



# InnovFin

## EU Finance for Innovators

Energy Demo Projects Facility  
*Introduction*

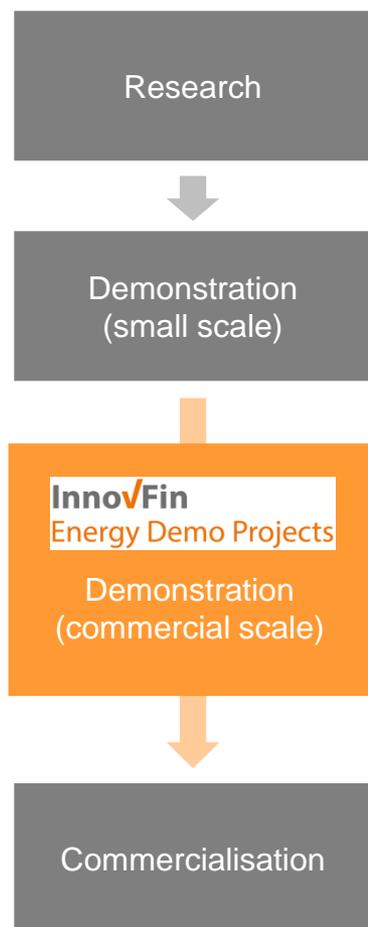
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# Why create an Energy Demo Projects Facility?



The European Union needs investments in innovative energy technologies in order to:

- meet decarbonization targets
- deliver more sustainable solutions
- provide a secure and competitive energy system

Financing can be a bottleneck to the commercialisation of innovation

- the phase between the demonstration and commercialization of a new technology is also called the “valley of death”
- private investors have a higher-risk perception of pre-commercial demonstration projects, when these involve:
  - unproven technologies at commercial scale
  - business model target markets yet have to develop

The Energy Demo Project (“**EDP**”) Facility aims to:

- target innovative projects that are usually too risky to be supported by conventional financial instruments
- bridge the financing gap between demonstration and commercialization
- support the further rollout of innovative low-carbon energy technologies to the market

# EDP is a thematic InnovFin financing product

InnovFin provides financing for innovators:

- aims to facilitate and accelerate access to finance for innovative entities in Europe
- a joint risk and revenue sharing initiative of the European Investment Bank (“EIB”) Group with the European Commission (“EC”)
- Is mainly financed from Horizon 2020, the EU framework for research and innovation

Covering the entire value chain of research and innovation:

- tailored InnovFin products are available to support small and large research and innovation
- Energy Demo Project (“EDP”) is part of InnovFin’s thematic financing
- Eligible projects may also benefit from advisory services offered by the EIB Group to support investments

Early-Stage Enterprises	SMEs	Corporate	Science	Thematic Finance	Advisory
InnovFin Technology Transfer	InnovFin SME Guarantee	InnovFin Emerging Innovators	InnovFin Science	<b>InnovFin Energy Demo Projects</b>	InnovFin Advisory
InnovFin Business Angels		InnovFin MidCap Guarantee		InnovFin Infectious Diseases	
InnovFin Venture Capital		InnovFin Corporate Research Equity		InnovFin Thematic Investment Platforms	
InnovFin Fund-of-Funds					

# The EDP Facility in detail

EDP Facility	
Instrument	Funded - unfunded/ from senior debt to quasi-equity
Eligibility	Up to 50% of all the costs necessary for the successful demonstration of the technology, service, manufacturing or business process
Loan size	Min approx. EUR 7.5m – max EUR 75m
Tenor	Up to 15 years
Covenants & Security	Transaction-specific
Jurisdiction	Transaction-specific

The EU and the EIB aim to bridge the funding gap for the scale-up of energy innovation and its successful commercial demonstration by:

- providing financing to innovative energy demonstration projects
- offering promoters, sponsors and/or operators the opportunity to leverage EIB's capability to evaluate and structure innovative projects
- making financial and technical assistance available to improve the bankability of projects

# Examples of EDP transactions

Energy storage  
EUR 52.5m



Wave energy  
EUR 10m



Solar energy  
EUR 30m



Fuel cell  
EUR 12m



Floating wind  
EUR 60m



Smart energy  
EUR 17m

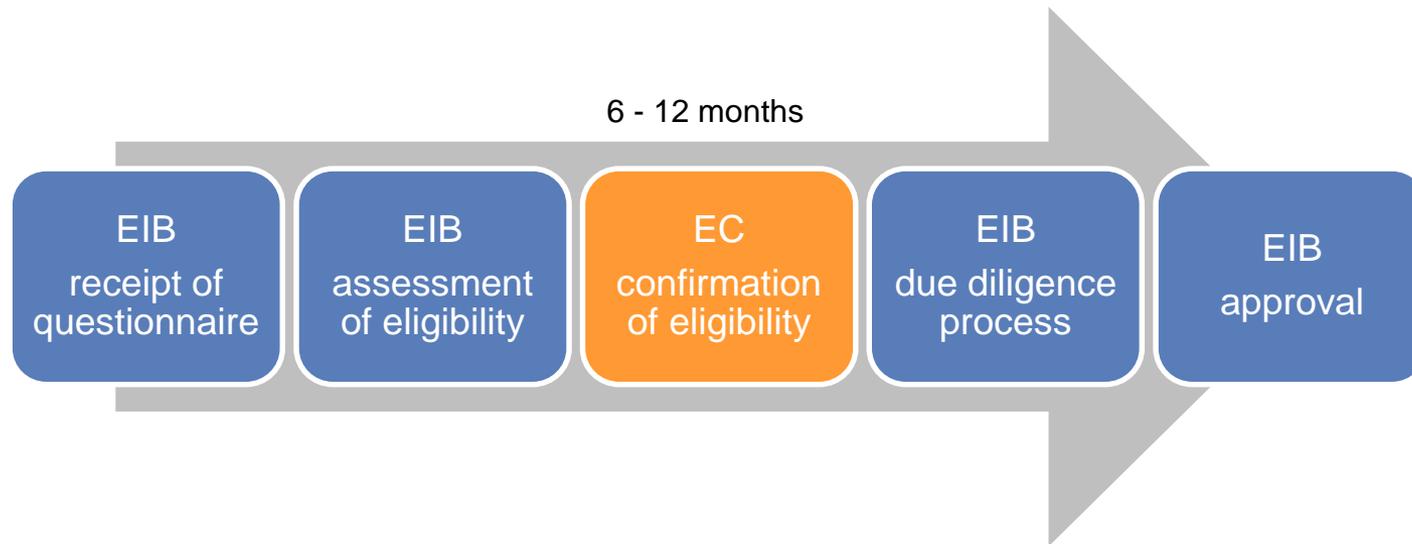


# The EDP Facility process

Please, fill in the [questionnaire](#) to be considered for EDP financing

The EDP Facility approval process consist of three main stages:

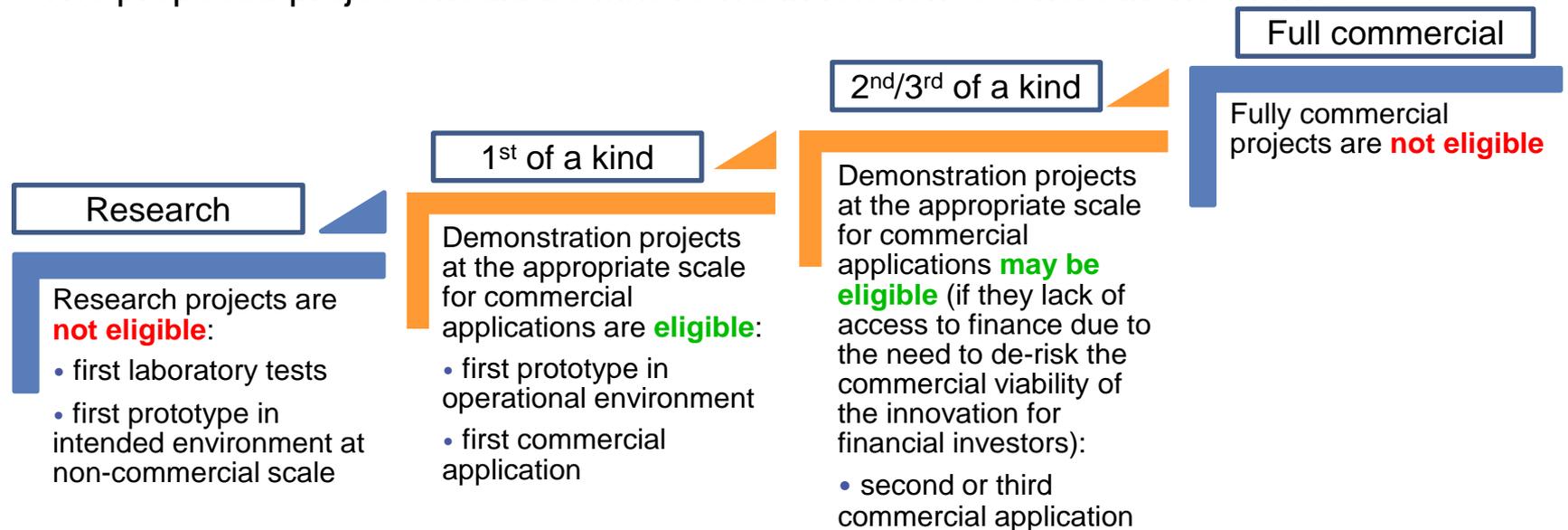
1. the EIB is the first entity to assess the eligibility of a new applicant
2. the EC is required to confirm the eligibility of the application
3. the project will go through EIB's approval and due diligence process for financing



The entire process typically lasts between 6-12 months and formally starts at the receipt of the EDP questionnaire

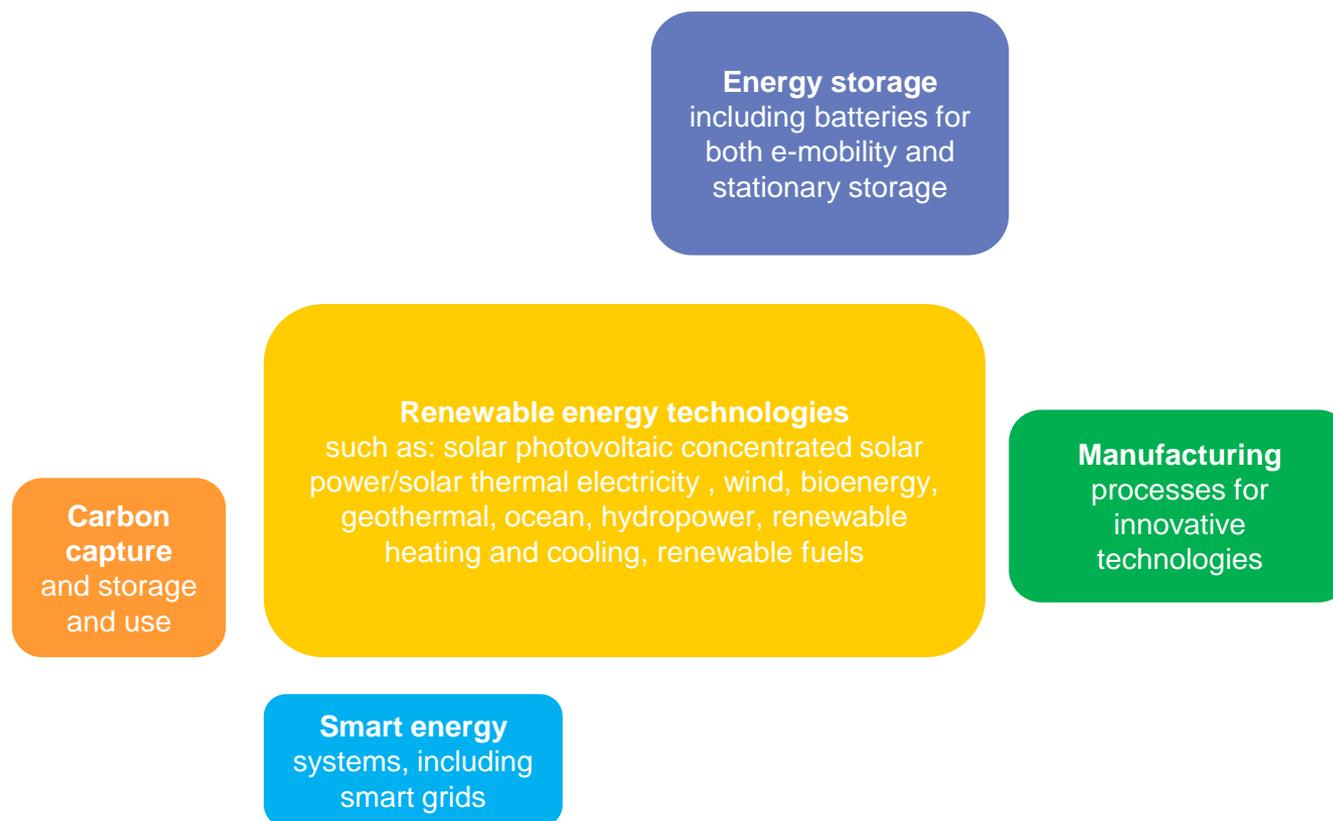
# Is my project considered innovative?

- The innovation may:
  - relate to energy system assets, manufacturing processes or services
  - consist of the 'innovative combination' or 'innovative application' of existing technologies
- The innovative aspect should not have reached full commercialisation, meaning it is:
  - at a pre-commercial level
  - at an early commercialisation stage
  - not at a commercial scale at a sustained pace
- The proposed project should be innovative in relation to others in the market



# Is my technological area eligible?

Eligible demonstration projects are related to the priority fields identified by the [SET Plan](#), which include but are not limited to:



with the exclusion of nuclear energy and energy efficiency

# Is my project in an eligible country?

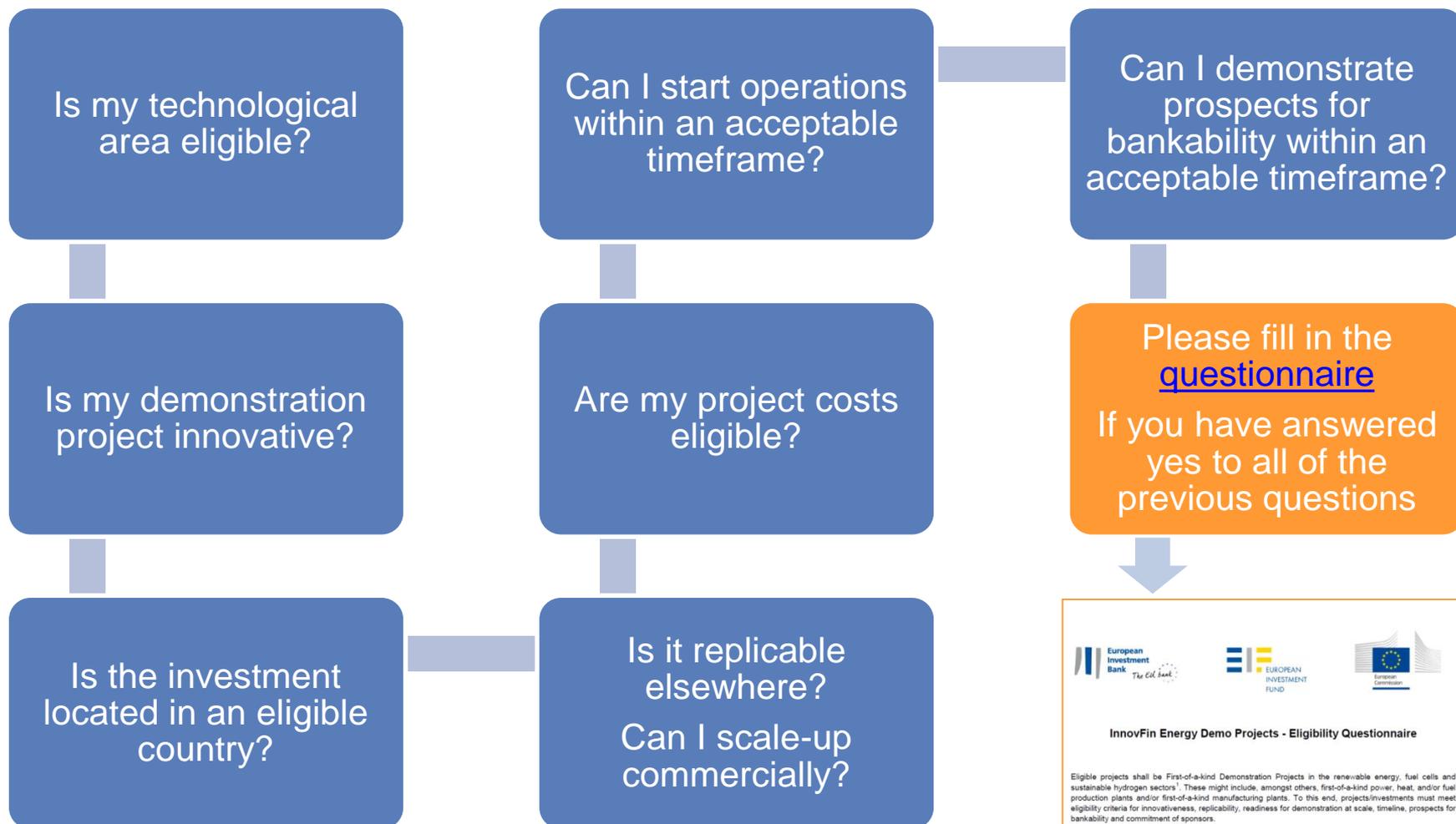
- All EU Member States are eligible



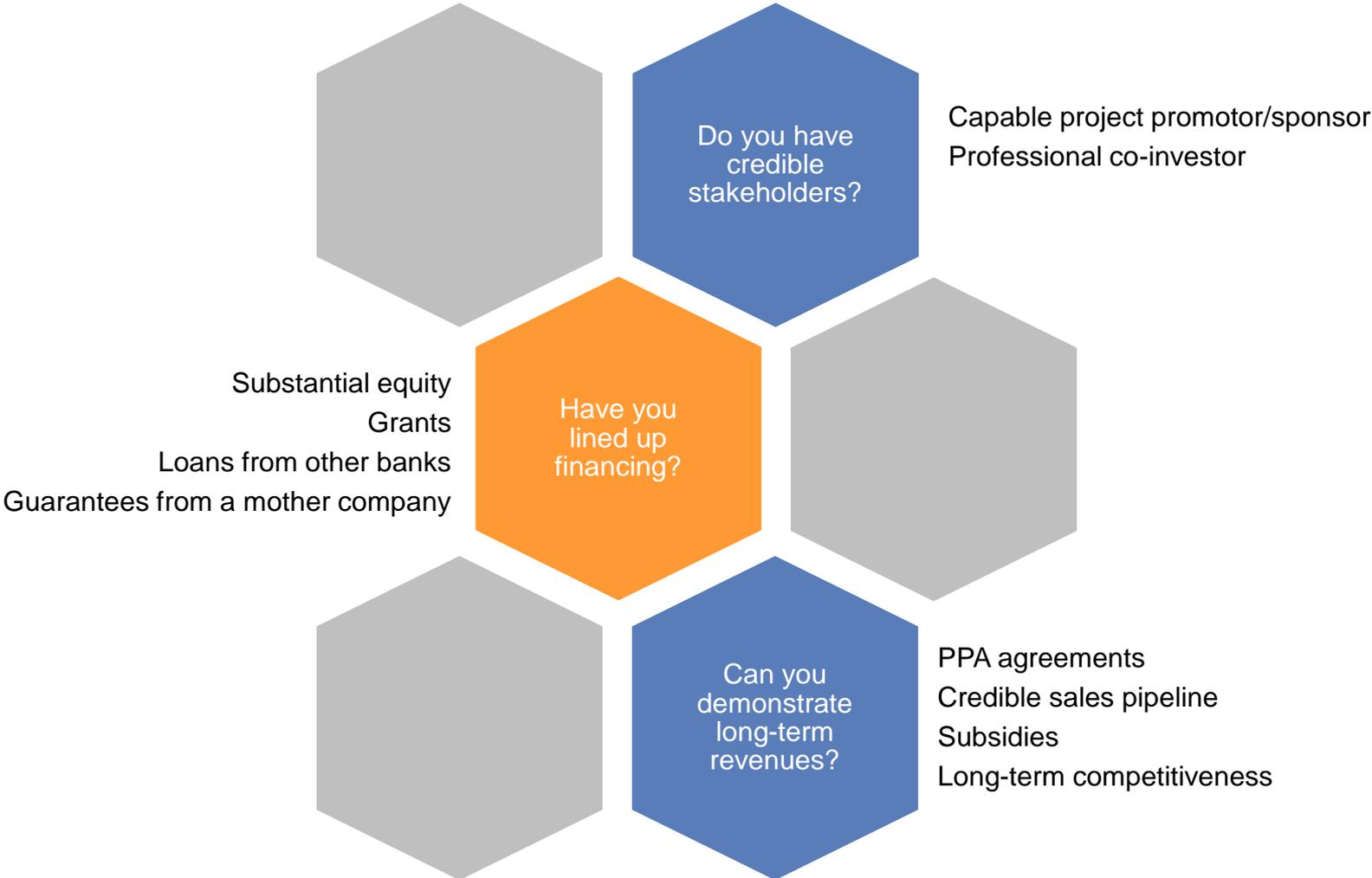
- All countries associated to Horizon 2020 are eligible, including as of 01 January 2017:
  - Iceland
  - Norway
  - Albania
  - Bosnia and Herzegovina
  - the former Yugoslav Republic of Macedonia
  - Montenegro
  - Serbia
  - Turkey
  - Israel
  - Moldova
  - Switzerland
  - Faroe Islands
  - Ukraine
  - Tunisia
  - Georgia
  - Armenia

# Questions & Answers

# Should I fill in the EDP questionnaire?



# Has my project bankability prospects?

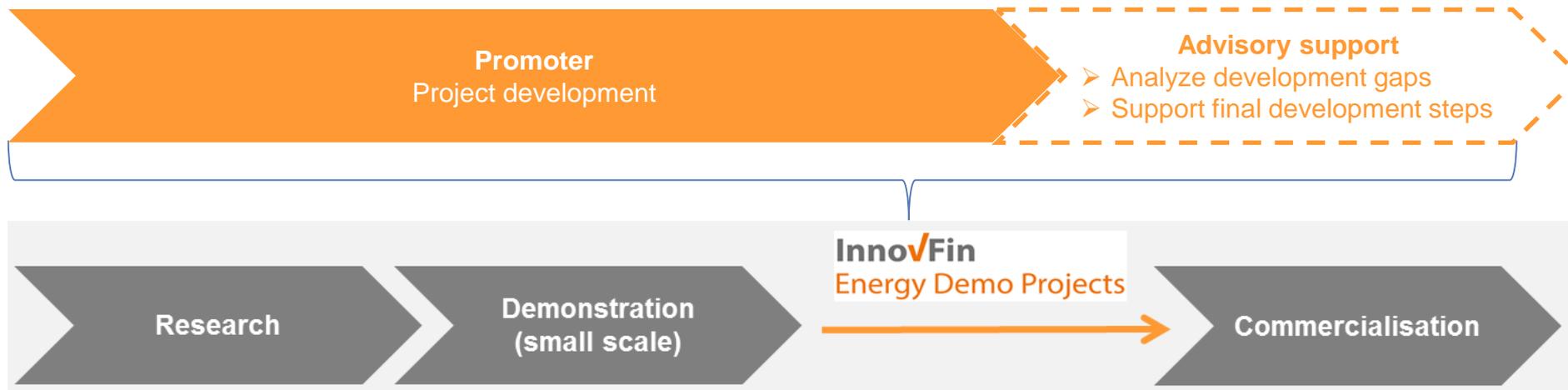


# How can EIB advisory support my project?

Advisory services support eligible projects through their final development steps and prepare them for financing. Such assistance could include:

- Procurement of additional studies to support the project justification.
- Advice on preparation and evaluation of tenders
- Preparation of documentation for due diligence

Eligible projects may benefit from advice from EIB's in-house experts and/or procured external consultancy support



In addition to project development support, general advisory services can be provided by the European Investment Advisory Hub (EIAH)