**Project Portfolio**

**Company Name**

City, State

Company logo

**Work Stream “XXX”**

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1. Project Outline
	1. Company Presentation

*Please give a brief description of your company and the type of your company.*

* 1. Objectives of the company in the integrated IPCEI (Work Stream it is involved)

*Please give a brief description of the individual project with the main work streams (WS) the company will be active in and link it to the objectives of the integrated project of common European interest “H2 RHATL”. For the purpose of this first draft of the project portfolio WS are defined as follows:*

*(Alterations and adaptions in the WS structure can follow from the chapeau-process).*

|  |  |
| --- | --- |
| *WS 1* | *Installation of H2 generation capacity as hydrogen infrastructure* |
| *WS 2* | *H2 transport and distribution via pipelines* |
| *WS 3* | *Large Scale H2-Storage (e.g. Underground storage)* |
| *WS 4* | *Handling of liquid or embedded hydrogen / port infrastructure* |
| *WS 5* | *Technical grid infrastructure (e.g. compressor stations)* |

*Explain how this individual project is integrated in the IPCEI (link the main work streams of the IPCEI you are participating in) with your infrastructure investment and detail the direct participant you are working with in the IPCEI. Indicate how your cooperation with indirect partners will lead to cross border effects in work streams. Describe all cooperation (with direct and indirect partners) in detail and supporting evidence (Letter of Intent).*

*Explain the added value of this individual project for the integrated IPCEI and the dependencies on other projects.*

*Explain the big keys for the project (economical and technical). Explain why the project is of public interest (external additional effects)?*

*Why can this project not be financed by the company alone? Why is funding necessary?*

* 1. Infrastructure investment (Art. 25 of IPCEI – Communication C(2021) 8481)
		1. Description of the investment

*Describe your investment by explaining how it will contribute to the 2050 climate neutrality objective for the EU (economy with net-zero greenhouse gas emissions) and its major contribution to energy, environment and transport related public policies from the EU:*

* *Why are additional investments required*
* *How it will accelerate the reduction of greenhouse gases in sectors such as industry, transport, mobility, power generation, …*
* *typically relate to the construction or upgrade of low carbon and renewable energy generation plants and related facilities, to the construction or upgrade of transport systems leading to less greenhouse gases emissions, and generally speaking to the construction or upgrade of systems leading to less damage to the environment*
* *Explain how the project contributes to infrastructure related policies from the EU (Identify the concerned public policies to which your project relate. For each of these, describe the project’s contribution to this policy)*
* *Please quantify this contribution (e.g. CO2-savings), and describe the methodology used for the quantification*

*Possibly, and if it is the case explain:*

* *The incremental innovation that can not be considered as R&D or FID*
	+ 1. Timeline of the project (construction)

*Indicate the beginning of construction, its end and the scale up of the installation.*

* + 1. Revenues during the scaling up

*If applicable: Explain that revenues are not commercial sales.*

* 1. Contribution to the value chain
		1. Project’s position in the European value chain
	2. Work Plan

*Please describe your work plan.*

|  |  |  |  |
| --- | --- | --- | --- |
| **WS** | **No. of WP** | **Title** | **Person Months (PM)** |
|  |  |  |  |
|  |   |  |  |
|  |  |  |  |
|  |  | Total PM |  |

Table 1: Work Packages (WP) vs. Person Months (PM)

* 1. Investment

Note: Explain all the figures. If possible, give references to the Funding Gap Analysis.

* + 1. Tools and Equipment

*Please cluster your investment by technology classification. Please provide also a brief and simple description in one or two sentences to the table (what is the purpose of the investment…).*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Technology** **Classification** | **No. of Tools**  | **Examples of Tools** | **Investment Cost [EUR]** | **Year\***  | **WS** | **WP** |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  | Total |  |  |  |  |

\*investment year

Table 2: Overview of investment in tools and equipment

* + 1. Construction of Buildings/Laboratory

*Please provide a brief and simple description in one or two sentences to the table (what kind of building? for what purpose…). Please cluster your investment so that the table does not exceed one page.*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Technology** **Classification** | **No. of Building**  | **Examples of Building** | **Investment Cost [EUR]** | **Year\***  | **WS** | **WP** |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  | Total |  |  |  |  |

\*investment year

Table 3: Overview of investment in buildings or laboratories

1. Budget

*Note: Explain all the figures.*

* 1. Eligible Costs

*Eligible costs only cover costs made for the purpose and the time span of the IPCEI:*

*• The following costs should be listed in a disaggregate manner:*

*• Costs for each of the Infrastructure investments*

*Note: all costs mentioned in the Excel sheet are considered by the Member States as eligible costs under the IPCEI Communication.*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Construction of buildings/ laboratory etc.1 | Investment Costs1 | Personnel Costs2 | Subcontract Costs2 | Materials, Supplies and Others2 | Total Costs |
| Investment 1 |  |  |  |  |  |  |
| Investment 2 |  |  |  |  |  |  |

Table 4: Eligible Costs [EUR]

1: CAPEX in principle fully eligible.

2: OPEX can be eligible during the construction of infrastructure but not once it is fully operational.

*Note: different investments with different dates of commissioning must be considered separately (if necessary, please provide a separate calculation in the Funding Gap Analysis)*

* 1. State Aid

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Construction of buildings/ laboratory etc. | Investments | Personnel | Subcontracts  | Materials, Supplies and Others | State aid instrument | Planned Total State Aid | Gross grant equivalent |
| Investment 1 |  |  |  |  |  |  |  |  |
| Investment 2 |  |  |  |  |  |  |  |  |

Table 5: State Aid [EUR]

1. Spill-over Effects

*Note: Provide concrete details and quantifications of the Spill-over effects.*

* 1. Spill-over effects achieved through non-discriminatory third party access and third party supply

*Describe non-discriminatory third party access and supply if not already required by applicable regulations.*

*…*

* 1. Spill-over by a contribution to green deal investment (beyond the IPCEI)

*Comment on a reduction of carbonised emission directly and indirectly (over the value chain) due to the investment.*

*…*

* 1. Spill over by cross border effects in the IPCEI

*Indicate here the commitments in terms of cooperation between the direct and indirect partners that will have cross-border effects.*

*Indicate here the individual and common actions of disseminating (publication and communication) knowhow and technical issues to a scientific and technical audience.*

*…*

* 1. Spill-over effects through interoperability or through closing missing links in the European hydrogen infrastructure

*Commitment to open infrastructures for European SMES, RTOs and start-ups clearly defined in specific measures, to provide a cross-border spill over effect.*

*…*

* 1. Other Spill-over effects, which are created through your infrastructure project generating benefit that reaches beyond your company, your economic sector, your region, your Member State.

*…*

1. Other positive effects on the market

*Description of how the project will increase the level of protection for the European economy and society.*

* 1. Impact of the Project on Employment and New Investments in Europe

*Estimation of the quantitative and qualitative project’s impact on direct and indirect employment and training in the European economy and in investment in the new society in Europe.*

* 1. Environmental protection and energy dependence

*Description of the project’s influence on environment protection and on the reduction of energy dependence.*

* 1. Coordination problems

*Explain the coordination failure:*

* *Between the demand and supply for H2*
* *Across national policies focused on H2*
* *Across EU industry*
* *For deployment of low carbon or renewable H2 supply chain*
* *For the deployment of the H2 framework conditions and H2 infrastructures*
* *Between European clusters*
* *In a very large scale project*
* *With contractual incompleteness*
	1. Imperfect and asymmetric information

*Explain the risks of the project (technical, economical, regulatory or other specific risk of the project).*

*Explain the difficulty to access to market finance.*

*Explain the difficulty to recruit.*

* 1. Adequacy of the state aid instrument
		1. Appropriateness among alternative policy instruments
		2. Appropriateness among different State aid instruments
1. Necessity and Proportionality
	1. Absence of similar projects

*Explain that there is no similar project in Europe.*

*Explain how the envisaged project differs from other IPCEI projects.*

* 1. Counterfactual scenario

*Describe explicitly the effect of the state aid incentive effect on your company.*

*Describe what will happen when funding will not be realized for the project. If you would not realize the project, how will your company maintain business capacity?*

*There should also be a counterfactual scenario at the overall IPCEI level, in order to understand what happens if the IPCEI would not take place. A counterfactual at IPCEI level could consist in technology developments taking place slower than with the aided IPCEI.*

*Description & substantiation of the counterfactual scenario at company level:*

*• The counterfactual scenario should be described in sufficient detail. E.g. a mere statement that “the company would not undertake the project as planned in its Member State without the aid” is not sufficient. It should be described in detail if it will not undertake the project at all, or will undertake it but in a different manner/extent, or will possibly undertake it somewhere else. As the IPCEI Communication requires, the intended change must be specified (the change in behaviour which is expected to result from the State aid, that is to say whether a new project is triggered, or the size, scope or speed of a project is enhanced; The change of behaviour has to be identified by comparing what would be the expected outcome and level of intended activity with and without aid).*

*• It is vital to have sufficient substantiation of the counterfactual,* e.g. via *authentic internal company documents, showing that the company faces a clear choice and how the decision on whether to carry out the project is taken. This requirement is in line with the documentary evidence required in RDI State aid cases.*

*Excel sheet calculations:*

*a) In the absence of alternative project:*

*• If the counterfactual scenario is that there is no alternative project, there is no need for a counterfactual project worksheet with calculations in the Excel sheet. The Commission will only assess the eligible cost and funding gap calculations for the basic scenario.*

*• Proportionality of aid amount per beneficiary company: two step check of the IPCEI Communication in case there is no alternative project:*

*1) Identify the eligible costs: The possible eligible costs are listed in the Annex of the IPCEI Communication. The aid amount for any beneficiary can in no case exceed 100% of the eligible costs;*

*2) Identify the funding gap.*

*In general, the aid amount corresponds to the funding gap. The aid amount can in no case exceed the eligible costs established in Step 1.*

*b) In case of a counterfactual alternative project:*

*• Where there is a counterfactual alternative project, add a counterfactual worksheet in the Excel sheet with full calculation of the net present value of the positive and negative cash flows of the counterfactual project.*

*• Proportionality of aid amount per beneficiary company in the IPCEI Communication in case there is an alternative project:*

*Step 1) Identify the eligible costs in the basic scenario: The possible eligible costs are listed in the Annex of the IPCEI Communication. The aid amount for any beneficiary can in no case exceed 100% of the eligible costs;*

*Step 2) Identify the difference between the NPV of the alternative project and the NPV of the aided project in the basic scenario.*

*In general, the aid amount corresponds to this difference. In the Excel sheet, it would be convenient to insert this calculation at the bottom of the basic scenario worksheet.*

*The aid amount can in no case exceed the eligible costs established in step 1.*

1. Elaboration on Terms of the Funding Gap Questionnaire

*Each company should provide all costs and revenues associated with the investment as a whole and the boundaries of investment should be defined from the perspective of the business investor: the calculation should include all (positive and negative) cash-flows for what the investor regards as the investment project, at the time these cash-flows are to be incurred. It is not enough to only submit the eligible costs. For the purpose of calculating the funding gap, what matters are all the costs (eligible or not) associated with the investment project and all the revenues over the entire lifetime.*

*The funding gap calculation is to be done consistent with the following methodology:*

*• For the purposes of this IPCEI, it is sufficient to provide the Excel sheet calculations for one scenario, the basic scenario (no optimistic and pessimistic scenarios and respective probabilities needed), provided the company is able to justify in the accompanying text document why this basic scenario is the most probable one.*

*• The funding gap that must be calculated is the funding gap of the investment project (i.e. all investment costs and operating costs) to be made by the company for the purpose of the IPCEI.*

*• The investments made for the IPCEI in infrastructure by a company will generate revenues.*

*• The funding gap is the difference between discounted positive and negative cash flows over the entire economic lifetime of the investment project, i.e. covering the entire period during which the investments made generate revenues / the products that are produced thanks to programme.*

*• One option is to include in the Excel sheet the best estimate projections that the company has for this entire period.*

*• Alternatively, companies could provide data for the explicit forecast horizon of the company and give a residual/terminal value (i.e. net present value of expected cash flow beyond the explicit forecast horizon for the remaining years of the economic lifetime), discounted to the current value. In that case, the considered lifetime for which data are inserted should be realistic.*

*• Practically, in the Excel sheet, after the data for the infrastructure project, a column should be inserted and contain the terminal value for the costs and for the revenues.*

*• Sales/revenues (positive cash flows): projected sales figures should be used by each company rather than a formula. These should be the figures actually used by the company in its business plan and decision making process. This can be best estimate figures.*

*• Cash flows should normally be discounted using the weighted average cost of capital (WACC) of the company. The firm should provide evidence that the discount factor applied is the actual WACC used by the company (e.g. by internal documents showing the applied WACC for investment analysis). The reason to deviate from the WACC usually applied by the company should be explained in detail.*

*• The end result of this step should be one figure: the amount of the funding gap, labelled as such in the Excel sheet.*

*Note: In the Excel sheet there are two worksheets for the basic scenario planned under IPCEI-funding which differ in considering the grant requested in finance overview or not (grant included or excluded). A third worksheet should be filled out in case there is a counterfactual scenario.*

* 1. Main hypothesis of the business plan

*Each company should provide all costs and revenues associated with the investment as a whole and the boundaries of investment should be defined from the perspective of the business investor: the calculation should include all (positive and negative) cash-flows for what the investor regards as the investment project, at the time these cash-flows are to be incurred. It is not enough to only submit the eligible costs. For the purpose of calculating the funding gap, what matters are all the costs (eligible or not) associated with the investment project and all the revenues over the entire lifetime.*

*Explain all assumptions (e.g. costs, revenues, depreciation, WACC…) in the Funding Gap Analysis and provide evidence. If necessary, additional worksheets can be added to the Excel sheet to better present detailed calculations (e.g. breakdown of “other costs”, assumptions of sales, prices, depreciations, etc.).*

*In particular, explain how ETS-cost-savings (ETS = EU Emission Trading System) are included in the calculation (e.g. in revenues).*

* 1. Necessity of state aid

*Point 30 of the guidelines from 25.11.2021*

* 1. Proportionality of state aid

*Point 32 of the guidelines from 25.11.2021*

*Explain also the co-financing from the beneficiary.*

*At this point, a connection to the counterfactual scenario can be useful.*

* + 1. Company hurdle rate
		2. Project’s funding gap

*Explain whereas the State aid is not exceeding the funding gap.*

* + 1. State aid intensity
		2. State aid cumulation
		3. Open selection proceeding
1. Limitation of distortion of competition and trade
	1. Definition of the market affected by the State aid
		1. Current Industry Sector

*Description of the market situation (EU and worldwide) in this sector (market share, competitors).*

* + 1. Market Situation / Share after IPCEI

*Estimation of the market situation / share (EU and worldwide) after the project will have been finished successfully.*

* 1. No strengthening or creation of market power
	2. Limiting distortion of dynamic incentives
	3. No maintaining of an inefficient market structure
	4. No effect on location activities
1. Annex to the Portfolio
2. *Funding Gap Questionnaire*
3. *(If necessary) Internal Company Documents substantiating the counterfactual scenario*
4. *Letters of Intent (LOIs) from direct/indirect partners*
5. *Others (e.g. substantiating the assumptions made in the Funding Gap Questionnaire)*