Innovation Fund Essential elements of 1<sup>st</sup> call of proposals





Selection criterion: effectiveness of GHG avoidance potential

- Will the existing MRV requirements be applicable to innovative plants in your sector?
- If not, what further guidance needs to be prepared for a fair evaluation of the GHG emission reduction potentials of different projects in your sector?
- Which role do you see for life-cycle assessment (LCA) in calculating and verifying the GHG emission avoidance potential?
- What are the critical points that need to be considered when undertaking an LCA for projects in your sector?





Selection criterion: Degree of innovation

 How can the degree of innovation in comparison to the state-of-the art be best evaluated considering that innovation may relate to a specific technology, processes or their combination, products and services?





Selection criterion: Project maturity

- Which criteria should be used to evaluate project maturity?
  - Technical: scope and depth of preparatory studies, soundness and viability of implementation plans, validation at previous TRL (pilot testing)...
  - Financial: business plan, financial standing of the project proponent(s), the level of commitment of other (private) investors, the revenue streams,...
  - Permitting, environmental and societal acceptance
- What essential elements should be in place?
  - concluded feasibility studies, FEED, or other?





## Selection criterion: wide-spread application

- Should projects indicate their potential market (volume and expected price developments) and cost reduction potentials? At national, European or global level?
- Or should this be determined by market statistics and studies? What are the most reliable sources for your sector?



# **E/tCO2** Selection criterion: cost efficiency

- Are there any specific issues that sector projects may face with the application of the definition of relevant cost from the Regulation?
- Are the conventional production costs easy to estimate with confidence? If not, can price of conventional product be used as a comparator?
- What are the key variable factors determining the financial gap?
- What are the financial risks and how best they can be evaluated?





- What is the expected **time to financial close and entry into operation** for innovative projects in your sector?
- What are the **key milestones** before financial close, e.g. feasibility or FEED study, permitting, State-Aid approval, etc. and before full entry into operation, e.g. how long are the construction, testing and commissioning periods?
- How should the grant be optimally disbursed over the project life cycle? To what milestones can/should disbursements be linked?



#### **Project development assistance** (PDA)

- Will PDA be useful for projects in the sector? If yes, what types of assistance?
- Should there be maximum amounts for different types of PDA and what would these levels be?
- Should projects be required to publish the results of any studies done with PDA, if they decide not to apply for Innovation Fund full support or are discontinued?
- Should FEED be financed by PDA or only after successful application for an Innovation Fund award?



#### **Knowledge-sharing requirements**

- What type of technical, economic, project management, regulatory and permitting information should be shared?
- What types of **knowledge-sharing activities** should the implementing body organize and for the general public?
- What should be the **form of knowledge sharing tools** that would be useful for the market?
- How can **synergies** be obtained from linking to other programmes and networks?



### **INNOVATION FUND**

Driving clean innovative technologies towards the market



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