Hume Hydrogen Highway application guidelines

Application Guidelines

July 2022





Acknowledgment of Country

The Governments acknowledge that they stand on Aboriginal land. We acknowledge the Traditional Custodians of the land and we show our respect for Elders past, present and emerging through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

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Ministerial forewords

The NSW Government is taking strong and collaborative action to address climate change, committing to halve our state’s emissions by 2030 and achieve net zero emissions by 2050. Hydrogen is a vital piece of the puzzle to help us realise these targets.

In NSW, the transport sector represents 20 per cent of our total greenhouse gas emissions and we are critically aware of our role in supporting the decarbonisation of this sector.

Investing in zero-emissions transport, including in hydrogen-powered heavy vehicles and refuelling infrastructure, can provide many benefits for NSW. This includes improved air quality, reduced noise pollution and increased fuel security.

Under the NSW Hydrogen Strategy, we have committed to support hydrogen refuelling corridors along the busiest freight corridors that traverse our state.

In partnership with the Victorian Government and industry, we will deliver Australia’s first green hydrogen refuelling corridor, providing a replicable and scalable solution to inform the future rollout of a state-wide hydrogen refuelling network.

**The Hon. Matt Kean MP**

Treasurer

Minister for Energy



The Victorian Government has a strong and ambitious plan to address climate change, with our target to cut emissions by 50 per cent by 2030 as we work towards net zero emissions by 2050. Renewable hydrogen holds enormous potential for Victoria, both economically and environmentally, fast becoming an increasingly competitive zero-emissions fuel option that provides our heavy transport industry with an exciting decarbonisation opportunity.

A perfect innovative example towards developing this burgeoning sector, Australia’s first renewable hydrogen refuelling network will be built along the nation’s busiest freight route – the Hume Highway – thanks to this $20 million collaboration between the Victorian and NSW Governments.

The Hume Hydrogen Highway will unlock new markets for renewable hydrogen, create new jobs and drive investment in regional and metropolitan areas along Australia’s eastern seaboard.

By decarbonising our heavy transport industry, which accounts for 25 per cent of Victoria’s total carbon footprint, we will be another step closer to achieving our net-zero by 2050 target.

I encourage you to join us in bringing this vision to life.

**The Hon. Lily D’Ambrosio MP**

Minister for Energy

Minister for Environment and Climate Action

1. Overview

In December 2021, the Governments of New South Wales (NSW) and Victoria signed a Memorandum of Understanding (MOU) to co-design, co-fund and co-deliver a program supporting the deployment of a hydrogen refuelling network along the Hume Highway. This includes support for both hydrogen refuelling stations and hydrogen-powered trucks.

The heavy transport industry powers NSW and Victoria’s economies. It is also one of our largest sources of greenhouse gas emissions. We recognise this challenge and see it as an opportunity for our two state Governments to work together on a solution.

The $20 million Hume Hydrogen Highway initiative (the initiative) supports the establishment of a hydrogen refuelling corridor along our nation’s most-trafficked freight route. This refuelling corridor will:

* reduce carbon emissions through the displacement of diesel fuel in the hard-to-abate heavy transport sector
* improve air quality and reduce vehicle noise on our roads
* grow and diversify the economy by creating new jobs
* catalyse further public and private investment in hydrogen refuelling infrastructure to help establish an east coast refuelling network.

To achieve this, we are undertaking a competitive process to award $20 million in grant funding to support the development of a demonstration network of at least 4 renewable hydrogen refuelling stations along the Hume Highway, and at least 25 hydrogen-powered trucks to use the network for linehaul transportation.

We are seeking applications from proponents to deliver the demonstration network of hydrogen refuelling stations, along with the hydrogen-powered trucks travelling between Sydney and Melbourne using renewable hydrogen.

This initiative is being delivered by the Office of Energy and Climate Change (the office) within NSW Treasury and the Victorian Government Department of Environment, Land, Water and Planning (DELWP) (Note: hereafter the office and DELWP will be referred to as ‘the Governments’).

**Alignment with existing policies from the NSW and Victorian Governments**

Establishing a hydrogen refuelling network is a key initiative of the [NSW Hydrogen Strategy](https://www.energy.nsw.gov.au/sites/default/files/2021-10/govp1334-dpie-nsw-hydrogen-strategy-fa2_accessible_final.pdf) which outlines a suite of policy measures to support a strong hydrogen industry in NSW. Under the Strategy, the NSW Government has committed to support hydrogen refuelling corridors along strategic freight corridors. The Hume Hydrogen Highway will provide a replicable and scalable solution to inform the future rollout of a state-wide hydrogen refuelling network.

More information on the NSW Hydrogen Strategy can be found on the [Energy NSW website](https://www.energy.nsw.gov.au/renewables/renewable-generation/hydrogen).

The Victorian Renewable Hydrogen Industry Development Plan (the Plan) outlines the Victorian Government’s key focus areas and actions to accelerate the development of a renewable hydrogen industry across the state.

The Plan includes an outcome seeking to advance the integration of renewable hydrogen with the transport sector. It recognises that hydrogen can provide a zero-emissions solution which can be deployed across a broad spectrum of transport modes, including heavy vehicles, to help drive decarbonisation of this emissions intense sector. The Hume Hydrogen Highway helps deliver on that outcome and, more broadly, supports the implementation of the Plan.

More information on the Plan can be found [here](https://www.energy.vic.gov.au/renewable-hydrogen/renewable-hydrogen).

## 2. Objectives

Our initiative has the following objectives:

* accelerate the development of a renewable hydrogen economy in NSW and Victoria
* promote decarbonisation of the transport sector, supporting the reduction of greenhouse gas emissions in both NSW and Victoria
* promote the heavy transport sector as a key offtake for renewable hydrogen
* build the foundational local knowledge, skills, infrastructure and supply chains that will drive large scale market activation and widespread commercial uptake of renewable hydrogen in the heavy transport sector
* leverage at least matched funding to create new jobs and capital investment in NSW and Victoria
* generate and share knowledge that demonstrates a repeatable and scalable commercial model for hydrogen refuelling.

## 3. Who can apply

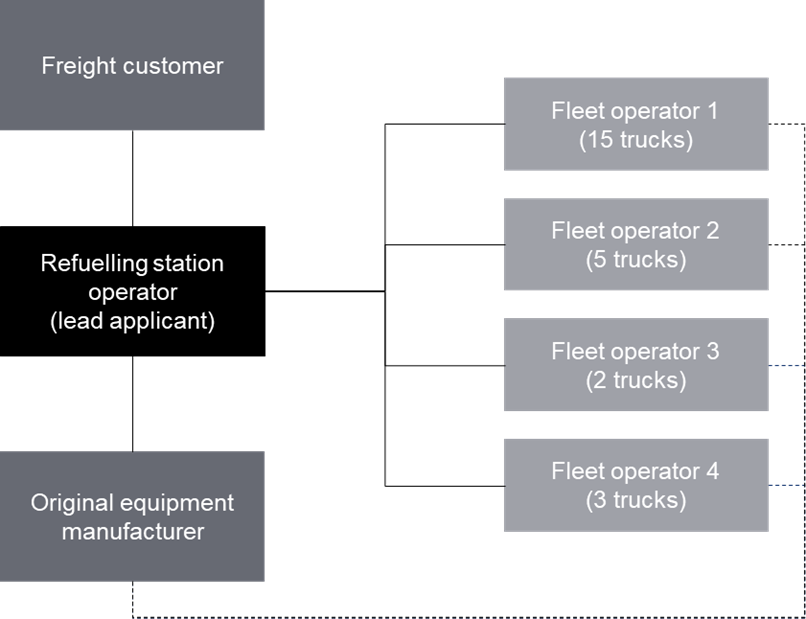
Our initiative is a competitive grant funding process open to all market participants. We are seeking proposals that demonstrate both the deployment of renewable hydrogen refuelling stations and hydrogen-powered trucks. To achieve the initiative’s objectives, applicants are strongly encouraged to apply as a consortium, with one organisation taking the role of lead applicant (or “prime”).

We anticipate that consortia will need to be comprised of market participants with the necessary capabilities and capacity to meet our objectives and project parameters. This could include (but is not limited to):

* a refuelling station operator
* at least one freight and logistics operator
* at least one hydrogen truck original equipment manufacturer (OEM)
* a freight customer.

Consortia may include other entities based upon the commercial structure and approach proposed by the applicant. For example, this may include more than one fleet and logistics operator, or hydrogen producers and project developers. However, it should be noted that grant funding under our initiative is intended to support the establishment of renewable hydrogen refuelling stations and the procurement of hydrogen-powered trucks and is not intended to support renewable hydrogen production.

Figure 1 illustrates an indicative example of a consortium structure that could apply for grant funding, with Table 1 outlining indicative roles of different entities within the consortium.



**Figure 1:** Indicative consortium structure

|  |  |
| --- | --- |
| **Entity** | **Indicative role within consortium** |
| Refuelling station operator | * Consortium lead applicant * Design and install hydrogen refuelling infrastructure for at least 4 stations * Operate and maintain refuelling stations |
| OEM | * Provide hydrogen-powered trucks to fleet operators * Provide maintenance services for hydrogen-powered trucks |
| Fleet operators | * Financial contribution/s to procurement of hydrogen-powered trucks * Operate and maintain fleet vehicles |
| Freight customer | * Financial contribution/s in the form of a green premium for freight services to support customers sustainability outcomes * Potential co-branding of vehicles |

**Table 1:** Indicative consortium contributions and roles

You may propose any alternative integrated consortium structure and consortium member contributions. The number of hydrogen-powered trucks shown per operator in Figure 1 is indicative only and you may propose any arrangements that support the achievement of our initiative’s objectives.

### 3.1 Eligibility

We will assess eligibility on the basis of applicant eligibility and project eligibility. The criteria are outlined below.

3.2 Applicant eligibility criteria

To be eligible to proceed to the merit assessment stage, you must satisfy the following applicant eligibility criteria. Applicants that fail to meet these criteria will be deemed ineligible and disqualified from the assessment process.

The lead applicant and consortium members must:

1. be an Australian entity duly incorporated under the [*Corporations Act 2001* (Cth)](https://www.legislation.gov.au/Details/C2019C00216)and hold and comply with all necessary authorisations that are material to the conduct of the business of the applicant\*
2. have an Australian Business Number (ABN)
3. operate at premises in Victoria or New South Wales
4. declare they are not subject to any insolvency event, including the subject of an order or resolution for winding up or dissolution (other than for the purposes of reconstruction or amalgamation), or the appointment of a receiver, liquidator, administrator or similar
5. be the legal and beneficial owner of, or have all necessary rights to use, any Intellectual Property necessary to carry out the project
6. agree to enter into an agreement with the Governments to publicly share knowledge and information about, and resulting from, the project described in the application in line with the confidentiality arrangements set out in Section 10.3
7. agree to share data about the project with the Governments to help evaluate the initiative and improve the design of future programs
8. declare they are not subject to any legal proceedings or investigations, including litigation, arbitration, mediation or conciliation taking place, pending or (to the best of the applicant’s knowledge, after having made proper enquiry) threatened against the applicant or a related body corporate (as defined in the *Corporations Act 2001* (Cth)) (Claims) to the extent that such Claims objectively either:
9. affect, could affect, or be perceived to affect, the reputation of the State of New South Wales and / or the State of Victoria (including their officers, Ministers and employees)
10. conflict with, may conflict with, or be perceived to conflict with the potential funding or your obligations under the funding agreement or project more generally
11. impact (materially or otherwise) your ability to complete the project or comply with your obligations under the funding agreement.
12. comply with:
    1. all obligations under employment contracts, industrial agreements and awards
    2. all codes of conduct and practice relevant to conditions of service and to the relations between the applicant and the employees employed by the applicant
    3. all applicable Workplace Health and Safety legislation.
13. declare that at the time of the application, they hold all insurances required by law
14. not be named on the list of persons and entities on the Australian Department of Foreign Affairs and Trade sanctions list.[[1]](#footnote-2)

\*The Governments reserve the right to accept non-conforming applications with respect to eligible organisational entity types. Interested participants should contact the Governments prior to lodging an application.

Lead applicants should note that all consortium members, joint ventures or special purpose vehicle entities established for the purpose of administering grant funding under this initiative (if different to the lead applicant) must also comply with the eligibility criteria set out above. You must identify the proposed recipients of your grant funding in your application. The Governments will undertake an assessment of the lead applicant and any proposed recipients, including due diligence checks to confirm sound financial standing. You must comply with any request for information as part of these due diligence checks. As a result of the due diligence the Governments may, in their discretion, require that the lead applicant provide a form of guarantee for the performance of the funding agreement (for example, a parent company guarantee).

### 3.3 Project eligibility criteria

To be eligible to proceed to the merit assessment stage, you must demonstrate that your project:

1. proposes a network of 4 or more refuelling stations on or in close proximity to the Hume Highway as defined in Section 9.4
2. proposes a fleet of at least 25 hydrogen-powered trucks that:
   1. operate for linehaul transportation
   2. must be heavy vehicles as defined under the National Heavy Vehicle Law with a minimum 4.5 tonnes gross vehicle mass.
   3. must be compliant with relevant Australian Design Rules (ADRs).
3. would not have gone ahead in the near term without the support of our initiative
4. uses renewable hydrogen as defined in Section 9.3.

The Governments reserve the right to accept non-conforming applications with respect to the number of hydrogen-powered trucks, however, this reduced number may impact merit scoring.

## 4. What will be funded

The initiative is seeking to support at least 4 renewable hydrogen refuelling stations and at least 25 hydrogen-powered trucks.

A total of $20 million in grant funding is available under this initiative. Through a competitive application process, we are expecting to fund one application that meets the project parameters in Section 4.1 and is assessed as being of higher merit according to the merit assessment criteria outlined in Section 7.

Applicants should seek professional advice on the taxation treatment of grant funding provided under this initiative prior to applying. We will not provide taxation advice to applicants.

4.1 Project parameters

The table below provides guidance on the key project parameters you will need to demonstrate in your project:

|  |  |
| --- | --- |
| Project parameter | Description |
| Hydrogen refuelling stations | * The hydrogen refuelling corridor must include a minimum of 2 stations in both NSW and Victoria. * Stations must be located in accordance with the specifications outlined in Section 9.4. * Refuelling stations must provide full refuelling coverage of the Hume Highway between Sydney to Melbourne for hydrogen-powered trucks travelling both north and south. This includes demonstrating how the number of stations, intervals between stations and capacity of each station provides full route coverage for the proposed fleet of hydrogen-powered trucks. * Refuelling stations must be open access to facilitate future hydrogen refuelling demand. * Refuelling stations must comply with all relevant Australian Standards. |
| Hydrogen-powered trucks | * Applications should include at least 25 hydrogen-powered trucks, with higher numbers of trucks considered higher merit. * Applications that demonstrate greater emissions reduction potential will be considered higher merit. * Applications that include 100% hydrogen-powered fuel-cell trucks will be considered higher merit. * Applications that include greater numbers of hydrogen-powered trucks travelling the entire length of the Hume Highway (i.e. demonstrating the use of all of the refuelling stations) will be considered higher merit. * Applications that support more than one freight and logistics fleet operator to trial hydrogen-powered trucks within their operations will be considered higher merit. * Applications that demonstrate regional benefits in both states by having equal proportions of the fleet based and maintained across both states will be considered higher merit. |
| Refuelling capacity | * Applications must ensure sufficient refuelling capacity to supply hydrogen for at least 25 hydrogen-powered trucks operating along the corridor. * Applicants must demonstrate how the refuelling capacity of each station cumulatively provides full refuelling coverage of the corridor. * Refuelling stations must be capable of supporting heavy vehicle refuelling (i.e. at least 350 bar pressure). |
| Hydrogen supply | * The hydrogen supply for the hydrogen refuelling corridor must be renewable hydrogen, also referred to as green hydrogen, as defined in Section 9.3. * Renewable hydrogen can be sourced through hydrogen supply agreements or from on-site hydrogen generation. Note expenditure for onsite renewable hydrogen generation equipment is ineligible for funding under this initiative. |
| Scalability | * Projects must demonstrate a credible pathway to scale refuelling capacity to support greater numbers of hydrogen heavy vehicles beyond the initial deployment. * This may include demonstrating stations’ capacity and capability to competitively supply fuel for:   + additional trucks from fleet operators   + Government owned or contracted heavy vehicles in the areas where the stations are located (e.g. buses). * Support will be prioritised for projects that provide a foundation to support large-scale deployment of hydrogen-powered trucks within a fleet’s operations. |
| Future-proofing | * Applications that demonstrate consideration of broader zero emissions transport will be considered higher merit. For example, this could include evidence of additional planning for future electric vehicle charging infrastructure at refuelling stations, noting that this will not be considered eligible expenditure. |
| Timing | * The hydrogen refuelling corridor should be operational by 30 June 2025. |
| Funding | * The Governments will jointly contribute grant funding up to a maximum of 50% of the project’s eligible expenditure (see Section 12.1 for details on eligible expenditure). * Preference will be given to applications that demonstrate financial contributions from one or more consortium members. For example, applications requesting a smaller amount of grant funding per vehicle and financial contributions from a freight customer will be considered higher merit. |

4.2 What will not be funded

This initiative will not fund any project that does not meet the applicant and project eligibility criteria set out in Section 3. Grant funding can only be used to support the eligible expenditure defined in Section 12.1. Under this initiative, ineligible expenditure includes, but is not limited to:

* expenditure for onsite renewable hydrogen generation equipment
* hydrogen-powered vehicles operating back-to-base routes around refuelling stations
* expenditure on equipment already purchased with supplementary funds from another source
* expenditure related to an applicant’s parallel future-proofing plans for technology such as electric vehicle fast-chargers, and infrastructure upgrades such as additional carparking or improvements to customer facilities at refuelling stations
* expenditure related to the general operations and administration of the recipient entity that the recipient could reasonably be expected to undertake in the normal course of business
* expenditure on the acquisition of land for a project
* salaries and staffing expenses
* activities that directly relate to NSW and Victorian Government planning assessment processes.

Please note, non-cash contributions (in-kind contributions) cannot be included in the budget submitted with applications under the initiative. In-kind contributions can be included in the project funding sources, in-kind contributions and key milestones [template](https://www.energy.vic.gov.au/__data/assets/word_doc/0027/581751/HHH-Project-funding-sources-in-kind-contributions-and-key-milestones-template.docx).

4.2 Supplementary funding opportunities from other government entities

You can apply to receive supplementary funding from other government entities, such as the Australian Renewable Energy Agency (ARENA), or other State governments.

Where possible, the application process for supplementary funding will be streamlined. If you want any supplementary funding of your project considered in our assessment process you will need to:

* apply to the other government entity prior to close of our initiative’s application period
* consent to the application and associated information being shared with the other government entity.

Applicants seeking supplementary funding must comply with the other government entity’s application and assessment processes. Where applicants have applied for supplementary funding, the other government entity will conduct an assessment and funding process separate to this initiative. Approval of supplementary funding by another government entity won’t result in automatic approval for grant funding under this initiative.

**EXAMPLE**:

You are seeking supplementary funding beyond the $20 million available under this initiative for a project that requires $35 million of funding support to proceed.

You should state the same $35 million funding gap in applications submitted to this initiative and the other government entity. You should also delineate which parts of the project you expect to be funded through this initiative and which parts will be funded by other potential supplementary funders, noting that the funding requested under this initiative should address the requirements and parameters of this initiative. In your application, you can indicate how the scale of your project may change depending on how much supplementary funding is received.

Supplementary funding will be assessed on a case-by-case basis. Where applicants apply for supplementary funding, the total funding support required for the project must be declared across all funding applications. It must include a delineation of what the potential supplementary funders grant amounts will go towards. We will not allow supplementary grant funding from supplementary funders to be applied against expenditure that has already had grant funding applied to it under this initiative (e.g. supplementary funders providing a grant amount for a truck which has already had grant funding applied to it under this initiative). We expect that any supplementary funding amounts will be applied to different parts of the project to avoid double accounting of grant funding against the same expenditure.

If supplementary funding is required to deliver the minimum requirements and parameters of this initiative, then the applicant will be required to provide evidence that the supplementary funding has been secured prior to any grant funding being paid under this initiative.

If an applicant is awarded supplementary funding, each supplementary funder will decide on how much they award. Any funding will be paid under separate funding agreements.

Applications in this initiative may also be able to receive funding support through the Clean Energy Finance Corporation (CEFC) Advancing Hydrogen Fund. It can provide debt or equity finance to eligible projects in accordance with the CEFC investment mandate.

## 5. The application process

Our single-stage application process requires you to provide a competitive high-quality proposal.

In your application, you will need to:

* address applicant and project eligibility requirements outlined in Section 3.2 and 3.3
* respond to all merit criteria outlined in Section 7
* meet all application information requirements outlined in Section 12.2
* understand the funding agreement conditions (Section 9.2) that will apply in the event that you are successful
* follow the application process outlined in Section 5.1.

Indicative timing of the initiative is set out in Section 8. Please note, the Governments also reserve all rights to amend these guidelines and the application processes described herein in order to achieve the initiative’s objectives.

### 5.1 How to apply

A step-by-step application summary is provided below:

1. Read these guidelines and the [frequently asked questions](https://www.energy.vic.gov.au/__data/assets/word_doc/0037/583597/HHH-Frequently-Asked-Questions.docx) document
2. Download and review the following templates from the [initiative website](http://www.energy.vic.gov.au/grants/hume-hydrogen-highway)
   * funding agreement
   * risk register
   * project funding sources, in-kind contributions and key milestones
   * knowledge sharing plan
3. Preview the application form on the [online application portal](https://delwp1.force.com/publicform?id=a0h8u000000TsuV)
4. If required, seek clarifications from the Governments as per Section 11.2
5. Complete your application through the [online application portal](https://delwp1.force.com/publicform?id=a0h8u000000TsuV), ensuring you submit prior to the submission deadline outlined in Section 5.2.

Please note that all evidence required to substantiate your submission must be provided prior to the submission deadline.

### 5.2 Submission deadline

**Your application must be submitted no later than 2:00pm AEDT, Friday 28 October 2022.**

Late applications or applications lodged other than in accordance with the requirements of this section will only be accepted if they do not compromise the integrity of the application process. In these circumstances, the Governments can accept or decline late applications at our sole discretion. In accordance with probity principles, exceptional circumstances will be considered on their merits and are characterised by one or more of the following:

* reasonably unforeseeable
* beyond the applicant’s control
* unable to be managed or resolved within the application period.

You should not assume that you will be given any further opportunity to amend your application. The original application lodged should be considered final.

## 6. How applications will be assessed

### 6.1 Assessment process

A summary of the assessment process is provided below:

1. We will review applications for completeness, and confirm they meet the applicant and project eligibility criteria. Applications that do not meet the eligibility requirements will not be considered further in the assessment process.
2. All eligible applications will be assessed on merit against the merit criteria set out in Section 7.
3. Once a successful applicant is assessed as the highest merit eligible application, following approval, they will be provided a letter of offer to execute a funding agreement with the Governments as per Section 9.1.

### 6.2 Optional assessment provisions

During the assessment process, we may seek advice on the merit assessment of your application from third parties, which may include ARENA and external consultants or advisers.

We may also seek clarification from applicants in relation to any matter arising from the assessment of your application. In this event, you will need to ensure that you are available to respond to clarification requests within a reasonable time period. This may also include presenting your application to the Governments to inform the merit assessment. In the event that applicants do not respond within a reasonable time period, only the information provided through the initial application process will be assessed.

In the event that two or more applications are ranked as the highest merit projects, the Governments may use a competitive negotiation process to determine the successful applicant.

We provide no guarantee that any projects will be funded following the evaluation of applications and no undertaking is given on the amount of individual or total grant funding that will be provided.

### 6.3 Due diligence

At our sole discretion, we reserve the right to conduct due diligence enquiries on any application as we see fit to verify any information and ensure the integrity of the initiative. The information you submit in your application may be subject to investigation, reference checking, invoice comparison, site visits, interview, enquiries and confirmation.

Due diligence may include, but is not limited to:

* inviting you to present your application to us and/or our consultants and advisers
* commissioning or completing research, analysis and modelling to support assessments
* contacting identified consortium members and participating organisations such as ARENA to confirm or verify elements of your application
* contacting any relevant federal, state, territory and international government agency about your application
* asking you to disclose any information and materials reasonably required in respect to the evaluation of eligibility and merit criteria.

In addition, applicants should be aware that:

* the completion of due diligence to the satisfaction of the Governments may also be required to satisfy one or more criteria for release of funding under the funding agreement
* where project contributions are expected to include debt financing, we may require access to, and reliance on, professional due diligence commissioned by debt financiers to satisfy one or more criteria for release of funds under the funding agreement. Accordingly, we will need to liaise with you and facilitate appropriate terms and arrangements when engaging with debt financiers.

### 6.4 Final decision

Our decision is final in all matters, including:

* the rejection, refusal and cessation of assessment of an application at any time
* the approval of applications for grant funding
* the amount of grant funding awarded
* the terms and conditions of grant funding, as set out in the [funding agreement template](https://www.energy.vic.gov.au/__data/assets/word_doc/0034/581749/HHH-Funding-Agreement-Template.docx).

At the end of the assessment process, we will advise all applicants in writing about the outcome of the assessment of their application.

## 7. Merit criteria

Applicants must address all of the following merit criteria:

### 7.1 Criterion 1 - Contribution to the initiative’s objectives

**Weighting: 45%**

This criterion assesses how well your project contributes to the initiative’s objectives. To support assessment of this criterion, applications will be required to demonstrate the:

1. project’s alignment to the initiative’s objectives and project parameters outlined in Section 4.1, including but not limited to:

* the number, size and location of hydrogen refuelling corridor stations proposed, including the refuelling capacity available and renewable hydrogen supply arrangements
* the number of hydrogen-powered trucks proposed, including details of freight routes and expected hydrogen consumption figures.

1. value for money of the proposed project with respect to the grant funding request. Applicants should demonstrate that the funding requested is the minimum grant funding required for the project to proceed, including reference to any commercial constraints. The project’s cost competitiveness and efficiency will be considered with reference to:

* the amount of total grant funding requested per kilogram of hydrogen supplied to vehicles at the refuelling stations (representing the economic gap to commercial competitiveness)
* the amount of total grant funding requested per tonne of greenhouse gas emissions abated in the first three years of the project’s operation (in consideration of the net zero emissions targets from both the NSW and Victorian Governments)
* the amount of initiative grant funding requested per hydrogen vehicle and refuelling station.

1. project’spotential to drive scale and reduce hydrogen refuelling costs, including but not limited to the:

* potential for the project to be replicated
* addressable market size of the consortium members
* project’s pathway for scaling hydrogen consumption
* extent to which the project enables uptake by other potential hydrogen offtakes
* excess refuelling capacity available that can support deployment of additional hydrogen vehicles
* analysis of any planned expansion of the project and impact on renewable hydrogen supply chain costs which might allow the project to be replicated or scaled with a reduced subsidy in the medium term.

1. forecast level of emissions abatement, on an annual basis, onwards from 1 July 2025 for:

* the first three years of the project’s operation
* the life of the project, factoring in any plans to scale up the project.

### 7.2 Criterion 2 – Consortium delivery model, capability and capacity

**Weighting: 35%**

This criterion assesses the delivery model, capability and capacity of the applicant and consortium members to deliver the project. To assess this criterion, applications will be required to demonstrate the:

1. consortium delivery model, including but not limited to the:

* diversity of project partners proposed within the applicant’s consortium. For example, applications that include more than one freight operator will be considered higher merit and applications that include a freight customer within their consortium will be considered higher merit
* level of commitment, quality, and completeness of agreements between consortium members and third-party suppliers needed to support the delivery of the project.

1. level of experience and expertise of the lead applicant and consortium members needed to support the delivery of the project, including where partners have successfully delivered hydrogen projects of a similar nature, scale or value in Australia or internationally
2. applicant’s financial capacity to deliver the project, including but not limited to the:

* deliverability of the financing plan
* extent to which the lead applicant or consortium members are providing co-funding for the project
* level of conditionality of the funding commitments to ensure the project is delivered successfully
* relevant industry benchmarks for the economics of the project
* risk of cost overruns and the capacity of the applicant to manage cost overruns
* quality of the financial model and assumptions for the project.\*

\*Applicants are expected to clearly set out the level of confidence regarding project cost estimates, which should include external evidence where applicable (e.g. quotes or estimates from supply chain manufacturers)

### 7.3 Criterion 3 – Application and project plan

**Weighting: 10%**

Under this criterion, we will assess the quality and completeness of the application and project plan and risk management documentation. To support assessment of this criterion, the applications will be required to demonstrate the:

1. approach to identifying, managing and reporting the project’s personnel, delivery, technical and financial activities and risks including but not limited to the:

* project plan
* level of project technical definition and completion of front-end engineering and design phase (FEED)
* completeness of the project timeline and the timing of project development and delivery up to and including the point of commissioning
* level of detail regarding renewable hydrogen supply
* identification and consideration of all required permits (including environmental and planning), approvals (including Foreign Investment Review Board where applicable) and consents for the project
* quality of the risk management plan (including the project hazard and operability analysis, workplace health and safety, and safety management plan) and the extent to which key risks have been identified and mitigated in project contracts and the financial model
* applicants understanding and acceptance of the terms of the funding agreement template.

### 7.4 Criterion 4 – Contribution to accelerating the renewable hydrogen industry

**Weighting: 10%**

This criterion assesses the broader impact of the project on the renewable hydrogen industry. To support the assessment against this criterion, applications will be required to demonstrate the:

* extent to which the project will utilise local content and suppliers and support the creation of regional benefits and jobs (both construction and ongoing; direct and indirect). This includes demonstrating a plan for local skills development relevant to hydrogen in NSW and Victoria in line with Section 9.7
* extent to which the project will secure a social licence and build acceptance of NSW and Victorian hydrogen industries
* plan to collate and disseminate knowledge and learnings from the initiative as per the Section 9.6.

## 8. Initiative timeline

Indicative initiative timing is provided below:

|  |  |
| --- | --- |
| Event | Date |
| Applications open | 18 July 2022 |
| Optional initiative briefing session | 27 July 2022 12:30 PM – 2:00 PM |
| Questions close | 7 calendar days before applications close |
| Applications close | 28 October 2022 |
| Assessment of applications | November 2022 to December 2022 |
| Approval of grant award | January 2023 to February 2023 |
| Successful applicant notified | February 2023 |
| Finalise funding agreement | March to April 2023 |
| Completion of Hume Hydrogen Highway | 30 June 2025 |

## 9. Funding conditions

### 9.1 Letter of offer

The successful applicant will be issued a non-binding letter of offer to enter into a funding agreement. The letter of offer will outline the terms under which we are prepared to enter into negotiations for a funding agreement for the initiative. The letter of offer will outline the:

* value of grant funding that is being offered
* development milestones and timetable that you are required to meet (such as relevant milestones up to and including financial close)
* terms under which we may withdraw the offer of funding
* requirements for monthly confirmation that you are proceeding with the project, via meetings or written communication.

Receipt of a letter of offer does not guarantee the offer of grant funding and any payment of funds by the Governments under the initiative will be subject to the execution of a funding agreement.

If you receive a letter of offer, you **must keep the information confidential** until advised by the Governments. Any public communication regarding the initiative between the time that the successful applicant receives a letter of offer and the execution of the funding agreement can only be done with our prior written consent. We may withdraw from negotiations if you do not comply with this requirement.

### 9.2 Funding agreement

The funding agreement establishes the parties and outlines their commitments and obligations to each other, as well as setting out the general funding terms and conditions. It provides the legal framework for each party’s obligations and terms of payment for the successful applicant. It is essential that applicants review the terms and conditions before applying. The funding agreement template is available [here](https://www.energy.vic.gov.au/__data/assets/word_doc/0034/581749/HHH-Funding-Agreement-Template.docx).

**Applicants are expected to accept the conditions of this funding agreement template with no or very limited changes. The Governments, at our sole discretion, reserve the right to accept or decline any departures from the funding agreement proposed by applicants.**

You will be asked to confirm your understanding and acceptance of the terms and conditions within the funding agreement before you can finalise and submit your online application.

Please note, the funding agreement template is based on a lead applicant model. If the applicant wishes to deviate from a lead applicant model for the grant funding, you must include details of the proposed model for the Governments consideration. If the proposed model is approved by the Governments, the funding agreement will require amendment by the Governments to cater for the different funding model.

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

The successfully funded project 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. Recipients are responsible for determining their tax liabilities for grant payments. Grants provided by the Governments may be classified as income and tax may be payable by recipients. Each applicant is responsible for investigating their own tax structure and treatment.

### 9.3 Renewable hydrogen

We require all hydrogen used under the initiative to be renewable hydrogen, also referred to as green hydrogen. This may be procured via a renewable hydrogen supply agreement with a third party or produced onsite.

We define renewable hydrogen as hydrogen produced from electrolysis using 100% renewable electricity or hydrogen produced from steam methane reforming using 100% responsibly sourced renewable biomethane. Projects will not be eligible for funding if any input to the renewable hydrogen that the project utilises (including electricity or feedstock) is derived using wood waste or biomass from native forests.

Hydrogen production from electrolysis must be 100% powered by GreenPower accredited renewable electricity through any combination of the below:

* on-site renewable electricity generation
* retirement of renewable energy certificates (RECs) through GreenPower.

To avoid any doubt or confusion, all inputs to the production process for the renewable hydrogen used as part of the initiative must also be eligible renewable energy sources as defined by Victoria’s *Renewable Energy (Jobs and Investment) Act 2017 (VIC).*

Whether procuring the renewable hydrogen from a third party or producing it onsite, you must demonstrate in your application how that supply meets the renewable hydrogen definition for the initiative. Where possible, certification of the supply as renewable hydrogen is preferred by the Governments.

### 9.4 The Hume Highway

The M31 Hume Highway, inclusive of the sections known as the Hume Freeway and Hume Motorway, is Australia’s most trafficked freight route by volume, and a key transport connection between Australia’s biggest cities, Sydney and Melbourne.

A minimum of 2 hydrogen refuelling stations must be located in each of NSW and Victoria. Refuelling stations in Melbourne and Sydney must be located within the city’s respective urban growth boundary. Refuelling stations located outside of the urban growth boundary must be located either along or within a 20 km radius of the Hume Highway.

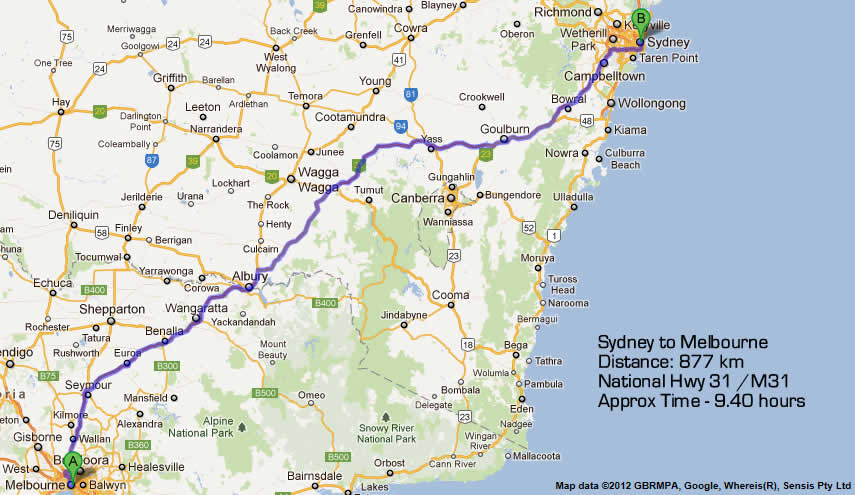


Figure 2: [M31 Hume Highway](https://www.atn.com.au/maps/sydmel1.html)

### 9.5 Project monitoring and delivery

Grant recipients are required to comply with project monitoring and reporting requirements stipulated in the funding agreement. Grant recipients are responsible for project delivery, including any project cost overruns should they occur.

As per the funding agreement template, we reserve the right to cancel the grant and, if applicable, to recoup any payment that has already been provided where:

* a project is delayed for an unreasonable length of time
* substantive changes to scope are made without Government approval after funding has been awarded, or
* a project fails to be delivered.

### 9.6 Knowledge sharing

The terms of the funding agreement include an obligation on the recipient to deliver a knowledge sharing plan for the project that is approved by the Governments, outlining how knowledge about the project will be shared publicly and with industry. As part of your application, you must enter into an agreement with the Governments to publicly share knowledge and information about, and resulting from, the project described in your application. You will need to complete the knowledge sharing plan template that we have provided (available [here](https://www.energy.vic.gov.au/__data/assets/word_doc/0026/581750/HHH-Knowledge-Sharing-Plan-Template.docx)) and include it in your submission as per Section 12.2.

On review of the knowledge sharing plan template by the Governments, the Governments may require a data sharing deed be included in the funding agreement as a condition of funding on terms acceptable to the Governments. If required, the Governments will provide draft terms of the data sharing deed to the successful applicant after a letter of offer has been issued.

Further conditions of grant funding include agreeing to:

* provide the Governments with a publicly available report about the project
* hold public knowledge sharing sessions to inform industry and the broader community about the project’s development and findings.

### 9.7 Local jobs outcomes

Both NSW and Victorian Governments are committed to putting local business and workers first, including Traditional Custodians of the land and Aboriginal people. We support local businesses and workers through full and fair opportunities for small and medium size enterprises in both large and small government contracts, helping to create job opportunities, including for apprentices, trainees and cadets.

You are required to provide details of any proposed strategies, social procurement policies or frameworks previously adopted to use local content and suppliers, including opportunities for Aboriginal Organisations, Traditional Owner Corporations and Local Aboriginal Land Councils, to create local benefits and jobs. This includes demonstrating a plan for local skills development relevant to hydrogen. The successful applicant will be required to report on the local job outcomes that result from their project.

### 9.8 Acknowledgement

Successful applicants must consult with the Governments prior to the publication of any project promotional materials and liaise with us to coordinate any public events or announcements related to the project. Promotional materials include media releases, announcements or other public disclosure.

Acknowledgement of NSW and Victorian Government support is required in any public statement by the successful applicant about their project.

Once a funding agreement is executed, the terms of the funding agreement will govern any public announcements. We reserve the right to promote aspects of the project that are not Commercial-in-Confidence in publicly available materials published by either Government at our discretion.

## 10. Additional conditions

### 10.1 Commencement and authority for the guidelines

These guidelines have been approved by the Governments. The guidelines may be varied from time to time or revoked. We have the authority to award grant funding under the initiative and execute and vary the funding agreements that allow the NSW and Victorian Governments to provide this funding.

### 10.2 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, assessment process or in awarding any subsequent contract. If we determine that you or any of your associates have violated this condition, you may be disqualified from further consideration, in our absolute discretion.

By submitting an application, you consent to us performing probity and financial checks and procedures in relation to you or any of your associates. If we request these probity checks, you must agree to seek consents from the individuals involved.

We will administer conflict of interest procedures for the initiative, including procedures for all staff to declare their interests.

All consultants and advisers that we engage to assist in the delivery of the initiative 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 our probity procedures.

### 10.3 Confidentiality

As part of an application, you must identify what information provided is Commercial-in-Confidence and to be treated by the Governments confidentially.

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

To assess an application, we may disclose Commercial-in-Confidence information provided by applicants to the following parties:

* the Minister(s) or Minister(s)’s office
* the NSW or Victorian Ombudsman and Audit Office of NSW or Victoria
* the office and DELWP and their employees, officers, agents, subcontractors, consultants and advisers
* ARENA
* CEFC
* Australian Energy Market Operator (AEMO)
* any agency or body of the NSW or Victorian Government, or any other organisation or individual considered to have a need or an entitlement to know that information (including any federal, state or territory agency or body), where that need or entitlement to know that information arises out of or in connection with our assessment, verification or due diligence of any aspect of an application
* where authorised or required by law to be disclosed, to those parties.

If we disclose Commercial-in-Confidence information to any of the above parties, we will inform the party that the information is strictly confidential. We will otherwise only disclose Commercial-in-Confidence information provided by applicants with direct consent.

Any personal information will be managed in accordance with the Governments’ respective privacy policies, which can be found at <https://www.dpie.nsw.gov.au/privacy> and <https://www.delwp.vic.gov.au/privacy>.

Under this initiative, the successful project may involve the application of innovative technologies which require the sensitive treatment of intellectual property. In this event, an Intellectual Property Management Plan may be appropriate and will be included as a condition of funding under the successful applicant’s funding agreement.

### 10.4 Limitations

**No representation, warranty or guarantee**

We do not give any representation, warranty or guarantee, whether express or implied, in relation to the information contained in any materials released by the Governments associated with the initiative (initiative materials). This includes their completeness, accuracy, currency or reliability or the process by which they were prepared. We do not give opinions regarding, legal, accounting, regulatory, taxation or any other matters. Without limiting the foregoing, nothing in the initiative materials is or should be regarded as advice in relation to those matters.

Nothing contained in the initiative materials is or may be relied upon as a promise, guarantee, representation or warranty.

**No obligation to update**

The initiative materials, the information contained herein and the matters to which it relates may be amended, updated or withdrawn at any time, at our discretion. However, we do not accept any responsibility to update, supplement or correct the initiative materials, nor to inform applicants about any matter that may affect the initiative materials.

**No liability**

We expressly disclaim all liability for any loss or damage incurred by any person arising from, or because of, any person’s use of or reliance on any information, statement, opinion or matter (express or implied) contained in, derived from, or omitted from the initiative materials, except for any liability which cannot be excluded under law.

**Other limitations**

The initiative materials are not an offer, recommendation or invitation by the Governments in respect of any contract or commitment.

Applicants must rely entirely upon their own investigations, review and analysis in relation to their assessment of whether or not to apply to and participate in the initiative.

### 10.5 Complaints

Complaints concerning the initiative should be emailed to [hydrogen@planning.nsw.gov.au](mailto:hydrogen@planning.nsw.gov.au) or [renewable.hydrogen@delwp.vic.gov.au](mailto:renewable.hydrogen@delwp.vic.gov.au).

Complaints will, in the first instance, be reviewed by the Governments. If we cannot resolve the complaint within 30 business days of receipt, we will provide details of a nominated complaints and review officer from the Governments’ respective Customer Service and Complaints Units who will advise the next steps. If the complaint is still not resolved satisfactorily, the NSW or Victorian Ombudsman can be reached for external review of the administrative actions of the Governments.

### 10.6 No material changes

To ensure the competitive process is fair, we will not accept any material changes to the original project specifications between lodgement of the application and financial close. A material change may include but is not limited to:

* a change in the quantity of hydrogen refuelling stations
* a change in geographic location of hydrogen refuelling stations
* a change in the quantity of hydrogen trucks agreed to in the funding agreement
* a change in the timing of target financial close by more than 6 months.

At our discretion, we will determine whether any such change is material in nature. If a material change occurs, we reserve the right to determine if the changes are acceptable and support the initiative’s objectives.

### 10.7 Initiative evaluation

The NSW and Victorian Governments will evaluate the initiative to determine the extent to which funded activities contributed to achieving the initiative’s objectives. We will use information from your application and project reports for this purpose. We may also interview applicants or ask for more information to help understand how the grant funding impacted the applicant and to evaluate how effective the initiative was in achieving its objectives. Without limiting any specific reporting or evaluation requirements (or similar) set out in any executed funding agreement, we may contact applicants up to 2 years after the project is complete for more information to assist with this evaluation.

## 11. Contacts, communication and further information

### 11.1 Who to contact

The initiative team is comprised of members from both Governments. You can reach the initiative team at hydrogen@planning.nsw.gov.au

If you have any questions, please direct your questions to either:

* hydrogen@planning.nsw.gov.au if your question is regarding the initiative, these guidelines or the assessment process; or
* grantsinfo@delwp.vic.gov.au if your question is regarding the online assessment portal or any difficulties with submitting your application.

### 11.2 Communicating with the initiative team

As per Section 11.1, please direct any questions regarding the initiative application and assessment processes to hydrogen@planning.nsw.gov.au

As a potential or actual applicant, you may also reach out to the initiative team for a one-on-one clarification session to discuss the development of your application, and seek clarification of initiative requirements, prior to lodging your application.

A representative from the initiative’s Probity Practitioner will attend all meetings to ensure that the meetings are conducted strictly in compliance with probity requirements to maintain the openness and fairness of the initiative.

At our sole discretion and in accordance with probity procedures, we may choose to make questions and clarifications available to all applicants. This process will not release any Commercial-in-Confidence Information. Information provided in response to any question raised by a potential applicant may be uploaded onto the [frequently asked questions](https://www.energy.vic.gov.au/__data/assets/word_doc/0037/583597/HHH-Frequently-Asked-Questions.docx) document. Questions must be lodged no later than **5:00pm AEDT,** **7 calendar days before applications close**.

### 11.3 Further information

* NSW Government hydrogen [webpage](https://www.energy.vic.gov.au/grants/hume-hydrogen-highway/HHH-Application-Guidelines.docx)
* Victorian Government hydrogen [webpage](https://www.energy.vic.gov.au/grants/hume-hydrogen-highway)
* The application form is available online [here](https://delwp1.force.com/publicform?id=a0h8u000000TsuV)
* The templates required for your application can be found [here](http://www.energy.vic.gov.au/grants/hume-hydrogen-highway)

## 12. Appendix

### 12.1 Eligible expenditure

This section specifies the kinds of expenditure eligible for activities funded through the initiative. These guidelines will be recognised in the funding agreement and must be followed when preparing the budget submitted with an application.

These guidelines must also be followed as part of the regular milestone reporting and annual financial reporting required of recipients. The guidelines may be updated from time to time, and it is the responsibility of each applicant to ensure they have the current version available from the initiative websites.

Once a funding agreement is executed for a project, payments will be made when the project meets agreed milestones. Payments must be spent on eligible expenditure in line with these guidelines and the funding agreement. Where a recipient is in any doubt about the eligibility of some of the expenditure on their proposed project, the recipient should discuss the matter with the Governments.

**Milestone payments**

The proportion of eligible expenditure to be paid at each milestone will be determined as part of funding agreement negotiations. The funding agreement will require recipients to provide financial reports and evidence detailing eligible expenditure on the project for each milestone period.

**General principles**

The following general principles apply when considering eligible expenditure:

* Eligible expenditure is expenditure related directly to the undertaking of the project and may include capital expenses and operational expenses
* Eligible expenditure is calculated as the GST inclusive amount less any GST credits the recipient is entitled to claim
* Non-cash contributions (in-kind contributions) cannot be included in the budget submitted with applications under the initiative. In-kind contributions can be included in a standalone section of the application.
* Expenditure prior to the execution of a funding agreement or after the end date (as specified in the funding agreement) for the project is not eligible expenditure, excluding eligible contract expenditure
* Opportunity costs are not eligible expenditure.

Where resources are used on a project and on unrelated activities elsewhere in the recipient organisation, the cost of those resources must be apportioned to the project, based on the proportion of those resources that were used by the recipient in undertaking the project.

Related party transactions must be treated on an ‘at-cost’ basis, without mark-up, unless the recipient can demonstrate to the satisfaction of the Governments, that the transaction has been calculated on an arm’s-length basis.

Generally accepted accounting principles must be followed, and it must be possible to track expenditure relating to the project through a recipient’s accounting system to meet the financial reporting and audit requirements in the funding agreement. Further details are set out below.

**Eligible expenditure**

Eligible expenditure includes:

* expenditure on the preparation of contracts entered into for the purposes of undertaking the activities required for the conduct of the project. This is subject to the ineligible expenditure constraints, which are set out below
* expenditure for refuelling equipment installed for the project at the full delivered cost of the equipment GST inclusive, less any GST credits the recipient is entitled to claim
* expenditure on equipment used for the construction of a project, calculated on the basis of hire or lease costs, and running costs directly related to the construction of the project, such as rent, power, fuel and repairs and maintenance
* expenditure for the purchase of hydrogen-powered trucks
* expenditure for different truck ownership and operating models (e.g. asset acquisition and leasing agreements)
* expenditure on activities that directly contribute to, or enable knowledge sharing, including database development, websites, applications and reports
* expenditure on legal, audit and accounting costs related directly to the project
* expenditure related to the raising of funds for the project, or the formation of consortia or joint ventures or other partnering arrangements, where such activities can be related directly to the project
* expenditure such as relevant licence fees or intellectual property purchase costs, where the recipient needs to access specific technology to undertake the project.

**Ineligible expenditure**

Ineligible expenditure includes, but is not limited to:

* activities that directly relate to NSW and Victorian Government planning assessment processes. This includes biodiversity studies, heritage studies, noise, air quality and traffic studies, and water, waste and hazardous material studies
* expenditure related to the general operations and administration of the recipient entity that the recipient could reasonably be expected to undertake in the normal course of business
* administrative expenses, including expenses incurred on communications, accommodation, computing facilities, travel, recruitment, printing and stationery
* expenditure related to an applicant’s parallel future-proofing plans for technology such as electric vehicle fast-chargers, and infrastructure upgrades such as additional carparking or improvements to customer facilities at refuelling stations
* expenditure for onsite renewable hydrogen production equipment
* expenditure on equipment that an applicant has already received grant funding from a supplementary funder for (e.g. expenditure on 3 trucks that are already receiving grant funding from a supplementary funder)
* hydrogen-powered vehicles operating back-to-base routes around refuelling stations
* expenditure on activities that a local, state, territory or Commonwealth government agency has the responsibility to undertake
* interest on loans for new and pre-existing capital items used for the project
* expenditure on the acquisition of land for a project
* sales or promotional activities that don’t directly support the successful completion of the project
* membership fees, donations, or any other expenditure that the Governments determine does not directly support the successful completion of the project
* expenditure that doesn’t directly support the successful completion of the project
* salaries and staffing expenses
* routine or ongoing maintenance works
* recurrent operating costs
* political campaigning or advocacy activities for political parties.

**Contract expenditure**

Eligible contract expenditure is the cost of any activities that support the project performed for the recipient by another organisation. Work that will be performed on a project must be the subject of a written contract, including a letter or purchase order, which specifies the nature of the work for the recipient and the applicable fees, charges and other costs payable. The written contract must be executed prior to the commencement of the work conducted under the contract.

It is not a requirement for contracts to be in place at the time you apply for this initiative. However, for major items of contract expenditure such as purchases of major items of hardware to be included in the project, you are expected to have some form of documentary evidence to substantiate the expenditure included in the financial estimates. This may include, for example, written quotes from suppliers.

Where the contractor and the recipient are not at ‘arm’s-length’, the amount assessed for work performed will be an amount considered to be a reasonable charge for that work. It must not contain unacceptable overheads, or any element of ‘in group profit’. Organisations considered not at ‘arm’s-length’ include related companies and companies with common directors or shareholders.

**Accounting systems**

Recipients are required to have suitable accounting systems in place. Recipients must provide the Governments with assurances that the accounting system used by the recipient and any consortium partners allows for the separate and accurate identification of contributions and eligible expenditure on the project.

A clear audit trail of all initiative funding contributions and eligible expenditure must also be available on request and as required to meet the requirements in the funding agreement.

### 12.2 Application information requirements

Your application should include the information provided in this section and consider the guidance provided in Section 5.

To complete your application, you will need to download, complete and submit the following templates from [the initiative website](http://www.energy.vic.gov.au/grants/hume-hydrogen-highway).

* project funding sources, in-kind contributions and key milestones template
* knowledge sharing plan template
* risk register template.

You will also need to submit the following files:

* project plan
* financial model
* risk management plan
* evidence of agreements and third-party arrangements.

**Attachment 1 - Project plan**

Your application must include a short form project plan document that includes the below information at a minimum:

* A summary of your project, including description of the proposed refuelling station locations and details of the hydrogen-powered truck throughput.
* A detailed design summary of your project including process flow diagrams.
* A summary of the level of project technical definition, including evidence of FEED conducted to date.
* A list of key consortium members and third-party suppliers. This should include proposed equipment suppliers, major subsidiaries and associated entities, details of current Australian operations, and relevant experience in Australia and internationally. Include any examples where you or your consortium members have successfully delivered hydrogen refuelling or hydrogen related projects in Australia, or internationally.
* Details on the current status of development, planning and environmental approvals, permits and/or licenses required for the project, and anticipated pathway and timing to finalisation.
* Details of the renewable hydrogen supply, including how the renewable hydrogen supply meets the renewable hydrogen requirements as defined in Section 9.3.
* Details of any land access requirements, including current status of approval.
* Details of any regulatory licences required for carrying out your project, and current status of registration.
* A timetable and/or Gantt chart for your project. This should include 4 or 5 key milestones, key activities for achieving the milestones, target final investment decision, target financial close date, and target commissioning date.
* Key project metrics, including targeted cost of hydrogen at the nozzle ($/kg hydrogen), on-site storage capacity of hydrogen (tonnes/hydrogen) and number of hydrogen-powered trucks that can utilise the refuelling network.
* A section summarising the estimated reduction in carbon footprint in CO2e for the life of the project through the displacement of diesel with renewable hydrogen. An example methodology is provided as a guide for applicants below (noting that applicants are required to provide all calculations and assumptions):

1. calculate the average diesel consumption across existing linehaul truck fleet(s), outlining all assumptions on vehicle size, load and route that inform the calculation.
2. demonstrate the total volume of diesel (L) that is avoided through the applicant’s hydrogen-powered truck fleet.
3. convert the total volume of diesel avoided into total CO2e emissions avoided.

* The following funding efficiency metrics:

1. the amount of total grant funding requested per kilogram of hydrogen consumed, representing the economic gap to commercial competitiveness
2. the amount of total grant funding requested per tonne of greenhouse gas emissions abated in the first three years of the project’s operation
3. the amount of grant funding requested per hydrogen vehicle and refuelling station.

* Details of all development costs, including any prefeasibility, feasibility and FEED costs spent to date.
* A breakdown of development costs. This should include estimated costs incurred prior to financial close and evidence of cost estimates, if applicable.
* An outline of the proposed capital structure for funding the project. This should include evidence of the proposed funding sources, noting the level of co-funding commitment and disclosure of any other grant funding received by joint funders.
* Details on how you will manage contingency costs and cost overruns.
* Analysis that demonstrates a clear path to further cost reductions beyond this project, which might allow the project to be replicated with a reduced subsidy within the medium term.
* Details on all concessional components of your project.
* Details on any climate risk aspects identified for your project.
* Analysis demonstrating that your project wouldn’t be able to proceed without the requested grant funding.
* Details of any proposed strategies, social procurement policies or frameworks previously adopted to use local content and suppliers, including opportunities for Aboriginal Organisations, Traditional Owner Corporations and Local Aboriginal Land Councils, to create local benefits and jobs.
* An outline of the status of any community consultation that has occurred to date and any planned activities.
* Analysis and supporting information about any potential impacts COVID-19 may have on the delivery of the project. This may include feedback or information from suppliers, financiers and other key stakeholders.

**Attachment 2 - Financial model**

A dynamic financial model must be provided, which should at minimum include the below information:

* All associated costs of deployment with clear breakdown of cost categories. This should include clear definition of any eligible and ineligible expenditure for your project. We expect to support capital expenditure, so these costs should be clearly identifiable.
* All assumptions, clearly labelled and dynamic.
* The proposed tax treatment of the initiative’s grant funding, with supporting evidence that substantiates the proposed treatment.
* Key project metrics, including targeted cost of hydrogen at the nozzle ($/kg hydrogen), on-site storage capacity of hydrogen (tonnes/hydrogen) and number of hydrogen-powered trucks that can utilise the refuelling network. For on-site storage capacity, please provide equivalent storage durations (e.g. 1 day of storage).
* A detailed breakdown of your hydrogen price stack. This should clearly demonstrate how the ‘price of hydrogen at the nozzle’ has been calculated, including the cost of hydrogen production, transportation, storage, compression, dispensing and operator margin.
* The ability to clearly sensitise the model to view the equity internal rate of return pre and post tax, with and without grant funding.
* Consideration of any incentives that may be available to the project from either NSW, Victorian, or Commonwealth Governments.

**Attachment 3 - Project funding sources, in-kind contributions and key milestones**

You must also complete and submit a summary of project funding sources, in-kind contributions and key milestones using the template that is available online [here](https://www.energy.vic.gov.au/__data/assets/word_doc/0027/581751/HHH-Project-funding-sources-in-kind-contributions-and-key-milestones-template.docx).

**Attachment 4 - Evidence of agreements and third-party arrangements**

Applications must include evidence to verify project information including how the project meets the project eligibility criteria and project parameters. Evidence must include:

* agreements (e.g. MOUs) between lead applicants and consortium members. This includes any supply agreements between refuelling station operators and freight operators/customers. Please note, all agreements should be signed by a senior representative from each party (e.g. signed by a board-level executive).
* agreements or third-party arrangements for renewable hydrogen supply. This must include pricing, terms and key conditions. It should also include evidence that the supply meets the renewable hydrogen requirements as defined in Section 9.3.
* agreements for sponsor and other equity, including key terms and conditions.
* a financing plan for all other capital required for the project.
* evidence of project delivery phase and class of cost estimate range (e.g. Class 3 or above).
* evidence of proposed truck pricing and other capital asset supplier(s) pricing.

**Attachment 5 - Risk management plan and risk register**

A detailed risk management plan for the project, including hazard and operability analysis, workplace health and safety, and safety management plan. This includes the completion and submission of the risk register template that is available online [here](https://www.energy.vic.gov.au/__data/assets/word_doc/0028/581752/HHH-Risk-Register-Template.docx).

**Attachment 6 – Evidence of applicant capability and capacity**

Evidence of applicant capability and capacity, including demonstrated level of experience and expertise, and details of successfully delivered hydrogen or other projects of a similar nature, scale or value in Australia or internationally. This should include descriptions of key delivery team members and their experience, including, names, roles, responsibilities, experience, availability and location.

Applications must include financial reports for the last three years for the lead applicant or lead applicant’s parent company. This should also include evidence of how long the applicant has been operational for to date in Australia.

**Attachment 7 – Knowledge sharing plan**

You must also complete and submit a knowledge sharing plan (KSP) using the template that is available online [here](https://www.energy.vic.gov.au/__data/assets/word_doc/0026/581750/HHH-Knowledge-Sharing-Plan-Template.docx). The KSP forms part of the funding agreement between the applicant and the Governments and contains two main deliverable categories as follows:

* standard: the baseline expectations for knowledge sharing
* project-specific: additional knowledge sharing deliverables nominated by the applicant.

1. See: www.dfat.gov.au/international-relations/security/sanctions/consolidated-list [↑](#footnote-ref-2)