



# Innovation Fund (INNOVFUND)

## Auction call for proposals

Innovation Fund fixed premium auction call 2025 for Hydrogen  
(INNOVFUND-2025-AUC-H2)

Version 1.0  
4 December 2025





**EUROPEAN CLIMATE, INFRASTRUCTURE AND ENVIRONMENT EXECUTIVE AGENCY (CINEA)**

CINEA.C – Green Research and Innovation  
**CINEA.C.04 – Innovation Fund**

**AUCTION CALL FOR PROPOSALS**

**TABLE OF CONTENTS**

0. Introduction ..... 3

1. Background..... 5

2. Objectives — Themes and priorities — Activities that can be funded — Expected impact ..... 7

    INNOVFUND-2025-AUC-H2-RFNBO-GENERAL — Fixed Premium Auction for RFNBO hydrogen production ..... 7

        Objectives ..... 7

        Activities that can be funded (scope)..... 7

    INNOVFUND-2025-AUC-H2-RFNBOLOWCARB-GENERAL — Fixed Premium Auction for RFNBO and/or electrolytic low-carbon hydrogen production ..... 8

        Objectives ..... 8

        Activities that can be funded (scope)..... 9

    INNOVFUND-2025-AUC-H2-RFNBOLOWCARB-MAR-AVI — Fixed Premium Auction for RFNBO and/or electrolytic low-carbon hydrogen production for the maritime and aviation sectors ..... 9

        Objectives ..... 9

        Activities that can be funded (scope)..... 10

3. Available budget ..... 11

    National funding windows ('auctions as a service') ..... 11

4. Timetable and deadlines ..... 12

5. Admissibility and documents ..... 12

6. Eligibility ..... 14

    Eligible participants (eligible countries)..... 14

    Consortium composition ..... 15

    Eligible activities ..... 15

    Geographic location (target countries)..... 15

    Duration ..... 15

    Project budget and bid price..... 16

7. Financial and operational capacity and exclusion..... 16

    Financial capacity ..... 16

    Operational capacity ..... 17

    Exclusion ..... 17

8. Evaluation and award procedure .....	18
Cascade approach.....	19
Priority order for proposals with same bid price .....	19
Evaluation result and grant preparation.....	19
National funding windows ('auctions as a service') .....	20
9. Award criteria.....	20
10. Legal and financial set-up of the Grant Agreements.....	22
Starting date and project duration .....	22
Milestones and deliverables.....	23
Form of grant, funding rate and maximum grant amount.....	25
Budget categories and cost eligibility rules.....	25
Reporting and payment arrangements.....	27
Prefinancing guarantees .....	27
Certificates .....	27
Liability regime for recoveries .....	27
Provisions concerning the project implementation.....	28
Other specificities .....	28
Non-compliance and breach of contract .....	29
11. How to submit an application.....	29
12. Help .....	30
13. Important .....	32
Glossary .....	35
Annex 1 .....	36
Annex 2 .....	37
Annex 3 .....	43
Annex 4 .....	46

## 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](#))<sup>1</sup>
- the basic act (Innovation Fund Regulation [2019/856](#)<sup>2</sup> and ETS Directive [2003/87](#)<sup>3</sup>).

<sup>1</sup> 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).

<sup>2</sup> 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).

<sup>3</sup> 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).

The call is launched in accordance with the 2025 Financing Decision<sup>4</sup> and will be managed by the **European Climate, Infrastructure and Environment Executive Agency (CINEA)** ('Agency').

The call covers the following **topics**:

- **INNOVFUND-2025-AUC-H2-RFNBO-GENERAL — Fixed Premium Auction for RFNBO hydrogen production**
- **INNOVFUND-2025-AUC-H2-RFNBOLOWCARB-GENERAL — Fixed Premium Auction for RFNBO and/or electrolytic low-carbon hydrogen production**
- **INNOVFUND-2025-AUC-H2-RFNBOLOWCARB-MAR-AVI — Fixed Premium Auction for RFNBO and/or electrolytic low-carbon hydrogen production for the maritime and aviation sectors**

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 on price 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)
- 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

---

<sup>4</sup> Commission Decision C(2025) 7674 final of 19 November 2025 on the financing of actions under the Innovation Fund, serving as a financing decision for 2025-2031 and a decision launching calls for proposals in 2025.

- 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 lead 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 the Innovation Fund Regulation. In these grants, the Innovation Fund support is disbursed partly before a project's entry into operation and partly during operations, upon reaching defined milestones. From 2024 onwards, Innovation Fund support is also awarded via auctions on the basis of Chapter IIb of the 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 projects aimed to move 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](#)<sup>5</sup>. 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, while grant payments are 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 [2018/2021](#)<sup>6</sup> and its Delegated Acts<sup>7</sup> as well as for electrolytic low-carbon hydrogen, as defined in the Hydrogen and

---

<sup>5</sup> 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).

<sup>6</sup> Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82).

<sup>7</sup> Commission Delegated Regulation (EU) 2023/1184 of 10 February 2023 supplementing Directive (EU) 2018/2001 of the European Parliament and of the Council by establishing a Union methodology setting out detailed rules for the production of renewable liquid and gaseous transport fuels of non-biological origin; and Commission Delegated Regulation (EU) 2023/1185 of 10 February 2023 supplementing Directive (EU) 2018/2001 of the European Parliament and of the Council by establishing a minimum threshold for greenhouse gas emissions savings of recycled carbon fuels and by specifying a methodology

Gas Market Directive [2024/1788](#)<sup>8</sup> and its Delegated Acts<sup>9</sup> pursuant Article 9(5). The bid price is the requested unit contribution (fixed premium) per kg of RFNBO and/or electrolytic low carbon 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 by at least 55% by 2030 as defined in the European Climate Law Regulation [2021/1119](#)<sup>10</sup> and the European Green Deal<sup>11</sup> and to targets set out in the REPowerEU Plan<sup>12</sup>.

The European Hydrogen Bank Communication<sup>13</sup> announced key design elements of auctions for hydrogen production. It confirmed that EU-domestic production of hydrogen still faces a considerable funding gap and should, among other instruments, be supported through competitive bidding (auctions) under the Innovation Fund.

With the RePowerEU Plan, the European Commission explicitly states renewable hydrogen uptake as a central measure to reduce fossil fuel consumption in hard-to-abate industrial and transport sectors. This commitment continues in the Clean Industrial Deal (COM(2025)85). Further, the Clean Industrial Deal recognises that low-carbon fuels such as low-carbon hydrogen will be required to contribute to rapidly reduce emissions and to support the transition of the Union's customers in hard-to-decarbonise sectors in which more energy or cost-efficient options are not readily available. 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. Also, the Sustainable Transport Investment Plan communication<sup>14</sup> announced that the Commission would open, in early December 2025, the European Hydrogen Bank auction with a dedicated budget of EUR 300 million for the production of hydrogen with off-takers in the maritime and aviation sectors.

The present auction call is also aligned with the objectives of Net Zero Industry Act (NZIA)<sup>15</sup> 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 and with its Implementing Regulation specifying the pre-qualification and

---

for assessing greenhouse gas emissions savings from renewable liquid and gaseous transport fuels of non-biological origin and from recycled carbon fuels.

<sup>8</sup> Directive (EU) 2024/1788 of the European Parliament and of the Council of 13 June 2024 on common rules for the internal markets for renewable gas, natural gas and hydrogen, amending Directive (EU) 2023/1791 and repealing Directive 2009/73/EC.

<sup>9</sup> Commission Delegated Regulation (EU) 2025/2350 supplementing Directive (EU) 2024/1788 of the European Parliament and of the Council by specifying a methodology for assessing greenhouse gas emissions savings from low-carbon fuels

<sup>10</sup> Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality (OJ L 243, 9.7.2021, p. 1).

<sup>11</sup> 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 European Green Deal (COM(2019) 640 final).

<sup>12</sup> 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).

<sup>13</sup> 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).

<sup>14</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the the Sustainable Transport Investment Plan (COM(2025)664)

<sup>15</sup> 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.

award criteria for auctions for the deployment of energy from renewable sources<sup>16</sup>. 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 electrolysers. Having regard to the current and projected global and EU supply and demand trends for electrolysers, 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 electrolysers 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.

In addition, Article 10f of the EU ETS Directive [2003/87](#) provides that from 1 January 2025, economic activities, for which technical screening criteria have been established<sup>17</sup>, shall be funded by the Innovation Fund in accordance with the 'do no significant harm' (DNSH) criteria set out in Article 17 of [Regulation \(EU\) 2020/852](#) ('EU Taxonomy Regulation').

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

### **INNOVFUND-2025-AUC-H2-RFNBO-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](#)<sup>18</sup> and reiterated in the [Green Deal Industrial Plan](#)<sup>19</sup> and the [European Hydrogen Bank Communication](#)<sup>20</sup>. This topic also supports achieving security of supply of essential goods and Europe's industrial leadership and competitiveness in the hydrogen sector.

#### *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 hydrogen<sup>21</sup> from those installations (in kg of produced volume) for a period of up to 10 years.

---

<sup>16</sup> Implementing Regulation (EU)2025/1176 pecifying the pre-qualification and award criteria for auctions for the deployment of energy from renewable sources

<sup>17</sup> Pursuant to Article 10(3), point (b), of the EU Taxonomy Regulation, technical Screening criteria have been established to determine whether specific economic activities causes significant harm to one or more of the relevant environmental objectives.

<sup>18</sup> 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).

<sup>19</sup> 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).

<sup>20</sup> 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).

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

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.
- 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.
- At least 75% of the electrolysers included in the project must originate in a country different than China (see *section 9*).
- Projects must comply with the cybersecurity and data security criteria as stated in Article 5 (a) to (d) and Article 16 of Implementing Regulation 2025/11761<sup>22</sup> (see *section 10*).
- Projects must be in compliance with the DNSH Technical Screening Criteria (TSCs) set out in the Climate Delegated Act Regulation (EU) 2021/2139 for the Manufacture of Hydrogen during the entire implementation period.

### **INNOVFUND-2025-AUC-H2-RFNBOLOWCARB-GENERAL — Fixed Premium Auction for RFNBO and/or electrolytic low-carbon hydrogen production**

#### Objectives

The objective of this topic is to support the production of renewable fuel of non-biological origin (RFNBO) and electrolytic low-carbon hydrogen in Europe, as defined respectively in the Renewable Energy Directive [2018/2021](#) and its Delegated Acts<sup>23</sup>, and in the Hydrogen and Gas Market Directive [2024/1788](#)<sup>24</sup> and its Delegated Acts<sup>25</sup>, from new, additional installed capacity in support of the 2030 targets for renewable hydrogen established in this Directive and supported by the [REPowerEU Plan](#)<sup>26</sup> and reiterated in the [Green Deal Industrial Plan](#)<sup>27</sup> and the [European Hydrogen Bank](#)

<sup>22</sup> Concerning Articles 5(b) and (c) of Implementing Regulation 2025/1176, and for the purposes of this cybersecurity requirement, the scope of this auction will be treated as if it was a renewable installation in scope of Article 26 of Regulation (EU) 2024/1735

<sup>23</sup> Commission Delegated Regulation (EU) 2023/1184 of 10 February 2023 supplementing Directive (EU) 2018/2001 of the European Parliament and of the Council by establishing a Union methodology setting out detailed rules for the production of renewable liquid and gaseous transport fuels of non-biological origin; and Commission Delegated Regulation (EU) 2023/1185 of 10 February 2023 supplementing Directive (EU) 2018/2001 of the European Parliament and of the Council by establishing a minimum threshold for greenhouse gas emissions savings of recycled carbon fuels and by specifying a methodology for assessing greenhouse gas emissions savings from renewable liquid and gaseous transport fuels of non-biological origin and from recycled carbon fuels

<sup>24</sup> Directive (EU) 2024/1788 of the European Parliament and of the Council of 13 June 2024 on common rules for the internal markets for renewable gas, natural gas and hydrogen, amending Directive (EU) 2023/1791 and repealing Directive 2009/73/EC

<sup>25</sup> Commission Delegated Regulation (EU) 2025/2350 supplementing Directive (EU) 2024/1788 of the European Parliament and of the Council by specifying a methodology for assessing greenhouse gas emissions savings from low-carbon fuels

<sup>26</sup> 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).

<sup>27</sup> 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).

[Communication](#)<sup>28</sup>. This topic also supports achieving security of supply of essential goods and Europe's industrial leadership and competitiveness in the hydrogen sector.

*[Activities that can be funded \(scope\)](#)*

The following activities can be funded under this topic:

Installation of new, additional, RFNBO and/or electrolytic low-carbon 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 and/or electrolytic low-carbon hydrogen<sup>29</sup> 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 of hydrogen (either RFNBO hydrogen and/or electrolytic low-carbon hydrogen) and the unit's levelized cost. (i.e. elements like production, sale, transport, and storage can be priced into the bid).
- The produced hydrogen can be sold to any off-taker or self-consumed or stored.
- 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.
- At least 75% of the electrolysers included in the project must originate in a country different than China (see *section 9*).
- Projects must comply with the cybersecurity and data security criteria as stated in Article 5 (a) to (d) and Article 16 of Implementing Regulation 2025/11761<sup>30</sup> (see *section 10*).
- Projects must be in compliance with the DNSH Technical Screening Criteria (TSCs) set out in the Climate Delegated Act Regulation (EU) 2021/2139 for the Manufacture of Hydrogen during the entire implementation period.

**INNOVFUND-2025-AUC-H2-RFNBOLOWCARB-MAR-AVI — Fixed Premium Auction for RFNBO and/or electrolytic low-carbon hydrogen production for the maritime and aviation sectors**

*[Objectives](#)*

The objective of this topic is to support the production of renewable fuel of non-biological origin (RFNBO) and electrolytic low-carbon hydrogen in Europe as respectively defined in the Renewable Energy Directive [2018/2021](#) and its Delegated Acts and Hydrogen and Gas Market Directive 2024/1788 and its Delegated Acts, from new, additional installed capacity in support of the 2030 targets for renewable hydrogen

<sup>28</sup> 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).

<sup>29</sup> As defined in the Renewable Energy Directive 2018/2001 and its Delegated Regulations on methodology for RFNBOs and on the Hydrogen and Gas Market Directive 2024/1788 and its Delegated Acts for low-carbon fuels. Only low-carbon hydrogen produced with with an electrolyser using an external source of electricity will be considered.

<sup>30</sup> Concerning Articles 5(b) and (c) of Implementing Regulation 2025/1176, and for the purposes of this cybersecurity requirement, the scope of this auction will be treated as if it was a renewable installation in scope of Article 26 of Regulation (EU) 2024/1735

established in this Directive and supported by the [REPowerEU Plan](#)<sup>31</sup> and reiterated in the [Green Deal Industrial Plan](#)<sup>32</sup> and the [European Hydrogen Bank Communication](#)<sup>33</sup>. 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 hydrogen that will be used by stakeholders in the maritime or in the aviation sector.

### Activities that can be funded (scope)

The following activities can be funded under this topic:

Installation of new, additional, RFNBO and/or electrolytic low-carbon 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 and/or electrolytic low-carbon hydrogen<sup>34</sup> 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 of hydrogen (either RFNBO hydrogen and/or low-carbon hydrogen) 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 either off-takers belonging to the maritime sector or belonging to the aviation sector<sup>35</sup>. Projects will have to respect the specific implementation conditions concerning supply to off-takers in the maritime sector or in the aviation 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 activities<sup>36</sup> in ports within the EU/EEA. Fuel traders without bunkering operations 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 hydrogen can be sold to any off-taker or self-consumed or stored.
- An off-taker will be considered to belong to the aviation sector, if it will use the hydrogen produced by the project or the hydrogen derivative produced by the

<sup>31</sup> 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).

<sup>32</sup> 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).

<sup>33</sup> 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).

<sup>34</sup> Following the definitions in the Renewable Energy Directive 2018/2001 and its Delegated Regulations on methodology for RFNBOs and on the Hydrogen and Gas Market Directive 2024/1788 and its Delegated Acts for low-carbon fuels. Only low-carbon hydrogen produced with with an electrolyser using an external source of electricity will be considered.

<sup>35</sup> For the avoidance of doubt the required 60% of the expected total volume of hydrogen production must be for either the maritime sector or the aviation sector, but not for both.

<sup>36</sup> 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.

integrated project, for carrying out/making use of aircraft refuelling activities in airports 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 hydrogen can be sold to any off-taker or self-consumed or stored.

- The electrolyser capacity must be in a single location. Virtual pooling of capacity is not permitted.
- At least 75% of the electrolysers included in the project must originate in a country different than China (see *section 9*).
- Projects must comply with the cybersecurity and data security criteria as stated in Article 5 (a) to (d) and Article 16 of Implementing Regulation 2025/11761<sup>37</sup> (see *section 10*).
- Projects must be in compliance with the DNSH Technical Screening Criteria (TSCs) set out in the Climate Delegated Act Regulation (EU) 2021/2139 for the Manufacture of Hydrogen during the entire implementation period.

### 3. Available budget

The available call budget is **EUR 1 300 000 000**.

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

Topic	Topic budget
INNOVFUND-2025-AUC-H2-RFNBO-GENERAL	<b>EUR 600 000 000</b>
INNOVFUND-2025-AUC-H2-RFNBOLOWCARB-GENERAL	<b>EUR 400 000 000</b>
INNOVFUND-2025-AUC-H2-RFNBOLOWCARB-MAR-AVI	<b>EUR 300 000 000</b>

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 benefitting from 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*).

<sup>37</sup> Concerning Articles 5(b) and (c) of Implementing Regulation 2025/1176, and for the purposes of this cybersecurity requirement, the scope of this auction will be treated as if it was a renewable installation in scope of Article 26 of Regulation (EU) 2024/1735

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

Topic	Countries	Topic budget
INNOVFUND-2025-AUC-H2-RFNBO-GENERAL	Germany	EUR 1,300,000,000
	Spain	EUR 278,600,000
INNOVFUND-2025-AUC-H2-RFNBOLOWCARB-MAR-AVI	Spain	EUR 136,400,000

 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:	4 December 2025
<u>Deadline for submission:</u>	<u>19 February 2026 – 17:00:00 CET (Brussels)</u>
Evaluation:	March-May 2026
Information on evaluation results:	May-June 2026
GA signature:	September 2026-November 2026

#### 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, 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** (*templates to be downloaded from the Portal Submission System, completed, assembled and re-uploaded*):
  - 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 - electricity sourcing supporting evidence (*see Annex 2*)
  - off-take strategy – hydrogen off-take supporting evidence (*see Annex 2*)
  - procurement strategy – electrolyser procurement supporting evidence (*see Annex 2*)
  - support to project - equity supporting evidence (*see Annex 2*)
  - permits, licences, authorisations, etc:
    - evidence of initiated process with relevant national or regional authority to receive an environmental permit (*see Annex 2*)
    - evidence of initiated process with the relevant national authority to receive a grid connection (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 templates*)
  - 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. The 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*).

 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:

- for successful projects: identified bid price, name of the project and coordinator, total volume, electrolyser capacity, planned electrolyser origin (as would be stated in a customs declaration or made in EEA country)
- for unsuccessful projects: anonymised bid price, total volume and capacity
- anonymised and aggregated off-take prices for all projects.

Additional data and analysis may be published where anonymisation can be guaranteed.

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

## 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 persons<sup>38</sup>.

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'<sup>39</sup>.  Please note that

<sup>38</sup> See Article 200(2)(c) EU Financial Regulation [2024/2509](#).

<sup>39</sup> For the definitions, see Articles 190(2) and 200(2)(c) EU Financial Regulation [2024/2509](#).

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 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)<sup>40</sup>. 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 2020/2092<sup>41</sup>. 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.

The following activities are not considered as eligible for funding under this call:

- activities that do not comply with the 'do no significant harm' principle

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

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)

---

<sup>40</sup> 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](#).

<sup>41</sup> 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).

- enter into operation within 5 years after grant signature (maximum time to entry into operation)
- operate for normally 10 years (maximum period of operation supported by the grant), 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 bid price

Project budgets (requested grant amount) must be calculated using the calculator provided in the 'financial information file' and comply with the following requirements.

### Applicant bid price

The applicant bid price must be a fixed premium in EUR per kg<sup>42</sup>, expressed with two digits after the comma.

Only bids that do not exceed the following bid prices will be eligible ('ceiling price'):

- **for all topics:** EUR 4.00/kg of hydrogen produced (RFNBO and/or electrolytic low-carbon hydrogen).

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

### Project budget

The project budget must be calculated by multiplying the applicant bid price (fixed premium in EUR per kg) by the expected average yearly volume of production kg per year multiplied by 10 years (maximum period of operation supported by the grant)

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

- The project budget must not exceed: **for the INNOVFUND-2025-AUC-H2-RFNBO-GENERAL topic:** not exceed the topic budget (see section 3)
- **for the INNOVFUND-2025-AUC-H2-RFNBOLOWCARB-GENERAL topic:** not exceed the topic budget (see section 3)
- **for the INNOVFUND-2025-AUC-H2-RFNBOLOWCARB-MAR-AVI topic:** not exceed the topic budget (see section 3).

The grant awarded may be lower than the amount requested.

## **7. Financial and operational capacity and exclusion**

### Financial capacity

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.

---

<sup>42</sup> For the avoidance of doubts: for topics INNOVFUND-2025-AUC-H2-RFNBOLOWCARB-GENERAL and INNOVFUND-2025-AUC-H2-RFNBOLOWCARB-MAR-AVI, the bid price will refer to RFNBO and/or electrolytic low-carbon hydrogen. For topic INNOVFUND-2025-AUC-H2-RFNBO-GENERAL, it will refer to RFNBO hydrogen.

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 together with 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).

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 participate<sup>43</sup>:

---

<sup>43</sup> See Articles 138 and 143 of EU Financial Regulation [2024/2509](#).

- 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 misconduct<sup>44</sup> (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 resisted<sup>45</sup> 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 that<sup>46</sup>:

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

---

<sup>44</sup> '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.

<sup>45</sup> '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.

<sup>46</sup> See Article 143 EU Financial Regulation [2024/2509](#).

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 in EUR per kg, from the lowest to highest.
- 2) Those proposals whose maximum grant amounts fit within the topic budget and the budget from national funding windows (if any), 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 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 or EEA country) which had, at call opening, less funds awarded in previous Innovation Fund calls will be considered to have higher priority.
- 3) If this 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 benefitting from 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
  - do not exceed the auction's ceiling price of EUR 4.00/kg of hydrogen
  - the requested grant support fits within the national funding window budget
- and
- 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 and/or electrolytic low-carbon hydrogen:** credibility of the production of the final product required by the call (i.e. RFNBO and/or electrolytic low-carbon hydrogen), based on the technical characteristics of the project, and on its scope and, **for the INNOVFUND-2025-AUC-H2-RFNBOLOWCARB-MAR-AVI topic**, also credibility that the project will supply at least 60% of the hydrogen production volumes as stated in the bid to (an) off-taker(s) belonging to the maritime or the aviation sector, as described in Annex 2.

**Achieving security of supply of essential goods and contribution to Europe's industrial leadership and competitiveness:** credible contribution to a diversified supply chain and avoiding the building of dependency on a single

third country which may threaten the security of supply of electrolyzers. For that purpose, at least 75% of the electrolyzers<sup>47</sup> included in the project of the bid must originate in a country different than China<sup>48</sup>. For those at least 75% of the electrolyzers:

- stacks must originate in a country different than China
- no more than two of main specific components<sup>49</sup> may originate in China (stacks cannot count for these two components).

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 stating the intended origin of the electrolyzers and their components, notably stacks).

- 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 the project implementation plan; credibility of the feasibility study (including risk identification and mitigation measures) and the proposed implementation arrangements; credible plan to source the necessary electricity to produce the volumes of hydrogen claimed in the bid and in accordance with the objective of the auction; consistency of the electricity sourcing strategy with the bid and the financial information file, as well as core project parameters (including assumed full load hours, hydrogen off-take profile, or electrolyser efficiency); state of play of equipment procurement (particularly concerning the ability to secure the electrolyser capacity as stated in the bid); status of required permits and energy infrastructure; status of connected projects or installations beyond the boundaries of the project; compliance with the DNSH principle (Article 17 of the Taxonomy Regulation [2020/852](#); see Annex 4).

**Financial maturity:** soundness, credibility and consistency of the business plan, including a detailed background and justification of CAPEX, OPEX and revenues projections entered in the financial information file; strategy to secure the key contractual framework, including a robust plan and initial pre-contractual steps towards securing off-take contracts for the produced volumes of hydrogen as stated in the bid; soundness and credibility of the financing plan, including expected sources of equity and debt financing; understanding of the

---

<sup>47</sup> With "electrolyzers" it is understood as the hydrogen production unit not including the Balance of Plant.

<sup>48</sup> If the project installs only one electrolyser then it cannot originate in China. If the project installs more than one electrolyser, big differences in the size of electrolyzers have to be justified and must not be construed with the intention of circumventing resilience requirements

<sup>49</sup> List of specific components is defined in Implementing Regulation (EU)2025/1176 . For electrolyzers the following specific components are listed:

- For Alkaline electrolyzers (AEL): Stacks, Separators (diaphragm or membranes tailored for water electrolysis), Bipolar plates and end plates, Electrodes.
- For Proton exchange membrane electrolyzers (PEMEL): Stacks, Membrane electrode assemblies (3-layer) / catalyst-coated membranes, Porous transport layers / gas diffusion layers, Bipolar plates and end plates.
- For Anion exchange membrane electrolyzers (AEMEL): Stacks, Membrane electrode assemblies (3-layer) / catalyst-coated membranes, Porous transport layers / gas diffusion layers, Bipolar plates and end plates.
- For Solid-oxide electrolyzers (SOEL): Stacks, Electrolyte and electrodes, High-temperature gaskets / sealings, Interconnectors / meshes and end plates.

project's business and financing risks, including ability to hedge against fluctuations in electricity and hydrogen prices, and identification of risks stemming from dependencies on key infrastructure and installations falling outside the project's boundaries including a credible mitigation strategy in the event of unexpected delays.

For integrated projects<sup>50</sup>: credibility of the business plan and financing plan taking into account the off-take strategy for the derivative product produced with hydrogen that is part of the bid.

**Operational maturity:** role, competence and experience of the applicants and their project teams, including operational resources (human, technical and other).

**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 — 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*.

<sup>50</sup> 'Integrated projects' are projects in which the off-taker of the hydrogen, as stated in the bid, is the same legal entity as the beneficiary of the auction

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 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; first knowledge sharing report; confirmation by the off-takers on no risk of breaching State aid rules, updated financial information file, with the information valid at financial close (all 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 necessary to produce RFNBO hydrogen volumes stated in the bid; and/or signed power supply contract to produce the electrolytic low-carbon hydrogen stated in the bid (e.g. contract with utility or trader, direct wholesale market access, etc, in consistency with the objective of the topic); signed off-take agreements; signed electrolyser purchase contract(s) that state electrolyser origin and that contain clauses confirming that the sourcing of electrolyser limitation set out in section 2 is complied with; final investment decision and signed financing agreements at appropriate level; signed EPC contract or similar; main relevant permits approved; integrated projects will need to show proof of final investment decision taken for the integrated off-taker installations consuming the hydrogen as stated in the bid.

In addition, **for the INNOVFUND-2025-AUC-H2-RFNBOLOWCARB-MAR-AVI topic**, at financial close, the project must demonstrate signed off-take agreements with either maritime or aviation 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*); cybersecurity plan (at entry into operation; *see details below*); updated knowledge sharing plan, second knowledge sharing report; updated financial information file, with the information valid at entry into operation (all 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 limitation. This will be established 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 manufacturer(s) that state and contain sufficient evidence to prove that the sourcing of electrolyser limitation set out in section 2 is complied with.
  - cybersecurity plan credibly demonstrating the compliance of the project with the cybersecurity and data security criteria as stated in Article 5 (a) to (d) and Article 16 of Implementing Regulation 2025/1176.
- 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 changes into the sector towards which the produced hydrogen is directed and (2) confirmation that the rules on the combined support for off-takers 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 the electrolyser and its components limitation set out in section 2 throughout the project monitoring period (especially if stacks have been refurbished during the action)
      - DNSH compliance report, demonstrating that the project complied with the DNSH technical screening criteria (TSC) throughout the project lifetime

- in addition, for the **INNOVFUND-2025-AUC-H2-RFNBOLOWCARB-MAR-AVI** topic, 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 either the maritime or the aviation sector (independent third party certificate or through audited reports; see Annex 2).

 The verified and certified production report must certify the RFNBO and/or electrolytic low-carbon 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 Act C(2023)1087 supplementing the Renewable Energy Directive 2018/2001 for RFNBO or pursuant to Article 9 of Directive 2024/1788 for Hydrogen and Gas Market). In the case of integrated projects producing a hydrogen derivative, the certification can be made for the derivative RFNBO and/or electrolytic low-carbon product, and it must include the conversion factor between the volumes of RFNBO and/or electrolytic low-carbon hydrogen and the derivative product. Please note that the bid must only concern RFNBO and/or electrolytic low-carbon hydrogen and payments will only be made against certified and verified RFNBO and/or electrolytic low-carbon hydrogen production volumes in consistency with the objective of the topic that the project applied to.

#### 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 (requested 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 product<sup>51</sup>

*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 4.00/kg of RFNBO and/or electrolytic low-

<sup>51</sup> [Decision](#) of 27 October 2023 authorising the use of unit contributions for auction actions under the Innovation Fund.

carbon 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)
- 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 32.3.1(j) 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 total 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 the **INNOVFUND-2025-AUC-H2-RFNBOLOWCARB-MAR-AVI** topic, supply to an off-taker belonging to either the maritime or the aviation 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 the electrolyser and its components 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 Period 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](#)<sup>52</sup>)
- 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

---

<sup>52</sup> 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*).

described in Chapter 5 of the Grant Agreement may be taken.

### ***Completion guarantee***

A completion guarantee covering 8% of the requested maximum grant amount will be required to avoid speculative bids (*mandatory template available on [Portal Reference Documents](#)*).

The completion guarantee must be in euro and 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, BBB(low) from DBRS or A- from A.M.Best.

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 by post; *see section 5 above*). The 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).

If not called, the guarantee will be released after final approval of the entry into operation in accordance with the conditions laid down in the Grant Agreement (*Annex 5*).

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 EU Login 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 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 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** — 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 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](#) or [EU trade defense 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**

<b>Action</b>	Global term for beneficiary activities funded by the Innovation Fund. Used interchangeably with project.
<b>Bid Price</b>	Bid for the amount of subsidy to be received per unit of low/zero carbon product produced by the applicant.
<b>Consortium</b>	Beneficiaries and other participants which cooperate together to implement the project.
<b>Detailed budget table/Calculator ('Financial information file')</b>	Detailed project budget table/calculator filled in according to the mandatory excel file template that includes the bid components, such as bid price and expected average yearly volume of production.
<b>Disbursement period</b>	Period of time between entry into operation and the final payment as specified in section 6 of the Call document.
<b>Entry into operation</b>	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 section 10 of the Call document.
<b>Expected average yearly/semi annual volume</b>	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 section 6 of the Call document
<b>Financial close</b>	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 section 10 of the Call document.
<b>Grant</b>	Financial support by means of a fixed premium
<b>Project duration</b>	Period of time from signature of grant agreement until the end of the final work package as specified in section 6 of the Call document. The project may continue operations afterwards until the 'end of project life', out of the scope of the grant agreement.
<b>Start of works</b>	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.
<b>Subcontractor</b>	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 the 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. Sourcing strategy - Electricity sourcing supporting evidence**

The project must present an electricity sourcing strategy together with the required pre-contractual agreements.

The electricity sourcing strategy must demonstrate that the project has a credible plan to source the necessary electricity for 100% of the planned volumes of hydrogen as expressed in the bid.

It should clearly express the expected portion of the electricity use that is estimated will be able to be counted as fully renewable (for production of RFNBO hydrogen) and the portion which will be accounted for electrolytic low carbon hydrogen production (if applicable).

*For RFNBO hydrogen volumes:*

The strategy must demonstrate that the necessary initial pre-contractual steps have been taken towards securing renewable electricity that matches (both in terms of volume and time profile) at least the 60% of volumes of RFNBO hydrogen as stated in the proposal.

The electricity sourcing strategy must explain how this portion of the project's energy supply will comply with the principles of additionality, geographical and temporal correlation, for the volumes of RFNBO hydrogen. Each of these three principles must be at least addressed in the strategy.

For each expected electricity source for the production of RFNBO hydrogen, the following information should be explained as part of the strategy:

- a) name of renewable electricity provider or indication of own assets, where applicable. If applicable, expected time for these installations to reach final investment decision or to be operative.
- 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). If the electrolyser capacity in the bid is a portion of a bigger project, the application should explain how the volumes of electricity of the full project will be satisfied
- e) price range indication
- f) pricing structure (fixed price, collar, price floor, floating, indexed etc.).
- g) duration of supply.

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

As part of the documentation of the energy strategy, and for at least 60% of the required total electricity volumes during the project's implementation period for the production of RFNBO hydrogen, heads of terms (HoT)<sup>53</sup> or other forms of pre-contractual signed term sheets must be provided, and they must include the information set out in points a) to g) above. The provided HoT should not be more than 1 year old at the moment of application.

---

<sup>53</sup> Heads of terms are understood as pre-contractual documents that outline the key pre-agreed terms of the transaction between parties, representing a more advanced stage of negotiation than a Memorandum of Understanding (MoU).

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 g) above. In this case, the letter should also explain the expected installed capacity of the generation plant, the required investment amount, how it is planned to be financed and what is the timeline for reaching final investment decision of the installation.

*For electrolytic low-carbon hydrogen volumes (if applicable):*

The strategy must demonstrate that, for at least 60% of the required total non-fully-renewable electricity necessary for the production of the portion of electrolytic low-carbon hydrogen volumes during the project's implementation period as stated in the bid, there is a credible explanation of how the use of this energy supply will result in hydrogen production meeting the minimum emissions savings threshold of 70% necessary to be considered as a low carbon fuel according to the definition in Directive 2024/1788 and its Delegated Regulation<sup>54 55</sup>.

The strategy must provide an estimation of the average monthly emissions savings that could be achieved by the electrolytic low carbon hydrogen production during the implementation period, compared with the reference fossil fuel comparator<sup>56</sup>.

For that purpose, the strategy must explain the expected method/s to be used by the project for each operational year from the list of methods<sup>57</sup> for attributing GHG emissions to the electricity supply from the grid that does not qualify as fully renewable.

The calculation of those future average monthly GHG emissions should be supported by information on:

- a) planned production schedule of the electrolyser during the implementation period, including estimated monthly full load and maintenance hours

And:

- b) estimated yearly average emission factor of the electricity mix of the bidding zone as set out in Part C of the Annex of the Delegated Regulation (EU) 2025/2350 if method 6(a) is chosen for that year.
- c) estimated monthly average emission factors of the electricity mix in the bidding zone where the project is located, if method 6(b) is chosen for that year.
- d) estimated annual number of hours in the bidding zone where the project is located in which the marginal price of electricity is set by renewable or nuclear plants, if method 6(c) is chosen for that year.
- e) estimated monthly average emission factors of the marginal generation unit in the bidding zone where the project is located, if method 6(d) is chosen for that year.

---

<sup>54</sup> Commission Delegated Regulation (EU) 2025/2350 supplementing Directive (EU) 2024/1788 of the European Parliament and of the Council by specifying a methodology for assessing greenhouse gas emissions savings from low-carbon fuels

<sup>55</sup> Commission Delegated Regulation (EU) 2025/2350 supplementing Directive (EU) 2024/1788 of the European Parliament and of the Council by specifying a methodology for assessing greenhouse gas emissions savings from low-carbon fuels

<sup>56</sup> COM(2023) 1086 : 94 gCO<sub>2</sub>eq/MJ

<sup>57</sup> As listed in point 6 of Annex to the Delegated Regulation (EU) 2025/2350 adopted by the Commission pursuant to Article 9(5) of Directive (EU) 2024/1788

Information in points above should be supported by an electricity market modelling for the bidding zone where the project is connected in at least monthly granularity for the years of operation of the project. The strategy must explain how the model used is aligned with the data such as that used by ENTSO-E (e.g TYND, transparency platform), the data used by national TSOs for national network development plans, and/or data from other relevant national or European authorities.

*Both for RFNBO and electrolytic low-carbon hydrogen volumes:*

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 credible timeline (including permits) for that infrastructure to become operational in line within the maximum time to financial close and to entry into operation required in the auction.

All documents and evidence provided as part of the 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 Part B of the Application Form.

## **2. Off-take strategy — Hydrogen off-take supporting evidence**

The project must substantiate with adequate evidence documentation that initial pre-contractual steps have been taken towards securing the off-take of RFNBO hydrogen and/or electrolytic low carbon hydrogen production as stated in the bid. For that purpose, and for at least 60% of the total hydrogen production volumes (including RFNBO hydrogen and/or electrolytic low carbon hydrogen) during the project's implementation period, the project must present heads of terms (HoT) or other forms of pre-contractual signed term sheets with (an) off-taker(s) , and they must include the information set out below:

- a) name of the off-taker
- b) sector and sub-sector of the off-taker. Please refer to the sector categorization provided in Part C)
- c) off-take volumes (RFNBO hydrogen and/or electrolytic low-carbon hydrogen)
- d) pricing structure (fixed price, price floor, floating, indexed etc.)
- e) price range indication
- f) duration of the off-take agreement
- g) method of delivery and, in case of dependency on specific infrastructure, expected time for the infrastructure to reach final investment decision or to be operative
- h) confirmation from the consumer (in most of the cases, the off-taker themselves) that, in case of receiving State aid for operational expenditure, they informed the competent authorities that they would receive hydrogen volumes that are part of the bid in the Innovation Fund hydrogen auction and that they need to exclude (by financial close) the risk of breaching State aid rules.

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

The provided HoT should not be more than 1 year old at the moment of application.

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

- For integrated projects: the HoT can be replaced by a letter signed by a director/senior executive of the beneficiary containing points a) to h) above explaining how 60% of the hydrogen production volumes during the project's

implementation period, as stated in the bid, are reserved internally for the self-consumption. The information reflected in the letter should be the same as that required in the HoT of a third party of taker except that instead of the name of the off-taker the beneficiary should indicate it's own asset within the project.

- For integrated projects applying to the **INNOVFUND-2025-AUC-H2-RFNBOLOWCARB-MAR-AVI topic**: if the hydrogen is transformed/used within the integrated project (e.g. producing ammonia, methanol, e-fuels), the off-taker will be considered the entity consuming the transformed product and the project must also present HoT or other forms of pre-contractual signed term sheets with maritime or aviation off-taker(s) containing points a) – h) above concerning the volumes of derivative product that are equivalent to 60% of the hydrogen production volumes as stated in the bid (RFNBO and/or electrolytic low carbon hydrogen), during the project's implementation period. Information in point c) must also mention the expected conversion factor from those volumes of hydrogen to the final derivative product volumes.

For the **INNOVFUND-2025-AUC-H2-RFNBOLOWCARB-MAR-AVI topic**: an off-taker will be considered as belonging to the maritime sector if it is either bunkering fuels in ports within the EU/EEA (e.g. port authorities or oil and gas companies bunkering in the EU/EEA) or receiving bunker fuels from EU/EEA ports (e.g. shipping companies). An off-taker will be considered to belong to the aviation sector if it is either supplying aviation fuels in airports within the EU/EEA (e.g. fuel supplier, into-plane service companies, airport-operator) or receiving aviation fuels from EEA airports (e.g. an airline). Fuel traders without bunkering operations, and/or intermediaries (including storage facilities), are not eligible as off-takers, neither are virtual agreements.

The off-take HoT must include a self-declaration from the off-taker confirming that they belong to the maritime or the aviation sector, together with the following documentation:

- a) if the off-taker is a shipping company making use of bunkering activities: an official document proofing the maritime operator holding account (MOHA) number of that company and/or the IMO unique company and registered owner identification number. In case of off-takers engaged in vessel chartering, proof of maritime chartering agreements (for example, redacted extracts of charter party agreements, endorsement letter signed by shipowners, etc.) with identified IMO vessels and with information justifying the respective average annual fuel purchase over, at least, the last 3 years.
- b) if the off-taker is a provider of bunkering fuels (including fuel supply, and operation of bunkering): endorsement letter from the competent maritime authority in the Member State confirming its status and activities, including information on annual volumes of fuel supplied, on average, in the last 3 years.
- c) if the off-taker is a aviation company making use of fueling activities, an official document proofing the ICAO/IATA code designators.
- d) if the off-taker is a provider of aviation fuels (including fuel supply, and operation of fuels in airports): endorsement letter from the competent authority in the Member State confirming its status and activities, including information on annual volumes of fuel supplied to aviation sector, on average, in the last 3 years.

### **3. Procurement strategy - Electrolyser procurement supporting evidence**

The project must present adequate evidence that initial pre-contractual steps towards securing the electrolyser capacity as stated in the bid have been taken. For that purpose,

the project must submit memoranda of understanding, letters of intent (MoU/Lol) or other forms of pre-contractual signed term sheets with electrolyser manufacturer(s), that cover the total amount of planned electrolyser capacity in the project as stated in the bid. The MoU/Lol/others must contain at least the following elements:

- a) type of technology
- b) declaration on company which will produce the electrolyser and where the manufacturing of electrolyser will be located
- c) declaration of origin of the electrolysers and the electrolyser stacks: if the electrolysers/stacks are to be imported from outside the EU/EEA, state the country of origin as will be indicated in the customs declaration (i.e. country of last substantial transformation). If the electrolysers/stacks are not to be imported from outside the EU/EEA, state the EU/EEA country of origin. In case of different manufacturers of the electrolysers/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 by the electrolyser manufacturer that the requirements under 'Achieving security of supply of essential goods and contribution to Europe's industrial leadership and competitiveness' are fulfilled with the indication if any of the specific components are to come from China.
- e) electrolyser capacity in MWe
- f) expected delivery date
- g) terms of delivery
- h) price

The provided MoU/Lol should not be more than 1 year old at the moment of application.

#### **4. Support to project - Equity supporting evidence**

The project must provide evidence documentation on the funding support by the project's equity funding providers identified in Part B of the Application Form. For that purpose, the project must present memoranda of understanding, letters of intent or letters of support for at least 60% of the total projected equity funding amount.

The documents should be signed by authorised signatories at executive committee and/or board of director level of the respective funding entity(ies).

The documents provided must include:

- a) the name of the funding entity providing the equity
- b) job title of the signatory/ies
- c) reference to the project and investment scope (aligned with the bidding project scope)
- d) funding amount and share of the project's total equity funding amount
- e) availability of financing resources to secure this funding amount
- f) expected timing and steps to reach financial close.

#### **5. Permits, licences and authorisations**

The project must demonstrate the initiation of all necessary permit, licencing and authorisation procedures and that they will be delivered in time.

### *Environmental permits*

Evidence of the submission of the necessary environmental permit request(s) to the relevant national or regional authority to receive environmental permits for the RFNBO and/or electrolytic low-carbon hydrogen production installation and credible information on the timeline of the approval process in relation to financial close and maximum time to entry into operation.

The submitted documents must establish in a credible manner that the timeline for the permits is realistic and can be achieved before the maximum time to financial close. The documentation provided will be assessed considering the national context, which should also be described in your application.

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

### *Grid connection permits*

If the project will be using power from the electricity grid, credible evidence of the submission of the necessary requests to the relevant authority to receive a grid connection permit for the RFNBO and/or electrolytic low-carbon hydrogen production installation within the maximum time to financial close.

The submitted documents must establish in a credible manner that the timeline for the permit approval is realistic and can be achieved before the maximum time to financial close. The documentation provided will be assessed considering the national context, which should also be described in your application.

**Annex 3****Rules on combination of support**

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 CEEAG<sup>58</sup> or the IPCEI Communication<sup>59</sup> and not notified e.g. under the GBER<sup>60</sup>) or funding from EU programmes (e.g. Innovation Fund, 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 Fund (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
Hydrogen producers signing Grant Agreement for an Innovation Fund auction grant ('IF auction project')	<p><b>X</b> Combination with public support for hydrogen producer's CAPEX or OPEX is not allowed.</p> <p><b>X</b> For avoidance of doubt, compensation for indirect emission costs provided under the ETS State aid Guidelines<sup>61</sup> is a form of State aid and cannot be combined.</p> <p><b>X</b> For avoidance of doubt, reductions from levies or taxes which reflect part of the cost of providing 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.</p>	<p><b>V</b> Combination with previous public support for early project development stages such as: research, feasibility studies or FEED studies preceding the commercial operation is allowed.</p> <p><b>V</b> Combination with previous public support for capacity development that is <i>not</i> part of the bid is allowed<sup>62</sup>.</p> <p><b>V</b> Combination with public support for energy infrastructure<sup>63</sup> connected to the project (e.g. Connecting Europe Facility support) is allowed, provided that the energy infrastructure is not infrastructure dedicated to this project only ("non-dedicated infrastructure").</p> <p><b>V</b> 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</p>

<sup>58</sup> [https://competition-policy.ec.europa.eu/sectors/energy-environment/legislation\\_en](https://competition-policy.ec.europa.eu/sectors/energy-environment/legislation_en)

<sup>59</sup> [https://competition-policy.ec.europa.eu/state-aid/legislation/modernisation/ipcei\\_en](https://competition-policy.ec.europa.eu/state-aid/legislation/modernisation/ipcei_en)

<sup>60</sup> [https://competition-policy.ec.europa.eu/state-aid/legislation/regulations\\_en](https://competition-policy.ec.europa.eu/state-aid/legislation/regulations_en)

<sup>61</sup> 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.

<sup>62</sup> 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.

<sup>63</sup> 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
		aid frameworks) <sup>64</sup> is allowed <sup>65</sup> , even if these measures qualify as State aid.
Electrolyser manufacturers from whom IF auction projects will purchase equipment		<p>✓ Public support provided to the electrolyser manufacturers supplying equipment for projects.</p>
Renewable electricity installations <sup>66</sup> from whom IF auction project will source electricity	<p>✗ 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).</p>	<p>✓ 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.</p> <p>✓ For RFNBO hydrogen producers entering into operation as of 1 January 2028, the “additionality principle” can be waived for renewable electricity installations if</p> <ul style="list-style-type: none"> <li>- The grid has low emissivity (&lt;18gCO<sub>2</sub>/MJ)</li> <li>- The grid has a high share of renewables (&gt;90%)</li> </ul> <p>In such cases, renewable electricity and thus renewable electricity installations can benefit from public support.</p> <p>✓ 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.</p> <p>Please consult the Renewable Energy Directive and its Delegated Acts for detailed rules.</p>
Direct consumers <sup>67</sup> of the output of IF auction projects.  Only the output supported by the IF auction grant is concerned <sup>68</sup> .	<p>✗ Purchasing hydrogen from the IF auction projects by the direct consumer must not result in a breach of the conditions of the State aid they have received. However, direct consumers receiving State aid for operational costs of their hydrogen consumption are</p>	<p>✓ Direct consumers of the output of IF auction projects may receive EU funding for operational costs of their hydrogen consumption, provided that the respective rules prohibiting ‘double funding’ of the same costs are respected.</p>

<sup>64</sup> 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.

<sup>65</sup> Allowed for the 2024 auction round. If further auction rounds follow, this case of combined support might not be allowed.

<sup>66</sup> Rules stemming from Renewable Energy Directive Delegated Regulations on RFNBOs and notably “additionality principle”.

<sup>67</sup> 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.

<sup>68</sup> 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

Entity	Cases of combination of support that are not allowed	Cases that are allowed
<p>Output of non-integrated projects is RFNBO hydrogen.</p> <p>Output of integrated projects<sup>69</sup> is the RFNBO hydrogen derivative (e.g. ammonia, e-gas, e-fuels)</p>	<p>responsible for ensuring that they are not in breach of the conditions of their State aid funding.</p> <p>For that purpose, direct consumers receiving State aid for operational costs of their hydrogen consumption will need to inform the competent national authorities that they are purchasing hydrogen from the IF auction projects and exclude the risk of overcompensation or a breach of the cumulation rules of any State aid measure they are a beneficiary of<sup>70</sup>.</p>	<p>✓ Direct consumers of the output of IF auction projects can benefit from public support for their CAPEX costs.</p> <p>✓ 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”).</p>

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.

<sup>69</sup> 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.

<sup>70</sup> Heads of Terms need to mention on the side of consumer that they informed the competent authorities that they would be part of the bid in the IF hydrogen auction and that they need to exclude (by the Financial Close) the risk of breaching State aid rules.

At Financial Close, contracts need to mention that consumer informed the competent authorities and those authorities excluded the risk of breaching State aid rules.

**Annex 4****DNSH requirements in InnovFund projects****1. Introduction to 'do no significant harm'**

The Do No Significant Harm ('DNSH') principle was first legislated through the EU Sustainable Finance framework, specifically via Regulation (EU) 2020/852 ('[Taxonomy Regulation](#)'). There is a total of six environmental objectives established in Article 9 of the Taxonomy Regulation:

- Climate change mitigation;
- Climate change adaptation;
- Protection of water and marine resources;
- Transition to a circular economy;
- Pollution prevention and control regarding use and presence of chemicals;
- Protection and restoration of biodiversity and ecosystems.

Within the European Union policy framework, the DNSH principle aims to ensure that EU initiatives (e.g. policies, regulations, funding programs) do not negatively impact the EU's climate and environmental objectives. This principle is increasingly used by European and national authorities to mainstream climate and environmental considerations across public initiatives during their design, implementation and evaluation phases.

**2. DNSH application and assessment under InnovFund**

Article 10f of Directive 2003/87/EC ('[ETS Directive](#)') provides that from 1 January 2025, the ETS revenues destined for the Innovation Fund should be used in accordance with the DNSH criteria set out in Article 17 of the Taxonomy Regulation.

Therefore, all proposals submitted to the Innovation Fund Auction and Grants calls will be assessed for their compliance with the DNSH Technical Screening Criteria ('TSC'), set in Commission Delegated Regulations (EU) 2021/2139 ('[Climate Delegated Regulation](#)') and (EU) 2023/2486 ('[Environment Delegated Regulation](#)'). The version in force of these Commission Delegated Regulations when the call closes will be the relevant DNSH criteria for the entire life of the project.

Only the 'do no significant harm' criteria set in the abovementioned Commission Delegated Regulations, and NOT the 'substantial contribution criteria', are relevant for the purpose of DNSH compliance under the Innovation Fund. An updated Commission Delegated Regulation shall apply from 1 January 2026<sup>71</sup> which simplifies the Generic Criteria for Pollution Prevention and Control.

Note that it is the responsibility of the applicant to clearly identify the main economic activity(ies) proposed as part of the project, to clearly identify whether one or more sets of TSC are applicable to their project, and to provide credible justifications concerning DNSH compliance.

---

<sup>71</sup> COMMISSION DELEGATED REGULATION (EU) .../... of 4.7.2025 amending Commission Delegated Regulation (EU) 2021/2178 as regards the simplification of the content and presentation of information to be disclosed concerning environmentally sustainable activities and Commission Delegated Regulations (EU) 2021/2139 and (EU) 2023/2486 as regards simplification of certain technical screening criteria for determining whether economic activities cause no significant harm to environmental objectives, not yet published in the Official Journal

### 2.1 Different DNSH requirements for each project

Different TSC are set for different economic activities. For some of the economic activities proposed by some IF projects, it is possible that no TSC have been defined in the above-mentioned Climate Delegated Regulation or in the Environment Delegated Regulation. For some other IF projects, it is possible that TSC are defined only for a limited number of environmental objectives, while some IF projects may need to meet TSC set for each of the 6 environmental objectives.

### 2.2 Evaluation

DNSH alignment will be assessed during proposal evaluation. If the experts assessing a proposal identify shortcomings with the plan for DNSH compliance, but not the general compliance of the project activities with the DNSH TSC, the proposal may pass the evaluation, and, in case the proposal is recommended for funding, the applicant will be required during the grant agreement preparation phase to submit further documentation and/or to include measures to address the issues identified during project implementation. Failure to do so may result in the grant agreement not being signed.

In case the proposal is awarded, deliverables might be added to the work plan to monitor and verify the compliance of the project activities with the DNSH TSCs.

At the end of the Innovation Fund project, projects will need to report on their compliance with DNSH TSC through the submission of a DNSH Compliance Report.

If a project is found to be non-compliant with the TSC after grant agreement signature, the project may be terminated and/or the grant may be reduced.

## **3. Selecting relevant technical screening criteria (TSC)**

For the H2 AUCTION call, all submissions will be assessed under the economic activity 'manufacture of hydrogen'. No other economic activity should be considered for compliance with DNSH TSC for project proposals in this call.

Projects are required to demonstrate alignment with DNSH TSC only for economic activities within the project boundary.

The DNSH requirements for each environmental objective for the relevant economic activity are shown in the table below. It should be noted that all eligible projects under the H2 AUCTION call will **automatically be deemed compliant** with objective 1 'climate change mitigation' as long as they continue to comply with GHG conditions throughout the life of the project. Further details of required documents in section 4.2.

*Table 1: DNSH Requirements for manufacturing of hydrogen*

<b>Environmental objective</b>	<b>DNSH requirement</b>
1 Climate change mitigation	<p>The activity complies with the life cycle GHG emissions savings requirement of 70 % relative to a fossil fuel comparator of 94 g CO<sub>2</sub>e/MJ as set out in Article 25(2) of Directive (EU) 2018/2001 of the European Parliament and of the Council <sup>(6)</sup> and Annex V to that Directive.</p> <p>Life cycle GHG emissions savings are calculated using the methodology referred to in Article 28(5) of Directive (EU) 2018/2001 or, alternatively, using ISO 14067:2018 <sup>(7)</sup> or ISO 14064-1:2018 <sup>(8)</sup>.</p>

	Quantified life-cycle GHG emission savings are verified in line with Article 30 of Directive (EU) 2018/2001 where applicable, or by an independent third party.
2 Climate change adaptation	The activity complies with the criteria set out in <a href="#">Appendix A</a> to this Annex
3 Sustainable use and protection of water and marine resources	The activity complies with the criteria set out in <a href="#">Appendix B</a> to this Annex
4 Transition to a circular economy	N/A for Hydrogen Manufacture
5 Pollution prevention and control	<p>The activity complies with the criteria set out in <a href="#">Appendix C</a> to this Annex</p> <p>Emissions are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set out in the relevant best available techniques (BAT) conclusions, including:</p> <ol style="list-style-type: none"> <li>a. the best available techniques (BAT) conclusions for the production of chlor-alkali<sup>(125)</sup> and the best available techniques (BAT) conclusions for common waste water and waste gas treatment/management systems in the chemical sector<sup>(126)</sup>;</li> <li>b. the best available techniques (BAT) conclusions for the refining of mineral oil and gas<sup>(127)</sup>.</li> </ol> <p>No significant cross-media effects occur.</p>
6 Protection and restoration of biodiversity and ecosystems	The activity complies with the criteria set out in <a href="#">Appendix D</a> to this Annex

#### 4. How to complete your proposal to demonstrate DNSH

##### Self-declaration (all calls)

In the section 'Declarations' you must acknowledge compliance with the do no significant harm principle.

##### Application Form B

The application form Part B should be used to justify compliance with the DNSH TSC for manufacture of hydrogen for the following environmental objectives (noting that all RFNBO and electrolytic low carbon hydrogen projects are deemed compliant with objective 1 and there are no relevant TSC for objective 4):

- 2 Climate change adaptation
- 3 Sustainable use and protection of water and marine resources
- 5 Pollution prevention and control
- 6 Protection and restoration of biodiversity and ecosystems.

For each relevant TSC, projects must demonstrate a plan for compliance with the relevant TSC (including a timeline and resources allocated to meet such a requirement). Projects must demonstrate that they comply with any specific quantitative limits and with any qualitative requirements specified in the relevant TSC.