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Introduction

To support the growth of the state's regional community energy sector, the NSW Government has introduced the Regional Community Energy Fund (RCEF). The RCEF is a NSW Government grant program administered by the Department of Planning and Environment.

The RCEF is part of the NSW Government's $30 million Regional Community Energy Program, an initiative under the NSW Climate Change Fund (CCF). The program is designed to improve the reliability and affordability of energy for regional NSW communities.

It consists of three initiatives:
1. Regional Community Energy Fund providing grants towards community energy projects that create innovative and/or dispatchable renewable energy capacity that benefits the local community.
2. Regional Community Energy Hubs improving access to expert energy advice to reduce bills for households and small businesses.
3. Grants for regional and remote communities installing emergency backup systems for key evacuation locations, such as a town hall, to improve resilience and reduce energy costs during regular operations.

These guidelines have been developed to support the Regional Community Energy Fund only.
What do these guidelines contain?

This guidelines document provides the operational framework for the RCEF. It contains important information for organisations applying for funding and should be read in conjunction with the program website, the RCEF grant application pack and any other available RCEF or program documentation. Note: all terms in bold in this document are defined in the glossary.

These guidelines relate to renewable energy technologies and the community energy industry. For more background information about community energy please see additional resources at energy.nsw.gov.au/renewables/renewable-energyoffers/communities.

The guidelines are structured into six sections and a glossary:

- **Section 1:** Types of projects supported by RCEF
- **Section 2:** RCEF timeline
- **Section 3:** RCEF funding
- **Section 4:** Eligibility and merit criteria
- **Section 5:** Application and assessment process
- **Section 6:** NSW Government responsibilities and limitations
- **Glossary:** Key terms and definitions

Potential applicants and interested parties should refer to the program website for up-to-date information on the process, including key dates.

The program website is:

energy.nsw.gov.au/regional-community-energy

Please email any questions to:

communityenergy.program@planning.nsw.gov.au
**Types of projects supported**

The RCEF will support renewable energy and storage projects owned or led by communities in regional NSW that are ‘shovel ready’ or in progressed stages of development. The projects will support the RCEF objectives to:

- strengthen energy reliability, including improving on-demand availability of home or community generated energy.
- improve energy affordability.
- grow the number of renewable energy projects in regional communities.
- develop the capability and capacity of community energy groups to have greater control of their energy.
- align with the purpose of the NSW Government Climate Change Fund legislation to reduce greenhouse gas emissions.  

The RCEF will provide grant funding for renewable regional community energy projects that are innovative and/or dispatchable, and which benefit the local community. These community energy projects can be either in front of the meter or behind the meter.

<table>
<thead>
<tr>
<th>Project</th>
<th>Examples</th>
<th>Things to know</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In front of the meter</strong></td>
<td>Demonstrate technology or business model innovation and/or provide on-demand renewable energy that connects directly into the electricity grid, with separate grid connection(s) to any electricity customers (or electrical loads).</td>
<td>Solar and wind farms (may or may not be connected to battery storage), bioenergy, pumped-hydro or concentrating solar thermal. Megawatt-scale projects are preferred. However, when determining the size of the project to apply for, applicants should consider the capital expenditure (Capex) funding caps (see Section 3 of the guidelines), site and grid connection.</td>
</tr>
<tr>
<td><strong>Behind the meter</strong></td>
<td>Involve renewable energy and/or storage that is connected to the customer-side of an electricity meter on a host-site. Involve the host-site directly using most of the electricity generated by the renewable generator.</td>
<td>Distributed renewable energy and storage technologies, such as rooftop solar and batteries. These systems may be grouped together to form an embedded network, a microgrid, or a virtual power plant. Must demonstrate a new approach or a significant innovation on business-as-usual community energy models. This could include but is not limited to funding for capital expenditure related to technical innovations such as hardware and software and/or equipment. Applicants should provide details on how the project participants can access standard customer protections.</td>
</tr>
</tbody>
</table>

1.1 Project exclusions

The RCEF will not fund projects that:

- are not located in an eligible area in regional NSW (see section 4).
- do not provide significant community benefits (see section 4).
- increase net greenhouse gas emissions (for example, energy storage projects not associated with, or purchasing directly from, a renewable generator).
- only deliver energy efficiency outcomes.
- do not include capital expenditure.
RCEF timeline

The RCEF is structured into two open grant rounds.

**Round 1**

**OPEN:**
27 February 2019

**CLOSE:**
3 May 2019

**Round 2**

**OPEN:**
10 June 2019 (TBC)

**CLOSE:**
27 September 2019 (TBC)

*Regional Community Energy Fund indicative timeframes*\(^2\)

Each funding round is expected to provide up to $10 million of grant funding. While unlikely, the Department may fully disburse the total grant funding of $20 million in round 1, subject to the merit of the applications received. In addition, the Department may conduct additional rounds if the total funding allocation of $20 million is not contracted at the end of round 2.

All funding awarded under the RCEF must be disbursed by the end of June 2022. Applicants must clearly demonstrate a credible and timely path for the completion of project milestones within this timeframe.

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1. Energy and Utilities Administration Act 1987 (NSW), s 34F.
2. Timeframes are indicative and subject to change, particularly round 2 which may not be available if RCEF is fully subscribed in round 1.
**RCEF funding**

### 3.1 Funding availability and caps

The RCEF will award a maximum of $20 million over three and a half years for capital expenditure (capex). The maximum funding for each project is capped at 50 per cent of total project costs or $3.5 million, whichever is lower (project funding cap).

Funding will be awarded in proportion to the size of the project proposed. It is designed to help make a new scale and type of community energy project achieve a reasonable return on investment (ROI) and provide a community benefit. Because of this, applicants should only apply for funding amounts to help them achieve these outcomes.

The NSW Government determines the amount of funding allocated to successful projects, but no single project will receive more than the project funding cap.

### 3.2 Funding structure

Successful applicants will receive funding that is contingent on the successful completion of milestones. Projects are required to be completed prior to 30 June 2022. The final milestone must be tied to the commercial operation date of the project and must be prior to 30 June 2022. The applicants are required to report milestones using progress reports. If critical milestones are missed, and/or the work is not completed as originally proposed, the grant may be terminated. The process for renegotiation of the agreed milestone dates will be outlined in the Funding Agreement.

The NSW Government is aware that project costs can change as a project progresses. Successful applicants may request the NSW Government to amend the budget and funding allocation for future milestone payments where there is a change to the budget. Such amendments will only be considered by the NSW Government if the proposed funding increase is not greater than 10 per cent of the originally approved funding under the Funding Agreement and the increased costs relate to Eligible Expenditure. In no circumstances can an increase in funding exceed the project funding cap. The NSW Government may choose whether to accept any variations to approved funding or not.
3.3 Funding considerations

Applicants need to be aware that RCEF will only fund Eligible Expenditure.

Eligible Expenditure will include capital expenditure on technology and equipment costs, grid connection and any civil or construction works. Up to 10 per cent of funding can be used for detailed design expenses, including detailed electrical and construction design and network technical studies. However, conceptual design or project feasibility expenses are not eligible for funding through RCEF.

RCEF will not fund any activities associated with any planning assessment and approvals undertaken by the Department, like environmental impact statement preparations for state significant solar farms. RCEF funds also cannot be used to pay development application (DA) lodgement costs.

However, an RCEF grant may fund any other local government tasks associated with planning assessment or applying for local government planning approval. These tasks will be eligible for funding if they are qualified as detailed design elements of the project. The Funding Agreement will be terminated and no further funding will be provided by the NSW Government where a grant award includes funding for these costs, to the extent the project does not receive a DA. Also, the Funding Agreement includes terms that allow the Department to require the applicant to repay grant funds, where the applicant has materially breached its obligations under the Funding Agreement.

Department-funded expenditure incurred by an applicant outside of Australia, other than for equipment or materials, must be limited to no more than 10 per cent of the funding provided by the Department. There may be exceptional circumstances that will need to be justified by the applicant and agreed to in writing by the Department before the expenditure takes place. Following execution of a Funding Agreement, expenditure on goods and services overseas may be subject to approval by the Department as specified in the Funding Agreement.

Successful applicants need to agree to publicly share knowledge and information about, and resulting from, the project described in the application. Also, successful applicants are required to provide information and data related to construction and operation of the project for evaluation purposes. The scope of this requirement will be determined at the Funding Agreement negotiation stage.

In summary, applicants should note expenditure is ineligible for funding if it is:
- related to conceptual design and/or project feasibility.
- related to detailed design which is more than 10 per cent of the Department’s funding.
- a fee payable for lodgement of a local council development application.
- associated with planning assessments and approvals undertaken by the Department.
- related to overseas expenditure (except for equipment or material) which is more than 10 per cent of the Department’s funding.

...the RCEF will award a maximum of $20 million over three and a half years for capital expenditure...
Eligibility and merit criteria

Applications to the RCEF must meet all eligibility criteria in section 4.1 to proceed to the merit criteria assessment in section 4.2.

4.1 Eligibility criteria

1. Project eligibility criteria
The project must:

• be located in an eligible area of regional NSW.  
  Note: An eligible area is any area in NSW excluding these greater metro local government areas (LGA): Greater Sydney, Newcastle, Wollongong, Shellharbour, Central Coast and Lake Macquarie. Projects in the Australian Capital Territory (ACT) are also ineligible.

• not require regulatory change.

• reduce greenhouse gas emissions and the impacts of climate change associated with water and energy activities, consistent with the NSW Government Climate Change Fund legislation.

• have a minimum capacity of 100kW (installed or aggregated) and a maximum capacity of five MW (installed or aggregated).

2. Applicant eligibility criteria
The applicant must:

• hold an Australian Business Number (ABN) or Australian Company Number (ACN)

• be either:
  o registered in accordance with the Corporations Act 2001 or
  o incorporated as an association under the Associations Incorporation Act 2009 or
  o incorporated as a co-operative under the Co-operatives (Adoption of National Law) Act 2012 or
  o a corporate entity within the framework of the Local Government Act 1993, or a council-manager under the Crown Land Management Act 2016.

In addition, the applicant must:

• not be subject to any insolvency event, including the subject of an order or resolution for winding up or dissolution (other than for the purposes of reconstruction or amalgamation) or the appointment of a receiver, liquidator, administrator or similar.

• not be subject to any legal proceedings or investigation including litigation, arbitration, mediation or conciliation taking place, pending or (to the best of the applicant’s knowledge, after having made the proper enquiries) threatened against the applicant or a related body corporate (as defined in the Corporations Act 2001 (Cth)) where those proceedings or investigation would have an adverse impact on the ability of the applicant to deliver the project and comply with the Funding Agreement.

• materially comply with all obligations under employment contracts, industrial agreements and awards, and with all codes of conduct and practice relevant to conditions of service and to the relations between the applicant and any employees employed by the applicant. Included in this, applicants must comply with all applicable occupational health and safety legislation.

• hold all insurances required by law to be effected by the applicant.

• not be named as an organisation on the list of persons and entities on the Australian Department of Foreign Affairs and Trade sanctions list3.

• be able to demonstrate continuity of operations and provide financial reports (preferably, though not necessarily audited) for a reasonable time period.

• be the legal and beneficial owner of, or have all necessary rights to use, any intellectual property necessary to carry out the project.

3 In some limited circumstances a legal entity other than those listed below may be an acceptable applicant. Any person intending to apply to the RCEF for an entity other than as listed above should contact the Department.

4.2 Merit criteria

Once the eligibility criteria has been satisfied, an application will then be assessed against the merit criteria (see Figure 1).

**Figure 1: Merit criteria**

1. **Merit criteria: community energy assessment**

The NSW Government is committed, through the RCEF, to support community energy projects. Community energy projects encompass a broad range of solutions, with many different models and approaches. The NSW Government recognises the diversity of community energy and wants to ensure the projects it supports through the program are legitimate community energy projects.

As such, every applicant is required to complete a community energy assessment as a part of the application process. This is a qualitative and quantitative assessment of the proposed project and how it delivers on key process and outcome objectives. It will clarify whether the project is a community energy project that delivers the community benefits required by the RCEF.

The following aspects will be assessed in the community energy assessment:

- Number of community members and local businesses that will gain benefit.
- Type and amount of benefits for participating community members and local businesses.
- Project participants and their roles and responsibilities.
- Ownership, decision making and governance arrangements of the proposed project.
- Community engagement.
- Contribution to knowledge sharing and future community energy projects and activities.

Applicants must outline why their project is a community energy project and detail the benefits and outcomes they are hoping to deliver for their community. Applicants do not have to score highly on all process and outcome objectives to be considered a community energy project. Further guidance on the community energy assessment is provided in the application form.
2. Merit criteria: economic and financial benefits
Applications will be assessed on the economic and financial benefits of the project to the project participants and the relevant broader community. This may include:

- the project’s contribution to increased energy reliability and affordability.
- the amount of grant funding requested.
- the levelised cost of energy (both produced and dispatched) of the project.
- potential reduction in energy costs and avoided network costs.
- any other contribution to local economic development such as job development and creation.

3. Merit criteria: ability to demonstrate timely project completion
Applicants are required to identify the risks to timely project completion and mitigation strategies in the following areas:

a) Applicant capability and experience
Applicants need to demonstrate the necessary capability and experience to deliver the community energy project, including technical capability, and have the commercial and financial capabilities required to deliver the project and its objectives. Applicants will also need to demonstrate their understanding of the legal and regulatory environments that may potentially impact successful implementation of the project.

Applicants must demonstrate a viable business case, including appropriate legal and contractual arrangements needed to complete the project to a high standard and in accordance with the application.

Applicants must demonstrate the organisational capacity to manage risks efficiently and effectively, including through internal capability and/or contracted organisations.

b) Project access to funds/ability to raise funds and value for money for government
Applicants are required to demonstrate they have undertaken comprehensive financial planning and detailed budgeting with respect to a project to limit the risk it will not be successfully implemented. Applicants are required to demonstrate how they will access project financing or provide other evidence of their bankability.

An assessment will be undertaken of an applicant’s financial analysis, budget and evidence to support its credibility. Projects will be assessed favourably if they demonstrate highly detailed and credible budgeting and have independent quotes to support the material cost items. This includes taking account of all likely costs and making contingencies for relevant risks.

Applicants are responsible for obtaining their own advice in relation to accounting and taxation matters associated with the receipt and treatment of the RCEF grant and for the project generally. Applicants will be responsible for the satisfaction of all tax liabilities in connection with the project and the RCEF grant. Applicants should prepare the project budget in accordance with any such advice.

c) Technology, construction and other risks
The Department has a strong interest in providing funding to projects that have undertaken a detailed risk assessment, including completion risks.

Applicants must demonstrate:
- they have, or will have, access to proven technology and all required intellectual property rights required for the proposed project.
- that they have comprehensively identified all significant development and/or construction risks associated with the project and have identified effective strategies to mitigate these risks.

d) Departures to the Funding Agreement
Acceptance of, or departures to, the template Funding Agreement will be assessed during the application phase. The Department considers the proposed risk allocation and legal terms are appropriate for the quantum of funding, nature of the projects and roles of the Department and applicant.

Applicants should note that the Department does not encourage departures to the template Funding Agreement. However, where the applicant cannot accept the Funding Agreement, it may provide a departures table (form provided) that clearly defines and substantiates the requested departure.
Where an applicant does not submit a departures table, it will be deemed they have accepted the terms of the template Funding Agreement and will not have the opportunity to negotiate if selected as a preferred applicant.

Where an applicant does submit a departures table, the departures table will be taken as an exhaustive list of the applicant’s comments on the template Funding Agreement, and the applicant will not have the opportunity to raise new issues if selected as a preferred applicant.

4. Merit criteria: project innovation and/or dispatchable generation capacity

Applicants will be asked to outline why their community energy project is innovative and/or will lead to new on-demand generation capacity in regional NSW. Applications may also be assessed in relation to other applications received to ensure the portfolio of supported projects meets RCEF objectives, which may include diversity of technology types.

Innovation and/or dispatchability may include:

• generation technologies that inherently provide dispatchable energy such as bioenergy,
• combining multiple technologies to provide dispatchable energy such as solar coupled with battery storage,
• technology innovations such the ability to provide demand response and ancillary market services,
• business model innovations such as engaging new customer types, using new financing mechanisms and establishing new ownership structures.
• a project never previously delivered in NSW.

Applicants should address these merit criteria by completing the relevant section of the application form and providing the prescribed attachments (i.e. project plan, project budget, risk register and if necessary, Funding Agreement departures table) as supporting evidence (refer section 5.1 for the templates).
Application and assessment process

The RCEF application process is outlined in Figure 2.

1. Register interest
   \[\rightarrow\]
2. Request for clarification (if required)
   \[\rightarrow\]
3. Submit application
   \[\rightarrow\]
4. Application assessment
   \[\rightarrow\]
5. Application shortlisting
   \[\rightarrow\]
6. Shortlisted applicants notified

6a. Option 1:
    Successful. Funding Agreement negotiations start.
    Funding Agreement signed. Project announced.

6b. Option 2:
    Unsuccessful and feedback provided.

Figure 2: RCEF application process
**5.1 Registration**

All applicants will be required to register for the opportunity to submit an application for RCEF. The information requested at registration will include the applicant name, project name, project type (i.e. behind the meter or in front of the meter), a brief description and the technology.

The application pack will then be available for applicants to download.

This pack includes:
- a project plan template including:
  - budget template
  - risk register template
- a draft Funding Agreement (for information)
  - Funding Agreement departures table (optional)

The application pack also includes further guidance on how to complete the application and what information will be required or beneficial.

**5.2 Request for clarification**

After reviewing these guidelines and the application pack in their entirety, potential applicants may email the Department for further clarification, if needed. The clarification process will be outlined in the online application form. Program staff will not provide any advice regarding the merit of any applications. However, the potential applicant can clarify any questions regarding the guidelines and questions regarding the grant process or the application process, including completing the application form.
5.3 Submitting application and assessment process

Once the funding round is closed for applications, an assessment panel will follow the process outlined in Figure 3. Applications failing to meet one or more of the eligibility criteria detailed in section 4.1 will be considered unsuccessful and will not be assessed further. Once a project is assessed as satisfying the eligibility criteria, the assessment panel will assess it against the merit criteria detailed in section 4.2.

At any time during the application and assessment process the Department may undertake due diligence on an applicant’s project. Due diligence may include, but is not limited to the points below:

- Inviting applicants to present their application to the Department and/or the Department’s consultants and advisers.
- Commissioning or completing research, analysis and modelling to support assessments.
- Contacting Australian Energy Market Operator (AEMO) and/or the relevant network service provider about your application.
- Contacting any relevant federal, state, territory and international government agency about your application.
- Requesting applicants to disclose any material reasonably required in respect of the eligibility criteria, community energy assessment and merit criteria.
5.4 Assessment outcomes

Applicants will be informed in writing about the outcome of the assessment process and can request feedback. Successful applicants will be required to enter into a Funding Agreement with the Department. In no circumstances will the Department be construed as having committed to providing funding to an applicant until the Funding Agreement with that applicant has been executed by both parties. Successful applicants should not make any public statements about the grant until the execution of the Funding Agreement and they have received written approval from the Department.

If an application is unsuccessful in the first round, applicants can submit new proposals into the RCEF in round 2, if the project proposed is sufficiently different to the original application. Unsuccessful applicants are not restricted to apply for any other NSW Government program.

The Department may seek further clarification on the information provided by applicants to enable a more thorough assessment.

5 Applicants should note that round 2 may not be available if RCEF is fully subscribed in round 1.
6.1 Limitations

No representation, warranty or guarantee
The Department and its employees, agents and officers (department representatives) do not give any representation, warranty or guarantee, whether express or implied, in relation to the information contained in these guidelines, including its completeness, accuracy, currency or reliability or the process by which it was prepared. Department representatives do not give opinions regarding, legal, accounting, regulatory, taxation or any other matters. Without limiting the foregoing, nothing in this guideline is or should be regarded as advice in relation to those matters. Nothing contained in these guidelines is, or may be, relied upon as a promise, guarantee, representation or warranty.

No obligation to update
These guidelines, the information contained herein and the matters to which it relates, may be amended, updated or withdrawn at any time at the Department’s discretion. These guidelines have been prepared as at the date specified on the cover. Without limiting the foregoing, no department representatives accept any responsibility to update, supplement or correct these guidelines or to inform the prospective applicants of any matter arising, or coming to their notice, which may affect any matter referred to in these guidelines.

No liability
Each department representative expressly disclaims all liability for any loss or damage incurred by any person arising from, or because of, any person’s use or reliance on any information, statement, opinion or matter (express or implied) contained in, derived from, or omitted from this guideline, except for any liability which cannot be excluded as a matter of law.

Other limitations
These guidelines are not an offer, recommendation or invitation by any department representative in respect of any contract or commitment and nothing in this guideline will form the basis of any contract or commitment. Applicants must rely entirely upon their own investigations, review and analysis in relation to their assessment of whether to apply to and participate in the RCEF.

6.2 Confidentiality and disclosure of information

Any confidential information applicants provide as part of, or relating to, any application or negotiation process will be treated as commercial-in-confidence information by the Department. Any confidential information an applicant shares when submitting an application under the RCEF will be treated as commercial-in-confidence by the Department.

If needed, the Department may disclose commercial-in-confidence information provided by applicants to the following parties:
- The Minister or Minister’s Office.
- The NSW Ombudsman and Audit Office of NSW.
- Department staff, consultants and advisers.
- The network service provider relevant to each application.
- Any agency or body of the NSW Government, or any other organisation or individual considered by the Department to have a need, or an entitlement, to know that information (including any federal, state or territory agency or body), where that need, or entitlement, arises out of or regarding the Department’s assessment, verification or due diligence of any aspect of an application.
- Where authorised or required by law to be disclosed, to those parties.

The Department will otherwise only disclose commercial-in-confidence information provided by applicants with their expressed consent.
6.3 Review of decisions and complaints

Complaints concerning assessments or processes will, in the first instance, be reviewed by the Department. If the Department cannot resolve the complaint within 30 business days of receiving a complaint, they will provide details of a nominated complaints and review officer and of the next steps. If the complaint is still not resolved satisfactorily, the NSW Ombudsman can be contacted for external review of the administrative actions of the Department.

6.4 Conflict of interest

The Department will administer its conflict of interest procedures, including procedures for all staff to declare their interests. All consultants and advisers engaged by the Department, to assist in the assessment of an application, or the preparation of Funding Agreements, are required to disclose any conflicts of interest they may have in relation to applicants and may be excluded from work if required under the Department’s conflict of interest procedure.

6.5 RCEF evaluation

The Department will evaluate the RCEF to determine the extent to which the funded activity is contributing to its objectives. The Department may use information from applications and project reports for this purpose. The Department may also interview applicants or ask for more information to help understand how the grant impacted the applicants and to evaluate how effective the RCEF was in achieving its outcomes. The Department may contact the applicants up to two years after project completion for more information to assist with this evaluation. Grant applicants that are unsuccessful in their application to the RCEF may also be contacted to seek their views for evaluation purposes.
6.6 Departmental discretion

By submitting an application, applicants acknowledge and agree to the Department’s right (in its absolute discretion) to reject, refuse to consider or cease to evaluate an application, at any time, if the Department perceives an application is unlikely to be successful.

6.7 No contract or liability

Despite any part of these guidelines, or any other documentation forming part of this process (in part or in full), by submitting an application, applicants:

a) acknowledge neither the applicant nor the Department intends to create any contract or other relationship under which the Department is obliged to conduct the process in relation to the RCEF in any manner or at all and no such contract or other relationship in existence.

b) accordingly, acknowledge neither this document, nor any submission, will create any legal or other obligation upon the Department to conduct the process in any manner or at all.

c) release the Department from any claim it might otherwise have been able to make or bring against the Department, arising out of, or relating to our conduct of, or failure to conduct, the process in any manner or at all.

6.8 For more information

Potential applicants and interested parties should refer to the NSW Government’s energy website for up-to-date information on the RCEF, including key dates.

The program page on the energy website can be found at energy.nsw.gov.au/regional-community-energy.

Any questions on the RCEF should be emailed to communityenergy.program@planning.nsw.gov.au.
### Glossary

**key terms and definitions**

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ABN</strong></td>
<td>Australian Business Number.</td>
</tr>
<tr>
<td><strong>ACN</strong></td>
<td>Australian Company Number.</td>
</tr>
<tr>
<td><strong>AEMO</strong></td>
<td>The Australian Energy Market Operator, which is the body corporate responsible for the administration and operation of the wholesale national electricity market in accordance with the National Electricity Code.</td>
</tr>
<tr>
<td><strong>Ancillary market services</strong></td>
<td>Variety of operations beyond electricity generation and transmission that are required to maintain grid stability and security. These services generally include frequency control, spinning reserves and operating reserves.</td>
</tr>
<tr>
<td><strong>Applicant</strong></td>
<td>An organisation or consortium of organisations that submit an application for RCEF.</td>
</tr>
<tr>
<td><strong>Application</strong></td>
<td>The completion and submission of a RCEF application form and any relevant supporting materials.</td>
</tr>
<tr>
<td><strong>Application pack</strong></td>
<td>The set of documents potential applicants will be provided with on registering with RCEF. See section 5 for the list of documents that will be provided as part of the application pack.</td>
</tr>
<tr>
<td><strong>Behind the meter</strong></td>
<td>On a customer’s premises.</td>
</tr>
<tr>
<td><strong>Capital expenditure (capex)</strong></td>
<td>All the project expenditure that is associated with the construction and commissioning stage of a renewable energy or storage project.</td>
</tr>
<tr>
<td><strong>Commercial operation date</strong></td>
<td>The first date on which the project anticipates to commence commercial operation after commissioning and testing has been completed.</td>
</tr>
<tr>
<td><strong>Community energy group</strong></td>
<td>An organisation whose primary purpose, or one of its main purposes, is to develop community energy project(s).</td>
</tr>
<tr>
<td><strong>Community energy project</strong></td>
<td>Definition given to it in section 1.</td>
</tr>
<tr>
<td><strong>Conceptual design</strong></td>
<td>The first phase of design process in which the broad outlines of the function and form of the project are articulated. It provides a description in terms of a set of integrated ideas and concepts about what it should do, how it should behave, and what it should look like, which will be understandable by users in the manner intended. Conceptual design does not include the particulars required for building and operating the project.</td>
</tr>
<tr>
<td><strong>Customer</strong></td>
<td>A registered participant that purchases electricity through a transmission or distribution system to a connection point.</td>
</tr>
<tr>
<td><strong>Demand response</strong></td>
<td>Measures that decrease peak electricity demand or shift demand from peak to off-peak periods.</td>
</tr>
</tbody>
</table>

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### Glossary: key terms and definitions (cont.)

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Detailed design</strong></td>
<td>A comprehensive set of documentation necessary for the construction and operation of the project that meet the relevant standards and applicable laws.</td>
</tr>
</tbody>
</table>
| **Dispatchable/ Dispatchability** | A resource that can deliver a high degree of controllability, firmness or flexibility, where:  
1. Controllability is a resource’s ability to reach a set point (output target) requested by the system operator, whether that be zero megawatts, the maximum available capacity of the resource or something in between.  
2. Firmness is a resource’s ability to confirm its energy availability ahead of time. For example, what output can be maintained for how long, and how far ahead of time this output can be guaranteed.  
3. Flexibility is both the extent to which and the rate at which a resource can adjust its output. |
| **Electrical load** | A device that consumes electrical energy in the form of current and transforms it into other forms like heat, light and work. The electrical load may be resistive, inductive, capacitive or some combination between them. |
| **Embedded network** | A private distribution system within a premise that connects via a parent connection point to the distribution system and not having direct access to the distribution or transmission network. |
| **Eligible area** | Means any area in NSW excluding Greater Sydney, Newcastle, Wollongong, Shellharbour, Central Coast and Lake Macquarie local government areas. |
| **Eligible Expenditure** | The definition given to it in section 3.3 of these guidelines. |
| **Eligibility criteria** | The criteria set out at section 4 of these guidelines. |
| **Funding Agreement** | The draft Funding Agreement provided as a part of the application pack in section 5. |
| **In front of the meter** | Connected directly into the electricity grid, with separate grid connection(s) to any electricity customers (or loads). |
| **Levelised Cost of Energy (LCOE)** | The net present value of the unit-cost of electricity over the lifetime of a generating asset. It is often taken as a proxy for the average price that the generating asset must receive in a market to break even over its lifetime. |
| **Merit criteria** | Definition given to it in section 4 of these guidelines. |
### Glossary: key terms and definitions (cont.)

| **Microgrid** | A small network of electricity users with a local source of supply that is usually attached to the NEM but can function independently. |
| **Milestone** | Both a reporting stage for a project and a set of tasks that a project must complete to receive funding under the Funding Agreement. |
| **Minister** | The NSW Minister for Energy and Utilities. |
| **Program** | The Regional Community Energy Program. |
| **Progress report** | An assessment that takes place during the design and delivery of the proposed project, that conveys details such as what milestones have been accomplished, what resources have been expended, what problems have been encountered, and whether the project or process is expected to be completed on time and within budget. |
| **Project** | Meaning given to it in section 4 of these guidelines. |
| **Project feasibility** | The set of preliminary investigations carried out to determine the viability of an idea, such as ensuring the project is legally and technically feasible as well as economically justifiable. |
| **Project funding cap** | The maximum amount of RCEF funding a successful applicant may receive from the Department which is capped at 50 per cent of total project costs or $3.5 million, whichever is lower. |
| **Project participants** | The individuals and organisations who play an active role in the development and/or operation of the project. Participants could include contractors, employees, volunteers, members, shareholders, investors or advisors. |
| **Regional Community Energy (RCE) program** | The program announced by the Minister on August 21, 2018. More details about the program can be found in the Introduction section of this document. |
| **Regional Community Energy Fund (RCEF)** | One of three program areas within the Regional Community Energy Program. |
| **ROI** | Return on investment. |
| **Virtual power plant** | A cloud-based distributed power plant that aggregates the capacities of various distributed energy resources for the purposes of enhancing power generation, as well as trading or selling power on the open market. |