

# **EU Catalyst** Partnership







2 November 2021

### JOINING FORCES FOR AN INNOVATIVE GREEN FUTURE

The EU-Catalyst partnership will support innovative green technologies, drive down the cost of green alternatives, and create markets and supply chains for sustainable solutions.

#### **FOUR AREAS**



#### **Clean** hydrogen

Production of hydrogen using methods that substantially reduce carbon emissions



### **Sustainable** aviation fuels

Production of low-carbon jet fuel, for example by using bio-food waste, wood waste, or algae



#### **Direct air** capture

Reducing overall CO2 by capturing CO2 directly from the ambient air and storing it permanently



## **Long-duration** energy storage

Storage of energy in a system that can discharge electricity over time for extended durations

In all four areas, the partnership will help to accelerate deployment of large-scale, innovative first-of-a-kind solutions. Projects are to develop, test and operate the installations at industrial scale.

#### **KEY FIGURES**

#### 1:1 risk sharing

The EU and Breakthrough Energy Catalyst share the risk. Grants and investments will be matched 1:1.

#### \$1bn / €820m mobilised

The EU and Breakthrough Energy Catalyst will together mobilise \$1bn / €820m for a minority stake in the project.

Projects will at least match that with their own contribution.

#### 1:3 leverage

The EU-Catalyst partnership will provide up to 50% of the required financing. The projects need to raise at least 50% themselves.

So for each euro from the EU budget, the partners will raise at least 3 euros themselves.

#### WHAT WILL BE FUNDED AND HOW?

The EU-Catalyst partnership offers different forms of finance to close the financing gap of a project. This includes grants and other types of investments, such as quasi-equity, equity and contract subsidies, for example companies committing to purchase the resulting green products.

This will reduce the costs, for both producer and consumer, for the green technology.

#### **Examples**



#### Context

An airline buys sustainable aviation fuel, which meets the desired safety and quality standards.

#### Challenge

These fuels are more expensive than conventional fuels.

#### **Benefits**

By paying more for the fuel, the airline:

- reduces its carbon footprint;
- can test sustainable aviation fuel performance in real-life
- attract green-conscious customers;
- respect emission targets.



#### Context

Steel production requires a lot of energy.

#### Challenge

Hydrogen is more expensive than coal.

#### **Benefits**

By using renewable hydrogen, the producer:

- reduces the carbon footprint;
- acquires critical knowledge for a low-carbon operation;
- meets customer demand;
- ensures long-term viability of site operations;
- improves environmental profile of operations.

#### **HOW TO APPLY**

During 2022-26, Breakthrough Energy Catalyst will launch requests for proposals in the four focus areas. Proposals will be evaluated against ambitious criteria, including: scalability, impact and path to economic viability.

Breakthrough Energy Catalyst will select and propose potential projects to the EIB. The EIB will assess those based on agreed processes and rules, in relation to the Horizon Europe and the Innovation Fund funding contributions. The assessment and the decision to use EU funds will be independent from that of Breakthrough Energy Catalyst.



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