

BUDGET	APPLICATION PERIOD
<p style="text-align: center;">2 400 000 000 €</p> <p>General - Large Scale 1 200 000 000 € General - Medium Scale 200 000 000 € General - Small Scale 100 000 000 € Clean-tech Manufacturing 700 000 000 € Pilots 200 000 000 €</p>	<p style="text-align: center;">From 03 December 2024 to 24 April 2025 (17:00:00 CET)</p>
ELIGIBLE PERIOD	TYPE OF FUNDING
<p style="text-align: center;">Between 3 and 15 years from Grant Agreement signature</p>	<p style="text-align: center;">Grant</p>
OBJECTIVE	
<p>Innovation Fund provides grants for projects aiming at commercial deployment of innovative low-carbon technologies which go beyond incremental innovation (i.e., first-of-a-kind commercialisation; large-scale commercial size demonstration of technologies, processes or business models previously proven at pilot or smaller scale; pilot plants), in order to bring to the market industrial solutions to decarbonise Europe and support its transition to climate neutrality.</p> <p>The call is divided in 5 main topics:</p> <ul style="list-style-type: none"> ○ GENERAL DECARBONISATION (Large, Medium or Small Scale projects): This topic aims to support and advance <u>innovative low carbon technologies and processes</u> to significantly mitigate climate change, promoting sustainable development and technological leadership within Europe. Activities in scope under this topic: <ul style="list-style-type: none"> ▪ Innovation in Low-Carbon Technologies and Processes in sectors listed in Annex I and Annex III to the EU ETS Directive 2003/87. ▪ Carbon Capture and Storage: activities supporting the construction & operation of projects focused on the environmentally safe capture and geological storage of CO₂. ▪ Innovative Renewable Energy and Energy Storage Technologies: activities supporting the construction and operation of innovative renewable energy and energy storage technologies. ○ CLEAN-TECH MANUFACTURING: Construction and operation of <u>manufacturing facilities</u> to produce specific components for: <ul style="list-style-type: none"> ▪ Renewable energy: facilities producing components for photovoltaics, concentrated solar power, onshore and offshore wind power, ocean energy, geothermal, solar thermal, and other renewable energy systems, including their connection to the electricity/heat grid. ▪ Electrolysers and fuel cells: manufacturing of electrolysers and fuel cells for hydrogen production and consumption. ▪ Energy storage solutions: production of batteries (except battery cells for electric vehicles) and other storage solutions for stationary and mobile use, covering both intra-day and long duration storage. 	

- Heat pumps: development and production of heat pumps.
- **PILOT PROJECTS:** This topic supports highly innovative, disruptive or breakthrough technologies that enable deep decarbonisation needed for achieving climate neutrality (construction and operation of pilot projects that focus on validating, testing and optimising highly innovative, deep decarbonisation solutions in all sectors eligible for Innovation Fund support). A higher degree of innovation is expected than in the other topics under this call and these projects may have a limited lifetime (3 to 5 years).

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 consortium of several applicants.

However, the projects must be located in EU Member States or EEA countries (i.e. Norway, Iceland or Liechtenstein), or in Northern Ireland if they concern the generation, transmission, distribution or supply of electricity. In addition, the projects must:

- Reach financial close within 4 years after grant signature (all topics).
- Operate at least 5 years after entry into operation (General Large & Medium Scale, Clean-tech Manufacturing) or 3 years (General Small Scale, Pilots).

FUNDING CHARACTERISTICS

The grant will be a **lump sum grant**, which means that it will reimburse a fixed amount calculated on the basis of the Relevant Costs of the project and a **fixed funding rate of 60%** (or lower requested grant amount, if any).

There is no pre-financing payment. There will be one or more interim payments, which will be done after demonstrating the completion of the work packages (periodic technical reports are required to request payments).

The lump sum breakdown must comply with the following limits:

- Up to 40% of the maximum grant amount for the reporting periods (RPs) until financial close, depending on the value of the work package(s).
- Remaining amount of at least 60% for the RP(s) after financial close. Generally, at least 10% for the period after Entry into operation.

Grant and budget limits

There is not a maximum amount of Innovation Fund grant for an individual project, except for 'Pilot projects', for which it is limited to EUR 40 million. In addition, some requirements on project's CAPEX and cost efficiency ratio (requested grant/GHG emission avoidance) are defined:

Topic	CAPEX	Cost efficiency ratio*
General - Large Scale	> 100 000 000 €	< 200 €/tCO ₂ -eq
General - Medium Scale	20 000 000 – 100 000 000 €	
General - Small Scale	2 500 000 – 20 000 000 €	
Clean-tech Manufacturing	> 2 500 000 €	< 2 000 €/tCO ₂ -eq
Pilot projects	> 2 500 000 €	

ELIGIBLE COSTS

The Relevant Costs are calculated as the difference between the best estimate of (i) the economic costs (covering investment and operation) and (ii) the economic revenues and operational benefits, **arising during construction and over the first ten years of operation** after the Project's entry into operation:

$$\text{Relevant Costs} = \text{CAPEX} + \text{PV of OPEX} + \text{PV of Maintenance CAPEX} - \text{PV of Operational Benefits} - \text{PV of Revenues}$$

* PV = Present value

Thus, the following parameters shall be considered for the relevant costs calculation:

- **CAPEX**: Capital expenditure for project development or construction, before the project's entry into operation, and which relate exclusively to the following categories:
 - Construction costs: design, engineering, procurement, construction, commissioning and testing of the project.
 - Site infrastructure costs: development or maintaining of the basic physical and operational components of the location of the project.
 - Development costs: permitting and environmental assessment; planning, design, engineering, start-up and testing; legal, insurance and other advisors; personnel costs; professional fees and fees for environmental permits.
 - Intangible assets: patents, trademarks, copyrights and Intellectual Property rights related and purchased by the project.
 - Contingencies.
- **Maintenance CAPEX**: All costs necessary to maintain the project's operational capacity (e.g., replacement of key equipment or the implementation of periodic system updates).
- **OPEX**: Operational expenditures related to the following categories:
 - Operations and Maintenance (O&M) of a project, including, where applicable, any feedstock costs such as costs of fuel.
 - Decommissioning costs, provided they occur in the first ten years after entry into operation of a project.
 - Financial lease costs.
 - R&D cost provided that these are needed to keep the innovation competitive. This necessity should be duly justified.
- **Operational Benefits**: Any revenue received by the project from the sale of EU ETS allowances for reductions in CO₂ emissions the sale of CO₂ as a final product or by-product for commercial use the monetization of the value added/certificates from reductions in GHG emissions not already captured elsewhere in the revenues or cost savings.
- **Revenues**: All sources of revenues generated by the project, excluding operational benefits and external benefits outside the Project boundaries.

OTHER CONSIDERATIONS

- The proposals will follow the standard submission and evaluation procedure (one-stage submission). The **award criteria** for this call are as follows:
 - Degree of innovation, in relation to the state of the art.
 - GHG emission avoidance potential: (i) absolute GHG emission avoidance; (ii) relative GHG emission avoidance; (iii) quality of the GHG emission avoidance calculation and minimum requirements.
 - Project maturity: (i) technical maturity; (ii) financial maturity; (iii) operational maturity.
 - Replicability: (i) replicability in terms of efficiency gains and multiple environmental impacts; (ii) replicability in terms of further deployment; (iii) contribution to Europe's industrial leadership and competitiveness.
 - Cost efficiency: (i) cost efficiency ratio; (ii) quality of the cost calculation and minimum requirements.
 - Bonus points: (i) potential to deliver net carbon removals; (ii) other GHG savings; (iii) use of electricity from additional renewable sources or use of RFNBOs; (iv) potential to decarbonise the maritime sector.
- **Open and competitive calls**. The projects will be assessed and compete only with projects of their same topic.
- Proposals that are not recommended for funding (including those on the reserve list) and rejected proposals that reach the minimum thresholds will be proposed for **project development assistance (PDA)** support to the European Investment Bank (EIB), if they have given their consent in the application form.
- Eligible proposals that exceed the evaluation thresholds will be awarded the **STEP seal**, a quality label whose main purpose is to facilitate funding from other private and public sources.
- **Incentive effect**. Only projects that have not reached financial close at proposal submission date can be funded. Normally the starting date will be after grant signature, but a retroactive starting date can be granted exceptionally for duly justified reasons (never earlier than the first day of the month after the proposal submission date).
- **This sheet is merely informative and, thus, does not gather all the information. Referring to the regulatory legislation is imperative.**