



# Program Guidelines – Green Hydrogen Price Reduction Scheme

October 2023

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# Tasmanian Green Hydrogen

## Price Reduction Scheme 2023

The Tasmanian Government is pleased to announce a further round of funding under the Tasmanian Renewable Hydrogen Industry Development Fund (TRHIDF) to assist the local renewable hydrogen industry develop in Tasmania.

The Government understands Tasmania's competitive advantage regarding the production of renewable hydrogen. This latest funding round, through the Green Hydrogen Price Reduction Scheme (GHPRS), is designed to increase this capability by incentivising businesses intending to produce, sell<sup>1</sup> and use green hydrogen within Tasmania.

The Government is allocating up to \$8 million to reduce the sale price of green hydrogen within Tasmania. The funding aims to bring the sale price of green hydrogen down to a level that is competitive with other energy/fuel sources to become an attractive substitute for end users. It is expected that the funding will ensure that a stable sale price for renewable hydrogen is established, and maintained, for a number of years.

Ensuring a stable, long-term green hydrogen price and supply will further encourage industries and sectors considering green hydrogen as an alternative zero emissions energy or fuel source.

The successful applicant(s) under this scheme will receive funding on a per kilogram basis of green hydrogen sold to end-users. Payments will be based on the difference between the agreed sale price and the cost of production (determined through the application process).

It is expected that this scheme will best support small to medium scale green hydrogen production projects within the range of 5-10MW. However, this is not a requirement, and the government welcomes all proposals that meet the eligibility criteria.

Funding will become available from the 2025–26 financial year. Projects that have a proposed financial close and commissioning timetable that aligns with this may be assessed as being of higher merit than projects

with later commencement dates and timetables. The timetable should be developed to provide an expected timing of key development events supported with firm internal and external evidence.

Potential applicants are strongly encouraged to register their interest in the GHPRS at

[recfit.tas.gov.au/future\\_industries/green\\_hydrogen/ghprs](https://recfit.tas.gov.au/future_industries/green_hydrogen/ghprs)

The scope for the Green Hydrogen Price Reduction Scheme (GHPRS) is as follows:

- Eligible projects must be those that will target production and supply green hydrogen in Tasmania from 2025;
- green hydrogen produced must be produced and used within Tasmania;
- funds will be used to support a reduced price for green hydrogen end-users;
- funds will not be used to directly subsidise energy or other production input costs;
- funds will be paid in arrears and upon the sale of green hydrogen; and
- the subsidy will operate until the funds are exhausted, or to the program end-date, whichever occurs first.

The funding program is available for businesses proposing green hydrogen production projects that are located in Tasmania.

The application process will require applicants to submit a proposal that meets the eligibility criteria and addresses the merit criteria outlined below. Proposals should also include relevant detail to reinforce assumptions and list prospective customers and their confidence in the off-take agreement/s.

Due to the limited funding available for this program, not all eligible applicants will be successful.

Applications for this scheme will be competitively assessed by an independent panel. The panel's assessment of the successful applications will be provided to the Minister for Energy and Renewables for approval.

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<sup>1</sup> For the purposes of the GHPRS "sale" and "sell" also mean an internal transfer where a proponent is both a producer and end user of hydrogen

Further information about GHPRS can be found on the ReCFIT webpage, at [recfit.tas.gov.au/future\\_industries/green\\_hydrogen/ghprs](http://recfit.tas.gov.au/future_industries/green_hydrogen/ghprs)

All enquiries regarding the funding program and these guidelines, and requests for clarification or additional information, must be directed to the contact officer at [ghprs.contactofficer@recfit.tas.gov.au](mailto:ghprs.contactofficer@recfit.tas.gov.au)

## 1. Eligibility criteria

Applicants will be asked to supply documentation to support their eligibility claims, as part of the application process, or as part of an audit process. Information supplied by applicants may be subject to authenticity checks using third party software.

To be eligible for the scheme applicants must:

- 1) commit to a project(s) which is based in Tasmania to produce and use green hydrogen within Tasmania;
- 2) target commencement of green hydrogen production and use by 2025;
- 3) have an active ABN and agree to background financial checks;
- 4) agree to the design of the scheme, being payments based on production and sale of green hydrogen; and
- 5) commit to knowledge-sharing, to maximise the benefit to the emerging Tasmanian green hydrogen industry.

For any queries about the eligibility criteria, contact the project Contact Officer at [ghprs.contactofficer@recfit.tas.gov.au](mailto:ghprs.contactofficer@recfit.tas.gov.au)

### 1.1 Ineligible applicants

Ineligible applicants include:

1. Businesses not registered for Goods and Services Tax (GST);
2. local, State or Australian Government entities; and
3. applicants found to have breached governance or probity arrangements which may affect the integrity of the application and assessment process.

## 2. Assessment criteria

Once applicants have met the eligibility criteria, they will then be assessed by the panel against the following merit criteria and supported by substantial evidence, as outlined in section 4. These merit criteria are equally weighted.

Assessment Merit Criteria
<p><b>1.</b> The extent to which the project achieves the policy goals outlined in the Tasmanian Renewable Hydrogen Action Plan of on-island production of hydrogen; and the funding is used to maximise green hydrogen production, sale and use within Tasmania. Projects that have a proposed commissioning date closer to the start of 2025 may be assessed as being of higher merit than projects with later commencement dates and timetables.</p>
<p><b>2.</b> The applicant's cost competitiveness, including the amount, term and frequency of the production rebate required, production volume and pathway to commercial viability without subsidy (i.e. the plan to close the gap between market price and production cost).</p>
<p><b>3.</b> The quality of the project design and implementation methodology including demonstration of:</p> <ul style="list-style-type: none"> <li>• the technical feasibility of the project;</li> <li>• how the project will meet regulatory compliance requirements;</li> <li>• how safety will be proactively managed during project construction;</li> <li>• how the project will be delivered</li> <li>• the strength and diversity of the proposed end-use arrangements; and</li> <li>• the geographic diversity, noting projects may initially be restricted to one area.</li> </ul>
<p><b>4.</b> The applicant's capability, capacity and character. The ability, supported by experience, of the applicant to finance, build, commission and operate the project within the funding envelope and timeframes (or terms of the funding deed).</p>

5. The benefit to Tasmania from the project including:
- Economic;
  - Environmental;
  - Social / Community; and
  - Knowledge sharing, training and skills benefits.

### 3. Timeframes

Description	Date/time
Program guidelines released and application period opens	25 October 2023 10:00 am
Deadline for questions to contact officer	29 November 2023 4:00pm
Application period closes	6 December 2023 2:00 pm
Applicant(s) notified	Nominally within two months of the closure of applications. Failure to provide the required information may impact assessment and notification timeframe.  Timing may also be impacted by negotiations on the terms and funding of the grant deed.
Payment to successful applicant(s)	As per the terms of the grant deed but not prior to production and sale of green hydrogen by the successful applicant.

**No applications will be accepted after the closing date.**

During the assessment process the department may, at its discretion, require further information to support or clarify an application. This information must be provided within three working days, unless otherwise advised. Failure to provide further requested information within the timeframe may result in the application being unsuccessful.

All applicants will receive a notification on the progress of their application and, where possible, the outcome of the application at the conclusion of the application process.

It is unlikely that extensions will be granted to the strict six (6) week application period.

## 4. Application and assessment process

### 4.1 Submitting applications

The Department of State Growth uses an online grants management system called SmartyGrants. This system is easy to use and accessible via mobile phones, tablets, laptops and personal computers.

Applications for the GHPRS will only be accepted and processed through the SmartyGrants portal which can be accessed at

[recfit.tas.gov.au/future\\_industries/green\\_hydrogen/ghprs](https://recfit.tas.gov.au/future_industries/green_hydrogen/ghprs).

Emailed applications will not be accepted.

In addition to these guidelines, potential applicants are strongly encouraged to access or download the information requirements from SmartyGrants as early as possible. The information requirements for a quality application are significant and will require the applicant to provide detailed information about their capability and details of their proposed project.

Applicants should read the guidelines and any frequently asked questions carefully before starting an application. The application form is designed to help structure applicants' responses to the eligibility and assessment criteria.

There will be no opportunity to change an application, or provide further information to support it, once it has been submitted. Applicants should, therefore, ensure that all supporting documentation provided is accurate and is attached correctly before submitting.

Following the submission of the application via SmartyGrants, applicants will receive an automatic receipt of their application. This receipt will include details of the application and a unique application identification number (ID).

Please note that the assessment process will rely on responses from applicants submitted through SmartyGrants. Applications that seek to address the criteria without providing the requested information in SmartyGrants are unlikely to be considered meritorious.

## 4.2 Registration of interest

Potential applicants are strongly encouraged to register their interest in the GHPRS on the ReCFIT webpage. This allows ReCFIT to maintain a Register of Interest of parties who will be notified by email of any update to information on the webpage.

Registration is not a pre-requirement of submission or an eligibility criterion but a useful step to enable timely and transparent dissemination of information.

## 4.3 Enquiries and contact officer

All questions and enquiries about the GHPRS must be directed to the Contact Officer at [ghprs.contactofficer@recfit.tas.gov.au](mailto:ghprs.contactofficer@recfit.tas.gov.au)

Applicants are advised that the following information will be published on the webpage for all potential applicants to view:

- updates to information pertaining to GHPRS;
- questions and answers (Q&A); and
- clarifications to the application process and/or clarifications or addenda to these guidelines.

The webpage will be updated weekly, or as required, based on feedback or information requests through the contact officer. This is to maintain fairness and transparency and to avoid individual applicants obtaining exclusive information that could affect the assessment of applications and the administration of the program.

## 4.4 Assessment Process

This is a competitive, merit-based process.

Only eligible project proposals that meet the eligibility criteria will be assessed through this process.

- All eligible proposals will be assessed by the secretariat who will initially assess the proposals against the merit criteria and conduct due diligence on applicants.
- After all proposals are assessed on this basis, the secretariat will draft a report discussing the strengths and weaknesses of the different proposals against the merit criteria and recommendations will be made in the report. Only project proposals that are assessed as being of the highest ranking against the merit criteria will be considered for recommendation

by the secretariat to the independent assessment panel.

- High ranking proposals will be recommended to an independent assessment panel who will consider the summaries, proposals and the recommendation report. The assessment panel will then meet to discuss their observations and thoughts before voting and reaching an agreement.

Depending on the size of the project and the size of the grant, a successful applicant may be required to prepare a Tasmanian Industry Participation Plan. Guidance from the department will be provided as required.

Successful applicants will be required to enter into a funding deed agreement which will include negotiated milestone and payment schedules (where relevant).

## 4.5 Assessment Panel

The independent assessment panel will be responsible for assessing high ranking applications for the GHPRS and making recommendations to Government.

The assessment panel will also be supported by advisors, to provide technical, regulatory, economic, financial and probity advice, and analysis and comment on applications. By submitting an application, applicants consent to the distribution of their application to the advisors for analysis and comment.

## 4.6 Probity Advisor

A probity advisor has been engaged to provide advice on good governance to the GHPRS application and assessment process to provide for a fair and ethical process for all applicants.

Applicants are advised that failing to meet the governance requirements of the application and assessment process could render their application ineligible.

If applicants have any concerns with the GHPRS program process, or the governance requirements, they should contact the probity advisor directly.

Probity Advisor	Harvey Gibson WLF Accounting & Advisory
Email	<a href="mailto:Harvey.Gibson@wlf.com.au">Harvey.Gibson@wlf.com.au</a>
Phone	03 6223 6155



## 5. Appealing a decision

The appeals process is designed to ensure that all applicants have been treated fairly and consistently in applying for Department of State Growth grants. The Department will consider appeals relating to administrative process issues in grants management.

All requests must be in writing, contain details of the reason for appeal and be addressed to:

Mr Anton Voss, CEO, ReCFIT  
GPO Box 536, Hobart TAS 7001.

The request must be received within 28 days from the date of the Department of State Growth notifying applicants of the decision about their application. For further information about the process please contact the Probity Advisor.

## 6. Grant payments

Successful applicants will be asked for their bank account details to process grant payments. This bank account must be in the same name as the individual, business or organisation that applied for the grant. Applicants may be asked to provide a copy of their bank statement or a letter from their bank to confirm their bank account details.

Providing incorrect bank account details may result in funds being paid to an incorrect account. These funds will need to be returned to us before we attempt another grant payment. This process may result in significant delays in funding being received. Additionally, we cannot guarantee that funds paid to an incorrect bank account will be returned to us.

If a grant recipient:

- does not complete the activities or tasks required under the funding agreement, or
- does not use any or all of the funding provided,

the recipient will be required to return some or all of the funds to the department.

Similarly, if

- the information provided to us is found to be false or misleading, or

- the recipient's situation changes in a way that prevents completion of the agreed project

the recipient will be required to return some or all of the funds to the department.

## 7. Taxation and financial implications

Grants distributed under the program attract GST. Grant payments to successful applicants, who are registered for GST, are increased to compensate for the amount of GST payable. Where GST applies to the grant funding, a valid tax invoice must be supplied by the successful applicant to the department.

The receipt of funding from this program may be treated as income by the Australian Taxation Office (ATO).

It is strongly recommended that, prior to submitting an application, potential applicants seek independent advice from a tax advisor, financial advisor and/or the ATO, about the possible tax implications for receiving the grant.

Any costs incurred in relation to the preparation of an application will not be recoverable under GHPRS.

## 8. Acquittal

An acquittal is a statement made by a grant recipient, confirming that the grant funding was used as per the funding agreement. Unless otherwise stated, it is a requirement that all Department of State Growth grants are acquitted.

### 8.1 How to acquit a grant

An acquittal form will be provided to successful applicants, asking for information about the activities and expenditure relating to the grant. Evidence such as quotations, invoices, receipts, statements, reports, etc., are also required to support the acquittal.

The Department may ask recipients to provide a Statement of Expenditure certified by an independent, professional auditor. In this situation the recipient will be responsible for the cost of obtaining the certified Statement of Expenditure.

### 8.2 Failure to complete an acquittal

Failure to lodge a valid acquittal by the due date will result in the recipient being required to return the

funding to the department. In this situation the department will invoice the recipient.

## 9. Administration and contact details

The program will be administered by ReCFIT within the Department of State Growth on behalf of the Crown in the Right of Tasmania.

For enquiries contact:

[ghprs.contactofficer@recfit.tas.gov.au](mailto:ghprs.contactofficer@recfit.tas.gov.au)

All information requests and enquiries are to be in writing to the contact officer email.

All applicants are advised to strictly adhere to the governance and probity arrangements of the program. Any attempted or successful contact or request for information made outside of the specified contact officer or probity adviser may render an application ineligible.

### 9.1 Note

All applicants must take care to provide true and accurate information. Any information that is found to be false or misleading may result in action being taken and grant funds, if already provided, will be required to be repaid to the department.

## 10. Publicity of grant assistance

The Department of State Growth disburses public funds and is therefore accountable for the distribution of those funds. As part of the accountability process, the department may publicise the level of financial assistance, the identity of the recipient, the purpose of the financial assistance, and any other details considered by the department to be appropriate.

## 11. Right to information

Information provided to the Department of State Growth may be subject to disclosure in accordance with the *Right to Information Act 2009*.

## 12. Confidentiality

The Tasmanian Government may use and disclose the information provided by applicants for the purposes of discharging its respective functions under the Program

Guidelines and otherwise for the purposes of the program and related uses.

The department may also:

1. use information received in applications for any other departmental business;
2. use information received in applications and during the delivery of the project for reporting purposes, or
3. use third party software to review information received in applications to confirm its authenticity.

## 13. Personal information protection

Personal information will be managed in accordance with the *Personal Information Protection Act 2004*.

This information may be accessed by the individual to whom it related, on request to the Department of State Growth. A fee for this service may be charged.

## 14. Disclosure

The following applies to all successful applicants:

- Despite any confidentiality or intellectual property right subsisting in the grant funding agreement or deed, a party may publish all or any part of the grant funding agreement or deed without reference to another party.
- Please note that all obligations under the *Personal Information Protection Act 2004* (Tas) and the *Privacy Act 1988* (Cwlth) still apply.

## 15. Disclaimer

Although care has been taken in the preparation of this document, no warranty, express or implied, is given by the Crown in Right of Tasmania, as to the accuracy or completeness of the information it contains.

The Crown in Right of Tasmania does not accept liability or responsibility for any loss incurred by an applicant that are in any way related to the program.

The Crown in Right of Tasmania reserves the right in its absolute discretion (and without limitation to any other right it may have) to do any one more of the following as it thinks fit at any time, without giving any reasons:

1. to issue an Addendum;
2. to extend the Closing Time;



3. to withdraw, vary, supplement, update, amend or replace these Guidelines; or
4. to vary, amend, suspend, discontinue, terminate or abandon the selection process.

The Crown in Right of Tasmania accepts no responsibility for any loss or damage that may arise from anything contained in or omitted from or that may arise from the use of this document, and any person relying on this document and the information it contains does so at their own risk absolutely.

# ReCFIT

Renewables, Climate and  
Future Industries Tasmania

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Web: [recfit.tas.gov.au/future\\_industries/green\\_hydrogen/ghprs](https://recfit.tas.gov.au/future_industries/green_hydrogen/ghprs)

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