



ALTERNATIVE FUELS FACILITY

ELTI GROUP

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1. AFF – Objectives & indicative Budget

Year	General Envelope (M€)	Cohesion Envelope (M€)	Total
2021	400	125	425
2022	400	125	425
2023	400	125	425
Total	1.200	375	1.575

- For **mature** projects close to be *market viable* but *still in need of grants*
- Cooperation with **Implementing Partners** which are public finance institutions and with which there is an **alignment of interest**
- Flexibility for application also with **commercial banks** but with more robust evaluation
- Facility deployed through **rolling call**
- Fast deployment primarily focusing on zero emission alternative fuels
- Stricter **eligibility** criteria
- Both **core and comprehensive networks**

2. AFF - Features

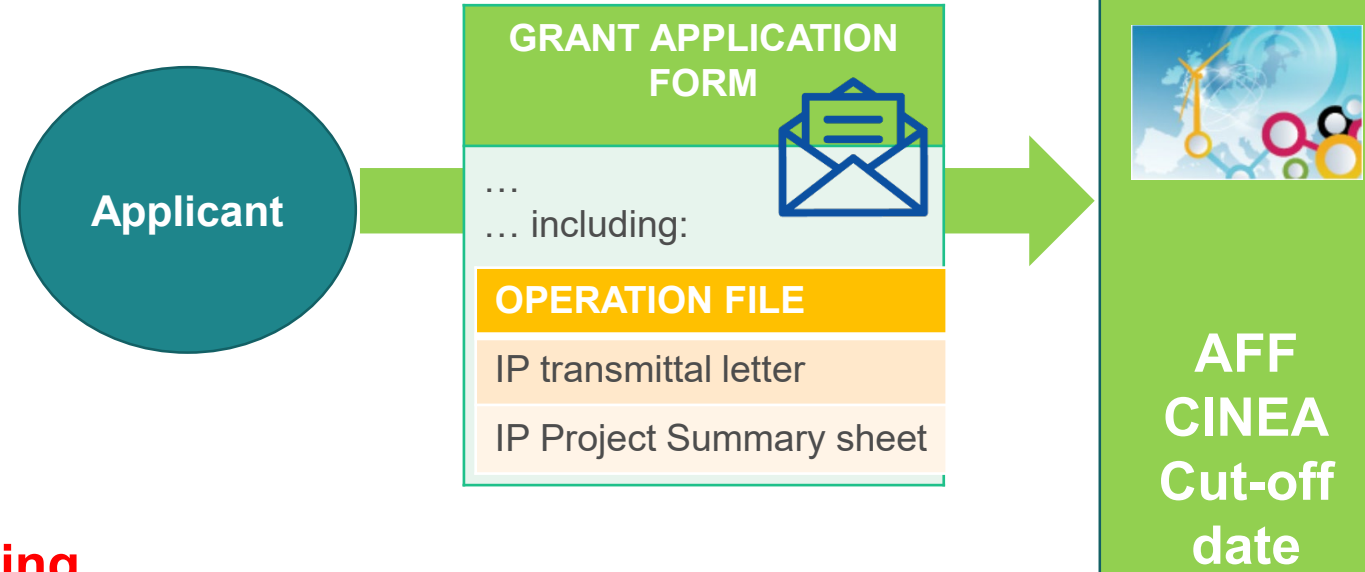
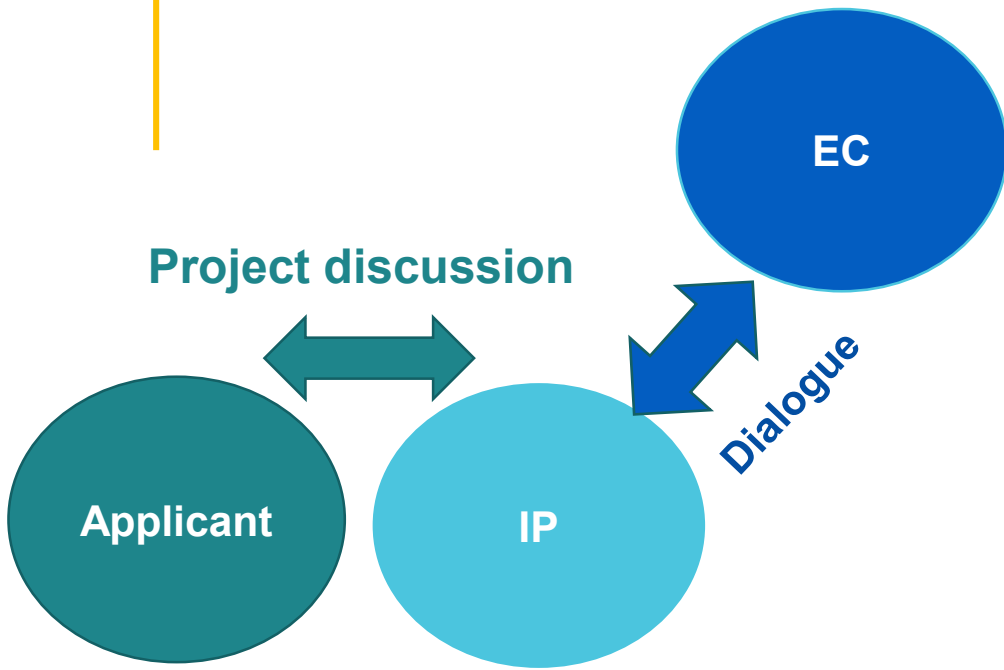
Financing of the projects must be **approved by the IP/Bank** before submission of application
 → Imply **higher maturity** of the project

IMPLEMENTING PARTNERS At least 2/3 Budget	COMMERCIAL BANKS Up to 1/3 Budget
<ul style="list-style-type: none"> • Pipelines and/or dialogue • Simplified evaluation process supported by IP report • No CBA required 	<ul style="list-style-type: none"> • No dialogue • Full evaluation • CBA

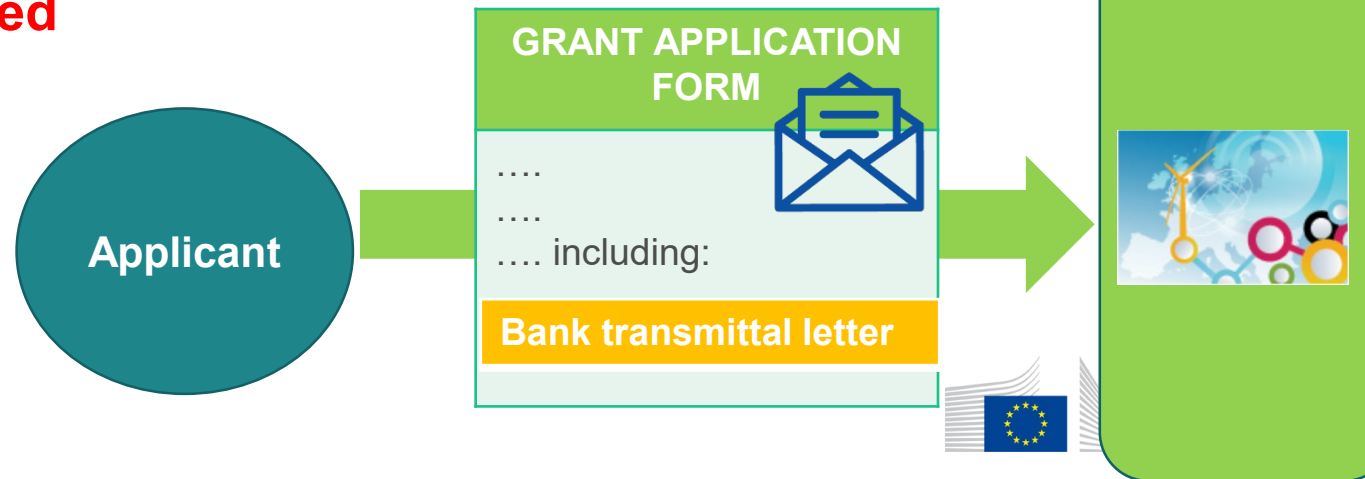
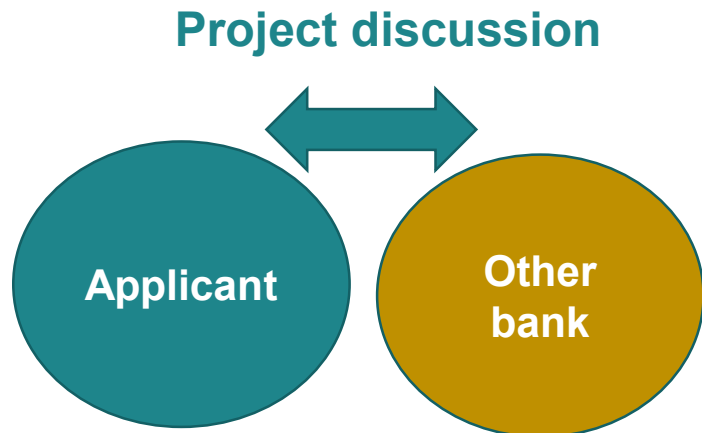
ART 6 BLENDING (up to half of GEN envelope)	ART 17 COMBINATION (Half GEN envelope and full Cohesion envelope)
IP only	IP and Commercial banks
Grant + IP Funding + InvestEU guarantee	Grant + IP financing Grant + Bank financing

An « Extra » but not mandatory


3. AFF - Process

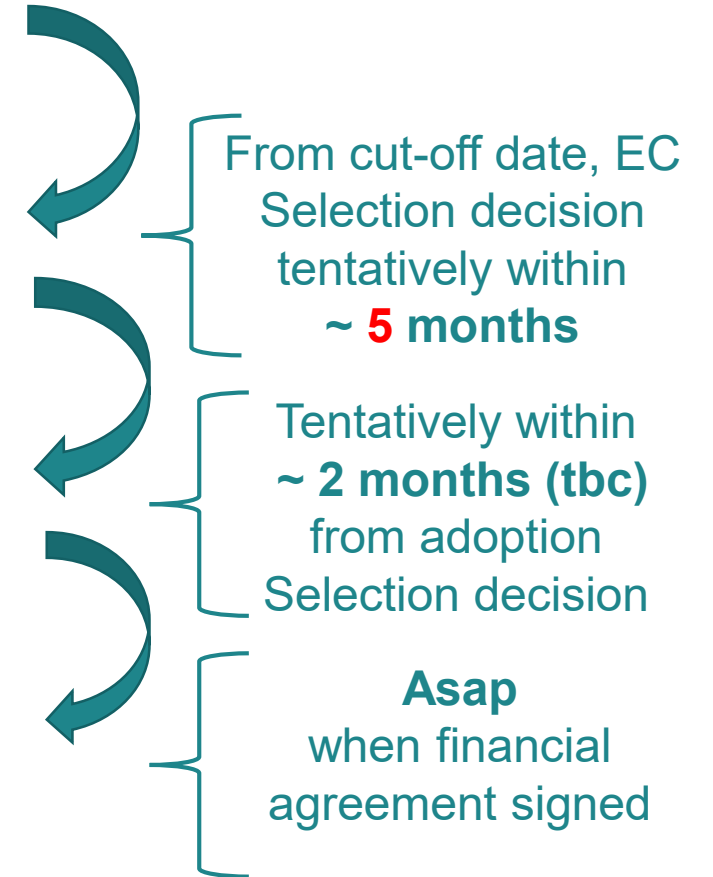


If financing approved



Indicative timeline:

- 
1. IP / Bank approves the financing of the Project encompassing the Action
 2. EC evaluates and awards the grant to the Action
 3. IP/Bank signs the financial agreement of the Project encompassing the Action
 4. EC signs the grant agreement of the Action




4. AFF – Financing & IPs













Applicable both to IPs and other Banks:

- Project financed by the IP/ Bank should incorporate (or be equal to) the Action eligible for funding under CEF AFF.
- Financing can take form of loan, equity, bonds.
- Minimum size of Financing : 10% of the total project investment costs (N/A to equity)

IP's advantages

- Advise and support project promoters (awareness raising & tailor made advice)
- Minimum 2/3 of the AFF budget 
- Possibility to blend with InvestEU financial product
- Simplified grant application form
- Cross-reliance and streamlined evaluation of EC on grant application:



Application submitted with support of	IP	Non-IP (other Banks)
Selection criteria		
Financial capacity		
Operational capacity	Cross-reliance	
Eligibility		
MAP - Call		
Award criteria		
Maturity		
Quality	Cross-reliance	
Impact	Cross-reliance	
Priority and urgency of the Action		
Catalytic effect of Union assistance	Partial cross-reliance	

IP's framework loans

- **Case 1**

Promoter of FL =
Applicant implementing
Action to be supported
by Grant

- **Case 2**

Promoter of FL is not
the Applicant
implementing Action to
be supported by Grant

- **Case 3**

Intermediated FL

Intermediary bank
operating under a FL
can act as a **delegated
IP.**



**IP keeps full
responsibility and co-sign
transmittal letter.**

- ✓ Degree of maturity.
- ✓ All envisaged **activities** shall be sufficiently **well identified** (general location, type, cost...) and the **coordinator** appears as **beneficiary by default** for all activities where a final beneficiary has not yet been identified.
- ✓ Degree of flexibility will be determined at Evaluation phase.



Administrative Agreement with IP (1)

Possible upstream close **dialogue** for guidance on eligibility



Cross-reliance:



*Any project supported by the IP shall be subject to its **standard due diligence** process in terms of financial, social, economic, legal, risk or compliance assessment.*

*Any project supported by the IP shall present a **favourable socio economic cost benefit ratio**.*

Idem when delegated under **intermediated FL**: cross reliance applies on IP.

Operation File:



- Transmittal letter certifying financing approval
- Project Summary Sheet

Content of Project Summary Sheet:

- Type of Blending Operation (Articles 6 or 17)
- Project & Action description
- Counterparts and IP financing
- Expected Sources of funds

Administrative Agreement with IP (2)

Responsibilities



- EC responsible for Grant component.
- IP responsible for Financing component.
- **IP bears no liability for any EC decision**
- Mutual information in case of occurrence of payments /events of default / suspension of disbursement, etc.

Visibility



Upon the signature of a Blending Operation, the **IP** shall publicise on **social media** or produce a **press release** and publish it on its **website**.

Any such press release must **contain the EC single visual identity** and a **statement** that includes the following elements:

“The finance provided has benefitted from the support of the European Union under the Alternative Fuels Facility under the Connecting Europe Facility”

5. AFF – Grant

- Unit contributions:

Electric Charging points				Grid connection	
Min 150 kW		Min 350 kW		Grid connection	
Gen Env	CF Env	Gen Env	CF Env	Gen Env	CF Env
[20.000€]	[30.000€]	[40.000€]	[60.000€]	[20.000€]	[30.000€]

- Fixed co-funding rate:

H2		Electric		LNG	
Gen Env	CF Env	Gen Env	CF Env	Gen Env	CF Env
30%	50%	30%	50%	10%	20%

5. AFF – scope (1)

Unit contributions

- Electricity fast-charging (150kW < 350 kW) infra on the TEN-T road network and in urban nodes if (350 kW) for heavy-duty vehicles

Fixed co-funding rate

- H2 refuelling infrastructure on TEN-T roads with priority to long haul heavy-duty transport;
- H2 refuelling infrastructure on TEN-T rail - if - a derogation from the electrification requirement has been granted in line with Article 12(3) or 39(3) of the TEN-T Regulation, or on sections located in isolated networks, or in terminals for refueling shunting locomotives;
- H2 refuelling and electricity recharging infra dedicated to public transport and heavy-duty vehicles in urban nodes (H2), e.g. recharging infra in depots, publicly accessible recharging infrastructure for heavy-duty vehicles, opportunity-based charging devices and related energy storage facility systems;
- Alternative fuels infrastructure for TEN-T maritime ports, inland waterways and inland ports, and airports, e.g., H2, electrification of airport ground operations, supply infra and storage of liquid alternative fuels etc.;
- LNG bunkering for TEN-T maritime and inland ports as a transitional solution and with priority to actions that include the progressive uptake of bio-LNG.

5. AFF – scope (2)

Fixed co-funding rate

- Costs related to **vehicles or vessels will not be eligible**, except in the case of **IWW and short- sea shipping**, if an initial number of vessels is needed to kick-start the use of the supported recharging/refuelling infra. In such case, the eligible cost shall be limited to the difference of cost between a fossil-fuel vessel and the zero-emission vessels proposed.
- Costs related to **the production of green H2** for the purpose of transport will be eligible as synergetic elements under the conditions specified in Section 10.5.

5. AFF – scope (3) - Eligibility of the unit contributions

Recharging point (RCP):

- Newly developed RCP with a min power capacity ('P') of 150 kW ($150\text{kW} \leq P < 350\text{kW}$) or a min power capacity ('P') of 350 kW ($P \geq 350 \text{ kW}$).
- At least equipped with one CCS 'Combo 2' connector as described in standard EN 62196-3
- Capable of recharging only one electric vehicle at a time
- Only publicly accessible stations

Grid connection

- Only if a min 4 RCP (noting that 350 kW can count for 2 of 150 kW)
- Upgrade: not eligible

5. Geographical eligibility

ZOOM on TENtec Map – methodology

- **2 maps:** one for **150 kW** and above (incl. > 350 kW) and one for **350 kW displayed in TENtec**
- **Green section:** Non-eligible
At least 2 recharging points of min 150 kW or min 350 kW are in operation and at a distance of maximum 60 km.
- **Red section:** Eligible
No recharging point of min 150 kW or min 350 kW is in operation within 60 km.
Additional eligible buffer of 2km (driving distance)





- Published on the [TENtec public viewer](#) and frozen per year: control of eligible location at the final payment request based on the eligible map frozen at the time of the application)
- Map allows to address market failure by prioritising investments on **infrastructure gaps**.
- The rolling call concept with **several cut-off dates** per year implies 2 **maps** (150 kW & 350 kW) **per year**, implying that several applications might concern a same red eligible section during several cut-off dates. Nevertheless the risk is mitigated with yearly update of maps
- The maps provide information only on **recharging points** which are **functional** therefore the projects which are under construction are not taken into account.

NEXT STEPS “

- End of July : Draft stable version of the Administrative Agreement (AA) should be sent
- Mid- September: Call launch
- September & onwards: Signature of the AA with as many as possible IPs
- 1st cut-off date: January 2022