

Research and Development Program

Guidelines

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Research and Development Program

Part 1 - Overview

Introduction

- 1.1 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.
- 1.2 In its 2012/13-2014/15 Investment Plan, ARENA identified the need to continue to consolidate Australia's world-class solar skills and capabilities through its Building Australia's Next Generation Solar supporting initiative. In its 2013/14-2014/16 Investment Plan, ARENA indicated that it would investigate expanding research and development support beyond solar. This Research and Development Program (the Program) delivers these initiatives by supporting the next generation of promising renewable energy technologies.
- 1.3 The Program aims to support research in renewable energy technologies that will increase the commercial deployment of renewable energy technology in Australia and will help Australia strengthen its strong global position. This will be achieved by investing ARENA funds to leverage third party investment. ARENA will reward projects that have a clear path to market by 2040.
- 1.4 Priority will be given to projects in technology areas that have good prospects for commercialisation, where Australia currently has a world class position and/or that address conditions specific to Australia. Projects must predominantly take place in Australia, but international collaborations are welcome.
- 1.5 In any funding round ARENA may call for proposals to address specific priority renewable energy technologies and may include other priorities particular to that round. Funding will be allocated through competitive rounds, unless advised otherwise.
- 1.6 Priorities - including the priority renewable energy technologies - will be advised in the Program Information Manual (the Manual) and on the Program's webpage. These resources can be accessed from the ARENA website at www.arena.gov.au.

Objectives of the Program

- 1.7 The objectives of the Program are to provide funding to:
 - » support a portfolio of excellent research and development projects in priority renewable energy technologies that maintain or build on Australia's world class position and/or that address conditions specific to Australia;
 - » support the growth of skills, capacity and knowledge for Australian renewable energy technology research and development; and
 - » attract investment to improve the commercial readiness of priority renewable energy technologies.

Outcomes of the Program

1.8 The Program is expected to deliver:

- » a range of high quality research and development projects which enhance Australia's world-class research position and/or addresses conditions specific to Australia and complement ARENA's existing portfolio of projects;
- » an increase in skills, capacity and knowledge in priority renewable energy technologies within Australia ; and
- » an increase in investment that improves the commercial readiness in priority renewable energy technologies.

Purpose of the Guidelines

1.9 The purpose of the Program Guidelines (the Guidelines) is to provide a framework for the operation of the Program. The Guidelines are not an exclusive statement of ARENA's requirements for the Program.

1.10 In the Guidelines, a word takes its common meaning unless defined.

1.11 More information about the Program can be found in the Manual, which should be read in conjunction with the Guidelines. The Manual may be updated from time to time to account for changes to the details of the Program.

1.12 Other resources available for applicants to assist in understanding the Program include the Program's template funding agreement and the Program's webpage. These resources can be accessed from the ARENA website at www.arena.gov.au. In the event of any inconsistency between the Manual or other materials and these Guidelines, the Guidelines will prevail.

Commencement and Authority for Guidelines

1.13 The Guidelines have been approved by the ARENA Board and take effect from 25 September 2013. The Guidelines may be revoked or varied from time to time, pursuant to section 24 (1)(b) of the ARENA Act.

Program Funding Model

1.14 As outlined in its 2013/14-2015/16 Investment Plan, ARENA has allocated up to \$300 million from 2013 to 2022 to develop ARENA's research and development portfolio.

1.15 Funding for the Program will come out of these funds and is available until the Program funds have been exhausted or until the ARENA Board decides to close the Program.

1.16 The amount of funding available in a particular round, and the minimum and maximum amount of funding that may be allocated to individual projects for each round, will be outlined and subject to the conditions set out in the Manual and the Program's webpage. These resources can be accessed from the ARENA website at www.arena.gov.au.

1.17 All funding made available under the Program will be in the form of grants. No grant under the Program can exceed \$ 10 million.

Part 2 - Application and Assessment Process

Types of Proposals

- 2.1 Eligible applicants can apply under the Program for funding for *Research and Development Projects*. The eligibility criteria for applicants are described in section 2.9 below.
- 2.2 ARENA defines a *Research and Development Project (Project)* as research and development activities involving a renewable energy technology that:
- i. is between *Technology Readiness Level (TRL)* 2 and 6; and
 - ii. meets the Program's priorities as advised in the Manual and on the Program's webpage on the ARENA website.
- 2.3 For the purposes of this Program, research and development activities:
- » are characterised by their originality, with the primary objective of the works being investigation, the outcomes of which will be new knowledge and may lead to practical applications, new improved materials, products, processes or services;
 - » include specialised scientific and technical information services, post-graduate research, the design, construction and testing of prototypes (pilot plants where new data is evaluated); and
 - » do not include implementing innovations (including trial production and copying of prototypes), education and training of students (except post-graduate research), maintenance of national and international standards, feasibility studies, marketing and market studies.
- 2.4 The TRL index is a globally accepted benchmarking tool for tracking progress and supporting development of a specific technology through the early stages of the innovation chain, from blue sky research (TRL 1) to actual system demonstration over the full range of expected conditions (TRL 9). There are various TRL rating scales that may be applicable to various technologies. For the purposes of this Program, ARENA uses the following scale for renewable energy technologies between TRL 2 and TRL 6:
- TRL 2 Technology concept and/or application formulated
- TRL 3 Analytical and experimental critical function and/or characteristic proof-of-concept
- TRL 4 Component and/or breadboard validation in laboratory environment
- TRL 5 Component and/or breadboard validation in relevant environment
- TRL 6 System/subsystem model or prototype demonstration in a relevant environment
- More information on TRLs is set out in the Manual.

Process

- 2.5 The application and assessment process for applications under the Program involves two stages:
- » an initial expression of interest (EOI) stage (which may be waived at the sole discretion of ARENA); and
 - » a full application stage.
- 2.6 During each stage, ARENA will first 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.

2.7 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; and
- » in the case of a full application, offer the successful applicant funding for its proposal.

2.8 Further details of the application and assessment process are set out in the Manual.

Eligibility Criteria

2.9 To be eligible for funding under the Program, an applicant must meet all of the following eligibility criteria:

- A. The applicant must be an eligible research institution, university or business as defined by the Manual; and at the time of entering into a funding arrangement, the applicant must hold an Australian Business Number (ABN).
- B. The applicant must be able to demonstrate to the satisfaction of ARENA that the *project* described in the proposal meets the definition of a *project* as defined at section 2.2 of the Guidelines.
- C. The applicant must be able to demonstrate to the satisfaction of ARENA that the project will take place primarily in Australia. For projects involving international collaborations, the applicant should refer to the Manual for guidance on the proportion of work which will take place outside Australia.
- D. The applicant must warrant it has ownership of, access to, or the beneficial use of, any intellectual property necessary to carry out the *project*.
- E. The applicant must not be named as an organisation that has not complied with the *Workplace Gender Equality Act 2012* (Cth).
- F. The applicant must agree it will enter into an agreement with ARENA to publicly share knowledge and information about, and resulting from, the *project* described in its proposal.
- G. The applicant must comply with any other requirements specified as mandatory in the Manual or otherwise advertised by ARENA as being mandatory.

Merit Criteria

2.10 The merit of eligible applications will be assessed for overall value for money against the following merit criteria:

- A. The quality, capability and capacity of the applicant, and other participating institution(s) or entity(ies), to deliver the proposed outcome of the *project*, including its capability to progress the *project* towards commercial readiness.
- B. The relevance and/or significance of the *project* to meet the Program's objectives and priority renewable energy technologies for the individual round.
- C. The strength of the technical design, research methodology and project planning to deliver the aims of the *project*, including the level of risk and how the risk will be managed.
- D. The extent to which the applicant, participating institution(s) or entity(ies) (or both) support and demonstrate genuine commitment, both cash and in-kind, to the *project* and its outcomes.
- E. The extent to which knowledge and information from the *project* will be collected, analysed, stored, used and shared.

Collaboration

- 2.11 ARENA may seek to work from time to time with applicants or potential applicants and their participating or prospective institution(s) or entity(ies) to initiate or to develop proposals, with the consent of respective parties.
- 2.12 Further details of how ARENA may assist applicants are provided in the Manual.

Part 3 - Funding Arrangements

Funding Offers

- 3.1 All funding offers and any payment of funds under the Program are conditional upon the execution of:
- » a funding agreement with ARENA;
 - » a new head funding agreement between ARENA and the applicant; or
 - » a variation to an existing head funding agreement between ARENA and the applicant.
- 3.2 Applicants must keep funding offers confidential until the execution of such a document by both the applicant and ARENA. All public communication by the applicant between application lodgement and agreement signature can only be done with ARENA's consent.
- 3.3 ARENA may withdraw its offer of funding, at its absolute discretion, should an applicant not comply with section 3.2.

Funding Agreement

- 3.4 The funding agreement or head funding agreement will provide the legal framework for the obligations of each party and terms around payment in relation to the *project*.
- 3.5 Details of the negotiation process are provided in the Manual.
- 3.6 Details of the process for management and variation of the funding agreement or head funding agreement will be as set out in the Manual and the agreement.

Part 4 - Knowledge Sharing

Knowledge Sharing and Publication of Project Information

- 4.1 A condition of funding through the Program is agreement to a Knowledge Sharing Plan about the funded *project* to inform industry and the broader community about the development of, and findings from, the *project*.
- 4.2 Applicants must provide a Knowledge Sharing Plan as part of a full application. An approved Knowledge Sharing Plan will form part of the funding arrangement for the *project*. A template for Knowledge Sharing Plans is available on the ARENA website.
- 4.3 ARENA identifies the minimum requirements of the Knowledge Sharing Plan in the Manual. From time to time ARENA may amend the knowledge sharing requirements, including the Knowledge Sharing Plan template. Once a funding agreement has been executed for a project, the knowledge sharing requirements for that project may be varied from time to time as set out in the funding agreement.

Part 5 - Further Program Information

Governance

- 5.1 The ARENA Board is responsible for approving the entering into of contracts and approving financial assistance under the Program.
- 5.2 The ARENA Board may delegate responsibility for the Program in accordance with the ARENA Act.

Confidentiality and Disclosure of Information

- 5.3 Subject to section 5.4, information of a confidential nature which 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.
- 5.4 ARENA may disclose any information, including commercial-in-confidence information, provided by applicants:
- » to the Minister and the Minister's office;
 - » in response to a request by a House or a Committee of the Parliament of the Commonwealth of Australia;
 - » to the Auditor General, Ombudsman, Information Commissioner or Privacy Commissioner;
 - » to ARENA staff, consultants¹ and advisers;
 - » 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; and
 - » where authorised or required by law to be disclosed.

Review of Decisions and Complaints

- 5.5 Complaints concerning assessments or processes will, in the first instance, be reviewed by ARENA. If ARENA cannot resolve the complaint within 30 business days of receiving the complaint, ARENA must notify the applicant of the identity of a nominated Complaints and Review Officer and of the next steps. If the applicant is not satisfied with the complaint resolution procedure, the applicant can approach the Commonwealth Ombudsman for external review of the administrative actions of ARENA.

Use of Funding

- 5.6 Applicants are required to prepare a budget for their project for submission with their EOI or full application. Applicants will be required to identify verifiable milestones and to prepare their budgets in terms of meeting the expenditure required for each milestone.
- 5.7 Information on what the Program funding may and may not be used for is contained in the Manual.

¹ *Consultant* means a consultant engaged by ARENA pursuant to section 63 of the ARENA Act to provide services to assist ARENA in the performance of its functions.

Conflicts of Interest

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

5.9 All *consultants* and advisers engaged by ARENA to assist:

- » in the assessment of an EOI or full application, or
- » in the preparation of new or variations to head funding agreements or funding agreements,

will be required to disclose any conflicts of interest they may have in relation to applicants and may be excluded from work if required under ARENA's conflict of interest procedure.

No Contract or Liability

5.10 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 neither the Guidelines, Manual or in 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.

Work Health and Safety

5.11 All organisations have obligations under relevant Work Health Safety (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.

5.12 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. For information on our requirements, please refer to the Manual.