

Department of Climate Change,
Energy, the Environment and Water

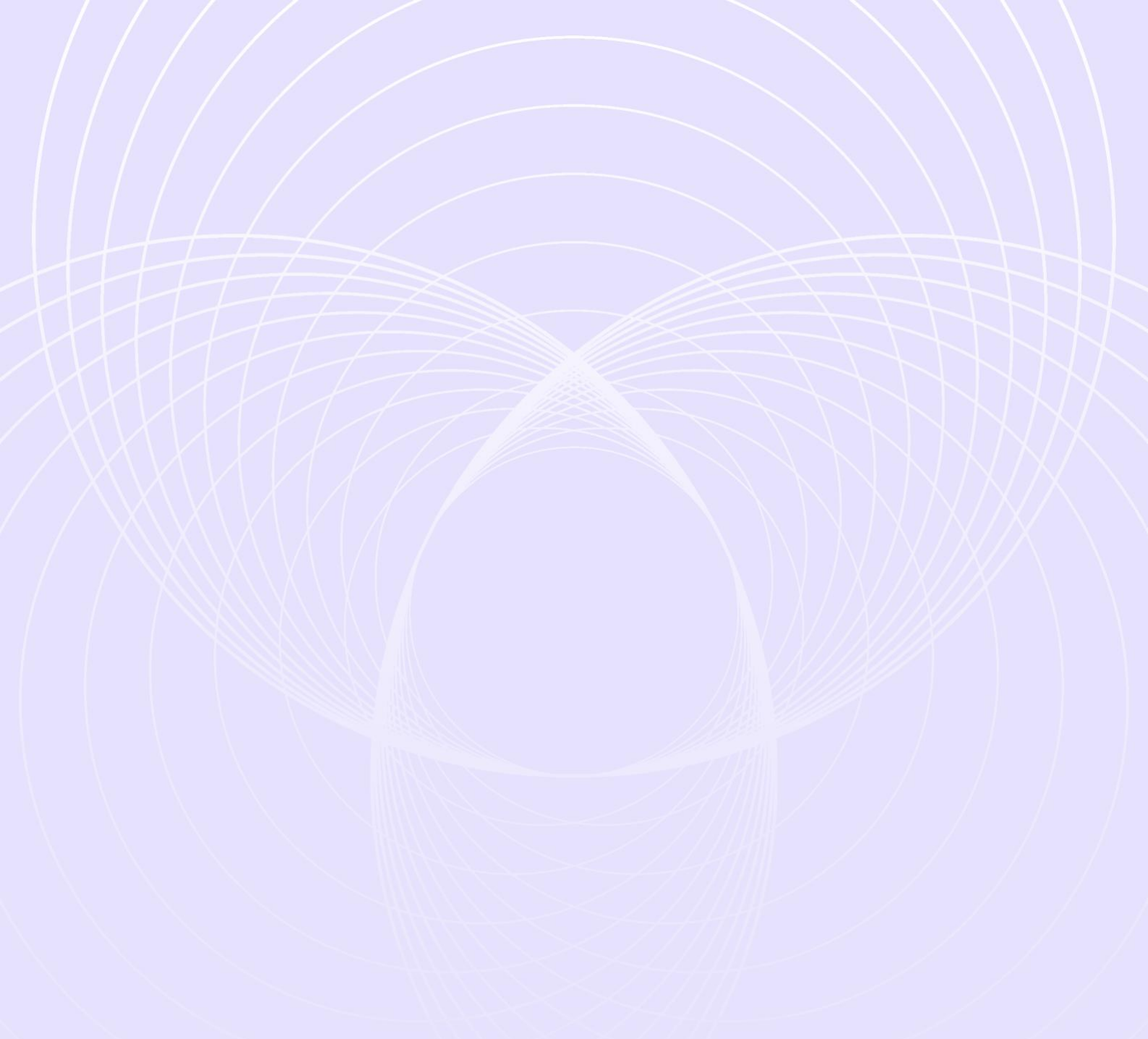
Renewable Manufacturing



Construction ready stream
funding guidelines

February 2024





Acknowledgement of Country

The Department of Climate Change, Energy, the Environment and Water acknowledges that it stands 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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Renewable Manufacturing, construction ready stream funding guidelines

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1. Introduction

1.1 Delivering net zero manufacturing

The NSW Government is committed to achieving net zero emissions by 2050 and this will require supporting industry to decarbonise. Critical to enabling this is the [Net Zero Plan Stage 1: 2020-2030](#) (the Net Zero Plan). The Net Zero plan will fast-track emissions reductions over the next decade to combat climate change, grow the economy, create jobs and attract investment.

In its 2023 budget, the NSW Government announced \$480 million in funding to boost the Net Zero Manufacturing Initiative (the Initiative), which is a key part of the Net Zero Plan. The Initiative's funding streams will build local manufacturing capacity and capability to deliver critical components for NSW's emerging renewable energy sector and new low carbon products.

The NSW Government is also committed to supporting jobs and ensuring NSW has affordable, clean and reliable electricity. The [Electricity Infrastructure Roadmap](#) (Roadmap) sets out the government's plan to replace the state's aging energy infrastructure with a modern grid and new, low carbon energy sources.

The Initiative has allocated up to \$150 million in this round for the Renewable Manufacturing (RM) construction ready stream. This aims to support NSW's renewable energy generation, storage and transmission projects by stimulating local manufacturing for the renewable energy sector from 2024 to 2030.

The Initiative is administered by the Department of Climate Change, Energy, the Environment and Water (the Department). For enquiries or questions about these guidelines, the Initiative and its streams, please contact the Department at netzeromanufacturing@environment.nsw.gov.au

1.2 Objectives

The construction ready stream will invest between \$5 million and \$50 million per project to build new manufacturing facilities. Its 3 primary objectives are to:

1. drive economic growth across NSW
2. grow NSW's renewable energy supply chain capacity and capability
3. alleviate supply chain risk and secure supply for the NSW renewable energy sector.

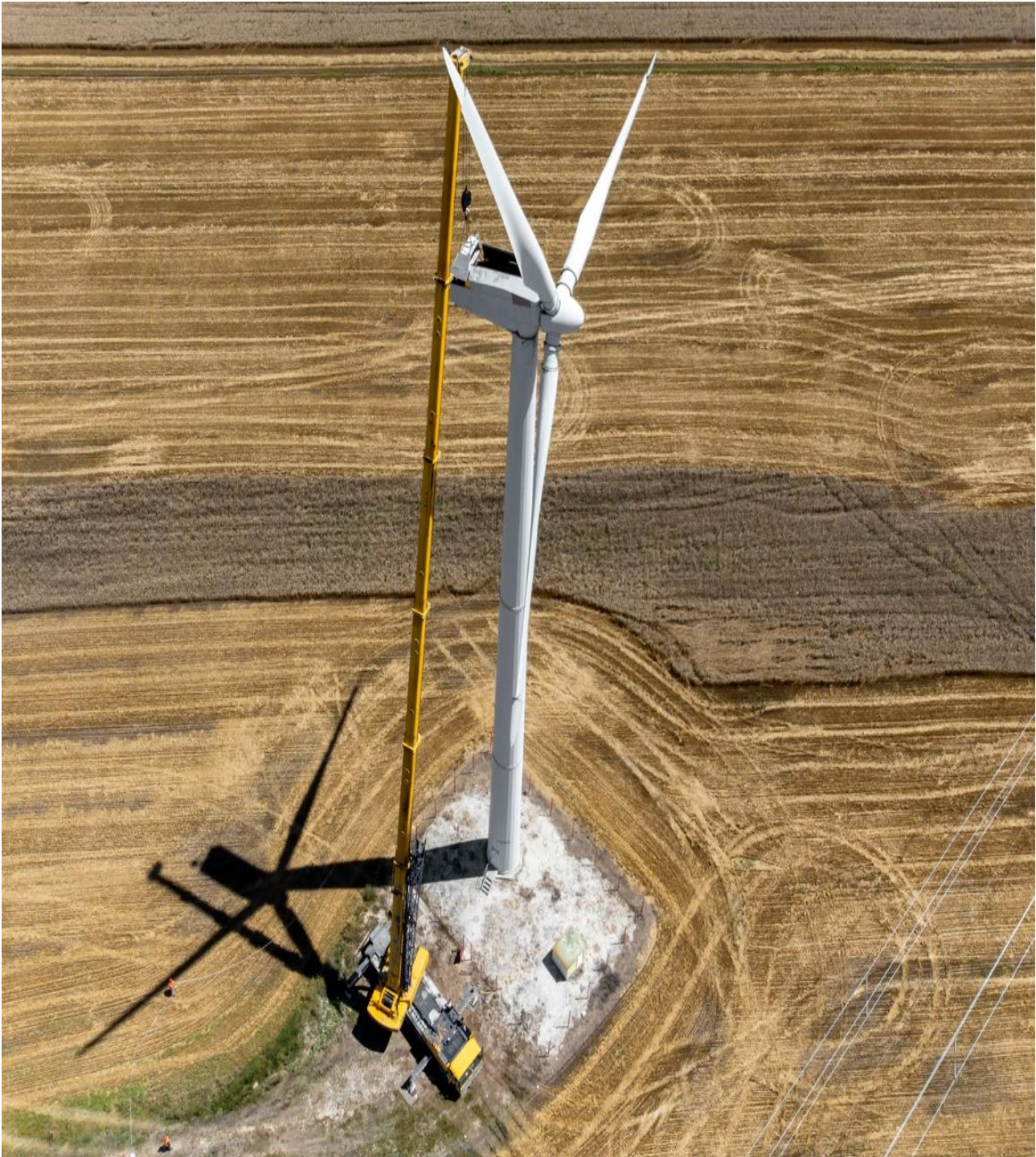
1.3 Purpose of these guidelines

These guidelines provide information for applicants seeking to apply for the construction ready stream funding including:

- key dates and timeframes for this grant opportunity
- how to apply and critical information required to support your application

- eligibility and merit criteria
- the types of projects and costs that can be funded.

These guidelines must be read in conjunction with the [RM construction ready stream supplementary guidance](#) and frequently asked questions (FAQs) published on our [website](#). Our website also has an eligibility checker to help determine which Initiative stream is right for you.



2. Key dates and timelines

The construction ready stream follows a 2-stage application and assessment process: an expression of interest (EOI) stage followed by an invitation to a detailed application stage. Only EOIs that demonstrate compliance with the eligibility requirements and satisfy the merit criteria outlined in these guidelines will be invited to submit a detailed application.

Table 1 lists the indicative timeframes for the construction ready stream. These are subject to change at the discretion of the Department.

Table 1 Key dates and timelines

Stage	Timeframe
EOI open	26 February 2024
EOI close	19 April 2024
Notification of EOI outcome and successful applicants invited to submit a detailed application	14 June 2024, or as soon as possible after a decision has been made at the Department's discretion.
Detail applications open	1 July 2024
Detailed applications close	6 September 2024
Notification of detailed assessment outcome	29 November 2024, or as soon as possible after a decision has been made at the Department's discretion. Successful applicants will be notified and required to sign a confidentiality and conflict of interest document as well as a funding agreement.
Contracting and project commencement	Contract negotiations can commence once an applicant has signed and returned their confidentiality and conflict of interest document. The project will begin once both parties have signed a funding agreement.
Project announcement	Public announcement, led by the Department, may occur at any time after the signing of a funding agreement.
Project completion	Projects must be delivered and operational within 4 years of contract execution and no later than 30 June 2030.
Project evaluation	Successful applicants will be required to participate in a fund evaluation after the project is completed. The evaluation will require applicants to provide evidence of how the project has resulted in measurable benefits consistent with the objectives of the construction ready stream.

3. Application process

The application process will consist of 2 stages:

- Stage 1: Expression of interest (EOI)
- Stage 2: Detailed application (by invitation only).

EOIs that comply with the eligibility criteria and satisfy the merit assessment will be invited to submit a detailed application.

The application process consists of 8 steps.

Step 1: Before applying

Before applying you should:

- read all the information on our [website](#)
- use the eligibility checker on our website to find out which support you may be eligible for
- if support is identified, read the stream funding documents and other related documents published on our website
- register for the question and answer (Q&A) session on our website.

If you have any queries regarding the eligibility of your project, please contact the Department.

Step 2: Prepare and submit an expression of interest

You will then need to complete the [construction ready stream EOI form](#). Please refer to the [RM construction ready stream supplementary guidance](#) for a step-by-step process.

Applications must be submitted prior to the specified closing date and time to be eligible for further assessment.

Please note, if you do not receive an email confirming receipt of your application within 2 working days, please email us at netzeromanufacturing@environment.nsw.gov.au to confirm receipt.

If, by omission an applicant has submitted an application for a project that does not meet the scope of the construction ready stream but does meet the scope of one of the other funding streams in the Initiative (incorrect submission), the Department has the discretion to offer the applicant the opportunity to submit a proposal for the alternative stream. Any opportunity granted for the applicant to resubmit after the closing date will be limited to 5 business days.

Step 3: Expression of interest assessment

The Department will review the EOIs against the eligibility criteria. Eligible submissions will be reviewed by a technical assessment team and independent panel for merit assessment and recommendations.

Step 4: Notification of EOI outcome and invitation for a detailed application

If your application is successful, we will invite you to submit a detailed application.

If your application is unsuccessful, we will notify you of the outcome via an email and only provide an opportunity for feedback solely at the discretion of the Department.

Step 5: Prepare and submit a detailed application

If your application is successful, you will need to complete the construction ready stream detailed application form which will be provided by invitation only to shortlisted grantees.

Applications must be submitted prior to the specified closing date and time to be eligible for further assessment.

Step 6: Detailed application assessment

A technical assessment team and independent panel will review your application against merit criteria. We expect that these reviews will take 8 - 10 weeks.

Step 7: Notification of assessment

If your application is successful, we will send you a written offer and the funding agreement. If your application is unsuccessful, we will notify you of the outcome via email.

Step 8: Project commencement

The project will commence following the signing of a funding agreement.

During the application process, if there is any further information required by the assessor to confirm your eligibility or for merit scoring, the Department will request clarification or evidence to be submitted through [SmartyGrants](#).



4. Eligibility criteria

To be eligible for funding, your application must meet all eligibility criteria outlined below.

All applications need a lead applicant. The Department will only enter into a funding agreement with the lead applicant assessed during the application process.

Proposed changes to the lead applicant (during the application process or during the project) must be approved by the Department in writing. The Department reserves the right to determine the proposed lead applicant ineligible if they cannot satisfy the eligibility criteria.

Detailed guidance on the requirements for each eligibility criterion is provided in the [RM construction ready stream supplementary guidance](#).

4.1 Eligible applicants

Applicants can be based internationally¹, interstate or in NSW. To be eligible for funding, the lead applicant must:

- hold or be willing to obtain an Australian Business Number (ABN) prior to entering into a funding agreement
- be or will become an entity type listed below prior to entering into a funding agreement:
 - a company incorporated in Australia
 - a company limited by guarantee
 - an incorporated trustee on behalf of a trust
 - an incorporated association or co-operative
 - an Aboriginal and/or Torres Strait Islander Corporation registered under the *Corporations (Aboriginal and /or Torres Strait Islander) Act 2006*.
- be or will become registered for goods and services tax (GST) prior to signing a funding agreement
- hold or will attain all insurances required by law including \$20 million public liability insurance and worker's compensation, prior to entering into a funding agreement
- not be 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
- not be listed on the Australian Department of Foreign Affairs and Trade (DFAT) sanctions list
- disclose any legal proceedings or investigations including litigation, arbitration, mediation or conciliation that are 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*) that may adversely impact the applicant's ability to fulfil its obligations under the funding agreement

¹ International businesses will need an ABN, be registered for GST, have at least \$20 million in public liability insurance and be an eligible entity (as listed above) to enter into a funding agreement if successful.

- disclose all Australian Government and/or Australian state territory grants applied for concerning the proposed project including a history of any grant funding over the last 5 years (including both successful and unsuccessful applications)
- materially comply with all:
 - obligations under employment contracts, industrial agreements and awards
 - codes of conduct and practice relevant to conditions of service and to the relations between the applicants and the employees employed by the applicant
 - applicable Workplace Health and Safety legislation.
- achieve Foreign Investment Review Board (FIRB) approval before commencement of the project, should it be required.

Joint applications

Joint applications are permitted provided the lead applicant satisfies the eligibility criteria. The lead applicant must enter into the funding agreement and will be held ultimately responsible for the delivery of the project. The lead applicant must complete the application form and identify all other joint applicants in the application. If invited to submit a detailed application, the application must include a letter of support from each organisation involved in the application. Each letter of support should include:

- details of the joint applicant
- an overview of how the joint applicant will work with the lead applicant and any other joint applicants (if applicable) to successfully complete the proposed project
- an outline of the relevant experience and/or expertise the partner organisation will bring to the application
- the roles and responsibilities of the joint applicant and the resources they will contribute (if applicable)
- the amount and source of any contribution to the proposed project (if applicable)
- details of a nominated contact (management level).

Formal agreements between all joint applicants will be required before the execution of the funding agreement.

Ineligible applicants

Ineligible applicants include:

- Australian or NSW Government agencies, state owned corporations or statutory authorities
- local government authorities or their Section 355 committees
- organisations that do not have an ABN and are unable to obtain an ABN to enter a funding agreement
- unincorporated associations
- other unincorporated organisations
- an individual (including sole traders)
- partnerships without nominating a lead applicant
- businesses that are insolvent.

4.2 Eligible projects

To be eligible for funding, the lead applicant must confirm that the proposed project:

- will deliver new or expanded industrial facilities in NSW that will manufacture renewable energy products at commercial scale.² This includes:
 - components suitable for grid-scale renewable energy generation, storage, and transmission such as, but not limited to, wind towers, solar panels, batteries and transmission cables
 - hydrogen electrolyzers.
- is located in NSW
- is expected to be fully delivered (operational) within 4 years of contract execution and no later than 30 June 2030
- is sustainable without continued government investment
- would not occur in NSW at all or in the same timeframe without government support
- has a viable commercial strategy
- has a minimum financial contribution of at least 50% of the total proposed project cost from non-NSW Government sources (for example, applicant, collaborators, private or other public organisations). In-kind (non-financial) contributions are not counted towards a contribution of 50% of the total proposed project costs.

Ineligible projects

The following projects are ineligible for funding:

- components for energy-harnessing technologies including geothermal energy, bioenergy and ocean energy
- mining of essential minerals needed to manufacture renewable energy components
- projects requiring ongoing funding from the NSW Government
- projects that would proceed and be delivered on the same timeline without government investment support
- projects that have already commenced for the scope of work for which funding is requested in the application
- projects that have already received NSW Government funding for the same outputs and outcomes.

Examples of eligible projects

Table 2 provides examples of projects eligible for funding under the construction ready stream.

This is not an exhaustive list of projects. It is designed to give applicants an idea of eligible projects and their key benefits.

² The technologies and processes used to manufacture the renewable energy components must be within the Commercial Readiness Index (CRI) 3-6.

Table 2 Examples of eligible projects

Project
Construction of lithium-ion battery manufacturing plant to supply electric vehicle and utility-scale energy storage markets.
Construction of a new wind turbine component manufacturing facility. The facility will manufacture and assemble wind turbine components for local and export markets.
Solar cell and module manufacturing plant to produce solar modules for residential, commercial as well as grid scale solar farms.
Construction of a significant new electrolyser manufacturing and assembly facility. The new facility will supply hydrogen electrolysers to domestic and international markets.
Production of high voltage transformers specifically used for dispatching renewable energy across electricity networks

4.3 Eligible costs

Funding may be used for capital expenses (CAPEX) and other costs directly related to the delivery of the project. Eligible costs may only be incurred once both parties have signed a funding agreement. This may include:

- purchase of land (if necessary for the project and suitable alternatives to rent do not exist)
- purchasing, constructing, installing and/or commissioning new plant, equipment and/or machinery
- purchasing, constructing, establishing and/or fitting out new facilities, buildings or hubs
- purchasing technology and/or intellectual property (IP) required to undertake the project
- upgrading existing facilities, buildings, plant, equipment, machinery and/or technology where necessary to deliver the project and achieve its outcomes
- external project management and administration costs up to 10% of project cost.

Ineligible costs

The following costs are ineligible for funding:

- funding the day-to-day operations of the business
- marketing and promotional costs
- costs incurred before both parties have signed a funding agreement
- cost already funded by other sources of local, state or commonwealth government funding.

4.4 Eligible grant amounts

The funding that can be awarded ranges from \$5 million to \$50 million per successful application.

All grant amounts are GST exclusive. Successful applicants will be paid the approved grant amount plus 10% by the Department if GST is applicable.



5. Merit criteria

This section outlines the merit criteria that your application will be assessed against during the EOI and detailed application stages.

For detailed guidance on the requirements for each merit criterion, please refer to the [RM construction ready stream supplementary guidance](#).

5.1 Expression of interest

Eligible applications will be assessed against 2 merit criteria during the EOI stage. Applicants must demonstrate compliance with the EOI merit criteria to be considered suitable for progression to the detailed application stage.

Table 3 lists the EOI merit criteria.

Table 3 EOI merit criteria

Criteria	Description
1. Deliverability and technical feasibility	<ul style="list-style-type: none">• Technical capability, capacity and resources to deliver and operate the manufacturing facility.• Readiness to deliver an operational commercial-scale manufacturing facility within 4 years of contract execution and no later than 30 June 2030.
2. Financial and commercial feasibility	<ul style="list-style-type: none">• Market viability for the renewable energy product.



5.2 Detailed application

Eligible applications will be assessed against 4 merit criteria during the detailed application stage.

Table 4 lists the detailed application merit criteria.

Table 4 Detailed application merit criteria

Criteria	Description
1. Deliverability and technical feasibility	<p>A more detailed assessment of:</p> <ul style="list-style-type: none"> technical capability, capacity and resources to deliver and operate the manufacturing facility readiness to deliver an operational commercial-scale manufacturing facility within 4 years of contract execution and no later than 30 June 2030.
2. Financial and commercial feasibility	<p>A more detailed assessment of:</p> <ul style="list-style-type: none"> market viability for the renewable energy product and financial viability and profitability of the proposed manufacturing of the product financial viability of existing business entity, a parent company or participant in a joint venture.
3. Strategic significance	<p>The extent to which the proposed project will:</p> <ul style="list-style-type: none"> grow the NSW supply chain capacity and capability for the renewable energy sector alleviate supply chain risks for the renewable energy sector stimulate economic growth for NSW.
4. Value for money and affordability to government	<ul style="list-style-type: none"> The value of the contribution of the proposed project to the NSW economy as determined through a cost-benefit analysis conducted by the Department. Projects will generally be required to produce a benefit-cost ratio (BCR) above one and a positive net benefit (Net Present Value) per dollar of government grant. The value of the funding contribution in the form of committed finance from the applicant, partners, and other non-NSW Government sources as a percentage of the total proposed project cost. Contributions from non-NSW Government sources must be at least 50% of the total proposed project cost. In-kind (non-financial) contributions are not eligible.

6. Related opportunities

6.1 Opportunity to supply Roadmap projects

The Roadmap provides NSW renewable energy manufacturers with a once-in-a-generation opportunity to participate in the energy transition.

To help local manufacturers take advantage of this opportunity, the [electricity generation, storage and network infrastructure projects under the Roadmap](#) include minimum or baseline requirements for local content. These cover goods, services and other inputs for the construction and operation of Roadmap infrastructure.

The local content requirements were developed by the [NSW Renewable Energy Sector Board](#) (the Board). By growing the capacity and capability of the NSW supply chain, construction ready projects may enable an increase in the local content requirements over time.

The Board is keen to ensure it considers construction ready projects when recommending increases to the local content requirements, in line with growing sector capacity. To assist with this, Renewable Manufacturing construction ready stream applicants will be able to request their renewable energy manufacturing project be included in the Board's considerations (via the expression of interest form).



7. Contact details

7.1 Contact information

Frequently asked questions and other resources to assist with applications may be found on our [website](#).

Department staff are available to assist with any question during the application process. Please note, the Department is not able to assist applicants with the preparation of their application.

The Department's relevant project team can be contacted by emailing netzeromanufacturing@environment.nsw.gov.au

The Department will use its best endeavours to respond to all emailed questions within 3 business days.

7.2 Complaints

Any concerns about the Initiative and Renewable Manufacturing construction ready stream should be submitted in writing to netzeromanufacturing@environment.nsw.gov.au

If you do not agree with the way the Department has handled the issue, you may contact the NSW Ombudsman via www.ombo.nsw.gov.au





For more information

For more information about the Net Zero Manufacturing Initiative grants please visit our website or contact us via the email below.

www.energy.nsw.gov.au/net-zero-manufacturing-initiative |
netzeromanufacturing@environment.nsw.gov.au