

# Frequently Asked Questions

## 1.1 General

### 1. What is the purpose of the Energy Innovation Fund (EIF)?

The objectives of the EIF are to:

- support the achievement of Victoria's net-zero carbon emissions by 2050 target;
- enable the State to support emerging technology developments that are transformational, high impact, and aligned to Victoria's New Energy Technologies Sector Strategy;
- facilitate the reduction of long-term consumer costs associated with achieving net-zero carbon emissions by 2050; and
- promote diversity and resilience in Victoria's energy sector.

### 2. My Project does not produce electricity as an end-product. Will it be less favourably assessed?

No, Projects that produce other forms of renewable energy (e.g. green hydrogen, green gas), will be assessed on an equal basis to electricity generating Projects.

### 3. Can I submit multiple Project applications, including into different rounds?

Yes. Grants are awarded by Project rather than Applicant.

### 4. Can I be awarded more than one grant?

Yes, funding can be awarded to different Projects submitted by the same Applicant.

### 5. Will there be future rounds of the EIF, or is the EIF planned as an ongoing annual program?

At this stage, the Department has committed to two funding rounds for the EIF. This is Round Two of the funding round.

### 6. My application will contain commercially sensitive information. Will this be kept confidential?

The Program Guidelines contain information describing how the Department will treat commercial-in-confidence information, and the circumstances in which it may be disclosed to third parties in Section 8.3.

### 7. My application will include personal information. How does the Department manage this information?

Any personal information will be managed in accordance with the published Privacy Policy, which can be found at <https://www.delwp.vic.gov.au/privacy>

### 8. When would the government require Projects to be operating?

Applicants should be aware that the Department's priority is to fund Projects with the private sector that are anticipated to play a critical role in supporting Victoria's energy transition post-2025.

### 9. Can Applicants seek guidance from, or meet with the Department before submission?

No. For probity reasons, the department will not be meeting with Applicants prior to the submission of applications. If you have any questions during the Application process, please submit a question to

the Energy Innovation Fund email inbox. Please refer to the EIF website for the email address and the most up to date guidance and timing for submitting questions.

**10. My Project includes feasibility studies as well as the construction of an energy generation facility, how do I account for the pre-construction component?**

You should apply as a Capital Works Project. Pre-development activities that fall under Eligible Expenditure as per the Guidelines can be included in the Project budget.

**11. How should I quantify the economic impact of my Project?**

The Department is open to a number of methods for the quantification of economic benefit, to enable Applicants to leverage as much pre-existing work as possible. Please ensure that a concise explanation of the method for calculation is included in your response.

**12. Are the slides from the Industry Briefing available?**

Yes. The slides from the Industry Briefing are available on the EIF website. This FAQs document has also been updated to address questions that were raised and responded to during the session.

**13. Will details of successful Applicants be published?**

The Victorian Government may publicly announce and/or publish the following information associated with successful Projects:

- name of the Recipient;
- title of the Project;
- description of the Project and its aims; and
- the amount of grant funding awarded.

## **1.2 Funding**

**14. How much total funding is available?**

The EIF is part of a \$108 million energy innovation package announced in the recent State Budget. There will be approximately \$90 million of funding available for Projects supported through the EIF.

**15. How much funding will be available for each Round of the EIF?**

The funding allocated in each round will depend on the scope, assessment and quality of applications. There will be approximately \$90 million of funding available for Projects supported through the EIF.

**16. Is there a minimum or maximum amount I can apply for?**

There is no minimum or maximum grant funding request amount. Indicative funding request amounts have been included in the Program Guidelines Section 6.3 and are expected to be in the range of \$2 million to \$20 million. However, the Department may choose to award a different amount to fulfil the Fund Objectives in the best way possible.

**17. Can applications still be submitted for projects that may require less than the indicative funding range of \$2 million to \$20 million, for example pre-feasibility studies?**

Yes, there is no minimum or maximum grant funding request amount. Applications must meet the eligibility criteria and any grant funding provided must be the minimum funding required for a Project to proceed.

At a minimum, private-sector capital (equity and/or debt) will be required to make-up at least 50% of what is deemed "eligible expenditure". The Program Guidelines contain additional detail on eligible and ineligible expenditure.

**18. Is the main objective of the EIF to accelerate existing proven technology that is currently not viable in Victoria?**

The objectives of the EIF are detailed in section 2 of the Program Guidelines.

Project technologies supported by the EIF are required to be pre-commercial in the Victorian context. As outlined in the Program Guidelines, to be eligible, Projects applying for funding under the EIF must achieve a TRL of 9 and CRI of 2 to 5. A TRL of 9 means the technology must have progressed past all initial commissioning, demonstration, and prototype stages. A CRI of 2-5 means the technology and/or business case for a Project has been tested commercially in some setting (small or large scale) and it is not yet considered as a bankable or a mature commercial technology.

**19. Will the Department identify co-funding opportunities or provide a list of co-funding opportunities?**

A list of co-funding opportunities will not be provided by the Department. The Department encourages Applicants to seek joint funding with Commonwealth and State organisations where appropriate. If you are seeking co-funding, please make sure you clearly outline this in your application.

**20. Can EIF funding be used for Victorian planning assessment purposes?**

Activities that directly relate to Victorian Government planning assessment processes is not considered to be eligible expenditure. However, studies that are commissioned to support the planning process may be Eligible Expenditure.

**21. Are 'in-kind' funding contributions allowed?**

Section 4.1 of the Program Guidelines sets out the general principles that apply when considering Eligible Expenditure. Non-cash contributions (in-kind contributions) are not preferred and should not be included in the budget submitted with applications under the Fund. In exceptional circumstances applicants may be provided the opportunity to request approval for the inclusion of in-kind expenditure where they can demonstrate to the satisfaction of the Department that the in-kind expenditure could satisfy the Fund's Eligible Expenditure guidelines.

## **1.3 Eligibility**

**22. Who can apply for funding?**

In addition to meeting the Fund objectives, organisations must comply with the Eligibility Criteria set out in Section 3.1 of the Program Guidelines. Applicants should review these guidelines carefully to confirm their eligibility.

**23. Will the EIF fund feasibility/pre-investment studies and capital construction works that have already been completed?**

No. The Fund aims to support new Projects and technologies that are not commercially viable in Victoria and will not support work that has already been completed.

**24. What is the minimum Project capacity requirement of the Fund?**

There is no explicit minimum Project capacity requirement under the Fund, however electricity generation/storage Projects must be registered, or intend to register with AEMO under the scheduled/semi-scheduled category, which typically applies to generation facilities with a nameplate rating of 30 MW or above.

**25. Does the requirement to be registered, or intending to register, with the Australian Energy Market Operator (AEMO) under the scheduled/semi-scheduled category mean that projects must be at least 30 MW in size?**

For generating systems or energy storage systems which are below 30 MW, the applicant should explore whether in the circumstances it is appropriate for its facility to be registered as a semi-scheduled or scheduled generator. Whether or not a facility may be registered as a generator and be classified as a semi-scheduled or scheduled generator is determined by AEMO. Applicants may wish to refer to [AEMO's Guide to Generator Exemptions and Classifications](#) for further information.

Projects below 30 MW would be expected to clearly outline their proposed approach to registration and classification in order to be eligible. This would include providing evidence as to how it is intended that the facility will be capable of responding to dispatch instructions as a semi-scheduled or scheduled generator.

## **26. Are technologies that provide thermal energy such as heat pumps eligible?**

Eligible Projects must produce renewable energy (including renewable electricity, renewable gas, or green hydrogen) and/or provide storage capacity to the network. Project technologies must also be pre-commercial in the Victorian context, complying with the TRL and CRI requirements outlined in the Program Guidelines.

## **27. Are projects that combine multiple technology types eligible?**

Where projects involve multiple technology types, only those technologies which meet the eligibility criteria will be considered for funding, and funding amounts apportioned where required. Applications should clearly outline each of the technologies involved in the project and provide a clear delineation of costs and revenues for each component.

### **1.3.1 Emerging technology**

## **28. What Commercial Readiness Index (CRI) and Technology Readiness Level (TRL) scores must a Project achieve to be eligible under the Program Guidelines?**

To be eligible under the Program Guidelines, the proposed Project must achieve a TRL of 9 and a CRI of 2 to 5. The application should demonstrate how this is achieved, and refer to Appendix Section 3.2.1 and 3.2.2 for further information. Please note that energy projects which are currently commercially mature will need to demonstrate exceptional innovation to justify their eligibility if an application is submitted.

## **29. My Project involves construction of a pilot to determine feasibility of the Project, is this a Pre-construction Study or Capital Works?**

Projects that include a construction component must apply as a Capital Works Project.

## **30. Is there scope for university-based research under the EIF?**

Applicants must meet the Eligibility Criteria detailed in section 3.1 of the Program Guidelines. As part of the Eligibility Criteria, Applicants must demonstrate that they are planning to develop a renewable energy and/or storage Project that has a Technology Readiness Level (TRL) of 9, or a demonstrable pathway to reach TRL 9 by 2025, and a Commercial Readiness Index (CRI) of between 2-5.

## **31. Is there a local content target that will be considered during the assessment?**

Eligible Projects must primarily involve activities that take place in Australia. Development expertise for emerging energy technologies that cannot be sourced within Australia is allowed to be sourced internationally, subject to expenditure eligibility. Applicants should also address the Merit Criteria, which includes a criterion for economic impact and community support.

## **32. Can Projects invested in by foreign companies qualify for the Fund?**

Yes. Applications will need to disclose this information and address the Australian Government's Foreign Investment Review Board approval where relevant. More information about eligible organisations is available in the Section 3.1.1 of the Program Guidelines.

**33. Are private overseas firms eligible Project partners if the Project is based in Victoria?**

The Department cannot make determinations on specific Project eligibility and merit. However, Projects invested in by foreign companies may qualify for the Fund. Applications will need to disclose this information and address the Australian Government's Foreign Investment Review Board approval where relevant. More information about eligible organisations is available in the Section 3.1.1 of the Program Guidelines.

**34. Are projects that do not intend to connect to the grid, such as stand-alone power stations (SAPS) eligible?**

No. As per Section 3.1.2 of the Program Guidelines, generation/storage projects must be connected to the Victorian region of the NEM or be located in Victoria and connect to the relevant Victorian utility network where necessary (for non-electricity generation/storage projects).

**35. Does the requirement for projects to have a Technology Readiness Level (TRL) of 9 and a Commercial Readiness Index (CRI) of between 2-5 relate to their status today or in the future?**

To be eligible under the Energy Innovation Fund, projects must have a TRL of 9, or a demonstrable pathway to reach TRL 9 by 2025. The project's CRI must be between 2-5 at the time of application, which aligns with the objectives of the program to support technologies to transition from pre-commercial to commercially viable energy options.

**36. Are projects eligible to apply for State support under both the Energy Innovation Fund and other programs such as the REZ Development Plan or VRET2?**

Applicants are encouraged to explore opportunities for additional funding beyond the Energy Innovation Fund to help minimise the funding request being sought. Projects that have applied for funding or support under other programs are welcome to apply to the EIF provided that they meet the relevant eligibility criteria, set out in Section 3 of the Program Guidelines. Note that actual or anticipated reliance on any other funding sources must be clearly outlined and addressed in the application form as well as relevant returnable schedules, including the project budget.

**37. Are offshore wind projects eligible for funding under Round 2 of the EIF?**

The Department strongly encouraged all potential off-shore wind based applications to participate in Round 1 which focused on this technology. However, Round 2 is technology neutral so any applications that meet the Eligibility Criteria (detailed in section 3.1 of the Program Guidelines) are able to apply.

**38. Can demand response Projects be eligible for funding under the Energy Innovation Fund?**

No, eligible Projects must produce renewable energy and/or provide storage capacity to the network.

**39. Are carbon capture and storage projects eligible for funding under the EIF?**

No, carbon capture and storage is not within the scope of this program.

**40. Are hydrogen or thermal energy projects eligible for funding under the EIF?**

Yes, subject to the satisfaction of all Eligibility Criteria. The Eligibility Criteria are detailed in section 3.1 of the Program Guidelines.

**41. Are battery energy storage projects eligible for funding under the EIF?**

To be eligible under the Program Guidelines, the proposed project must achieve a TRL of 9 and a CRI of 2 to 5. Please note that battery energy storage projects will need to demonstrate exceptional innovation to justify their eligibility if an application is submitted. Unless a battery energy storage project is able to demonstrate exceptional innovation, it is likely to be considered to have a CRI of 6 within the Victorian context, and therefore would not be eligible.

**42. Will hydrogen technologies such as brown hydrogen be eligible for funding under the EIF?**

No, in regard to hydrogen technologies only green hydrogen is eligible under the EIF.

**43. Is there any scope for funding off-grid Projects that may not connect to the NEM?**

As detailed in the Program Guidelines, Applicants must demonstrate that they are planning to develop a Project that will connect to the Victorian region of the National Electricity Market (NEM) (for electricity generation/storage Projects) or be located in Victoria and connect to the relevant Victorian utility network where necessary (for non-electricity generation/storage Projects).

**44. Initial research and development has been conducted for a Project but further funding is required. Will this be considered by the EIF?**

It is recommended that Applicants closely review Applicant and Project Eligibility Criteria. The Eligibility Criteria include the requirements that Projects have a Technology Readiness Level (TRL) of 9, or a demonstrable pathway to reach TRL 9 by 2025, and a Commercial Readiness Index (CRI) of between 2-5 (refer to Appendix A in the Program Guidelines for more information).

## 1.4 Process

**45. How can Applicants apply?**

Applications for Round 2 open on 4 August 2021. Once applications open, all applications must be made via the online grants management portal. The link to the online portal can be found at <https://www.energy.vic.gov.au/grants/energy-innovation-fund>. Please refer to the Fund website for key submission and timing dates.

**46. When will the funding be available?**

Funding will be available to successful Applicants subject to the execution of a Funding Agreement with the Department, and the terms of the Funding Agreement.

**47. When will Applicants be notified of outcomes?**

Funding Agreements with successful Applicants are expected to be executed mid-2022 for Round 2 applicants.

**48. Will the stage of development for Projects be taken into account?**

The Department cannot make determinations on specific Project eligibility and merit. It is recommended that Applicants closely review Eligibility Criteria and Merit Criteria in full. The Fund intends to support activities that progress innovative projects in their commercialisation continuum including feasibility/pre-investment studies, front-end-engineering-design, large scale pilots and demonstrations.

**49. If there are multiple Projects in the same area, how will the Department choose which Project to fund?**

Eligible Projects will be competitively assessed against the Merit Criteria. The assessment process is detailed in section 5.1 of the Program Guidelines, and the Merit Criteria is detailed in section 5.2 of the Program Guidelines.

**50. Are Applicants able to access assistance from contractors and government bodies to support preparation of their application?**

You may get assistance from other contractors, DELWP (for example the Planning Group) and other government bodies as it relates to the development of your project.

**51. Is information submitted in the funding application binding?**

The information submitted during the application stage will be used by the Department for the eligibility and merit assessment of each Projects. The validity period of applications is set at 6 months. The Department understands that application information submitted may change during the duration of the process. Applicants will not enter into any contracts or agreements with the Department prior to being progressed as a shortlisted applicant, at which time relevant information and values will need to be reconfirmed.