

Agriculture Energy Investment Plan

Program Guidelines - Tier 3 Grants

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Accessibility

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This document is also available in HTML and Word format at www.agriculture.vic.gov.au

Term	Definition
Applicant	means a body corporate, partnership or individual or trustee of a trust conducting an Eligible Farm Business in Victoria, which applies to the Department for a grant to implement the recommendations of a Type 2 On-Farm Energy Assessment.
Department	means the Department of Economic Development, Jobs, Transport and Resources and includes Agriculture Victoria.
Eligible Farm Business	<p>means a farm business involving the:</p> <ul style="list-style-type: none"> • cultivating or propagating of plants, fungi or their products or parts (including seeds, spores, bulbs and similar things) in any physical environment; • maintaining of animals for the purpose of selling them or their bodily produce (including natural increase); • manufacturing of dairy produce from raw material that the farm produces; or • operating of on-land aquaculture facilities. <p>The Department reserves the right to amend the definition of an Eligible Farm Business without notice and at its discretion.</p>
Equivalent Energy Assessment	<p>means an assessment that:</p> <ul style="list-style-type: none"> • has been funded through a government program (e.g. Sustainability Victoria) or privately funded; • meets the Australian Standard AS/NZS3598.2:2014; and • has been conducted within the previous 24 months from the date of application under the Agriculture Energy Investment Plan.
On-Farm Type 2 Energy Assessment	means a Type 2 Energy Assessment funded by the Agriculture Energy Investment Plan – Assessments Program or an equivalent energy assessment that meets the defined Australian Standards for a Type 2 Energy Audit (AS/NZS 3598.2:2014).
Project	means a proposal outlining a combination of improvements in energy productivity that underpins an Applicant's long-term farm business vision for an Eligible Farm Business and as identified through a Type 2 Energy Assessment or an Equivalent Energy Assessment
Recipient	means an Applicant that has successfully applied for and entered into a grant agreement with the Department to undertake a Project.

1 INTRODUCTION

1.1 Overview of the Agriculture Energy Investment Plan (AEIP)

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

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

- maximising the number of Eligible Farm Businesses that achieve energy efficiency gains;
- 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 farm businesses replacing energy inefficient equipment;
- increasing the number of Victorian farm businesses that have improved their energy productivity; and
- improving the capability of Victorian farm businesses to accelerate growth and adoption of new energy efficient technology.

2 CONTEXT

2.1 Grant tiers

The three grant tiers are assessed according to the type of investment required:

- Tier 1 – provides grants of up to \$50,000 (excluding GST) to support farmers to replace energy inefficient equipment, install more energy efficient systems and enable own-generation capacity.
- Tier 2 – provides grants of \$50,000 to \$250,000 (excluding GST) to support farm businesses make connected energy improvements across farm systems.
- Tier 3 – provides grants of \$250,000 to \$1 million (excluding GST) to support energy projects of a strategic nature that benefit multiple farm businesses and make a positive contribution to the region.

2.2 Purpose

The purpose of the Tier 3 grants is to:

- Encourage strategic energy projects with multiple beneficiaries, delivered through a partnership approach, that are scalable and replicable across other regions or farm types.
- Leverage opportunities for co-investment with industry, with clearly designed outputs and outcomes, while encouraging collaboration between businesses to achieve value for money from government funding.

Examples of potential projects include:

- Microgrid installation which supports a whole sub-sector.

- Bioenergy opportunities such as a large scale biodigester for multiple farm businesses in a region.
- Renewable energy (multiple types) to accommodate an agriculture precinct, e.g. large scale horticulture in temperature controlled glasshouses.

3 FUNDING AVAILABILITY AND PROJECT COMPLETION

Tier 3 grants are capped at a maximum of \$1 million (excluding GST) with a minimum value of \$250,000.

A minimum private cash contribution of 50 per cent is required. It is anticipated projects will have a higher than 50 per cent private contribution.

Projects must be completed within twelve (12) months from the date of the grant agreement unless otherwise agreed by the Department¹.

Tier 3 grants are available until March 2020 or until the available funding is exhausted (whichever comes first).

4 ELIGIBILITY

To be eligible for a grant under the AEIP, Applicants must meet the following criteria:

- be a legal entity;²
- be a business with an Australian Business Number (ABN);
- be in receipt of an On-Farm Type 2 Energy Assessment undertaken as part of the AEIP Energy Assessment Program, or an approved equivalent energy assessment;
- be an investor in or conduct an Eligible Farm Business located in Victoria;
- spend more than \$25,000 per annum (including GST) on electricity, gas, LPG and diesel (excluding transport related energy costs);
- be able to meet the agreed (minimum 50 per cent) private cash contribution, and provide evidence of that contribution³;
- attest to having obtained all relevant regulatory permits and approvals for the Project to commence (where applicable)⁴;
- meet all industrial relations obligations as an employer in accordance with the National Employment Standards;
- agree to participate in future program evaluation activity;
- undergo a Financial Risk Assessment⁵ to ascertain financial risk exposure⁶; and
- provide audited financial reports for the last three financial years to enable the Department to conduct a Financial Risk Assessment (FRA) (including Profit & Loss, Balance Sheet and notes to the accounts) and management or interim accounts for the current year, if the most recent Financial Report is more than six months old⁷
- provide relevant business information (e.g. business case, feasibility study) on the Project, including costs.

¹ Applicants will have the opportunity to negotiate longer term project execution timelines from the beginning of the project, or discuss any required extensions during the project's implementation, on a case by case basis. It is preferable for all projects to be completed within eighteen (18) months of the closure of the grants program.

² A legal entity includes an incorporated association or a company.

³ Evidence of a contribution includes evidence of support from the Board or business that it can undertake the project and meet its co-contribution costs, and one of the following i) an approved loan facility (including loan amount), or ii) cash at bank (current bank statement) or iii) management accounts demonstrating satisfactory cash flow or liquid assets.

⁴ Exceptions may be granted in extraordinary circumstances and will be negotiated on a case by case basis.

⁵ Financial Risk Assessments are undertaken by the Department to establish the financial risk exposure of the Applicant, and whether the Applicant is likely to remain financially viable over the duration of the project.

⁶ Applicants may be required to submit audited financial accounts for the previous three (3) years, plus interim accounts if the financial accounts are over six (6) months old.

⁷ It is the Applicant's responsibility to ensure all requested documentation is supplied to the Department. Failure to do so may result in the application being rejected.

⁸ If the Applicant's accounts are not audited, the Department will accept unaudited accounts, which have been prepared by their accountant.

All Applicants must be financially viable in order to be eligible for a grant.

The State of Victoria reserves the right to cap the amount of grant funding that any one organisation receives over the period of the fund.

Expressions of Interest (EOI) by Trustees, Partnerships and Individuals need to reflect the requirements in the AEIP Tier 2 Grants guidelines.

5 APPLICATION PROCESS

5.1 Initial application

The initial application for a Tier 3 grant will be by an Expression of Interest (EOI) via the Business Victoria or Agriculture Victoria website.

www.business.vic.gov.au/support-for-your-business/grants-and-assistance/agriculture-energy-investment-plan

www.agriculture.vic.gov.au/agriculture/farm-management/agriculture-energy-investment-plan

The Department will outline its consortium requirements, if you are intending to apply as consortia and are deemed suitable to develop an Invitation to Apply.

Applicants will be contacted by the Department to discuss their proposals in more detail.

5.2 Invitation to Apply

Following consideration of an EOI, eligible Applicants with suitable projects may be invited to apply for a grant.

If invited to apply, Applicants will be required to submit a full project proposal, and other supporting material as advised, which may include a cost-benefit analysis.

Applicants will be required to provide information on the project-based requirements of the proposal (these may be in an existing business case). Project-based requirements include:

- capital costs
- energy cost savings
- return on investment period
- assumptions, including tariff prices
- delivery plan
- high-level cost estimates (quotes)

6 ASSESSMENT CRITERIA

Projects will be assessed against the following criteria:

- Preference will be given to projects with more than 20 per cent improvement in energy efficiency and/or productivity.
- Preference will be given to projects supporting a reduction in negative environmental impacts will be prioritised.
- Preference will be given to projects which incorporate energy usage data measuring or monitoring systems.

Assessment Criteria	Weighting %
<p>1. The extent to which the project will improve energy productivity (electricity/ gas/LPG/ diesel), through the implementation of some or all the energy efficiency measures identified through an energy assessment across multiple sites.</p> <p>Consideration will be given to the following:</p> <ul style="list-style-type: none"> • projected improvements in energy productivity⁹; • projected improvements in on-farm energy reliability; • projects with a rate of return greater than 2.5 years and less than 8.5 years; • projected reduction in energy costs; • commercial viability of the technology; • contribution to business sustainability arising from energy efficiencies. 	40
<p>2. The contribution of the proposed project to competitiveness of the agriculture sector and/or regions.</p> <p>Consideration will be given to:</p> <ul style="list-style-type: none"> • impacts on other farms and energy users; • economic and employment opportunities in the local area; • alignment to energy policy and existing or planned energy investments by the State; • the degree to which the project facilitates energy cost management; • contribution to the agriculture supply chain; • degree of replicability of the project. 	30
<p>3. The need for government support, and the capacity and capability of the Applicant to undertake the project.</p> <p>Consideration will be given to:</p> <ul style="list-style-type: none"> • evidence of sufficient dedicated resources to manage the grant; • proof that the lead Applicant is authorised to lead and facilitate activities supported by the grant on behalf of the other consortium members; • evidence from the lead Applicant of clear accountability for the reporting and validation of project outcomes. 	30

7 TERMS AND CONDITIONS

7.1 Post Project Evaluation

All Recipients will be requested to complete a post-Project evaluation demonstrating the energy efficiency and/or productivity outcomes achieved. All Recipients must agree to comply with the Department's performance monitoring and evaluation regime.

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

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

7.2 Publicity

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

⁹ Profit per unit of energy; greater business value per unit of energy

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

Recipients must not make any public announcement or issue any press release regarding the receipt of a grant without prior written approval from the Department.

The Department may publicise the benefits accruing to the Recipient and/or the State associated with the provision of a Tier 3 grant and the State's support for the Project. The Department may include the name of the Recipient and/or grant amount 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 Tier 3 grant 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) or as otherwise specified by the Department.

7.3 Confidentiality

Any personal information provided by the Applicant 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 Privacy and Data Protection Act 2014 (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. Enquiries about access to information should be directed to the 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.