



Innovation Fund

Roman Doubrava

Head of Unit – Innovation Fund – CINEA.C4

24 October 2024

CINEA in a Nutshell



~ EUR 65 billion for the period
2021-2027



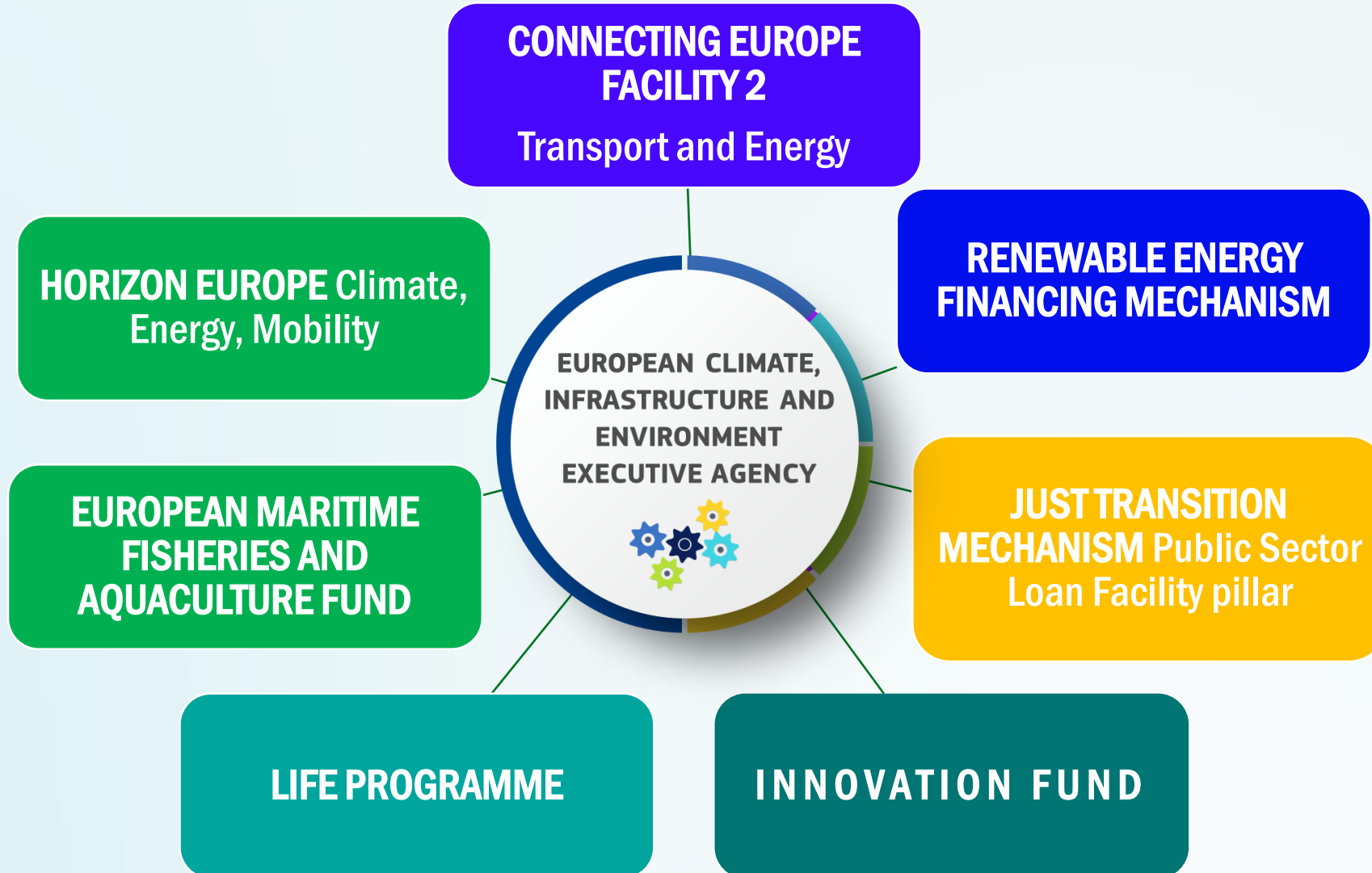
> 600 staff by 2027



from 3000+ projects managed in 2023 to
> 4000+ projects by 2027

- **Experts** at the service of beneficiaries in managing complete lifecycle of projects
- **Policy feedback** as an essential part of funding activities
- Exploitation of **synergies** and dynamic ways to work across programmes

CINEA Funding Programmes





INNOVATION FUND

Deploying innovative net-zero technologies for climate neutrality

Funded by the EU Emissions Trading System



€40 billion* available between 2020-2030

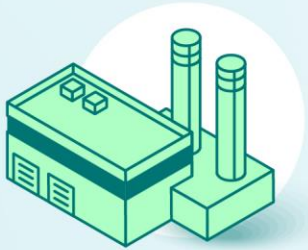


grants awarded through regular calls and auctions



avoid GHG emissions, boost competitiveness

supporting innovation in:



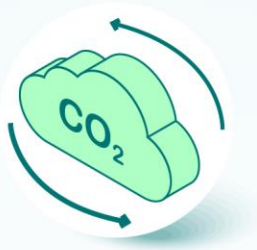
Energy-intensive industries



Renewable energy



Energy storage



Carbon capture, use and storage



Net-zero mobility and buildings

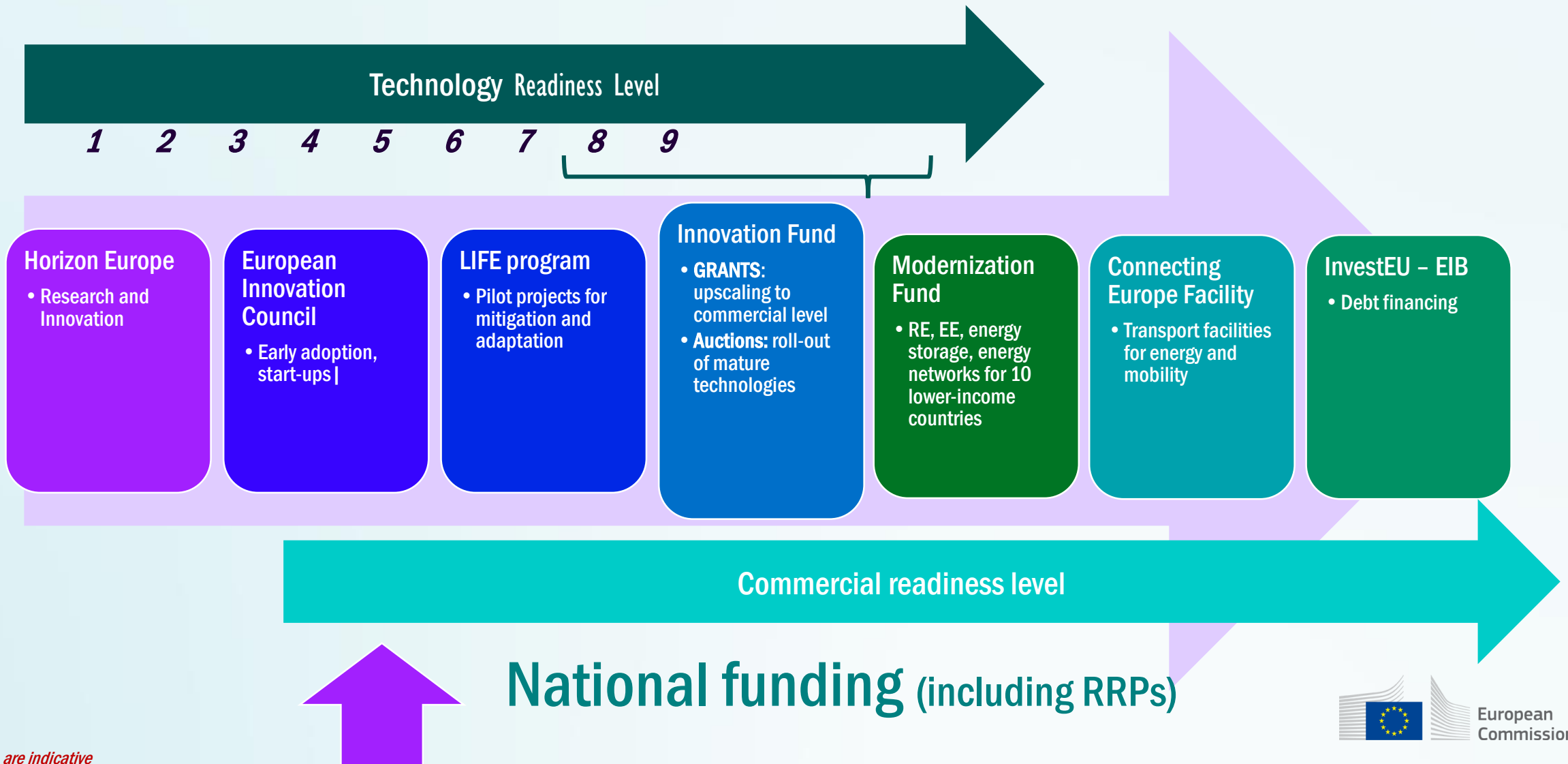
*based on a carbon price of €75/tonne

The Innovation Fund can support urgent policy priorities, but holds a long-term line of bottom-up support across sectors

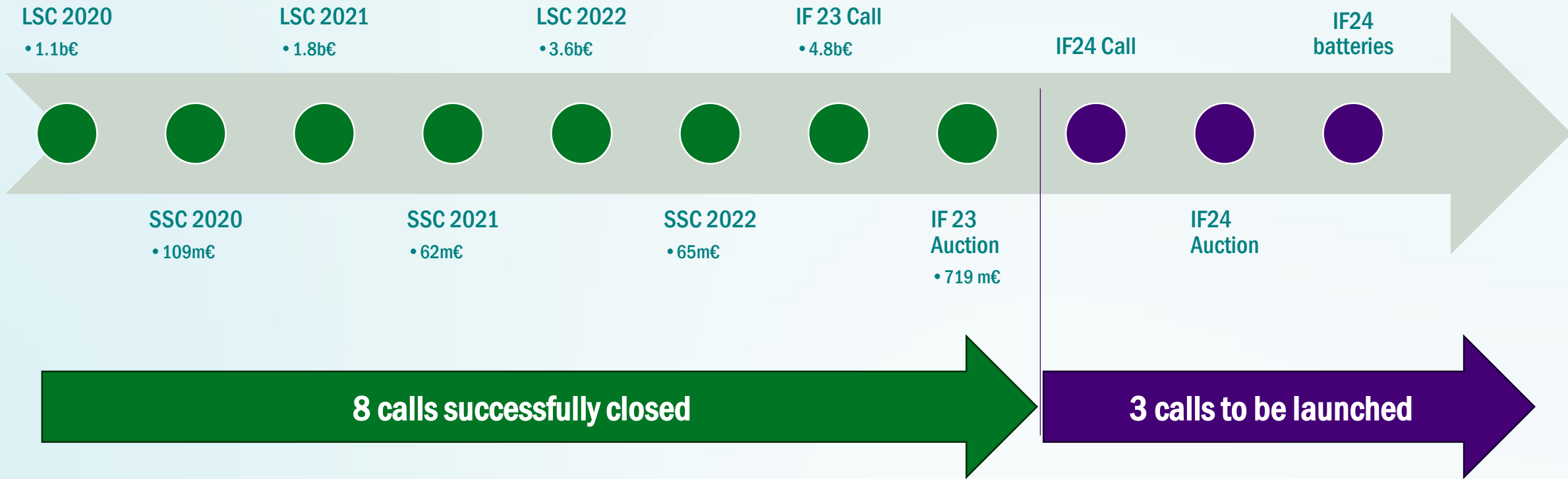


- **RePowerEU** objective of 10Mt of renewable H₂ domestic production.
- **Net-Zero Industry Act**: clean tech manufacturing topic (€700 million in 2022, €1.4 billion in 2023).
- **European Hydrogen Bank**: first pilot auction under the Innovation Fund.
- **Wind package**: clean tech manufacturing topic and project development assistance.
- **Strategic Technologies for Europe Platform (STEP)**: 'as a service' feature for the Innovation Fund

Innovation Fund – targeted project portfolio

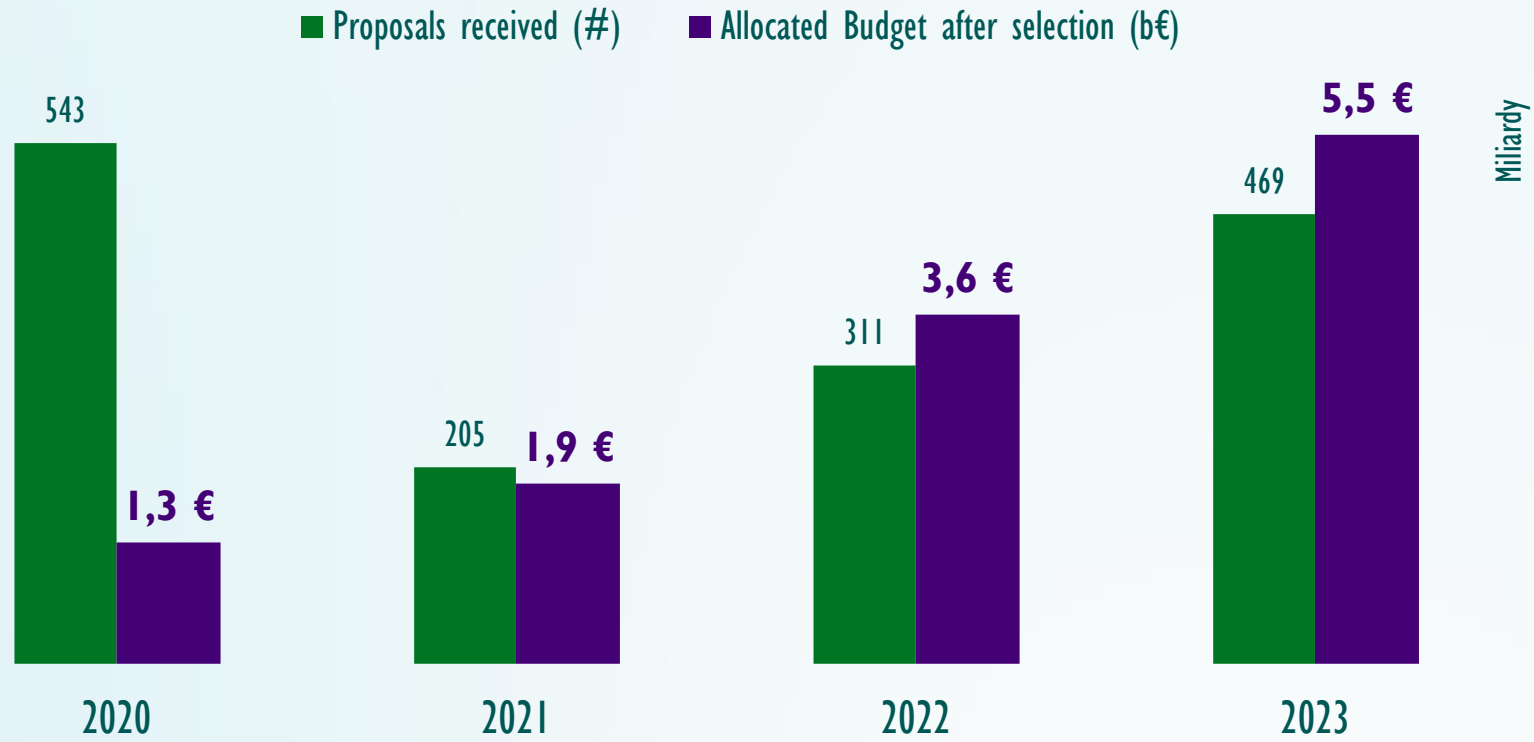


Evolution of the Innovation Fund



Evolution of the Innovation Fund

Over 1500 proposals received
More than 12 billion € allocated to selected projects



The Innovation Fund in a nutshell



208 projects:
123 ongoing +
85 under GAP*



€ 12.04 Billion
EU granted +
under GAP*

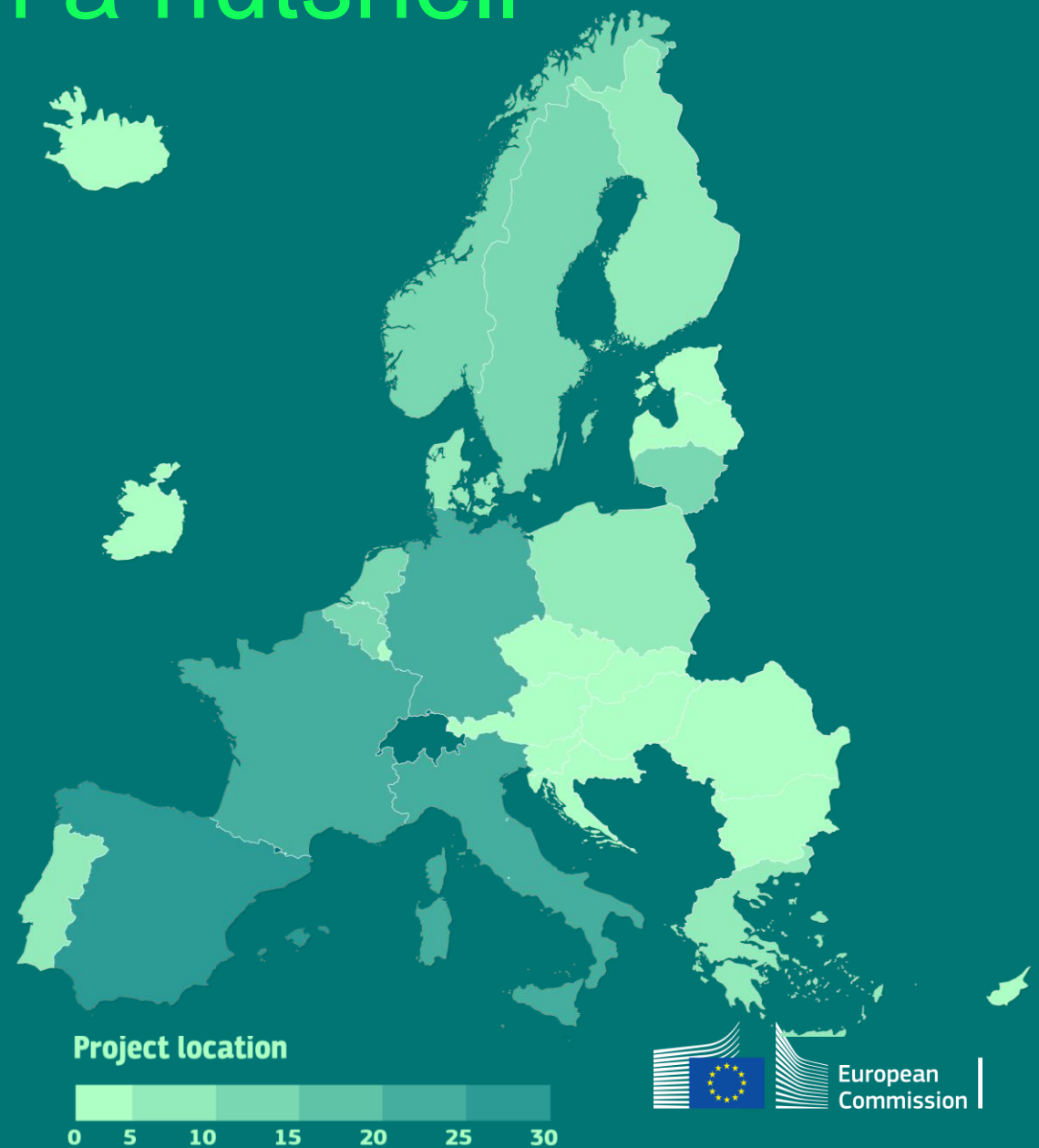


~929 Mt CO₂ eq
to be avoided**



26
Countries

Two new countries added: Estonia and Slovakia

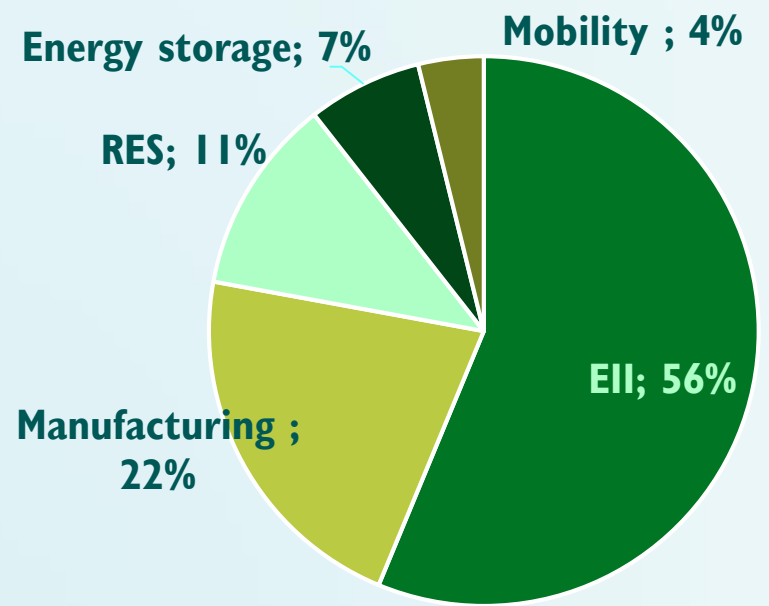


*GAP: Grant Agreement Preparation

** estimated based on 10 years operations

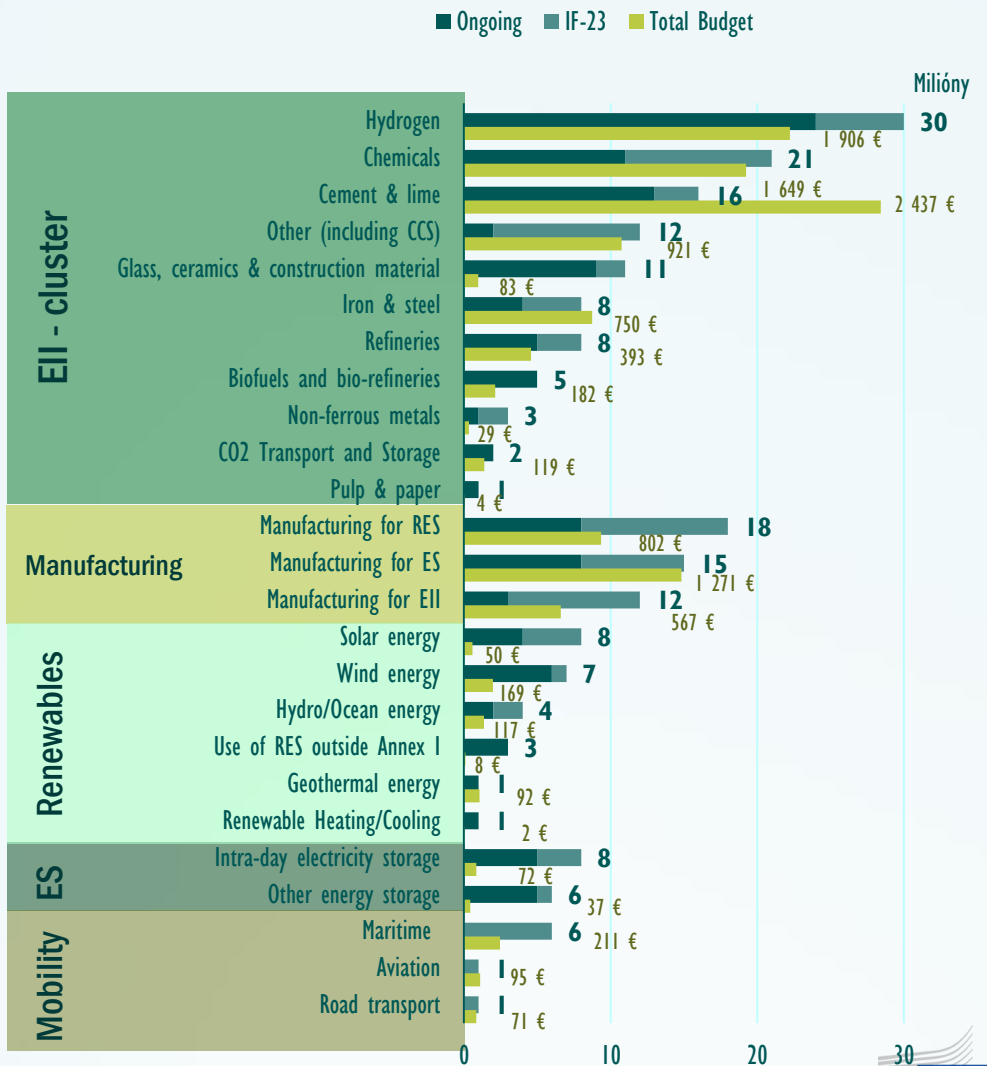
IF Portfolio: ongoing + IF 23 selected projects*

Share of projects by cluster



By number of projects

Newly added mobility projects in:
Aviation, Road transport, Maritime* sectors



Innovation Fund Lump-sum grant calls

Innovation Fund LS grants - key features

Financed from the revenues of the EU Emissions Trading System

Volume: EUR 40 billion* until 2030 (depending on carbon price)
*at EUR 75/ tCO₂

Annual calls

Support up to 60% of relevant costs

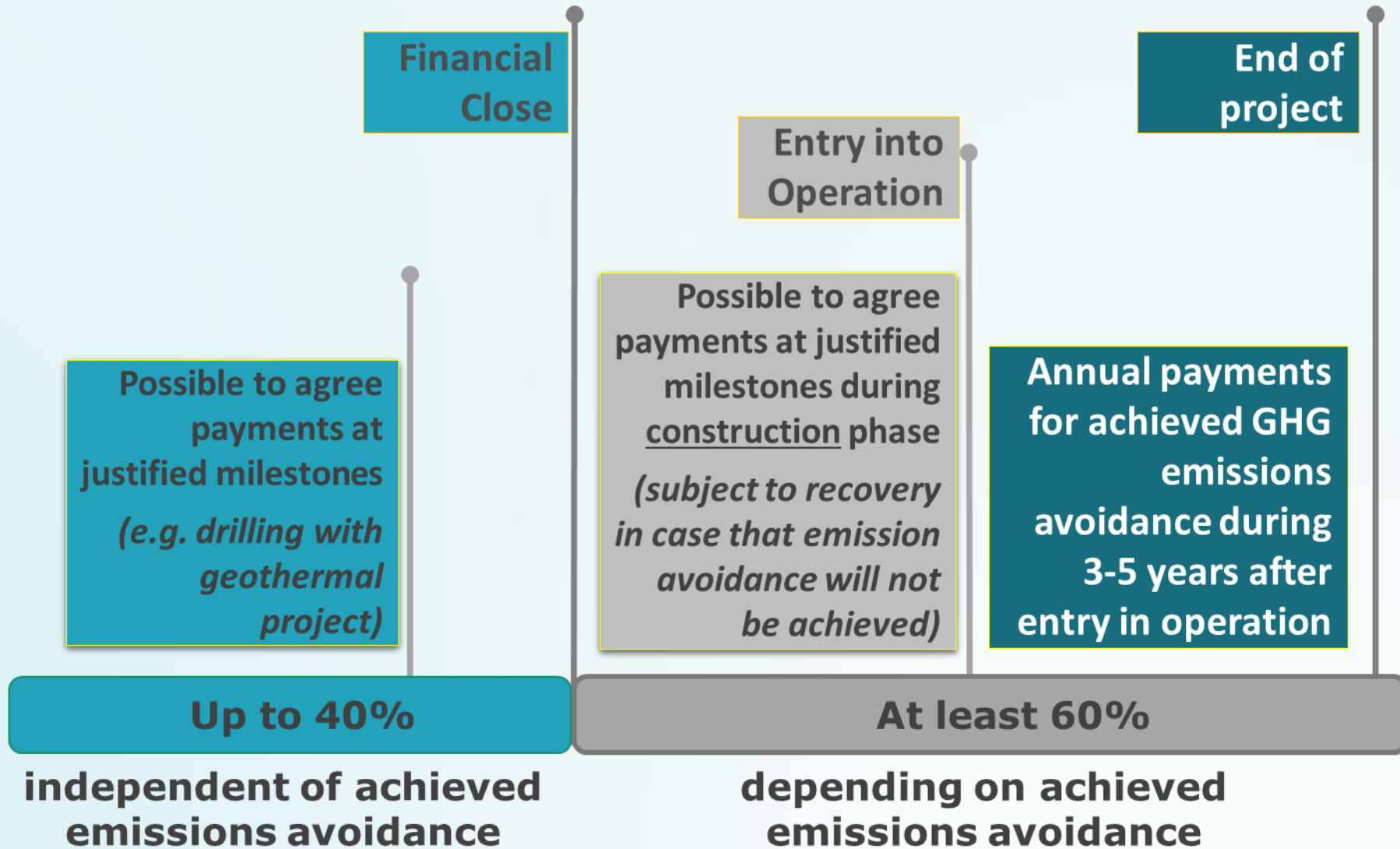
Up to 40% of the grant disbursed at Financial Close (FC)

At least 60% of the grant disbursed after FC and during 3-5 years monitoring period (GHG emissions avoidance)

Single applicant or consortium
Projects must be implemented in EU/EEA

Project development assistance provided by the European Investment Bank

Payment upon completed milestones



Innovation Fund topics and Award Criteria



Five topics

- Large Scale Projects (CAPEX > 100 MEUR)
- Medium Scale Projects (CAPEX 20 - 100 MEUR)
- Small Scale Projects (CAPEX 2.5 - 20 MEUR)
- Clean-tech manufacturing (CAPEX > 2.5 MEUR)
- Pilot projects (CAPEX > 2.5 MEUR)

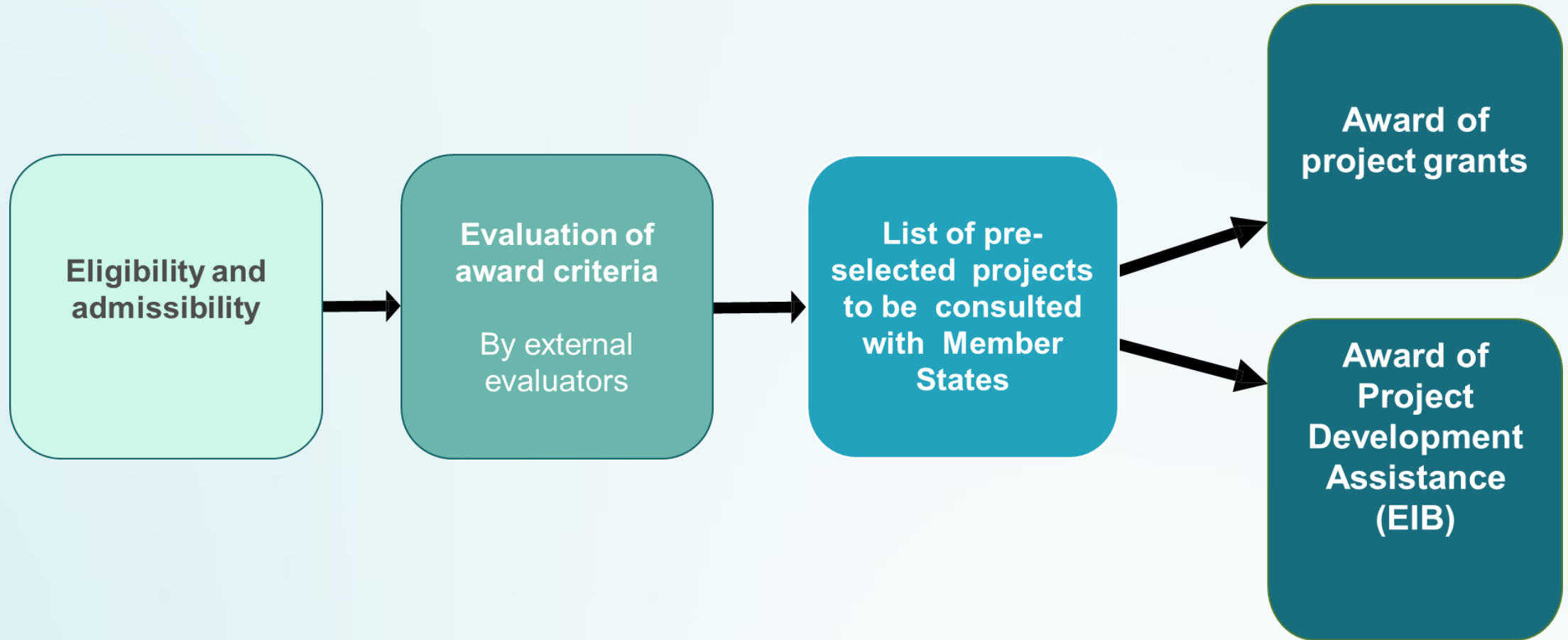


Award criteria*

- Degree of innovation
- GHG emission avoidance
- Project maturity – technical, financial, operational
- Replicability
- Cost efficiency
- + Bonus points

* Award criteria may differ in respective calls for proposals

Selection procedure



Innovation Fund 2023 Call and results

INNOVATION FUND

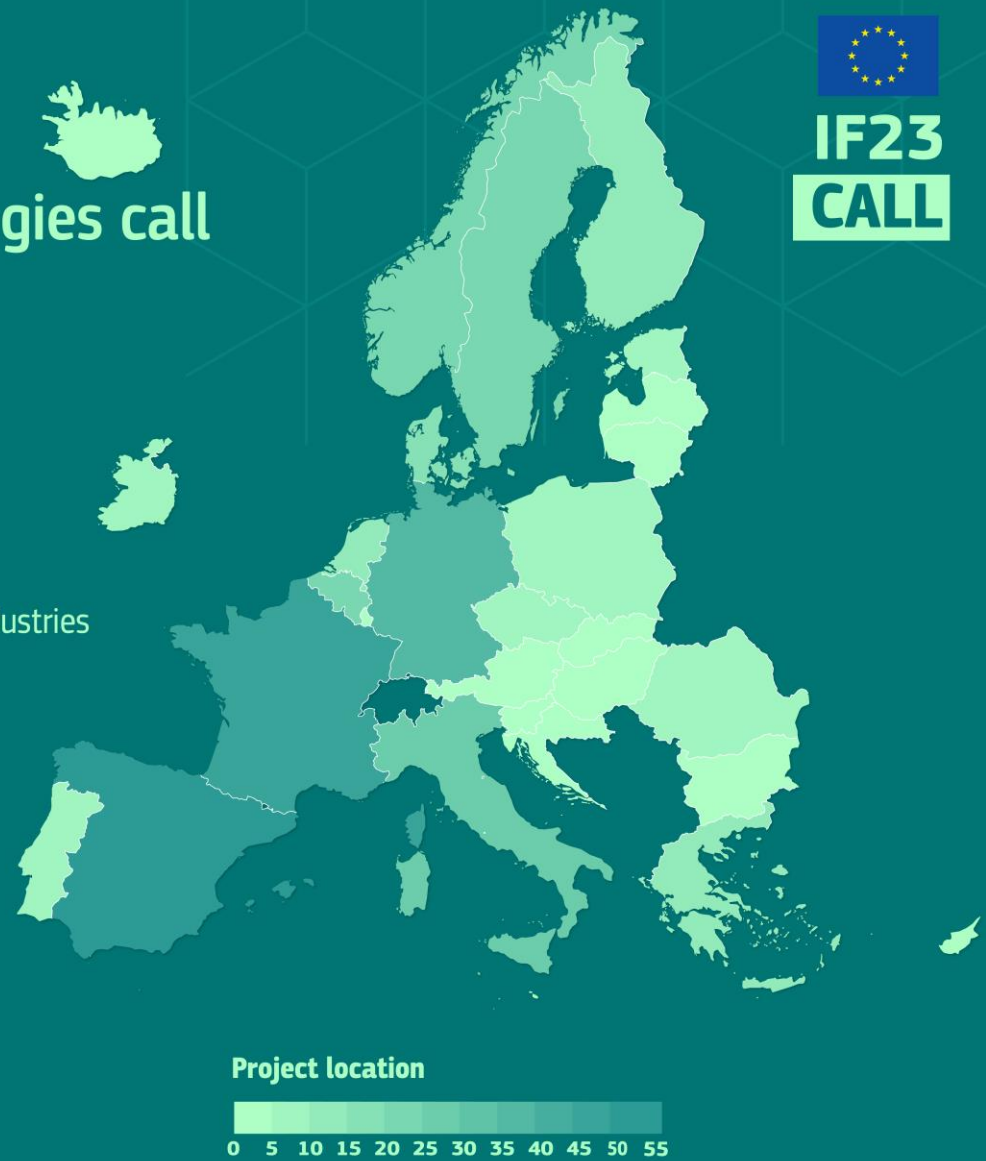
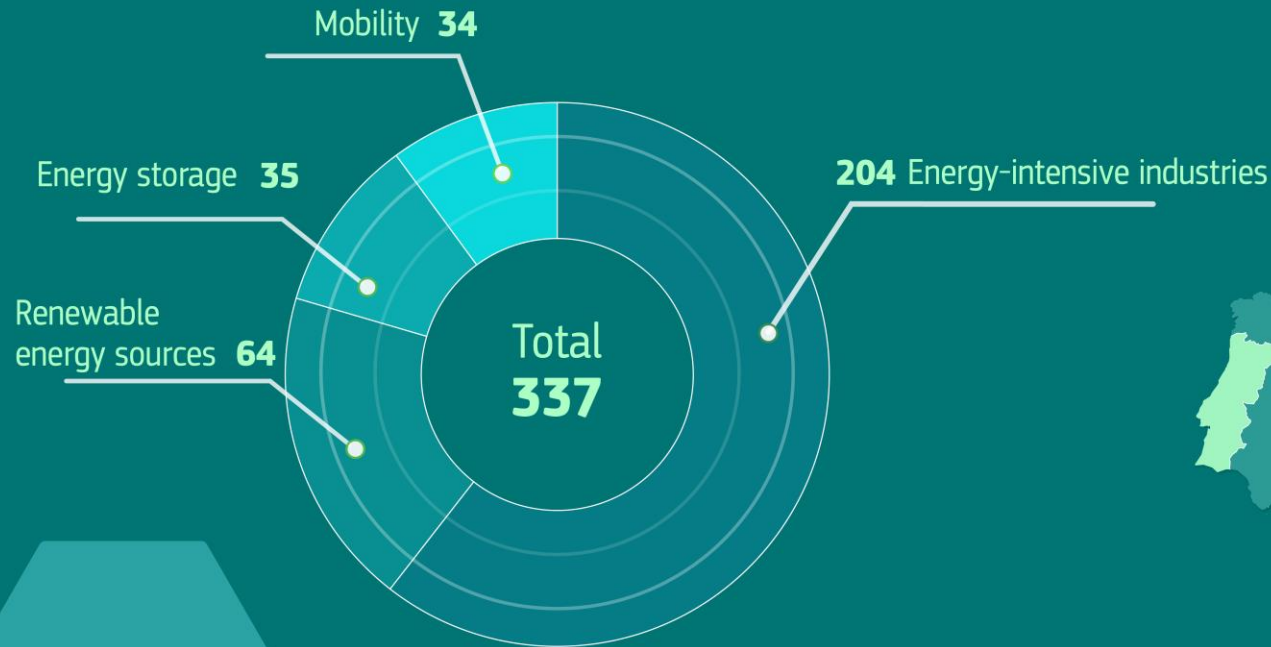
Funded by the EU Emissions Trading System

Applications to the 2023 Net-Zero Technologies call



**IF23
CALL**

Applications per category



Total funding requested: EUR 24.6 billion, 6x higher than the available budget (EUR 4 billion)
Overall, potential to reduce 1.4 billion tonnes CO₂ equivalent

INNOVATION FUND

Funded by the EU Emissions Trading System



**IF23
CALL**



85

**PROJECTS
SELECTED
FOR GRANTS**

in 18 European countries

IF23 Call: Net Zero Technologies (NZT)

- **337** received proposals
- **95** resubmissions
- **283*** admissible & eligible
- **85** invited for grant agreement preparation

Per Topic

	Received proposals	Eligible proposals
GENERAL-LSP	139	132 (95%)
GENERAL-MSP	50	38 (76%)
GENERAL-SSP	42	22 (52%)
MANUFACTURING	56	52* (91%)
PILOTS	50	39 (78%)

* 2 proposals withdrew during the evaluation

*LSP = Large-Scale Projects ; MSP = Medium-Scale Projects ; SSP = Small-Scale Projects

Innovation Fund RFNBO H2 Auction

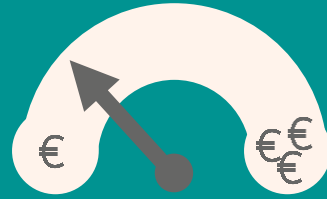
EU domestic RFNBO H2 auction objectives

1



Cost-efficient,
market based
instrument
for financial support

2



De-risking projects
and maximising
leverage of private
capital

3



Price discovery and
market formation

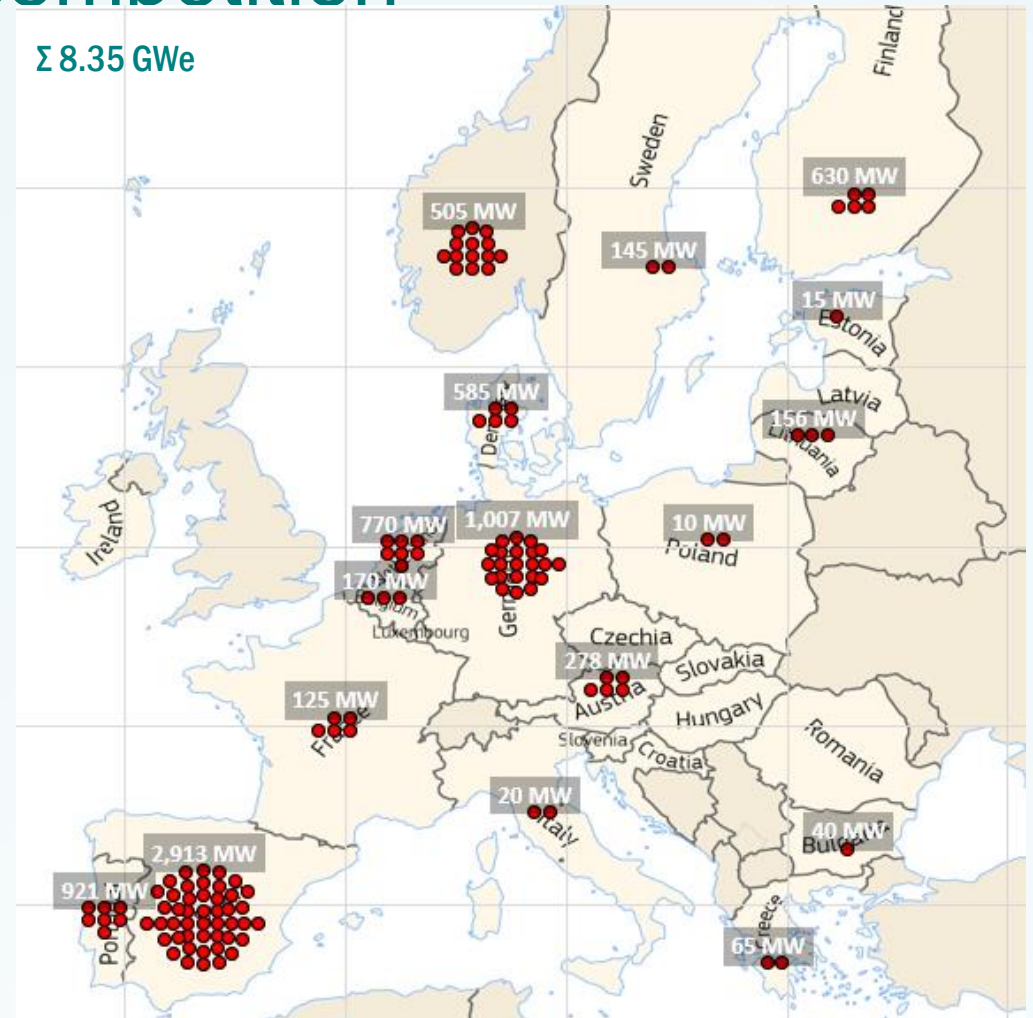
4



Reduced
administrative
burden

The first pilot auction round 2023 was a success with high levels of participation and competition

- **132*** bids from 17 different EEA countries
- Only 13 projects failed admissibility and eligibility criteria
- **Seven bids selected**** requesting a total grant amount of **€ 720 million**
- Selected bids between **EUR 0.37** and **EUR 0.48 / kg of H₂**
- **Six Grant Agreements signed**

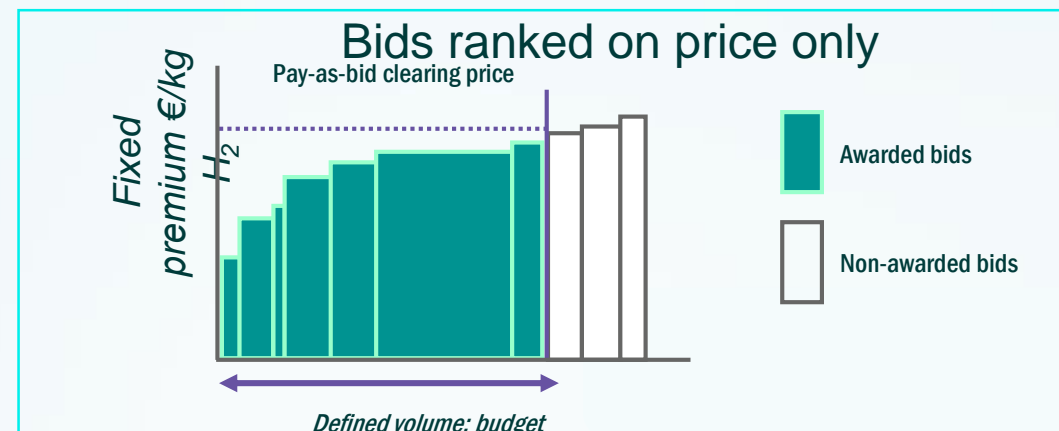
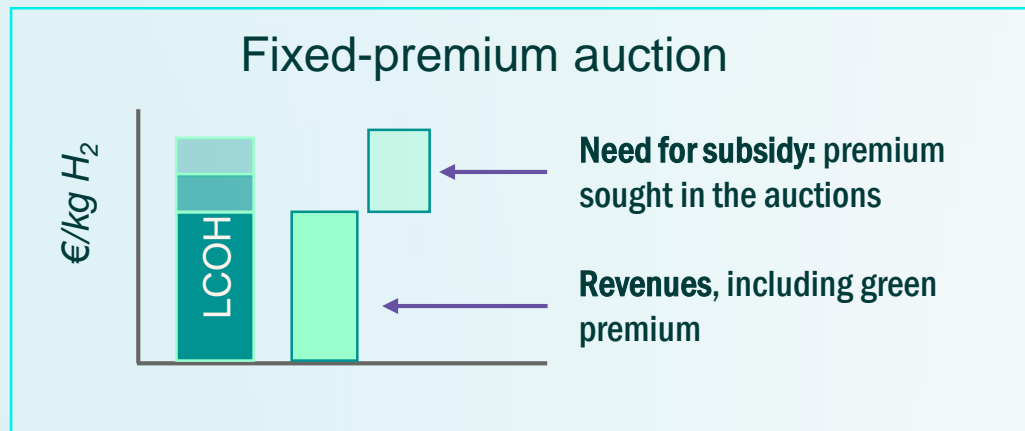


* Graphs and analyses on all following charts refer to data from 130 bids, excluding a bid submitted above the ceiling price of 4.5EUR, and a bid with significant data gaps and incomplete application documents.

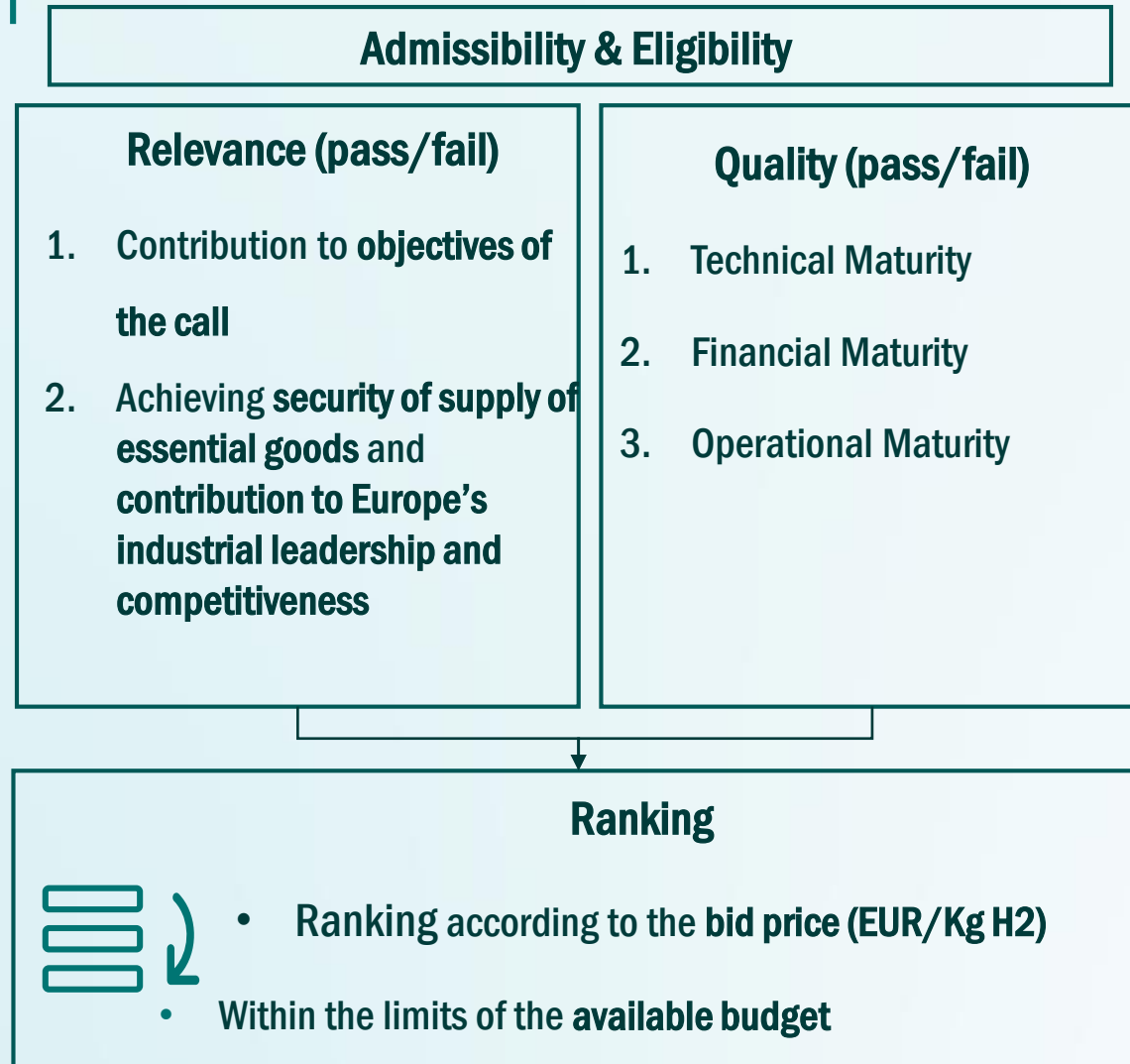
** 6 bids signed the Grant Agreement.

Objective of the IF24 Auction

- Support **production of Renewable Fuel of Non-Biological Origin (RFNBO) Hydrogen** as defined in the RED and its Delegated Acts. NEW: Contribution to achieving **security of supply of essential goods** and contribution to **Europe's industrial leadership and competitiveness**.
- Support in form of a **fixed premium in €/kg of renewable hydrogen produced over 10 years**
- Single stage, pay-as-bid (no indexation to inflation).
- **Pass/Fail qualification** criteria and **Ranking based on price** - budget allocated to projects with the lowest specific support requirements
- **Output based support**, upon verified and certified production of RFNBO volumes (no payments before entry into operation), Semi-annual payments.
- **Auctions-As-A-Service**



Call and assessment structure



Required application documents:

Renewable electricity sourcing strategy

Hydrogen off-take and price hedging strategy

Electrolyser procurement strategy

Plan to receive environmental permits on time

Plan to receive grid connection permits on time

Feasibility Study

Completion guarantee letter of intent

General eligibility conditions

Location:

within the EEA

Installed capacity:

**minimum 5 MWe, new capacity,
Single location (no virtual capacity pooling)**

Bid ceiling price:

4 EUR/kg RFNBO Hydrogen

**Maximum size
of the bid:**

**General Topic: EUR 250 million (1/4th of total budget 1b€)
Maritime Topic : EUR 200 million**

Key implementation arrangements

Financial close	<ul style="list-style-type: none">• 2.5 years after signing Grant Agreement
Entry Into Operation	<ul style="list-style-type: none">• 5 years after signing Grant Agreement
Completion guarantee	<ul style="list-style-type: none">• 8% of the requested grant
Payments	<ul style="list-style-type: none">• No payments before entry into operation. Then, biannual basis - EUR/kg of RFNBO Hydrogen produced, certified and verified for a maximum period of 10 years.
Cumulation	<ul style="list-style-type: none">• <u>with other public funding</u>: limitations apply, same as pilot auction
Production requirements	<ul style="list-style-type: none">• Semi-annual production may be increased to up to 140% of planned.• Total grant amount cannot be increased.• Production can not fall below 30% of planned production for more than three rolling consecutive years
Compliance	<ul style="list-style-type: none">• <u>With the criteria</u> under which the project was selected (e.g resilience criteria, maritime topic eligibility criteria) will be monitored during implementation

The RFNBO Hydrogen Auction

The auction will open on the:
3rd of December, 2024

On that date, all relevant documents from the auction will be available on the **EU Funding & Tenders Portal**

You can find information on the IF24 Auction, including the Final Terms and Conditions, on DG CLIMA's [website](#)

Second renewable hydrogen auction: European Commission publishes Terms and Conditions

The Innovation Fund continues to support renewable hydrogen production as part of the European Hydrogen Bank.



On 27 September 2024, the Commission published the final [Terms and Conditions](#) (T&Cs) for its second auction for the production of renewable hydrogen (IF24 Auction), via the [Innovation Fund](#). This auction, which is a key pillar of the [European Hydrogen Bank \(EHB\)](#), provides financial support to producers of hydrogen categorised as Renewable Fuel of Non-Biological Origin (RFNBO).

The auction will open on 3 December 2024 and will award up to €1.2 billion support to renewable hydrogen producers located in the European Economic Area (EEA). Building upon [the success of last year's pilot auction \(IF23 Auction\)](#), the second auction will further contribute to the creation of a European market for renewable hydrogen by de-risking investments with public support.

Innovation Fund in Slovakia

Selected projects



1
Projects

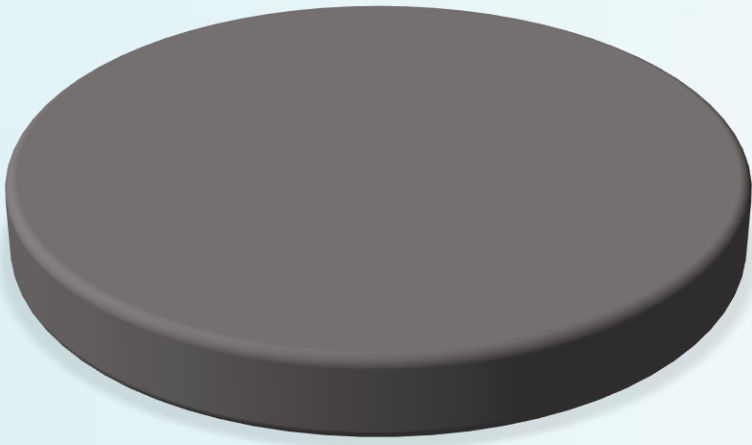


21.5 million €
EU contribution



526 ktCO₂ eq
first 10 years

Sectoral distribution



Chemicals; I

Slovakia



Innovation Fund 2024 funding opportunities



IF24 Auction

- RFNBO Hydrogen
- Expected launch on 3 December 2024
- Budget EUR 1.2 bn



IF24 Call

- General, Cleantech, Pilots
- Expected launch: 3 December 2024
- Date and the budget to be announced beginning of November, 2024

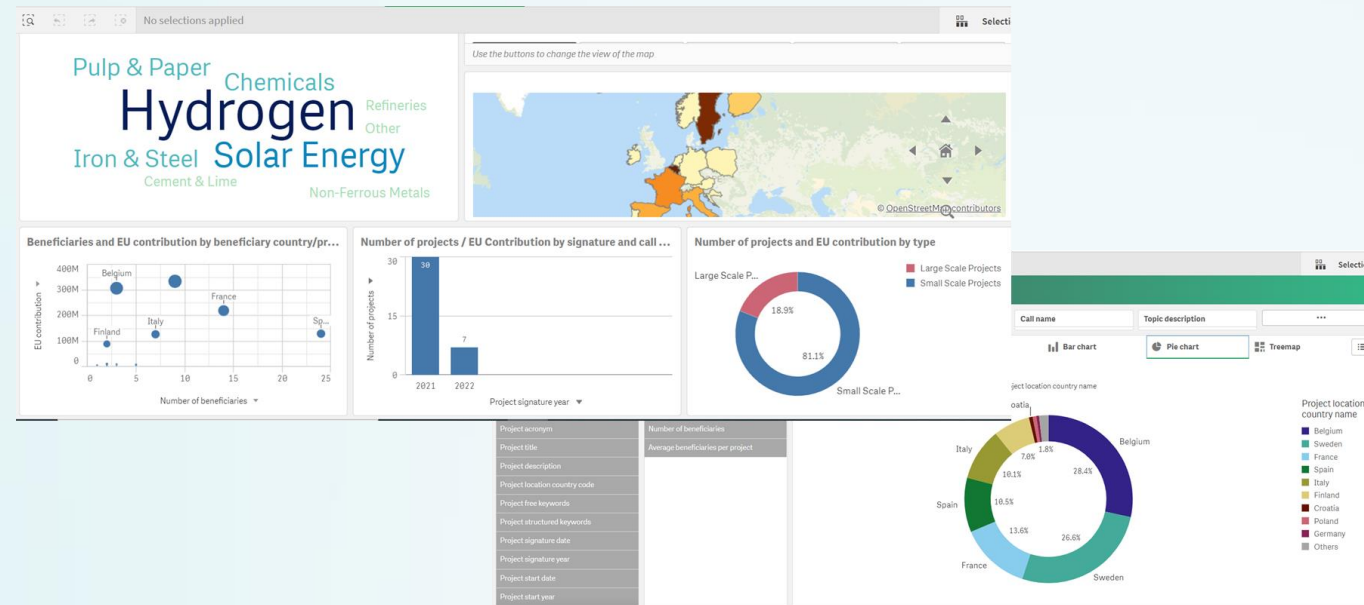


IF24 Batteries

- Manufacturing of electric vehicles battery cells
- Expected launch: 3 December 2024
- Date and the budget to be announced beginning of November, 2024

All relevant documents for applicants will be available on the [EU Funding & Tenders Portal](#).

IF project portfolio dashboard



Available on [CINEA's website](#)

Knowledge Sharing

Support replication and faster market penetration of the technologies or solutions supported by the Fund

Annual knowledge sharing report

Challenges & insights from IF projects

First edition (2024)



& Thematic closed-door events

Closed door events

- 28 November 2023 Knowledge sharing workshop on CCS - Realising opportunities along the value chain (workshop [summary](#), [presentations](#), and slide pack: [Capture](#), [Transport](#), and [Storage](#))
- 10 October 2023 Knowledge sharing workshop on energy storage - Key takeaways and best practices to reach financial close ([workshop summary](#))
- 19 September 2023 Knowledge sharing workshop on hydrogen - Main challenges in reaching financial close and ways to tackle them ([workshop summary](#))
- 30 March 2023 The emerging EU CO₂ transport and storage market (workshop [summary](#), [presentations](#), and [background documents](#))
- 15 September 2022 Main challenges in reaching financial close and ways to tackle them (workshop [summary](#), and [presentations](#))
- 15 February 2022 Knowledge sharing workshop on CCS Directive - Innovation Fund and Projects of Common Interest (PCIs) (workshop [summary](#))

Innovation Fund project portfolio

- Real-time data Project [portfolio dashboard](#)
- Overview of [projects per country](#)

Summaries available for download:

https://cinea.ec.europa.eu/programmes/innovation-fund/knowledge-sharing_en

Available for download

<https://data.europa.eu/doi/10.2926/895296>

More information



All (past) call documents available on the **Funding and Tenders Portal** including:

- ✓ Guidance and calculation tools on GHG emissions and relevant costs
- ✓ Frequently asked questions

<https://europa.eu/!QB67by>

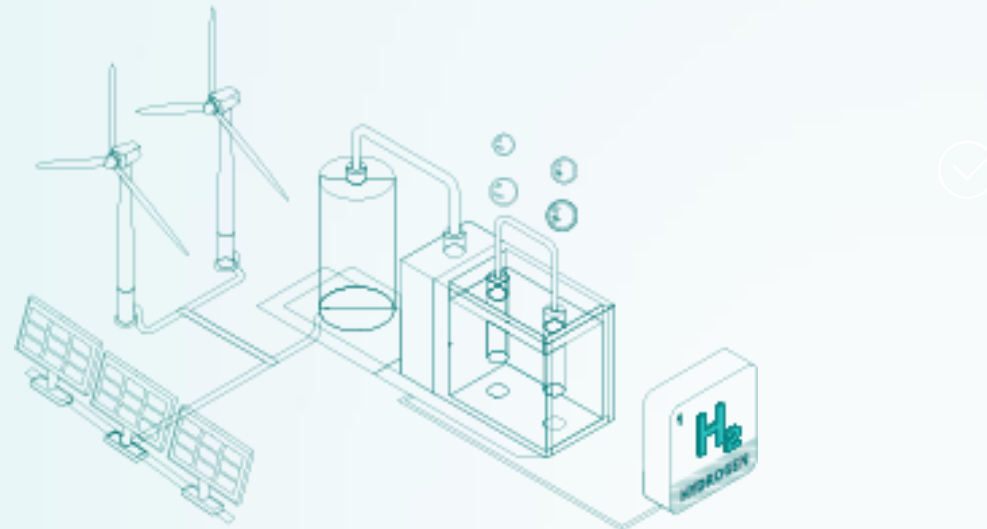


Further info, planning of new calls, recorded webinars and videos available on the IF Website:

<https://europa.eu/!rx34Dt>

And more videos available on YouTube:

<https://bit.ly/2WxK8w7>



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Deploying innovative net-zero technologies for climate neutrality



More information here:



<https://europa.eu/IRtnFw>

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- Technical expert
- Financial expert
- GHG expert
- Rapporteur

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Thank you



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