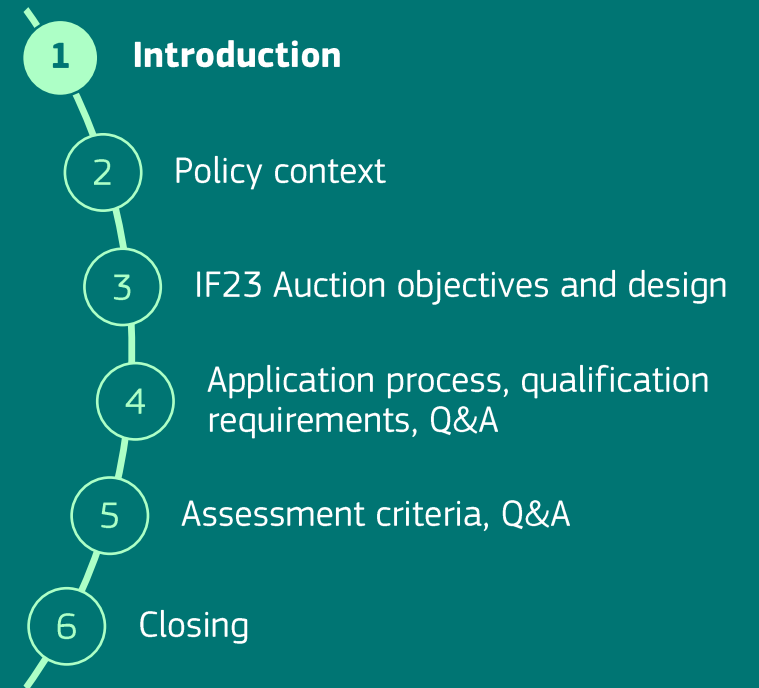


# Introduction

Paloma Aba Garrote, Director  
CINEA



# Disclaimer

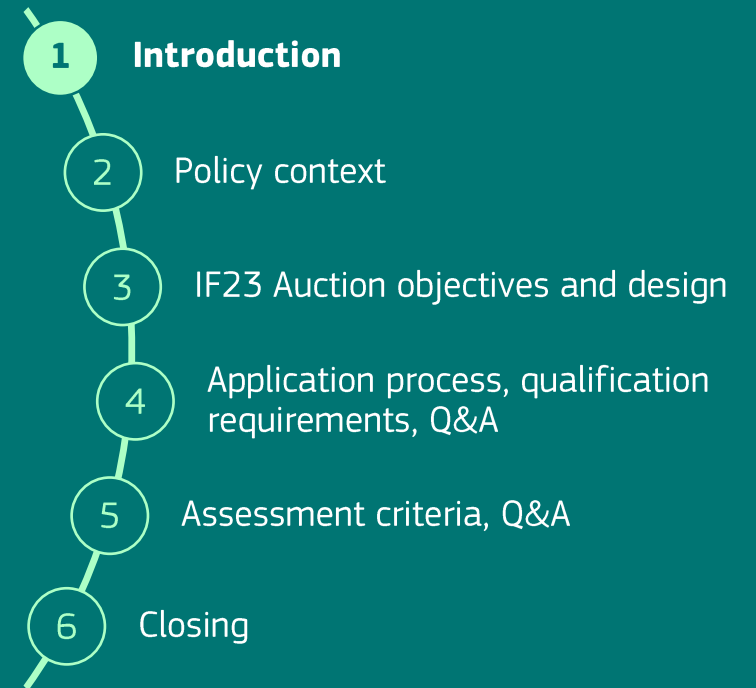
The recording of the Information day held on 30 November 2023 for the Innovation Fund Auction for RFNBO Hydrogen, as well as the presentation support materials, are made public to provide potential applicants with general guidance in order to help them complete their proposals.

If there is any conflict between:

- the information provided during the Information day session itself, its recording, the Financial Information File tutorial recording, and the presentation support materials on the one hand, and
- the provisions set out in the official Innovation Fund Auction call text for RFNBO Hydrogen as well as the related FAQ posted on the Funding and Tender portal on the other, the latter two documents take precedence over the materials from the Information day and act as the text of reference for the Innovation Fund Auction 2023.

# IF23 Auction

Roman Doubrava, Head of Unit  
CINEA C4, Innovation Fund



# Innovation Fund

*Deploying innovative net-zero technologies for climate neutrality*



Funding through  
Grants and Auctions



EUR 40 billion\* to invest from 2020-2030  
in EU's climate neutral future



Avoid emissions and  
boost competitiveness

Supporting manufacturing, production and use in:



Energy intensive  
industries



Renewables



Energy storage



Carbon capture,  
use and storage

























Net-zero mobility  
and buildings

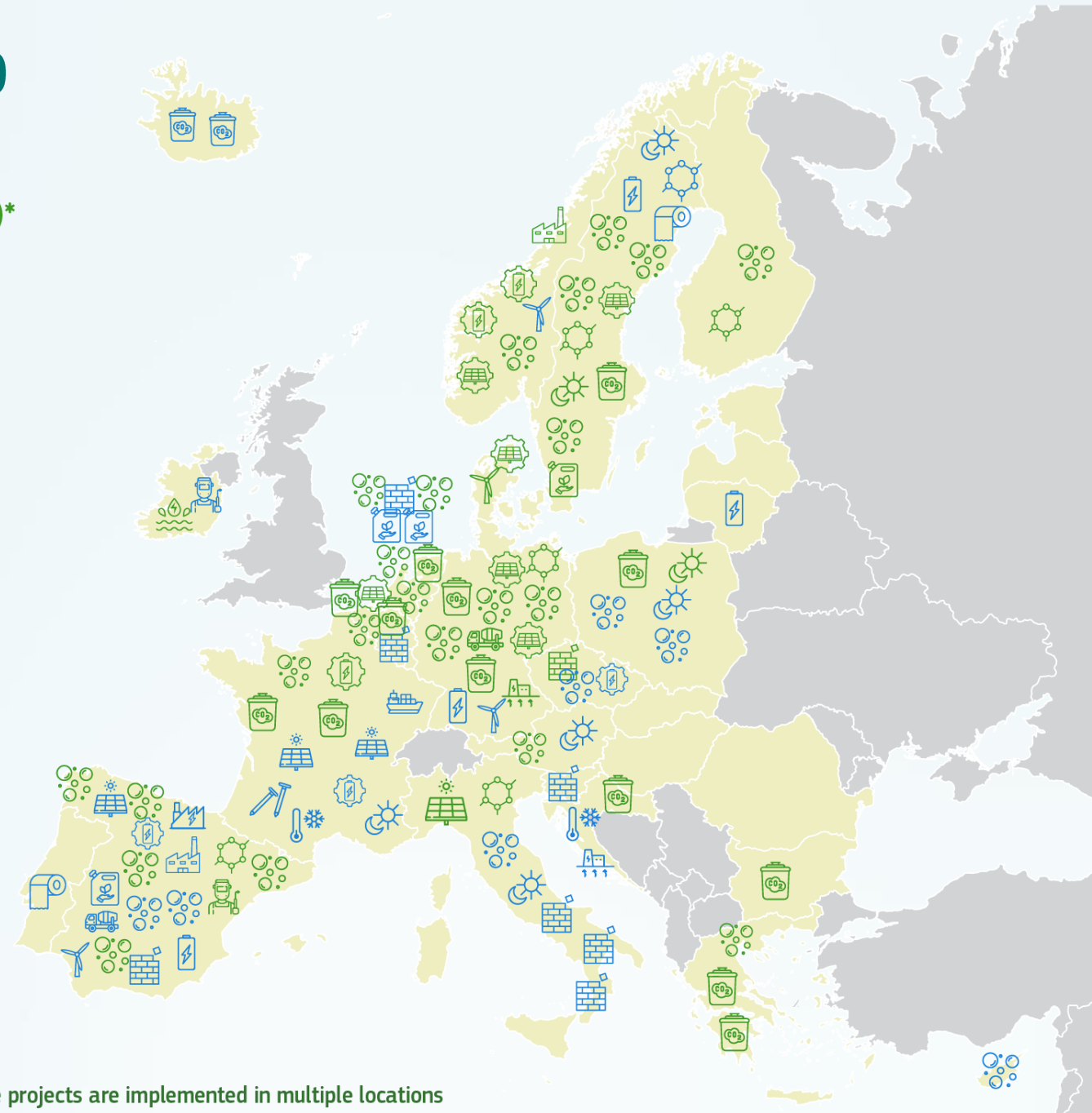
\*based on a carbon price of 75 EUR/tonne

# Innovation Fund portfolio

**Green:** Large-scale projects (59 awarded or pre-selected for grant)\*

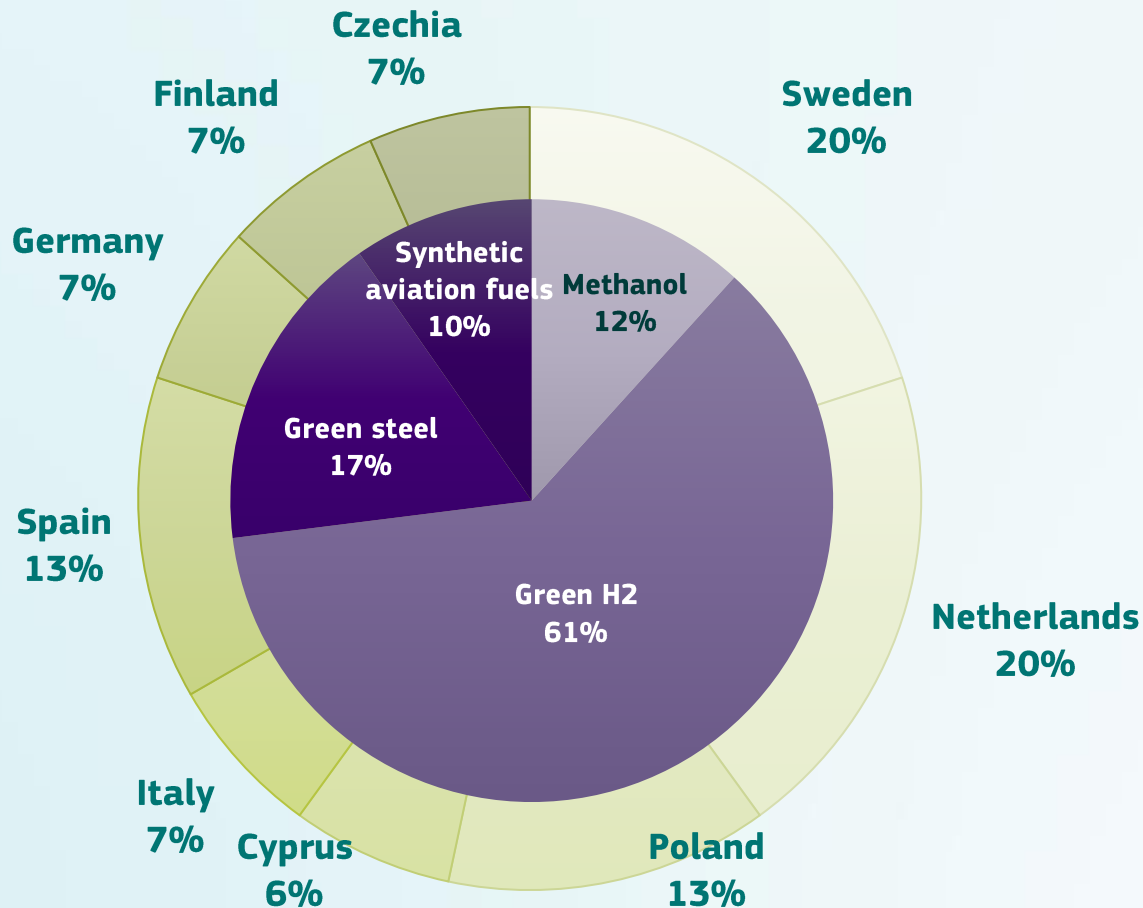
**Blue:** Small-scale projects (45 awarded or pre-selected for grant)\*

- |   |  |
|---|--|
|  Biofuels and biorefineries                                    |  Manufacturing of components for energy storage   |
|  Cement and lime   |  Manufacturing of components for renewable energy |
|  Chemicals   |  Non-ferrous metals                               |
|  CO <sub>2</sub> transport and storage                         |  Other energy intensive industries                |
|  Geothermal energy   |  Other energy storage                             |
|  Glass, ceramics and construction material                     |  Pulp and paper                                   |
|  Hydro/Ocean energy  |  Refineries                                       |
|  Hydrogen  |  Renewable heating/cooling                      |
|  Intra-day electricity storage                               |  Solar energy                                   |
|  Iron and steel  |  Use of renewable energy outside Annex 1        |
|  Manufacturing of components for energy intensive industries |  Wind energy                                    |



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

# Innovation Fund hydrogen portfolio



- **15 running Hydrogen projects**
- Total EU contribution: **€831 657 633**
- Total H2 volume: **>250 Ktonnes/year**

- **14 additional Hydrogen projects** under grant agreement preparation
- Total H2 volume > **350 Ktonnes/year**

# IF23 Auction for RFNBO H<sub>2</sub>



**Success in this 'green' competition!**

# Policy context

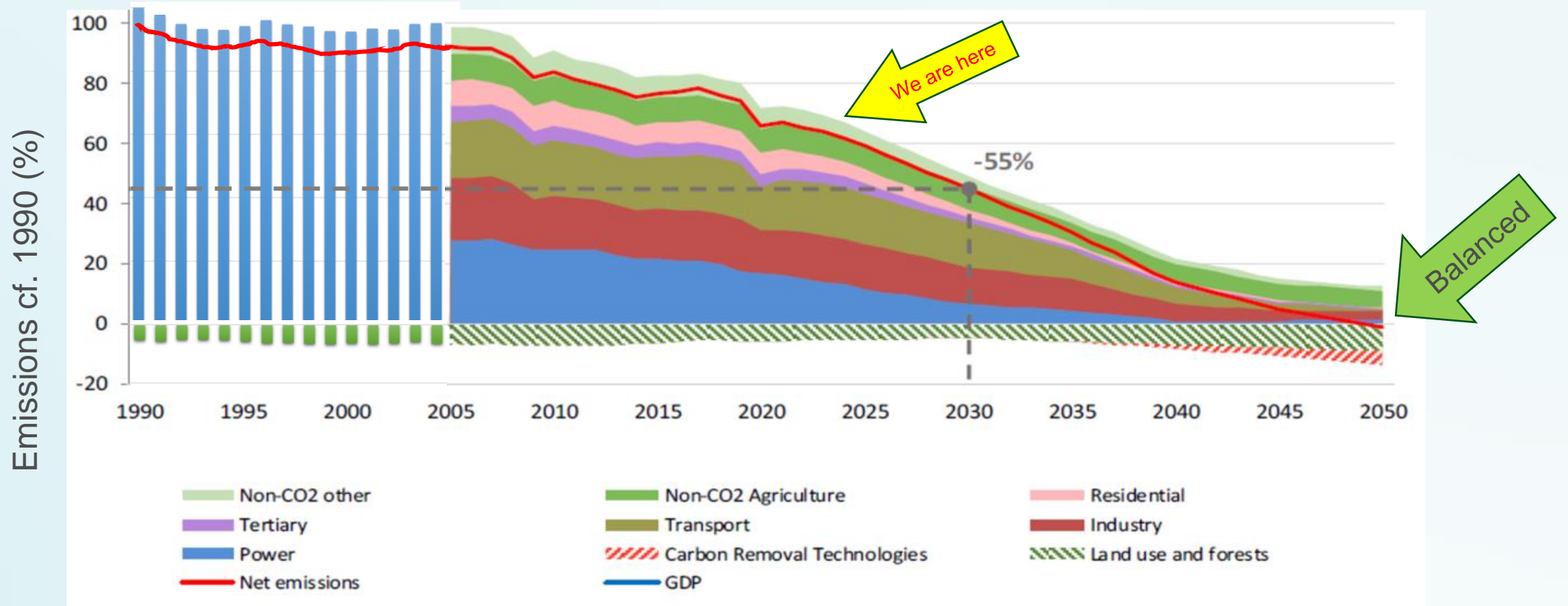
**Stefanie Hiesinger. Head of Unit**  
DG CLIMA C2, Low Carbon Solutions (II):  
Research & Low Carbon Technology Deployment

10:12 – 10:20





# All sectors require significant investments to achieve GHG abatement in line with net-zero



# Contributing to the EU Green Deal



Cleaning our Energy system



Making transport sustainable for all



Renovating buildings



Transforming our economies and societies



Working with nature to protect our planet and health



Leading the third industrial revolution



Boosting global climate action





- The Innovation Fund focuses on **highly innovative technologies** and **flagship large-scale demonstration or first-of-a-kind projects**, located in the EEA that can deliver significant GHG emission reductions.

- After revision of the ETS Directive the IF expanded its scope and can implement **competitive bidding** mechanisms to provide more agile selection processes.

- Since 2020 the Innovation Fund has selected **more than 100 projects** and **more than 470 million tons of CO<sub>2</sub>eq avoided**.

# Key changes following the Fit-for-55 package

Revised ETS Directive includes changes on:

-  1. Overall size of the Innovation Fund increase from 450 million ETS allowances to ca. **530 million ETS allowances**.
-  2. **Scope changes**: new sectors (e.g. Maritime); medium-scale projects; DNSH from 2025; stronger reference to multiple environmental impacts.
-  3. Introduction of **new financial instruments** (“Competitive Bidding”): Fixed premium, Contracts for Difference (CfDs) or Carbon Contracts for Difference (CCfDs), covering up to 100% of the funding gap.
-  4. Stronger attention to **geographical balance**.

# The Innovation Fund can support urgent policy priorities, but holds a long-term line of bottom-up support across sectors



- **RePowerEU** objective of 10Mt of renewable H<sub>2</sub> domestic production.
- **Net-Zero Industry Act:** clean tech manufacturing topic (€700 million in 2022, € 1.4 billion in 2023).
- **European Hydrogen Bank:** first pilot auction under the Innovation Fund.

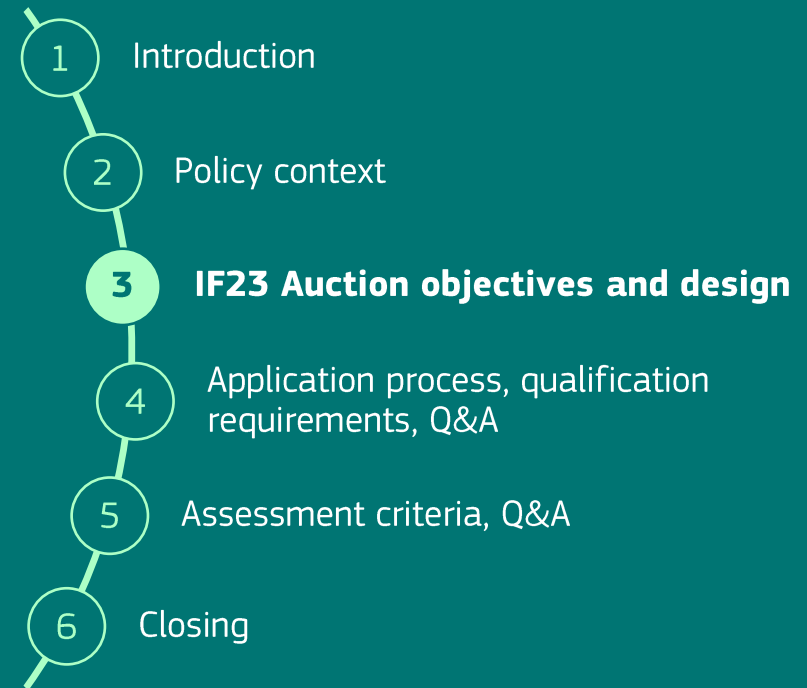
# The European Hydrogen Bank

- Announced in the State of the Energy Union 2022 – linked to **REPowerEU** objectives
- Communication adopted on 16 March 2023
- Import auctions by DG ENER vs. **EU production incentives** by DG CLIMA
- **Pilot auction** opened on 23 November 2023
- Terms & Conditions published on [DG CLIMA's website](#)
- **Auctions-as-a-service**

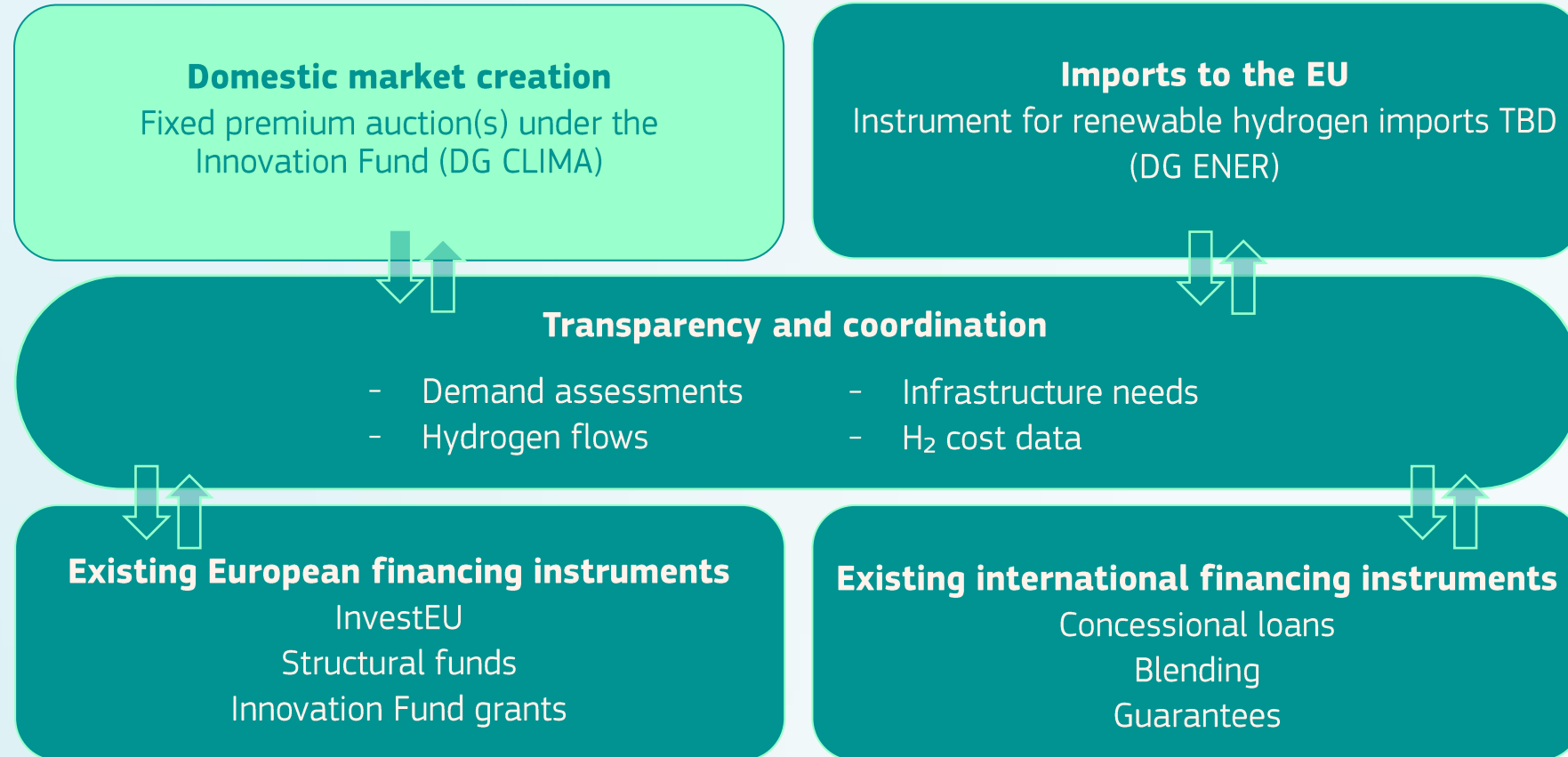


# IF23 Auction objectives and design

Johanna Schiele, Policy Officer  
Ewelina Daniel, Policy Officer  
Javier Garcia, Policy Officer  
DG CLIMA C2, Low Carbon Solutions (II):  
Research & Low Carbon Technology Deployment



# European Hydrogen Bank proposed activities



# IF23 Auction objectives

Putting Europe's net-zero industry in the lead:



**Reducing the cost gap** between renewable and fossil hydrogen in the EU



Allowing for **price discovery** and **renewable hydrogen market formation**



**De-risking** European hydrogen projects



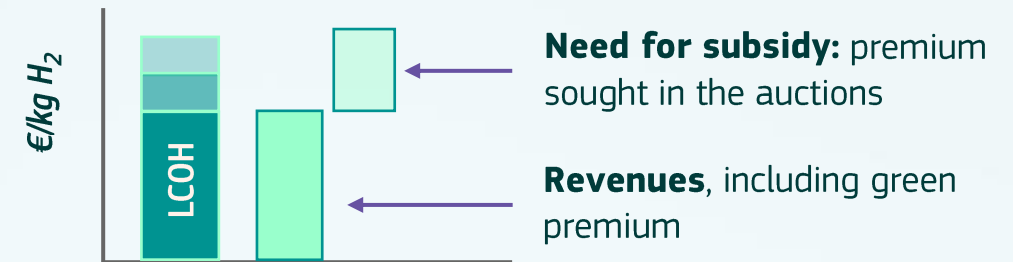
**Reducing administrative burdens**



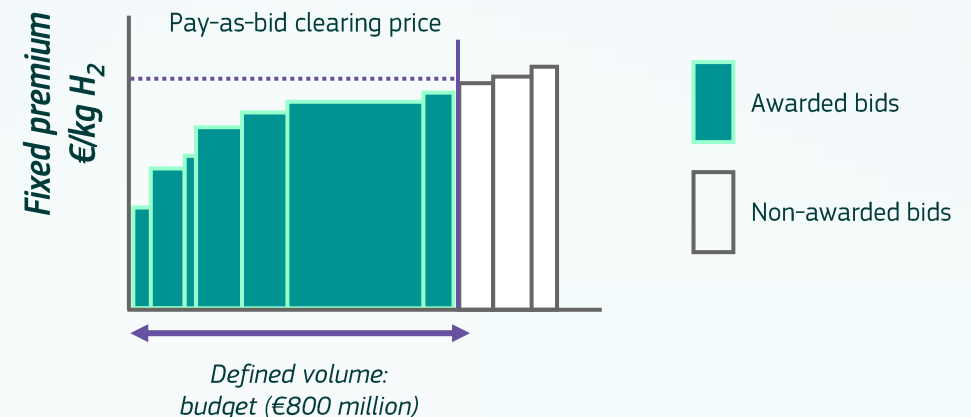
# The auction design was chosen with simplicity and implementation speed in mind...

- Budget: **€800 million**
- Auctioned good: **RFNBO hydrogen**
- Support in form of a **fixed premium** in €/kg of renewable hydrogen **produced** over **10 years**
- Bids **ranked on price** – budget allocated to projects with the lowest specific support requirements
- Other award criteria assessed **Pass/Fail**
- **Pay-as-bid** (no indexation to inflation)
- **Output based support**, upon verified and certified production of RFNBO volumes (no payments before entry into operation)
- **Semi-annual** payments

## Fixed-premium auction



## Bids ranked on price only



# ...and consulted with more than 1000 stakeholders over a series of workshops

AGENDA	
9.00 – 9.30	Registration
9.30 – 10.00	Opening remarks by DG CLIMA & next steps, Overview of received feedback
10:00 – 10.45	General auction design elements Overview of key feedback received, discussion
10.45 – 11.30	Qualification requirements and completion bonds Overview of key feedback received, discussion
11.30 – 11.50	Break
11.50 – 12.20	Maximum realisation time, termination, ceiling price Overview of key feedback received, discussion
12.20 – 13.45	Lunch break
13.45 – 14.15	Off-take restrictions and local content requirements Overview of key feedback received, discussion
14.15 – 15.00	Cumulation with other public funding Overview of key
15.00 – 15.30	Auction frequency Overview of key

*Discussion of DRAFT T&C*

## 797 individual feedback points made across 41 design elements

1. Overview

<20: strong support  
 20 < 50: overall support, some discussion  
 >50: strong request for adjustment

1.0	Objective of the auction	11
1.1	Auctioned good	43
1.2	Constraining value	22
1.3	Support type	16
1.4	Reference price (n/a)	2
1.5	Support form	10
1.6	Limits to profitability of guaranteed support	2
1.7	Ranking of bids	36
1.8	Bid components	6
1.9	Minimum and maximum yearly production thresholds	16
1.10	Banking and borrowing	8
1.11	Support duration (disbursement period)	30
1.12	Indexation of support	28
1.13	Technology baskets, differentiation by regions or actors	26

2.1	Key technical and financial checks for project and bidder	67
2.2	Bid and completion bonds	40
2.3	Minimum or maximum restriction for project size and for bid volume	54
2.4	Offtaker restrictions	52
2.5	Local content requirements	9
2.6	Regulations for transporting hydrogen	7
2.7	Consideration of General measures (e.g. green premium stemming from regulations)	11
2.8	Cumulation with State Aid or EU funding for hydrogen producers	69
2.9	Cumulation with State aid or EU funding for the hydrogen offtaker. Cumulation with funding for hydrogen infrastructure.	19
2.10	Exclusion of cross-subsidisation of "grey" hydrogen	19

# Requirements for participating projects

## Minimum electrolyser capacity

### **5MWe per bid**

- one location in EEA, no virtual capacity pooling
- new capacity only (no “start of works” prior to application)

## Maximum requested grant per project (=price\*volume) capped

**1/3 of total auction budget** (€800m) to avoid “winner takes all”

## Maximum bid price (“ceiling price”)

**4.5 €/kg** of RFNBO hydrogen produced

## Planned entry into operation

less than **5 years from grant signature**

## No restriction on off-take sectors or origin of electrolysers

## Termination for severe under-production over 3 consecutive years

**Below 30%** on average of planned yearly average volume

## Completion guarantee (“deposit”)

### **4% of maximum grant amount**

- To enter the auction, you need to provide an Lol for the guarantee from a financial institution
- To sign GA, you need the financial institution to issue the guarantee

## Reporting at the end of the support period

### **Certification of 70% GHG savings on overall production**

- Independent third-party certificate or audited report

# Cumulation rules



**Electrolyser  
manufacturer**

**✓** Other public support is allowed



**RE electricity  
producer**

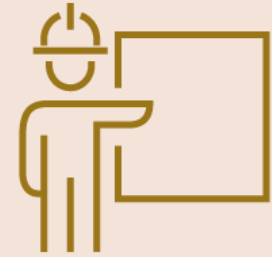
Rules for public support spelled out in RFNBO Delegated Act



**Electrolyser**

**✗** Cumulation is in general not allowed

**✓** Some exceptions to this rule



**Hydrogen  
offtaker**

**✓** For CAPEX or non-dedicated infrastructure other public support is allowed

**✗** For OPEX related to consumption of hydrogen from auction winner other public support is not allowed

# Exceptions for electrolysers



Electrolyser

**X** Cumulation is in general not allowed

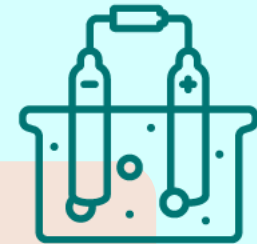
**V** Some exceptions to this rule

**V** Very early stages of the project (e.g. feasibility, FEED studies, research)

**V** Capacity expansion

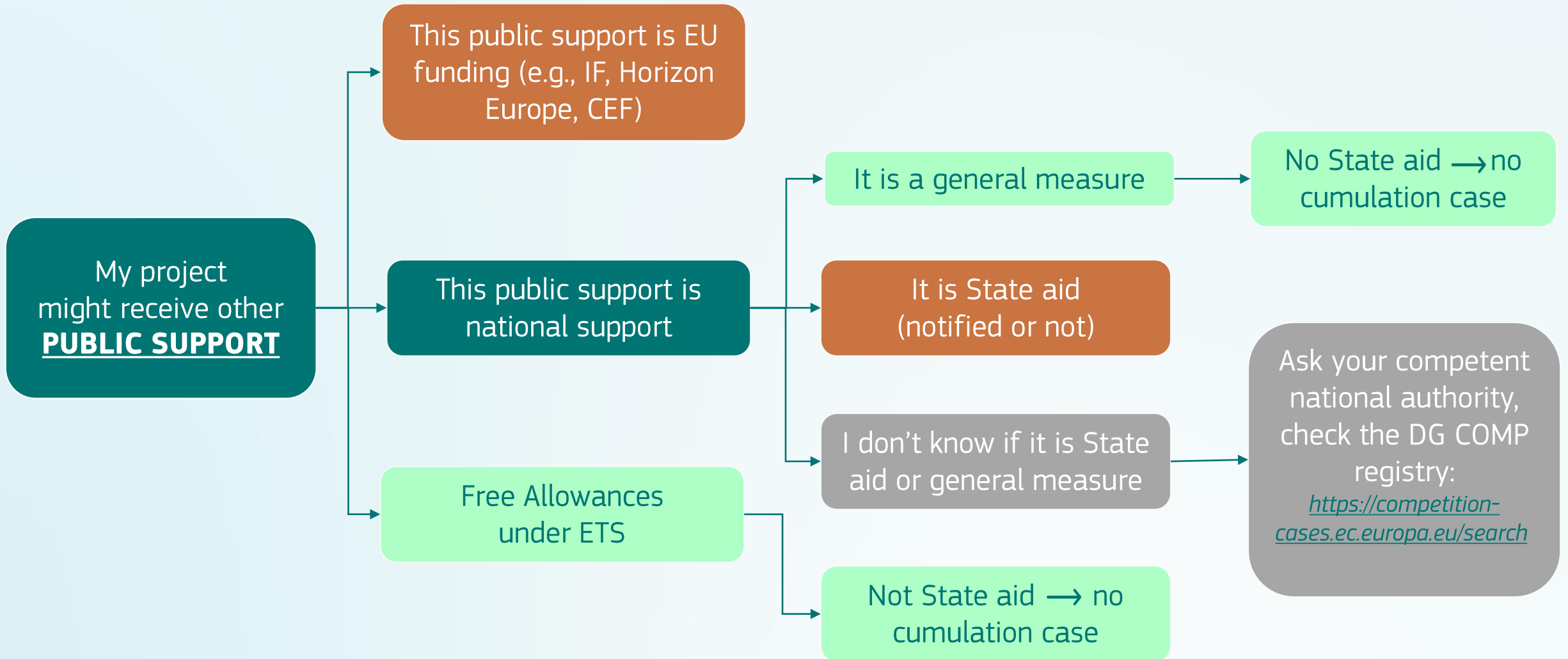
**V** Reduction from levies on electricity consumption, which finance energy and environmental policy objectives (as described in point 403 and section 4.11 of the CEEAG)

**V** Support for transport and storage infrastructure connected to the project, provided that the infrastructure is not dedicated to this project only



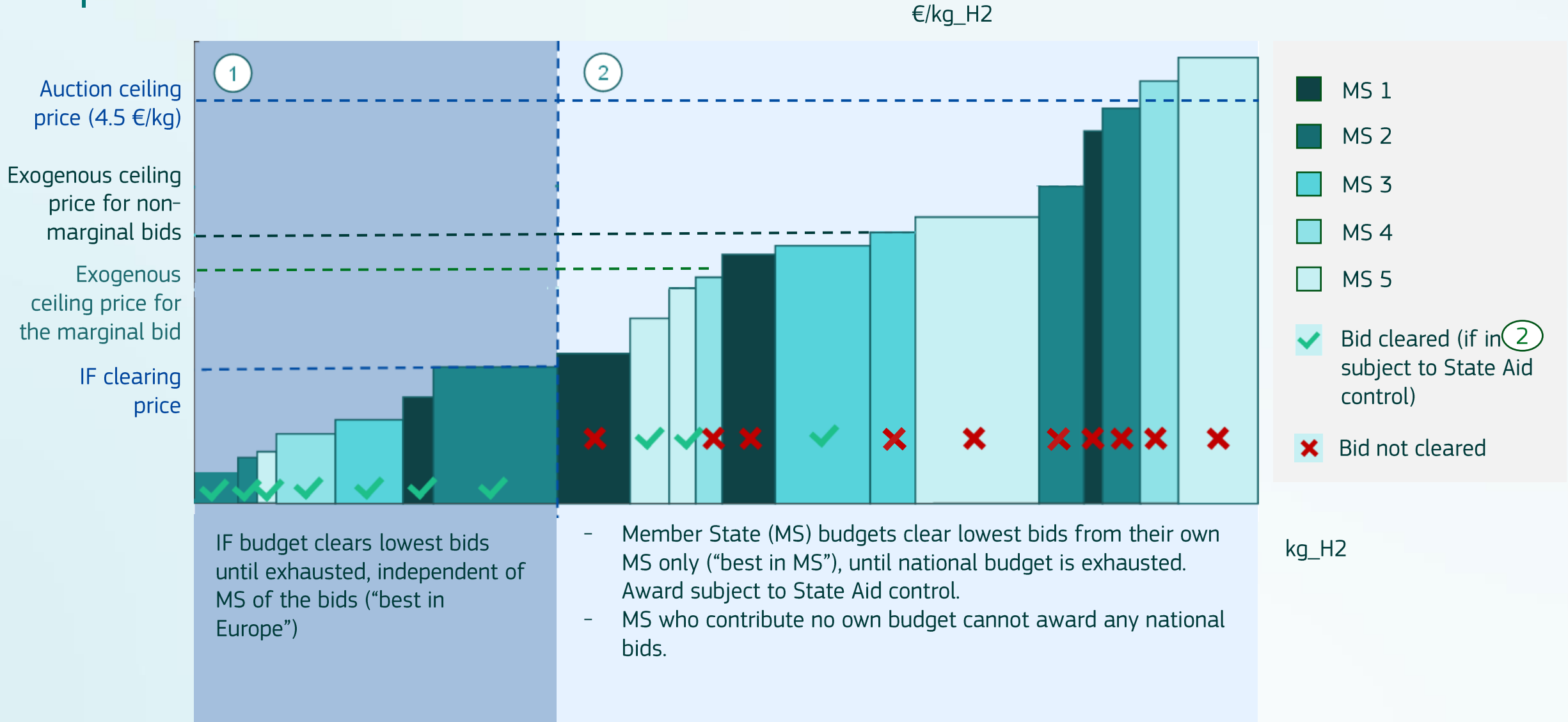
Electrolyser

# Types of public support



# Auctions-as-a-Service

illustrative



# FAQs – flexibility rules

## ***"What deviations from the original planned production will be acceptable?"***

- Maximum deviation of 140% compared to half of the expected average yearly volume (each semi-annual payment).
- No volumes beyond the total volume stated in the bid will be supported. The total grant amount is restricted to 100% of the maximum grant amount
- Production must not fall on average below 30% of the expected yearly average volume as stated in the bid for three consecutive years.



# FAQs – capacity splits

***“Is it possible to split one electrolyser project into multiple bids in the same auction round?”***

- No, incoming bids need to be for legally separate projects, meaning that the projects should not be identical as regards their location, assets beneficiaries or costs. Each project must be an independent installation with dedicated costs and revenue structures. The same company can of course submit bids for multiple *different* projects.

***“Is it possible to bid with a capacity expansion in future auction rounds?”***

- Yes, that is possible without violating cumulation rules.

# FAQs – transparency and unused budget

## ***“Which data points will you make public after the auction? What do I consent to by applying?”***

- A key goal of the auction is contributing to price discovery and market formation. We will publish:
  - For auction winners: bid price, volume, capacity, name of the applicant and anonymised and aggregated off-take prices.
  - For other bidders: anonymised bid price, volume and capacity curves, anonymised and aggregated off-take prices.

## ***“What happens if the marginal bid is very large?”***

- Imagine that several successful bids add up to €650 million. The next bid at €200 million exceeds the auction budget of €800 million.
- In this case, the auction would be cleared at €650 million and the remaining budget (€150 million) would accrue back to the Innovation Fund.

# FAQs – self-consumption

## ***“Can the bidder (hydrogen project developer) and the off-taker be the same legal entity?”***

- Yes, the hydrogen producer and off-taker can be the same entity. This is what we refer to as self-consumption or integrated projects. The project will still have to report an internal off-take price.

## ***“Which documents do I have to provide for the off-take strategy where the producer and the off-taker are the same legal entity?”***

- Where the hydrogen producer and off-taker are the same legal entity, letters signed by a director/senior executive can be provided instead of LoIs or MoUs. The information reflected in the letter should be the same as that required in the MoU of a third party of taker except that instead of name of off-taker you should indicate the asset within the integrated project.

# FAQs – start of works

## ***“When can it be considered that a project has “started works” before application?”***

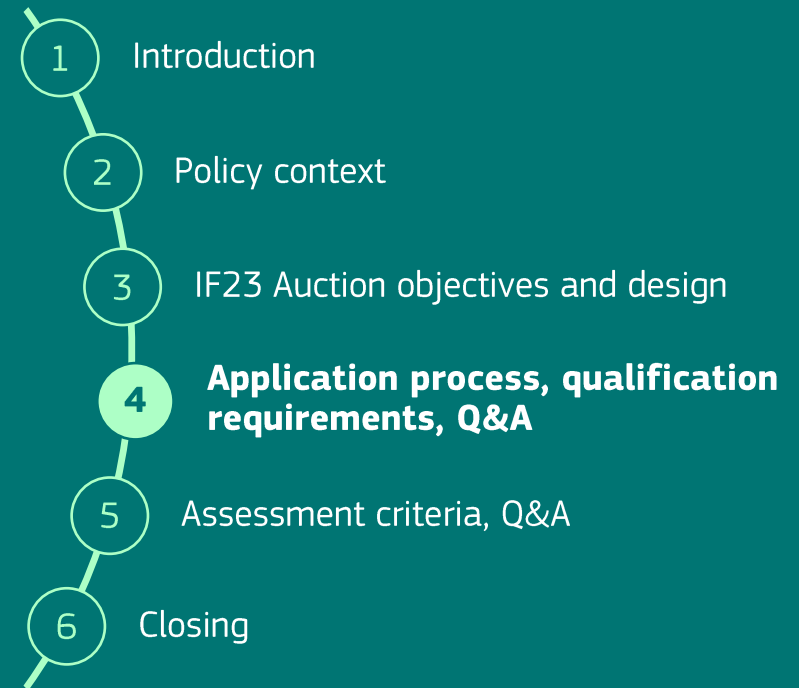
- ‘Start of works’ means the first firm commitment (for example, to purchase equipment or start construction) that makes an investment irreversible. The buying of land and preparatory works such as obtaining permits and conducting preliminary feasibility studies are not considered as start of works.

## ***“What about pre-orders of electrolysers for which we are not yet paying, but that have a small penalty attached to them?”***

- Contracts which have been entered into before the application for aid count as start of works only if they entail a significant financial contribution to the beneficiary. The meaning of a “Significant financial contribution” should be assessed when compared to the overall project value and content: financial contribution lower than 10% of CAPEX can certainly be considered not significant, other cases would have to be carefully argued.

# Application process, qualification requirements

Roman Doubrava, Head of Unit  
CINEA C4, Innovation Fund



# Application Process

## INNOVFUND-2023-AUC-RFNBO-Hydrogen Fixed Premium Auction for RFNBO hydrogen production



**Call objective:** to cost-efficiently support the new production of renewable fuel of non-biological origin (RFNBO) hydrogen



**Scope:** Installation of new RFNBO hydrogen capacity & the verified and certified production of RFNBO hydrogen from those installations (kg of produced volume) for a period of up to 10 years



**Timetable:** **Call opening** – 23 Nov 2023; **Deadline for submission** – 8 Feb 2024;  
**Evaluation results** – approx. April 2024; **Latest GA signature** – November 2024

# Application Process

## How to apply, compulsory documents

### Check all relevant information to apply

- [Funding and Tender Portal](#)
- [Application process tutorial](#)
- [Financial Information File \(FIF\) tutorial](#)
- [Info Day recording and slides](#)
- [Innovation Fund Helpdesk](#)

## Funding & Tender portal, Call information

The screenshot displays the European Commission's 'Funding & tender opportunities' portal. The page title is 'Innovation Fund 2023 Auction - RFNBO Hydrogen' with the identifier 'InnovFund-2023-AUC-RFNBO-Hydrogen'. The current topic is 'Call for proposal'. The 'Internal navigation' sidebar includes links for General information, Topic description, Conditions and documents, Start submission, Topic related FAQ, Get support, and Call updates, along with a 'Go back to search results' link. The main content area shows the following details:

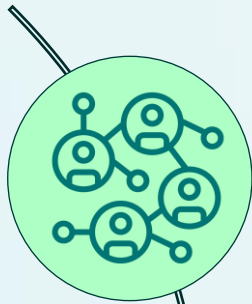
<b>Call</b> Innovation Fund 2023 Auction - RFNBO Hydrogen (InnovFund-2023-AUC-RFNBO-Hydrogen)		
<b>Type of action</b> INNOVFUND-FPAUC-UN INNOVFUND Fixed Premium Auction Unit Grants	<b>Type of MGA</b> INNOVFUND Unit Grant [INNOVFUND-AG-UN]	<a href="#">Open for submission</a>
<b>Deadline model</b> single-stage	<b>Opening date</b> 23 November 2023	<b>Deadline date</b> 08 February 2024 17:00:00 Brussels time

**Topic description**

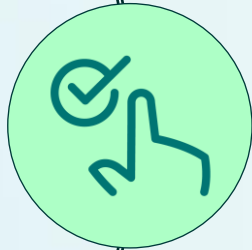
Scope:  
This call is an auction call, i.e. a call that is awarded based on a competitive bidding procedure on price and therefore subject to specific conditions (e.g. auction terms and conditions, fair bid guarantee, etc)...

[Show more](#)

# Application Process



Create a user account & register your organisation



Submit the proposal

Part A, Part B, Part C & Annexes



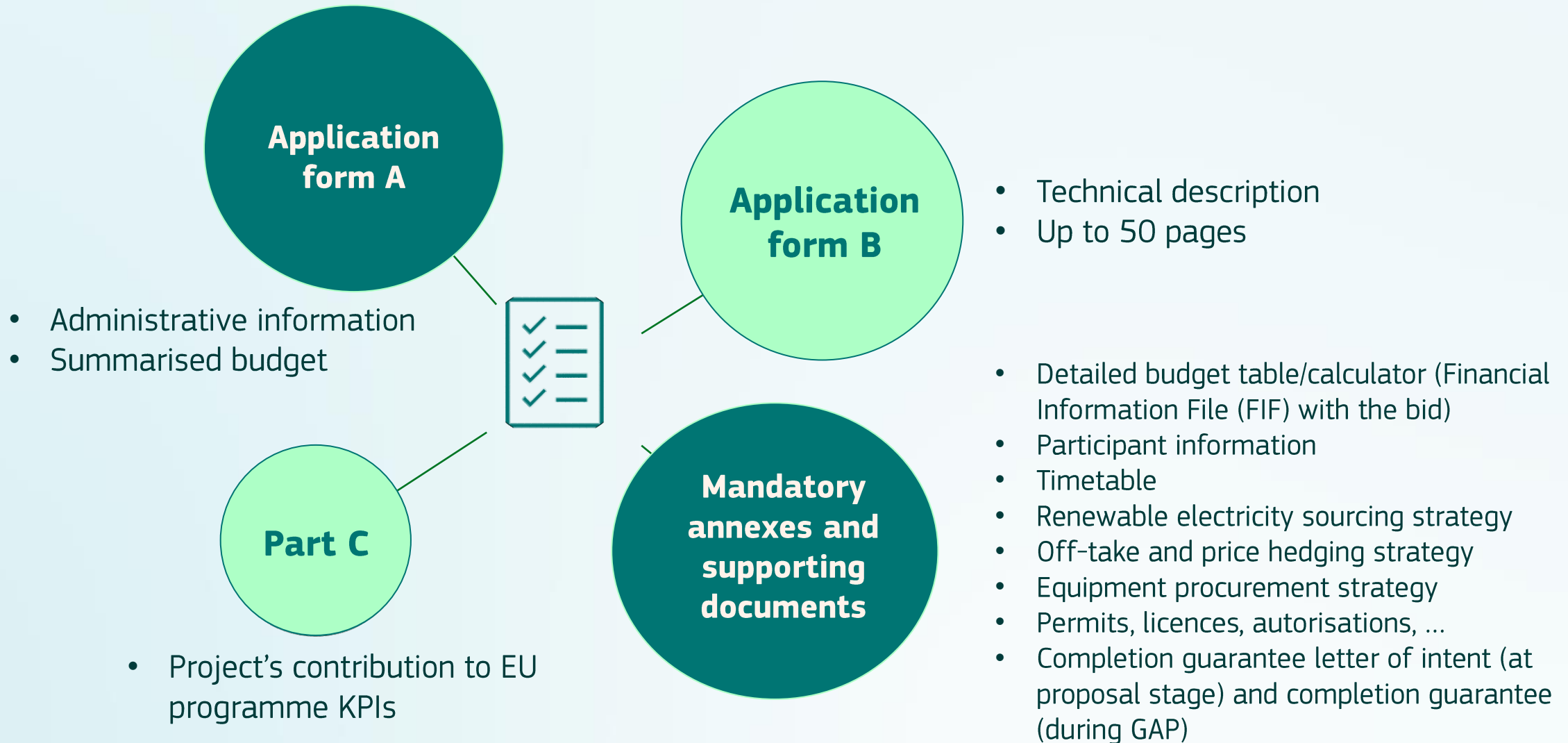
Help

Innovation Fund Helpdesk – for non-IT related questions



# Application Process

## Compulsory documents



# Application Process

## Admissibility and eligibility

### Admissibility

#### Proposals must be:

**Submitted before the call deadline**

**Submitted electronically**

**Complete**

**Readable, accessible, printable**

### Eligibility

#### Participants - legal entities established in any country in the world

- Comply with legal entity checks (KYC, AML, Anti Bribery, etc.)
- Comply with EU exclusion situation limitations

#### Eligible activities – will be explained later

#### Geographic location (target countries) – EEA country

#### Duration

- Entry into operation – within 5 years after the GA signature
- Operate for 10 years, unless the total volume committed is reached earlier

#### Budget and ceiling price

- Project budget must not exceed 1/3 of the topic budget, i.e. €266,7 million
- Minimum installed capacity – 5MWe
- Ceiling price is €4,50/kg

# Application process

## Eligible activities

**Installation of new RFNBO hydrogen capacity\* as well as the verified and certified production of RFNBO hydrogen from those installations\*\* for a period of up to 10 years**

- \*hydrogen production capacity for which at the time of the grant application the start of works did not yet take place
- \*\*in kg of produced volume

**The bid price per unit is expected to cover the premium required by the producer\*. Cost elements like production, sale, transport, and storage can be priced into the bid.**

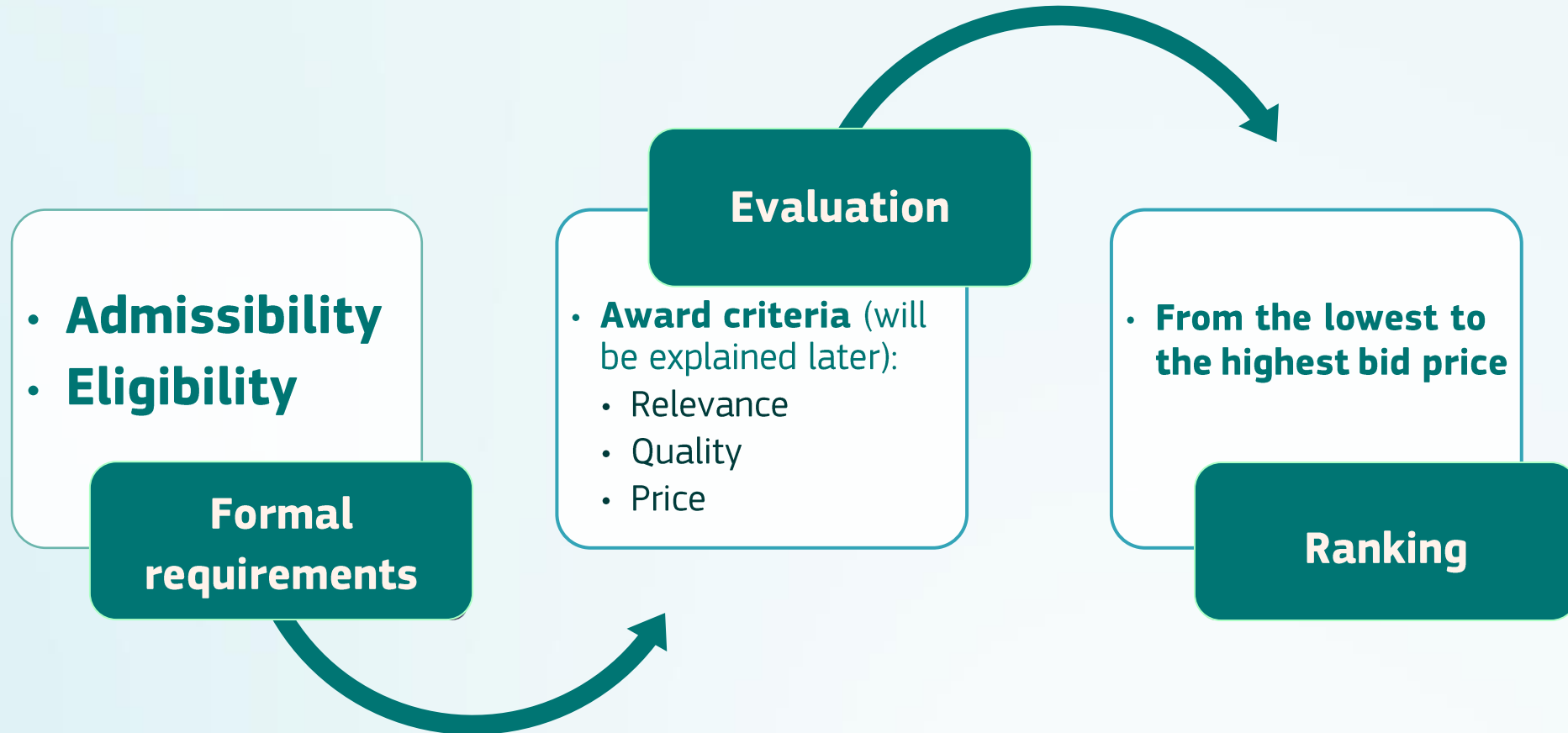
- \* the difference between the expected revenues from the sale of one unit and the unit's levelised cost

**The produced RFNBO hydrogen can be sold to any off-taker or self-consumed or stored. The RFNBO methodology applies to hydrogen purchased by any off-taker (not only in transport).**

**The electrolyser capacity must be in a single location. Virtual pooling of capacity is not permitted.**

# Application Process

## Evaluation and award procedure - Evaluation



# Application Process

## Evaluation and award procedure – Cascade approach



The first proposal proposed for funding ('marginal bid') that exceeds the call budget will be added to the reserve list.

# Application Process

Evaluation and award procedure

## Priority order for proposals with same scores/bid price:

**1**

Proposals with the overall smaller support requirement

**2**

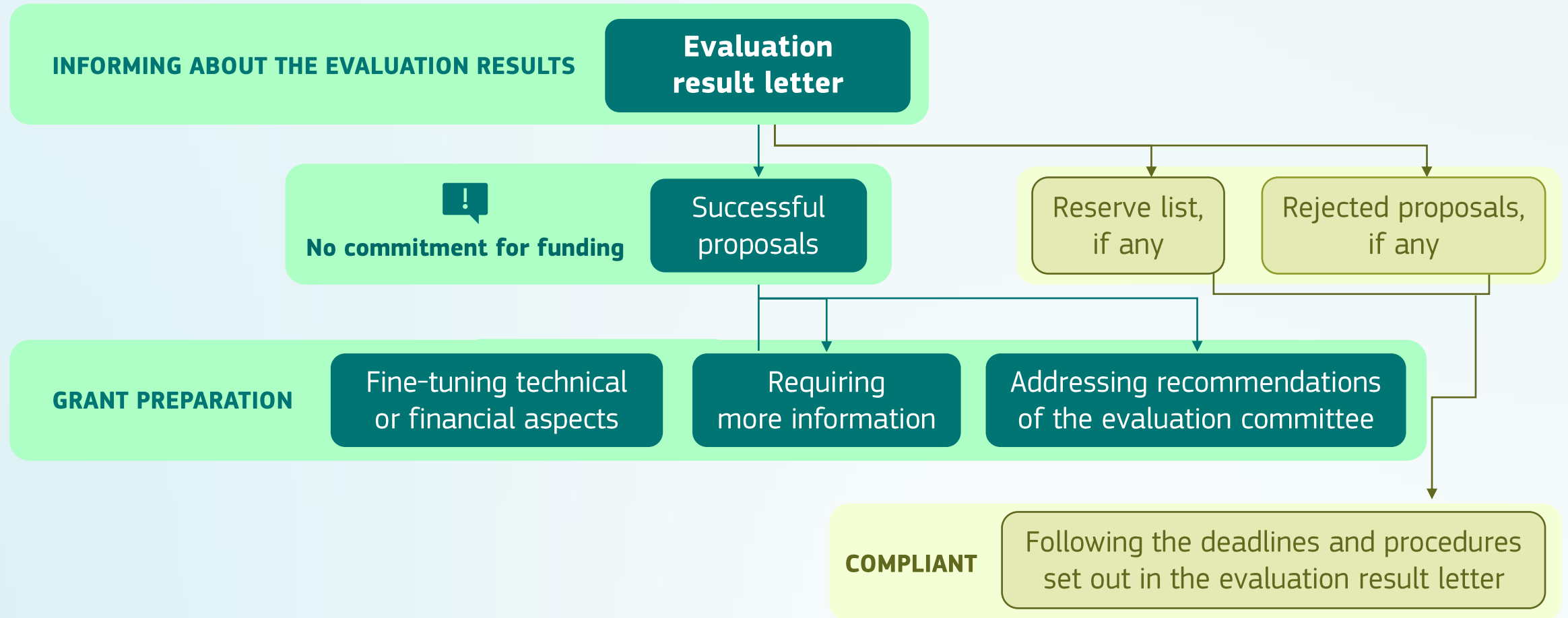
Proposals located in a country (EU Member State, EEA country) which had, at call publication, less funds awarded in previous IFcalls

**3**

Proposals with a shorter time until entry into operation

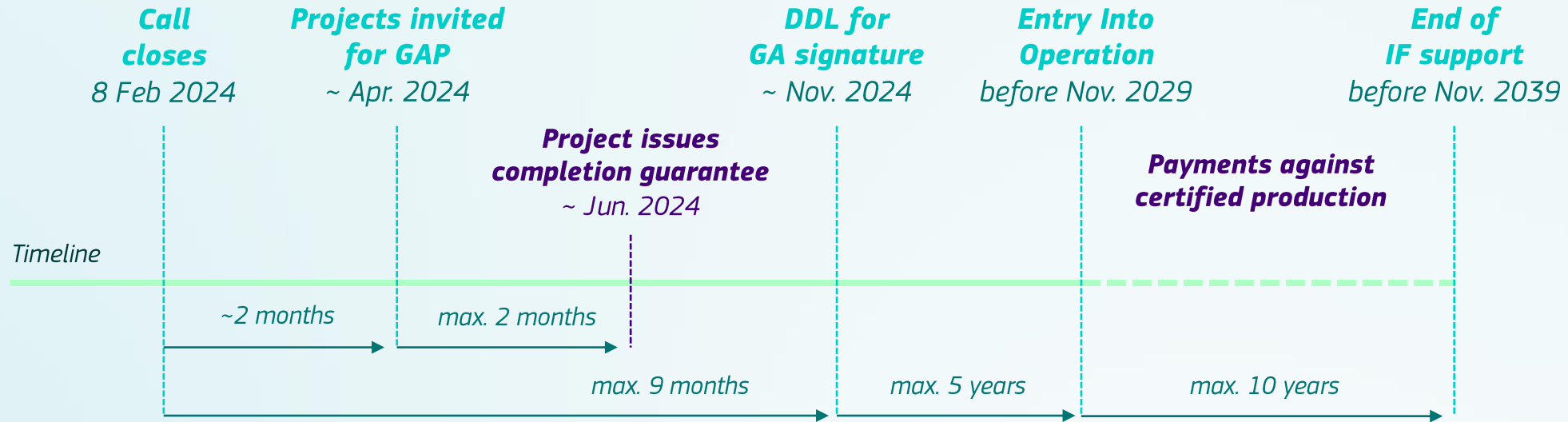
# Application process

## *Evaluation and award procedure*



# IF23 Auction implementation timeline

indicative



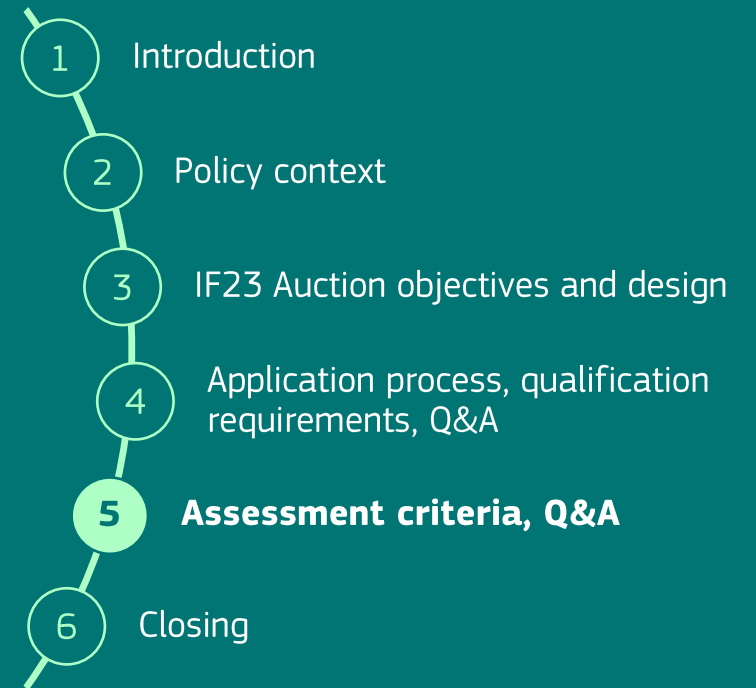
- Evaluation is simplified (compared to regular grants) and much faster: approx. 2 months.
- If the completion guarantee is well prepared, winners could sign grants well before the deadline for GA Signature.
- Maximum time to Entry into Operation (EiO) of 5 years to allow projects to manage delays, but normally EiO can be achieved earlier.



# Assessment criteria

**Uwe Lutzen, Head of Sector**  
CINEA C4, Innovation Fund

**Alban Vital, Senior Financial Engineering Manager**  
CINEA A1, Programme support, coordination & communication



# Assessment criteria

## Relevance and Quality

### **Relevance**

#### **Pass/Fail**

Contribution to the objectives of this call  
(i.e. production of RFNBO hydrogen  
based on the sourcing strategy)



### **Quality**

#### **Pass/Fail**

Technical maturity  
Financial maturity  
Operational maturity



### **Ranking**

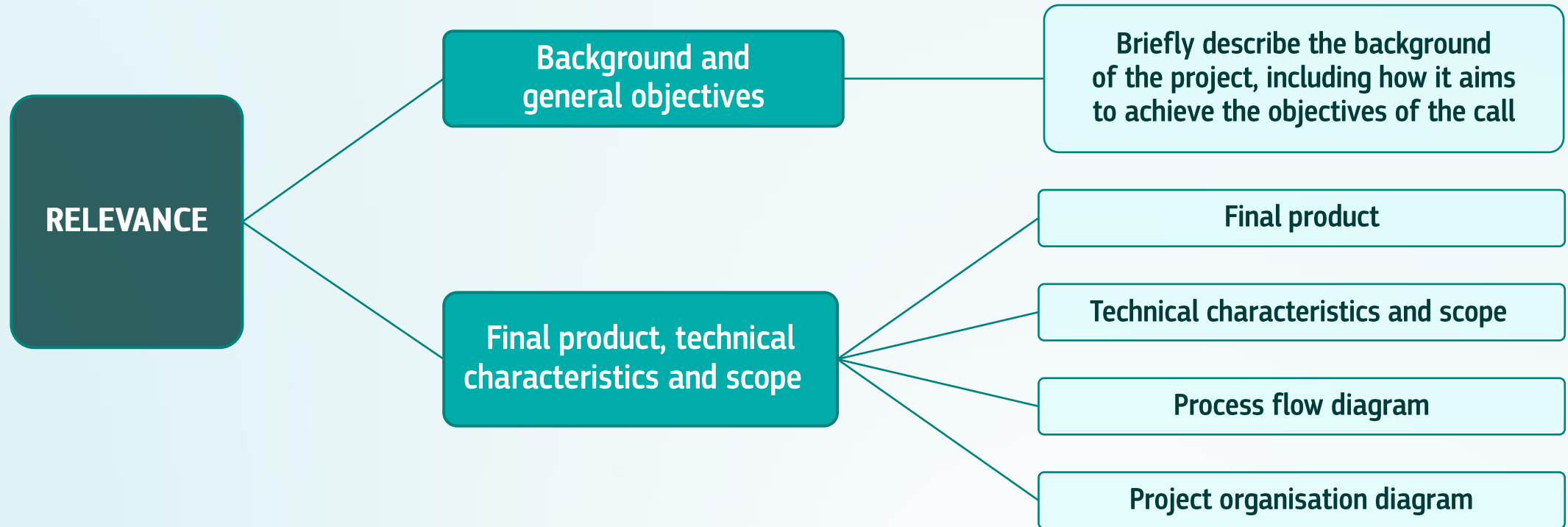
#### **Pass/Fail**

- According to the bid price  
(in € per kg, with two digits after the comma)
- Within the limits of the available budget



# Assessment criteria

## Relevance and Quality



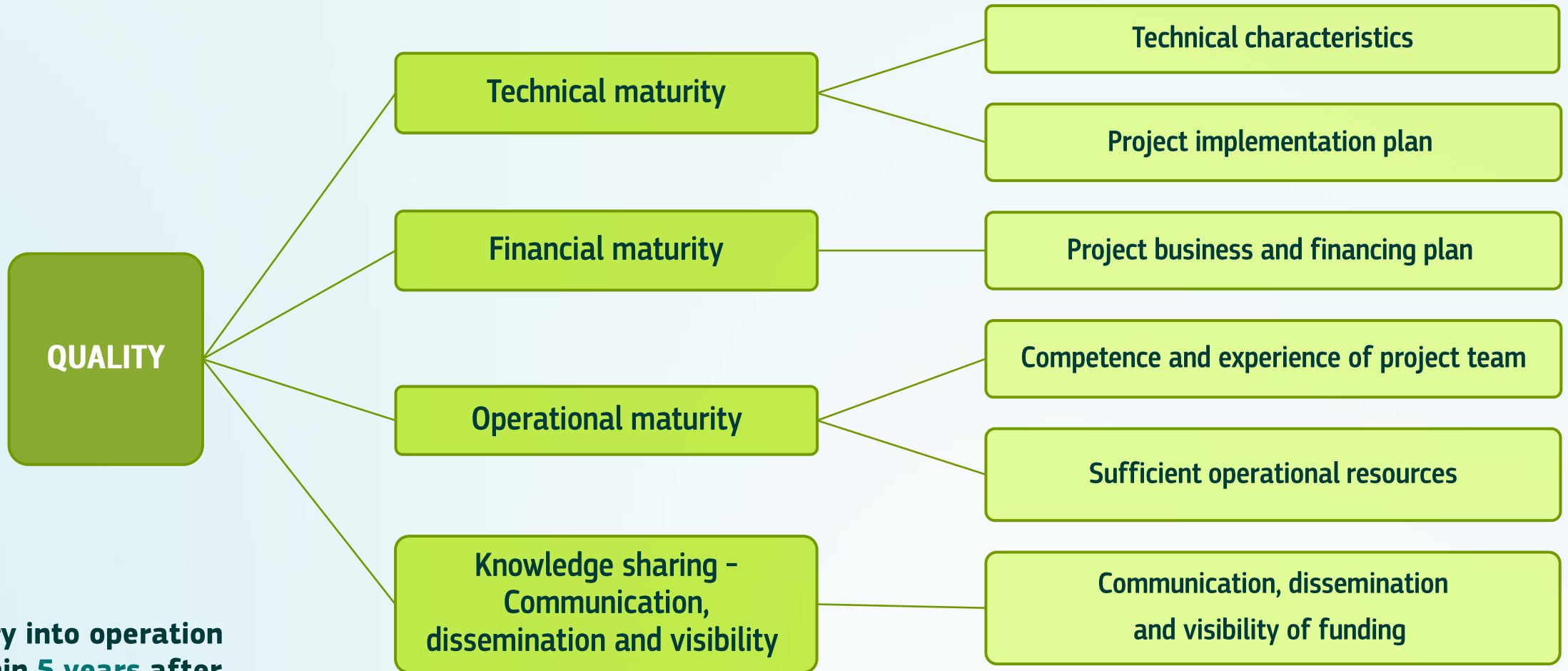
# Solid strategies to reach EiO within time

## Renewable energy sourcing strategy:

- Demonstrate that the project has a credible plan and has taken initial pre-contractual steps (for min. 60% of volumes) towards securing renewable volumes and profiles in line with the RFNBO volume stated in the bid.
- Characteristics align with conditions set down in in the Delegated Acts of the RED-II for the definition of RFNBO.
- Guarantees of Origin (GOOs) alone are not sufficient to fulfil the RFNBO requirements.

# Assessment criteria

## Relevance and Quality



Entry into operation within **5 years** after GA signature

# Assessment criteria

## Relevance and Quality

Renewable electricity sourcing strategy

Hydrogen off-take and price hedging strategy

Electrolyser procurement strategy

Plan to receive environmental permits on time

Plan to receive grid connection permits on time

Completion guarantee letter of intent



**Credibility & consistency** of the documents

# Assessment criteria

## Letter of intent and completion guarantee

### Letter of intent:

- To be provided in the application stage.
- From a financial institution rated at least (BBB-/Baa3).
- Template need to be used.

### Completion guarantee:

- Signed completion guarantee using the template due 2 months after receiving invitation for GAP.
- Provided by a financial institution rated at least (BBB-/Baa3).
- Covering 4% of the maximum grant amount.
- Validity until 6 months after Entry into Operation.

# Assessment criteria

## Quality criteria – Technical maturity

### Project implementation plan

*Please describe the implementation arrangements of the project, including*

- *project implementation schedule, including the description of state of play and expected timeline for obtaining the required permits for achieving project's planned financial close, for EPC contracting and for achieving entry into operation, as planned. The schedule must respect the deadlines defined in the Call document. Please reflect this in the required Gantt diagram Annex*
- *project implementation state at submission of this application.*

**Note:** *The implementation plan must be aligned with the requirements of the call and consistent with the milestones and deliverables described in section 4.*

*Attach the project supporting documents listed in section 5 of the Call document (in particular, sourcing strategy, off-take and price hedging strategy, equipment procurement strategy, status of permits and authorisations, and a completion guarantee letter of intent).*



# Assessment criteria

## Quality criteria – Technical maturity – Declarations

Fair bid  
conditions

We confirm that the project bid refers to the low/zero carbon product required by the call and that we will produce this product in line with conditions set out in the Call document.

We confirm that for the capacity to which the bid refers the works have not started by the time of submission of this application, in line with the definitions in paragraph 82 of the [Guidelines on State aid for climate, environmental protection and energy](#)<sup>1</sup>.

We confirm that, in case our proposal is successful, the Innovation Fund auction grant will not be cumulated with any of the types of excluded public support listed in the Auction Terms & Conditions (annex 1 of the Call document).

We accept and acknowledge that EU auction grants must not lead to a cross-subsidisation of other products, if and as required by the call conditions (see section 10 of the Call document).

We confirm that all partners in the project consortium are in compliance with the Deggendorf rule (Deggendorf rule excludes undertakings that have received incompatible aid and are subject to a recovery obligation).

We accept and acknowledge that EU auction grants are subject to a completion guarantee that will be called by the granting authority if the funded installation does not reach approved entry into operation. In case our proposal is successful, we commit to provide such a completion guarantee in line with the conditions set out in the Call document. If no guarantee is received within the required time-limit, the granting authority may consider the application as withdrawn and decide to terminate grant preparation.

# Assessment criteria

## Quality criteria – Technical maturity

Project implementation plan/schedule	<ul style="list-style-type: none"><li>• State of play</li><li>• Timeline for obtaining the required permits<ul style="list-style-type: none"><li>✓ For achieving project's planned financial close</li><li>✓ For EPC contracting</li><li>✓ For achieving entry into operation</li></ul></li><li>• Project implementation state at submission of the application</li></ul>
Gantt Chart	<ul style="list-style-type: none"><li>• The deadlines defined in the Call document</li></ul>
Project's supporting documents listed in section 5 of the Call document	<ul style="list-style-type: none"><li>• Sourcing strategy</li><li>• Equipment procurement strategy</li><li>• Status of permits and authorisations ...</li></ul>

# Solid strategies to reach EiO within time

## **Electrolyser procurement strategy:**

- Pre-contractual steps (MoU, Lol) with an electrolyser manufacturer.
- No geographical restriction.
- It should include at least (i) type of technology, (ii) declaration of origin, (iii) Electrolyser capacity in Mwe, (iv) expected delivery date, (v) terms of delivery, and (vi) price.

# Assessment criteria

## Quality criteria – Financial maturity

### Objective:

- assess the project capacity to reach entry into operation within 5 years of grant signature.

**Credibility of  
business plan**

*Application Form*

*B 2.2 + FIF*

**Credibility of  
Off-take and price  
hedging strategy**

**Soundness of  
the financing plan**

*Application Form*

*B 2.2 + FIF*

***Consistency across all documents of the application is key!***

# Financial maturity

## Business plan

**Credibility** of the business plan:

- Briefly describe the proposed project **business model and** value proposition.
- Describe and substantiate:
  - **Main revenues stream** (hydrogen off-takers, oxygen, heat, etc.)
  - **Cost assumptions** (CAPEX and OPEX)
  - Include a breakdown of **prices and volumes** assumed

# Financial maturity

## Off-take and price hedging strategy

- Describe the strategy to **secure key contracts** with off-takers providing:
  - Names and industry of off-takers.
  - Duration of agreement, method of delivery and consumption profile.
- Demonstrate that the project **has a credible plan** and has taken initial **pre-contractual steps** (for min. 60% of total volumes) towards securing off-take, provide contractual evidence for example letters of support, indicative terms from MoU's.
- No restrictions on the off-taker sector: for example, **self-consumption** and **blending** into gas network allowed.
- Demonstrate that the **project's cost** (electricity) **and revenue** (off-take) **structures hedge** against excessive market variability.

# Financial maturity

## Financing plan

- Describe the **financing plan** for the project including the type of funding used (equity, debt, shareholder loan) the size of shareholders and banks support, amount of capital injections.
- Explain clearly the complete **sources and uses of funds** of the project.
- Demonstrate **financial viability of your project**. Does the financing plan cover construction costs and potential negative operational cash flows?
- **Describe the funding structure** in the organisational chart highlighting the main legal entities and where the debt (if any) will be raised (will it be recourse/non-recourse?).

# Financial maturity

## How to fill in the Financial Information File – Annex I to Part B (Detailed Budget table)? (1)

- Fill in only the cells in yellow in the FIF Inputs tab (in k€, (+/-) for revenues or costs).
- Bid components:
  - Fixed Premium Price is at the discretion of the applicant to best adapt its bidding strategy. Maximum eligible bid price ("ceiling price") at €4,5/kg.
  - Expected yearly annual volume is calculated automatically by the FIF as the sum of the applicant inputs volume per off-taker.
  - Total grant amount (cell D53 of FIF Inputs Tab) is calculated automatically and should be used in the application.
  - Completion Guarantee amount (cell D55 of the FIF Inputs Tab).
- Ensure the financial projections inputs are coherent with the assumptions of the business plan, energy sourcing strategy, off-take strategy and electrolyser procurement strategy.

 ***FIF tutorial [available on YouTube](#)***



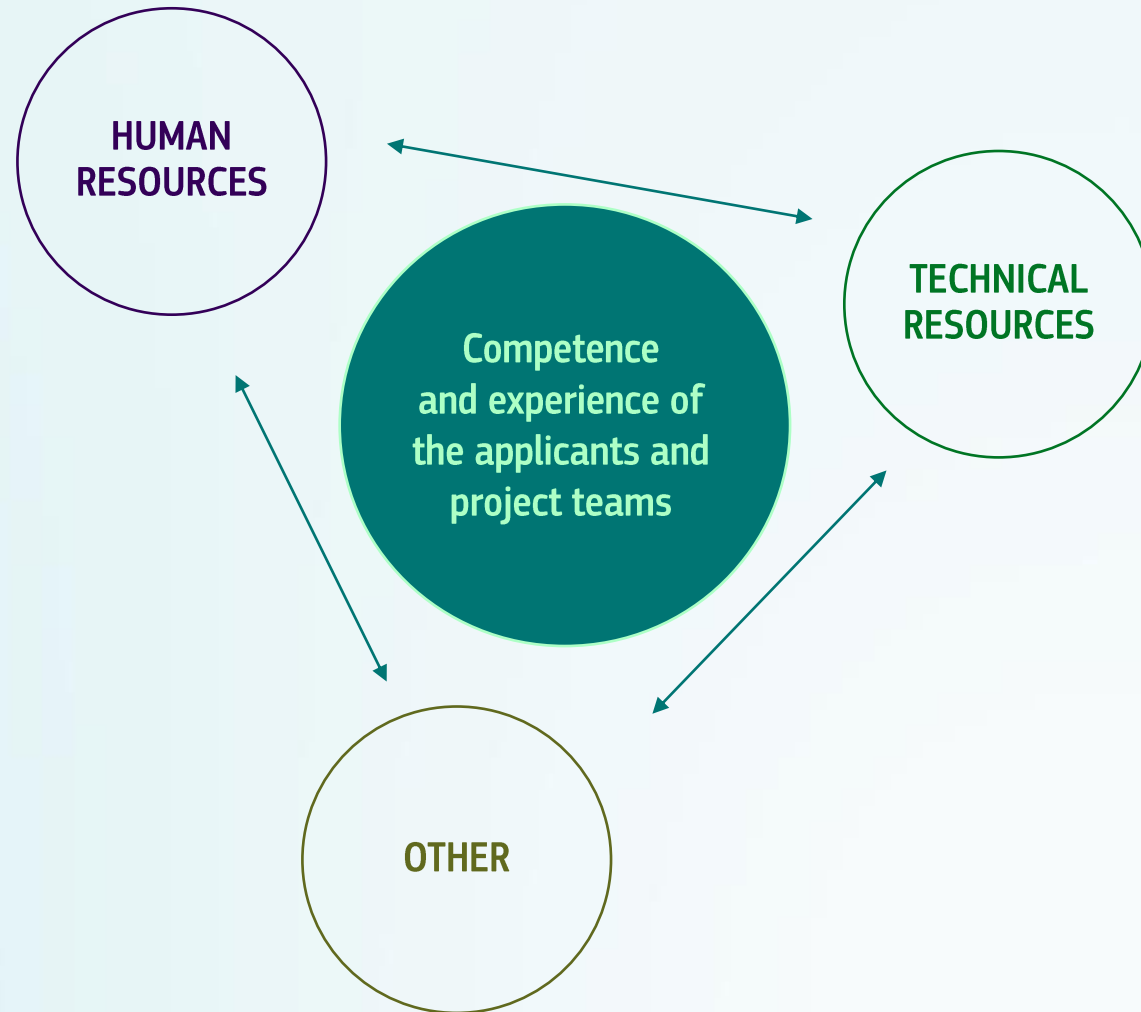
# Financial maturity

## How to fill in the Financial Information File - Annex I to Part B (Detailed Budget table)? (2)

- Project **producing both RFNBO and non-RFNBO hydrogen** should follow this guidelines to fill the FIF: The **overall revenues, and costs of the project (both RFNBO and non-RFNBO) need to be inserted in the FIF.**
- Bid components:
  - "Installed capacity in the bid" cell G46 need to be filled with the **full electrolyser capacity** of the project.
- Revenues from hydrogen need to be split between RFNBO hydrogen and non-RFNBO hydrogen
  - Volume of **RFNBO hydrogen** produced **should be inserted in lines 68, 73, 78, 83, 88, 93 and 97** of the FIF inputs sheet. Associated relevant prices need to be filled in lines 66,71,76,81,86,91 and 96.
  - Volume of **non-RFNBO hydrogen** produced **should be inserted in lines 119** under the "Other revenues of the project" section in the FIF inputs sheet. Associated relevant prices need to be filled in line 117.
- Costs of power sourcing for RFNBO hydrogen and non-RFNBO hydrogen should be split.
  - Power costs of **RFNBO hydrogen should be inserted in lines 135 to 153.**
  - Power costs of **non-RFNBO hydrogen should be inserted in lines 161 and 163** under the "other COGS 1" section.

# Assessment criteria

## Quality criteria – Operational maturity



Exceptionally, the measures proposed to obtain them by the time the task implementation starts.

# Assessment criteria

## Quality criteria – Operational maturity

### Work packages

This section concerns a detailed description of the project activities.

Group your activities into work packages. A **work package** means a major sub-division of milestones and deliverables that belong to it. The grouping should be logical and guided by ideas.

Please respect the following set-up:

- your project should include the following sequential work packages (mandatory):
  - WP1 – Up to Entry into Operation
  - WP2-[21]– Years 1-10 of Operation.

Do not add additional work packages. For the purposes of this application form, please use or need 2 per year; but they are all identical). During grant preparation, separate WPs must be entered.

⚠️ Ensure consistency with the detailed budget table/calculator (financial information file).

### Workplan, work packages, activities, milestones, deliverables and timing

#### Work plan

A brief description of the overall structure of the work.

Work packages 2-21 will be composed of certified production of RFNBO H<sub>2</sub>.

**Credibility & level of detail** of project implementation plan.

**Consistency** between work package descriptions, deliverables and milestones.

#### Work packages

WP1:  
**up to Entry Into Operation**

WP2 – WP21:  
> For years 2-10 of operation.  
> Two work packages per year: end of months 6 and 12 of year N of operation.

#### Mandatory milestones

WP1:  
> **Milestone 1:**  
*Financial Close*  
> **Milestone 2:**  
*Entry Into Operation*

WP2 – WP21:  
*Each WP ends with a (mandatory) milestone.*

#### Mandatory deliverables

Linked to WPs and corresponding milestones.

# Assessment criteria

## Quality criteria – Operational maturity

### Consortium: beneficiaries and other participants

- Brief presentation of the applicant(s) (including any affiliated entities involved in the action) outlining areas of overall and project-specific expertise, number of employees, founding year, geographical locations.
- Relationship between the participants in the project framework.
- Attach the project supporting documents (in particular, participant information).

### Consortium roles – Project teams and staff – Project management, decision-making, quality assurance and monitoring

- Role of each of the participants in the project.
- Competence and experience of the applicants and their project teams, including operational resources (human, technical and other; see also participant information).
- Governance structure of the consortium implementing the project.
- Contractual and legal relationships between the participants in the project.

# FAQs - H<sub>2</sub> production

## ***“Can the same electrolyser capacity produce RFNBO and non-RFNBO volumes during different times of the year?”***

- YES, the electrolyser capacity as stated in the bid can produce both RFNBO hydrogen and non-RFNBO-hydrogen.
- HOWEVER:
  - Only RFNBO volumes are eligible for support under the auction, and only RFNBO volumes must be stated in the bid. Consequently, support will only be paid for verified and certified RFNBO volumes.
  - At the end of the implementation period, you will need to provide certification that the total volume of hydrogen (RFNBO and non-RFNBO) produced from the capacity as stated in the bid achieves at least 70% GHG savings following the rules set out in the Delegated Act C(2023) 1086 supplementing Directive (EU) 2018/2001.

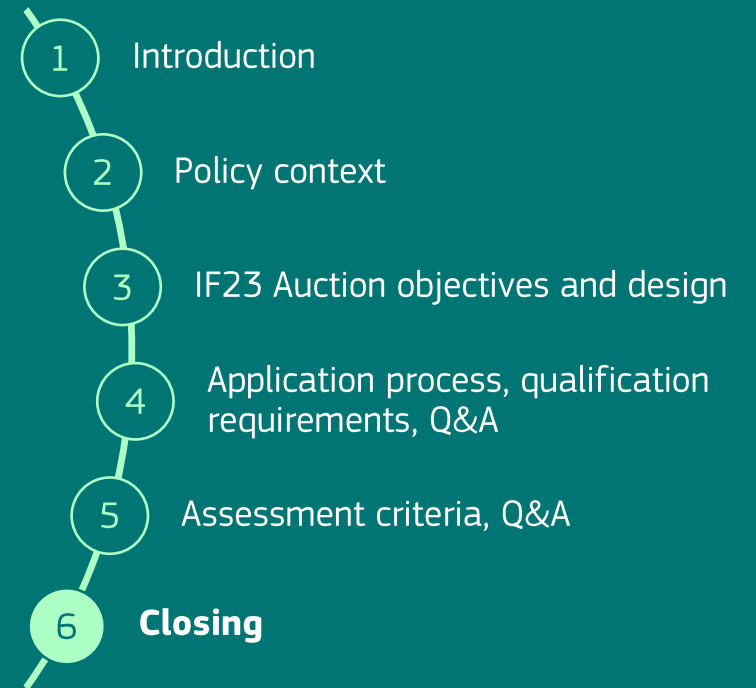
# FAQs – qualification

## ***“What type of documentation will be considered as evidence of the start of the environmental and connection permits process?”***

- In relation to environmental and connection permits processes, national situations differ widely. The submitted documents must establish in a credible manner that the process of obtaining a permit has been initiated and that the timeline of achieving the permit before the maximum time to entry into operation is realistic. The documentation provided will be assessed considering the national context, which you can also describe in your application.

# Closing

Roman Doubrava, Head of Unit  
CINEA C4, Innovation Fund



# Feedback

**Help us improve future events!**

Take your mobile device

**Go to [slido.com](https://www.slido.com)**

Enter the code **#IF23Auction**

Reply to the questions (less than 5 minutes)

***Thank you!***





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Deploying innovative net-zero technologies for climate neutrality



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<https://europa.eu/IRnFw>

## Become a project evaluator for the Innovation Fund

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# More information



All (past) call documents available on the Funding and Tenders Portal including:

✓ Frequently asked questions

<https://europa.eu/!QB67by>

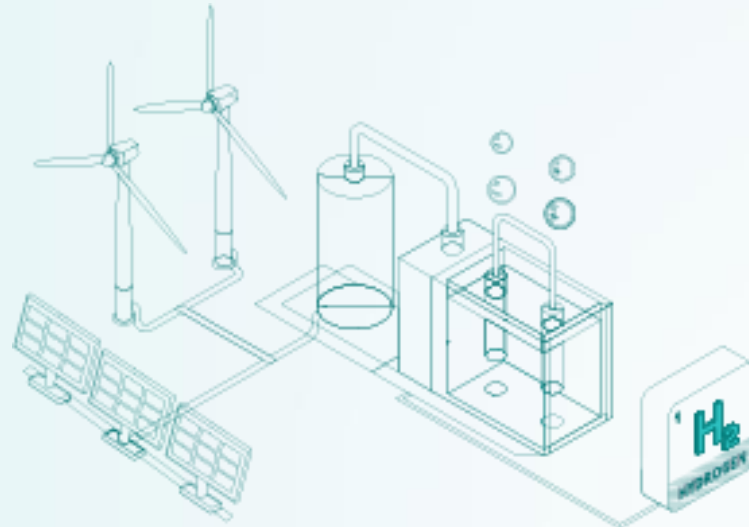


Further info, planning of new calls, recorded webinars and videos available on the IF Website:

<https://europa.eu/!rx34Dt>

And more videos available on YouTube:

<https://bit.ly/2WxK8w7>



# Let's keep in touch



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# Thank you



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