

Activating a Regional Hydrogen Industry – Clean Hydrogen Industrial Hubs: Hubs Implementation – Round 1

Having difficulties with applying in the portal?

If you are experiencing difficulties when trying to apply in the Portal, the best way to seek assistance is to call our Contact Centre Team on 13 28 46. The [Contact / Need help](#) link on our website also contains other ways to receive support from our Contact Centre team. The Contact Centre will answer your question via phone, email or webchat. If they can't help, they will put you in touch with someone who can.

About the program

What are the program outcomes?

The program aims to support the establishment of hydrogen hubs in regional Australia, and, in turn, support the growth of Australia's clean hydrogen industry.

The intended outcomes of the program are to make progress towards:

- making clean hydrogen available for domestic and export use
- establishing domestic clean hydrogen supply chains
- establishing clean hydrogen export pathways
- supporting existing industry to use clean hydrogen
- creating new industry being built around clean hydrogen availability in a local area
- creating new regional jobs and increased capability of local workforce
- reducing the cost of clean hydrogen production.

What is meant by clean hydrogen?

Clean hydrogen is hydrogen produced using renewable energy or using fossil fuels with substantial carbon capture and storage (CCS).

Is a project that produces green hydrogen but exports the hydrogen in the form of green ammonia still considered eligible for the grant program?

A project producing green hydrogen and then exporting that hydrogen in the form of green ammonia is consistent with the definition of clean hydrogen in the program guidelines.

What is the difference between the 'Implementation' and the 'Development and Design' Grants?

Both programs aim to support the establishment of hydrogen hubs in regional Australia, and the growth of Australia's clean hydrogen industry. However, the 'Development and Design' round focuses on projects that are generally at an earlier stage of development and require additional support to advance them towards implementation. The 'Implementation' grants are for proponents of hydrogen hub projects who are closer to investment and are ready to for the next stage of implementation.

How would an Implementation application be viewed if it was dependent on a parallel application to the Design and Development opportunity?

We note the Guidelines do not prevent this approach, but you should consider how this approach would be considered in the context of a competitive program. For example, other applicants may not require Commonwealth funding for feasibility work so would effectively be leveraging greater

private sector investment. Also, please note that you would have to ensure activities and expenditure for each grant are clearly separated. Transparency regarding funding sources and dependencies is strongly advised.

Given the complexity of hub implementation, can an element of the implementation application include design and develop work?

It can but you will need to consider eligible activities and the grant guidelines, before making a case for its inclusion.

Where can the project be located?

The Australian Government has identified a number of locations as prospective hub locations, based on interest of industry and the location's existing capability, infrastructure and resources.

However, the program guidelines are clear that applications are not restricted to these locations and can relate to projects from any location in Australia including metropolitan areas. You do need to consider that the objectives of the program include to enable economic, environmental and social opportunities in regional communities by locating hubs in regional areas of Australia and make your case as to how your project meets this objective.

The Department accepts that for Development and Design grants, a range of project activities may not need to be conducted at a proposed hydrogen hub site.

How will the collective value of the hubs be valued, compared to 7 good separate applications? How is the Government thinking about the best overall position for Australia?

This is a grant round open to consortia to build scale and applications are measured against a criteria with a weighting against each. The committee will assess applications against the assessment criteria and compare them to other eligible applications, taking into account the spread of projects nationally and the program objectives before making recommendations on which projects to fund.

What are the reasons for prioritising the 7 listed locations in the guidelines?

The Australian Government is focused on the timely establishment of Clean Hydrogen Industrial Hubs and the realisation of regional benefits. The Australian Government considers the 7 listed locations to be priority prospective hub locations, based on interest of industry and the location's existing capability, infrastructure and resources. Although the locations are considered the most advanced, applications for the Hub Implementation Round 1 Grants are not restricted to these locations and applicants are able to define the 'region' to which their application relates.

What level of Carbon Capture, and Storage is required?

The program Guidelines specify that the level of carbon capture and storage should be substantial but does not indicate a particular abatement level. In the context of a competitive grants program, applications will need to demonstrate the extent to which a project will accelerate the creation of an export and domestic clean hydrogen industry as well as the broader social, environmental and economic impacts of your hub.

Is there a minimum electrolyser size considered/needed to meet the hydrogen hub criteria?

There is not a minimum electrolyser size considered or needed to meet the criteria. However, it is worth noting that the grant process is open and competitive.

What is required in relation to Australian International engagement activities and cooperation with a Special Advisor, after funding has been awarded?

This could entail a range of activities including:

- the provision/sharing by the department of key project metrics and use of the project as an example of government action/investment opportunity
- participation in international outreach and promotional activities through to occasional presentations to select and relevant international forums.

Is there a knowledge sharing template or additional guidance notes on the specifics regarding knowledge sharing?

Your strategy for knowledge sharing will be assessed as part of the merit criteria, and all other things being equal, a greater willingness to share knowledge would lead to a stronger assessment of this criteria. Your strategy is open to you to develop but you may wish to consider ARENA's approach regarding knowledge sharing - examples of knowledge sharing reports, newsletters etc can be found at www.arena.gov.au/knowledge-innovation.

Is the expectation from DISER that reporting and knowledge sharing from successful projects will be publicly released?

Project reporting, such as progress reports will not be publicly released by the Department.

Knowledge sharing is an eligibility requirement and your knowledge sharing strategy will be assessed as part of Assessment Criterion 1 for the Development and Design Grants.

Will the project partner name/s be made public as part of the project information disclosed on grant connect or the business.gov.au website for successful applicants, and, if so, could a request be made that this information remain confidential?

We normally only publish the lead applicant (grantee) on grants connect and business.gov.au, not project partners. You may request that project partners form part of the application's confidential information, but please note there are circumstances where we may be obliged to provide confidential information. Please see section 13.2.2 of the Implementation Guidelines for a description of circumstances when this may occur.

Eligibility

Are the costs of acquiring land directly related to the hydrogen production facility considered eligible expenditure? And are the costs of constructing the facility itself considered eligible expenditure?

It is not envisaged that the costs of purchasing, leasing, depreciation of, or development of land would be considered eligible expenditure.

Under the guidelines (p 9), eligible activities may include establishing new industrial infrastructure directly related to the production or use of clean hydrogen. Utilising or modifying existing infrastructure to produce, transport, store and handle clean hydrogen and associated processes, is also considered eligible.

Applicants should consider the potential for an application which clearly demonstrates the extent that the project will utilise and support **existing industrial capacity and infrastructure**, to be assessed as more competitive against the merit criteria, particularly merit criterion 2.

Regarding the National Redress scheme, do all domestic applicant have to be on this organization's list to be qualified for this grant opportunity?

No. You are NOT eligible to apply if you are an organisation, or your project partner is an organisation, included on the National Redress Scheme's website on the list of 'Institutions that have not joined or signified their intent to join the Scheme' (www.nationalredress.gov.au)

There is currently only 4 entities on this list.

Are Commonwealth entities or local governments excluded from participating?

No. The guidelines do exclude Commonwealth entities and local government from being lead applicants. However, these organisations can partner with the lead applicant and contribute as part of the consortium.

Can an organisation be the lead applicant on multiple grant applications across both grant streams?

An organisation is able to be the lead applicant on multiple grant applications across both grant streams. Applicants are encouraged to apply for both streams, the Development and Design and Implementation grant opportunities.

What can a grant be used to fund?

To be eligible your project must be aimed at establishing a hydrogen industrial hub consisting of co-located sources of hydrogen demand and production to stimulate demand and facilitate the production and use of clean hydrogen for domestic and export markets. This will leverage the existing industrial and energy resources in the region

For guidance on eligible expenditure, see section 5.1 and appendix A of the Grant Opportunity Guidelines.

For guidance on ineligible expenditure, see appendix B of the Grant Opportunity Guidelines.

How can a non-Australian company participate in the program?

The guidelines require a lead applicant to have an Australian Business Number and entities other than State or Territory government agencies must be incorporated in Australia. However, a non-Australian company can be a consortium partner with an Australian organisation as the lead applicant.

A non-Australian company may also be in a position to be a supplier for an Australian led consortium.

How progressed is DISER expecting projects to be for the Implementation Grants? Is it possible for projects to still be in the pre-feasibility or feasibility stage?

Yes, however, you need to make a case against the assessment criteria including how well your project connects with existing Australian industry and provides a clear pathway, in the short and medium term.

You may wish to consider applying for the design and development grant opportunity for supporting Australian industry on the initial development, feasibility and design work needed to advance Hydrogen Hub concepts.

These projects for export may be delivered over many years and using a staged approach. Would the board letter be acceptable containing Conditions Precedent's for various stages? Eligibility requires a letter from the Board outlining that the project is supported, as per the Guidelines.

Funding and expenditure

Are pilot plants applicable for funding in both streams?

Running trials or pilots are eligible activities for the Development and Design Grants and the Implementation grants.

What scale of projects will receive grant funding?

To be eligible for the Hydrogen Implementation grants a project must have at least \$60 million in eligible expenditure.

Australia's National Hydrogen Strategy envisaged priority pilots, trials and demonstration scale hydrogen hubs being built to 2025. Projects are expected to be of greater scale, and support both export and domestic needs from 2025.

What is the in-kind expectation for implementation grants?

In-kind funding is INELIGIBLE to be considered as the matching contribution for Implementation Grants. However, Assessment Criteria 4 does ask for a description of additional support. All else being equal, the higher level of additional support leveraged will increase the competitiveness for this criteria.

Can the applicants use grant money to re-purpose existing buildings?

Under the guidelines (p 29), eligible expenditure may include building modifications where you own the modified asset and the modification is required to undertake the project. It is up to the applicant to make a case that any modification is required to undertake the project.

However, modifications to leased buildings may only be considered eligible where the buildings are used for activities related to your manufacturing/industrial process.

The guidelines also note that the following are ineligible expenditure:

- routine operational expenses, including communications, accommodation, office computing facilities, printing and stationery, postage, legal and accounting fees and bank charges; and
- capital expenditure for the purchase of assets such as office furniture and equipment, motor vehicles, computers, printers or photocopiers.

Is it possible for multiple consortia to receive funding in the same hub? Or is there a preference for a single application covering shared infrastructure?

It is possible that more than one consortia is funded to deliver their project in the same region. Applicants should consider the potential for a single project from a larger consortium to be assessed as being more competitive against the merit criteria (for example those relating to applicant capability or linkages with industry, research and government).

Is a financial model required for the Hub Implementation round?

Financial justification is an expectation of all grant applications. Please see the example application as a guide.

Can finance from the Clean Energy Finance Corporation be used to fund the applicant's contribution to a project's expenditure?

The Guidelines state that no more than 50 per cent of a project's expenditure being funded from Commonwealth government grants. The Clean Energy Finance Corporation (CEFC) does not provide grant funding. CEFC's Advancing Hydrogen Fund offers concessional financing to support the growth of the Australian hydrogen industry which can be used to fund an applicant's contribution to a project.

Details of the CEFC's Advancing Hydrogen Fund can be found here:

<https://www.cefc.com.au/where-we-invest/special-investment-programs/advancing-hydrogen-fund/>

Specific enquiries can be sent to: info@CEFC.com.au

Does this funding add to or complement the recent NSW Hydrogen strategy?

The Clean Hydrogen Industrial Hubs program is a Commonwealth Government funded initiative. Applicants are encouraged to consider other sources of co-funding including from State/Territory government initiatives that may assist in demonstrating a project's viability.

Is there likely to be implementation funding in the same location for more than 1 consortia, and with 7 hubs being likely to be granted in implementation round, is that an allocation of 1 in every state/territory?

It is possible that more than one grant could be approved in a location or jurisdiction. No number limits and no allocation for 1 grant per jurisdiction, have been stipulated in the guidelines. The Grants are managed in an open and competitive process.

Do you consider it important for project applications to focus on common-user infrastructure? Or can funding be allocated across any part of the value chain?

An expected benefit of the hub model is the cost-effectiveness of shared infrastructure when multiple users, producers and exporters are co-located.

Will AusIndustry provide feedback apart from grant success? Such as advice to synergy projects, recommend collaboration, connect proponents, etc.

Feedback will be provided to applicants who request it. It will be discussed with the applicant at an arranged time, and will be based on comments provided by assessors in their assessment of the eligibility and merit criteria.

Does eligible project expenditure include infrastructure which is technically neither plant nor equipment – e.g. a jetty, pipelines or electrical transmission infrastructure?

The Program Guidelines list eligible activities under the program including “utilising or modifying existing infrastructure to produce, transport, store and handle clean hydrogen and associated processes (e.g. carbon capture and storage)” and “establishing new industrial infrastructure directly related to the production or use of clean hydrogen”.

It is up to the applicant to make a case that any infrastructure activities and expenditure included in the project can be directly related to the production or use of clean hydrogen.

For eligible Plant and Equipment expenditure that relates to the purchase of assets (e.g. capital equipment) for an applicant's project, is the lead applicant required to be the legal owner of the assets during and post the project period?

In Appendix A, the program guidelines state that eligible costs for plant and equipment will normally need to be on the grantee's balance sheet. The spending also needs to be in alignment with the approved project budget and eligible expenditure.

Ownership of equipment would form part of the formal arrangements required to be in place with all parties prior to execution of the grant agreement.

Can you start the project knowing that any expenditure incurred before executing the grant agreement is not eligible without impacting your eligibility for the fund?

You may undertake other activities at your own expense and risk that may be linked to your grant project but would not form part of the activities and expenditure formally included in the grant project that is described in your application.

Broader activities that occur before the grant project start date may be referred to in your application, such as when demonstrating capability, but should not form part of the milestones or the grant project budget in the application as that expenditure is not eligible to be claimed.

Applying

Can I apply for both grants?

Yes, you are encouraged to apply for both the Design and Development and Implementation Grants.

Can applications be submitted for “hubs” that are not within one of the defined “Hub” areas?

Yes. The Grants are open to all parts of Australia.

If submitting an application for an area that is not one of the seven priority regional locations what additional information would be required?

The guidelines do not require any additional information to be provided for a project outside the priority regions as compared to a project within these regions. All applications will be assessed against the same eligibility and merit criteria.

Do we have to submit an application for each site we want to bid for?

A separate application should be made for each hub project.

In the “Project Information” section of the application, part of the requested information is Project Location and an address is sought. How specific does the response to these sections need to be?

The application form provides the opportunity to enter multiple project sites and the percentage of project activity to be undertaken at each site. Project locations may be taken into account when considering the “region” in which you are undertaking your project.

What paperwork is required between consortium partners in order to progress their application?

A letter of support from each project partner needs to be provided as part of your application. As noted in clause 7.2 of the Guidelines, you must have formal arrangements in place with all project partners prior to the execution of the grant agreement.

What information needs to be included in a formal agreement?

A formal arrangement between a successful applicant and their project partner/s needs to be in place prior to the execution of the grant agreement. The nature of this agreement will depend on the relationship between the parties but must be binding on both parties. It may be in the form of a legal agreement, contract, memorandum of understanding, or similar.

What is required in a letter of support from a project partner?

A letter of support should clearly state a commitment to the proposed project and outline what the project partner will contribute to the project. It should be signed by someone who has the authority within the partnering organisation to give that commitment, for example, the CEO of a company.

If your project has formal arrangements in place with project partners, is a letter or support from each partner that is not the main applicant also required?

Yes.

Could a supporting party (not as lead organisation) submit a letter of support to multiple lead organisations of multiple projects?

For this grants program, a project partner could offer to support more than one project and is not required to offer its support exclusively to one project. Note that there must be a formal arrangement in place with all parties prior to execution of the grant agreement if a project is successful.

If a specific project is not awarded, could a supporting party join the awarded project?

It is possible that a project partner may seek to join a successful project after it has been awarded.

If a supporting party submits a supporting letter to one project, could an affiliate of that supporting party submit a supporting letter to another project?

We would expect any potential conflicts of interest to be noted in the application.

Will submissions be rejected if applications are made to both streams - Federal and State?

Applicants are encouraged to apply for both streams, the Development and Design grants and the Implementation grants.

Noting that any State government funding is a different process from the Clean Hydrogen Industrial Hubs Program which is a Commonwealth program.

You are responsible for at least the remaining 50 per cent of eligible project expenditure plus any ineligible expenditure, which we consider your contribution. Your contribution must be cash. We anticipate you may need to use some funding from other Commonwealth, State, Territory or local government grants to fund the project expenditure not covered by this program. However, no more than 50 per cent of your total eligible project expenditure can be funded from Commonwealth government grants.

Can a parent company and subsidiary, or two subsidiaries form a consortium for the purposes of applying for a grant?

Yes. An application must be a joint application with at least one and preferably multiple project partners.

However, applicants should consider how well their joint applications addresses a range of merit criteria including the extent to which the project connects with existing Australian industry, links with research organisations and other businesses and supports co-located industry in the region.

In addressing assessment criteria are we required to speak to the abilities of all in the consortia or focus just on the lead applicant?

The applicant should make a case for the involvement of all members of a consortium. For example, in relation to an applicant's response to merit criteria 3 (applicant capability and capacity).

Does the consortia need a domestic customer/off take, and does a bid require both domestic and export off take potential?

No they do not. Consortia with multiple uses and or users be that domestic and/or export will enhance the competitiveness of their application.

Is there a limit to additional supporting documents we can provide to the application?

There are file size limits, but if you have trouble attaching supporting documents you may email them to us before the close date.

What level of commitment is needed from the company board for Implementation Grant applications (e.g. FID)?

As per the guidelines, the application requires a signed letter from the Board committing to the project.

Is it acceptable for company support to be subject to internal approval stage gates (e.g. Feasibility Study, Feed, FID)?

You must certify that the project is supported by your board.

When applying for the Implementation grant, certification that the Board or equivalent supports the project is required in the application, and formal evidence demonstrating this support **is mandatory** as per section 7.1 of the Implementation Guidelines.

When applying for the Development and Design grant, certification that the Board or equivalent supports the project is required in the application. You may also attach documentation to support your response as part of the application, such as evidence of support from the Board.

Are there specific requirements for work that has been completed to date to apply (e.g. completion of FEED work)?

Work done to date will be informative but would not be considered eligible matching funding for the purposes of the grant.

What level of commitment is needed from the board? Could it be contingent upon standard stage gate system?

Eligibility requires a letter from the Board outlining that the project is supported, as per the Guidelines.

When completing the application form, is the response limit 750 characters per milestone, or is the 750 for all of the described milestones? Will the milestones be in one single field or 6 individual fields?

You will be able to add up to six milestones as individual fields. Each milestone description field has a 750 character limit. Please note this limit includes returns so is slightly less than the character count you would find in a Microsoft word document.

In the "About" section of the application, details are requested for: latest financial year figures, trading performance, ANZSIC code and Indigenous Organisations. How should this section be completed noting the application will be submitted from a consortium? Also, is it OK to provide these details based on a parent company?

We note that the guidelines require that the application is submitted by an eligible lead applicant, for example, a State Government agency or body. The questions in the "about" section should be answered with the relevant details for the lead applicant only. For example, most government agencies will have financial figures available in their annual reports. The ANZIC code should be the code most relevant to the lead entity.

These details must relate to the lead applicant entity, for example, the Australian subsidiary of an international organisation would include the information specific to the Australian company, not the overseas parent.

Are the letters of support supplied with an Activating a Regional Hydrogen Industry grant application kept private or made available to the public?

Letters of support would not be made available to the public, although please note that all documents in possession of the Australian Government, including those about the program, are subject to the Freedom of Information Act 1982 (Cth).

Information on confidentiality conditions relating to applications is detailed in the Hydrogen Hub Implementation Grant opportunity guidelines, section 13.2 "How we use your information". Any information clearly identified by the applicant as confidential will be treated as such, subject to the conditions outlined in the guidelines.

We do publish non-sensitive details of successful projects on GrantConnect. We are required to do this by the Commonwealth Grants Rules and Guidelines unless otherwise prohibited by law. We may also publish this information on business.gov.au. This information may include:

- name of your organisation
- title of the project
- description of the project and its aims
- amount of grant funding awarded
- Australian Business Number
- business location
- your organisation's industry sector.

Future rounds

Will the next round be public or before the awarding the grants or will you review proposals received that are not quite there and work exclusively with them?

It is not intended that the current funding round identify a shortlist of projects for further development, rather round 2 of the Development and Design grants will be open and competitive, with unsuccessful applicants from the current round able to re-apply.

A further Implementation grant funding round is subject to the availability of program funding.