



Innovation Fund (INNOVFUND)

Auction call for proposals

Innovation Fund fixed premium auction call 2024 for RFNBO Hydrogen
(INNOVFUND-2024-AUC-RFNBO-Hydrogen)

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EUROPEAN CLIMATE, INFRASTRUCTURE AND ENVIRONMENT EXECUTIVE AGENCY (CINEA)

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AUCTION CALL FOR PROPOSALS

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0. Introduction

This is an auction call for proposals for EU action grants under the Innovation Fund.

The regulatory framework for this EU Funding Programme is set out in:

- Regulation 2024/2509 ([EU Financial Regulation](#))¹
- the basic act (Innovation Fund Regulation [2019/856](#)² and ETS Directive [2003/87](#)³).

The call is launched in accordance with the 2024 Financing Decision⁴ and will be managed by the European Climate, Infrastructure and Environment Executive Agency (CINEA) ('Agency').

The call covers the following topics:

¹ Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast) ('EU Financial Regulation') (OJ L, 2024/2509, 26.9.2024).

² Commission Delegated Regulation (EU) 2019/856 of 26 February 2019 supplementing Directive 2003/87/EC of the European Parliament and of the Council with regard to the operation of the Innovation Fund (OJ L 140 28.5.2019, p. 6).

³ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community (ETS Directive) (OJ L 275, 25.10.2003, p. 32).

⁴ Commission Decision C(2024)8011 of 25 November 2024 on the financing of actions under the Innovation Fund, serving as a financing decision for 2024-2030 and a decision launching calls for proposals in 2024.

- INNOVFUND-2024-AUC-RFNBOH2-GENERAL – Fixed Premium Auction for RFNBO hydrogen production
- INNOVFUND-2024-AUC-RFNBOH2-MARITIME – Fixed Premium Auction for RFNBO hydrogen production for the maritime sector

Each project application under the call must address only one of these topics.

 This call is an auction call, i.e. a call that is awarded based on a competitive bidding procedure and therefore subject to specific conditions (*e.g. fair bid conditions, completion guarantee, etc*).

We invite you to read the call documentation carefully, and in particular this Call document, the Model Grant Agreement, the [EU Funding & Tenders Portal Online Manual](#) and the [EU Grants AGA — Annotated Grant Agreement](#).

These documents provide clarifications and answers to questions you may have when preparing your application:

- the Call document outlines the:
 - background, objectives, scope, activities that can be funded and the expected results (sections 1 and 2)
 - timetable and available budget (sections 3 and 4)
 - admissibility and eligibility conditions (including mandatory documents; sections 5 and 6)
 - criteria for financial and operational capacity and exclusion (section 7)
 - evaluation and award procedure (section 8)
 - award criteria (section 9)
 - legal and financial set-up of the Grant Agreements (section 10)
 - how to submit an application (section 11)
 - relevant annexes
- the Online Manual outlines the:
 - procedures to register and submit proposals online via the EU Funding & Tenders Portal ('Portal')
 - recommendations for the preparation of the application
- the AGA — Annotated Grant Agreement contains:
 - detailed annotations on all the provisions in the Grant Agreement you will have to sign in order to obtain the grant (*including cost eligibility, payment schedule, accessory obligations, etc*).

You are also encouraged to visit the [European Commission website](#) to consult the list of projects funded previously.

1. Background

The Innovation Fund is one of the world's largest funding programmes for the demonstration of innovative low-carbon technologies.

The Innovation Fund provides grants for projects aiming at commercial deployment of innovative low-carbon technologies, with the objective of bringing to market industrial solutions to decarbonise Europe and supporting its transition to climate neutrality.

So far, the Innovation Fund support has been mostly provided to projects in the form of lump sum grants awarded following calls for proposals on the basis of Chapter II of Commission Delegated Regulation (EU) 2019/856⁵ ('Innovation Fund Regulation'). In these grants, the Innovation Fund support is disbursed partly before a project's entry into operation and partly upon reaching defined milestones. From 2024 onwards, Innovation Fund support is also awarded via auctions on the basis of Chapter IIb of Innovation Fund Regulation and disbursed only as of the projects' entry into operation – in the form of unit contributions.

Auction calls for proposals are economically more efficient for technologies moving from commercial demonstration to scale-up of technologies. The auction call for proposals therefore contributes to the objectives of the revised ETS Directive [2003/87](#)⁶. The revised ETS Directive enables the use of competitive bidding to award support from Innovation Fund and to cover up to 100% of relevant cost.

The key advantages of using auctions for technologies that are moving towards scale-up and market roll-out are:

1. cost-efficient support through using a market-based instrument (auctions)
2. technology and project development risks are tackled by the project promoter, who is in best place to address them, through payments based only on delivered volumes of the supported good, i.e. no payments before entry into operation
3. price discovery and market formation
4. reduced administrative burden.

The present call is an auction call for renewable fuel of non-biological origin (RFNBO) hydrogen as defined in the Renewable Energy Directive [2023/2413](#)⁷ and its Delegated Acts. The bid price is the requested unit contribution (fixed premium) per kg of RFNBO hydrogen production which will be paid for a maximum period of up to 10 years.

Projects to be funded by this Innovation Fund call are expected to contribute to the transition to a climate-neutral economy by 2050 and to the target to reduce emissions

⁵ Commission Delegated Regulation (EU) 2019/856 of 26 February 2019 supplementing Directive 2003/87/EC of the European Parliament and of the Council with regard to the operation of the Innovation Fund.

⁶ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC.

⁷ Directive (EU) 2023/2413 of the European Parliament and of the Council of 18 October 2023 amending Directive (EU) 2018/2001, Regulation (EU) 2018/1999 and Directive 98/70/EC as regards the promotion of energy from renewable sources, and repealing Council Directive (EU) 2015/652.

by at least 55% by 2030 as defined in the European Climate Law Regulation [2021/1119](#)⁸ and the European Green Deal⁹ and to targets set out in the REPowerEU Plan.

The European Hydrogen Bank Communication¹⁰ announced key design elements of auctions for RFNBO hydrogen production. It confirmed that EU-domestic production of RFNBO hydrogen still faces a considerable funding gap and should, among other instruments, be supported through competitive bidding (auctions) under the Innovation Fund.

The revised ETS Directive directs to give special attention to projects contributing to the decarbonisation of the maritime sector and to include topics dedicated to that purpose in the Innovation Fund calls for proposals.

This auction is also aligned with the objectives of Net Zero Industry Act (NZIA)¹¹ for the EU manufacturing capacity of net-zero technologies (for the purpose of this auction, electrolyzers) to meet at least 40% of the EU's annual deployment needs by 2030. In particular, it aims to contribute to a diversified supply chain and avoid building dependency on a single third country which may threaten the security of supply of electrolyzers. Having regard to the current and projected global and EU supply and demand trends for electrolyzers, including the fact that Chinese production capacity is already more than 50% of global production and the projected hydrogen production in China surpasses by far its domestic 2025 target and foreseeable global demand, it is assessed that there is a significant risk of increased and irreversible dependency of the EU on imports of electrolyzers originating in China, which may threaten the EU's security of supply. Thus, special measures on limiting sourcing from China are justified in this nascent industry, contributing to the objectives of the Net Zero Industry Act.

2. Objectives — Themes and priorities — Activities that can be funded — Expected impact

INNOVFUND-2024-AUC-RFNBOH2-GENERAL – Fixed Premium Auction for RFNBO hydrogen production

Objectives

The objective of this topic is to support the production of renewable fuel of non-biological origin (RFNBO) hydrogen in Europe as defined in the Renewable Energy Directive [2018/2021](#) and its Delegated Acts, from new, additional installed capacity in support of the 2030 targets for renewable hydrogen established in this Directive and supported by the [REPowerEU Plan](#)¹² and reiterated in the [Green Deal Industrial Plan](#)¹³

⁸ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law').

⁹ Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions on A Green Deal Industrial Plan for the Net-Zero Age (COM(2023) 62 final).

¹⁰ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the European Hydrogen bank (COM(2023) 156 final).

¹¹ Regulation (EU) 2024/1735 of the European Parliament and of the Council of 13 June 2024 on establishing a framework of measures for strengthening Europe's net-zero technology manufacturing ecosystem and amending Regulation (EU) 2018/1724.

¹² Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions on the rePowerEU Plan (COM(2022) 230 final).

¹³ Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions on A Green Deal Industrial Plan for the Net-Zero Age (COM(2023) 62 final).

and the [European Hydrogen Bank Communication](#)¹⁴. This topic also supports achieving security of supply of essential goods and Europe's industrial leadership and competitiveness in the hydrogen sector.

The call supports the RFNBO industry and mobility targets established in the Renewable Energy Directive 2018/2021 and is aligned with its Delegated Regulations on methodology for RFNBOs¹⁵.

As announced in the European Hydrogen Bank Communication, the topic will further contribute to:

- a) Connecting EU domestic RFNBO hydrogen supply and demand.
- b) Bridging the cost-gap in the EU between RFNBO and fossil hydrogen as effectively as possible.
- c) Allowing for RFNBO hydrogen price discovery and market formation in the EU.
- d) De-risking European RFNBO hydrogen projects, bringing capital costs down and leveraging private capital.
- e) Contributing to faster deployment and simpler implementation of projects, while reducing administrative burden and costs.

Activities that can be funded (scope)

The following activities can be funded under this topic:

Installation of new, additional, RFNBO hydrogen production capacity (i.e. hydrogen production capacity for which at the time of the grant application the start of works did not yet take place) as well as the verified and certified production of RFNBO hydrogen¹⁶ from those installations (in kg of produced volume) for a period of up to 10 years.

For avoidance of doubt:

- The bid price per unit is expected to cover the premium required by the producer, i.e. the difference between the expected revenues from the sale of one unit and the unit's levelized cost. (i.e. elements like production, sale, transport, and storage can be priced into the bid).
- The produced RFNBO hydrogen can be sold to any off-taker or self-consumed or stored. The RFNBO definition applies to hydrogen purchased by any off-taker (not only in transport).

Minimum installed capacity: only projects with a minimum installed capacity of the electrolyser of at least 5 MWe are eligible.

The electrolyser capacity must be in a single location. Virtual pooling of capacity is not permitted.

¹⁴ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the European Hydrogen bank (COM(2023) 156 final).

¹⁵ See [Q&A on the EU Delegated acts on Renewable Energy](#).

¹⁶ As defined in the Renewable Energy Directive 2018/2001 and its Delegated Regulations on methodology for RFNBOs.

Projects must limit the sourcing of electrolyser stacks with surface treatment or cell unit production or stack assembly carried out in China to no more than 25% (in MWe) of the total electrolyser capacity as expressed in the bid (see *section 9*).

Projects must comply with standard ISO 22734:2019 for “Hydrogen generators using water electrolysis — Industrial, commercial, and residential applications” (or the latest approved version replacing it (see *section 10*)).

Projects must ensure the security of the funded installations by keeping the operational control of the installation with an entity established in the EU/EEA and by storing the data within the EU/EEA (see *section 10*).

INNOVFUND-2024-AUC-RFNBOH2- MARITIME - Fixed Premium Auction for RFNBO hydrogen production for the maritime sector

Objectives

The objective of this topic is to support the production of renewable fuel of non-biological origin (RFNBO) hydrogen in Europe as defined in the Renewable Energy Directive [2018/2021](#) and its Delegated Acts, from new, additional installed capacity in support of the 2030 targets for renewable hydrogen established in this Directive and supported by the [REPowerEU Plan](#)¹⁷ and reiterated in the [Green Deal Industrial Plan](#)¹⁸ and the [European Hydrogen Bank Communication](#)¹⁹. This topic also supports achieving security of supply of essential goods and Europe’s industrial leadership and competitiveness in the hydrogen sector. This topic’s objective is also to provide specific support to the production of RFNBO hydrogen that will be used by stakeholders in the maritime sector.

The call supports the RFNBO industry and mobility targets established in the Renewable Energy Directive 2018/2021 and is aligned with its Delegated Regulations on methodology for RFNBOs²⁰.

As announced in the European Hydrogen Bank Communication, the topic will further contribute to:

- a) Connecting EU domestic RFNBO hydrogen supply and demand.
- b) Bridging the cost-gap in the EU between RFNBO and fossil hydrogen as effectively as possible.
- c) Allowing for RFNBO hydrogen price discovery and market formation in the EU.
- d) De-risking European RFNBO hydrogen projects, bringing capital costs down and leveraging private capital.

Contributing to faster deployment and simpler implementation of projects, while reducing administrative burden and costs.

¹⁷ Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions on the rePowerEU Plan (COM(2022) 230 final).

¹⁸ Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions on A Green Deal Industrial Plan for the Net-Zero Age (COM(2023) 62 final).

¹⁹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the European Hydrogen bank (COM(2023) 156 final).

²⁰ See [Q&A on the EU Delegated acts on Renewable Energy](#).

Activities that can be funded (scope)

The following activities can be funded under this topic:

Installation of new, additional, RFNBO hydrogen production capacity (i.e. hydrogen production capacity for which at the time of the grant application the start of works did not yet take place) as well as the verified and certified production of RFNBO hydrogen²¹ from those installations (in kg of produced volume) for a period of up to 10 years.

For avoidance of doubt:

- The bid price per unit is expected to cover the premium required by the producer, i.e. the difference between the expected revenues from the sale of one unit and the unit's levelized cost. (i.e. elements like production, sale, transport, and storage can be priced into the bid).
- Minimum installed capacity: only projects with a minimum installed capacity of the electrolyser of at least 5 MWe are eligible.
- Projects under this topic must supply at least 60% of their expected total volume of production as stated in the bid to off-takers belonging to the maritime sector. Projects will have to respect the specific implementation conditions concerning supply to off-takers in the maritime sector, as described in Annex 2. An off-taker will be considered to belong to the maritime sector, if it will use the hydrogen produced by the project or the hydrogen derivative produced by the integrated project for carrying out/making use of bunkering activities²² in ports within the EU/EEA. Fuel traders and/or intermediaries (including storage facilities), are not eligible as off-takers, neither are virtual agreements. The remainder 40% of their expected total volume of produced RFNBO hydrogen can be sold to any off-taker or self-consumed or stored. The RFNBO definition applies to hydrogen purchased by any off-taker (not only in transport).

The electrolyser capacity must be in a single location. Virtual pooling of capacity is not permitted.

Projects must limit the sourcing of electrolyser stacks with surface treatment or cell unit production or stack assembly carried out in China to no more than 25% (in MWe) of the total electrolyser capacity as expressed in the bid (see *section 9*).

Projects must comply with standard ISO 22734:2019 for "Hydrogen generators using water electrolysis — Industrial, commercial, and residential applications" (or the latest approved version replacing it (see *section 10*)).

Projects must ensure the security of the funded installations by keeping the operational control of the installation with an entity established in the EU/EEA and by storing the data within the EU/EEA (see *section 10*).

3. Available budget

The available call budget is EUR 1,200,000,000.

Specific budget information per topic can be found in the table below:

²¹ As defined in the Renewable Energy Directive 2018/2001 and its Delegated Regulations on methodology for RFNBOs.

²² bunkering is the supply of solid, liquid or gaseous fuels or any other source of energy used for propulsion of ships or for the general or specific energy supply on board ships

Topic	Topic budget
INNOVFUND-2024-AUC-RFNBOH2-GENERAL	EUR 1,000,000,000
INNOVFUND-2024-AUC-RFNBOH2-MARITIME	EUR 200,000,000

We reserve the right to cancel the call or specific topics, for example in case of severe under-subscription (2 or less proposals received for a topic) or not to award all available funds or to redistribute them between the call topics, depending on the proposals received and the results of the evaluation.

National funding windows ('auctions as a service')

This Innovation Fund auction is complemented by national funding windows through auctions as a service. Projects that pass the evaluation for the Innovation Fund auction grant but cannot be funded because they exceed the budget ceiling, may benefit from national funding, if the project is located in a country with a national funding window, if it complies with Member State specific funding conditions and if it has consented to be considered for national funding (see section 8).

For the present call, the following countries have opened auctions as a service (AaaS) funding windows (pending State aid decision adoption):

Topic	Countries	Topic budget
INNOVFUND-2024-AUC-RFNBOH2-GENERAL	Austria	EUR 400 000 000
	Spain	EUR 280 000 000 – 400 000 000 ²³
	Lithuania	EUR 36 000 000



For more information about auctions as a service funding windows and Member State specific conditions, see [here](#).

4. Timetable and deadlines

Timetable and deadlines (indicative)	
Call opening:	3 December 2024
<u>Deadline for submission:</u>	<u>20 February 2025 – 17:00:00 CET (Brussels)</u>
Evaluation:	March-May 2025
Information on evaluation results:	May-June 2025
GA signature:	September 2025-November 2025

²³ The final AaaS budget contribution from Spain is non-discretionary, and subject to left-over funds from the [Spanish Recovery and Resilience Plan \(RRP\)](#) measure C31.I2.

5. Admissibility and documents

Proposals must be submitted before the call deadline (see *timetable section 4*).

Proposals must be submitted electronically via the Funding & Tenders Portal Electronic Submission System (accessible via the Topic page in the [Calls for proposals](#) section). Paper submissions are NOT possible.

Proposals (including annexes and supporting documents) must be submitted using the forms provided *inside* the Submission System (⚠ NOT the documents available on the Topic page — they are only for information).

Proposals must be complete and contain all the requested information and all required annexes and supporting documents:

- Application Form Part A — contains administrative information about the participants (future coordinator, beneficiaries and affiliated entities) and the summarised budget for the project (*to be filled in directly online*)
- Application Form Part B — contains the technical description of the project (*template to be downloaded from the Portal Submission System, completed and then assembled and re-uploaded*)
- Part C — contains additional project data and the project's contribution to EU programme key performance indicators (*to be filled in directly online*)
- mandatory annexes and supporting documents (*templates available to be downloaded from the Portal Submission System, completed, assembled and re-uploaded, unless instructed otherwise*):
 - detailed budget table/calculator ('financial information file' with the bid) (*see template*)
 - participant information (including CVs and previous projects, if any) (*see template*)
 - timetable/Gantt chart (*see template*)
 - feasibility study - (*see template*)
 - sourcing strategy: renewable electricity sourcing strategy together with relevant Heads of Terms; *see Annex 2*
 - off-take and price hedging strategy: hydrogen off-take and price hedging strategy together with relevant Heads of Terms; *see Annex 2*
 - equipment procurement strategy: electrolyser procurement strategy together with relevant Memoranda of Understanding/Letters of Intent/another form of pre-contractual signed term sheets; *see Annex 2*
 - permits, licences, authorisations, etc:
 - evidence of initiated process with relevant national or regional authority to receive an environmental permit within the maximum time to entry into operation; *see Annex 2*
 - evidence of the strategy to receive a grid connection within the maximum time to entry into operation (only for projects planning to procure electricity from the grid); *see Annex 2*
 - completion guarantee letter of intent (*at proposal submission, for all projects*) and completion guarantee (*during GAP, for projects invited to grant preparation*). (*see template*)

- extended Part C form (for statistical data collection) (see *template*)

At proposal submission, you will have to confirm that you have the mandate to act for all applicants. Moreover, you will have to confirm that the information in the application is correct and complete and that all participants comply with the conditions for receiving EU funding (especially eligibility, financial and operational capacity, exclusion, etc). Before signing the grant, each beneficiary and affiliated entity will have to confirm this again by signing a declaration of honour (DoH). Proposals without full support will be rejected.

Your application must be readable, accessible and printable (please check carefully the layout of the documents uploaded).

Proposals are limited to maximum 50 pages (Part B). Evaluators will not consider any additional pages. Feasibility study must not exceed 60 pages.

You may be asked at a later stage for further documents (*for legal entity validation, financial capacity check, bank account validation, etc*).



For more information about the submission process (including IT aspects), consult the [Online Manual](#).



Please be aware that, subject to your consent in the application form, the names of the project participants, their projects, their contact details, the amount of requested Innovation Fund support and, where relevant, envisaged dates of financial close and entry into operation may be shared with the Member States of the country(ies) where the project is located.



Moreover, in order to fulfil the call objective of price discovery and contribution to market formation the following information will be published: (i) identified bid price, total volume, electrolyser capacity, planned electrolyser origin (as would be stated in a customs declaration or made in EEA country), and name of successful projects, (ii) anonymised bid price, total volume and capacity for unsuccessful projects, (iii) anonymised and aggregated off-take prices for all projects. Additional data and analysis may be published where anonymisation can be guaranteed.

6. Eligibility

Eligible participants (eligible countries)

In order to be eligible, the applicants (beneficiaries and affiliated entities) must:

- be legal entities (public or private bodies)
- be established in one of the eligible countries: any country in the world.

Beneficiaries and affiliated entities must register in the [Participant Register](#) — before submitting the proposal — and will have to be validated by the Central Validation Service (REA Validation). For the validation, they will be requested to upload documents showing legal status and origin.

Other entities may participate in other consortium roles, such as associated partners, subcontractors, third parties giving in-kind contributions, etc (see *section 13*).

Specific cases and definitions

Natural persons — Natural persons are NOT eligible (with the exception of self-employed persons, i.e. sole traders, where the company does not have legal personality separate from that of the natural person).

International organisations — International organisations are eligible. The rules on eligible countries do not apply to them.

Entities without legal personality — Entities which do not have legal personality under their national law may exceptionally participate, provided that their representatives have the capacity to undertake legal obligations on their behalf, and offer guarantees for the protection of the EU financial interests equivalent to that offered by legal persons²⁴.

EU bodies — EU bodies (with the exception of the European Commission Joint Research Centre) can NOT be part of the consortium.

Associations and interest groupings — Entities composed of members may participate as 'sole beneficiaries' or 'beneficiaries without legal personality'²⁵.

 Please note that if the action will be implemented by the members, they should also participate (either as beneficiaries or as affiliated entities, otherwise they cannot claim part of the grant).

EU restrictive measures — Special rules apply for certain entities (*e.g. entities subject to [EU restrictive measures](#) under Article 29 of the Treaty on the European Union (TEU) and Article 215 of the Treaty on the Functioning of the EU (TFEU)*²⁶). Such entities are not eligible to participate in any capacity, including as beneficiaries, affiliated entities, associated partners, subcontractors or recipients of financial support to third parties (if any).

EU conditionality measures — Special rules apply for entities subject to measures adopted on the basis of EU Regulation 2020/2092²⁷. Such entities are not eligible to participate in any funded role (beneficiaries, affiliated entities, subcontractors, recipients of financial support to third parties, etc). Currently such measures are in place for Hungarian public interest trusts established under the Hungarian Act IX of 2021 or any entity they maintain (see [Council Implementing Decision \(EU\) 2022/2506](#), as of 16 December 2022).

 For more information, see [Rules for Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment](#).

Consortium composition

n/a

Eligible activities

Applications will only be considered eligible if their content corresponds wholly (or at least in part) to the topic description for which they are submitted.

Eligible activities are the ones set out in *section 2* above.

Projects must comply with EU policy interests and priorities (*such as environment, social, security, industrial and trade policy, etc*). Projects must also respect EU values and European Commission policy regarding reputational matters (*e.g. activities*

²⁴ See Article 200(2)(c) EU Financial Regulation [2024/2509](#).

²⁵ For the definitions, see Articles 190(2) and 200(2)(c) EU Financial Regulation [2024/2509](#).

²⁶ Please note that the EU Official Journal contains the official list and, in case of conflict, its content prevails over that of the [EU Sanctions Map](#).

²⁷ Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 325, 20.12.2022, p. 94).

*involving capacity building, policy support, awareness raising, communication, dissemination, etc)*²⁸.

Financial support to third parties is not allowed.

Geographic location (target countries)

Projects must be located in EU Member States or EEA countries (i.e. Norway, Iceland or Liechtenstein).

Duration

The project must:

- reach financial close within 2.5 years after grant signature (maximum time to reach financial close)
- enter into operation within 5 years after grant signature (maximum time to entry into operation)
- operate for a maximum of 10 years (unless the total volume committed to in Annex 1 of the Grant Agreement is reached earlier, due to the production flexibility rules; see *section 10*)

Project duration (grant duration) normally ranges between 10 and 15 years, from grant signature to the final payment.

Project budget and ceiling price

Project budgets (requested grant amount) must be calculated using the calculator provided in the 'financial information file' and respect the following conditions:

- applicant bid price (fixed premium in EUR per kg) multiplied by the expected average yearly volume of production (kg per year) multiplied by 10 years (maximum period of operation supported by the grant)

$$\left[\text{Bid price in } \frac{\text{€}}{\text{kg}} \right] * \left[\text{expected average yearly volume of production in } \frac{\text{kg}}{\text{year}} \right] * [10]$$

- and:

For topic INNOVFUND-2024-AUC-RFNBOH2-GENERAL: not exceed 1/4 of the topic budget (see *section 3*)

For topic INNOVFUND-2024-AUC-RFNBOH2-MARITIME: not exceed the topic budget (see *section 3*)

Only bids that do not exceed the following bid prices will be eligible:

For all topics: EUR 4/kg of RFNBO hydrogen produced

Proposals with bid prices above the ceiling price will be rejected.

The grant awarded may be lower than the amount requested.

7. Financial and operational capacity and exclusion

Financial capacity

²⁸ See, for instance, Guidance on funding for activities related to the development, implementation, monitoring and enforcement of Union legislation and policy.

Applicants must have stable and sufficient resources to successfully implement the projects and contribute their share. Organisations participating in several projects must have sufficient capacity to implement all projects.

The financial capacity check will be carried out on the basis of the documents which you may be requested later on by the Central Validation Service during grant preparation to upload in the [Participant Register](#) (e.g. *profit and loss account and balance sheet, audit report produced by an approved external auditor, certifying the accounts for the last closed financial year, etc*). The analysis will be based on neutral financial indicators, but will also take into account other aspects, such as dependency on EU funding and deficit and revenue in previous years.

The check will normally be done for all beneficiaries, except:

- public bodies (entities established as public body under national law, including local, regional or national authorities) or international organisations
- if the individual requested grant amount is not more than EUR 60 000.

If needed, it may also be done for affiliated entities.

If we consider that your financial capacity is not satisfactory, we may require:

- further information
- an enhanced financial responsibility regime, i.e. joint and several responsibility for all beneficiaries or joint and several liability of affiliated entities (*see below, section 10*)

or

- request that you are replaced or, if needed, reject the entire proposal.

 For more information, see [Rules for Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment](#).

Operational capacity

Applicants must have the know-how, qualifications and resources to successfully implement the projects and contribute their share (including sufficient experience in projects of comparable size and nature).

This capacity will be assessed under the 'Quality' award criterion, on the basis of the competence and experience of the applicants and their project teams, including operational resources (human, technical and other) or, exceptionally, the measures proposed to obtain it by the time the task implementation starts.

If the evaluation of the award criterion is positive, the applicants are considered to have sufficient operational capacity.

Applicants will have to show their capacity via the following information:

- general profiles (qualifications and experiences) of the staff responsible for managing and implementing the project
- description of the consortium participants

Additional supporting documents may be requested, if needed to confirm the operational capacity of any applicant.

Exclusion

Applicants which are subject to an EU exclusion decision or in one of the following exclusion situations that bar them from receiving EU funding can NOT participate²⁹:

- bankruptcy, winding up, affairs administered by the courts, arrangement with creditors, suspended business activities or other similar procedures (including procedures for persons with unlimited liability for the applicant's debts)
- in breach of social security or tax obligations (including if done by persons with unlimited liability for the applicant's debts)
- guilty of grave professional misconduct³⁰ (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- committed fraud, corruption, links to a criminal organisation, money laundering, terrorism-related crimes (including terrorism financing), child labour or human trafficking (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- shown significant deficiencies in complying with main obligations under an EU procurement contract, grant agreement, prize, expert contract, or similar (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- guilty of irregularities within the meaning of Article 1(2) of EU Regulation [2988/95](#) (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- created under a different jurisdiction with the intent to circumvent fiscal, social or other legal obligations in the country of origin or created another entity with this purpose (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant).
- intentionally and without proper justification resisted³¹ an investigation, check or audit carried out by an EU authorising officer (or their representative or auditor), OLAF, the EPPO, or the European Court of Auditors.

Applicants will also be rejected if it turns out that³²:

- during the award procedure they misrepresented information required as a condition for participating or failed to supply that information

²⁹ See Articles 138 and 143 of EU Financial Regulation [2024/2509](#).

³⁰ 'Professional misconduct' includes, in particular, the following: violation of ethical standards of the profession; wrongful conduct with impact on professional credibility; breach of generally accepted professional ethical standards; false declarations/misrepresentation of information; participation in a cartel or other agreement distorting competition; violation of IPR; attempting to influence decision-making processes by taking advantage, through misrepresentation, of a conflict of interests, or to obtain confidential information from public authorities to gain an advantage; incitement to discrimination, hatred or violence or similar activities contrary to the EU values where negatively affecting or risking to affect the performance of a legal commitment.

³¹ 'Resisting an investigation, check or audit' means carrying out actions with the goal or effect of preventing, hindering or delaying the conduct of any of the activities needed to perform the investigation, check or audit, such as refusing to grant the necessary access to its premises or any other areas used for business purposes, concealing or refusing to disclose information or providing false information.

³² See Article 143 EU Financial Regulation [2024/2509](#).

- they were previously involved in the preparation of the call and this entails a distortion of competition that cannot be remedied otherwise (conflict of interest).

8. Evaluation and award procedure

The proposals will have to follow the standard submission and evaluation procedure (one-stage submission + one-step evaluation).

An evaluation committee will assess all applications. Proposals will first be checked for formal requirements (admissibility, and eligibility, *see sections 5 and 6*). Proposals found admissible and eligible will be evaluated (for each topic) against the operational capacity and award criteria (*see sections 7 and 9*) and ranked according to the lowest bid price (*see section 6*).

Cascade approach

Proposals will be evaluated (within their respective topic) according to the following cascade:

- 1) Proposals will be first ranked according to their bid price from the lowest to highest.
- 2) Those proposals whose maximum grant amounts fit within the topic budget and the budget from national funding windows, and the proposals necessary to fill the reserve list, if any, will be assessed against the award criteria of 'Relevance' and 'Quality', on a pass/fail basis.
- 3) Remaining proposals will be rejected. They will not be evaluated against the 'Relevance' and 'Quality' award criteria.

The last proposal proposed for funding ('marginal bid') that exceeds the call budget will be added to the reserve list and the total auction budget volume will be decreased accordingly.

Priority order for proposals with the same bid price

For proposals with the same bid price (within a topic), a priority order will be determined according to the following approach:

Successively for every group of *ex aequo* proposals, starting with the lowest bid price and continuing in ascending order:

- 1) Proposals with the overall smaller support requirement have higher priority.
- 2) If this doesn't allow to determine the priority, proposals located in a country (EU Member State, EEA country) which had, at call publication, less funds awarded in previous Innovation Fund calls will be considered to have higher priority.
- 3) If this also doesn't allow to determine the priority, then proposal with a shorter time until entry into operation is considered to have higher priority.

Evaluation result and grant preparation

All proposals will be informed about the evaluation result (evaluation result letter). Successful proposals will be invited for grant preparation; the other ones will be put on the reserve list (if any) or rejected.

 No commitment for funding — Invitation to grant preparation does NOT constitute a formal commitment for funding. We will still need to make various legal checks before grant award: *legal entity validation, financial capacity, exclusion check, etc.*

Grant preparation will involve a dialogue in order to fine-tune technical or financial aspects of the project and may require extra information from your side. It may also include adjustments to the proposal to address recommendations of the evaluation committee or other concerns. Full compliance will be a pre-condition for signing the grant.

If you believe that the evaluation procedure was flawed, you can submit a complaint (following the deadlines and procedures set out in the evaluation result letter). Please note that notifications which have not been opened within 10 days after sending will be considered to have been accessed and that deadlines will be counted from opening/access (see also [Funding & Tenders Portal Terms and Conditions](#)). Please also be aware that for complaints submitted electronically, there may be character limitations.

National funding windows ('auctions as a service')

Proposals that are rejected by the Innovation Fund due to budget limitations and which are located in a country which has opened a national funding window for this call/topic will be proposed for national support following the established price ranking, if:

- they have given their consent in the application form
 - they do not exceed the auction's ceiling price of 4 EUR/kg of RFNBO hydrogen
 - their requested grant support fits within the national funding window budget
- and
- they passed the evaluation for 'Relevance' and 'Quality'.

Reserve-listed proposals might be asked whether they want to remain on the Innovation Fund Auction reserve list, or withdraw and be proposed for the national funding window.

 If you withdraw from the reserve list, your application will no longer be considered for Innovation Fund support under this auction call.

 Please be aware that, for proposals that agree to be proposed for national funding windows, the applications (and project documentation) will be shared with the national authorities. You may be required to submit additional documents or information for the national support.

9. Award criteria

The award criteria for this call are as follows:

1. **Relevance (Pass/Fail):** contribution to the objectives of this call as described in section 2; consistency, quality, soundness and reliability of the information provided in the proposal

Production of RFNBO hydrogen: This subcriterion will be based, particularly, on the credibility of the production of the final product required by the call (i.e. RFNBO hydrogen), on the technical characteristics of the project, and on its scope and for topic INNOVFUND-2024-AUC-RFNBOH2-MARITIME, also credibility that the project will supply at least 60% of the RFNBO hydrogen

production volumes as stated in the bid to (an) off-taker(s) in the maritime sector, as described in Annex 2.

Achieving security of supply of essential goods and contribution to Europe's industrial leadership and competitiveness: Projects have to credibly contribute to a diversified supply chain and avoid building dependency on a single third country which may threaten the security of supply of electrolyser stacks with surface treatment or cell unit production or stack assembly carried out in China to no more than 25% (in MWe) of the total electrolyser capacity as expressed in the bid.

The electrolyser stack will be considered as sourced in China if any of the following steps took place in China:

- surface treatment, meaning coating techniques of the electrolyser's cell electrodes, membranes and of stack's bipolar plates
- cell unit production, meaning manufacturing of key components of electrolyser's cell: the electrodes and, depending on the electrolyser technology, the membrane/diaphragm/solid electrolyte
- stack assembly, meaning workmanship needed to assemble the electrolyser's stack with all its functional elements to separate hydrogen and oxygen from water.

Applicants must provide sufficient evidence in the application to underpin the claims made under this sub-criterion (notably MoU/Lol/another form of pre-contractual signed term sheets with electrolyser manufacturer which needs to state that the requirements on limiting the sourcing of electrolyser stacks with surface treatment or cell unit production or stack assembly carried out in China to no more than 25% (in MWe) of the total electrolyser capacity as expressed in the bid will be met by the project).

2. **Quality (Pass/Fail):** Technical and financial maturity and operational quality, in terms of the project's readiness to reach financial close within 2.5 years and enter into operation within 5 years after signature of grant agreement; consistency, quality, soundness and reliability of the information provided in the proposal

Technical maturity: technical characteristics of the project (this will include elements of its design, equipment that will be installed and project location); soundness, credibility and consistency of project implementation plan; credibility of feasibility study and the proposed implementation arrangements, whether the renewable electricity sourcing strategy demonstrates that the project has a credible plan and has taken initial pre-contractual steps towards securing renewable electricity that in volumes and time profile matches the volumes of RFNBO hydrogen as stated in the proposal; consistency of the renewable electricity sourcing strategy with the bid and the financial information file, as well as basic project parameters like the assumed full load hours, hydrogen off-take profile, or electrolyser efficiency presented in the application form, and state of play of equipment procurement. Additionally, information on the status of the required permits and of the energy infrastructure, connected projects or installations beyond the boundaries of the project that are necessary for the project to reach financial close and entry into operation.

Financial maturity: soundness, credibility and consistency of the business plan and financing plan of the project; consistency of the information presented in

the application form, financial information file, and off-take and price hedging strategy (whether the hydrogen off-take and price hedging strategy demonstrates that the project has a credible plan and has taken initial pre-contractual steps towards securing the off-take for the produced volumes of RFNBO hydrogen as stated in the bid; is there hedging against the variability risk of prices of electricity supply and off-take to mitigate the risk of production stops or schedule alterations due to unforeseen revenue decreases or cost increases (assessed in conjunction with evidence provided in the renewable electricity sourcing strategy); is there substantial symmetry in the price structure of the expected electricity sourcing and the expected off-take arrangements; whether the project has credible financing plan, with identified shareholders and/or banks.

Operational maturity: role, competence and experience of the applicants and their project teams, including operational resources (human, technical and other) or, exceptionally, the measures proposed to obtain it by the time the task implementation starts.

3. Price

Bid price in EUR per kg to be expressed with two digits after the comma.

 If a proposal submits a bid price with more than two digits after the comma, only the first two first digits, not rounded, will be taken into account for ranking purposes.

Award criteria	Minimum pass score	Maximum score
Relevance	n/a	Pass/fail
Quality	n/a	Pass/fail
Price	n/a	Scoring according to bid price

Proposals that pass both the 'Relevance' and 'Quality' award criteria will be considered for funding based on their ranking according to their bid price and within the limits of the available budget (i.e. up to the budget ceiling) in each topic.

Other proposals will be rejected or passed on to national funding windows under auctions as a service, if applicable.

10. Legal and financial set-up of the Grant Agreements

If you pass the evaluation, your project will be invited for grant preparation, where you will be asked to prepare the Grant Agreement together with the EU Project Officer.

This Grant Agreement will set the framework for your grant and its terms and conditions, in particular concerning deliverables, reporting and payments.

The Model Grant Agreement that will be used (and all other relevant templates and guidance documents) can be found on [Portal Reference Documents](#).

Starting date and project duration

The project starting date and duration will be fixed in the Grant Agreement (*Data Sheet, point 1*). The starting date will be the first day of the month following grant signature.

Project duration: see *section 6 above*.

Milestones and deliverables

The milestones and deliverables for each project will be managed through the Portal Grant Management System and will be reflected in Annex 1 of the Grant Agreement.

The following work packages (WP), deliverables and milestones will be required:

- WP 1 — Up to Financial Close
 - Milestone 1 (mandatory): financial close
 - Deliverables (mandatory): annual progress reports, financial close report (*see below the key documents necessary to verify achievement of financial close*), knowledge sharing plan and first knowledge sharing report (at financial close), and updated financial information file, with the information valid at financial close.



Please note that financial close will be demonstrated by submitting the following deliverables: signed PPA(s) or equivalent renewable electricity sourcing confirmation; signed off-take agreements; signed electrolyser purchase contract(s) that state electrolyser origin and that contain clauses confirming that sourcing of electrolyser stacks limitation set out in section 2 is complied with; final investment decision with signed financing agreements at appropriate level; signed debt agreement (if applicable); signed EPC contract or similar; updated financial information file with information valid at financial close.

In addition, **for topic INNOVFUND-2024-AUC-RFNBOH2-MARITIME**, at financial close, the project must demonstrate signed off-take agreements with maritime off-takers covering at least 60% of the expected total volume of production as stated in the bid.

- WP 2 — From Financial Close to Entry into Operation
 - Milestone 2 (mandatory): entry into operation
 - Deliverables (mandatory): annual progress reports, entry into operation report (*see below key documents necessary to verify achievement of entry into operation*); updated knowledge sharing plan and second knowledge sharing report (at entry into operation); updated financial information file, with the information valid at entry into operation.



Please note that demonstration of the entry into operation of the installed capacity as stated in the bid is subject to proof of operational readiness (to be provided 3 months before the end of WP 2) and compliance with the sourcing of electrolyser stacks limitation set out in section 2. This will be demonstrated by submitting the following deliverables:

- completion certificate issued by the main contractor(s)
- a plant handover report for the production capacity stated in the bid, signed by the beneficiary and their main contractors (if any), including a

successful performance test accepted by the beneficiary and conducted at full-load operation for a period of time predetermined in the EPC contract; the project must at the moment of entry into operation be able to demonstrate a nameplate capacity equal to the capacity expressed in the bid

- proof of connection to the grid provided by the grid operator, if applicable
- self-declaration from electrolyser supplier(s) that state and contain sufficient evidence to prove that the sourcing of electrolyser stacks limitation set out in section 2 is complied with.
- self-declaration or third party verification on compliance with standard ISO 22734:2019 for “Hydrogen generators using water electrolysis — Industrial, commercial, and residential applications” (or latest approved version replacing it)
- cybersecurity plan outlining how the security of the installation will be ensured by keeping the operational control of the installation with an entity established in the EU/EEA and by storing the data within the EU/EEA.
- WP 3 -22 —Years 1–10 of Operation
 - Two work packages per year with two milestones (mandatory): end of months six and twelve of year N of operation
 - Deliverables (mandatory) for each work package:
 - verified and certified production of final product report for each reporting period (see *below*)
 - status of off-taker contracts (including information on (1) changes in off-take prices and any changes into the sector towards which the produced hydrogen is directed and (2) confirmation that the rules on the combined support for direct consumers are respected (see *Annex 3*)
 - for WP 5, 11 and final WP: knowledge sharing report and updated knowledge sharing plan
 - for final WP:
 - certification of the characteristics and total volume of hydrogen produced by the awarded capacity as meeting at least 70% GHG reduction (independent third party certificate or through audited reports; see *below*)
 - report on the fulfilment of claims made under the sub-criterion ‘Achieving security of supply of essential goods and contribution to Europe’s industrial leadership and competitiveness’ and, in particular, the sourcing of electrolyser stacks limitation set out in section 2 throughout the project monitoring period (especially if stacks have been refurbished during the action)
 - in addition, for topic **INNOVFUND-2024-AUC-RFNBOH2-MARITIME**, certification that at least 60% of the expected total volume of production as stated in the bid during the

implementation period was supplied to off-takers belonging to the maritime sector (independent third party certificate or through audited reports; see *Annex 2*).

 The verified and certified production report must certify the RFNBO nature of the produced hydrogen as well as the produced volumes. The certification must follow generally accepted standards at the moment of reporting the production (e.g. *national schemes or international voluntary schemes recognised pursuant to Article 9 of the Delegated Regulation C(2023)1087 supplementing the Renewable Energy Directive 2018/2001*). In the case of integrated projects producing a hydrogen derivative, the certification can be made for the derivative RFNBO product, and it must include the conversion factor between the volumes of RFNBO hydrogen and the derivative product. Please note that the bid will only concern RFNBO hydrogen and payments will only be made against certified and verified RFNBO hydrogen production volumes.

Form of grant, funding rate and maximum grant amount

The grant parameters (e.g. *maximum grant amount*) will be fixed in the Grant Agreement (*Data Sheet, point 3 and art 5*).

Project budget (equested grant amount): see *section 6 above*.

The grant will be a unit grant. This means that it will reimburse a fixed amount per unit, based on unit contributions, corresponding to the fixed premium per unit of production of the final product as stated in the bid ('pay as bid').

Budget categories and cost eligibility rules

The budget categories and cost eligibility rules are fixed in the Grant Agreement (*Data Sheet, point 3, art 6 and Annex 2*).

Budget categories for this call:

- A. Units of low/zero carbon product³³

Specific cost eligibility rules for this call:

- the unit grant amount must be calculated in accordance with the methodology set out in the unit contribution authorising decision and using the calculator (financial information file) provided
- the unit calculation should respect the following conditions:
 - applicant bid price (fixed premium in EUR per kg) multiplied by the expected average yearly volume (kg per year) multiplied by 10 years
 - only bids that do not exceed EUR 4 /kg of RFNBO hydrogen are eligible (ceiling price)
- the units must:
 - refer to verified and certified units of the low/zero carbon product produced set out in Annex 1 of the Grant Agreement
 - be limited to a production of up to 140% compared to half of the expected average yearly volume as indicated in the bid (production flexibility rules)

³³ [Decision](#) of 27 October 2023 authorising the use of unit contributions for auction actions under the Innovation Fund.

- the requested unit payments must:
 - correspond to applicant bid price multiplied by the units of low/zero carbon product produced during the reporting period

 Please be aware that financial close must be reached within 2.5 years after grant signature (required as deliverable for WP 1; see *above*). If this is not achieved within the required time-limit, we may terminate the grant agreement and call the completion guarantee (see art 32 and Annex 5).

 Please be aware that entry into operation must be reached within 5 years after grant signature and that the project must at that moment be able to demonstrate a nameplate capacity equal to the capacity expressed in the bid (required as deliverable for WP 2; see *above*). If this is not achieved within the required time-limit, we will terminate the grant and call the completion guarantee (see art 32.3.1(m) and Annex 5).

 After entry into operation, the installation must operate for at least 10 years (unless the total volume committed to in Annex 1 of the Grant Agreement is reached earlier due to the production flexibility rules; see *above*).

 The volume produced must be verified and certified (required as deliverable for WP 3 -22; see *above*) and not fall on average below 30% of the expected yearly average volume as stated in the bid for three consecutive years. This average will be calculated over a rolling 3-year period. If it falls below this average, the grant may be terminated and reduced (see art 28 and 32.3.1(m))

 In addition, for topic **INNOVFUND-2024-AUC-RFNBOH2-MARITIME**, supply to an off-taker belonging to the maritime sector must be verified and certified (required as deliverable for the final WP; see *above*) and must be at least 60% of the volume of hydrogen produced during the implementation period. If it is below this percentage, the grant may be reduced (see art 28)

 The grant should not contribute to a cross-subsidisation of carbon-intensive products from the same installation. The beneficiaries will need to provide certification that the total volume of hydrogen produced by the supported electrolyser capacity achieves at least 70% GHG savings according to the rules set out in the Delegated Act C(2023)1086 supplementing the Renewable Energy Directive 2018/2001 (on average, during the disbursement period of the scheme; certification required as deliverable for the final WP; as independent third party certificate or through audited reports). If this cannot be demonstrated at the end of the action, the grant may be reduced (see art 28).

 The claims under the sub-criterion, 'Achieving security of supply of essential goods and contribution to Europe's industrial leadership and competitiveness' and, in particular, the sourcing of electrolyser stacks limitation set out in section 2 must be fulfilled. If this cannot be demonstrated at the end of the action, the grant may be reduced (see art 28).

Reporting and payment arrangements

The reporting and payment arrangements are fixed in the Grant Agreement (*Data Sheet, point 4 and art 21 and 22*).

There is no pre-financing payment.

There will be one or more interim payments:

- Reporting Period 1, after:
 - financial close, within a maximum of 2.5 years ( end of WP 1: 3 months *after* planned financial close date) — no payment
 - entry into operation, within a maximum of 5 years ( end of WP 2: 3 months *after* planned entry into operation date) — no payment
 - First 6 months of operation (end of WP3) – first interim payment
- Reporting Periods 2 -20: semi-annual payments after entry into operation (WP 4 to 22).

To monitor progress until entry into operation, you will be expected to submit progress reports not linked to payments.

Payment of the balance: At the end of the project, we will calculate your final grant amount.

All payments will be made to the coordinator.

 Please be aware that payments will be automatically lowered if you or one of your consortium members has outstanding debts towards the EU (granting authority or other EU bodies). Such debts will be offset by us — in line with the conditions set out in the Grant Agreement (*see art 22*).

Please also note that you are responsible for keeping records on all the work done and the units declared.

Prefinancing guarantees

n/a

Certificates

n/a

Liability regime for recoveries

The liability regime for recoveries will be fixed in the Grant Agreement (*Data Sheet, point 4.4 and art 22*).

For beneficiaries, it is one of the following:

- limited joint and several liability with individual ceilings — *each beneficiary up to their maximum grant amount*
 - unconditional joint and several liability — *each beneficiary up to the maximum grant amount for the action*
- or
- individual financial responsibility — *each beneficiary only for their own debts*.

In addition, the granting authority may require joint and several liability of affiliated entities (with their beneficiary).

Provisions concerning the project implementation

IPR rules: *see Model Grant Agreement (art 16 and Annex 5)*:

- list of background: Yes
- rights of use on results: Yes
- knowledge sharing requirements: Yes

Communication, dissemination and visibility of funding: *see Model Grant Agreement (art 17 and Annex 5)*:

- communication and dissemination plan (knowledge sharing plan): Yes
- additional communication and dissemination activities: Yes
- special logos: Yes

Specific rules for carrying out the action: *see Model Grant Agreement (art 18 and Annex 5)*:

- specific rules for auction grants: Yes

Other specificities

Fair bid conditions

Auction calls are subject to the following additional conditions to ensure fair bid conditions:

- for the capacity to which the bid refers, the works must not have started by the time of submission of this application (in line with the definitions in paragraph 82 of the [Guidelines on State aid for climate, environmental protection and energy](#)³⁴)
- the auction grant must not be combined with any of the types of excluded public support listed in Annex 3
- the auction grant must not lead to a cross-subsidisation of other products, if and as required by the call conditions (*see the necessary reporting in section 10*)
- all partners in the project consortium must at all times before and during the project implementation be in compliance with the Deggendorf rule (Deggendorf rule excludes undertakings that have received incompatible state aid and are subject to a state aid recovery obligation) .

In case of breach, the grant may be terminated and reduced or any other measure described in Chapter 5 of the Grant Agreement may be taken.

Completion guarantee

A completion guarantee covering 8% of the requested maximum grant amount and using the mandatory template will be required to avoid speculative bids.

The completion guarantee must be in euro and must be issued by an approved bank/financial institution established in an EU Member State or EEA country, with the following minimum rating from at least one of these rating agencies: BBB- from S&P or Fitch, Baa3 from Moody's or BBB (low) from DBRS).

³⁴ Communication from the Commission – Guidelines on State aid for climate, environmental protection and energy 2022 (COM 2022/C 80/01) (*OJ C 80, 18.2.2022, p. 1*).

Amounts blocked in bank accounts will NOT be accepted as financial guarantees.

Completion guarantees are normally requested from the coordinator, for the consortium. For proposal submission (call deadline), the consortium must submit a letter of intent; the guarantee itself must be provided later on during grant preparation, (scanned copy via Portal AND original sent by post; see *section 5 above*). The completion guarantee must be provided within two months of receiving the evaluation result letter (invitation to grant preparation). If no guarantee is received within this time-limit, the granting authority may consider the application as withdrawn and decide to terminate grant preparation.

The guarantee will be called by the granting authority if the installation does not reach approved entry into operation, either because:

- it does not enter into operation within the maximum time to entry into operation set out in *section 6*
- it enters into operation within the maximum time to entry into operation, but doesn't reach the planned capacity as specified in Annex 1 of the Grant Agreement
- the grant is terminated before entry into operation for other reasons (e.g. if the action does not reach approved financial close within the maximum time to reach financial close set out in section 6).

The guarantee must have a validity from when it is issued until six months after the maximum time to entry into operation as set out in section 6.

The costs of the guarantee must be borne by the consortium.

Non-compliance and breach of contract

The Grant Agreement (chapter 5) provides for the measures we may take in case of breach of contract (and other non-compliance issues).



For more information, see [AGA — Annotated Grant Agreement](#).

11. How to submit an application

All proposals must be submitted directly online via the Funding & Tenders Portal Electronic Submission System. Paper applications are NOT accepted.

Submission is a 2-step process:

- a) create a user account and register your organisation

To use the Submission System (the only way to apply), all participants need to [create an EU Login user account](#).

Once you have an EULogin account, you can [register your organisation](#) in the Participant Register. When your registration is finalised, you will receive a 9-digit participant identification code (PIC).

- b) submit the proposal

Access the Electronic Submission System via the Topic page in the [Calls for proposals](#) section (or, for calls sent by invitation to submit a proposal, through the link provided in the invitation letter).

Submit your proposal in 4 parts, as follows:

- Part A includes administrative information about the applicant organisations (future coordinator, beneficiaries, affiliated entities and associated partners) and the summarised budget for the proposal. Fill it in directly online
- Part B (description of the action) covers the technical content of the proposal. Download the mandatory word template from the Submission System, fill it in and upload it as a PDF file
- Part C containing additional project data. To be filled in directly online
- Annexes (see *section 5*). Upload them as PDF file (single or multiple depending on the slots). Excel upload is sometimes possible, depending on the file type.

The proposal must keep to the page limits (see *section 5*); excess pages will be disregarded.

Documents must be uploaded to the right category in the Submission System, otherwise the proposal may be considered incomplete and thus inadmissible.

The proposal must be submitted before the call deadline (see *section 4*). After this deadline, the system is closed and proposals can no longer be submitted.

Once the proposal is submitted, you will receive a confirmation e-mail (with date and time of your application). If you do not receive this confirmation e-mail, it means your proposal has NOT been submitted. If you believe this is due to a fault in the Submission System, you should immediately file a complaint via the [IT Helpdesk webform](#), explaining the circumstances and attaching a copy of the proposal (and, if possible, screenshots to show what happened).

Details on processes and procedures are described in the [Online Manual](#). The Online Manual also contains the links to FAQs and detailed instructions regarding the Portal Electronic Exchange System.

12. Help

As far as possible, *please try to find the answers you need yourself*, in this and the other documentation (we have limited resources for handling direct enquiries):

- [Online Manual](#)
- Q&A s on the Call/Topic page (for call-specific questions in open calls; not applicable for actions by invitation)
- [Portal FAQ](#) (for general questions).

Please also consult the Call/Topic page regularly, since we will use it to publish call updates. (For invitations, we will contact you directly in case of a call update).

Contact

For individual questions on the Portal Submission System, please contact the [IT Helpdesk](#).

Non-IT related questions should be sent to the [Innovation Fund Helpdesk](#).

Please indicate clearly the reference of the call and topic to which your question relates (see *cover page*).

13. Important



IMPORTANT

- **Don't wait** until the end — Complete your application sufficiently in advance of the deadline to avoid any last minute technical problems. Problems due to last minute submissions (*e.g. congestion, etc*) will be entirely at your risk. Call deadlines can NOT be extended.
- Consult the Portal Topic page regularly. We will use it to publish updates and additional information on the call (call and topic updates).
- Funding & Tenders Portal Electronic Exchange System — By submitting the application, all participants accept to use the electronic exchange system in accordance with the [Portal Terms & Conditions](#).
- Registration — Before submitting the application, all beneficiaries, affiliated entities and associated partners must be registered in the [Participant Register](#). The participant identification code (PIC) (one per participant) is mandatory for the Application Form.
- Consortium roles — When setting up your consortium, you should think of organisations that help you reach objectives and solve problems.

The roles should be attributed according to the level of participation in the project. Main participants should participate as beneficiaries or affiliated entities; other entities can participate as associated partners, subcontractors, third parties giving in-kind contributions. Associated partners and third parties giving in-kind contributions should bear their own costs (they will not become formal recipients of EU funding). Subcontracting should normally constitute a limited part and must be performed by third parties (not by one of the beneficiaries/affiliated entities).

- Coordinator — In multi-beneficiary grants, the beneficiaries participate as consortium (group of beneficiaries). They will have to choose a coordinator, who will take care of the project management and coordination and will represent the consortium towards the granting authority. In mono-beneficiary grants, the single beneficiary will automatically be coordinator.
- Affiliated entities — Applicants may participate with affiliated entities (i.e. entities linked to a beneficiary which participate in the action with similar rights and obligations as the beneficiaries, but do not sign the grant and therefore do not become beneficiaries themselves). They will get a part of the grant money and must therefore comply with all the call conditions and be validated (just like beneficiaries); but they do not count towards the minimum eligibility criteria for consortium composition (if any). If affiliated entities participate in your project, please do not forget to provide documents demonstrating their affiliation link to your organisation as part of your application.
- Associated partners — Applicants may participate with associated partners (i.e. partner organisations which participate in the action but without the right to get grant money). They participate without funding and therefore do not need to be validated.
- Consortium agreement — For practical and legal reasons it is recommended in all cases to set up internal arrangements that allow you to deal with exceptional or unforeseen circumstances. The consortium agreement also gives you the possibility to redistribute the grant money according to your own consortium-internal principles and parameters (for instance, one beneficiary can reattribute its grant money to another beneficiary). The consortium agreement thus allows you to customise the EU grant to the needs inside your consortium and can also help to protect you in case of disputes. For successful proposals, the consortium agreement should be signed before the signature of the grant agreement.

- **Balanced project budget** — Grant applications must ensure a balanced project budget and sufficient other resources to implement the project successfully (*e.g. own contributions, income generated by the action, financial contributions from third parties, etc*). You may be requested to lower your estimated costs, if they are ineligible (including excessive).
- **Completed/ongoing projects** — Proposals for projects that have already been completed will be rejected; proposals for projects that have already started will be assessed on a case-by-case basis (in this case, no costs can be reimbursed for activities that took place before the project starting date/proposal submission).
- **No cumulation of funding/no double funding** — There is a strict prohibition of double funding from the EU budget (see Annex 3)
- **Multiple proposals** — Applicants may submit more than one proposal for *different* projects under the same call (and be awarded funding for them).

Organisations may participate in several proposals.

BUT: if there are several proposals for *very similar* projects, only one application will be accepted and evaluated; the applicants will be asked to withdraw the others (or they will be rejected).

- **Resubmission** — Proposals may be changed and re-submitted until the deadline for submission.
- **Rejection** — By submitting the application, all applicants accept the call conditions set out in this this Call document (and the documents it refers to). Proposals that do not comply with all the call conditions will be rejected. This applies also to applicants: All applicants need to fulfil the criteria; if any one of them doesn't, they must be replaced or the entire proposal will be rejected.
- **Cancellation** — There may be circumstances (*e.g. severe under-subscription, etc*) which may require the cancellation of the call. In this case, you will be informed via a call or topic update. Please note that cancellations are without entitlement to compensation.
- **Language** — You can submit your proposal in any official EU language (project abstract/summary should however always be in English). For reasons of efficiency, we strongly advise you to use English for the entire application. If you need the call documentation in another official EU language, please submit a request within 10 days after call publication (for the contact information, see *section 12*).

- Foreign subsidies — Be aware that internal market distortions caused by components (goods or services) that benefit from foreign subsidies, or imports being unfairly subsidized or dumped on the EU market, may be investigated under the [EU Foreign Subsidies Regulation 2022/2560](#)¹ or [EU trade defence investigations](#).

- Transparency — In accordance with Article 38 of the [EU Financial Regulation](#), information about EU grants awarded is published each year on the [Europa website](#).

This includes:

- beneficiary names
- beneficiary addresses
- the purpose for which the grant was awarded
- the maximum amount awarded.

The publication can exceptionally be waived (on reasoned and duly substantiated request), if there is a risk that the disclosure could jeopardise your rights and freedoms under the EU Charter of Fundamental Rights or harm your commercial interests.

- Data protection — The submission of a proposal under this call involves the collection, use and processing of personal data. This data will be processed in accordance with the applicable legal framework. It will be processed solely for the purpose of evaluating your proposal, subsequent management of your grant and, if needed, programme monitoring, evaluation and communication. Details are explained in the [Funding & Tenders Portal Privacy Statement](#).

Glossary

Action	Global term for beneficiary activities funded by the Innovation Fund. Used interchangeably with project.
Bid Price	Bid for the amount of subsidy to be received per unit of low/zero carbon product produced by the applicant.
Consortium	Beneficiaries and other participants which cooperate together to implement the project.
Detailed budget table/Calculator ('Financial information file')	Detailed project budget table/calculator filled in according to the mandatory excel file template that includes the bid components bid price, expected average yearly volume of production and electrolyser capacity).
Disbursement period	Period of time between entry into operation and the final payment as specified in <i>section 6</i> of the Call document.
Entry into operation	The moment in the project development cycle where all elements and systems required for operation of the project have been tested and the capacity stated in the bid has been certified as operational. It should be demonstrated by submitting the information listed in <i>section 10</i> of the Call document.
Expected average yearly/semi-annual volume	Arithmetic average of annual/semi-annual volume of the low/zero carbon product expected to be produced during the minimum duration of operation as specified in <i>section 6</i> of the Call document.
Financial close	The moment in the project development cycle where all the project and financing agreements have been signed, all the required conditions contained in them have been met and a final investment decision has been taken. It should be demonstrated by submitting the information listed in <i>section 10</i> of the Call document.
Grant	Financial support by means of a fixed premium.
Project duration	Period of time from signature of grant agreement until the end of the final work package as specified in <i>section 6</i> of the Call document. The project may continue operations afterwards until the 'end of project life', out of the scope of the grant agreement.
Start of works	The first firm commitment (for example, to order equipment or start construction) that makes an investment irreversible. The buying of land and preparatory works such as obtaining permits and conducting preliminary feasibility studies are not considered as start of works.
Subcontractor	Economic operator that is proposed by a beneficiary/affiliated entity to perform part of the action tasks.

Annex 1

Knowledge Sharing

The purpose of the knowledge sharing is to de-risk innovative technologies and solutions with regard to scaling up to a commercial size, to accelerate their deployment and support their replication, to increase the uptake and confidence in these technologies or solutions by the investment community and wider public, as well as to maintain a competitive market for their post-demonstration deployment. It also serves as a feedback tool to the European Commission to overcome regulatory and financial barriers for the innovative technologies under development.

As part of the knowledge sharing requirements incorporated into grant agreements, Innovation Fund projects are required to actively share information with the public and other market participants to ensure transparency and knowledge dissemination. Beneficiaries must present the project on their organisation websites and social media accounts.

The knowledge to be shared, for example through the knowledge sharing reports, as well as communication and dissemination activities, must cover the whole project cycle: reaching financial close; getting to entry into operation; and operation. The areas of relevant knowledge to be shared cover project management, financial engineering, permitting, procurement, construction, commissioning, performance, cost level and cost per unit performance, stakeholder engagement, environmental impacts, health and safety, as well as needs for further research and development.

More in-depth knowledge will be shared with all Innovation Fund projects of the same sector or category and with any other project (from the specific sector or category) that has agreed to share information on the same terms. Fair competition and commercial sensitivity will be safeguarded during knowledge-sharing activities.

More general knowledge on the innovative technologies demonstrated under the Innovation Fund will also be shared with a wider community beyond the circle of the Innovation fund beneficiaries including— Member States, researchers, NGOs, international organisations and other projects.

Confidential (sensitive) information shared by the beneficiaries will be fully preserved. Moreover, no information will be disclosed which could lead to the reverse-engineering of the beneficiaries' technology or prejudice their ability to obtain patent or other registered intellectual property right protection.

Annex 2

Minimum requirements for requested documentation

1. Renewable electricity sourcing strategy

The renewable electricity sourcing strategy must demonstrate that the project has a credible plan and has taken initial pre-contractual steps towards securing renewable electricity that in volumes and time profile matches the 60% of volumes of RFNBO hydrogen as stated in the proposal. The electricity sourcing strategy should address the main principles of RFNBO hydrogen production: additionality, geographical and temporal correlation.

For each expected electricity source, the following information must be stated:

- a) name of renewable electricity provider or indication of own assets³⁵, where applicable.
- b) type of renewable electricity source.
- c) type of connection (dedicated assets with a direct connection with the renewable electricity generation asset or connection via the grid).
- d) volume of electricity supplied from the source (incl. % of absolute volume needed for the project).
- e) pricing structure (fixed price, collar, price floor, floating, indexed etc.).
- f) duration of supply.

Points a) to f) must be represented in an overview table for all electricity sources.

For at least 60% of the required total electricity volumes during the project's implementation period, Heads of Terms (HoT) or other forms of pre-contractual signed term sheets must be provided, with the information set out in points a) to f) above.

Where the electricity provider is the same legal entity as the beneficiary, a letter signed by a director/senior executive of the beneficiary can be provided instead of HoT, explaining how the renewable energy is produced and reserved internally for the production of RFNBO hydrogen by the project. The letter should contain the information set out in points a) to f) above.

Where the sourcing of the electricity is dependent on significant energy infrastructure that needs to materialise on time, or other installations beyond the boundaries of the project, the sourcing strategy should describe and provide a timeline (including permits) for that infrastructure to become operational in line within the maximum time to entry into operation of the auction.

The evidence of a renewable electricity sourcing strategy must be consistent with the bid and the financial information file, as well as basic project parameters like the assumed full load hours, hydrogen off-take profile or electrolyser efficiency presented in the application forms.

2. Hydrogen off-take and price hedging strategy

The hydrogen off-take and price hedging strategy must show that the project has a credible plan and has taken initial pre-contractual steps towards securing the off-take for the produced volumes of RFNBO hydrogen as stated in the bid. Expected off-takers must be listed with the following:

- a) name of the off-taker.

³⁵ Location and bidding zone of the asset(s).

- b) sector and sub-sector of the off-taker. Please refer to the sector categorization provided in Form C.
- c) off-take volumes
- d) pricing structure (fixed price, price floor, floating, indexed etc.).
- e) duration of the off-take agreement.
- f) method of delivery.

Points a) to f) must be presented in an overview table for all off-takers.

For at least 60% of the RFNBO hydrogen production volumes during the project's implementation period, Heads of Terms (HoT) or other forms of pre-contractual signed term sheets with (an) off-taker(s) must be presented, with the information set out in points a) – f) above.

As a general rule, the 'off-taker' will be the entity to which the renewable hydrogen, as stated in the bid, is supplied to. If the 'off-taker' is the same legal entity as the beneficiary of the auction, the project will be considered an 'integrated project'. In the case of integrated projects:

- The bidder must present a letter signed by a director/senior executive of the beneficiary containing points a) to f) above explaining how 60% of the RFNBO hydrogen production volumes during the project's implementation period are reserved internally for self-consumption. The information reflected in the letter should be the same as that required in the HoT of a third party off-taker except that instead of the name of the off-taker one should indicate one's own asset within the project.
- If the integrated project is applying to **topic INNOVFUND-2024-AUC-RFNBOH2-MARITIME**, and if the hydrogen is transformed within the integrated project (e.g., producing ammonia, methanol, synthetic fuel), the off-taker will be considered the entity consuming the transformed product. The project must present Heads of Terms (HoT) or other forms of pre-contractual signed term sheets with off-taker(s) in the maritime sector containing points a) – f) above concerning the volumes of derivative product that are equivalent to 60% of the RFNBO hydrogen production volumes, as stated in the bid, during the project's implementation period. Information in point c) must also mention the expected conversion factor from the volumes of RFNBO hydrogen to the final derivative product volumes.

The hydrogen off-take and price hedging strategy must show that the project has considered hedges against the variability risk of prices of electricity supply and off-take. In particular, to mitigate the risk of production stops or schedule alterations due to unforeseen revenue decreases or cost increases (assessed in conjunction with evidence provided in the renewable electricity sourcing strategy), there needs to be substantial symmetry between the price structure of the expected renewable electricity sourcing and the expected off-take arrangements³⁶.

Where the delivery of the hydrogen to an off-taker is dependent on significant energy infrastructure that needs to materialise on time (e.g. pipelines) or other installations beyond the boundaries of the project, please describe and provide a timeline (including permitting) for that energy infrastructure to become operational in line within the maximum time to entry into operation required in the auction.

For **topic INNOVFUND-2024-AUC-RFNBOH2-MARITIME**, an off-taker will be considered to be in the maritime sector, if it will use the hydrogen produced by the project or the

³⁶ E.g. the expected shares of fixed and floating pricing structures should match between the renewable electricity sourcing strategy and the off-take arrangements.

hydrogen derivative produced by the integrated project for carrying out/making use of bunkering activities³⁷ in ports within the EU/EEA. Fuel traders and/or intermediaries (including storage facilities), are not eligible as off-takers, neither are virtual agreements. The off-take strategy must include a self-declaration from the off-taker confirming that it belongs to the maritime sector, together with the following documentation:

- a) If the off-taker is a shipping company making use of bunkering activities: the maritime operator holding account (MOHA) number of that company and/or the IMO unique company and registered owner identification number, or proof of maritime chartering agreements in the case of bareboat charterers.
- b) If the off-taker is a provider of bunkering activities (including fuel supply, and operation of bunkering): endorsement letter from maritime authorities (e.g. EMSA), Industry Associations (e.g. *International Bunker Industry Association*, *SGMF...*), Port Authorities (e.g. *Port of Rotterdam*) or a valid statement of a third party auditor.

3. Electrolyser procurement strategy

The submitted electrolyser procurement strategy must include at least the following elements:

- a) type of technology
- b) declaration on the name of the company which will produce the electrolyser
- c) declaration of origin of the electrolyser stacks: if the stacks are to be imported from outside the EU/EEA, state the country of origin as would be indicated in the customs declaration (i.e. country of last substantial transformation). If the stacks are not to be imported from outside the EU/EEA, state the EU/EEA country of origin. In case of different suppliers of the stacks, indicate % (e.g. 50% manufactured in an EU/EEA country, 50% in the third country expressed in capacity of the total electrolyser as expressed in the bid)
- d) a statement that the requirements in the auction to limit the sourcing of electrolyser stacks with surface treatment or cell unit production or stack assembly carried out in China to no more than 25% (in MWe) of the total electrolyser capacity as expressed in the bid will be met by the electrolyser capacity installed in the project, considering the definitions made in Section 9 of the call document.
- e) electrolyser capacity in MWe
- f) expected delivery date
- g) terms of delivery
- h) price
- i) information of the standards the electrolyser will comply with (e.g. ISO standards)
- j) indication of percentage (%) of the value of the electrolyser stacks allocated to critical raw materials as recorded in the fifth list of critical raw materials for the EU (Annex II, to COM (2023) 160)

³⁷ bunkering is the supply of solid, liquid or gaseous fuels or any other source of energy used for propulsion of ships or for the general or specific energy supply on board ships

- k) information whether the electrolyser supplier has signed up to a responsible business code of conduct
- l) information about foreign financial contributions³⁸ received by the manufacturer of the electrolyser (in the last 3 years).
- m) information whether the electrolyser supplier has an end of life / recycling strategy plans for the electrolyser

The strategy must be submitted together with a Memorandum of Understanding, Letter of Intent (MoU/Lol) or another form of pre-contractual signed term sheet³⁹ with electrolyser manufacturer/s, covering the total amount of planned electrolyser capacity in the project as stated in the bid. The MoU/Lol/others should comprise the same points mentioned above for the strategy. In particular, for point d) the MoU/Lol/others need to state that the requirements on limiting the sourcing of electrolyser stacks with surface treatment or cell unit production or stack assembly carried out in China to not more than 25% (in MWe) of the total electrolyser capacity as expressed in the bid will be met by the project, considering the definitions made in section 9 of the call document.

4. Environmental permits

Evidence of initiated process with relevant national or regional authority to receive an environmental permits for the RFNBO hydrogen production installation within the maximum time to entry into operation.

The submitted documents must establish in a credible manner that the initiation of the process of obtaining a permit has been accepted by the relevant authorities and that the timeline of achieving the permit before the maximum time to entry into operation is realistic. The documentation provided will be assessed considering the national context, which you can also describe in your application.

The document must also explain the water sources planned for the project.

5. Grid connection permits

If the project will be using power from the electricity grid, credible evidence of ongoing process with relevant authority to receive a grid connection permit for the RFNBO hydrogen production installation within the maximum time to entry into operation.

The submitted documents must establish in a credible manner that the initiation of the process of obtaining a permit has been accepted by the relevant authorities and that the timeline of achieving the permit before the maximum time to entry into operation is realistic. The documentation provided will be assessed considering the national context, which you can also describe in your application.

³⁸ As defined in the Foreign Subsidies Regulation (see section 13). If information is not available, please explain the reasons.

³⁹ Note that only pre-contractual agreements are needed at bidding stage. Note also the requirement on start of works (in auction good).

Annex 3

Rules on combination of support

There is a strict prohibition of double funding from the EU budget. Any given action may receive only one grant from the EU budget.

This section describes the rules for combining the support awarded through this auction call for proposals with other public support in the form of: either State aid (both notified e.g. under the CEEAG⁴⁰ or the IPCEI Communication⁴¹ and not notified e.g. under the GBER⁴² or *de minimis* aid) or funding from EU programmes (e.g. Innovation Fund “regular” grants, Horizon Europe, Connecting Europe Facility, InvestEU).

Cases of combination of support marked **X** are not allowed. A self-declaration will be required as part of the project application, stating that by the time of grant agreement signature the project will not be in any excluded cases of combined support.

Cases marked **V** are allowed.

For all cases of allowed combination of support (under the Innovation Funde (IF) auction), please also note that there are also rules on combination of support that have to be respected coming from State aid requirements (e.g. in some case of funding gap assessment under CEEAG/IPCEI).

For avoidance of doubt, general measures such as general tax reduction measures applicable to all economic operators, when they are *not* State aid, fall outside the scope of this section.

Entity	Cases of combination of support that are not allowed	Cases that are allowed
RFNBO hydrogen producers signing Grant Agreement for an Innovation Fund auction grant (‘IF auction project’)	X Combination with public support for RFNBO hydrogen producer’s CAPEX or OPEX is <i>not</i> allowed. X For avoidance of doubt, compensation for indirect emission costs provided under the ETS State aid Guidelines⁴³ is a form of State aid and cannot be combined. X For avoidance of doubt, reductions from levies or taxes which reflect part of the cost of providing	V Combination with previous public support for early project development stages such as: research, feasibility studies or FEED studies preceding the commercial operation is allowed. V Combination with previous public support for capacity development that is <i>not</i> part of the bid is allowed⁴⁴. V Combination with public support for energy infrastructure⁴⁵ connected to the project (e.g. Connecting Europe Facility support) is allowed, provided that the energy infrastructure is not infrastructure

⁴⁰ https://competition-policy.ec.europa.eu/sectors/energy-environment/legislation_en

⁴¹ https://competition-policy.ec.europa.eu/state-aid/legislation/modernisation/ipcei_en

⁴² https://competition-policy.ec.europa.eu/state-aid/legislation/regulations_en

⁴³ Communication from the Commission – Guidelines on certain State aid measures in the context of the system for greenhouse gas emission allowance trading post-2021, 2020/C 317/04.

⁴⁴ E.g. if a previous project stage of 5MWe of capacity has received public support, and a 15MWe capacity extension is bid into the auction, that bid is eligible. A combined 20MWe bid, comprising 5MWe previously supported would, however, not be allowed.

⁴⁵ As defined in CEEAG (point 36 of section 2.4 Definitions).

Entity	Cases of combination of support that are not allowed	Cases that are allowed
	electricity to the beneficiaries, e.g. reductions from network charges or from charges financing capacity mechanisms or reductions in electricity taxes (not covered by point 403 of CEEAG or equivalent points under other State aid frameworks) cannot be combined when they are State-aid.	dedicated to this project only ("non-dedicated infrastructure"). ✓ Combination with reduction from levies on electricity consumption which finance energy and environmental policy objectives (as described in point 403 and section 4.11 of CEEAG or equivalent points under other State aid frameworks) ⁴⁶ is allowed ⁴⁷ , even if these measures qualify as State aid.
Electrolyser manufacturers from whom IF auction projects will purchase equipment		✓ Public support provided to the electrolyser manufacturers supplying equipment for projects.
Renewable electricity installations ⁴⁸ from whom IF auction project will source electricity	✗ For RFNBO hydrogen producers entering into operation as of 1 January 2028, in order to comply with the "additionality principle" established in the Delegated Acts of the RED, the renewable electricity installation from which power is sourced cannot receive public support (except cases listed on the right).	✓ For RFNBO hydrogen producers entering into operation before 1 January 2028, there is no need to apply the additionality requirement and renewable electricity installations can receive public support. ✓ For RFNBO hydrogen producers entering into operation as of 1 January 2028, the "additionality principle" can be waived for renewable electricity installations if - The grid has low emissivity (<18gCO₂/MJ) - The grid has a high share of renewables (>90%) In such cases, renewable electricity and thus renewable electricity installations can benefit from public support.

⁴⁶ Measures notified that fall under point 403 and section 4.11 of CEEAG or similar measures, for example those that fall under Article 44 of GBER.

⁴⁷ Allowed for the 2024 auction round. If further auction rounds follow, this case of combined support might not be allowed.

⁴⁸ Rules stemming from Renewable Energy Directive Delegated Regulations on RFNBOs and notably "additionality principle".

Entity	Cases of combination of support that are not allowed	Cases that are allowed
		✓ For RFNBO hydrogen producers that are connected to installations generating renewable electricity with a direct line and not via the grid, the exclusion of public support does not apply. Please consult the Renewable Energy Directive and its Delegated Acts for detailed rules.
Direct consumers⁴⁹ of the output of IF auction projects. Only the output supported by the IF auction grant is concerned⁵⁰. Output of non-integrated projects is RFNBO hydrogen. Output of integrated projects⁵¹ is the RFNBO hydrogen derivative (e.g. ammonia, e-gas, e-fuels)	For non-integrated projects: ✗ Direct consumers of the RFNBO hydrogen output that is supported by the Innovation Fund auction grant cannot benefit from public support for operational costs of their RFNBO hydrogen consumption levels⁵². For integrated projects, e.g. ammonia producers: ✗ Direct consumers of the RFNBO derivatives output that is supported by the Innovation Fund auction grant cannot benefit from public support for operational costs of their RFNBO hydrogen derivatives consumption levels⁵³.	✓ Direct consumers of the output of IF auction projects can benefit from public support for their CAPEX costs. ✓ Direct consumers of the output of IF auction projects can benefit from public support for their energy infrastructure costs provided it is not energy infrastructure dedicated for this project only ("non-dedicated infrastructure").

⁴⁹ If and IF auction project sells to energy trader/aggregator, then the direct consumer is the entity buying from this energy trader/aggregator. Rules on combination of support do not apply further downstream – beyond the direct consumers.

⁵⁰ An example: a green steel producer secures 10% of its RFNBO hydrogen consumption from a hydrogen producer who won the IF auction. The requirement for off-takers not to benefit from aid for operational costs concerns only the volume of RFNBO hydrogen acquired that would be receiving support through the Innovation Fund 2023 Auction, i.e. the volume of hydrogen stated in the bid of hydrogen producer (in the example the 10% of RFNBO hydrogen consumption). The reminder: 90% of the steel producer RFNBO consumption can receive the operational support. If it cannot be differentiated which fraction of the off-taker's hydrogen consumption receives other operational aid (e.g. aid is for the entire consumption volumes of the off-taker), this would be considered a breach of rules on combined support.

⁵¹ An 'integrated project' is one in which the off-taker of the renewable hydrogen, as stated in the bid, is the same legal entity as the beneficiary of the auction.

⁵² Such as support to (partially) cover the costs of procuring or using hydrogen.

⁵³ Such as support to (partially) cover the costs of procuring or using hydrogen derivatives.