

Overall
Score
18



2022
Score
16

Summary

In its revised NECP draft, Italy has set a renewable energy contribution target of 40 % and a goal for the development of solar plants up to 79.9 GW by 2030. Yet, Italy has the potential to do more. In general, Italy lacks a clear roadmap for the development of solar capacity. Financial incentives include tax deductions for PV system purchases and investment subsidies at regional levels, with recent initiatives targeting rooftop solar PV in agriculture and low-income households. However, reductions in tax deductions may disproportionately affect low-income families. Permitting processes for PV installations remain complex, though recent reforms aim to simplify authorization for small-scale projects.

Italy supports collective self-consumption and energy communities, with incentives for renewable energy sharing. Regulatory frameworks limit REC projects to 1 MW and emphasise geographical proximity. The European Commission approved Italy's scheme to support renewable electricity production and self-consumption, with measures including premium tariffs and investment grants. Despite progress, challenges persist, including bureaucratic delays and the lack of a clear strategy to address energy poverty. While Italy has made significant strides in solar PV installations, additional measures are needed to enhance financing, training programs, and public awareness. Additionally, improvements in grid infrastructure are crucial to support the transmission of renewable electricity across regions.

Scoring System

This country profile highlights the good and the bad policies and practices of solar rooftop PV development within Italy. It examines and scores six key areas: governance, incentives & support schemes, permitting procedures, energy sharing schemes, energy communities and additional measures to support solar PV development. For this update, we will have the 2022 score to the right as a benchmark:

The scoring system is set out below:



Green = 4-5 points



Orange = 2-3 points



Red = 0-1 points



Country Profile

Italy



The Good



Solar Growth: Italy has made significant progress in increasing solar energy capacity through bringing online 1,058 MW of solar photovoltaic parks and boosting deployments by 239% on the year.



Financial Incentives: Various financial incentives, such as tax deductions and investment subsidies, promote the adoption of solar PV systems, especially in sectors like agriculture and among low-income households.



Simplified Permitting: Recent reforms aim to simplify authorization processes for small-scale PV projects, potentially reducing barriers to entry for solar energy.



Support for Energy Sharing and Communities: Policies supporting collective self-consumption and energy communities encourage the decentralised production and consumption of renewable energy, fostering community engagement and resilience.

Country Profile

Italy



The Bad



Lack of Specificity in NECP: While the NECP outlines targets and policies, it lacks specificity on certain key aspects such as volumes for rooftop and utility-scale solar PV installations and offers no clear roadmap for the development of solar capacity.



Reduction in Tax Deductions: The reductions in tax deductions for PV system from 110% to 90% may discourage low-income households from purchasing solar installations.



Complex Permitting Processes: Despite recent reforms, Italy's legal framework for PV installations remains complex, leading lengthy procedures and bureaucratic delays and potentially deterring investment in utility-scale projects.



Addressing the skill and knowledge gap: Additional measures are needed in terms of financing training programmes for installers and administrative staff, as well as designing public awareness campaigns that show the benefits and potential of solar PV in order to accelerate its uptake.



Fighting energy poverty: There is a lack of a clear strategy for mitigating and fighting energy poverty.

Italy's Solar Rooftop Country Profile

2024 : Governance 2

2022 Score : 1



In Italy, revised NECP draft^{1.} sets a renewable energy contribution target of 40 % and a goal for the development of solar plants up to 79.9 GW by 2030, without specifying the volumes for PV rooftop and solar utility-scale^{2.} However, Italy could have more ambition with regards to solar PVs, which has much more potential capacity than what is currently added in the NECP^{3.} The revised NECP draft includes policies and measures supporting self-consumption and renewable energy communities (REC), but it misses a clearer identification of the problems and a more structured and analytical implementation plan with strict timeframes^{4.} In general, Italy lacks a clear roadmap for the development of solar capacity, which includes a specific 2030 objective and intermediate milestones, and adequate implementation and monitoring tools is still absent.

1. <https://commission.europa.eu/system/files/2023-07/ITALY%20-%20DRAFT%20UPDATED%20NECP%202021%202030%20%281%29.pdf/>

2. <https://commission.europa.eu/system/files/2023-07/ITALY%20-%20DRAFT%20UPDATED%20NECP%202021%202030%20%281%29.pdf/>

3. <https://caneurope.org/new-report-calls-for-drastic-improvement-of-europes-national-energy-and-climate-plans/>

4. <https://caneurope.org/new-report-calls-for-drastic-improvement-of-europes-national-energy-and-climate-plans/>

Italy's Solar Rooftop Country Profile

2024 : Incentives 3

2022 Score : 3

The net metering scheme “Scambio sul posto” (“On-site Exchange”), which compensated the value of the energy introduced in the network with the used energy and allowed compensation in euros if the difference was positive for the prosumer, will no longer be accessible by the end of 2023, together with other schemes such as the Credit Transfer to third parties (incl. ESCO, banks or companies). These will be replaced by instruments aiming at promoting self-consumption mechanisms. Other financial incentives will still be in force:

- House Bonus (“Bonus Casa”): tax deduction on IRPEF (income tax) of up to 50% on the purchase of PV system
- Superbonus 110%: tax deduction of (initially) 110% on expenses incurred. The deduction has since been reduced to 90% by 2023.

Furthermore, there are financial instruments provided at the regional level covering total or partial investment costs (for example in Friuli-Venezia Giulia, Basilicata, Sardegna, Marche, Puglia, Lazio and Sicilia) and in April 2023, the Ministry of Agriculture incentivized the support of rooftop solar PV in the agricultural and agro-industrial sectors, with funding covering up to 80% of the costs, through the funds of the Recovery and Resilience Fund. In November 2023, the Government established a fund of 200 million euros addressed at supporting low-income families in installing PV plants. It will be available for 2024 and 2025 and managed by “Gestore dei Servizi Energetici (GSE)” energy services manager, state owned company under the Ministry of Economy and Finance.

Overall, there are several mechanisms that encourage the purchase of residential PV plants. Nonetheless, the 110% tax deduction, which largely accelerated the installation of small-scale PV plants in the last two years, has been reduced to 90% without the possibility of a credit transfer. This will affect mostly low-income households.

Italy's Solar Rooftop Country Profile

2024 : Permitting 3

2022 Score : 2

The Italian legal framework concerning the installation of photovoltaic systems on roofs remains complex. There are different procedures and regulations depending on whether the installation site is subject to environmental, historical, artistic or landscape constraints or not, and on other parameters, such as whether the system can be visible or not from outdoor public spaces.

The most relevant regulation is Law Decree no.17/2022 that simplifies the authorization process, recognizing the solar PV plant as an intervention of ordinary maintenance that is not subject to permits, authorizations and tedious paperwork. Also the single simplified model for small rooftop renewable installations was introduced for plants up to 50 kW in April 2022. The Ministry will in the upcoming months set the conditions and procedures for extending this simplified model to rooftop installations and buildings with a capacity up to 200 kW. In general, these reforms can be assessed in a positive way for small-scale plants (the permit granting time has been accelerated) and are not sufficiently effective for utility-scale projects.

On the other hand, the policies and measures presented in the draft NECP fail to improve authorization procedures within clear and sustainable timeframes.⁵



5. <https://commission.europa.eu/system/files/2023-07/ITALY%20-%20DRAFT%20UPDATED%20NECP%202021%202030%20%281%29.pdf/>

Italy's Solar Rooftop Country Profile

2024 : Energy Sharing 3

2022 Score : 3

Italy allows the use of the public grid for collective self-consumption (CEC) or energy sharing in 2 ways:

- The collective self-consumption whose perimeter is defined by the building itself.
- The renewable energy community whose perimeter is defined by the primary cabin electricity conversion from high to medium voltage that can reach 30/40 thousand users.

The collective self-consumption, represents a group of at least two self-consumers that are located in the same building and act collectively. A typical example is represented by a multi-family house with a PV plant installed in the sharing area, whose electricity production covers a share of users' consumption and the surplus generation is fed into the grid.

According to the Italian Regulatory Authority for Energy, Networks and Environment (ARERA) the incentives schemes for energy sharing in 2022 has been of 11 cents for each kilowatt-hour generated and consumed within the community, in addition to the market premium⁶. According to GSE (the National Manager of Energy Services), Italy recognised 74 groups for collective self-consumption so far.



6. <https://www.pveurope.eu/markets/smarter-e-europe-energy-sharingother-eu-countries-already-further-along>

2024 : Energy Communities 3

2022 Score : 4

Italy has transposed both the REC and CEC definitions in the national legislation. The legislation for RECs establishes that they cannot exceed 1 MW (Megawatt) for each REC's project and determines the geographical proximity as consumption points connected under the same medium voltage station. GSE has elaborated an interactive online map for identifying the location of the primary cabin which facilitates the search of the users that can be part of the same energy community, clarifying some of the uncertainties regarding this concept in the past, which can even reach 30/40 thousand users.

In November 2023, the European Commission has finally approved the executive Decree on the Italian scheme for supporting the production and self-consumption of renewable electricity. The scheme aims at promoting energy communities and supports the installations of renewable plants up to 1 MW through two aid measures that can be also combined: A premium tariff on the quantity of electricity consumed by self-consumers and renewable energy communities, paid over a 20-year period. This measure, with a total budget of €3.5 billion, will be financed through a levy on the electricity bill of all consumers.

An investment grant of up to 40% of eligible costs, for a total budget of €2.2 billion financed through the RRF⁶. Eligible projects must become operational before 30 June 2026 to benefit from funding through the RRF and should be located in municipalities with less than 5000 inhabitants. Still ongoing issues are the lengthy procedures and bureaucratic delays, with the ministerial decree detailing implementation requirements still missing, and the lack of a clear strategy for mitigating and fighting energy poverty.

7. <https://www.gse.it/servizi-per-te/autoconsumo/mappa-interattiva-delle-cabine-primarie>

Italy's Solar Rooftop Country Profile

2024 : Additional measures 4

2022 Score : 3

Italy brought 1,058 MW of solar photovoltaic (PV) parks in the first quarter of 2023, reaching a cumulative installed capacity of over 26,100 MW, shows data released by the domestic solar energy association, Italia Solare. The total quarterly additions are almost equal to the combined capacity connected to the grid in the first two quarters of 2022 when 1,012 MW of solar farms kicked off operations. More than half of the new installations were plants of less than 20 kW, which accounted for 647 MW. With 569 MW installed, the residential segment, in which plants of up to 12 kW in size are installed, was a major driver, boosting deployments by 239% on the year.

However, additional measures are needed in terms of financing training programmes for installers and administrative staff, as well as designing public awareness campaigns that show the benefits and potential of solar PV in order to accelerate its uptake. With regards to smart meters, Italy has reached a market penetration of almost 100%. According to Solar Power Europe, “one of the biggest challenges of Italy in terms of internal transmission grid development will be the transport of renewable electricity from the South and the islands to the Northern consumption points”⁸. In this context, the revised NECP draft provides clear network planning of transmission capacities until 2030 but does not establish concrete measures to reinforce the distribution grid.

8. <https://www.solarpowereurope.org/advocacy/national-energy-and-climate-plans>

Engaging citizens and local communities in the solar revolution

The Rooftop Solar PV Comparison Report update produced by CAN Europe and its member organisations aims to detect barriers at national level that impede a higher uptake of residential rooftop solar PV, highlight best and bad practices, and to put forward concrete policy recommendations for setting up the right regulatory framework to ensure an accelerated uptake of rooftop solar PV.

11 countries were chosen to be assessed and scored on their performance regarding the development of rooftop solar PV within their country.

For the full report, follow the link below:

<http://caneurope.org/rooftop-solar-pv-comparison-report>

