

Department of Climate Change,
Energy, the Environment and Water

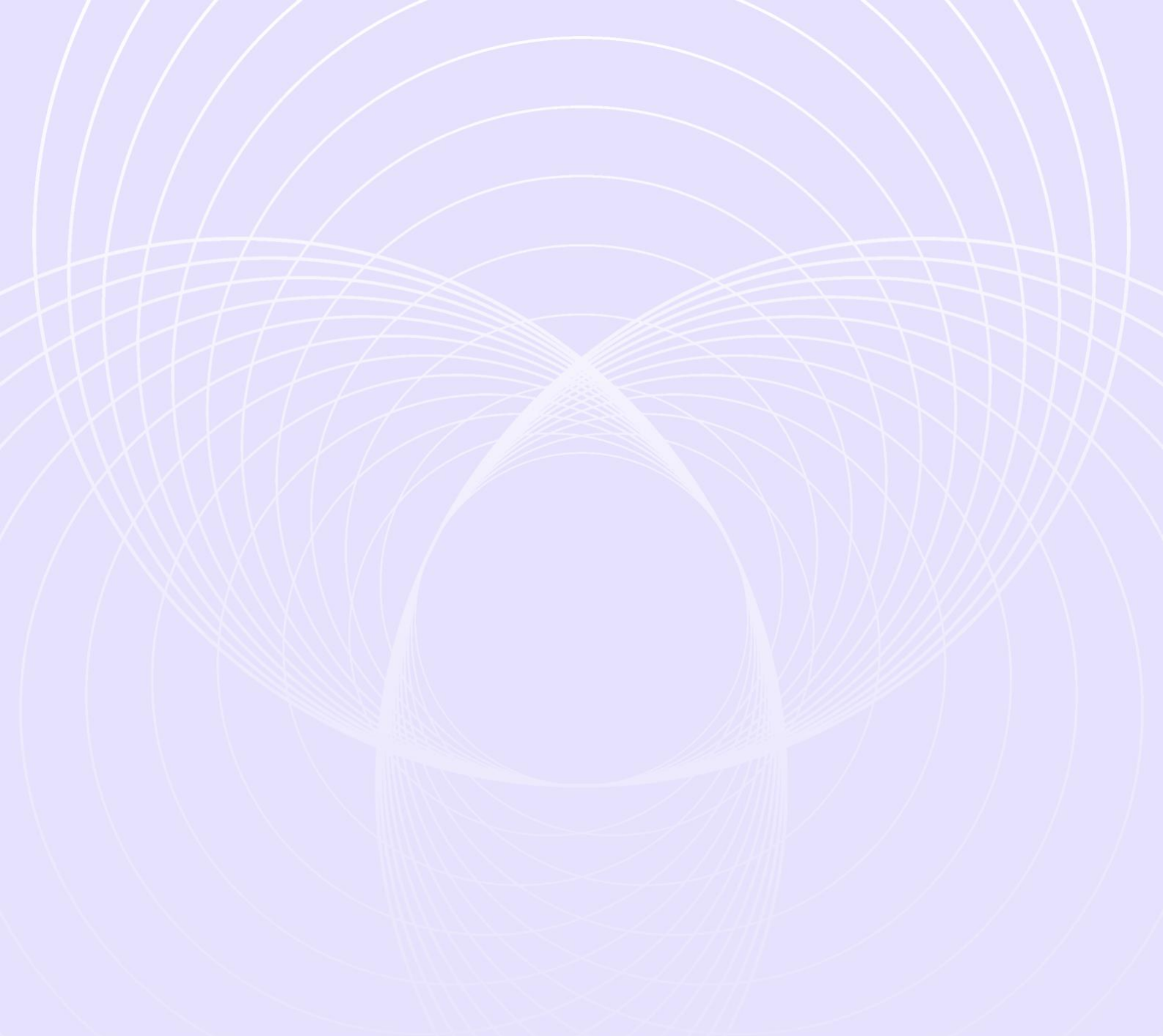
Clean Technology Innovation



Supplementary guidance

February 2024





Acknowledgement of Country

The Department of Climate Change, Energy, the Environment and Water acknowledges that it stands on Aboriginal land. We acknowledge the Traditional Custodians of the land and we show our respect for Elders past, present and emerging through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

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Clean Technology Innovation, supplementary guidance

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1. Introduction

1.1. Delivering net zero manufacturing

The NSW Government is committed to achieving net zero emissions by 2050 and this will require supporting industry to decarbonise. Critical to enabling this is the [Net Zero Plan Stage 1: 2020-2030](#) (the Net Zero Plan). The Net Zero plan will fast-track emissions reductions over the next decade to combat climate change, grow the economy, create jobs and attract investment.

In its 2023 budget, the NSW Government announced \$480 million in funding to boost the Net Zero Manufacturing Initiative (the Initiative), which is a key part of the Net Zero Plan. The Initiative builds on from the work of the [Net Zero Industry and Innovation Program](#) (NZIIP) released in 2021 which includes Clean Technology Innovation (CTI) as one of 3 key focus areas.

The Clean Technology Innovation (CTI) program will unlock the next wave of low emission technologies needed for NSW to reach net zero emissions by 2050. CTI is designed to foster innovation throughout the entire journey of product development. This spans from research and piloting to infrastructure development, commercialisation and deployment.

The Initiative is administered by the Department of Climate Change, Energy, the Environment and Water (the Department). For enquiries or questions about these guidelines, the Initiative and its streams, please contact the Department at netzeroinnovation@environment.nsw.gov.au

1.2. Purpose of these guidelines

This supplementary guidance must be read in conjunction with the [CTI commercial readiness stream funding guidelines](#) and [CTI project development stream funding guidelines](#) and information published on our [website](#). It assists applicants applying for funding under the Clean Technology Innovation funding streams and provides the terms and conditions of the grant.

The supplementary guidance supports applicants to:

- determine the priority area for their project or product
- understand what is and is not eligible under Clean Technology Innovation
- understand the assessment process
- understand the general terms and conditions.

Frequently asked questions (FAQs) will be published on our [website](#). Specific questions related to an individual applicant's proposal will not be published.

A question and answer (Q&A) session will be held to provide an overview of each funding stream. A recording of the session, questions and answers will be published on our website.

1.3. Priority sectors

Clean Technology Innovation will prioritise investment in the sectors outlined in the [NSW Department of the Chief Scientist and Engineer's Decarbonisation Innovation Study](#) (Figure 1).¹

Figure 1 NSW Department of the Chief Scientist and Engineer's Decarbonisation Innovation Study priority sectors

SECTOR	2019 Decarbonisation innovation opportunity	2023 Decarbonisation innovation opportunity
ENERGY 	Renewable Energy Zones	Future energy systems (including smart grids)
	Future energy market design	
	Decentralised grids and demand management	New generation renewable and storage (solar PV, battery, wind and offshore wind)
	Solar and energy storage	
TRANSPORT 	Electrification and EV charging	e-mobility and services
	EV charging infrastructures and hydrogen refuelling routes	
	Mobility as a service	Aviation, shipping and long-haul road transport
	Future EV battery services	Non-road vehicle and machinery
BUILT ENVIRONMENT 	Low emissions materials and reuse and recycling	Embodied carbon for building
	Electrification and energy efficiency and productivity	
	Sustainable precincts and hydrogen hubs	
	Digital technology	
INDUSTRY 	Electrification, alternative heat and bioenergy	Synthetic biology and bio manufacturing
	Hydrogen	Power-to-X
	Carbon capture and utilisation	Carbon dioxide removal (including direct air capture)
	Critical resources and material efficiency, reuse and recycling	
LAND AND AGRICULTURE 	Sustainable land management	Sustainable land management (including enteric emissions and blue carbon)
	Controlled environment horticulture	
	Renewable and bioenergy	Agtech and decarbonisation
	Gene technology and enteric emissions reduction	

¹ The Department of the NSW Chief Scientist and Engineer (OCSE), November 2023, [Opportunities for Prosperity in a Decarbonised and Resilient NSW: Decarbonisation Innovation Study](#)

2. Guidance on your application

To be eligible for grant funding, projects must meet all eligibility criteria outlined in the funding guidelines. Applicants will be required to provide information to demonstrate how they meet eligibility and merit criteria. An assessment committee will review your application to assess the merits of your project against the merit criteria.

Important Note:

Applicants are required to choose either the product development or commercial readiness streams of the Clean Technology Innovation Grants for their proposed project. Applicants can also apply for up to 2 projects per stream however each project must be unique.

For guidance on which stream is most appropriate for a project, you can use the eligibility checker on our [website](#).

2.1. Applicant eligibility

2.1.1. Projects must be based in NSW

To be eligible, the project must be based in NSW. There may be special circumstances which justify consideration if you are based outside of NSW. These include where the:

- project will result in job creation within NSW
- clean technology will significantly reduce the state's emissions.

In these circumstances, the Department will impose contractual obligations to relocate and maintain the relevant operations in NSW. This may require you to establish an NSW-based office with local staff capable of delivering the project and managing communications with the Department within a specified timeframe from executing the funding agreement.

2.1.2. Ineligible applicants

Ineligible applicants include:

- foreign national or sub-government, departments, owned or controlled entities
- organisations that do not have an ABN and are unable to obtain an ABN to enter a funding agreement
- other unincorporated organisations
- an individual (including sole traders)
- insolvent businesses.

2.1.3. International and collaborative applicants

International and collaborative applications are permitted, provided the lead applicant satisfies the additional eligibility criteria and other requirements as listed in Table 1.

Table 1 Additional eligibility criteria

International applicants	Collaborative applicants
<p>If you are an international applicant, you must outline how the clean technology is significantly more innovative and commercially feasible than alternative solutions currently available in NSW and Australia during the commercial readiness expression of interest stage. You will also need to explain why the clean technology hasn't been able to enter NSW or Australian market and how the Clean Technology Innovation grant will help overcome these barriers.</p> <p>You must have an NSW-based project sponsor. The project sponsor must be a potential customer from an emissions intensive business or industry in NSW. At the detailed application stage, you will need to provide a letter of endorsement from an NSW-based project sponsor, endorsing the technical and commercial feasibility of the clean technology and outlining their interest in purchasing the clean technology.</p>	<p>We encourage collaborative applications that demonstrate multi-disciplinary expertise and financial co-contributions.</p> <p>At the commercial readiness EOI stage, you are required to provide details of any collaboration involved in the delivery of the project. A letter of support is required from each member of the group including:</p> <ul style="list-style-type: none"> • details of the partner organisation • an overview of how the partner organisation will work with you and any other partner organisations in the group to successfully complete the project • details of any funding contributions the partner organisation will provide • an outline of the partner organisation's relevant experience and/or expertise • the roles and responsibilities of the partner organisation • details of key contacts for that organisation and any staff that will be involved in the project. <p>At the detailed application stage, you must provide full details of the project's governance arrangements.</p> <p>Signed formal agreements between all parties involved in the project will be required prior to executing the funding agreement.</p> <p>Collaboration between research institutes, industry and innovators is critical to accelerating the decarbonisation of high emitting and hard to abate sectors in NSW.</p>

The Department will only enter into a funding agreement with the lead applicant assessed by the Department during the application process. If at any stage of the application process, the funding recipient is expected to be a different legal entity to the lead applicant, the lead applicant must clearly specify this in its application and provide all necessary information requested to evidence this. The Department reserves the right to not fund an application if the lead applicant is unable to support these claims with sufficient evidence.

2.2. Project eligibility

2.2.1. Ineligible projects

Ineligible projects include:

- pre-feasibility, research and development projects (refer to the technology readiness level [TRL] and commercial readiness index [CRI] scales in [Appendix B](#))
- scaling or manufacturing a commercially proven technology
- marketing or business development activities to support customer sales
- projects aimed at developing a new technology for private use only
- commercialising the new version or iteration of an existing technology where the updates and changes are minor and therefore do not qualify as being an innovation
- routine infrastructure and equipment that can be reasonably be assumed to be integral for the core business such as laptops
- engaging one or more experienced executive(s) to fill an identified gap in the project management team, for the purposes of achieving commercialisation outcomes
- projects requiring ongoing funding from the NSW Government
- projects that would proceed and be delivered within the same timeframe without government investment support
- projects that have already commenced for the scope of work for which funding is requested in the application
- projects that have already received NSW Government or other funding for the same outputs and outcomes.

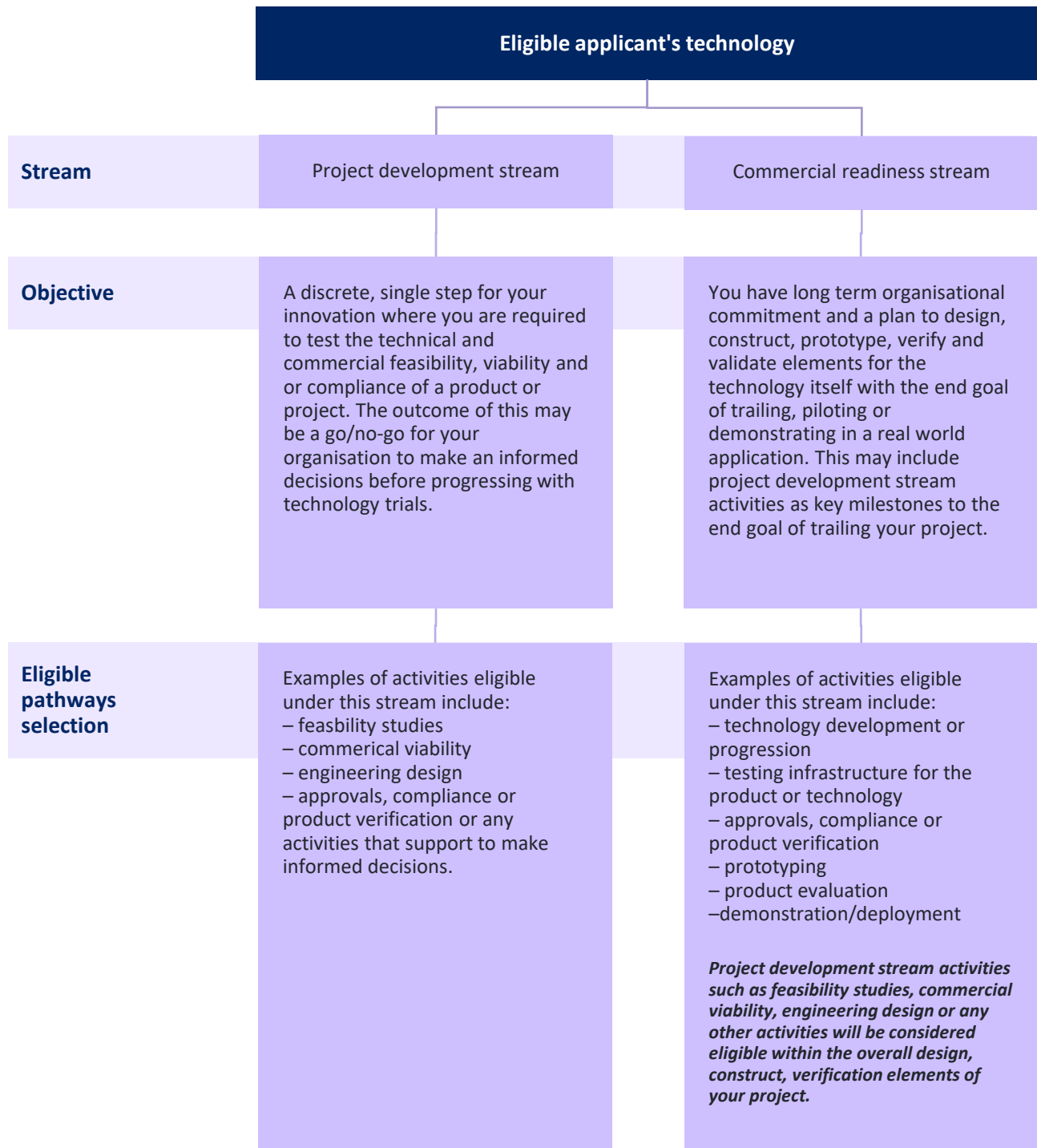
2.2.2. Eligible pathways

There are 2 streams available:

- project development stream
- commercial readiness stream.

Applicants are required to choose one stream for their proposed activities and cannot apply for both streams with the same project. Applicants can, however, apply for up to 2 unique projects in each stream. Figure 2 outlines the available pathways.

Figure 2 CTI stream pathways



2.2.3. Project development stream

This stream has allocated \$2.5 million to expedite funding for the technical and commercial viability studies of a project or product to make informed decisions before progressing with technology trials.

The product development stream applies a stage-gate mechanism to help risk manage projects that first require feasibility, compliance and/or further engineering design works. This stream utilises a simpler mechanism for awarding grants sooner than the commercial readiness stream through a single-stage assessment process.

Please refer to examples in the [CTI project development stream funding guidelines](#) and definitions in [Appendix A](#) for pathways.

2.2.4. Commercial readiness stream

This commercial readiness stream has allocated \$22.5 million for piloting and demonstrating lab-proven clean technologies to accelerate their commercial readiness.

The commercial readiness stream supports projects and activities that help advance clean TRL from 6 and beyond. As this can include design and construct elements for the technology itself or enabling infrastructure required to test the technology, applications in this stream will undergo a more comprehensive 2-stage assessment process.

Project development stream activities such as feasibility and viability studies are also eligible activities within the commercial readiness stream and may be milestones as part of overall commercialisation of the clean technology product or solution. These will form part of your project activities and will be outlined as a milestone in your funding agreement. Sufficient evidence will be required to validate and verify these supplementary activities with clear outcomes.

Please refer to examples in the [CTI commercial readiness stream funding guidelines](#) and definitions in [Appendix A](#) for pathways.



2.3. Funding requirements

2.3.1. Project budget

You are required to provide a preliminary budget as part of the commercial readiness EOI.

A detailed financial proposal and budget is required for the detailed application. You will be required to outline a proposed grant payment profile that aligns with the needs of the project. The payment profile is flexible and subject to negotiation if successful.

We may seek advice from external independent advisors regarding the financial proposal and budget, depending on the specific context of each application. A 'value for money' assessment will be made as part of the assessment process for both the commercial readiness EOI and detailed application for both streams. This assessment will be based on:

- proposed activities
- expected outcomes
- project feasibility
- amount of funding requested.

If successful, you will have 30 days from the date of written offer to negotiate and execute the funding agreement with us. The offer may lapse if both parties do not sign the funding agreement within this time. The Department may extend this period.

We may make an initial payment on execution of the funding agreement. The Department will make subsequent payments every 6 months based on the project's forecast eligible expenditures, subject to negotiation. Payments are subject to satisfactory progress on the project and will be adjusted for unspent amounts from previous payments. You will be required to provide financial reports detailing project expenditure prior to each payment.

The Department may set aside at least 5% of the total grant funding for the final payment as part of your final milestone. This will be paid following submission of a final project report demonstrating you have completed all obligations for the project.

2.3.2. Co-contributions

You must demonstrate a co-contribution funding arrangement of at least 1:1 between grant funding (from this grant) and other sources (for example, applicant, collaborators, private or other public organisations). In kind (non-financial) contributions are not eligible.

We will view favourably:

- cash contributions from a potential customer or an institutional investor
- higher cash contributions.

You must ensure that any contractual milestones or obligations tied to co-contributions are aligned with the funding proposal.

2.3.3. Eligible costs

Eligible costs are outlined in Table 2 and may only be incurred once both parties have signed a funding agreement. This may include costs that:

- are directly related to undertaking of the project
- are incurred by you within the project duration except for audit costs
- are a direct cost of the project and not be provided for the benefit or profit of related bodies
- meet the conditions set out in the guidelines, guidance documents and the funding agreement.

Table 2 Eligible costs

Resources	Expenditure for resources that are used for activities unrelated to the project should be adjusted proportionally.
Capital expenditure	Capital expenditure including the purchase, installation and operation of clean technology infrastructure or equipment is eligible. You are required to provide an initial estimate of the project's capital expenditure as requested in your application form. You will be required to provide a detailed breakdown of the capital expenditure with evidence such as quotes from suppliers and contractors at the detailed application stage.
Labour expenditure	Expenditure to employ project staff critical to delivery of the project is eligible. You cannot use funds to cover the labour costs of existing positions undertaking other work within your organisation.
Contractors or consultants	You may use grant funds to engage contractors or consultants to manage the project or deliver specific components of the project. All contractors and consultants must be chosen on their merits and possess the ability to effectively deliver the work. The Australian Taxation Office (ATO) has a useful tool to help you determine if you are hiring an employee or a contractor.
Travel and overseas expenditure	You must detail travel costs in the detailed application stage in the project budget. The Department may subsequently approve requests if your application is successful. Eligible travel and overseas expenditure include domestic and international travel limited to the reasonable costs of accommodation and transportation required to undertaken and deliver the project-by-project staff, contractors or subcontractors. Accommodation costs refer to room expenses only and does not include long-term rental accommodation. Associated costs such as meals, internet, entertainment and other incidentals are not eligible travel expenditure and cannot be claimed. Eligible air transport is limited to economy class fare. Where non-economy class air transport is used, only the equivalent of an economy fare is eligible and you must provide evidence showing what an economy air fare costs at the time of travel.

Intellectual property protection expenditure	<p>Reasonable costs to protect IP to the project, which you own or will own, are eligible. These can include:</p> <ul style="list-style-type: none"> • fees to a patent office for the cost of filing a patent application • patent search and examination fees • freedom to operate review costs • annual patent maintenance fees. <p>The cost of defending IP rights is not eligible expenditure, with the exception of legal expenses insurance as it relates to the IP.</p>
Administration	<p>Administrative costs directly related to the project are eligible. These can include office related overheads associated directly with the delivery of the project such as:</p> <ul style="list-style-type: none"> • stationary • internet • accounting fees. <p>Where those costs are not currently being supplied or funded by you. Generally, no more than 10% of the total grant may be spent on administrative costs. If you request a larger proportion of the budget to be allocated to administrative costs, you must submit a breakdown of the costs and evidence to support the request at the detailed application stage. The Department has discretion regarding whether to accept such requests.</p>

For periods of the project that do not make a full financial year, the salary amount claimable must be adjusted proportionally.

If successful, you must keep payment records of all eligible expenditure and be able to explain how the costs relate to the agreed project activities.

We may ask you to provide records of the expenditures the Department has paid. If you do not provide these records when requested, these expenses may not be eligible.

2.3.4. Ineligible costs

The following costs are ineligible for funding:

- expenditure on the acquisition of land for a project
- repayment of existing debts or budget deficits
- expenditure that does not directly support the successful completion of the project
- administrative, operational and maintenance costs not related to the project
- items that can be reasonably be considered as business-as-usual operational costs
- salaries for positions that have already been accounted for in organisational budgets
- business-as-usual staff costs unrelated to the project, such as redundancy or retirement benefits, workers compensation payments, professional fees or memberships
- activities carried out or committed to before a grant is offered and accepted

- costs relating solely to marketing, advertising or product promotion, including education and information campaigns
- legal costs associated with a consortium, disputes or funding arrangements not agreed to as part of the funding agreement
- infrastructure and equipment that can be reasonably be assumed to be integral for the core business, such as laptops.



3. Assessment process

3.1. Who will assess applications

The Department will establish an assessment committee to review applications in both the project development stream and commercial readiness stream.

The assessment committee will consist of:

- representatives from other government agencies
- industry subject matter experts.

All members of the assessment committee will be independent of the Department and will be required to meet all governance requirements of the NSW Government and the application process.

The assessment committee will make recommendations to the Department on which applications best meet the merit criteria and the objectives of the Clean Technology Innovation. These recommendations will inform the decision to award funding.

During the assessment process, the Department may ask you to provide additional information or request for clarification. The Department may also seek advice from other government agencies or other subject matter experts.

Independent probity advisers will provide guidance concerning any integrity, fairness and accountability issues that may arise throughout the application, assessment, and decision-making process. This ensures decisions are made with integrity, fairness, and accountability, while delivering value for money for NSW.

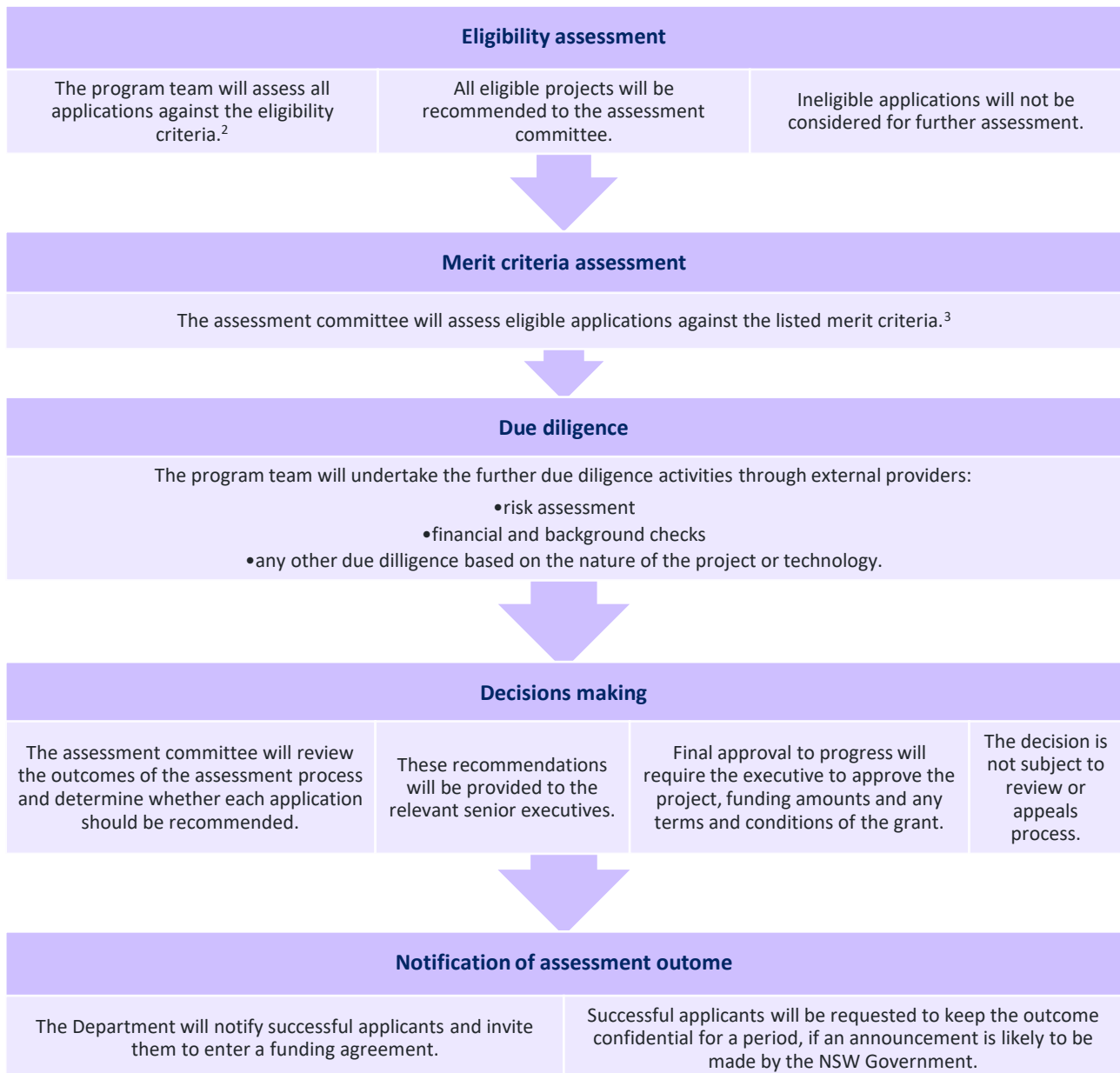


3.2. Assessment process for project development stream

The project development stream will be a single-stage assessment process (Figure 3).

The project development stream detailed application process is to identify and fast track studies to test the technical and commercial feasibility, viability and or compliance of a clean technology product or solution. From closing date of the applications, the Department hopes to complete assessment of the applications within 4 - 6 weeks.

Figure 3 Assessment process for project development stream



² Where there is uncertainty or unintended outcomes arising from the eligibility requirements, the program director will take a discretionary approach that, in its opinion, best achieves the objectives of the program.

³ When making a recommendation, the assessment committee will consider the relative merits of each project against the eligibility and merit criteria, as well as the advice from the program team and subject matter experts.

3.3. Assessment process for commercial readiness stream

The commercial readiness stream will be a 2-stage assessment process:

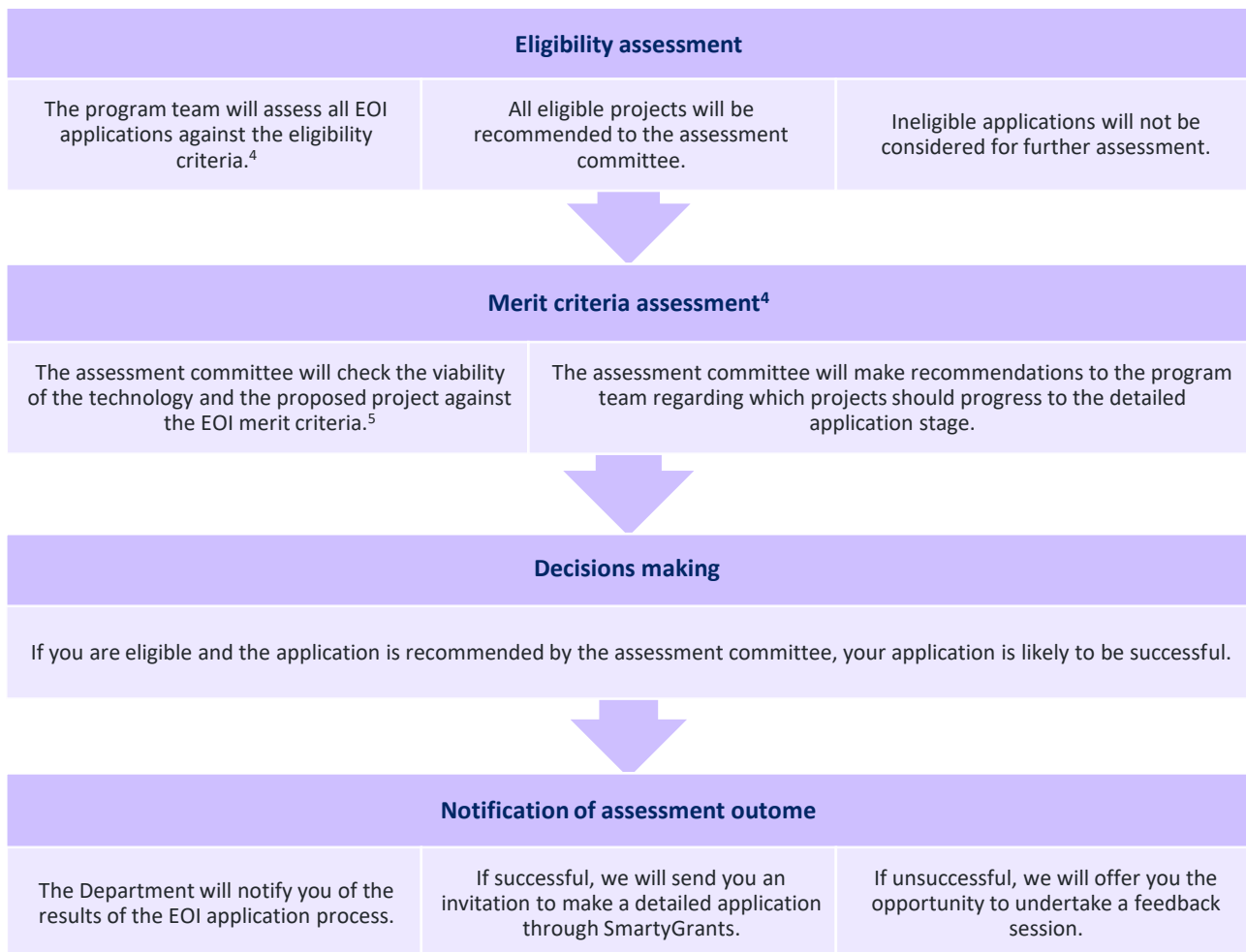
Stage 1: Expression of interest (EOI)

Stage 2: Detailed application.

3.3.1 EOI assessment process

The EOI is to identify projects that are eligible and have technical and commercial merit. From closing date of the EOI applications, the Department hopes to complete assessment of the applications within 4 - 6 weeks (Figure 4).

Figure 4 EOI assessment process



⁴ Where there is uncertainty or unintended outcomes arising from the eligibility requirements, the program director will take a discretionary approach that, in its opinion, best achieves the objectives of the program.

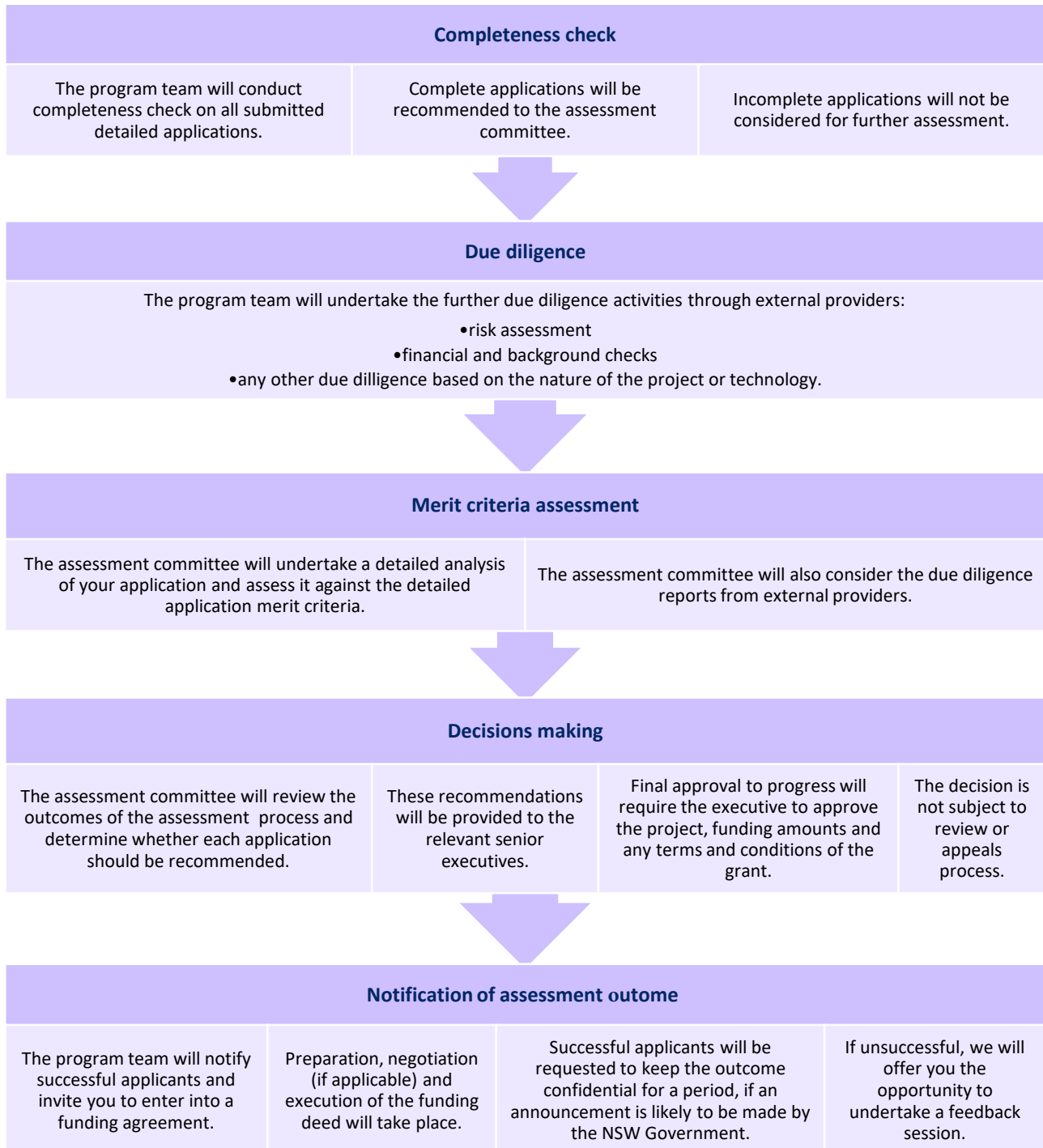
⁵ When making a recommendation, the assessment committee will consider the relative merits of each project against the eligibility and merit criteria, as well as the advice from the program team and subject matter experts.

3.3.2 Detailed application assessment process

Applications that were successful in the EOI process will be invited to apply for the detailed application.

The detailed application will identify projects that are eligible and have technical and commercial merit. From closing date of the detailed applications, the Department hopes to complete assessment of the applications within 6 - 10 weeks (Figure 5).

Figure 5 Detailed application assessment process



4. Funding agreement

4.1. Overview

Successful applicants from the detailed application process must enter into a funding agreement with the Department to receive grant funding. This agreement will detail the applicants' and any other relevant parties' obligations in relation to the project.

A template funding agreement, representing the terms the Department considers appropriate, will be made available via the website.

The Department does not encourage departures from the funding agreement template. However, where you cannot accept the terms of the funding agreement template in its current form, you may use the provided departures table in the template to clearly set out and qualify the reasons for your requested departure. For the project development stream, any departures need to be addressed as part of the application process. The Department may or may not accept these departures at our discretion.

Where an applicant does not submit a departures table, it will be deemed for the applicant to have accepted the terms of the funding agreement template. 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.

Applicants should be aware that the Department expect the terms of an executed funding agreement to reflect your careful and diligent expectations for the project's development. For example, you should ensure that there is a rigorous and realistic basis for the milestone timing, associated payment and outcomes for the project as set out in the funding agreement.

4.2. Funding offer

Any payment of funds is subject to the execution of a funding agreement.

Where an applicant does not submit a departures table, it will be deemed for the applicant to have accepted the terms of the funding agreement template. 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.

Applicants who receive an offer to negotiate must keep the offer confidential until the execution of a funding agreement. Any public communication by the applicant regarding the project between the time of application submission and execution of the funding agreement can only be done with our prior consent. The Department may withdraw the negotiation offer if you do not comply with this requirement.

4.3. Monitoring project progress

Successful applicants that enter into a funding agreement with the Department will be required to provide reporting in-line with the requirements of the executed funding agreement. The Department will monitor the progress of your project by requesting and assessing reports and presentations you submit and may conduct site visits to confirm details of your reports. Occasionally the Department may need to re-examine claims, seek further information or request an independent audit of claims and payments.

Types of reports and plans required under a funding agreement may include:

- milestone report
- annual operating parameters report
- annual project report
- annual emissions abatement report
- financial reports
- final report
- risk management plan
- licensing and approvals plan
- emissions monitoring plan
- knowledge sharing plan
- other reports and plans, as requested by the Department.

4.4. Publishing and sharing project information

The Department may publicly announce and/or publish the following information associated with successful projects:

- name of the recipient
- title of the project
- description of the project and its aims
- amount of grant funding awarded.

The Department will also share or publish information about any project when required under law.

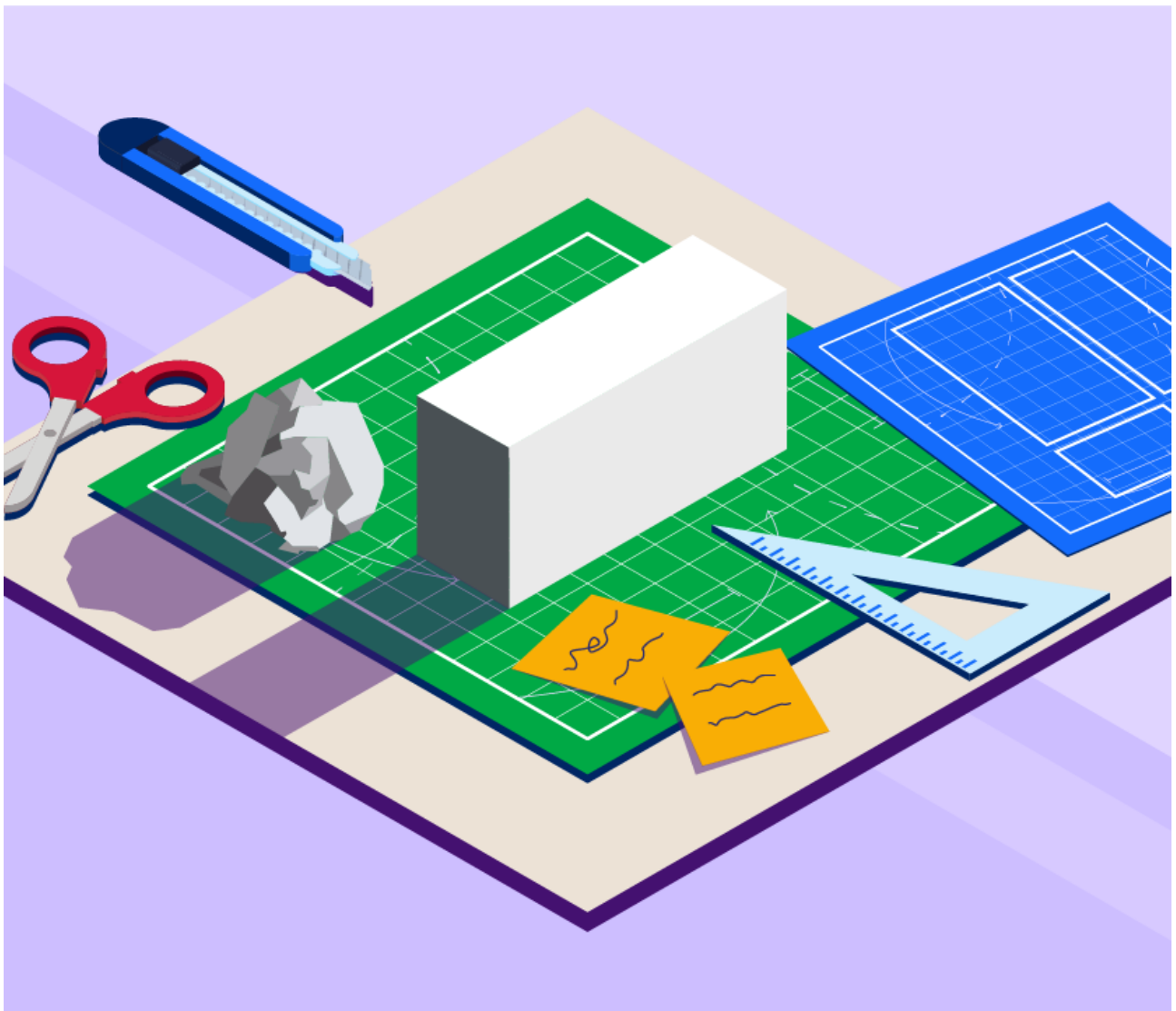
5. Contact information

Frequently asked questions and other resources to assist with applications may be found on our [website](#).

Department staff are available to assist with any questions during the application process. Please note that the Department is not able to assist applicants with the preparation of their application.

The Department's relevant project team can be contacted by emailing netzeroinnovation@environment.nsw.gov.au

The Department will use its best endeavours to respond to all emailed questions within 3 business days.



6. Terms and conditions

6.1. Commencement and authority for the guidelines and supplementary guidance

The [CTI project development stream funding guidelines](#), [CTI commercial readiness stream funding guidelines](#) and [CTI supplementary guidance](#) have been approved by the Department.

The guidelines and guidance may be varied from time to time or revoked.

The Department has the authority to award funding and execute and vary the agreements that allow the NSW Government to provide this funding.

6.2. Limitations

6.2.1. No representation, warranty or guarantee

The Department and its employees, agents and officers do not give any representation, warranty or guarantee, whether express or implied, in relation to the information contained in any materials released by the Department associated with the grant funding including their:

- completeness
- accuracy
- currency
- reliability
- the process by which they were prepared.

The Department and its employees, agents and officers do not provide any opinions regarding, legal, accounting, regulatory, taxation or any other matters. Without limiting the foregoing, nothing in the funding materials is or should be regarded as advice in relation to these matters.

Nothing in the funding materials (including without limitation, the guidelines, supplementary guidance or the funding agreement) is or should be regarded as advice. You must satisfy yourself by undertaking your own investigations or seeking advice at your own cost.

6.2.2. No obligation to update

The funding materials, 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. However, the Department does not accept any responsibility to update, supplement or correct the materials, nor to inform applicants about any matter that may affect the materials.

6.2.3.No liability

The Department and its employees, agents and officers expressly disclaims all liability for any loss or damage incurred by any person arising from or because of, any person's use of or reliance on any information, statement, opinion or matter (express or implied) contained in, derived from, or omitted from the materials, except for any liability which cannot be excluded as a matter of law.

6.2.4.Other limitations

The funding materials are not an offer, recommendation or invitation by the Department in respect of any contract or commitment and (subject to a funding agreement being fully executed) nothing in the materials will form the basis of any contract or commitment.

You must rely entirely upon your own investigations, review and analysis in relation to your assessment of whether to apply to and participate in the funding.

6.3. Confidentiality and disclosure of information

Unless otherwise stated, any commercial-in-confidence information provided by you as part of, or in connection with, a registration, application or negotiation process will be treated confidentially by the Department.

We may disclose commercial-in-confidence information provided by you to the following parties:

- the Minister or Minister's Department
- the NSW Ombudsman and Audit Department of NSW
- Department of Climate Change, Energy, the Environment and Water's staff, consultants and advisers
- 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 to know that information arises out of or in connection with the Department's assessment, verification or due diligence of any aspect of your application
- where authorised or required by law to be disclosed, to those parties.

If the Department discloses commercial-in-confidence information to any of the above parties, the Department will inform the party that the information is strictly confidential.

Otherwise, the Department will only disclose commercial-in-confidence information provided by you with your consent.

6.4. Complaints

Complaints concerning the grant funding should be emailed to netzeroinnovation@environment.nsw.gov.au

Complaints will, in the first instance, be reviewed by the Department.

If the Department cannot resolve the complaint within 30 business days of receipt, the Department will escalate your complaint and provide details of the escalated officer who will advise you regarding the next steps.

If the complaint is still not resolved satisfactorily, the NSW Ombudsman can be reached for external review of the complaint.

6.5. Conflicts of interest

You, including advisors and consultants engaged on this project, must declare:

- any perceived or existing conflicts of interest
- or that, to the best of your knowledge, there is no conflict of interest as part of your application.

You and your advisors may have a conflict of interest or perceived conflict of interest, if you or any of your board, management or staff:

- have a professional, commercial or personal relationship with a party who can influence the application assessment process
- have a relationship with, or interest in, an organisation, which is likely to interfere with or restrict you from conducting the proposed activities fairly and independently
- has a relationship with, or interest in, an organisation from which they will receive personal gain because your organisation receives funding under these grants.

All applicants have obligations to report any conflict (identify an actual, apparent or perceived conflict of interest) that may arise (including during the application or assessment phase) of the project. For example, an applicant may want to engage a Department advisor to help it prepare its grant application.

A consultant or service provider that is currently working the Department is not automatically precluded from being engaged by a grant recipient. Factors which will be considered when determining whether you can engage a consultant or service provider include:

- the size of the organisation i.e. a large consultancy is more likely to be able to use separate teams on a project
- the nature of the work being undertaken by the consultancy i.e. similar work increases the potential for probity risks to arise
- the extent to which individuals involved had access to confidential information about the project and whether this information is to be released to the market as part of the NZIIP.

Decisions will be made in accordance with the Department delegations for expenditure.

If the engagement with the grant recipient is permitted, the Department project team will consider seeking assurance from the consultant or service provider that it will put appropriate processes in place to manage probity risks.

As part of ongoing reporting requirements, you are required to update any conflicts of interests, where applicable. You will be asked whether any conflicts of interest have arisen during the reporting period or if any are likely to arise. Updated declarations and confirmations are required from you when new personnel join the project or at the commencement of a new project or phase within a project.

NOTE: You are advised to contact us if you are unsure whether something constitutes an actual, potential or perceived conflict of interest.

6.6. Evaluation

The Department will evaluate the grant initiatives to measure how well the outcomes and objectives have been achieved.

We may also interview you or ask you for more information to help us understand how the grant impacted you and to evaluate how effective the funding was in achieving its objectives.

Without limiting any specific reporting or evaluation requirements set out in any funding agreement you execute with the Department. The Department may contact you up to 2 years after you finish your project for more information to assist with this evaluation. You consent to the use of your information for this purpose by:

- the Department
- NSW Treasury
- the Minister or Minister's Department
- the NSW Ombudsman and Audit Department of NSW
- Department of Climate Change, Energy, Water and the Environment staff, consultants and advisers
- 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 to know that information arises out of or in connection with the purpose above.

6.7. Grant acknowledgement

If a successful applicant/grant recipient makes a public statement about a project funded, it is required to acknowledge the support provided by the Department.

6.8. Discretion of the Department

Notwithstanding anything else in the guidelines and supplementary guidance, applicants acknowledge and agree that the Department has the right (in its absolute discretion) to reject, refuse to consider or cease to assess an application, at any time, if it is of the view (in its absolute discretion) that an application is unlikely to be successful.

Applicants acknowledge and agree that the Department has the right to amend the process or reallocate funding to other applicants or projects, where it is of the view that it is needed to do so.

6.9. Privacy

The Department uses the information you supply to us for processing and assessing your application. While the Department do not publicly release your application as a matter of policy, the Department may be required to do so under the *Government Information (Public Access) Act 2009* or another lawful requirement.

The Department may also disclose information you supply to us for the purpose of milestone reporting, evaluating and/or auditing this grants program. If you require strict commercial and/or personal confidentiality, you should address this in your application.

More information on the [Government Information \(Public Access\) Act 2009](#) is available on the website.



7. Appendix

Appendix A: terms and definitions

Table 3 provides terms and definitions that are used throughout the [CTI commercial readiness stream funding guidelines](#) and [CTI project development stream funding guidelines](#) and [CTI supplementary guidance](#).

Table 3 Terms and definitions

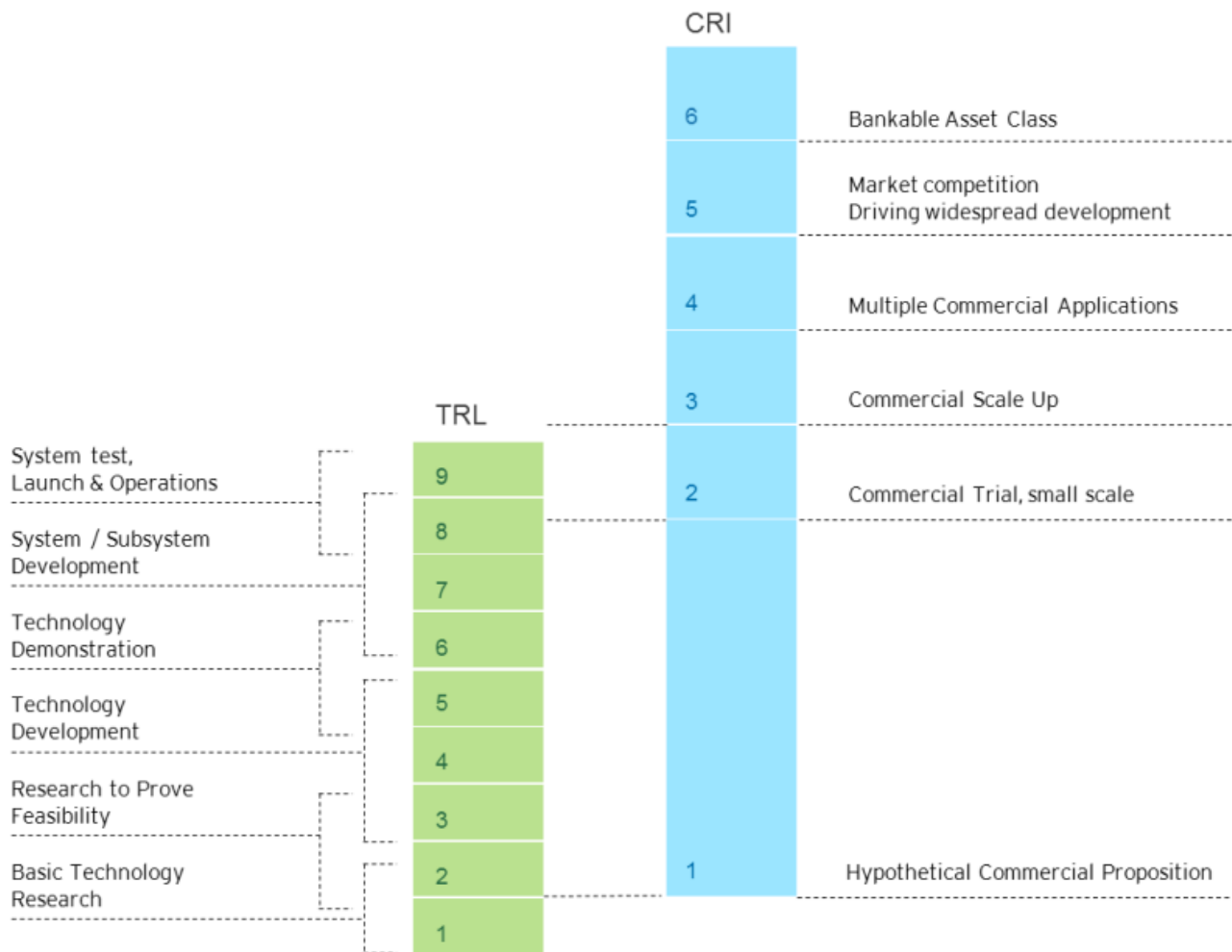
Term	Definition
ABN	Australian Business Number
ANZSIC	Australian and New Zealand Standard Industrial Classification
Applicant	An entity referred to in these guidelines that applies for funding through the clean technology innovation.
Application	Submission of an application form and other required documents for funding through the clean technology innovation.
Application form	Document or documents issued under clean technology innovation for applicants applying for funding.
Approvals	Approvals are the legislative requirements or certifications that verify the implementation of a technology, infrastructure, or product. They involve compliance checks related to regulations, development guidelines or other technological standards. Obtaining approvals ensures that the technology or product meets the necessary requirements and can be legally implemented or marketed.
Business day	A day that is not a Saturday, Sunday, public holiday or bank holiday in Sydney, New South Wales.
CAPEX	Capital expenditure.
Clean Technology Innovation	The program to which the guidelines and guidance documents applies to.
Co-funding	Financial support of a successful project provided by the Department and a private sector entity or entities.
Commercial readiness stream	A 2-stage clean technology innovation funding stream.
Commercialisation	The process of transforming a new product or service all the way from inception to a bankable asset.
Commercial-in-confidence information	Any information that discloses your financing arrangements, cost structure, profit margins or full base case financial model. Intellectual property for which you have an interest. Any matter the disclosure of which would place you at a substantial commercial disadvantage.
Commercial principles	A set of principles made available by the Department which broadly represent how the Department expects funding arrangements to be provided and the outcomes this will achieve.

Term	Definition
Commercial readiness index (CRI)	The CRI measures the commercial readiness of proposed projects. It extends from the stage where there is research to prove that the technology is feasible (CRI 1) in the field to when the technology or application is being commercially deployed and has become a bankable asset class (CRI 6).
Conflict of interest	A situation where a reasonable person might perceive that the personal interest(s) of any person who is involved in the assessment process could be favoured over the performance of their assessment duties and responsibilities.
Corporations Act	<i>Corporations Act 2001 (Cth)</i>
Decarbonisation	The shift from activities that are greenhouse gas (GHG) emissions-intensive to activities with low or no GHG emissions or activities that capture, remove or offset carbon emissions.
Detailed application	Only stage of the application process for funding through the clean technology innovation product development stream. Second stage of the application process for funding through the clean technology commercial readiness stream.
Eligible applications	An application for funding through the clean technology innovation grant that the Department has determined is eligible for assessment in accordance with these guidelines.
Eligibility criteria	Eligibility criteria set out in the eligibility and merit criteria section of these guidelines.
Feasibility study	An analysis that aids in gauging a project's viability. Its main objective is to evaluate a project's technical and commercial feasibility or provide insight into the vital insights into the practicability of proposed project techniques. This aids stakeholders in making enlightened decisions about whether to push through to the next project phase, alter the scope or explore alternatives based on the results.
Funding agreement	An agreement between the Department and a recipient under which clean technology innovation funding is provided to the recipient.
Funding guidelines	Approved framework for the operation and administration of funding through the clean technology innovation. NOTE: This document will be amended and updated as needed to be current and accurate.
Grant funding	Grant funding provided by the Department under the clean technology innovation.
Intellectual property	Includes: <ul style="list-style-type: none"> a. all rights in relation to copyright, inventions, plant varieties, trademarks, designs, patents b. all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields including trade secrets and know-how, but does not include moral rights.
Infrastructure	Infrastructure is broadly defined under these grants as new or improved assets, facilities or services (physical and digital) which help accelerate research, development and commercialisation of innovative clean technologies and business models in NSW.
Joint applicant	An organisation that is contributing funding and/or resources to the delivery of the project.
Lead applicant	The organisation submitting the EOI and detailed application, on behalf of themselves or a consortium or group. The Department will only enter into a funding agreement with the lead applicant.

Term	Definition
Merit criteria	The merit criteria as defined in the project development stream and commercial readiness stream guidelines.
Net zero emissions	Balancing carbon emissions produced with carbon emissions taken out of the atmosphere. For example, through technologies or actions that eliminate, capture, remove or offset emissions.
Net zero manufacturing initiative (NZM)	The net zero manufacturing initiative funded by the NSW Government
NSW	The state of New South Wales
Department of Climate Change, Energy, the Environment and Water (the Department)	The NSW Government department, which at the time of publication, has the responsibility for the administration of the clean technology innovation grants and guidelines.
Operational carbon	The total greenhouse emissions generated during the use/service of a material/product.
Pilot	Pilot study, also referred to as a pilot project or pilot test, is a small-scale test conducted to assess the methods, procedures or feasibility of a project or product before implementing it on a larger scale. It allows for adjustments and refinements to be made based on the outcomes of the pilot study, helping to optimise the project's success when implemented more broadly. The word pilot can be interchangeably used with 'first'.
Product development stream	A single-stage clean technology innovation funding stream.
Project	A project described in an application for funding under the clean technology innovation.
Project milestone	Represents the completion of a major step in the project that requires the commitment of a certain amount of time, resources and effort.
Prototype	Prototype is the initial or pilot version of a product or project that allows the concept to be demonstrated to the market. It serves as a test model to validate and verify the design and functionality of the product. Successful prototypes can be further developed and scaled up for manufacturing.
Product /Technology Verification	A systematic process that involves testing, safety, usability and commissioning. It ensures that the product meets the required standards and functions effectively in its intended environment. Product evaluation can include various testing procedures, both in controlled laboratory settings and real-world applications.
Recipient	An applicant that has been offered funding through the Clean Technology Innovation program and has entered into a funding agreement with the Department.
Technology development	Technology refers to machinery, equipment, processes, products, or services that are innovative in nature and fall within the scope of the Clean Technology Innovation program objectives. Technology can range from new inventions and breakthroughs to improvements on existing solutions

Appendix B: technology readiness level

Figure 6 Technology readiness levels and commercial readiness index



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The technology readiness level (TRL) index is a globally accepted benchmarking tool for tracking progress and supporting development of a specific technology through the early stages of the technology development chain from blue sky research (TRL 1) to actual system demonstration over the full range of expected conditions (TRL 9).

Table 4 provides a description for each TRL. See [ARENA’s Technology Readiness Levels](#) for further information.

Table 4 Technology readiness level descriptions

Level	Summary
1	Basic principles observed and report: Transition from scientific research to applied research. Essential characteristics and behaviours of systems and architectures. Descriptive tools are mathematical formulations or algorithms.
2	Technology concept and/or application formulated: Applied research. Theory and scientific principles are focused on a specific application area to define the concept. Characteristics of the application are described. Analytical tools are developed for simulation or analysis of the application.
3	Analytical and experimental critical function and/or characteristic proof of concept: Proof of concept validation. Active research and development are initiated with analytical and laboratory studies. Demonstration of technical feasibility using breadboard or brassboard implementations that are exercised with representative data.
4	Component/subsystem validation in laboratory environment: Standalone prototyping implementation and test. Integration of technology elements. Experiments with full-scale problems or data sets.
5	System/subsystem/component validation in relevant environment: Thorough testing of prototyping in representative environment. Basic technology elements integrated with reasonably realistic supporting elements. Prototyping implementations conform to target environment and interfaces.
6	System/subsystem model or prototyping demonstration in a relevant end-to-end environment: Prototyping implementations on full-scale realistic problems. Partially integrated with existing systems. Limited documentation available. Engineering feasibility fully demonstrated in actual system application
7	System prototyping demonstration in an operational environment: System prototyping demonstration in operational environment. System is at or near scale of the operational system with most functions available for demonstration and test. Well integrated with collateral and ancillary systems. Limited documentation available
8	Actual system completed and qualified through test and demonstration in an operational environment: End of system development. Fully integrated with operational hardware and software systems. Most user documentation, training documentation and maintenance documentation completed. All functionality tested in simulated and operational scenarios. Verification and validation (V&V) completed
9	Actual system proven through successful operations: Fully integrated with operational hardware/software systems. Actual system has been thoroughly demonstrated and tested in its operational environment. All documentation completed. Successful operational experience. Sustaining engineering support in place

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Appendix C: commercial readiness index

The commercial readiness index (CRI) measures the commercial readiness of projects. It extends from the stage where there is research to prove that the technology is feasible (CRI 1) in the field to when the technology or application is being commercially deployed and has become a bankable asset class (CRI 6).

There are 2 components to the CRI, the status summary and the detailed indicators. The status summary correlates to the current status in the market and does not require each of the individual indicators to be at the same level as the status summary. The indicators are used to reflect the commercialisation process along key dimensions.

Table 5 identifies the status summary (blue component of the CRI) and detailed indicators (purple component of the CRI).

See [ARENA's Commercial Readiness Index](#) for further information.

Table 5 CRI – status summary and indicators

Status summary level						
Indicators	Bankable Grade' asset class	Market competition deriving widespread deployment	Multiple commercial applications	Commercial scale up	Commercial trial	Hypothetical commercial proposition
Regulatory environment						
Stakeholder acceptance						
Technical performance						
Financial performance – costs						
Financial proposition – revenue						
Industry supply chain & skills						
Market opportunities						
Company maturity						
	6	5	4	3	2	1

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Table 6 provides a description for the status summary at each level.

Table 6 CRI descriptions

Level	Summary
1	Hypothetical commercial proposition: Technically ready – commercially untested and unproven. Commercial proposition driven by technology advocates with little or no evidence of verifiable technical or financial data to substantiate claims.
2	Commercial trial: Small-scale, first of a kind project funded by equity and government project support. Commercial proposition backed by evidence of verifiable data typically not in the public domain.
3	Commercial scale up occurring driven by specific policy and emerging debt finance. Commercial proposition being driven by technology proponents and market segment participants. Publicly discoverable data driving emerging interest from finance and regulatory sectors.
4	Multiple commercial applications becoming evident locally although still subsidised. Verifiable data on technical and financial performance in the public domain driving interest from variety of debt and equity sources however still requiring government support. Regulatory challenges being addressed in multiple jurisdictions.
5	Market competition driving widespread deployment in context of long-term policy settings. Competition emerging across all areas of supply chain with commoditisation of key components and financial products occurring.
6	'Bankable' grade asset class driven by same criteria as other mature energy technologies. Considered as a 'bankable' grade asset class with known standards and performance expectations. Market and technology risks not driving investment decisions. Proponent capability, pricing and other typical market forces driving uptake.

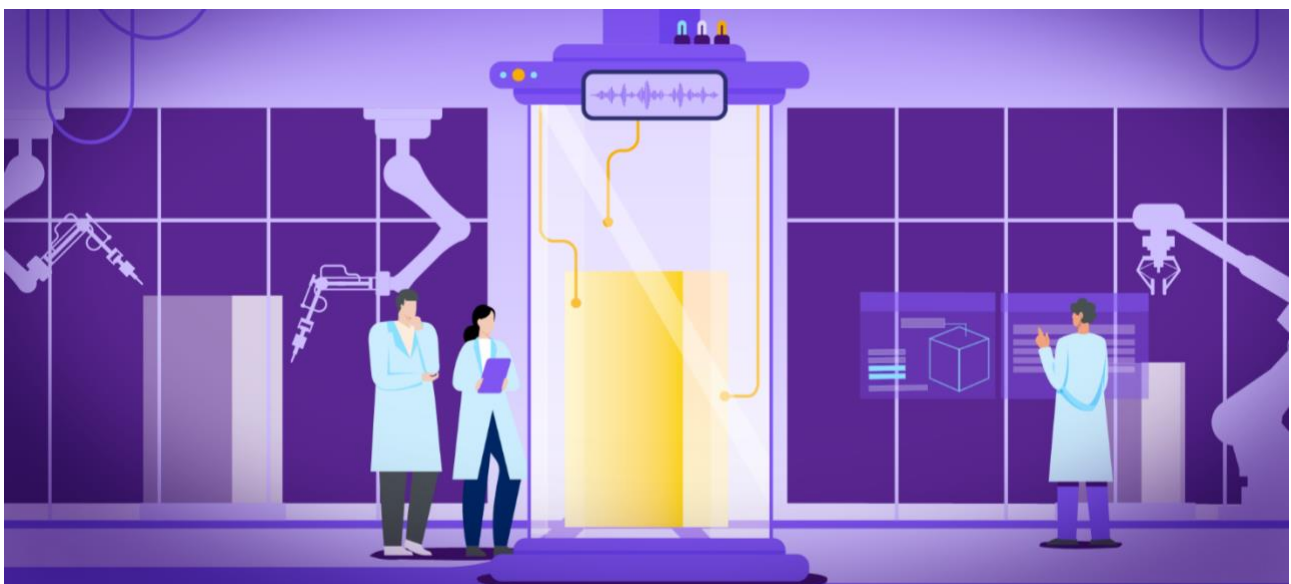
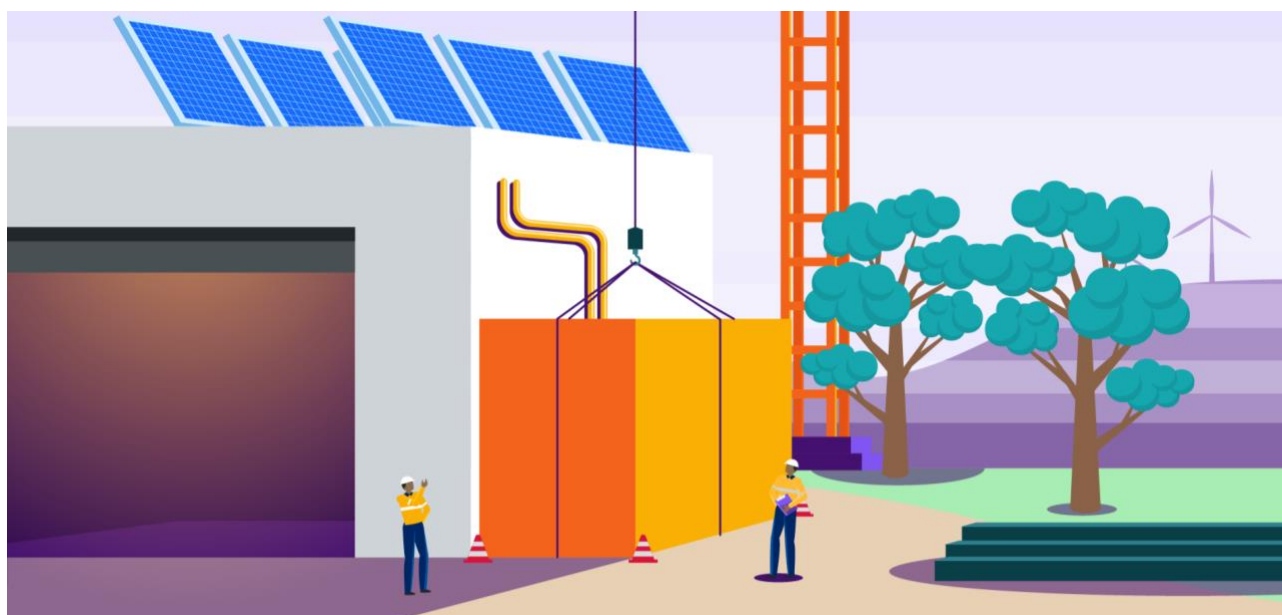


Table 7 provides a description for each Indicator.

Table 7 Indicator descriptions

Indicators	Summary of indicators
Regulatory environment	The maturity of the planning, permitting and standards relating to the technology.
Stakeholder acceptance	The maturity of the process for evidence-based stakeholder consultation linked to renewable energy integration into the energy markets.
Technical performance	The availability of discoverable technical performance information.
Financial proposition – costs Financial proposition – revenue	The availability of robust, competitive financial information linked to capital and operating costs and forecast revenues allowing investors to take increasing levels of future market and project risk.
Industry supply chain and skills	The development of a competitive and efficient industry product and skills supply chain required to support a commercially viable sector.
Market Opportunities	The development from a hypothetical commercial plan to the demonstration of a viable market (local and/or overseas) via competitive channels to market and sustainable business models.
Company maturity	The development of the sector to include established companies with strong credit ratings and established performance records.





For more information

For more information about the Net Zero Manufacturing Initiative grants please visit our website or contact us via the email below.

www.energy.nsw.gov.au/net-zero-manufacturing-initiative |
netzeroinnovation@environment.nsw.gov.au