

Italy

Renewable Energy Fact Sheet

Policy Background

The EU is working to reduce the effects of climate change and establish a common energy policy. As part of this policy, European Heads of State or Government agreed in March 2007 on binding targets to increase the share of renewable energy. By 2020 renewable energy should account for 20% of the EU's final energy consumption (8,5% in 2005). To meet this common target, each Member State needs to increase its production and use of renewable energy in electricity, heating and cooling and transport.

Although renewable energies are an integral part of our fight against climate change, they also contribute to growth, job creation and increase our energy security.

Country targets

The renewables targets are calculated as the share of renewable consumption to gross final energy consumption. Renewables consumption comprises the direct use of renewables (e.g. biofuels) plus the part of electricity and heat that is produced from renewables (e.g. wind, hydro), while final energy consumption is the energy that households, industry, services, agriculture and the transport sector use. The denominator for the RES share includes also distribution losses for electricity and heat and the consumption of these fuels in the process of producing electricity and heat.

Italian target: 17% (2005 = 5.2%)

Key issues

Despite strong growth in sectors such as onshore wind, biogas and biodiesel, Italy is far from the targets set at both the national and European level. Several factors contribute to this situation. Firstly, there is a large element of uncertainty due to recent political changes and ambiguities in current policy design. Secondly, there are administrative constraints such as complex authorisation procedures at local level. Thirdly, there are financial barriers such as high grid connection costs.

In Italy, there is an obligation on electricity generators to produce a certain amount of RES-E. At present, the Italian government is working out the details of more ambitious support mechanisms for the development and use of RES.

Renewables accounted for 6.7mtoe (ton of oil equivalent) in 2005.

Main supporting policies

In order to promote RES-E, Italy has adopted the following schemes:

- Priority access to the grid system is granted to electricity from RES and CHP plants.
- An obligation for electricity generators to feed a given proportion of RES-E into the power system. In 2006, the target percentage was 3.05%. In case of non-compliance, sanctions are foreseen, but enforcement in practice is considered difficult because of ambiguities in the legislation.
- Tradable Green Certificates (which are tradable commodities proving that certain electricity is generated using RES) are used to fulfil the RES-E obligation. The price of such a certificate stood at 109 EUR/MWh in 2005.
- A feed-in tariff for PV exists. This is a fixed tariff, guaranteed for 20 years and adjusted annually for inflation.

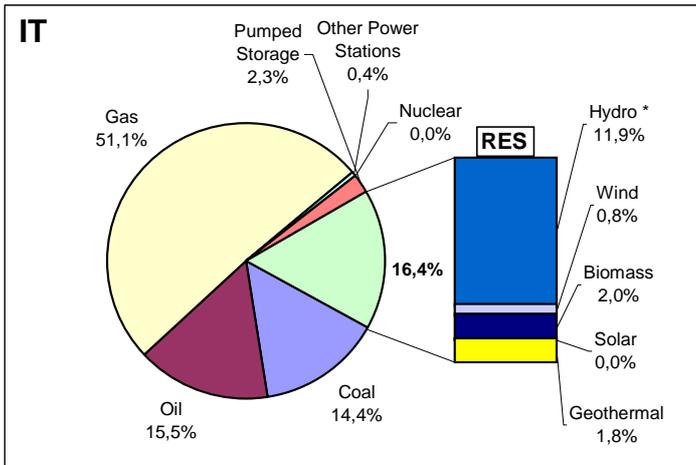
National legislation is being developed, both for RES-H and for biofuels. Subsidies are already in place for bioethanol production and tax exemptions for biodiesel production.

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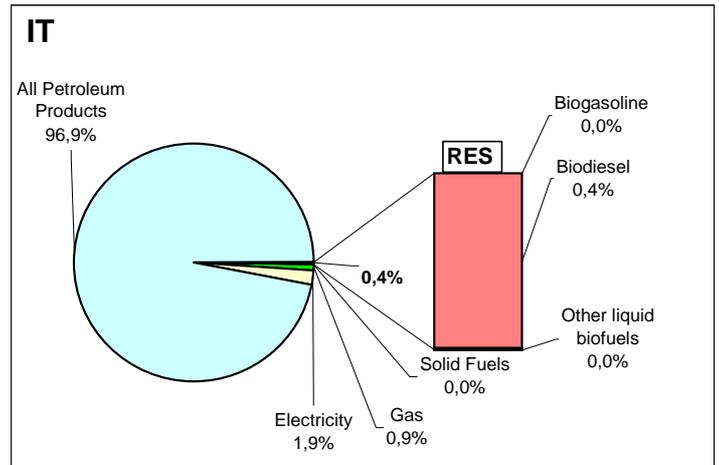
As yet, no national policy framework exists that supports RES-H. In the meantime, certain regional and local governments have introduced some measures to promote RES. These have taken the form of incentives for solar thermal heating and compulsory installation of solar panels in new or renovated buildings.

Key figures¹

Gross Electricity Generation by fuel (2005)



Final Energy Consumption by Fuel, Transport (2005)



Source: Eurostat

* Not including generation from hydro pumped storage, but including electricity generation to pump water to storage. Municipal Solid Waste, Wood waste, Biogas included.

For further information

To find out more about renewables, go to: http://ec.europa.eu/energy/res/index_en.htm

http://ec.europa.eu/energy/intelligent/index_en.html

To find out more about the current situation of renewables in the Member States, go to

http://ec.europa.eu/energy/res/legislation/electricity_member_states_en.htm

http://ec.europa.eu/energy/res/legislation/share_res_eu_en.htm

To find out more about support measures, go to

http://ec.europa.eu/energy/res/legislation/support_electricity_en.htm

To find out about a project or contact an energy agency in your region, go to

<http://www.managenergy.net/emap/maphome.html>

¹ Reliable and complete data for heating and cooling is not yet available from Eurostat

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What is meant by.....?

RES: Renewable energy sources

RES-E: Electricity production from renewable energy sources

RES-H: Production of heat and cold from renewable energy sources

Biofuels: Mainly includes biodiesel and bioethanol

Biomass: Includes solid biomass, biowaste and biogas

PV: Photo-voltaic - technology for the production of electricity from solar energy

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