



Assessment of climate change policies as part of the European Semester

Country Report Italy

28 January 2015

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in association with

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1 Short Summary

By 2020, Italy needs to reduce its emissions not covered by the EU ETS by 13% compared to 2005, according to the Effort Sharing Decision (ESD). The latest data for 2013 show that Italy not only met but exceeded its annual allocation interim target under the ESD for the year 2013 by 8.9 percentage points. However, national projections indicate that the country would miss its 2020 target by about 3.5 percentage points with existing measures, but could meet it with additional measures.

Climate and energy targets are outlined in the National Energy Strategy (NER), which sets new energy goals for 2020 and potential scenarios up to 2050. Focused on four objectives, it promotes the alignment of energy costs and prices with the EU average; the achievement and excess of the EU 20-20-20 package targets; the improvement of energy security - especially in the gas sector – by reducing the dependence on imports; and the fostering of sustainable economic growth through energy sector development.

The key policy developments in 2014 include the transposition of the EU Energy Efficiency Directive, providing rules on energy efficiency in buildings owned and used by the Central Government (see Chapter 4.2.2); a reduction to the tariffs that have been awarded under any 'Conto Energia' to PV plants with a nominal peak power exceeding 200 kW (see Chapter 4.2.3); and the update of the Decree for the actuation of the Plan 'Destinazione Italia' introduces a voluntary tool to distribute subsidies for renewable energy technologies in the power sector over time (see Chapter 4.2.3).

2 Climate and energy policy priorities

Italy has committed to a 13% reduction for emissions covered by the Effort Sharing Decision (ESD) by 2020 (compared to 2005 levels).

Based on approximated emission estimates for 2013, emissions covered by the ESD are expected to be below the annual interim target in 2013. Moreover, projections indicate that the ESD target for 2020 will be reached, but if measures planned until 2013 are fully implemented (EEA, 2014a).

Two major challenges are affecting Italy's energy system: high energy prices - especially in the electricity sector – and threats to security of supply. The latter is driven by two factors: i) Limited gas-system response capacity in peak conditions and ii) High import dependence. Regarding the gas supply, at times when reductions in supply from abroad coincide with prolonged periods of exceptionally cold weather throughout the country – as happened in February 2012 – the system is insufficiently resilient. This applies in particular towards the end of the heating period, when delivery capacity from storage is low. ii) In 2012, 83% of Italy's total primary energy supply was covered by imports, with gas supply import accounting for 90% of total domestic gas consumption (IEA, 2014). The energy self-sufficiency index is 23%, compared to an IEA average of 73%.

New strategies and measures, including the National Energy Strategy (NER) aim to tackle these challenges, while at the same time enhancing economic growth and creating green jobs. The National Energy Strategy, which entered in force in 2013 sets new energy goals for 2020 and potential scenarios up to 2050. Focused on four objectives, it promotes the alignment of energy costs and prices with the EU average; the achievement and excess of the EU 20-20-20 package targets; the improvement of energy security - especially in the gas sector – by reducing the dependence on imports; and the fostering of sustainable economic growth through energy sector development.

The results expected by 2020 from the implementation of the NRE are as follows:

- Reduction of 24% in primary energy consumption by 2020, mainly thanks to energy efficiency measures.
- A 19-20% share of renewable energy in gross final energy consumption
- Significant reduction of electricity and gas costs for final consumers and a gradual alignment of gas wholesale prices to European levels.
- Achieving and exceeding all European climate and energy targets for 2020, including a reduction in total greenhouse gas emissions (emissions covered by the ETS and non-ETS) by 21% compared to 2005, and a reduction in emissions covered by only non-ETS by 18%, hence exceeding the European non-ETS target for Italy.
- Increased energy security through a reduction of import dependence from 84 to 67%.
- Positive impact on economic growth thanks to major investments expected in the sector and the implications of the strategy in terms of competitiveness. It is estimated that about €170 to 180 billion will be invested by 2020, both in white and green economy (energy efficiency and renewable energy), and in traditional sectors (electricity and gas networks, LNG terminals, storage facilities, hydrocarbons development).

3 GHG trends and projections

Italy reduced its total GHG emissions by 24% between 2005 and 2013. The share of GHG emissions not covered by the European Emission Trading Scheme (EU ETS) is around 62%, which is just above the EU28 average (see Table 1).

Table 1 Key data on GHG emissions

		National data				EU28
		2005	2011	2012	2013	2013
Total GHG emissions	Mt CO ₂ eq	574.3	486.6	460.1	438.0	4 539
Non-ETS emissions	Share in total emissions	61%	61%	61%	62%	58%

Source: EEA 2014a; EEA 2014c

By 2020, Italy needs to reduce its emissions not covered by the EU ETS by 13% compared to 2005, according to the Effort Sharing Decision (ESD). The latest data for 2013 show that Italy not only met but exceeded its annual allocation interim target under the ESD for the year 2013 by 8.9 percentage points (see figures in Table 2). However, national projections indicate that the country would miss its 2020 target by about 3.5 percentage points with existing measures (WEM), but could meet it with additional measures (WAM) (EEA 2014a).

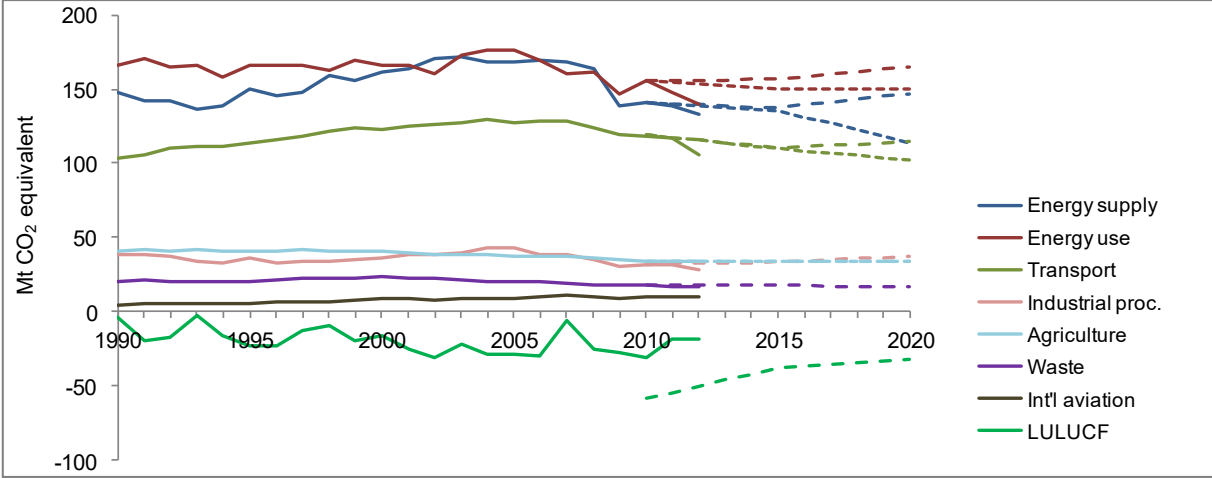
Table 2 Non-ETS emission targets, trend and projections

		Compared to base year
2013	ESD interim target	- 8.9%
	ESD emissions	- 17.8%
2020	ESD target	- 13.0%
	ESD projections WEM	- 9.5%
	ESD projections WAM	- 18.5%

Source: EEA 2014a. Green indicates target met or exceeded, orange indicates a value below.

GHG emissions are mainly created by the energy industries, followed by direct fuel consumption (e.g. households for heat generation) and the transport sector (see figure below for historic and estimated emissions by sector). Projections indicate that by 2020 emissions from energy use and the transport sector will increase slightly with existing measures but could stay constant and be reduced with additional measures.

Figure 1 GHG trends and projections by sector



Source: EEA 2014a. Actual data until 2012 and projections from 2010 onwards. Dashed lines indicate the WEM projection, dotted lines the WAM projection.

4 Policy development

This section covers significant developments made in key policy areas between January and December 2014. It does so through two different perspectives: 1) progress on the policies communicated under the National Reform Programme and 2) developments in the identified national priority sectors and policy areas.

4.1 Key policies as outlined in the National Reform Programme

Member States prepare National Reform Programmes (NRPs) each April outlining the country's progress and the key policies and measures to achieve targets under the EU 2020 Strategy. These key policies and measures are summarised in the following table and their current status is provided.

Table 3 Key policies and measures as outlined by the NRP 2014

Decree on the Cut of Incentives for Photovoltaic Plants (the <i>Spalma Incentivi</i> provision) (Art. 26, Law 116/2014)	
Status in the NRP	In force since 21 August 2014
Status as per Dec 2014	In force
Description of policy	The Decree applies a reduction to the tariffs that have been awarded under any 'Conto Energia' to PV plants with a nominal peak power exceeding 200 kW (see Chapter 4.2.3)
Transposition of the Energy Efficiency Directive (DL 102/2014)	
Status in the NRP	In force since July 2014
Status as per Dec 2014	In force
Description of policy	The transposition provides rules on energy efficiency in buildings owned and used by the Central Government, including yearly renovation to comply with the minimum energy efficiency requirements, obligation to assess over 2.900 units being used by general government agencies and other targeted measures (see Chapter 4.2.2)
Updating of the Decree for the actuation of the Plan 'Destinazione Italia'	
Status in the NRP	In force since February 2014
Status as per Dec 2014	In force
Description of policy	The update of the Decree (DL 23/12/2013) introduces a voluntary instrument that distributes incentives to renewable energy over the entire technical life of the plant. The change does not penalise investments already made. (see Chapter 4.2.3)

2014 Stability Law (Legge di Stabilita') (L. 147/2013)	
Status in the NRP	In force since 1 January 2014
Status as per Dec 2014	In force
Description of policy	The law covers a wide range of policy areas, introducing updates in PV subsidies, solar thermal incentives and bio-fuels (see Chapters 4.2.3, 4.2.5)

National Energy Strategy	
Status in the NRP	In force since March 2013
Status as per Dec 2014	In force
Description of policy	It includes various targets, such as energy cost reduction (prices and volumes) through investment in renewable energy and energy efficiency, reaching and surpassing all European climate change and energy targets, improving security of supply, as well as industrial development of the energy sector, including job creation. A competitive gas market and extended interconnections with the EU electricity market are further aims of the strategy.

Update of the national action plan on reduction in GHG emissions (CIPE)	
Status in the NRP	In force since 8 March 2013
Status as per Dec 2014	In force
Description of policy	In March 2013, CIPE adopted the Decision 17/2013 'Update of the national action plan on reduction in GHG emissions' to deliver on Italy's GHG assigned objective (13% reduction of GHG emissions for sectors not covered under the EU ETS). As part of the programmes envisaged by the Plan which maintains continuity with the previously agreed policies the Government has implemented and is still implementing a set of policies covering different areas (see Chapters 4.2.2, 4.2.3, 4.2.5)

4.2 National policy priorities

The below sub-sections provide updates on key existing and new policies in priority sectors and policy areas of relevance to the energy and climate targets under the Europe 2020 strategy¹. Each sector or policy area contains information on the most important policy instruments in operation or development.

4.2.1 Environmental Taxation

In Italy the implicit tax rate on energy is the third highest in the EU with EUR 233 per ton of oil equivalent in 2012 (Eurostat, tsdcc360). The share of environmental tax revenues in overall tax revenue was 6.9% in 2012 and therefore above the EU average of 6.1% (Eurostat, ten00064). The same holds true for a comparison of environmental tax revenues with GDP, which amounted to 3% in 2012 and is the sixth highest in the EU28 (where the average is 2.4%) (Eurostat, ten00065).

Italy levies a range of environmental taxes related to energy, fuels, transport and polluting activities (e.g. emissions of sulphur dioxide). However, existing environmental taxes do not sufficiently reflect

¹ The Consortium jointly with DG Clima identified these based on identified challenges in Country Profiles (EEA, 2014), share of sectors in total GHG emissions, and Country Specific Recommendations (2014). DG Clima has identified additional relevant issues to be reviewed for some or all Member States, including country specific energy challenges.

environmental externalities to spur significant emission reductions. For example, none of the vehicle taxes take CO₂ emissions into account. Also, excise duties on fuels vary greatly and not entirely reflect the corresponding fuel's carbon impact (EEA, 2014).

Energy taxation is rather high with the level of excise duties being well above EU average. However, there are excise duty exemptions, for example reduced rates on liquefied petroleum gas used for heating in mountain regions and progressive duty rates on electricity with lowest rates for energy-intensive businesses. Italy has no CO₂ tax in place. (MSE, 2013).

A restructuring of energy and fuel taxes to provide a consistent carbon price across all fuel types could tackle transport GHG emissions, which currently make up 24% of total emissions and increase energy-efficient end-use. In addition, it would help shifting taxation towards environmental taxes, as recommended by the European Commission (EEA, 2014).

The latest development in this area include an increase of tax credits granted for energy upgrade expenditure and an extension of the tax credits for energy renovation in buildings (see Chapter 4.2.2).

4.2.2 Energy Efficiency

Within the EU28, Italy has the fourth least energy-intensive economy. Energy intensity declined by 10% from 2005 to 2012 (Eurostat, tsdec360), while the final energy consumption dropped by 12% from 2005 to 2012 with the reductions coming mainly from the industrial and transport sectors (Eurostat, tsdpc320). Italy is currently on track towards its indicative EU energy efficiency target (EEA 2014a).

In Italy, primary and final energy consumption decreased at a faster pace than is necessary to achieve its indicative EU energy efficiency target². The decrease is the result of the combined effect of energy efficiency policies (in particular the introduction of a white certificate scheme in year 2004) and the economic crisis (lowering economic activity). Additional measure to further reduce primary energy consumption could include reducing distribution losses and improving efficiency in electricity generation, where the consumption of solid fuels increased by 25% since 2009. In addition, the residential sector is the only sector where energy consumption actually increased since 2007, in stark contrast with the industry and transport sectors which experienced a significant reduction.

The National Energy Strategy lists various measures to achieve the energy efficiency target, most of them aiming at strengthening and enforcing existing instruments.

The principal instrument to promote energy efficiency in the energy services sector is a white certificate system. The certificates represent reductions of energy consumptions obtained through energy efficiency projects. Energy services companies need to obtain a certain number of white certificates depending on the amount of energy sold³ (DM 28/12/2012).

Cogeneration of electricity and heat is supported by various incentive schemes rewarding the production of heat or electricity.

In the building sector, minimum energy performance standards for new and modernised buildings have been introduced and energy performance certificates are mandatory. In 2013, tax incentives for energy efficiency measures were introduced so that up to 65% of the expenses for certain energy refurbishment measures or renewable energy investments can now profit from tax deductions (50% in the case of the installation of PV panels). After its successful uptake the incentive was prolonged until

² The energy efficiency target is to reduce 20 Mtoe of primary energy by 2020 and 15 Mtoe of final energy by 2020 under the EU Directive (2012/27/EU).

³ The certificates are traded in the *Mercato dei Titoli di Efficienza Energetica*, managed by Gestore del Mercato Energetico (GME). In January 2015 the average price at which certificates have been bought is around 50 EUR/MWh.

2016, with the deduction level declining to 50% in 2015 and 36% in 2016. Moreover, the Thermal Account provides subsidies to cover a part of the investment costs for building renovation, exchange of heating systems and the production of solar thermal energy.

During 2014 the main efforts for the promotion of energy efficiency include the transposition of the Energy Efficiency Directive (27/2012/UE). The latter provides that as of January 2014, and for each year after that, 3 per cent of the total square metres in buildings exceeding 500 m² owned and used by the Central Government shall be renovated each year to comply with the minimum energy efficiency requirements (as from 9 July 2015 the threshold has been reduced to 250 m²). A stock-taking effort has been initiated to assess over 2.900 units being used by general government agencies; the latter will have to report on figure relating to the square metres of built space and energy used; this effort will be accompanied by other targeted measures.

Also in March 2014, another Decree was approved. The decree is aimed at introducing measures to improve energy efficiency in public and private sectors, as well as in residential buildings, in order to contribute to the Italy's 21% target by 2020. The new measures included in the draft are:

- Annual interventions for the energy retrofit/redevelopment of government buildings.
- Obligatory energy efficiency audits in big companies and small energy-intensive companies.
- Establishment of a national fund for energy efficiency. The fund can be used for conceding guarantees and funding for energy retrofit in public buildings, energy efficiency improvements in residential buildings and energy consumption reduction in industry and service sectors.

Furthermore the tax credits granted for energy upgrade expenditure have been increased from 55 to 65% of costs incurred. Under the 2014 Stability Law the tax credits for energy renovation in buildings have been extended until December 30, 2015.

The 'Kyoto Fund' is a financial tool to support energy efficiency projects (including in the building sector), distributed generation, or small renewable energy production plants. The Fund has been recently reoriented with the twofold objective of increasing employment and reducing GHG emissions by developing the 'green economy' sectors. More specifically, in 2013, 72 projects, for a total of over €150 million, were considered eligible for concessional loans.

4.2.3 Renewable Energy

The share of energy from renewable sources in gross final energy consumption was 13.5% in 2012, which is above the indicative 2012 target of 7.6% set out by the Renewable Energy Directive (Directive 2009/28/EC). The average annual growth rate was 11.3% between 2005 and 2012. Thus, an annual growth rate of only 3.2% is needed between 2013 and 2020 to reach the 2020 target of 17% (EEA 2014a). The share of renewable electricity generation in final electricity consumption increased by two thirds from 16.4% to 27.6% between 2005 and 2012, while the share of renewable heating almost tripled from 4.7% to 12.8% (Eurostat, SHARES 2014).

A range of mechanisms to support renewable electricity is in place in Italy. Various feed-in tariffs (FITs), premium tariffs and a tendering scheme coexist as alternatives promoting wind power, geothermal energy, biogas and biomass, as well as hydropower and concentrated solar power. Depending on the source and the size of the renewable energy plant, operators may be obliged to opt for a certain system or may choose between the available ones. Moreover, there are tax regulations in place reducing real estate tax (for all technologies) and value-added tax (wind and solar energy). Under certain conditions, electricity producers can also make use of net-metering. In addition to these national incentives, there are also a number of regional programmes available. However, Italy is currently reviewing the amount of incentives granted. The recent changes of the FIT 'Ritiro Dedicato' in January 2014 abolish the guaranteed minimum price granted to new renewable producers, leaving only the option to sell at market price without any form of subsidy. The cut also affects existing installations, which have to choose between the two systems (DL 23/12/2013). Furthermore, after the introduction of a legal framework for self-consumption systems of up to 20 MW, there is an ongoing debate regarding the contribution of self-consumers to grid access fees. Photovoltaic (PV) systems as part of energy efficiency measures in buildings, are currently only promoted through tax reductions in real estate tax and value-added tax, as well as through tax deduction of expenses.

The Decree on the Cut of Incentives for Photovoltaic Plants (Decreto Spalma Incentivi), in force since August 2014 (Legge n.116, 11/08/2014) applies a reduction to the tariffs that have been awarded under any Conto Energia to PV plants with a nominal peak power exceeding 200 kW, with the following options:

- Option A provides for a solution that was already contemplated by the Law-Decree: i.e., a reduction of the tariff by a ratio ranging from 17% to 25% depending on the residual incentivised period compensated by an extension of the incentivised period to 24 years starting from the date of entry into operation of the relevant plant (instead of the current 20 years).
- Option B foresees that, without modifying the duration of the pay out period (i.e. 20 years), during a first part of the remaining period, the tariff will be reduced and that, during the second part the FIT will be increased. The re-modulation ratios will be established by the Italian Ministry for Economic Development.
- Option C provides for a flat reduction of the tariff, for the remaining period without modifying its duration, equal to 6% for plants with a capacity between 200 and 500 kW, 7% for plants with a capacity between 500 and 900 kW, 8% for plants with a capacity above 900 kW.

Under the 2014 Stability Law, the deadline for entry into operation of photovoltaic plants benefitting from subsidies under the so-called Energy Account has been extended by one year. The extension is limited to those plants, already in the GSE registry, operating in areas hit by catastrophic events in the years 2012 and 2013.

In Jan 2014, Italy has introduced a new system of incentives for biomethane fed into the gas network, destined for cogeneration or sold as motor fuel. For feeding into the grid, the producer is entitled to a special rate, for twenty years, equal to twice the 2012 market value for natural gas, less the monthly cost of the gas itself, if it is sold on the market. For plants under 500 Sm³/hour, rather than selling the gas on the market they can opt for dedicated withdrawal by the GSE of all the biomethane for twice the 2012 market price for gas. Plants that exclusively use agricultural by-products and waste products are entitled to a 50% increase in the incentive.

In February 2014 the Decree for the actuation of the Plan 'Destinazione Italia', has been updated, The update introduces a voluntary instrument that distributes incentives to renewable energy over the entire technical life of the plant. The change does not penalise investments already made. More specifically, producers of electricity from renewable sources, who own plants which are getting subsidies, may choose between i) continuing receiving the incentives under the existing scheme for the time remaining, or ii) opting for a change in the subsidies they are receiving based on the entire life of the plant (DL 23/12/2013).

The main barriers to further deployment in renewable electricity seem to be related to an unreliable legislative framework, which does not allow for long term investment planning. The uncertainty about the obtainment of incentives, their amount and potential future changes affects the access to finance. The legislative framework has also been found to be difficult to interpret, given the complexity of the tax structure. (Keep on Track, 2014).

In Italy, there are also various support mechanisms for renewable heating and cooling in place. The Thermal Account gives subsidies for the installation of small renewable heating sources, with the amount varying depending on the type, source, capacity and location of the installation. Moreover, subsidised loans with an interest rate of 0.5 % are available supporting biomass, biogas, geothermal and solar thermal plants. The overall budget for 2014 amounts to EUR 200 million, and the available loan amount depends on the plant size and technology. In addition, tax deductions of up to 65% for expenses related to energy efficiency improvements in buildings and installation of renewable technologies are in place. Reductions of the real estate tax also apply to buildings equipped with renewable energy systems for heating.

The main barriers to further deployment in renewable heating include the complex and incomplete legislative framework as well as an insufficient development of the biomass supply chain (Keep on Track, 2014).

4.2.4 Energy Networks

The EU Commission recommended to Italy to upgrade infrastructure capacity with a focus on energy interconnections (EEA, 2014a). In July 2013, it was reported that the European Investment Bank (EIB) will support the enhancement of the national electricity grid in southern Italy for the period 2012-2016 with EUR 570 million. The focus of this financial support will be the development of the grid in Campania, Puglia, Sicily and Calabria (EIB, 2013).

Every year Terna, the main electricity grid operator, publishes a Plan for the Development of the National Electricity Transmission Grid, describing the objectives, criteria and priorities of the grid development in the national and EU-international context. In 2014 the Plan includes 8.1 billion EUR of investments, of which 5.6 billion EUR to be invested in the next 10 years (TERNNA, 2014). Through these investments the following goals are envisaged:

- Reduction of transmission losses by 1.1 billion kilowatt-hours per year
- CO₂ emission reduction by about 13 million tonnes/year
- Reduction in congestion of the grid by adding at least 5,000 MW of transmission lines capacity
- Increasing cross-border interconnection capacity by approximately 5,000 MW
- Increasing installed renewable energy capacity by more than 6,000 MW.

4.2.5 Transport

GHG emissions as well as energy consumption from transport have increased between 1990 and 2012, but have showed a downward trend since 2005. However, the proportion of transport emissions in Italy's total emissions remains high and has even increased further to 23%. Average emissions for newly registered cars are low in Italy with a level of 122.4 CO₂/km. The level is the eighth lowest in the EU but decreased by 18% between 2005 and 2013, at a rate below the EU average of 22% (Eurostat 2013a). Fuel taxation in Italy is above the EU average. The road fuel excise duties on both petrol and diesel are the second highest among EU MS (EEA 2014b).

In Italy, none of the vehicle taxes takes CO₂ emissions into account (ACEA 2014). For some parts of the road network a distance-based road toll is charged (CE Delft 2012).

In Italy, the vehicle registration tax is based on engine capacity and has varying rates between the provinces. An ownership tax applies to passenger cars, which is based on horsepower, and to heavy-goods vehicles, which is based on weight. Both diesel and petrol are taxed above EU average. A quota system is in place to support renewables in transport. Moreover, the Ministry of Economic Development provides lump sum financial support for the purchase of cars powered by natural gas, electricity and hybrid engines, based on CO₂ emission levels. In 2013 and 2014, incentives of 20% of the purchase price of the vehicle are provided with a maximum amount of EUR 3,000 to 5,000. This subsidy will be lowered to 15 % of the price and a maximum of EUR 1,800 to 3,500 in 2015. The total available budget until 2015 is EUR 120 million: EUR 40 million in 2013, EUR 35 million in 2014 and EUR 45 million in 2015. In addition, policy measures focus on the shift from private to public transport, as well as a shift of freight road transport to sea and rail. In 2013, a Memorandum of Understanding on sustainable mobility was signed by the Ministry of Environment, the logistics company Auta Marocchi and the rail transport company Trenitalia. It establishes the target to increase rail freight transport from the current 6% to 24% of total transport by shifting road transportation of goods to rail transportation.

In January 2014, Italy has introduced a new system of incentives for biomethane fed into the grid, destined for cogeneration or sold as motor fuel. The incentives for biomethane destined for use as automotive fuel is the obligation on the fuel supplier to use biofuels, particularly those sourced from by-products and waste, where certificates are allocated for twenty years.

Other developments in this area include the rationalisation of the supply chain for the production of biofuels for transport, rebalancing the treatment of EU products compared to non-EU products. And finally the continuation of activities of the Sustainable Transport Fund through the Policy Agreement signed with the 14 Metropolitan Areas and a tendering process for municipalities. Overall, 187 programmes for 106 municipalities have been implemented, with a total budget of approximately 195 million EUR.

The main barriers to further deployment in renewable in the transport sector include a complete lack of a comprehensive strategy and a general lack of knowledge and experts, with only very poor and unofficial data available. (Keep on Track, 2014).

5 Policy progress against Country Specific Recommendations (CSRs) issued 2013

The EU Commission provides Country Specific Recommendations (CSRs) for each MS for consideration and endorsement by the European Council. The recommendations are designed to address the major challenges in relation to the targets of the EU 2020 Strategy. In the following table, the CSRs relevant for climate change and energy are listed, and their progress towards their implementation is assessed.

Existing CSRs	Progress
<p>Further shift the tax burden towards consumption, property and the environment, in strict compliance with the budgetary targets.</p> <p>Consider the alignment of excise duties on diesel to those on petrol and their indexation on inflation, and remove environmentally harmful subsidies.</p>	<p>No progress for the implementation of these CSRs</p>
<p>Approve the list of strategic infrastructure in the energy sector to improve the operational efficiency of the energy networks (gas, electricity).</p>	<p>8.1 billion EUR of investments are planned, of which 5.6 billion EUR to be invested in the next 10 years. Through these investments the following goals are envisaged:</p> <ul style="list-style-type: none"> ▪ Reduction of transmission losses by 1.1 billion kWh per year ▪ Reduction in congestion of the grid by adding at least 5,000 MW of transmission lines capacity ▪ Increased cross-border interconnection capacity for electricity by approximately 5,000 MW

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