

Innovation Fund – Small-Scale Call Orientation Sessions

Orientation Sessions - 4 July 2023

1.1.1 14:00 – 15:30 Renewable Energy and Energy Storage

Q&A	In the FAQ?
<p>Can a project with a CAPEX of EUR 8 million submit an application?</p> <p>The maximum CAPEX is EUR 7.5 million and this is an eligibility aspect. Only projects with a total capital expenditure between EUR 2.5 and EUR 7.5 will be eligible under this call for proposals. The project will be declared ineligible if it does not respect these thresholds.</p>	NO
<p>On electricity usage, is it fine if a project foresees that electricity is injected into the grid or is it better for it to be used for a specific purpose?</p> <p>So far there are no restrictions or rules on the use of electricity.</p> <p>For the financial maturity, it would be good to show the offtake contractors that the project already has, but the IF does not have any restrictions. Also, it would be good to have long term contracts in place because that stabilises the cashflow.</p>	NO
<p>What should a project look at, to understand if it falls under the renewable energy manufacturing or electricity generation category?</p> <p>It is important to look at the boundaries of the project.</p> <p>If you are producing yourself any parts of your project, and you are calculating your greenhouse gas savings based on the product that you are selling, that would be suitable for the manufacturing category.</p> <p>If your project aims to install an energy production plant and you're selling electricity throughout the project lifetime of the Innovation Fund, this would be more suitable for the renewable energy category.</p>	NO
<p>If a project produces electricity, is there a preference on the countries that should benefit for the local use of electricity?</p> <p>The call text clearly asks for the implementation of your project inside the boundaries of the European Union, Iceland and Norway – this is the basic condition that you have to fulfil. It's then up to the project to look where you can implement your project best. There is no preference on countries.</p>	NO
<p>Is the amount of GHG emissions savings for manufacturing of components not counted in this GHG emissions calculations?</p> <p>Saving from manufacturing are not included. GHG savings from the use of components are counted in the calculations.</p>	NO
<p>If we are an electricity producer, can we have more than one interested client and if so, can we split the electricity produced to target costumers (e.g., an amount for a specific costumer, another amount for another one)?</p>	NO

Q&A	In the FAQ?
You are in charge of building your business case, therefore, this is possible.	
To maximise the impacts of the project, we are trying to scale it up outside the project itself. Is this a positive outcome?	NO
If the project will gather data to prove it is a scalable project in the future and as explained under the scalability criterion in the application form, this will be positively assessed.	
What kind of written input is best to have from off takers and what can prove that the product has the potential to be scaled up?	NO
The more detailed and firmer the document you provide is, the better. It will be for evaluators to assess what you state in the application. You can submit anything you are able to produce at that time of the application.	
Regarding the degree of innovation criterion, our project is now in the second evolution phase because we have already developed the first prototype, is this enough for the DOI?	NO
A project needs to establish the state of the art, what is there in the moment, what is in the market and compare your solution to it explaining why your solution is more innovative or advanced than what is existing in the moment. For a small-scale call for proposals, a project can choose to compare the proposed innovation with the EU or the national state of the art. In addition, the results that you have been obtaining and registering from the pilot are useful mostly for the technical maturity criterion of the application, but also for the degree of innovation. It's very positive that you have already collected data that can be used in the application.	

1.1.2 15:30 – 18:30 EII / CCU-CCS

Q&A	In the FAQ?
Can projects that support the manufacturing of graphene used as a lubricant (an indirect catalyst of GHG emission reduction) be eligible for funding?	NO
Since this is a product and not a clear project, with the level of information provided, it seems to be out of scope. However, lubricants are included in the ETS directive, and if the innovation within the project is justified to be beyond the current state of art and drives substantial GHG emission avoidance (in comparison to the Directive benchmark), it can qualify as eligible. If you have more specific questions, please contact us directly via the helpdesk.	
Are the commercial costs reimbursed under the IF?	NO
Yes, if the project qualifies its commercial viability (based on the technological and financial maturity requirements). The IF will support up to 60% of eligible CAPEX (falling between EUR 2.5-7.5 million for small-scale calls). Specific details on commercial viability can be found in the Guidance on the relevant cost methodology and the Data Sheet of the Grant Agreement.	
Would the in-house assembly of aviation and cargo batteries (PV/second-life) as a part of the project fall within scope?	NO

Q&A	In the FAQ?
<p>Yes, since they are energy storage components, they will be within scope. Nevertheless, we recommend t checking the CAPEX amount, since small-scale projects can only support projects between EUR 2.5-7.5 million. If your project does not fall within these thresholds, we suggest waiting and applying for the next large-scale call for proposals.</p>	
<p>In terms of GHG avoidance - what is the expectation of quantity avoidance for projects within the transportation/mobility sector to qualify for funding?</p>	NO
<p>There are no specific expectations as such. If your project can demonstrate a substantial decrease in GHG emissions, beyond what is currently offered by the "state of art", this should be sufficient. The claim should be substantiated with figures, including on how much GHG emissions will be reduced through the lifetime of the process (within project boundaries).</p>	
<p>Is the manufacture and use of biomass as a renewable energy eligible for funding under the IF?</p>	NO
<p>Yes, the use of biomass is included in the Annexe IX of the EU Renewable Energy Directive. For specific details related to the eligibility of biomass, please refer to the call text. Please note that it is very important for the project to demonstrate a clear element of innovation - such as clear advantages of this technology in comparison to the established state of art at the national or EU level. Furthermore, the project should be financially mature and profitable to become eligible for funding.</p>	
<p>Is there a minimum amount of CAPEX for small-scale projects?</p>	NO
<p>Yes, only projects with a total capital expenditure between EUR 2.5 million and EUR 7.5 million are eligible under this call for proposals.</p>	
<p>Can the IF funding be utilised for financing of infrastructure that is not associated with production of renewable energy, like green hydrogen?</p>	NO
<p>No, it is not possible to fund infrastructure-only projects that is not involved in the production of renewable energy. We suggest you to refer to the call text for specific details for eligible use of funds.</p>	
<p>We are currently working on increasing our EU presence, we don't have a Headquarters in the EU, how essential is it to have a strong EU presence at the time of the grant?</p>	NO
<p>For a project to apply, it should be planned to be implemented in the EU; your organisation does not need an EU Headquarters at this stage to be eligible. If your project has a strong case demonstrating commitment to the EU, it should be sufficient.</p>	
<p>Can key hires (executives) be pending at the time of grant application?</p>	NO
<p>For a project to apply, it should be planned to be implemented in the EU; your organisation does not need an EU Headquarters/active employees at this stage to be eligible. If your project has a strong case demonstrating commitment to the EU, it should be sufficient.</p>	
<p>In terms of project structure, can we include discrete prototype and pilot phases that contribute towards final implementation?</p>	NO
<p>Yes, it can be included in terms of project structure - as long as the milestones are clearly mentioned and achieved. However, to be clear, the IF only funds projects that fulfil the criteria of financial and technological maturity. Projects that are in the prototype phase and are not yet commercially viable will not be eligible.</p>	
<p>Will projects that are at the stage of attaining offtake financing eligible for funding?</p>	NO

Q&A	In the FAQ?
Yes, this demonstrates strong technological and financial maturity. However, please note that it is essential that you disclose the sources of external financing.	

Orientation Sessions - 5 July 2023

1.1.3 10:00 – 11:30 Renewable Energy and Energy Storage

Q&A	In the FAQ?
<p>We are a technology provider, would it be more mature if we submit our proposal in partnership with a customer or would it be more mature the other way around?</p>	NO
<p>The IF is funding all types of projects. It is up to the applicants to decide the inclusion of other partners or not. It is important to clearly define the boundaries of the project, show to the best possible extent that the project will be implemented, that it will operate for at least three years, that it will reach financial close and that it will reduce GHG emissions.</p> <p>It is important to make sure contractually that the applicant has access to the project during its operational time, because applicants need to report on the greenhouse gas savings, and for this, access to the data is needed. In this case, either you secure this contractually or you apply together with your customer to ensure you have access.</p>	
<p>For Operational Project Maturity, is it better to deliver one or two units of our project? Is there a minimum size in terms of units of our project?</p>	NO
<p>The minimum size of a project is only in terms of CAPEX and it is EUR 2.5 million. There is not a size in terms of number of units, so the applicant can install one unit only, given that it costs at least EUR 2.5 million (minimum CAPEX). Please take into consideration as well that the unit must operate a minimum of three years in order to measure the greenhouse gas emission reduction.</p>	
<p>On technical project maturity, can laboratory tests be cited and how are they evaluated?</p>	NO
<p>It is important to explain the state of the art in the location where the project will be implemented, and any type of figures that you can provide as background for the technical maturity are welcome.</p> <p>As a starting point, is important to look at project boundaries: what is your project really comprising and what are you planning to do in the end with this project? The IF addresses projects that are about to enter the market, that have past their testing phase. IF does not ask for a specific Technology Readiness</p>	

Q&A	In the FAQ?
<p>Level (TRL), but for a project that in the end delivers a reduction of GHG emissions. It is important to explain the project with the data you have collected running the pilots.</p>	
<p>On Financial Project Maturity, if the IF funding will contribute to deliver products at lower prices after Industrialisation & Market Uptake, is this in scope or considered as low maturity?</p>	NO
<p>The IF doesn't require projects to have secured the whole financing at the date of submission. However, projects must reach financial close within four years and the application should provide a clear strategy on how you're going to obtain the financing required for the project and provide a timeline in accordance with the proposed date of financial closure. As such, having secured only a partial commitment so far should not be an issue.</p> <p>What applicants are requested to provide in the application is a relevant cost calculator and in addition, applicants need to provide profitability analysis of the project, with and without the grant. This must be supported by the detailed financial model.</p> <p>There is another criterion on scalability where applicants will need to explain as well how sustainable this investment is after the industrialization process, and particularly, in terms of cost reduction.</p>	
<p>Our project is a software that optimise the dispatch of electricity, connecting different devices, is this project eligible for intraday storage?</p>	NO
<p>It is important to understand the boundaries of the project. The IF aims for projects to reduce greenhouse gas emissions, and this is something that should be shown in the application. To demonstrate GHG savings, the applicant in this case would need to have the consumption and production profiles, and claim "time production credits". See the appropriate GHG methodology for more details.</p>	
<p>Our project is a software that optimise the dispatch of electricity, connecting different devices, will a partnership with an electricity producer be beneficial for our application?</p>	NO
<p>There is a criterion on financial capacity of the applicants. If this partnership really increases the financial capacity of the consortium, it can be an advantage. The other aspect that you might consider is if this partnership might secure your revenues. Although the IF doesn't require projects to be necessarily profitable without the grant, the more you can show that the project has likelihood to raise profitability and to have stable revenues and to raise financing, the better chances that you have to obtain a good score on financial maturity.</p>	

1.1.4 10:00 – 11:30 EII/CCU-CCS

Q&A	In the FAQ?
<p>How much can be added as development costs that could be included as CAPEX for the relevant cost calculation?</p>	NO

Q&A	In the FAQ?
<p>If the costs help to develop the project, they can be included in the CAPEX and are eligible for relevant costs calculation. These costs have to be incurred only after the submission of the proposal, and there must be clarification of why they are indeed needed to allow the development of the project. This is important as the external expert will need this information to evaluate the project.</p>	
<p>If the costs in the first year are larger and then reduced in the moment the project starts operation, how does the cost calculation would work and fit into the project?</p>	NO
<p>The company must define very clearly the scope of the project, although the scalability component is important, the project needs to be limited and defined.</p>	
<p>It would then be better to present one work package of the technology development up to a year and then another work package when the project starts operation?</p>	NO
<p>Yes, the definition of CAPEX in the methodology for relevant cost calculation includes only the costs before entry into operation. CAPEX and costs after entry into operation are not eligible.</p>	
<p>How to show contingencies, is it 10% of total costs?</p>	<p>Yes (related) - https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/support/faq/14591</p>
<p>CINEA does not provide specific data on what should the contingency be. The proposal should explain why it is considering a specific level of contingencies, and during the evaluation phase experts will assess if the contingencies are justifiable considering the sector the project is in.</p>	
<p>What are the limitations of total project costs? Meaning, is it possible to change cost categories when the machinery gets more expensive for instance?</p>	NO
<p>Unforeseen costs could be added in the contingency. Maturity is also important, the more the company can prove it has a mature plan with defined costs the better it is. This will allow the company to prove that the project is ready for implementation (maturity demonstration is better but not a requisite).</p>	
<p>When the project is locked in, all costs categories should be the same over the next four years or this can be consulted and changed in some way?</p>	NO
<p>Having machinery costs evaluated will help the applicant in the selection process. The business plan is the base, and the grant amount will not be increased throughout the project lifetime. During the project lifetime, what is being checked is if the activity is being delivered, The IF is lumpsum-based and does not check costs incurred during the lifetime of the project.</p>	
<p>Work packages and timeline clarification</p>	<p>Yes (related) - https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/support/faq/13968</p>
<p>Financial close should happen within four years (the sooner the best). How the work package is structured is up to the grantee, this is a recommendation from CINEA. Financial close is the moment when all the technical contracts and, on paper, the project is ready (contractually). Duration according to the IF means the time when CINEA will follow your project, however in the financial model the period is the full lifetime of the project. At financial close the disbursement</p>	

Q&A	In the FAQ?
<p>can be up to 40%, but must be proportional to the cost incurred. At entry into operation can be up to 90% and the other 10% can be disbursed on the following three years of operation, consequently all the models and financial information should be aligned with this disbursement.</p>	
<p>Is the GHG emission calculation formula considering emissions for the first 10 years only? Or longer-term avoidance?</p>	<p>Yes (related - https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/support/faq/21603)</p>
<p>GHG should include the first 10 years of operation with the CAPEX the applicant included for the first part of the project. These 10 years of operation will not include further scale-up</p>	
<p>What happens to the projects costs if they are above 7.5 million Euros?</p>	<p>NO</p>
<p><i>Answers delivered through the chat due to technical difficulties (unable to hear or see the answer).</i> The project would not be eligible under the Small-scale call for proposals, as it does not respect the CAPEX thresholds. Only projects with a total CAPEX between EUR 2.5 and EUR 7.5 million will be eligible under this call for proposals</p>	
<p>What happens with these costs if there is project over run during the second year?</p>	<p>NO</p>
<p>The scope of the project has to be "whole", the project has to be complete and to be able to deliver by itself GHG emissions avoidance, projects cannot be split. Small-scale call projects can only be up to EUR 7.5 million, if there is extra budget that is unforeseen, the grant will not change.</p>	
<p>How to calculate the net carbon removals to differentiate from emissions avoidance potential from CCU projects?</p>	<p>NO</p>
<p>There is a dedicated guidance on the GHG methodology. Recommendation to look at the relevant GHG calculator.</p>	
<p>Can the project run three years and the calculation for the GHG emissions avoidance over 10 years?</p>	<p>NO</p>
<p>One thing is the lifetime of the project (expected to be longer than 3 years) and another is the duration of the monitoring period (which is at least 3 years) and then another thing is the duration in which you compute the calculation of the GHG emissions avoidance (which is 10 years). However, if your project is less than 10 years you will have 0 in those excess years. For example, if your project runs for 5 years you need to compute GHG emissions avoidance for 10 years, but you will have avoidance only for the first 5 years because you are not running the remaining 5 years, and you need to monitor it for at least 3 years. Duration is different than lifetime of the project, duration is the monitoring period for CINEA, however in the financial data and the business model the company has to provide the information for the full lifetime of the project. If the project has a full lifetime of 10 years, then the GHG calculation has to be done for 10 years but CINEA will only follow the project for three years.</p>	
<p>Grant specificities for the company's consortium and its affiliates</p>	<p>Yes (related) - https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/support/faq/14007</p>
<p>If the project is within the balance sheet of another company, the grant must be given to the owner of the consortium which is the one responsible for</p>	

Q&A	In the FAQ?
delivering the GHG emissions avoidance. The consortium should be included, as a whole, in the proposal.	
How to apply to the IF if the project is separated in two different sections such as green hydrogen and biogenic carbon?	NO
The project should be presented as only one project (cannot be split) because at the end what CINEA is retributing is the GHG emissions that the project is avoiding. Development costs by themselves don't generate any emissions avoidance.	
Then, would it be better to apply to this particular call as a biogenic carbon generation plant with an investment of EUR 2.5 million?	NO
If the project is above EUR 2,5 million CAPEX, and if you take the biogenic digestion (emissions avoidance) and present it in an innovative way, it can be feasible.	
When looking at the state of the art, should it be considered at EU level or a national level?	NO
In the Small-scale call for proposals, the company can choose from either national or EU level. Nevertheless, a proposal would be considered more ambitious if compared to the state of the art at EU level.	