

Neighbourhood Battery Initiative: Frequently Asked Questions

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Neighbourhood Battery Initiative: Frequently Asked Questions

What is the purpose of the Neighbourhood Battery Initiative grant program?

The \$3 million Neighbourhood Battery Initiative aims to support the delivery of neighbourhood-scale battery trial projects in Victoria across various stages of development, from feasibility through to trial implementation.

It will support projects across a range of neighbourhood-scale battery ownership and operational models, including those trialling customer battery access services and innovative local energy trading models.

Applicants will need to demonstrate that their project will deliver benefits to energy users and that it will access a range of value streams.

The NBI will provide funding for:

- Project development including capacity building for neighbourhood-scale battery projects, such as development of feasibility or business cases and technical, regulatory, legal and/or contractual advice to inform project planning and implementation (stream 1); and
- Implementation of scoped neighbourhood-scale battery trials, including capital funding and other associated implementation costs (stream 2).

A Consultation Paper has been released alongside the Application Guidelines to seek stakeholder views about the opportunities and challenges associated with neighbourhood-scale batteries in Victoria

Who can apply for funding?

Applications are open to a broad range of organisations and can include single entities or a consortium of Participants. However, all Applications, whether single entities or a consortium, must nominate a 'Lead Organisation' to:

- endorse the Application;
- verify any commitment of funds for the Project; and
- be authorised to enter into a Funding Agreement with the State if successful.

The Application must be approved by a duly authorised representative of the Lead Organisation. Individuals are not eligible to apply as a Lead Organisation under the Program.

The Lead Organisation must:

- have an Australian Business Number;
- be able to demonstrate that either the Lead Organisation or the Lead Organisation's parent company has at least three years operating history; and
- be able to provide three years of financial reports (preferably audited) for the Lead Organisation or the Lead Organisation's parent company.

The Department may request, during the Assessment Process, that unaudited financial reports be audited and resubmitted.

What type of projects will be considered for funding?

Stream 1: Project development

Funding (of up to \$150,000) will be provided for project(s) that:

- build capacity through developing feasibility studies and business cases for neighbourhood-scale battery trial implementation; and/or
- commission technical, regulatory, legal and/or contractual advice or services to support the planning and implementation of a neighbourhood-scale battery.

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Stream 2: Implementation-ready projects

Funding (of up to \$800,000) will be provided for project(s) that:

- implement the trial of a neighbourhood-scale battery; and
- demonstrate the ability to access multiple value streams.

What type of projects will not be considered for funding?

Grant funding provided by the Neighbourhood Battery Initiative will not fund:

- projects that have already commenced construction;
- land acquisition;
- storage installed behind the meter;
- routine or ongoing maintenance works, expansion of an existing generation facility;
- generation technologies;
- recurrent operating costs; and
- salaries.

How big is a neighbourhood-scale battery?

Neighbourhood-scale batteries are considerably larger than household batteries and range in size from approximately 100 kilowatts (kW) to five megawatts (MW). Neighbourhood-scale batteries are connected directly to the electricity distribution network ('in front of the meter'). They are sometimes referred to as 'community' or 'grid-scale batteries'.

What does 'in front of the meter' mean?

For a neighbourhood-scale battery project to be considered 'in front of the meter', it must be directly connected to the local electricity distribution network. The connection point to the distribution network must not be shared with any external loads or with any generation technology.

Can embedded networks or microgrids apply?

A neighbourhood-scale battery connected to an embedded network or microgrid is considered 'behind the meter' and is not eligible for funding through this program.

Can we add a battery to our project that has already started construction?

Where the installation of a neighbourhood-scale battery is proposed as part of a broader suite of works, the application will need to demonstrate that the neighbourhood-scale battery is a distinct project that has not commenced construction prior to 23 April 2021.

When will the funding be available?

Funding is available from May but will be released to the successful applicants subject to the terms of the Funding Agreement.

Are grant funds taxable?

It is the responsibility of applicants to understand their specific tax obligations including GST. GST is not payable to organisations which are not registered for GST with the Australian Tax Office.



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What are the minimum and maximum amounts of funding available for individual projects?

The maximum funding available in stream one is \$150,000 and the maximum amount of funding in stream two is \$800,000. There is no minimum funding requirement.

Is there a co-funding requirement?

Matched funding is not required; however, applicants must have secured or have a plan to secure a cash contribution towards the project (minimum of 10%). Applications with higher funding contributions will be viewed favourably.

How long do successful applicants have to complete their projects?

Successful applicants must complete their project by June 2022.

How can applicants apply?

Applications for eligible projects must be made via the online grant management portal. Applications must be received by the department no later than 5pm, 23 April 2021. The link to the online portal can be found at <https://www.energy.vic.gov.au/new-energy-technologies>

When will applicants be notified?

Applicants will be notified of the funding outcome in May 2021.

Our project delivers a number of benefits but does not meet the eligibility criteria, can we still apply?

As part of the assessment process, the department will review all applications against the eligibility criteria. Applications that do not meet the eligibility requirements will not be considered further in the assessment process. If you would like to provide feedback to inform long-term Victorian Government strategy and future funding decisions to support neighbourhood-scale batteries please review the consultation paper available at <https://engage.vic.gov.au/victorian-neighbourhood-battery-initiative-consultation>