

Energy Innovation Grant Funding Options

June 2023 Update



Current and upcoming grant funding options

Industrial Decarbonisation: Local Industrial Decarbonisation Plans

- Focuses on bringing industrial manufacturers, not located within the UK's existing industrial clusters, together to form local clusters, and develop plans to reduce their emissions and avoid carbon leakage.
- Seeking applicants to identify a pipeline of decarbonisation projects that can be taken forward by the cluster towards deployment, including common decarbonisation infrastructure.
- Up to £5 million is available to fund feasibility studies for place-based industrial decarbonisation plans. Applicants can apply for grants of up to £800,000.
- Eligibility – the project must:
 - i. start by 1 January 2023 and end by 31 December 2024;
 - ii. have a minimum duration of 6 months;
 - iii. collaborate with partners;
 - iv. carry out all of its project work in the UK; and
 - v. intend to exploit the results from or in the UK.
- Deadline for applications: **2 August 2023 specified.**



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Faraday Battery Challenge – Round 6

- Focuses on developing a UK battery technology industry that is high tech, high value and high skill.
 - UK-based businesses can apply for grants for feasibility studies and collaborative research and innovation projects, to develop new and improved battery technologies for increased performance, lower cost, and considering battery 'end of life'.
 - £10m of funding is available across two strands: feasibility studies and collaborative R&D (CR&D).
 - Applicants can apply for grants of up to £750,000 for the feasibility studies strand and up to £2.5m for the CR&D strand.
- Eligibility criteria:
 - i. feasibility studies
 - have total costs between £100,000 and £750,000;
 - start on 1 November 2023 and end by 31 October 2024;
 - last between 3 and 12 months;
 - carry out all of its project work in the UK; and
 - intend to exploit the results from or in the UK.
 - ii. CR&D
 - have total costs between £300,000 and £2.5 million;
 - start on 1 November 2023 and end by 31 January 2025;
 - last between 6 and 15 months;
 - intend to exploit the results from or in the UK.
 - Competition deadline: **12 July 2023.**



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Ofgem: Call for ideas

- Focuses on offering applicants the opportunity to submit project ideas that provide solutions to the following Challenges:
 - i. Challenge 1: Whole system network planning and utilisation to facilitate faster and cheaper network transformation and asset rollout
 - ii. Challenge 2: Novel technical and market approaches to deliver an equitable and secure net zero power system
 - iii. Challenge 3: Unlocking energy system flexibility to accelerate electrification of heat
 - iv. Challenge 4: Enabling power-to-gas (P2G) to provide system flexibility and energy network optimisation.
- Project ideas which advance through this stage may be offered the opportunity to seek funding from the Ofgem Strategic Innovation Fund (SIF). The SIF is investing up to £450 million in network innovation over the next 5 years, to support energy network innovation that contributes to the achievement of Net Zero.
- Competition deadline: **21 August 2023.**



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Local Energy Accelerator (“LEA”)

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- Focuses on both public and private organisations developing clean and locally generated energy projects.
 - Projects funded must be in Greater London.
 - LEA is a £6 million programme delivering funding from November 2020 until the end of July 2023.
 - 50% of the LEA funding available is from Greater London Authority, with the remaining 50% from European Regional Development Fund.
 - An expert Programme Delivery Unit (“PDU”) will provide free end-to-end project management support to eligible organisations.
- Funding will be used to provide eligible organisations with expertise to support work involved in the following stages of energy projects:
 - i. Energy Masterplanning and Local Area Energy Plans
 - ii. Feasibility studies
 - iii. Business plans
 - iv. Detailed project design/development
 - v. Procurement support
 - vi. Commercialisation support
 - vii. Day-to-day intensive project management support for projects at commercialisation and construction stages, where this support cannot be provided by the PDU, funded by any other means or provided in-house.



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- Funding applications will be prioritised for projects in the later stages of project definition and delivery, i.e. those in stages (iii)-(vii) above.
- Support for an existing project may be considered where it would increase the scope or scale, deliver greater carbon savings, or deliver cost savings to residents or businesses.
- Eligible projects will transform the way London generates, supplies and uses clean local energy in buildings and transport. Examples include:
 - i. District energy networks that use renewable heat sources in heat network priority zones.
 - ii. Renewable energy generation, storage and demand flexibility in areas of electricity grid constraint.
 - iii. Priority areas for transport electrification.
- **All LEA projects must be completed no later than 31 July 2023.** Funding will be prioritised for projects that will be completed ahead of this date.
- **Deadline for applications: no deadline for applications currently specified.** However once all funding has been allocated, applications will no longer be accepted.



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UKAEA fusion industry challenges prototype development

- Focuses on the development of lithium in an economic, sustainable, and scalable fusion energy fuel cycle.
- Any adoption and implementation of a solution from this competition would be subject to a separate, possibly competitive, procurement exercise.
- £5.6m of funding is available. Up to 4 contracts will be awarded to develop a prototype and undertake field testing. Up to £1.5 million, inclusive of VAT, will be allocated for each contract.
- Eligibility – the project must:
 - i. start by 1 October 2023 and end by 31 March 2025; and
 - ii. last between 6 to 18 months.
- Deadline for applications: **19 July 2023**.



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Clean Growth Fund (“CGF”)

- Focuses on UK-based companies with commercially viable solutions that are generating early revenues, but also considers pre-revenue businesses with a minimum viable product.
- Criteria for investment are:
 - i. Substantial addressable markets
 - ii. Scalability with a clear sustainable competitive advantage
 - iii. Led by teams that have proven execution ability
 - iv. Identifiable exit route within the lifetime of the CGF
 - v. Clear and significant contribution to reducing greenhouse gases or improvement to resource efficiency across power, transport, industry, buildings, waste and water.
- Typical first round investment tends to be in region of £500k - £3 million, however the fund actively participates in follow on rounds so the overall investment in a company can be much higher.
- Deadline for proposals: **no deadline for proposals currently specified.**



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Greenhouse Gas Removal Demonstrators (“GGRD”)

- The fund will support work to address research and engagement gaps identified during the lifetime of the Programme by supporting:
 - Pathfinder R&D projects to address gaps in greenhouse gas removal innovation;
 - Programme and knowledge exchange and capacity building, including the Removals in Residence secondment scheme which aims to facilitate the strategic flow of ideas; and
 - Engagement and collaborations.
- There is a flexible fund of £1 million, established by the CO2 Removal Hub. The value of an award will usually be up to £15,000.
- **Deadline: 15 January 2025.**



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Funding opportunities on the horizon

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- On 22nd March 2023, the UK government announced a £1.8 billion funding package to improve the energy efficiency of homes and public buildings across England. The funding will be used to install energy-efficient measures such as insulation, heat pumps, and solar panels in social housing, as well as public buildings such as hospitals and schools. The funding will be rolled out from April 2023 to upgrade homes over the next 2 years.

Source: [Click here](#)

- On 10th March 2023, the government announced £20 billion to fund investment in the development of carbon capture, usage and storage (CCUS). The funding commitment aims to put the UK at the forefront of global efforts to develop CCUS technologies that can help to decarbonise heavy industries such as steel, cement and chemicals. Funding will be rolled out over a period of twenty-years, and will support the development of CCUS initiatives, particularly in North Wales, North West of England and the East Coast.

Source: [Click here](#)



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- On 21 February 2023, the government announced an additional £56 million of public and industry funding to increase the number of electric vehicle (EV) charge points across the country.

The investment will boost the existing Local Electric Vehicle Infrastructure pilot schemes in Barnet, Durham, and North Yorkshire, while also funding new schemes under the same banner in 16 areas across the country. This will initially deliver up to 2,400 new charge points, with the aim to facilitate tens of thousands more in the long-term.

Source: [Click here](#)

- Ofgem published its RIIO-ED2 electricity distribution price controls on 30 November 2022. The price controls are intended to prepare DNOs to deliver net zero at a lower cost for consumers. £22.2 billion of spending for the five year period beginning April 2023 has been approved.

- The package includes £3.1 billion of investment into network upgrades that support the development of low-carbon technologies such as electric vehicles, heat pumps and low carbon generation such as wind and solar.
- There has also been an extension of the Strategic Innovation Fund, in order to improve the research and development of green energy, and allowances worth £68.4 million given to support small scale innovation projects.
- £5.7 billion has been allocated to upgrade network assets where required to ensure system resilience, particularly in adverse weather conditions.

Source: [Click here](#)



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- In December 2022, the government announced £60 million to fund the next phase of research into a new type of advanced modular reactor (AMR), the high temperature gas reactor (HTGR). It is hoped that the HTGRs would reduce reliance on fossil fuels, and generate by-products such as low-carbon hydrogen. £4 million has also been announced for the AMR Knowledge Capture Project, which seeks to facilitate knowledge capture and sharing to reduce the time, risk, and cost of the programme delivery.

Source: [Click here](#)

- In December 2022, the government announced a new £1 billion ECO+ scheme which will fund new insulation within homes in the UK. The ECO+ scheme sits alongside the £6.6 billion Help to Heat scheme, and will provide funding to those who have homes with an EPC rating of D or below and are within the lower council tax bands. 20% of the fund will be targeted at the most vulnerable. The Help to Heat scheme will be available to help decarbonise homes and buildings, and aims to ensure that all homes will meet EPC band C by 2035. £635 million was also granted to help provide green updates to public sector buildings, as part of the Public Sector Decarbonisation Scheme.

Source: [Click here](#)



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