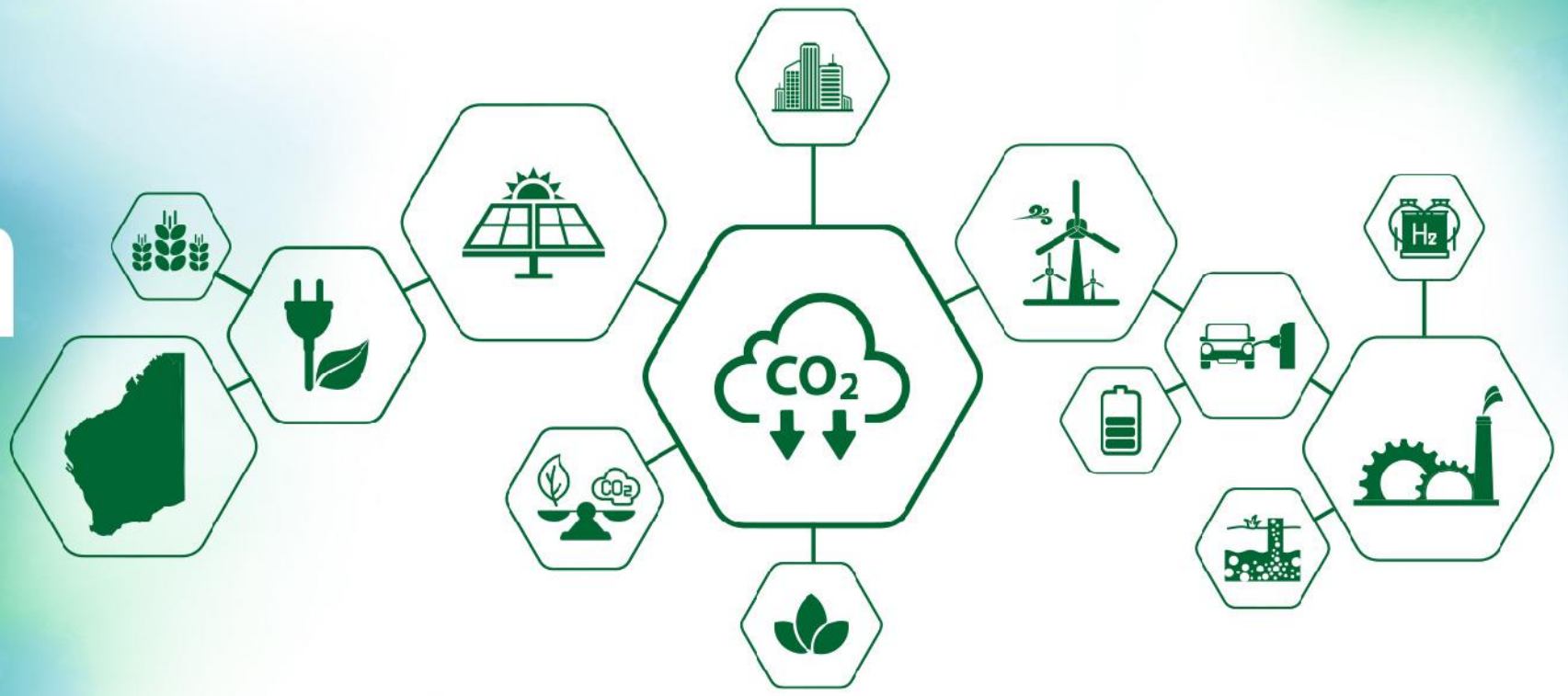
Carbon Innovation Grants Program

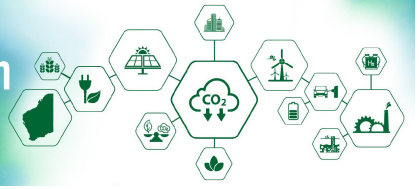


Information session

Agenda

- Presentation for 45 minutes with time for questions after
- Overview of Carbon Innovation Grants Program followed by a walk through of the Financial Model template
- Please use chat function to ask your questions at any time
- Webinar is being recorded and will posted on the program website
- Further webinars will be announced on the program website.

Carbon Innovation Grants Program



Objectives of the Program

- Reduction of carbon emissions from heavy industry processes in Western Australia
- Support of the development of innovative technologies for carbon abatement and sequestration
- Maximisation of co-benefits for the environment and the Western Australian economy
- Increase of the supply of carbon credits enabling heavy industry to offset residual emissions (optional)

Aim of the Program

To improve the pathways for heavy industry to decarbonise by investment in new and innovative technologies, the program will support projects across the emission reduction hierarchy by:

- directly reducing or avoiding emissions at an industrial facility through changes to processes
- capturing and permanently storing carbon emission from a facility
- offsetting hard-to-abate emissions through the creation of carbon credits in partnership between industry and carbon credit providers

Funding streams

- Stream 1 – Feasibility studies
  - Technology development to move from concept through to real-world trials.
  - Minimum funding limit of $50,000 with a maximum funding limit of $500,000.
  - No more than 50 per cent of eligible project costs
- Stream 2 – Pilot projects and capital works
  - Real-world pilot trials to enable technologies to scale up to full commercial ready applications
  - Minimum funding limit of $100,000 with a maximum funding limit of $1.5 million
  - No more than 25 per cent of eligible project costs

Eligibility

- Australian Business Number (ABN) and be GST registered
- Meet eligible entity definition as stated in Applicant Guidelines
- Members of the management team must be fit and proper persons
- If intending to generate carbon credits, demonstration of the ability to meet the eligibility criteria relevant to the proposed carbon crediting method
- In addition, a project proposal must:
  - be located in WA or involve feasibility studies specific to sites or locations in WA
  - seek funding within the published funding range and other nominated financial commitment thresholds
  - demonstrate clear alignment to the CIGP objectives
  - be able to start and complete the project within required timeframes

Merit criteria

- Reduction of emissions
- Presentation of a business case
- Ability to deliver
- Innovation and potential for wider adoption
- Public good

How to apply for the CIGP

- Applications must be made using the SmartyGrants portal
- Refer to the Applicant Guidelines when making your submission
- Download and complete the Financial Model template and Risk Register template
- Deadline for applications is 2pm, 16 December 2022
- Contact details: carbongrants@dwer.wa.gov.au or 08 6364 7666

Financial Model

- The purpose of the Financial Model is to:
  - capture key elements of the project including costs, sources of funding and expected emissions savings
  - enable evidence-based assessment against the merit criteria in a format that can be easily compared between projects
  - provide an overview of project timelines and deliverables

- Financial Model case studies are provided as a guide on the CIGP website

- Key elements of the model are discussed in the following slides, we will then review the pilot and capital works case study in more detail

Financial Model

- There are five tabs within each Financial Model template
  - Instructions
  - Project summary
  - Financial Model
  - In-kind contributions
  - CIGP merit criteria

There are separate templates for feasibility studies and pilot projects and capital works

Green is for user input of values or labels like cost components and milestone descriptions
Light green is for values with a calculated default that you can type over
Yellow highlighting indicates a value has been typed over a formula

Financial Model

- Key elements of the Financial Model
  - Project costs and revenue sources
  - Carbon emissions and savings:
    - compares between the current state and what is expected to be achieved after the project is implemented
    - classifies emissions into three categories, including raw materials, industrial processing and sequestration
    - Focus on Scope 1 and 2 emissions but includes provision for Scope 3
  - Long-term costs and benefits including return on investment (ROI) calculations
  - Pilot projects and capital works template:
    - includes an additional section to assess emissions from construction
    - includes a more detailed assessment of CIGP funding impact on ROI calculations

Pilot project case study

Project: Renewable hydrogen electrolysis pilot plant for ammonia production

Description: This case example seeks funding to construct a pilot-scale hydrogen electrolysis plant, powered by renewable energy via a PPA ('**RE Hydrogen**'), to replace hydrogen sourced from natural gas, for use in the ammonia production process. Hydrogen will be mixed with the existing fossil fuel hydrogen source, to lower the overall processing emissions intensity.

NOTE!
All case study numbers are fictional and may not represent a real-world scenario in terms of potential emissions reduction and financial costs or savings. The case study is only designed as an example of how to use the Financial Model template and should not be used as a basis for a grant application.