

Innovation Fund – deploying clean technologies

Mr Juho Kortenieniemi

Ministry of Economic Affairs and Employment, Finland

December 2020



Ministry of Economic Affairs
and Employment of Finland

Innovation Fund – deploying clean technologies



- Deploying and scaling up clean technologies
- Approx. 10 billion euros will be invested 2020-2030

- Renewable energy (production and use)
- Energy storage
- CCUS
- Energy Intensive industry
 - + substitute products
 - + component manufacturing

- Official facts about Innovation Fund
https://ec.europa.eu/clima/policies/innovation-fund_en

EU Innovation Fund – basics



- Legal framework based on Emission Trading Directive
- Based on Emission Trading Funds, auctioning of 450 million allowances from 2020 to 2030
- EU Innovation Fund → DG Climate Action is the responsible body together with other EU institutions (such as INEA, EIB). Member States inform stakeholders and are consulted during the selection process.
- Based on NER300, however rules have been developed
- Aiming at deployment of low-carbon technologies in a technology-neutral manner (some exceptions).
- Complements national funds especially in large-scale funding (depending on the MS own policy).

Timeline for first calls and selection criteria



- First calls
 - Large-scale call by 29 Oct 2020
 - Small-scale call by **10 Mar 2021**
- 1-phase (small-scale) or 2-phase (large-scale) selection process
- Selection criteria
 - Emission Avoidance
 - Innovation
 - Maturity

 - Scalability
 - Cost-Efficiency
- H2 2021 Award of grant or PDA



About the criteria

- The Commission, together with the consultants, has developed methodologies related to the use of different criteria. Materials are available at Innovation Fund websites (Commission DG Clima, INEA)
- **GHG emission avoidance** potential max 5 points (different methodologies)
- **Degree of Innovation** (beyond incremental, EE, circularity, renewable electricity, carbon removals) max 5 points
- **Maturity** (technical, financial, operational), max 5 points
- **Scalability** (project/region, sector, economy-wide) max 5 points
- **Cost efficiency ratio** = $\frac{\text{Relevant costs minus contribution by applicant}}{\text{Absolute GHG emission avoidance}}$, max 5 points
- In small-scale call some criteria are simplified
- GHG emission avoidance criteria support electrification by assuming low-carbon/climate-neutral electricity in the future

Financing timeline



- **Up to 40% of the total grant amount awarded may be disbursed upon financial close** or upon reaching a specific milestone preceding financial close, if such a milestone has been fixed in the grant agreement.
- The remaining amount of the grant will be disbursed after the financial close. It may be partially disbursed prior to the entry into operation upon **reaching the milestones** fixed in the grant agreement.
- The maximum grant amount will only be paid out, if over the entire project duration, the **project reaches at least 75% of the total amount of greenhouse gas emissions planned to be avoided.**

First Innovation Fund call closed 29 October 2020



- 311 applications, 17 from Finland
- Requested 21,7 bln €, 1 bln € is available
- 56 hydrogen projects, among others

Thank you!

For more information: [juho.korteniemi\(at\)tem.fi](mailto:juho.korteniemi(at)tem.fi)



Ministry of Economic Affairs
and Employment of Finland