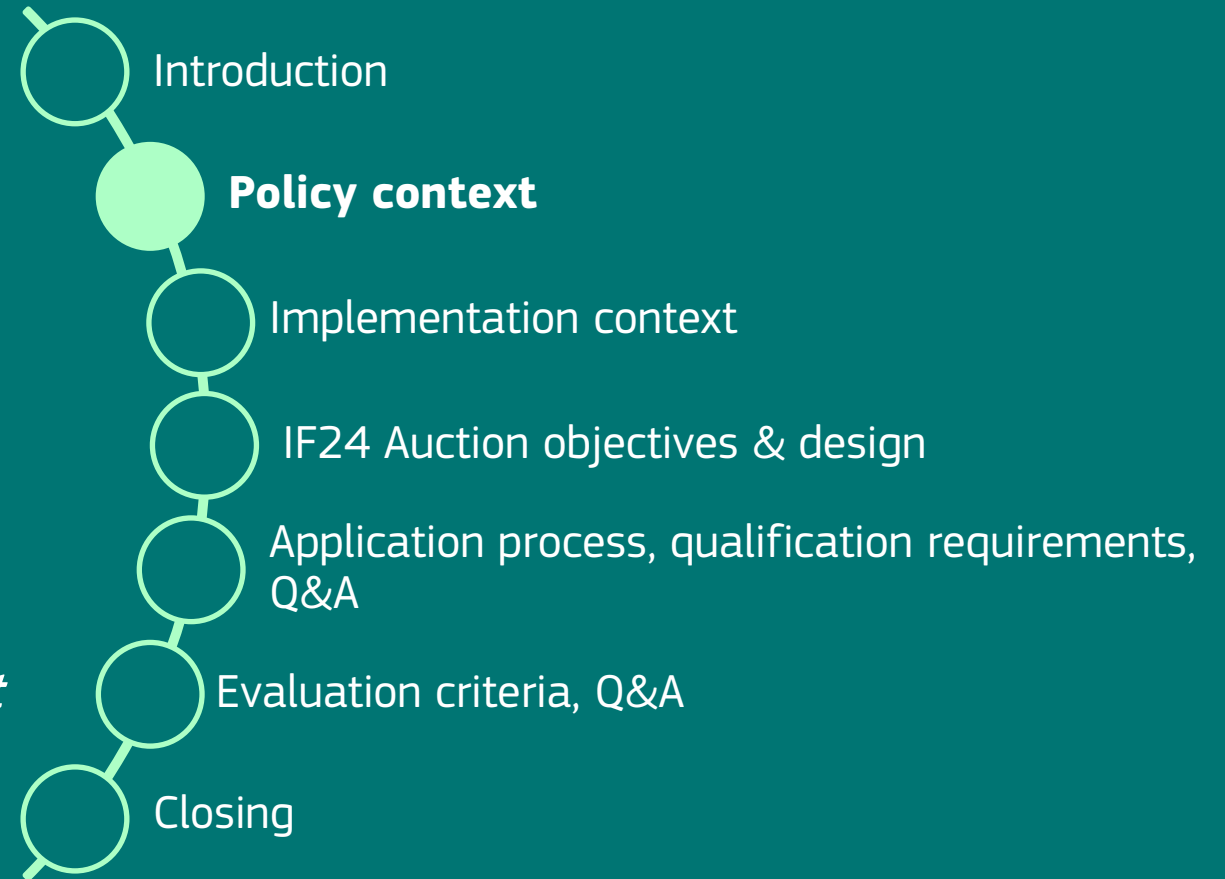
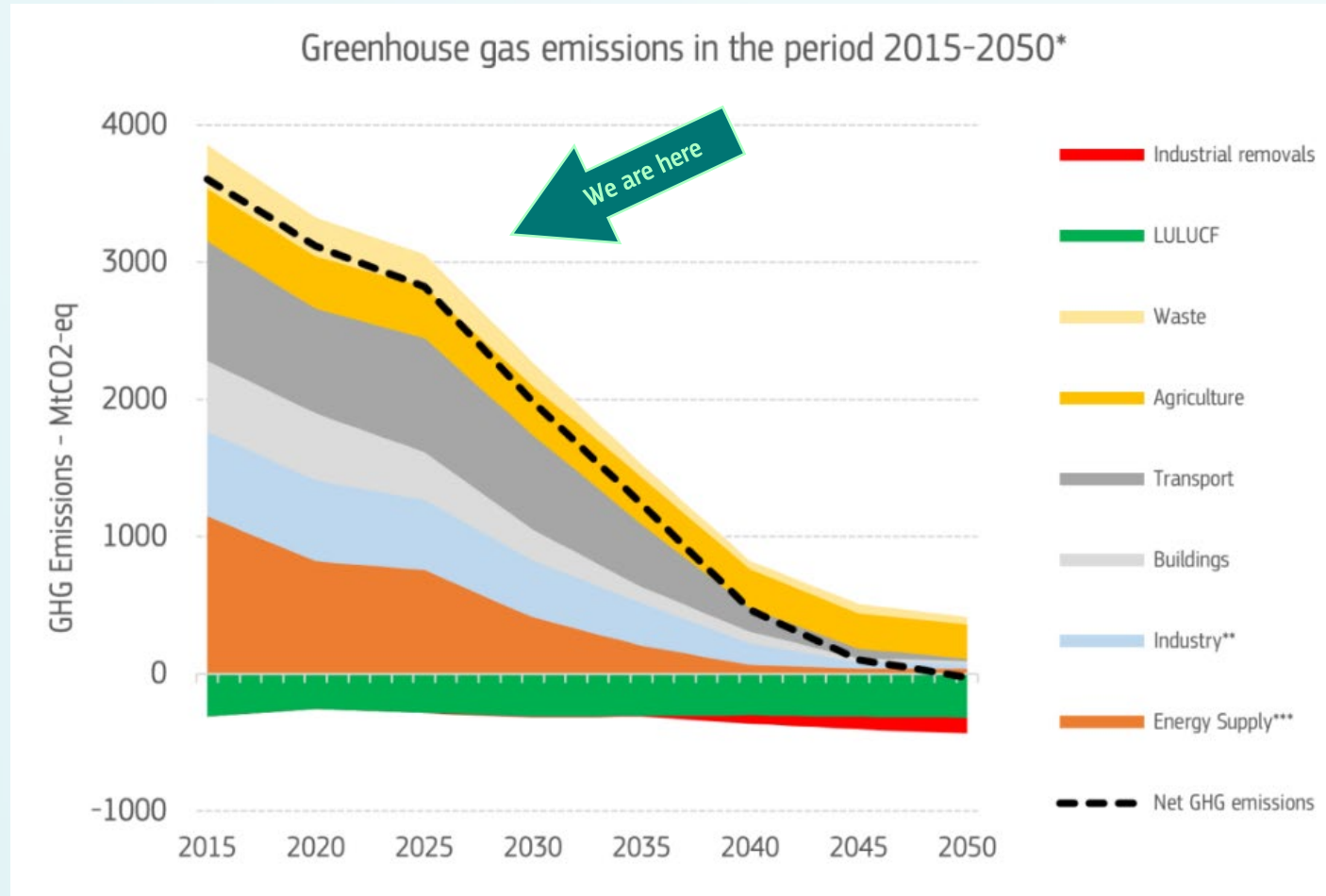


# Policy context

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



# To achieve GHG abatement in line in net-zero objectives, all sectors require investments



\*Source: 2040 climate target - European Commission



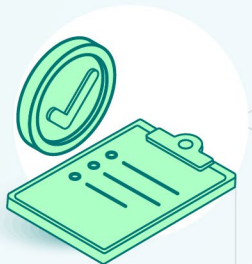
# INNOVATION FUND

Deploying innovative net-zero technologies for climate neutrality

Funded by the EU Emissions Trading System



€40 billion\* available between 2020-2030

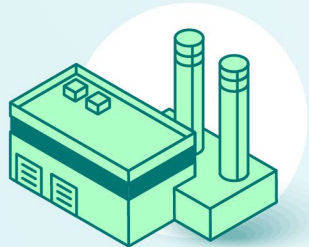


grants awarded through regular calls and auctions



avoid GHG emissions, boost competitiveness

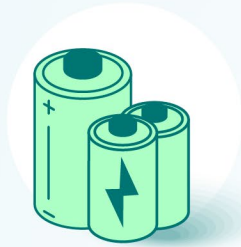
## supporting innovation in:



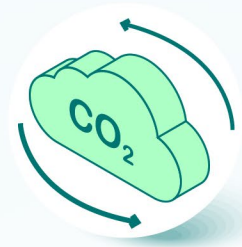
Energy-intensive industries



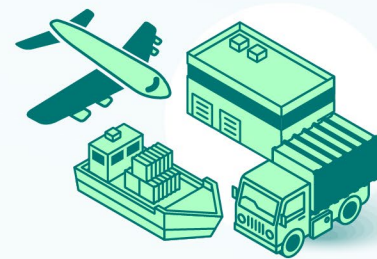
Renewable energy



Energy storage



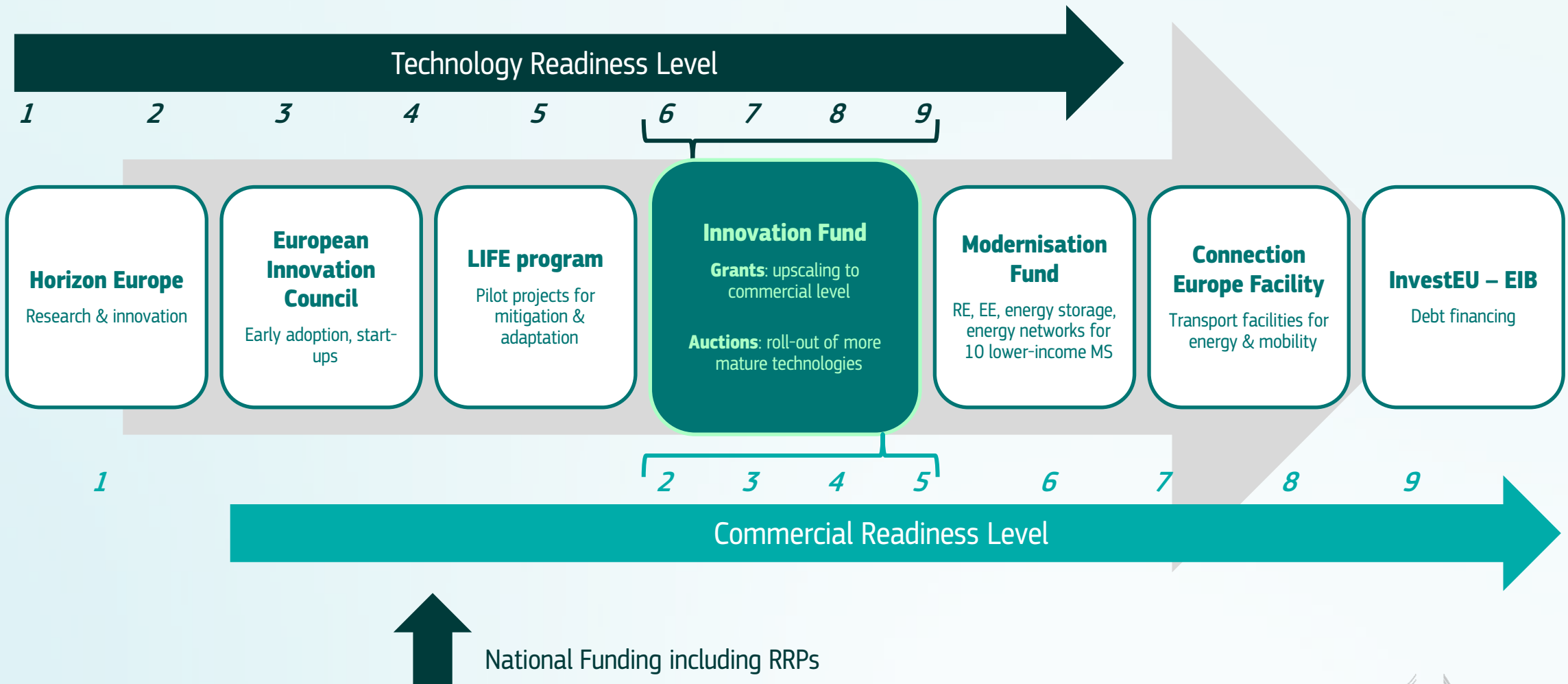
Carbon capture, use and storage



Net-zero mobility and buildings

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

# A targeted projects portfolio



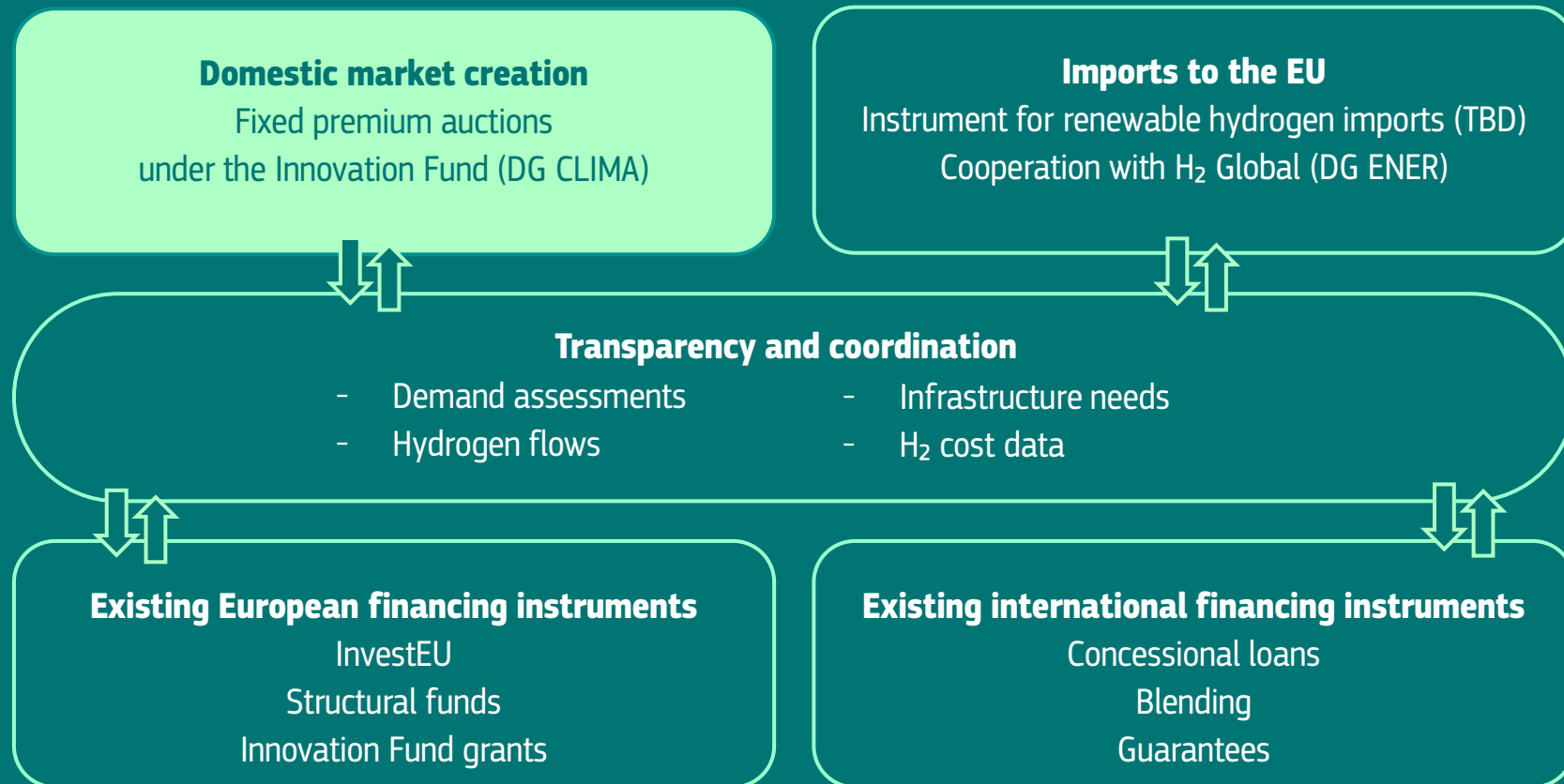
# The Innovation Fund supports urgent policy priorities



- **Net-Zero Industry Act:** clean tech manufacturing (€0.7 billion in 2022, €1.4 billion in 2023, 1.7 billion in 2024) – *IF24 Call (dedicated topic) + IF24 Battery*
- **European Hydrogen Bank:** domestic auctions for renewable hydrogen under the Innovation Fund
- **Wind Package:** clean tech manufacturing topic & Project Development Assistance (PDA)
- **Strategic Technologies for Europe Platform (STEP):** STEP Seal for funded projects
- **Industrial Carbon Management (ICM) Strategy:** support CCUS deployment since 2020

# The European Hydrogen Bank (EHB)

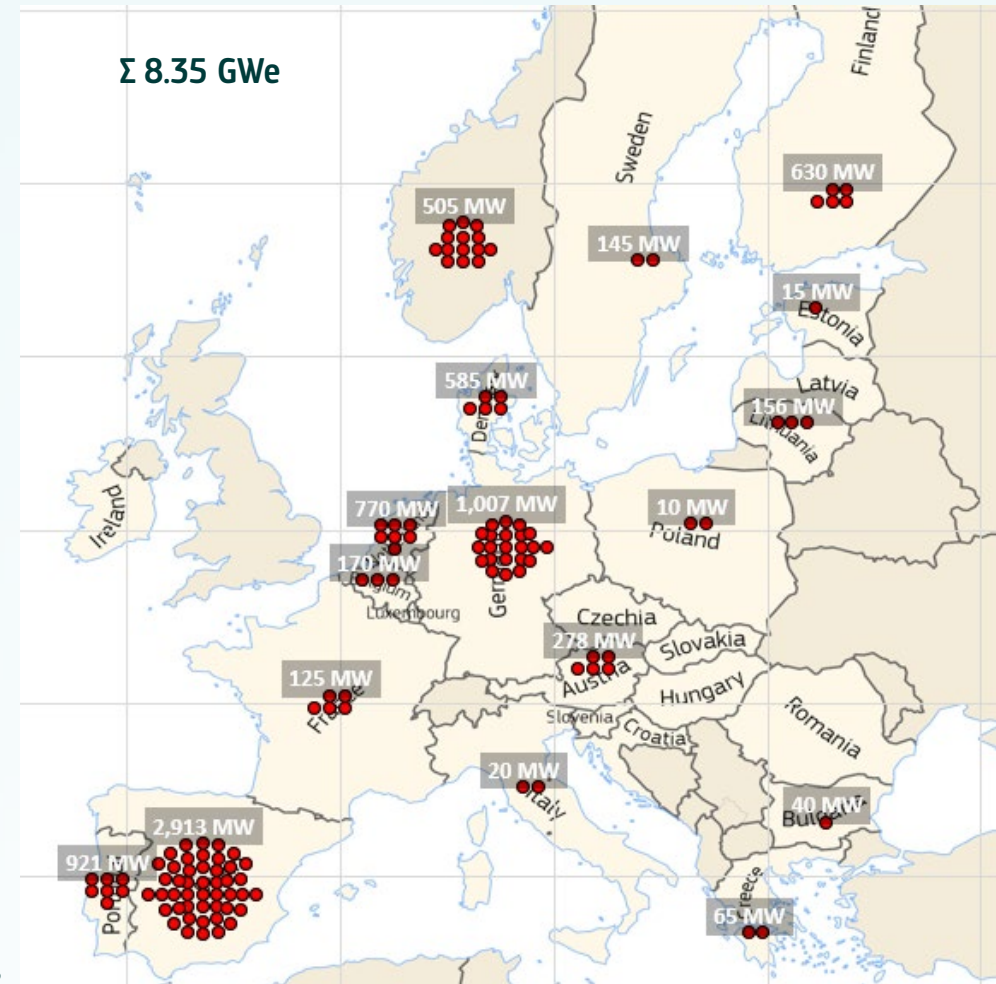
- Announced in the **State of the Energy Union 2022** – linked to REPowerEU objectives. Communication adopted on 16 March 2023
- Pilot auction (**IF23 Auction**) launched in November 2023, including “**Auctions-as-a-Service**” scheme (AaaS)





# IF23 Auction, a high-level of participation & competition

- **€800 million** budget (Innovation Fund)  
+ **€350 million** (Germany's contribution in the AaaS scheme)
- **132\*** bids received from **17** different EEA countries
- Only 13 projects failing admissibility and eligibility criteria



*\*Graphs & analyses on all following charts refer to data from 130 bids, excluding 1 bid submitted above the ceiling price of €4.5 and 1 bid with significant data gaps and incomplete application documents.*

# 6 projects awarded for grant agreement signature, covering 1.4 GWe of electrolyser capacity

Project acronym	Project coordinator	Project location	Bid price (€/kg)	Bid volume (kt H <sub>2</sub> /10years)	Bid capacity (MWe)	Expected GHG abatement* (ktCO <sub>2</sub> /10years)	Total requested funding**
eNRG Lahti	Nordic Ren-Gas Oy	Finland	0.37	122	90	836	€ 450,228,375
Grey2Green-II	Petrogal S.A.	Portugal	0.39	216	200	1477	€ 84,227,910
HYSENCIA	Angus	Spain	0.48	17	35	115	€ 8,104,918
SKIGA	Skiga	Norway	0.48	169	117	1159	€ 81,317,443
Catalina	Renato Ptx Holdco	Spain	0.48	480	500	3284	€ 230,463,819
MP2X	Madoquapower 2x	Portugal	0.48	511	500	3494	€ 245,178,772
			Ø €0.45	Σ 1515 kt_H <sub>2</sub>	Σ 1442 MWe	Σ 10 365 kt_CO <sub>2</sub>	Σ € 694,521,237

<sup>12</sup>  
*\*Calculated vs. 6.84 t\_CO<sub>2</sub>e/t\_H<sub>2</sub> (2021-2025 ETS benchmark) not taking into account additional carbon abatement due to substitution effects in the H<sub>2</sub> end use application (conservative estimate). \*\* Remaining budget will accrue back to the Innovation Fund.*



# Objectives fulfilled – IF23 Auction



**Reducing the cost gap**  
between renewable  
& fossil H<sub>2</sub> in the EU



*Fixed premium support  
of up to €0.48 /kg  
of renewable H<sub>2</sub>*



Allowing for **price  
discovery** & renewable  
**H<sub>2</sub> market formation**



*Price information shared on  
selected bids & anonymised  
European bid curve*



**De-risking**  
European hydrogen projects



*€694 million  
in grant support for  
6 renewable H<sub>2</sub> producers*



**Reducing**  
administrative burden



*Simplified application  
process & results provided  
in less than 3 months*

# IF24 Auction

*After the success of the pilot auction, we have opened a second auction (IF24 Auction):*

- Total budget: **€1.2 billion**
  - General topic: **€1 billion**
  - Maritime topic: **€200 million**
- Additional **€836 million** budget (up to) under the AaaS scheme

*Open for applications: **3 December 2024***

*Applications submission deadline: **20 February 2025***