

ESD implementation in

# Italy

**Introduction: brief summary of the report. The whole report should be 4 to 5 pages long.**

## Legal context

Italy considers the Directive 2006/32/EC of 5 April 2006 on energy end-use efficiency and energy services (hereinafter "ESD Directive") completely transposed under a legal point of view by the issuing of the Legislative Decree n. 115 of 30th May 2008. According to national structure of such acts, this L.D. is composed by 3 titles (I: goals and objectives; II: Instruments for the energy efficiency; III: final dispositions) and 20 articles.

Regarding the themes treated inside the ESD Concerted Action, the most relevant articles of the L.D. 115/08 are as in next table (compared to the corresponding articles from the ESD Directive):

<b>Legislative Decree n. 115/08</b>		<b>ESD Directive</b>
<b>Article</b>	<b>Object</b>	<b>Article</b>
4	Functions of the National Agency for the Energy Efficiency	4
5	Instruments for planning and monitoring	4, 14
7	White Certificates	6
9	Revolving fund for third party financing	9
12	Energy efficiency in the public sector	5
13	Public buildings	5
16	Qualification of energy services providers	8
17	Metering and billing of energy consumption	13
18	Energy audits and information campaigns	12

The L.D. 115/08 is quite complex, due to the activation of a great number of tools and initiatives. Some of these can be considered yet reached at the time this document was written, some are on the run.

## Status of the implementation

The key elements of the present status of implementation are referred I) to the creation of the new agency for energy efficiency (not existing in Italy before) and the enhancement in the management of the national white certificates mechanism. These latter are briefly discussed in following points.

I) As provided by the art. 4 of L. D. 115/08, in December 2009 ENEA (the Italian Agency for New Technologies, Energy and the Economic Sustainable Development) established the Energy Efficiency Technical Unit (UTE) for accomplishing the task of the National Agency for Energy Efficiency, as foreseen in the ESD Directive, article 4 point 4.

The UTE organizational chart includes 8 sections (called *services*) taking into account the main energy sectors that are relevant in energy efficiency (for instance buildings, industry, agriculture, transports, distributed generation). The Unit is made up of about 130 employees; most of them are engineers with long expertise in energy issues.

The mission of the Unit is mainly to provide technical support to key actors involved in Energy Efficiency and improving the National strategy. Its main activities include:

- The technical support to the National and Local Authorities (Ministries and Regions) for the development and implementation of the National Energy Efficiency Action Plans (NEEAP);
- The technical support to The Public sector for improving energy efficiency, especially in the building sector;
- Monitoring of existing energy efficiency projects, measures and best practices for ensuring energy efficiency data collection;
- Drawing up the National Annual Energy Efficiency Report;
- Developing appropriate methodologies for calculating and verifying energy savings in order to guarantee the achievement of the EE targets.
- Management of the white certificates mechanism and other fiscal measures for providing incentives, subsidies and grants for energy efficiency measures;
- Ensuring the best information about energy efficiency to citizens and the major stakeholders, especially aiming at dissemination activities, energy audits, voluntary programs, pilot projects, public-private partnership, etc.

II) The deliberation of 26 May 2009 adopted by the Italian Regulatory Authority for Electricity and Gas (AEEG) about "Disposition on organisation and management of White Certificate Scheme", which implements the L.D. 115/08, committed ENEA in practice for the whole management of White Certificate Scheme Mechanisms. The UTE, presented in point I), is the branch of ENEA physically involved in such action.

The action carried out by the UTEE has presented some important novelties in regard to the previous WC management, i.e. productions of new standard forms to ask for certificates, creation of a complete database of all proposal treated so far, complete automation of the technical/administrative assessment procedure of the proposals, diffusion of the mechanism in ad-hoc meetings with interested parties.

In Italy, the white certificates scheme is proving to be a particularly effective mechanism in encouraging energy savings and improving the sustainability and competitiveness of the Italian energy system, taking into account the first NEEAP targets for 2010 (of about 35.600 GWh/year). Actually, as reported in the last Authority's Fifth Annual Report (issued on 23 March 2011), in five years (from January 2005 to May 2010), as a result of increasingly efficient energy use promoted by the White Certificates, about 6,6 Mtoe were saved (about the 102% of the target for the same period). The report shows that the benefits for households have been between 600 and 1400 €/toe, for incentives (paid by the state) ranging between 90 and 100 €/toe. Any single family is paying about 6.4 €/year, while the benefits are greater from ten to one hundred times.

White certificates have been produced in following areas with subsequent rates: electrical uses in civil sector (58%), thermal uses in civil sector (23%), electrical and thermal uses in industry (14%), public lighting (3%), energy production and distribution for civil sector (e.g. cogeneration, district heating; 2%),.. It's important to highlight that 42 out of 67 obligated operators didn't achieve the own target. However all defaulting operators must compensate within one year, otherwise they will be fined through the penalties due.

Finally, in terms of environmental impact, Italy benefits from high energy efficiency services, technologies, competitiveness and, where developed, energy savings and direct economic benefits for consumers.

For more information about, see AEEG, WhC Report, 23 March 2011 at the link:

<http://www.autorita.energia.it/it/docs/pareri/007-11pas.htm>

*The situation as to the White Certificates system is going to change in the very latest period. Indeed, the Legislative Decree 3 March 2011 n. 28, the adoption of the 2009/28/CE Directive on renewable sources of energy, states the transfer of the management of the overall White Certificates system from the Authority for Electricity and Gas (AEEG) to the National Operator for Energy System (GSE). Since the situation is on the run, it is difficult to foresee the evolution of such a transfer. At the time this document was written, the management of the WC mechanism was following the same procedures. In the same time AEEG and GSE were starting agreeing the terms for the transfer.*

## **Additional efforts**

As provided by the law no. 99 of 23 July 2009, "Law for development and internationalization of businesses and energy matter", the draft "Extraordinary Plan for energy efficiency and energy saving" is going to be finalised. At the moment the draft plan is under discussion at the consultation process, given that the case falls under the competence of Ministry of Economic Development (MiSE), Ministry of Environment (MATTM) and Transport Ministry; the technical support given by ENEA.

The rationale of the plan takes into account the comments included into the Communication from the Commission to the Council and the European Parliament on a first assessment of NEEAPs, 'Moving forward together on energy efficiency', concerning the significant untapped potential against the important improvements in energy efficiency actions around several MS. In particular the Commission encourages the public sector into playing a relevant exemplary role, aimed at the involvement of stakeholders and policy makers to perform actions

in energy efficiency. Given this findings, the Extraordinary Plan provides specific new measures for energy efficiency national strategy, in order to expedite and guarantee the accomplishment of the energy efficiency and energy saving programs.

The draft plan's main content are:

- Accomplishing a more effective coordination action between the key actors, aiming a strong private-public partnership
- Simplifying the national legislation and/or the procedures for tackling the existing barriers that inhibit the acceleration technology, meaning the introduction of more energy efficient systems
- Extending technical support and fiscal mechanism to a more ample target of relevant actors involved in energy efficiency and of high efficient technologies
- Measures to promote of energy efficiency in the buildings sector
- Incentives for the development of public/private bodies for energy services
- Measures and incentives for co-generation systems
- Promotion and development of White Certificate Scheme and Green Certificate
- Dissemination activities to promote the purchase and installation of energy efficiency equipment
- Measures and incentives to promote energy efficiency and energy saving actions in private companies

These new measures in conclusion aim to harmonize the Laws' portfolio, at national and regional level, to encourage both the public authorities than the citizens to undertake the challenge to improve the energy efficiency of the sector with the highest energy saving potential in the country.

In a first moment, the Extraordinary Plan had to be issued like a self-consistent act; at present, considering the time passed from the first draft, it has been decided to insert it into the second National Energy Efficiency Action Plan.

The Ministry of Economic Development in partnership with Environment Ministry and State-Regions Conference is setting the regional targets in order to achieve the 17% of the total consumption from renewable energy by 2020. For this aim, each Region is analyzing its own potential reduction of GHG emission to meet the target sharing. This approach is a very important challenge, in term of building capacity and as an effective policy, for achieving the National energy savings target.

## Future planning

It is under discussion in Parliament an integrative decree for emending the Legislative Decree n. 115/08. The major emends regard the partnership between the new UTEE with the Ministry of Environment, as well as the Ministry of Economic Development; provisions for correcting any measures for the simplification of authorization process for existing building refurbishment and installation of renewable energy systems. An important field regards the procedure by which the authority of Electricity and Gas regulates the "efficient users system" for the electricity energy.

In conclusion, the major challenge is to continue into implementation process of the key measures at different government level in coherence of the National Energy Efficiency Strategy, aiming at one hand to achieve the energy saving target and on the other hand to individuate the main barriers that inhibit the effectiveness of policy portfolio. Taking into account these findings, one of the most important priorities is to accomplish a more effective coordination action between the key actors at National and Regional level and strengthening a strong effort for the acceleration technology.

## Relevant information

Ministry of Economic Development

[www.sviluppoeconomico.gov.it](http://www.sviluppoeconomico.gov.it)

Ministry of Environment (MATTM)

[www.minambiente.it](http://www.minambiente.it)

National Agency for New Technologies, Energy and the Sustainable Economic Development (ENEA)

[www.enea.it](http://www.enea.it)

Italian Regulatory Authority for Electricity and Gas (AEEG)

<http://www.autorita.energia.it>

Energy Market Manager

<http://www.mercatoelettrico.org>