

Evaluation criteria

Lorena IGLESIAS, Head of Sector
CINEA C4 - Innovation Fund

Alban VITAL, Senior Financial Engineering Manager
CINEA A1 - Financial Engineering, Business Intelligence & IT



Call & assessment structure

RELEVANCE *(pass/fail)*

- Contribution to **objectives of the call**
- Achieving **security of supply of essential goods & contribution to Europe's industrial leadership & competitiveness**

NEW

QUALITY *(pass/fail)*

- Technical maturity
- Financial maturity
- Operational maturity

RANKING

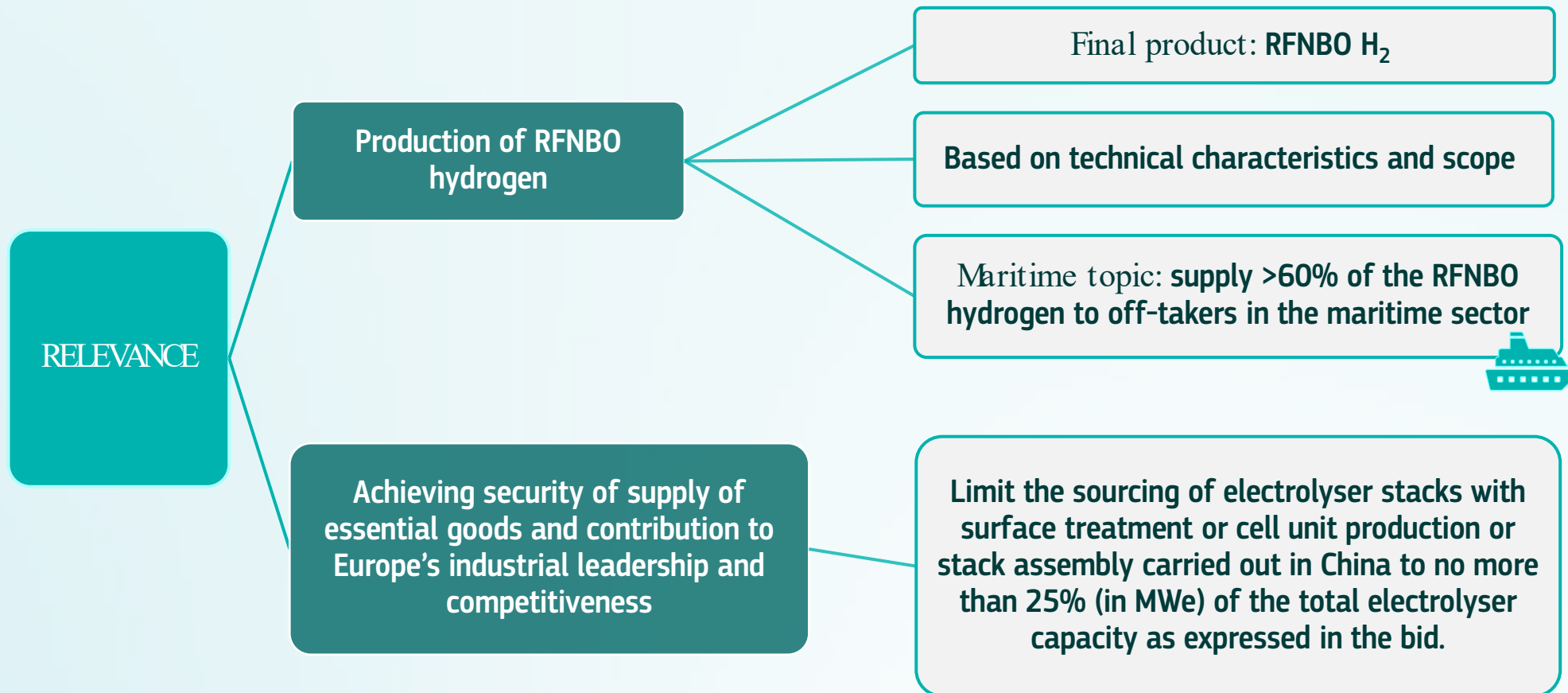


- according to the bid price (€/Kg H₂)
- within the limits of the available budget

APPLICATION DOCUMENTS *required*

1. *Renewable electricity sourcing strategy*
2. *Hydrogen off-take & price hedging strategy*
3. *Electrolyser procurement strategy*
4. *Plan to receive environmental permits on time*
5. *Plan to receive grid connection permits on time*
6. **Feasibility Study** **NEW**
7. *Completion guarantee letter of intent*

Award criteria – Relevance 1/2



Award criteria – Relevance 2/2

Contribution to achieving security of supply of essential goods and contribution to Europe’s industrial leadership and competitiveness

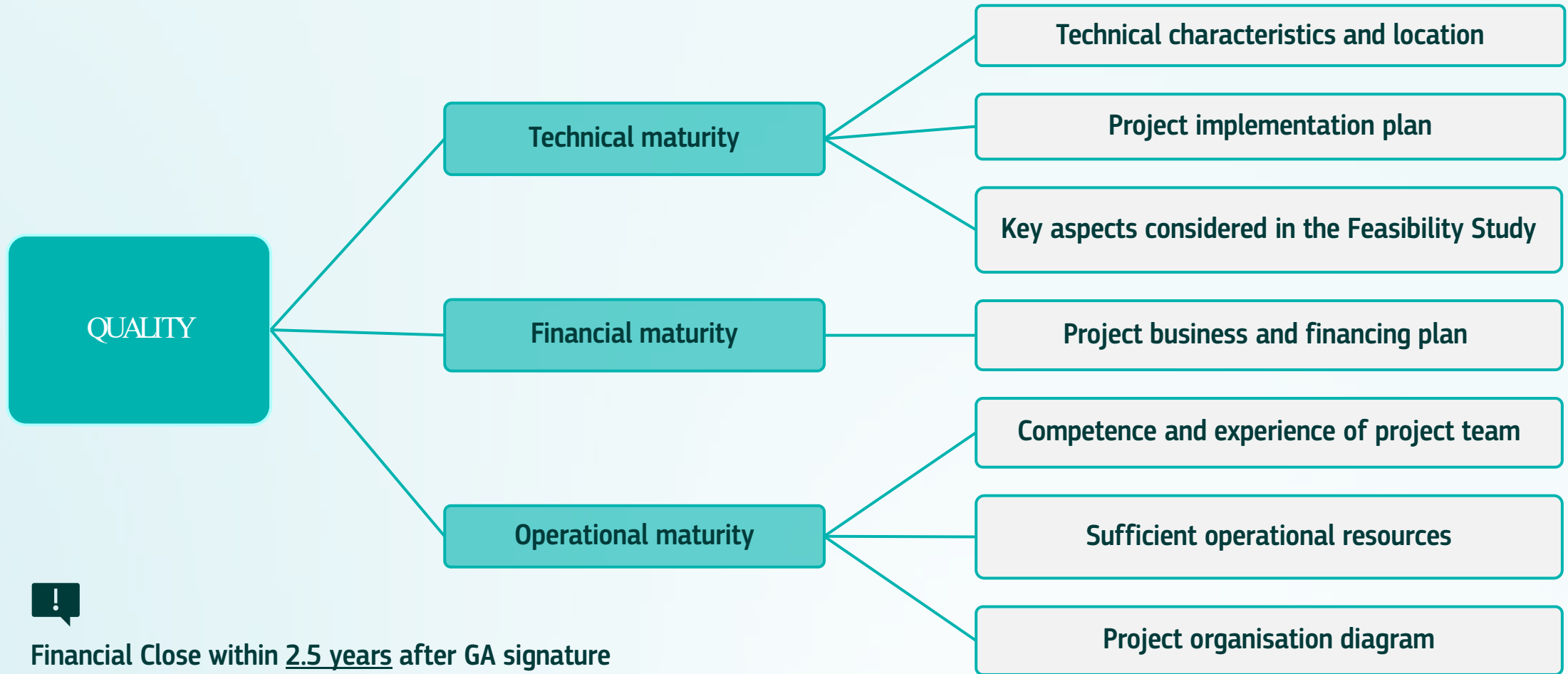
The electrolyser stack will be considered as sourced in China if any of the following steps took place in China:

- Surface treatment, meaning coating techniques of the electrolyser’s cell electrodes, membranes and of stack’s bipolar plates.
- Cell unit production, meaning manufacturing of key components of electrolyser’s cell: the electrodes and, depending on the electrolyser technology, the membrane/diaphragm/solid electrolyte.
- Stack assembly, meaning workmanship needed to assemble the electrolyser’s stack with all its functional elements to separate hydrogen and oxygen from water.

*Applicants must provide **sufficient evidence in the application to underpin the claims** made under this sub-criterion (e.g. MoU with electrolyser supplier)*



Award criteria – Quality



Financial Close within 2.5 years after GA signature

Entry into Operation within 5 years after GA signature

Award criteria – ‘Quality’: technical maturity 1/3

The technical maturity of the proposals will be evaluated against **technical characteristics** elements, such as:



design elements of the proposal



equipment that will be installed



project **location**

Technical characteristics and implementation plan

Please describe in detail the technology applied for the production of the final product in line with the call requirements. Include information on:

- *technical characteristics of the project, including key elements of the project technical/technology design and main components and capacity installed*
- *project location and site/plot plan.*
- *Keys aspects considered as part of the feasibility study, which is a mandatory annex.*

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.*
- *explanation of the status of the required permits and of the infrastructure, connected projects or installations beyond the boundaries of the project that are necessary for the project to reach financial close and entry into operation, as planned.*
- *State of play in terms of equipment supply, geographical origin of key components and the procurement strategy.*
- *The schedule must respect the deadlines defined in the Call document. Please reflect this in the required Gantt diagram Annex*
- *Schedule of production of the final product, expected volumes, and consistency with sourcing and off-take strategy.*

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

Attach the project supporting documents listed in section 5 of the Call document.

Award criteria – ‘Quality’: technical maturity 2/3

Project implementation plan/schedule	Timeline for: <ul style="list-style-type: none">• obtaining the required permits• achieving project’s planned financial close• EPC contracting• achieving entry into operation
Gantt Chart	<ul style="list-style-type: none">• Showing the deadlines defined in the Call document
Project’s supporting documents listed in section 5 of the Call document	<ul style="list-style-type: none">• Energy sourcing strategy• Feasibility study• Off-take and price hedging strategy• Equipment procurement strategy• Status of permits, licenses and authorisations ...

Award criteria – ‘Quality’: technical maturity 3/3

The technical maturity of the proposals will be evaluated against the **soundness, credibility** and **consistency** of information provided:

- Credibility of the feasibility study and the implementation arrangements
- Consistency between pre-contractual steps securing renewable electricity and the volumes of expected RFNBO H2 production
- Consistency of renewable electricity sourcing strategy with the bid and the FIF
- Credible plan to receive required permits on time
- Credible plan to receive grid connection and energy infrastructure on time
- Soundness of basic project parameters (assumed full load hours, hydrogen off-take profile, electrolyser efficiency, etc.)

Objective:

assessing the project capacity to reach financial close in 2.5 years and entry into operation within 5 years of grant signature.

Lessons learned – *Technical maturity 1/2*

Provide all mandatory annexes!

- Ensure a detailed **feasibility study** (*follow the mandatory annex*)
- Ensure a **complete implementation plan** including:
 - ✓ **Project implementation schedule**, including timeline for obtaining the required permits, achieving financial close, for EPC contracting and entry into operation
 - ✓ **Explanation of the status of the required permits** and of the infrastructure, **connected projects or installations beyond the boundaries of the project** that are necessary for the project to reach financial close and entry into operation, as planned
 - ✓ **State of play in terms of equipment supply**, geographical origin of key components and the procurement strategy

Ensure consistency between documents:

Part B, feasibility study, renewable electricity sourcing strategy, off-take strategy, financial information file

Lessons learned – *Technical maturity 2/2*

Provide all mandatory annexes!

- Provide a **credible plan for the renewable electricity sourcing strategy** and state all the mandatory information
- For at **least 60% of the required total electricity volumes** during the project's implementation period, **Heads of Terms or other forms of pre-contractual signed term sheets** must be provided, containing all requested points
- The submitted **electrolyser procurement strategy must include a Memorandum of Understanding, Letter of Intent or another form of pre-contractual signed term sheets** with an electrolyser manufacturer

Ensure consistency between documents:

Part B, feasibility study, renewable electricity sourcing strategy, off-take strategy, financial information file

Award criteria – ‘Quality’: financial maturity 1/6

Objective:

- assess the project capacity to reach Financial Close in 2.5 years and Entry into Operation within 5 years of grant signature.

Credibility of business plan
Application Form
B 2.2 + FIF

Soundness of the financing plan
Application Form
B 2.2 + FIF

Credibility of Off-take and price hedging strategy

Consistency across all documents of the application is key!

Award criteria – ‘Quality’: financial maturity 2/6

BUSINESS PLAN

- **Credibility of the business plan:**
- Briefly describe the proposed project **business model** and value proposition
- Integrated project vs standalone RFNBO Hydrogen production

Describe and substantiate:

- **Main revenues stream** (hydrogen off-takers, oxygen, heat, etc.)
 - *Off-takers sectors*
 - *Include a breakdown of **prices and volumes** assumed*
- **Cost assumptions** (CAPEX and OPEX)

Award criteria – ‘Quality’: financial maturity 3/6

FINANCING PLAN

- Describe the **financing plan** for the project including the **type of funding used** (equity, debt, shareholder loan) the **financial standing of shareholders** and **banks support, amount of capital injections**
 - *Explain **how advanced are you in the debt and equity raising?***
- Explain clearly the complete **sources and uses of funds** of the project
- Demonstrate **financial viability of your project**
 - *Does the financing plan cover the full 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?)

Award criteria – ‘Quality’: financial maturity 4/6

OFF-TAKE & PRICE HEDGING STRATEGY

- Describe the **strategy to secure key contracts** with off-takers providing:
 - *a) names of off-takers, b) sectors of off-takers, c) volumes, d) pricing structure, e) duration of agreement, f) method of delivery*
 - *dependent energy infrastructure*
- Demonstrate that the project has a credible plan and has taken pre-contractual steps (for **min. 60% of total volumes**) towards securing off-take, by providing **signed head of terms or pre-contractual term sheets** (incl. a) to f) above)
 - *When the off-taker is the same legal entity as the beneficiary the project is considered **integrated**. The applicant must present a **letter signed by a director/senior executive of the beneficiary** instead covering the 60% of total volumes including a) to f) above)*
- For the **Maritime topic, integrated projects must present head of terms or pre-contractual signed term sheets with off-takers in the Maritime sector** containing points a) to f) of the derivative product covering the equivalent of 60% of the RFNBO hydrogen produced
- Demonstrate that the **project’s cost** (electricity) and **revenue** (off-take) **structures hedge** against excessive market variability (eg: passthrough price mechanism or similar split between fixed and floating components of electricity and Hydrogen prices)

Award criteria – ‘Quality’: financial maturity 5/6

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 /kg (cell G47 input **Cell G48 official bid price**)*
 - *Expected yearly average volume is calculated automatically by the FIF as the sum of the applicant inputs volume per off-taker*
 - *Total grant amount (cell D68 of FIF Inputs Tab) is calculated automatically and should be used in the application*
 - *Completion Guarantee amount (cell D70 of the FIF Inputs Tab)*
- Ensure the financial projections inputs are coherent with the assumptions of the Application Form Financial Maturity section 2.2, Renewable energy sourcing strategy, off-take strategy and Electrolyser procurement strategy.



[FIF tutorial available on YouTube](#)

Award criteria – ‘Quality’: financial maturity 6/6

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

- Project **producing both RFNBO & 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 G51 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 and price of **RFNBO hydrogen** produced should be inserted from lines 90 to 117*
 - *Volume and price of **integrated RFNBO hydrogen** projects should be inserted in line 120 and 122*
 - *Volume and price of **non-RFNBO hydrogen** produced should be inserted in lines 130 to 137*
- Costs of power sourcing for RFNBO hydrogen and non-RFNBO hydrogen should be split
 - *Power costs and volume of **renewable power** should be inserted in lines 189 to 233*
 - *Power (costs) volume of **integrated renewable power** should be inserted in lines 237 to 241*
 - *Power costs and volume of **non-renewable power** should be inserted in lines 250 and 262*

Assessment criteria – *Letter of Intent & Completion Guarantee*

Letter of intent:

- To be provided in the application stage
- Issued by a bank or financial institution, authorized to conduct its business by the competent national authorities, with the following minimum rating from at least one of these rating agencies: BBB- from S&P or Fitch, Baa3 from Moody's or BBB(low) from DBRS) established in the EEA
- Template must be used

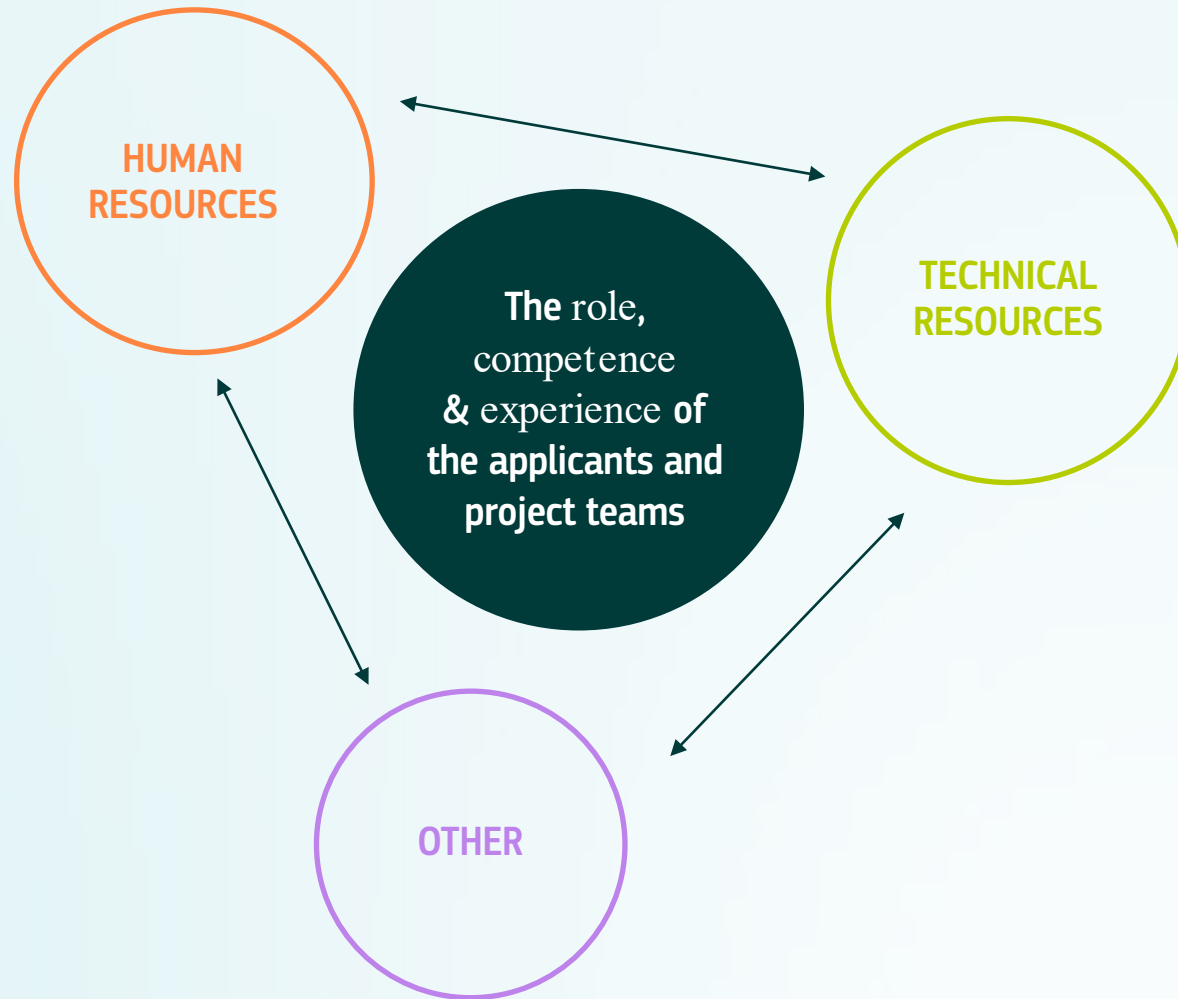
Completion guarantee:

- Signed completion guarantee using the template due 2 months after receiving invitation for GAP
- Provided by a financial institution with minimum rating as specified above
- Covering 8% of the maximum grant amount
- Validity until 6 months after maximum time to Entry into Operation
- Template must be used

Lessons learned – *Financial maturity*

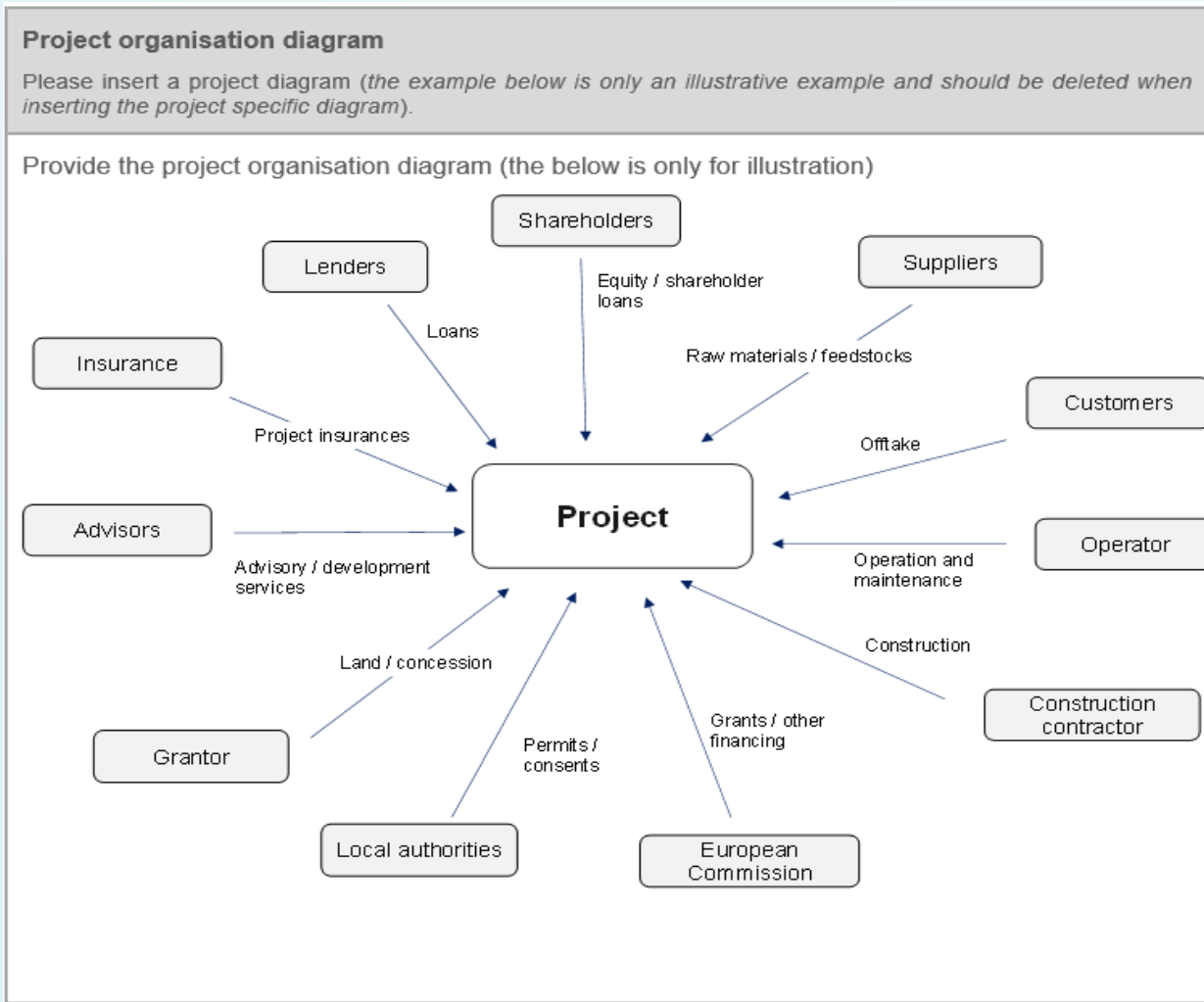
- Ensure **CAPEX** is sufficiently **detailed & credible** in lines 347 to 375 of the FIF. Make sure it ties with the **electrolyser procurement strategy**
- Ensure **sources of equity** financing and **debt financing are sufficiently described & credible** – *who is likely to provide it? Do they have the financial capacity to provide such an amount?*
- Ensure the **off-take strategy** and **off-take pre-contractual signed term sheets encompasses all the elements listed in the call text** – *make sure it ties to the volume and prices in the FIF*
- **Letter of intent completion guarantee** and completion guarantee: use strictly the template provided on the funding and tender portal **without changing the text**

Award criteria – ‘Quality’: operational maturity 1/3



Exceptionally, the measures to obtain the required operational resources by the time the task implementation starts.

Award criteria – ‘Quality’: operational maturity 2/3



Project organisation diagram

You should reproduce the organisational set-up of your project in the Part B of your proposal ('Technical description')

Award criteria – *'Quality': operational maturity 3/3*

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

Consortium roles - Project teams and staff

Project management, decision-making, quality assurance and monitoring

- Attach the project supporting documents (in particular, participant information)
- 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

Lessons learned – *Operational maturity*

- **Demonstrate that the applicants have the know-how, qualifications and resources** to successfully implement the project and contribute their share (**including sufficient experience in projects of comparable size and nature**)
- **Ensure to provide:**
 - General profiles (qualifications and experiences) of the staff responsible for managing and implementing the project
 - Description of the consortium participants
 - Project organisation diagram
 - Participant information, including CVs and previous projects, if any (**follow template**)

Other application requirements

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](#)¹.

We confirm that, in case our proposal is successful, the Innovation Fund auction grant will not be combined with any of the types of excluded public support listed in the Rules on Combination of Support Annex of the Call Text (Annex 3)

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.

Other application requirements

DECLARATIONS

Information concerning other EU grants for this project:

We confirm that to our best knowledge neither the project as a whole nor any parts of it have benefitted from any other EU grant (including EU funding managed by authorities in EU Member States or other funding bodies, e.g. EU Regional Funds, EU Agricultural Funds, etc). If NO, explain and provide details.

Call specific conditions:

If participating in the topic INNOVFUND-202X-AUC-MARITIME, We confirm that the project will supply at least 60% of the expected volume of production, during the implementation period and as expressed in the bid, to the maritime sector in line with conditions set out in the Call document. We accept and acknowledge that, in case of breach, the grant may be terminated and reduced or any other measure described in Chapter 5 of the Grant Agreement may be taken.

We confirm that the project will comply with the requirements set out in section 10 of the call text. We accept and acknowledge that, in case of breach, the grant may be terminated and reduced or any other measure described in Chapter 5 of the Grant Agreement may be taken.



Comply with **standard ISO 22734:2019** for “Hydrogen generators using water electrolysis — Industrial, commercial, and residential applications” or latest approved version replacing it (1)

Present a **cybersecurity plan** outlining how, in order to ensure the security of the installation, the operational control of the installation remains within an entity established in the EEA and the data are stored within the EEA (2)

(1) (2): these requirements must be complied with at the moment of the Entry Into Operation. If they are not fulfilled, the grant agreement will be terminated and completion guarantee called.