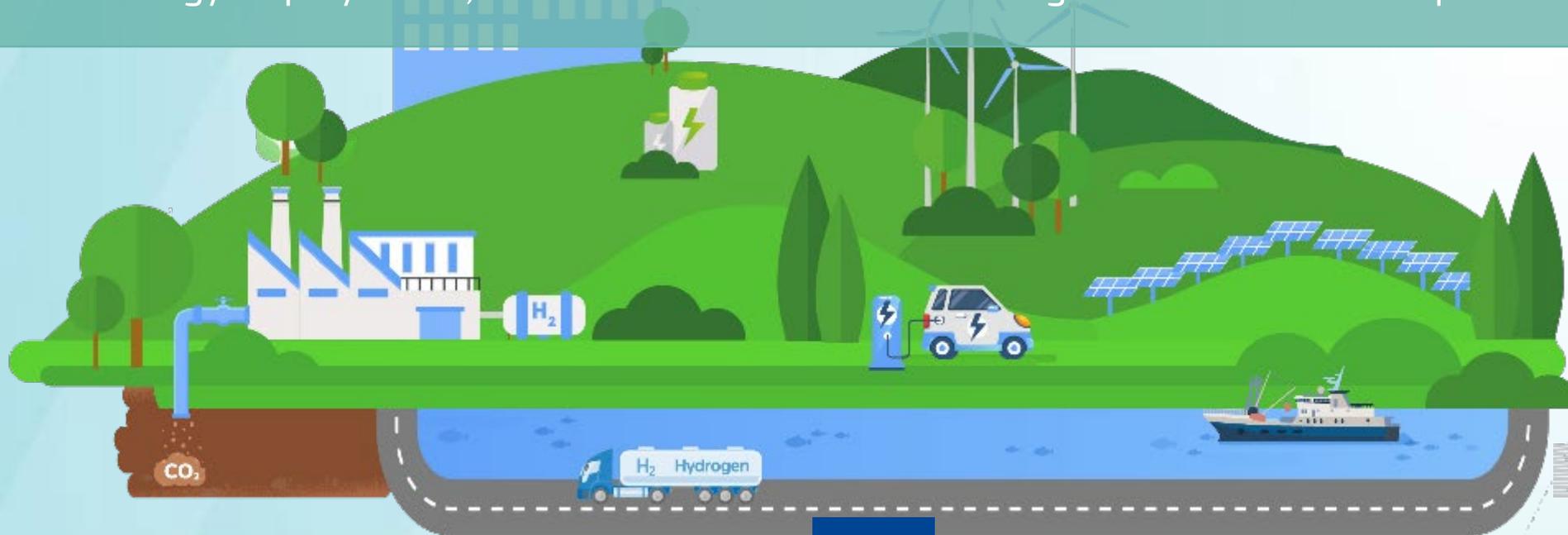
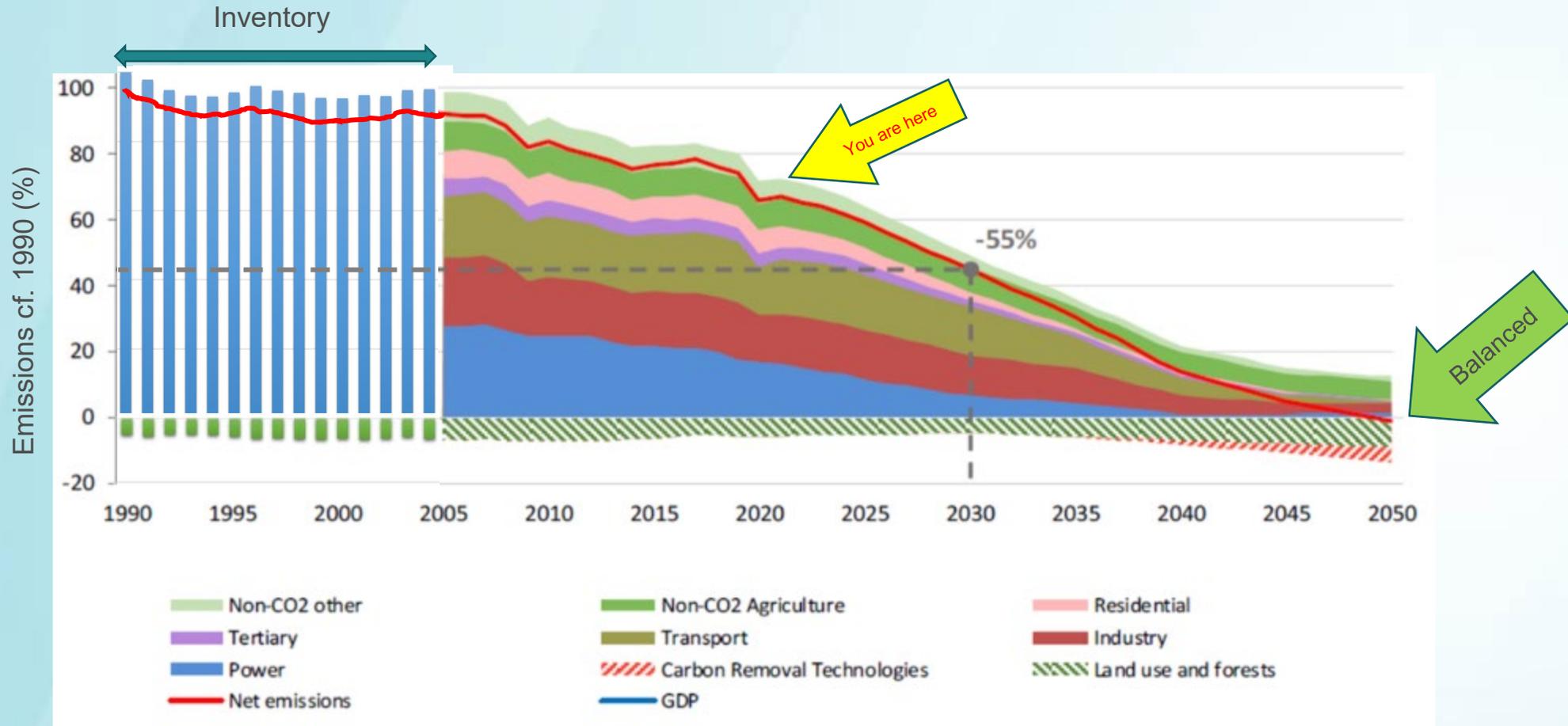


# EU support for CCUS deployments: The Innovation Fund

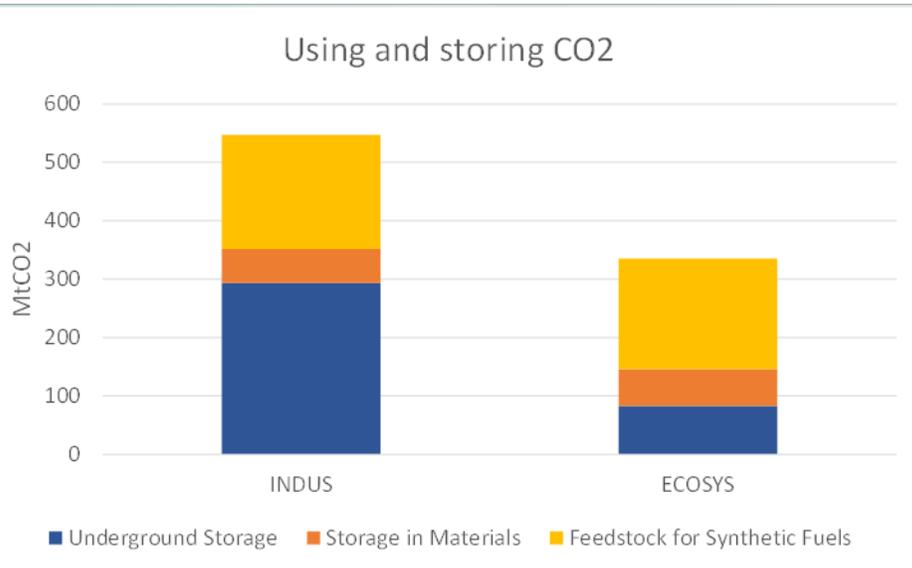
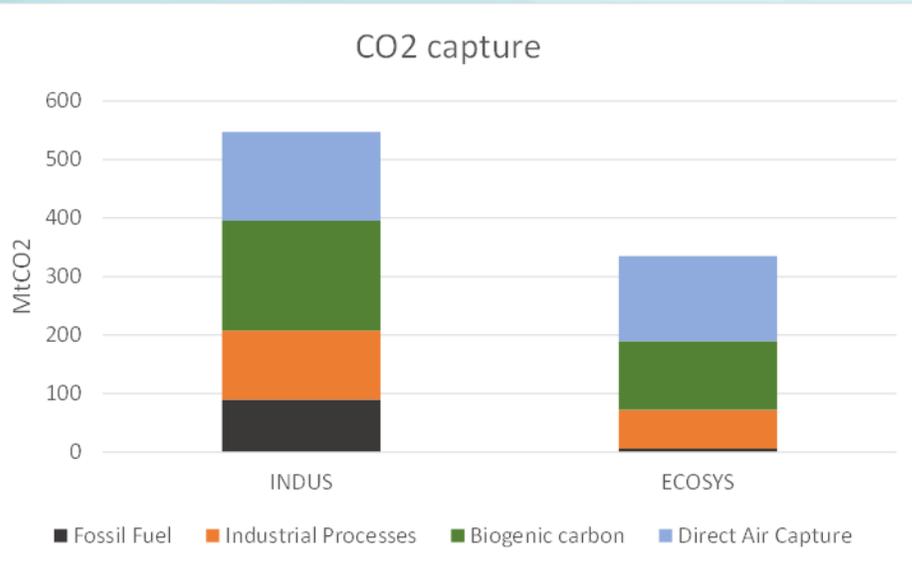
Daniel Kitscha, Investment Policy Officer “Low Carbon Solutions (II): Research & Low Carbon Technology Deployment”, DG CLIMA – RouteCCS: Financing CCUS webinar 21. April 2022



# Pathway to climate neutrality



# Geological CO<sub>2</sub> storage



By 2050, EU would need to **industrially capture 300 to 550 Mt CO<sub>2</sub>/y**

CO<sub>2</sub> will be used **as a feedstock** to produce chemicals and fuels

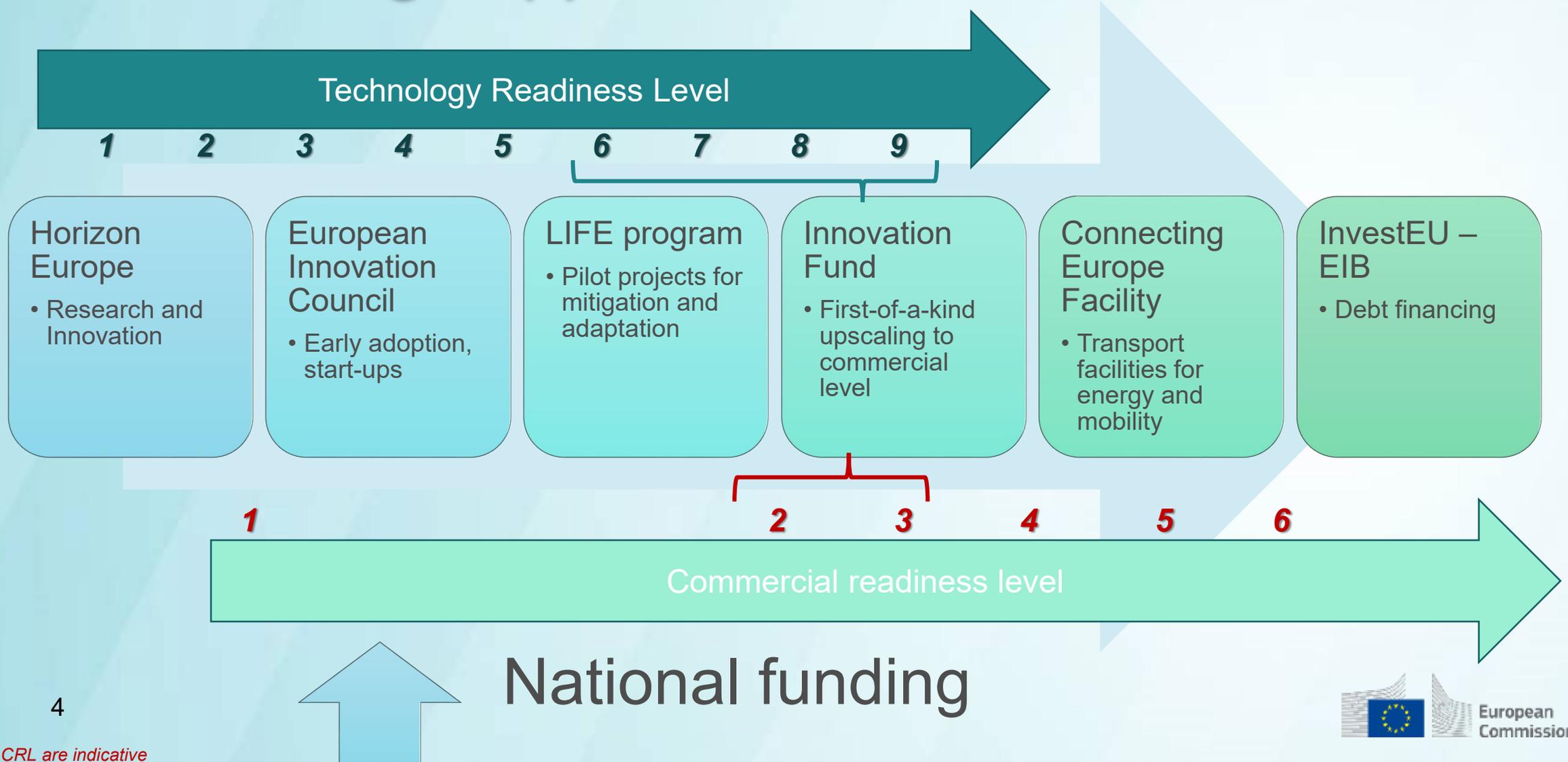
Annual **geological storage** of CO<sub>2</sub>: up to **300 MtCO<sub>2</sub>/y\***

- ✓ 1<sup>st</sup> IF projects: **3,5 Mt/y CO<sub>2</sub> geological storage**, but many more projects in preparation
- ✓ **by 2030**, 30 projects in preparation can deliver about **50Mt/y CO<sub>2</sub>**
- ✓ Reaching climate neutrality in Europe will need at least **6 times more CO<sub>2</sub> to be stored per year by 2050**



\* Depending on availability of natural carbon sinks

# EU funding support



# Innovation Fund

Production and use of  
Renewable energy

*including manufacturing plants for  
components*

Carbon Capture Use and  
Storage

**Scaling up clean tech**

Energy-intensive  
industries

*including substitute products*

Energy storage

*including manufacturing plants for  
components*

# Key features

Volume of at least **EUR 38 billion** until 2030 (at EUR 75 carbon price)

Support of up to **60% of CAPEX (small-scale) / CAPEX/OPEX (large-scale)**

**40%** of grant disbursed at financial close

Financed from the revenues of the **EU Emissions Trading System**

**Annual calls** for large-scale and small-scale projects (CAPEX < EUR 7.5 million)

**60%** of grant disbursed during construction and 3/10-years operating period against GHG emission avoidance

Single applicant **or** consortium

Project development assistance by **EIB**

# First Innovation Fund calls – key results

## 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

All sectors covered, from hydrogen to steel to renewables and storage

7 Projects recently started, for a total grant of EUR 1145 million

Project development assistance awarded to 15 projects

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

EUR 100 m; 232 applications received

30 projects started end of 2021, for a total grant of EUR 109 million

Very good mix of technologies and sectors

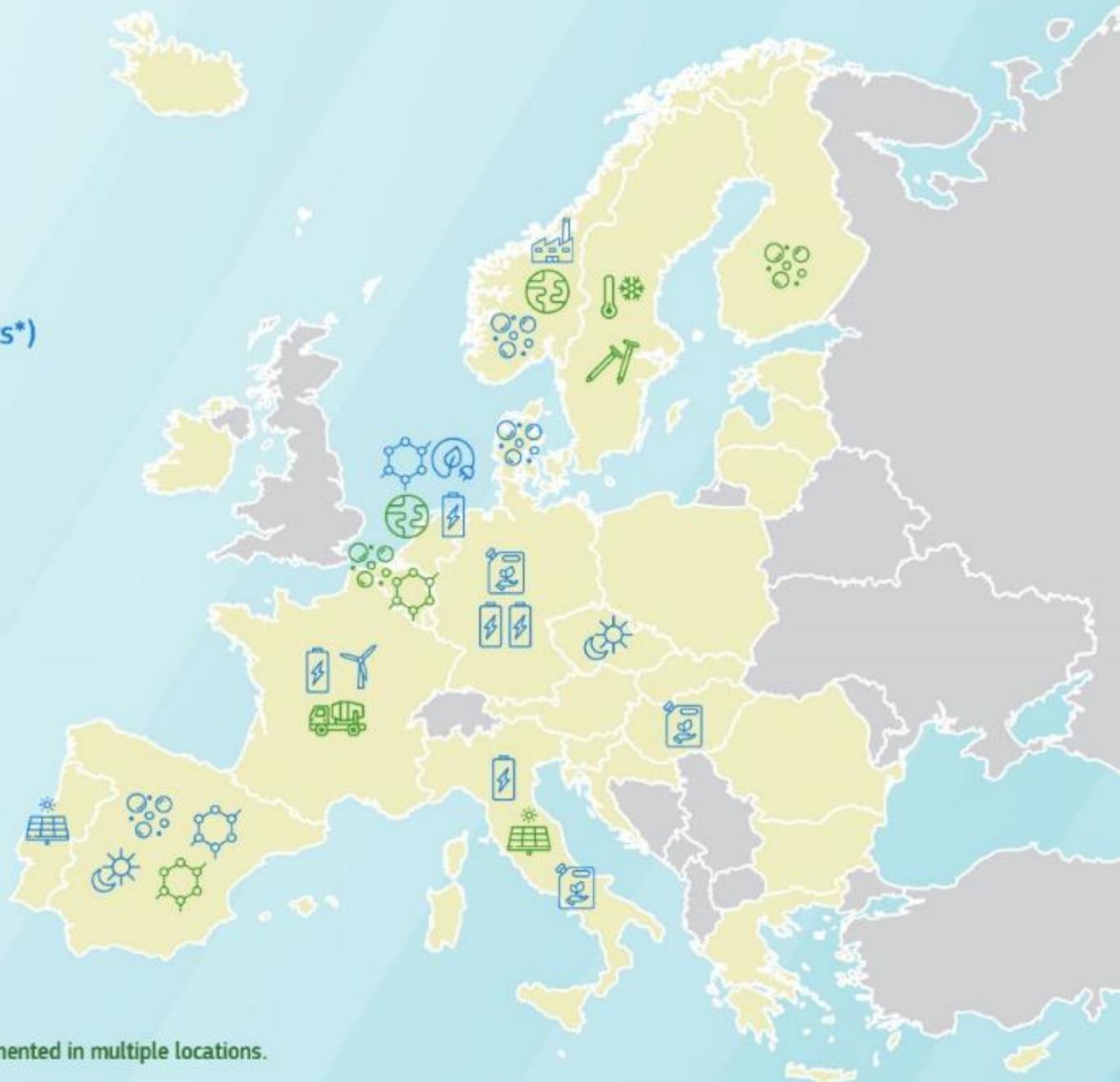
Project development assistance awarded to 10 projects

# Innovation Fund Large-scale projects

**Green:** Projects pre-selected for a grant (7 projects\*)

**Blue:** Projects awarded project development assistance (15 projects\*)

- |  |   |
|--|---|
|  Biofuels and biorefineries                  |  Other energy storage      |
|  Chemicals                                   |  Bio-electricity           |
|  Planned CO <sub>2</sub> storage location    |  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.

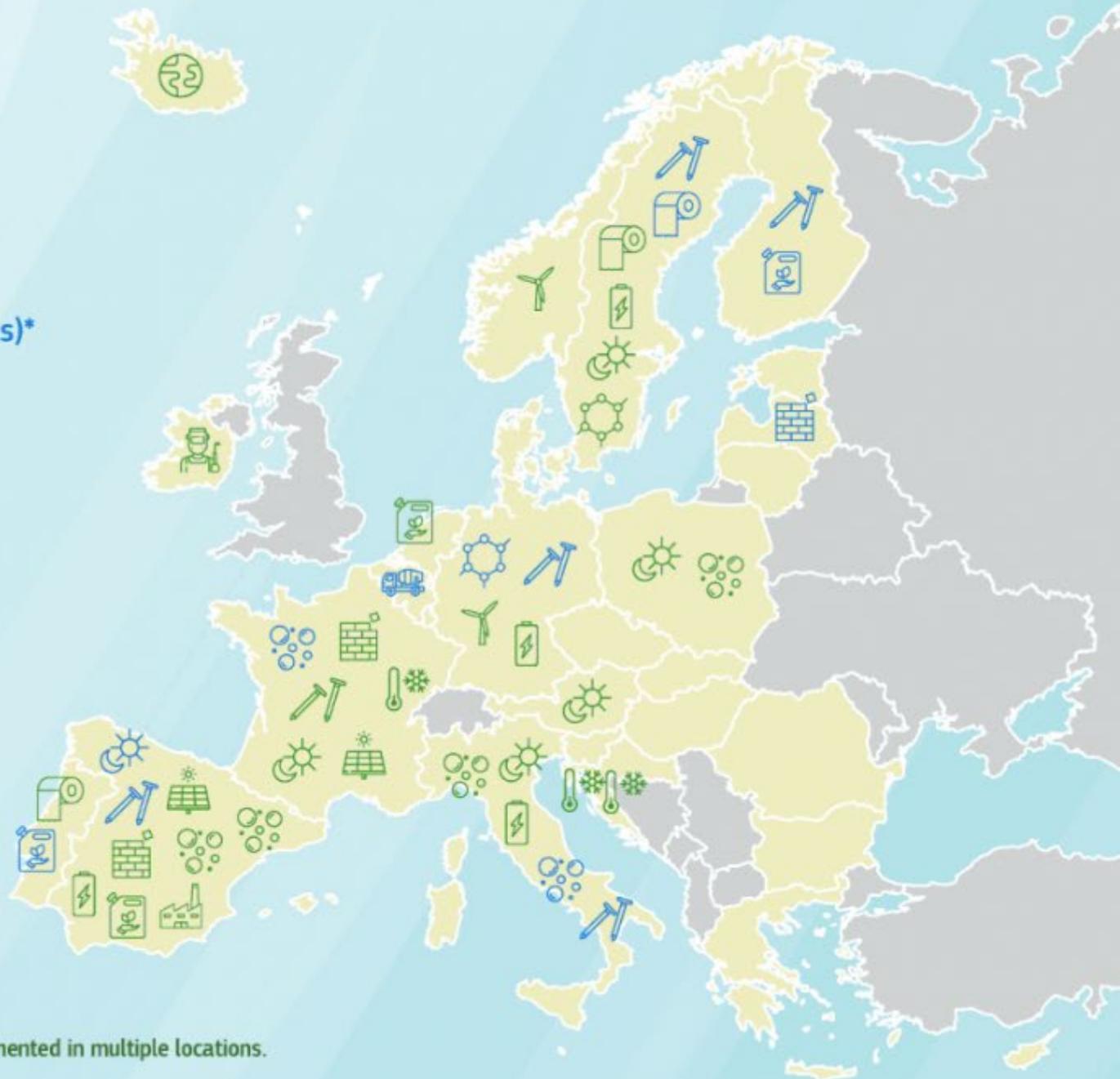
# Innovation Fund

## Small-scale projects

**Green:** Grant agreements signed (30 projects)\*

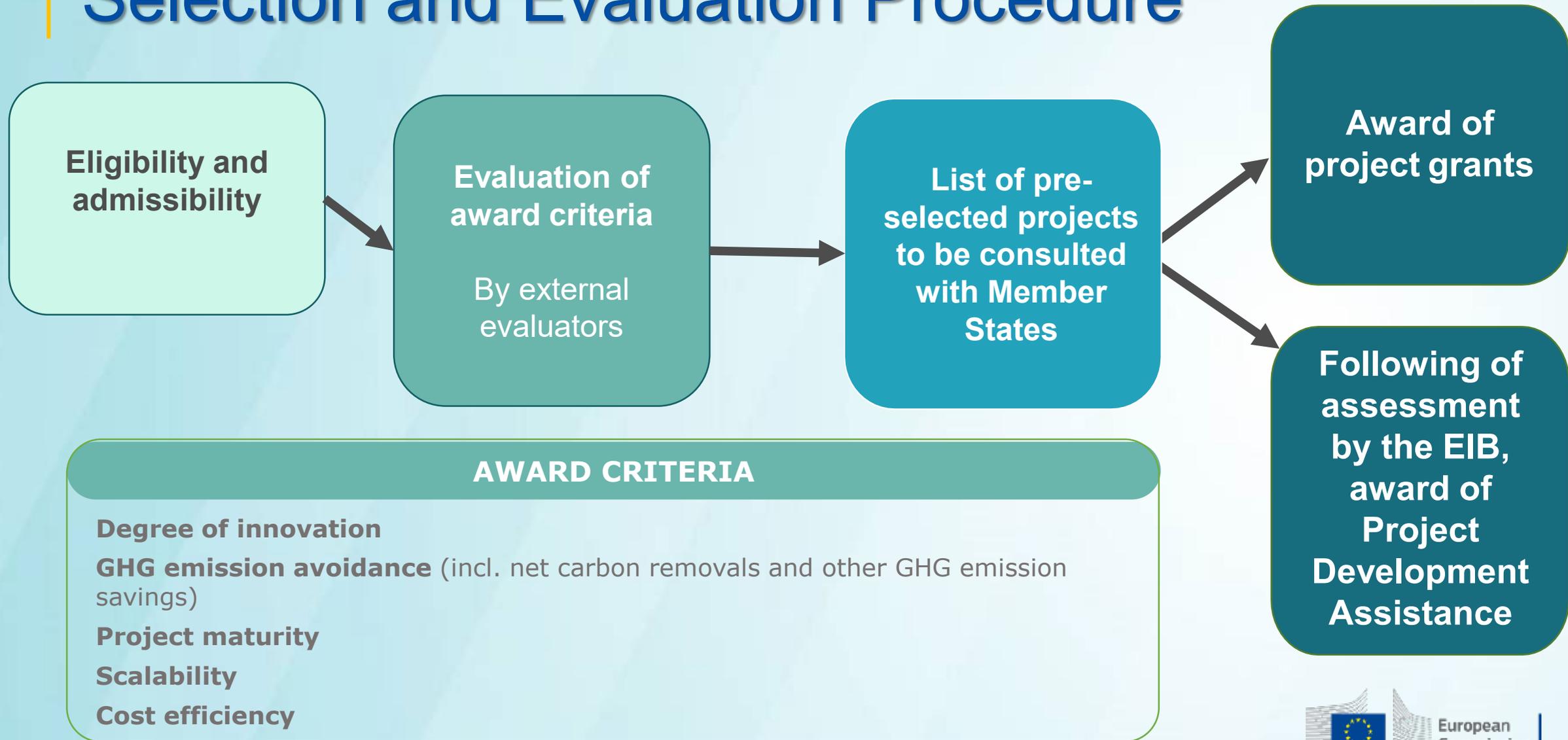
**Blue:** projects awarded project development assistance (10 projects)\*

- |  |   |
|--|---|
|  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.

# Selection and Evaluation Procedure



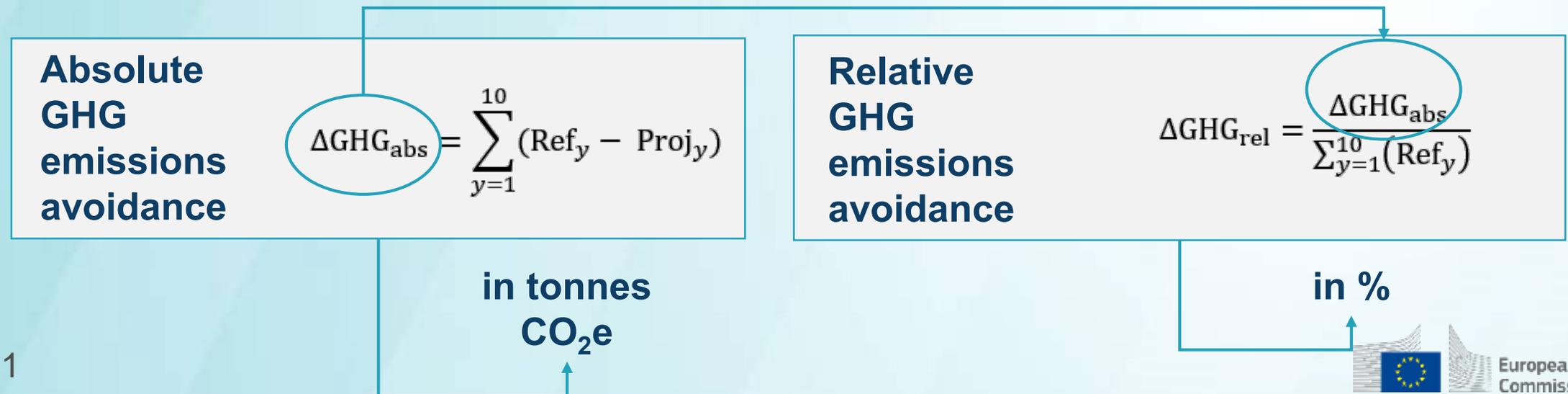
# GHG emission avoidance calculation

Absolute GHG emission avoidance is the difference between:

- the **emissions that would occur in the absence of the project** (*Ref*), and
- the **emissions from the project activity** (*Proj*)

Timescale: 10 years

Forecasting: emission factors are fixed for the 10 years of calculation and for the period of monitoring and reporting



# The *ongoing* small-scale call 2022:

## Grant

- Launch of call: 31 March 2022
- Deadline for submission: **31 August 2022**
- Volume: **EUR 100 million**
- Results in February 2023
- Grant agreement signature: May 2023
- **NEW:** *State of-the-art* in the country where the project is located as reference point.

## Project development assistance

- **PDA support** for future applications
- Support for projects with high potential but not yet mature for grants
- Up to **20 projects**
- Results in **Q2 2023**

# Self-check questionnaire

**Objective:** provide early high-level orientation on potential suitability of projects for the Innovation Fund framework

**Focus:** small-scale projects only

**Scope:** assessment on 2 dimensions

1. Project fit with the Innovation Fund scope
2. Project readiness compared to the Innovation Fund expectations

**Result:** tailored feedback + links to references and resources

**Test yourself at :**

[https://ec.europa.eu/clima/sites/if/index\\_en.htm](https://ec.europa.eu/clima/sites/if/index_en.htm)

Does not  
replace  
evaluation!

# NER 300 Financial Advisory support

Eligible sectors:

1

**RENEWABLE ENERGY**

2

**CARBON CAPTURE  
USE AND STORAGE**

3

**SMART ENERGY  
SYSTEMS AND  
ENERGY STORAGE**

## WHAT IS NER 300 FINANCIAL ADVISORY SUPPORT

- This advisory instrument by the EIB Group and the European Commission helps **early-stage innovative low-carbon projects, which are preparing for commercial roll-out.**
- This free financial advice aims to improve **the bankability and overall readiness** of the project while **increasing the chances of raising financing** either from the European Investment Bank, other European funding schemes or private investors.
- Its objective is to speed up and support the scale-up of innovative demonstration projects that reduce substantially carbon emissions.

## TYPE OF SUPPORT PROVIDED

- **Financial advisory tailored to the project's needs**
- **Enhance bankability of the projects to maximize the chances of financing by the EIB or alternatively third party investors**
  - Assessing the present situation on the projects
  - Reviewing and developing the business plan and financial plans of the projects
  - Providing recommendations on the financial structuring of the projects
  - Providing any other support deemed necessary for the implementation of proposed recommendations in support of the bankability of the projects
- **Improve projects' chances for financial close and entry into operation**

Contact: [ner300finadvisory@eib.org](mailto:ner300finadvisory@eib.org)

More Info: <https://www.eib.org/en/products/advisory-services/ner-300/index.htm>

# NER 300 Financial Advisory support

## EXAMPLES OF PROJECTS RECEIVING SUPPORT

- *Pumped hydro energy storage*
- *Floating wind and wave device with hydrogen production and storage capability*
- *High-Temperature Energy Storage in the Food Industry*
- *On-shore carbon capture and storage project in cement industry*
- *Carbon neutral E-fuel and wax based on synthetic hydrocarbon*

## WHAT PROJECTS ARE ELIGIBLE

- Projects can cover various technologies and sectors, including **wind, solar power, geothermal, ocean, hydropower, bioenergy, battery storage, smart energy distribution systems, renewable fuels or heating and cooling** (please refer to the [pre-assessment questionnaire](#) for an exhaustive list of eligible sectors)
- Projects that are based in the European Union or the European Economic Area.
- All projects must have the **potential to significantly reduce greenhouse gas (GHG) emissions** and aim to reach a **commercial scale** within the European Union.
- The projects should be validated through **previous testing**, with reasonable expectations for successful demonstration.
- Projects already benefiting from the Project Development Assistance under the Innovation Fund are not eligible.

## WHEN IS THE SUPPORT AVAILABLE

- Advisory support is available **immediately but the programme expires at the end of 2022. Applications need to be made by September 2022.** Any request can be sent to the email below
- Benefiting projects require prior approval from DG CLIMA following submission of scope of PDA by EIB
- Project beneficiaries supported on a first-come first-served basis

Contact: [ner300finadvisory@eib.org](mailto:ner300finadvisory@eib.org)

More Info: <https://www.eib.org/en/products/advisory-services/ner-300/index.htm>

# National Contact Points

Innovation Fund supports projects in all EU Member States, Norway and Iceland and Article 10a(8) of the ETS directive establishing the Innovation Fund requires to **ensure the geographical balance** of the projects selected for Innovation Fund support **over the lifetime of the Fund**.

**National contact points** can provide further information on the Fund and in particular its interactions with national funding instruments and other EU programmes, including in **Denmark, Estonia, Finland, Lithuania, Norway, Poland and Sweden** (*Latvia in transition*).

**Find your NCPs contacts here:**

[https://ec.europa.eu/clima/eu-action/funding-climate-action/innovation-fund/national-contact-points\\_en#ecl-inpage-1534](https://ec.europa.eu/clima/eu-action/funding-climate-action/innovation-fund/national-contact-points_en#ecl-inpage-1534)

# NEXT CALLS FOR PROPOSALS

## Next Large-Scale Call

- Expected **launch** of single-stage call in **Autumn 2022**
- Expected deadline for submission **Spring 2023**
- Expected results in **Autumn 2023**
- Expected **volume** tbc

## Next Small-Scale Call

- Expected **launch** of single-stage call in **Spring 2023**
- Expected deadline for submission **Autumn 2023**
- Expected results in **Spring 2024**
- Expected **volume** tbc

# Where to find more information?



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

- ✓ Guidance and calculation tools on GHG emissions and relevant costs
- ✓ 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>



*Innovation Fund - YouTube*

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



THANK YOU

for your attention!

Question?