

# Energy Entrepreneurs Fund: Phase 9

Applicant Information Presentation

Tuesday 5<sup>th</sup> April 2022



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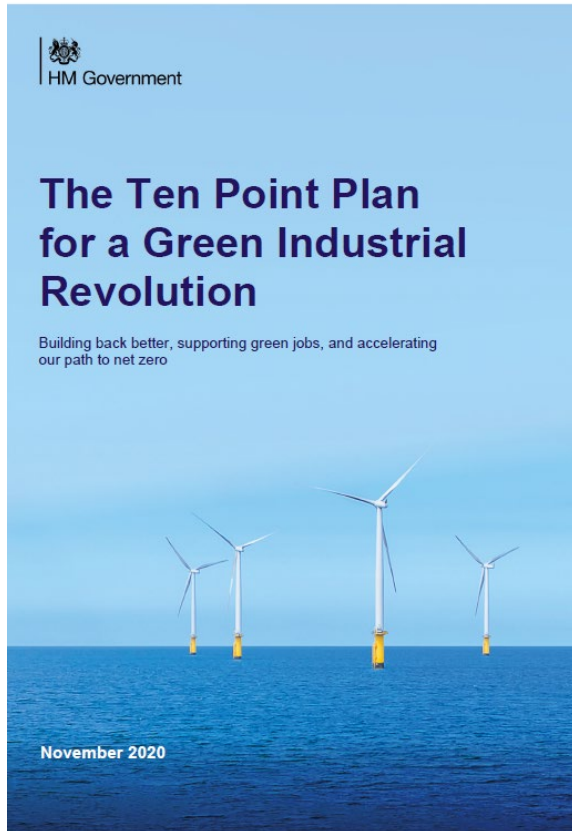
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# Introduction: Net Zero Innovation Portfolio (NZIP)

BEIS Science and Innovation for Climate and Energy Directorate



# Prime Minister's 10 Point Plan



## Point 10: Green Finance and Innovation

- Unleashing innovation and developing new sources of finance are fundamental for further developing the green technologies for net zero.
- To accelerate the commercialisation of innovative low-carbon technologies, systems and processes in the power, buildings, and industrial sectors, we will launch the **£1 billion Net Zero Innovation Portfolio**.

# Net Zero Innovation Portfolio



- The portfolio will focus **on ten priority areas** that correspond with this Ten Point Plan, including: future offshore wind; nuclear advanced modular reactors; energy storage and flexibility; bioenergy; hydrogen; homes; direct air capture and advanced CCUS; industrial fuel switching; and disruptive technologies such as artificial intelligence for energy

# Energy Entrepreneurs Fund

## EEF 1 – 8 Background

- Phases 1-8 have been delivered over a 9-year period, with a phase launched every 12 – 18 months.
- EEF Phase 8 is in delivery and has projects running up to March 2024.
- To date EEF 1-8 has provided £102m in grant funding for 214 companies, leveraging over **£500m in private investment.**

# Energy Entrepreneurs Fund Phase 9

Up to £10m available in grant funding

We're looking for projects which evidence:

- The potential impact of the innovation on **2050 low carbon targets** and/or **security of supply**
- The technical viability of their innovation and coherent development plan that will **commercially progress the innovation**
- **Value for money**, including cost reduction potential
- The **size and nature** of the business opportunity

EEF9 has up to £1m funding for Cornwall projects as part of G7 legacy

# Energy Entrepreneurs Fund Phase 9: Overview

BEIS Science and Innovation for Climate and Energy Directorate





# Timelines



# Eligibility and Requirements Overview

- 1) Project Status
- 2) Project Location
- 3) Grant Size
- 4) Project Duration
- 5) Technology Scope
- 6) Innovation and Technology Readiness Levels
- 7) Aid Intensity
- 8) Match Funding
- 9) Funding for Cornwall-based Projects

# Eligibility: Straightforward Areas

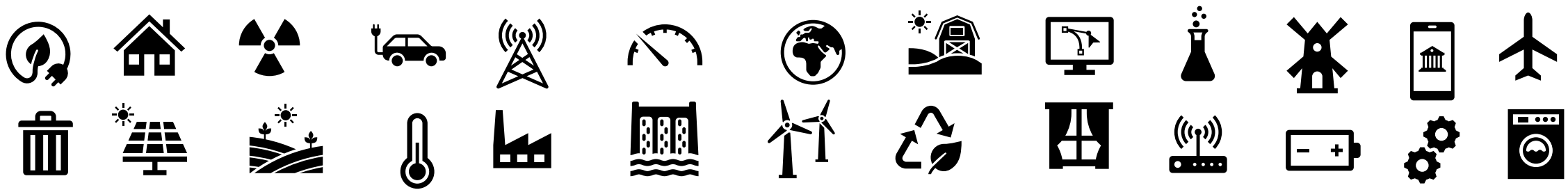
- 1) **Project Status:** BEIS is unable to fund retrospective work on projects. The value of retrospective work may, however, be considered in the assessment process.
- 2) **Project Location:** Over 50% of the project's activities must be conducted in the UK.
- 3) **Grant Size:** The total requested grant does not exceed £1m. The maximum project value does not exceed £2.5m.
- 4) **Project Duration:** Projects must be financially complete by **31 March 2025**.

# Eligibility: 5 – Technology Scope

Projects must demonstrate their impact on the 2050 carbon targets and security of energy supply.

These areas will be considered in their broadest context and support could be given to proposals that whilst helping achieve the 2050 Net Zero targets might demonstrate any of the following:

- Improved performance characteristics over existing technologies or products
- Novel component technologies that can be implemented in existing systems to deliver improved performance or reduced costs of the system
- Products, processes or technologies that can reduce the cost of installation or maintenance of existing systems



# Eligibility: 6 – Innovation and TRLs

- The project is at TRL 3-8
  - Critical Function or Proof of Concept Established
  - Not yet commercialised
  - Appendix of Guidance Document details the TRLs
- Projects must fall within the categories of
  - industrial research
  - feasibility study
  - experimental development

# Eligibility: 7 – Aid Intensity

## Subsidy categories

- You must apply under one of the subsidy categories articles. The options are:
  - Aid for Start Ups
  - Aid for Research and Development Projects – Feasibility Study
  - Aid for Research and Development Projects – Industrial Development
  - Aid for Research and Development Projects – Experimental Development
- Full details are provided in Section 6 of the Guidance Document

# Eligibility: Aid for start-ups

- To be eligible for 'Aid for start-ups', the company must:
  - Be a small or micro enterprise
  - Have existed for fewer than 5 years
  - Not be listed on a stock exchange
  - Not have been formed through a merger or acquisition or have taken over another business
  - Not have paid out profits to shareholders through dividends
  - Have spent at least 10% of turnover on R&D in at least 1 of past 3 years (if no turnover yet, this must be validated independently)

# Eligibility: Aid for Research and Development Projects

- The scheme is open to:
  - all SMEs (including those who do not qualify for Aid for Start-ups)
  - other private sector organisations, irrespective of size
  - ‘research organisations’ as defined in the guidance. It is expected that these will be part of a collaborative proposal, preferably with a SME partner.
- All collaborative proposals should apply under this category



# Eligibility: 7 – Aid Intensity

The grant funding levels and match funding required must be consistent with the subsidy category aid intensity levels.

- Costs must be consistent with the eligible cost criteria, such as:
  - Personnel costs: researchers, technicians, other supporting staff
  - Cost of instruments and equipment
  - Costs of buildings and land
  - Costs of contractual research, consultancy and equivalent used exclusively for the project
- A list of example ineligible costs has also been provided in the guidance.
- All costs should be claimed to the extent employed on the project, for the period used.

# Eligibility: 8 – Match Funding

- Given the aid intensity rules, applicants are required to have private funding in place to cover the balance of eligible costs.
- This funding may come from:
  - Company's own resource
  - External private sector
- May not come from:
  - Funding attributed to any public authority
  - In-kind contributions

**The match funding for any project must be at least 10% of the total project costs.**

# Eligibility: 9 – Cornwall-based Projects

- At least **75%** of project activities must take place in the geographical boundary of the county of **Cornwall**.
- At least **50%** of all project activities must be undertaken by a **commercial lead project partner** in Cornwall.
- The definition of how project activities are counted can be found in Section 2.1 of Guidance Document.
- Projects must also meet all the eligibility criteria for EEF (as listed in previous slides and guidance document)



# Your Application

## 1. Before you begin

- Read the Guidance Document!!
- Decide the subsidy category you are applying under – do you have the match funding?
- How will you exploit the technology

## 2. Writing your application

- Be very clear
- Stick to one consistent story
- Ensure you are answering the question we are asking
- Don't assume prior knowledge

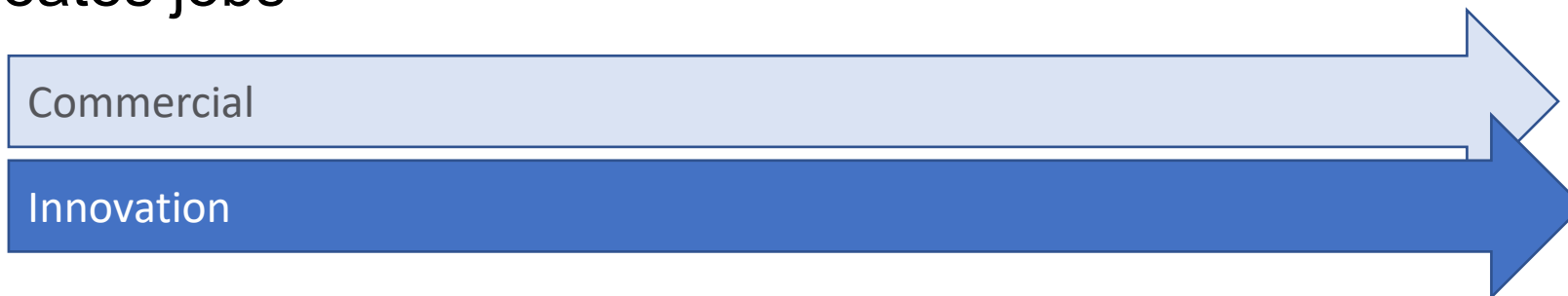
## 3. Before you submit

- Ensure BEIS templates are all uploaded – Project Cost Breakdown Form, Cost Performance Pathway, Gantt chart, Risk Register, CVs, Partner Form (if required)

# Think about...Your Company

What does success look like? Whole company moving forward...

- Demonstrate a value inflection point
- Secures follow on investment
- Receives a recognised award
- Generates revenues
- Obtains independent validation of technology
- Builds supply chain or manufacturing capacity
- Creates jobs



# Think about...Your Innovation

What problem  
does it solve?

Who would  
buy it?

Why would  
they buy it?

Who would  
sell it?

Who will  
make it?

# Assessment Process

- Applications will initially be assessed against the Eligibility Criteria
- **Applications which fail the Eligibility Criteria will not be assessed further**
- Eligible applications will be assessed by 3 expert reviewers
- Assessed in the following categories (Part 2 in Guidance):
  - Business Proposition
  - Level of Innovation
  - Impact on energy and climate targets and/or security of supply
  - Project finances, Value for money, including any cost reduction potential
  - Market viability and potential for commercialisation
  - Project plans
  - Experience and skills

# Assessment Process

- To be eligible to receive funding, a project must also be allocated a minimum total score of 60% against these assessment criteria.

## Feedback

- After the assessment stage, all applicants will receive a short summary of key feedback regarding their applications irrespective of whether they are successful or not.
- Feedback will be given when you receive successful or unsuccessful letters.



# Top Tips

- Read the submission guidelines carefully (note deadlines).
- Build Acceleration Support into the program of work.
- Carefully consider risks.
- Ambitious but practical.
- Beware eligibility and aid rules.
- Carefully consider the cost and performance pathway.
- Retain good communication with your monitoring officer.

# What Happens if I am Successful?

# Overview

- **What you'll need to do if you are successful**



- **Monitoring Officers role**



- **The key processes of reporting, claims and closure**



# What you'll need to do if you are successful



- You will receive a conditional offer letter:
  - You will work directly with your Monitoring Officer to provide relevant evidence
  - You will need to show evidence of match funding
  - If relevant, you will need to show evidence of the collaboration agreement, shareholder agreements and IP / licensing agreements
  - BEIS will carry out due diligence checks during this time
- On satisfactory receipt of the above you will receive a Grant Offer Letter and Grant Funding Agreement for signature

# What is a Monitoring Officer (MO)?



- **Assurance** – primary means by which it is demonstrated that public money is being spent appropriately
- **Reporting** – understands your progress
- **Project support** – first point of contact and issue escalation
- **Your MO is not there to**
  - be a part of or manage your consortium
  - tell you how to run your project
  - act as an expert advisor

# The key processes – reporting



- Your MO will contact you monthly to understand your progress
- You will submit a quarterly report using a prescribed template
- Allow your MO to conduct a physical site visits 3 times within a 12-month period
- Complete BEIS Key Performance Indicator (KPI) spreadsheet

# The key processes – claims



- What sort of documentation is needed to request a grant payment?
  - Evidence as specified on your milestone schedule
  - Invoice with the PO number
  - Signed director's declaration (Schedule in the GOL)
  - Claims grant form detailing spend
  - Invoices for spend above £10k including evidence that you paid them i.e. bank statement
  - Single claims over £100K need an independent accountant report

# The key processes – closure



- Final claim will need an independent accountant report if you have been awarded more than £100K of grant
- Final BEIS KPI spreadsheet
- Final report in a format of choice and a closing survey for BEIS (TBC)
- Final meeting with your Monitoring Officer & BEIS



# FAQs

# EEF 9 FAQs

**Q: Does my project need to be based in Cornwall for EEF 9?**

A: No.

**Q: Can I submit multiple applications?**

A: You can only apply once as lead applicant, but you can be collaborative partner in multiple applications

**Q: Can you please clarify the difference between a subcontractor and a collaborator?**

| Collaborator  | Subcontractor   |
|---|---|
| <ul style="list-style-type: none"><li>• Named partner in grant offer letter, involved in direction of the project</li><li>• Relationship with lead governed by formal collaboration agreement</li><li>• Reimbursed at cost following subsidy guidelines, via lead partner, cannot make profit</li></ul> | <ul style="list-style-type: none"><li>• Selected to complete specific tasks for the project partners</li><li>• If not named in application, must be appointed following competitive procurement process</li><li>• Could include profit in what they charge the lead partner</li></ul> |

# EEF9 FAQs

**Q: Is there a preference for sole applicants vs consortia?**

A: EEF has no preference for sole applications or consortia

**Q: My company is not a UK company – can we still apply?**

A: The lead applicant must be UK registered company. Partners can be based abroad. Over 50% of project activities are in UK. UK subsidiaries of foreign companies are allowed if they have UK registered company number.

**Q: Will technologies that could ultimately be deployed in the UK be favoured over others where the eventual end-use would likely be outside the UK?**

A: No.

**Q: Do we need to use the BEIS templates for the Gantt Chart and Risk Register, even if we have our own version of these already?**

A: You must use the templates provided for the application.

**Q: If my project has more match funding than required, will this be evaluated favourably?**

A: No, there is no preferential treatment for projects. Overall value for money of projects will be assessed.

# Final Reminders

- Submit questions here:
  - [entrepreneur@beis.gov.uk](mailto:entrepreneur@beis.gov.uk)
- To apply for EEF9 visit:
  - <https://www.gov.uk/government/publications/energy-entrepreneurs-fund-phase-9>
- Submit your application by **14:00 on 11 May 2022**

# Thank You

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