



INNOVATION FUND
First call for large-scale projects

Innovation Fund

Webinar
14 July

Agenda

INNOVATION FUND
First call for large-scale projects

14:00 – 14:20

Introduction
Large-scale call
Evaluators
Small-scale call

14:20 – 14:50

1st stage application
form and process

14:50 – 15:20

1st stage application
Award criteria

15:20 – 15:50

Q&A

15:50 - 16:00

Conclusions

Slido

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Production and use of **Renewable energy**

including manufacturing plants for components

Carbon Capture Use and Storage

Driving low-carbon technologies to the market

Energy-intensive industries

including substitute products

Energy storage

including manufacturing plants for components



Key features

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

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

Annual calls for large-scale and small-scale projects (CAPEX < EUR 7.5 million)

Financed from the revenues of the EU Emissions Trading System

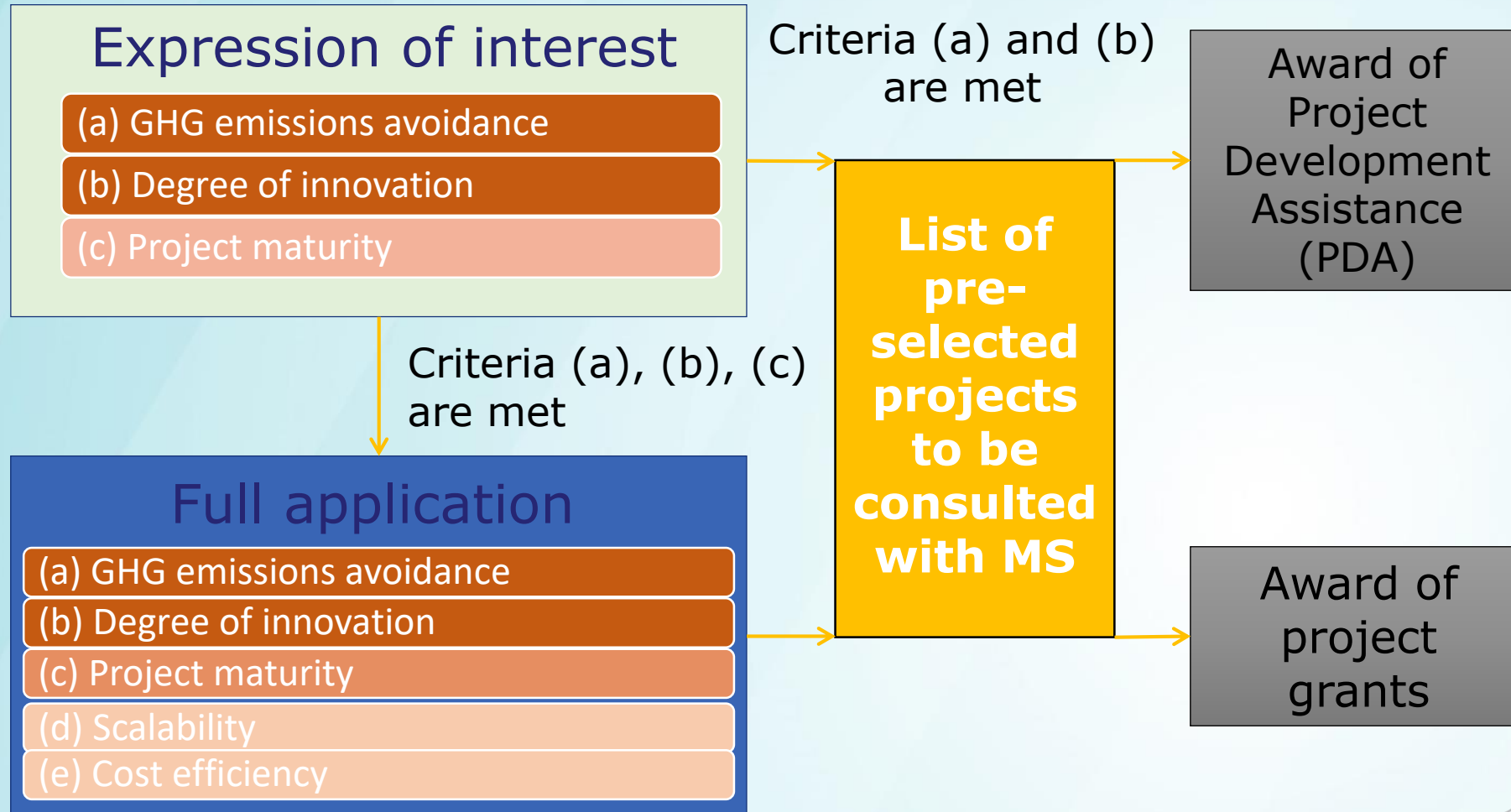
Support of additional capital and operating costs (up to 10 years)

First call open with a volume of EUR 1 billion for large-scale projects

Single applicant or consortium

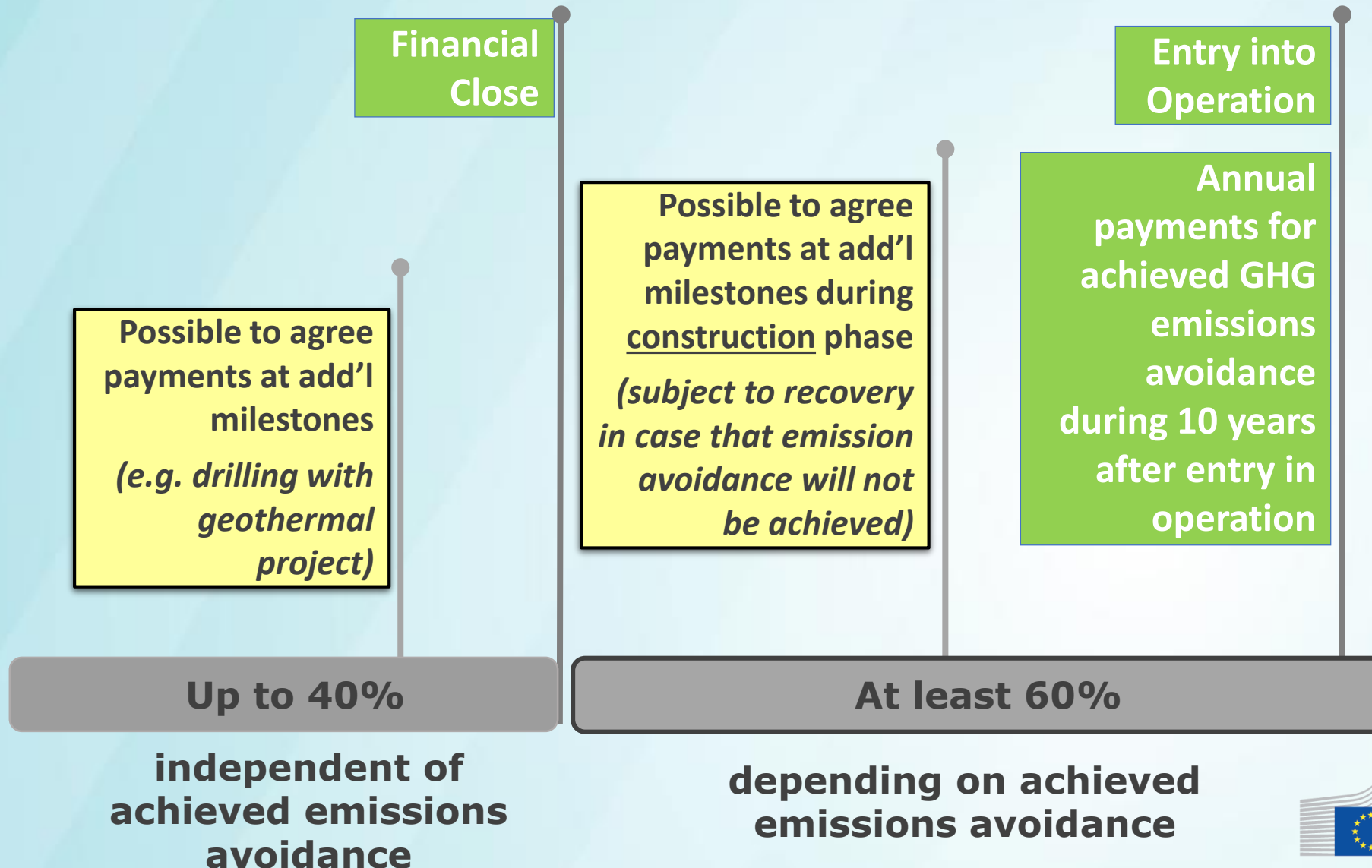
Project start possible after application for first stage

Selection process



Payments upon milestones

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Award criteria

GHG emission avoidance

- Quantitative indicators for absolute and relative avoidance

Degree of innovation

- Beyond incremental innovation and impact on EU policy objectives

Project maturity

- Ready to reach financial close within 4 years?

Scalability

- Market potential for widespread application

Cost efficiency

- Requested support per ton of CO₂

GHG emission avoidance calculations	Reference scenario		GHG emission avoidance in project scenario calculated based on
	GHG emissions in reference scenario based on	Expected quantity during 10 years after entry in operation	
Energy intensive industry	ETS benchmark(s)	Quantity of product	Changes in ❖ inputs ❖ processes ❖ outputs (e.g. waste) compared to reference scenario
Renewable electricity	Expected 2030 electricity mix	Quantity of electricity produced	
Renewable heat	Natural gas (NG) boiler	Quantity of heat produced	
Renewable fuels	Fossil fuel comparators from RED2	Quantity of fuel produced	
Energy storage	Single-cycle NG turbine <i>peaking power</i>	Quantity of energy stored	

Emission factors for grid electricity

Project and reference scenarios	Grid Electricity substituted by export from the project Discharging for energy storage	Grid Electricity Consumed Charging for energy storage
Energy intensive industry CCS	Fully decarbonised electricity mix	Fully decarbonised electricity mix
Renewable electricity and heat	Expected 2030 electricity mix for net export	Fully decarbonised electricity mix for net import
Energy storage	Single-cycle NG turbine <i>peaking power</i>	Fully decarbonised electricity mix

Degree of innovation

Project goes beyond incremental innovation

- (First-of-a-kind) commercialisation at large-scale
- Proposed technology or product goes beyond minor changes

... considering additional criteria
(second stage)

- Energy efficiency and circularity
- Use of electricity from renewable origin
- Net carbon removals

Project maturity – *ready to reach financial close within 4 years?*

	Assessment criteria	Mandatory documents
Technical maturity	Technical feasibility, including project design and technical risks	<i>Feasibility study</i>
Financial maturity	Financial viability, including profitability and financing structure	<i>Business plan</i>
Operational maturity	Progress in planning and implementation, including permitting procedures, contracts with customers and suppliers	<i>Project implementation plan</i>

Scalability – *market potential for widespread application*

Project and regional level

- Further expansion at project site, including sector coupling
- Cooperation with regional economy
- Strategy on knowledge sharing

Sector

- Potential GHG emission avoidance for sector, # installations
- Taking account of supply and demand conditions, such as expected cost reductions and resource constraints

Economy-wide

- Potential GHG emission avoidance across economy, taking into account size of the sector and potential of GHG emission avoidance in other sectors
- Impact on competitiveness and supply chains within EU

Cost efficiency =

**Relevant costs less contribution
by project applicant**
Max 60% of relevant costs

=

**Absolute GHG emission
avoidance**
during 10 years after entry into
operation (*first criterion*)

*Contributions from private
resources or public support*

Calculating relevant costs

Levelised costs

- Comparison of levelised project costs to the market price
- Also for substitute products
- *Default methodology*

Reference plant

- Comparison of project costs to costs of reference plant
- *Fall-back option*

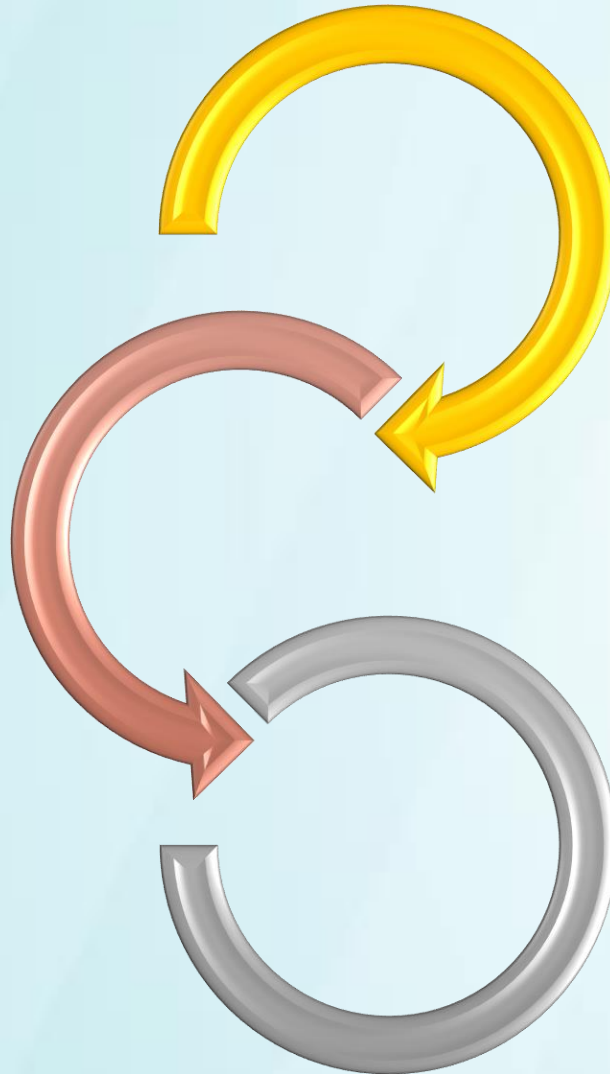
No-reference plant

- In case no comparable product or conventional technology exists



Cooperation with financial sector, investors, and consultants

**You work as evaluator for
the Innovation Fund**
*(subject to conflict-of-
interest rules)*



**You bring mature and
innovative projects to
the Innovation Fund**

**You help projects to
reach financial close
within 4 years after
award of Innovation Fund
grant**

Join as project evaluator



Technical experts



Financial experts



Legal experts

- **Individual** evaluation
 - 5 working days during November and December
 - To be organized fully remotely from your office or home
 - Can be performed during weekends and evenings
- **Consensus group** –
 - Full week of discussion with other fellow evaluators in January 2021
 - Either in Brussels or virtually
- Up to € 5000 compensation OR pro-bono
- **Confidentiality and conflict of interest rules apply**

Join as project evaluator

Please apply and don't hesitate to share with colleagues

Register here:

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

Mention "Innovation Fund"

Send your CV to INEA-Innovationfund-calls@ec.europa.eu

Small scale projects

Scope and support

- Total capital expenditure (CAPEX) not exceeding €7.5mn
- Grant = max 60% of CAPEX
- PDA also possible

Selection and grant disbursement

- Single-stage application
- Same 5 award criteria but possible to simplify methodologies, in particular GHG emission avoidance
- *Grant disbursement still depends on delivery of GHG emission avoidance*

First call

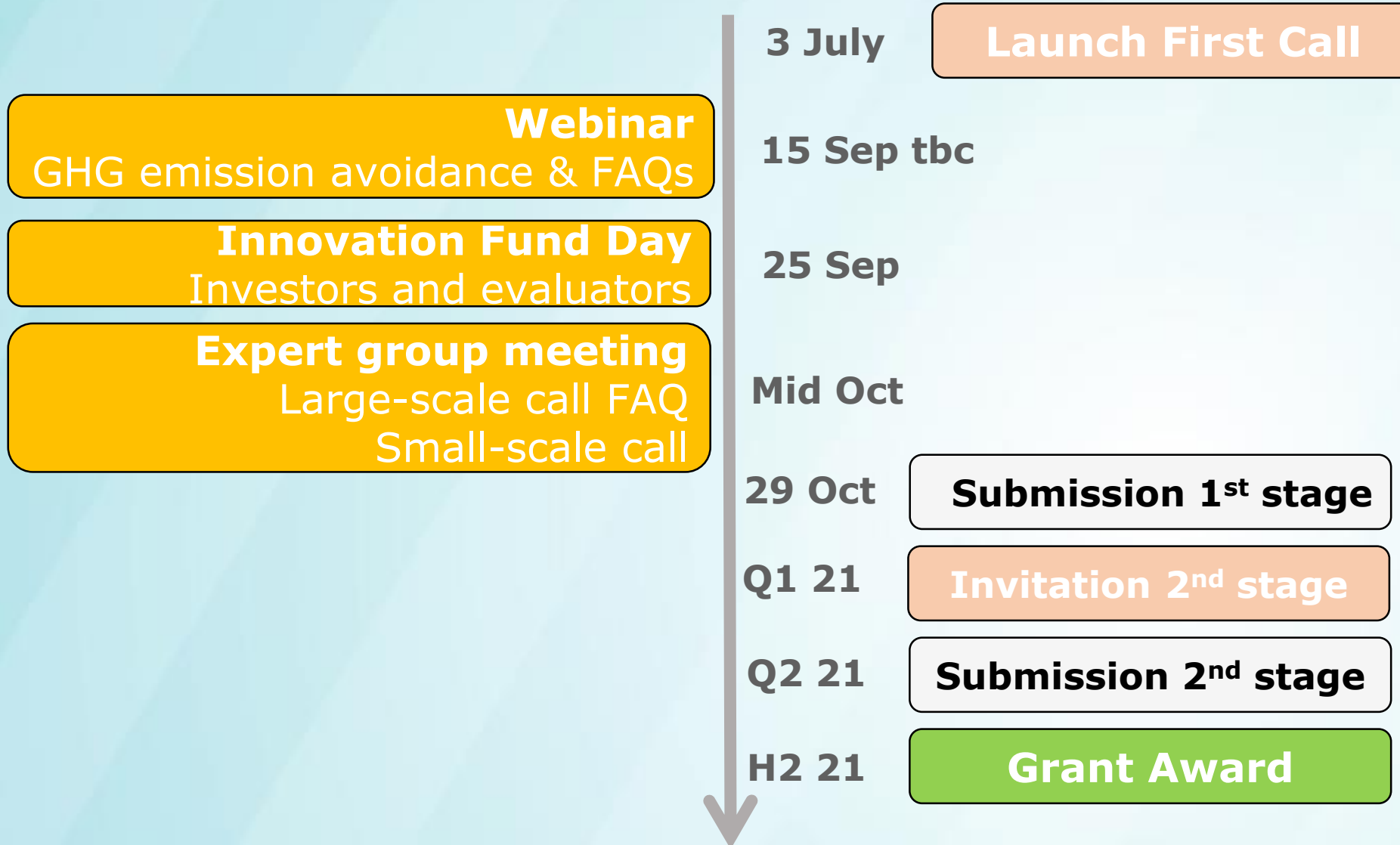
- Launch Q4 2020 / Q1 20201
- How to best complement existing funding programs?
- How to best design simplified application and selection process?

Small scale projects – *is there a gap to be filled by the Innovation Fund?*

	LIFE programme (climate change – traditional projects)	EIC accelerator	IF small scale
EU contribution	No max. Average ≈ €1.5mn	Max. €2.5mn (grants) + up to €15mn (equity)	Max. €4.5mn
Project duration	Not predetermined. Mostly 2-5 years.	1-2 years (with possibility for longer)	Up to 14 years
Activities supported	Aimed at bringing project to maturity for market take-up (e.g pilot, demonstration)	Aimed at bringing project to maturity for market take-up (e.g pilot, demonstration)	Aimed at -bringing projects on market: first-time implementation -keeping projects on market in long run

Calendar

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Application for large-scale call

Submission
deadline
29 October

Next webinar
15 September (tbc)

Call for small-scale projects

Discussion at
Expert Group
Meeting
Mid October

Expected launch
December

Mobilise technical and financial experts

Please continue to
apply

Innovation Fund
Day on co-
investment
25 Sept