

## Environmental legislation in Italy

Currently, Italy's energy policy is driven by market liberalisation, relevant political and administrative decision-making powers are transferred to the regional authorities. Moreover, competences on supply sources, energy security, efficiency improvements and environmental protection are diversified.

Main energy-related laws and regulations are indicated in the following table.

Energy related law	Date of issue	Brief description (scope-objectives)	Beneficiaries/sector
<b>NATIONAL PLAN</b>			
National energy Plan (PEN)	1988  <i>Note: the PEN was approved by Government but not by the parliament.</i>	<p>The plan establishes reference guidelines for the Italian energy policy and strategy, concerning topics:</p> <ul style="list-style-type: none"> <li>• national &amp; international scenes</li> <li>• energy demand &amp; supply</li> <li>• energy &amp; environment</li> <li>• energy prices</li> <li>• fiscality &amp; incentives</li> <li>• standard energy rules</li> <li>• technology R&amp;D</li> <li>• roles of public energy bodies</li> </ul> <p>with main objectives:</p> <ul style="list-style-type: none"> <li>• energy saving</li> <li>• protection of environment and human health</li> <li>• promotion of endogenous energy sources</li> </ul>	<ul style="list-style-type: none"> <li>• society as the whole</li> </ul>

		<ul style="list-style-type: none"> <li>• creation of mixed energy sources by different geopolitical suppliers</li> <li>• competitiveness of domestic energy system</li> </ul>	
Law n.9/1991 (art. 29)	9 Jan. 1991	The law establishes the regulations for implementing PEN (the Italian national energy plan), especially concerning hydroelectricity, hydrocarbons, geothermal self energy production and fiscal measures.	<ul style="list-style-type: none"> <li>• energy utilities</li> <li>• self energy producers</li> </ul>
<b>MITIGATION OF GLOBALE CLIMATE CHANGE</b>			
Law 120/2002	1 Jun. 2002	Through this law, Italy ratified Kyoto Protocol for reducing GHG emission	•
Deliberation CIPE n. 123/2002	19 Dec. 2002	The deliberation indicates the guidelines of national energy-environment policies and related measures for the reduction of GHG (Greenhouse gases) emissions.	•
<b>FISCAL MEASURES</b>			
Inteministerial decree 41/98	18 Feb. 1998	The decree establishes a deduction of 41% of the expenses made for residential building renewing from the taxable base of an individual incomes, with the maximum value of 150 millions lire. However, the reduction is distributed in the five incoming fiscal years.	<ul style="list-style-type: none"> <li>• Individuals</li> <li>• private companies</li> </ul>
Law n. 448/1998	23 Dec. 1998	<p>For the first time the taxation system on CO<sub>2</sub> emission has been introduced by this law, so-called Carbon tax.</p> <p>The law has established the fuel duties in relation to CO<sub>2</sub> emissions of kinds of fossil fuels until 2004; and these duties should be revised and be entered in force on 1 Jan 2005, with objectives:</p> <ul style="list-style-type: none"> <li>• promoting the use of low CO<sub>2</sub> emission fuels</li> <li>• promoting initiatives on energy efficiency improvement</li> <li>• implementing the use of renewable energy</li> </ul> <p>Moreover, according to the law, the carbon tax will be increased progressively, its quantification will be made annually. For fuels used in</p>	<ul style="list-style-type: none"> <li>• society as the whole</li> </ul>

		power generation, the increment percentages are fixed but facilitated.	
Decree 504/1995	n. 26 Oct. 1995	The decree establishes the taxation regulations on productions and consumptions (including energy, fuel) as well as the related penal and administrative sanctions.  <i>Note: through this act the maximum quantity of bio-diesel free from the taxation is up to 125,000t/year. The distribution of this quantity among the operators is regulated by ministerial decrees.</i>	<ul style="list-style-type: none"> <li>energy producers</li> <li>energy end-users</li> </ul>
Ministerial decree 15/2/92	1992	The decree established some fiscal reductions on personal income tax (direct tax), for a private company or an individual who implements building energy saving measures and RES projects.	<ul style="list-style-type: none"> <li>Individuals</li> <li>private companies</li> </ul>
Decree	17 Jul. 1991 (in force but no more financing)	The decree defines the regulations for awarding and granting subsidies for the implementation of PEN, based on articles n.11,12 and 14 of Law 10/91. The subsidies were up to: 30% for industry; 50% district heating; 50% demonstration projects; 30% mini-hydro sector	<ul style="list-style-type: none"> <li>industries</li> <li>energy end-users</li> </ul>
<b>MARKET LIBERALISATION</b>			
Decree 164/2000 (natural gas)	23 May 2000	By the Decree: <ul style="list-style-type: none"> <li>a legal unbundling of natural gas transport, distribution and storage activities by 1 January 2003 is obliged.</li> <li>the durations of the concession for storage, transport, distribution and supply are defined.</li> <li>the maximum quantities of gas supply to end-users and gas connection to the national grid are defined.</li> </ul>	<ul style="list-style-type: none"> <li>gas sectoral operators</li> <li>gas end-users</li> </ul>

		<ul style="list-style-type: none"> <li>• an obligation for gas distributors to reach quantitative end-use energy saving targets (see Decree's Chapter 5 on energy efficiency) has been introduced.</li> </ul>	
Decree 79/1999 (electricity)	16 Mar. 1999	<p>According to the Decree,</p> <ul style="list-style-type: none"> <li>• the activities of production, import, export, purchase and sell of electricity will be liberalised; and a separation of the generation, import, export, transmission and distribution of electricity shall be implemented.</li> <li>• a limited quantity of electricity production or import for a single utility is defined: <math>\leq 50\%</math> of total electricity generated or imported in Italy.</li> <li>• the creation of a power exchange is foreseen (see Decree's Chapter 9 on electricity).</li> <li>• an obligation has been introduced for electricity distributors to reach quantitative end-use energy saving targets (see Decree's Chapter 5 on energy efficiency).</li> <li>• use of renewable energy sources, energy saving and CO2 emission reduction are promoted by means of specific incentives.</li> </ul>	<ul style="list-style-type: none"> <li>• energy utilities</li> <li>• energy end-users</li> </ul>
Decree 625/1996 (natural gas)	25 Nov. 1996	The liberalisation of gas sector was initiated.	<ul style="list-style-type: none"> <li>• gas sectoral operators</li> <li>• gas end-users</li> </ul>
Law n. 10/1991 (art. 1,8,9,19,25-39)	9 Jan. 1991	<p>For the first time, the law introduced elements for liberalizing energy production.</p> <p>The law was enacted jointly with the law n. 9/1991, with general objectives on rational use of energy, specifically for:</p> <ul style="list-style-type: none"> <li>• improvement of energy transformation processes</li> <li>• reduction of energy consumption</li> <li>• improvement of the environmental compatibility of the energy use under the same service conditions</li> </ul>	<ul style="list-style-type: none"> <li>• industry in general</li> <li>• utilities</li> <li>• energy self-producers</li> <li>• building sector</li> <li>• agricultural field</li> </ul>

		<p>The law includes: regulations on energy saving in industry and in building, norms on the development renewable sources, and funds' allocations.</p> <p>Law 10/1991 also set technical and constructive criteria for new public and private buildings, as well as for restorations</p>	
<b>ENERGY SUPPLY</b>			
Decree 7/2002 (converted in Law n.55/2002, with modifications, enacted on 9 Apr. 2002)	7 Feb. 2002	The decree has been enacted by the Italian government to boost investments in electricity generation. The decree establishes urgent measures for ensuring national electricity supply security.	<ul style="list-style-type: none"> <li>• country as the whole</li> </ul>
<b>DECENTRALIZATION</b>			
Decree 112/1998 ( <i>modified by Decree 443/1999</i> )	31 Mar. 1998; 29 Nov. 1999	<p>New energy policy responsibilities to regional authorities are conferred.</p> <p><i>Note: following a referendum on 7 October 2001, full legislative powers were given to regional authorities.</i></p>	
Act 59/1997 (the Bassanini Act)		The decree asks the implementation of the transfer of power to ordinary status regions, communes and provinces, defining further government power.	
Law n. 481/1995	14 Nov. 1995	<p>A general law establishes the regulations related to public utilities for gas and electricity services.</p> <p><i>Note: the Italian Authority for electricity and gas was created based on this law</i></p>	<ul style="list-style-type: none"> <li>• energy utilities</li> <li>• energy end-users</li> </ul>
<b>REGIONAL USE OF ENERGY and RENEWABLE ENERGY</b>			

Decree 19 Feb. 2007	19 Feb. 2007	<p>The decree determines the criteria and methods to stimulate power production by means of installing photovoltaic plants in buildings, as requested by article 7 of the decree legislative 29 December 2003, n. 387. The main criteria are:</p> <ul style="list-style-type: none"> <li>• installation made after 1 Oct. 2005</li> <li>• photovoltaic plants must be connected to the grid</li> </ul> <p>The incentive tariffs foreseen by the decree will be (up to the type of plants):</p> <ul style="list-style-type: none"> <li>• for installation capacity <math>\leq 1\text{kW}</math> o <math>\leq 3\text{kW}</math>: 0.4, 0.44 or 0.49 euro/kWh</li> <li>• for installation capacity <math>&gt; 3\text{kW}</math> o <math>= 20\text{kW}</math>: 0.38, 0.42 or 0.46 euro/kWh</li> <li>• for installation capacity <math>&gt; 20\text{kW}</math>: 0.36, 0.40 or 0.44 euro/kWh</li> </ul> <p>The above incentive tariff system will be valid for 20 years.</p>	<ul style="list-style-type: none"> <li>• Public bodies</li> <li>• Individuals</li> <li>• Private companies</li> </ul>
Decree n. 192/2005 (revised by Decree n.311/2006, issued on 29 Dec. 2006)	19 Aug. 2005	<p>The decree establishes the regulations for implementing the EC directive 2002/91/CE related to energy efficiency improvement in buildings' sector, including mainly:</p> <ul style="list-style-type: none"> <li>• methods for calculating energy efficiency of buildings</li> <li>• minimum requirements on energy performance of building materials</li> <li>• general criteria for energy qualification of buildings</li> <li>• periodical verification of air-conditioning plants</li> <li>• qualification criteria for experts engaged in energy certification and verification</li> </ul>	<ul style="list-style-type: none"> <li>• building materials' producers</li> <li>• house owners</li> </ul>
Decree 27 July 2005 (Ministry of infrastructure and transport)	27 Jul. 2005	<p>The decree defines the regulations for implementing Law n.10/1991 (art. 4, com. 1 and 2), concerning:</p> <ul style="list-style-type: none"> <li>• indicators, measures and the related coefficients for valuating energy performance</li> </ul> <p>The decree will be applied in:</p>	<ul style="list-style-type: none"> <li>• building owners/end-users</li> </ul>

		<ul style="list-style-type: none"> <li>new buildings; significant restructuring in old buildings equipped with air-conditioning plants</li> </ul>	
Decree n.387/2003	29 Dec. 2003	<p>The decree establishes the regulations for implementing the EC directive 2001/77/CE related to the promotion of power generation by use of renewable sources, including:</p> <ul style="list-style-type: none"> <li>promoting the exploitation of renewable sources to produce electricity</li> <li>promoting measures to achieve national objectives indicated in the decree, art.3, com. 1</li> <li>facilitating the development of micro-cogeneration fuelled by renewable sources, to be applied in agriculture and in mountain area</li> </ul>	<ul style="list-style-type: none"> <li>energy end-users</li> </ul>
Decree 24 April 2001	24 Apr. 2001	<p>The decree identifies and quantifies national objectives, and establishes obligations, in terms of energy saving, renewable energy development, as requested by decree n.164/2000 (art. 16, com.4).</p> <p>It is a new tool to promote energy efficiency in final energy uses. A so-called 'White Certification' system is created for implementing this decree.</p>	<ul style="list-style-type: none"> <li>energy end-users</li> </ul>
Decree n.660/1996	15 Nov. 1996	<p>The decree establishes the regulations for implementing the EC directive 92/42/CEE, concerning energy efficiencies requested for new hot water boilers, fuelled by gaseous or liquid fuels.</p>	<ul style="list-style-type: none"> <li>boiler producers</li> <li>boiler end-users</li> </ul>
Decree n.661/1996	15 Nov. 1996	<p>The decree establishes the regulations for implementing the EC directive 90/396/CEE, concerning equipments which use gas as fuel</p>	<ul style="list-style-type: none"> <li>apparatuses' end-users</li> </ul>
Decree n.412/1993 (modified by decree 551/1999)	26 Aug. 1993	<p>The decree defines the norms for design, installation, operation and maintenance of the thermal plants/systems in buildings, in order to reduce energy consumptions, as requested by the art. 4.4 of Law 10/91.</p>	<ul style="list-style-type: none"> <li>energy end-users</li> </ul>
Decree 412/1992 (the subsequent norm of Law		<p>Defines numerous energy efficiency regulations in buildings and provided rules for the design, installation and operation of thermal systems in</p>	<ul style="list-style-type: none"> <li>buildings' owner</li> </ul>

10/1991)		buildings.	
Law n.308/1982	29 May 1982	The law establishes the regulations for: <ul style="list-style-type: none"><li>• control of energy consumption,</li><li>• development of renewable energy</li><li>• utilisation of alternative fuels for power production</li></ul>	<ul style="list-style-type: none"><li>• energy utilities</li><li>• energy end-users</li></ul>