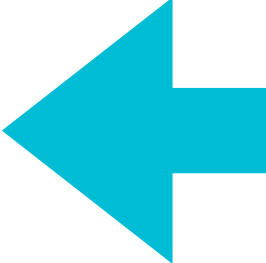


SURGE Dairy Renewable Energy Microgrid Fund I

FUNDING PROGRAM GUIDELINES

2024



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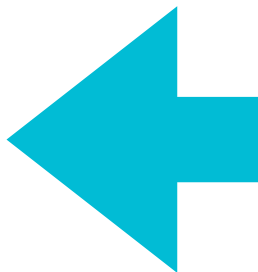
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The SURGE Dairy Renewable Energy Microgrid Fund is open for submissions.



1. OVERVIEW

1.1. PURPOSE

The Surge \$20M Dairy Microgrid Renewable Energy Fund ("The Fund") is established to support the transition to renewable energy solutions for the Dairy Industry. This initiative, part of our commitment to sustainability, aims to help dairy farms reduce their dependency on fossil fuels, enhance energy efficiency, increase energy security and promote sustainability by implementing microgrid systems under an Energy As A Service model.

The Fund, a gateway to a greener future, will integrate various renewable energy technologies, such as solar, wind, energy storage, energy management and biogas, tailored to meet the specific energy demands of dairy operations.

The Fund, a pillar of support for dairy farmers, is designed to empower them with the resources needed to install, maintain, and optimise renewable energy systems. This comprehensive support ensures a consistent and reliable energy supply, mitigating the risks associated with energy price volatility and supply disruptions. The Fund, a testament to our commitment to the dairy industry, aims to facilitate its contribution to Australia's broader renewable energy goals by providing financial assistance and technical support.

1.2. OBJECTIVES AND OUTCOMES

The primary objectives of the Surge Dairy Microgrid Renewable Energy Fund are to:

Reduce Energy Costs: Adopt cost-effective renewable energy solutions to lower dairy farms' operational energy costs.

Enhance Energy Security: Reduce dependence on external energy sources to improve the reliability and stability of dairy farms' energy supply.

Promote Environmental Sustainability: Decrease the carbon footprint of dairy farming operations by integrating renewable energy technologies.

Increase Technology Adoption: Accelerate the adoption and commercialisation of renewable energy technologies in the dairy sector.

Boost Economic Viability: Enhance the economic sustainability of dairy farms through energy cost savings and potential revenue from surplus energy generation.

Facilitate Knowledge Sharing: Promote the dissemination of best practices and technological advancements in renewable energy through comprehensive knowledge-sharing initiatives in the Dairy Industry.

COMMENCEMENT AND AUTHORITY

The guidelines for the Surge Dairy Microgrid Renewable Energy Fund and the adjoining program will commence on 1 July 2024. The application process and with the approval of the Surge, these guidelines may be amended periodically to reflect evolving program needs and priorities.

PROGRAM FUNDING

The Surge Dairy Microgrid Renewable Energy Fund has allocated \$20 million to support eligible projects within the dairy industry. The funding is designed to provide substantial financial assistance to dairy farms that want to implement renewable energy microgrid systems.

Funding Range: Individual capital allocations are expected to range from \$100,000 to \$2 million, depending on the scope and scale of the proposed projects. The amount of funding awarded will be determined based on the project's potential impact, feasibility, and viability.

2. ELIGIBILITY CRITERIA

Specific eligibility criteria have been established to ensure that the Surge \$20M Dairy Microgrid Renewable Energy Fund effectively supports projects that align with its objectives. These criteria are designed to identify well-positioned projects and applicants to contribute to the Fund's goals of enhancing energy independence, reducing costs, and promoting sustainability within the dairy industry.

2.1. ELIGIBLE APPLICANT

To be eligible for funding under the Surge Dairy Microgrid Renewable Energy Fund, applicants must meet the following criteria:

Legal Entity: The applicant must hold an Australian Business Number (ABN) and be an Australian entity incorporated under the Corporations Act 2001 (Cth). This includes:

- Private companies.
- Public companies.
- Partnerships.
- Trusts (where the trustee is a company).
- Sole traders.

Industry Focus: The applicant must operate within the dairy industry or be directly involved in providing renewable energy solutions tailored to the dairy sector.

Financial Stability: The applicant must demonstrate financial stability and the capacity to enter into a longer-term fixed-price energy as a service contract. This includes providing financial statements and projections supporting the applicant's financial ability to manage the project.

2.2. ELIGIBLE ACTIVITY

The proposed activities must meet the following criteria to be eligible for funding:

Renewable Energy Technology: The project must involve deploying renewable energy technologies, including but not limited to solar, wind, biogas, or other innovative renewable energy solutions suitable for dairy farms. [Specific examples of eligible technologies].

Project Scope: The project must enhance energy efficiency, reduce energy costs, and improve energy reliability for dairy farms. This can include:

- Installation of renewable energy systems.
- Integration of energy storage solutions.
- Development of microgrid systems that enhance energy management and distribution.

Geographic Location: The activities must primarily take place in Australia. Any expenditure outside Australia must be limited to 10% of the total project budget and justified as essential to the project's success.

Knowledge Sharing: Applicants must agree to publicly share knowledge and information about the project with other Dairy Farms. This can include specific knowledge-sharing initiatives, such as publishing project results, participating in industry conferences, or hosting site visits.

3. MERIT CRITERIA

The Surge \$20M Dairy Microgrid Renewable Energy Fund evaluates proposals based on merit criteria to identify projects that will substantially benefit the dairy industry. This evaluation process involves specific steps, and these criteria ensure that selected projects align with the Fund's objectives, demonstrate strong potential for success, and contribute to the broader adoption of renewable energy technologies.

3.1. MERIT CRITERION I: CONTRIBUTION TO PROGRAM OUTCOMES

This criterion assesses how well the proposed activity aligns with and contributes to the program outcomes.

Reduction in Energy Costs: Describe how the project will lower energy costs for dairy farms. Provide cost savings estimates and detail the methods used to achieve these savings.

Enhancement of Energy Security: Explain how the project will improve the reliability and stability of energy supply for dairy farms. Highlight any technologies or systems that will mitigate risks associated with energy supply disruptions.

Environmental Sustainability: Detail the project's environmental benefits, including reductions in greenhouse gas emissions and other environmental impacts. Include metrics or benchmarks that will be used to measure these benefits.

Technology Adoption: Outline how the project will advance the adoption and commercialisation of renewable energy technologies within the dairy industry. Provide a roadmap or timeline for technology deployment and adoption.

Economic Viability: Discuss how the project will enhance the financial sustainability of dairy farms, including any potential for generating additional revenue through surplus energy production or other means.

3.2. MERIT CRITERION II: CAPABILITY AND CAPACITY OF THE APPLICANT

This criterion evaluates the ability of the applicant and their partners to deliver the project successfully.

Management Expertise: Provide information on the management team's experience and expertise in delivering similar projects.

Resources and Facilities: Identify the resources, including personnel, equipment, and facilities, that will be dedicated to the project and confirm their availability throughout its duration.

Partnerships: Describe any partnerships or collaborations supporting the project. Include information on the roles and responsibilities of each partner and any existing agreements or commitments.

3.3. MERIT CRITERION III: PROJECT DESIGN, METHODOLOGY, RISK, AND COMPLIANCE

This criterion assesses the robustness of the project plan and the applicant's approach to managing risks and ensuring compliance.

Project Plan: Provide a detailed project plan that outlines the objectives, methodology, timelines, and deliverables. Include a Gantt chart or similar visual representation of the project schedule.

Risk Management: Identify potential risks associated with the project and outline strategies for mitigating these risks. Include a risk management plan that covers technical, financial, and operational risks.

Compliance: Demonstrate how the project will comply with relevant regulations and standards, including environmental, health, and safety requirements. Provide details of any required permits or approvals and the status of obtaining them.

Feasibility: Discuss the project's technical and financial feasibility. Provide evidence or analysis to support its viability and potential for successful implementation.

3.4. MERIT CRITERION IV: FINANCIAL VIABILITY

This criterion examines the project's financial aspects, including the applicant's ability to fund it and its overall cost-effectiveness.

Budget: Present a detailed budget that outlines all projected costs and funding sources. Break down expenses by category (e.g., equipment, labor, materials) and justify each expense.

Co-funding: Co-funding is not required. The only requirement is that the Dairy Farm commit to a fixed-price energy service contract with Surge for either ten or fifteen years.

Financial Projections: Provide projections demonstrating the project's expected return on investment (ROI) and payback period. Include cash flow statements and sensitivity analyses if applicable.

3.5. MERIT CRITERION V: KNOWLEDGE SHARING

Knowledge Sharing Plan: Develop a comprehensive plan for capturing and disseminating knowledge generated by the project. Detail the methods and channels that will be used for knowledge sharing.

Commitment to Knowledge Sharing: Demonstrate the applicant's commitment to deploying resources for high-quality knowledge sharing. Include any experience in similar knowledge dissemination efforts.

4. APPLICATION AND ASSESSMENT PROCESS

The Surge \$20M Dairy Microgrid Renewable Energy Fund follows a structured application and assessment process to ensure that the most promising and impactful projects receive funding. This process is designed to be thorough, transparent, and fair, providing clear guidance to applicants at every stage.

4.1. EXPRESSIONS OF INTEREST (EOI)

The EOI stage is the first step in the application process, allowing applicants to present their project concept and receive initial feedback.

Submission: Applicants are invited to submit an EOI at any time. The EOI should include a brief description of the proposed project, its alignment with the program outcomes, an indicative budget, and preliminary details about the applicant's capability and capacity to deliver the project.

Review: EOIs will be reviewed to ensure they meet the essential eligibility criteria. If necessary, applicants may be contacted for additional information or clarification.

Feedback: Successful EOIs will receive feedback and may be invited to submit a complete application. Unsuccessful EOIs will also receive feedback to help improve future submissions.

4.2. FULL APPLICATION

Applicants whose EOIs are successful will be invited to submit a complete application and provide a detailed project proposal.

Detailed Description: The complete application should include a comprehensive project description, including its objectives, methodology, timelines, and deliverables.

Supporting Documentation: Applicants must provide supporting documentation, such as detailed budgets, financial projections, risk management plans, and evidence of co-funding commitments.

Knowledge Sharing Plan: A detailed plan for capturing and sharing knowledge generated by the project, specifying the target audiences and dissemination methods, should be included.

4.3. SUBMISSION PROCESS

Online Portal: All applications must be submitted through Surge's online portal. The portal provides a user-friendly interface for uploading required documents and tracking the application status.

Templates and Guidelines: Templates for required attachments and detailed guidelines on completing the application are available on the portal to assist applicants.

4.4. ASSESSMENT PROCESS

Eligibility Check: Applications will first be reviewed to ensure they meet all eligibility criteria. Only complete or ineligible applications will proceed to the merit assessment stage.

Merit Assessment: Eligible applications will be evaluated against the merit criteria by an assessment panel. This panel may include experts from the dairy industry, renewable energy sector, and financial analysis.

4.5. DUE DILIGENCE

Verification: Surge may undertake due diligence activities to verify the information provided in the application. This could include financial assessments, site visits, and third-party consultations.

5. COLLABORATION AND PROPOSAL DEVELOPMENT

Facilitation: Surge may facilitate collaboration between applicants and other stakeholders, such as industry partners or technology providers, to enhance the project's potential impact.

Guidance: Surge staff will provide detailed guidance on preparing the final proposal, including financial and technical aspects, to ensure alignment with program objectives.

6. RESUBMISSION OF PROPOSALS

Feedback and Revision: If an application is unsuccessful, applicants may resubmit a revised proposal. The resubmission must address Surge's feedback to improve the proposal's merit and alignment with the program objectives

Funding Arrangements

The Surge \$20M Dairy Microgrid Renewable Energy Fund outlines precise funding arrangements to ensure that projects are executed efficiently and effectively and the Fund's objectives. These arrangements cover the negotiation of funding offers, formal agreements, proper use of funds, knowledge sharing, work health and safety, and other applicable requirements.

7. NEGOTIATION OFFERS

Conditional Offers: Surge's funding offers are conditional until a formal funding agreement is executed. This ensures that all terms and conditions are mutually agreed upon before funds are disbursed.

Confidentiality: Applicants must keep negotiation offers confidential until a formal agreement is signed. Any public communication regarding the project during the negotiation period requires prior consent from Surge.

Timeline: Surge will provide a timeline for the negotiation process, outlining key milestones and deadlines for finalising the funding agreement. Prompt adherence to this timeline is critical to avoid withdrawal of the offer.

8. FUNDING AGREEMENT

Legal Framework: The funding agreement serves as the legal framework that outlines each party's obligations, the terms of payment, and the specific conditions related to the project.

Agreement Components: The agreement consists of general conditions that apply to all funded projects and a schedule that details each project's specific terms and conditions.

Execution: The agreement must be signed by authorised representatives of the applicant and Surge. Once the contract is fully executed, all funds will be disbursed.

8.1. USAGE OF SURGE FUNDING

Eligible Expenditure: Funds must be used solely for approved expenditures directly related to the project. This includes equipment, labour, materials, and other expenses outlined in the project budget.

Ineligible Expenditure: Certain expenditures are not eligible for funding, including general operating costs, unrelated administrative expenses, and any costs incurred before the signing of the funding agreement.

8.2. KNOWLEDGE SHARING AND PUBLICATION

Knowledge Sharing Plan: The funding agreement must include a comprehensive knowledge-sharing plan that outlines how data, information, and lessons learned from the project will be collected, analysed, and disseminated.

Public Access: Recipients are expected to make non-confidential data and findings publicly accessible. This promotes transparency and allows other stakeholders to benefit from the knowledge generated by the project.

Reporting Requirements: Regular progress reports detailing the knowledge-sharing activities undertaken and the outcomes achieved must be submitted to Surge. These reports will be reviewed to ensure compliance with the knowledge-sharing plan.

9. FURTHER PROGRAM INFORMATION

The Surge \$20M Dairy Microgrid Renewable Energy Fund provides additional program information to ensure clarity and transparency throughout the application and assessment process. This section outlines the policies and procedures related to confidentiality, review of decisions and complaints, conflicts of interest, Surge's discretion, and contract or liability considerations.

10. CONFIDENTIALITY

Protection of Information: Information provided by applicants as part of their proposal will be treated as confidential and used solely to assess and manage the application. Surge will take all reasonable steps to protect confidential information from unauthorised access, use, or disclosure.

Disclosure to Third Parties: Surge may disclose confidential information to third parties such as consultants, advisors, or government agencies involved in the assessment and due diligence process. These parties will be bound by confidentiality agreements to protect the information.

Public Disclosure: Surge may use any information not explicitly marked as confidential for promotional purposes, including case studies and knowledge-sharing initiatives. Applicants are encouraged to identify any information they wish to remain confidential clearly.

11. REVIEW OF DECISIONS AND COMPLAINTS

Feedback on Decisions: Applicants may request feedback on their application's assessment to understand the reasons behind the funding decision. This feedback can help applicants improve future submissions.

Complaints Procedure: If applicants are dissatisfied with the assessment process or decision, they may submit a formal complaint to Surge. The complaint must be submitted in writing and include detailed information about the issue.

Review Process: Surge will review all complaints and respond within 30 business days. If the complaint cannot be resolved to the applicant's satisfaction, it may be escalated to an independent review panel for further consideration.

12. CONFLICTS OF INTEREST

Disclosure Requirements: Applicants must disclose any actual, potential, or perceived conflicts of interest that could affect the impartial assessment of their proposal. This includes relationships with Surge staff, advisors, or other applicants.

Management of Conflicts: Surge will assess disclosed conflicts of interest and determine appropriate actions to manage or mitigate them. This may include reciting specific individuals from the assessment process or other measures to ensure a fair evaluation.

Ongoing Obligations: Funding recipients must disclose any new conflicts of interest that arise during the project's implementation. Failure to disclose conflicts of interest may result in the termination of the funding agreement.

13. SURGE'S DISCRETION

Right to Reject: Surge reserves the right to reject any application at its sole discretion. This decision may be based on the application's alignment with program objectives, merit criteria, or other considerations deemed relevant by Surge.

Amendment of Guidelines: Surge may amend the program guidelines at any time to reflect changes in policy, funding priorities, or other factors. Applicants will be notified of any significant changes that could impact their application.

Funding Allocation: Surge retains the discretion to allocate funding based on the overall portfolio approach, ensuring a balanced mix of projects that collectively contribute to the program's objectives.

14. NO CONTRACT OR LIABILITY

Non-Binding Nature: Applying does not create any contractual or other legal obligations on the part of Surge. Applicants should understand that the assessment process is competitive and funding is not guaranteed.

Limitation of Liability: Surge is not liable for any costs or expenses incurred by applicants in preparing and submitting their proposals. This includes any fees for responding to requests for additional information or participating in due diligence activities.

Indemnity: By applying, applicants agree to indemnify Surge against any claims, damages, or losses arising from their participation in the program, including any actions taken by third parties about the application.

15. CONCLUSION

The Surge \$20M Dairy Microgrid Renewable Energy Fund is committed to maintaining a transparent and fair application and assessment process. By adhering to the policies and procedures outlined in this section, applicants can ensure that their proposals are evaluated consistently and impartially, contributing to the program's overall success and integrity. Applicants are encouraged to contact the Surge program team for further information or assistance.