

Energy Efficiency Grants for Small and Medium Enterprises Round 2

Canonical: <https://northmoregordon.com/grants-and-programs/energy-efficiency-grants-for-small-and-medium-enterprises-round-2/>

Details:

[Summary](#) | [Article](#) | [Current use](#) | [Related guidance](#)

Funding program archive

This page preserves a dated funding-program record and links it to current project-planning guidance.

Publication date: 22 February 2024.

Status note: This archive does not confirm that applications are open, funds remain available or the earlier eligibility and co-funding settings still apply. Verify the current administrator page and guidelines.

What this article reported

Round 2 of Energy Efficiency Grants for Small and Medium-Sized Enterprises aims to assist businesses in upgrading or replacing inefficient equipment.

The objectives of the program are:

improve energy efficiency practices and increase the uptake of energy-efficient technologies

assist small and medium businesses to manage their energy usage and costs

reduce greenhouse gas emissions.

The intended outcomes of the program are:

increase awareness of energy efficiency opportunities and help businesses to save energy

reduced power bills for small and medium businesses

emissions abatement to contribute to Australia reducing its emissions to 43% below 2005 levels by 2030

Key Dates:

Due to the nature of this program and the demand on the system, applications will open with a staggered approach based on the jurisdiction you are applying for. Please see the application opening date and times below for each jurisdiction:

VIC - Thursday 22 February 2024 12.00pm AEDT

NT - Friday 23 February 2024 12.00pm ACST

SA - Friday 23 February 2024 12.00pm ACDT

NSW - Monday 26 February 2024 12.00pm AEDT

WA - Tuesday 27 February 2024 12.00pm AWST

TAS, ACT - Tuesday 27 February 2024 12.00pm AEDT

QLD - Wednesday 28 February 2024 12.00pm AEST

Who is this for?

This grant opportunity is for small and medium sized businesses with an employee headcount of 1 to 199 employees. You must have an ABN and have been in operation for a minimum of 24 months

Who can't apply?

You are not eligible if you received grant funding under the Energy Efficiency Grants for Small and Medium Sized Enterprises Round 1.

We cannot fund your project if it receives funding for the same activities from other Commonwealth, state or territory programs. Funding includes, but is not limited to, grants, rebates, contributions, certifications and certificates that have a value and any other form of financial assistance.

You are not eligible if you are a Commonwealth, state, territory or local government body, including government business enterprises, public schools and public hospitals.

Funding Amount:

A grant of up to \$25,000, to cover up to 100% of eligible expenditure. There is a total of \$41.241 million available for this grant opportunity. Grant funding will be distributed between states and territories based on the distribution of small and medium sized businesses nationally. See table below

Jurisdiction	Count of businesses with 1-199 employees	Jurisdictional split %	Financial split \$
New South Wales	367,260	36%	14,919,307
Victoria	264,666	26%	10,751,602
Queensland	195,909	19%	7,958,467
South Australia	56,461	6%	2,293,631
Western Australia	91,433	9%	3,714,309
Tasmania	17,610	2%	715,376
Northern Territory	6,693	1%	271,892
Australian Capital Territory	15,175	1%	616,458
Australia	1,015,207	100%	41,241,042

Eligible Activities:

| Focus Area | Eligible Activities | | --- | --- | | Energy audits and energy management | - Audit a system or facility to AS/NZS 3598 - Develop an energy management plan for your organisation - Conduct an airtightness test in accordance with AS/NZS ISO 9972 to identify possible energy efficiency improvements - Conduct an engineering feasibility study for an energy efficiency upgrade - Assess the feasibility of an investment that would reduce your energy use | | Energy monitoring | - Purchase and install equipment to meter, monitor and record energy use - Short term hire of energy metering equipment - Digitalise energy meters/sub meters or sensors relating to energy using processes - Automatic fault detection for energy using equipment/processes - Implement an energy data management system | | Power supply | - Replace existing fossil fuel or inefficient electric-powered equipment for heating, drying or cooling with a heat pump system equivalent | | Heat Pumps | - Replace existing fossil fuel or inefficient electric powered equipment for heating, drying or cooling with a heat pump system equivalent | | Upgrades to motors, including for compressors, pumps, fans, conveyors, mixers and blowers | - Replace a motor with an electronically commutated motor - Install a variable speed drive for any motor - Replace a motor with a higher efficiency motor, or a lower power motor that is better matched to its duty point - Replace a pump, fan, industrial blower, conveyor, compressor or industrial mixer with a more energy efficient equivalent | | Heating Ventilation and Air Conditioning (HVAC) | - Replace an existing chiller, air conditioner and air conditioner compressor condenser, HVAC compressor, boiler, space heating hot water heater, chiller or cooling tower with a higher-efficiency unit - Install or upgrade an economy cycle on an air conditioning unit - Install carbon monoxide sensors or carbon dioxide sensors to control ventilation - Replace air distribution equipment to facilitate fan energy savings - Retrofit electronic expansion valves to HVAC compressor or chiller - Replace a fossil-fuelled heater and/or cooler with a reverse cycle air-conditioner | | Commercial refrigeration | - Replace an existing refrigerated display cabinet, refrigeration compressor with a new high-efficiency unit - Install air

purging, night blinds, glass doors or lids, or rapid close doors on refrigerated spaces - Upgrade insulation on a cool room or upgrade a cool room to be airtight - Retrofit an electronic TX valve for a refrigeration compressor or chiller - Install a (small) low-load chiller or refrigeration unit or a variable speed compressor for low loads, isolated loads or capacity modulation - Replace an existing liquid chiller or air-cooled chiller unit, refrigerator, compressor or cool room with a higher-efficiency unit Install automatic controls to switch off refrigeration fan when cold room door is open | | Compressed Air Improvements | - Replace air compressor with higher efficiency unit or install variable capacity unit for trim control - Reconfigure intake to use cooler or cleaner air - Install economiser regulators - Optimise compressed air storage | | Water Heating | - Recover heat from cooling system or air compressor - Upgrade insulation on hot water pipes, valves and fittings - Install chemical sanitisation equipment to reduce hot water demand - Replace an existing hot water system with a more efficient new heat pump or solar thermal hot water heater - Replace an existing pool heater with a new heat pump or solar thermal pool heating system - Install solar thermal preheat - Replace an existing pool pump with a variable speed pump - Provide a swimming pool cover to a currently uncovered heated pool |

Contact Brett for more details

How to use this information now

Before relying on a grant, confirm the current round, applicant and project eligibility, eligible expenditure, co-contribution, assessment process, closing date and evidence obligations. Build the technical case so the project remains understandable with grant support shown separately.

Separate source-reported facts from forecasts, targets and commentary. For a current project, retain the official source, version, effective date, assumptions and decision record in the evidence file.

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Contact Northmore Gordon

What is the purpose of Round 2 of the Energy Efficiency Grants for Small and Medium-Sized Enterprises?

Round 2 aims to assist small and medium-sized businesses in upgrading or replacing inefficient equipment, improving energy efficiency practices, increasing uptake of energy-efficient technologies, managing energy usage and costs, and reducing greenhouse gas emissions. The program supports a wide range of activities from basic energy audits through to substantial equipment replacements, enabling businesses to make informed decisions about where to invest capital for the greatest operational and financial benefit.

Who is eligible to apply for this grant?

Small and medium-sized businesses with 1 to 199 employees are eligible. Applicants must have an Australian Business Number (ABN) and have been in operation for a minimum of 24 months. Businesses that received funding under Round 1 cannot apply. Commonwealth, state, territory or local government bodies, including public schools and public hospitals, are ineligible. Additionally, projects cannot receive concurrent funding for the same activities from other Commonwealth, state or territory

programs.

How much funding is available, and what proportion of project costs does it cover?

A grant of up to \$25,000 is available per project, covering up to 100% of eligible expenditure. Total program funding of \$41.241 million is distributed across Australian states and territories based on the national distribution of small and medium-sized businesses. This means eligible businesses can fund their entire project cost through this program, removing a significant barrier to implementing energy improvements that might otherwise be deferred due to capital constraints.

What types of activities qualify for funding under this grant?

Eligible activities include energy audits and management systems, energy monitoring equipment and data systems, heat pump system upgrades, higher-efficiency motors and variable speed drives, HVAC upgrades (chillers, boilers, air conditioners), commercial refrigeration improvements, compressed air system upgrades, and water heating improvements including heat recovery and solar thermal systems. The breadth of eligible activities means businesses can address multiple efficiency opportunities in a single grant application, provided the combined expenditure does not exceed \$25,000.

Why is an energy audit or monitoring system a good starting point for this grant?

An energy audit or metering and monitoring system investment provides the foundation for all subsequent improvement decisions. These activities help identify which equipment consumes the most energy, reveal operating inefficiencies, establish baseline data for measuring savings after improvements, and prioritise which upgrades will deliver the greatest financial and operational benefit. We can scope an appropriate audit depth and monitoring plan to support both the grant application and the business case for follow-on equipment upgrades.

Can a business combine multiple eligible activities in a single grant application?

Yes, businesses can combine multiple eligible activities in a single application as long as the total eligible expenditure does not exceed the \$25,000 grant cap. For example, a business might fund both an energy audit and a heat pump system upgrade, or metering equipment and HVAC improvements, within the same application. This flexibility allows businesses to address multiple efficiency opportunities and build a more comprehensive energy improvement strategy within a single funding request.

How does this grant contribute to Australia's emissions reduction targets?

The program's intended outcomes include achieving emissions abatement that contributes to Australia's target of reducing emissions to 43% below 2005 levels by 2030. By enabling small and medium-sized businesses to upgrade inefficient equipment and implement energy management practices, the grant directly supports this national objective. Energy savings from equipment upgrades, heat pump installations, and operational improvements collectively reduce the energy demand businesses place on the electricity grid and reduce reliance on fossil-fuel heating systems.

What should a business prepare before applying for the Energy Efficiency Grants for SMEs Round 2?

Businesses should gather their ABN, confirmation of operation for at least 24 months, details of the energy efficiency activity or equipment to be upgraded, and any available energy data or bills. If applying for an energy audit, metering or monitoring activity, having site location, current equipment information and operating constraints documented will help scope the work. We recommend completing a project brief describing the business problem, decision needed and available evidence to establish an appropriate starting point for assessment and grant planning.