

BUDGET	APPLICATION PERIOD
<p><b>1 200 000 000 €</b></p> <p>General auction: 1 000 000 000 € Maritime sector: 200 000 000 €</p> <p>Additional funds reserved only for projects in these countries (Auction as a Service):</p> <p>Austria: 400 000 000 € Spain: 280 000 000 – 400 000 000 € Lithuania: 36 000 000 €</p>	<p>From 03 December 2024 to 20 February 2025 (17:00:00 CET)</p>
ELIGIBLE PERIOD	TYPE OF FUNDING
<p>Between 10 and 15 years from Grant Agreement signature</p>	<p>Grant</p>
OBJECTIVE	
<p>The objective of this topic is to support the <b>production of renewable fuel of non-biological origin (RFNBO) hydrogen in Europe</b> as defined in the Renewable Energy Directive 2018/2021 and its Delegated Acts. Therefore, the activities that can be funded are the installation of new, additional, RFNBO hydrogen production capacity and the verified and certified production of RFNBO hydrogen from those installations.</p> <p>The produced RFNBO hydrogen can be sold to any off-taker or self-consumed or stored. Depending on project's offtakers, the call is divided in <b>2 topics</b>:</p> <ul style="list-style-type: none"> <li>○ Fixed Premium Auction for RFNBO hydrogen (default call).</li> <li>○ Fixed Premium Auction for RFNBO hydrogen production for the maritime sector (for projects demonstrating that at least 60% of their expected total volume of hydrogen production is supplied to offtakers belonging to the maritime sector)</li> </ul> <p><u>Auction conditions</u></p> <p>This call is <b>awarded based on a competitive bidding procedure (auction)</b>. Proposals will be evaluated (within their respective topic) according to the following cascade:</p> <ul style="list-style-type: none"> <li>○ Proposals will be first ranked according to their bid price from the lowest to highest.</li> <li>○ Those proposals whose maximum grant amounts fit within the topic budget and the budget from national funding windows, and the proposals necessary to fill the reserve list, if any, will be assessed against the award criteria of 'Relevance' and 'Quality', on a pass/fail basis.</li> <li>○ Remaining proposals will be rejected. They will not be evaluated against the 'Relevance' and 'Quality' award criteria.</li> </ul> <p><u>National funding windows ('auctions as a service')</u></p> <p>This Innovation Fund auction is complemented by national funding windows through auctions as a service. Projects that pass the evaluation for the Innovation Fund auction grant but cannot be funded because they exceed the budget ceiling, may benefit from national funding, if the project is located in a country with a national funding window (Austria, Spain or Lithuania), if it</p>	

complies with Member State specific funding conditions and if it has consented to be considered for national funding.

## BENEFICIARIES AND CONDITIONS

The applicants must be **legal entities (public or private bodies)** established in any country in the world. Projects can be carried out by individual entities or a consortium of several applicants.

The projects must be **located in EU Member States or EEA countries** (i.e. Norway, Iceland or Liechtenstein). In addition, the projects must:

- **Reach financial close within 2.5 years** after grant signature.
- **Enter into operation within 5 years** after grant signature.
- **Operate for a maximum of 10 years**, unless the total volume committed to in Annex 1 of the Grant Agreement is reached earlier, due to the production flexibility rules.

## FUNDING CHARACTERISTICS

The grant will be a **unit grant**. This means that it will reimburse a fixed amount per unit, based on unit contributions, corresponding to the **fixed premium per unit of production of the final product as stated in the bid ('pay as bid')**.

Project budgets (requested grant amount) must be calculated using the calculator provided in the 'financial information file' (Innovation Fund template) and respect the following conditions:

- Applicant bid price (fixed premium in EUR per kg) multiplied by the expected average yearly volume of production (kg per year) multiplied by 10 years (maximum period of operation supported by the grant)

$$\left[ \text{Bid price in } \frac{\text{€}}{\text{kg}} \right] * \left[ \text{expected average yearly volume of production in } \frac{\text{kg}}{\text{year}} \right] * [10]$$

- For projects submitted to the General topic, a limit of 250 000 000 € is established. For projects submitted to the Maritime sector call, the limit is 200 000 000 €.

**Only bids that do not exceed bid prices of EUR 4/kg of RFNBO hydrogen produced will be eligible.** In addition, a completion guarantee covering 8% of the requested maximum grant amount will be required to avoid speculative bids.

There is no pre-financing payment. There will be one or more interim payments:

- Reporting Period 1, after:
  - Financial close, within a maximum of 2.5 years (end of WP 1: 3 months after planned financial close date) — no payment.
  - Entry into operation, within a maximum of 5 years (end of WP 2: 3 months after planned entry into operation date) — no payment.
  - First 6 months of operation (end of WP3) – first interim payment
- Reporting Periods 2 -20: semi-annual payments after entry into operation (WP 4 to 22).

## ELIGIBLE COSTS

The activities that can be funded under this topic are the **installation of new, additional, RFNBO hydrogen production capacity** (i.e. hydrogen production capacity for which at the time of the grant application the start of works did not yet take place) as well as the **verified and certified production of RFNBO hydrogen from those installations** (in kg of produced volume) for a period of **up to 10 years**.

### Project requirements

- The bid price per unit is expected to cover the premium required by the producer, i.e. the difference between the expected revenues from the sale of one unit and the unit's levelized cost. (i.e. elements like production, sale, transport and storage can be priced into the bid).
- The installed capacity of the electrolyser must be **at least 5 MWe** and must be in a **single location** (virtual pooling is not permitted).
- Projects must **limit the sourcing** of electrolyser stacks with surface treatment or cell unit production or stack assembly **carried out in China to less than 25% (in MWe)** of the total electrolyser capacity as expressed in the bid.
- Projects must comply with standard **ISO 22734:2019** for "Hydrogen generators using water electrolysis — Industrial, commercial, and residential applications" (or the latest approved version replacing it).
- Projects must ensure the security of the funded installations by keeping the operational control of the installation with an entity established in the EU/EEA and by storing the data within the EU/EEA.

## OTHER CONSIDERATIONS

- The proposals will follow the standard submission and evaluation procedure (one-stage submission. The **award criteria** for this call are as follows:
  - Relevance (Pass/Fail): Contribution to the objectives of the call; consistency, quality, soundness and reliability of the information provided in the proposal. Subcriteria: (i) production of RFNBO hydrogen; (ii) Achieving security of supply of essential goods and contribution to Europe's industrial leadership and competitiveness.
  - Quality (Pass/Fail): Technical and financial maturity and operational quality, in terms of the project's readiness to reach financial close within 2.5 years and enter into operation within 5 years after signature of grant agreement; consistency, quality, soundness and reliability of the information provided in the proposal. Subcriteria: (i) technical maturity; (ii) financial maturity; (iii) operational maturity.
  - Price: Bid price in EUR per kg to be expressed with two digits after the comma.
- **Open and competitive calls.**
- **Incentive effect.** For the capacity to which the bid refers, the works must not have started by the time of submission of this application
- **This sheet is merely informative and, thus, does not gather all the information. Referring to the regulatory legislation is imperative.**