

# Innovation Fund

## Presentation IndustriAll

July 2022

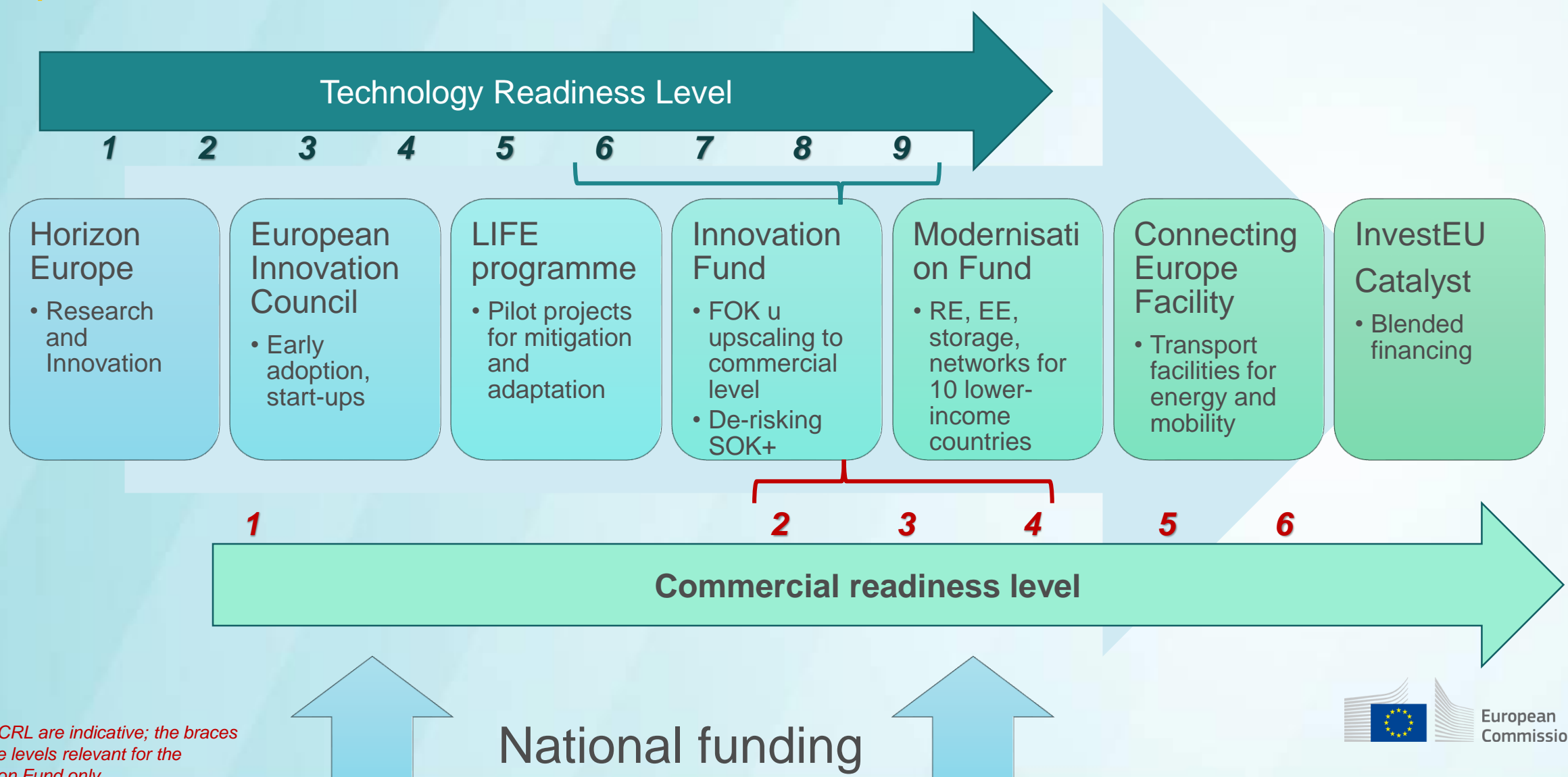
DG Climate Action



# Key features

- Financed from the revenues of the **EU Emissions Trading System**
- Volume of at least **EUR 38 billion** until 2030 (at EUR 75 carbon price)
- Support of up to **60% of additional costs** related to innovative technology
- Support of additional **capital and operating costs** (up to 10 years) – Small scale call: **ONLY CAPEX**
- **40%** of grant disbursed at financial close, **60%** of grant disbursed during 10-years operating period against GHG emission avoidance
- Project development assistance by **EIB**

# Innovation Fund role vis à vis other EU Funding Programmes



# Award criteria




Degree of Innovation	<ul style="list-style-type: none"><li>• Beyond state-of-the art*</li><li>• Only for LSC: Contribution to EU policy objectives: EE, RE, circularity</li></ul>
GHG emission avoidance	<ul style="list-style-type: none"><li>• Absolute and relative emission avoidance</li><li>• NEW: Net Carbon Removals</li></ul>
Project Maturity	<ul style="list-style-type: none"><li>• Technical, operational and financial maturity</li></ul>
Scalability	<ul style="list-style-type: none"><li>• Market potential: Project, regional sectoral level &amp; economy wide</li></ul>
Cost Efficiency	<ul style="list-style-type: none"><li>• EU Contribution per tonne of CO2 avoided</li></ul>

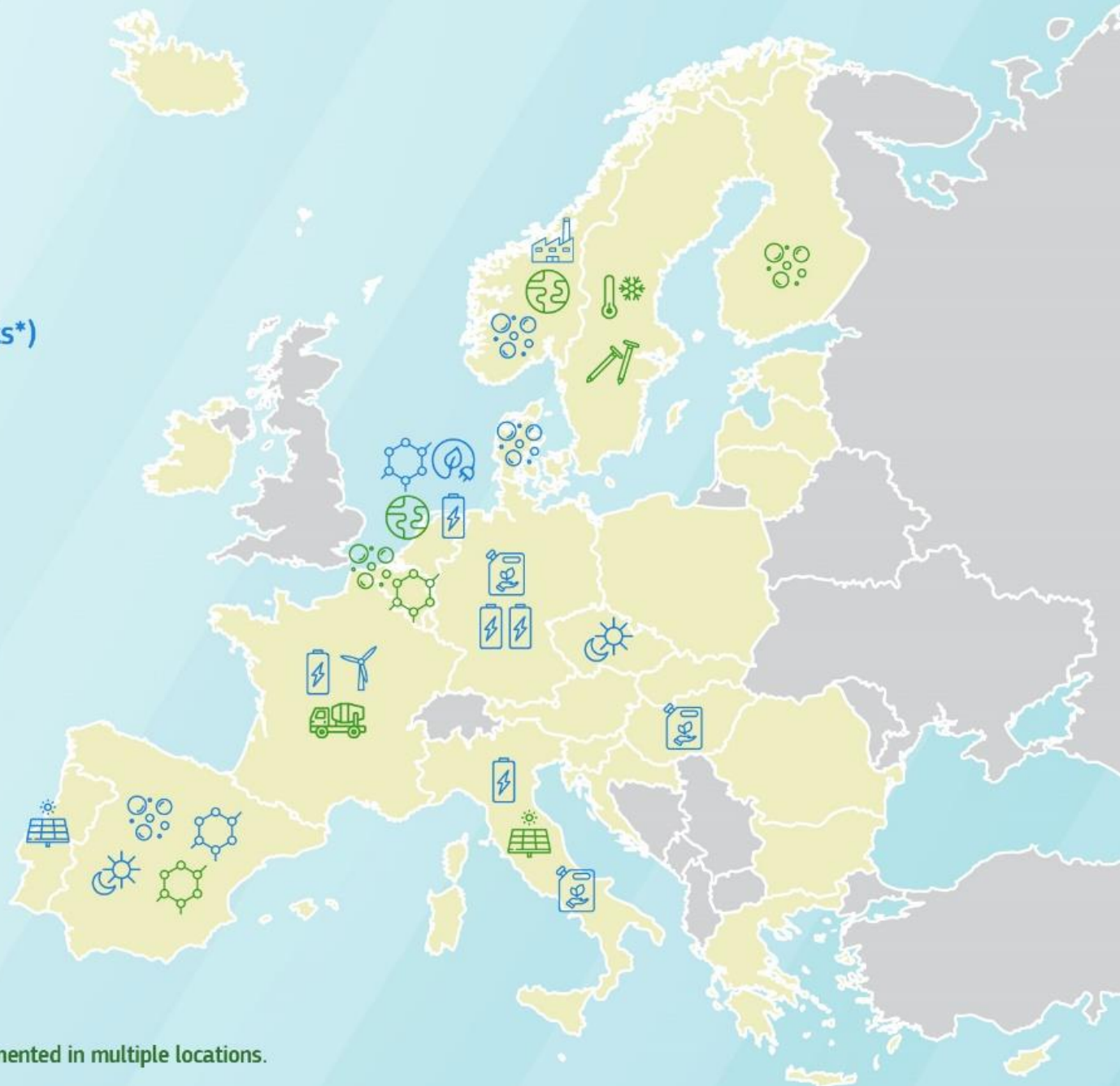
# Innovation Fund

## Large-scale projects

**Green:** Projects pre-selected for a grant (7 projects\*)

**Blue:** Projects awarded project development assistance (15 projects\*)

	Biofuels and biorefineries		Other energy storage
	Chemicals		Bio-electricity
	Planned CO <sub>2</sub> storage location		Pulp and paper
	Hydrogen		Refineries
	Intra-day electricity storage		Renewable heating/cooling
	Iron and steel		Solar energy
	Non-ferrous metals		Wind energy
	Glass, ceramics and construction material		Cement and lime



\*The number of symbols is higher than the number of projects, as some projects are implemented in multiple locations.



# BECCS Stockholm

- CCS for Stockholm's CHP plant
- The project will capture and permanently store large quantities of biogenic CO<sub>2</sub>, leading to 7mt of carbon removals from the atmosphere, over the first 10 years of operation.
- Hot Potassium Carbonate + Bio-fueled CHP
- Co<sub>2</sub> will be transported by ship to geological storage in the North Sea

## COORDINATOR

Stockholm Exergi

## LOCATION

Stockholm, Sweden

## SECTOR

Bio-electricity

## AMOUNT OF INNOVATION FUND GRANT

EUR 180 000 000

## RELEVANT COSTS

EUR 608 863 394

## CAPEX

EUR 455 661 141

## TOTAL PROJECT COSTS

EUR 2 707 453 271

## GHG EMISSION AVOIDANCE

7.8 Mt CO<sub>2</sub>eq

## STARTING DATE

01 July 2021

## PLANNED DATE OF ENTRY INTO OPERATION

Q3 2026

# HYBRIT Green Steel

- Europe's first green steel demonstration plant
- Replacing coal-based BF-BOF with Green Hydrogen Direct Reduction
- HYBRIT will produce ca. 1.2 Mt of crude steel per year, 25% of Sweden's overall production
- 500MW electrolyser within the project scope

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## COORDINATOR

Hybrit Development AB (SE)

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## BENEFICIARIES

SSAB EMEA AB (SE), Luossavaara-Kiirunavaara AB (SE)

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## LOCATION

Sweden

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## SECTOR

Iron and steel

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## AMOUNT OF INNOVATION FUND GRANT

EUR 143 000 000

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## GHG EMISSION AVOIDANCE

14.3 Mt CO<sub>2</sub>eq (first 10 years of operation)

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## STARTING DATE

April 2022

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## PLANNED DATE OF ENTRY INTO OPERATION

Q3 2027 (commercial operation)

# K6 Cement

- Transformation of one of Europe's oldest Cement Plants
- First-of-a-kind industrial scale combination of an airtight kiln and cryogenic carbon capture technology (Air Liquide Cryocap, oxyfuel technology)
- Capture CO<sub>2</sub> to be stored permanently in the North Sea

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## COORDINATOR

EQIOM (FR)

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## BENEFICIARIES

AIR LIQUIDE (FR), AIR LIQUIDE GLOBAL  
E&C SOLUTIONS FRANCE (FR)

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## LOCATION

Lumbres, Hauts de France, France

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## SECTOR

Cement and lime

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## AMOUNT OF INNOVATION FUND GRANT

EUR 153 386 598

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## RELEVANT COSTS

EUR 255 644 331

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## GHG EMISSIONS AVOIDANCE

8.1 MtCO<sub>2</sub>eq

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## STARTING DATE

April 2022

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## PLANNED DATE OF ENTRY INTO OPERATION

Q1 2028



# Supporting the REPowerEU objectives through the Innovation Fund

**REPowerEU chapter** in revised recovery and resilience plans

Synergies and complementarities with **cohesion policy**

New call under **Connecting Europe Facility**

**Enhanced transfer possibility** of cohesion policy and EAFRD to RRF

**Innovation Fund**

- 1) **accelerating the deployment,**
- 2) **dedicated REPower windows**
- 3) **new tool of C(C)fD**