

**Innovation Fund
Technical Workshop
5-6 February 2020**

Agenda

14:00 – 14:20

Introduction

14:20 – 14:50

Summary GHG
emission avoidance
methodologies

14:50 – 15:20

Summary relevant costs
calculation
methodologies

15:20 – 16:00

Conclusions & next
steps

Innovation Fund

Key features

Basics

Volume of at least EUR 10 billion until 2030 (at 20€ carbon price)

Support of up to 60% of additional costs related to innovative technology

Renewable energy
CCS and CCU
Industry
Storage

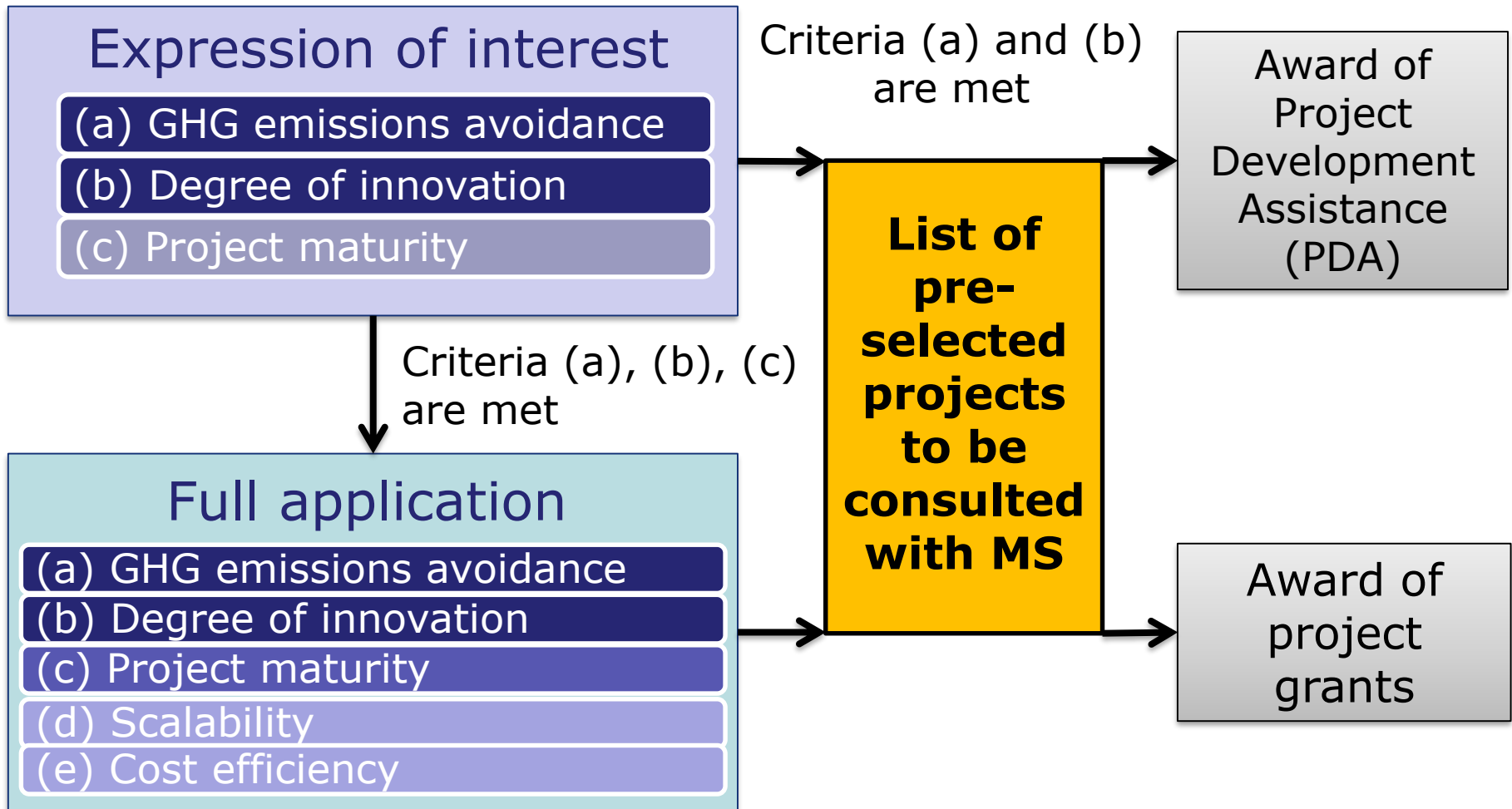
Financed from the revenues of the EU Emissions Trading System

Support of additional capital and operating costs (up to 10 years)

First call in mid-2020 with a volume of EUR 1 billion

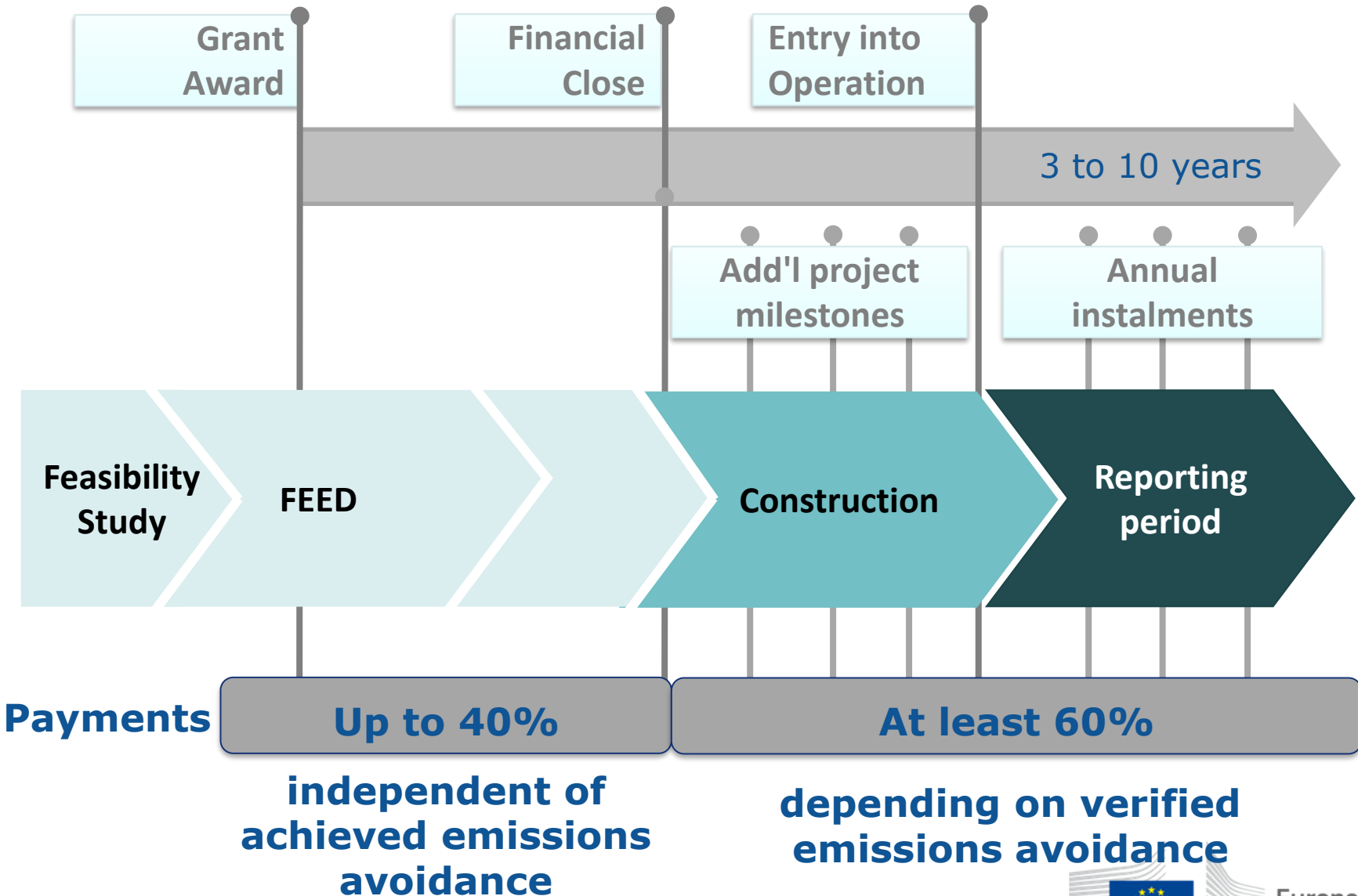
Selection process

Basics



Grant disbursement

Basics



First-phase selection criteria

Expression of interest

GHG emissions avoidance

- To be delivered during first 10 years of operations

Degree of innovation

- Breakthrough technologies
- Consistency with 2050 climate-neutrality
- Quantitative indicators

Project maturity

- Readiness to invest
 - *1 = feasibility study*
 - *100 = "conditional investment decision"*

Two additional criteria for full application

Scalability

- Market potential in a 2050
 - *Number and scale of applications*
 - *Expected cost reductions*
 - *Resource availabilities*

Cost efficiency

- Calculation of additional capital and operating expenses
- Requested grant in relation to promised GHG emissions avoidance

Cost efficiency =

Requested grant
(up to 60% of
relevant costs)

=

Expected GHG
emissions
avoidance

How
aggressive or
conservative
do you want
to bid?

Principles for design of selection criteria

Close to business

Re-use the assessment that you have prepared for your CEO or investment bank

Easy and transparent for evaluators

Calculate with minimum of data
Use publicly verifiable data where possible
Consider verification by independent third party

Fit for first call

Methodology does not need to be perfect but ready for launch of first call

Can be further developed for later calls

GHG emissions calculations

Disbursement against delivery

- At least 75% of emissions avoidance need to be delivered to receive full grant amount

Reference scenarios

- Emissions avoidance calculated compared to reference scenarios (*e.g. ETS benchmark for industrial installations*)

Responsibility for delivery

- Monitoring through ETS MRV or RED reporting
- Possibly additional documentation through Power Purchasing Agreements or other contracts

Cost calculations

Relevant costs

- Additional capital expenditure +
- Net present value of additional operating costs and benefits over 10 years after entry into operations

Benchmark for additionality

- Reference price (e.g. LCOE) **OR**
- Reference costs **OR**
- Reference plant

Price risks

- To hedge risks, additional costs could be calculated compared to current market prices
- Could be adjusted at disbursement milestones in case of significant price increase

Production risks

- Risk of lower production in first years could be modelled directly, e.g. through lower production volumes

Panel discussions

GHG emissions
avoidance

Relevant costs

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**Conclusions & next
steps**

Summary and Conclusions

Next steps

Call for experts and job opportunities at INEA

Next steps

**Workshop on Clean Tech
Financing and Project
Selection**

**Expert Group meeting on
Draft guidance**

**Training
and
guidance**

11-12 March

April

June

Launch First Call

Sep-Oct

Submission 1st phase

Q1 21

Invitation 2nd phase

Q2 21

Submission 2nd phase

Q4 21

Grant Award

Conference and Workshop on 11 and 12 March

Conference on innovative clean tech financing

- 3 sessions
 - High-level session
 - A financier's perspective: what makes an innovative clean tech project attractive?
 - A project promoter's perspective: how to structure the financing of innovative clean tech?

Workshop on project selection and grant management

- How to evaluate innovativeness, scalability and project maturity (incl. business viability)?
- How to support project's maturity?
- How to promote knowledge sharing?

INNOVATION FUND: CALL FOR EXPERTS

JOIN US TO SHAPE THE EU'S CLIMATE-NEUTRAL FUTURE



WHO ARE WE LOOKING FOR?



Technical experts

At least 5 years of experience in engineering, innovative technologies and decarbonisation of the different sectors of the Innovation Fund



Financial experts

At least 5 years of experience in financial institutions, companies, consultancies and expertise on project finance, investment banking, financial analysis, project structuring and risk analysis



Legal experts

At least 5 years of experience in national and EU frameworks on permitting, public procurement for the sectors of the Innovation Fund



WHERE DO I APPLY?

Register to join the database of external experts:

ec.europa.eu/info/funding-tenders/opportunities/portal/screen/work-as-an-expert

When registering, refer to the "Innovation Fund" in the list of pre-established keywords and tick the "other programme" box in the application. Please also send your CV to

INEA-Innovationfund-calls@ec.europa.eu



MORE INFORMATION

Innovation Fund: ec.europa.eu/clima/policies/innovation-fund_en

Innovation and Networks Executive Agency: ec.europa.eu/inea/en

INEA recruits – join us!

PROFILES

AD7 Senior Project Manager
Energy Innovation (closes
21/02/2020)

Experience in engineering and innovative technologies in the Innovation Fund sectors

AD9 Senior Financial
Engineering Manager (closes
07/02/2020)

Experience in project finance, investment banking, financial analysis and risk analysis in the Innovation Fund sectors

DESCRIPTION

JOB DESCRIPTION

- Implementation of grant component of the **ETS Innovation Fund**;
- Assist in delivering the **European Green Deal**;
- Specific **expert teams following the Innovation Fund sectors**;
- Direct **outreach activities, contact with industry and market**;
- **Negotiate grant agreements, manage the portfolio of projects** and support funded projects;
- Provide further assistance especially on **financial structuring**;
- **Monitor, communicate and exploit results.**

HOW TO APPLY

WHEN? NOW

WHERE?

<https://ec.europa.eu/inea/en/mission-objectives/job-opportunities>

Please continue to support us

Give feedback on today's workshop

Apply the calculation methodologies to your project and let us know the challenges

Join us on 11 and 12 March

Conference on Innovative Clean Tech Financing

Workshop on project selection and grant management

Mobilize technical and financial experts

Experts for project evaluation

Project managers at INEA