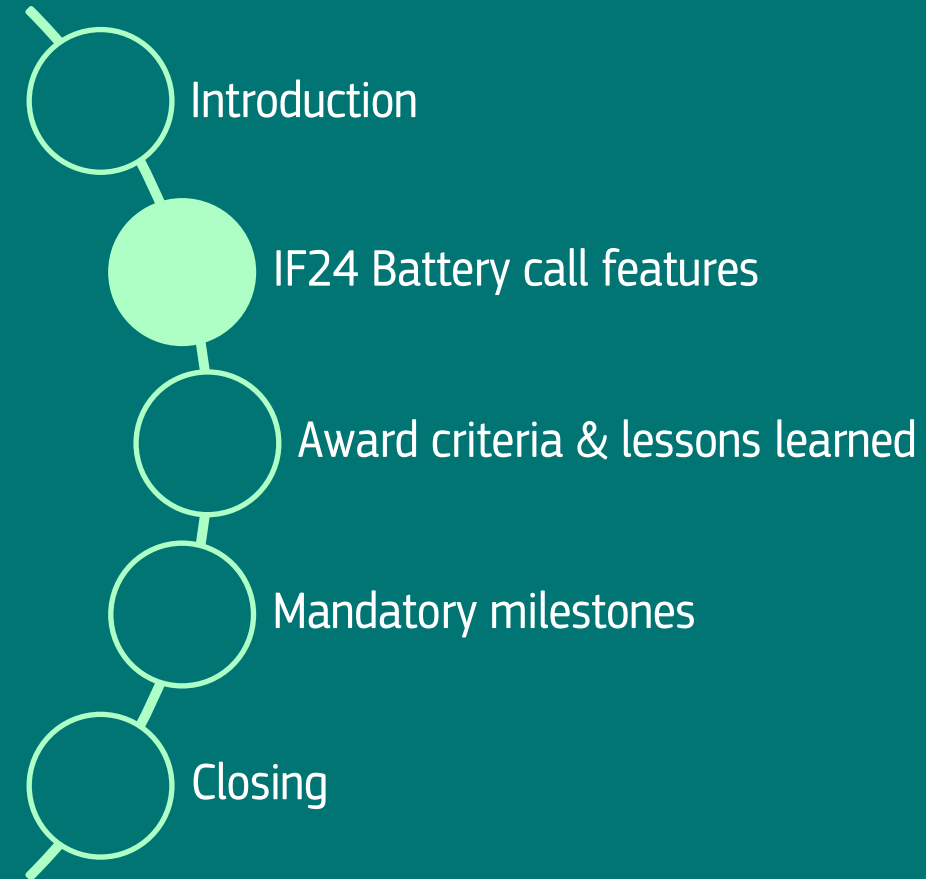


# IF24 Battery call features

**Johanna SCHIELE, *Policy Officer***  
DG CLIMA - Low Carbon Solutions (II):  
Research & Low Carbon Technology Deployment



# Calls launched on 3 December

1

## Regular call for proposals:

- Call size: **€2,4 billion**
- Includes dedicated topic & budget envelope for manufacturing of Clean-tech components
- Any upstream battery components manufacturing (precursor materials, CAM, AAM, anodes, cathodes, electrolyte...), cell manufacturing & pack assembly can be funded
- 5 classic Innovation Fund evaluation criteria

2

## New, dedicated EV battery cell manufacturing call:

- Call size: **€1 billion**
- Only project including EV cell manufacturing can be funded
- Upstream component manufacturing can be included as part of the project
- New, additional award criteria focusing on manufacturing carbon footprint and resilience of supply chains

## 2<sup>nd</sup> EU H2 Bank auction:

- Auction budget size: **€1.2 billion.**
- Not relevant for batteries.

3

Additional **€200 million** Invest EU top-up (= loan guarantee from the Innovation Fund to Invest EU) planned to enable further lending/venture debt to battery value chain projects

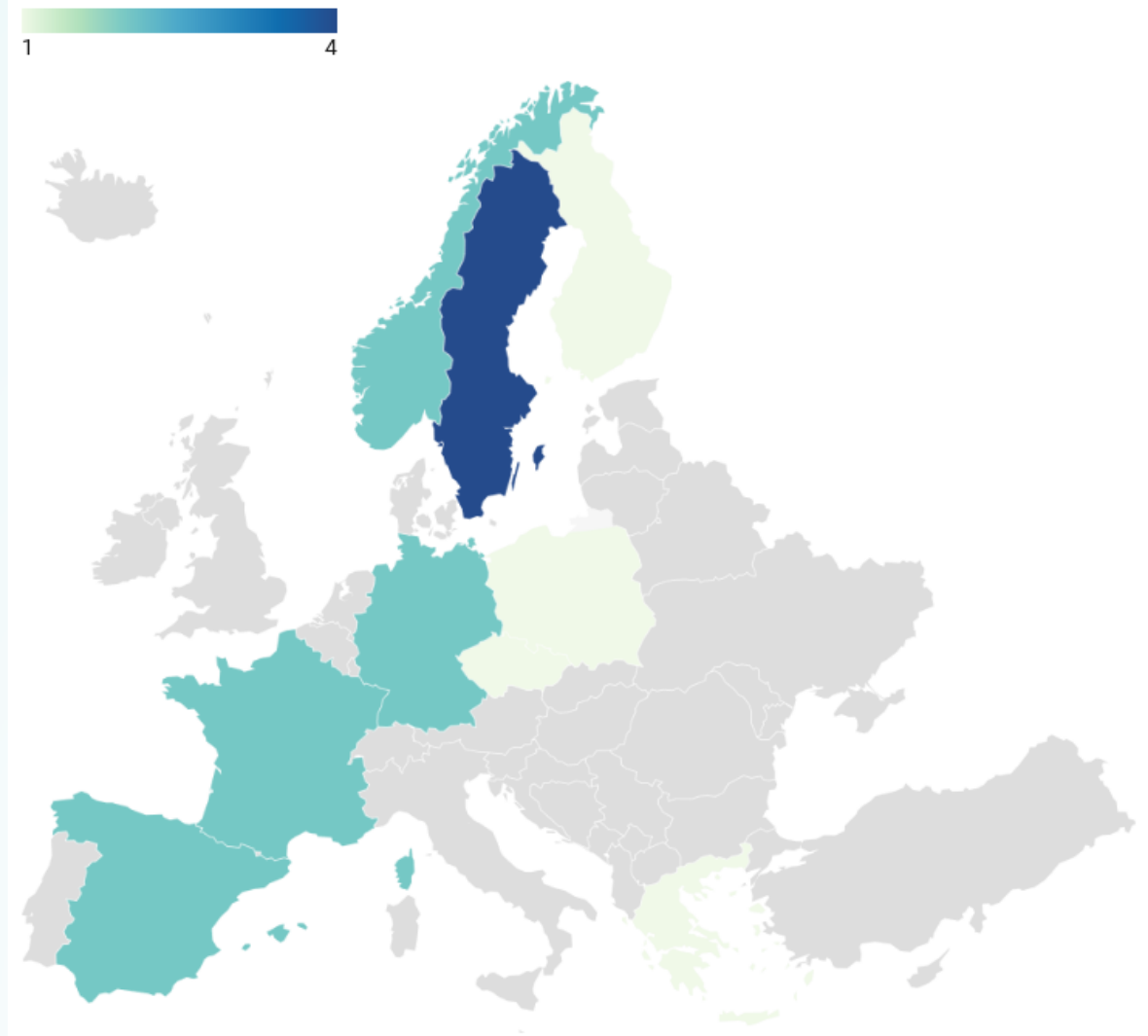


# Portfolio of energy storage projects

Already has an impressive portfolio of energy storage projects

- 9 Energy Storage manufacturing projects part of the IF portfolio
- 7 selected in the IF23 call and preparing grant agreements
- Projects in Czechia, Finland, France, German, Greece, Norway, Poland, Spain and Sweden

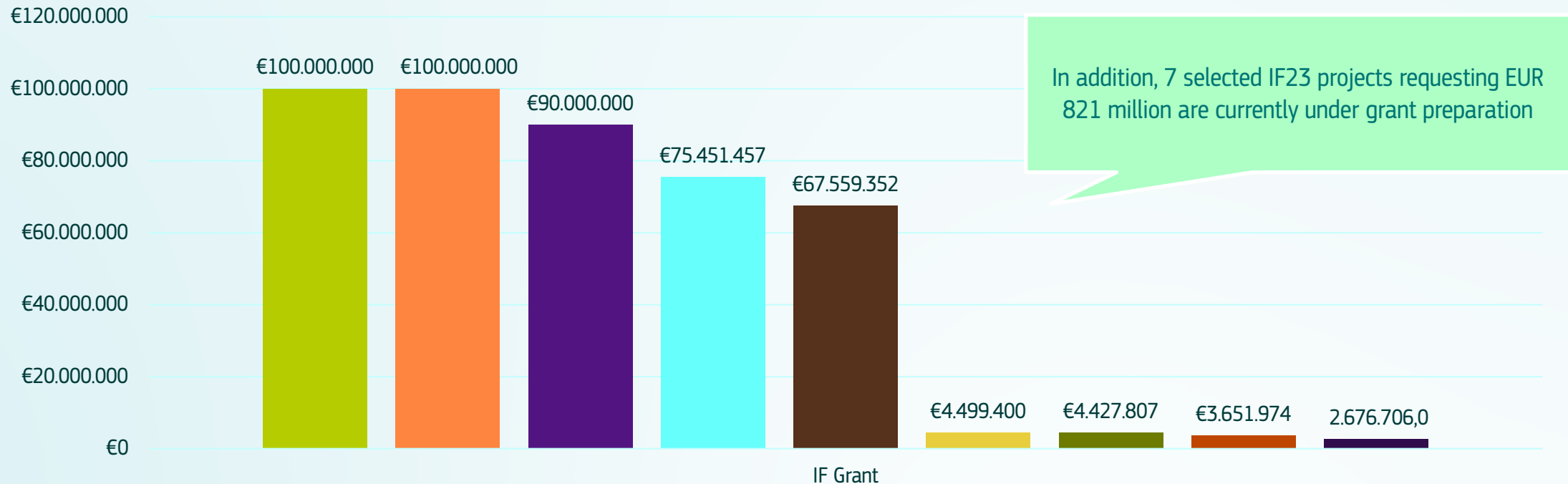
Innovation Fund Energy Storage Manufacturing projects



# Energy storage manufacturing projects

16 energy storage manufacturing projects requesting EUR 1.27bn of public support in total

IF grant amounts of signed projects



■ BBRT ■ Giga Arctic ■ ELAN ■ NorthSTOR PLUS ■ ReLieVe ■ CarBatteryReFactory ■ NorthFlex ■ Listlawelbattcool2 ■ Green Foil project2



# Political context

- The Commission will support manufacturing of the “most sustainable [EV] batteries” 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

\*EVP Šefčovič [announcement](#) relating the EU-UK Trade and Cooperation Agreement), Dec 2023



# Scope and budget

- **EV batteries cell manufacturing (cells can be used in EVs)**
  - ✓ **Possibility of integrated projects** (cell manufacturing incl. upstream components manufacturing or recycling but not exceeding 100% of the project's cell production capacity)
  - ✗ Pure assembly projects (e.g., battery pack or module assembly), as well as EV manufacturing & other battery applications excluded
  - ✗ Remaining value chain will remain eligible in the IF24 Call
- **Budget: €1 billion for the dedicated call for proposals in 2024 (IF24 Battery)**



# 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"



# Project Maturity and disbursement schedule

## Eligibility conditions:

- Only projects that have not yet reached Financial Close at the time of grant application can be funded
  - No costs can be reimbursed for activities that took place before the project starting date/proposal submission
- Modular scale-up possible; project scope has to be defined accordingly

## Project Maturity requirements:

- Demonstrated shorter time to Financial Close and Entry into Operation rewarded (provided that all other aspects of the project maturity criterion are addressed).

## Payment schedule:

- Projects can receive up to 40% of payments before financial close and up to 90% before EiO if well justified / needed
- 60% of payments have to be linked to actual GHG emissions reduced





# Demarcation between IF24 Call and IF24 Battery

## Battery Call (IF24 Battery)

- ✓ Battery cell manufacturing
- ✓ Battery cell manufacturing including production of upstream components(\*)
- ✓ Battery cell manufacturing including recycling activities(\*)
- ✗ Batteries for stationary storage
- ✗ Batteries applications (e.g., EV production)
- ✗ Assembly projects (e.g., battery packs or modules)
- ✗ (standalone) Batteries components manufacturing
- ✗ (standalone) Batteries recycling activities
- ✗ Mining activities

## Net Zero Technologies Call (IF24 Call)

- ✗ Battery cell manufacturing
- ✗ Battery cell manufacturing including production of upstream components(\*)
- ✗ Battery cell manufacturing including recycling activities (\*)
- ✓ Batteries for stationary storage
- ✓ Batteries applications (e.g., EV production)
- ✓ Assembly projects (e.g., battery packs or modules)
- ✓ (standalone) Batteries components manufacturing
- ✓ (standalone) Batteries Recycling activities
- ✗ Mining activities

(\*) not exceeding 100% of cell production output



# Award criteria

## 1) Degree of Innovation

Beyond state-of-the-art (including scaling up of innovative technologies)

## 2) GHG emissions avoidance

Absolute emissions avoidance  
 Relative emissions avoidance (with min thresholds)  
 Quality of calculation

## 4) Project maturity

Technical maturity  
 Financial maturity  
 Operational maturity

## 5) Replicability

Efficiency gains and multiple environmental impacts  
 Further deployment potential and technology transfer  
 Europe's industrial leadership and competitiveness

## 7) Cost efficiency

Cost efficiency ratio (different formula for Pilot projects)  
 Quality of the relevant cost calculation and minimum requirements

**New**

Specific for batteries call

## 3) Manufacturing carbon footprint reduction

**New**

## 6) Security of supply and countering dependency



# Scoring table

	Min. pass score	Max. score	Weight	
1 <b>Dol</b>	6	10	1	9%
2 <b>GHG emission avoidance potential</b>				
Absolute	n/a	2	1	11%
Relative	n/a	5	1	
Quality	3	5	1	
Total	n/a	12	n/a	
3 <b>Manufacturing carbon footprint</b>	n/a	15	1	14%
4 <b>Project maturity</b>				28%
Technical	3	5	2	
Financial	3	5	2	
Operational	3	5	2	
Total	n/a	30	n/a	



# Scoring table

	Min. pass score	Max. score	Weight
<b>5</b> <b>Replicability</b>			<b>19%</b>
Eff. gains & multiple env. Benefits	n/a	5	1
Further deployment	n/a	5	1
EU industrial leadership & comp.	n/a	5	2
Total	n/a	20	
<b>6</b> <b>Security of supply &amp; countering overreliance</b>	n/a	15	<b>14%</b>
<b>7</b> <b>Cost efficiency (CE)</b>			<b>6%</b>
CE Ratio	n/a	3	1
Quality	1.5	3	1
Total	n/a	6	1
<b>TOTAL</b>	n/a	108	n/a



# Degree of Innovation: scale-up challenges

- Scaling-up of existing technologies explicitly encouraged:
- Lower scoring weight on DoI than in NZT 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



# Additional award criterion

## Looking at the carbon footprint of the manufacturing process

- In the regular IF24 Call, the GHG methodology for manufacturing projects only captures the emission avoidance from the *use phase* of the manufactured component(s)
- The new batteries call will also evaluate the *manufacturing carbon footprint*

### Award Criterion 2:

#### Absolute and relative GHG emission avoidance

#### Project scenario: EV use case and manufacturing emissions includes:

- Pack production
- EV use phase
- EoL treatment

#### Manufacturing carbon footprint, includes:

- Raw materials,
- Component production,
- Cell production



#### Reference scenario includes:

- Fuel production
- Internal combustion engine (ICE) use phase

# Additional award criterion

## Award Criterion 3: Manufacturing carbon footprint reduction

- **Manufacturing carbon footprint** includes:
  - Raw materials (BoM)
  - Component manufacturing
  - Cell manufacturing



## Reference scenario

includes:

- Raw materials
- Component production
- Cell production



# 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.

