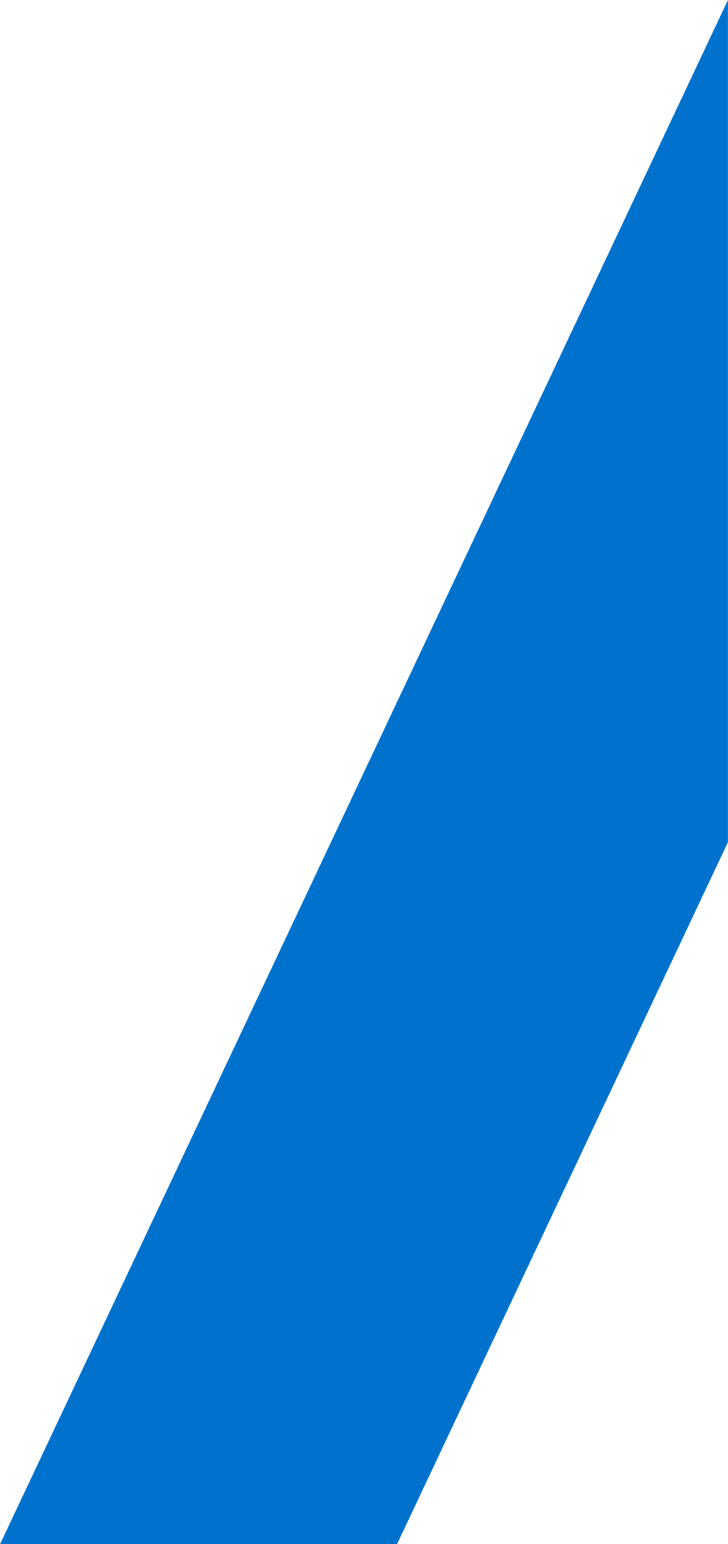
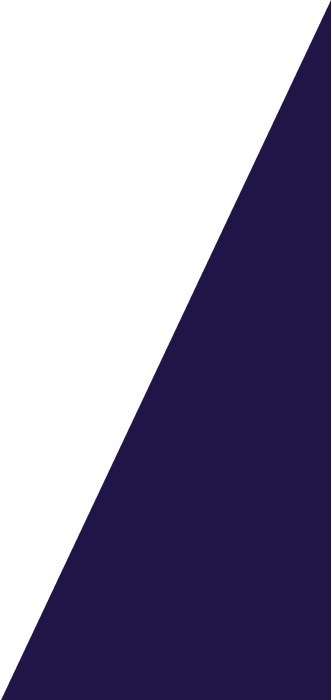
Webpage-update-January-2024

Application Guidelines Round 1 – August 2023 – subject to change for future funding Rounds





[deeca.vic.gov.au](https://delwpvicgovau-my.sharepoint.com/Users/fionadurante/Downloads/deeca.vic.gov.au)

Photo credit

Photographer: Tom Rumble



We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria’s land and waters, their unique ability to care for Country and deep spiritual connection to it.

We honour Elders past and present whose knowledge and wisdom   
has ensured the continuation of culture and traditional practices.

DEECA is committed to genuinely partnering with Victorian Traditional Owners and Victoria’s Aboriginal community to progress their aspirations.

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# Message from the Minister

Over the last nine years Victoria has established itself as a leader – nationally and around the world – in the development of renewable energy. The addition of neighbourhood batteries will enable the electricity network to support more renewable solutions for our increased energy needs.

The most significant advantages of adding battery resources are that they are dispatchable, and they can be used for multiple purposes from improving load management to generation to reliability and stability services. In other words, battery storage greatly increases the flexibility of integrating more variable renewable energy into the grid.

Optimising the value of storage will play a key role in helping us meet world-leading targets to cut the state’s greenhouse gas emissions and achieve net zero emissions by 2045.

The Victorian Government is actively promoting the uptake of battery storage as part of our wider strategy to transition to a clean energy future.

The 2023-24 Victorian Budget announced investment of $42.2 million to install 100 Neighbourhood Batteries across the state. This will improve energy reliability and provide energy storage capacity for locally generated solar power, which is expected to increase access to renewable energy and help lower energy bills.

It will allow for the flexibility to install batteries with functions and operational models tailored to meet local needs and deliver a broad range of community benefits. To ensure success, a range of providers including local government, community groups, distribution network service providers, energy retailers and other commercial entities are encouraged to take part.

This program will leverage from the success of the $10.92 million Neighbourhood Battery Initiative, commenced in 2021 funding feasibility studies and demonstration projects with a variety of neighbourhood-scale battery ownership and operational models.

The 100 Neighbourhood Batteries Program is about taking action to enable communities to generate and consume more renewable energy locally and do so in a way that ensures Victorians can benefit from the opportunities as we grow our renewable energy economy.

# What is the 100 Neighbourhood Batteries Program?

The 100 Neighbourhood Batteries Program provides grants to support the installation of 100 neighbourhood-scale batteries to improve energy reliability and provide energy storage capacity for locally generated solar power, increasing access to renewable energy and helping to lower energy bills. Administered by the Department of Energy, Environment and Climate Action (DEECA), the program builds on lessons learned through the successful Neighbourhood Battery Initiative (NBI) and paves the way for a new generation of energy storage to benefit local communities.

The Victorian Government is funding these grants to achieve the following outcomes and objectives:

* Benefits from local renewable energy and energy storage are passed on to consumers, including lowering household energy bills.
* Increased energy reliability
* Reduced costs of network upgrades
* Support the ability of communities to personally contribute to Victoria’s energy transition
* Scale up the delivery of operational models for neighbourhood-scale batteries

##### Grant amount and duration

Round 1 of the 100 Neighbourhood Batteries Program makes available total program funding of up to $10 million, with up to $300,000 project funding available per battery.

Projects must be completed by 1 August 2025.

# Who can apply?

##### Eligible organisations

The following organisations and individuals can apply for funding:

* public entities
* private sector businesses and agencies
* educational institutions
* local government authorities
* co-operatives
* not for profit organisations.

In addition, to be eligible for funding applicants must:

* be an incorporated body, co-operative or association (including business associations)
* be financially solvent.

##### Lead organisation

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
* 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.

The Lead Organisation must:

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

Please note funding can only be given to the Lead Organisation throughout the duration of the whole project.

The Department of Energy, Environment and Climate Action (DEECA) may request, during the Assessment Process, that unaudited financial reports be audited and resubmitted.

# Who cannot apply?

The following organisations and individuals cannot apply for funding:

* individuals
* government departments and administrative offices.

# What might be funded?

The following types of projects are eligible for funding:

## Stream 1: Delivering network benefits

Funding (of up to $300,000 per battery) will be provided for project(s) that:

* + implement one or more neighbourhood batteries (including installation and commissioning)
  + demonstrate quantified benefits for both the electricity network and local electricity consumers
  + include a minimum 30 per cent cash co-contribution
  + each battery must be a chemical battery of a minimum size 25kW/50kWh and maximum 5MW/10MWh
  + will complete project delivery by 1 August 2025.

## Stream 2: Delivering community benefits

Funding (of up to $300,000 per battery) will be provided for project(s) that:

* + implement 1 or more neighbourhood battery(s) (including installation and commissioning)
  + demonstrate quantified benefits for local electricity consumers
  + include a minimum 10 per cent cash co-contribution
  + each battery must be a chemical battery of a minimum size 50kW/100kWh and maximum 5MW/10MWh
  + will complete project delivery by 1 August 2025.

##### Co-contributions

Cash co-contribution is required. Applicants must have secured, or have evidence of a commitment to provide, a cash contribution towards the project that meets the criteria of the relevant funding stream.

Additional funding can come from any source including Commonwealth and Local Government grants. Additional funding can be used to partially or wholly fund the mandatory cash co-contribution. Funding from these sources must not be used for the same items of eligible expenditure funded by this grant program.

##### Applications with more than one battery

Applicants seeking funding for installation of more than one battery are encouraged to submit a single application in which the combined funding sought equals no more than the total eligible per battery funding. For instance, an applicant seeking $120,000 funding for one battery project and $330,000 funding for another battery project may make a single application for $450,000 grant funding.

##### DEECA funding considerations

Where DEECA considers an application better aligns with the eligibility criteria of a different Round 1 funding stream, DEECA reserves the right to re-allocate applications between streams.

DEECA will take a portfolio approach to selecting applications for funding, giving consideration to how each project will contribute to the 100 Neighbourhood Batteries Program outcomes. DEECA may choose not to fund an otherwise suitable application if the aims or outcomes of that application are the same as, or similar to, the aims and outcomes of a project that has previously been funded or an application that DEECA is intending to fund under the 100 Neighbourhood Batteries Program or another funding source. Such funding considerations may include, but are not limited to, geographic spread, proponent diversity, beneficiary diversity and supply chain or market constraints to support installations in any given area.

# Priorities for funding

Projects with one or more of the following attributes will be given priority:

* Deliver benefits to low income and vulnerable households
* Deliver benefits to households with no access to solar PV generation, such as renters and apartment-dwellers
* Contribute to completed or scheduled works that increase the electrification of the local community and/or the premises on which the battery is located
* Demonstrate increased benefits for local electricity consumers via a novel battery operational and/or commercial models
* Located in network areas with poor reliability, particularly in regional areas where addition of a neighbourhood battery will increase energy reliability
* Located in constrained networks with solar export limits where addition of a neighbourhood battery will reduce network constraints and increase local hosting capacity for solar
* Located within one or more of the 29 Local Government Areas (LGAs) committed to by the Victorian Government (See Appendix 1)
* Deliver a greater number of batteries and faster deployment timelines

# What will not be funded?

Applications seeking funding for any of the following activities will be deemed ineligible and not assessed for funding. The 100 Neighbourhood Batteries Program will not fund the following activities:

* business as usual costs, including existing or ongoing staff salaries
* routine or ongoing maintenance activities, including but not limited to, operational and/or maintenance costs of running a neighbourhood battery
* land acquisition and related expenses
* expenditure on other projects
* projects that have already commenced construction
* where duplicate services are in operation or planned for in a targeted community
* the use of any new or nascent technologies that are lower than Technology Readiness Level (TRL) 9 (https://www.arena.gov.au/assets/2014/02/Technology-Readiness-Levels.pdf)
* feasibility studies or business cases
* installation, operation or maintenance of generation technologies (e.g. solar panels, diesel generators)
* activities located outside the State of Victoria
* project that has previously been funded for the same or similar activities or outcomes.

DEECA provides no guarantee that any of the projects applied for will be funded following evaluation of applications. No undertaking is given on the amount of individual or total grant monies that will be provided. 

# What are the assessment criteria?

Applications are first checked for eligibility to make sure that the applicant and their activities are eligible for funding. After that, eligible applications will be assessed using the criteria listed below. Each criterion is given a percentage weighting to indicate its relative importance in the assessment process. Applications should address all relevant criteria.

| Criteria | Weighting | Requirements |
| --- | --- | --- |
| How does the project align with the intended outcomes of the 100 Neighbourhood Batteries Program? | 30% | Applicants are required to describe – and quantify where possible - how the project will contribute to the intended outcomes of the program including:   * benefits from local renewable energy and energy storage are passed on to consumers, including lowering household energy bills * increased energy reliability * reduced costs of network upgrades * communities feel they are personally contributing to Victoria’s energy transition * scaled up delivery of operational models for neighbourhood-scale batteries.   Applicants **must** provide a quantification of the community and/or network benefits expected to be delivered by their project over the lifetime of the battery. Applicants must identify all assumptions underpinning their calculations[[1]](#footnote-2).  Applicants should identify which (if any) of the priorities for funding listed in section 5 of the Application Guidelines would be addressed by the project and how they will be addressed. |
| What is the capability and capacity of the applicant(s)? | 20% | Applicants are required to:   * list key project partners and their proposed roles and responsibilities during the project and over the lifetime of the battery * provide details of the full-time equivalent (FTE) and remuneration for each role. * describe the skills and experience of individual personnel and project partners * provide letter(s) of support from project partners, including Aboriginal businesses and Traditional Owners where appropriate * where a grid connection agreement will be required, provide a letter of support from the DSNP that includes, but is not limited to, the size and location(s) of the battery(s). |
| What will the project deliver? | 30% | Applicants are required to describe the project design and deliverables including:   * provision of a detailed Project Plan containing:   + summary of the project, including description of the proposed technology type, size and location of the neighbourhood battery(s)   + project schedule outlining key milestones, delivery dates and dependencies   + timeline for the project, including key milestones   + a map showing the site where the neighbourhood battery(s) would be installed   + status of grid connection applications (if applicable)   + status of land access for the proposed project location(s) (if applicable)   + details on the proposed operations and maintenance regime for the lifetime of the battery(s)   + details on your proposed battery safety plan including steps to prevent and manage fire risk   + your plan to manage decommissioning and disposal of the neighbourhood battery(s) at the end of its/their operational life.   + work already undertaken with the community and your plan to seek input from community and Traditional Owners on how your project provides local benefit, how they can be involved/partnered with, notification of construction periods or any other relevant information   + outline of key risks and approach to management and mitigation, including completed project risk register   + evidence of intention to secure appropriate insurance for the project activities   + project reporting and knowledge sharing outcomes that will be adopted to further the development of neighbourhood batteries in Victoria   + project budget using DEECA’s cash flow template, including installation costs and demonstrating a minimum cash co-contribution of 30 per cent for Stream 1 and 10 per cent for Stream 2   + evidence to support budget estimates   + outline of the source of funds required for the project, including in-kind and cash-contributions secured from your organisation or other project partners[[2]](#footnote-3)   + approach to managing potential cost overruns, and amount of contingency allowed   + approach to using local content and suppliers and how your project aligns with the principles of the Local Jobs First Policy (s4) and the Victorian Social Procurement Framework, including:     - suppliers in Victoria     - manufacturers in Australia     - other businesses and organisations based and operating in Victoria (such as installation trades)     - any purchasing, supplies or services from Aboriginal businesses and Traditional Owners Corporations. * Proposals that feature a greater number of batteries and faster deployment timelines will score more highly on this criterion. |
| What is the lifetime value of the battery(s)? | 20% | Applicants are required to provide evidence of a financial model that includes (at a minimum):   * Expected Return on Investment over the life of the battery(s) * expected revenues over the life of the battery(s), including the source of these revenue projections * expected costs over the lifetime of the battery(s), with clear breakdown of cost categories. * calculation of the battery(s) capital cost per kilowatt hour * calculation of the total project cost per kilowatt hour of total installed battery(s) * clear identification of all assumptions underpinning model. |

# What supporting documents will need to be provided?

All applicants must submit the following documents with your application:

1. project plan
2. project cash flow/budget using DEECA template
3. project delivery schedule
4. project risk register
5. financial model

DEECA templates for the above are available at from <https://www2.delwp.vic.gov.au/grants>. Applicants must use DEECA’s cash flow/budget template but are permitted to use their own templates for the project delivery schedule and risk register, where they contain all the same information as a minimum and are comparable in format. The risk register must include risk associated with the delivery of the project as funded by this grant, and ongoing operational risks associated with the battery(s) operation.

##### Submission Requirements

Failure to provide all supporting documents may render your application ineligible.

Attachments should be restricted to the requested information – any additional information may not be considered.

At DEECA’s absolute discretion, DEECA may request that an applicant provides additional proof of claims or statements contained in their application.

# What are the funding conditions?

##### Funding agreements

Successful applicants must enter into a funding agreement with Department of Energy, Environment and Climate Action. The Victorian Common Funding Agreement is used for funding agreements with not for profit organisations and Local Government Authorities.

The DEECA Transfer Payment Funding Agreement is used for Victorian public entities, as defined under section 5 of the *Public Administration Act 2004*.

The Commercial Funding Agreement is used for funding agreements with commercial entities.

It is recommended that applicants review the terms and conditions before applying:

* For information about the Victorian Common Funding Agreement visit <https://www.vic.gov.au/victorian-common-funding-agreement>
* For information about the Victorian Commercial Funding agreement or Transfer Payment Funding Agreement, please email [neighbourhood.batteries@delwp.vic.gov.au](mailto:neighbourhood.batteries@dewlp.vic.gov.au)

Funding agreements must be **signed within one month** of notification of successful grant application. Failure of signing within this timeframe may result in loss of grant funding.

Funding must not be used for political campaigning or advocacy activities for political parties.

##### Legislative and regulatory requirements

In delivering the activity grant recipients are required to comply with all relevant Commonwealth and state/territory legislations and regulations, including but not limited to:

* *Privacy Act 1988* (Cth)
* *Freedom of Information Act 1982* (Vic)
* *Occupational Health and Safety Act 2004*
* *Planning and Environment Act 1987*
* *Climate Change Act 2017*
* *Electricity Safety Act 1998*
* *National Electricity (Victoria) Act 2005*
* *Electricity Industry Act 2000.*

##### Tax implications

Applicants should consult the Australian Taxation Office or seek professional advice on any taxation implications that may arise from this grant funding.

Successfully funded projects will be offered funding as a **GST exclusive** amount. However, for non-government related 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 DEECA are classified as income and tax may be payable by recipients. Each applicant is responsible to investigate their own tax structure and treatment.

##### Acknowledging the Victorian Government’s support

Successful applicants must follow DEECA’s *Acknowledgment and Publicity Guidelines for Victorian Government Funding Support.* The guidelines will form part of the funding agreement and can be accessed here <https://www.deeca.vic.gov.au/grants>. Successful applicants must liaise with the departmental program area to coordinate any public events or announcements related to the project.

##### Payments

Payments will be made as long as:

* the funding agreement has been signed by both parties
* grant recipients provide reports as required, or otherwise (as agreed by DEECA) that demonstrate the activity is progressing as expected
* other terms and conditions of funding continue to be met.

##### Monitoring

Grant recipients are required to comply with project monitoring and reporting requirements as outlined in the funding agreement. This may include progress reports, site inspections, completion reports and acquittal documentation.

Recipients 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 without prior approval of DEECA, or where a project fails to be delivered, DEECA reserves the right to cancel the grant and, if applicable, recoup any payment that has already been provided.

##### Cost

DEECA 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 DEECA, or participating in negotiations with DEECA.

##### 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 DEECA determines that the applicant or any of its associates have violated this condition, the Applicant may be disqualified from further consideration, at DEECA’s absolute discretion.

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

##### Privacy

Any personal information about you or a third party in your application will be collected by the department for the purposes of administering your grant application and informing Members of Parliament of successful applications. Personal information may also be disclosed to external experts, such as members of assessment panels, or other Government departments for assessment, reporting, advice, comment or for discussions regarding alternative or collaborative grant funding opportunities. If you intend to include personal information about third parties in your application, please ensure that they are aware of the contents of this privacy statement.

Any personal information about you or a third party in your correspondence will be collected, held, managed, used, disclosed or transferred in accordance with the provisions of the *Privacy and Data Protection Act 2014* and other applicable laws.

DEECA is committed to protecting the privacy of personal information. You can find the DEECA Privacy Policy online at www.deeca.vic.gov.au/privacy.

Requests for access to information about you held by DEECA should be sent to the Manager Privacy, P.O. Box 500 East Melbourne 8002 or contact by emailing [Foi.unit@delwp.vic.gov.au](mailto:Foi.unit@delwp.vic.gov.au).

# What is the application process?

Applications are submitted online using the Grants Online portal. To apply, go to the grant program web page (<https://www2.delwp.vic.gov.au/grants>) and click on the ‘Start New Application’ button. To return to a saved draft application, click on the ‘Access Saved Application’ button.

###### Attaching required documents

Supporting documents must be in an acceptable file type, such as Word, Excel, PDF, or JPEG. The maximum file size for each file is 10MB.

You will receive an application number when you submit an application online. Please quote this number in all communications with the department relating to your application.

If you have documents to submit that cannot be attached to your online application you can email them to grantsinfo@delwp.vic.gov.au, quoting your application number. Attach all documents to one email, zipping the files if required.

Make sure your application is submitted by **11.00am on Tuesday 31 October 2023**.

**Note:** No hard copy applications will be accepted. Late applications or applications lodged other than in accordance with the requirements of section 10 of this document 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 section 10 of this document, will not compromise the integrity of the application process. The Grants Online Portal can also be accessed through the program webpage.

# Additional information

Additional information is available at the program web page <https://www.energy.vic.gov.au/grants>

If you require assistance submitting your application online, email grantsinfo@delwp.vic.gov.au

# What is the notification process?

Successful and unsuccessful applicants will be notified in writing after the assessment process is completed. All decisions are final and are not subject to further review. Unsuccessful applicants can ask for feedback on their application.

# Key dates

|  |  |
| --- | --- |
| Applications open | 28 August 2023 |
| Questions close | 5.00 pm, seven calendar days before applications close |
| Applications close | 11:00 am, 31 October 2023 |
| Applicants notified and agreement executed | February 2024 |
| Activities commence | February-March 2024 |
| Activities completed and acquittal reports submitted | August 2025 |

Should you have any questions, email neighbourhood.batteries@delwp.vic.gov.au

# Checklist

Read these guidelines and the information about this grant program <https://www.energy.vic.gov.au/grants> before applying and complete the following checklist.

Have you:

□ read these guidelines carefully?

□ checked if you are, or your organisation is, eligible for this grant funding?

□ checked if your activity is eligible for this grant funding?

□ checked that you would be able to comply with all relevant laws and regulations in delivery of your activity?

□ prepared and attached the appropriate supporting documents?

# Appendix 1 – Local Government Areas

* Ballarat
* Bass Coast
* Baw Baw
* Campaspe
* Cardinia
* Casey
* Darebin
* East Gippsland
* Greater Bendigo
* Greater Dandenong
* Greater Shepparton
* Hume
* Knox
* Macedon Ranges
* Maribyrnong
* Merri-Bek
* Mildura
* Moira
* Monash
* Moonee Valley
* Mornington Peninsula
* Port Phillip Bay
* Queenscliffe
* Wangaratta
* Wellington
* Whittlesea
* Wodonga
* Wyndham
* Yarra Ranges

1. Quantified benefits should align with the benefits required by the relevant grant funding stream (i.e., Stream 1 applications must quantify both network and community benefits). [↑](#footnote-ref-2)
2. Any cash co-contributions in the form of other government grants or payments should also identify the status of the application(s), timing of funding delivery and how/if the project will be funded if any outstanding applications are unsuccessful. [↑](#footnote-ref-3)