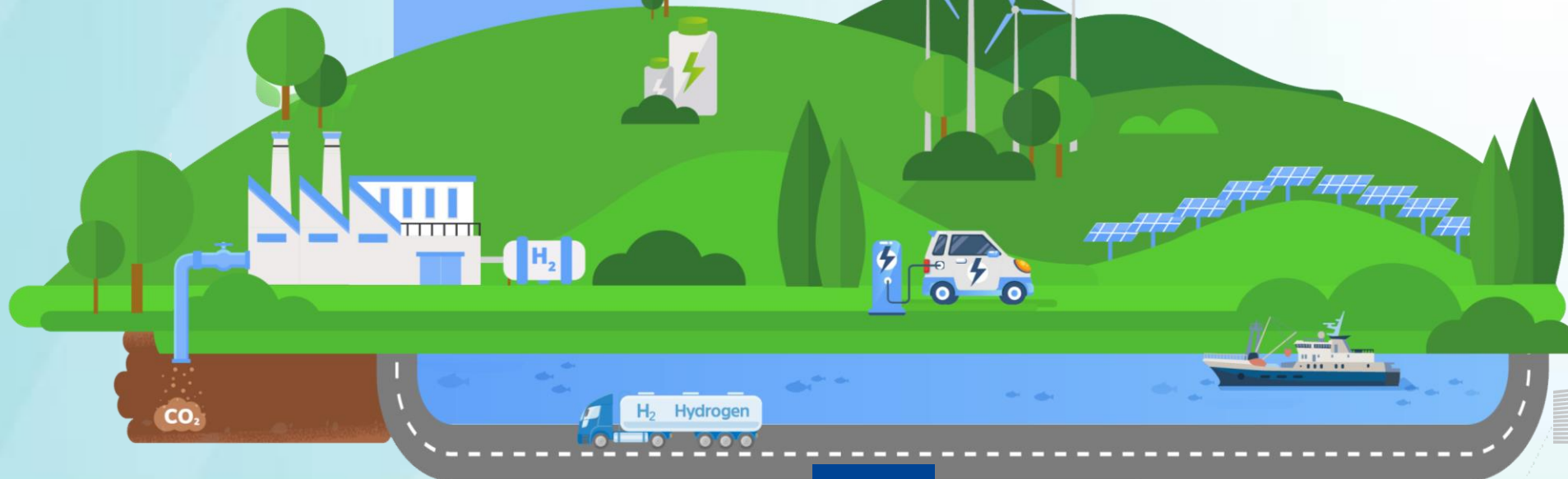


Innovation Fund

Call for small-scale projects 2021

Award criteria - GHG emission avoidance

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GHG emission avoidance criterion

Sub-criteria	Scoring: 0 to 5
Absolute emission avoidance	Depending on calculation result: within the sector
Relative emission avoidance	Depending on calculation result
<ul style="list-style-type: none">• Quality and credibility of the calculations• Potential to deliver net carbon removals• Other GHG savings	<ul style="list-style-type: none">• Expert assessment• Depending on the calculation• Depending on the calculation



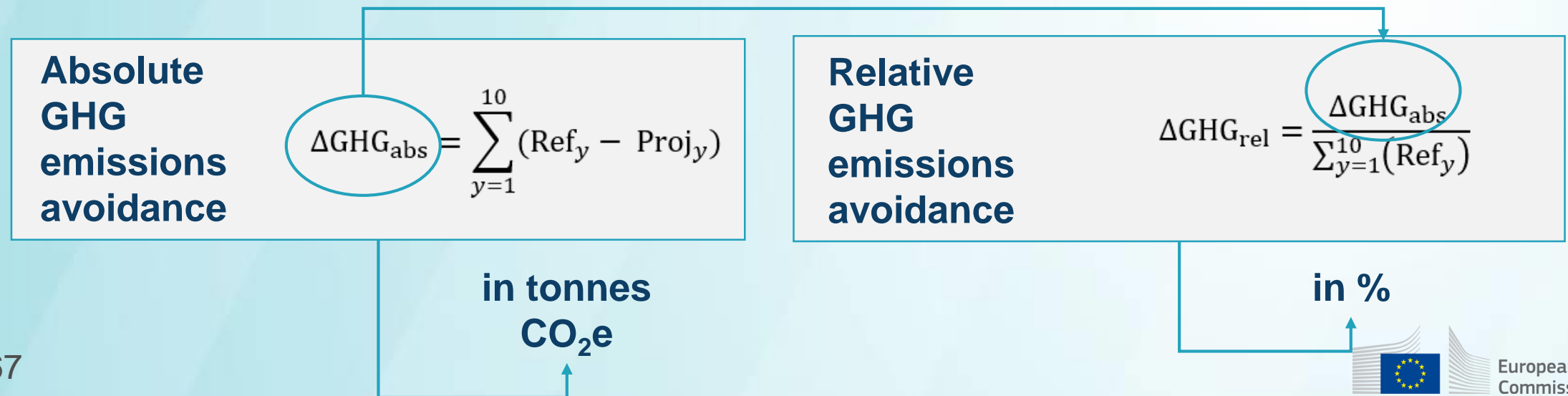
GHG emission avoidance calculation

Absolute GHG emission avoidance is the difference between:

- the **emissions that would occur in the absence of the project** (*Ref*), and
- the **emissions from the project activity** (*Proj*)

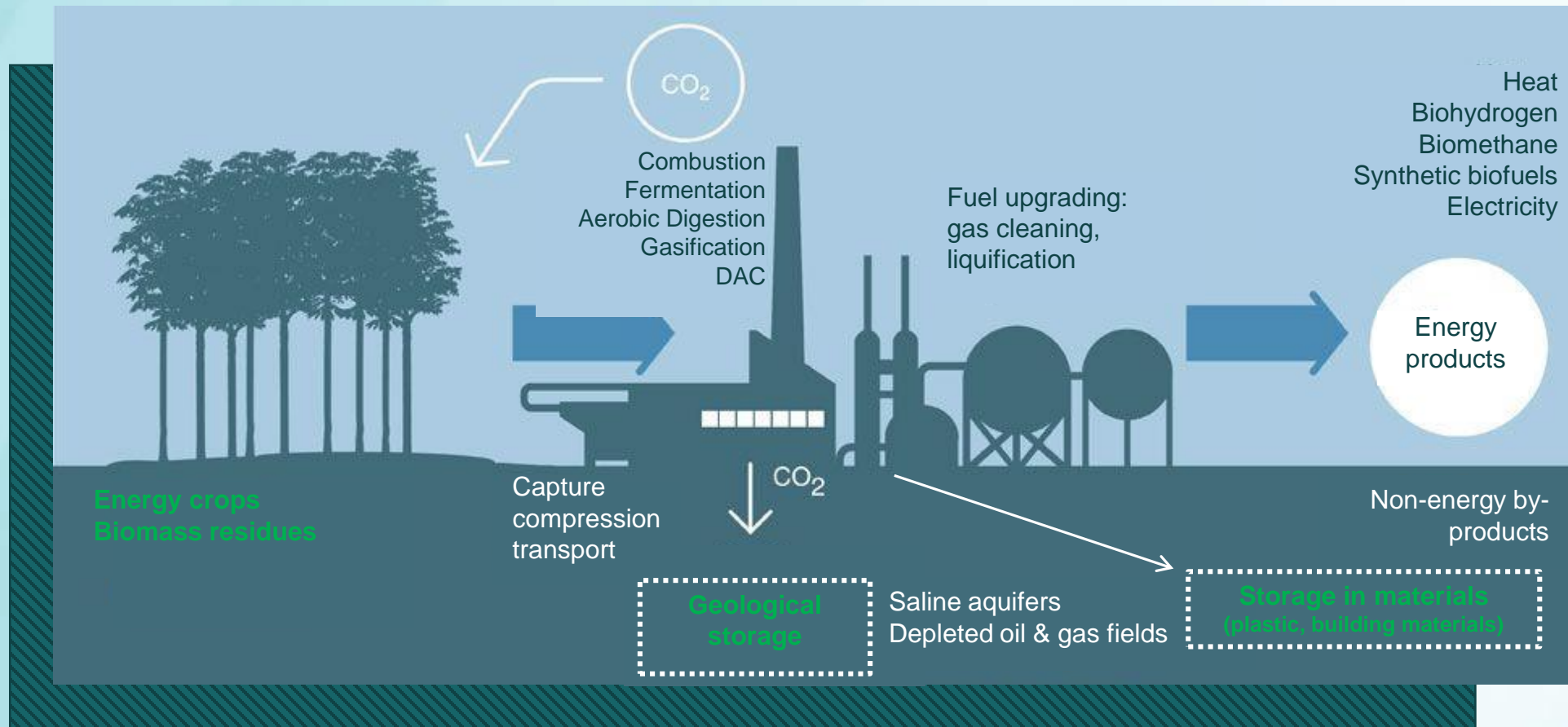
Timescale: 10 years

Forecasting: emission factors are fixed for the 10 years of calculation and for the period of monitoring and reporting



Net carbon removals

or negative total project emissions



Minimum requirements



Comparison with EU ETS benchmark emissions (only for projects producing products with a EU ETS benchmark)

*Calculate the GHG emissions per unit of product according to the EU ETS methodology and compare with the equivalent EU ETS benchmark(s) applicable at the time of the application and confirm that the project emissions are **lower than the EU ETS benchmark emissions**.*



Sustainability of biomass (only for projects using biomass as feedstock)

Projects using biomass as feedstock must confirm that the biomass used will at least meet the sustainability requirements of the Renewable Energy Directive. The biomass feedstock must either be listed in **Part A of Annex IX** of the Directive or be certified as **low indirect land use change (ILUC)-risk** as defined by Commission Delegated Regulation (EU) 2019/8072.

Methodology for GHG emission avoidance calculation updated for clarity

General

- Conditions for hybrid projects have been clarified

RES & ES changes

- The reference scenario for renewable electricity (the expected 2030 grid mix) has been updated with the latest reference scenario for the Fit for 55 package
- The reference scenario has been changed for projects that provide dispatchable electricity
- Manufacturing of components: component's fractional contribution to the capital cost of a facility has to be considered

EII changes

- Biomass feedstock that is transported over 500km needs to be accounted for
- The 'boxes' representing lifecycle stages for EII projects have been changed
- The explanation of how the process(es) box of the reference scenario should be filled out has been expanded into seven explicit cases.
- Rules have been added to give credit in the case that carbon shall be stored on a long-term (>50 years) basis in a non-geological storage context, e.g. in long lived products.
- An additional type of EII project is allowed where innovation focuses on saving of electricity with specific conditions and greenhouses gases (GHG) calculations

Calculation tools must be used

Examples available

Absolute GHG emissions by scenario and step of the process

Reference and project GHG emissions by step of the production process during the first 10 years of operation, in tCO₂e.

Step	Reference emissions	Project emissions	Variation
	tCO ₂ e	tCO ₂ e	tCO ₂ e
Input	-	-	-

Navigation: Overview | **Summary** | Reference emissions | Project emissions | Process Diagram | Ref Conversion Factors | Proj Conversion Factors

Mandatory

Advisable

If relevant / advisable

Other GHG emission avoidance

Net carbon removals

Assumptions

Checklist

Degree of Innovation

Scalability

Only if relevant

New