







Department of **Water and Environmental Regulation**  
**Energy Policy WA**

---

# Clean Energy Future Fund - Applicant guidelines

Round 1 - 2020

April 2020

Department of Water and Environmental Regulation  
Prime House, 8 Davidson Terrace  
Joondalup Western Australia 6027  
Locked Bag 10 Joondalup DC WA 6919

Phone: 08 6364 7000

Fax: 08 6364 7001

National Relay Service 13 36 77

dwer.wa.gov.au

© Government of Western Australia

April 2020

This work is copyright. You may download, display, print and reproduce this material in unaltered form only (retaining this notice) for your personal, non-commercial use or use within your organisation. Apart from any use as permitted under the *Copyright Act 1968*, all other rights are reserved. Requests and inquiries concerning reproduction and rights should be addressed to the Department of Water and Environmental Regulation.

FIRST 115826

#### **Disclaimer**

This document has been published by the Department of Water and Environmental Regulation. Any representation, statement, opinion or advice expressed or implied in this publication is made in good faith and on the basis that the Department of Water and Environmental Regulation and its employees are not liable for any damage or loss whatsoever which may occur as a result of action taken or not taken, as the case may be in respect of any representation, statement, opinion or advice referred to herein. Professional advice should be obtained before applying the information contained in this document to particular circumstances.

This publication is available at our website [www.dwer.wa.gov.au](http://www.dwer.wa.gov.au) or for those with special needs it can be made available in alternative formats such as audio, large print, or Braille.

# Contents

|  |     |
|--|-----|
| Contents .....   | iii |
| 1. Overview .....  | 1   |
| 1.1 Purpose.....   | 1   |
| 1.2 Funding objectives and Ministerial priorities .....                    | 1   |
| 2 How to apply for funding.....  | 2   |
| 3 How your application will be assessed .....                              | 4   |
| 3.1 Key dates.....   | 4   |
| 3.2 Assessment procedure .....   | 4   |
| 3.3 Eligibility criteria .....   | 4   |
| 3.4 Merit criteria .....   | 6   |
| 3.5 Ministerial priorities .....   | 10  |
| 4 Award and payment of funding.....  | 11  |
| 4.1 Payment of funding.....  | 11  |
| 4.2 Funding offer and recognition.....                                     | 11  |
| 4.3 Funding Agreements .....   | 11  |
| 4.4 Disbursement of funds.....   | 11  |
| 4.5 Variations to Funding Agreements .....                                 | 12  |
| 5 Applicant funding contributions and costs .....                          | 13  |
| 6 Monitoring and evaluation of projects.....                               | 14  |
| 7 Reporting.....   | 15  |
| 8 Other matters .....  | 16  |
| 8.1 Alignment with other State Government policies .....                   | 16  |
| 8.2 Recognition requirements.....  | 16  |
| 8.3 Personal information and disclosure of information in application..... | 16  |
| 8.4 Confidentiality .....  | 16  |
| 8.5 Complaints.....  | 17  |
| 8.6 Conflicts of interest .....  | 17  |
| 8.7 Tax information .....  | 18  |
| Glossary .....   | 19  |



# 1. Overview

These guidelines outline the operational and administrative arrangements for the Clean Energy Future Fund (the Fund – also known by the abbreviation CEFF). This document provides information for applicants regarding eligibility and merit criteria for the Fund, and the application and assessment process.

## 1.1 Purpose

Following the recommendations of the Independent Scientific Panel Inquiry into Hydraulic Fracture Stimulation in WA, the Fund has been established as a mechanism to apply royalties from unconventional onshore oil and gas projects to support new clean energy projects in WA.

The Government of Western Australia has established the Fund with seed funding of \$9.28 million. Royalties from future unconventional onshore oil and gas projects in WA may be directed to the Fund for future funding rounds. Allocation of funds to clean energy projects will commence from July 2020.

## 1.2 Funding objectives and Ministerial priorities

The objective of the Fund is to provide a source of funding to support the implementation of innovative clean energy projects in Western Australia that offer high public value through contributing to one or more of the following outcomes:

- Significant, cost-effective reduction in greenhouse gas emissions below projected (or baseline) emissions as a direct result of the clean energy project.
- Design, deployment, testing or demonstration of innovative clean energy projects likely to deliver community benefits or lead to broad adoption and significant reductions in greenhouse gas emissions.

The Minister for Environment and Minister for Energy will determine priorities for the funding from time to time, within the overall objectives of the Fund. Applications for funding will be assessed against the eligibility criteria, merit criteria and the Ministerial priorities.

Refer to section 3.5 for current Ministerial priorities.

## 2 How to apply for funding

Applications for this 2020 funding round are invited via a competitive application process as outlined below.





The Assessment Panel may seek further information regarding an applicant or application if required to adequately assess the project. At any time during the assessment process, the Assessment Panel may undertake due diligence activities considering the value, size and complexity of the application.

Applications must be signed by the chief executive officer or authorised officer of the applicant's organisation.

As part of the application process, applicants will be required to certify that they have read, understood and agreed to the general conditions that would form the basis of a Funding Agreement.

Applicants should ensure that they allow enough time to submit applications, noting that large attachments may take time to be received by email. Applications will be considered to be received at the time which they are received by the Department of Water and Environmental Regulation (DWER), and applicants will be notified that their applications have been received by automated email. Late applications will not be accepted.

## 3 How your application will be assessed

### 3.1 Key dates

| Item                           | Key Dates              |
|--------------------------------|------------------------|
| Fund opens for Applications    | 30 April 2020          |
| Application closing date       | 7am AWST, 13 July 2020 |
| Applications assessed          | July & August 2020     |
| Applicants notified of outcome | September 2020         |
| Successful projects announced  | September 2020         |

### 3.2 Assessment procedure

Applications for funding will be assessed by the Assessment Panel against the eligibility criteria, merit criteria and Ministerial priorities.

The Assessment Panel may seek advice from government agencies and independent technical experts, as required, to assist in determining which applications best meet the criteria.

Ineligible applications will be deemed to be unsuccessful. A project that is assessed as having low merit against one or more merit criteria may be deemed to be unsuccessful.

Recommendations on the projects that are determined to best meet the criteria and Ministerial priorities will be submitted to the Minister for Environment and Minister for Energy for approval. The joint decision of the Ministers on whether to offer funding is final.

Applicants will be advised in writing of the outcome of the assessment of their application at the conclusion of the assessment process. Applicants may request feedback from DWER.

The Assessment Panel will be supported by a representative of the Department of Finance, who will observe the assessment process and provide probity advice.

### 3.3 Eligibility criteria

#### 3.3.1 Applicant eligibility

To be eligible for funding, an applicant must meet the following criteria:

| Applicant eligibility criteria | Requirements  |
|--------------------------------|---|
| 1. Corporations Act 2001       | <p>At the time of entering into a Funding Agreement, the applicant must be an Australian entity incorporated under the <i>Corporations Act 2001</i> (Commonwealth).</p> <p><i>For example, the following are not eligible to apply: an individual; a partnership; an unincorporated association; a trust; a Commonwealth Government agency or body; a state or local government agency, body or trading enterprise.</i></p> |
| 2. Fit and proper persons      | <p>The members of the management team must be fit and proper persons.</p> <p><i>Applicants must declare in the application form if any of the management team have any current convictions, are subject to any pending court charges or proceedings, or have ever been declared bankrupt or in a position of responsibility for a company in insolvency.</i></p>  |

### 3.3.2 Project eligibility

| Project eligibility criteria | Requirements   |
|------------------------------|--|
| 1. Prescribed funding limits | <p>Applications for funding must be within the prescribed limits for funding:</p> <p>The minimum grant that will be made per application is \$250,000.</p> <p>The maximum proportion of eligible costs for the project that can be contributed by the Fund is 25%.</p> |
| 2. Location                  | <p>The applicant must be able to demonstrate that the project will take place primarily in Western Australia.</p>  |

|                         |  |
|-------------------------|--|
| 3. Rights and approvals | <p>The applicant must be able to demonstrate that it has, or will have before funds being released:</p> <ul style="list-style-type: none"><li>• ownership or the right to access the land on which the project is proposed to take place</li><li>• ownership of, access to, or the beneficial use of, any intellectual property necessary to carry out the project</li></ul> |
|-------------------------|--|

### 3.4 Merit criteria

The merit of eligible applications will be assessed for overall value for money and the quality of information provided against the following weighted merit criteria. Value for money is a key underlying principle in the expenditure of public funds. This means gaining the best possible outcome, for every dollar spent, by assessing the overall costs and benefits to Western Australia.

The Assessment Panel will consider cost and non-cost factors (as identified below), to make a value judgment about the best outcome. Applications that do not meet the eligibility criteria will not be assessed further.

| Merit Criteria        | %   | Requirements   |
|-----------------------|-----|--|
| 1. Reducing emissions | 40% | <p>Demonstrated evidence of:</p> <ul style="list-style-type: none"> <li>a) the quantifiable direct and indirect greenhouse gas emissions reductions expected to be achieved by the project</li> <li>b) how the project aligns with the WA Government's aspiration to achieve net zero greenhouse gas emissions across the WA economy by 2050<sup>1</sup>.</li> </ul>   |
| 2. Business case      | 20% | <p>A business case which identifies in sufficient detail the financial and technical viability of the project, which should clearly indicate:</p> <ul style="list-style-type: none"> <li>a) justification for the need for Government assistance by presenting the: <ul style="list-style-type: none"> <li>i. costs and benefits of both the project and the 'normal' business-as-usual solution</li> <li>ii. likelihood that the project would proceed without the funding requested</li> <li>iii. status of the project (whether the project has commenced).</li> </ul> </li> <li>b) the project's technical feasibility and likelihood of success</li> <li>c) the ongoing viability of the project once the period of Government funding comes to an end</li> <li>d) the amount of funding sought for the project, as a proportion of the total project cost</li> <li>e) proportion of total funds contributed by the applicant (do not include other grants)</li> <li>f) other expected sources of funding and evidence that funding has been, or has a reasonable chance of being secured<sup>2</sup></li> <li>g) the demonstrated financial capacity of the applicant to fund its contribution to the costs</li> </ul> |

<sup>1</sup> [www.der.wa.gov.au/images/documents/your-environment/climate-change/Greenhouse%20Gas%20Emissions%20Policy%20for%20Major%20Projects.pdf](http://www.der.wa.gov.au/images/documents/your-environment/climate-change/Greenhouse%20Gas%20Emissions%20Policy%20for%20Major%20Projects.pdf)

<sup>2</sup> Evidence of confirmed leveraged funding arrangements will be a condition precedent to any Funding Agreement.

|  |     |  |
|--|-----|--|
|  |     | of the project, including ongoing operation and maintenance costs.   |
| 3. Organisational capacity and risk management | 20% | <p>Demonstrated evidence of the applicant's capacity and capability to implement the project and readiness to commence delivery of the project including:</p> <ul style="list-style-type: none"> <li>a) technical and management capability and expertise of the applicant</li> <li>b) track record of the applicant in undertaking similar projects, including delivering projects on time and on budget</li> <li>c) timeframe for project commencement and delivery</li> <li>d) roles of project partners and the status of any relevant agreements between project partners</li> <li>e) governance structure for delivery of the project</li> <li>f) comprehensiveness and quality of planning for the project, including: <ul style="list-style-type: none"> <li>i. costings, budgets and procurement planning</li> <li>ii. performance criteria</li> <li>iii. project-implementation plan</li> <li>iv. a proposed milestone schedule with timeframes and deliverables</li> <li>v. other relevant planning activities</li> </ul> </li> <li>g) a clear and detailed funding strategy demonstrating a clear path to achieving financial close and commencing project delivery upon execution of a Funding Agreement</li> <li>h) secured or is able to secure the required regulatory approvals to carry out the project.</li> <li>i) adequate insurance to cover potential liability that may result from conducting activities to carry out the project</li> <li>j) a risk management plan outlining details of the risks associated with the project, how they will be managed and how risks will be monitored during the life of the project to ensure that any change in their impact or likelihood will be reported to DWER. <i>(Such risks include but are not limited to</i></li> </ul> |

|  |  |  |
|--|--|--|
|  |  | <i>compliance, Health Safety Environment and Quality considerations, conflicts of interest, technical, planning, delivery, counter-party and financial).</i> |
|--|--|--|

| <b>Additional benefits</b>      |     |  |
|---------------------------------|-----|--|
| 4. Not common practice          | 20% | The degree of innovation and/or the extension of the project beyond 'common practice' in Western Australia for the relevant sector or subsector and not something that is a requirement under Commonwealth or state law.   |
| 5. Potential for wider adoption |     | The likelihood that the project will result in similar projects being implemented by the applicant or by others, multiplying the emissions reduction potential. This could include the potential for cost reductions for future projects by demonstration of new technology.   |
| 6. Public good                  |     | The contribution of the project to: <ul style="list-style-type: none"> <li>a) knowledge sharing: the quality and extent of the knowledge sharing information about, and resulting from, the project that the applicant proposes to make publicly available to build capacity amongst others, support learning-by-doing and/or demonstrate the feasibility of new technologies or processes</li> <li>b) economic development: delivering economic benefits to the state, i.e. the number of jobs expected to be created by the project and/or the extent to which the project represents a new industry or business practice in the state.</li> </ul> |
| 7. Ongoing commitment           |     | The applicant's ongoing commitment to and investment in the project and the role it would play in the applicant's strategy and objectives for reducing greenhouse gas emissions and improving energy management.   |

### 3.5 Ministerial priorities

As referenced in section 1.2, the Minister for Environment and Minister for Energy will determine priorities for the funding from time to time.

For the period from the commencement of the Fund until the Ministers agree to change this Ministerial Statement of Priorities, preference will be given to:

*Innovative clean energy projects at significant facilities in regional and remote Western Australia.*

- Regional and remote Western Australia means facilities that are at the fringe of, or are not connected to, the South West Interconnected System or the North West Interconnected System.
- Significant facilities are those that meet, or are expected to meet, facility-level reporting thresholds under the *National Greenhouse and Energy Reporting Act 2007*.



## 4 Award and payment of funding

### 4.1 Payment of funding

Funding to successful proponents will be by way of a grant, or grants, under a Funding Agreement.

Applicants are required to propose a milestone payment schedule with their application which, if the application is successful, will be negotiated on a case-by-case basis. Note that signing the Funding Agreement will not be considered a milestone that warrants a payment.

Funding will only be provided to successful applicants that agree to the terms of the Funding Agreement, including that:

- payment of approved funds will be made in arrears
- the applicant will be required to submit evidence of milestone completion before a milestone payment will be made.

### 4.2 Funding offer and recognition

Following approval from the Minister for Environment and Minister for Energy to allocate funding to a project, DWER will send a formal funding offer to the applicant.

All funding offers will be conditional on the execution of a Funding Agreement with DWER within six months and any other conditions precedent as contained in the Funding Agreement. Failure to execute a Funding Agreement within this period may result in withdrawal of the funding offer.

Any request from the applicant to extend the negotiating period must be made in writing.

DWER may terminate contractual negotiations if a new issue arises regarding compliance with the General Conditions that was not raised within the application.

### 4.3 Funding Agreements

Applicants offered funding are required to enter into a legally binding Funding Agreement with DWER before any funding can be paid.

The Funding Agreement provides the legal framework for the obligations of each party and terms around milestone payments. A pro forma Funding Agreement will be made available for download together with these guidelines.

Funds will not be provided until the Funding Agreement has been finalised, has legally commenced and any conditions precedent have been met.

### 4.4 Disbursement of funds

A schedule detailing the anticipated milestone and payment structure, including milestone reporting, will form part of a successful applicant's Funding Agreement.

Payment will only be made based on actual eligible costs incurred to a maximum of the approved funding amount. If project costs are below the approved funding for the project, or if a project is not completed in the allotted period, only eligible costs incurred will be considered.

Recipients must provide evidence of project expenditure. DWER will assess milestone and financial reports to ensure that sufficient evidence of expenditure and completion of the milestone is provided and that reports have been certified by the authorised officer.

## **4.5 Variations to Funding Agreements**

Requests to vary a Funding Agreement (for example, changes to project milestones or changes in scope) must be made in writing to DWER.

Funding recipients shall advise DWER through the submission of a formal written request for variation for approval as soon as the required changes are identified.

DWER will seek approval from the Executive Group for substantive modifications and may consider the impacts the variation would have on the basis for which the project was initially offered funding.

All variations will be by written agreement of the parties.

DWER may engage relevant expertise to assist with the assessment of requests to vary a Funding Agreement.

## 5 Applicant funding contributions and costs

Applicants must declare whether the project will leverage any Commonwealth or other State Government funding in the business case and application form. State Government funding may comprise a maximum of 25 per cent of total project costs.

Eligible costs will be agreed in the Funding Agreement. Generally, eligible costs may include costs directly associated with the delivery of the project, for example:

- capital costs of renewable energy generation equipment
- essential enabling equipment including batteries, other forms of energy storage, system control equipment, system power or energy conversion equipment, monitoring or communications equipment and structures used for housing power-system equipment
- essential non-equipment expenditure including design, transport, installation and commissioning related to the attainment of a project objective or milestone, or
- project management costs and grant administration costs.

Activities and elements that may not be eligible costs relating to the Fund include:

- land acquisition
- venture capital
- legal costs
- costs associated with core business or business-as-usual activities for an organisation
- ongoing administrative and operational costs including rent, electricity and salaries of existing staff working their usual hours
- projects that seek retrospective funding for work already undertaken
- works already underway or completed at the time the funding was announced (including but not limited to contracts already in place to construct infrastructure or buy equipment or where construction/installation has already commenced)
- ongoing maintenance of projects to which organisations have committed as part of a previous grant, or
- costs of preparing applications, reports or associated supporting material.

The above lists identify the most common examples and are not intended to be prescriptive or comprehensive. If there is any doubt about eligibility of costs, please contact [ceff@dwer.wa.gov.au](mailto:ceff@dwer.wa.gov.au).

## 6 Monitoring and evaluation of projects

Monitoring and reporting requirements, including knowledge sharing, will be specified in the Funding Agreement and will be tailored to individual projects.

Projects are expected to progress at a rate consistent with the milestones for the project specified in the Funding Agreement. The Funding Agreement will specify the reports that funding recipients will be required to provide to demonstrate the performance of their project against the agreed performance milestones. Reports may include:

- regular progress reports
- milestone reports
- management of risks
- audited financial reports
- a final report.

DWER may terminate a Funding Agreement or suspend further payments of funding if a project fails to meet agreed milestones or be completed within five years of commencement.

## 7 Reporting

Funding recipients must submit appropriate evidence to DWER once milestones have been achieved and reported (e.g. receipted tax invoices or other formal documentation that supports the activity and related expenditure).

DWER will assess whether the relevant milestone has been met and adequately reported before authorising a milestone payment.

By the project end date specified in the Funding Agreement, the recipient must submit a project evaluation report and a financial report in the format prescribed in the Fund documentation.

Project acquittal will not be completed until the final reports have been approved by DWER.

## 8 Other matters

### 8.1 Alignment with other State Government policies

Applicants are encouraged to consider in their applications how their projects will contribute to the objectives of State Government policies to deliver new jobs, enhance local content and regional development outcomes and provide economic opportunities for Aboriginal and Torres Strait Islander people in Western Australia.

### 8.2 Recognition requirements

In all publications, promotional and advertising materials, public announcements and activities in relation to a project, a successful recipient must acknowledge the financial support that it has received from the Government of Western Australia, through the Clean Energy Future Fund (as specified in the Funding Agreement).

The Government of Western Australia reserves the right to publicise and report on the funding awarded to funding recipients. This may be done by including the funding recipient's name, amount of funding approved, and the title and a brief description of the project in media releases, general announcements about funding and annual reports.

### 8.3 Personal information and disclosure of information in application

State Government agencies are subject to the *Freedom of Information Act 1992* (WA), which provides a general right of access to records held by State Government agencies and local governments.

Applications will be treated as commercial in confidence; however, applicants should be aware that their applications may potentially be subject to Freedom of Information and other government disclosure requirements.

Information pertaining to the receipt of State Government financial assistance will be tabled in the Western Australian Parliament. This information could include the name of the recipient, the amount of the assistance, the name of the project and a brief description thereof. This could result in requests for more details to be released publicly and any commercial-in-confidence information should be clearly marked as such to assist in any assessments of confidentiality.

Successful applicants should be aware that their organisation's name, project name and amount of funding approved may appear on State Government websites.

### 8.4 Confidentiality

Information that is provided by an applicant as part of, or in connection with, an application for funding and that is identified by the applicant as being commercially

sensitive will be treated as commercial-in-confidence and will only be disclosed with the consent of the applicant or in accordance with section 8.3 above.

The Department of Water and Environmental Regulation (DWER) and Energy Policy WA may disclose any information, including commercial-in-confidence information:

- to the Minister for Environment and Minister for Energy and their respective offices
- to Members of the Assessment Panel
- to independent technical experts where required
- to departmental staff, consultants, advisers and auditors
- as required by law.

These parties will be required to observe appropriate confidentiality in accordance with the State Government's general confidentiality requirements for its employees and contractors.

Applicants must keep funding offers confidential until:

- (i) the Ministers announce the funding offer, or
- (ii) the Ministers consent to release of the information.

## 8.5 Complaints

Any complaints received regarding the Fund will be registered with DWER and reviewed. If the department cannot resolve the complaint within 30 business days of receiving it, the complaint will be escalated to the Executive Group.

Independent technical advice may be sought by DWER or the Executive Group to assist in the resolution of complaints or disputes.

Any complaint or dispute the Executive Group deems unresolved after a further 30 business days will be referred jointly to the Minister for Environment and Minister for Energy for resolution.

## 8.6 Conflicts of interest

Applicants must declare and provide details within the application form of any conflict of interest (actual, perceived or potential) in relation to the application or the project.

Members of the Assessment Panel, secretariat and administrative staff for the Fund, and technical experts engaged to provide advice will also be required to disclose any conflicts of interest (actual, perceived or potential) they have in relation to applications and may be excluded from the assessment of an application because of their conflict of interest.

## 8.7 Tax information

Funding provided to recipients is regarded as payment for a supply. GST-registered grant recipients will therefore be liable for GST in connection with the grant.

The grant will be increased by the amount of GST payable. Recipients must provide a tax invoice for the GST inclusive value of the grant.

Funding provided by the Fund may be treated as taxable income for taxation purposes.



# Glossary

| Term                 | Definition   |
|----------------------|--|
| Applicant            | The applicant/s identified in the application, including project partners  |
| Application          | An application made to the Government of Western Australia for funding under the Fund, which includes a project proposal, a completed application form and any other supporting or additional information provided by the applicant in relation to application |
| Assessment Panel     | The Fund’s Executive Group (see below) in its capacity of assessing applications to the Fund and finalising a recommendations report, supported by non-voting administrative members and probity advisory members  |
| AWST                 | Australian Western Standard Time   |
| Clean energy project | A project that deploys or applies a technology that reduces greenhouse gas emissions from the production or use of stationary energy. This could include energy control or management systems, renewable energy, energy storage and/or energy efficiency       |
| DWER                 | Department of Water and Environmental Regulation   |
| Eligible costs       | Refer to section 5 of these Applicant guidelines   |
| EPWA                 | Energy Policy WA   |
| Executive Group      | Nominated representatives from each of DWER and EPWA that oversee and approve key aspects of Fund administration and provide advice and recommendations to the Minister for Environment and the Minister for Energy.   |
| Fund                 | The Clean Energy Future Fund to be established under section 16 of the <i>Financial Management Act 2006</i> .  |
| Funding Agreement    | The agreement for funding entered into between a successful Applicant and the Government of Western Australia.   |

|                                     |  |
|-------------------------------------|--|
| Applicant guidelines                | This document setting out the guidance and information necessary for applicants to submit an application to the Fund.  |
| Ministerial Statement of Priorities | The priority areas for funding, as determined from time to time by the Minister for Environment and Minister for Energy. Also referred to as 'Ministerial priorities'. |
| Project                             | The clean energy project that is the subject of the application to the Fund.   |
| WA                                  | Western Australia  |

# CleanEnergy FutureFund

## Department of Water and Environmental Regulation

8 Davidson Terrace  
JOONDALUP WA 6027

Locked Bag 10  
Joondalup DC  
JOONDALUP WA 6919

Phone: +61 8 6364 7000  
Fax: +61 8 9751 2348

For further information  
Telephone: (08) 6364 7000  
Email: [CEFF@dwer.wa.gov.au](mailto:CEFF@dwer.wa.gov.au)

Photo: Synergy