

Innovation Fund – deploying clean technologies

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Summary



- Innovation Fund exists to enable **investments in clean technologies**
- **Large scale call currently open until 3 March 2022.** Information about the call at Commission and Cinea websites,
- Applicant is the investor. Typically a private company planning to build e.g. renewable energy plant. Consortia is not needed and do not provide additional points.
- The Innovation Fund will support up to 60% of the additional capital and operational costs of large-scale projects and up to 60% of the capital costs of small-scale projects.
- Typically One grant can amount from millions to tens of millions euros.
- The calls of proposals are dividend into two: **Large scale and small scale calls.** For large scale calls investment cost (CAPEX) has to be over 7,5 MEUR and for small scale call 2,5-7,5 MEUR. These limits have to be checked from official call documentation when launched.
- *Responsible authoroties:*
 - European Commision (general)
 - **CINEA (multiple tasks, such as grant agreement and dispursement)**
 - EIB (PDA, monetisation of ETS allowances)
 - Member States: Information dissemination, consultations, (legislation)

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- Deploying and scaling up clean technologies
- May amount to 20 billion euros to be invested 2020-2030

- Renewable energy
- Energy storage
- CCUS
- Energy Intensive industry

- + Use of energy
- + component manufacturing

EU Innovation Fund – basics



- Legal framework based on Emission Trading Directive
- Based on Emission Trading Funds, auctioning of 450 million allowances from 2020 to 2030
- EU Innovation Fund → DG Climate Action is the responsible body together with other EU institutions (such as CINEA, EIB). Member States inform stakeholders and are consulted during the selection process.
- Based on NER300, however rules have been developed
- Aiming at deployment of low-carbon technologies in a technology-neutral manner (some exceptions).
- Complements national funds especially in funding large scale investments (depending on the MS own policy).



Timeline for next calls

- **Launch of the second large-scale call 26 October 2021**

- Deadline for submission of applications

3 March 2022

- Information on evaluation results (expected)

Q3 2022

- Award of the grants and project development assistance (PDA)

Q4 2022

- **Next small scale call in spring 2022**



About the criteria

- The Commission, together with the consultants, has developed methodologies related to the use of different criteria.
- Selection criteria
 - **GHG emission avoidance potential**
 - **Degree of Innovation**
 - **Maturity**
 - **Scalability**
 - **Cost efficiency ratio**

Financing timeline



- **Up to 40% of the total grant amount awarded may be disbursed upon financial close** or upon reaching a specific milestone preceding financial close, if such a milestone has been fixed in the grant agreement.
- The remaining amount of the grant will be disbursed after the financial close. It may be partially disbursed prior to the entry into operation upon **reaching the milestones** fixed in the grant agreement.
- The maximum grant amount will only be paid out, if over the entire project duration, the **project reaches at least 75% of the total amount of greenhouse gas emissions planned to be avoided.**

First Innovation Fund call closed 29 October 2020



- 311 applications, 17 from Finland
- Requested 21,7 bln €, 1 bln € is available
- 56 hydrogen projects, among others
- First small scale call last spring, small amount of applicants from Finland



Links

- Official facts about Innovation Fund

https://ec.europa.eu/clima/policies/innovation-fund_en

https://cinea.ec.europa.eu/innovation-fund_en

- Information webinar about 2nd large scale call (recording)

https://cinea.ec.europa.eu/events/innovation-fund-second-large-scale-call-projects-info-day_en

- 24.11.2021 Webinar partly in Finnish in cooperation with the ministry, BF and Finnish industry unions

<https://teknologiateollisuus.fi/fi/ajankohtaista/tapahtumat/eun-innovaatorahasto-uusi-suurten-hankkeiden-haku-kaynnistynyt-mita>

Thank you!

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