

DG Clima Innovation Fund - Workshop

Workshop in Reykjavik 25 March 2020 09:00-12:00 GMT (10:00-13:00 CET)

The meeting is fully on-line Via Zoom.

There were 22 participants attending the meeting, including Mr. Roman Doubrava from DG Clima.

Sigurður Björnsson, Head of Research and Innovation at the Icelandic Centre for Research (Rannís) welcomed participants and Hallgrímur Jonasson, Director General of Rannís gave a brief overview of the role of Rannís. Participants presented themselves.

Presentations:

1. Climate Policy in Iceland presented by Helga Bardadóttir, Deputy Director, Department of Oceans, Water and Climate at the Ministry for the Environment and Natural Resources
2. Innovation fund presentation by Roman Doubrava, followed by Q&A:
 - a. Q: Regarding the small-scale projects call to be launched in 2021, can we expect a similar timeline to the large-scale projects?
A: The selection procedure will be single stage for projects with capital expenditure below 7.5M€. Large-scale projects are subject to a two-stage procedure, which was requested by industry itself. All projects must have strong business underpinnings, be ready for market and scale-up, and promised deliverables must be supported by evidence.
 - b. Q: Can you describe the project development assistance?
A: You will find a thorough description on the website here: https://ec.europa.eu/clima/policies/innovation-fund_en. It is intended to support applicants to work out aspects such as technical, financial, legal, analytical work, due diligence of the project and support with permit procedures, so that every project can benefit from the expertise made available by the European Investment Bank. It is not intended to further the technological aspect of the project itself, rather to help the business concept and thus increase the maturity of the investment.
 - c. Q: Will the applicant need to have income from the project before applying or do you finance premarket prototypes?
A: Applicants need to demonstrate the robustness of the business model, particularly in the second phase. This includes laying out expected revenues, expected challenges and how those challenges will be mitigated. Projects are not required to already have income, but more robust documentation will lead to a higher score in the maturity criteria.
 - d. Q: How do you calculate greenhouse gas emissions avoidance e.g. in a sector that is already 100% renewable?
A: We are currently fine-tuning this methodology to avoid discriminating against countries that are already relatively green. You may use fossil fuel-based installations as the reference scenario to calculate GHG avoidance.
3. Geothermal – Research Cluster in Iceland by Hjalti Pall, managing director of GEORG
Roman: It is impressive to see what Iceland has achieved using geothermal energy, especially relating to circular economy. The IF is working on solutions to make additional capital available to projects that receive IF grants to increase the likelihood of financially closing the project in the four-year time span.
4. CarbFix: Turning CO₂ to Stone by Edda Sif Aradóttir, CEO of CarbFix
Presentation was followed by a clarification about translating current technological readiness level (TRL) when applying the current technology to other industries. TRL is not the driving factor in

evaluation. The project will need to demonstrate that it goes beyond the current state of the art, that it will significantly reduce GHG emissions and that it will enter into operation by the end of the project period and stay on the market.

5. Iceland Deep Drilling Project by Hildigunnur Thorsteinsson, managing director of R&I at Reykjavik Energy
All the wells drilled so far have been in or near geothermal fields already in production by nearby geothermal powerplants. Research formulation has begun and the new well will be drilled in the next few years. CO₂ emissions abatement will always be part of operations.
6. Iceland Aluminium Cluster by Gudbjorg Oskarsdottir, Head of Unit at Innovation Center Iceland
Because the nature of this project is potentially higher-risk and further from market, Gudbjorg asked whether it might belong in Horizon Europe rather than in IF. This depends on the project's ability to deploy the technologies in real operations and demonstrate GHG emissions avoidance.
7. Icelandic New Energy by Jon Bjorn Skulason, CEO
In addition to what was presented, Icelandic New Energy follows along with what Airbus and Boeing are doing regarding both hydrogen and fuel cells as auxiliary systems, but the current focus regarding decarbonized fuels is on the maritime sector and large vehicles.
8. Atmonia – On-farm N-fertilizer production by Helga Dogg Flosadottir, CRO
Agreements with collaborators are in finalization to complete Atmonia's circular value chain in Europe. Logos were not included in the slides because agreements are not yet finalized. Atmonia aims for a 2021 application.
9. CO₂-to- methanol: Moving PtX technology to commercial scale by Benedikt Stefansson, Dir. of Business Development CRI
CRI is considering applying in 2020 for ETS IF support for a commercial scale project under development in Norway. However, CRI is gravely concerned about the impact of the proposed methodology to calculate GHG abatement for P2X and would like to bring to the attention of DG Clima input regarding this point from industry associations such as CO₂ Value EU, Hydrogen Europe and ART Fuel Forum.
Roman: It is good to see you are following the development of methodologies. Our objective is to create a level playing field across Europe, and we are open to ideas and input about this. We aim to conclude the methodologies in the coming months and present them at the IF Expert Group meeting in May.
10. General discussion and closing remarks
 - a. Q: Will there be limits on funding IF will allocate per country?
A: Not at this time. We have an obligation to arrive at a balanced portfolio at the time of the deployment of the IF. Additional criteria may be introduced later, but the aim is to deploy and demonstrate solutions in a globalized world.
 - b. Q: Is it important whether the potential of the projects is in the applicant's country, in Europe or other countries worldwide?
A: The scalability criterion is specifically intended to assess the investments in view of their market potential. The IF can support only those projects whose installations happen within the territory of the EU & EEA.
 - c. Sigurdur Bjornsson and Hallgrimur Jonasson on behalf of Rannís thanked Roman and all participants for their participation.
 - d. Roman thanked organizers and participants as well and encouraged everyone to follow along on the website as new material becomes available. Another round of discussions is scheduled during the IF Expert Group in May, where development work will be wrapped up in time to launch the first call in July.