

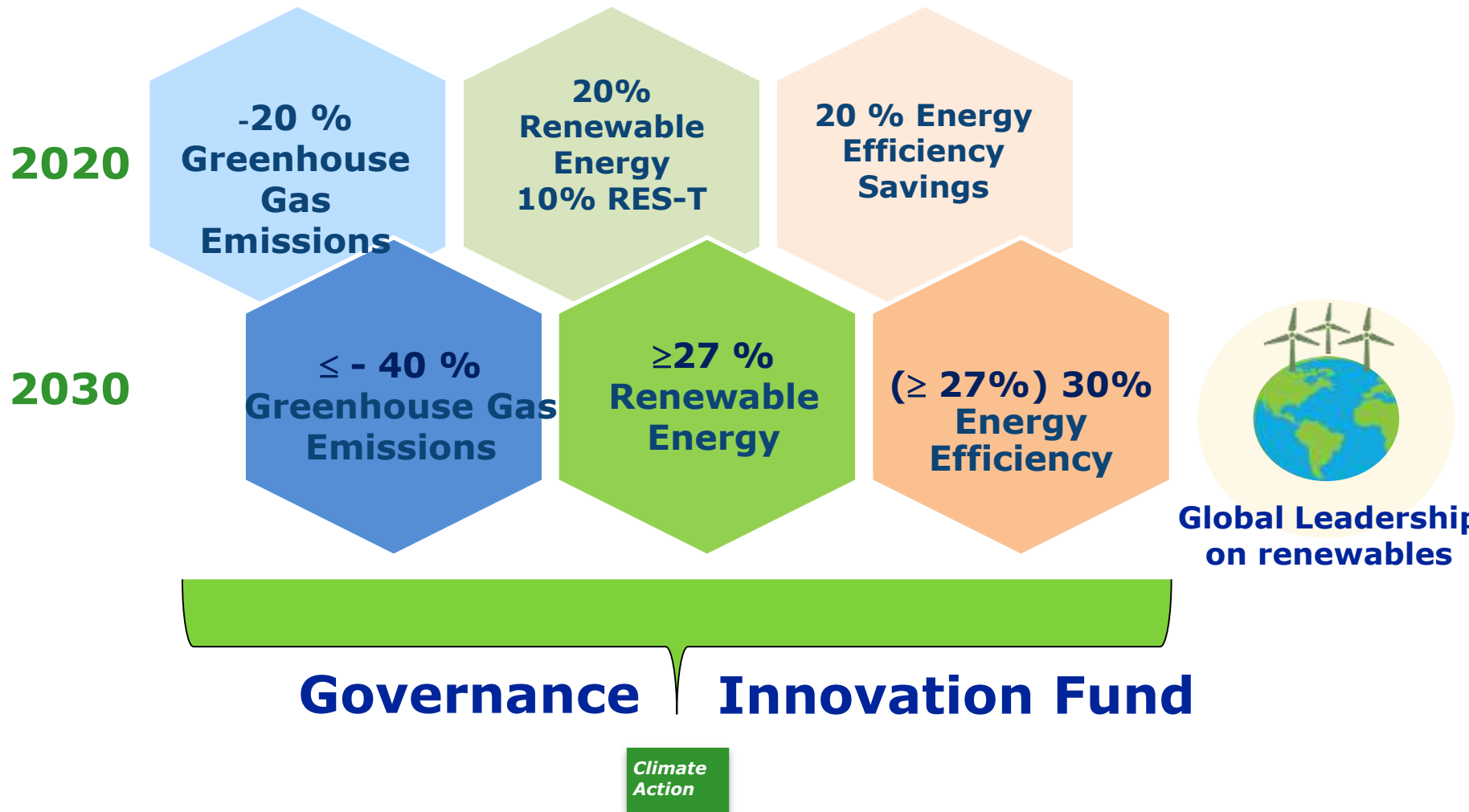


# European Leadership in Renewables – Funding Innovation

Sustainable Energy Week, 22 June 2017

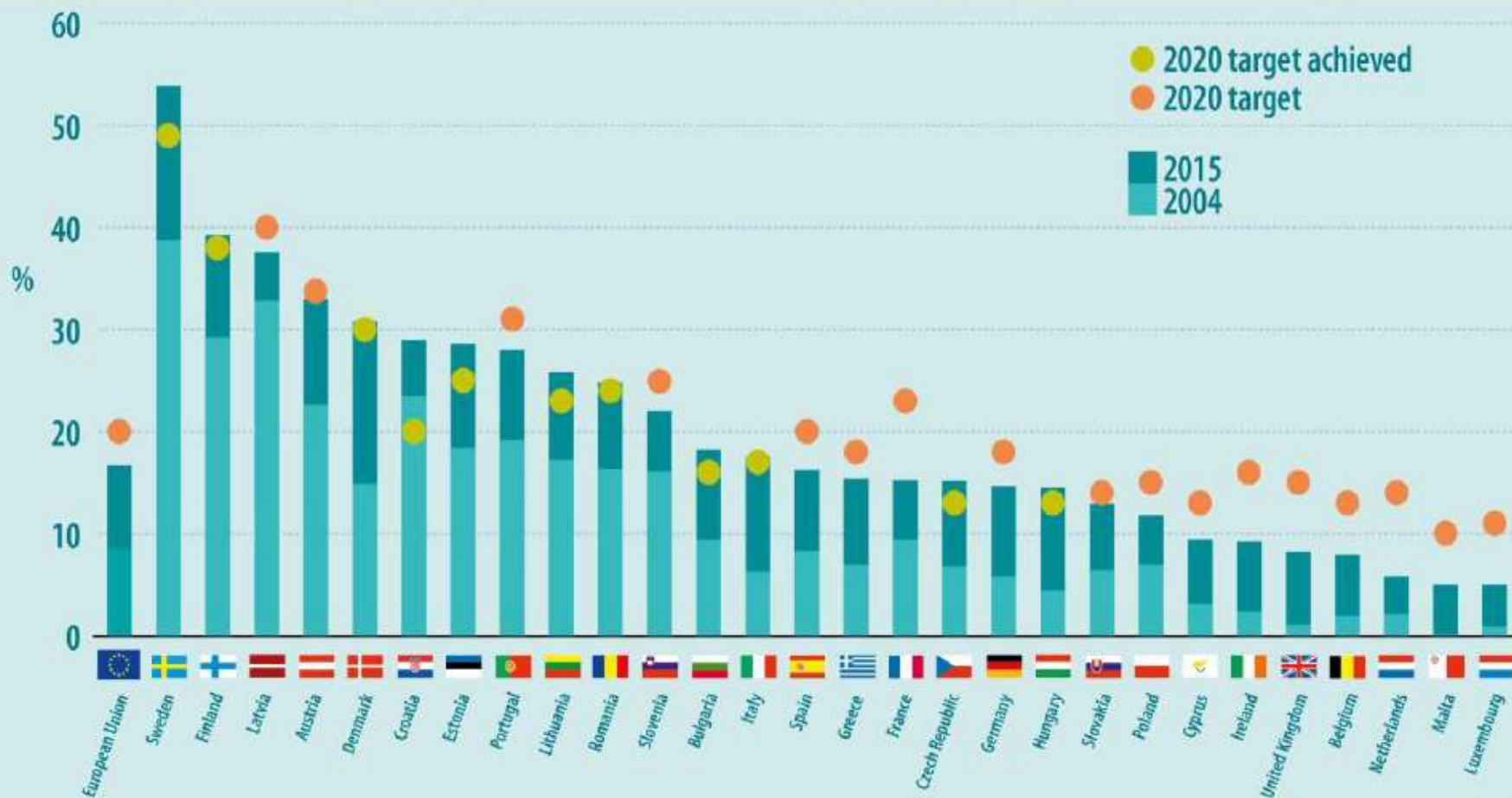


## EU climate- and energy targets, 2020 and 2030



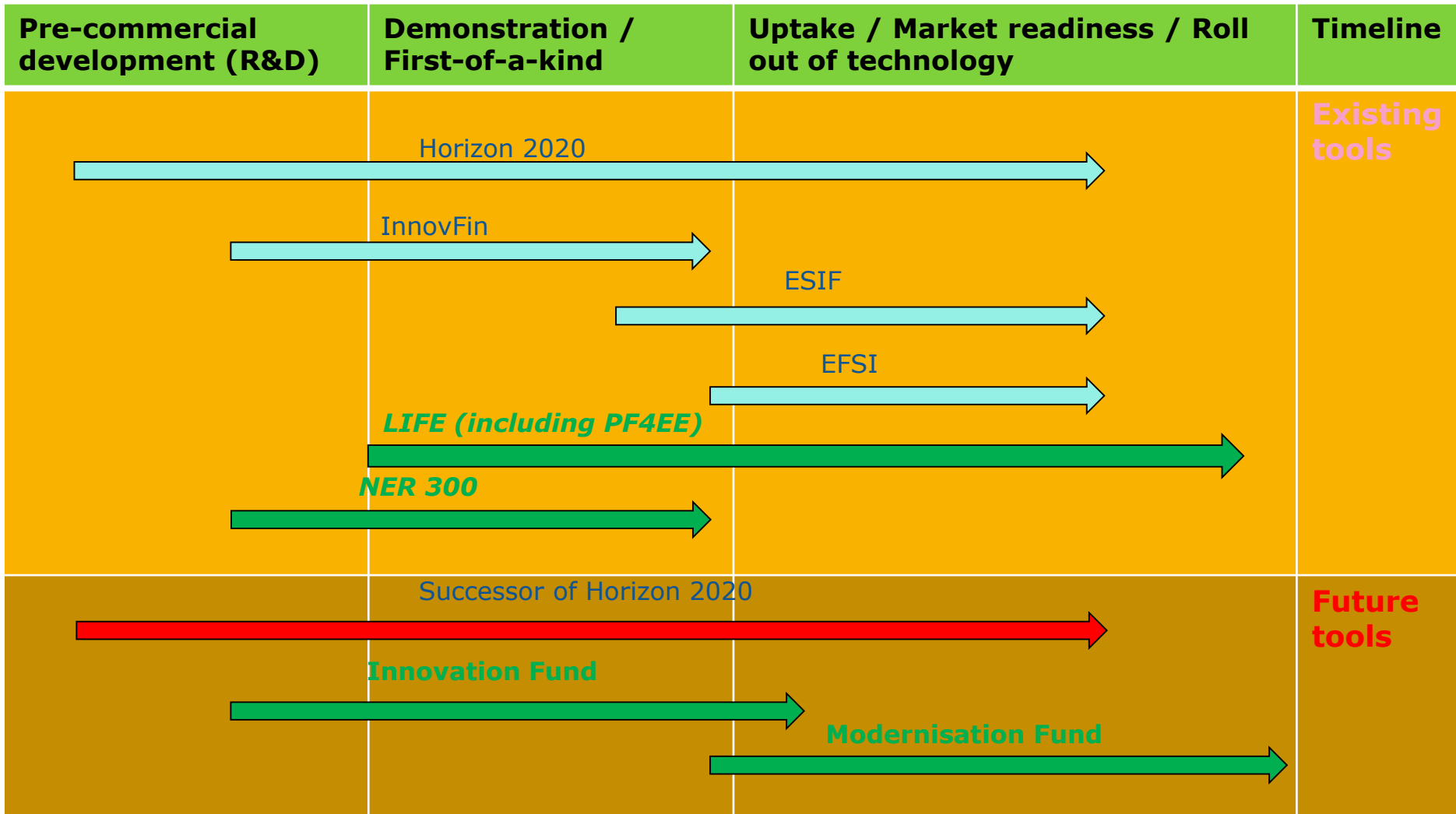
# Share of energy from renewable sources in the EU Member States

(in % of gross final energy consumption)

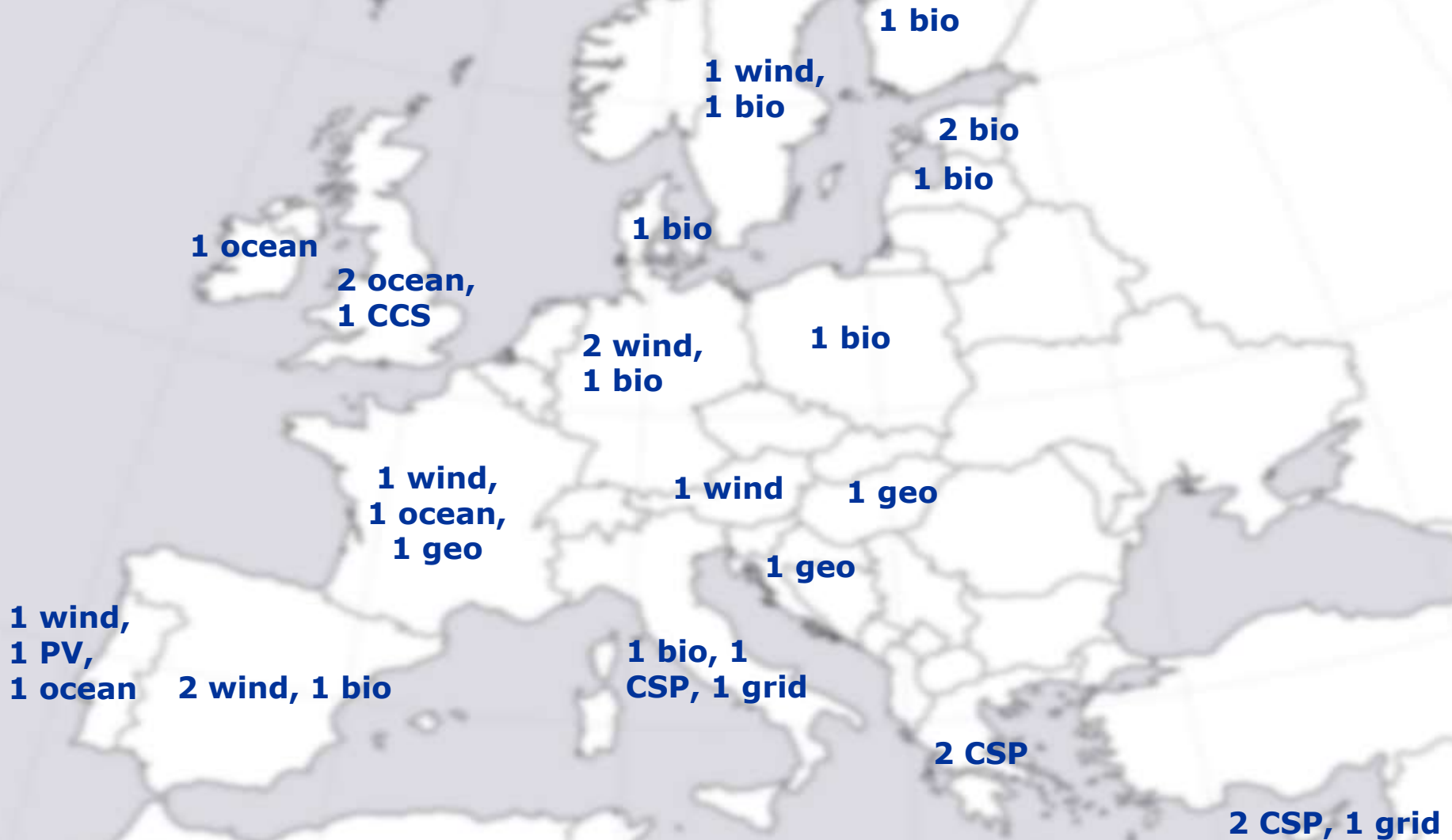




# EU programmes for low-carbon innovation



# Awarded NER 300 projects







# European Leadership in Renewables – Funding Innovation

*NER 300 Programme and Innovation Fund*

Sustainable Energy Week, 22 June 2017



# What is the NER 300 Programme?

- One of the world's largest programmes for innovative low-carbon projects, funded by the EU emissions trading system (ETS)
- A catalyst for the demonstration of innovative renewable energy technologies and environmentally safe carbon capture and storage on a commercial scale within the EU
- Funded from the sale of 300 million allowances from the new entrants' reserve set up for the EU ETS
- Two calls for proposals: the first one was awarded in December 2012, the second in July 2014

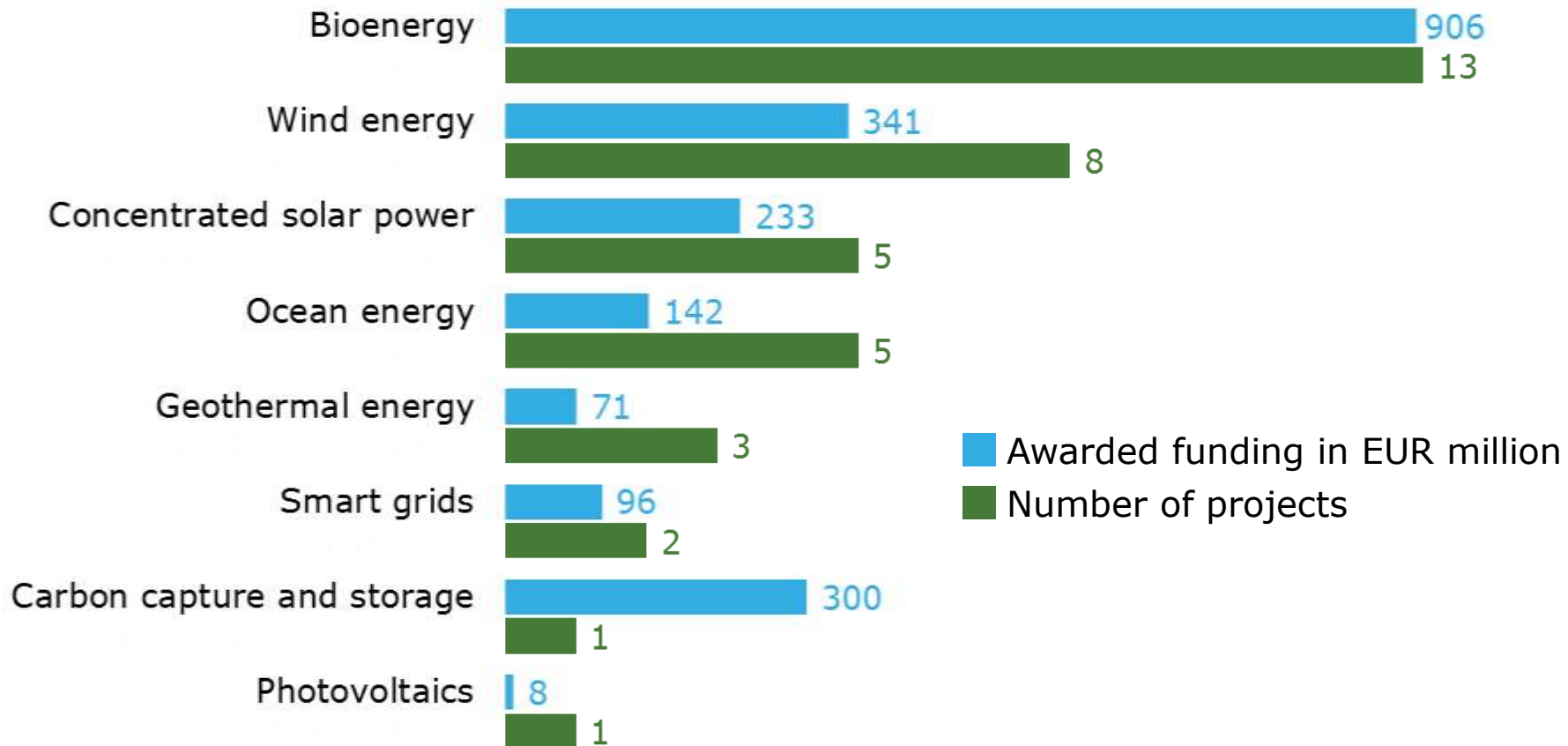


## NER 300 statistics

- €2.1 billion NER 300 grants, coming from the sale of 300 million ETS allowances
- 39 awarded projects in 20 EU Member States
- Almost 80% of the NER 300 awards went to highly innovative or even potentially game changing projects
- State-of-play: 3 in operation, 16 reached a positive financial investment decision
- Those projects already enabled €4.3 billion of investment paving the way for further market replication and cost reduction



# Projects & funding per technology area





# NER 300 unspent funds

- Some awarded NER 300 projects may be cancelled due to the low price of fossil fuels and unfavourable market developments
- This already resulted in 4 withdrawn projects and undisbursed NER 300 funds of at least €436 million
- The Commission suggested reinvesting them through existing EU financial instruments
- To this end, on 19 May 2017 Member States approved, in the Climate Change Committee, a relevant amendment to the NER 300 Decision, which is now subject to a three-month scrutiny period by the European Parliament and Council



# InnovFin EDP and CEF Debt

- Existing EU financial instruments are the most effective way of redeploying unspent NER 300 funds
- The best schemes to support NER 300-type of projects are InnovFin Energy Demo Projects (EDP) and Connecting Europe Facility (CEF) Debt
  - **InnovFin EDP:** innovative renewable energy, CCS, smart energy systems and storage
  - **CEF Debt:** renewable energy-related projects in the transport sector
- They are managed the European Investment Bank
- Unspent NER 300 funds should become available under InnovFin EDP towards the end of 2017

# Innovation Fund: Engagement Process, Design & Mobilization

**Jan 2017, DG CLIMA  
Launched Consultation Process**

**Experts and financiers started with a high-level conference that was followed by ten expert roundtables over 3 months**

**to collect expert views on:**

- a. Future pathways and technologies for **low-carbon innovation****
- b. How the proposed **Innovation Fund** could be ideally designed to **mobilise the required investments****

<b>1</b>	<b>Ferrous Metals</b>	<b>Energy intensive industries</b>
<b>2</b>	<b>Non-ferrous Metals</b>	
<b>3</b>	<b>Pulp &amp; Paper</b>	
<b>4</b>	<b>Oil Refining</b>	
<b>5</b>	<b>Chemicals &amp; Bio-based Industries</b>	
<b>6</b>	<b>Cement &amp; Lime</b>	
<b>7</b>	<b>Glass &amp; Ceramics</b>	
<b>8</b>	<b>Renewable Energy</b>	<b>RES, Storage &amp; CCS</b>
<b>9</b>	<b>Energy Storage</b>	
<b>10</b>	<b>CCS</b>	



## Innovation Fund: Nine Key Stakeholders Recommendations

<b>1</b>	<b>Transparent and Clear Qualification Criteria</b>
<b>2</b>	<b>Clear list of finance products on offer (primarily grants; and complementary de-risking products (e.g. FLP, loans, equity))</b>
<b>3</b>	<b>The Innovation Fund should ideally be a revolving fund</b>
<b>4</b>	<b>Simple, two-stage application process with multiple competitive calls</b>
<b>5</b>	<b>Expert and independent decision making processes and adequate resources</b>
<b>6</b>	<b>Milestones-based disbursement logic</b>
<b>7</b>	<b>Signposting (and potentially project development assistance) as a complementary "Service" provided by IF</b>
<b>8</b>	<b>Advantages for "collaborative consortia with cross-sector technologies" (at stage 1)</b>
<b>9</b>	<b>Stable regulatory environment for the Innovation Fund</b>

- **Each sector has identified incremental and breakthrough technology needs.**
- **Many of the production sectors can also benefit from cross-cutting decarbonisation technology solutions such as:**
  - **Carbon Capture and Storage/Use**
  - **Green Hydrogen**
  - **Intelligent Energy Management**
  - **Renewables and Storage**



# Thank you!

## Visit DG Climate Action online:



[ec.europa.eu/  
clima/](https://ec.europa.eu/clima/)



[facebook.com/  
EUClimateAction](https://facebook.com/EUClimateAction)



[twitter.com/  
EUClimateAction](https://twitter.com/EUClimateAction)



[pinterest.com/  
EUClimateAction](https://pinterest.com/EUClimateAction)



[youtube.com/  
EUClimateAction](https://youtube.com/EUClimateAction)