



Australian Government

Department of the Environment and Water Resources

Australian Greenhouse Office



# General Approval Guidelines

Alternative Fuels Conversion Programme

alternative fuels conversion programme  
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# Guidelines

GENERAL GUIDELINES FOR ALTERNATIVE FUELS CONVERSION PROGRAMME

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# General Approval Guidelines

## Alternative Fuels Conversion Programme

### INTRODUCTION

The Alternative Fuels Conversion Programme (AFCP) is administered on behalf of the Commonwealth by the Australian Greenhouse Office within the Department of the Environment and Water Resources (DEW).

The AFCP Guidelines are intended to inform and otherwise assist:

- ☑ owners of commercial fleet vehicles weighing over 3.5 tonnes undertaking trials to demonstrate the viability of alternative fuels or hybrid diesel/electric;
- ☑ manufacturers of vehicles designed to operate on alternative fuels or hybrid diesel/electric, and
- ☑ manufacturers of engine modification kits to enable engines to operate on alternative fuels.

The current guidelines reflect the final stage in the evolution of the AFCP and demonstrate a new emphasis, with the AFCP now principally being directed at supporting key commercial fleet operators to trial selected alternatively-fuelled or hybrid diesel/electric engines in order to assess the commercial viability of these alternative fuels or hybrid systems in heavy vehicles and to demonstrate their feasibility to the wider transport industry.

### ELIGIBLE FUELS

The alternative fuels supported by the AFCP are:

- ☑ liquefied natural gas (LNG);
- ☑ compressed natural gas (CNG);
- ☑ liquefied petroleum gas (LPG); and
- ☑ hydrogen.

### PROGRAMME OBJECTIVE

The objective of the AFCP is to reduce greenhouse gas emissions from heavy commercial vehicles by encouraging the increased use of alternative fuels or hybrid diesel/electric. Therefore, AFCP support is restricted to those engines and fuels that clearly show a saving in greenhouse gas emissions against comparable diesel engines.

### DISCLAIMERS

DEW makes no representations about the commercial outcomes of participation in the AFCP, or of the suitability of any gas-fuelled vehicle for its intended purpose. Any participation by persons in the AFCP shall be entirely at their own commercial risk.

DEW retains the sole and absolute discretion to approve, or not approve, applications for grant funds. The submission of an application does not guarantee its approval.

DEW also reserves the right to alter or amend these Guidelines at any time. DEW also retains the absolute discretion to suspend limitations imposed by these Guidelines on a particular application, where DEW considers that this suspension would significantly advance the overall objectives of the AFCP.

All applications will be assessed in relation to their ability to meet the requirements of these Guidelines.

DEW reserves the right to disqualify from the AFCP any participant who supplies misleading or deceptive information, and to initiate proceedings for the recovery of any monies provided to this participant.

### APPLICATION FORMS

Application forms may be downloaded and printed from the DEW website, at:

- ☑ [www.greenhouse.gov.au/transport/afcp/](http://www.greenhouse.gov.au/transport/afcp/) or obtained from the AFCP Programme Manager.

Applications should be submitted on the appropriate Application Form.

### ADDRESS FOR APPLICATIONS

Applicants should post their complete application to the AFCP Programme Manager, at the address provided on the application form and at the end of this document.

### WHEN TO APPLY

Applications may be lodged at any time, but must be lodged before the vehicle purchase or conversion takes place.

## ASSISTANCE IN PREPARING APPLICATIONS

The AFCP Programme Manager can provide advice to applicants about completing their applications. Where applicants are in any doubt regarding the eligibility of elements of their proposals, they are encouraged to discuss them with the AFCP Programme Manager.

## RETROSPECTIVE APPLICATIONS

DEW will not accept applications for purchases or conversions that have occurred before the lodgement of the application.

## ACCEPTANCE OF APPLICATIONS

DEW reserves the right to not consider incomplete applications.

Application forms that do not contain sufficient information will be returned to the applicant for completion.

Resubmissions of rejected applications will generally not be accepted. However, applicants (successful or failed) are welcome to submit further applications for other vehicles.

## PROCESSING OF APPLICATIONS

DEW will endeavour to acknowledge receipt of an application, or to advise that further information is required, within four weeks of receiving the application.

An application will not be assessed until all of the information required for its assessment has been provided.

## ASSESSMENT

DEW will endeavour to advise of the acceptance or rejection of an application within six weeks of receipt of the application.

Applications will be assessed against the eligibility criteria described in these Guidelines.

## ELIGIBILITY

### ELIGIBLE APPLICANTS

AFCP funds will not be provided to applicants who are bankrupt or who cannot demonstrate the capacity to fund

the balance of the costs of their proposals from sources apart from the AFCP or other Commonwealth programmes.

### ELIGIBLE VEHICLES

Vehicles must be commercial, road-registered fleet vehicles, either public transport buses (publicly or privately owned) or freight vehicles, with Gross Vehicle Mass (GVM) of 3.5 tonnes or more.

### ELIGIBLE ENGINES

Engines purchased or converted under the AFCP must achieve greenhouse emissions reductions of at least 5%, relative to the equivalent diesel engines.

Where there is evidence that an engine or conversion kit is highly likely to achieve the required greenhouse emissions reduction, funding may be provided with a view to enabling appropriate testing to be carried out.

AFCP funding is only available for the engine which provides the primary motive power for the vehicle.

### ELIGIBLE VEHICLE FUEL SYSTEMS

Eligible fuel systems may be dedicated (gas-only); dual fuel (capable of operating on gas and conventional fuel simultaneously, e.g. diesel+CNG); or hybrid diesel/electric.

### ELIGIBLE COSTS

The AFCP will generally fund up to 50% of the Eligible Costs, which are:

- ☑ for gas conversions—the direct cost of converting the conventionally fuelled vehicle to operate on gas fuel, including the cost of on-vehicle gas fuel storage tanks; or
- ☑ for new (original equipment manufacture—OEM) gas or hybrid diesel/electric vehicles—the amount by which the price of the gas vehicle exceeds that of its conventionally fuelled equivalent, but only to the extent that the price difference is attributable to the different fuel system.

### ITEMISED QUOTATIONS

Wherever possible, applicants are required to substantiate the costs specified in their applications through an itemised quotation.

## MERIT CRITERIA

Priority will be given to applications for grant assistance under the AFCP which demonstrate relative to other applications:

- ☐ the cost-effectiveness of the application in achieving putting approved engines into service;
- ☐ the extent to which the project is able to demonstrate the value or otherwise of these fuels or hybrid system to the wider industry;
- ☐ whether the engines, vehicles or particular uses have been demonstrated previously; and
- ☐ the potential ongoing market for the particular engines and vehicles being tested.

Generally, preference will be given to the initial trials of new types of vehicles and/or vehicles in new fleets, and not to the ongoing conversion of vehicles in fleets that have previously received funding.

## INFRASTRUCTURE COSTS

In certain circumstances, where it is considered essential for trials to progress and where the trial is considered to be of sufficient merit, the AFCP will fund up to 50% of the cost of refuelling infrastructure, up to an amount no more than the value of the grant provided for the eligible vehicles.

## SUCCESSFUL APPLICATIONS

### APPROVED APPLICATIONS

An offer made to a successful applicant will remain open for 12 weeks from the date of offer, unless otherwise advised by DEW.

### DEED OF AGREEMENT

Successful applicants will be required to sign a legally enforceable Deed of Agreement with the Commonwealth of Australia, represented by DEW. The Agreement will set out the specific terms and conditions under which funding will be provided to applicants. Unless and until such an Agreement has been agreed to and signed by both parties, there will be no legal relationship between the Commonwealth and a participant, and no funds will be payable.

## FUNDING ARRANGEMENTS

Successful applicants will receive grant payments when they achieve an agreed series of milestones, as detailed in the signed Deed of Agreement.

## EXPENDITURE OF PROGRAMME FUNDS

Successful applicants must expend funds within an agreed timeframe as set out in the Agreement between the applicant and DEW.

## TIME TO COMPLETE PROPOSALS

The timeframe for completing these proposals will be specified in individual Agreements with participants, and will reflect the principle that proposals should be completed as expeditiously as possible.

## ACCREDITATION OF PERSON UNDERTAKING INSTALLATION, CONVERSION OR UPGRADE

All works funded by the AFCP must be undertaken by a person or persons accredited with the relevant State or Territory government agency.

## ROAD REGISTRATION OF VEHICLES

DEW requires documentary evidence from participants that all new vehicles funded by the AFCP are registered for road use within six weeks of delivery. Applicants purchasing new vehicles must submit compliance plate numbers to DEW in accordance with reporting requirements set out in the Deed of Agreement.

## VEHICLE MAINTENANCE AND EMISSIONS AUDIT

All AFCP grant recipients are required to ensure that their vehicles are insured and are serviced and adjusted according to the manufacturers' specifications. In addition, it is expected that vehicles will be made available, at reasonable notice and for a reasonable period of time, for audit emissions testing. The cost of any emissions testing will be borne by DEW.

## REPORTING

DEW requires documentary evidence from participants in the AFCP that their proposals have been undertaken and that the funds have been spent in accordance with the

agreement. In addition, all grant recipients are required to submit an audited statement of expenditure for all funds provided under the AFCP, within two months of the final payment of monies to the applicant. Participants will bear the costs of completing these statements.

#### TERMINATION OF AGREEMENT

Where applicants fail to meet the reporting arrangements detailed in this section, and the other requirements of their Agreement with the Commonwealth, DEW reserves the right to terminate the Agreement and recover overpayments made under the AFCP.

#### CONFIDENTIALITY, PUBLICITY AND EVALUATION

Participants must acknowledge Commonwealth support for their projects in any public communications relating to them. AFCP participants can expect to be asked to cooperate with the Australian Government in making information available to the public on the achievements and outcomes of their projects.

Participants may also be invited to engage with DEW in an evaluation of the effectiveness of the AFCP.

Application details will be treated as Commercial-in-Confidence.

DEW reserves the right to publicise aggregated or other non-confidential information on successful proposals funded by the AFCP. Confidential information contained within applications will not be released to any other persons unless the prior consent of applicant(s) is given, or unless required by law.

#### FURTHER INFORMATION

Further information about the Alternative Fuels Conversion Programme can be obtained by contacting the Australian Greenhouse Office.

##### Postal address:

The Programme Manager  
Alternative Fuels Conversion Programme  
Australian Greenhouse Office  
Department of the Environment and Water Resources  
GPO Box 787  
CANBERRA ACT 2601

##### Street address:

Australian Greenhouse Office  
Department of the Environment and Water Resources  
John Gorton Building  
King Edward Terrace  
PARKES ACT 2600

Telephone: 02 6274 1888

<http://www.greenhouse.gov.au/transport/afcp/>



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Australian Greenhouse Office  
The lead Commonwealth agency on greenhouse matters

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