

Powering the Regions Fund – Safeguard Transformation Stream \$600m – Round 1

Canonical: <https://northmoregordon.com/grants-and-programs/powering-the-regions-fund-safeguard-transformation-stream-round-1/>

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Funding program archive

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

Publication date: 7 August 2023.

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

This grant opportunity was announced in January 2023 as part of the Government's Safeguard Mechanism Reforms to support the Government's ambition for Australia to become a renewable energy superpower.

The Australian Government has announced a total of \$600 million over the life of the program. For this first round of the Powering the Regions Fund - Safeguard Transformation Stream up to \$300 million is available over 4 years.

The objectives of this grant opportunity are to:

support trade-exposed facilities covered by the Safeguard Mechanism to reduce their emissions and contribute to meeting Australia's 2030 (and 2050) emissions reduction targets

reduce the risk of carbon leakage, which occurs when a business responds to emissions reduction policies by moving emissions-intensive production to a country with less stringent policies

provide skills development to existing industrial workforce in new equipment or processes that contribute to the reduction of scope 1 emissions.

The intended outcome of this grant opportunity is a reduction of emissions at trade-exposed Safeguard facilities consistent with their obligations under the Safeguard Mechanism.

Who is this for?

Owners or operators of a trade-exposed Safeguard Mechanism facility that is not a new or expanded coal or gas production facility.

Funding Amount:

A grant amount of \$500,000 to \$50,000,000 to cover up to 50% of eligible project expenditure

Eligibility:

You can apply if you:

are an eligible entity

have an eligible project

have eligible expenditure

Eligible Entity requirements, you can apply if you:

are an owner or operator of a trade-exposed safeguard mechanism facility that is not a new or expanded gas or coal facility

have an Australian business number (ABN)

and are one of the following entities:

an entity incorporated in Australia

company limited by guarantee

incorporated association

You can't apply if you are:

the owner of a trade-exposed Safeguard facility that is also a new or expanded coal or gas facility

an organisation, or your project partner is an organisation, included on the National Redress Scheme's list of Institutions that have not joined or signified their intent to join the Scheme

an employer of 100 or more employees that has not complied with the Workplace Gender Equality Act (2012).

Partner with other organisations

You can partner with one or more other organisations that also meet the eligibility criteria. But you must decide who the lead organisation is.

The lead organisation must fill out the application form.

If we give your group the grant, the lead organisation:

signs the grant agreement

is responsible for making sure your group follows the rules in the grant agreement

Eligible Project requirements:

You must complete your project within 4 years of the date of execution of the grant agreement.

The maximum project period is 48 months.

Your project must:

be aimed at contributing to Australia's emissions reduction targets by 2030 and of net zero by 2050

have at least \$1,000,000 in eligible expenditure.

Your project must be delivered in one of the following locations:

on-site at any eligible facility, or

shared infrastructure, with practical connection to an eligible facility and the grantee, located in Regional Australia (defined as any area outside a Greater Capital City but including Kwinana)

Eligible Expenditure:

You can apply for a grant between \$500,000 and \$50,000,000.

You can use this grant funding for:

newly purchased or pre-existing plant and equipment.

hired/leased plant

constructed plant

labour expenditure and on-costs

contract expenditure

staff training that directly supports the achievement of project outcomes

decommissioning old equipment

To be eligible, expenditure must:

be incurred by you within the project period

be a direct cost of the project

be incurred by you to undertake required project audit activities (where applicable)

meet the eligible expenditure guidelines.

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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Carbon advisory

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What is the Powering the Regions Fund – Safeguard Transformation Stream Round 1?

It is a grant opportunity announced in January 2023 as part of the Australian Government's Safeguard Mechanism Reforms, providing up to \$300 million to trade-exposed facilities to reduce their emissions and contribute to meeting Australia's emissions reduction targets. The grant covers up to 50% of eligible project expenditure, with individual awards ranging from \$500,000 to \$50,000,000. Projects must be completed within 4 years of the grant agreement's execution date and must have at least \$1,000,000 in eligible expenditure. We can assist eligible applicants by assessing project feasibility, identifying emissions reduction opportunities, calculating baseline energy consumption, and preparing investment cases that demonstrate project viability to funders.

Which facilities are eligible to apply, and what exclusions apply?

Owners or operators of trade-exposed Safeguard Mechanism facilities can apply if they have an Australian business number and are incorporated in Australia. Applicants cannot be owners of new or

expanded coal or gas facilities, cannot be on the National Redress Scheme's exclusion list, and employers of 100+ employees must comply with the Workplace Gender Equality Act (2012). Understanding facility coverage under the Safeguard Mechanism requires technical assessment of baseline emissions and facility boundaries. We can help applicants determine Safeguard eligibility by reviewing facility emissions data, assessing covered-emissions status against the 100,000-tonne CO₂-e threshold, and documenting the applicability assessment needed before commencing a funding application.

What types of projects and expenditure are eligible under this grant?

Eligible projects must reduce scope 1 emissions and be delivered on-site at an eligible facility or via shared infrastructure in Regional Australia. Funding can cover newly purchased or pre-existing plant and equipment, hired or leased plant, constructed infrastructure, labour and on-costs, contract expenditure, staff training that directly supports outcomes, and decommissioning of old equipment. Projects must have at least \$1,000,000 in eligible expenditure. Energy efficiency improvements, renewable heat options, and electrification projects are common eligible activities. We can assist by scoping project boundaries, identifying eligible equipment and activities, preparing detailed cost estimates, and ensuring measurement planning aligns with funding requirements and scheme eligibility rules.

How can applicants establish whether their energy project meets grant eligibility and what funding pathways exist?

Applicants must verify three elements: the facility qualifies as trade-exposed under the Safeguard Mechanism; the proposed project reduces scope 1 emissions and meets the \$1,000,000 minimum expenditure threshold; and the project has a practical connection to Regional Australia. Before committing to design or procurement, applicants should assess timing sensitivity—equipment purchases or binding commitments made before grant approval can affect eligibility under newness and additionality rules. We recommend submitting a project brief early that identifies the business problem, site location, current project stage, available energy data and the decision deadline. We can then scope feasibility work, investment cases, and measurement plans needed before applications open.

What role does measurement and verification play in securing and delivering this grant?

Measurement and verification establishes credible baseline energy consumption and verifies emissions reductions after project implementation, which is essential for acquitting grant funds and demonstrating achievement against project objectives. Without an agreed measurement boundary, baseline and calculation method established early, applicants risk being unable to claim eligible savings or prove the project delivered its forecasted emissions reduction. The NSW Energy Savings Scheme and similar frameworks provide M&V; pathways; however, grant acquittal may have its own requirements. We provide measurement and verification services including project-boundary selection, baseline modelling and post-implementation savings calculation. Early planning prevents delays and ensures the evidence collected supports both grant acquittal and operational performance tracking.

How can applicants combine this grant with other funding sources or environmental certificates?

The Powering the Regions Fund covers up to 50% of eligible project expenditure. Other sources—internal capital, environmental certificates, or complementary grants—can fund the remainder. However, applicants must assess compatibility: different funding schemes have different restrictions on what projects can be combined and who owns the resulting benefits. A project that generates renewable-energy certificates, for example, must clarify who receives certificate revenue and how that affects the grant's co-funding requirement. We recommend documenting each funding pathway separately in a status register that tracks programme, source URL, application status and next action. Our funding-pathway assessment service identifies eligible mechanisms and assesses whether proposed support streams can be combined under each programme's conditions.

What is the significance of a facility's 'trade-exposed' status under the Safeguard Mechanism?

A facility's trade-exposed status determines its baseline emissions level under the Safeguard Mechanism and consequently influences the financial incentive to reduce emissions. Trade-exposed facilities face different baseline trajectories than non-trade-exposed facilities, affecting their obligation or opportunity to reduce covered emissions. Understanding this status is necessary to establish whether a facility qualifies for the Powering the Regions Fund and to calculate the facility's actual scope 1 and 2 emissions against its Safeguard baseline. We can assist by reviewing facility coverage, baselines and emissions data; assessing trade-exposed status; and documenting the facility's applicable Safeguard position as part of a regulatory compliance assessment or funding-pathway review.

Why is establishing the project chronology important before applying for this grant?

Grant eligibility rules contain timing-sensitive requirements: equipment purchases, binding commitments or feasibility approvals made before grant approval can affect newness status and regulatory additionality—principles that determine whether a project qualifies for funding under environmental-certificate schemes or grant programmes. If a facility has already committed to equipment or incurred costs, the grant may be unavailable for that element. Applicants must therefore assemble the real chronology of studies, quotes, commitments and work completed, then seek advice on whether the intended project pathway remains available. We recommend preparing a dated list of all prior studies, nominations, commitments and physical work before commencing a funding assessment. Our project-timing guidance helps applicants preserve evidence and funding options by identifying the key dates and decisions that affect eligibility.

How should applicants present energy savings estimates in a grant investment case?

Applicants should prepare the investment case with realistic energy savings estimates, disclosing the calculation method, assumptions, evidence quality and uncertainties. Distinguish engineering estimates (modelled expectations during design) from verified results (post-implementation outcomes under the agreed measurement method). Present the project with and without unconfirmed funding so decision-makers understand the standalone business case. Energy savings should be quantified separately from maintenance benefits, demand-reduction effects or certificate proceeds. Our investment-case guidance recommends stating the baseline, operating period, energy prices and production assumptions used, then showing how results change if those variables alter. This approach builds confidence in the forecast and allows the facility to adjust the project strategy if grant approval is delayed or conditions change.

What practical first steps should an eligible facility take to prepare a competitive application?

Start by confirming facility eligibility: verify trade-exposed Safeguard status, check ABN and incorporation details, and confirm no disqualifying factors apply. Assemble energy data (at least 12 months of bills and interval data if available), describe the site and operating constraints, and list the business problem the project addresses. Create a dated chronology of any prior studies, equipment quotes or commitments. Identify the decision deadline and decision owner. Then submit a project brief to Northmore Gordon or a suitable energy advisor requesting scope, deliverables, evidence gaps and next steps. This brief allows the advisor to scope feasibility work, establish measurement requirements, assess funding-pathway suitability and prepare an investment case before the grant round deadline—avoiding last-minute rushes that compromise application quality.