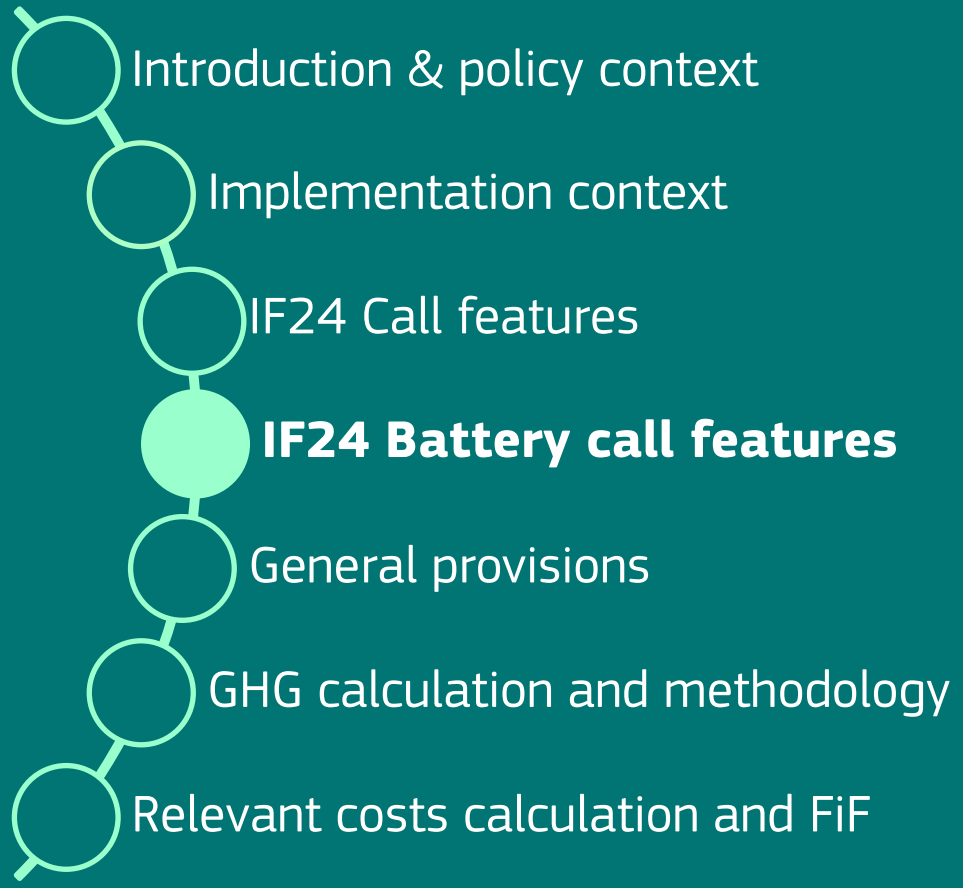
IF24 Battery call features

Ewelina DANIEL, ***Policy Officer***
DG CLIMA, Low Carbon Solutions (II):
Research & Low Carbon Technology Deployment



European Commission

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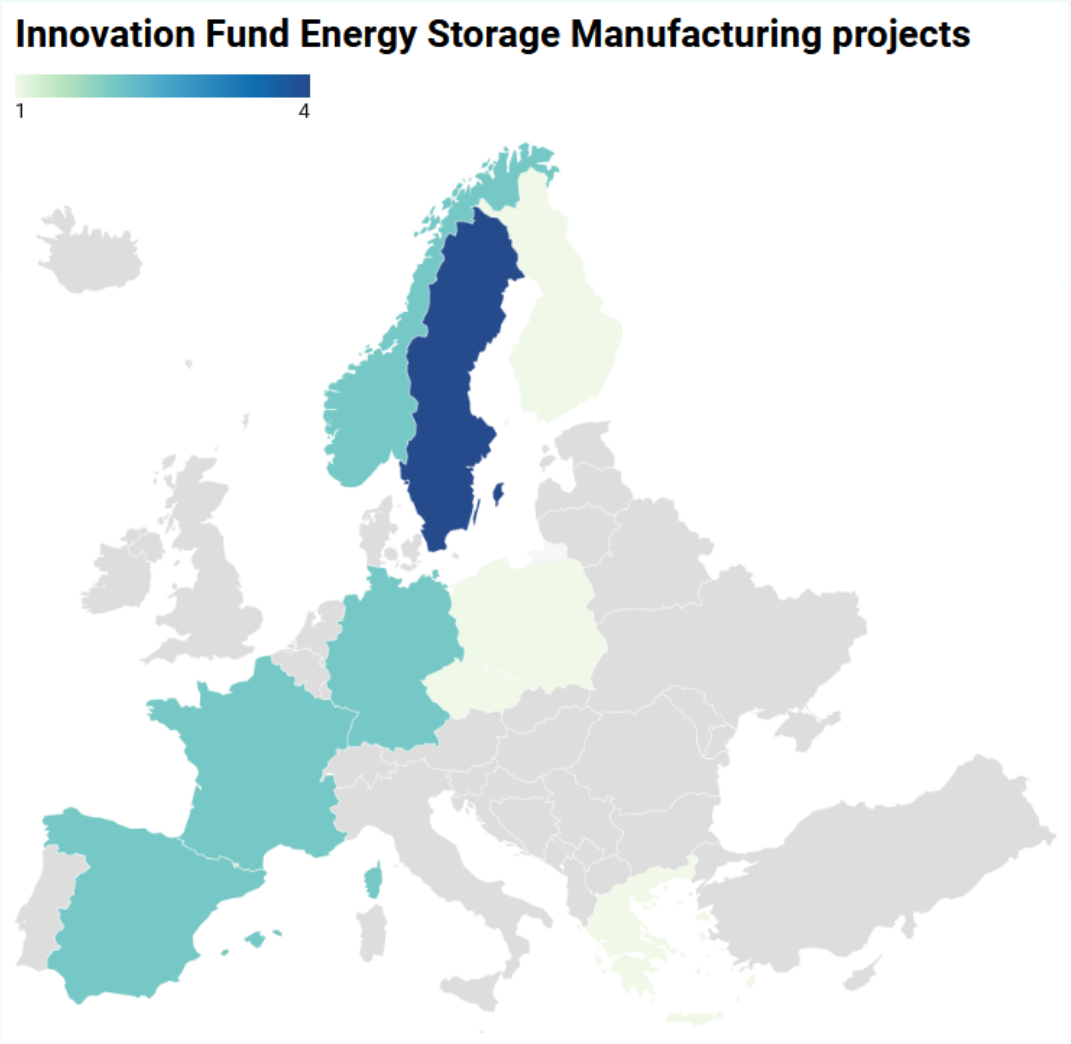
Energy Storage projects

Already an impressive portfolio:

- 9 energy storage manufacturing projects already part of the IF portfolio
- 7 more selected in the IF23 call and preparing grant agreements
- Projects in Czechia, Finland, France, Germany, Greece, Norway, Poland, Spain, and Sweden
- Cover almost the entire battery value chain: components, cell &pack manufacturing, recycling



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Political context

- The Commission will support manufacturing of the "most sustainable [EV] batteries in Member States" through "a **dedicated instrument** under the **Innovation Fund** [...]" with "up to **€3 billion** for the next three years"*
- **Difficult situation** of the battery manufacturing sector in Europe and **risk of dependency** on foreign imports
- Implementation of the **Battery Regulation**
- Stakeholders largely in favour of "regular" grants with more flexible payment schedule & possibility of combined support
- Strong interest in additional lending & venture debt possibilities
- Indication of solid project pipelines during consultation (79 battery manufacturing projects, 35 on cells manufacturing)

**EVP Šefčovič announcement relating the EU-UK Trade and Cooperation Agreement), Dec 2023*

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IF24 Battery Call in a nutshell

Launch 3 Dec. 2024
Deadline 24 April 2025
Results Q4 2025 or earlier

€1 billion for grants
+
Project Development Assistance (PDA)
+
STEP Seal

Manufacturing of electric vehicle battery cell

AWARD CRITERIA

- Degree of innovation
- GHG emission avoidance
- **(NEW)** Manufacturing carbon footprint
- Project maturity
- Replicability
- **(NEW)** Security of supply and countering dependency
- Cost efficiency

GRANT DISTRIBUTION

LUMP-SUM contribution grant up to 60% of relevant costs

- up to 40% of grant at financial close
- remaining amount of at least 60% after financial close
- generally, at least 10% after entry into operation

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Scope and budget

- **EV batteries cell manufacturing (cells <u>can</u> be used in EVs)**
  - V **Possibility of integrated projects** (cell manufacturing incl. upstream components manufacturing or recycling but not exceeding 100% of the project's cell production capacity)
  - X Pure assembly projects (e.g. battery pack or module assembly), as well as EV manufacturing & other battery applications excluded
  - X Remaining value chain will remain eligible in the IF24 Call
- Only **projects that have not yet reached Financial Close** at the time of grant application can be funded, already incurred costs at application stage not are eligible.
- **Budget: €1 billion for the dedicated call for proposals in 2024**

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EV batteries definition

The Battery Regulation [Article 3(1)14] defines EV batteries as follows:

"'electric vehicle battery' means a battery that is specifically designed to provide electric power for traction in hybrid or electric vehicles of category L as provided for in Regulation (EU) No 168/2013, that weighs more than 25 kg, or a battery that is specifically designed to provide electric power for traction in hybrid or electric vehicles of categories M, N or O as provided for in Regulation (EU) 2018/858"

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Demarcation between IF24 Call and IF24 Battery

Battery Call (IF24 Battery)

V Battery cell manufacturing
V Battery cell manufacturing including production of upstream components(*)
V Battery cell manufacturing including recycling activities(*)

X Batteries for stationary storage
X Batteries applications (e.g., EV production)
X Assembly projects (e.g., battery packs or modules)
X (standalone) Batteries components manufacturing
X (standalone) Batteries recycling activities
X Mining activities

Net Zero Technologies Call (IF24 Call)

X Battery cell manufacturing
X Battery cell manufacturing including production of upstream components(*)
X Battery cell manufacturing including recycling activities (*)

V Batteries for stationary storage
V Batteries applications (e.g., EV production)
V Assembly projects (e.g., battery packs or modules)
V (standalone) Batteries components manufacturing
V (standalone) Batteries Recycling activities
X Mining activities

(*) not exceeding 100% of cell production output

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Award criteria

1) Degree of Innovation	2) GHG emissions avoidance	4) Project maturity	5) Replicability	7) Cost efficiency
Beyond state-of-the art (including scaling up of innovative technologies)	Absolute emissions avoidance Relative emissions avoidance (with min thresholds) Quality of calculation	Technical maturity Financial maturity Operational maturity	Efficiency gains and multiple environmental impacts Further deployment potential and technology transfer Europe's industrial leadership and competitiveness	Cost efficiency ratio (different formula for Pilot projects) Quality of the relevant cost calculation and minimum requirements

Specific for batteries call

3) Manufacturing carbon footprint reduction

6) Security of supply and countering dependency

Degree of Innovation (DoI)
addressing scale-up challenges

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Scaling-up of existing technologies explicitly encouraged:

- Lower scoring weight on DoI than in IF24 Call
- Cell manufacturing does not need to be “first-of-a-kind”
- Range of options to show innovation beyond new battery chemistries, e.g.:
  - Product performance
  - Manufacturing process
  - Reduced use of raw materials / increased circularity

Resilience requirements

(Both in NZT Call and in Battery Call) under "Replicability criterion": the dedicated sub-criterion: **"Contribution to EU industrial leadership and competitiveness"**

Battery Call also includes a new award criterion: **"Security of supply and countering dependency"**, aiming to reduce sourcing of anode and cathode active material from China.

Requirement on patents: New patents originating from the project*, during the project's duration must be registered in an EU Member State or EEA country

** i.e. results within the meaning of Article 16 of the Grant Agreement*

Reporting requirements at Financial Close, at Entry into Operation, in annual reports and reporting at the end of the monitoring period.
Penalties apply if requirements are not fulfilled.

Additional lending to battery value chain projects

New InvestEU top-up for additional EIB lending to battery value chain projects:

- In addition to the planned €1bn call for grants for EV cell manufacturing, the IF will provide a €200m loan guarantee to the EIB (thematic top-up under **Invest EU**)
- Lending under the top-up will be **open to battery manufacturing projects (beyond EV)** along the value chain, excluding mining and pure assembly projects
- **Loan facility** to complement the calls and leverage EIB and private financing
- The facility will support innovative projects with venture debt
- Assessment on a rolling basis
- More information is available here

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Q&A session

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