

2ND INNOVATION FUND AUCTION FOR RFNBO HYDROGEN PRODUCTION

As part of the European Hydrogen Bank, the European Commission has announced the launch of the second Innovation Fund auction (IF24) for the production of RFNBO (Renewable fuels of non-biological origin) hydrogen, which will **open on 3 December 2024** and close in February 2025.

The Innovation Fund is one of the largest UE funding programs for the demonstration of innovative low-carbon technologies. It aims to demonstrate and commercialize industrial solutions to decarbonize Europe and support its transition to climate neutrality.

The aim of the IF24 auction is to fulfill the following **objectives**:

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

This support is intended for:

- RFNBO hydrogen producers located in any EEA country; and
- Projects for the maritime topic, with a majority of their supply directed to off-takers in the maritime sector.

Projects that fulfil the following **requirements** are eligible:

- Installation of new renewable hydrogen production capacity of non-biological origin, i.e. hydrogen production capacity for which, at the time of submission of the proposal, the start of work has not yet taken place, as well as the verified and certified production of RFNBO hydrogen from these facilities (in Kg of volume produced) for a period of up to 10 years; and
- Only projects with a minimum electrolyser installed capacity of at least 5 MWe will be eligible.

GEOGRAPHICAL LOCATION

Auction-as-a-Service mechanism is open to all EEA States.

SUPPORT FORM

Fixed premium payment.

MAXIMUM PRICE

Bids are eligible if they do not exceed EUR 4/kg of renewable hydrogen of non-biological origin produced. The same ceiling price applies to both the general topic and the maritime topic.

MAXIMUM GRANT AMOUNT LIMIT

- EUR 250 million in the general topic; and
- EUR 200 million in the maritime topic.

MINIMUM AND MAXIMUM YEARLY PRODUCTION THRESHOLDS

No upper or lower limits to the expected average yearly production.

COMPLETION GUARANTEE

A completion guarantee covering 8% of the maximum grant amount will be requested from projects invited to prepare grant agreement.

PROJECT DURATION

The project must come into operation within 5 years of signing the Grant Agreement and operate normally for 10 years.

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Baker Tilly can help your company!

Get in touch with us.



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