Carbon Contracts for Difference

Fundig programme by the German Federal Ministry for Economic Affairs and Energy for energy-intensive industries

Apply now until **14 December**



The Carbon Contracts for Difference (CCfD) aim at supporting companies in their transition to CO_2 low production: They compensate the additional costs compared to conventional processes, where new production processes cannot yet be operated competitively. Thus, they reduce price risks for participating companies.

This is why you should apply

- Better investment security for transformation projects, technology-neutral
- Reduced price risks by adjusting to energy and CO_2 prices
- Long-term planning security with a 15-year contract term
- Ensuring competitiveness by investing in innovative production technologies
- Contribution to company-wide ESG and decarbonization goals

This is how it works

The decision on which project will receive a contract and subsidies is based on a competitive auction process.

I. Bid

Companies bid a price per ton of CO_2 saved.

→

II. Funding

The projects that offer the lowest price per ton of CO_2 saved are awarded the funding.

→

III. Compensation

Additional costs of low-CO_2 production compared to the conventional reference plant are dynamic, recalculated annually, and compensated by the government.

The pricing stays in your hands: Each company sets its bid price based on expected extra costs, taking into account additional investment and operating costs.

Three funding priorities* with separate funding budgets

Hydrogen projects

- Material use of hydrogen, e.g., in the chemical industry
- Energy use of hydrogen, e.g., for high-temperature applications

CCU/CCS projects

- Capture and use (CCU) or permanent storage (CCS) of process emissions or hard-to-avoid emissions, e.g., in the lime and cement industry

Decarbonization of process heat

- Switching from fossil fuels to electricity, hydrogen, or biomass
- Focus on high-temperature applications like metallurgy, glass, and ceramics

* For the specific access requirements, please refer to section 4.4 of the sample funding call.

The information summarized here is not binding. The following documents are the legal basis of the procedure: CCfD funding guideline, funding call for the preliminary procedure 2027 (in the version valid at the time of application), grant notice, Carbon Contracts for Difference (CCfD).

For more information, please visit **www.co2-differenzvertraege.info**