



Italian National Agency for New Technologies,  
Energy and Sustainable Economic Development

# The policy response to the current energy challenges: The case of Italy

(6 months later...)

CA-EED 3, PM1: Info Session - INFO1.5: Energy Poverty

*Stockholm, 12 October 2022*

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Italian national agency for new technologies,  
energy and sustainable economic development

NATIONAL AGENCY  
FOR ENERGY EFFICIENCY



### **Support to the Ministry of Ecological Transition; regional and local authorities:**

- Transposition of energy efficiency directives into national legislation
- Implementation of energy efficiency measures and policies
- Policy support on socio-economic issue pertaining sustainable transition



# Questions to be answered

## Questions:

- How to find energy poor households?
- How to monitor the effectiveness of the measures?
- How to ensure adequate funding?

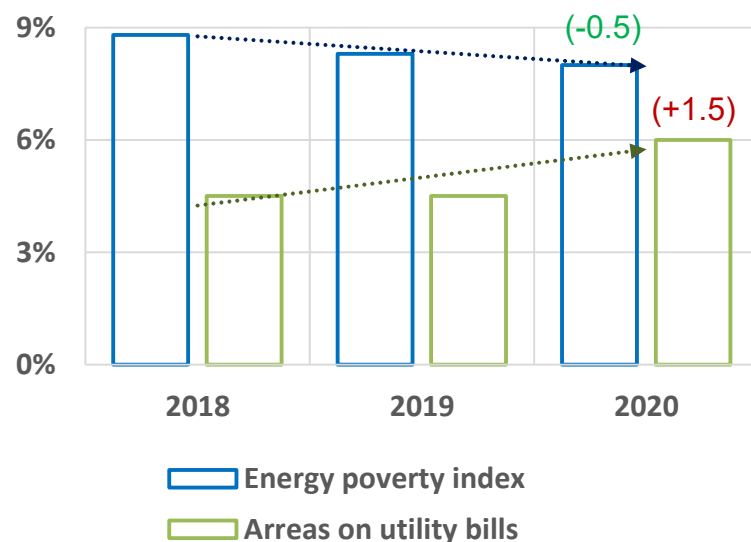
## and:

- Quantify added values from energy poverty alleviation (improved health)
- Ad hoc and long-term measures for energy poor households against rising energy prices (best practices)
- Energy poverty and digitalisation (especially about smart energy efficiency measures and specific tariff structures)

# Size of energy poverty in Italy

No new data (nor indicators) available since we met in Lisbon, but...

Energy poverty measure: objective vs subjective



- Relative vs absolute (general) poverty

R: 2019: 11.4% → 2020: 10.1% → 2021: 11.1%

A: 2019: 6.4% → 2020: 7.5% → 2021: 7.7%

➤ "...a decent standard of living..."

- Another energy poverty indicator

2020: 13% (PTE-MITE, June '22\*)

➤ Accounts for buildings characteristics

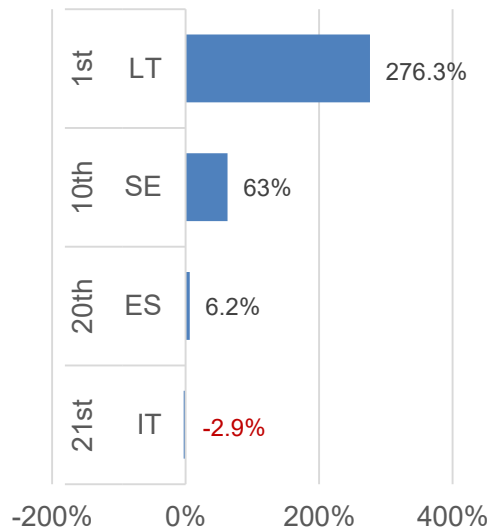
\*Plan for Ecological Transition, Ministry for Ecological Transition

# Size of energy poverty in Italy

## Exposure factors: Italy lags behind

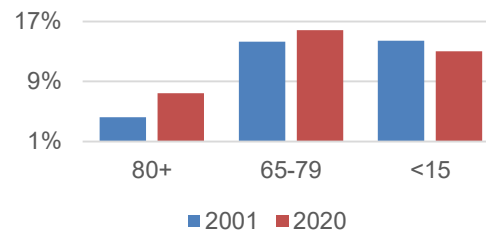
### Low-income households:

D% average annual wage, 1990-2020 (OECD)

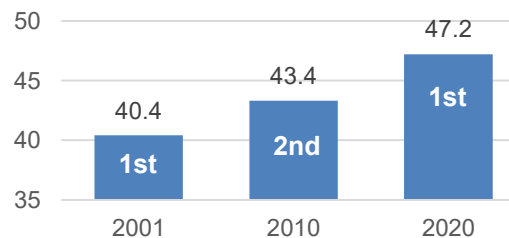


### Elderly people:

% age classes/total population, 2001-2020 (Istat)



Median age (rank within EU) 2001, 2010, 2020 (Eurostat)



### Fragile workers:

Type of contract, work conditions, 2021 (Istat)

	Standard	Quasi-standard	Fragile	Double-fragile
15-34	48.0%	12.3%	31.6%	8.1%
35-49	61.9	19.3	16.0%	2.8%
50+	63.6	22	12.6	1.9
North	62.2	19.4	15.6	2.7
Centre	59.7	18.3	18.4	3.6
South	53.9	18	22.7	5.4

# Policy response during the last 6 months

## After-effects of the COVID-19 crisis + Exacerbation of the geo-political crisis

- Law-Decree n. 17 – 1st March 2022: (Converted: Law n.34 – 27th April 2022)  
*“Urgent measures to contain electricity and gas costs, deployment of RES and...”*
- Law-Decree n. 21 – 21st March 2022: (Converted: Law n. 51 – 20th May 2022)  
*“Urgent measures to counteract economic and humanitarian effects of Ukranian crisis”*
- Law-Decree n. 50 – 17th May 2022: (“Aid Decree”; Converted: Law n. 91 – 15/07/2022)  
*“Urgent measures on energy policies, productivity of companies, investments attraction, ...”*
- Law-Decree n. 80 – 30th June 2022: (Not converted)  
*“Urgent measures to contain electricity and gas costs in Q3/2022 and to support gas storage”*
- Law-Decree n. 115 – 9th August 2022: (“Aid Decree bis”; Converted: Law n. 142 – 21/09/2022)  
*“Urgent measures on energy, water emergency, social and industrial policies”*
- Law-Decree n. 144 – 23rd September 2022: (“Aid Decree ter”)  
*“Further urgent measures on national energy policy, companies’ productivity, social policies...”*

# Policy response during the last 6 months

## Reduction of the energy burden for households: coverage Q2-Q4/2022

- Purchase of electricity: domestic and low-tension:
  - 0-ing of “system charges” component of the electricity bill
- Purchase of natural gas: civil and industrial sector:
  - Reduction of “system charges” component of the bill
  - VAT rebate (to 5%) gas consumptions
- Suspension of unilateral amendments to electricity and gas contracts
- Strengthening of social bonus:
  - Extension of eligible households (Indicator of Equivalent Economic Situation: 8k → 12k)
  - (More accurate description of "vulnerable consumers" – but based on the same eligibility criteria...)
- Solidarity levy from energy companies 2022: 10% on extra-surplus (>5 MEUR)
- Reduction of fuel costs:
  - Reduction of excise duties (48 - 37 cEUR/lit: up to 31/10/2022)
  - Provision of fuel: Bonus for employees. Fiscal credit for agriculture and fishery

# Policy response during the last 6 months

## The energy efficiency and energy poverty chapter

- Tax credit for EE and RES self-consumption investment
  - Coverage: ABR, BAS, CAL, CAM, MOL, APU, SAR, SIC (south and islands)
  - Extension: 30 November 2023 (145 MEUR/year)
- Improvement of the “PREPAC” framework

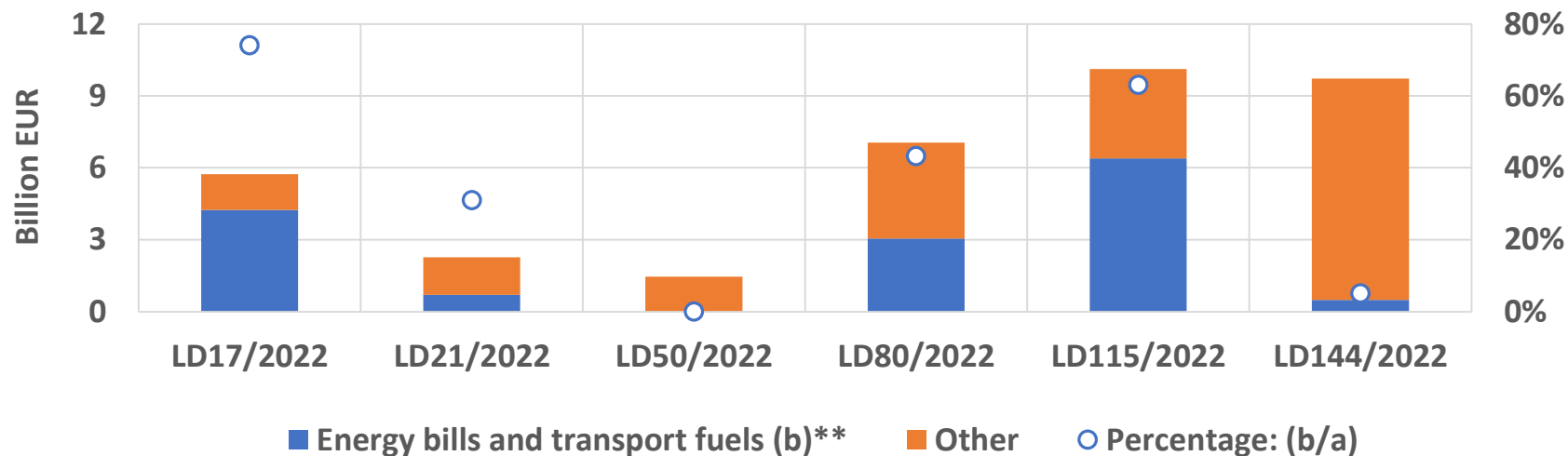
*PREPAC: National Programme for Energy Retrofitting of the Building stock of Central PA (Art. 5 – LgD 102/2014). Target: Upgrading of at least 3% per year of the total climatized surface (400-500k sqm/year)*

- Strengthening of (some) EE in buildings incentivisation measures
- Strengthening of measures for modal shift in transport (Marebonus, Ferrobonus)
- Temperature management in buildings. Winter:  $\leq 19^{\circ}\text{C}$  (+2); Summer:  $\geq 27^{\circ}\text{C}$  (-2)
- Increase energy efficiency of public lighting
- Establishment of Italian National Energy Saving Day: February 16th
- Call for a National Energy Poverty Strategy (LD17/2022-L34/2022, art. 3 bis)
- Specific support to Third Sector Entities (energy bills)



# Policy response during the last 6 months

## Additional financial appropriations (for 2022): energy (a)\*

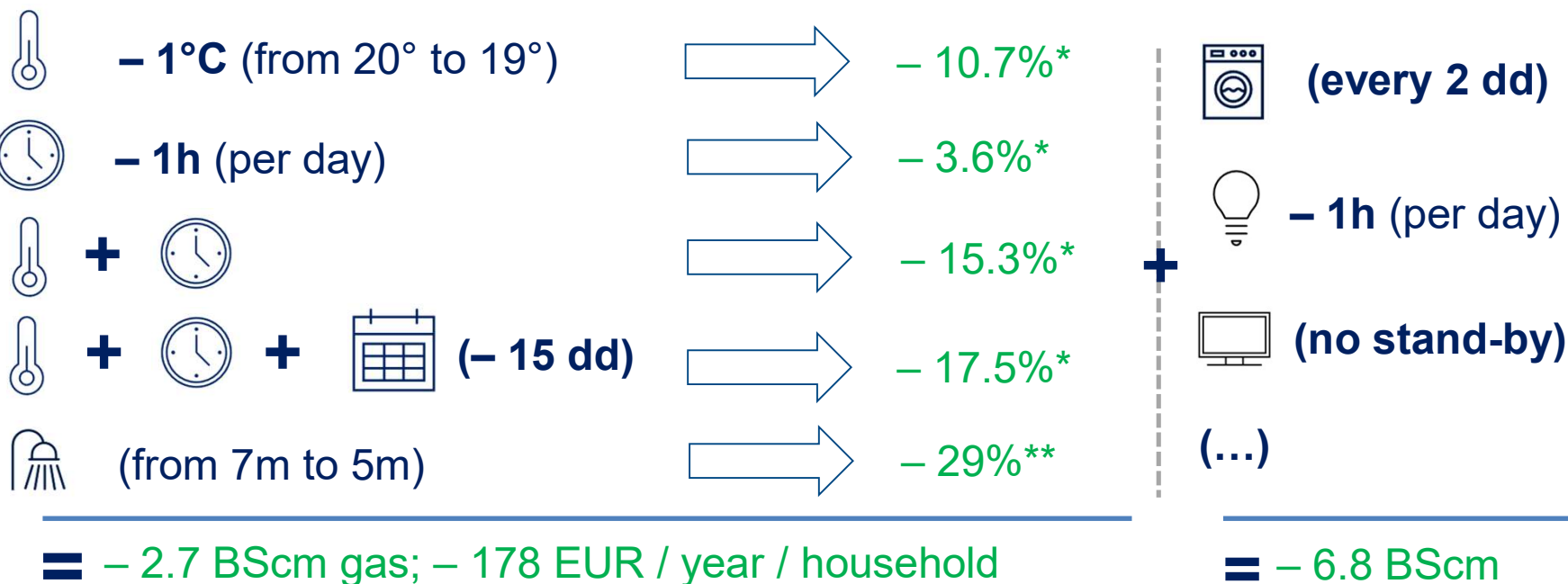


\* Direct impact on energy chapter

\*\* Reduction of system charges, VAT, fuel excise duties and social bonus financing

# Best practices (reduction of energy consumptions)

## Administrative and behavioural measures (ENEA 2022)



\*National average fuel savings; \*\*Unit savings per shower

## Closing remarks

- A “pseudo-recognition” of the energy poverty phenomenon
- Policy-making and implementations implications:
  - Eligible criteria skewed towards energy affordability
  - Ad hoc measures for maximizing the direct impact on the problem
- Short-term actions cross-cutting energy, business competitiveness and social security driven by geopolitical and economic crises that affect energy prices, rather than comprehensive, long-term approach
- A robust evaluation framework is needed for assessing budget allocation (over the medium-/long-term)

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