Innovation finance for district heating and clean energy

Nuno Quental
European Innovation Council
Task force
European Commission
European Innovation Council Accelerator

For developing and scaling up high-risk innovations

Grant funding of up to €2.5 million – 70% of costs

All funding is open – no predefined thematic areas

Option of an equity investment of up to €15 million

Access to EIC coaching and mentoring services, pitches with corporates, VCs, etc.
### European Innovation Council – Green Deal call

<table>
<thead>
<tr>
<th>EIC WP 2020 Budget dedicated to &quot;Green Deal&quot; (in EUR million)</th>
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</thead>
<tbody>
<tr>
<td><strong>EIC Accelerator</strong></td>
</tr>
<tr>
<td>Green Deal (cut-off of 19 May 2020) (***)</td>
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<tr>
<td><strong>EIC Pathfinder</strong></td>
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<tr>
<td>FET Proactive: emerging paradigms and communities</td>
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<td>(Call deadline of 2 June 2020) (*)</td>
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<tr>
<td>FET Proactive: Environmental Intelligence</td>
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<td><strong>EIC Horizon Prizes</strong></td>
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<td>Innovative Batteries for eVehicles</td>
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<td>Fuel from the Sun: Artificial Photosynthesis</td>
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<td><strong>EIC Pilots with EIT KICs</strong></td>
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<td>EIT KIC-InnoEnergy (Q1 2020)</td>
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<td>EIT KIC-Climate (Q1 2020)</td>
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<td><strong>GRAND TOTAL (Primary credits only)</strong></td>
</tr>
</tbody>
</table>

(*) Minimum budget.

(***) 37% of EUR 819,04 million
Inno\textsuperscript{F}In
Energy Demo Projects

Risk-finance instrument
Pilot launched in June 2015

Criteria I:
• Innovativeness
• Replicability

Criteria II:
• Bankability during operations
• Commitment by promoters

Targets early demonstrations of innovative projects at (pre-) commercial scale
Support via loans, equity-type

Portfolio:
• 7 projects
• €191m of EU support
• €393m project costs
InnoVFIn
Energy Demo Projects

Northvolt
EUR 52.5m

Demand Response Project
EUR 20m

Windfloat
EUR 60m

Wave Roller
EUR 10m

Elcogen
EUR 12m

PV Demo Line
EUR 15m

Greenway
EUR 17m

NER 300

Use of undisbursed NER300 funds
Breakthrough Energy Ventures - Europe

- €100 million fund \((50+50 \textit{pari passu} \text{ between the Commission and BEV})\)
- Targets European companies developing breakthrough innovations on \textit{climate mitigation}
- Sectors: energy, transport, buildings, industry, agriculture
- Possibly open to additional investors after first closing
- Launched Q1 2020
European Circular Bioeconomy Fund

- Target fund volume of €250m with EC participation of up to €100m guaranteed under InnovFin
- Investment strategy targets:
  - circular economy technologies and new business models
  - enabling process technologies
  - biomass production
  - bio-based materials
  - performance biologicals
  - excluded sectors: energy and pharmaceuticals
- Technology Readiness Level: 6-9
Mission areas

Adaptation to climate change, including societal transformation

Healthy oceans, seas, coastal and inland waters

Climate-neutral and smart cities

Soil health and food

Cancer
Financial instruments in the next MFF – InvestEU
InvestEU Fund indicative budget allocation

<table>
<thead>
<tr>
<th>Window</th>
<th>Budgetary guarantee</th>
<th>Mobilised investment (estimate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable infrastructure</td>
<td>11 500</td>
<td>185 000</td>
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<tr>
<td>Research, Innovation and Digitisation</td>
<td>11 250</td>
<td>200 000</td>
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<tr>
<td>SMEs</td>
<td>11 250</td>
<td>215 000</td>
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<tr>
<td>Social investment and skills</td>
<td>4 000</td>
<td>50 000</td>
</tr>
<tr>
<td><strong>TOTAL (EUR Million, in current prices)</strong></td>
<td><strong>38 000</strong></td>
<td><strong>650 000</strong></td>
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- Budget for InvestEU Advisory Hub, InvestEU Portal and accompanying measures is proposed to be EUR 525m
- InvestEU is expected to mobilise more than EUR 650bn of additional investment across Europe
Research, Innovation and Digitisation Window

General direct debt financial product

- Direct loans to SMEs, mid-caps, research and technology infrastructures, universities, and others for innovation and digitisation projects
- Addressing key priorities of the Commission and programmes such as Horizon Europe and Digital Europe

Thematic financial products

- Addressing clearly defined, higher EU added value policy areas with higher risk profile where the market failure cannot be addressed by the general product
  - Green Transition Investment Facility (joint with Sustainable Infrastructure W)
  - Health Innovation Investment Facility
Overall figures

InnovFin EIB portfolio, June 2019
- €2277 spent on climate action / energy efficiency
- 75% of which on climate mitigation
- Represents 24% of EIB’s InnovFin operations

InvestEU targets
- 30% spent on climate objectives
- 55% spent on climate and environment objectives for the sustainable infrastructure policy window
"[The EIC alone will not create global champions. What it will do is create a European Champions' League]"