

Fourth Workshop on the Environment

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RE Industry in Italy: Local Constraints and Foreign Opportunities

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Chairman

APER - Associazione Produttori Energia da Fonti Rinnovabili

Italian Association of Renewable Energy Producers



APER - Italian Association of RE Power Producers

APER is a no-profit association whose main focuses are to promote the renewable sources and to guarantee the RE producer's rights

220 members

340 plants

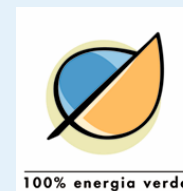
2.000 MW of installed capacity

6 TWh/y of electricity production

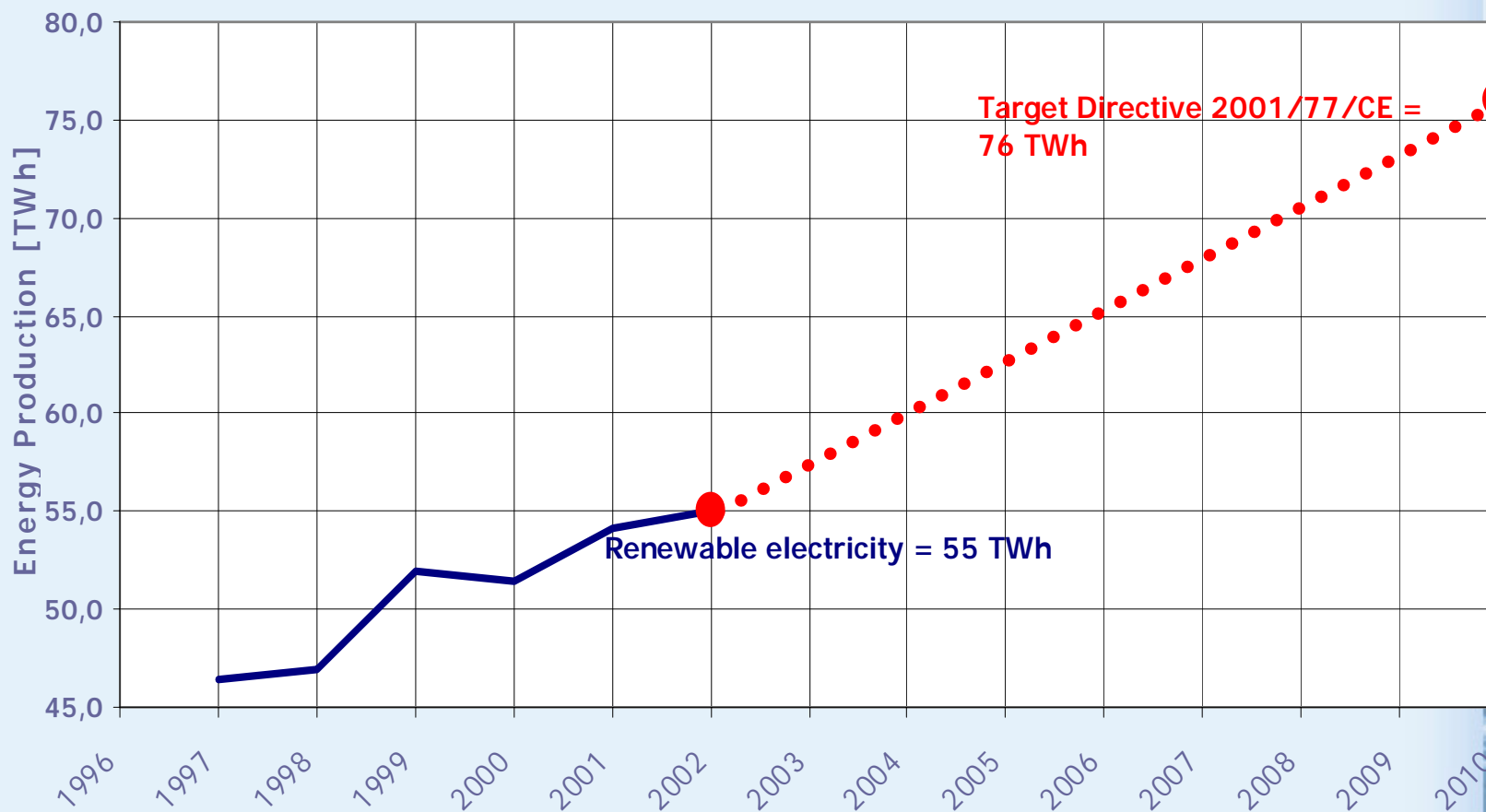
EREF European Renewable Energies Federation



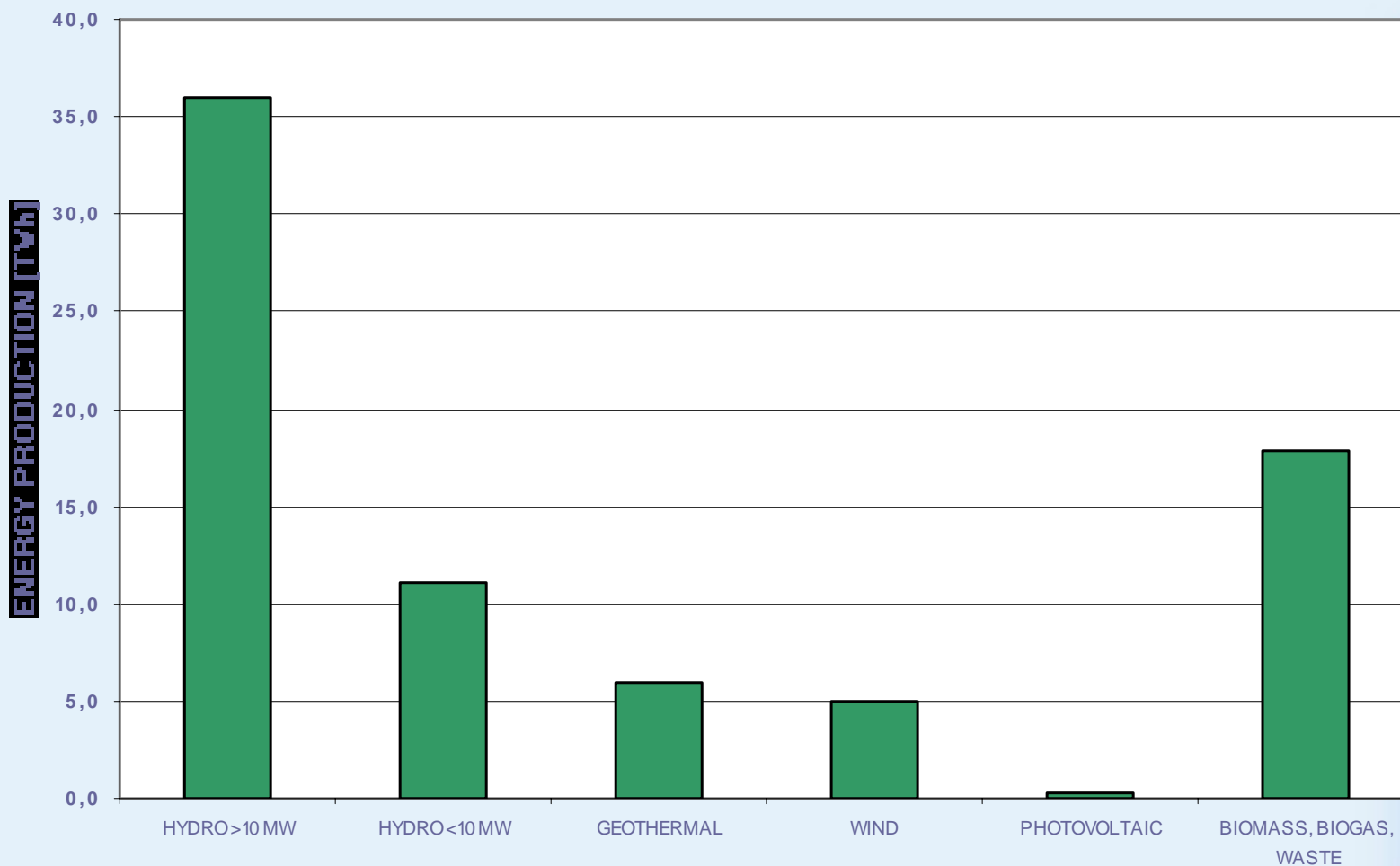
EUROPEAN SMALL HYDROPOWER ASSOCIATION



Italian RE Scenario and future targets (77/01/CE)



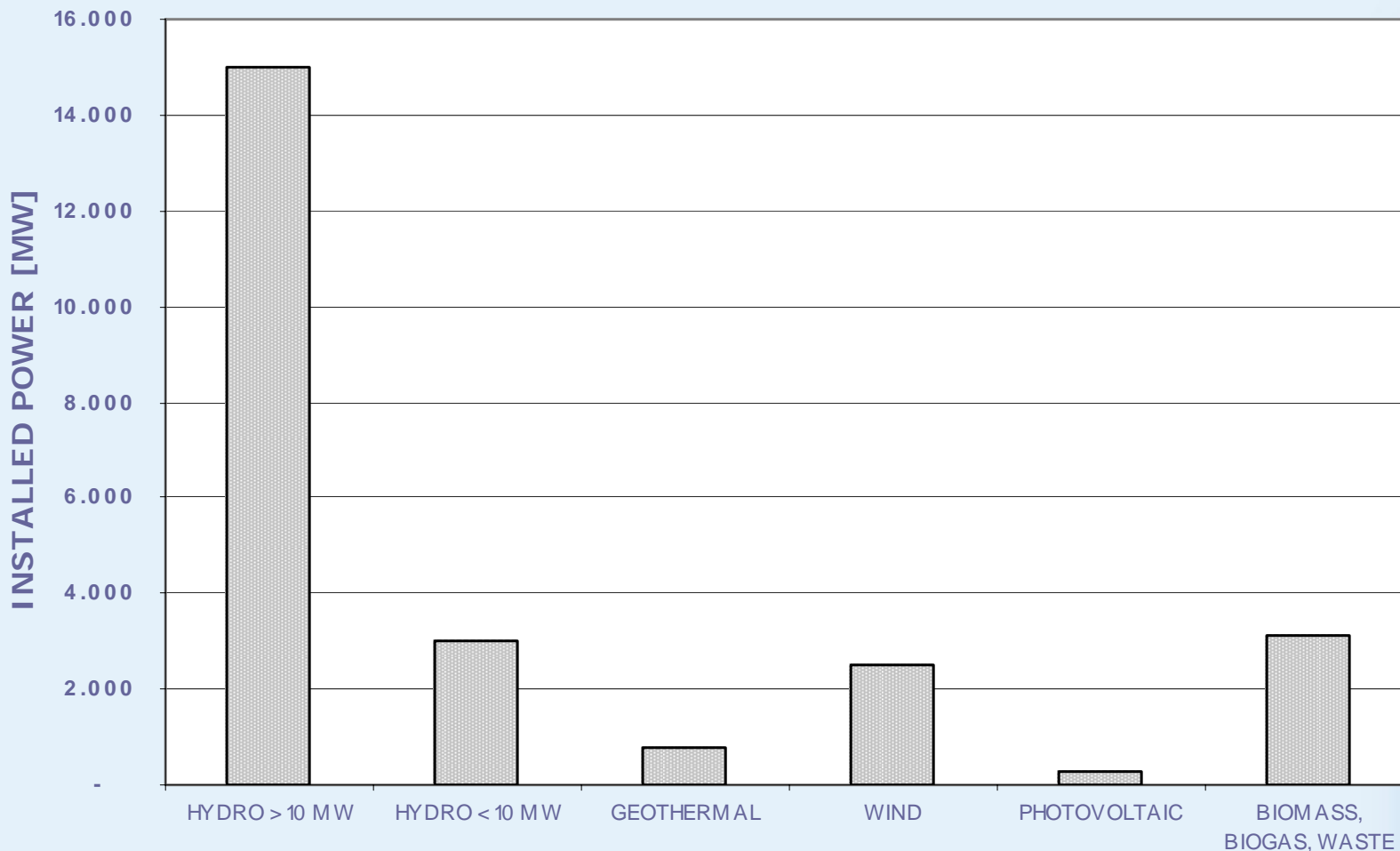
Energy Target 2008-2012 by RE Source



(Source: Ministry of Industry 04/06/2003)



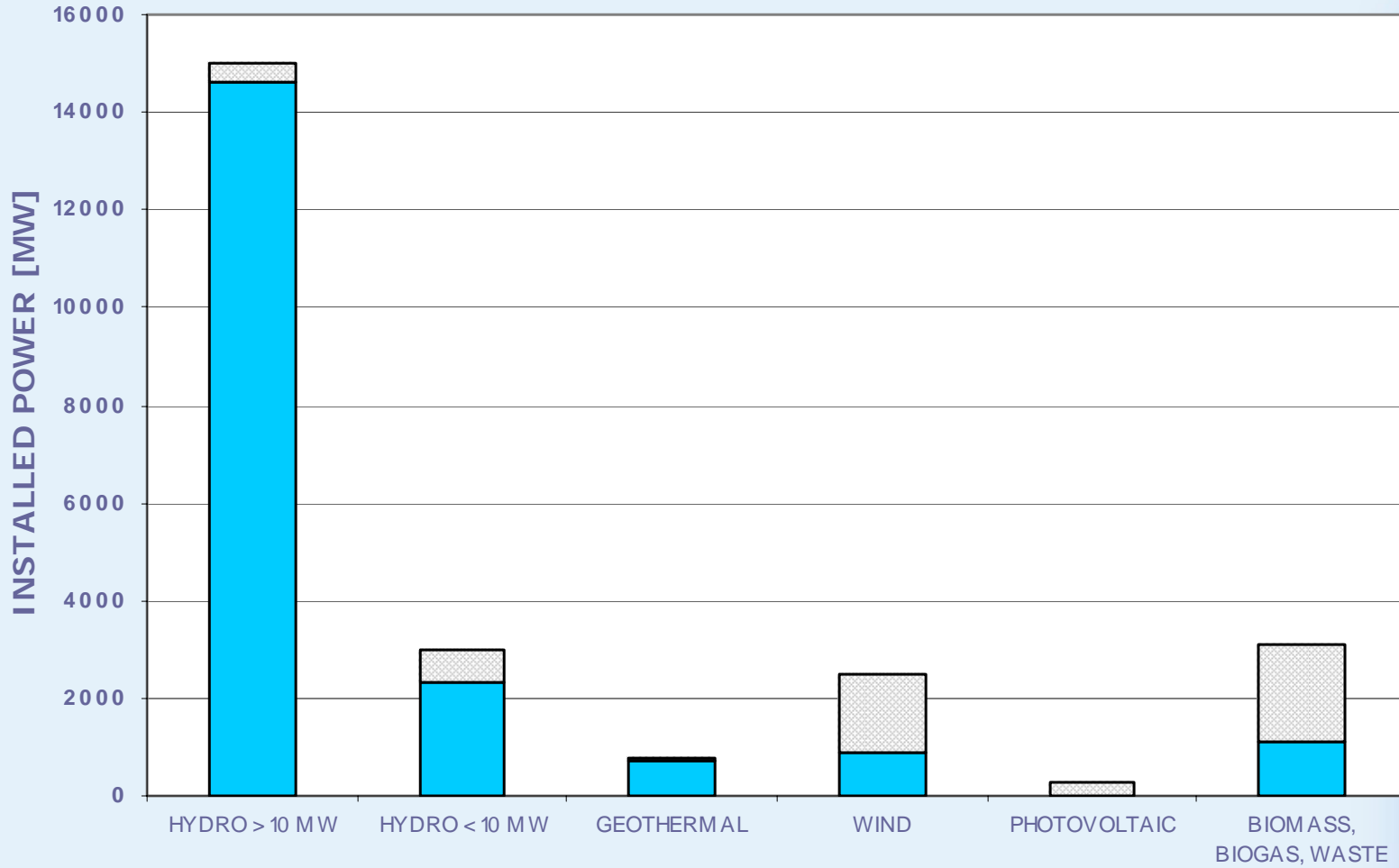
Target of installed power 2008-2012 by RE source



(Source: Ministry of Industry 04/06/2003)



Present (dec.2003) installed power vs 2008-2012 target by RE Source



(Source:GRTN)



New Power to be installed within 2008 - 20012

5.000 MW New Plants

10 Billion € investment !!

	Power to be installed MW	Cost per MW k€/MW	Investment M€
Wind	1.410	750 – 1.000	1.057 – 1.410
Hydro	470	1.000 – 1.500	470 – 705
Biomasses – RSU	2.820	2.000 – 2.500	5.640 – 7.050
PV	200	6.000 – 8.000	1.200 – 1.600
TOTAL	4.900		8.367 – 10.765

What about repowering of existing plants ?



BEFORE 1999

FEED IN SYSTEM (CIP6/92 SCHEME)

Feed-in tariff (revised annually) differentiated by source

Incentivation period: *8 years*

AFTER 1999

GREEN CERTIFICATE SYSTEM

CG reference price 2003: *GC GRTN 8.240 €cent/kWh*

CG real price 2003: *5% - 10% discount on GC GRTN (bilateral agreement)*

Incentive period: *8 years*



FINANCIAL BARRIERS

- System Reliability
- GC Price volatility
- Difficulties in Project Financing

ADMINISTRATIVE BARRIERS

- Complex and unreliable procedures without certain times for definition
- Different procedures among the 20 Regional administrations

GRID CONNECTION BARRIERS

- Long expensive procedures without time limits

LOCAL ACCEPTANCE

- Local opposition
- Campaign against wind farm development



FUTURE SUPPORT RULES

(After adoption of 2001/77/CE with DL 387/03)

PAST	FUTURE (DL 387/03)
FINANCIAL	
Price volatility and system reliability	New rules for Green Certificate System Annual increase of % GC obligation Penalty for non compliers
ADMINISTRATIVE	
Uncertain and without time limit	Single authorization within 180 day
GRID CONNECTION	
Monopolistic procedures	New technical and economic conditions by Regulator Authority for non discriminatory connection
LOCAL ACCEPTANCE	
Misrepresentation of RES on communities	Ministry Campaign for dissemination of RES culture



- ATTRACTIVE INCENTIVATION PLAN
- DIFFICULT RELATIONS WITH LOCAL AUTHORITIES
- FEW NON EXPLOITED OPPORTUNITIES
- HEAVY TERMS TO NEGOTIATE WITH LOCAL COMMUNITIES
- POOR PUBLIC ACCEPTANCE OF RE PLANTS



- MORE EFFECTIVE PROMOTION POLICIES
- BETTER PUBLIC ACCEPTANCE OF RE PLANTS
- JOINT IMPLEMENTATION MECHANISM

But

- HEAVY COMPETITION
- LOWER RETURN FOR INVESTMENTS



- POLITICAL SUPPORT AND COOPERATION EXPERIENCE
- EASY ACCESS AND TRANSPORT
- CONSOLIDATED EXPERIENCE IN SMALL PLANTS
- FLEXIBLE INDUSTRIAL STRUCTURE
- CLEAN DEVELOPMENT MECHANISM



APER

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