ZEP Briefing – Results of the 2nd call of the Innovation Fund

Background

Following the submission of 138 project proposals in March 2022, the Commission has announced, on 12th July, the 17 projects that will receive a total of €1.8 billion in funding under the second call for large-scale innovative clean-tech projects of the Innovation Fund.

Out of the 17 projects that were selected, 7 employ Carbon Capture and Storage (CCS) and/or Carbon Capture and Utilisation (CCU) elements. These are located in Bulgaria, France, Germany, Iceland, Poland, and Sweden (2 projects), and involve the sectors of cement (3 projects), lime, chemicals, and synthetic fuels. One project specifically covers CO_2 storage infrastructure.

These 7 projects will be added to the list of 4 CCS/CCU projects that were funded under the first call for large-scale projects under the Innovation Fund.

Selected projects with CCS and/or CCU elements under the 2nd call

- Carbon2Bussiness (C2B) – the project, led by Holcim Deutschland, means to install an oxyfuel carbon capture process at Holcim's Lägerdorf cement plant in Germany.
- ANRAV – full-chain CCUS project by Bulgarian company Devnya Cement and Petroceltic Bulgaria. It will capture CO_2 at the Devnya cement plant in Bulgaria, transporting it through an onshore and offshore pipeline system to a depleted gas field in the Black Sea. It will establish a CCUS-cluster for Bulgaria and adjacent regions in Romania and Greece.
- Coda Terminal – Coda by Carbfix will establish an onshore carbon mineral storage terminal in Iceland, with transportation to the terminal managed by Danish shipping company Dan-Unity CO_2.
- AIR – the CCU project aims to produce sustainable methanol which will be used in the production of chemicals. Three Swedish companies are involved in the project, with Perstorp responsible for building the methanol plant, and Fortum and Uniper for the supply of renewable hydrogen.
- HySkies – the project will install a synthetic sustainable aviation fuel production facility in Sweden as well as a CO_2 capture facility at a Waste-to-Energy plant. The project joins Shell New Energies, Vattenfall and LanzaTech.
- GO4ECOPLANET – end-to-end CCS chain project by Lafarge Cement. It will involve CO_2 capture and liquefaction at the Kujawy cement plant (Poland), transporting LCO_2 by train to the Gdansk terminal and shipping to the offshore storage sites.

- CalCC – the project, located in France, will capture the CO_2 emissions resulting from the lime production process. The CO_2 will be transported via shared pipeline and ship (in dense phase and liquified, respectively) for permanent storage in geological formations in the North Sea. The project joins French companies Chaux et Dolomies du Boulonnais and Air Liquide.

In addition, the FUREC project by RWE Generation NL in the chemicals cluster of Chemelot (Netherlands) mentions the potential for a future CO2 utilisation and storage element.

Next steps

The selected projects will begin preparing their individual grant agreements with the European Climate, Infrastructure and Environment Executive Agency (CINEA), the implementing agency of the Innovation Fund. The finalisation of the agreement and grant distribution are foreseen for Q4 2022.

The Commission also announced that it will pre-select up to 20 projects that are not yet mature enough for a grant. These will receive project development assistance by the European Investment Bank. The announcement is planned for Q4 2022.

A third call for large-scale projects is planned for late autumn 2022, with available funding of approximately €3 billion.