

KEY REGULATORY UPDATES

➤ **Decree no. 436 of 22 December 2023 – so-called agri-voltaic Decree**

On 14 February 2024, the so-called agrivoltaic decree came into force, which sets out the criteria and the methods for incentivizing the implementation of experimental agri-voltaic systems by 30 June 2026, identifying the beneficiaries, the general requirements to access the incentives, the maximum terms for the implementation of the works and the methods for disbursing the tariffs and for reporting and disbursing the capital contribution. In fact, the incentive is composed by a capital contribution to the maximum extent of 40% of eligible costs and a tariff applied to the electricity produced and fed into the grid, in relation to which we are waiting for the GSE's application rules that should have been issued by 29 February 2024 (but as of today they are not yet available).

➤ **CER Decree – GSE's operating rules**

On 23 February 2024, MASE approved the operating rules on the CER decree (Renewable Energy Communities) by directorial decree, upon proposal of the GSE and after verification by ARERA. Entered into force on 24 February 2024, these rules govern the procedures for accessing the incentives provided by the CER decree, which, in this regard, identifies a tariff on the portion of energy produced and shared throughout the country, as well as a capital contribution of up to 40 percent of permitted costs, for the development of CER and collective self-consumption systems, including those combined with storage systems, in municipalities under 5,000 inhabitants. Furthermore, on 8 April 2024 the portals to which applications for incentives can be submitted are expected to be online, and the GSE will soon publish a tool allowing to simulate the establishment of a CER or self-consumption group, and to calculate the costs, economic benefits, initial investment, and payback time.

➤ **Implementation of ARERA resolution no. 298/2023 on self-dispatching**

On 14 February 2024, Terna published a regulation on the procedures for the experimentation of the self-dispatching and self-balancing system, in compliance with ARERA resolution no. 298/2023, and started the collection of the applications. The current experimental phase will last until 2025, but it can be extended or made permanent upon evidence that the self-dispatching system will result in cost reduction for the electricity system.

➤ **MASE Decree no. 434 of 21 December 2023 – Approval of the PNACC**

On 20 February 2024, the MASE Decree No. 434 of 21 December 2023, approving the National Climate Change Adaptation Plan (so-called PNACC), was published in the Official Gazette. This plan will be updated every 6 years and addresses a two-fold need: on the one hand, to establish a special national governance structure (National Observatory for Adaptation to Climate Change) and, on the other hand, to produce a policy document with the purpose of laying the foundation for short and long-term planning for climate change adaptation.

REGULATION BY THE PUBLIC AUTHORITIES

➤ **Biofuels**

On 1 February 2024, the GME published on its website the amendments to the operating rules of the certificates of release for biofuel consumption market (so-called Mcic rules). The changes are intended to enable the trading of new categories of Certificates of Release for Consumption (Cic), introduced by MASE decree no. 107 of 16 March 2023.

➤ **GSE**

Following the success of the last auction, with the allocation of 64 percent of the quota, the GSE has published the notices for the 14th auction aimed at fostering the development of renewables. Interested producers can submit their applications from 27 February to 28 March 2024 through the Fer-E Portal.

REGULATION IN THE PIPELINE

➤ **Law Decree Milleproroghe**

On 21 February 2024, the bill converting Decree Law No. 215/2023 (so-called Milleproroghe) was approved by the Senate, and its publication is now expected in the Official Gazette. With reference to the energy sector, it is worth noting the extension till 31 December 2024 of the deadline until which, subject to a sworn declaration of commencement of work (DILA), it will be possible to construct projects for new photovoltaic systems with modules placed on the ground, on flat roofs, or pitches. Such projects shall have a power not exceeding 1MW, they shall be located in areas available to tourist or thermal facilities and shall be aimed at self-consumption of such facilities (provided that the areas are located outside historical centres and are not subject to protection under the Cultural Heritage and Landscape Code).

➤ **Bill on protected areas**

A draft bill to reform the framework law on protected areas (law no. 394/1991) was presented in the Senate, on the premise of the Nature Restoration Law approved on 26 February 2024 by the EU. Changes are also planned in the renewables area: the current version of the bill intends to amend article 7 of the framework law, by introducing the possibility of financial support only for the "construction of renewable energy plants with zero environmental and landscape impact on public and private buildings and their appurtenances".

➤ **Net-Zero Industry Act**

The European Parliament and the Council have reached an agreement on the Net-Zero Energy Act. Among the main changes, there are expectations of simplifications in permitting procedures for the projects which Member States identify as strategic. In addition, new criteria other than price were also introduced for renewable auctions, for at least the 30 percent of the volume being tendered: environmental sustainability, innovation, and integration of energy systems.

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