

Energy Saver

Manufacturing efficiency funding: frequently asked questions for round 2

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Eligibility

I'm not sure if my business is eligible, what do I do?

Check the eligibility requirements in the [Manufacturing Efficiency Funding Guide](#). Your business needs to undertake manufacturing activities in NSW.

If you are still unsure, contact us at manufacturing@energysaver.nsw.gov.au to discuss.

What is a manufacturing activity?

For the purposes of Manufacturing Efficiency Funding, a manufacturing activity is defined as any activity listed under [Division C](#) of the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 or cotton ginning.

Which activities are not considered manufacturing?

The following activities are not considered to be manufacturing:

- agriculture, such as production of crops and livestock
- construction and maintenance of buildings and other physical structures
- mining, such as quarrying
- retail services
- third party waste collection, treatment and disposal
- transport and logistics services

- ancillary services, such as administration and marketing.

Manufacturing is not my primary business activity, can I still apply?

Yes, as long as you are undertaking manufacturing activities in NSW and your project is directly associated with those manufacturing activities.

My business has several manufacturing sites in NSW. Can I apply for funding for more than one site?

Yes. You will need to submit a separate application for each site.

However, to ensure we reach our program target of 250 businesses, we reserve the right to limit the amount of funding we provide to businesses that have already submitted successful applications.

Is there a restriction on the size of business that can apply?

No, any manufacturing business can apply. You just need to meet our eligibility criteria and your project must meet our assessment criteria.

What if I have already ordered my equipment?

If you have already purchased and ordered equipment or services, they are not eligible for funding. We will not fund any costs you incur prior to being awarded a funding contract. This includes deposits paid when equipment is ordered.

You must have a funding contract in place before commencing any works for a project to receive funding.

Getting help and applying

How do I apply?

You should read the [Manufacturing Efficiency Funding Guide](#) which details the application process.

You need to complete the online application form on our website and submit at any time before the deadline.

Where can I get help to develop my project?

We have a list of energy coaches that can help you scope energy projects and apply for funding. You can apply to receive free support until the 31 July 2020. Visit our [website](#) to find out what support is available.

What help can I get to fill out the application form?

Our team is happy to explain what is required in the application form. Please contact us at manufacturing@energysaver.nsw.gov.au.

You can also contact an energy efficiency consultant or service provider to help you, but these costs won't be funded. Alternatively you can apply for free business energy coaching until the 31 July 2020 from [our list of suppliers](#).

If you are a Sustainability Advantage member, talk to your contact about support they can provide.

Can I apply for all funding offers?

You can apply for either the Metering and Process Optimisation Offer (up to \$50,000) or Equipment Upgrades Offer (up to \$70,000) but not both. This applies to each site.

Can I apply if I received funding in Round 1 or the Compressed Air and Steam offers?

Yes, you can apply again for a new project.

What happens if I miss the deadline for submitting an application in Round 2?

Applications must be submitted by 5pm AEST on 10 August 2020. We will not accept any late applications.

If you miss out on this round, there may be opportunities to apply for funding in future rounds. However, future funding offers are subject to change so we advise you to apply now.

Projects and funding

I'm not sure if the technology I want to replace or install is suitable, what should I do?

Read the [Manufacturing Efficiency Funding Guide](#) and consider:

1. How much energy does a machine like this use in a year?
2. How much can this realistically be reduced?
3. Is there information/data available to support the above estimates?

Then contact us at manufacturing@energysaver.nsw.gov.au to discuss which offer could work best for you.

Can I get funding for solar PV?

No, standard solar PV and inverter installations are not eligible as incentives are available through the Australian Government Renewable Energy Target.

We may consider funding the electrification of a manufacturing process (from gas to electricity) combined with new solar PV capacity that displaces any additional grid sourced electricity. The installation of the new solar PV system will be a condition of the funding contract but the cost of purchasing and installing this system won't be eligible for funding. Only the cost of the new process technology (e.g. heat pumps, electric ovens, electric furnaces) will be considered for funding.

Can I get funding for fuel switching projects?

Potentially. Your proposed project may result in an increase in gas use with a decrease in electricity use or vice versa. You will need to subtract the funding you would lose from increasing the use of one fuel type from the funding you would gain from decreasing the use of the other fuel type in deteming the eligible funding amount.

Can I get funding for other renewables?

We may consider funding new solar thermal or biofuel systems that supply energy to manufacturing processes. Your energy savings estimate must include calculations of energy use displaced by the new solar thermal or biofuel system for the specific manufacturing process for which it is being deployed.

Will you consider projects that increase efficiency on a per unit production basis?

Yes. We will consider projects that increase efficiency on a per unit production basis, whether or not there is a decrease in overall energy use.

You will need to provide additional information with your application including assurances, declarations and evidence that the facility is currently operating at maximum capacity, that the item being upgraded is the bottle neck and that the facility will increase production after the upgrade. A robust strategy for measuring, verifying and confirming the energy productivity increase and translating that into an energy savings figure will also need to be proposed as conventional M&V strategies (i.e. IPMVP compliant) may not be appropriate.

Why isn't power factor correction eligible?

Power factor correction is primarily a demand reduction measure, not an energy efficiency measure. It can save you money on your energy bill but it will not have any direct energy savings, therefore it won't pass our value for money criteria.

Why are tooling technologies excluded in Round 2?

Fabrication equipment or tools such as saws, welders, lathes, grinders and CNC machines are no longer eligible for funding.

In the first round, we typically found that the potential for energy savings relative to capital and other operating costs is small and there is a distinct lack of technical information and recognised techniques available for comparing the energy use of existing and proposed equipment, making it difficult for us to assess value for money.

Can my project receive Manufacturing Efficiency Funding and access incentives through the NSW Energy Savings Scheme?

No. We cannot fund projects that will interact with the creation of Energy Savings Certificates (ESCs). We do not allow the overlap of boundaries between Manufacturing Efficiency Funding projects and ESC claims and will not accept any methods that attempt to untangle savings attributable to either funding source.

Can my project receive Manufacturing Efficiency Funding and access incentives through other government funding sources?

No. To be eligible for Manufacturing Efficiency Funding, you cannot access any other government funding or incentive schemes (state or federal) for your project as you cannot receive funding twice for the same project.

Projects that receive grant funding from other non-government sources will be assessed on a case by case basis.

How do I measure and verify savings?

If you are applying for more than \$20,000 in funding for an Equipment Upgrade, we require you to measure and verify energy savings using an internationally recognised framework, such as the [International Performance Measurement and Verification Protocol \(IPMVP\)](#), unless otherwise specified.

IPMVP specifies methods and fundamental principles for applying good practice measurement and verification (M&V) to energy efficiency projects.

M&V must be undertaken by a qualified professional.

We reserve the right to waive the M&V requirement at any stage.

Who is assessing the M&V plans?

The Manufacturing Efficiency Funding team at DPIE will be assessing all applications. We have in-house Certified Measurement and Verification Professionals (CMVPs) and independent technical advisors who we can consult. There are templates available on our [website](#) to help you submit the right information.

What if my project will result in savings other than electricity or gas?

Your project must save stationary electricity and/or gas to be eligible for funding. It is great if your project has additional benefits but they won't be taken into account when assessing your application.

Are projects that save diesel or other fuel types eligible?

Not under our current eligibility criteria, but please contact us at manufacturing@energysaver.nsw.gov.au to discuss. We may consider other fuel savings in future rounds and we're interested to know what kinds of projects you have in mind.

What if I just want to install metering?

Some metering costs will be accepted under the Equipment Upgrades Offer where additional metering is needed to meet M&V requirements.

Under the Metering and Process Optimisation Offer, funding for metering must be linked to a process optimisation. You are required to identify and implement an improvement to a piece of equipment or manufacturing process and measure and verify the energy savings to receive funding. This is to demonstrate how data from metering and monitoring systems can be used to achieve energy savings.

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

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

Can I get funding for new energy efficient equipment in a new or expanded production line or facility?

Yes, although you should contact us at manufacturing@energysaver.nsw.gov.au to discuss the particular equipment first.

For new equipment (that is not replacing existing equipment) you need to demonstrate that it has the lowest energy consumption of any comparable and available equipment on the market. This requires you to demonstrate that the new equipment will result in lower energy consumption per unit of output or service when compared with comparable equipment being used in NSW. If there is no such equipment being used in NSW, you will need to find an appropriate benchmark in Australia, or globally, for your comparison.

We have full discretion as to how and if the funding is applied on a case by case basis.

Can I get funding for internal trade or engineering costs?

Potentially. We may consider funding additional internal costs to the site for shared engineering or trade services where these are a separate business unit (e.g. Group Engineering Services). You will need to demonstrate that additional cost has been incurred by the site. Evidence to support this could include a work order or a written quote from group engineering services to the site manager.

We reserve the right to request that you provide a quote from an external tradesperson or engineer to ensure the requested funding is appropriate.

How do I get the funds after I complete my project?

You will receive funds on the completion of your agreed milestones as per the delivery schedule in your contract. For a milestone to be considered complete, you will need to provide evidence of completion. Reporting requirements are detailed in the application form and your funding contract.

Project variations and delays

What if I need to vary the project scope or milestone dates in the middle of the project?

We may consider minor scope variations and changes to milestone dates with a valid reason. No upward variations in price are permitted. Changes in scope will need to meet the original funding conditions. Please contact us at manufacturing@energysaver.nsw.gov.au to discuss.

What if my project is delayed and I don't meet the agreed delivery schedule in my contract?

Unexpected events may arise which can impact on your project's progress, such as delays in equipment delivery. You should make sure your project milestones are as realistic as possible and include contingencies. Contact us at manufacturing@energysaver.nsw.gov.au as soon as possible to discuss potential extensions or contract variations.

What if I need to stop the project and cancel the contract?

You can withdraw from the program and terminate the contract at any time by providing written notice to us. We will not provide any funding for costs incurred, unless you have completed an agreed milestone and submitted evidence as per the delivery schedule in your contract.

My information

Will any of my information be made public?

By signing the funding contract, you authorise the Department of Planning, Industry and Environment to:

- publish the name of your business, the location of your project, the title and description of your project and the amount of funding provided
- use your de-identified application and project data in training, case studies, evaluation and other portfolio purposes.