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100 Neighbourhood Batteries Program Frequently Asked Questions

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Below are questions we have been asked about the 100 Neighbourhood Batteries Program.

**If there is something that is not covered below, please email us at:** [**neighbourhood.batteries@deeca.vic.gov.au**](mailto:neighbourhood.batteries@deeca.vic.gov.au)

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## About the 100 Neighbourhood Batteries Program

### How does Round 2 of the 100 Neighbourhood Batteries (100NB) Program differ from Round 1?

The following key changes have been made between Rounds 1 and 2 of the 100NB Program:

* Applicants are advised that value for money will still be assessed on a $/kWh basis.
* Minimum battery size: The minimum battery size for all streams has decreased from 50kW/100kWh to 20kW/40kWh.
* Maximum battery size: The maximum battery size has increased from 5MW/10MWh to 5MW/20MWh across all streams.
* New ‘Delivering energy resilience’ stream: Round 2 includes a new stream to fund energy back-up systems that will be capable of continuing to supply power to one or more publicly accessible buildings during grid outages. Each energy back up system must include an eligible neighbourhood battery and may also include installation of any or all of the following: solar PV, generator and management systems.

### What are the minimum and maximum amounts of funding available for individual projects?

There is no minimum funding amount.

Maximum of $400,000 funding available per battery.

Applicants seeking funding for installation of more than one battery are encouraged to submit a single application. The combined funding sought should equal no more than the total eligible per battery funding.

For instance: an applicant seeking $120,000 funding for one battery project and $330,000 funding for another battery project may make a single application for $450,000 grant funding.

### What can be funded under Stream 1 of the 100NB Program?

Stream 1 of the 100NB Program makes available up to $400,000 per battery for implementation of one or more neighbourhood batteries that deliver quantified benefits for both the electricity network and the local community. A minimum 30% cash co-contribution is required for Stream 1.

### What can be funded under Stream 2 of the 100NB Program?

Stream 2 of the 100NB Program makes available up to $400,000 per battery for implementation of one or more neighbourhood batteries that deliver quantified benefits for the local community. A minimum 10% cash co-contribution is required for Stream 2.

### What can be funded under Stream 3 of the 100NB Program?

Stream 3 of the 100NB Program makes available up to $400,000 per battery for implementation of one or more energy back-up systems that will be capable of continuing to supply power to one or more publicly accessible building during grid outages. Each energy back-up system must include an eligible neighbourhood battery and may also include installation of any or all of the following: solar photovoltaics (PV), generator and management systems. A minimum 5% cash co-contribution is required for Stream 3.

### How big is a neighbourhood-scale battery?

* + - 1. A neighbourhood battery is a mid-scale energy storage device, generally with a storage capacity of 40kWh – 1 MWh.

Note: the 100NB Program will fund batteries from 20kW/40kWh to 5MW/20MWh.

### Can I apply for funding for more than one battery at a location?

No, DEECA will assess the installation of multiple batteries connected to a single connection point as a *single* battery. This kind of project will only be eligible to apply for maximum funding of $400,000 per battery/connection point. For example, 2 x 25kW batteries connected to the same connection point in an apartment building would be considered 50kW of combined battery storage.

However, applicants can apply for funding for multiple batteries in the same town, as long as the batteries are connected at different connection points.

Please note that as per the Section 5 of the Application Guidelines projects located in areas that have **not** previously received funding from this Program will be given priority.

## About the application process

### What are some things I should consider when preparing my application?

All applicants must submit the following documents with their application:

1. Project Plan

2. Budget using DEECA template

3. Project Delivery Schedule

4. Risk Management Log

5. Financial Model

6. Three years of Financial Records for Lead Organisation or Parent Company

7. Letter/s of support from Participating Organisation/s (if relevant).

If a Project Plan includes any or all of the other documents, applicants are not required to submit these documents separately.

DEECA templates for some of the above are available under ‘[Supporting documents you need to provide’](https://www.energy.vic.gov.au/grants/neighbourhood-batteries/100-neighbourhood-batteries-program-grants).

Applicants must use DEECA’s Budget template but are permitted to use their own templates for the Project Delivery Schedule and Risk Management Log, where they contain all the same information as a minimum and are comparable in format. The Risk Management Log must include risk associated with the delivery of the project as funded by this grant, and ongoing operational risks associated with the battery(s) operation.

Additional funding can come from any source including Commonwealth and Local Government grants. Additional funding can be used to partially or wholly fund the mandatory cash co-contribution. Funding from these sources must not be used for the same items of eligible expenditure funded by this grant program.

### Are we eligible to apply if we’re not in one of the 29 priority Local Government Area’s (LGAs) listed in the Application Guidelines?

Applicants are encouraged to apply for funding for projects located in any Victorian LGA. Irrespective of the LGA, the project and applicant must meet the eligibility criteria outlined on pages 4-6 of the Application Guidelines.

### We are based at one of the 29 priority LGAs listed in the Application Guidelines - how do we get a neighbourhood battery?

The 100NB Program is a competitive grant program. Funds for the installation of neighbourhood batteries will be allocated to successful grant applicants.

In order for neighbourhood batteries to be installed in the 29 LGAs, an eligible application must be submitted, assessed as being of sufficient merit in the competitive assessment process and approved for funding by the Minister for Energy and Resources as per the Application Guidelines.

### Can we apply for an embedded network or microgrid?

Neighbourhood-scale batteries connected behind the meter to an embedded network or microgrid may be eligible for funding through this program if the applicant and application meets all other criteria.

Applicants should consider which funding stream would be most appropriate for their application.

### We have previously applied to NBI/Round 1 of the 100NB Program. Can we still apply for this program?

Yes. All past applicants can apply for funding under Round 2 of the 100NB Program.

## Community and network benefits

### What are network benefits?

Network benefits of neighbourhood batteries may include:

* better regulation of voltage management
* mitigating minimum and/or peak demand
* increased network reliability
* increased network resilience
* reduced costs of network upgrades.

### What are community benefits?

Community benefits may include, but are not limited to:

* decreased bills for low income and vulnerable households. Done by installing neighbourhood batteries on new or existing social and public housing stock, especially where onsite solar PV is present.
* decreased bills for homeowners. Done by installing batteries to reduce existing, or preventing new, export constraints, thereby incentivising installation of solar PV systems by reducing their payback time.
* decreased costs for not-for-profit organisations, community groups or local sporting clubs. Done by installing batteries on Council-owned or community-owned facilities, such as community kitchens, sport pavilions, community halls, and neighbourhood houses.
* increased energy resilience for communities located in network areas vulnerable to prolonged power outages. Done by installing energy back-up systems with neighbourhood batteries to continue to supply power to publicly accessible buildings during grid outages.
  + - 1. In all cases, community benefits should be a **net benefit** to the local community.
      2. For instance, installing a battery on a community building to reduce the energy costs of the building is not a net benefit to the community, unless it can be demonstrated how this flows back to the community. This could include reduced fees or increased services to the local community. Other potential examples of community benefits could include using the cost savings from reduced energy bills to subsidise residential energy efficiency upgrades for local low-income residents or a reduced rate retail offer.
      3. Installation of a neighbourhood battery on a private commercial premise **may** be eligible for grant funding if it can demonstrate an operation model that will deliver a net benefit to the community. For instance, using profits from battery operation to subsidise the energy costs of a local community services organisation.
      4. A battery may deliver multiple types of benefits. The type and size of the benefits must be described and quantified in your business case and grant application.

### Would decreasing costs for a local sporting club be enough to demonstrate our project would deliver a community benefit?

Decreasing costs for a local sporting club could constitute a community benefit if the cost savings are passed on to club members or the broader community.

For instance, if the installation of a neighbourhood battery on a cricket clubhouse resulted in decreased electricity costs for the cricket club, then the community benefit may be demonstrated by decreased hiring costs for community members who wish to hire the clubhouse for events or spending savings on upgrading facilities and/or purchasing supplies to prepare facilities to provide better community support during emergencies.

So, the neighbourhood battery has saved the club money, and they have articulated how these savings benefit the broader community.

The magnitude of the community benefit should be in proportion to:

* savings or revenue generated by the battery
* the number of people (directly or indirectly) receiving the benefit
* the size of the benefit they received.

An organisation that owns/operates a single neighbourhood battery generating a small cost saving or revenue would be unlikely to establish a strong enough community benefit fund/project. Conversely, a larger or multi-battery project should consider how community benefits can be shared equitably across a larger number of households.

If submitting a grant application for this program, we recommend including as much detail as possible on the community benefits, including and not limited to the following:

* if there are energy cost savings, how will those funds be distributed or used?
* who will benefit from the sporting club having reduced energy costs?
* if the project aims to trade on the energy market or be paid for network services, how will the profits be used to benefit the club and/or the broader community?

## Battery Safety and Disposal

### What is the required safety management for neighbourhood batteries?

The Victoria Government wants to ensure that community members feel safe and comfortable having these batteries in their local area.

Whether funded by the 100NB Program or otherwise, all neighbourhood batteries are required to meet Australian safety standards and guidelines. This includes adhering to regulations for licensed electrical works that include Australian Standards such as AS/NZS3000 (Wiring Rules), AS/NZS 4777 (Inverter Standard), and AS/NZS 5139 (Battery Installation Standard).

In delivering the projects, all grant recipients are required to comply with all relevant Commonwealth and state/territory legislations and regulations, including but not limited to:

* Occupational Health and Safety Act 2004
* Planning and Environment Act 1987
* Climate Change Act 2017
* Electricity Safety Act 1998
* National Electricity (Victoria) Act 2005
* Electricity Industry Act 2000.

### What happens to a neighbourhood battery once it reaches its end of life?

We know that batteries have an expected lifespan and what happens to them after they reach this limit is an important concern for communities. This will become an increasingly important issue as electric vehicles become a larger part of our transport fleet. It is a key focus of the Victorian Government’s policy workstream.

We are currently considering the lifecycle impacts of neighbourhood batteries as part of Victoria’s circular economy policy. This includes product stewardship arrangements that emphasise diverting and reducing battery waste through re-designing and recycling.

## New Q&As added 2 September 2024

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### I want to put a neighbourhood battery on a building to create a local neighbourhood heat refuge. Under which stream should I apply?

If the neighbourhood house, library or other building serving as a heat refuge is in a location that has poor energy resilience (e.g. suffers from frequent and/or prolonged power outages), we would suggest that you applied under Stream 3.

However, if the building serving as a heat refuge is in a location that has good energy reliability (i.e. rarely has outages and they generally don’t last more than an hour), we would suggest that you applied under Stream 2.

### Can I apply for funding under multiple streams in one application?

Applications are made per stream. You are welcome to apply for multiple projects/batteries under one application but all the projects must be seeking funding under the same stream.

For example, if you are seeking funding for some projects under Stream 2 and some projects under Stream 3, please submit two separate applications: one for Stream 2 funding and one for Stream 3 funding.

### Can we submit a joint application for multiple batteries in different locations?

Yes, eligible applicants may work together to submit a joint application for more than one battery. For instance, community groups from two different towns may wish to make a single joint application for one battery in each of their towns.

However, please note that there can only be one Lead Organisation per application. The Lead Organisation must have an Australian Business Number (ABN) and be registered for GST. If successful, all funding can only be given to the Lead Organisation throughout the duration of the project and it would be their responsibility to manage the grant funding and deliver the project in accordance with a signed Funding Agreement with the State of Victoria.

Is there a maximum number of batteries for which we can seek funding?

You may seek funding for any number of batteries as long as they meet the eligibility criteria. Your application must provide sufficient detail to allow DEECA to assess the merit of both the overall project and each battery against the assessment criteria.

DEECA reserves the right to approve a project with a reduced number of batteries if some of the proposed batteries don’t score well on the assessment criteria. In this situation, the grant funding would be reduced relative to the reduction in number of batteries.

### What happens when multiple applications are received from different applicants for projects proposed within the same Local Government Area?

All applications will be assessed individually on their merits using the assessment criteria presented in the Round 2 Application Guidelines.

If two of more applications for projects within the same LGA are received and both projects score strongly on the assessment criteria, DEECA will then consider the community benefits of funding all the batteries proposed across the multiple applications. DEECA reserves the right to approve a project with a reduced number of batteries if some of the proposed battery locations will be funded under another 100NB-funded project.

## New Q&As added 13 September 2024

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### How should applications seeking funding under Stream 3 calculate Return on Investment?

Under Criteria 4, applicants are required to provide evidence of a financial model for their battery, including expected return on investment (ROI), revenues and cost.

For the purposes of Stream 3 applicants, please interpret “battery” as “energy back-up system” when reporting expected return on investment (ROI), revenues and cost.

Therefore, you will provide the following:

* expected return on investment (ROI) over the life of the energy back-up system(s)
* expected revenues over the life of the energy back-up system(s), including the source of these revenue projections
* expected costs over the lifetime of the energy back-up system(s), with clear breakdown of cost categories

Also required under Criteria 4:

* the “calculation of the battery(s) capital cost per kilowatt hour” should be based on the battery capital cost alone, not the cost of the full energy back-up system
* the “calculation of the total project cost per kilowatt hour of total installed battery(s)” should be based on the kilowatt hour storage capacity of the battery alone, not the generation capacity of the full energy back-up system.

### Will there be a Round 3 of the 100 Neighbourhood Batteries Program?

Yes, a third round of 100NB grant funding is expected to open in Q1 2025.

There are no plans for additional funding rounds beyond Round 3.

### Could grant funding be used to upgrade the switchboard to which the neighbourhood battery will be connected?

Yes, grant funding may be used through any of the three funding streams to fund reasonable site works necessary to facilitate the installation of a neighbourhood battery. These could include pouring a concrete slab on which to locate the battery, upgrading your switchboard, upgrading a solar inverter to interface with your neighbourhood battery, upgrading wiring etc. Such works must be clearly identified in your project plan and project budget.

Note that any works should be carefully considered and only included if integral to project delivery as they will increase the overall project cost and change the value for money data provided for Criteria 4.   
  
Please consult Section 6 of the Round 2 Application Guidelines to check that you are not seeking funding for any ineligible expenses or activities. If you are uncertain, please contact us at [neighbourhood.batteries@deeca.vic.gov.au](mailto:neighbourhood.batteries@deeca.vic.gov.au) to seek clarification.

### We have previously received grants for back-up power infrastructure, such as diesel generators. Could we apply for Stream 3 funding for a new solar and battery system on the same site?

Yes, eligible applicants may seek funding under Stream 3 to install a neighbourhood battery and other eligible energy back-up system components to enhance the energy resilience capacity of existing infrastructure.

Projects funded under Stream 3 must install a neighbourhood battery that will supply power to a publicly accessible building during outages. In addition to the battery, the project may also install other equipment, such as solar PV, solar and battery inverters, and management systems, to create a complete energy back-up. If you already have an existing diesel generator or other assets, such as solar PV, we encourage you to document in your application how those assets would be integrated into the energy back-up system with the neighbourhood battery.

Alternatively, if you would not be integrating some existing energy assets into the energy back-up system, your application should include an explanation as to why.

DEECA will assess all applications against the assessment criteria (see ‘[How we will assess applications](https://www.energy.vic.gov.au/grants/neighbourhood-batteries/100-neighbourhood-batteries-program-grants)’ in the [Application Guidelines](https://www.energy.vic.gov.au/__data/assets/word_doc/0030/714666/100NB-R2-application-guidelines-2024.docx)). To give yourself the best opportunity to score well on the assessment criteria, we encourage you to include a clear rationale as to why a neighbourhood battery and solar is needed at the site *in addition* to the existing diesel generators, and what community benefits will be delivered by an energy back-up system that would not be possible with the generators alone.

### Are projects installing a neighbourhood battery with solar photovoltaics eligible for funding under all streams?

Grant funding **cannot** be spent on solar photovoltaics (PV) under Streams 1 and 2 of the Program. Stream 3 is the only stream that can fund projects for the installation of new solar PV, generator and/or energy management systems, in addition to a neighbourhood battery.

The installation, operation or maintenance of generation technologies (e.g. solar panels, diesel generators) are not eligible activities to receive funding under Streams 1 or 2. However, they may be delivered alongside the installation of a neighbourhood battery, so long as they are separately budgeted for and funded **by the applicant, including through other funding sources/grant programs.**

### Is there a limit on the number of back-up systems that can be applied for?

As with the number of neighbourhood batteries, there is **no** limit on the number of back-up systems you can apply for, as long as they all meet the eligibility criteria.

If applying for multiple back-up systems in a single application, you must provide sufficient detail to allow DEECA to assess the merits of the overall project and each back-up system individually against the assessment criteria.

DEECA reserves the right to approve a project with a reduced number of back-up systems if some of the proposed systems don’t score well on the assessment criteria. In this situation, the grant funding would be reduced relative to the reduction in number of back-up systems.

### Can stackable modules be combined to meet the minimum storage requirements?

### Yes, stackable modules can be used to achieve the minimum battery size of 20kW/40kWh. Please **note** that the stackable modules must be connected to a single connection point to be considered as part of the same battery under this Program.

For example, a project installing 4 x 10kW/20kWh stackable battery modules in series would be assessed as a single 40kW/80kWh battery, if connected to single connection point.

### Can I install a neighbourhood battery on land that I am leasing?

The lead organisation does *not* need to own the land on which the battery is installed; it can be leased from the landowner. However, as part of your application, you will need to provide evidence showing the status of land access for the proposed project location, including a letter of support from the landowner. If the application is successful in securing an offer of grant funding, a signed Landlord Agreement would be required as a project milestone deliverable under a signed Funding Agreement with the State of Victoria.

## New Q&As added 23 September 2024

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### Assessment Criteria 3 in the Application Guidelines requests projects to submit “evidence of intention to secure appropriate insurance for project activities”. What does sufficient ‘evidence of intention’ look like?

Applicants will need to provide evidence that they have investigated and are aware of the costs of a suitable insurance product (e.g. public liability and/or property insurance) for their neighbourhood battery. Evidence may include quotes from insurers or brokers, or confirmation that batteries could be covered under pre-existing insurance policies.

It is important that applicants demonstrate their awareness of, and planning for, neighbourhood battery operation costs such as insurance in the business plan, as ongoing costs are not eligible for grant funding.

### What evidence is required to show that an applicant will fulfill the co-contribution requirements?

Applicants must have secured, or have evidence of a commitment to provide, a cash co-contribution towards the project. This cash co-contribution must meet the minimum threshold of your chosen funding stream.

An example of evidence may include a letter of support or official correspondence from the source/s of this co-contribution.

### Is there a way to view the entire application form, prior to filling in the pages step by step online

Yes, when you open a new application for your chosen stream, click ‘View as PDF’ (bottom of page) which will display the entire application form as a PDF. You can then download, print and share this form as needed.

You can also save and review any part of your application form at any time before submission.

If you would like assistance navigating the application portal, please email [grantsinfo@deeca.vic.gov.au](mailto:grantsinfo@delwp.vic.gov.au) and quote your application number.

### Where can I find the presentation slides from DEECA’s recent 100NB - Round 2 information session?

The presentation slides from the information session held on Monday 16th September have been uploaded to the 100 Neighbourhood Batteries website [‘Tools and resources’ page](https://www.energy.vic.gov.au/grants/neighbourhood-batteries/tools-and-resources).

### Are costs for a generator change-over switch eligible for funding?

Yes, costs for generator change-over switches and other essential components of an energy back-up system(s) are eligible for funding under Stream 3: Delivering energy resilience. Such components must be clearly identified in your project plan and project budget.

Note that any equipment should be carefully considered and only included if integral to project delivery as all additional assets will increase the overall project cost and change the value for money data provided for Criteria 4.   
  
Please consult Section 6 of the Round 2 Application Guidelines to check that you are not seeking funding for any ineligible expenses or activities.

### Is there a preference on battery type or chemistry?

DEECA has no preference with regard to battery types or chemistry, so long as the batteries meet the eligibility criteria. Every battery has different strengths and attributes. Applicants should consider which battery(s) can best meet their project objectives.

Please note that batteries must be a chemical battery between 20kW/40kWh and 5MW/20MWh and be greater than Technology Readiness Level 9 (Download this document for more details: [arena.gov.au/assets/2014/02/Technology-Readiness-Levels.pdf](http://www.arena.gov.au/assets/2014/02/Technology-Readiness-Levels.pdf)).

### What evidence is required at application stage to show battery installation costs?

A project budget with costs based on the best available information must be submitted in your application. Battery installation costs could be estimated based on desktop research of similar projects. However, quotes from suppliers and/or installers will provide you with greater confidence regarding the accuracy of your project budget and therefore greater accuracy in calculating your requested grant amount.

An application with a business case that includes quotes for key budget items is likely to score more highly against Criteria 3 and 4 of the assessment criteria (see Section 7 in the [Application Guidelines](https://www.energy.vic.gov.au/__data/assets/word_doc/0027/717903/100NB-Round2-App-Guidelines-August-2024.docx)).

For further guidance, download the [Revenue Cost and Benefit Development Tool](https://www.energy.vic.gov.au/__data/assets/excel_doc/0016/715210/100-neighbourhood-revenue-cost-and-benefit-development-tool.xlsx) on the ‘Tools and resources’ page of our [website](https://www.energy.vic.gov.au/grants/neighbourhood-batteries/tools-and-resources), which aims to assist applicants to identify the revenues, costs and benefits of their proposed neighbourhood battery project.

### Can a school apply for funding to install a neighbourhood battery or back-up system at a building on school property?

Yes, as an educational institution, schools are an eligible organisation, as long as they meet all other eligibility criteria as per Section 2 of the Application Guidelines.

If a school does not own the land on which it is located, then as part of your application you will need to provide evidence showing the status of land access for the proposed project location and include a letter of support from the landowner.

Should a Victorian public school be interested in installing a neighbourhood battery, we encourage you to contact the [Victorian School Building Authority](https://www.schoolbuildings.vic.gov.au/contact-victorian-school-building-authority) (VSBA) as early as possible to discuss the idea and arrange a letter of support. The VSBA generally works on behalf of the Department of Education to provide approval for school building projects.

## New Q&As added 14 October 2024

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### Is Electric Vehicle (EV) charging infrastructure eligible expenditure under any streams of the Program?

EV charging infrastructure is *not* eligible under any of the streams of the 100NB Program.

### What details should a Letter of Support from a project partner include?

Generally, a letter of support should confirm any Participating Organisation’s support of the project and may include details such as their:

* background
* connection to the Lead Organisation
* project roles and responsibilities
* cash or in-kind contributions they intend to commit to the project (if any)

### What is a ‘publicly accessible’ building?

Any building that the general public i.e. community/residents or a specific cohort of the general public (where appropriate) can access is considered publicly accessible. For the purpose of this 100NB Program, project sites should be made available to the public and/or a specific cohort during and after a power outage.