Innovation Fund
Stakeholder Consultation event

13 June 2023 - In person and online

Break time 15:30 – 16:00 CEST

Next session in Room 0D (ground floor)

Please note the event is livestreamed and recorded.

European Commission

Innovation Fund

Feedback from sectoral workshop

13 June 2023

European Commission

Industry decarbonisation, including substitute products

1

What are the most promising technologies and strategies for reducing emissions in this sector?

- A strong project pipeline of key technologies and innovations identified by ASPIRE/P4Planet
- Areas that may be under-represented:
  - Circularity & material efficiency
  - Hybrid industry/energy storage
  - Substitute (carbonated) raw materials (e.g. glass)

Industry decarbonisation, including substitute products

2

What are the main lessons learned from recent projects implemented in Europe, and how to avoid repeating mistakes in new projects?

- Long period of development post award can lead to project management issues (as experienced by a successful recipient of 2 awards). Could support be provided for this?
- Continuing uncertainty about the compatibility of European/Member State funding streams and advice/guidance would be helpful → ***pending guidance note from DG CLIMA on State aid cumulation***
- Uncertainty for some new applicants who are unable to learn important lessons from existing grant awardees

Industry decarbonisation, including substitute products

3

Which areas would benefit from auctions in addition or as an alternative to grants? What additional funding measures are required?

- Hydrogen derivatives and CCS mentioned as important options
- Demand options in general but no clear view
- No full consensus on whether low carbon hydrogen should be funded under an auction
- Gap between Horizon Europe and Innovation Fund

Aviation

1

What are the most promising technologies and strategies for reducing emissions in this sector?

- SAF upscaling and prices
- Engine and airframe efficiency gains of 20% by 2050
- Funding for first mover high risk projects
- Need market development strategies
- Electric and Hydrogen propulsion development

Aviation

2

What are the main lessons learned from recent projects implemented in Europe, and how to avoid repeating mistakes in new projects?

- Do the projects actually deliver the promised emissions reductions)
- Address the valley of death
- Gap in R&D funding as well as deployment

Aviation

3

Which areas would benefit from auctions in addition or as an alternative to grants? What additional funding measures are required?

- Auctions more relevant for fuel production than engine development/airframe projects
- Feed-in tariffs
- CFD Contracts for difference

Maritime

1

What are the most promising technologies and strategies for reducing emissions in this sector?

- Multitude of different technologies are needed for the different applications
- For deep-sea shipping, also non-zero-emissions must be considered
- supply of clean fuels and shore power particularly important to all applications
- funding opportunities should remain technology-agnostic

Maritime

2

What are the main lessons learned from recent projects implemented in Europe, and how to avoid repeating mistakes in new projects?

- Carbon-neutral fuels are known, but the scalability and the price of the solutions is key
- There is a risk that only production of fuels is funded (instead of fleets)
- Having the technologies is not sufficient, you also need to have a business case for its application

Maritime

3

Which areas would benefit from auctions in addition or as an alternative to grants? What additional funding measures are required?

- Auctions are a valuable option at least to some areas in the sector, in particular as Contracts for Difference to cover the funding gap
- IF and AFIF need to be complimentary
- Conversion of making the fleet clean-fuel-ready may require additional funding schemes

Clean tech manufacturing including RES and storage

1

What are the most promising technologies and strategies for reducing emissions in this sector?

- Breadth of technologies already identified across RES (wind, solar PV & energy storage)
- Additional technology areas to consider:
  - Solar thermal
  - Heat pumps
  - Green hydrogen hybridisation of gas-fired boilers
  - Direct hydrogen use in ICE vehicles
- Investment needs for different technology types are already well known and this could help inform planning for future IF calls

Clean tech manufacturing including RES and storage

2

What are the main lessons learned from recent projects implemented in Europe, and how to avoid repeating mistakes in new projects?

- Single-site approach for Innovation Fund perceived as limiting for some projects compared to multi-site applications
- Regulatory challenges bringing together two different technologies (e.g. for energy storage)

Clean tech manufacturing including RES and storage

3

Which areas would benefit from auctions in addition or as an alternative to grants? What additional funding measures are required?

- Cleantech manufacturing facilities
- Energy storage – but design of auctions critical as many different forms of storage
- Double-sided auctions seen as useful for Solar PV
- Hydrogen auctions under IF will help to reveal market prices

Thank you

https://cinea.ec.europa.eu/programmes/innovation-fund_en

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