

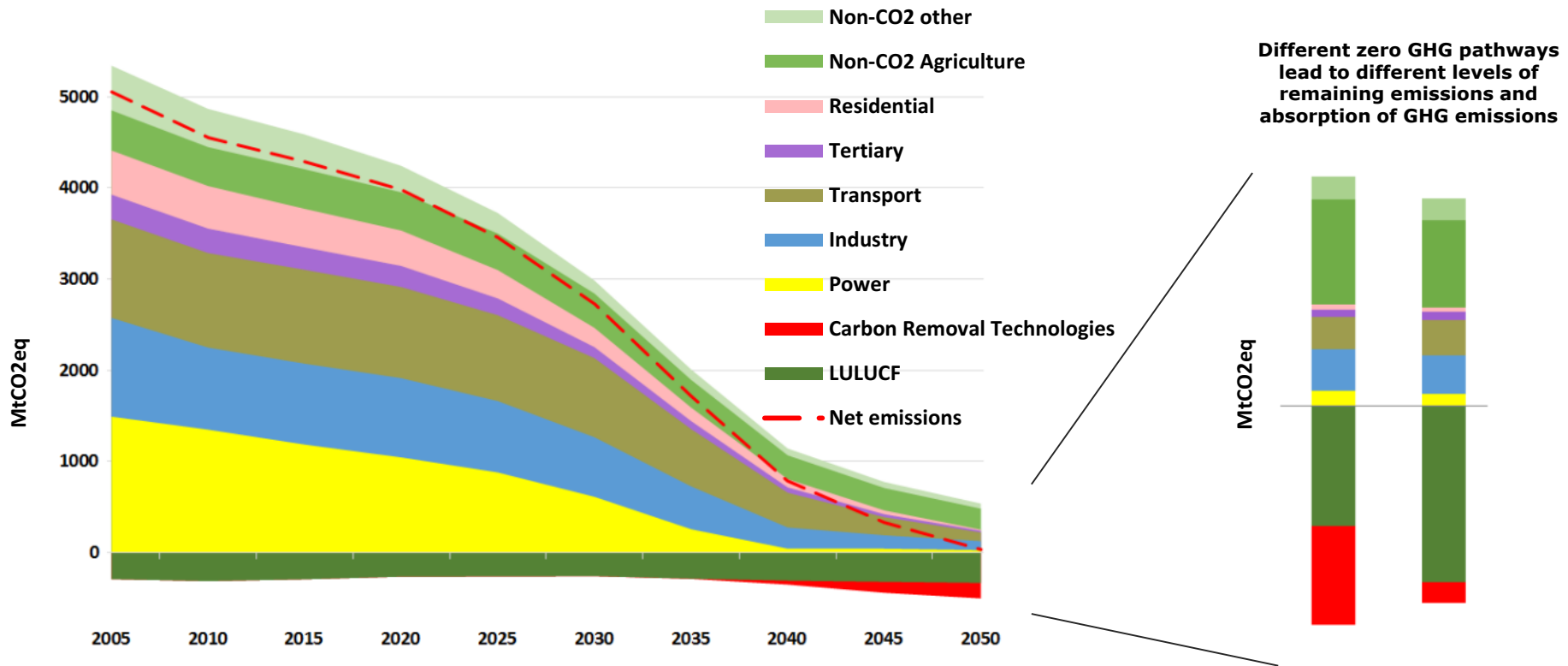


Innovation and Modernisation Fund

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DG CLIMA
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Vision for a Clean Planet by 2050

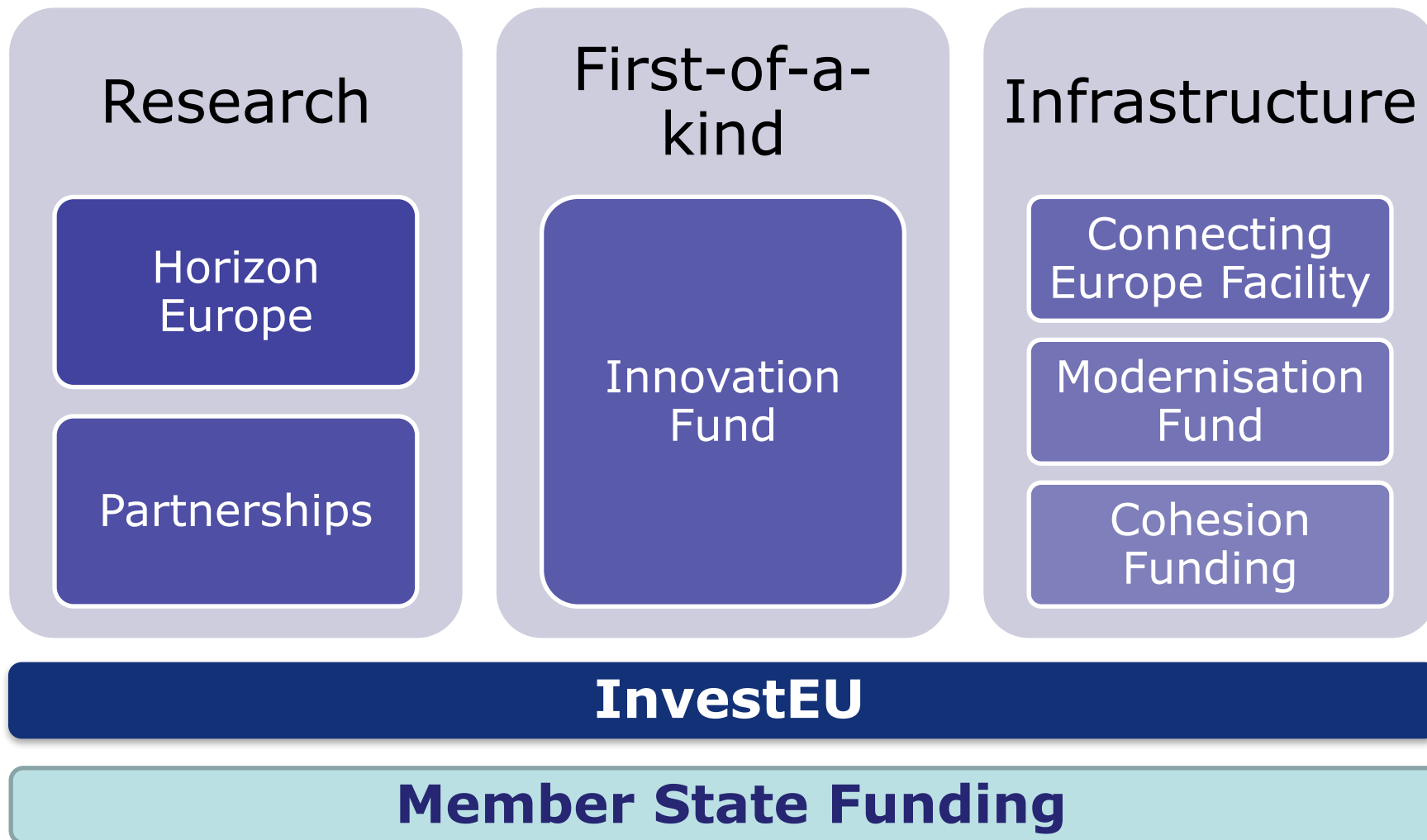
Several pathways for a climate neutral Europe, challenging but feasible from technological, economic, environmental and social perspectives



Building blocks for 2050

1. Energy efficiency
2. Deployments of renewables
3. Clean, safe & connected mobility
4. Competitive industry and circular economy
5. Infrastructure and inter-connections
6. Bio-economy and natural carbon sinks
7. Tackle remaining emissions with carbon capture and storage

ETS Funds: Complementarities



Innovation Fund

Renewable
energy

Carbon Capture
Use and
Storage

**Driving low-carbon
technologies to the
market**

Energy-
intensive
industries

including substitute products

Energy storage

Key features of the Innovation Fund

Volume of at least
EUR 10 billion at
current carbon
prices

Support of up to
60% of additional
costs related to
innovative
technology

First call expected
for 2020 and
regular calls up to
2030

Financed from the
revenues of the EU
Emissions Trading
System

Support of
additional capital
and operating
costs (up to 10
years)

Comprehensive
selection criteria
and project
development
assistance

Technology and business

Selection criteria

Greenhouse gas emissions avoidance

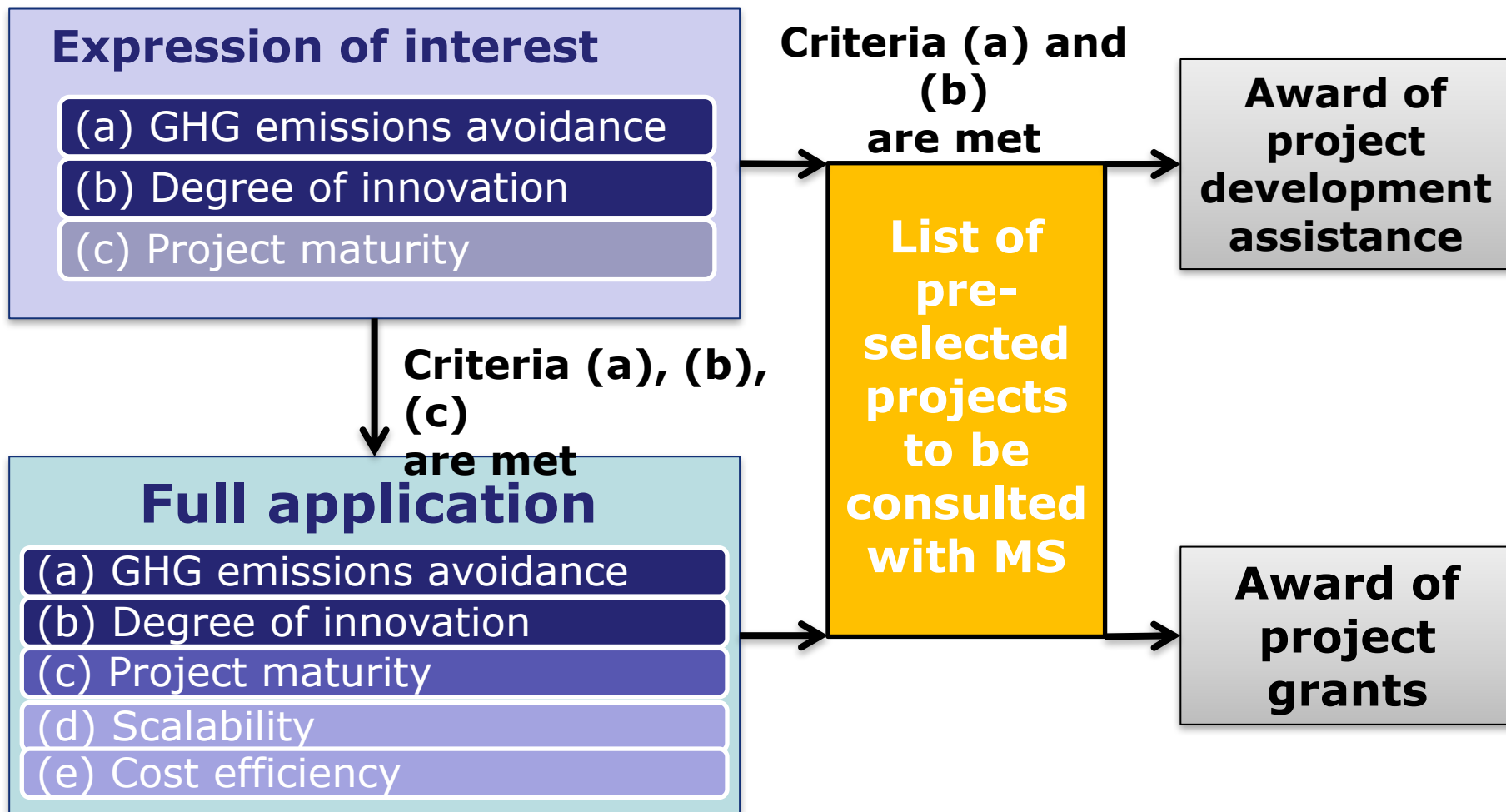
Degree of innovation

Project maturity

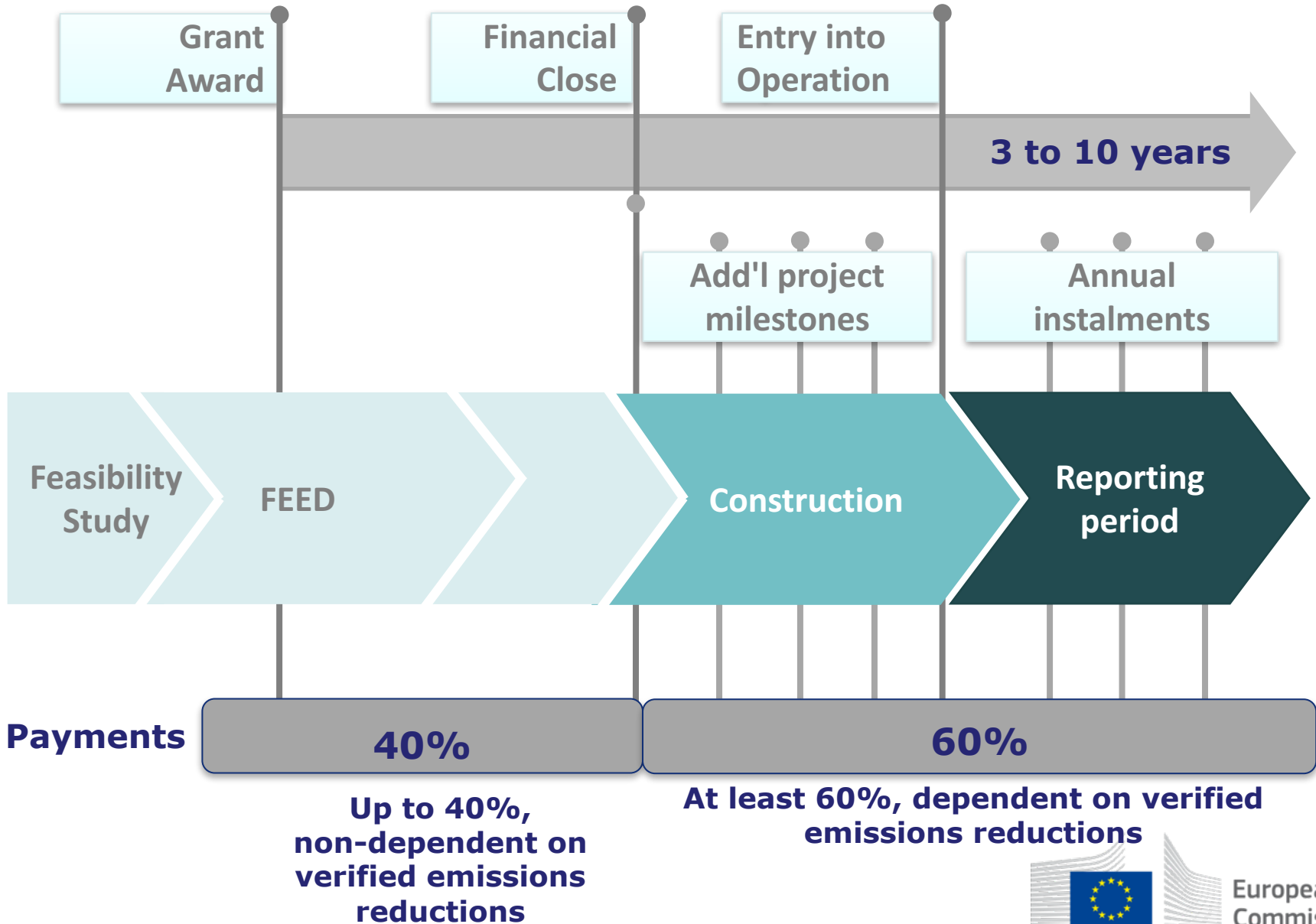
Scalability

Cost efficiency

Two-stage selection process



Support across project life-cycle



Modernisation Fund:

Basics – EU ETS Directive 2018/410

- Volume of at least 2% of the EU ETS cap for Modernisation Fund + additional transfers
- To be distributed among 10 beneficiary Member States according to preset allocation key:

Bulgaria	Czech Republic	Estonia	Croatia
Latvia	Lithuania	Hungary	Poland
	Romania	Slovakia	

Priority investments

at least 70 % of Modernisation Fund

Modernisation of energy systems

Renewables

Networks
(including district heating pipelines)

Electricity Interconnectors

Energy storage

Improvements in energy efficiency

Energy generation
(except solid fossil fuels)

Transport, buildings, agriculture and waste

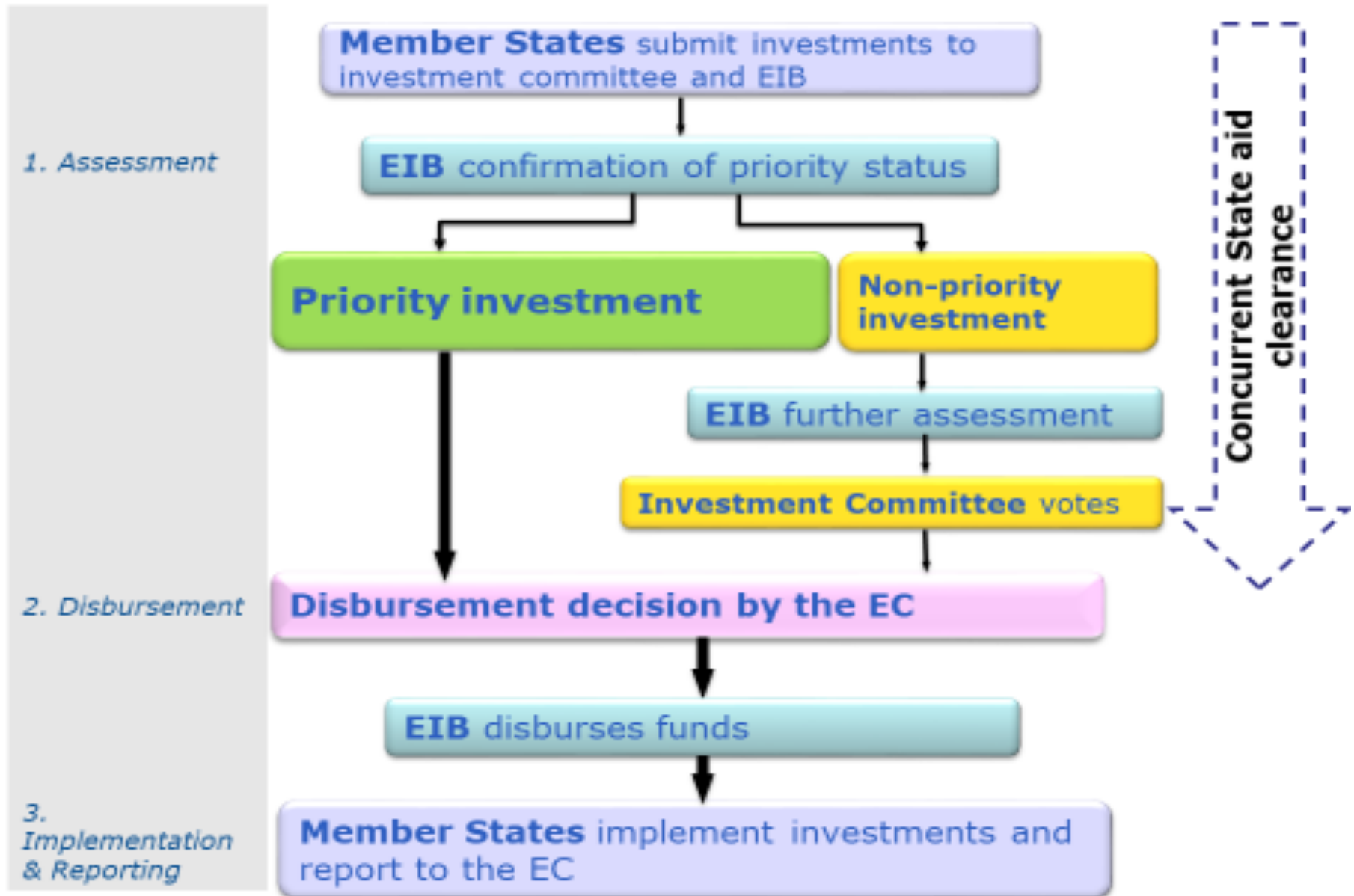
Just transition in carbon-dependent regions

Re-deployment / up-skilling of workers

Education and job-seeking

Support to start-ups

Process overview



Key topics

Assessment of investments – submission, timeline, eligibility

Applicability of EU State aid rules and other EU acquis

Disbursement

Investment committee

EIB role:
accounting,
monetization,
asset
management

Implementation and reporting

Next steps

Implementing act

- **1st draft to be discussed with MS in Q4 2019**
- **Expected adoption in Q1-2 2020**

Modernisation Fund operation milestones

- **Investment committee constitution Q2 2020**
- **Investment committee 1st meeting Q3 2020**
- **Modernisation Fund operational as of 2021**