# Quad Clean Energy Supply Chain Diversification Program

3/12/2024 Information Session #1, MS Webinar transcript

### **Presenters**

Department of Climate Change, Energy, Environment and Water, Renewable Energy Superpower Branch

- Kaori Ikeda, Director, International Supply Chains Section
- Michael Bartlett, acting Branch Head
- Anna Drutschinin, Assistant Director, Program Lead, International Supply Chains Section

Department of Industry, Science and Resources, Business Grants Hub Division

• Nicholas Lim, Program Manager, Program Delivery Section

#### Maddocks

• Greg Badcock, External Probity Advisor

#### Kaori Ikeda

Good afternoon, everyone and welcome to the first information session for the Quad Clean Energy Supply Chain Diversification program. My name is Kaori Ikeda and I'm the Director of the International Supply Chains team in the Renewable Energy Superpower Branch at the Department of Climate Change, Energy, Environment and Water. Thank you all for making the time to join us today and for your interest in the program.

We hope this session will help you to understand some key elements of the grant program and the process for submitting an application.

Before I go any further, I would like to acknowledge that the Australian Government Department of Climate Change, Energy, the Environment and Water recognises the First Peoples of this nation and their ongoing connection to culture and country. We acknowledge First Nations peoples as the traditional owners, custodians and law keepers of the world's oldest living culture and pay respects to their Elders, past, present, and emerging. I would also like to extend my respect to the First Nations peoples of the lands from which you are joining the session from today and to any First Nations people in attendance.

I'll quickly run through some housekeeping before we get started. Please be aware that the session will be recorded. We will publish the video and a transcript on business.gov.au to make it available to anyone who is unable to attend today. If you're having any technical issues, we suggest trying to leave and rejoin the meeting. You'll be able to see the video and transcript after the session, to catch up on anything you may have missed. Unfortunately, we will not be able to provide any troubleshooting support during the information session today.

The session will consist of a presentation giving an overview of the program, followed by a Q&A session. Please ask your questions in the Q&A chat function which will be moderated by our team. You can

choose to post your questions anonymously by flicking the anonymous toggle to the right before posting your question. While we will do our best to answer as many questions as possible today, we may need to take some questions on notice, and we may not be able to get to them all based on our time constraints.

We will publish a frequently asked question document on business.gov.au after the session which will cover the questions you've asked today, including those taken on notice and any questions we may not have had time to respond to during the session.

If you have further questions after the session, you can call the phone number on this slide or send them via e-mail to the e-mail address, also on the slide.

Please note that we are unable to answer questions about specific projects, including the eligibility of specific organisations or activities.

I'll hand over to Maddocks, who will quickly take you through some important probity information.

# Greg Badcock

Thank you. Good afternoon, everyone. My name's Greg and I'm from Maddocks. Maddocks is the external probity advisor for this grant process. I'm just going to take a couple of minutes now to outline the aspects of probity which are relevant to all of you as potential applicants.

At the outset, I'd like to stress that this briefing, this information session, is for the provision of background information only. Please make sure that you read the grant opportunity guidelines. The sample grant agreement and the sample application form.

This briefing and its contents cannot be relied upon for the purposes of preparing your application. And if there is any discrepancy at all, or inconsistency between what you hear today and the guidelines, what's in the guidelines will prevail.

Quickly, when we talk about probity, we're referring to the evidence of ethical behaviour. Probity is defined as complete and confirmed integrity, uprightness, and honesty in a particular process.

It's about making sure that this process is fair and can be shown to be fair. As probity advisors, our main role is to provide the department with independent advice to ensure that this process is conducted fairly and transparently and in accordance with the Australian Government grant principles and probity principles.

The aim is to achieve a proper and responsible use of resources, meaning that the use of Commonwealth money is efficient, effective, economical, and ethical.

This grant process is being conducted strictly in accordance with the Commonwealth Grant Rules and Principles to ensure that there is a merits-based process that achieves value for relevant money and is in accordance with the outcomes identified in the guidelines, while meeting the highest standards of probity.

At this stage of a process, probity issues are often about information management, so one of our tasks as the probity advisor is to help the department ensure that all applicants are competing on a level playing field and have a fair opportunity to access consistent information in a way that enables all of you to lodge an application that is competitive and achieves value for money for the Commonwealth.

All applicants have an important role to play in ensuring that the department achieves these objectives. Australian Government officials involved in this process must comply with their legal obligations as Australian public servants and contractors assisting the Government with the process, including me, are under similar obligations through contractual arrangements with the department.

So, we ask that you please don't put any of us in an awkward position by offering gifts, hospitality, or business opportunities during the process. Please understand if a meeting invitation is declined, as we don't want to create any opportunities or the perception of opportunities for anybody to gain an unfair advantage.

Government officials, including contractors, will report any instances where applicants are perceived as offering a benefit or inducement to an official or seeking information that isn't available to other applicants.

During today, the team will take you through the key aspects of submitting an application in response to the opportunity. I stress that you please pay close attention to that and close attention to those details as they appear in the guidelines.

The department has no discretion to amend or waive eligibility requirements, so please ensure that you understand them and that when you make an application, you meet all of the requirements.

As mentioned in the housekeeping, information will be controlled through the Business Grants Hub grants and programs page for the Quad Clean Energy Supply Chain Diversification program - Round One, and that's accessed through the business.gov.au website.

Directing all communication through this port ensures that all questions are handled and responded to consistently and that the answers to questions that are relevant to everybody will be circulated to all applicants.

This should give all of you confidence that everybody is receiving the same information and that nobody is obtaining an unfair advantage. Please don't contact individuals at either of the departments individually, including to @.gov.au e-mail addresses. Direct approaches for information will not be responded to and please avoid any discussions or conversations with departmental officials, including contractors about this process.

For applicants who are currently engaged to provide services to the department, business as usual activities expected under those contracts can and should continue. However, we ask that you do not use these opportunities to ask department personnel questions about the process. They have been told to refrain from engaging in discussions about the process with applicants and to report these communications internally.

That said, of course, nobody wants to discourage questions. If there's information you'd like clarified, please ask during the Question Time at the end of this session or submit through the CESCD@industry.gov.au e-mail address or lodge an online enquiry at business.gov.au, or there's also the phone number that was up on the screen earlier. Any questions that can't be comprehensively answered today or for which there isn't time to answer will be taken on notice and responded to in due course.

That concludes the probity aspect of today's briefing, so I'll hand back to the Department. Thank you.

#### Kaori Ikeda

Thank you very much, Greg. I'd like to now introduce Michael Bartlett, who will provide a brief overview of the program.

### Michael Bartlett

Thank you, Kaori. Good afternoon everyone, my name is Michael. I'm the acting Head of the Renewable Energy Superpower Branch at the Department of Climate Change, Energy, the Environment and Water. May I start by echoing Kaori's words and thanking you for your interest in the Quad Clean Energy Supply Chain Diversification program. This program aims to help address a key challenge that has implications for both the net zero transition and energy security, that being the concentration of clean energy supply chains.

As confirmed by some key analytical studies, such as the work of the International Energy Agency, global clean energy supply chains are currently concentrated in a few countries. Now this increases the risk of supply chain shocks, including vulnerability to disruption, which would slow the clean energy transition while driving up costs. This program aims to help address these risks and enhance clean energy supply chain resilience by one - funding R&D projects that help to drive down costs, address vulnerabilities and improve efficiencies; and second - funding feasibility studies for prospective clean energy-related processing, manufacturing, and recycling facilities in the Indo-Pacific.

More broadly, the program aims to help achieve the Indo-Pacific's collective energy security and emissions reduction goals and support the transition to a net zero future, as well as enhancing regional cooperation in priority clean energy supply chains. The Australian Government has committed \$50 million to the program.

This round of the program will award up to \$25 million of that funding. A second round is expected to open the second half of 2025. I will now hand over to Anna, our program lead, who will take you through some key aspects of the program and round one.

### Anna Drutschinin

Hi everyone. Thanks so much for taking the time to join us today. I am the program lead at the Department of Climate Change, Energy, the Environment and Water, and I'm just going to take you through some key elements of the program guidelines.

So, this is a summary here, and we'll then go into a bit more detail in the subsequent slides. You'll also note that throughout this presentation, I'll be referencing the relevant sections of the guidelines as well, which as Maddocks presented earlier is the ultimate source of truth for this program.

As Michael said, this program is aimed at developing, diversifying and/or reducing vulnerabilities in these three key supply chains in the Indo-Pacific region - solar PV, hydrogen electrolyser and battery supply chains. We will fund two key types of projects, so R&D and feasibility studies. A key feature of this program is that these projects must be delivered as a joint project between eligible Australian and Indo-Pacific organisations.

The projects must be undertaken in Australia and/or at least one of the eligible Indo-Pacific economies, these are listed in Appendix A of the grant guidelines. Co-contributions of at least 5 per cent of total eligible expenditure are mandatory as well. These can be in cash or in-kind or a combination of the two, and these can come from any project partner.

There's a total of \$25 million available under this round of funding and each individual grant amount can range between \$100,000 and \$2.5 million. In terms of project length, we're looking at a minimum of 6 months and all projects must be completed by the 31st of March 2028.

I'll now go into a bit more detail about eligibility, merit, and assessment. I'll start with just giving a high-level framework for how your applications will be assessed because this will help understand where the eligibility criteria and then the assessment criteria fit into the picture.

First of all, your applications will be assessed on eligibility, so is your organisation eligible? Is the scope of your project eligible? Are the activities eligible? All applications that are found to meet the eligibility requirements will then be assessed on merit and this will be done against the assessment criteria.

I'll now go into each of those in turn, starting with eligibility.

Now as I said, a key feature of this program is that to be eligible, you must submit a joint application. This is mandatory.

In your joint application, you must have at least one eligible Australian organisation and at least one Indo-Pacific organisation from an economy listed in Appendix A of the guidelines. There's no limit to the number of organisations you can have in your group....you could have just 2... you could have 10... just as long as that minimum requirement is met - at least one Australian, at least one Indo-Pacific organisation.

You must also nominate a lead eligible Australian organisation for your group, and it is this eligible Australian organisation that needs to submit the application on behalf of the group and that will then enter into the grant agreement with the Commonwealth.

For more information on joint applications, I really encourage you to look at Section 7.2 of the grant opportunity guidelines.

Moving on then to eligible applicants. We've spoken about this lead Australian organisation... to be eligible, they must have an Australian Business Number. They must also have an account with an Australian financial institution and that would allow the grant payment to be made in the event that your project is successful, and you must be one of the entities that is outlined in Section 4.1 of the grant guidelines.

As for the Indo-Pacific organisations, as we've said, they must be from an economy listed in Appendix A and they must be domiciled in one of those economies, meaning incorporated or registered in one of those economies. In terms of the types of organisations that they could include - they might be private corporations or research organizations, state owned enterprises or government organisations.

I'll also note here that Quad economy organisations- this is the Quad Clean Energy Supply Chain Diversification program - and so organisations from another Quad economy, that is from India, from Japan or from the United States, can join a project group as an additional project partner.

For more detailed information on eligible applicants, please take a look at Section 4 of the grant opportunity guidelines.

Moving on then to eligible projects. At a high level, the scope of your eligible project, or to be eligible, the scope of your project must target at least one of these 3 key supply chains, so solar PV hydrogen electrolysers and/or batteries, and then within that, it must target one or more of these supply chain stages, so raw material processing, component manufacture, assembly, and recycling.

Now you'll notice that not all supply chain stages are listed there, so just to be clear, this grant opportunity does not cover resource extraction, plant engineering or construction, electric vehicle production or site and facility decommissioning. You can have a look at Section 5 of the guidelines for a bit more detail on that.

Going into a little more detail though on eligible projects and activities. As we've noted, there's 2 key types of projects that this program will be funding, so there's R&D projects and these must target new technologies, processes or solutions that help improve efficiencies and lower manufacturing costs and/or help lower material dependencies.

An example of this could be R&D to improve the efficiencies of solar PV cell manufacturing to help these processes become more cost competitive, or another example is that it could be R&D into battery and electrolyser technologies that use different materials that might be less costly or less scarce or less subject to supply chain shocks. These are just examples though, there's no predetermined list of the exact types of technologies or projects we're looking for.

Feasibility studies then, these must support business case development for prospective clean energy related processing, manufacturing, and recycling facilities in the Indo-Pacific. So it must be for a facility that would be built in an economy listed in Appendix A, and an example of this could be a battery cell component manufacturing facility.

In terms of eligible activities, these must directly relate to the project, and they may include any of the below, so materials and equipment trialing, feasibility testing, demonstration of equipment technology and/or new processes, process design and engineering, project planning, knowledge sharing activities, and training and development activities.

As I've said before, please do have a look at Section 5 of the guidelines for more information on eligible projects and activities there. You will also find a list of activities that are not eligible. It's also an important consideration.

We'll then move on to the assessment criteria. So, as I said at the beginning, if your application is assessed to meet the eligibility requirements, it will then be assessed on merit, and we do this by looking at to what extent your application meets these four assessment criteria. Your application must address all four of these.

The first one is to what extent your project aligns with the objectives of the program which we've spoken about in detail.

The second assessment criterion is the capacity and capability of your project team to deliver this project, so we'll be looking at your personnel, your access to equipment and technology, and more.

The third assessment criterion is the impact of this grant funding, and this is twofold. This will look at both the impact that the grant funding would have on your project, were you to receive it, and then the wider benefits that your project might have, were it to go ahead.

The final assessment criterion is how you would plan to monitor, manage, and report on national security risks. Now you would do this through the risk management plan, which is one of the mandatory attachments that I'll get to in a second and there is a lot of background information on national security risks and resources to support this in section 13.6 of the guidelines.

These assessment criteria that I've just run through are in Section 6 at the guidelines.

I will take this opportunity to flag as well that there's a number of mandatory attachments for your application. So, to quickly list these...these are detailed project plan, a detailed project budget, a risk management plan, an accountant declaration, evidence of financial viability, a trust deed if applicable to your circumstances and a letter of support from each project partner. These are all described in more detail in Section 7.1 of the grant guidelines.

Finally, we touched on this at the start, but just to go into a little bit more detail on the assessment process. So, after the grant applications close on the 10th of February 2025, all applications will be assessed against the eligibility criteria and this will be done by the Business Grants Hub, which is a grants administration function within the Australian government.

After this has been done, all applications that meet the eligibility criteria will be passed on to a committee comprised of independent experts and government experts, and they will assess the applications on merit by looking at the assessment criteria and also by comparing your application to other applications and assessing whether it provides value with relevant money.

The assessment committee will then recommend applications to DCCEEW's program delegate who will be the final decision maker for the program. And on current timelines, we expect that we'll be making a final decision on successful applications around May 2025.

I'm now going to pass on to Nicholas from the Business Grants Hub who will take you through the application process. Thank you.

# Nicholas Lim

Hi, my name is Nicholas Lim. I'm a program manager with the Department of Industry, Science and Resources. My department is delivering this program on behalf of the Department of Climate Change, Energy, the Environment and Water.

Reiterating my colleagues' advice you heard from earlier, before you apply, you should read and understand the program guidelines, the sample application form and the sample grant agreement, all of which are available on business.gov.au. Section 7 of the program grant guidelines sets out exactly how you should apply.

First off, you will need to set-up an account to access our online portal. This is available through a link at the top right-hand side on business.gov.au. Simply follow the prompts to get registered. Make sure to check your Inbox and Junk folder for notifications of your registration. The most common problem we have with registrations are e-mail addresses. This must be unique. For example, if you are John Smith and your e-mail address is JohnSmith@unique.com.au, if this e-mail address is already registered with us, you will need to register under an alternate existing e-mail address. Do not use e-mail addresses that are non-existent because the notifications will go nowhere, and you will not be able to follow through on the registration process. If you already have an account with us, log in and simply click on "New Applications" and select Clean Energy Supply Chain Diversification program to begin your application.

Anna has already touched on the attachments that you need to provide, and which are detailed in Section 7.1 of the guidelines. These attachments, there's a limit of 2 megabyte per attachment and a total of 20 megabyte per application. Now, do not attach documents that we did not request for. Information in unrequested documents will not be considered.

Late applications will also not be accepted. And you should be aware of the time zones that you reside in with the applications open and close dates. For example, if you're in WA, that means the portal will be closed to applications at 2PM WA time. Also be aware that the portal will close exactly at 5PM AEDT, not a microsecond more. So, if you're thinking to submit at 4:59PM AEDT, you may miss out on this grant opportunity if there's only a microsecond left to 5PM AEDT. So, apply early, submit early, do not wait to the last minute. And if you have any issues with the portal at all, please ring us immediately on 13 28 46.