



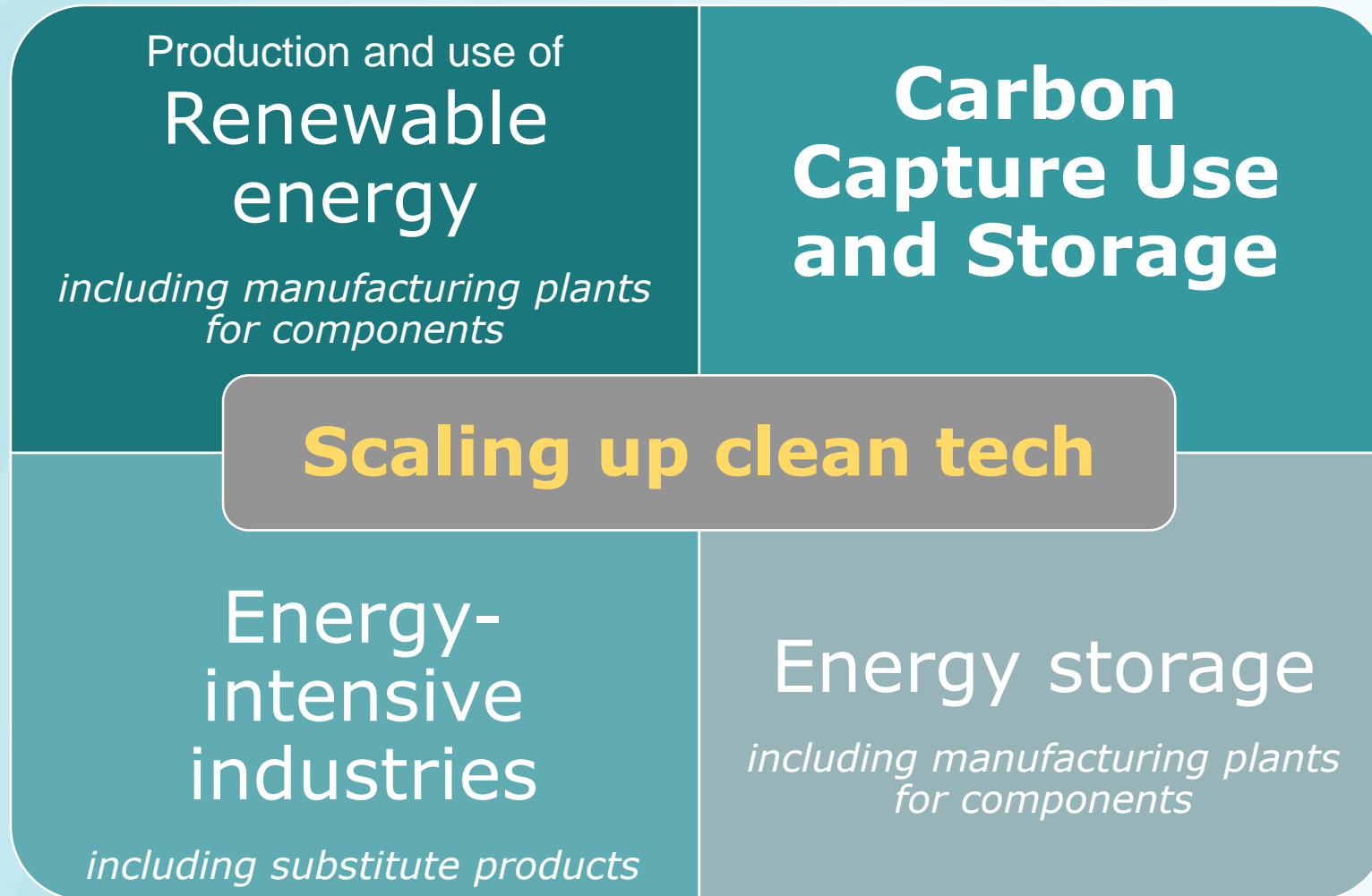
# Innovation Fund

Call for Large-Scale projects 2021

Christian Holzleitner, Head of Unit: Land Use and Finance for Innovation, DG CLIMA



# Innovation Fund in a nutshell



# First Innovation Fund calls

## Large-scale projects (total capital expenditure above EUR 7.5 m)

EUR 1 bn; 311 applications received

70 projects invited to the 2<sup>nd</sup> stage, 66 applied

Applications cover all sectors, from hydrogen to steel to renewables and storage

Project development assistance awarded to 15 projects

Results in mid-November

## Small-scale projects (total capital expenditure below EUR 7.5 m)

EUR 100 m; 232 applications received

32 projects invited for grant agreement preparation, grant signatures ongoing

Very good mix of technologies and sectors

Project development assistance awarded to 10 projects

# First Innovation Fund grant agreements signed



3 small-scale projects focusing on:

- ❖ decarbonisation of **glass production** in France
- ❖ renewable heat for an **energy-intensive malt production** process in Croatia
- ❖ **CO<sub>2</sub> capture** and geological storage in Iceland



# Innovation Fund

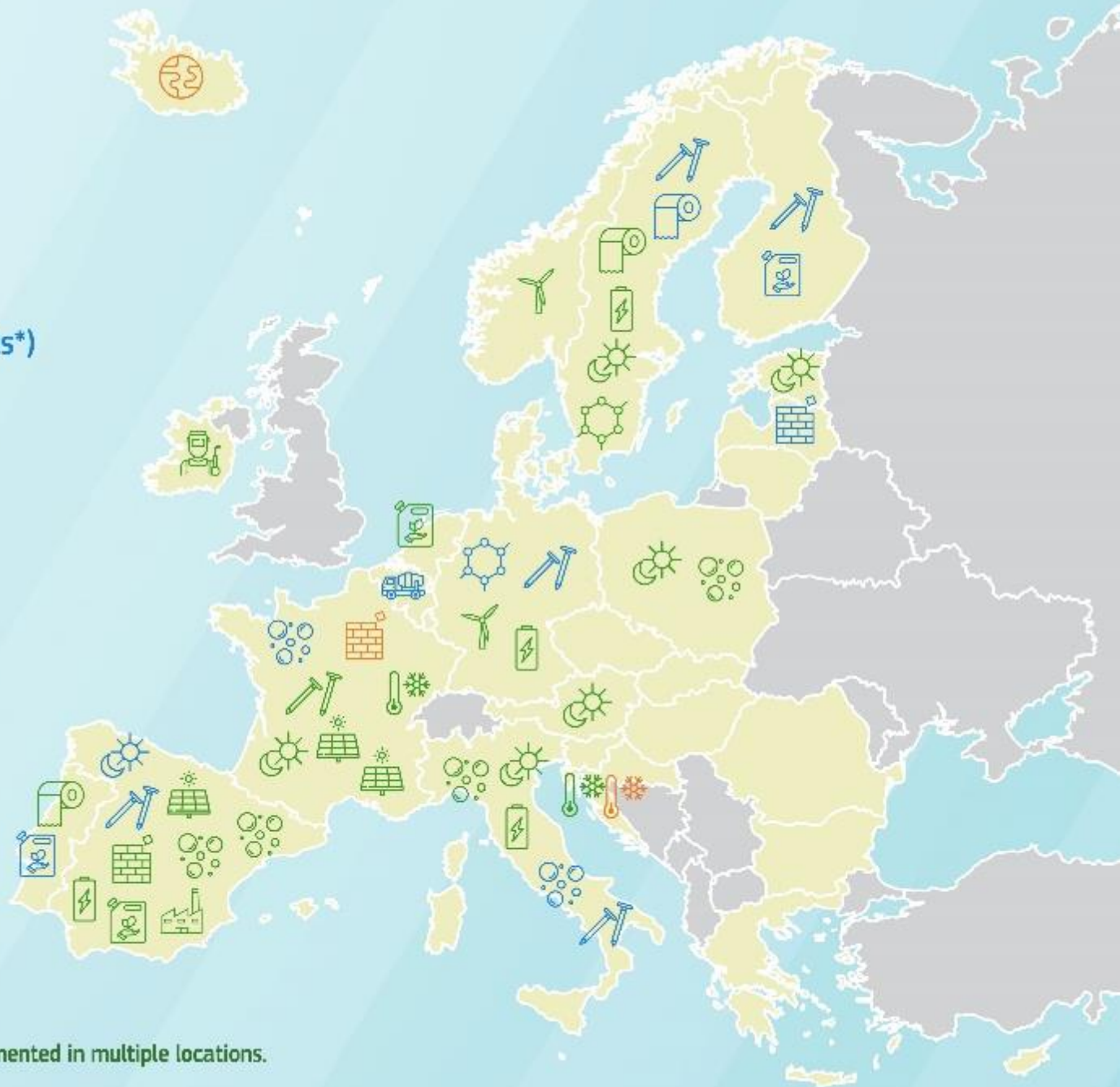
## Small-scale projects

**Green:** Grant preparations ongoing (29 projects\*)

**Orange:** Grant agreements signed (3 projects)

**Blue:** Projects awarded project development assistance (10 projects\*)

- |  |   |
|--|---|
|  Biofuels and biorefineries                  |  Other energy storage      |
|  Chemicals                                   |  Bio-electricity           |
|  CO <sub>2</sub> transport and storage       |  Pulp and paper            |
|  Hydrogen                                    |  Refineries                |
|  Intra-day electricity storage               |  Renewable heating/cooling |
|  Iron and steel                             |  Solar energy             |
|  Non-ferrous metals                        |  Wind energy             |
|  Glass, ceramics and construction material |  Cement and lime         |



\*The number of symbols is higher than the number of projects, as some projects are implemented in multiple locations.

# Innovation Fund – 2<sup>nd</sup> call for large-scale projects

Call text largely similar to the 1<sup>st</sup> one

Methodologies for relevant costs calculation and GHG emission avoidance marginally improved based on lessons learned

Easy resubmission for the projects which were not selected in the 1<sup>st</sup> call

Stable documents to allow new applicants a better guidance and easier understanding

***Second call  
for small-  
scale  
projects***

***March 2022***

# Award Criteria: *minimal adaptations*

## GHG EMISSIONS AVOIDANCE

- **Absolute** emissions avoidance (*compared to sector depending on median avoidance*)
- **Relative** emissions avoidance
- - **Quality and credibility** of the calculation (*moved from technical maturity*)
- - Potential to deliver **net carbon removals** (*moved from degree of innovation*)
- - **Other GHG savings** (*moved from degree of innovation*)

## DEGREE OF INNOVATION

- Innovation beyond state-of-the art
- Contribution to EU policy objectives:
  - Energy efficiency
  - Circular economy
  - Deployment of renewable electricity (where relevant)

## PROJECT MATURITY

- Technical maturity
- Operational maturity
- Financial maturity

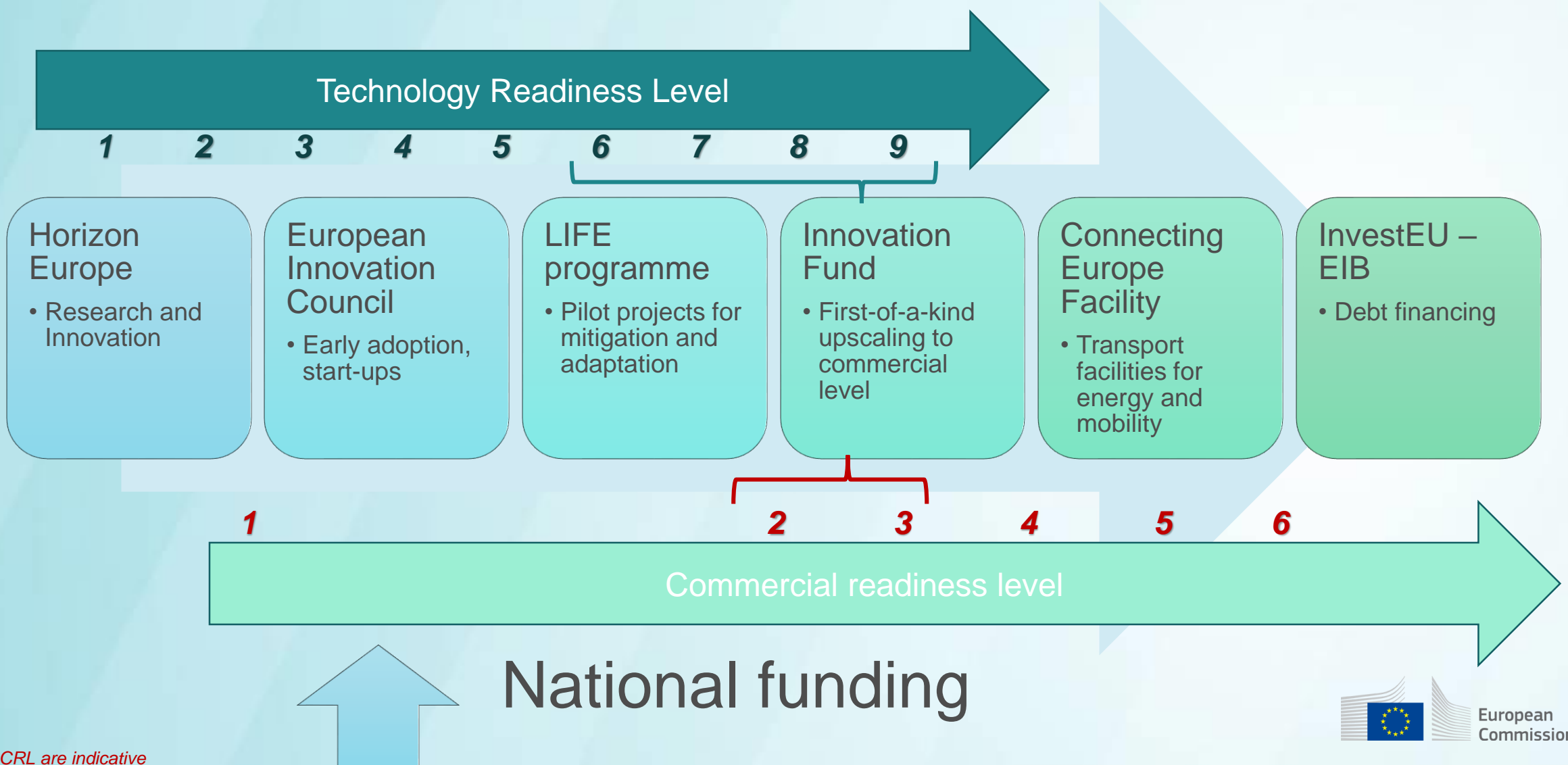
## SCALABILITY

- **One criteria** looking at
  - Project & regional level
  - Sector level
  - Economy level

## COST EFFICIENCY

- Requested grant (*instead of relevant cost minus contribution by applicant*) per tCO<sub>2</sub> avoided

# EU funding





# Package to deliver the European Green Deal

14 July 2021

The proposal for a revised EU ETS also increases the Innovation Fund:

- Increase by 200 million allowances
- Allowances could be added that would no longer be allocated for free to sectors protected against carbon leakage by a new Carbon Border Adjustment Mechanism
- This could bring the Innovation Fund to up to **EUR 47 billion** (in today's prices (EUR50/tCO<sub>2</sub>) to be invested over 10 years
- In addition, the scope of the Innovation Fund is proposed to be extended to provide support to projects through **carbon contracts for difference**