



Country profile –Italy

Country: Italy												
Support schemes	Electricity and heat production			Consumption				Transport		Supply and others		
	RES	Fossil	Nuclear	RES	Fossil	Electricity	Heat	Biofuels	Fossil	RES	Fossil	El./heat
1. Direct subsidies												
Direct on-budget subsidies	14, 12											
Feed-in tariffs	3											
Feed-in premiums	8, 7, 6											
Adjustment Aids												
Inherited liabilities												
Induced transfers												
Others	13											
2. Fiscal measures												
Energy Tax Allowance		26, 25			23, 21	27			19, 18			
Energy Tax Exemptions					24, 20				22, 17			
Other Tax Deductions	15			15, 11, 10								
Earmarked refunds of taxes												
3. Transfer of risk to government												
Adjustment Aids												
Inherited liabilities												
Others												
4. Other financial measures												
Adjustment Aids												
Other Tax Deductions												
Others	5, 4											
5. Non-fiscal measures												
Quota obligations	9							16				
Priority Grid Access	1	2										
Others												

No.	Datasource	Description
1	RES-LEGAL	In Italy, grid operators are obliged to give priority access to renewable energy plants in the operation of their grids. They are also obliged to give priority dispatch to electricity from renewable sources. Plant operators may request their grid operator to expand the grid if the connection of a plant requires this expansion.
2	RES-LEGAL	In Italy, district heating and cooling networks are managed at local level. National legislation provides only the framework legislation. DL 28/11, Art. 22, c. 3 provides an obligation for all municipalities above 50.000 inhabitants to establish, in cooperation with Provincial authorities and coherently with the regional energy plans, development plans for district heating and cooling with the aim to increase usage of the energy produced also from RES. Municipalities below 50,000 inhabitants can also develop such plans, however there is no obligation in place.
3	RES-LEGAL	Feed-in tariff I (tariffa onnicomprensiva) - All plants except for PV plants with an installed power between 1kW and 1 MW are entitled to choose this feed-in tariff in alternative to the premium tariff (Art. 7, c. 4 DM 06/07/12). Depending on their size, plants may access this scheme directly or after undergoing listing in a register with capacity limits set per year.
4	RES-LEGAL	Feed-in tariff II (Ritiro dedicato) - "Ritiro Dedicato" is the regulation of the sale of electricity in Italy rather than a "classical" feed-in tariff. GSE (Gestore Servizi Energetici) manages the sale on behalf of the producers, who thus need not sell their energy on the free market in person. For this reason, GSE can be considered a mediator between the producers and the market. This system enables renewable energy to access the market indirectly and more easily. Producers of up to 2,000,000 kWh of electricity from renewable

5	RES-LEGAL	<p>sources may choose between the minimum tariff (prezzo minimo garantito) determined by the energy authority and the market prices (Art. 7 AEEG 280/07 in connection with Art. 4 AEEG 34/05). If production exceeds 2.000.000 kWh, the surplus is subject to the market price (Art. 7 AEEG 280/07). Ritiro dedicato is not eligible for plants that benefit from Conto Energia (Art. 12, c.5, DM 05/07/12) or from the Premium Tariff II, the Tendering scheme or the Tariffa Omnicomprensiva (Art. 7, c. 7 DM 06/07/12) Net-Metering (scambio sul posto) - In Italy, RES-E producers can make use of net-metering ("Scambio Sul Posto") if their plant's capacity is lower than 20 kW (20 kW to 200 kW if commissioned after 31 December 2007) This possibility may be taken instead of the tariffa onnicomprensiva or the sale of electricity in the free market or in the market governed by "Ritiro Dedicato, or the Conto Energia scheme or the Premium Tariff II or the Tendering Scheme. The principle of Scambio sul Posto is not based on direct payments but on the balance of the energy fed in and consumed (Art. 1, 2 ARG/elt 74/08). Scambio sul posto in accordance with ARG/elt 74/08 differs from traditional net metering, as the plant operator pays the supplier for the electricity consumed, while GSE (Gestore Servizi Energetici) gives credit for the electricity fed in. This method can lead to a surplus on behalf of the plant operator (Art. 1 par. 1 a ARG/elt 74/08). The balance is calculated once a year (Art. 6 par. 2 ARG/elt 74/08). Precisely, the owner of such plants will receive a compensation equal to the difference between the value of electricity exported to the grid (e.g. for PV installations the energy fed in during daytime) and the value of the electricity consumed in a different period. If more energy is fed in than is consumed, this positive balance can compensate for a possible negative balance in the following years (Art. 5 ARG/elt 74/08). Generators who feed in more electricity than they consume do not receive any payment under the net metering scheme. If they feed in less than they consume, the difference is subject to a payment. Plant operators receive credit for electricity produced but not consumed. This credit will be available for an unlimited period of time (Art. 5 par. 6 ARG/elt 74/08).</p>
6	RES-LEGAL	<p>Premium tariff I (Conto Energia V) - In Italy, photovoltaic installations are promoted through a premium tariff (conto energia per il solare fotovoltaico). Operators of photovoltaic installations receiving a premium tariff under this scheme are neither eligible for scambio sul posto or ritiro dedicato (Art. 12, c.5, DM 05/07/12).</p> <p>This tariff operates until the indicative cumulated yearly cost for incentives will have reached € 6.7 billion.</p> <p>DM 05/07/12 distinguishes between the following categories of PV installations:</p> <ul style="list-style-type: none"> PV installations Integrated PV installations with innovative characteristics Concentration PV plants
7	RES-LEGAL	<p>Premium tariff II - All plants except for PV plants are eligible for receiving this premium tariff. Plants with an installed power between 1kW and 1 MW are entitled to choose a feed-in tariff (tariffa onnicomprensiva) in alternative to the premium tariff (Art. 7, c. 4 DM 06/07/12). This system is alternative to any other public incentive, to the ritiro dedicato and to the Scambio sul Posto (Art. 7, 23 and 29 DM 06/07/12)</p>
8	RES-LEGAL	<p>Premium tariff III (Conto energia per il solare termodinamico) - In this premium tariff scheme, plants are granted a tariff which depends on the percentage of electricity actually produced from solar energy (in case of</p>

		hybrid installations, i.e. plants that pair CSP with another source for electricity production).
9	RES-LEGAL	Quota system (Certificati verdi) - This scheme is not accessible since 1 January 2013 (Art. 25, c. 11, l. b DL 28/11). Plants will need to apply through the support schemes established in 2012 (Premium tariff II, Bidding scheme or Tariffa Onnicomprensiva). Eligible plants put into operation prior to 31 December 2012 will still receive incentives under this scheme for the whole eligibility period (Art. 25, c. 7, 8 DL 28/11). Under this system, producers and importers of electricity are obliged to prove that a certain quota of the electricity supplied by them was generated from renewable energy sources. On the one hand, electricity producers may satisfy this obligation by generating "green electricity", which is rewarded with tradable green certificates (certificati verdi). On the other hand, they may satisfy the quota by purchasing green certificates. The producers are obliged to prove to GSE (Gestore Servizi Energetici) that they have satisfied the quota. The certificates are issued by GSE, which acts as a supervisor and regulates the market by purchasing excess certificates or selling additional certificates (Art. 14 DM 18/12/08). The certificate system may be combined with other support instruments, except for the premium tariff for photovoltaic installations (conto energia) and the feed-in tariff for electricity from renewable energy (except photovoltaic energy below 1 MW per year, tariffa onnicomprensiva), (Art. 2 par. 145 L 244/07). This scheme will not be applicable for plants put into operation from 1 January 2013 (Art. 25, c. 11, l. b DL 28/11) and will need to apply through the Premium tariff II, the Tendering procedure or the Tariff Onnicomprensiva. Eligible plants put into operation prior to 31 December 2012 will still receive incentives under this scheme for the whole eligibility period (Art. 25, c. 7, 8 DL 28/11).
10	RES-LEGAL	Tax regulation mechanisms I (Reduction in value-added tax) - Since 1993, Italy has promoted the generation of electricity from wind and solar energy through a reduction of 10 % on the value-added tax (l'aliquota agevolata del 10 per cento) for deliveries and services related to investments in wind power plants and solar energy installations and investments in grids that distribute this electricity.
11	RES-LEGAL	Tax regulation mechanisms II (Reduction in real estate tax) - The Budget Act of 2008 gives municipalities the opportunity to grant a reduction in real estate tax (imposta municipale propria, IMU) to buildings equipped with renewable energy installations. The amount of IMU depends on the value of the property and differs from municipality to municipality.
12	RES-LEGAL	Tenders - All plants beyond a certain capacity except for PV plants are eligible for receiving incentives in the form of a premium tariff after undergoing a tendering process. This system is alternative to any other public incentive, to the Ritiro Dedicato and to the Scambio sul Posto (Art. 7, 23 and 29 DM 06/07/12)
13	RES-LEGAL	Loan (Fondo Kyoto) - The fund has a total amount of € 600 million, broken down in three equal parts for three years: 2012, 2013, 2014 (Art. 1, c. 1113, l. 296/06 in conjunction with Art. 1, c. 1-3, C 16/02/2012). The fund supports Biomass, biogas, geothermal and solar thermal plants.
14	RES-LEGAL	Price-based mechanisms (Conto Termico) - A price-based scheme (Conto Termico) is in place in Italy for small RES-H sources. Heat pumps (aerothermal, geothermal, hydrothermal), biomass and solar thermal are eligible technologies and the incentive is granted for a period varying between 2 and 5 years.
15	RES-LEGAL	Tax regulation mechanism (Tax deduction) - This scheme allows for a 55 %

		tax deduction (“detrazione”) for expenses related to refurbishment of existing buildings and / or energetic requalification of buildings and / or installation of RES-H technologies (Art. 1, c. 344 – 347, l. 296/06). This disposition is valid for works undertaken up to 31 June 2013 (Art. 1, c. 48, L 220/10).
16	RES-LEGAL	Biofuel quota (Obbligo di immissione) - This scheme defines an amount of biofuels to be included in all petrol and gasoline destined to transport.
17	OECDTADFFSS	Fuel-Tax Reduction for Rail Transport. Rail transport in Italy benefits from a 70% reduction in the rate of excise tax that normally applies to sales of diesel fuel.
18	OECDTADFFSS	Tax Relief for Trucking Companies. Trucking companies operating in Italy can obtain partial refunds on the amount of excise tax paid for their fuel purchases. Refunds usually correspond to a fixed amount of fuel.
19	OECDTADFFSS	Tax Relief for Public Transport. This measure provides public transportation in Italy with a reduction in the rate of excise tax normally levied on sales of petroleum products. This rate varies according to the energy product used and refunds correspond to fixed amounts of fuel. The reduction also applies in a few instances to boat transfers whenever road transport is not available.
20	OECDTADFFSS	Energy Tax Breaks for Agriculture. The agriculture, horticulture, forestry, and aquaculture sectors in Italy benefit from a reduced rate of excise tax for their use of diesel fuel and gasoline. The reduction with respect to the benchmark rate amounts to 78% for diesel and 51% for gasoline.
21	OECDTADFFSS	Tax Relief for Ambulances. This provision grants ambulances providing assistance or first-aid a reduction in the excise tax normally levied on sales of petroleum products. Refunds correspond to fixed amounts of fuel.
22	OECDTADFFSS	Fuel-Tax Exemption for Shipping. This provision exempts the use of fuel for navigation purposes from the excise tax that is normally levied on sales of petroleum products in Italy. It applies specifically to the transportation of goods and passengers along national waterways and within EU waters. The measure also encompasses the use of fuel in the fisheries sector.
23	OECDTADFFSS	Tax Relief for Users Living in Disadvantaged Areas. This provision is meant to benefit those users of fuel who reside in poor, remote areas where provision of natural gas can prove challenging. Relief is provided by means of a set of reductions on the excise tax that normally applies to sales of petroleum products.
24	OECDTADFFSS	Tax Relief for Industrial Users of Natural Gas. Large industrial users of natural gas can benefit from a reduction in the rate of excise tax usually levied on sales of natural gas in Italy. The reduction equals 60% and applies to those users whose consumption volumes exceed 1.2 million cubic meters per year.
25	OECDTADFFSS	Royalty-relief. Royalty relief on the first 20 000 tonnes of oil produced onshore per year (50 000 tonnes in the case of offshore production). No estimates available.
26	OECDTADFFSS	Royalty-relief. Royalty-relief for natural gas for the first 25 million cubic meters (80 million cubic meters in the case of offshore production). No estimates available.
27	OECDTADFFSS	Reduced VAT rate for electricity used by households. Excise tax not charged for the first 150 kWh per month. No estimates available.