

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. Why is Round 1 focused on offshore-wind only?

As outlined in Section 1.2.1 of the Program Guidelines, Round 1 is focused on offshore-wind to accelerate the development of the sector.

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

Yes. Grants are awarded by Project rather than Applicant.

5. Can I be awarded more than one grant?

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

6. Can I apply for funding for my Project under both Round 1 and Round 2?

The Department strongly encourages all potential offshore-wind-based applications to participate in Round 1. At the Department's sole discretion, a selection of Round 1 Applicants may be asked to re-submit in Round 2.

7. 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.

8. 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.

9. 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>

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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

16. 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.

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

There will be approximately \$90 million of funding available for Projects supported through the EIF.

There is no specified funding split for Round 1 and Round 2. Our expectation is that there will be a large range of funding requests – anticipated to be between \$2 and \$20 million – so the funding allocated in each round will depend on the assessment and quality of applications.

18. 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.

19. 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.

20. 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.

21. 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.

22. 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.

1.3 Eligibility

23. 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.

24. 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.

25. 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.

26. Can you clarify the Commercial Readiness Index?

Please refer to Appendix A of the Program Guidelines for detailed Technology and Commercial Readiness information. 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.

27. Will upgrades to existing generation or storage Projects be considered?

Upgrades that materially increase the capacity (MW) of existing Projects may be considered, at the Department's discretion, provided they meet the Fund's Eligibility Criteria. Projects that solely improve the efficiency or availability of existing Projects will not be considered.

28. 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.

29. 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.

30. 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.

31. 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.

32. 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.

33. Does Round 1 also include floating offshore-wind technologies?

Round 1 includes all types of offshore-wind technologies, including floating offshore-wind.

34. Can a Project that includes both offshore-wind and other renewable technology be included in Round 1?

As outlined in the Program Guidelines, Round 1 is focused on offshore-wind to accelerate the development of the sector. Round 1 Projects must primarily be based on offshore-wind technologies. Projects that combine offshore-wind and other technologies may be eligible under Round 1.

35. 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.

36. Is carbon capture and storage going to be eligible for funding?

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

37. Will hydrogen or thermal energy projects be considered in Round 2?

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

38. 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.

39. 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).

40. 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

41. How can Applicants apply?

Applications for Round 1 and Pre-applications for Round 2 open on 29 January 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.

42. 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.

43. When will Applicants be notified of outcomes?

Funding Agreements with successful Applicants are expected to be executed in August 2021 for Round 1, and June 2022 for Round 2.

44. Is it mandatory to enter the Pre-application stage for Round 2 Applicants and will applications be accepted if they have not been through the Pre-application stage?

The Pre-application stage for Round 2 of the program is not mandatory. Applicants are encouraged to submit Pre-applications for Round 2 as it will provide the opportunity to present the Project concept in a summarised form to the Department.

45. Why is the application period for Round 1 relatively short compared to Round 2?

The application period for Round 1 is 6 weeks, and is only open to eligible off-shore wind Projects. The timeframe was designed to be commensurate with the complexity of the Round 1 application form.

46. 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.

47. 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.