



ZEP response to Innovation Fund consultation: Funding clean technologies – proposed changes to Innovation Fund application procedure

The Zero Emissions Platform (ZEP) is a European Technology and Innovation Platform (ETIP) under the Commission's Strategic Energy Technology Plan (SET-Plan) and acts as the EU's technical adviser on the deployment of Carbon Capture and Storage (CCS), and Carbon Capture and Utilisation (CCU) under Horizon2020 R&I programme (grant agreement 826051).

ZEP supports the European Union's commitment to reach climate neutrality by 2050, defined as net-zero greenhouse gas (GHG) emissions by 2050. To this end, carbon capture and storage (CCS) and carbon capture and utilisation (CCU) technologies play a crucial role. These technologies represent a readily available, cost-efficient pathway for the decarbonisation of industrial and energy sectors in the European Union.

On the consultation

ZEP welcomes the European Commission's consultation on the proposed changes to Innovation Fund application procedure. Confirming the input that was previously submitted, ZEP believe that the flexibility provided by the choice between a two-stage and a one-stage application procedure is interesting and appealing for applicants.

As indicated in previous input submitted to the Commission, ZEP's support for the one-step application process is conditional. ZEP believes that it would be beneficial to carry out an impact assessment to assess the impact of a one-step application process, compared to the current two-step process. ZEP holds the view that a one-step selection should be preferred if it can lead to a balanced list of projects. Nevertheless, for less complex projects, it is clear that a one-step selection process would put less burden on applicants, and that it may result in an easier application process.

At the same time, it is important that projects applying to the Innovation Fund support the development of those technologies that will be needed to enable a cost-efficient trajectory towards climate neutrality by 2050. This requires a full life-cycle analysis and accurate carbon accounting. It is ZEP's view that the current two-stage process has a very good possibility to result in a balanced selection of approved projects, governed by the principle of technology neutrality and a science-based approach.

Reply and reservations

For these reasons, ZEP proposes that an impact assessment is carried out to clarify how the introduction of the complementary one-stage process may impact the application process of more complex projects, such as CCS projects. As outlined in previous responses, ZEP's positive reply is therefore conditional on:



- that introducing a one-stage process will not create a disadvantage for more complex projects, applying in accordance with the two-stage process for being rewarded funding.
- that projects applying for the one-stage process will not be eligible for Project Development Assistance.

Further comments ahead of the second large-scale call

ZEP would like to thank the European Commission for a transparent process leading up to the planned first call for large-scale and small-scale projects of the EU ETS Innovation Fund. ZEP appreciates the opportunity to provide feedback and engage with DG CLIMA at the Expert Group meetings, as well as in bilateral meetings, and is thankful for the timely updates provided to ZEP.

Ahead of the second call, ZEP would like to reiterate its proposed changes that have previously been [highlighted](#) referring to the current state of design of the Innovation Fund. ZEP looks forward to sharing our views at the upcoming seminar on 'Lessons learned from the first call for large-scale projects' and to continuing the positive working relationship with the European Commission on the design of the next calls of the EU ETS Innovation Fund.