



DG MOVE and ELTI



Exchange on **CEF Blending – AFIF**

Achievements up to now and further developments

Brussels, 17 January 2023

Alternative Fuels Infrastructure Facility

DG MOVE



What does AFIF support?

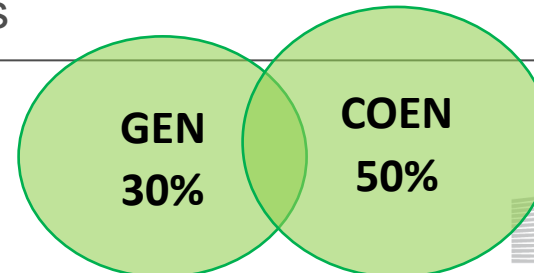
AFIF – UNIT CONTRIBUTIONS

- Publicly accessible **recharging stations** dedicated
 - To **LDV** with a min power output of **150 kW**.
 - to **HDV** with a min power output of **350 kW**.
- Grid connection** with a min power capacity of 600kVA.

Unit	GEN	COEN
150 KW	20.000	40.000
350 KW	30.000	60.000
Grid	20.000	40.000

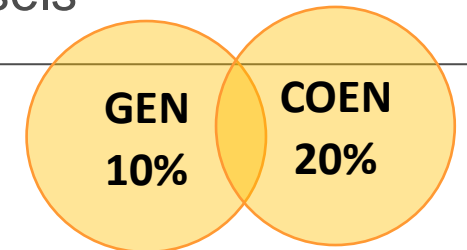
AFIF – ZERO EMISSION %

- Electricity** recharging stations for:
 - public transport;
 - IWW & maritime vessels;
 - port vehicles & equipment;
 - airport ground operations
- Hydrogen** Refuelling Stations for:
 - LDV and/ or long haul HDV;
 - for public transport;
 - IWW & maritime vessels;
 - port vehicles & equipment;
 - railways



AFIF – LOW EMISSION %

- LNG** refuelling stations supplying inland waterway and maritime vessels



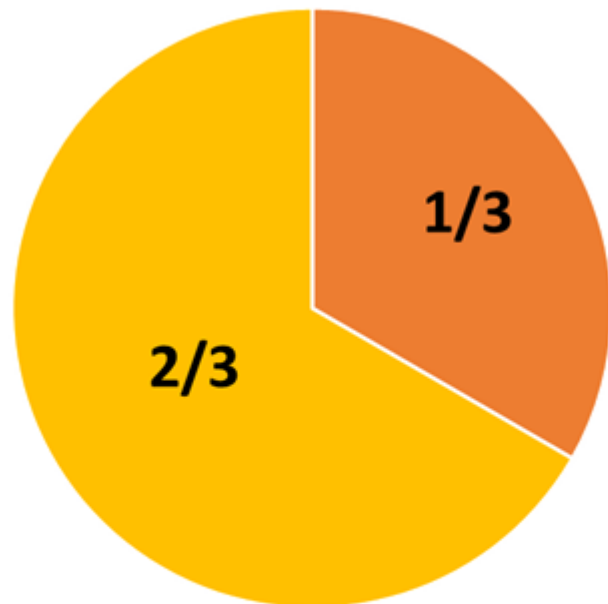
Project duration

- the project shall end **at the latest, 3 years after the cut off date**.
- **No extension** will be possible for projects funded with **unit contributions**.
- The beneficiary shall **operate and maintain** the supported recharging/refuelling points for a **minimum period of 5 years**, starting from the end date of the related grant agreement.

Ancillary elements of alternative fuels infrastructure

- **If required for the viability** of the deployment of transport related zero-emission recharging and refuelling infrastructure, in particular the following activities are eligible:
 - **related energy storage facilities**;
 - **deployment of electrolyzers based on Renewable Energy Sources** (RES) for electricity supply and a sustainable use of water resources for the production of green hydrogen for the purpose of transport. This may be considered as a **synergetic element** under the conditions specified in Section 10.6 of the Work programme.

How much?



General Envelope (M€)	Cohesion Envelope (M€)	Total (M€)
1.200	375	1.575

* Implementing Partners are development or other public finance institutions (such as EIB, EBRD and National promotional banks) which are signatories of an Administrative Agreement with DG MOVE to cooperate for the implementation of the AFIF.

** Non-Implementing Partners are other public or private financial institutions established in the EU.

■ Non-Implementing Partners **

■ Implementing Partners *

Still to go till the end of 2023...

General Envelope		Cohesion Envelope		Total	
IP	non-IP	IP	non-IP	IP	non-IP
691.704.360 €	221.167.143 €	237.204.370 €	45.893.258 €	928.908.730 €	267.060.401 €

When?



Timetable and deadlines (indicative)

	1st cut-off date	2nd cut-off date	3rd cut-off date	4th cut-off date	5th cut-off date
<u>Deadline for submission</u>	19 January 2022 17:00 CET (Brussels)	7 June 2022 17:00 CET (Brussels)	10 November 2022 17:00 CET (Brussels)	13 April 2023 17:00 CET (Brussels)	19 September 2023 17:00 CET (Brussels)
Evaluation	February-March 2022	July-August 2022	December 2022 – January 2023	May – June 2023	October – November 2023
Information on evaluation results	May 2022	October 2022	March 2023	July 2023	January 2024
GA signature	September – October 2022	February - March 2023	July – August 2023	December 2023 – January 2024	May - June 2024

Useful links

- Calls [AFIF](#)
- AFIF [FAQ](#)
- AFIF [INFODAY](#)
- CEF [Regulation 21-27](#)
- In case of questions: MOVE-CEF-AFIF@ec.europa.eu



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CEF Transport

CDP as Implementing Partner of the
Alternative Fuels Infrastructure Facility (AFIF)

Cassa Depositi e Prestiti
Investiamo nel domani



Titolo documento	CEF Transport
Information Owner	European Projects
Numero totale di pagine	7

CEF Transport - *Alternative Fuels Infrastructure Facility (AFIF)*

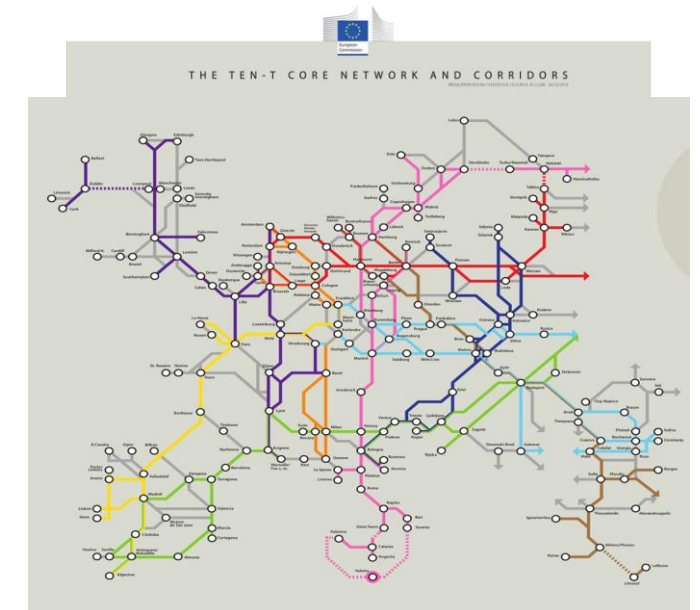
Implementation

CDP role as Implementing Partner

- Within the CEF Transport, **blending operations are foreseen through the Alternative Fuels Infrastructure Facility (AFIF)**, which supports the deployment of alternative fuel supply infrastructure, contributing to the decarbonisation of European transport.
- With regard to this type of operations, CDP has already gained experience as **the only Implementing Partner** for Italy in the previous 2014-2020 programming period, supporting four Italian projects, 3 of which were selected by the EC: SNAM, F.lli Cosulich and Trenitalia.
- In order to confirm this role in the new programming period as well, on 11 April **CDP signed a new cooperation agreement with the EC** under which it defines the activities it is required to perform, which mainly relate to: (i) the **financial commitment** to the company requesting the benefit (co-financing); and (ii) the **ex-ante assessment** of projects in accordance with its internal rules and policies.
- At the 2nd cut off date, CDP supported **three promoters that has all been awarded by the EC**: Free to X (Autostrade Group) and Be Charge (ENI Group, Plenitude) in relation to projects to install electric vehicle recharging infrastructures, and F.lli Cosulich, whose project involves the purchase of an LNG fuel bunkering station.

Areas

**Alternative fuels
recharging infrastructures**



CEF Transport - *Alternative Fuels Infrastructure Facility (AFIF)*

Projects supported by CDP

The three projects supported by CDP has been awarded with a total grants of € 66,2 mln



Installation of ultra fast charging infrastructure (150 - 300kW) in **117 Service Areas** along the national motorway network



Tot. – € 76.6 mln



Finan. CDP – € 7.65 mln (10%)



Grant Approved - € 11.9 mln (16%)



the project envisages the purchase of an **LNG bunkering vessel with a deadweight capacity of 8,200 cubic metres**. With this second ship, the company intends to establish itself as a leading player in LNG fuel bunkering in the Mediterranean.



Tot. – € 45 mln



Finan. CDP – € 8 mln (18%)



Grant Approved - € 4.3 mln (10%)



For the first time, CDP as *Implementing Partner* supported a multi – country project



installation of ultra fast electric charging infrastructure (150 - 300 kW) for light and heavy vehicles along the TEN-T network in **8 EU countries**: Italy, Germany, France, Greece, Portugal, Spain, Austria, Slovenia



Tot. – € 427.8 mln



Finan. CDP – € 50 mln (12 %)



Grant Approved - € 50 mln (11.7 %)



€ 50 mln



European Commission

Grant
CEF 2

€ 50 mln

CEF Transport - *Alternative Fuels Infrastructure Facility (AFIF)*

Focus: Be Charge (Plenitude)

The company intends to sustain public charging rollout in Europe



The project involves the installation of ultra-rapid (up to 300 kW) electric charging infrastructures for light and heavy vehicles along the motorway network in **8 EU countries**: Italy, Germany, France, Greece, Portugal, Spain, Austria and Slovenia.

The Action concerns the development of EV infrastructure in Europe with the installation of **4.192 charging points** along the TEN-T road network.



The main objective of the action is to implement **a reliable network of fast chargers for electric vehicles (EVs) to enable electric charging** along the core and comprehensive **TEN-T networks and at urban nodes** in Europe.



CEF Transport - *Alternative Fuels Infrastructure Facility (AFIF)*

Focus: F.lli Cosulich

The company intends to establish itself as a leading operator in LNG fuel bunkering in the Mediterranean



The project aims to build a new bunker with the capacity to transport over **8,200 m³** of LNG for bunkering.

The new LNGBV will be able to **load, store and distribute LNG** in the Italian strategic core ports (Genoa, Spezia, Livorno) along the TEN-T Network. The vessel will also support the progressive up taking of **bio-LNG in the Italian maritime sector.**



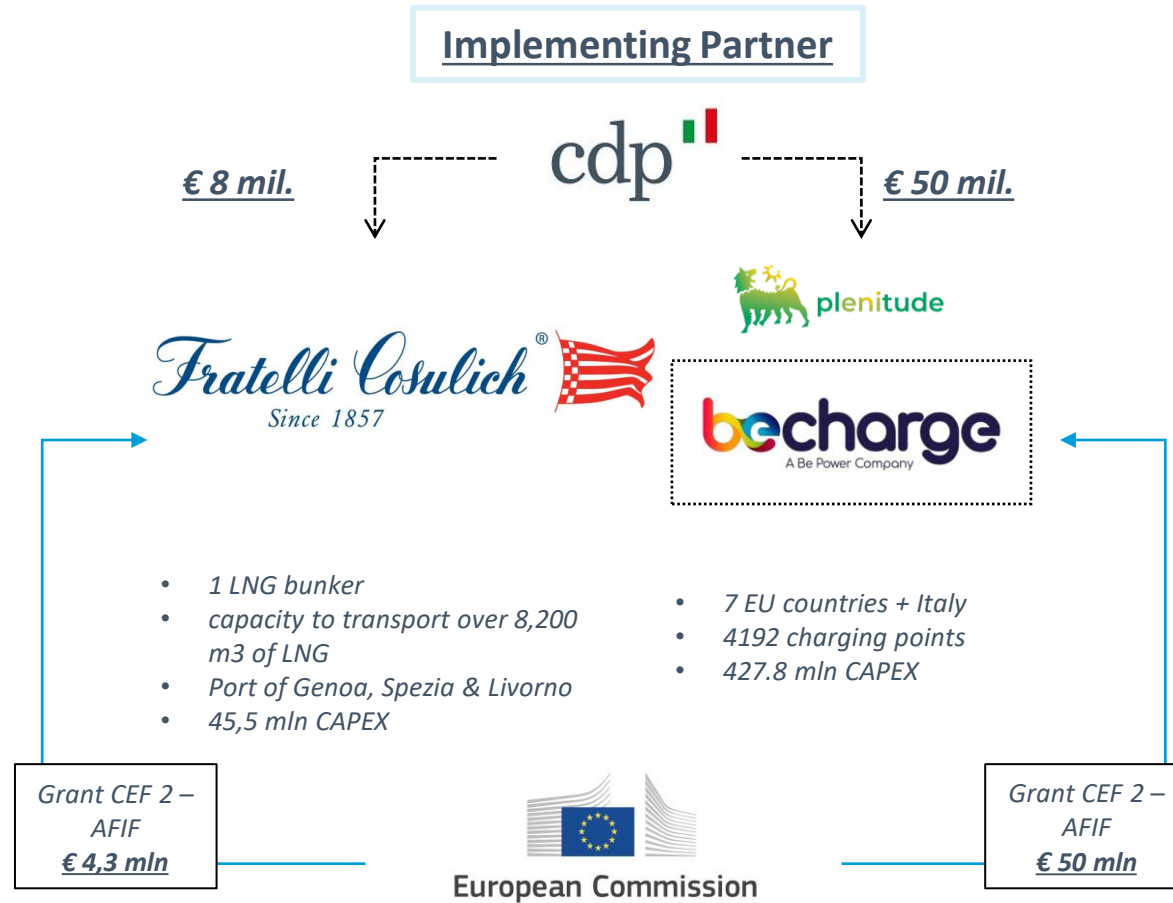
The project falls under the sustainability long-term strategy of the company: the objective of the project is to **serve LNG and bio-LNG powered vessels** sailing in the Mediterranean, Western and Northern Tyrrhenian Sea with the construction of a **Small Scale LNG Bunkering vessel.**

Fratelli Cosulich® 
Since 1857

Alternative Fuels Infrastructure Facility (AFIF)

Recap

IP scheme



Thanks for your attention!





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Two examples of CDC's experience with the CEF – Transport – Alternative fuels infrastructure facility (AFIF)

Dijon Mobility H2 (Dijon Métropole Smart Energy)

Project description

Two HRS in Dijon (electrolysers using mostly waste-to-energy and RES)

Timetable

Dijon Nord (400 kg hydrogen/day) starts operating by 2023 to refuel refuse trucks until Dijon Sud (1600 kg hydrogen/day) is ready to refuel the entire bus fleet (53) by 2026

Sources of funding

Investment costs: EUR 36.7 m

CDC (IP financing): EUR 7 m

CEF-T-AFIF grant: EUR 6.99 m
(+national grant)

Equity from private investors: EUR 16 m

CEF-T-AFIF grant allows to

- **overcome financial obstacles** generated by high up-front costs
- **lower the hydrogen price**, making it competitive in comparison to thermic fuels and thereby ensuring the offtake (chicken-egg problem)
- **leverage other financing (IP and private)**

CDC's role as Implementing Partner

- **mitigate the lack of market finance and support a project in a sector where value chains are still emerging** (high costs of technology)
- **enter in the financial structuring of the project at the local level** (local presence of the *Banque des Territoires* allows a close partnership with Dijon that endures over time)
- **tie up a financing package including significant private investment**
- **contribute to the overall target of Dijon to switch to an all-hydrogen public mobility by 2030**, potentially leading by example and inspiring projects in other regions

Electrification of ground operations at Montpellier Airport

Project description

Deployment of aircraft power supply points & aircraft air conditioning supply systems to electrify ground operations

Timetable

8 aircraft 400Hz power supply facilities and 5 electrical air conditioning systems ("PCA") by 2025

30 electric charging points to refuel 75 ground handling vehicles by 2026

Sources of funding

Investment costs: EUR 4.279 m

CDC (IP financing): EUR 1.218 m

CEF-T-AFIF grant: EUR 1.218 m

Internal financing: EUR 1.843 m

CEF-T-AFIF grant allows to

- **make the project economically viable keeping airport charges within the benchmark**
- **enable an initial small-scale pilot with the perspectives of implementation at other airports**
- **contribute to introducing a new technology, as PCA facilities are not yet deployed in France** and picking lower hanging fruits by implementing 400Hz power supply facilities, a mature technology already available in many airports worldwide

CDC's role as Implementing Partner

- **trigger an important investment for a small airport with limited traffic to launch a project that saves 1000t of CO2 per year**, while reducing energy and maintenance costs for airline companies
- **enter in the financial structuring of the project at the local level allowing improved EU resource dissemination** (local presence of the *Banque des Territoires* allows a close partnership)
- **support a pilot project to prove the viability of a project idea**

Benefits of Implementing Partners in the implementation of the Alternative fuels infrastructure facility

- **Ability to assume risk and finance projects that would not have been financed otherwise**
 - Equity investments in projects in emerging sectors (such as hydrogen, where high upfront costs of clean production and the chicken-egg problem remain a barrier)
 - Develop pilot projects used to prove the viability of a project idea (electrification of ground operations at airports)
- **Ability to identify and address projects of different size and offer specific solutions on a local level**
 - Knowledge of the territory, experience and presence in the regions allow for the identification of projects of different size (selected projects in France range from EUR 4 m to 49 m in terms of project costs)
 - Development of solutions, creating synergies and allowing replicability of projects in other regions
- **Ability to provide a strategic long-term vision and a quality project pipeline to the European Commission**
 - Development of partnerships within the industries allowing for a long-term consistent vision
 - Projects accompanied by an IP are subject to a rigorous internal diligence procedure in terms of economic and environmental viability before appraisal (high success rate of applications)
 - Ability to ensure predictability over the pipeline of projects

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2.30 pm (CET)

ICO / AFIF - CASE STUDY: REPSOL (Energy and Oil Company)



HY2MOVE project



Deployment (building and installation) of 6 Hydrogen Refuelling Stations (“HRS”) in the Spanish TEN-T Core Network corridors, Atlantic and Mediterranean, together with an electrolyzer, two logistic centers and IT system.

CAPEX of EUR 55.0 million (eligible CAPEX amounts to EUR 42.8 million)

**Eligible CAPEX
for AFIF amounts
to
EUR 42.8 million**



Source & Uses - Full HY2MOVE Project			
Uses	EUR million	Sources	EUR million
6 HRS in Spain ^(*)	37,0	Equity	27,2
Electrolyzer 4MW	7,6	Repsol	8,8
2 Logistic centers ^(*)	8,5	Rest of Sponsors	18,4
IT systems ^(*)	2,0	ICO (IP) Senior Debt	15,0
		AFIF Grant	12,8
TOTAL USES	55,0	TOTAL SOURCES	55,0

^(*) Repsol will own directly 4 HRS, one logistic center and the IT systems. ICO will only finance Repsol's assets, with a total CAPEX of EUR 31.1 million.

HY2MOVE is part of Repsol's Strategic Plan, which will develop a renewable hydrogen capacity of 552 MW by 2025 and 1.9 GW by 2030.

The Company will install up to 14 HRS in 2026, 30 in 2040 and 45 in 2050. In total, Repsol plans to invest EUR 2,549 billion until 2030 to promote renewable hydrogen.



Conclusions and reflections...

As an example of ICO's support, the case of REPSOL is very illustrative, as ICO ...

- ✓ Supports its **overall transformation to a sustainable clean company** on a general perspective, even in non-competitive sectors, such as Hydrogen.
- ✓ **Speeds up the implementation** of the European CEF strategy for the **deployment of hydrogen plants in Europe**: HRS are located in different regions of Spain, expanding this technology throughout the territory.
- ✓ Promotes the European **objective of decarbonization** of the transport sector in line with the objectives set by the European Commission and contributing to reach the goals of the European Green Deal.
- The efforts and added value of **becoming an IP of the Commission have proven very worthy until now in CEF Transport**, as IPs have provided the means to deploy the **blending mechanism** and check its opportunities, taking advantage of an agile analysis and their financial soundness. The standards brought to the market through the IP process should be maintained.
- This **scenario has changed with AFIF**, bringing **new financing** blending partners to the Commission (**non-IPs**), which have benefited from the IPs experience in CEF, but in a **less developed sector (hydrogen)**. Sponsors and advisory companies have developed skills that they can now open to other financial sources.

Conclusions and reflections...

- **AFIF may be facing some delay due to the hydrogen sector relative immaturity.** This situation implies that basically only **large energy companies** can plan and undertake high volume investment projects, assume their risks and technological challenges, make them profitable and have the operational ability to develop them.
- Plus, **pressure to redirect their activity towards green transition** and sustainable activities also results in them being the most active promoters.
- On top of that, from a financial point of view, these **alternative fuels projects require corporate or bank guarantees** that only these large groups can provide. Today it **is unlikely to structure such projects using the "project finance"** methodology.
- **Large energy groups are key players to develop the AF markets. They have a close relationship with commercial banks** and, in our experience, some of them are reluctant to open their network of financiers to other entities, such as IPs. Nevertheless, **their green transition strategy** is very much **driven by and linked to public policies**, so **EIB and NPBIs** should remain as strategic implementing partners and reinforce their role and image as **green transition enablers**.
- Finally, we suggest **fleets should be considered as eligible investments**, at least in public transport and services. It is important **to promote demand** as well as production hubs.



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