

D9: EED implementation in Italy

Introduction

This report highlights the main aspects of the EED implementation in Italy with reference to Jan. 2014.

The **Legal Context** part explains the on-going process of transposition with references to the consultation phase launched by the Italian Ministry for the Economic Development and several stakeholders as well as the strategic framework provided by the National Energy Strategy (NES) as for its Energy Efficiency Priority.

The **Status of the Implementation** section highlights the ongoing debate on the most relevant articles of the EED within the Italian system, followed by 2020 National indicative energy efficiency targets and Energy Efficiency Improvement (EEI) measures.

The **Additional Effort** part includes new EEI measures for the achievement of the EE Italian targets such as envisaged in the NES. They mainly refer to sectors where lower energy savings have been achieved within the ESD and that, therefore, require additional and/or innovative EEI measures to achieve the 2016 and 2020 targets.

As for **Future planning**, it looks premature at date to provide the next steps to undertake. However the challenge is still the further implementation process of key measures at the different governmental levels that be consistent with the NES, from one side, and the needs / capabilities/ resources available at local level (regions, municipalities etc.). A reference is made to the Sustainable Energy Action Plans (SEAPs) foreseen in the Covenant of Mayor initiative.

Relevant information References will also be made to the need of a) integrating financial resources available from the ERDF with the national funds for EE implementation projects, b) evaluating energy savings associated with the so called “soft measures” implemented to promote energy awareness and behaviour.

Legal context

In view of the Directive transposition by 5 June 2014, the Italian Ministry for the Economic development has started actions for the identification of objectives and means for the full and proper implementation of the EED. Such actions do refer to a consultation process involving the main national stakeholders (research and technical organisations, enterprises and industry associations, final consumers' associations etc.).

Moreover it is worth to take into account that on March 2013, Italian Government issued the “ National Energy Strategy” NES , that addresses country efforts towards a substantial improvement of energy system competitiveness along with the accomplishment of environmental sustainability objectives.

NES identifies 7 priorities with concrete objectives and specific support measures, and Energy Efficiency is **the top priority** as it plays a part, at any given time, in meeting all of the cost/competitiveness, security, growth and environmental quality targets.

Status of the implementation

Regarding the themes of the Concerted Action, the most relevant articles of the EED are recalled in next table with hints to the respective key issues.

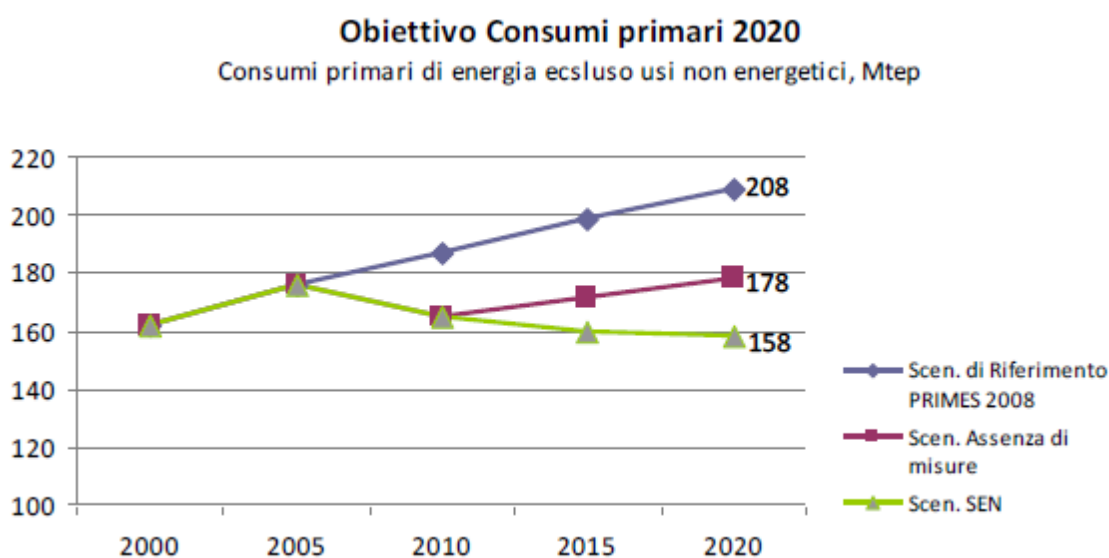
| Table | |
|---|--|
| . Article | |
| 5 Exemplary role of central government buildings | The inventory of all relevant central government buildings has been done by the Italian Public Property Agency charged by the MiSE. |
| 6 Purchasing by public bodies | The Environment Ministry issued several decrees, from 2006 to 2012, which rule PA purchasing of goods and services, per sectors (transports, lighting, construction..). They set-up minimum criteria, mainly related with environmental impact (CO2 emission limits). Products, services and buildings with high energy-efficiency performance purchased by PA comply with energy efficiency requirements defined in related EU acts (Eco Design Directive, Energy Performance of Buildings Directive, ..) |
| 7 Energy efficiency obligation schemes | An Energy efficiency obligation scheme, based on a White Certificates Mechanism , has been in force since 2006. It legally defines methodology for the operation of their energy efficiency obligation scheme In this frame, energy saving targets have been set up until Dec. 2016 by DM 28.12.2012, art. 4, and their extension up |

| | |
|--|---|
| | to 2020 will be considered in the ongoing EED transposition process Italian WC scheme is by now a well consolidated tool well accepted by the market (Esco's, professionals, installers, etc.) and the obliged subjects (gas and electricity DSOs). |
| 8 Energy Audits and Energy Management Systems | A large program to make available energy audits to SMEs will be designed, taking into account issues like: costs, training, quality, usefulness. Even EMS will be promoted at SMEs level. |
| 9-11 Metering and billing information | At present the Government is still gathering data and information to propose a specific program. |
| 14 Promotion of efficiency in heating and cooling | At present the Government is still gathering data and information to propose a specific program. |
| 15 Energy transformation, transmission and distribution | At present the Government is still gathering data and information to propose a specific program. |

National indicative energy efficiency targets

The national indicative energy efficiency targets for 2020 set up and notified in April 2013 to the EC as part of the National Reform Programme, are the ones defined in the NES, namely a reduction of 20 Mtoe/year in primary energy consumption corresponding to 15 Mtoe/year in final energy consumption. The graph below shows the evolution of primary energy consumption according to three different scenarios: the reference one, the one about trends without additional measures and the NES measures graph.

2020 Primary energy consumption target



EEI measures

The EEI measures envisaged within the NES for the achievement of EE targets and in line with the EED provisions, are hereinafter summarized:

- Stronger **minimum and legal standards**, especially as regards the building industry (for new buildings or major renovation works) and the transport sector (also to implement European legislation).
- An extension of the timescale for **tax deductions**, mainly for the civil construction sector (refurbishment and renovations). For example, the 55% rebate has recently been confirmed again.
- The introduction of **direct incentives** for government and civil service initiatives (which cannot use the tax deduction mechanism) through the “Heating Account” currently being set up. Mandatory contract standards based on energy performance improvements are also envisaged: these would boost the existing Energy Performance Contract and establish *ad hoc* systems to measure and verify results.
- More rigorous targets and a tightening up of **the White Certificates** mechanism (Energy Efficiency Certificates or *Titoli di efficienza energetica* (TEE)). White Certificates could therefore be focused primarily on the industry and service sectors and the promotion of efficiency improvement measures at infrastructure level in sectors as yet scarcely involved (ICT, water distribution, transports).

Additional efforts

New instruments are already in place to support small-scale initiatives in the residential and public sectors (tax rebate and Heating Account). They would still retain a role for residential projects not covered by the tax and ‘Heating Account’ measures.

However monitoring activities show that measures in place do not allow to reach 2016-2020 energy saving targets in either **Public Administration and Transport sector**. New EEI measures are therefore necessary for the achievement of the established targets.

Additional measures will likely include:

- **Communications and awareness-raising** initiatives for the citizen, businesses and the public sector, making end-consumers more active when better informed. The aim here is to launch an extensive communications campaign and provide easy access to information on energy saving.

- Support for **research and innovation**, with financial incentives or other measures to promote research, development and technological innovation (for example, the RES and EE technological development funds, the Sustainable Growth Fund, and the Revolving Fund (Kyoto) to support enterprises and technological innovation).
- Use of revenues from CO₂ auctions to support energy efficiency measures in the industrial sector.

Future planning

It looks premature at date to provide the next steps to undertake. However the challenge is still the further implementation process of key measures at the different governmental levels that are consistent with the NES, from one side, and the needs / capabilities/ resources available at local level (regions, municipalities etc.). The Covenant of Mayors signature in Italy by the highest number of municipalities in Europe, offers a good chance to achieve significant energy savings. In fact, the SEAPs implementation give the opportunity not only to reduce CO₂ emissions but also energy consumption in large municipalities that represent at least the 40% of the total national energy consumption.

Relevant information

The open issues linked with the EE improvement under discussion in the process of EED transposition and worth to be dealt considering the significant high impact expected on energy savings, are, among others:

- The integration of financial resources available from the ERDF with the national funds for the implementation of EE projects.
- The evaluation of energy savings associated with the so called “soft measures” implemented to promote energy awareness and behavioural changes (for instance: “No lift days”, in public offices, “A+ class women” for housewives/men, “Survival course for college students”).