

# Agriculture Energy Investment Plan

Program guidelines - assessments 2018

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### Accessibility

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This document is also available HTML and Word format at [www.agriculture.vic.gov.au](http://www.agriculture.vic.gov.au)

## 1 GLOSSARY

Term	Definition
<b>Applicant</b>	is a farm business that applies to the Department to undertake an On-Farm Energy Assessment.
<b>Energy Assessors</b>	is an organisation registered by the Department to serve on a Panel of Assessors to undertake On-farm Energy Assessments for Recipients. The Energy Assessors are contracted through the Department under a Deed of Standing Offer with a related Voucher to the Energy Assessor detailing the services to an approved Applicant.
<b>Department</b>	is the Department of Economic Development, Jobs, Transport and Resources (incorporating Agriculture Victoria).
<b>Recipient</b>	is an eligible Applicant that receives an On-farm Energy Assessment through the Agriculture Energy Investment Plan.
<b>On-Farm Energy Assessment</b>	<p><u>Energy Assessment (Type 1)</u></p> <p>Will provide a quantitative overview of energy performance, and is typically suitable for smaller farms with lower energy expenditures. Type 1 Energy Assessments identify no-cost and low-cost opportunities. The accuracy of costs and benefits would generally only be sufficient for low cost operational expenditures or as a method for prioritising opportunities for more detailed assessments. Type 1 Energy Assessments provide indicative or typical savings calculated using rules of thumb or industry acceptable benchmarks, with indicative costs used to provide a simple payback.</p> <p><u>Energy Assessment (Type 2)</u></p> <p>Will provide a detailed assessment involving a comprehensive review and analysis of equipment, systems, and operational characteristics of the whole farm to enable quantified energy savings recommendations. Type 2 Energy Assessments include a financial analysis of recommended energy performance improvements including own-generation opportunities. Type 2 Energy Assessments calculate energy savings by reconciling against the end-use breakdown, considering daily energy consumption profiles. Type 2 Energy Assessments provide costs and benefits to a medium level of accuracy.</p>
<b>Scope of Works</b>	is a detailed work order and defines the services being sought. When an eligible Applicant applies for a Type 1 or a Type 2 energy assessment this information (including any submitted attachments) is provided to the Energy Assessors. In the instance that a Type 2 energy assessment is requested multiple quotes will be sought from the Department's list of Energy Assessors against the information provided by the Applicant. The activity conducted by an Energy Assessor is supported by a Voucher.
<b>Voucher</b>	is a form of government assistance which can be used by Energy Assessors and Recipients to access services, advice or expertise provided by Energy Assessors in the form of an On-farm Energy Assessment.

## 2 INTRODUCTION

### 2.1 Overview of the Agriculture Energy Investment Plan (AEIP)

The AEIP supports agricultural businesses to improve energy productivity, manage energy costs, improve reliability and support own-generation capacity.

The Plan comprises:

- **assessments** – providing On-farm Energy Assessments to assist farmers in identifying where they may reduce energy consumption
- **grants** – to support farmers to invest in energy efficient or own-generation technology within existing energy policies
- **demonstrations** – showing energy efficient or own-generation technology on-farm
- **skills and education** – linking farmers and businesses to information and education resources
- **research** – facilitating partnerships to commercialise research for the farming sector.

The objective of the AEIP is to ensure the sustainability of Victoria's internationally competitive agriculture sector by:

- increasing the number of farmers with access to information, through on-farm energy assessments, to make informed decisions about making energy efficiency improvements;
- increasing the number of Victorian agriculture businesses replacing inefficient equipment;
- increasing the number of Victorian agriculture businesses that have improved their energy productivity;
- improving the capability of Victorian agriculture businesses to accelerate growth and adoption of new energy technology.

Assessments are available until March 2020 or funds are exhausted.

### 2.2 What is supported under the AEIP?

The AEIP helps Victorian farm business address energy costs and improve energy productivity through improved awareness and the availability of Type 1 and Type 2 On-Farm Energy Assessments.

The AEIP will also support eligible projects through grant funding to replace energy inefficient equipment, install new energy efficiency systems and enable own-generation capacity.

### 2.3 What is an On-Farm Energy Assessment?

Independent On-farm Energy Assessments are available for eligible farm businesses free of charge. The energy assessments are defined by Standards Australia in AS/NZS 3598.2:2014. Details about the national standards can be found at [www.standards.org.au](http://www.standards.org.au).

Assessments are available until March 2020 or available funding is exhausted (whichever occurs first).

The On-farm Energy Assessments are available to farm businesses with annual energy costs greater than \$8,000 per annum (including GST). Refer to section 3.0.1 for details of eligible energy expenses.

The energy assessments will provide analysis of on-farm energy use (electricity, gas and diesel) tailored to the type, size and systems of operation. Recipients will be provided with a report recommending key investments and other energy saving opportunities with estimates on savings and costs.<sup>1</sup>

A Type 1 Energy Assessment will provide the Recipient with a prioritised list of actions and parts that could be upgraded or replaced or suggested energy efficiency improvements to save the farm business money. The assessment recommendations will focus on actions with an appropriate payback period (i.e. less than four years).

A Type 2 Energy Assessment will provide the Recipient with a comprehensive analysis of energy improvement opportunities for farmers with higher energy costs compared to a Type 1 assessment. A Type 2 assessment will provide a comprehensive analysis of energy efficiency improvements to prioritise improvements ranging from quick wins to those with longer paybacks. A Type 2 energy assessment is available to farm businesses with annual energy costs greater than

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<sup>1</sup> S3598.1,2:2014 Appendix B6.2

\$25,000 per annum (including GST).

The Department has established a panel of Energy Assessors to provide Type 1 and Type 2 energy assessments to eligible farm businesses (Recipient). These assessors are selected based on their capacity to deliver assessments at the Australian Standard, experience in the agricultural sector and value for money.

## 2.4 How long will it take to get an Assessment?

Once a Recipient has been notified that their application to receive an On-farm Energy Assessment has been successful, an Energy Assessor will be allocated to them. Energy Assessors are required to contact the Recipient to arrange a date and time for the Assessment. In general, the On-farm Energy Assessments are expected to be completed within six weeks of the referral, however the Type 2 assessments may take longer to complete. The Energy Assessor and the Recipient must both sign the Voucher to confirm completion and acceptance of the service.

## 3 ELIGIBILITY

### 3.1 Applicants

The Program is open to eligible farm businesses in Victoria. Where a project involves more than one Applicant, the lead farm should submit the application.

#### **Applicants must meet the following criteria to be eligible for energy assessment under the program:**

- a) be a business with an Australian Business Number (ABN);
- b) have an eligible business site located in Victoria;
- c) be a farm business which is either:
  - cultivating or propagating plants, fungi or their products or parts (including seeds, spores, bulbs and similar things) in any physical environment, or
  - maintaining animals for the purpose of selling them or their bodily produce (including natural increase), or
  - manufacturing dairy produce from raw material that they produce, or
  - operating on-land aquaculture facilities;
- d) expend more than \$8,000 per annum (including GST) on energy at business site location to be assessed inclusive of electricity, gas, LPG and diesel (but excludes energy for transport);
- e) be a legal entity;<sup>2</sup>
- f) meet all industrial relations obligations as an employer in accordance with the National Employment Standards; and
- g) agree to participate in future program evaluation activity.

The Department will undertake a Probity Check of all Applicants and an Applicant may be deemed ineligible based on any adverse findings against the business, a Director or a Partner of the business.

Eligibility for AEIP grants is subject to the recommendations from the Type 1 or a Type 2 Energy Assessment undertaken as part of this program or by an equivalent assessment having been undertaken within the past 24 months.

#### **The following are not eligible to apply:**

- a) farm business engaged in forestry, on-sea aquaculture and agriculture transport operators;
- b) farm businesses that have energy expenses below \$8,000 (including GST);
- c) Commonwealth, State and Local Government agency or body;
- d) publicly funded research institutions;
- e) industry associations;
- f) not-for-profit organisations; and

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<sup>2</sup> A legal entity is an association, corporation, trustee of a trust, or individual that has legal standing in the eyes of the law. A legal entity has legal capacity to enter into agreements or contracts, assume obligations, incur and pay debts, sue and be sued in its own right, and to be held responsible for its actions.

- g) community-based organisations.

If you are unsure about your eligibility or have a question about the application process or the AEIP, please contact the Department at [agenergy@ecodev.vic.gov.au](mailto:agenergy@ecodev.vic.gov.au).

## 4 ELIGIBILITY - ENERGY ASSESSORS

Energy Assessors are selected by the Department through a competitive assessment process. Energy Assessors may be not-for-profit enterprises or privately owned, with accreditation and proven experience in providing Type 1 and Type 2 energy assessments in accordance with AS/NZS 3598.2:2014.

Through the application process invited Energy Assessors are to demonstrate that they:

- a) have a trading history of at least two years;<sup>3</sup>
- b) are financially viable;<sup>4</sup>
- c) are based in or have an operating presence in Victoria;
- d) supply eligible services and where applicable demonstrate industry-specific knowledge;
- e) commit to undertake their role in accordance with these Guidelines; and
- f) are one of the following entity types:
  - i. A private or public company (not listed) incorporated in Australia under the Corporations Act 2001, that is non tax-exempt and is registered for GST; or
  - ii. A not-for-profit organisation that:
    - is an incorporated body, co-operative or associate (including business associations); and
    - has an Australian Business Number (ABN) or can provide written advice from the Australian Tax Office that no withholding tax is required from the voucher payment.

Energy Assessors will be selected against the following selection criteria:

- a) proven experience in providing Type 1 and Type 2 energy assessments in accordance with AS/NZS 3598.2: 2014
- b) accredited to provide Type 1 and Type 2 energy assessments in accordance with AS/NZS 3598.2: 2014
- c) demonstrated understanding of agricultural businesses
- d) proven knowledge of new and emerging energy technologies and their practical application; and
- e) ability to access clients across regional Victoria.

Energy assessors will be required to sign a Deed of Standing Offer.

## 5 APPLICATION AND ASSESSMENT PROCESS

### 5.1 Application process

Applicants are required to go to [www.agriculture.vic.gov.au/agenergy](http://www.agriculture.vic.gov.au/agenergy) and submit an application electronically. Additional documentation demonstrating average energy consumption and expenses is required at the application stage. This documentation includes:

- a) a copy of energy bills (i.e. gas and electricity) for at least one quarter that most represents at a minimum of 25% of on-farm energy use in the past 12 months prior to the application.
- b) details of the on-farm usage and expenses for diesel-powered equipment. In the instance that the annual energy cost (i.e. gas and electricity) is below the threshold of \$8,000 (including GST) then the applicant may be requested to provide documentation for all eligible diesel related expenses that demonstrate that the annual energy cost exceeds the \$8,000 threshold.
- c) information about energy use, costs and contracts, and
- d) details of energy meters.

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<sup>3</sup> The Department reserves the right to waive this requirement on a case-by-case basis.

<sup>4</sup> To become an Energy Assessor, potential service providers may be required to submit audited financial accounts for the previous two (2) Financial Years, plus interim accounts if the financial accounts are over six (6) months old.

Farmers applying for a joint assessment must indicate this in the application form and provide the business name and/or ABN of all joint applicants.

## 5.2 Assessment process

Farmers will be notified of their eligibility within three weeks of application.

Recipients will be contacted by the assessor to arrange a date and time to conduct the On-Farm Energy Assessment. If necessary, the energy assessor may request additional information about the farm business and systems in preparation for the assessment. An assessor will attend the farm to conduct the assessment, conduct the On-Farm Energy Assessment and provide a copy of the On-Farm Energy Assessment including recommendations for energy improvements. A copy of the On-Farm Energy Assessment will also be provided to the Department.

## 6 VOUCHER SERVICE ACTIVITIES

### 6.1 Low energy users - Type 1 On-Farm Energy Assessment

This assessment is suitable for farm businesses that have annual energy costs greater than \$8,000 per annum (including GST). Refer to section 3.0.1 for details on the eligible energy expenses.

Farm businesses include those that are engaged in horticulture and fruit growing; grain, sheep and beef cattle farming; dairy cattle farming; poultry farming; livestock farming, crop growing and on-land aquaculture.

#### 6.1.1 Eligible energy expenses for Type 1 Energy Assessment

Farm businesses that spend greater than \$8,000 per annum (including GST) but less than \$25,000 per annum (including GST) on energy on electricity, gas, LPG and diesel, (excluding energy for transport).

#### 6.1.2 Type of support available

Assessments are available until March 2020 or available funding is exhausted (whichever occurs first).

Funded Activities	Examples of supported activities
<b>Type 1 Energy Assessment</b>	<p>Outcome: a report with a short list of key energy saving opportunities with estimated figures on savings and costs.</p> <p>Type 1 Energy Assessments are defined by the AS/NZS 3598.2 Energy Assessment – industrial and related activities. The standard sets out minimum requirements for commissioning and identify opportunities for cost effective investments to improve energy performance.</p>

### 6.2 Medium/high energy users - Type 2 On-Farm Energy Assessment

This assessment is suitable for farm businesses who have annual energy costs greater than \$25,000 per annum (including GST).

Farm businesses include those that are engaged in horticulture and fruit growing; grain, sheep and beef cattle farming; dairy cattle farming; poultry farming; livestock farming; crop growing and on-land aquaculture.

#### 6.2.1 Eligible energy expenses for Type 2 On-Farm Energy Assessment

Farm businesses that spend greater than \$25,000 per annum (including GST) on energy on farm including electricity, gas, LPG and diesel, (excluding energy for transport).

## 6.2.2 Type 2 On-Farm Energy Assessments for multiple applicants

Farm businesses and groups of farm businesses can apply to have a group Energy Assessment completed to identify opportunities for larger, shared investments. Each farm business submits its own application form and provides details of the names of the other members of the group assessments (i.e. business name and ABN).

If an Energy Assessor identifies an opportunity for a farm to collaborate with nearby farms, the Department will contact the identified farmers and facilitate a discussion to enable an informed decision to be made in relation to the opportunities for joint projects.

## 6.2.3 Type of support available

Funded Activities	Examples of supported activities
<b>Type 2 Energy Assessment</b>	<p>Type 2 Energy Assessments are defined by the AS/NZS 3598.2 Energy assessment – Industrial and related activities. The standard sets out minimum requirements for commissioning and identifying opportunities for cost effective investments to improve energy performance.</p> <p>A Type 2 Energy Assessment includes identifying how and where energy is used, a load profile analysis (instantaneous demand profile for your site), developing an energy performance indicator (e.g. MWh/unit), and measuring light levels to check if areas are over lit and wasting energy. Accuracy: should be within <math>\pm 20\%</math>. Outcome: a full analysis and report providing a prioritised list of energy saving opportunities with estimates on costs and savings.</p>

# 7 FUNDING

## 7.1 Funding Conditions – Energy Assessments

On-farm Energy Assessments are provided with no requirement of a cash co-contribution.

Eligible Applicants are permitted to apply for one On-Farm Energy Assessment per farm over the life of the program.

The Department reserves the right to amend these conditions in respect to On-Farm Energy Assessments that have not yet been undertaken.

## 7.2 Assessment and payment conditions

Funded Activities	Payment conditions
<b>Type 1 Energy Assessment</b>	The Department will pay the Energy Assessor on receipt of the invoice, the completed Voucher and submission of required documentation
<b>Type 2 Energy Assessment</b>	The Department will pay the Energy Assessor on receipt of the invoice, the completed Voucher and submission of required documentation

## 7.3 Payment conditions to the Energy Assessors

The Department will not be liable to pay the Energy Assessor until it has received:

- a valid tax invoice from the Energy Assessor for services;
- the Voucher signed by both the Recipient and the Energy Assessor indicating that the agreed activities have been completed; and
- a final Type 1 or Type 2 energy report to the satisfaction of the Department or other evidence as the Department may reasonably require.

## 8 PROJECT EXPENDITURE

This relates to professional service activities associated with the delivery of On-Farm Energy Assessments as identified in the RFQ to become an Energy Assessor.

Eligible project expenditure for Type 1 and Type 2 Energy Assessments includes:

- Consultants (Energy Assessor) or technical expertise
- Contractor labour
- Hiring of monitoring equipment
- Travel costs (where appropriate).

## 9 TERMS AND CONDITIONS

The Department reserves the right to make changes to these guidelines as required.

### 9.1 Post Project Evaluation

All Recipients and Energy Assessors must agree to comply with the Department's performance monitoring and evaluation regime. The Recipient and the Energy Assessors may receive an evaluation survey from the Department and may be required to participate in program evaluation activities.

The evaluation surveys may be required for up to three years following completion of the Voucher issue. This is a non-negotiable requirement for all participants of the Program. Non-compliance could affect future applications to the Department's programs.

Successful Program outcomes may be used in Program evaluation reviews and Department marketing collateral.

### 9.2 Publicity

Recipients and Energy Assessors may be asked to assist the Department in promotion of the Program. This may include involvement in media releases, case studies or promotional events and activities.

The Department may request Recipients and Energy Assessors to fact check any text and seek approval to use any owned imagery associated with the activity prior to the publication of any such promotional materials.

Recipients and Energy Assessors must not make any public announcement or issue any press release regarding the receipt of a Voucher without prior approval by the Department.

The Department may publicise the benefits accruing to the Recipient and/or the State associated with the provision of the On-farm Energy Assessment and the State's support for the assessment. The Department may include the name of the Recipient and/or the On-farm Energy Assessment cost in any publicity material and in the Department's annual report.

If requested by the Department, the Recipient must ensure that the State's support for the On-farm Energy Assessment is acknowledged on all promotional materials and appropriate signage consistent with the Guidelines for Victorian Government Advertising and Communications (available at [www.dpc.vic.gov.au](http://www.dpc.vic.gov.au)) or as otherwise specified by the Department.

### 9.3 Confidentiality

Any personal information provided by the Applicant and the Energy Assessors or a third party in an application will be collected by the Department for the purpose of program administration. This information may be provided to other Victorian Government bodies for the purposes of assessing on-farm energy grants in the future.



Data gathered through assessments may be compiled, aggregated and anonymised by the Department for program evaluation and research purposes.

Any personal information collected, held, managed, used, disclosed or transferred will be held in accordance with the provisions of the Information Privacy Act 2000 (VIC) and other applicable laws.

The Department is committed to protecting the privacy of personal information. The Department's Privacy Policy can be found online at [www.economicdevelopment.vic.gov.au](http://www.economicdevelopment.vic.gov.au). Enquiries about access to information should be directed to the Department's Privacy Unit by phone on (03) 9651 9749 or email [privacy@ecodev.vic.gov.au](mailto:privacy@ecodev.vic.gov.au).