHY IS AUSTRALIA ESTABLISHING SOLAR MANUFACTURING?

Establishing solar PV manufacturing capability is consistent with the Government's renewable energy superpower vision and ARENA's vision for ultra-low cost solar. The Solar Sunshot Program has the potential to drive innovation, help Australia connect to new global solar supply chains, create new job opportunities, and generate export opportunities. This assists Australia to build sovereign capability over a critical supply chain in the long term.

2. WHY IS GOVERNMENT SUPPORT REQUIRED?

Solar PV manufacturing is currently dominated by China, which is highly efficient and operates at massive scale across all stages of the supply chain. Financial support is required to incentivise private capital into this industry in Australia by reducing the risk for investors to establish solar PV manufacturing in a highly competitive global market.

3. WHAT PARTS OF THE SUPPLY CHAIN WILL THE PROGRAM SUPPORT?

It is proposed that the program will provide support across the solar PV supply chain, beginning with module manufacturing (Round 1). Please see items 1 (page 4) and 16 (page 9) of the [Consultation Paper](#).

4. WHAT TYPE OF PROJECTS WILL THE PROGRAM FUND?

The program seeks to fund manufacturing projects, with program design to be informed through the consultation process. Please see the Program Eligibility section in this document below for information on project funding, with further detail provided in item 2 (Page 4) of the [Consultation Paper](#).

5. ARE THERE LIMITATIONS ON WHERE PROJECTS ARE LOCATED?

Projects must be located within Australia however, the location of projects funded under Sunshot will be determined by the proponents of each project. It is not proposed that the program include any preference for specific locations within Australia.

6. HOW WILL AUSTRALIA COMPETE WITH ESTABLISHED INTERNATIONAL INDUSTRY?

Given the difference in scale of production and other advantages available to China-based manufacturing, ARENA does not expect that Australian manufacturing will be competitive with China within the medium term. Solar Sunshot seeks to support the parts of the supply chain that Australia can be most competitive in, including through Australia's existing and potential comparative advantages such as access to raw materials and low-cost clean electricity supply.

7. HOW WILL THIS IMPROVE SUPPLY CHAIN SECURITY?

Australia currently relies almost exclusively on foreign inputs for various components of the solar PV supply chain. Bringing key components of manufacturing onshore will help to improve the resilience of the supply chain for this key renewable energy technology, making it less prone to external shocks

8. WILL THIS PROGRAM ONLY SUPPORT SILICON-BASED PV?

Under the program, ARENA expects to support mature, proven technologies, with a focus on silicon-based PV and related technologies. Consultation will inform the need to support non-silicon PV technologies.

9. IF MY PROJECT IS READY TO PROCEED, HOW EARLY CAN I RECEIVE PRODUCTION CREDITS?

Subject to a funding agreement being in place with ARENA, production-linked payments are expected to be available during the financial year ending 30 June 2026. ARENA welcomes feedback on project timelines from stakeholders.

CONSULTATION

10. WHY IS ARENA CONDUCTING CONSULTATION?

ARENA has published a [Consultation Paper](#) to prompt feedback and help to inform program design.

If you are interested in receiving updates on the development of the program or would like to participate in industry consultation, please [register your interest here](#).

11. WHAT WILL HAPPEN DURING THE CONSULTATION PERIOD?

The [Consultation Paper](#) outlines the proposed program design, timings, and specifications. The information outlined in the Paper is indicative only and intended to solicit feedback from stakeholders during the consultation process. Consultation commenced on 23 April 2024 and closes on 31 May 2024.

Stakeholders are encouraged to register their interest, review the Consultation Paper in its entirety, and provide their feedback via the [Consultation Feedback Form](#).

12. WHAT HAPPENS AFTER THE CONSULTATION PERIOD CLOSES?

ARENA will consider the feedback received during consultation to inform the program design. The indicative program timeline is provided on Page 3 of the [Consultation Paper](#), with further detail at item 3 (Page 5).

13. WHO CAN PARTICIPATE IN CONSULTATION?

Anyone is able to respond using the [Consultation Feedback Form](#).

14. WHAT'S THE BEST WAY TO PROVIDE DETAILED FEEDBACK?

Details on “*How to respond*” are provided on Page 3 of the [Consultation Paper](#). Stakeholders must provide their feedback by 31 May 2024 for it to be considered.

15. MY QUESTION HASN'T BEEN ANSWERED IN THE CONSULTATION PAPER, WEBINARS, OR WEBSITE. HOW DO I GET IN TOUCH?

Feedback should be submitted via [Consultation Feedback Form](#) on the ARENA [Solar Sunshot webpage](#). ARENA reserves the right to publish any such questions and answers in an updated version of this FAQ document to ensure a fair and equitable process. Applicants may submit any further questions relating to the program by emailing solarsunshot@arena.gov.au.

16. I WANT TO MEET WITH THE ARENA TEAM TO DISCUSS MY VIEWS. IS THIS POSSIBLE?

Formal feedback on the program should be provided through the [Consultation Feedback Form](#), or [Project Details Form](#) as appropriate, found on the ARENA [Solar Sunshot webpage](#).

17. HOW CAN I ACCESS THE WEBINAR CONTENT?

Both webinars were recorded and are available on the ARENA [Solar Sunshot webpage](#).

18. DOES PARTICIPATING IN CONSULTATION HELP MY APPLICATION?

Providing feedback during the consultation process will assist ARENA in designing a program that reflects the market's need and readiness. Participation in consultation is not assessed in the application process.

PROGRAM ELIGIBILITY

19. HOW DOES ARENA DETERMINE ELIGIBILITY?

The proposed Round 1 Eligibility Criteria can be found in Appendix B of the [Consultation Paper](#). Applicants would be expected to comply with all eligibility requirements as set out in the final Program Guidelines. Round 2 Eligibility Criteria are yet to be developed but are expected to be similar to that of Round 1, pending stakeholder feedback.

20. WILL I/MY ORGANISATION BE ABLE TO APPLY FOR FUNDING?

We encourage all stakeholders to review the Eligibility Criteria prior to applying for funding. Applications that do not meet these Criteria will not progress and will be considered ineligible for funding.

21. ARE FOREIGN-OWNED ENTITIES ELIGIBLE TO APPLY?

No limitation on the ownership of an entity applying for support is proposed, provided that the entity meets the Eligibility Criteria.

22. WILL THERE BE PREFERENCES FOR ANY TYPE OF APPLICANT?

ARENA does not propose that the program has a preference for a specific type of Applicant. Applicants will be assessed against the same Eligibility and Merit Criteria as detailed in Appendix B of the [Consultation Paper](#).

23. IS THERE A MINIMUM PROPOSED SCALE REQUIREMENT FOR A PROJECT?

ARENA has not proposed minimum scale requirements at this time. ARENA welcomes feedback on whether the program should consider this.

24. ARE THERE MINIMUM LOCAL CONTENT REQUIREMENTS?

There are currently no proposed local content requirements under the program.

25. ARE DESKTOP FEASIBILITY STUDIES ELIGIBLE FOR FUNDING?

It is expected that the majority of payments under the program will be production-linked credits. However, ARENA proposes that some funds could be spent on capital grants and feasibility studies or feed work.

26. IF MY PROJECT ISN'T ELIGIBLE, WHAT OTHER SOURCES OF ARENA FUNDING ARE AVAILABLE?

Projects that may be ineligible or unsuccessful under the program may wish to apply for funding under ARENA's [Advancing Renewable Program](#) (ARP) through our existing focus area: 'enable ultra-low cost solar'. ARENA welcomes direct approaches under this focus area and emails can be sent to: solar@arena.gov.au.

FUNDING MECHANISM

27. IS THERE A MAXIMUM AMOUNT OF FUNDING A PROJECT CAN APPLY FOR?

Merit Criteria D (Appendix B of the [Consultation Paper](#)) provides details on how ARENA assesses the financial aspects of Applications, including the ARENA grant request. Applications will need to justify why the identified grant amount is needed to undertake the project, and how this amount was determined.

28. HOW WILL THE ARENA FUNDING BE STRUCTURED?

The [Consultation Paper](#) details the proposed funding mechanisms for Round 1 (item 6, Page 10) and Round 2 (item 17, Page 10), and is subject to changed based on stakeholder feedback as part of the consultation process.

29. HOW WILL THE FUNDING BE ALLOCATED TO EACH ROUND?

ARENA has not determined the amount of funding to be allocated to Rounds under the program and seeks feedback on this topic and the proposed funding mechanisms in the [Consultation Paper \(items 6, 7, 16 and 17\)](#).

APPLICATIONS

30. CAN AN ORGANISATION SUBMIT MORE THAN ONE APPLICATION OR BE A MEMBER OF MORE THAN ONE CONSORTIUM?

There is no proposed limit to the number of Applications that can be submitted by an individual or organisation. However, if you or an organisation intend to be part of more than one consortium, you must be able to justify that you will have, or be able to allocate, sufficient time and resources to all projects should they each be successful, in line with demonstrating merit against Merit Criterion B (Appendix B of the [Consultation Paper](#)).

31. CAN I APPLY FOR MULTIPLE ROUNDS OR OTHER ARENA FUNDING?

Yes, there is no proposed restriction on an Applicant applying for multiple rounds or other ARENA funding.

32. WHAT HAPPENS IF MY APPLICATION IS UNSUCCESSFUL?

ARENA will notify unsuccessful Applicants of the outcome. Applicants are still able to apply for other ARENA funding outside of the program.

33. WOULD EXTERNAL DUE DILIGENCE BE UNDERTAKEN ON PROPOSALS?

ARENA reserves the right to undertake external due diligence on any application.

34. HOW DOES ARENA CONSIDER APPLICATIONS THAT TARGET MULTIPLE STAGES OF THE SOLAR SUPPLY CHAIN OR INCLUDE MULTI-STAGE PROJECTS?

ARENA is open to integrated or multi-stage projects applying under the program and are interested to hear feedback from stakeholders on how the program design could be adapted to support them.

ASSESSMENT PROCESS

35. HOW WOULD MY APPLICATION UNDER ROUND 1 BE ASSESSED?

Please see item 8 (Page 7) of the [Consultation Paper](#) for the proposed Round 1 assessment process. ARENA is seeking feedback on this process for Round 2 but expects that it will follow a similar format to Round 1.

36. HOW DOES ARENA DECIDE WHICH PROJECTS ARE FUNDED?

In addition to Question 35, ARENA may assess projects on a portfolio approach, as detailed in item 11 of the [Consultation Paper](#).

37. HOW IS QUALITY OF THE PRODUCT A FACTOR FOR ASSESSMENT?

ARENA's working assumption is that the products will be certified to relevant international or local standards including being able to be registered under the Small-scale Renewable Energy Scheme.

38. HOW IMPORTANT WILL THE KNOWLEDGE SHARING OUTCOMES BE TO ARENA?

Knowledge Sharing is ARENA's "Return on Investment" and is required of all projects seeking ARENA funding. Please see item 13 (page 8) and Merit Criterion E (page 14) of the [Consultation Paper](#) for further detail.

39. DOES ARENA CONSIDER CONTRIBUTIONS TO AUSTRALIAN IP IN ITS ASSESSMENT?

Merit Criterion A of the proposed program Merit Criteria (Page 13) of the [Consultation Paper](#) considers overall alignment to the Program Objectives. This includes consideration of contributions to innovation and IP.

PROGRAM TIMELINE

40. WHEN WILL THE PROGRAM BE OPEN FOR APPLICATIONS?

Please refer to the Indicative Timeline section (Page 3) of the [Consultation Paper](#).

41. WHEN DO PROJECTS NEED TO REACH AN INVESTMENT DECISION / FINANCIAL CLOSE?

For Projects under Round 1, please see item 3 (Page 5) of the [Consultation Paper](#). The details of Round 2 are yet to be determined and ARENA seeks feedback on anticipated timing for financial close timing for projects under subsequent rounds.

42. WHAT IF A PROJECT FAILS AFTER BEING AWARDED FUNDING?

Some projects that are awarded funding may not proceed for various reasons and ARENA may work with Recipients to rescope or restructure the project to enable it to continue. Under Round 1, it is proposed that bid bonds will be used to manage the risk of project failure. Please refer to item 15 (Page 8) of the [Consultation Paper](#) for more information.

Acknowledgement of Country

We acknowledge the Traditional Custodians of Australia and their continuing connection to land and sea, waters, environment and community. We pay our respects to the Traditional Custodians of the lands we live and work on, their culture, and their Elders past and present.

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