

Energy innovation projects: overview of key grant funding options

July 2020



Purpose

We are seeing a transformative change in how energy is generated, balanced, optimised and consumed. Innovation within the energy sector is vital to enable this progression and energy innovation is an increasing area of focus, development and investment. The need for energy innovation, particularly in view of the decarbonisation agenda, has attracted widespread government support and is also increasingly of interest to funders and investors.

This note provides a summary of some of the current grant funding options for new technology companies and/or projects in the energy innovation space, which are primarily UK based.



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1 Clean Growth Fund (CGF)

- Focuses on UK-based companies with commercially viable solutions that are generating early revenues. The CGF also considers pre-revenue businesses with a minimum viable product.
- Criteria for investment are:
 - Substantial addressable markets;
 - Scalability with a clear sustainable competitive advantage;
 - Led by teams that have proven execution ability;
 - Identifiable exit route within the lifetime of the CGF; and
 - A clear and significant contribution to reducing greenhouse gases or improvement to resource efficiency across power, transport, industry, buildings, waste and water.
- We understand that typical first round investment tends to be in region of £500k – £3 million, however we further understand that the CGF actively participates in follow on rounds so the overall investment in a company can be much higher.
- Deadline for receipt of proposals by CGF: 31 August 2020



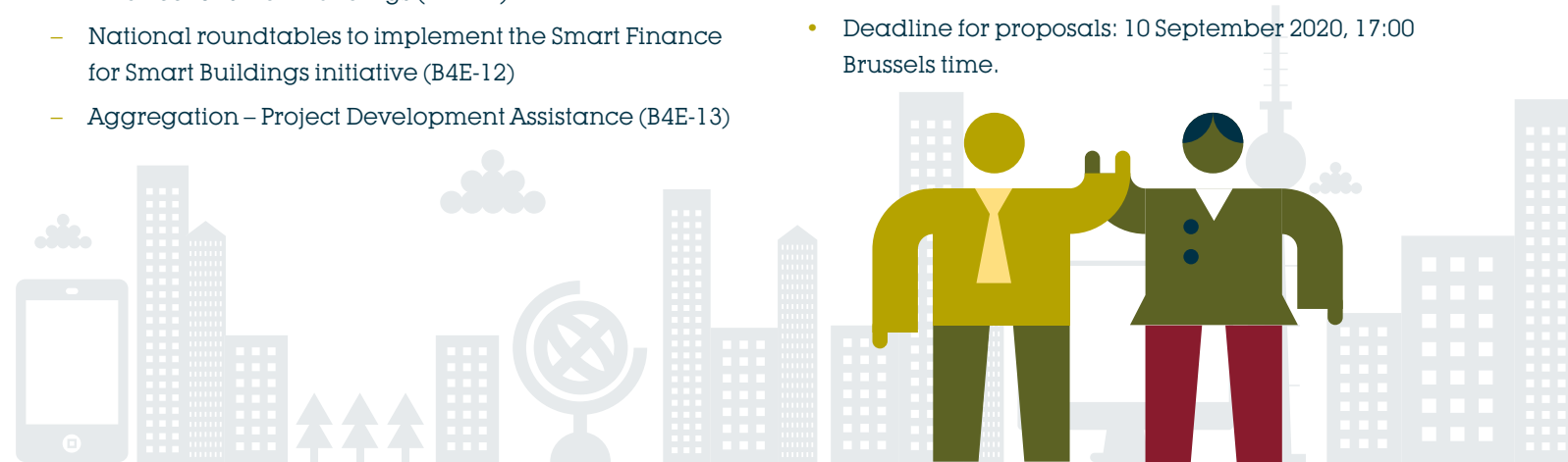
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2 H2020 Energy Efficiency call

- Part of the EU Horizon 2020 energy efficiency funding programme.
- Launched a last call for proposals in March 2020 in the following 10 areas:
 - Buildings
 - Stimulating demand for sustainable energy skills in the building sector (B4E-2)
 - Upgrading smartness of existing buildings through innovations for legacy equipment (B4E-3)
 - Next-generation of Energy Performance Assessment and Certification (B4E-4)
 - Innovative financing
 - Financing for energy efficiency investments – Smart Finance for Smart Buildings (B4E-11)
 - National roundtables to implement the Smart Finance for Smart Buildings initiative (B4E-12)
 - Aggregation – Project Development Assistance (B4E-13)
 - Consumer & Services
 - Enabling next-generation of smart energy services valorising energy efficiency and flexibility at demand-side (B4E-14)
 - The role of consumers in changing the market through informed decision and collective actions (EC-1)
 - Mitigating household energy poverty (EC-2)
 - Public authorities & Policy Support
 - Supporting public authorities in driving the energy transition (EC-5)
- We understand that funding is typically 1 million – 2 million per project, but that proposals including other amounts will be considered.
- Deadline for proposals: 10 September 2020, 17:00 Brussels time.



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3 Innovate UK Smart Grants: May 2020

- Investment coming from Innovate UK, part of UK Research and Innovation.
- Investment of up to £25 million in “the best game-changing and commercially viable innovative or disruptive ideas”. These can come from any area of technology that can be applied to the economy, but applications are particularly welcomed from projects which overlap with the “Grand Challenge” areas (e.g. AI and the data revolution, and clean growth).
- We understand that Innovate UK may consider total eligible project costs over £2 million (but not exceeding £3 million).
- Closing date: 28 August 2020.



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4 Power Forward Challenge: Funding for UK/Canada joint challenge on smart energy systems innovation

- The UK and Canadian governments are jointly offering over £11 million of funding to develop the best smart energy systems, including grids and storage, for the needs of the 21st Century.
- The Power Forward Challenge is looking for innovators from any sector who can bring disruptive technologies or new thinking to develop clean, robust and flexible power grids and energy systems that can anticipate and meet the needs of networks around the world, looking ahead to 2030 and beyond.
- Funding opportunity 1: Feasibility study development – open to SMEs – up to £60,000 available to UK SMEs.
- Funding opportunity 2: Pilot-scale demonstration proposals – open to companies and other organisations. The project teams can apply for funding contribution of up to £1.8 million per project for demonstration projects located in the UK.
- We understand that there is no specific deadline on proposals but that a sizeable proportion of funding has already been allocated.



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5 Energy Catalyst Programme

- Supports UK and overseas businesses and organisations to develop highly innovative, market-focused energy technologies that primarily look to enable energy access in Sub-Saharan Africa and South/South East Asia.
- Businesses can apply into funding competitions to get a grant to carry out an innovation project, regardless of the stage the project is at.
- Projects must address the following challenges:
 - energy trilemma based on 3 pillars – cost, emissions and security;
 - energy access; and
 - gender equality and social inclusion.
- Any type of organisation from anywhere in the world can be involved in Energy Catalyst, but:
 - The administrative lead:
 - must be UK based
 - will be the recipient of the award and will distribute funding to international partners (hub and spoke model);
 - UK business (of any size);
 - will manage and be accountable for the finances of the project in accordance with the terms and conditions of the award; and
 - must claim funding through this competition.
- The technical lead:
 - can be from anywhere in the world;
 - will lead on the development of the scope, work packages within the project and other work from a technical perspective;
 - can be a business (of any size); and
 - must claim funding through this competition.
- Closing date for funding proposals:
16 September 2020.



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- Innovate UK will fund organisations to develop new products or services which can help businesses and/or the public sector in the UK's recovery from Covid-19 in a sustainable way.
- The following will be eligible to apply for funding:
 - individual organisations of any size (it is expected that projects in phase 1 will range in size up to £60,000); and
 - projects which are ready to start on 1 October 2020 and are able to work under the pandemic restrictions.
- Funding:
 - phase 1 – R&D contracts of up to 3 months will be awarded to demonstrate the technical feasibility of the proposed solution – we understand that a total of £10 million is allocated to support successful projects at this stage; and
 - phase 2 – R&D contracts will be awarded to organisations selected from phase 1 applications – we understand that up to £70 million will be awarded at this stage with a maximum of £3 million allocated for each 12 month contract.
- Closing date for applications for phase 1: 5 August 2020.

6 SBRI: The Sustainable Innovation Fund



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- Innovate UK is investing up to £55 million to fund single and collaborative R&D projects focusing on sustainable economic recovery from Covid-19.
- We understand that each project can claim a maximum of £175,000.
- Eligible projects must:
 - have total costs between £100,000 – £500,000;
 - be led by a business (single business or a collaboration) and include at least one SME;
 - qualify for state aid under the Covid-19 Temporary Framework by showing that the business faced difficulties or entered into difficulties as a result of Covid-19 or that they are exempt as a micro or small business; and
 - be ready to start by 1 October 2020 and last between 3 – 9 months.
- Closing date for applications: 29 July 2020.

7 Sustainable Innovation Fund: Round 1



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- Driving Electric Revolution and the Office of Low Emission Vehicles are investing £15 million in innovation projects which support the UK's net zero carbon targets.
- Strand 1 – Advancing Power, Electronics, Machines and Drives (PEMD) Supply chain
 - Up to £5 million will be invested in business-led innovation projects that enable the UK supply chain and manufacturing capability growth in power electronics, machines and drives.
 - Projects must be ready to start in 1 November 2020 and last between 3 – 9 months.
- Strand 2 – Securing the future of Zero Emission Vehicles (ZEV)
 - We understand that up to £10 million is available for investment in innovative feasibility studies and R&D projects.
- Projects must be 6 month rapid delivery projects to develop on-vehicle and charging technologies that will secure the future of the zero emission vehicles industry in the UK.
- R&D project must build on a project previously supported by Innovate UK which has completed by 30 September 2020.
- Projects must be ready to start by 1 October 2020 and end by 31 March 2021.
- Eligible projects:
 - UK registered business (any size); and
 - Total costs must be between £100,000 and £500,000.
- Closing date for applications: 29 July 2020.

8 Catalysing Green Innovation



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- The Engineering and Physical Sciences Research Council is offering up to £120,000 to a maximum of four projects with proposals which align with the decarbonisation of transport scope.
- To receive support, proposals should fall into one of the following work streams:
 - vehicles and associated technologies;
 - charging infrastructure;
 - electricity as a transport fuel; or
 - smart mobility.
- We understand that Eligible projects must have a project lead who is employed continuously by a university or higher education institution
- Closing date for applications: 17 August 2020.

9 EPSRC: Decarbonising Transport through Electrification Network+



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- The Industrial Energy Transformation Fund is offering up to £30 million to fund feasibility, engineering studies and deployment.
- Funding will be provided for:
 - strand 1 – projects deploying technologies that improve the energy efficiency of industrial processes; and
 - strand 2 – feasibility and engineering studies of energy efficiency and deep decarbonisation projects.
- Eligible projects must:
 - be a UK registered business (any size);
 - operate at the manufacturing site or data centre in England, Wales or Northern Ireland where the study is carried out;
 - qualify for state aid at the time funding is awarded; and
 - start by 1 October 2021 and end by 30 September 2023.
- Applications open on 20 July 2020 and close on 28 October 2020.

10 The Industrial Energy Transformation Fund: Phase 1



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Next steps

We have a wealth of experience in advising on all aspects of some of the most innovative projects and business models in the energy sector. Please do contact us if you would like to discuss the funding options detailed above, or any element of your project more generally.

Key Contacts



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Next steps

