9 June 2026

Commission Decision Establishing the Battery Booster Facility

EXECUTIVE SUMMARY

The Battery Booster Facility was adopted on 9 June 2026, establishing the instrument, its objectives, and some of the key elements concerning eligibility, award criteria and implementation conditions.

Up to **€1.5 billion from EU Emissions Trading System (ETS) revenues under the Innovation Fund** will be mobilised through the Booster to support battery cell manufacturers in scaling up production in Europe. For the first time, the Commission will provide direct support in the form of **interest-free loans**.

The aim is to stimulate private investment, speed up industrial deployment and strengthen Europe's industrial competitiveness and strategic autonomy in clean technologies. Eligible **projects must produce battery technology suitable for use in electric vehicles (EVs**), although off takers may use the products for other purposes. Production must be located within the European Economic Area (EEA), with a minimum production capacity of 10GWh.

A **loan instrument** has been selected **instead of traditional grants** (maximum loan amount per project is €500 million) to encourage sound capital management, support faster progress toward commercial viability, and complement private sector investment. Applications will be assessed based on technical and financial maturity as well as their added value to the European economy.

Next steps

Following the adoption of the Decision, the Commission will launch a call for proposals in Q3 2026, indicatively for 6 weeks. The Commission aims to award the first projects under the Facility and make the first payments before the end of 2026.

OVERVIEW

The Commission Decision C(2026) 3828/2 establishes the **Battery Booster Facility** as a 2026 financial instrument under the Innovation Fund **to support electric vehicle (EV) battery cell production in the ramp-up phase.**

Budget:

- EUR 1.5 billion (2026).
- Financed through ETS auction revenues allocated to the Innovation Fund.

Objective:

- De-risk and accelerate first full commercial-scale EV battery cell production facilities in the EEA during their ramp-up phase.
- Strengthen EU industrial resilience and supply chain autonomy.

Ramp-up phase is defined as the transition from production part approval to 95% nameplate capacity[1].

FORM OF SUPPORT

Provided as **interest-free loans**[2].

Can be combined with other EU or national support, provided total public support does not exceed eligible costs.

Maximum support:

- Up to 60% of eligible costs.
- Capped at EUR 500 million per recipient.

Loan conditions:

- Maximum tenor of 10 years.
- Repayment begins at ramp-up completion or 48 months after signature.
- Equal annual repayments over 6 years.
- Subordinated to senior lenders.
- Appropriate contractual remedies will apply if production relocates outside the EEA within 12 months of cessation.
- Disbursement based on agreed milestones.

[1] Full commercial operation will be the stage at which the battery manufacturing facility achieves sustained production output of at least 95% of the nominal annual production capacity.

[2] For projects concerning battery cell manufacturing facilities suitable for electric vehicle applications and in the ramp-up phase of operation.

Batteries European Partnership Association – BEPA
| Avenue Adolphe Lacomble 59/8, 1030, Brussels, Belgium
https://www.bepassociation.eu/ | info@bepassociation.eu | +32.2.743.29.80

ELIGIBLE PROJECTS & ENTITIES

Applicants must be established in the **EEA**.

Production site must:

- Be located in the EEA.
- Have at least 10 GWh nameplate capacity.
- Be in ramp-up phase at the time of call opening.
- Represent the first global full commercial-scale EV battery cell production of the applicant (and related entities).

ELIGIBLE COSTS

Limited strictly to costs incurred:

- During the ramp-up phase.
- From call opening to 48 months after loan signature.

May include:

- Personnel.
- Materials, energy, supplies.
- Contracted works and services.
- Capital expenditure within the project.

Excludes:

- Repayment of other loans.
- Dividends
- Payments of variable remuneration or similar financial distributions.

CALL FOR PROPOSALS

Open call for proposals managed by the Commission.

Applicants must demonstrate:

- Suboptimal investment situation.
- Economic viability.
- Operational capacity.
- That private financing exceeds the Union contribution.
- No crowding-out of other funding sources.

SELECTION & AWARD PROCESS

Award criteria:

- Financial maturity of the project and economic viability of the final recipient.
- Technical maturity of the project and credible implementation plan.

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- Contribution to European industrial resilience and added value for the European economy, including:
    - Supply chain security.
    - Critical raw materials considerations.
    - IP and innovation ecosystem engagement.
    - Skilled workforce development.
    - Support to downstream sectors (e.g. automotive).

Proposals ranked and funded within available budget.

GOVERNANCE & SAFEGUARDS

Loan agreements define:

- Reporting, audit and anti-fraud provisions.
- Protection of the Union's financial interests.
- Visibility obligations for EU funding.

The Commission monitors implementation and reports annually to Member States through the Innovation Fund reporting framework.

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Background

The Decision builds on a series of recent Innovation Fund initiatives in support of the EU battery sector. In December 2024, the Innovation Fund launched a €1 billion call for proposals for electric vehicle battery cell manufacturing (IF24 Battery). At the same time, the Commission and the European Investment Bank (EIB) presented a €200 million top-up from the Innovation Fund to the InvestEU guarantee to support investment in European battery manufacturing.

The Innovation Fund, financed by revenues from the auctioning of allowances under the EU ETS supports the deployment of innovative net-zero technologies, including batteries, helping to boost the EU's industrial manufacturing capacity.

On 16 December 2025, the Commission adopted the Communication on a Battery Booster Strategy, which announced the Battery Booster Facility. In March 2026, the Commission consulted the public on the draft Commission Decision on the Facility, gathering stakeholder input ahead of the formal adoption.

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