

Innovation Fund 2024 calls Info Day

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The Innovation Fund



INNOVATION FUND

Deploying innovative net-zero technologies for climate neutrality

Funded by the EU Emissions Trading System



€40 billion* available
between 2020-2030

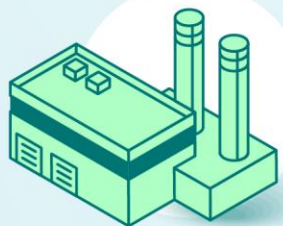


grants awarded through
regular calls and auctions



avoid GHG emissions,
boost competitiveness

supporting innovation in:



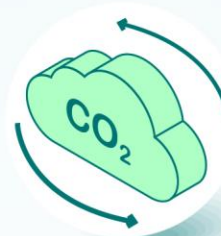
Energy-intensive
industries



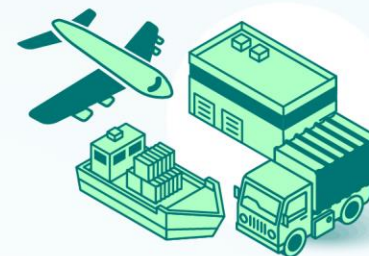
Renewable
energy



Energy
storage



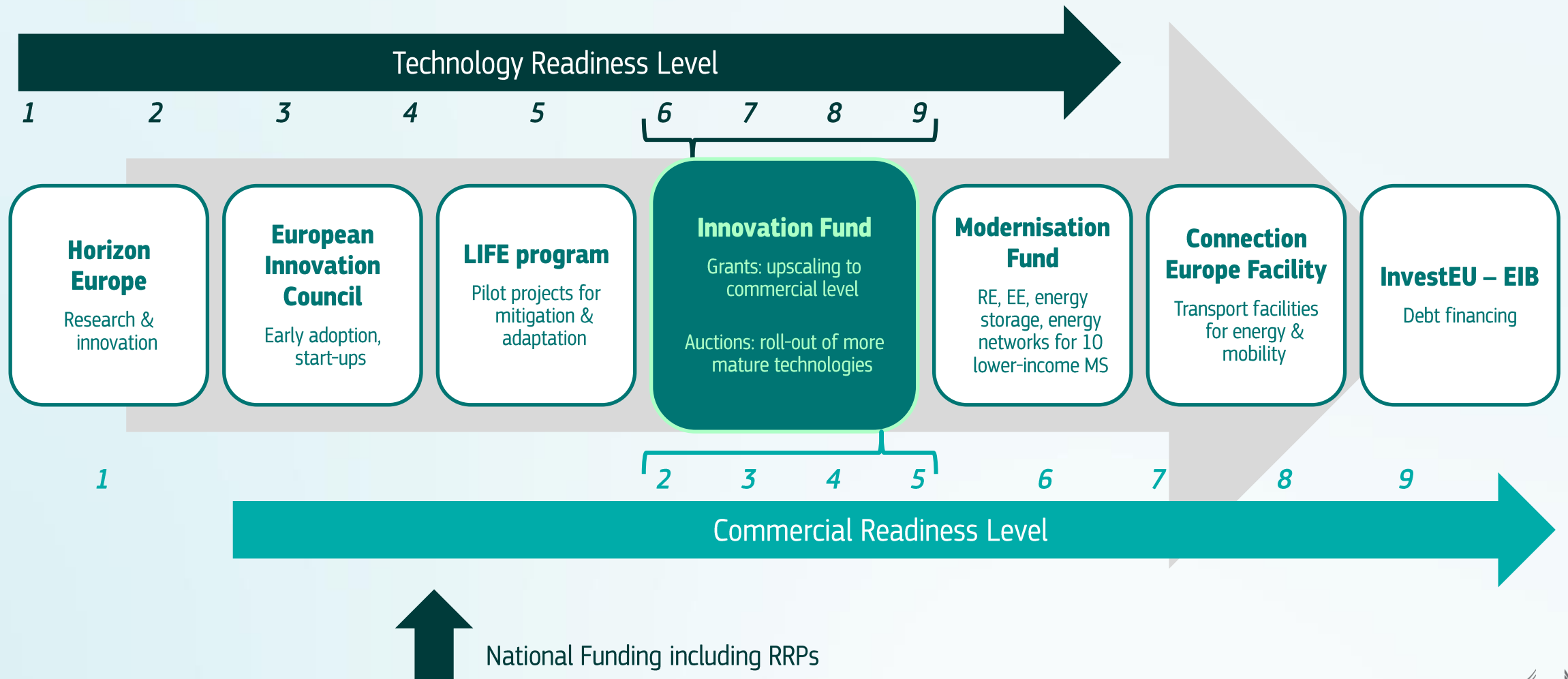
Carbon capture,
use and storage



Net-zero mobility
and buildings

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

A targeted projects portfolio

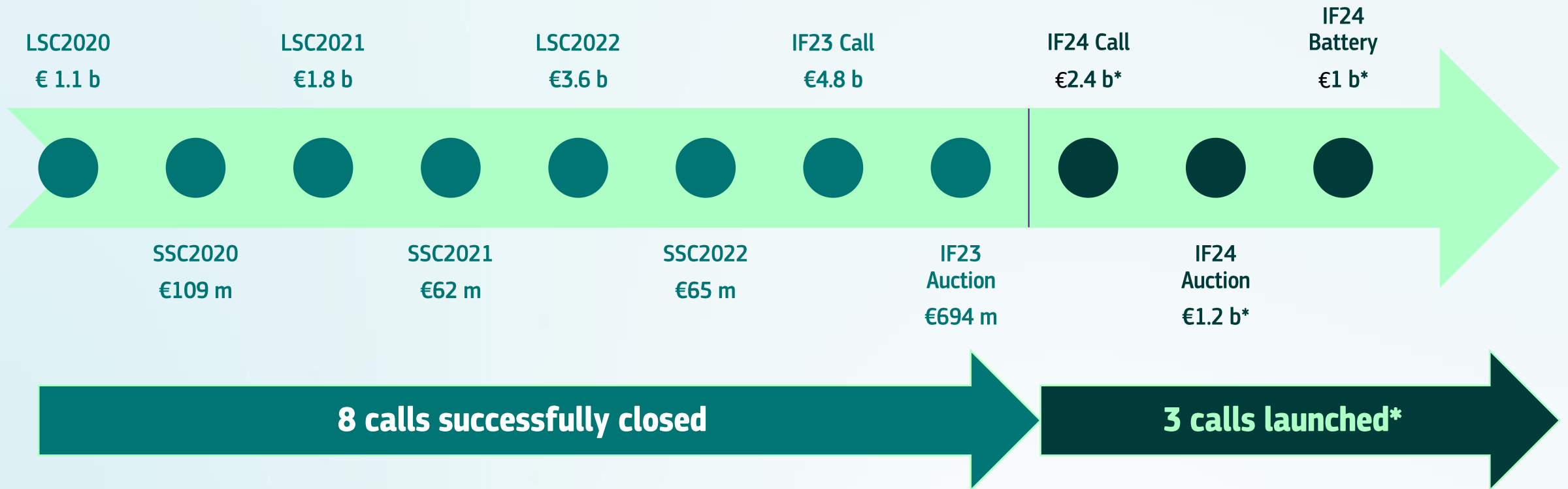


The Innovation Fund supports urgent policy priorities



- **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
- **EU Battery Industry:** New call in 2024 dedicated to EV cell manufacturing

IF calls - Evolution



Innovation Fund portfolio



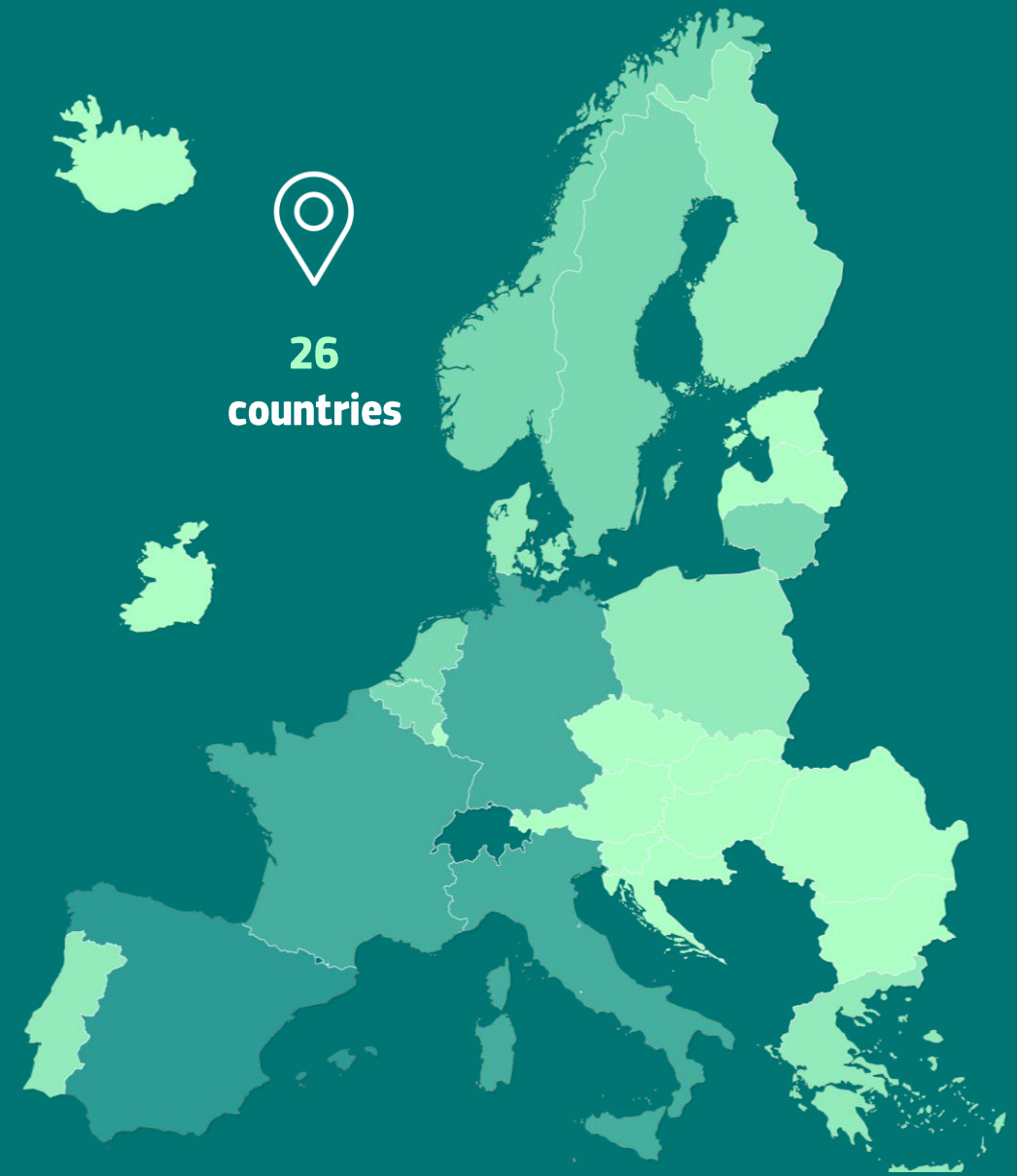
208 projects
123 ongoing
85 under GAP*



€12.04 billion
granted +
under GAP*



~929 Mt CO₂eq
to be avoided**



*Grant Agreement Preparation

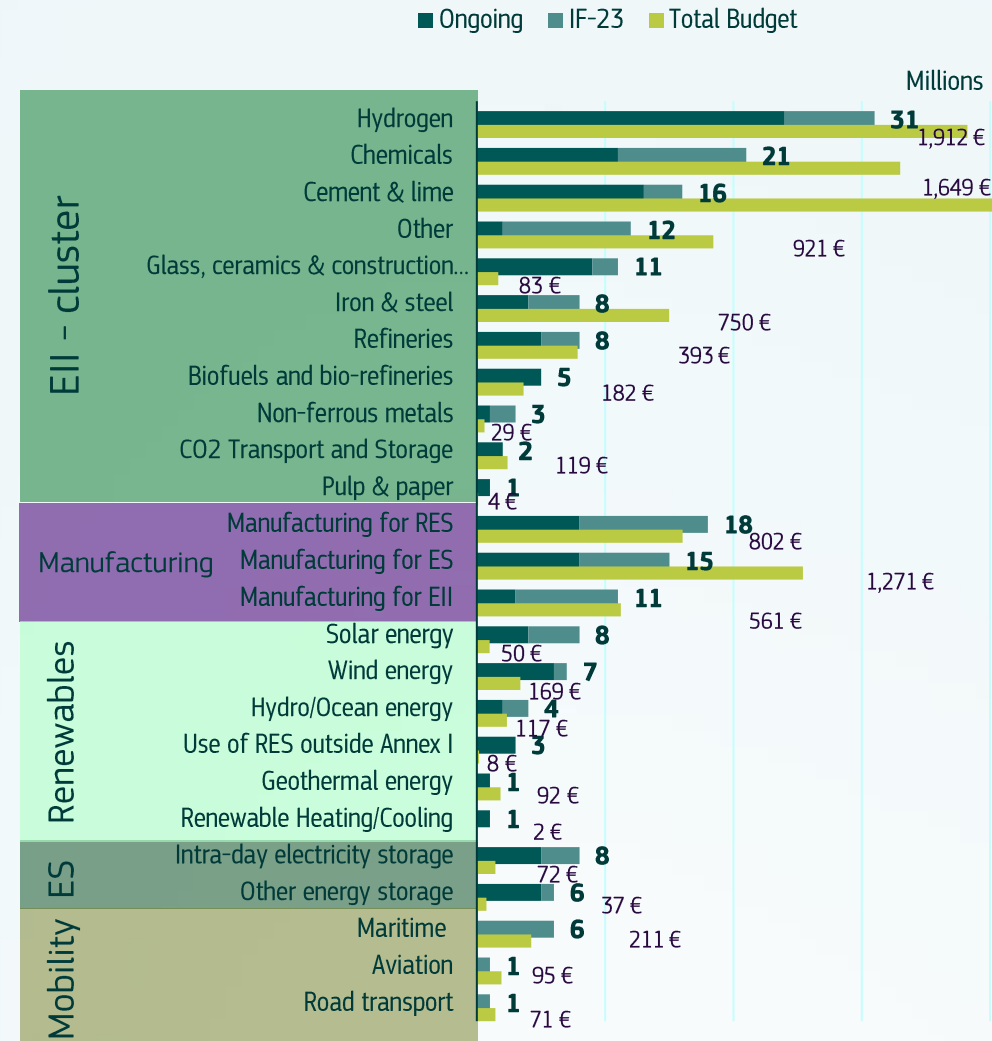
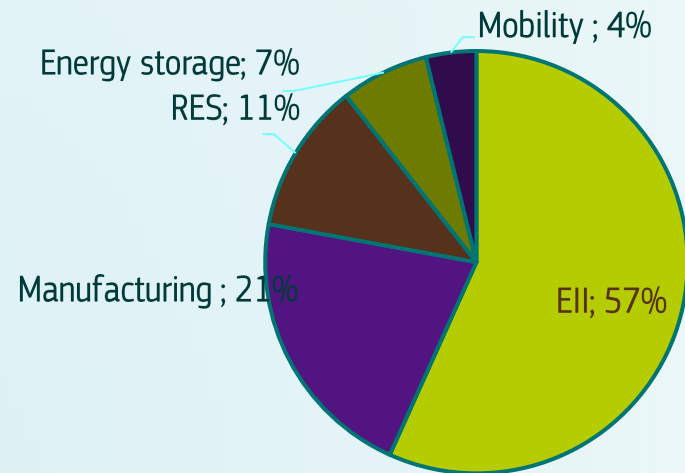
**estimated based on 10 years of operations

Statistics based on data from the end of Q3-2024 + IF23 selected projects

IF Portfolio:

Ongoing + IF 23 selected projects*

Share of projects by cluster



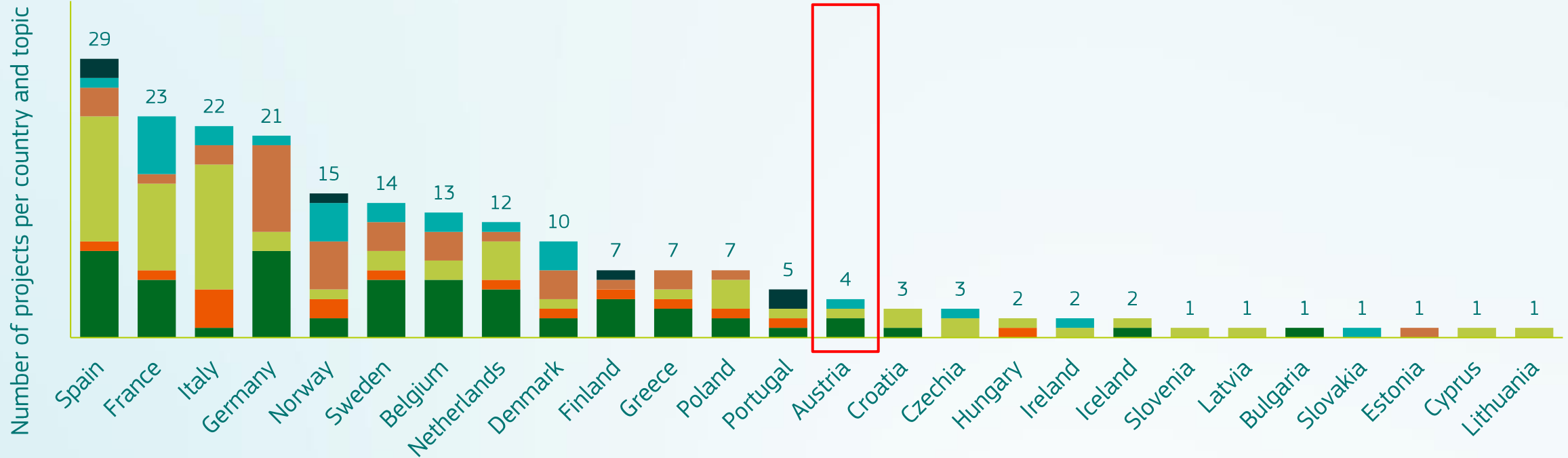
IF Portfolio – Geographical distribution

Ongoing and selected* projects by topic



26
Countries*

■ Large-scale (61) ■ Medium-scale (16) ■ Small-scale (64) ■ Manufacturing (35) ■ Pilots (26) ■ H2-Auc (6)



* Statistics based on data from end of Q3-2024 (123 ongoing projects) + 85 IF23 selected projects. Projects are allocated to their main country of implementation



Austria

Ongoing + IF23 selected projects



4 Projects¹
(2 ongoing +
2 selected)



€150 million
EU contribution



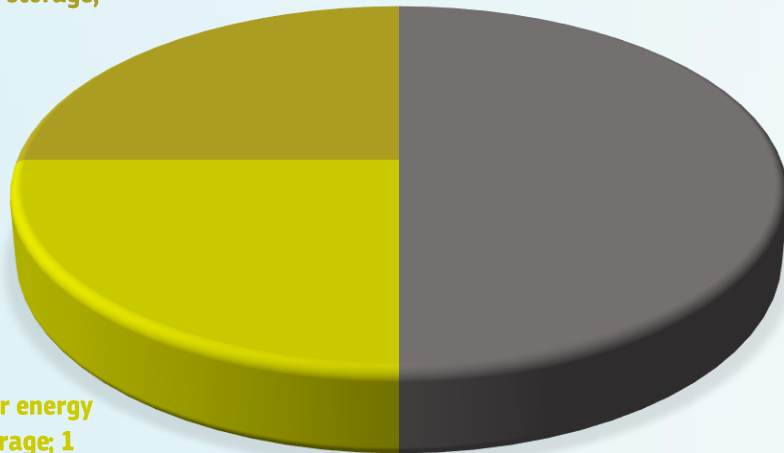
3.2 MtCO₂ eq first
10 years

Sectoral distribution

Intra-day
electricity storage,
1

Other energy
storage; 1

Chemicals; 2



Austria



¹Based on innovation fund data by the end of Q3-2024 + IF23 selected projects

Austria – Ongoing projects

Acronym	Location	Call & Sector*	IF Grant (million EUR)	GHG** (ktCO2 eq)	Description
GRAMLI	Ober- österreich	LSC-2022 - Chemicals	48.5	931.1	This large-scale project will build a Proton Exchange Membrane (PEM) electrolyser (60 megawatt (MW)) producing renewable hydrogen to be used in the production of renewable ammonia to decarbonise industrial processes.
Green the Flex	Nieder- österreich	SSC-2020 - Intra-day electricity storage	2.4	35.3	This small-scale project will connect and integrate more than 2 500 small devices into one entity (a virtual power plant - VPP) that can then participate in the energy market and provide flexibility to harmonise the electricity demand with the generation.

*Sector allocation based on the latest GHG methodology. (If applicable, previous sector allocation mentioned between brackets)

** GHG emissions avoidance expected over the first 10 years of operations (except for pilot projects: 5 years of operations)

Based on project data by end of Q3-2024



Overview: 2024 Innovation Fund calls launched on December 3rd

Regular call for proposals:

- Call size: **€2,4 billion.**
- Includes all IF sectors. 5 topics:
 - Large-scale projects (EUR 1.2bn).
 - Medium-scale projects (EUR 200mn)
 - Small-scale projects (EUR 100mn)
 - Clean-tech manufacturing of components (EUR 700mn)
 - Pilot projects (EUR 200mn)
- 5 classic Innovation Fund evaluation criteria.

New, dedicated EV battery cell manufacturing call:

- Call size: **€1 billion.**
- Only project including EV cell manufacturing can be funded.
- Upstream component manufacturing can be included as part of the project.
- New, additional award criteria focusing on manufacturing carbon footprint and resilience of supply chains.

2nd EU H2 Bank auction:

- Auction budget size: **€1.2 billion.**
- Focus of today's presentation.
- Auction-based call as opposed to regular grants programme.

Additional **€200 million** Invest EU top-up (= loan guarantee from the Innovation Fund to Invest EU) planned to enable further lending/venture debt to battery value chain projects.

2024 IF calls - EU Info Days - full presentations and recordings are available

IF24 Auction

- Presentations and recording available on the [CINEA website](#)
- Apply on [F&T portal](#)

IF24 Call

- Presentations, recording and guidelines available on the [CINEA website](#)
- Apply on [F&T portal](#)
- [Additional guidelines](#)

IF24 Battery

- Presentations, recording and guidelines available on the [CINEA website](#)
- Apply on [F&T portal](#)

IF24 Call - features

IF24 Call in a nutshell



Launch 3 Dec. 2024

Deadline 24 April 2025

Results Q4 2025



€2.4 billion for grants

+

Project Development Assistance

+

STEP Seal

+

Possibility of “Grants-as-a-Service”

New



**Low-carbon innovations -
Five topics**

AWARD CRITERIA

- Degree of innovation
- GHG emission avoidance potential
- Project maturity
- Replicability
- Cost efficiency

Bonus points: Net Carbon Removals, Other GHG savings, electricity from additional RES, projects in the maritime sector

GRANT DISTRIBUTION

LUMP-SUM contribution grant up to 60% of relevant costs

- up to 40% of grant at financial close
- remaining amount of at least 60% after financial close
- generally, at least 10% after entry into operation

IF24 Call – 5 Topics

Topic	Capital Expenditure	Topic budget	Sectors covered
Large-scale projects	above € 100 million	€ 1 200 million	<ul style="list-style-type: none">• Annex I and Annex III to the EU ETS Directive <u>2003/87</u>, including CCU• CCS• Renewable energy and energy storage technologies• Maritime and aviation
Medium-scale projects	between € 20 million and € 100 million	€ 200 million	
Small-scale projects	between € 2.5 million and € 20 million	€ 100 million	
Clean-tech manufacturing for components	above €2.5 million	€ 700 million	<ul style="list-style-type: none">• Components for renewable energy installations• Electrolysers and fuel cells• Energy storage solutions• Heat pumps
Pilot projects	above €2.5 million	€ 200 million	Validating, testing and optimising highly innovative, deep decarbonisation solutions in all sectors eligible for Innovation Fund support

IF Self-check Questionnaire

- Provide an early high-level orientation on potential fit and readiness of project ideas for the Innovation Fund
- Entirely independent from the official Innovation Fund application and evaluation process

➤ Available [here](#)



IF24 Batteries Call - features

Political context

- The Commission will support manufacturing of the “most sustainable [EV] batteries in Member States” through “a **dedicated instrument** under the **Innovation Fund** [...]” with “up to **€3 billion** for the next three years”*
- **Difficult situation** of the battery manufacturing sector in Europe and **risk of dependency** on foreign imports
- Implementation of the **Battery Regulation**
- Stakeholders largely in favour of “regular” grants with more flexible payment schedule & possibility of combined support
- Strong interest in additional lending & venture debt possibilities
- Indication of solid project pipelines during consultation (79 battery manufacturing projects, 35 on cells manufacturing)

*EVP Šefčovič [announcement](#) relating the EU-UK Trade and Cooperation Agreement), Dec 2023



IF24 Batteries Call in a nutshell



Launch 3 Dec. 2024
Deadline 24 April 2025
Results Q4 2025 or earlier



€1 billion for grants
+
Project Development Assistance
(PDA)
+
STEP Seal



**Manufacturing of electric
vehicle battery cell**



AWARD CRITERIA

- Degree of innovation
- GHG emission avoidance
- **(NEW)** Manufacturing carbon footprint
- Project maturity
- Replicability
- **(NEW)** Security of supply and countering dependency
- Cost efficiency

GRANT DISTRIBUTION

LUMP-SUM contribution grant up to 60% of relevant costs

- up to 40% of grant at financial close
- remaining amount of at least 60% after financial close
- generally, at least 10% after entry into operation

EV batteries definition

The Battery Regulation [Article 3(1)14] defines EV batteries as follows:

"‘electric vehicle battery’ means a battery that is specifically designed to provide electric power for traction in hybrid or electric vehicles of category L as provided for in Regulation (EU) No 168/2013, that weighs more than 25 kg, or a battery that is specifically designed to provide electric power for traction in hybrid or electric vehicles of categories M, N or O as provided for in Regulation (EU) 2018/858"



IF24 Call and IF24 Batteries Call General provisions

Which call should you apply for?

IF24 Call: Lump sum call for Net-Zero Technologies

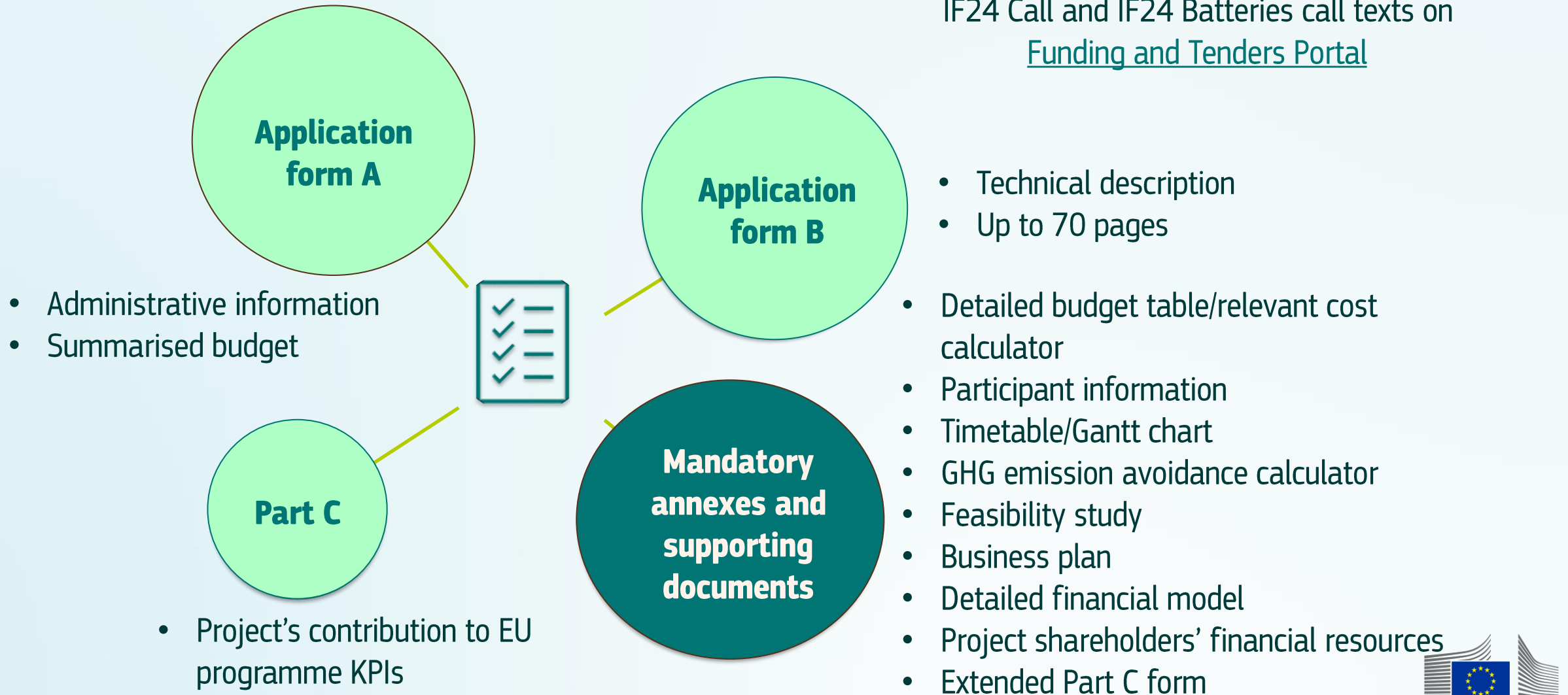
- Innovative commercialisation, demonstration, pilot plant or scale up of technologies, business models and processes that reduce GHG emissions
- Production of batteries for stationary storage
- Batteries applications (e.g., EV production)
- Assembly projects (e.g., battery packs or modules)
- (standalone) Batteries components manufacturing
- (standalone) Batteries Recycling activities

IF24 Batteries: Lump sum call for

- Manufacturing of electric vehicle battery cells (also combined with components manufacturing or recycling)

Call text and mandatory documentation

IF24 Call and IF24 Batteries call texts on
[Funding and Tenders Portal](#)



How to apply?

Tutorials

CINEA produces a series of **tutorials** to help you throughout the application process.

Where to find useful information (coming soon)	Application process 🔗	How to fill in PART C (coming soon)	Financial Information File (coming soon)
Introduction to Business Plan template and lessons learned on financial maturity (coming soon)	The extra file for data collection (coming soon)	GHG methodology calculation tutorials (coming soon)	

GHG Methodology videos

Find here a set of videos on the overview and guidance on the GHG calculations for each project category.

Main principles and step-by-step of the GHG calculation	Section 2: Energy Intensive Industries (EII)	Section 3: Renewable Energy Sources (RES)	Section 4: Energy Storage (ES)
Section 5: Mobility (MOB)	Section 6: Credit for carbon capture and storage (CCS) or utilisation (CCU)	Section 7: Batteries (BATT)	

Supporting documents

To complete the GHG Methodology tutorial and help you with your proposal, templates and examples of **GHG calculations** are available through the [following link](#) 🔗.

Still have doubts? Check out the [Frequently Asked Questions section](#) on the Funding and Tenders Portal. If you still need further assistance, don't hesitate to contact the [Innovation Fund Helpdesk](#).

Check all relevant information to apply

- [Funding and Tenders Portal link](#)
- [CINEA website](#):
 - Where to find useful information tutorial (coming soon)
 - [Application process tutorial](#)
 - How to fill in PART C and the extended Part C form (coming soon)
 - Financial Information File tutorial (coming soon)
 - Introduction to Business Plan template & Lessons Learned on Financial Maturity (coming soon)
 - GHG methodology calculation: tutorials (coming soon)
 - GHG methodology: videos
- [Info Day recording and slides](#)
- [Frequently Asked Questions](#)
- [Helpdesk](#)



Award criteria

IF24 Call and IF24 Batteries Call

Award criteria

1) Degree of Innovation

Beyond state-of-the-art (including scaling up of innovative technologies)

2) GHG emissions avoidance

Absolute emissions avoidance

Relative emissions avoidance (with min thresholds)

Quality of calculation

4) Project maturity

Technical maturity

Financial maturity

Operational maturity

5) Replicability

Efficiency gains and multiple environmental impacts

Further deployment potential and technology transfer

Europe's industrial leadership and competitiveness

7) Cost efficiency

Cost efficiency ratio (different formula for Pilot projects)

Quality of the relevant cost calculation and minimum requirements

ONLY for batteries call

3) *Manufacturing carbon footprint reduction*

6) *Security of supply and countering dependency*



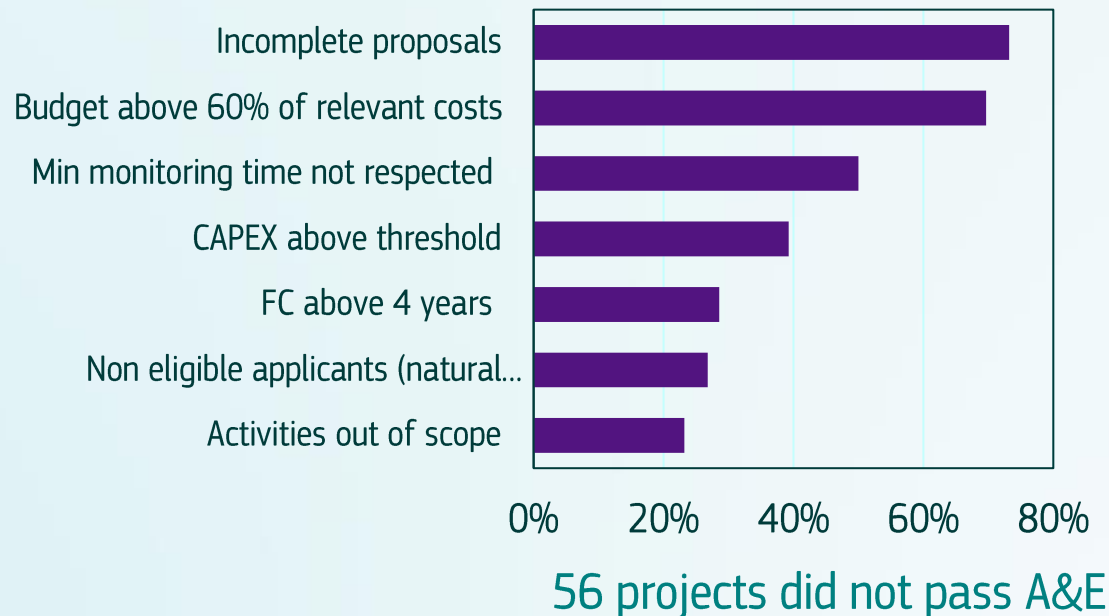
Lessons learned

IF24 Call and IF24 Batteries Call

Lesson Learned: Admissibility and Eligibility

IF23 Call

Why are proposals failing A&E?



Most common mistakes from **incomplete proposals**:

- *Relevant cost calculator* missing
- *Part B* not fully completed
- *Detailed financial model* missing
- *Business plan* missing
- *GHG calculator* missing
- *Feasibility study* missing
- *Gantt chart* missing
- *Knowledge sharing plan* missing

Follow the call text guidance precisely

- Provide all requested documents to be admissible
- Watch budget limits

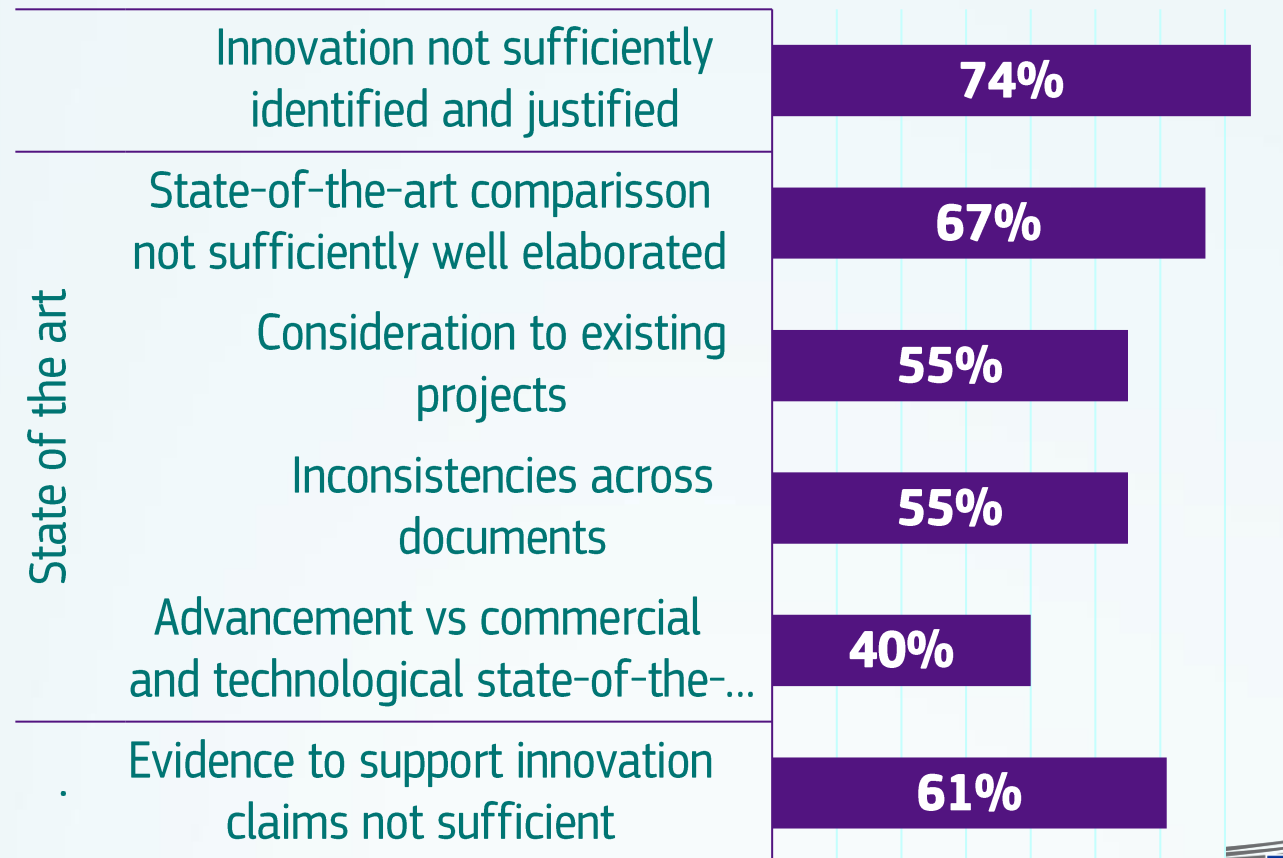


Degree of Innovation: Lessons Learned IF23 Call

Key reasons for failure:

- Innovation not sufficiently identified and justified with credible evidence
- State of the art not sufficiently well elaborated
- Inconsistencies across documents

Out of 12 proposals failing under Degree of Innovation, the main reasons are:



Lessons learned IF23 Call

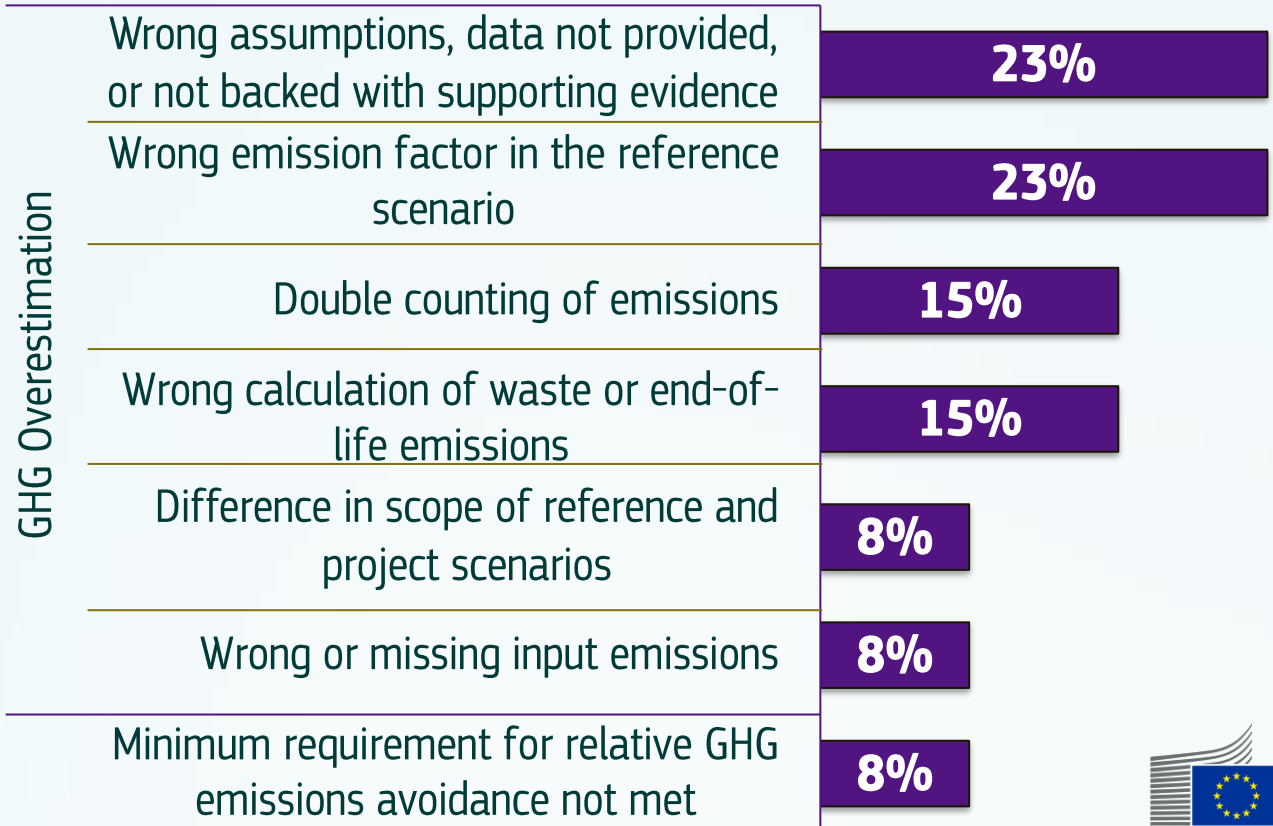
Quality of GHG calculation and min. requirements

Main mistakes on GHG emissions avoidance quality

- Poor assumptions
- Wrong emission factor
- Double counting of emissions
- Wrong calculations

Resulting in overestimations of GHG emissions avoidance

Out of 11 proposals failing quality of GHG calculation, the main reasons are:



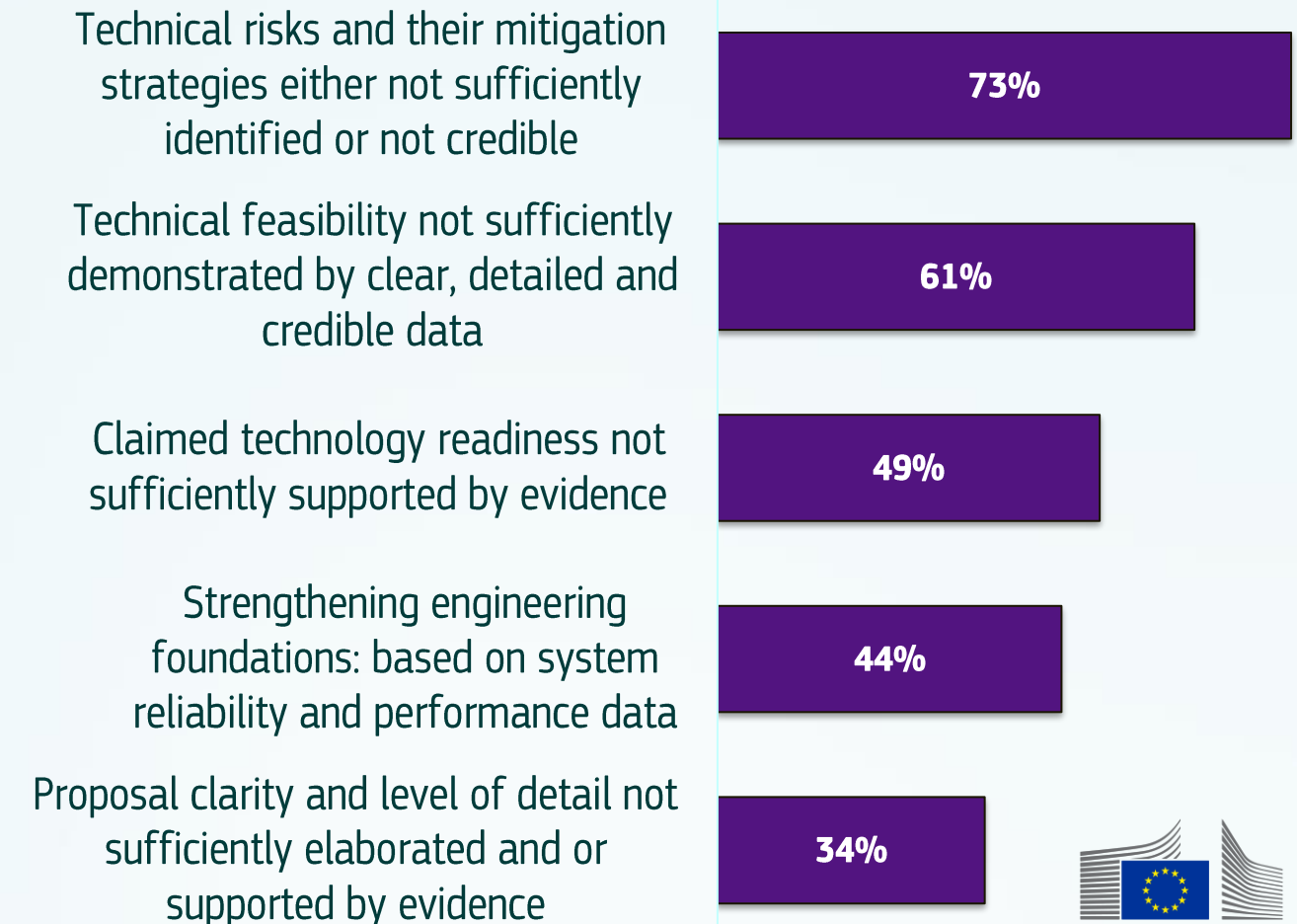
Technical Maturity: Lessons Learned IF23 Call

Key reasons for failure:

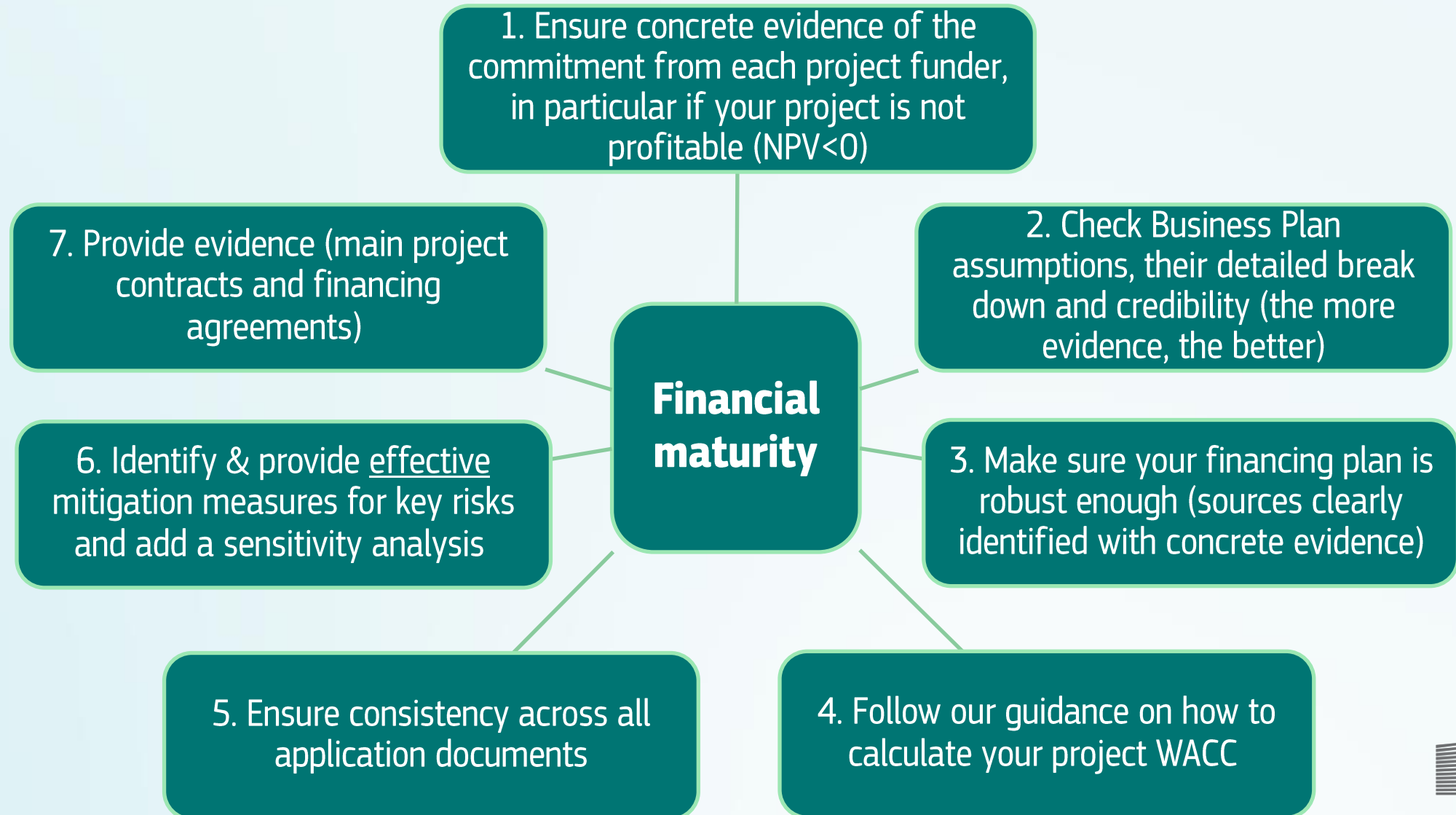
Technical feasibility claims not sufficiently supported by:

- Proper identification of risks and mitigation measures
- Credible data and evidence
- Detailed strategies to achieve targets

Out of 29 proposals failing technical maturity, the main reasons are:



7 Golden Rules of Financial Maturity

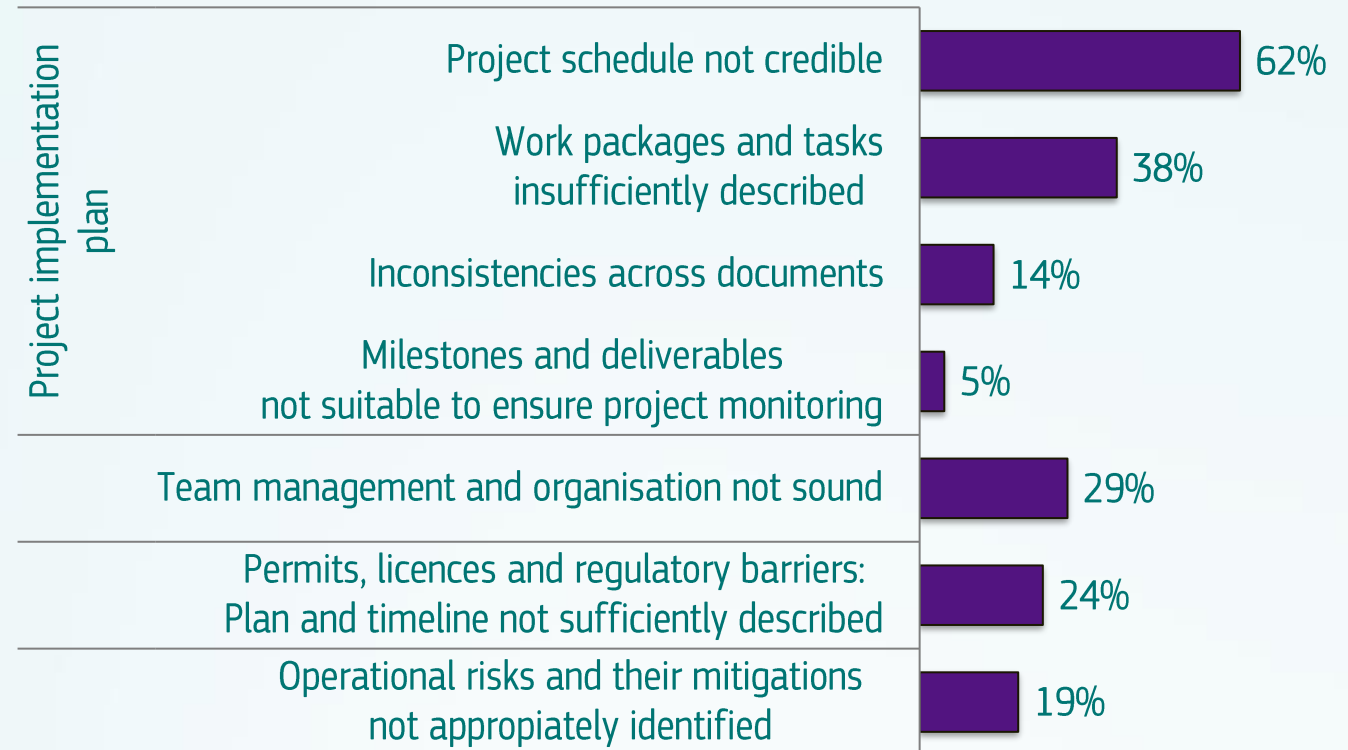


Operational Maturity: Lessons Learned IF23 Call

Out of 21 proposals failing operational maturity, the main reasons are:

Key reasons for failure:

- Project implementation plan not credible
- Team management and organisation not sound
- Permitting and licences plan and timeline not sufficiently elaborated
- Operational risks and their mitigation strategies not adequate

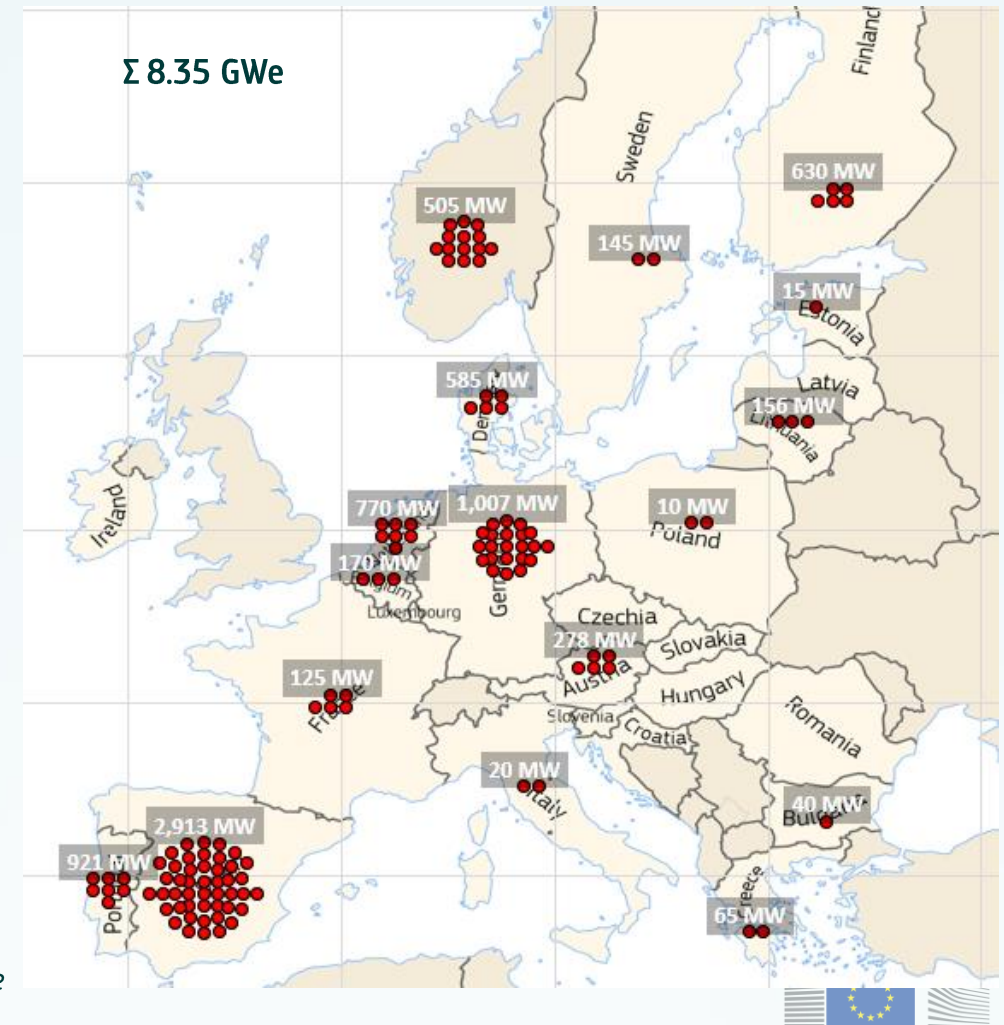


Innovation Fund 2024 RFNB0 H2 Auction

IF24 H2 Auction Features and award criteria

IF23 H2 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
- 6 Grant Agreements signed for €694 million



Objectives fulfilled – IF23 H2 Auction



Reducing the cost gap
between renewable
& fossil H₂ in the EU



*Fixed premium support
of up to €0.48 /kg
of renewable H₂*



Allowing for **price
discovery** & renewable
H₂ 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 H₂ producers*



Reducing
administrative burden

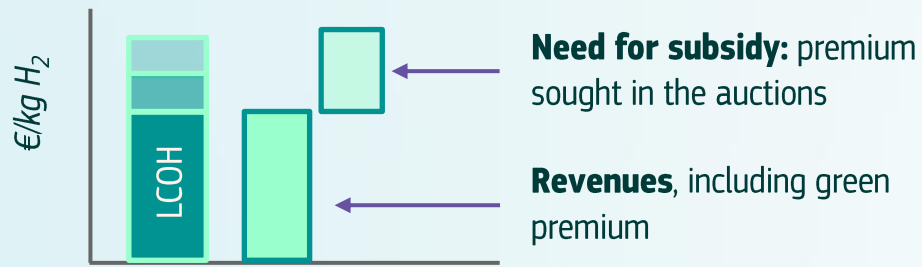


*Simplified application
process & results provided
in less than 3 months*

IF24 H2 Auction overview

- Objective: **support production of Renewable Fuel of Non-Biological Origin (RFNBO) Hydrogen** as defined in the Renewable Energy Directive & its Delegated Acts
- Also: **contribute to achieving security of essential goods supply & to Europe's industrial leadership & competitiveness**
- **Fixed-premium auction**, single stage, pay-as-bid - bidders are free to decide their bidding strategy
- **Pass/fail qualification** criteria & **ranking based on price**

Fixed-premium auction



Bids ranked on price only



IF24 H2 Auction vs. IF23 H2 Auction

Increased budget to **€1.2 billion**

- AaaS: additional contribution up to **€836 million** from Austria, Spain, & Lithuania

Budget divided in 2 topics

- **General:** €1 billion – no off-taker restrictions
- **Maritime sector:** €200 million – off-takers only from maritime sector

Increased maturity requirements for bidding projects (mandatory time to reach Financial Close, higher completion guarantee) & **lower ceiling price**

Resilience criteria

- *“Achieving security of supply of essential goods and contribution to Europe’s industrial leadership and competitiveness”* – reflected in qualification criterion + other requirements

General eligibility conditions

- Location: **within the EU/EEA** (no virtual production)
- Installed capacity: min. **5 MWe, new** capacity, **single location** (no virtual capacity pooling)
- Projects must limit the sourcing of electrolyser stacks with surface treatment or cell unit production or stack assembly **carried out in China to no more than 25%** (in MWe) of the total electrolyser capacity as expressed in the bid
- Off-takers: no restriction (general) / min. supply to maritime off-takers (maritime)
- Bid ceiling price: **€4/kg RFNBO Hydrogen**
- Maximum grant support period: **10 years**
- Maximum size of the bid: **€250 million** (general) / **€200 million** (maritime)

Key implementation arrangements

- Financial close: within **2.5 years** after signing Grant Agreement
- Entry into Operation (EiO): within **5 years** after signing Grant Agreement
- Completion guarantee: **8%** of the requested grant – *covers reaching Financial Close & EiO under the call requirements*
- Payments: no payments before EiO; then, **biannual** basis – €/kg of RFNBO Hydrogen produced, **certified & verified** for a maximum period of **10 years**

A dedicated topic for the maritime sector

After its 2023 revision, the ETS Directive extended to the maritime transport. **20 million allowances** to be deployed by the Innovation Fund by 2030 to support the decarbonisation of the maritime sector, through **dedicated topics**

Specific eligibility condition:

- projects presenting pre-contractual off-take agreements in their applications, with **off-takers belonging to the maritime sector** covering at least **60% of their planned RFNBO H₂ production as stated in the bid**
- **monitored** throughout the project's operation

New resilience requirements

(I) “Achieving **security of supply of essential goods** and **contribution to Europe’s industrial leadership and competitiveness**”

Assessing projects’ contribution to a diversified supply chain and avoiding building dependency on a single third country which may threaten the security of supply of electrolyzers in Europe.

(II) Compliance with standards

ISO Standard: ISO 22734:2019

Cybersecurity: present a cybersecurity plan at Entry into Operation

(III) **Increased information** requirements as part of the “Electrolyser procurement strategy” documentation

(IV) **Risks of investigations:** reminder of existing rules under the Foreign Subsidy Regulation, State aid and Trade Defence Instruments

Evidence to be provided at bidding stage

Monitoring how the requirements are fulfilled at Financial Close, Entry into Operation & end of monitoring period

Lessons learned – *Technical maturity*

Provide all mandatory annexes!

- Ensure a detailed **feasibility study** (*follow the requirements in the template*)
- 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
- 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
- Provide the **electrolyser procurement strategy must include a MoU, Lol or another form of pre-contractual signed term sheets** with an electrolyser manufacturer, in addition of all mandatory information

Ensure consistency between documents:

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

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**

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**)

2024 funding opportunities



IF24 Auction

RFNBO Hydrogen
3 Dec 2024 – 20 Feb 2025
Budget: €1.2 billion



IF24 Call

General, Clean-tech, Pilots
3 Dec 2024 – 24 April 2025
Budget: €2.4 billion



IF24 Batteries

Manufacturing of electric
vehicle battery cell
3 Dec 2024 – 24 April 2025
Budget: €1 billion

Join as project evaluator for Innovation Fund

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The European Climate, Infrastructure and Environment Executive Agency (CINEA)

Sign up as an EU expert

for the INNOVATION FUND

Deploying innovative net-zero technologies for climate neutrality

Funded by the EU Emissions Trading System



More information here:



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

- Technical expert
- Financial expert
- GHG expert
- Rapporteur

[Sign up as an Expert \(europa.eu\)](https://europa.eu/!RTnFrw)



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

And more videos available on YouTube:

<https://youtube.com/playlist?list=PLrp3luGqStFA2fAgz86AsmVp8dXp5kPIG&si=h2W68TyCZJKemcjH>



Let's keep in touch



climate.ec.europa.eu

cinea.ec.europa.eu/programmes/innovation-fund_en



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