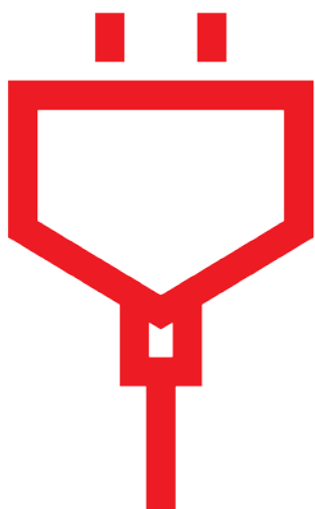
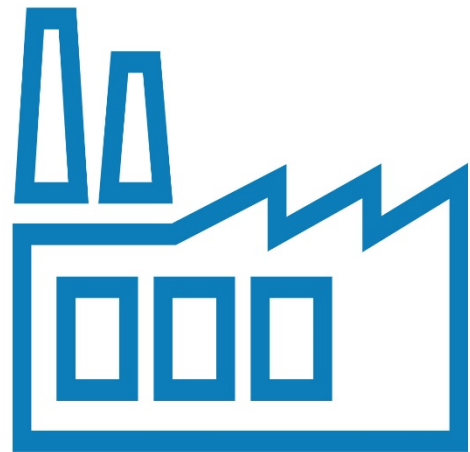


Energy Saver

Manufacturing Efficiency Funding guide



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See also www.environment.nsw.gov.au

May 2020

Version	Date	Amendment details
1.0	15/05/2020	

Find out more at:

energysaver.nsw.gov.au/manufacturing

Contents

How to get started	1
Are you eligible?	1
About the co-funding	2
Metering and process optimisation	2
Equipment upgrades offer	3
Projects we will fund	4
Projects we will not fund	5
Energy savings calculations	5
Measurement and verification (M&V)	6
Costs we will cover	6
How to apply	7
Assessment criteria	8
Terms and conditions	9

Reference	Link
Energy Saver website	https://www.energysaver.nsw.gov.au/manufacturing
NSW eTendering website	https://tenders.nsw.gov.au/

We are offering co-funding to manufacturers who want to upgrade to more energy efficient equipment or install energy metering systems.

This guide outlines the requirements and conditions of applying for the second round of Manufacturing Efficiency Funding.

How to get started

The second round is open between 1 June 2020 and 10 July 2020. You can submit your applications during this time.

If we decide to extend the closing date, we will publish the new date on our [website](#) and the [NSW eTendering website](#). We will do this two weeks prior to closing.

You should read this program guide before finishing your application.

Contact us at manufacturing@energysaver.nsw.gov.au if you have any questions.

Are you eligible?

To apply for funding you must:

- have an Australian Business Number (ABN) and be registered for GST
- undertake manufacturing activities (according to the [Manufacturing Division](#) of the Australian and New Zealand Standard Industrial Classification 2006) or cotton ginning in NSW.

Manufacturing is defined as the physical or chemical transformation of materials, substances or components into new products.

If your main business is not manufacturing, but you undertake manufacturing activities in NSW and your project is associated with these activities, you may still be eligible.

If you have more than one manufacturing site, you will need to submit a separate application for each location.

If you received funding in Round 1 you can apply again for another project.

About the co-funding

There are two co-funding offers available:

1. Metering and process optimisation
2. Equipment upgrades.

Applications are limited to one offer per site. Funding offers may change in future rounds so it is a good idea to apply now.

Metering and process optimisation

Businesses often do not want to spend money on metering because they do not see savings straight away. Metering not only saves money and energy but helps you improve manufacturing processes.

To help out, we are offering you money to install or upgrade energy metering and monitoring systems.

We will fund projects that:

- install metering and involve data analysis to identify faulty equipment
- install sensors and controls to improve combustion efficiency
- fine-tune equipment so it operates more efficiently.

We will not fund metering projects that are not linked to a process optimisation.

When you apply, you will need to show us which equipment or process you want to improve. You will also need to verify the energy savings using an internationally recognised method, unless otherwise specified. Please refer to the [Measurement and verification \(M&V\)](#) section below.

You can apply to fund one project and the amount is capped at \$50,000 per site. The project must be implemented within 18 months. We will fund 50% of total incurred costs in two milestone payments.

1. We will pay 30% of the incurred costs of commissioning meters. This is capped at \$30,000.

2. We will pay the remaining incurred costs for things such as developing an M&V plan and report, analysis and tuning equipment. This is capped at the maximum funding amount.

If your project costs more than expected, we will not pay any more than the maximum funding amount. If it costs less, we will pay up to 50% of actual incurred project costs.

Example

Ahmed wants to install metering on his pumping system to help optimise its startup and running times. His project costs \$100,000 and we will pay \$50,000.

He will get \$30,000 once he has installed the metering and \$20,000 once he has implemented the project and completed M&V.

If the project ended up costing \$80,000, we would only pay a maximum of \$40,000.

There are metering guides available on our website to assist you:

- [Gas metering](#)
- [Electricity metering](#)

Equipment upgrades offer

This offer allows you to install or upgrade to more energy efficient equipment.

Your projects may involve:

- fuel switching
- bespoke heat recovery projects
- major chiller upgrades
- compressed air system modifications
- high efficiency equipment for new production lines or sites (if you can show the efficiency is above industry standard).

You can apply to fund one project and the amount is capped at \$70,000 per site.

If you apply for less than \$20,000 funding, the project must be implemented within 12 months. We will fund 50% of incurred costs for commissioning equipment and simple verification of energy savings. This will involve submitting some data to us once your project has been implemented.

If you apply for more than \$20,000 funding, you will need to verify the energy savings using an internationally recognised method, unless otherwise specified. Refer to the [Measurement and verification \(M&V\)](#) section below.

The project must be implemented within 18 months. We will fund 50% of total incurred costs in two milestone payments:

1. We will pay 30% of the incurred costs of commissioning equipment. This is capped at \$42,000.
2. We will pay the remaining incurred costs for things such as developing an M&V plan and report. This is capped at the maximum funding amount.

If your project costs more than expected, we will not pay any more than the maximum funding amount. If it costs less, we will pay up to 50% of actual incurred project costs.

Example

Sarah wants to install a heat recovery exchanger on a boiler. Her project costs \$140,000 and we will pay \$70,000.

She will receive \$42,000 once she has installed the heat recovery exchanger and \$28,000 once she has completed M&V.

If the project ended up costing \$120,000, we would only pay a maximum of \$60,000.

Projects we will fund

Your project must be directly associated with manufacturing activities. For example, site offices used for administration and accounting are not considered manufacturing.

We will only fund energy efficiency projects that save electricity or gas behind the meter. This can include fuel switching to biogas or biomass as long as it reduces net energy use.

Projects we will not fund

We will not fund lighting projects, steam traps, solar photovoltaics, battery storage, power factor correction or fabrication tools and equipment such as welders, grinders and saws.

If we are funding your project, you cannot access other government resources for the same project. In particular, you cannot:

- create Energy Savings Certificates (ESCs) through the NSW Energy Savings Scheme or Australian Carbon Credit Units (ACCUs) under the Australian Government Emissions Reduction Fund.
- receive grants from the Australian Government Energy Efficient Communities Program or Manufacturing Modernisation Fund.

Energy savings calculations

You must give us an estimate of the energy savings you will get from your proposed process optimisation or equipment upgrade. Your calculations must be well documented, transparent, follow common engineering practice and incorporate site specific conditions and operating characteristics.

We expect to see the following documents:

- a summary of how you came up with the estimated savings
- an estimate of how much energy the equipment is using before and after the installation or upgrade — you will need to show reduced energy use
- a spreadsheet of calculations with all formulas clearly stated, referenced and presented in a clear, coherent and logical manner
- a list of all assumptions and variables used, their source and reason for use
- details of the operating characteristics of the site and equipment (such as operating hours, load factor, operating patterns and behaviour, ambient conditions and any other relevant factors).

Measurement and verification (M&V)

Energy savings from all process optimisation projects and equipment upgrades over \$20,000 need to be verified according to the [International Performance Measurement and Verification Protocol \(IPMVP\)](#) or equivalent standard.

Your project will need to include an M&V plan and report that has been reviewed by a Certified Measurement and Verification Professional (CMVP). A list of qualified professionals is available on our [website](#) (but there may be others not on this list). We reserve the right to waive the M&V requirement at any stage.

Costs we will cover

Incurring costs we will co-fund

Hardware and software needed to monitor energy use	External contractor costs for installing and commissioning equipment, such as project management
Costs to install and commission energy efficient equipment, meters and sub-meters	Costs to complete M&V plans, reports and analysis
Costs to calibrate and re-commission existing meters or sub-meters	Technical design and modelling needed to improve manufacturing processes

Incurring costs we will not co-fund

Costs to prepare your application, including feasibility studies	Internal project management and labour costs
Costs incurred before you were awarded the funding, including if you have already purchased any equipment or services	Loss of revenue from interruptions to production
Costs for temporary meters or loggers*	Subscriptions to data management services

*Under the metering and process optimisation offer, co-funding for controls cannot exceed 10% of the maximum funding amount.

How to apply

1. Complete the application form

Complete the application form on our [website](#) and submit anytime before 5pm AEST on the 10 July 2020.

You will need to attach the following evidence:

- copy of your latest energy bill
- itemised quotes from suppliers and contractors
- photos of any equipment that will be upgraded
- your energy savings calculations.

Specific requirements are detailed in the application form.

You will get an email notification with a reference number to confirm it has been received. This does not mean your application has been accepted.

2. Get notified of the outcome of your application

Once the funding round has closed, we will evaluate your application based on the [assessment criteria](#), which is listed below.

We may ask for more information as part of this assessment. You will have five business days from the date of our written request to respond with more information.

If your application is successful, we will send you a written offer and contract.

If your application is not successful, we will let you know why.

3. Sign the contract

You will have 30 calendar days from the date of the offer to sign and return the contract.

If you do not return the contract in time, we may withdraw the offer. The contract needs to be signed by someone with the authority to enter into contracts on behalf of your business.

You can see a sample contract on our [website](#).

4. How to get paid

You can now do your project. You will get the funding once you report to us that you have completed the agreed milestones in your contract.

You will need to give us a commissioning report and a photograph of the installed equipment. You will also need to show evidence of incurred project costs. This could be a copy of an invoice from a supplier or contractor showing zero balance.

The sample contract on our [website](#) shows an example of a delivery schedule containing milestone reporting and evidence requirements.

Assessment criteria

We will assess applications once the funding round has closed. You will be notified of the outcome once all applications have been assessed.

Applications will be assessed by our officers with support from an independent technical advisory panel.

Applications must pass the following assessment criteria to be recommended for funding.

Evaluation criteria	Assessing performance against criteria (Pass / Fail)
1. Value for money	<p>Metering and process optimisation offer</p> <p>Your project should not propose more than:</p> <ul style="list-style-type: none">• \$600 of our funding per MWh of electricity saved per year• \$60 of our funding per GJ of gas saved per year• \$2.11 of our funding per kL of water saved per year (as a co-benefit). <p>This should be based on an assumed savings of 5% of the energy use of the target process.</p> <p>Equipment upgrades offer</p> <p>Your project should not propose more than:</p> <ul style="list-style-type: none">• \$350 of our funding per MWh of electricity saved per year• \$35 of our funding per GJ of gas saved per year• \$2.11 of our funding per kL of water saved per year (as a co-benefit).

Evaluation criteria

Assessing performance against criteria (Pass / Fail)

The assessment is based on engineering estimates only. If the project does not achieve these estimates, your funding will not be affected.

2. Quality

You must give us a high-quality application and supporting evidence. How well you have estimated the energy savings and your M&V approach will also be taken into account. The level of detail in your application should be appropriate to the size and complexity of your project.

3. Risks

Your application must not raise any unacceptable risks to our reputation or delivery of the project. These include pending legal action, media controversy or lack of financial capacity to implement the project.

4. Suitability for other funding sources

Equipment upgrades offer

If your project is clearly eligible for other funding sources, such as the NSW Energy Savings Scheme, we may reject it unless you can justify why your project is not suitable.

Terms and conditions

1. Funding

Manufacturing Efficiency Funding is provided by The Crown in right of the State of New South Wales, acting through the Department of Planning, Industry and Environment (DPIE).

The funding source is the NSW Climate Change Fund.

2. Inconsistencies

If there is inconsistency among any Manufacturing Efficiency Funding documents the following order of priority will apply so that the highest ranked document will prevail:

- (1) Funding contract
- (2) Program guide
- (3) Application form.

3. Information supplied

The information contained in the program guide has been provided with due care and is intended only for the applicant's guidance, but is not guaranteed as being accurate for future needs and expenditure by DPIE.

4. Conditions of applying

Each application should be submitted in accordance with:

- a) this program guide;
- b) the application forms;
- c) all other attachments to this program guide and application forms; and

d) any additional terms and conditions that DPIE may notify on the NSW Government eTendering system website and [Energy Saver website](#), or otherwise provide to applicants in connection with this program guide or application forms.

5. Electronic applications

All applications must be submitted electronically via the online application system on the [Energy Saver website](#).

An application submitted electronically will be treated in accordance with the *Electronic Transactions Act 2000 (NSW)*.

An applicant, by electronically lodging an application, is taken to have accepted the conditions and rules on the NSW Government eTendering system website and [Energy Saver website](#).

Electronically submitted applications may be made corrupt or incomplete, for example by computer viruses. DPIE may decline to consider for acceptance an application that cannot be effectively evaluated because it is incomplete or corrupt. Applicants should ensure that electronically submitted files are free from viruses by checking the files with an up to date virus-checking program before submission.

DPIE will not be responsible in any way for any loss, damage or corruption of electronically submitted applications.

If an applicant experiences any difficulty with submitting an application, it is encouraged to contact DPIE at manufacturing@energysaver.nsw.gov.au.

In specific circumstances, DPIE may accept application forms manually via the Manufacturing Efficiency Funding Mailbox manufacturing@energysaver.nsw.gov.au. The maximum acceptable file size is 20 MB.

6. Late applications

An applicant received after the closing time and date will not be considered by DPIE unless the applicant has contacted DPIE prior to the closing time about any technical difficulties experienced and unless DPIE is satisfied that the integrity and competitiveness of the application process has not been compromised.

7. Application costs

The applicant acknowledges it is applying for Manufacturing Efficiency Funding at its sole risk and cost and that DPIE will not be liable to it for any expenses or costs incurred by it as a result of preparing or submitting an application, including where Manufacturing Efficiency Funding has been discontinued.

8. Corruption of unethical conduct

Applicants must comply with the requirements of the DPIE Statement of Business Ethics, which is available at <http://www.environment.nsw.gov.au/commercial/businessethics.htm> and must disclose any conflicts of interests in their application.

An applicant must provide information in its application concerning any findings of dishonest, unfair, unconscionable, corrupt or illegal conduct against it, its directors or management.

If an applicant or any of its officers, employees, agents or subcontractors is found to have:

- a) offered any inducement or reward to any public servant or employee, agent or subcontractor of DPIE or the NSW Government in connection with the application;
- b) committed corrupt conduct in the meaning of the *Independent Commission Against Corruption Act 1988*;
- c) committed dishonest, unfair, unconscionable, corrupt or illegal conduct; or
- d) a record or alleged record of unethical behaviour; or not complied with the requirements of the Agency Statement of Business Ethics

this may result in the application not receiving further consideration.

DPIE may, in its discretion, invite a relevant applicant to provide written comments within a specified time before DPIE excludes the applicant on this basis.

If DPIE becomes aware of improper conflict of interests by a successful applicant after a contract has been executed, then DPIE reserves the right to terminate the contract, including any orders placed under that contract.

9. NSW Government requirements

Applicants must comply with the requirements of the NSW Government Code of Practice for Procurement, which is available at

http://www.procurepoint.nsw.gov.au/sites/default/files/documents/code_of_practice_for_procurement_2013_ir_guidelines_0.pdf and must disclose any conflicts of interests in the application.

Submission of an application is evidence of the applicant's agreement to comply with the Code for the duration of any subsequent contract that is awarded. If any applicant fails to comply, DPIE may take the failure into account when considering this or any subsequent application by the applicant and may reject such an application.

10. Multiple submissions

If an applicant provides multiple submissions for the same project, the last submission received before the closing time and date will be the application to be considered unless the applicant provides clear directions to whether the application is:

- a) supporting items to an application; or
- b) a further part of an application that has previously been submitted.

11. Amendments

If, for any reason DPIE, at its sole discretion, requires any Manufacturing Efficiency Funding documents to be amended before the closing date and time, a notice will be issued on the [Energy Saver website](#). It is the responsibility of all applicants to verify if any amendments were issued prior to the closing date and time, to read such amendments, and if necessary, to respond to the amendments even if an application has been submitted by the applicant. Failure to respond to amendments may mean the application is rejected.

12. Use of applications

By submitting the application, the applicant consents for DPIE to use and make copies of the application (including to give the technical advisory panel access to it) for any purpose in connection with Manufacturing Efficiency Funding (including to exercise rights under sections 12 and 16 below), and for DPIE's internal procurement purposes.

13. Discontinuance of application process

DPIE reserves the right to discontinue the application process at any point, without making a determination regarding acceptance or rejection of applications.

14. Variations to applications

An applicant may only vary its application with the consent of DPIE provided that in DPIE's view, it would not:

- a) substantially alter the original application; or
- b) result in the revising or expanding of an application in a way that would give the applicant an unfair advantage over other applicants.

15. Decommissioning of equipment

Where existing manufacturing plant or equipment are being replaced through the project, these must be decommissioned within the contract term. Old equipment must be appropriately disposed of in a safe and environmentally friendly manner.

16. Exchange of information between government agencies

By submitting an application the applicant will authorise DPIE to make information available, on request, to any NSW Government agency.

The provision of the information by DPIE to any other NSW Government agency is agreed by the applicant to be a communication falling within section 30 of the *Defamation Act 2005* (NSW), and the applicant shall have no claim against DPIE and the State of New South Wales in respect of any matter arising out of the provision or receipt of such information, including any claim for loss to the applicant arising out of the communication.

17. Method of Acceptance

Acceptance of an application or part application will be subject to the execution of a contract based on the sample contract. Until DPIE and the successful applicant execute a contract there will be no legally enforceable agreement concluded between them.

18. Confidentiality Statement

The contents in this document (including any attachments) may contain confidential information of DPIE and must only be used by the applicant for the purpose of preparing the application, and if successful, delivering the project.

19. Disclosure information

Following DPIE's decision, all applicants will be notified in writing of the outcome of their applications.

Details of Manufacturing Efficiency Funding and the outcome of the application process will be disclosed in accordance with *the Government Information (Public Access) Act (NSW)* and the Premier's Memorandum 2007-01.

Once a contract has been executed, DPIE will publish details of successful applications on the [Energy Saver website](#) including applicant name, project title and description, and amount of funding offered or paid.

DPIE may use your deidentified application and project data in training materials, case studies, evaluations and other portfolio purposes.

Your contract may be publicly announced by the Minister for the Environment or NSW Premier.

20. Evaluation

You may be contacted by DPIE or a third party on DPIE's behalf to provide feedback as part of an evaluation of Manufacturing Efficiency Funding or the NSW Climate Change Fund.

21. Complaints Procedure

It is the NSW Government's objective to ensure that industry is given every opportunity to win Government contracts. Should any entity feel that it has been unfairly excluded from applying or unfairly disadvantaged by the Manufacturing Efficiency Funding documents, it is invited to write to:

Chief Procurement Officer

Department of Planning, Industry and Environment

Locked Bag 5022, Parramatta NSW 2124