**Frequently Asked Questions**

100 Neighbourhood Batteries Program - Round 2



100 Neighbourhood Batteries Program FAQs

[deeca.vic.gov.au](https://delwpvicgovau.sharepoint.com/Users/fionadurante/Downloads/deeca.vic.gov.au)

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)

## 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::

* Funding per battery: The maximum funding has increased from $300,000 to $400,000 per battery. 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 at from <https://www2.delwp.vic.gov.au/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?

Applications 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.