Department of Climate Change,
Energy, the Environment and Water

Renewable Gas Production Program

Grant guidelines

March 2026

NSW GOVERNMENT

Acknowledgment of Country

Department of Climate Change, Energy, the Environment and Water acknowledges the traditional custodians of the land and pays respect to Elders past, present and future.

We recognise Australian Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships to place and their rich contribution to society.

Artist and designer Nikita Ridgeway from Aboriginal design agency – Boss Lady Creative Designs, created the People and Community symbol.

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Introduction

Supporting renewable fuels that will play a pivotal role in decarbonising our hard-to-abate sectors

As part of the NSW Renewable Fuel Strategy, $40 million is available in grant funding to support the commercial deployment of biomethane production facilities and associated infrastructure. The objectives of the Renewable Gas Production Program are:

- expand the development of a biomethane market and supporting infrastructure in NSW
- support industrial facilities to fast-track emissions reductions by replacing natural gas with biomethane
- make biomethane more affordable and accessible for industrial users
- support fuel security, economic resilience and job creation
- position NSW as a leader in renewable energy and sustainable resources
- foster collaboration and knowledge-sharing across the sector to expand biomethane supply and improve cost efficiency.
- directly support the NSW Renewable Fuel Strategy's 2035 priority objectives and circular economy outcomes.

The Renewable Gas Production Program is part of the Industrial Decarbonisation Initiative and administered by the NSW Department of Climate Change, Energy the Environment and Water (the Department, we, us).

Policy context

The NSW Government has legislated ambitious targets under the *Climate Change (Net Zero Future) Act 2023*, including a commitment to reach net zero emissions by 2050. Achieving these goals requires a just and orderly transition that supports our economy, protects the environment and secures long-term prosperity for the people of NSW.

To support this transition, we are investing in the development of a thriving renewable fuels sector that creates jobs, drives regional economic growth and strengthens the state's energy security.

Biomethane is a renewable fuel that can be distributed through existing gas networks and used without significant modifications to industrial processes or infrastructure. It offers a commercially viable substitute for natural gas in applications that are difficult to electrify, such as high-temperature heat and chemical feedstock. It plays a key role in addressing energy security and future gas supply challenges in NSW.

With industrial facilities responsible for nearly 30% of NSW's total emissions, supporting their transition to low-carbon alternatives is critical. NSW has an abundant supply of high-density biogenic waste and feedstocks suitable for biomethane production. By leveraging this resource and existing gas infrastructure, NSW is well positioned to become a leader in renewable gas markets, offering scalable and cost-effective decarbonisation solutions for some of the state's largest energy users.

Purpose of these guidelines

These guidelines provide information about:

- the funding opportunity
- key dates for the grant
- eligibility and merit criteria
- how to apply and application requirements.

These guidelines should be read alongside the NSW Renewable Fuels Strategy, frequently asked questions and other relevant information on our website.

Definitions of key terms used in these guidelines are provided in Appendix A.

Contact information

We are available to answer questions during the application process. Please note that we cannot help you prepare your application. When relevant, we will update the frequently asked questions on our website.

If you have questions, email us at emissionsreduction@environment.nsw.gov.au

We will aim to respond to all emailed questions within 3 business days.

About the grant program

Funding opportunity

This funding supports the development of commercially mature, front-of-meter biomethane production facilities in NSW, with a focus on projects that:

- deliver cost-effective, large-scale biomethane for injection into the gas distribution network
- displace fossil gas use by high emitting industrial facilities, particularly where natural gas is used for high-temperature processes or as feedstock in applications that are not easily electrified.

We will co-invest in projects across the full biomethane value chain that integrate feedstock preparation through to production, delivery and injection into the NSW gas network.

Eligible projects

Funding may contribute to the following areas.

- **Capital works and infrastructure, including, but not limited to:**
  - feedstock infrastructure such as collection, aggregation, pre-treatment, storage and distribution
  - biomethane production facilities such as anaerobic digestion, gasification, pyrolysis, biogas upgrading, purification and methanation
  - biomethane delivery and injection infrastructure such as compressors, boosters, pipelines, grid-connection upgrades and other assets required for network injection.
- **Project development activities which are incidental to successful implementation of the project.** These include, but are not limited to:
  - final detailed engineering design including preparing documentation, drawing and specifications
  - procurement including sourcing, contracting and managing delivery of goods and services
  - construction including building and installing project infrastructure in line with approved designs

- commissioning including testing and verifying systems to meet design specifications
- operations including preparing, monitoring and maintaining systems to ensure they are fully operational.

Ineligible projects

Projects that do not directly increase the supply of grid-injected biomethane in the NSW network are not eligible for funding.

Examples of ineligible projects include:

- **early-stage development activities** such as scoping studies, pre-feasibility studies and feasibility studies
- **standalone studies or capital works** that do not directly result in biomethane production and injection into the NSW gas network
- **behind-the-meter biomethane projects** intended solely for on-site use without network injection
- **projects for non-industrial end uses** including those not aligned with industrial decarbonisation objectives.

For detailed eligibility criteria and project requirements, refer to the eligibility section of these guidelines.

For information on eligible expenditure and activities, see Appendix D. You must document all costs must be substantiated before we can make milestone payments.

Applicant contributions

You must contribute at least 50% of the eligible costs of the project, with higher contributions preferred. Co-contribution can be provided by your organisation, Commonwealth Government funding initiatives or through arrangements with partner organisations not affiliated with the NSW Government. You must also ensure that any contractual milestones or obligations tied to those funds are aligned with your funding proposal under this grant.

Key details

Table 1 provides an overview of the key details of this grant. Full eligibility requirements are outlined in the eligibility criteria section of this document.

Table 1: deployment stream overview

Key detail	Information
Total funding available for the program	$40 million
Individual grant limit	$20 million Note: The Department may award grants above this limit in exceptional circumstances where an application shows outstanding merit.
Maximum NSW Government co-contribution	50%
Project location	NSW
Projects supported	Projects that produce and inject biomethane into NSW gas network by 30 June 2030 to decarbonise NSW industry facilities.
Minimum project production capacity	0.1 petajoules (PJ) biomethane per year
Eligible expenditure	Costs associated with final detailed design, procurement, implementation (construction) and commissioning.

Key dates and timeframes

Table 2 lists the application and assessment stages with expected timelines. We may change these at our discretion.

Table 2: application and assessment stages with expected timeframes

Stage	Description	Timeframe
Launch and expression of interest opens	The Renewable Gas Production Program is launched, and applicants can submit expressions of interest applications.	9th March 2026
Expression of interest close	No further expression of interest applications will be accepted after this date.	24th April 2026
Assessment of expression of interest applications	Eligibility requirements and applications will be assessed against expression of interest merit criteria. We will notify you of the outcome. If you are successful, you will be invited to submit a full application.	27th April to 26th June 2026
Full application opens	Invited applicants prepare and submit their full application.	July 2026
Full application closes	No further applications will be accepted after this date.	September 2026
Assessment of full application	Eligibility requirements and applications will be assessed against merit criteria. We will notify you of the outcome. If you are successful, we will send you a letter of offer and start funding deed negotiation.	September 2026 to January 2027

Application and assessment

How to apply for funding

The Renewable Gas Production Program is an open competitive grant funding program that follows a two-stage application process. This includes an expression of interest and a full application stage. All applications must be submitted through the grant management system portal.

In both stages, applications must be completed in full and provide all specified information – please refer to the Eligibility Criteria section and Merit Criteria section for full details. If you do not provide the specified information in the format required, we may ask you for more information or clarification, or your application may be unsuccessful.

To ensure a successful grant application, you must include a detailed budget at full application stage that clearly outlines the funding required and how it will be allocated to eligible expenditures. The budget should provide a clear and comprehensive breakdown of costs associated with the project.

Please refer to Appendix D for more details on eligible expenses and what to include in the budget for your application.

Applications will be reviewed and assessed against merit criteria by a panel of industry experts and government staff before recommendations to the decision maker.

The application process consists of 7 steps:

Step 1

- Read the relevant documents, including these funding guidelines, the frequently asked questions and other information on the website.

Step 2

- Submit an expression of interest application on the grant management system. You must submit this before the closing date and time to be eligible for further assessment.

Step 3

- A panel of industry experts and NSW Government staff will check all expression of interest applications against the eligibility criteria and will score them against merit criteria.

Step 4

- Once we approve successful expression of interest applications, we will invite you to submit a full application. We will notify you if your application is not successful.

Step 5

- If invited, submit a full application on the grant management system before closing date. We will provide a funding deed template, any departures must be provided with your full application.

Step 6

- A panel of industry experts and NSW Government staff will check all applications against the eligibility criteria and will comparatively assess applications against merit criteria.

Step 7

- Once the funding for successful applications is approved, we will notify you and send you a funding offer letter.

Note: We will conduct a portfolio assessment of selected applications. This assessment will analyse the aggregated outcomes of the projects to ensure they align with the NSW Government's strategic priorities and the policy objectives detailed in the NSW Net Zero Plan.

Departures to template funding deed

A funding deed template representing terms the Department considers appropriate will be available on the grants management system. Applicants must have acknowledged they have read the funding deed template during full application. Applicants must confirm they accept the terms of the funding deed template or alternatively, provide any requested departures during full application. A departures table will be provided to you, this must be submitted with your full application.

Any significant departures may be considered during assessment. The Department does not encourage departures and may or may not accept the requested departures at its discretion.

Application due diligence

During the assessment process, we may take required steps to check your application's evidence and claims. This may include, but is not limited to:

- commissioning or completing research, analysis and modelling to support application assessments

- financial due diligence
- company due diligence
- contacting identified project participant organisations
- requesting any information or material we may need.

As part of these due diligence checks, you must comply with any request for information. As a result of the due diligence, we may ask you to provide a form of guarantee for the performance of the funding deed. For example, this could be a parent company guarantee.

If you have applied for additional funding from another government source (such as the Australian Renewable Energy Agency), we will work to share due diligence resources and, where possible, minimise this administrative work for you.

Final decision

The Director of the Low Carbon Industry Programs will approve successful applicants at the expression of interest stage and invite them to the full application stage.

The final decision to award grants at full application stage will be made by the Deputy Secretary, Energy, Climate Change and Sustainability.

We will advise you by email about the outcome of your application.

Our decision is final in all matters, including the:

- approval of applications for funding
- amount of funding awarded
- terms and conditions of funding.

Your application submission and our assessment of your application does not represent an agreement to negotiate an offer or guarantee any funding.

We reserve the right to stop negotiations at any time before finalising the funding deed without any liability or obligation to you or any third party. Any actions you or any third party takes based on the application are at your own risk and expense. There is no binding agreement until the funding deed has been executed.

Reserve list

We may retain some applications in a reserve list after the full application stage. We may use this list if successful applicants withdraw during contract negotiations or fail to reach a final investment decision.

Eligibility criteria

To be eligible for funding, an application must meet all eligibility criteria below. Only applications that satisfy all the eligibility criteria will proceed to the merit assessment.

Each application must have one lead applicant who is/will be the biomethane plant asset owner or has/will have control over operation of the biomethane production plant. We will only enter into a funding agreement with the lead applicant assessed by us at the time of application.

At the full application stage, you must disclose the corporate structure of the project, including any joint venture (JV) partners and their level of commitment or support for the project. You must also show progress towards securing preliminary, non-legally binding agreements with feedstock suppliers, gas network operators, distributors and industrial off-takers. These agreements should show engagement with supply chain partners and provide confidence that the biomethane produced will have a viable and committed pathway to industrial use, supporting decarbonisation outcomes.

The evidence required to demonstrate eligibility is provided in Appendix B.

Eligibility criteria 1: eligible applicant

Table 3: eligible applicant

	To be an eligible applicant you must:
✓	have an Australian Business Number (ABN)
✓	be an Australian entity duly incorporated under the *Corporations Act 2001 (Cth)* and hold and comply with all necessary authorisations that are material to the conduct of the business of the applicant
✓	be/will be the biomethane plant asset owner or has/will have operational control over biomethane production plant
✓	by the full application stage, intend to participate in and receive a letter of support from Greenpower's Renewable Gas Certification to create and sell Renewable Gas Guarantee of Origin certificates for the produced biomethane*
✓	by the full application stage, intend to have in place a letter of intent, memorandum of understanding, or similar agreement† with

	To be an eligible applicant you must:
	1. feedstock suppliers for biomethane production 2. NSW gas network owners or operators to enable injection into the gas pipeline 3. an industrial off-taker in NSW that will use the biomethane
✓	hold all insurances required by law, including public liability insurance and workers compensation
✓	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 applicant and the applicant's employees – applicable workplace health and safety legislation
✓	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, administer or similar
✓	not be listed on the Australian Government Department of Foreign Affairs and Trade sanctions consolidated list
✓	to the best of your knowledge, disclose any legal proceedings or investigation, including litigation, arbitration, mediation or conciliation that is taking place, pending or threatened against you or a related body corporate (as defined in the *Corporations Act 2001*). This is to the extent that such claims: – could affect or be perceived to affect the reputation of the NSW Government including its officers, Ministers and employees) – may conflict with or be perceived to conflict with the potential funding or your obligations under the funding agreement or project more generally – relate to an authority investigating your compliance with any law, regulation or legislation – relate or arise from any compliance issues with Environmental Protection Licences issued through the NSW Environmental Protection Authority (EPA) – impacts your ability to comply with your obligations under the funding agreement or to complete the project.
✓	agree to comply with any additional requests for information

	To be an eligible applicant you must:
✓	disclose all Australian state government, territory government and Commonwealth Government successful and unsuccessful grants applied for in relation to the project.
✓	be the owner or have all rights to use and license any intellectual property needed to carry out the project.

Notes:

* Milestone payments will be contingent on full registration in the Renewable Gas Certification.

†These agreements with supply chain partners should include indicative price, volume and timing to demonstrate that the biomethane has a credible, committed pathway to industrial use, supporting the project's emissions reduction objectives.

You must show preliminary agreements or formal contracts before we complete a funding agreement. You must have commercial contracts with these parties in place, including evidence of an offtake agreement with an industrial user (or users) of the biomethane, before you will receive milestone payments.

The off-taker must be a high-emitting industrial business that reports to the National Greenhouse and Energy Reporting (NGER) Scheme and is required to show a commitment to purchase and use the produced biomethane to offset fossil fuel consumption at its facility. This is to reduce its total scope 1 emissions. Acceptable evidence of offtake arrangements may include:

- a signed memorandum of understanding or heads of agreement
- a letter of intent outlining commercial intent and expected volumes
- a binding gas purchase agreement or contract specifying pricing, volumes and delivery terms.

Eligibility criteria 2: eligible project

Table 4: eligible project

	You must confirm that the project:
✓	will comply with relevant local, state and federal regulatory requirements
✓	will use feedstock procured in NSW to produce in-front-of-meter biomethane in NSW
✓	will comply with these Renewable Gas Certification requirements and rules
✓	will produce at least 0.1 PJ per year of biomethane to decarbonise NSW industrial facility
✓	will use a feasibility study or similar evidence to show that it is technically and commercially feasible by full application stage. Please refer to Appendix C for the definition and requirements to show technical feasibility of your project at each stage of application.
✓	will be operational and inject biomethane into NSW gas network on or before 30 June 2030
✓	is requesting funding within the funding limit for individual grants ($20 million)
✓	will include co-investment of at least 50% of eligible project costs (see Appendix D) by your organisation or through arrangements with partnering organisations that are not affiliated with the NSW Government. Higher cash contributions towards eligible costs are preferred
✓	will require NSW Government co-funding to either: – enable a final investment decision by making the project commercially or financially viable – significantly shorten the implementation timeframe, or – increase the scale of biomethane production and associated industrial emissions abatement.

Merit criteria

This section outlines the merit criteria that will be used to assess applications. We strongly encourage you to review this section before preparing your submission.

Each merit criterion is divided into requirements for the expression of interest stage and the full application stage. Your application should address the criteria for each stage.

You will need to provide substantially more evidence to meet the merit criteria for the full application stage. It's important to consider these criteria ahead of time to make sure your organisation will meet requirements.

Keep in mind that we are prioritising projects which demonstrate:

- large-scale and low-cost biomethane production
- speed to commissioning and gas injection into the network
- support for high-emitting industrial facilities that report to the National Greenhouse and Energy Reporting (NGER) Scheme, rely on large volumes of natural gas and cannot be easily electrified
- the ability and plans to expand and scale biomethane production beyond 2030
- firm commitments from gas network operators, retailers and industrial off-takers
- a more affordable delivered biomethane price for industrial off-takers
- the capacity and capability to build, produce and deliver biomethane to market to a high standard that provides upstream and downstream economic opportunities.

Detailed information about how to demonstrate merit is provided in Appendix B.

To ensure the best value for taxpayers and project success, the Assessment Committee prioritises proposals that demonstrate a strong private financial commitment. Projects where the applicant's own investment exceeds the combined state and federal grant funding are viewed as having a more robust risk profile, which will be favourably considered during the portfolio selection process. Note: where applicable, you must complete the merit criteria template which will be provided through the grant management system when you start your application.

Merit criterion 1: scale of biomethane production and associated emissions reduction

This criterion assesses how well the project increases the capacity of biomethane production and reduces emissions at high emitting industrial facilities in NSW.

Expression of interest stage

Table 5: merit criterion 1 for expression of interest stage

Merit criterion 1 sub criteria	Information required to demonstrate merit
• Annual and cumulative biomethane production. • Annual and cumulative CO_2 emissions and CO_2 abatement potential.	• Forecast annual and cumulative biomethane production (PJ per year and normal cubic meter (Nm^3) per year) over the lifetime of the project. • Estimated annual and cumulative tonnes of carbon dioxide equivalent (tCO_2e) from biomethane production plant. • Estimated annual and cumulative tCO_2e when the produced biomethane replaces fossil fuel in NSW industry.

Full application stage

Table 6: merit criterion 1 for full application stage

Merit criterion 1 sub criteria	Information required to demonstrate merit
• Annual and cumulative biomethane production. • Annual and cumulative life-cycle CO_2 emissions. • Annual and cumulative CO_2 emissions reduction potential.	• Forecast annual biomethane production (PJ per year and Nm^3 per year) from commissioning date until the end of the lifetime of the project. • Forecast cumulative biomethane production (PJ and Nm^3) over the lifetime of the project. • Estimated cradle-to-grave tCO_2e from the project, including emissions from feedstock preparation and biomethane production plant. • Estimated annual and cumulative tCO_2e when produced biomethane replaces fossil fuel in NSW industry. • Emissions data should be broken down into emissions type, such as CO_2 and methane, scope 1 and scope 2 emissions. • Provide sensitivity analysis on the estimated production and CO_2 emissions data. • Outline how biomethane production and CO_2 emissions data will be measured and verified to international standards.

Merit criterion 2: financial feasibility of the project and value for money

This criterion evaluates the project's ability to cost-effectively produce and supply biomethane to NSW industries.

Expression of interest stage

Table 7: merit criterion 2 for expression of interest stage

Merit criterion 2 sub criteria	Information required to demonstrate merit
• Financial analysis of the project. • Funding contribution from other sources.	• Estimated total capital and operating costs ($ per year) and production costs of biomethane ($ per gigajoule (GJ) and $ per Nm^3) over the project lifetime, with and without NSW Government funding. • If applicable, outline potential (approved, in progress or planning to apply) funding contributions ($ per year) from other private and government agencies such as the Australian Renewable Energy Agency, Clean Energy Finance Corporation and others.

Full application stage

Table 8: merit criterion 2 for full application stage

Merit criterion 2 sub criteria	Information required to demonstrate merit
• Financial analysis over the lifetime of the project. • Impact of NSW Government contribution on production costs of biomethane. • Funding contribution from other sources	• Capital and operating costs ($ per year) over lifetime of the project • The cost of biomethane production ($ per GJ and $ per Nm^3) and CO_2 abatement by end user ($ per tCO_2-e). • All revenue streams ($ per year) from the project. These include but are not limited to the sale of: - produced biomethane - by-products such as biogenic CO_2 and digestate - Renewable Gas Guarantee of Origin certificate - Australian carbon credit unit generation. • Analysis of return on investment. • Sensitivity analysis on financial data provided. Note: all data above should be provided with and without government funding. • Outline how NSW Government funding reduces biomethane production cost and how this will translate to help reducing the delivery price for the industrial consumer. • Outline when NSW Government funding would be required. • Outline potential (approved, in progress or planning to apply) funding contributions from other private (such as equity or debt) and Commonwealth funding sources (such as grants or concessional loans) including: - quantity of biomethane production attributed to these funding sources - how all these funds will be allocated - what stage of negotiation they are at - any contractual project milestones. • Outline the corporate and investment structure of the project.

Merit criterion 3: technical feasibility, regulatory pathway, environmental considerations and scalability of the project

This criterion assesses how feasible and scalable the proposed project is and how it considers and plans to comply with environment regulations.

Please refer to Appendix C for the definition and requirements to show technical feasibility of your project at each stage of application.

Expression of interest stage

Table 9: merit criterion 3 for expression of interest stage

Merit criterion 3 sub criteria	Information required to demonstrate merit
• Technical details of the project. • Technology development and effectiveness. • An approvals strategy.	• An overview of the project scheme, scope and its key components. • The technology or technologies to be commissioned, including their function. • Whether the technology has been deployed elsewhere, and if so, where and with what results. • An overview of the pathway or strategy to get required approvals.

Full application stage

Table 10: merit criterion 3 for full application stage

Merit criterion 3 sub criteria	Information required to demonstrate merit
• Project scope and technical aspects. • Technology deployment and effectiveness. • Scalability of the project. • Environmental controls.	• Outline of the core elements of the project, including the technology, equipment, services or processes to be delivered. Include relevant design and engineering information, such as methodologies, specifications and any supporting documentation. This may include peer reviews, engineering assessments or feasibility studies. • An indication of whether the proposed commercial scheme has been implemented elsewhere. If so, provide details on where it was deployed and evidence of its performance or effectiveness. • A description of how the project, if successful, could be scaled up in the future. For example, explain the potential to replicate or expand the solution to include additional facilities, users, businesses or industrial off-takers. • A summary of the project's pathway to comply with relevant standards and regulations and attain relevant planning and development permits.

Merit criterion 4: project delivery and strategic partnership

This criterion evaluates the capacity and capability of project applicant(s) and partner(s) to effectively deliver the proposed project. It also determines if they have partnership with industry to use produced biomethane where its most needed.

Expression of stage

Table 11: merit criterion 4 for expression of interest stage

Merit criterion 4 sub criteria	Information required to demonstrate merit
• Capability and capacity to deliver the project. • Supply chain partnership.	• Demonstrate you and your project partner's capacity and capability to undertake the project on time and budget, including support from supply chain and finance partners. • If applicable, provide evidence of any agreements or preliminary discussions or an engagement plan to work with supply chain partners including feedstock suppliers, gas distribution owners and industry off-takers. These can include but are not limited to: - a signed memorandum of understanding or heads of agreement. - a letter of intent outlining commercial intent and indicative volumes. - a binding gas purchase agreement or contract specifying pricing, volumes and delivery terms. - formal contract between all supply chain partners. Note: at the full application stage we will only consider projects that have evidence of agreements in place.

Full application stage

Table 12: merit criterion 4 for full application stage

Merit criterion 4 sub criteria	Information required to demonstrate merit
• Capacity and capability to deliver the project. • Strategic application of produced biomethane. • Supply chain partnerships.	• Demonstrate you and your proposed contractors and project partner's capacity and capability to undertake the project on time and budget. This includes suppliers, technology providers, equipment manufacturers and others. Include relevant experience and a track record of implementing similar projects. • Provide a detailed project plan including major phases, activities and milestones to complete the project. The project plan should contain enough detail to populate a project milestone schedule as part of a funding agreement. • Provide a risk register demonstrating an understanding of all risks associated with the project. The risk register should include all potential risks relating to the success of the project. Risk categories may include (where applicable): – financial – technical – environmental – compliance – regulatory – delivery. • Within the risk register, outline how the project has met or will meet all required approvals, including grid, water access, environment and planning approvals.

Merit criterion 4 sub criteria	Information required to demonstrate merit
	• Outline the associated risk in obtaining these approvals where applicable. • If applicable, provide evidence which may include letter of intent, memorandum of understanding, agreement or contract with industry off-takers that the produced biomethane will be used in NSW industrial facilities which report to the NGER Scheme. • If applicable, provide evidence which might include a letter of intent, memorandum of understanding, agreement or contract with industry off-takers that the produced biomethane will be used in high heat processes that cannot be easily electrified or as feedstock where there is no substitute. • If applicable, provide evidence of commercial contracts with supply chain partners including feedstock suppliers, gas distribution owners and industry off-takers. • Provide a credible procurement pathway in relation to all key project agreements and deliverables. The pathway should include a procurement timeline, which is procurement options and consideration of procurement risks and mitigations.

Merit criterion 5: alignment to NSW objectives and economic growth

This criterion assesses the impact of the proposed project on job creation in NSW and how well it aligns with relevant NSW Government strategies.

Criterion 5 will only be assessed in the full application stage.

Table 13: merit criterion 5 for full application stage

Merit criterion 5 sub criteria	Information required to demonstrate merit
• Project impact on job creation. • Project alignment to NSW Government priorities.	• Describe the project's impact on jobs in NSW by identifying NSW-based employees and contractors involved in the project construction and operation. • Briefly describe how the project and your overall corporate strategy will help accelerate the development of a renewable fuel industry and industrial decarbonisation in NSW.

Merit criterion 6: knowledge sharing

This criterion assesses how you plan to share knowledge and lessons learned from this project to industry and the broader public.

Criterion 6 will only be assessed in the full application stage.

Table 14: merit criterion 6 for full application stage

Merit criterion 6 sub criteria	Information required to demonstrate merit
• Knowledge sharing.	Provide a knowledge sharing plan to outline: • what knowledge from the project will be shared • how and when the knowledge will be shared • who the knowledge will be shared with, for example to NSW Government, Federal Government or the public • the value of the knowledge.

Successful applicants

Funding offers

Successful applicants will receive a conditional funding offer from us. This must be kept confidential until a funding deed is executed by both parties. You must get our approval before communicating publicly about the project.

We may withdraw the offer at any time, with or without reasons, including if the applicant does not comply with this public communication requirement.

Funding deed execution and commercial principles

Successful applicants must enter a funding deed with us to receive funding. The funding deed will detail your obligations regarding the project.

Once you have been made a conditional offer, we will provide you with a draft funding deed for review and execution.

The successful applicant listed on the funding deed must have operational control of the facility. You must provide corporate/business structure details and information if we request it, including for due diligence purposes if required. We may require security from the successful applicant as a condition of the grant funding, such as a parent company guarantee. You must state in your application if your organisation is part of a trust structure.

A funding deed template will be available on our website when you are invited to submit your full application. We may require additional terms based on your application and the due diligence checks we conduct. For example, additional trust terms may be added if your organisation is a trust entity.

We do not encourage changes to the funding deed template. However, if you cannot accept the terms of the funding deed template in its current form, you may request changes, including relevant reasoning. We may or may not accept the requested changes.

We expect the terms of an executed funding deed to reflect your careful and thorough expectations for the project's development. For example, you should ensure a rigorous and realistic basis for the project milestone timing, associated payment and outcomes as set out in the funding deed. Any payment of funds depends on the execution of a funding deed.

Milestone payments

We intend to offer 4 milestone payments across the lifecycle of the project, outlined in Table 15. The final funding percentages and the number of milestones for successful applications will be confirmed before you sign the funding deed.

Note: projects that receive grant funding must be fully operational and inject biomethane into NSW gas network on or before 30 June 2030.

Table 15: indicative milestone schedule (may be updated by us)

Milestone number	Requirements	Nominal funding %	Indicative timeline
1	• Fully executed copy of the funding deed. • Provide evidence of a completed technical feasibility assessment class 3 or equivalent (see appendix C). • Final investment decision to proceed with project.	20%	Q1-Q2 2027
2	• Completion of the project and engineering design. • Formal commercial contract with feedstock supplier(s), gas network owner and industry off-taker(s). • Evidence of registration in GreenPower's Renewable Gas Certification. • Completion of procurement of project equipment.	30%	Q4 2027
3	• Construction completed in line with project design • Commissioning of the project equipment. • Evidence that the project is operational.	30%	Q1 2029
4	• Report demonstrating biomethane production and injection into NSW gas network. • Evidence of industry off-taker(s) in NSW. • Knowledge-sharing activities completed.	20%	Q3 2029

Credits and certificates

Projects that receive funding under this program may be eligible to generate Australian Carbon Credit Units, Safeguard Mechanism Credits or other environmental certificates.

We reserve the right to recover a share of any revenue from the sale or transfer of such credits or certificates generated by the project. This requirement may be included as a condition of funding in the funding deed.

In doing so, our objective is to ensure that the financial benefits of government co-funding are shared appropriately. This will help pass on any cost savings or revenues to consumers when appropriate, while ensuring the project owner receives a reasonable rate of return.

We will make this decision as part of our assessment of the application, considering your financial model and projected commercial returns.

You will also be required to report any certificates or credits generated by the project and provide relevant documentation upon request.

Monitoring project progress

Successful applicants who enter a funding deed must submit data reports in line with the requirements of the executed funding deed. We will use these to monitor the progress of your project. To confirm the details of the submitted data reports, we may:

- conduct site visits
- reexamine claims
- seek further information
- request an independent audit of claims and payments.

Types of reports and plans required under a funding deed may include:

- project milestone report
- annual operating parameters report
- annual project report
- financial reports
- final report
- risk management plan
- licensing and approvals plan
- annual emissions report and emissions monitoring plan
- knowledge sharing plan.

Publishing and sharing project information

We may publicly announce and/or publish information associated with your project, including information noted in the NSW Grants Administration Guide and the:

- name of the recipient
- title of the project
- description of the project and its objectives
- amount of funding awarded.

You must not make any announcement about the success of your application without our approval or before our announcement. If you make a public statement about a funded project after our announcement, this must first be reviewed and approved by us and include an acknowledgment of the support provided by the NSW Government. We will also share or publish information about any successful or unsuccessful applications when required under the law.

Further information

Commencement and authority for funding guidelines

These funding guidelines have been approved by the Department.

Limitations

No representation, warranty or guarantee

The NSW Government, its Ministers, the Department and each of their officers, employees and agents (the Department Parties) do not give any representation, warranty or guarantee, whether express or implied, in relation to the information contained in any materials released by the Department Parties associated with this funding stream, including with respect to:

- completeness
- accuracy
- currency
- reliability
- the process by which they were prepared.

The Department Parties do not and will not give opinions or advice regarding, legal, accounting, regulatory, taxation or any other matters. Without limiting the foregoing:

- nothing in the funding materials (including without limitation, these guidelines, or the funding deed) is or should be regarded as advice
- the applicant must satisfy itself, at its own cost, by undertaking its own investigations or seeking advice.

No obligation to update

The funding materials, the information contained herein and the matters to which they relate may be amended, updated or withdrawn at any time, at the Department's discretion. However, the Department Parties do not accept any responsibility to update, supplement or correct the funding materials, nor to inform applicants about any matter that may affect the funding materials.

No liability

The Department Parties 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 funding materials (including without limitation, these guidelines, or the funding deed), except for any liability which cannot be excluded as a matter of law.

Other limitations

The program materials are not an offer, recommendation or invitation by any Department Party in respect of any contract or commitment and (subject to a funding deed being fully executed) nothing in the materials will form the basis of any contract or commitment.

The applicant must rely entirely upon its own investigations, review and analysis in relation to their assessment of whether to apply to and participate in this funding stream.

Confidentiality and disclosure of information

Unless otherwise stated, the Department will treat any commercial-in-confidence information provided by the applicant as part of, or in connection with, a registration, application or negotiation process.

The Department may disclose commercial-in-confidence information provided by the applicant to the following parties:

- a Minister or Minister's office (including any staff employed by the Minister or Minister's office)
- the NSW Ombudsman and Audit Office of NSW
- Department staff, consultants and advisers
- any agency or body of the NSW Government, or any other organisation or individual considered by the Department to have a need or an entitlement to know that information (including any federal, state or territory agency or body), where the need or entitlement to know that information arises out of or in connection with the Department's assessment, verification or due diligence of any aspect of the application or the abatement project
- where authorised or required by law to be disclosed, to those parties.

If the Department discloses commercial-in-confidence information to any of the above parties, the Department will inform the party that the information is strictly confidential.

The Department will otherwise only disclose commercial-in-confidence information provided by the applicant with their consent.

Complaints

Complaints concerning this funding should be emailed to emissionsreduction@environment.nsw.gov.au

Complaints will, in the first instance, be reviewed by the Department. If the Department cannot resolve the complaint within 30 business days of receipt, it will provide details of a nominated complaint and review officer from the Complaints Team who will advise the next steps.

If the complaint is still not resolved satisfactorily, the NSW Ombudsman can be contacted for an external review of the administrative actions of the Department.

Conflicts of interest

Applicants must disclose any actual, potential or perceived conflicts of interest as part of their application or, if successful, as they arise during project implementation.

Conflicts of interest are any factors that could compromise, or be perceived to compromise, the judgement, decisions, or actions of a person or group of people. Such conflicts may relate to, without limitation:

- engaging consultants to assist the applicant with the application who have advised or are currently advising the Department
- procurement or employment
- direct negotiations
- sponsorships
- partnerships
- any other situations which could lead to unfavourable advantage.

The fact that the applicant wishes to engage, or has engaged, an existing Department consultant or service provider does not automatically preclude the applicant from engaging the same consultancy. However, the applicant must find out whether the consultants have advised the Department about the potential conflict and notify the Department immediately.

The Department will consider whether there is a conflict of interest and notify the applicant of the outcome. The applicant must follow the Department's directions with respect to the conflict of interest, including procuring assurances from the consultant. Otherwise, the Department may elect not to proceed with the application.

The applicant should be cautious about any conflicts of interest. The Department recommends that applicants contact the Department if they are unsure whether something constitutes an actual, potential or perceived conflict of interest.

Evaluation

Without limiting any specific reporting or evaluation requirements set out in an executed funding deed, the Department will evaluate how effective the grant was in achieving its objectives. The Department may contact successful applicants up to 2 years after completion of the project for more information to assist with this evaluation. Successful applicants consent to the use of information for this purpose by:

- the Department of Climate Change, Energy, the Environment and Water
- a Minister or Minister's office (including the employees of the Minister or the Minister's office)
- the NSW Ombudsman and Audit Office of NSW
- Department staff, consultants and advisers
- any agency or body of the NSW Government, or any other organisation or individual considered by the Department 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 the purpose above and the abatement project more generally.

No contract or liability

Despite any part of these funding materials, or any other documentation that forms part of this process (in part or together), by applying, applicants:

- acknowledge that neither the applicant nor the Department intends to create any contract or other legal relationship until such point of an executed funding deed
- acknowledge that neither this document, nor any submission will create any legal or other obligation on the Department to conduct the process in any manner or at all
- release the Department from any claim it may otherwise have been able to make or bring against the Department, arising out of or in connection with the Department's conduct.

Potential applicants and interested parties should refer to the Department's website for up-to-date information.

Any questions or clarifications can be emailed to emissionsreduction@environment.nsw.gov.au

Privacy

The Department is required to comply with the *Privacy and Personal Information Protection Act 1998 (NSW)* (the PPIP Act) and will handle any personal information collected in relation to the program in accordance with the PPIP Act and the Department's Privacy Policy. Provision of

personal information is voluntary; however, the Department may not be able to assess your application if the information is not provided.

Information provided in relation to your application will be stored on a database and will be used by the Department (and its officers, agents and contractors) to:

- assess the merits of your application and to contact you about your application
- evaluate and/or audit the grant program
- if the application is made online and there are terms and conditions associated with the submission of the application online, in accordance with those terms and conditions.

The Department may disclose your application to other Government agencies to assess the merits of your application or as otherwise permitted by the PPIP Act. In particular but without limitation, the Department may disclose (at any time) your application and associated information to other Government agencies if you are seeking joint funding or funding from multiple government entities for your project.

You must take reasonable steps to ensure any person whose personal information is included in your application, has:

- been informed about the purposes for which their information has been collected and may be used
- consented to their information being supplied to the Department and other Government agencies.

While the Department does not publicly release the application as a matter of policy, the Department may be required to do so under the Government Information (Public Access) Act 2009, in response to an order for papers under Standing Order 52 from the NSW Parliament or as otherwise required or permitted by law.

If your application is successful, the details of the project will be published, including but not limited to the name of your organisation and any partnering organisations involved in the project, project title, description, project location, anticipated time for completion and total grant amount awarded.

You have the right to access your personal information. You can contact emissionsreduction@environment.nsw.gov.au for access.

Appendix A: terms and definitions

The following terms are used throughout these funding guidelines.

Table 16: terms and definitions

Term	Definition
Abatement	Emissions reduction.
ABN	Australian Business Number.
Applicant	An entity referred to in these guidelines that applies for funding.
Application	Submission to this grant funding consisting of a completed application form including templates and any provided evidence or attachments.
Arm's-length basis	It expresses that a business relationship between two parties is entered into against perfectly normal market prices and commonly negotiated terms and conditions.
Business days	A day that is not a Saturday, Sunday, public holiday or bank holiday in Sydney, New South Wales.
Co-funding	Financial support for a successful project provided by us and private sector entity or entities.
Commercial-in-confidence information	Any information that: • discloses your financing arrangements, cost structure, profit margins or full base case financial model • discloses your intellectual property • would place you at a substantial commercial disadvantage if it were disclosed.
Commercially mature project	A commercially mature project is one that has been fully developed, proven, and de-risked to the point where it can attract commercial financing and operate as a viable business. It has demonstrated technical feasibility, market demand, regulatory compliance, and a clear path to revenue.
Commercial principles	A set of principles made available by us which broadly represent how we expect funding arrangements to be provided and the outcomes this will achieve.

Term	Definition
Conflict of interest	A situation where a person decides or exercises power in a way that may be, or may be perceived to be, influenced by either personal interests (financial or non-financial) or personal associations.
Corporations Act	*Corporations Act 2001 (Cth).*
Eligibility criteria	Criteria that applicants and projects must meet to be eligible for funding.
Eligible expenditure	Expenditure defined as eligible in Appendix D.
Funding deed	An agreement between us and a recipient under which funding from the Renewable Gas Production Program is provided to the recipient.
Front of the meter biomethane facility	Front-of-the-meter biomethane facility is a plant that produces biomethane and delivers it directly into the natural gas network or to wholesale energy markets, rather than produced on-site or behind a customer's meter. Its output is measured and sold as a grid-connected commodity, like electricity from a grid-connected solar or wind farm.
Guidelines	Approved framework for the operation and administration of this funding.
In-group profit	Refers to profit margins added to transactions between entities within the same corporate group, for example a parent company and its subsidiary or two sister companies. These entities are not independent of each other, so they might set prices that inflate profits artificially within the group, rather than reflecting what would happen in a fair market deal.
In-kind contributions	Non-monetary resources used on the project where no cash has been transferred to your account(s) for the project.
Joint funding	Financial support of a project by us and a non-private sector party such as the Australian Renewable Energy Agency.
Large scale biomethane project	A large-scale biomethane project is a biomethane production facility designed to deliver high-volume, continuous biomethane output into the gas grid or major offtake markets, typically supported by industrial-level feedstock supply chains, long-term offtake agreements, and commercial-grade upgrading and injection infrastructure. For the purpose of this grant program, a large scale biomethane production plant is a facility that can produce at least 0.5 PJ biomethane per year.
Merit criteria	Criteria that applications are assessed against.

Term	Definition
Minister	The Minister with responsibility for this grant funding, which at the time of publishing for these guidelines is the NSW Minister for Climate Change, Energy, Heritage and the Environment.
NGER Scheme	National Greenhouse and Energy Reporting Scheme.
NSW	The state of New South Wales.
Operational Control	As defined in the *National Greenhouse and Energy Reporting Act 2007*.
Opportunity costs	Any benefits or production lost due to the allocation of resources to the project ahead of any other possible activities by the recipient.
Partner organisation	A non-private sector party, such as the Australian Renewable Energy Agency, who provides financial support to a project that we also provide financial support to under this funding.
Project	A project described in an application for funding under the Renewable Gas Production Program.
Project milestone	Represents the completion of a major step in the project that requires the commitment of a certain amount of time, resources and effort.
Recipient	An applicant that has been offered grant funding and has entered into a funding deed with us.
Scope 1 emissions	Emissions as a direct result of an activity, or series of activities at a facility level.
Scope 2 emissions	Indirect greenhouse gas emissions associated with direct consumption of an energy commodity such as electricity, steam, heat or cooling.

Appendix B: supporting evidence for applications

Table 17 outlines the required and supporting evidence for each eligibility and merit criteria. The listed supporting evidence is indicative only. You are free to provide other supporting evidence to demonstrate merit.

Table 17: supporting evidence for applications

Criteria	Expression of interest	Full application
Eligibility criterion 1: eligible applicant	No additional evidence required.	Letter of support from asset owner(s), if lead applicant is not an asset owner but has operational control of the biomethane production plant. Evidence of participation in and a letter of support from the Greenpower Renewable Gas Certification to create and sell Renewable Gas Guarantee of Origin certificates. Evidence of engagement with supply chain partners such as letter of intent, memorandum of understanding, or similar agreement with feedstock suppliers, NSW gas network owners/operators and industrial off-takers in NSW. Insurance certificates of currency, including: • property insurance • employee insurance • public liability insurance. Audited financial statements covering the past 3 years for the entity providing funding for this project, whether that entity is the applicant or part of a broader corporate structure. If these documents cannot be provided, a declaration must be submitted explaining the reason.
Eligibility criterion 2: eligible project	Block flow diagram for proposed project. Refer to Appendix C for the definition	Detailed project plan demonstrating that the project: • will produce at least 0.1 PJ per year of in-front-of-meter biomethane to be used by an industrial facility in NSW

Criteria	Expression of interest	Full application
	and requirements to show technical feasibility of your project at the expression of interest stage.	• has completed a feasibility study or equivalent and provided us satisfactory evidence. Please refer to Appendix C for the definition and requirements to show technical feasibility of your project at full application stage. • will comply with GreenPower's Renewable Gas Certification requirements and rules • will be operational and inject biomethane into NSW gas network by 30 June 2030.
Merit criterion 1: scale of biomethane production and associated emissions reduction	Completed merit criteria template.	Supporting engineering estimates or case studies evidencing projected annual and cumulative production of biomethane in GJ. Details of total emissions reduction to be achieved annually and cumulatively due to the displacement of natural gas, net of any emissions increase of production in tCO_2-e. All emissions and biomethane production data inputs, sources, assumptions and calculations. All data inputs, sources, assumptions and calculations used in sensitivity analysis. Details and credentials of the person/business who will report/verify emissions and biomethane production data.
Merit criterion 2: financial feasibility of the project and value for money	Completed merit criteria template	All financial data inputs, assumptions and supporting evidence. Capital raising plan, including supporting evidence from investors and other government agencies.
Merit criterion 3: technical feasibility, regulatory pathway,	Project technical information. Refer to Appendix C for	Detailed technical information, including project scope, technology deployment and effectiveness, feedstock evaluation, air quality and waste management and potential for scale-up. Please refer to Appendix C for the

Criteria	Expression of interest	Full application
environmental considerations and scalability of the project	the definition and requirements to show technical feasibility of your project at Expression of Interest stage.	definition and requirements to show technical feasibility of your project at full application stage. Due diligence and third-party reviews. Details of similar projects as available, including: • scope • biomethane production • emissions impact • financial overview • key issues • differences to your current project.
Merit criterion 4: project delivery and strategic partnership	Relevant examples of previous projects completed by you and your partners. List of potential supply chain partners and their roles.	Case studies of past projects completed by you and your key supply chain partners in the decarbonisation space or other large energy infrastructure projects. Detailed delivery plan, including major phases, activities, budget and milestones to complete the project, and capacity to deliver. Evidence (letter of intent, memorandum of understand, agreement or contract with industry off-takers) that the produced biomethane will be used in: • NSW industrial facilities that report to the NGER Scheme, if applicable. • high heat processes that cannot be easily electrified or as feedstock where there is no substitute, if applicable. Supplier quotes, proposals and plans, including risk management. Joint venture or partnership agreement, letters of intent or other documents providing evidence that all significant project partners are prepared and authorised to commence work, if applicable.

Criteria	Expression of interest	Full application
		Company authorisation such as board minutes, if applicable. Project risk register and mitigation plan. Copies of relevant approvals, if available.
Merit criterion 5: alignment to NSW objectives and economic growth	No additional evidence required.	Analysis of the project's impact on jobs in NSW. Analysis of the project's and corporate strategy's contribution to the development of a renewable fuel industry and industrial decarbonisation in NSW. Supporting evidence should demonstrate that the entity is credible financially, organisationally and technically to achieve the strategy.
Merit criterion 6: knowledge sharing	No additional evidence required.	Knowledge sharing plan, including what knowledge from the project would be shared, how and when the knowledge would be shared and the value of the shared knowledge.

Appendix C: definition and requirements to show technical feasibility of your project at different stages of application/assessment

This appendix outlines information you need to provide at different stages of the application and assessment process to show your project's feasibility.

Expression of interest stage

Table 18: feasibility definition and requirements at expression of interest stage

Category	Minimum Requirements
Capital cost estimate accuracy	Class 5: minimum -50 to +100% accuracy is required. The estimate is generated using capacity-factored, parametric models, judgement or analogy from in-house data. Contingency of <30% is usually applied.
Engineering definition	0 to 2% engineering data is required. Project scope is defined, stakeholders are identified, and preliminary design is completed.
Site location	Preferred site(s) is known. Preliminary information on power transmission route survey/power generation is available.
Project schedule	Level 1: start-up year is known.

Full application stage

Table 19: feasibility definition and requirements at full application stage

Category	Minimum Requirements
Capital cost estimate accuracy	Class 4: minimum -30 to +50% accuracy is required. The estimate is generated using equipment-factored or parametric models from in-house data. Contingency of <25% is usually applied.
Engineering definition	1 to 15% engineering data is available. Design basis, block flow diagrams and process flow diagrams should be available. Preliminary equipment and power load lists, preliminary plot plan and hazard identification (HAZID) should be prepared.
Site location	Site location is known. Preliminary information on power transmission route survey/power generation are available.
Project schedule	Level 2: start-up year and design/construction time are known.

First milestone payment

Table 20: feasibility definition and requirements at first milestone payment

Category	Minimum Requirements
Capital cost estimate accuracy	Class 3: typically, ±15% accuracy (Association for the Advancement of Cost Engineering (AACE) allows -20% to +30% accuracy/in this class, but we need you to show ±15% accuracy to ensure projects reaching final investment decision at milestone 2 payment). The estimate is generated using semi-detailed unit costs with assembly level line items, including budgetary estimates from major technology packages and major electrical equipment. Quantitative risk analysis of cost estimate must be done. Contingency of <15% is usually applied.
Engineering definition	Typically, 30 to 40% engineering data must be available. Engineering deliverables you must have available include:

Category	Minimum Requirements
	• process flow diagrams • preliminary Piping and Instrumentation Diagram (P&IDs) • heat and mass balance • equipment list, building list, power load list and line list • design review and Hazard and Operability Study (HAZOP) completed • preliminary equipment specifications for budget quotation • plot plan layout drawings and preliminary site preparation drawings • preliminary single line diagrams. A value improvement workshop/process should be held to identify opportunities for cost savings, optimisation and simplification.
Site location	Site location is known, and some geotechnical work has been done to confirm the subsoil conditions and contaminants. Power transmission survey/power generation should be known. Configuration should be known.
Project schedule	Level 3: master schedule has been developed with milestones.

Appendix D: eligible expenditure

This appendix specifies the types of project expenditures that are eligible for funding under these funding guidelines. Project expenditures will be recognised in the funding deed. These specifications must be followed when preparing the budget submitted with an application. This information is part of the regular project milestone reporting required from recipients.

Once a funding deed is executed for a project, we will make payments when the project makes satisfactory progress and meets agreed milestones. Payments must be spent on eligible expenditures in line with these guidelines and the funding deed. If you are in any doubt about the eligibility of some of the expenditures on the project, you should discuss this with us. We will consider the request and decide if the expenditure is eligible.

Project milestone payments

Financial reports and other verifying evidence

We will determine the proportion of eligible expenditure to be paid at each project milestone on a case-by-case basis. The funding deed will require you to provide financial reports and other evidence verifying eligible expenditures on the project for each milestone period.

Accounting system requirements

You are required to have suitable accounting systems in place. You must provide assurances to us that the accounting system used by your organisation and any consortium partners allows for the separate and accurate identification of contributions and eligible expenditures on the project.

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

General principles

The following general principles apply when considering eligible expenditure:

- eligible expenditure is expenditure related directly to the undertaking of the project
- eligible expenditure is calculated as the GST-inclusive amount less any GST credits you or your representative member is entitled to claim
- non-cash (in-kind) contributions cannot be included in the budget as eligible expenditure

- where resources are used on the project and unrelated activities elsewhere in your organisation, the cost of those resources will be allocated to the project based on the proportion of those resources that you used while undertaking the project
- related party transactions must be treated on an 'at-cost' basis, without mark-up, unless you can reasonably demonstrate that the transaction has been calculated on an arm's-length basis
- eligible expenditure must be proven against generally accepted accounting principles. These must allow us to track project expenditures through your accounting system to meet the financial reporting and audit requirements in the funding deed.

Eligible and ineligible expenditures

Eligible expenditures include expenditure:

- to prepare contracts to undertake project activities, but not the funding deed or any documentation related to the application process. This is subject to the ineligible expenditure constraints detailed in the ineligible expenditure section
- to engage external consultant(s) to perform activities directly related to the project
- for plant installed for the project at the full delivered cost of the plant (GST inclusive), less any GST credits the recipient is entitled to claim
- on plant used for the construction of the project. This is calculated based on hire or lease costs and running costs directly related to the construction of the project, such as rent, power, fuel and repairs and maintenance
- on labour, such as salaries and wages, including reasonable on-costs for personnel employed directly on the project
- on administration, including those incurred on:
  - communications
  - accommodation
  - computing facilities
  - travel
  - recruitment
  - printing
  - stationery, where such expenses are related directly to the project
- on legal, audit and accounting costs related directly to the project
- on activities that directly contribute to or enable knowledge sharing including:
  - database development
  - websites

  - applications
  - reports
- on relevant licence fees or intellectual property purchase costs, where you need to access specific technology to undertake the project.

We may consider supporting any other expenditures not listed above on a case-by-case basis.

Ineligible expenditures include expenditure:

- on projects that directly relate to NSW Government planning and assessment processes, such as:
  - biodiversity studies
  - heritage studies
  - noise, air quality and traffic studies
  - water, waste and hazardous material studies
  - council and/or government levies and/or fees
- on projects that a local, state, territory or Commonwealth Government agency has the responsibility to undertake
- on opportunity costs
- related to the general operations and administration of your organisation, which you could reasonably be expected to undertake in the normal course of business
- undertaken prior to the signing of the funding deed
- on sales or promotional activities that do not directly support the successful completion of the project
- on the acquisition of land for the project
- on interest on loans for new and pre-existing capital items used for the project
- on membership fees, donations, or any other expenditure that we determine does not directly support the successful completion of the project
- related directly to obtaining government approvals to undertake the project
- associated with preparing a funding application.

We are not liable for any costs, expenses, losses, claims or damages that you may incur during the application process. This includes preparing or submitting an application, providing further information to us, participating in negotiations with us or signing of the funding deed.

Labour expenditure

Eligible labour expenditure is the gross amount paid or payable to employees. Eligible salary includes any components of the employee's total remuneration package that are itemised on

their pay-as-you-go (PAYG) annual payment summaries submitted to the Australian Taxation Office (ATO).

You must provide evidence to demonstrate the amount of time that an employee spent on the project. Evidence to support eligible labour expenditures could include timesheets, job cards or diaries. Labour expenditures cannot be claimed based on an estimation of the employee's worth to the company, where no cash has changed hands.

Contract expenditure

Eligible contract expenditure is the cost of any activities performed by another organisation to support the project. Work to be performed on a project must have a written contract, which is consistent with the terms of the funding deed. This may include a letter or purchase order specifying the nature of the work and the applicable fees, charges and other costs payable.

The written contract must be executed before work under the contract begins.

Contracts do not need to be in place when you submit an application to us. However, for major contract expenditures, such as purchases of major hardware for the project, you will be expected to have some form of evidence, such as written quotes from suppliers, to verify the expenditure included in the financial estimates.

Where the contractor and the recipient are not at 'arm's length', the amount assessed for work performed will be an amount considered reasonable for that work and contain no unacceptable overheads and no element of 'in-group profit'. Organisations considered not at 'arm's length' include, without limitations, related companies and companies with common directors or shareholders.

Appendix E: emissions calculations

This appendix recommends practices for:

- projection
- monitoring
- verification
- evaluation and reporting of greenhouse gas emissions
- emissions abatement.

This is for projects submitted or supported by the Renewable Gas Production Program.

Project framework specifications and references

These projects are required to measure, verify and report emissions and emissions reductions within the project boundary using an internationally recognised framework, such as the latest version of ISO 14064-2 or the Greenhouse Gas Protocol for project accounting. Applications must specify which framework or standard the project will follow.

Organisational and facility-based emissions inventories

For organisational and facility-based emissions inventories, where appropriate, reference should be made to:

- the latest version of ISO 14064-1, Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removal
- The Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard
- Latest version of National Greenhouse and Energy Reporting Scheme reporting guides
- Latest version of National Greenhouse Accounts Factors: Australian National Greenhouse Accounts.

Project-based emission inventories

For project-based emission inventories, where appropriate, reference should be made to:

- the latest version of ISO 14064-2, Greenhouse gases — Part 2: Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements
- The Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard
- The latest version of National Greenhouse and Energy Reporting Scheme reporting guides
- The latest version of National Greenhouse Accounts Factors: Australian National Greenhouse Accounts.

Sector-specific guidance

Sector-specific guidance should be applied where appropriate. Such guidance can be found in:

- The latest version of ISO 19694-1: Stationary source emissions — Determination of greenhouse gas emissions in energy-intensive industries — Part 1: General aspects
- Greenhouse Gas Protocol which provides sector-specific calculation tools.
- The latest version of sector-specific National Greenhouse and Energy Reporting Scheme reporting guides, such as Estimating emissions and energy from industrial processes guidance

Use of qualified professionals

Monitoring, verifying and reporting of emissions and emissions reductions must be undertaken by a qualified professional or reviewed by an independent qualified professional. A list of registered greenhouse and energy auditors can be found on the Clean Energy Regulator website. However, there may be other qualified professionals not listed.

NSW GOVERNMENT

For more information

For more information about the Renewable Gas Production Program, visit our website or email us.

www.energy.nsw.gov.au |
emissionsreduction@environment.nsw.gov.au