



Australian Government  
Australian Renewable Energy Agency

ARENA

# Regional Australia's Renewables- Community and Regional Renewable Energy Program

Information Manual



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# 1 OVERVIEW

## 1.1 PURPOSE

The purpose of the Regional Australia's Renewables – Community and Regional Renewable Energy (CARRE) Program Information Manual (the Manual) is to explain, clarify and expand upon the requirements for the CARRE program set out in the Regional Australia's Renewables – Community and Regional Renewable Energy Program Guidelines (the Guidelines). The Manual provides guidance to potential applicants wishing to apply for funding from the program and establishes the policies and practices intended to be adopted by ARENA in administering the program.

The Manual may be revised and reissued at ARENA's absolute discretion, in which case a revised version will be placed on the ARENA website at [www.arena.gov.au](http://www.arena.gov.au).

The Guidelines set out the program's governance and administrative arrangements on which the Manual is based, and must be read in conjunction with this document. In the event of any inconsistency between the Manual and the Guidelines, the Guidelines will prevail.

In the Manual, a word takes its common meaning unless defined in Part 7 – Glossary.

Potential applicants should be aware that it is their responsibility to inform themselves of the requirements, conditions and criteria for funding from the program, including the requirements and guidance contained in the Manual.

## 1.2 INTRODUCTION

The Australian Renewable Energy Agency (ARENA) was established on 1 July 2012 under the *Australian Renewable Energy Agency Act 2011* (ARENA Act) with a remit to improve the competitiveness and increase the supply of renewable energy in Australia.

As part of achieving these goals, ARENA has announced a new strategic initiative, the Regional Australia's Renewables (RAR) Initiative. The RAR Initiative aims to support the deployment of commercially prospective renewable energy technologies, both generation and enabling, in off-grid and fringe-of-grid situations.

Energy in Australian off-grid locations has traditionally been supplied by fossil fuels, particularly diesel and natural gas. At the fringes of grids, where transmission or distribution lines are generally weakest, additional energy is often supplied by back-up diesel systems. Off-grid and fringe-of-grid areas are expected to see an increase in energy demand. In addition to expected growth, the cost of fossil fuels systems in some remote locations is higher than in urban areas. These factors present a considerable opportunity to increase the uptake of renewable energy in these locations.

The RAR Initiative aims to harness the opportunity of growth in energy demand in off-grid and fringe-of-grid areas and to increase the uptake and use of renewable energy in these areas, especially where renewable energy is close to being cost-competitive.

### 1.3 OBJECTIVES OF THE RAR INITIATIVE

The objectives of the RAR Initiative are to:

- demonstrate a portfolio of renewable energy solutions, including hybrid and integrated systems, in Australian off-grid and fringe-of-grid areas
- ensure knowledge is produced and disseminated regarding the deployment of renewable energy solutions in remote areas catalysing further renewable energy uptake
- remove roadblocks, leading to greater deployment of renewable energy solutions in off-grid and fringe-of-grid areas.

ARENA will deliver the RAR Initiative objectives through two separate RAR programs: the RAR – Industry program (I-RAR) and the RAR - Community and Regional Renewable Energy program (CARRE). The existing Emerging Renewables Program will also be expanded to include removing roadblocks activities for the RAR Initiative.

Guidelines sections 1.4-1.5

### 1.4 PROGRAM FUNDING MODEL

The RAR Initiative has up to \$400 million to allocate as financial assistance to the I-RAR and CARRE programs. These funds are not specifically allocated to either program. The allocation of funds across RAR Initiative programs will be at the absolute discretion of ARENA.

ARENA will enter into a Funding Agreement with a single lead party to receive funding for each project.

There is no minimum or maximum funding available per project, subject only to the overall funding allocation.

ARENA expects that every project will include co-investment, both cash and in-kind, from sources other than ARENA or the Australian Government. While there is no specified amount of co-funding, ARENA will consider value for money when assessing the overall merit of projects.

Guidelines sections 1.11-1.14

### 1.5 RAR - CARRE PROGRAM

The CARRE program will contribute to the RAR Initiative objectives and outcomes by funding near-commercial generation and/or enabling technology to increase the uptake or long-term cost competitiveness of renewable energy above and beyond business as usual.

The objectives of the CARRE program are to:

- demonstrate technical viability and system reliability of high penetration renewable energy systems in islanded and mini-grids
- facilitate the further development of supporting technologies and systems that will improve renewable energy reliability and commercial success, such as system integration and stabilisation and storage, through demonstration and deployment
- demonstrate the commercial viability of innovative business models, including ownership models, for renewable energy systems in these locations

- develop and share knowledge and experience in implementing, operating and maintaining renewable energy systems among regional energy suppliers and distributors and commercial and community customers.

Guidelines sections 1.15-1.16

ARENA is seeking projects that demonstrate innovative approaches in:

- control and storage systems or other solutions that allow high penetration of renewables in mini-grid environments
- improvements to business models that further encourage the uptake of renewables in regional areas
- opportunities to off-set regional network expansion costs through the deployment of renewables in mini-grids
- strengthening knowledge sharing networks between regional electricity distributors to encourage best practice in the deployment of renewable energy.

ARENA expects that the implementation of the CARRE program will lead to:

- the deployment of one or more commercial-scale renewable energy systems at a mini-grid scale that test the business case for key generation and enabling solutions and/or innovative business models across a community or region
- the demonstration of high penetration levels of renewable energy in one or more communities or regional energy system
- the sharing of robust information and data from a variety of projects at different scales among regional energy suppliers and others with an interest in the sector to inform broader industry adoption of renewable energy
- increased public, government and corporate awareness of the economic and environmental benefits of renewable energy
- increased support for the implementation of renewable energy systems from the electricity supply industry.

The CARRE program seeks to fund a portfolio of projects at a community level or across a region or several communities in islanded or mini-grid locations that will lead to the wider implementation of renewable energy systems in these or other locations.

ARENA may take a portfolio approach to selecting projects for funding, that is, it may consider how a project will either uniquely contribute to ARENA program outcomes, or as part of a portfolio of complementary projects involving ARENA. ARENA may choose not to fund otherwise meritorious projects that would provide essentially the same outcomes as projects that have already been funded.

Guidelines sections 1.17-1.18

## 1.6 CONTACT

Applicants may clarify any questions about the program or the application process with ARENA as they prepare their proposals. ARENA can be contacted at:

Telephone: (02) 6243 7054

Email: [proposals@arena.gov.au](mailto:proposals@arena.gov.au)

Only responses from the email address [proposals@arena.gov.au](mailto:proposals@arena.gov.au) or published on the ARENA website at [www.arena.gov.au](http://www.arena.gov.au) will be regarded as definitive for the purposes of communication with applicants.

ARENA will endeavour to respond promptly to applicants' queries and may choose to provide the questions and answers to all people and organisations registered for ARENA program updates, without disclosing the source of any questions, or revealing confidential information.

## 2 APPLICATION AND ASSESSMENT PROCESS

### 2.1 OVERVIEW

Applicants to the CARRE program can apply for funding for projects. An applicant may also submit an application for more than one proposal and may participate in other proposals.

Applications are invited and can be submitted any time during the expression of interest period until 31 December 2013.

The application process involves two steps:

- an initial expression of interest (EOI) stage
- a full application stage.

The EOI stage involves submission of an EOI application in order for ARENA to determine the eligibility and potential merit of the proposed project. Applicants who have submitted successful EOIs will be invited to progress to the full application stage, where (upon submission of a full application) ARENA will assess whether or not a funding offer will be made.

During each stage, ARENA will assess the eligibility of applicants and their proposals against the eligibility criteria. Eligible EOI and full applications will then be assessed against the merit criteria. Ineligible EOIs and full applications will be deemed unsuccessful.

Following its assessment of an EOI or full application (as the case may be) against the merit criteria, ARENA may:

- in the case of an EOI, invite the applicant to progress to the full application stage
- in the case of a full application, offer successful applicants funding for their proposal.

Only EOIs and full applications that satisfy each merit criterion to a high standard will be invited to submit a full application, or be offered funding (as the case may be). The information required from applicants in the EOI step is less detailed than that required during the full application stage. The information required from

applicants in a full application will require detailed evidence and documentation to describe and support the applicant's proposal and to support the applicant's claims against the eligibility and merit criteria.

## 2.2 COLLABORATION

ARENA may work with applicants, potential applicants and their partners to initiate or develop project proposals.

ARENA may choose to facilitate collaboration between any applicants with similar or complementary applications or between applicants and other research institutions 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 the applicant's prior consent.

ARENA will work with applicants or potential funding partners in an open and flexible manner. ARENA may initiate collaborations between potential project proponents and/or funding partners with the consent of respective parties.

Any such consultation will be on the basis that, in the provision of an opportunity for consultation with ARENA:

- ARENA and consultants are not responsible or liable for any assistance, comments, consultation or assistance provided by ARENA
- the opportunity must not be taken to imply that the applicant will be invited to submit a full application or that the applicant will be offered any funding from ARENA
- ARENA may terminate or suspend any consultation at any time.

In the facilitation of collaboration by ARENA, ARENA is not responsible or liable for any comments, consultation or assistance provided by ARENA staff, and the opportunity must not be taken to imply that ARENA will invite the applicant to submit a full project application or that ARENA will offer funding for the collaborative project.

## 2.3 SUBMITTING AN APPLICATION

Applicants must submit their proposal using ARENANet, ARENA's grants management system, which is available on the ARENA website.

Before submitting an application, potential applicants should contact ARENA to discuss their proposal.

EOIs must include:

- a completed Budget and Funding Sources form, including an indicative budget and list of funding sources. (Information on what CARRE program funding may and may not be used for can be found in Appendix A.) The Budget and Funding Sources form is available on the ARENA website
- a Compliance Table identifying the general conditions in the Funding Agreement that the applicant does not accept, accepts in part or does not consider applicable to its project. This Compliance Table must also include reasons why the applicant does not accept, accepts in part or does not consider applicable the general conditions it identifies. A template for the Compliance Table is available on the ARENA website
- a proposed Project Plan of no more than 10 A4 pages in length, which includes an indicative timeline for the implementation of the project.



These are the only attachments allowed as part of an EOI. Any other attachments provided by applicants will be excluded from the assessment process and returned to the applicant.

Full applications are required to include the above documents, as well as:

- a detailed Project Plan
- a completed Budget and Funding Sources form, including a detailed budget and list of funding sources. The Budget and Funding Sources form is available on the ARENA website
- a Risk Management Plan
- a work health and safety (WHS) Management Plan as per the requirements of Appendix B
- a Knowledge Sharing Plan as per the requirements of section 4 of the Manual
- an Intellectual Property (IP) Management Plan that includes and identifies:
  - any third party background intellectual property, and measures that will be put in place to ensure continuing access to and protection of this intellectual property
  - the effect any external ownership of background intellectual property will have on ownership of intellectual property expected to be created by the project
  - any measures that may be needed to protect intellectual property created by the project
  - any licensing arrangement required.

If a full application is received by ARENA and does not include the documents listed above, ARENA may, in its absolute discretion return the documents to the applicant without being assessed, or seek supplementary information or clarification from the applicant.

In preparing a full application, applicants should provide data and any other information needed to substantiate claims made in the proposal and details of any assumptions used in calculations.

## 2.4 ELIGIBILITY CRITERIA

ARENA will assess the following when deciding whether an EOI or full application (as the case may be) should proceed to merit assessment:

- whether the applicant is an eligible applicant
- whether the project to which an application relates is an eligible project
- whether the application is complete, in the form required and contains sufficient and verifiable information to undertake a merit assessment.

## Eligible Applicants

To be eligible for funding under the CARRE program an applicant must be an Australian electricity distributor or state government entity that is responsible for providing electricity to two or more communities in Australia, including its External Territories, that are not electrically connected to each other or to the National Electricity Market (NEM) or the South West Interconnected System (SWIS).

Guidelines section 2.6

## Eligible Projects

To be eligible for funding under the CARRE program a project must meet the following eligibility criteria:

- A. The project must involve the demonstration and use of one or more renewable energy solutions and/or enabling technologies, including integrated systems.
- B. The project must be capable of producing additional or new generation capacity equal to or greater than 100 kWe of renewable energy.
- C. The project must be in an Australian location or locations, including Australia's External Territories, and must be off-grid.
- D. The project must involve capital expenditure and associated implementation activities (design, procurement, construction, commissioning, capacity building etc) relating to the demonstration and use of the renewable energy and/or enabling technologies.
- E. The project schedule must lead to a final investment decision within a timeframe that would allow the project to be commissioned prior to 31 December 2017 (ARENA may vary this date at its discretion).

A project may comprise elements that are geographically distributed, but in total must produce at least 100kWe of additional or new generation capacity.

Guidelines sections 2.7-2.8

## 2.5 MERIT CRITERIA

The merit of eligible proposals will be assessed for overall value for money against each of the following merit criteria and must satisfy each criterion to a high standard in order to be considered for funding. The merit criteria will be considered equally:

- A. Financial viability of the project and the level of ARENA funding sought.
- B. The extent to which the project will contribute to RAR Initiative and CARRE program objectives, in particular its likely demonstration effect and degree of knowledge sharing.
- C. Project readiness, including the timing of commissioning of key elements, with projects that are timed earlier within the program window receiving favour.
- D. Capability of the applicant, in particular to complete construction and operate as intended.
- E. Quality of the project design.
- F. The overall risk associated with the project including, without limitation, compliance, technical, planning and financial risks.

Guidelines section 2.11

Further information on the merit criteria is at Appendix B.

## 2.6 ASSESSMENT

Upon receiving an EOI or full application (as the case may be), ARENA will assess the EOI or full application against the eligibility criteria in section 2.4. If the EOI or full application is assessed as not meeting the eligibility criteria, it will not be assessed further or accepted for funding. Where the EOI or full application is assessed as meeting the eligibility criteria, and if the EOI or full application is complete in the form required and contains sufficient and verifiable information to undertake a merit assessment, ARENA will assess the EOI or full application against the merit criteria detailed in section 2.5.

ARENA may seek further information from the applicant in relation to any matter arising from the assessment of the EOI or full application. In addition, ARENA may engage relevant external advisers to assist with the assessment of the application against any eligibility criteria or the merit criteria.

ARENA may engage external technical or financial advisers, or seek further information or clarification from an applicant on an EOI or full application to assist with the assessment of an EOI or full application.

ARENA may refuse to assess an EOI that, in the opinion and absolute discretion of ARENA:

- has been assessed twice previously by ARENA and not accepted for funding
- or
- has not taken into account any feedback provided by ARENA to the applicant.

Where ARENA forms the view at any stage of its assessment of an EOI or full application that the EOI or full application is clearly of low merit and could not reasonably be accepted for funding, ARENA may discontinue its assessment of the EOI or full application (as the case may be).

## 2.7 OUTCOME

Following the assessment of an EOI or full application (as the case may be) against the merit criteria, ARENA may:

- in the case of an EOI, invite the applicant to submit a full application for the project detailed in the EOI
  - in the case of a full application, offer the applicant funding for their proposal
- or
- in the case of an EOI or full application (as the case may be), not accept the proposal submitted by the applicant.

ARENA will advise the applicant in writing of the outcome of the assessment of their application, and if the project has been accepted for funding, the amount and nature of any funding support 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 and may exclude parts of a project submitted by an applicant.

Where ARENA proposes to offer funding of over \$50 million, ARENA will seek the Minister for Industry's approval before offering the funding.

Where the application has not been accepted for funding, the applicant will be provided with feedback and the applicant may submit a revised application.

Applicants may request feedback from ARENA on the merit of their application at the conclusion of the assessment.

## 3 FUNDING ARRANGEMENTS

### 3.1 OVERVIEW

An applicant must enter into a Funding Agreement with ARENA before funding will be paid.

The Funding Agreement will provide the legal framework for the obligations of each party and terms around payment.

Guidelines sections 3.4-3.5

Applicants can view examples of Funding Agreements on ARENA's website. However, applicants should keep in mind that the Funding Agreements on ARENA's website may differ in content to the Funding Agreement (if any) entered into by the applicant and ARENA.

### 3.2 FUNDING OFFERS

All funding offers under the program are conditional upon:

- the applicant's execution of a Funding Agreement with ARENA
- the availability of the proposed funds
- ARENA obtaining the necessary approvals to enter into the Funding Agreement and to spend the funds, and ARENA entering into that Funding Agreement.

All applicants will be advised in writing of the outcome of the assessment of their application at the conclusion of the assessment of their proposal.

The decision of ARENA on whether to offer funding or a contract will be final.

Guidelines sections 3.1-3.3

Applicants offered funding under the program are required to enter into a legally binding Funding Agreement with ARENA. Funding offers may include a negotiation period in which to negotiate and execute the Funding Agreement with ARENA. Failure to execute within this period may result in withdrawal of the funding offer.

ARENA may extend the negotiation period at its absolute discretion and applicants may request that ARENA extend the negotiating period. Requests by applicants for an extension to the negotiating period must be made to ARENA in writing and may be granted at ARENA's absolute discretion.

Applicants who have received funding offers must not disclose the funding offer until the Funding Agreement has been executed unless agreed by ARENA. Disclosure of the funding offer by an applicant prior to execution of the Funding Agreement may result in the funding offer being withdrawn by ARENA.

### 3.3 FUNDING AGREEMENT

Funds will not be provided unless the Funding Agreement has been finalised, has legally commenced and any conditions precedent have been met.

The Funding Agreement will provide the legal framework for the obligations of each party, including terms of payment.

Where an applicant receives a funding offer of over \$20 million, the applicant may be required to develop an Australian Industry Participation Plan as part of the Funding Agreement and to have this Australian Industry Participation Plan approved by the Department of Industry prior to entering into the Funding Agreement. More information is available at: [www.industry.gov.au/Industry/AustralianIndustryParticipation](http://www.industry.gov.au/Industry/AustralianIndustryParticipation).

Funding Agreements will include a capacity development or operation and maintenance commitment component to avoid stranded assets or assets that fall into disrepair due to the lack of knowledge or funds to maintain them.

ARENA reserves the right to terminate contract negotiations if an applicant raises a new issue regarding compliance with the Funding Agreement that they did not raise at the time of application.

Once a Funding Agreement has been executed, ARENA will make an announcement and publish details on its website.

Further details in relation to funding offers and agreements are at Appendix C.

### 3.4 VARIATION TO FUNDING AGREEMENT

Requests to vary the Funding Agreement, for example, extensions to a project's timeframe or changes in scope, must be made in writing to ARENA as specified in the relevant agreement.

Where a significant change of scope is requested, ARENA may need to assess if the project is still eligible and constitutes a material change against the merit criteria. Approval of variations to a Funding Agreement is at the absolute discretion of ARENA. All variations to Funding Agreements will be by written agreement of the parties.

ARENA may engage relevant expertise to assist with the assessment of requests to vary Funding Agreements.

### 3.5 MONITORING AND EVALUATION OF PROJECTS

Monitoring and reporting requirements will be specified in the Funding Agreement and will be tailored to suit individual projects.

Projects will be required to progress at a rate consistent with the milestones for the project specified in the Funding Agreement. To demonstrate the performance of their project against the agreed performance milestones and any stage gate criteria detailed in the Funding Agreement, funding recipients will be required to provide reports, which may include:

- regular progress reports
- notifying ARENA of significant developments that ARENA may wish to use in its knowledge sharing activities
- milestone reports

- audited financial reports
- a final report.

Among other things, funding recipients will be required to take a risk-mitigation based approach to project management and to advise ARENA if they experience any significant issues or delays.

ARENA may terminate a Funding Agreement or suspend further payments of funding where a project fails to meet agreed milestones or stage gate criteria.

ARENA may select funded projects for site visits and/or program audits.

More details on reporting requirements will be provided to funding recipients as part of negotiations (if any).

### 3.6 RECOGNITION REQUIREMENTS

In all publications, promotional and advertising materials, public announcements and activities in relation to a project, a funding recipient will be required to acknowledge the financial support that it has received from the Australian Government, through ARENA as specified in the Funding Agreement.

ARENA reserves the right to publicise and report on the funding awarded to funding recipients. The Australian Government may also do this. ARENA and the Australian Government may do this by including in media releases, general announcements about funding and annual reports, the funding recipient's name, the amount of the funds given to the funding recipient and the title and a brief description of the project.

## 4 KNOWLEDGE SHARING

A condition of funding through the CARRE program is agreement to a Knowledge Sharing Plan about the funded project that will inform industry and the broader community about renewable energy solutions.

Guidelines section 4.1

One of the aims of the RAR Initiative is that knowledge produced and disseminated regarding the economic viability of renewable energy systems in remote areas catalyses further renewable energy uptake.

The knowledge sharing required to support this outcome will be balanced with the need to preserve the confidentiality of intellectual property in projects funded by the program. To provide a basis for balancing these competing priorities, all applicants are required to prepare a Knowledge Sharing Plan for their project.

A proposed Knowledge Sharing Plan is required as part of the full project application. A final approved Knowledge Sharing Plan will be negotiated as part of the Funding Agreement for the project. A template for the Knowledge Sharing Plans is available on the ARENA website.

The Knowledge Sharing Plan will identify the information that can and will be released into the public arena, and the information that both parties agree should be treated as confidential. At a general level, the information for public release is expected to include:

- the information to be published on the ARENA website about the project

- a description of the project for public release for use in publications and announcements by ARENA. This description is expected to provide a clear and concise summary of the project including its objectives, key activities and timeframes
- any community consultation documentation required in accordance with the Funding Agreement
- reports prepared by the recipient for public release on progress with the project and its outcomes, including, as far as possible, the amount of renewable energy produced and the operational and financial performance of the renewable energy system
- case studies and similar documentation prepared by the recipient for publication describing the project
- the provision of renewable energy resource data, such as solar irradiation data, for inclusion in Commonwealth databases used to develop renewable energy resource maps or similar documents for publication.

In addition, the Knowledge Sharing Plan will:

- identify information about the project and the renewable energy system to be made available to ARENA, but to be treated as commercial-in-confidence by ARENA
- provide for presentations by the recipient on the progress of the project to relevant industry forums
- encourage and facilitate the sharing of information about the project with other stakeholders, including with other funding recipients, the energy sector and other relevant industries
- allow for escorted on-site visits to the site of a project for the purpose of explaining the project and demonstrating the renewable energy system to interested parties, subject to the work health and safety and operational requirements of the recipient.

Applicants should be aware that the *Freedom of Information Act 1982* (FOI Act) gives the public the right to access information collected or in the possession of the Commonwealth, unless exempted under the relevant provisions of the FOI Act.

## 5 FURTHER PROGRAM INFORMATION

### 5.1 GOVERNANCE

The ARENA Board is responsible for the RAR Initiative and approving the entering into of contracts and approving financial assistance under the CARRE program, except where a grant for a particular project exceeds \$50 million, in which the case the approval of the Minister is also required.

The ARENA Board may delegate responsibility for the CARRE program in accordance with the ARENA Act.

Guidelines sections 5.1-5.2

The ARENA Board may provide advice to the Minister and the Australian Government Department of Industry on the program in accordance with the ARENA Act.

The administrative framework for the program is derived from:

- the ARENA Act
- the General Funding Strategy made under Subdivision A, Division 2, Part 3 of the ARENA Act
- the Guidelines
- the Manual
- the delegations from ARENA, the ARENA Board and the CEO
- the draft Funding Agreement
- any other program documentation approved by the ARENA Board.

ARENA may make policies and issue guidance documents for the administration of the CARRE program, which should be consistent with the Guidelines, but in the event of any inconsistency, the Guidelines will prevail.

The Guidelines are supported by other program documentation, including the Manual, which may expand, constrain, or define terms, concepts and other requirements of the guidelines and add additional processes or requirements.

The Guidelines and the Manual will be available on the ARENA website.

Documentation for the program may be updated from time to time to account for changes to details of the program and to the relevant provisions of Commonwealth legislative requirements and policies.



## 5.2 CONFIDENTIALITY AND DISCLOSURE OF INFORMATION

Subject to section 5.4, 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.

ARENA may disclose any information referred to in section 5.3, including commercial-in-confidence information:

- A. To the Minister and the Minister's office.
- B. In response to a request by a House or a Committee of the Parliament of the Commonwealth of Australia.
- C. To the Auditor General, Ombudsman, Information Commissioner or Privacy Commissioner.
- D. To ARENA's staff, consultants and advisers.
- E. To any Commonwealth agency or body, or to 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.
- F. Where the disclosure is otherwise permitted or required by law.

For the sake of clarity, if ARENA discloses commercial-in-confidence information under paragraph (d) or (e) above, ARENA will require the recipient of that information to treat it as commercial-in-confidence information.

Guidelines sections 5.3-5.5

The Guidelines deal with the treatment of information of a confidential nature that is provided to ARENA by an applicant as part of the application or negotiation process. The Funding Agreement will govern the treatment of confidential information if and when a Funding Agreement is executed.

Applicants should therefore identify any information that they regard as confidential in nature in their applications, so that ARENA is aware of the applicant's views about what ought to be treated as commercial-in-confidence information.

### 5.3 USE OF APPLICANTS' INFORMATION

ARENA, including its internal management, agents and advisers, will use the information provided by applicants for the purposes of discharging their respective functions under the program. ARENA may also:

- use information received in proposals in any of its legitimate business
- consult with other Commonwealth agencies or bodies, other organisations or relevant individuals about an applicant's claims during the application process and the course of the program
- engage third parties (such as consultants) to review and assess proposals, in which case, ARENA will require these third parties to observe appropriate confidentiality.

If, during the application process or funding period, ARENA consults with other Commonwealth agencies or bodies, other organisations or relevant individuals about a proposal or engages consultants to review proposals, ARENA will require these parties to treat all information, which is confidential in nature, as commercial-in-confidence.

### 5.4 PRIVACY

In administering the program, ARENA is bound by the provisions of the *Privacy Act 1988* (Cth) (Privacy Act). Section 14 of the Privacy Act contains the Information Privacy Principles (IPPs) that prescribe the rules for handling personal information. Persons, bodies and organisations involved in the program will be required to abide by the IPPs, the Privacy Act and any other relevant laws when handling personal information collected for the purposes of the program.

### 5.5 FEEDBACK AND COMPLAINTS HANDLING

Complaints concerning assessments or processes will, in the first instance, be reviewed by ARENA.

If ARENA cannot resolve a complaint from an applicant within 30 business days of receiving the complaint, ARENA must notify the applicant of the identity of a Complaints and Review Officer and of the next steps. If at any stage, the applicant is not satisfied with the complaint resolution procedure, the applicant can approach the Commonwealth Ombudsman's office for external review of the administrative actions of ARENA.

### 5.6 DISCLOSURE OF PROCEEDINGS

All applicants must disclose any litigation, arbitration, mediation, conciliation or proceeding or any investigations (Proceedings) that to the best of the applicant's knowledge, after having made proper enquiry, are taking place, pending or threatened, against them or a related body corporate, as defined in the *Corporations Act 2001* (Corporations Act), where such Proceedings have the potential to affect either:

- the applicant's capacity to undertake the proposed project

or

- the applicant's reputation.

If an applicant fails to disclose Proceedings and is subsequently found to have Proceedings that ARENA considers, in its absolute discretion, should have been disclosed to it, ARENA may determine that the applicant's proposal is ineligible for funding.

## 5.7 CHANGES TO CIRCUMSTANCES

Applicants must notify ARENA promptly and in writing of any change to a proposed project that could affect the basis upon which the applicant will have access to the necessary skills, resources or corporate or financial backing to undertake its proposed Project. ARENA will consider the notification as part of the process of assessment of the proposal.

## 5.8 APPLICANT'S RESPONSIBILITIES

Subject to the terms of any Funding Agreement executed with a recipient, all costs and expenses incurred by an applicant in connection with a proposal under the program are the sole responsibility of the applicant and are not recoverable from ARENA. These include, but are not limited to:

- preparing a proposal
- any subsequent negotiation
- any other action including any dispute or response in relation to the Manual or at law.

Applicants are responsible for conducting their own examinations of matters relating to their proposals and will be deemed to have made their own enquiries regarding participation in the program. ARENA may choose whether to find any proposal as ineligible that is subject to due diligence or other investigation to be performed by or for the applicant after the proposal is submitted.

When preparing proposals, applicants should be aware that it is their responsibility to inform themselves of the responsibilities and risks associated with applying for funding from the program.

All applicants should obtain and will be deemed to have obtained their own advice on the effect of laws and Commonwealth policies, including those referred to in section 6 of the Manual.

## 5.9 NO CONTRACT OR LIABILITY

Despite anything in the Guidelines, Manual or in any EOI or full application submission, or any other documentation that forms part of this process (in part or together), by submitting an EOI or full application, each applicant:

- 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
- accordingly, acknowledges that none of the Guidelines, the Manual, or any EOI or full application submission will create any legal or other obligation upon ARENA to conduct the process in any manner or at all, and
- 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.

## 5.10 ARENA'S RIGHTS

Without limiting its rights at law or otherwise, ARENA reserves the right and absolute discretion at any time to:

- cease to proceed with, or suspend, the program
- cease working with an applicant at any time at its discretion
- amend the Manual, including altering the details of the program, by giving written notice where possible
- otherwise vary the assessment process
- require additional information or clarification from any applicant or anyone else associated with a proposal
- shortlist applicants
- negotiate with any one or more applicants and discontinue such negotiations
- call for new proposals
- publish or disclose the names of the recipients of funding under the program
- allow or not allow a related body corporate, as defined in the Corporations Act, to take over a proposal in substitution for the original applicant
- discontinue assessment of a proposal and reject any proposal
- perform security, probity and financial investigations and procedures such as ARENA, in its absolute discretion, may determine are necessary in relation to each applicant, its partners, associates, subcontractors or related bodies corporate (as defined in the Corporations Act) or consortium members and their respective employees or officers.

Any time or date in the Manual is for the sole convenience of ARENA. The establishment of a time or date in the Manual does not:

- create an obligation on the part of ARENA to take any action
- or
- create any right in any applicant that any action be taken on the date established.

## 5.11 CONFLICTS OF INTEREST

In submitting a proposal, the applicant warrants that, to the best of its knowledge after making diligent enquiries and at the date of submitting the proposal, no conflict of interest exists or is likely to arise in the application process or in the performance of its obligations under the program. Where a conflict of interest arises, or appears likely to arise (whether at the time of, or after submitting, a proposal), the applicant must:

- immediately notify ARENA in writing
- make full disclosure of all relevant information relating to the conflict
- take such steps as ARENA requires to resolve or otherwise deal with the conflict.

Where an applicant declares any conflicts of interest, it should set out a proposed strategy for managing and monitoring these conflicts to ensure it does not compromise the success of the project. ARENA will assess the situation and decide an appropriate course of action, including whether or not to accept the proposal for funding.

ARENA administers conflict of interest procedures, including procedures for Board members, the Chief Executive Officer, the Chief Financial Officer of ARENA and other ARENA staff to declare their interests.

All consultants or experts engaged by ARENA to assist in the assessment of proposals or variations to proposals or Funding Agreements will be required to disclose any conflicts of interest they may have in relation to applicants and may be excluded from the assessment of a proposal or a request for variation because of their conflict of interest.

## 5.12 DUE DILIGENCE CHECKS

ARENA may conduct due diligence and other checks on an applicant, application or progress of an approved project including by having discussions with:

- consortium members, subcontractors or other agencies or organisations involved in a project
- or
- other agencies or organisations with experience in dealing with the applicant or with an aspect of the project, whether or not those agencies or organisations are provided as referees.

## 6 APPLICABLE REQUIREMENTS

This section outlines a range of Australian Government laws and policies that may affect the conduct of projects under the CARRE program. Applicants should seek their own advice on any relevant legislation.

### 6.1 AUSTRALIAN NATIONAL AUDIT OFFICE

The Auditor-General has statutory powers to obtain information. The *Auditor-General Act 1997* (Cth) provides the Auditor-General or an authorised person with a right to have at all reasonable times, access to information, documents and records.

In addition to the Auditor-General's statutory powers and in recognition of the need for the Auditor-General's functions to be conducted in an efficient and co-operative manner, a recipient with a Funding Agreement will be required to provide to the Auditor-General or a delegate of the Auditor-General, access to the recipient's premises, in respect of any inquiry concerning the project for which the recipient is receiving or has received funding and to otherwise facilitate monitoring of compliance with the Funding Agreement. Such access will apply for the term of the Funding Agreement and for a period of seven years after the date of termination or expiry of the Funding Agreement.

### 6.2 ARCHIVING

Funding recipients should be familiar with the requirements of record keeping in an outsourced environment, particularly the National Archives publication *Records Issues for Outsourcing*. Copies of this publication can be downloaded from: [http://www.naa.gov.au/Images/GDA25\\_tcm2-1129.pdf](http://www.naa.gov.au/Images/GDA25_tcm2-1129.pdf).

### 6.3 ANTI-TERRORISM

ARENA will not enter into a Funding Agreement with a person or organisation on the list of persons and entities designated as terrorists. Part 4 of the *Charter of United Nations Act 1945* (Cth) and the Charter of United Nations (Dealing with Assets) Regulations 2008 (Cth) require any person who holds assets or funds belonging to a person or organisation on the list of persons and entities designated as terrorists to immediately freeze those assets. It is an offence to make any funds or assets available to a person or organisation on the list. The list and more information on these requirements are available at [http://www.dfat.gov.au/icat/UNSC\\_financial\\_sanctions.html](http://www.dfat.gov.au/icat/UNSC_financial_sanctions.html).

### 6.4 ANTI-MONEY LAUNDERING

Recipients will be required to comply with any obligations applicable to them contained in the legislation arising from the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth).

### 6.5 EQUAL OPPORTUNITY

The Commonwealth has a policy of not entering into agreements with or providing discretionary grant or loan funds to organisations that do not comply with their obligations, if any, under the *Workplace Gender Equity Act 2012* (Cth). Applicants must sign the relevant declaration at the EOI stage and the full application stage to demonstrate that they understand and meet their obligations, if any, under the Act. ARENA will also check applicants' names against the List of Non-Compliant Organisations on the website of the Workplace Gender Equity Agency at [www.wgea.gov.au](http://www.wgea.gov.au).

## 6.6 ENVIRONMENTAL REGULATION

Funding recipients will be required through the Funding Agreement to comply with the National Model Regulations for the Control of Workplace Hazardous Substances [NOHSC:1005(1994)] and National Code of Practice for the Control of Workplace Substances [NOHSC:2007(2004)]. Copies of both documents can be obtained from the Safe Work Australia website at [www.safeworkaustralia.gov.au](http://www.safeworkaustralia.gov.au).

## 6.7 WORK HEALTH AND SAFETY

All organisations have obligations under relevant WHS law (as persons conducting a business or undertaking) 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.

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. As such, applicants are required to demonstrate their commitment to:

- developing a WHS Management Plan for the project activity
- a work health and safety management system (WHSMS) accreditation to a recognised standard such as *AS/NZS 4801:2001 Occupational health and safety management systems* and WHS compliance reviews as appropriate to the risk profile of the project (see Appendix B merit criterion F), and
- in relation to construction projects, ensuring that those tasked with the role of principal contractor/head contractor have achieved accreditation under the Australian Government Building and Construction OHS Accreditation Scheme (see section 6.8).

## 6.8 CONSTRUCTION AND OCCUPATIONAL HEALTH AND SAFETY (OHS) COMPLIANCE

Construction projects funded by ARENA may be required to comply with relevant Australian Government policies and schemes to promote good workplace relations and safety practices in the construction industry. Relevant schemes include:

- the Building Code 2013 in force pursuant to the *Fair Work (Building Industry) Act 2012* (Cth), and the Supporting Guidelines for Commonwealth Funding Entities (respectively, the Code and the Guidelines)
- the Australian Government Building and Construction OHS Accreditation Scheme established under the *Fair Work (Building Industry) Act 2012* (Cth) (the Scheme).

The Code and Guidelines apply to all construction activity undertaken by, or on behalf of funding entities irrespective of the value of a project. The Code and Guidelines also apply to all construction projects indirectly funded by the Australian Government through grant and other programs where:

- the value of the Australian Government contribution to a project is at least \$5 million and represents at least 50 per cent of the total construction project value

or

- the Australian Government contribution to a project is \$10 million or more, irrespective of the proportion of Australian Government funding.

The Scheme applies to projects directly funded by the Australian Government with a value of at least \$3 million, and projects indirectly funded by the Australian Government where:

- the value of the Australian Government contribution to the project is at least \$5 million and represents at least 50 per cent of the total construction project value

or

- the Australian Government contribution to the project is \$10 million or more irrespective of the proportion of Australian Government funding
- the head contracts for building work are greater than \$3 million (GST inclusive).

Further information about the Code and Guidelines is available at [www.employment.gov.au/building-code-2013](http://www.employment.gov.au/building-code-2013). Further information about the Scheme is available at [www.fsc.gov.au](http://www.fsc.gov.au).

Eligible full applications for construction projects to be funded by ARENA:

- must still include a WHS Management Plan and a Project Lifecycle Critical WHS Risk Register (as per the requirements of Appendix B)
- will still be assessed for overall value for money against all merit criteria, including those merit criteria that incorporate WHS requirements (that is, merit criteria D and F).



## 7 GLOSSARY

**ARENA** – Australian Renewable Energy Agency, as established by section 7 of the *Australian Renewable Energy Agency Act 2011* (Cth), including the ARENA Board, Chief Executive Officer, Chief Financial Officer and staff engaged under the Public Service Act 1999 (Cth), employed in the Department of Resources, Energy and Tourism and made available by the Secretary to ARENA

**Consultant(s)** - A consultant engaged by ARENA pursuant to section 63 of the ARENA Act to provide services to assist ARENA in the performance of its function

**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* of New South Wales
- the *Occupational Health and Safety Act 2004* of Victoria
- the *Work Health and Safety Act 2011* of Queensland
- the *Occupational Safety and Health Act 1984* of Western Australia
- the *Work Health and Safety Act 2012* of South Australia
- the *Work Health and Safety Act 2012* of Tasmania
- the *Work Health and Safety Act 2011* of the Australian Capital Territory
- the *Work Health and Safety (National Uniform Legislation) Act 2011* of the Northern Territory
- any other law of a state or territory prescribed by the regulations,

as amended from time to time.

**Enabling Technologies** – Includes technologies that enable renewable energy solutions to function more effectively

**Fringe-of-grid** – Areas in the National Electricity Market or the South West Interconnected System that are remote, with a relatively high likelihood of supply reliability and quality issues being experienced.

**Hybrid system** – Involves the use of at least one renewable energy source with another supplementary energy source to provide a combined energy flow that drives a project's electricity generation. For the system to be hybrid, the renewable energy and supplementary energy sources need to share major generation infrastructure, such as a common steam boiler and electricity generation power block

**Integrated system** – Involves the use of two or more generation systems at one site location that are coordinated to provide the energy needs of the user. At least one of these devices must use a renewable energy source

**kWe** - kilowatt electrical - This term refers to the electric output of a system; this measurement is used to distinguish the electric output of a thermal system from the (larger) thermal output

**National Electricity Market (NEM)** – As defined by the National Electricity Law set out in the Schedule to the *National Electricity (South Australia) Act 1996* (SA)

**Off-grid** – Isolated or islanded systems (including private systems) or grids that are not connected to the National Electricity Market or the South West Interconnected System

**Renewable Energy** – Energy that is generated from natural resources that can be constantly replenished

**Renewable Energy Solution** - A renewable energy technology or combination of technologies that use or enable the use of one or more renewable energy sources together with associated activities such as business and financing arrangements, human resourcing, operation and maintenance and community engagement

**Renewable Energy Technology** - As defined by section 4 of the *Australian Renewable Energy Agency Act 2011* (Cth)

**Roadblocks** - Any barrier or impediment to the achievement or efficient delivery of ARENA's strategic initiatives

**South West Interconnected System (SWIS)** - The major interconnected electricity network in Western Australia, supplying the bulk of the south-west region. It extends to Kalbarri in the north, Albany in the south and Kalgoorlie in the east. It is comprised of transmission lines, distribution lines and installed generation capacity.

**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.

## Appendix A – Approved Expenditure Guidelines

The Approved Expenditure Guidelines specify what CARRE program funding may and may not be used for.

These Approved Expenditure Guidelines are to be followed:

- in the preparation of the Budget and Funding Sources form for submission with a proposal for funding under the program
- by funding recipients as part of the reporting that may be required of recipients under the Funding Agreement.

### General Principles

Applicants are required to prepare a budget for their project for submission with their application using the Budget and Funding Sources form available on the ARENA website.

Applicants may be required to identify verifiable milestones and to prepare their budgets in terms of meeting the expenditure required for each milestone. Budgets should be realistic and feasible in relation to the nature of the project and must provide for the applicant to manage risks in accordance with all of the requirements of merit criterion F. Applicants are required to:

- explain the underlying assumptions and the basis for calculation of expenditure items
- indicate where quotations and contracts are in place
- provide any documentary evidence to support the expenditure calculations used by the applicant.

Approved expenditure will not generally include any project costs incurred prior to the execution of the Funding Agreement.

### Specific Provisions

CARRE funds may be used for activities necessary to conduct the project as set out in the Project Plan and agreed by ARENA. This includes, but is not limited to:

- expenditure on the preparation of contracts entered into for the purposes of undertaking the activities required for the conduct of the project
- labour expenditure, such as salaries and wages, including reasonable on-costs for personnel employed directly on the project. Labour on-costs include: worker's compensation insurance, employer contributions to superannuation, recreation and sick leave, long service leave accrual and payroll tax
- administrative expenses, including expenses incurred on communications, accommodation, computing facilities, travel, recruitment, printing and stationery, where such expenses can be related directly to the project
- expenditure for plant installed for the project at the full delivered cost of the plant
- expenditure on plant used for the construction of a project, calculated on the basis of hire or lease costs or depreciation charges, if owned, and running costs directly related to the construction of the project, such as rent, power, fuel and repairs and maintenance

- expenditure on additional data capture or metering systems that may form part of the project knowledge sharing requirements specified by ARENA
- expenditure on legal, audit and accounting costs related directly to the project
- expenditure related to the raising of funds for the project, or the formation of consortia or joint ventures or other partnership arrangements, where such activities can be related directly to the project
- expenditure such as relevant licence fees or intellectual property purchase costs, where the applicant needs to access specific technology to undertake the project
- expenditure related directly to obtaining government approvals to undertake a project.

CARRE funding may not be used for:

- 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
- interest on loans for new and pre-existing capital items used for the project
- expenditure on the acquisition of land for a project
- sales or promotional activities that do not support directly the successful completion of the project
- membership fees
- donations
- expenditure that does not support directly the successful completion of the project

or

- the defrayal of opportunity costs. (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.)

Related party transactions must be treated on an at-cost basis, without mark-up, unless the recipient can demonstrate to the satisfaction of ARENA that the transaction has been calculated on an arm's-length basis.

### Accounting Systems

Recipients are required to have in place suitable accounting systems and to provide to ARENA assurances that the accounting system used by the recipient allows for the separate and accurate identification of approved and other expenditure on the project and that a clear audit trail of program funding and approved expenditure is available on request.

## Appendix B – Merit Criteria

All eligible applications at the EOI and full application stage will be assessed for overall value for money against each of the following merit criteria and must satisfy each criterion to a high standard in order to be considered for funding.

The merit criteria will be considered equally.

### A. Financial viability of the project and the level of ARENA funding sought.

ARENA must be satisfied that the project demonstrates financial viability in the project environment, including alignment with the proponent organisation's strategic direction.

Applicants should have a viable financial plan that clearly identifies the level of all sources of funding and in-kind contributions. Co-investment is expected and a higher degree of funding from sources other than ARENA will be well regarded. Applicants must indicate whether financial or in-kind support is expected or secured.

If the project is likely to result in savings to the level of community service obligation payments accrued by distributors and or state or territory governments, ARENA would expect capital contributions and/or commitments to operation and maintenance from the distributor and/or government.

Applicants must also clearly demonstrate that the project has a need for funding and that the project would not be commissioned prior to 31 December 2017 without ARENA funds.

In assessing this criterion, ARENA may consider the following:

#### Expression of Interest

In the EOI, the applicant should describe briefly:

- estimated total and itemised capital costs of the project, broken down by significant milestones in the proposed project plan
- estimated operating and maintenance costs
- estimated cost of the renewable energy produced by the project compared with the cost of alternate energy sources that could be used at the project site(s)
- expected or secured co-investment from all sources other than ARENA, including the applicant and any other sources
- any in-kind or other non-cash contributions to the project
- the extent to which the project is reliant on ARENA funds
- ARENA funding request compared to the total cost of the project
- an explanation of why the ratio of program funding sought compared with other funding sources is appropriate for the stage of development of the renewable energy solution
- the extent to which the project is consistent with the organisation's long-term strategic infrastructure or business planning
- whether the project supports a long-term, strategic commitment to renewable energy.

## Full application

In the full application, the applicant should detail:

- the total and itemised capital costs of the project, broken down by significant milestones in the proposed project plan
- operating and maintenance costs
- the cost of the renewable energy produced by the project compared with the cost of alternate energy sources that could be used at the project site(s)
- any signed financial agreements for the project
- the financial status and viability of the applicant, including cash flow, financial growth and stability
- expected savings resulting from the program, including deferral of investment in electricity infrastructure and diesel generation as a result of ARENA funding
- expected or secured co-investment from all sources other than ARENA, including the applicant and any other sources
- the extent to which the project is reliant on ARENA funds
- the extent to which the project is consistent with the organisation's long-term strategic infrastructure or business planning
- whether the project supports a long-term, strategic commitment to renewable energy
- for each funding source, the nature and timing of any financial commitments, including the terms of any signed financial agreements for the project, noting that the stronger the commitment of funding from sources other than the program, the higher the merit of the project against this criterion
- the justification for the level of funding from the program for the project and how the level of funding is appropriate for the project considering its stage of technology development
- if appropriate, how management incentives and remuneration are effectively tied to project performance, such as through Employee Stock Ownership Plans (ESOPs). (ESOPs should be used to make sure the management team have a genuine interest in company success and that ARENA funds will not be used for excessive management payments.)
- an overview of any mechanisms for assessing savings to the level of community service obligation payments (or transactions of a similar nature) accrued by distributors and/or state or territory governments, and any process for returning these savings via capital contributions and/or commitments to operation and maintenance from the distributor and/or government.

B. The extent to which the project will contribute to RAR Initiative and CARRE program objectives, in particular its likely demonstration effect and the degree of knowledge sharing.

ARENA must be satisfied that the project will serve as a demonstration to increase the penetration of renewable energy in electricity networks or systems. A critical aspect of all projects is the innovative nature of either the renewable energy solution proposed, and/or the commercial solution for the uptake of the renewable energy solution.

### Expression of Interest

In the EOI, the applicant should describe briefly:

- the renewable energy solution that is being demonstrated as part of the project in an off-grid or fringe-of-grid location
- the degree to which the project as a whole or significant elements of it can be replicated in the applicant's and/or other electricity networks or off-grid environments
- how knowledge will be produced and disseminated regarding the deployment of renewable energy in remote areas, thereby catalysing further renewable energy uptake
- how the project will provide a value for money contribution to ARENA's outcomes
- the innovative aspects of the project that represent a significant step forward in the commercial competitiveness or uptake of the renewable energy solution in similar locations and/or situations in Australia.

### Full application

In the full application, the applicant should detail:

- the renewable energy solution that is being demonstrated as part of the project in an off-grid or fringe-of-grid location
- the degree to which the project as a whole or significant elements of it can be replicated in the applicant's and/or other electricity networks or off-grid environments
- the demonstration value of the project by virtue of its technical or commercial strength, and/or the influence of the project participants in the sector
- the scope of the project to lower the costs for future projects
- the extent to which the project will increase the commercial readiness of the renewable energy solution, in particular its contribution to improvement in skills, capacity, and capability of industry to design, implement, operate and maintain renewable energy solutions
- the extent to which the innovation and cost or barrier reduction demonstrated by the project is best achieved in Australia rather than at a global scale
- the degree to which knowledge about the project, including financial viability, technical viability, system reliability, stakeholder management or any other implementation or operational issues, will be disseminated
- the extent to which the project builds on, but does not duplicate, other government-funded projects
- the contribution of any proposed research component to the project's effectiveness in meeting its objectives.

- C. Project readiness, including the timing of commissioning of key elements, with projects that are timed earlier within the program window receiving favour.

ARENA must be satisfied with the degree of readiness of the project.

In assessing this criterion, ARENA will consider the comprehensiveness of planning for the project. ARENA may favour projects that have clear and realistic timeframes that allow for project commissioning by 31 December 2017 or such other date as may be determined by ARENA in its absolute discretion. Projects that are timed for completion earlier in the program window will be well regarded.

Note that the concepts of project readiness and successful completion of milestones and deadlines:

- require applicants to be in a position to meet those milestones and deadlines in a way that complies with all relevant regulatory obligations (including, for example, WHS law and planning and environment requirements)
- are linked to merit criteria D to F inclusive and only those projects timed for completion earlier in the program that meet those merit criteria will receive such favour.

#### Expression of Interest

In the EOI, the applicant should describe briefly:

- the project schedule indicating major project milestones, in particular when the project will commence and a likely commissioning date
- the track record of the applicant and other project participants in developing and delivering renewable energy projects on time, preferably in remote or regional areas
- work undertaken to date in preparation for the project.

#### Full application

In the full application, the applicant should detail:

- the planning and preparation for the project undertaken to date
- expected decision points, including final investment decision, key approval dates, construction start date, commissioning date, and operational start date
- assurances that all components of the project can be sourced and implemented within the time frames specified
- the identification and ability to obtain and comply with all applicable planning, building, environmental, work health and safety requirements and other regulatory approvals
- assurances that the applicant has ownership of, access to, or the beneficial use of all the intellectual property necessary to carry out the project
- stakeholder and/or community engagement undertaken or planned
- a plan for management of the project once the ARENA funding has concluded.



D. Capability of the applicant, in particular, to complete construction and operate as intended.

ARENA must be satisfied that the applicant and any proposed supporting consortium are capable of implementing the project as set out in the proposal. ARENA must also be satisfied that the organisation has the capacity to integrate the new renewable energy system into its ongoing business operations and commit to at least five years of operation and maintenance after the commissioning of the project.

Expression of Interest

In the EOI, the applicant should describe briefly:

- the management capability and expertise of the applicant
- the track record of the applicant in undertaking similar projects, including delivering projects on time and on budget
- the roles of consortium members and the status of any relevant agreements between consortium members
- the financial viability of the organisation and the project, including the ability to integrate, operate and maintain the system
- the proposed governance processes and procedures for the project.

Full application

In the full application, the applicant should detail:

- key personnel to be involved in the project and outlining their level of expertise and professional experience in:
- project management, with particular regard to the scale of the proposed project
- business and commercial management, including in human resources and financial management
- delivering engineering or technical outcomes
- details of the track record, experience and reputation of the applicant for achieving business, engineering or research outcomes professionally
- evidence of a core business that is directly relevant to the project
- where relevant, the capability of consortium members, their roles in the project, and the extent of their commitment to the project as evidenced by the nature and status of formal agreements between consortium members
- the track record and experience of the applicant in managing critical WHS risks through a WHSMS accredited to a recognised standard such as *AS/NZS 4801:2001 Occupational health and safety management systems* and (if any) a track record of review of that WHSMS in the last three years for compliance with the WHS law. Such information may include documentary evidence such as written references.
- information in relation to any enforcement action taken by regulators under the WHS law. Applicants are required to provide information about enforcement action including whether they have been subject to any of the following under WHS law:
  - improvement notices

- prohibition notices
- non-disturbance notices
- remedial action taken by the regulator
- injunctions
- enforceable undertakings that the applicant has entered into with a regulator under WHS law
- legal proceedings and court orders (including adverse publicity orders)
- infringement notices

Applicants must notify ARENA promptly and in writing of any change to the capacity of the applicant to undertake the project successfully, including any change to the skills, resources or corporate or financial backing available to the project.

#### E. Quality of project design.

ARENA must be satisfied that the project is an appropriate and effective way of meeting the project's proposed outcomes and demonstrates a business model that supports widespread commercial application of the technologies and solutions implemented in the project.

##### Expression of Interest

In the EOI, the applicant should describe briefly how the project will demonstrate:

- high penetration levels of renewable energy in a system or systems
- implementation at scale of whole system solutions including storage, integration and control systems for renewable energy

or

- business models to facilitate funding for the implementation and operation of renewable energy systems.

##### Full application

In the full application, the applicant should provide:

- details of technology choices and rationale, including:
  - relationship to the technology providers
  - facilitation of high penetration levels of renewable energy in a system or systems
  - implementation at scale of whole system solutions including storage, integration and control systems for renewable energy

or

- business models to facilitate funding for the implementation and operation of renewable energy systems

- resource data supporting technology choice
- the technology readiness of each key technology including the accreditation of the technology and international and/or Australian application
- the complexity and difficulty of integration of the renewable energy system.

F. The overall risk associated with the project including, without limitation, compliance, technical, planning and financial risks.

ARENA must be satisfied that the project does not represent an unreasonable level of risk.

In assessing this criterion, ARENA may consider any other risks not identified when assessing the other merit criteria, as well as the overall risk of the project not being completed successfully, considering as a whole any project compliance, technical, planning, financial, and work health and safety risks and the steps the applicant proposes to take to mitigate those risks, and where relevant, the allocation of risks between ARENA and the project participant.

ARENA may also take into account other risks identified during the assessment of the project, including from information obtained from sources other than the applicant.

#### Expression of Interest

In the EOI, the applicant should:

- describe briefly the key technical, planning and financial risks associated with the project together with appropriate mitigation measures for each risk
- acknowledge that they have read the draft Funding Agreements available on the ARENA website and a Compliance Table of any general conditions that the applicant does not accept and the reason why.

#### Full application

In the full application, the applicant should provide:

- a comprehensive Risk Management Plan, in accordance with relevant industry standards and best practice for this type of proposal. This Risk Management Plan must identify and assess the full range of technical, financial and other project risks, the treatment strategies proposed for these risks and the residual risk to the project remaining after the proposed treatments have been applied. A template for a Risk Management Plan is available on the ARENA website. The Risk Management Plan's assessment of financial risks should include discussion of how these risks are mitigated through an appropriate allocation of risk between ARENA and the project participants
- a Compliance Table stating any general conditions of the draft Funding Agreement that the applicant does not accept, accepts in part or does not consider to be applicable to its proposal. This Compliance Table must include reasons why the applicant does not accept, accepts in part or does not consider a general condition to be applicable to its proposal
- a WHS Management Plan that:
  - includes a description of the WHSMS that will apply to the project activity

- includes a Project Lifecycle Critical WHS Risk Register. This Register must map the critical WHS risks to the project lifecycle and detail how those critical WHS risks will be managed. ARENA can provide a template for the Risk Register upon request
- provides for safe work method statements (SWMS) for the tasks involved in the project activity
- includes a description of whether or not the WHSMS:
  - i. has been (or will be) assessed for compliance with the applicable WHS law; and
  - ii. is accredited to a recognised standard such as *AS/NZS 4801:2001 Occupational health and safety management systems*
- provides for a review for compliance with the applicable WHS law at least once during the project lifecycle and not less than once every three years.

## Appendix C – Funding Arrangements

This appendix outlines further details regarding Funding Agreements under the CARRE program.

### Terms of the Funding Agreement

The Funding Agreement provides the legal framework for payment of the grant of funding and for conducting the project. The schedules to the Funding Agreement will reflect the details that applicants provide in their proposal (as may have been negotiated by the parties) and will set out the activities and payments agreed for the project and establish compliance and reporting obligations for the grant recipient.

The Funding Agreement will:

- be consistent with the Guidelines
- specify the amount of the grant and the timing and conditions of payments of this funding
- specify that payment of the grant will be conditional upon continued satisfactory progress against agreed milestones
- include a capacity development or operation and maintenance commitment component to avoid stranded assets or assets that fall into disrepair due to the lack of knowledge and funds to maintain them
- specify any stage gate criteria applying to the grant and the conditions attached to these stage gate criteria
- require the recipient to conduct the project for which the grant is to be paid
- require the recipient to keep records relating to the conduct and management of the project
- require the recipient to facilitate and cooperate with any independent evaluation of the program
- provide for inspection by ARENA of any premises where the project is undertaken and any records relating to the conduct and management of the project
- require the recipient to report to ARENA on the conduct and management of the project;
- require the recipient to report on the implementation of their Australian Industry Participation Plan, if they are required to have one
- require the recipient to acknowledge ARENA funding for the project in any public statements about the project
- require the recipient not to issue any public statements about the project without the approval of ARENA
- provide for variation and termination of the Funding Agreement
- provide for recovery of the grant in certain circumstances
- require the recipient to comply with all applicable Commonwealth, State and Territory laws
- include any other matters considered necessary by ARENA

- include any special conditions required by ARENA.

The Funding Agreement may also include provisions:

- for the sharing of information with relevant Commonwealth, state or territory government agencies
- requiring recipients to provide information on the outcomes and performance of the project for dissemination in Australia or overseas
- requiring the recipient to develop, implement and update an agreed Risk Management Plan
- requiring the recipient to develop, implement and update an agreed Intellectual Property Management Plan
- requiring the recipient to develop, implement and update an approved Community Consultation Plan for the project
- requiring the recipient to develop, implement and update an approved Knowledge Sharing Plan.

### Goods and Services Tax (GST)

The total funding payable to the funding recipient by ARENA does not generally include an amount to cover GST. Applicants are advised to consider the likely implications of the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act) on the funding provided by ARENA.

Applicants are encouraged to seek their own advice on the treatment of funding under the agreement.

Where GST is payable, ARENA will increase the funds payable to the funding recipient by the amount of GST that is payable for the purposes of the GST Act. For example, if payment due at a particular milestone is \$1.0 million and GST is payable on this amount, then ARENA will increase the payment amount provided to the funding recipient to \$1.1 million.