



ITALY



KEY TRENDS IN THE RES SECTOR

In 2014, the number of connection requests decreased, mainly due to:

- **the inadequacy of the support scheme**, with many different instruments, fast modifications of already existing rules or introduction of new ones.
- **retroactive impacts of specific measures**, affecting the setting of several operators, forcing them to deal with different conditions from those in place at the time of the investment.
- **difficult access to financing**: Several decrees were enacted in July 2012, restricting access to the support scheme, which reduced the possibility to obtain bank loans.
- **the length of authorization procedures and grid connection**, which is mainly regulated at the regional

level. There are different regulations and procedures depending on the area in which the plant will be built.

- **Unclear taxation**. A complex tax structure, many bureaucratic requirements and different rule interpretations by local tax agencies confuse the operators.

Due to the abolition of support schemes for new PV installations and other RES plants, the incentive to invest in RES has decreased significantly. “Conto Termico” (Ministerial Decree 28/12/2012), continues to be in force: it provides subsidies for thermal energy from RES and energy efficiency in buildings through conversion projects.

A ministerial decree, published on 17 December 2013, set up an incentive system for the injection of biomethane into the gas grid and for its use in the transport sector.

POLICY RECOMMENDATIONS



ELECTRICITY SECTOR

Guarantee clear and stable incentives over time

Frequent modifications to support scheme, uncertainty about eligibility and the amount of the incentive have a negative effect on market stability. Investors need a clear and long-lasting support framework with predictable changes.

Avoid the modification of existing support schemes with retroactive effects

Besides removing barriers, establish a gradual decrease in the incentive amount so as to guarantee the economic sustainability of the investment (i.e. a different decrease based on energy source).

Simplification of administrative procedures through centralization of energy competences

The distribution of competences among different public bodies (national, regional, local) and the inhomogeneous implementation of national laws at the local level cause uncertainty and an excess of bureaucracy.

The decisional power in the energy sector should be kept at the national level, while the implementation of transparent and consistent administrative procedures should be kept at the regional level.

Provide clearer measures regarding taxation to avoid ambiguous interpretation

A complex and unclear tax structure (especially for raw materials affecting the biomass sector), many bureaucratic requirements and different interpretations of the same national rule by local tax agencies lead to an unequal treatment of operators. A revision of the laws, providing clearer and unambiguous rules, is strongly advisable.



HEATING AND COOLING SECTOR

Improve incentives and access to financing for RES-H&C

It is crucial to provide financial incentives for RES-H&C over a longer period of time in order to compensate the higher costs of this technology and to increase its market share. Moreover, the banking system still reveals scarce maturity for financing RES-H&C solutions. Information and support to raise awareness among banks are needed.

Stimulate training and certification of conventional operators

General lack of know-how concerning non-conventional technologies (heat pumps, biomass boilers, solar panels) make it necessary to create training programs and adopt EU certification standards to support the qualification of conventional operators.

Simplify the rules and implement a support scheme for district heating networks

Complex regulations and uncertain legislation make it difficult to develop DH networks. Moreover, the incentives for the implementation of new heating networks provided by D.Lgs. 28/2011 are still available. Quick and strong action is required to allow for a targeted development of the sector.

Improve the public perception of the RES-H&C sector

RES-H&C are still relatively unknown among citizens and installers. There is a need to increase the general awareness of different possible applications offered by the sector: domestic installations, industrial plants, public buildings (hospitals, schools, sports facilities).



TRANSPORT SECTOR

Improve training and implement a comprehensive information system

The lack of knowledge and experts affects the whole RES-T sector, from the shaping of a targeted legislative framework to the identification of a suitable support scheme. Possible solutions include the further involvement of the Ministries of Transport and Agriculture, the promotion of an exchange of information and the development of a comprehensive strategy to create a sustainable transport system.



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