

Outcome of the Bioenergy Session

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EBTP proposal for EIBI

Scope

- Innovative bioenergy value chains which are not yet commercially available and could be deployed at large scale

Main outcome

- a portfolio of advanced bioenergy technologies ready for large scale commercial deployment by 2020
- developing of sustainable biomass resources for bioenergy applications
- focusing R&D capability on innovative technologies validated at EU level

Core activity

- Selection and funding of Demonstration and/or Reference plants within the most promising value chains

Projects proposals

- innovative industrial bioenergy value chains were proposed to achieve the EU 2020 Climate & Energy targets
- EIBI shall select and fund demonstration and/or reference projects, using sustainability based criteria in a competitive procedure
- an overall budget of 6 – 8 bn€ over 10 years could fund 15 to 20 projects

Project eligibility and selection criteria

- Step 1: General eligibility criteria - simplified proposal.
- Step 2a: “Reality check” set of criteria - a fully detailed proposal
- Step 2b: “Differentiation” set of criteria

- Decision for funding

Strengths

- Different conversion options considered
- Balance between pilot, demonstration and reference plants
- Good ratio between Public Funding and Risk Sharing Finance Facility (RSFF)
- Clear attention to biomass availability and sustainability
- Size of pilot, demo and reference plants is not restrictive

Weaknesses

- Life time of a demo plant to be better considered in the selection criteria
- Biorefinery concept to be further elaborated
- Longer term R&D program unclear

Recommendations

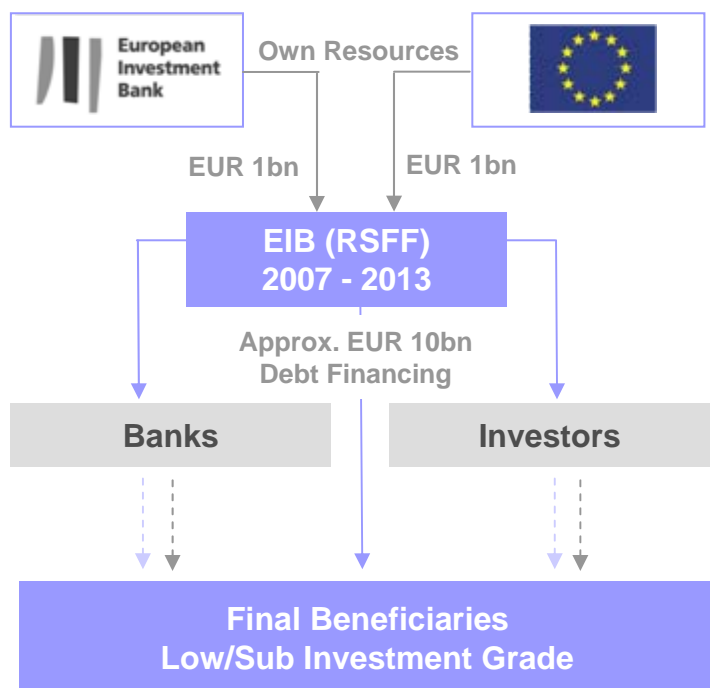
- Biorefinery approach should be better outlined
- Adjust Key Performance Indicators and complement with assumptions
- Create equal customer / public acceptance
- Differentiate selection mechanisms for demonstration and reference plants
- Targets of longer term R&D program should be formulated

Next Step

- Structure coherent governance structure to select projects
- Flexible funding mechanism combining public and private funding instruments

Financing options for Projects – One example

Risk Sharing Finance Facility



- EIB RSFF funds complement other sources of debt capital available for low/sub investment grade RDI intensive corporates
- EIB RSFF funds are highly attractive for potential beneficiaries because of:
 1. Highly attractive terms & conditions (AAA rating and non-for-profit pricing)
 2. Long maturities of up to 10 years or more
 3. Direct EIB participation of up to EUR 300m per transaction (depending on rating)
 4. Strong technology/industry expertise
 5. EIB does not sell assets on the secondary market (buy and hold strategy)
 6. No cross selling (just long-term lender)
 7. Signalling Effect: EIB as a quality stamp
 8. Debt and Mezzanine Debt Product

Conclusion

- the earliest industry actors are ready to move to a demonstration and/or commercial reference plant, others will follow over the next 3 to 5 years
- **innovation is needed in shaping public private partnership to address specific challenges of all these Low Carbon Initiatives**