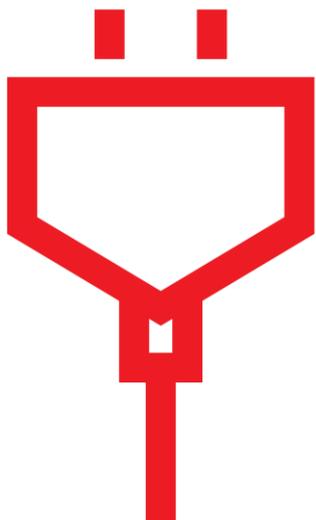
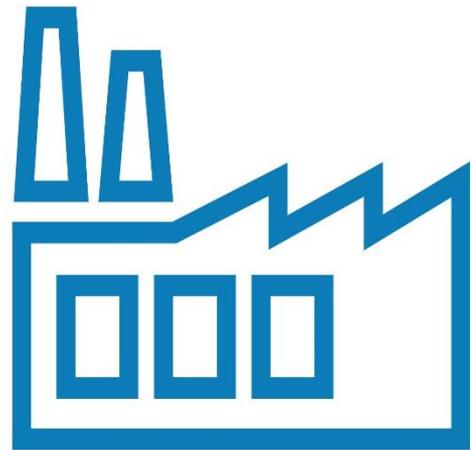


Energy Saver

Manufacturing efficiency funding guide



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1.0	15/02/2019	
2.0	01/04/2019	Correction to eligible costs to reflect application form, clarification of milestone payments for Offer 1 and Offer 2b

Find out more at:

energysaver.nsw.gov.au/manufacturing

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

We're offering matched funding to manufacturers who want to upgrade energy efficient equipment or install energy metering systems to save energy and money.

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

How to get started

The first round of Manufacturing Efficiency Funding is open between 22 February 2019 and 30 June 2019. Applications can be submitted at any time whilst the funding round is open.

If funding looks to be exhausted before the closing date or we decide to extend the closing date, we'll publish the new closing date and any other changes on our [website](#) and the [NSW eTendering website](#) three weeks prior to closing.

You should read this guide and our frequently asked questions before completing your application.

If you have any questions, contact us at manufacturing@energysaver.nsw.gov.au.

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 isn't 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'll need to submit a separate application for each site.

About the funding

There are two funding offers available: Offer 1 and Offer 2. For Offer 2 you can only apply for either Offer 2a or 2b. Funding offers may change in future rounds, so it's a good idea to apply early.

Offer 1 – Metering and process optimisation

Energy monitoring is important for reducing energy use, but the link to cost savings isn't always clear. This can make it difficult to justify investing in metering systems.

This offer allows you to install or upgrade energy monitoring systems, so you can improve machinery and manufacturing processes. You'll also need to verify the energy savings using an internationally recognised method.

We'll 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 won't fund metering projects that aren't linked to a process optimisation.

Your project will need to include a Measurement and Verification (M&V) Plan and Report that has been reviewed by a Certified Measurement and Verification Professional (CMVP).

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

- 30% of the incurred costs of commissioning meters (not exceeding \$30,000)
- Remaining funding for all other eligible incurred costs such as developing an M&V Plan, analysis and tuning equipment (not exceeding the allocated funding amount).

If your project costs more than expected, we won't pay any more than the allocated funding amount. If it costs less, we'll pay up to 50% of actual incurred project costs.

Offer 2a – Simple energy efficiency upgrades

This offer allows you to save energy by replacing or retrofitting technologies like economisers on boilers and variable speed drives. The full list of eligible technologies and funding caps is available in the application form.

We may consider other technologies, but you'll need to show how the project will save energy, including energy savings calculations and a method to verify the energy savings.

You can apply to upgrade multiple technologies and funding is capped at \$30,000 per site. The project must be implemented within 12 months. We'll fund 50% of incurred costs for commissioning equipment and simple verification of energy savings.

If your project costs more than expected, we won't pay any more than the allocated funding amount. If it costs less, we'll pay up to 50% of actual incurred project costs.

Offer 2b – Measured and verified energy efficiency upgrades

This offer supports more complex energy efficiency projects. It involves verifying the energy savings using an internationally recognised method.

Your project will need to include an M&V Plan and Report that has been reviewed by a CMVP.

Your projects may involve fuel switching, better integration with renewables, bespoke heat recovery projects, major chiller upgrades and 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 funding is capped at \$70,000 per site. The project must be implemented within 18 months. We'll fund 50% of incurred costs in two milestone payments:

- 30% of the incurred costs of commissioning equipment (not exceeding \$42,000)
- Remaining funding for all other eligible incurred costs such as developing an M&V Report (not exceeding the allocated funding amount).

If your project costs more than expected, we won't pay any more than the allocated funding amount. If it costs less, we'll pay up to 50% of actual incurred project costs.

Projects we'll fund

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

We'll 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.

We will not fund lighting projects, steam traps, solar photovoltaics, battery storage or power factor correction.

If your project receives Manufacturing Efficiency Funding it can't access other government funding. In particular, it 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.

Costs we'll cover

Incurring costs we will co-fund	Incurring costs we won't co-fund
Hardware and software needed to monitor energy use	Costs to prepare your application, including feasibility studies
Costs to install and commission energy efficient equipment, meters and sub-meters	Costs for temporary meters or loggers**
Costs to calibrate and re-commission existing meters or sub-meters	Costs incurred before you were awarded the funding

Incurring costs we will co-fund	Incurring costs we won't co-fund
External contractor costs for installing and commissioning equipment, such as project management	Internal project management and labour costs
Costs to complete M&V plans, reports and analysis	Loss of revenue from interruptions to production
Technical design and modelling needed to improve manufacturing processes	Subscriptions to data management services

*Under Offer 1 the cost of controls should not exceed 10% of the total project costs.

How to apply

1. Complete the application form

Complete the application form on our [website](#) and submit to manufacturing@energysaver.nsw.gov.au at anytime before 5pm AEST on the 30 June 2019.

You'll get an email notification to confirm it's been received. This doesn't mean your application has been accepted.

2. Get a reference number

We'll check your application to make sure it's complete and that you're eligible for the funding offer. If it's accepted, we'll give you a reference number and judge your application based on the [Assessment criteria](#). We may ask for more information as part of this assessment.

You'll have 10 business days from the date of our written request for more information to respond.

If your application isn't accepted, we'll let you know why.

3. Submit a new application

If your application is assessed and you're unsuccessful, you can discuss it with us and submit a new application before the closing date.

Your new application should address any weaknesses identified in the unsuccessful application. If it's too similar to your previous application, we may not accept it.

4. Sign the contract

If your application is successful, we'll send you a written offer and contract. You'll have 30 calendar days from the date of the offer to sign and return the contract.

If you don't 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.

Once we receive the signed contract, we'll give you a contract number. You can see a sample contract on our [website](#).

5. Implement the project

You can now implement your project. Once you provide evidence that you've completed the agreed milestones in your contract, you'll receive the funding.

You'll also need to report on your project by providing copies of invoices from suppliers and contractors, photos of the equipment and a commissioning report.

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

Assessment criteria

OEH will assess complete and eligible applications as they are submitted. This usually takes around four weeks, depending on the complexity and volume of applications.

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

To be recommended for funding, applications must pass all four of the following assessment criteria.

Evaluation criteria

Assessing performance against criteria (Pass / Fail)

- 1. Value for money

Offer 1: Your project should not propose more than \$600 of our funding per MWh of electricity saved per year, or \$60 per GJ of gas saved per year, based on an assumed savings of 5% of the energy use of the target process. We may assess the project against engineering estimates and consider other benefits such as material costs savings (if they can be measured and verified).

Offers 2a and 2b: Your project should not propose more than \$350 of our funding per MWh of electricity saved per year, or \$35 per GJ of gas saved per year*. If your project costs more than this, we may assess other benefits such as material costs savings (if they can be measured and verified).**
- 2. Quality

You must provide a high-quality application and supporting evidence. How well you have estimated the energy savings will also be taken into account. The level of detail in your application should be appropriate to the size and complexity of your project. This includes your M&V approach for Offers 1 and 2b.
- 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 (Offer 2b)

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.

*Metering projects under Offer 2a will be assessed based on the same criteria as Offer 1.

**The assessment is based on engineering estimates only. If the project doesn't achieve these estimates, your funding won't be affected.

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 Office of Environment and Heritage (OEH).

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 OEH.

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 OEH 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 to manufacturing@energysaver.nsw.gov.au. The maximum acceptable file size is 20 MB.

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. OEH 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.

OEH 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 OEH at manufacturing@energysaver.nsw.gov.au.

6. Late applications

An application received after the closing time and date will not be considered by OEH unless OEH 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 OEH 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 OEH 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 OEH 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.

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

If OEH becomes aware of improper conflict of interests by a successful applicant after a contract has been executed, then OEH 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, OEH 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 OEH, 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 OEH 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 15 below), and for OEH's internal procurement purposes.

13. Discontinuance of application process

OEH 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 OEH provided that in OEH'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.

16. Exchange of information between government agencies

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

The provision of the information by OEH 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 OEH 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 OEH 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 OEH 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 OEH'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, OEH 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.

OEH 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 OEH or a third party on OEH'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

Office of Environment and Heritage

PO Box A290 Sydney South NSW 1232