Innovation Fund
Technical Workshop
5-6 February 2020
Agenda

14:00 – 14:20
Introduction

14:20 – 14:50
Summary GHG emission avoidance methodologies

14:50 – 15:20
Summary relevant costs calculation methodologies

15:20 – 16:00
Conclusions & next steps
Innovation Fund
Key features

Volume of at least EUR 10 billion until 2030 (at 20€ carbon price)

Support of up to 60% of additional costs related to innovative technology

Renewable energy CCS and CCU Industry Storage

Financed from the revenues of the EU Emissions Trading System

Support of additional capital and operating costs (up to 10 years)

First call in mid-2020 with a volume of EUR 1 billion
Selection process

**Expression of interest**

(a) GHG emissions avoidance
(b) Degree of innovation
(c) Project maturity

Criteria (a), (b), (c) are met

**Full application**

(a) GHG emissions avoidance
(b) Degree of innovation
(c) Project maturity
(d) Scalability
(e) Cost efficiency

Criteria (a) and (b) are met

List of pre-selected projects to be consulted with MS

Award of Project Development Assistance (PDA)

Award of project grants
Entry into Operation

Financial Close

Grant Award

Up to 40% independent of achieved emissions avoidance

At least 60% depending on verified emissions avoidance

Add'l project milestones

Annual instalments

3 to 10 years

Feasibility Study

FEED

Construction

Report period

Payments

Basics

European Commission
First-phase selection criteria
Expression of interest

- GHG emissions avoidance
  - To be delivered during first 10 years of operations

- Degree of innovation
  - Breakthrough technologies
  - Consistency with 2050 climate-neutrality
  - Quantitative indicators

- Project maturity
  - Readiness to invest
    - 1 = feasibility study
    - 100 = "conditional investment decision"
Two additional criteria for full application

Scalability
- Market potential in a 2050
  - Number and scale of applications
  - Expected cost reductions
  - Resource availabilities

Cost efficiency
- Calculation of additional capital and operating expenses
- Requested grant in relation to promised GHG emissions avoidance
Cost efficiency =

Requested grant (up to 60% of relevant costs) =

Expected GHG emissions avoidance

How aggressive or conservative do you want to bid?
Principles for design of selection criteria

Close to business

Re-use the assessment that you have prepared for your CEO or investment bank

Easy and transparent for evaluators

Calculate with minimum of data
Use publicly verifiable data where possible
Consider verification by independent third party

Fit for first call

Methodology does not need to be perfect but ready for launch of first call
Can be further developed for later calls
GHG emissions calculations

Disbursement against delivery

- At least 75% of emissions avoidance need to be delivered to receive full grant amount

Reference scenarios

- Emissions avoidance calculated compared to reference scenarios (e.g. ETS benchmark for industrial installations)

Responsibility for delivery

- Monitoring through ETS MRV or RED reporting
- Possibly additional documentation through Power Purchasing Agreements or other contracts
**Cost calculations**

**Relevant costs**
- Additional capital expenditure +
- Net present value of additional operating costs and benefits over 10 years after entry into operations

**Benchmark for additionality**
- Reference price (e.g. LCOE) OR
- Reference costs OR
- Reference plant

**Price risks**
- To hedge risks, additional costs could be calculated compared to current market prices
- Could be adjusted at disbursement milestones in case of significant price increase

**Production risks**
- Risk of lower production in first years could be modelled directly, e.g. through lower production volumes
Panel discussions

- GHG emissions avoidance
- Relevant costs
Agenda

14:00 – 14:20  
Introduction

14:20 – 14:50  
Summary GHG emission avoidance methodologies

14:50 – 15:20  
Summary relevant costs calculation methodologies

15:20 – 16:00  
Conclusions & next steps
14:00 – 14:20
Introduction

14:20 – 14:50
Summary GHG emission avoidance methodologies

14:50 – 15:20
Summary relevant costs calculation methodologies

15:20 – 16:00
Conclusions & next steps
Summary and Conclusions

Next steps

Call for experts and job opportunities at INEA
Next steps

- Workshop on Clean Tech Financing and Project Selection
- Expert Group meeting on Draft guidance

11-12 March
- 1st phase Submission

April
- 2nd phase Invitation

June
- Launch First Call

Sep-Oct
- 1st phase Submission

Q1 21
- 2nd phase Invitation

Q2 21
- 2nd phase Submission

Q4 21
- Grant Award

Training and guidance
Conference and Workshop on 11 and 12 March

Conference on innovative clean tech financing
- 3 sessions
  - High-level session
  - A financier’s perspective: what makes an innovative clean tech project attractive?
  - A project promoter’s perspective: how to structure the financing of innovative clean tech?

Workshop on project selection and grant management
- How to evaluate innovativeness, scalability and project maturity (incl. business viability)?
- How to support project’s maturity?
- How to promote knowledge sharing?
INNOVATION FUND: CALL FOR EXPERTS
JOIN US TO SHAPE THE EU’S CLIMATE-NEUTRAL FUTURE

**WHO ARE WE LOOKING FOR?**

<table>
<thead>
<tr>
<th>Role</th>
<th>Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical experts</td>
<td>At least 5 years of experience in engineering, innovative technologies and decarbonisation of the different sectors of the Innovation Fund</td>
</tr>
<tr>
<td>Financial experts</td>
<td>At least 5 years of experience in financial institutions, companies, consultancies and expertise on project finance, investment banking, financial analysis, project structuring and risk analysis</td>
</tr>
<tr>
<td>Legal experts</td>
<td>At least 5 years of experience in national and EU frameworks on permitting, public procurement for the sectors of the Innovation Fund</td>
</tr>
</tbody>
</table>

**WHERE DO I APPLY?**

Register to join the database of external experts: [ec.europa.eu/info/funding-tenders/opportunities/portal/screen/work-as-an-expert](ec.europa.eu/info/funding-tenders/opportunities/portal/screen/work-as-an-expert)

When registering, refer to the “Innovation Fund” in the list of pre-established keywords and tick the “other programme” box in the application. Please also send your CV to [INEA-Innovationfund-calls@ec.europa.eu](mailto:INEA-Innovationfund-calls@ec.europa.eu)

**MORE INFORMATION**

Innovation and Networks Executive Agency: [ec.europa.eu/inea/en](ec.europa.eu/inea/en)
**INIA recruits – join us!**

<table>
<thead>
<tr>
<th>PROFILES</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>AD7 Senior Project Manager Energy Innovation (closes 21/02/2020)</td>
<td>Experience in engineering and innovative technologies in the Innovation Fund sectors</td>
</tr>
<tr>
<td>AD9 Senior Financial Engineering Manager (closes 07/02/2020)</td>
<td>Experience in project finance, investment banking, financial analysis and risk analysis in the Innovation Fund sectors</td>
</tr>
</tbody>
</table>

**JOB DESCRIPTION**
- Implementation of grant component of the **ETS Innovation Fund**;
- Assist in delivering the **European Green Deal**;
- Specific **expert teams following the Innovation Fund sectors**;
- Direct **outreach activities, contact with industry and market**;
- **Negotiate grant agreements, manage the portfolio of projects** and support funded projects;
- Provide further assistance especially on **financial structuring**;
- **Monitor, communicate and exploit results.**

**WHEN? NOW**

**WHERE?**
Please continue to support us

Give feedback on today's workshop

Applying the calculation methodologies to your project and let us know the challenges

Join us on 11 and 12 March

Conference on Innovative Clean Tech Financing

Workshop on project selection and grant management

Mobilize technical and financial experts

Experts for project evaluation

Project managers at INEA