

# *Latrobe Valley Energy and Growth Program Stage 2 (LVEGP-2)*

## **APPLICATION GUIDELINES**



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## Minister's Foreword

Victoria is leading the way with renewable energy. The Victorian Government has increased the Victorian Renewable Energy Target (VRET) to 50 per cent by 2030.

The Latrobe Valley, with its proud history of energy production and engineering, and existing transmission infrastructure connected to the National Energy Market, will play a key role in achieving this target.

In November 2020, I launched the Latrobe Valley Energy and Growth Program which supports renewable energy projects in the Latrobe Valley region that are ready to go. Following this, I am proud to announce the Latrobe Valley Energy and Growth Program Stage 2 (LVEGP-2), which provides more Victorian Government support for Latrobe Valley projects.

The LVEGP-2 will help projects at various stages of development such as research and feasibility studies, through to implementation. This new fund will spur the development of innovative renewable energy projects and help create renewable energy jobs in the Latrobe Valley.

Victoria is embracing the transition to renewable energy. The LVEGP-2 ensures the Latrobe Valley and its communities will enjoy the social, economic, and environmental benefits a clean, modern energy system will bring.



# 1. The Latrobe Valley Energy and Growth Program Stage 2 (LVEGP-2)

The Latrobe Valley has a proud history of energy, engineering, and innovation, and has been at the heart of Victoria's energy production for more than a century. With a transformation underway in the energy sector and the rapid rise of renewable energy, there is an opportunity to capitalise on the Valley's clean energy resources, skilled workforce, and transmission infrastructure.

The original Latrobe Valley Energy and Growth Program supported implementation-ready renewable energy projects in the Latrobe Valley region. Following on from the original program, the Victorian Government is delivering Stage 2, to provide further support to Latrobe Valley projects.

The Latrobe Valley Energy and Growth Program Stage 2 is designed to provide support to a broad range of renewable energy projects at various stages of development – from research and feasibility, through to implementation. Funding will be provided for innovative projects that capitalise on the renewable energy potential of the Valley and which provide long-term benefits to the Latrobe Valley community.

## 2. Objectives

The objective of the \$1.98 million Latrobe Valley Energy and Growth Program Stage 2 is to support the delivery of a broad range of renewable energy project(s) at various stages of implementation.

Up to \$1.98 million is available in grants funding under this program. Projects may seek the full \$1.98 million, however, projects seeking a funding amount of up to \$500,000 will be considered more favourably<sup>1</sup>.

Projects should demonstrate they will support some, or all, of the following considerations:

- Increase the uptake of renewable energy projects;
- Create and support renewable energy jobs in the Latrobe Valley;
- Build capacity through research, feasibility studies, and business cases for renewable energy projects in the Latrobe Valley;
- Commission technical, regulatory, legal and/or contractual advice or services to support the planning and implementation of renewable energy projects in the Latrobe Valley;
- Utilise local content i.e. skills and services in the Latrobe Valley<sup>2</sup>; and
- Deliver social, economic, and environmental benefits to communities and businesses in the Latrobe Valley.

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<sup>1</sup> Successfully funded projects will be offered funding as a GST exclusive amount. However, for organisations with an ABN and who are GST registered, payment will be made GST inclusive.

<sup>2</sup> The Latrobe Valley is defined as the local government areas of Latrobe City, Baw Baw, and Wellington Shires.

All projects must:

- Be located in the Latrobe Valley<sup>3</sup>; and
- Be completed by 15 December 2022.

## 3. Who can apply?

In addition to meeting the program objectives organisations must:

- Be able to demonstrate that the organisation has at least three years operating history and/or can provide two years of audited financial statements; and
- Have an Australian Business Number (ABN).

Matched funding is not required; however, applicants must have secured or have a plan to secure a cash contribution towards the project (minimum of 5%). Applications with higher funding contributions will be viewed favourably.

### 3.1 Joint Applications

Organisations may choose to join together as a group to deliver a project. In these circumstances, a lead organisation must be nominated. Only the lead organisation can submit the application form and enter into the grant agreement with the Government. The application should identify all other members of the proposed group and include a letter of support from each of the project partners. Each letter of support should include:

- Details of the project partner;
- An overview of how the project partner will work with the lead organisation and any other project partners in the group to successfully complete the project;
- An outline of the relevant experience and/or expertise the project partner will bring to the group;
- The roles/responsibilities the project partner will undertake, and the resources it will contribute (if any); and
- Details of a nominated management level contact officer.

## 4. What will be funded?

The Latrobe Valley Energy and Growth Program Stage 2 will support renewable energy projects that look to support some, or all, of the following:

- Deliver social, economic and environmental benefits to communities and businesses in the Latrobe Valley;

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<sup>3</sup> The Latrobe Valley is defined as the local government areas of Latrobe City, Baw Baw, and Wellington Shires.

- Implement and/or develop renewable energy projects;
- Support and create renewable energy jobs in the Latrobe Valley;
- Utilise local content i.e. skills and services in the Latrobe Valley<sup>4</sup>; and
- Deliver social, economic, and environmental benefits to communities and businesses in the Latrobe Valley.

All projects must:

- Be located in the Latrobe Valley<sup>4</sup>; and
- Be completed by 15 December 2022.

Grant funding provided by the Latrobe Valley Energy and Growth Program Stage 2 will not fund:

- Land acquisition;
- Routine or ongoing maintenance works;
- Non-renewable generation technologies;
- Recurrent operating costs; or
- Salaries.

Successfully funded projects will be offered funding as a GST exclusive amount. However, for organisations with an ABN and who are GST registered, payment will be made GST inclusive.

## 4.2 Eligible Expenditure

Grant funds must only be spent eligible expenditure incurred as defined in your funding agreement.

- For guidance on eligible expenditure, see Appendix A.
- For guidance on ineligible expenditure, see Appendix B.

The guidance on eligible and ineligible expenditure may be updated from time to time. If your application is successful, the version in place when you submitted your application applies to your project. If your application is successful, you may be asked to verify project costs that you provided in your application. You may need to provide evidence such as quotes for major costs.

You must incur the project expenditure between the project start and end date for it to be eligible, unless stated otherwise.

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<sup>4</sup> The Latrobe Valley is defined as the local government areas of Latrobe City, Baw Baw, and Wellington Shires.

## 5. How will projects be assessed?

Applications will be assessed against the project considerations detailed below. Applications should address all relevant considerations, provide supporting documents set out in section 5.2.

The amount of detail and supporting evidence you provide in your application should be relative to the project size, complexity and grant amount requested. You should provide evidence to support your answers.

Information contained in the applications may be shared with other State or Commonwealth Government agencies to seek clarification on an application or applicants.

The department will review applications for completeness and to check that they meet the eligibility requirements. Applications that do not meet the eligibility requirements will not be considered further in the assessment process.

All eligible applications will be assessed on merit against the project considerations and compared to other eligible applications in a funding round before a recommendation is made of which projects to fund.

If, during the assessment process unintentional errors are observed in an application, applicants may be contacted to correct or clarify the errors. However, applicants can not make any material alterations or additions.

### 5.1 Grant Approval

The Minister for Energy, Environment and Climate Change will determine which grants to approve, taking into account the recommendations of the assessment panel and the availability of grant funds.

The Minister's decision is final in all matters, including:

- The grant approval;
- The grant funding to be awarded; and
- Any conditions attached to the offer of grant funding.

### 5.2 Project Considerations

#### Consideration 1 – Why are you doing this project?

Applications should:

- Describe the problem or opportunity that this project is addressing; and
- Demonstrate the extent to which the project addresses the identified problem or opportunity (what will change as a result of implementing this project and how does this align with the program objectives in Section 2).



### **Consideration 2 – What will be delivered?**

Applications should describe the project including:

- Details of what will be delivered;
- Work done to ensure benefits will be delivered to the Latrobe Valley;
- Work done to date to ensure the project is ready to begin (business case, feasibility studies or other evidence); and
- For generation projects, the extent to which the project site has been selected and access secured (including planning approvals, landholder agreements, and connection agreements).

### **Consideration 3 – Who will benefit?**

Applications should to:

- Provide details of project participants (households, businesses, community organisations);
- Clearly outline the social, economic and environmental benefits;
- Clearly articulate, describe and quantify the expected benefits for the participants; i.e:
  - Customer value proposition;
  - Financial benefits such as savings in energy costs;
  - Environmental benefits such as emission reductions;
  - Social benefits such as increased renewable energy access and energy literacy; and
  - Any other secondary benefits to stakeholders (i.e. community).

### **Consideration 4 – Demonstrate the use of local content**

Applications should:

- Provide details of a proposed strategy to use local content, including, but not limited to:
  - Suppliers in the Latrobe Valley;
  - Manufacturers in the Latrobe Valley; and
  - Other businesses and organisations based and operating in the Latrobe Valley.

### **Consideration 5 – How will the project be delivered?**

Applications should:

- Describe how the grant funding will be used and justify why this is the appropriate use of the funds (including completing the attached cash flow template);
- Provide details of the proposed strategy for engaging participants, community and/or key partners for the project and describe the role of participating organisations (including joint application evidence and letters of support);

- Describe the additional funding sources required for the project and the timing for this funding to be secured;
- Describe the capability and capacity of the applicant to deliver the project including the skills and experience of individual personnel and project partners;
- Complete and attach the project delivery schedule template; and
- Where there are concurrent funding applications, applications must identify how the project will be funded if other applications are unsuccessful.

### 5.3 Supporting documentation

The following supporting documentation must be attached:

- Project summary template;
- Project cash flow template;
- Project delivery schedule template;
- Project risk register; and
- Any other documents, including joint application documentation, to support and provide context for the application.

Templates for supporting documents can be downloaded from

<https://www.energy.vic.gov.au/new-energy-technologies>

## 6. How to apply?

### 6.1 Application process and key timing

Applications for projects must be made via the online grant management portal.

LVEGP-2 will be open for applications until the fund closure date of 30 November 2021, or until all funds are expended.

Successful applicants are eligible to apply for further funding at the completion of their initial project.

Unsuccessful applicants may be able to re-apply for funding, taking into account feedback from DELWP.

To apply, you must:

- Complete the online program application form;
- Provide all the information requested;
- Address all eligibility and all relevant project considerations; and
- Include all necessary attachments.

Applications must be submitted through the Grants Online Portal no later than **5pm Eastern Standard Time, 30 November 2021**. Late applications or applications lodged other than in accordance with the requirements of this section will only be accepted where the Department believes acceptance of the late application or an application lodged other than

in accordance with the requirements of this section will not compromise the integrity of the Application process. Applications will only be received between the published opening and closing dates.

The link to the online portal can be found at <https://www.energy.vic.gov.au/new-energy-technologies>

## 6.2 Program timing

Indicative program timing is summarised below.

**Applications will be received and assessed until the ‘Application Close’ date of 30 November 2021, or until all funds are allocated.**

LVEGP-2	Date
<b>Applications Open</b>	September 2021
<b>Applications Close</b>	30 November 2021
Application evaluation (ongoing)	September 2021 – February 2022
Completion of projects	15 December 2022

## 6.3 Program requirements

Applicants should:

- Address all the project assessment criteria in their response to each question;
- Include all key information, data, and evidence to support the responses; and
- Provide a primary contact for any follow-up.

DELWP staff may make contact with applicants to seek further clarification of the information submitted and to request further documentation.

## 6.4 Applicant questions

Applicants can submit clarification questions in relation to the application guidelines, the application process and the broader program to the department. Questions must be lodged no later than **23 November 2021**. Any information provided by the department in response to any question raised by a potential applicant, may be uploaded onto the “Frequently Asked Questions” webpage. Clarification questions can be submitted to [lvegp@delwp.vic.gov.au](mailto:lvegp@delwp.vic.gov.au).

# 7. Funding conditions

## 7.1 Funding agreement

Successful applicants must enter into a funding agreement with DELWP. Funding agreements establish the parties and outline their commitments and obligations to each other, as well as setting out the general funding terms and conditions.

Local government and not-for-profit or community organisations should use the Victorian Common Funding Agreement (VCFA). The VCFA is used by all Victorian Government departments and establishes a standardised approach to how funding is managed. The VCFA simplifies funding arrangements with both the not-for-profit community sector and the local government sector. It is recommended that applicants review the terms and conditions before applying. <https://www.vic.gov.au/victorian-common-funding-agreement>

Commercial entities should use the [Commercial Funding Agreement](#).

No funding will be released until DELWP and the applicant have executed the funding agreement and the appropriate milestone evidence identified in the funding agreement has been met. DELWP reserves the right to withhold payments in cases where evidence has been provided but the department deems that there are concerns relating to the delivery of the project. In this instance, the department will release funding when appropriate actions have been taken to ensure the project is delivered within the agreed timeframes.

Successfully funded projects will be offered funding as a GST exclusive amount. However, for organisations with an ABN and who are GST registered, payment will be made GST inclusive. No GST is payable to councils. Recipients are responsible for determining their tax liabilities for grant payments. Grants provided by DELWP are classified as income and tax may be payable by recipients. Each applicant is responsible to investigate their own tax structure and treatment.

## **7.2 Project monitoring and delivery**

Funding recipients are required to comply with project monitoring and reporting requirements to be outlined in the funding agreement. Proponents are responsible for project delivery, including any project cost overruns should they occur. In cases where a project is delayed for an unreasonable length of time, where substantive changes to scope are made after funding has been approved, or where a project fails to be delivered, DELWP reserves the right to cancel the grant and, if applicable, recoup any payment that has already been provided.

## **7.3 Acknowledgement**

Successful applicants are expected to acknowledge the Victorian Government's support and promotional guidelines will form part of the funding agreement. Successful applicants must consult the department prior to the publication of any project promotional materials and liaise with the departmental program area to coordinate any public events or announcements related to the project. Successful applicants may be required to contribute information on activity outcomes for use in program evaluation or in the department's communication materials.

## **7.4 Cost**

The department is not liable for any costs, expenses, losses, claims or damages that may be incurred by applicants in connection with the application Process, including in preparing or submitting an application, providing further information to the department, or participating in negotiations with the department.

## 7.5 Probity for application procedures

The applicant and any of its associates must not offer any incentive to, or otherwise attempt to influence any of the persons who are either directly or indirectly involved in the application process, or in awarding any subsequent contract. If the department determines that the applicant or any of its associates have violated this condition, the applicant may be disqualified from further consideration, in the department's absolute discretion.

By submitting an Application, the Applicant consents to the Department performing probity and financial investigations and procedures in relation to the Applicant or any of its associates. The Applicant agrees, if requested by the Department, to seek consents from individuals to allow such probity checks.

## 7.6 Confidentiality

The department will, to the extent permitted by law, treat all information as strictly confidential and commercial-in-confidence where relevant. 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. Contacts and further information

For more information:

- Energy webpage: <https://www.energy.vic.gov.au/new-energy-technologies>
- Email the program team at [lvegp@delwp.vic.gov.au](mailto:lvegp@delwp.vic.gov.au)

# Appendix A. Eligible expenditure

This section provides guidance on the eligibility of expenditure.

To be eligible, expenditure must:

- Be incurred by you within the project period;
- Be a direct cost of the project; and
- Be incurred by you to undertake required project audit activities.

## A.1 Verifying Expenditure

If your application is successful, you will be asked verify the project budget that you provided in your application when we negotiate your funding agreement. You may need to provide evidence such as quotes for major costs.

The funding agreement will include details of the evidence you may need to provide when you achieve certain milestones in your project. This may include evidence related to eligible expenditure.

If requested, you will need to provide the agreed evidence along with your progress reports.

You must keep payment records of all eligible expenditure and be able to explain how the costs relate to the agreed project activities. At any time, we may ask you to provide records of the expenditure you have paid. If you do not provide these records when requested, the expense may not qualify as eligible expenditure.

At the end of the project, you will be required to provide an independent financial audit of all eligible expenditure from the project.

## Appendix B. Ineligible expenditure

This section provides guidance on what is considered ineligible expenditure. This guidance may be updated from time to time, so you should make sure you have the current version from the [DELWP New Energy technologies](#) website before preparing your application.

Examples of ineligible expenditure include:

- Research not directly supporting eligible activities;
- Costs incurred prior to us notifying you that your application has been successful;
- Any in-kind contributions;
- Financing costs, including interest;
- Capital expenditure for purchase of assets such as office furniture and equipment, motor vehicles, computers, printers or photocopiers and the construction, renovation or extension of facilities such as buildings and laboratories;
- Costs involved in the purchase or upgrade/hire of software (including user licences) and ICT hardware (unless it directly relates to the project);
- Costs such as rental, renovations and utilities;
- Insurance costs (the participants must effect and maintain adequate insurance or similar coverage for any liability arising as a result of its participation in funded activities);
- Debt financing;
- Costs related to obtaining resources used on the project, including interest on loans, job advertising and recruiting, and contract negotiations;
- Maintenance costs;
- Costs of purchasing, leasing, depreciation of, or development of land;
- Site preparation activities which are not directly related to, or for, the main purpose of the project;
- Opportunity costs relating to any production losses due to allocating resources to the agreed grant project;
- Routine operational expenses, including communications, accommodation, office computing facilities, printing and stationery, postage, legal and accounting fees and bank charges; and
- Costs related to preparing the grant application, preparing any project reports (except costs of independent audit reports requested) and preparing any project variation requests.

This list is not exhaustive and applies only to the expenditure of the grant funds. Other costs may be ineligible where it is decided that they do not directly support the achievement of the planned outcomes for the project or that they are contrary to the objective of the program.

You must ensure you have adequate funds to meet the costs of any ineligible expenditure associated with the project.