



Preparatory Report Capacity Building Program

Focus Country Italy

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Preface

The aim of this preparatory report is to enable the organisation of a national capacity-building workshop in Italy. It serves as a guiding document for any involved stakeholder and as a steppingstone towards the Italian long-term strategy.

The aim of the national workshop is to bring together the entire value chain of decision makers and stakeholders to seize the energy efficiency market in Bulgaria: from interested individuals, to SMEs such as local ESCOs, to financiers and project developers. In order to implement innovative financing models for energy efficiency, local authorities play a decisive role. Following the successful examples in different European countries, such as the 24 best practice case studies across Europe analysed in the framework of CITYinvest and from early 2016 on available in 4 languages [here](#).

Art.4 of the European Energy Efficiency directive required all member states to develop a National Building Renovation Strategy (as part of the National Energy Efficiency Action plan) by April 2014. This document aims at building further from that strategy to see which innovative financing models could help realizing Italian EE objectives. Simultaneously this document wants to provoke further debates amongst stakeholders after the CITYinvest national workshop. It provides an opportunity to remain active and in contact with peers and experts. For further information how to get involved please visit www.CITYinvest.Eu or contact info@cityinvest.EU.

Summary of Italian context

Legislative framework

Common for all European member states are the long-term climate and energy frameworks such as the 2030 package of 40% CO₂ reduction, 27% Renewable energy and an indicative target of 27% for energy efficiency, as this will be revised in 2016. Concerning the building sector, at least 88%-91% of CO₂ emissions should be reduced in residential and service (collectively buildings) sectors to achieve the *2050 Roadmap moving to a low-carbon competitive economy*. Furthermore, the building sector positions itself in the top 3 of sectors with the biggest potential (environmental impact of 70-80%) to contribute to reaching the *Roadmap for a Resource Efficient Europe*.

Europe is developing slowly but steadily a policy framework to encourage Members States legislative processes: notably the EPBD and EED. The EPBD (European Energy Performance of Buildings Directive) includes e.g. the energy performance certificates and nearly zero energy standards for new buildings. The EED (Energy Efficiency directive) requires e.g. member states to renovate at least 3% of their public building stock each year and develop [National Energy Efficiency Action Plans](#) (NEEAPs, art.4).

Current situation and targets

Energy consumption in Italy amounted to a primary consumption of 153.7 Mtoe and a final consumption of 118.7 Mtoe in 2013. The division by sectors can be seen below¹:

Italian Energy and Climate Targets for 2020

Since 2013, Italy has stepped up its efforts to meet its 2020 greenhouse gas emission reduction target. The National Energy Strategy from March 2013 defines the national energy policy by fixing targets for 2020 of

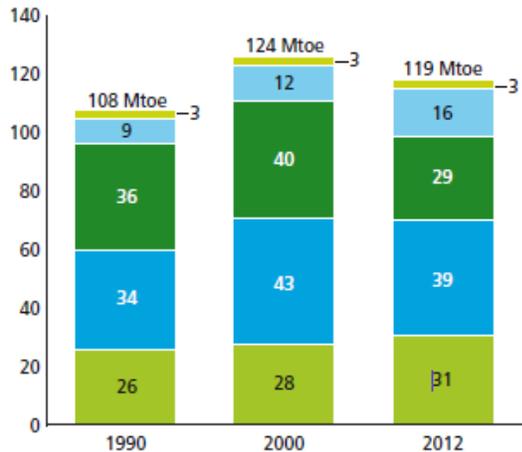


Fig.1: Final energy consumption by sector (in Mtoe)

- the reduction of 21% of GHG emissions compared to 2005 levels
- a share of 19-20% of renewable energy in gross final energy consumption
- the reduction of 24% of energy consumption compared to a business as usual scenario by 2020, which is equivalent to a reduction of its final energy consumption by 15.5 Mtoe cumulatively over 2014-2020 by the year 2020.
- Other targets refer to the reduction of energy costs, energy security and industrial development, such as the mobilization of €170-180 billion by 2020 in traditional sectors and the green economy.

Energy intensity has improved more strongly than EU average (-5% since 2005). Before 2014, both primary and final energy consumption were reduced at a faster pace than necessary to achieve the 2020 targets, which is due to economic downturn but also energy efficiency policy and especially the introduction of white certificates. However, consumption in the residential sector has increased since 2007, in contrast with industry and transport.²

Security of supply is an important topic, since Italy covers about 88% of its energy demand with imports and aims at saving €8 billion from fossil fuel imports by 2020.

Short overview of the state and potentials of the Italian building stock:³

The Italian building stock is the fourth largest in Europe, with a total of 13.6 million buildings, 3,870,000,000 m² of building floor area, and total energy consumption of 31 Mtoe (in 2012). Large scale action in the country therefore has a high potential of unlocking the various co-benefits of energy efficiency retrofitting. This is all the more relevant since it is also among the oldest in Europe: 93% of Italian residential buildings were built before 1990, 50% before 1970 and the annual refurbishment rate is below 2%.

¹ From Deloitte: European energy market reform-Country Profile: Italy, 2015

² EEA country profiles 2014

³ Based on figures from Buildings Performance Institute Europe: Europe`s buildings under the microscope. October 2011 and Buildings Performance Institute Europe: Data Hub for the Energy Performance of Buildings

Residential buildings represent 88% of the total floor area and 2/3 of the energy consumption.

Residential buildings:

More than 2/3 of Italian residential dwellings are single family houses, the remaining part apartments. Italy is thus among the countries in Europe with the highest percentage of single family houses, as well as owner-occupied dwellings (70%). 19% of dwellings are rented out by private, 5% by public and 6% by other entities. Consequently, 92% of Italian dwellings are privately owned, the remaining 8% are divided between public and "other" owners. Average annual heating consumption levels in terms of final energy use of a single family home varies from 220kwh/m² for buildings built between 1946 and 1960, and 95 kwh/m² for buildings built after 1991.

Social housing has generally a low energy performance with average energy consumption exceeding 240kWh/m² and can thus be considered a relevant target group. The approximately 90.000 buildings in the social housing sector are operated by Social Housing Operators usually owned by the provinces. Their housing stock is however owned by the municipalities, which decide on the investment policies.

Non- residential buildings represent 1/3 of the building sector`s energy consumption, and their consumption is increasing. About 22% of them host recreational and sports activities, schools, hospitals and churches, so they are under the potential influence of regional or local authorities. The IEA task 47 report estimates the annual energy savings potential of public schools at 0.39 Mtoe or 4,53GWh per year and of public offices at 0.16 Mtoe or 1,86Gwh per year.

13 of the 13.6 million buildings in Italy are concentrated in the 5 regions of Sicily, Lombardy, Veneto, Puglia and Piedmont alone. The workshop is easily reachable from 3 out of these 5 regions, which will increase the reach and effectiveness of the capacity building.

National Energy Efficiency Action Plan (2014)

The National Energy Efficiency Action Plan (NEAAP) from 2014 sets out the expected primary energy savings by sector as follows: 5.14 Mtoe/y from the residential sector, 1.72 Mtoe/y from services, 7.14 Mtoe/y from industry and 6.05 Mtoe/y from transport.

The buildings sector is expected to reduce its energy consumption by 4.9 Mtoe by 2020, out of which 3.67 Mtoe in the residential sector and 1.23 Mtoe in the services sector ⁵. According to the 2014 NEEAP, these savings are supposed to be achieved by a range of policy measures:

- **36,7% of savings from regulatory instruments**
- **28,2% by the tax relief scheme**
- **30% by the thermal account (conto termico)**
- **5,1% by white certificates ⁶**

⁵ Mallone, Mauro (Italian Ministry of Economic Development): Energy Efficiency in buildings: an overview of Italian targets and policies. Presentation held at EuroAce/ENEA Workshop on EPBD and EED implementation, 24 February 2015

⁶ Ibid.

Standards and regulatory instruments include

- Minimum energy performance requirements for new buildings and a clear definition of nearly zero energy buildings
- The "Decreto Rinnovabili" law 28/2011, which came into force in June 2012 makes it mandatory for new buildings and structural renovations to produce at least 50% of warm water with renewable energy of at least 50% of consumption provided for the hot water and, in addition to satisfy the total energy demand for warm water, heating and cooling with an increasing share of renewable energy. The law also requires producing a certain quota of electric energy from renewable, depending on the size of the building.
- Updated guidelines, harmonization procedures and improved quality of energy performance certification
- Roll-out of smart meters
- Obligations for energy efficient public procurement

Critical points:

- The penalty that lease contracts are void if not accompanied by an energy certificate has been cancelled with the law 145/2013, was reintroduced with the law 9/2014 but only with a fine (of € 3.000 – 18.000)
- The "Plan for the requalification of the building sector" (Piano di riqualificazione del patrimonio edilizio) law 102/2014 still awaits approval
- Also the role of Regions needs to be taken into consideration. They have a fundamental role for example in rendering operative the controls and sanctions for the energy certification of buildings as foreseen by the law 90/2013 which transposes the EU directive 31/2010.

Integrated Plan for the Uptake of Energy efficiency (Piano Integrato di Diffusione dell'Efficienza Energetica - PIDEE)

An integrated plan will be designed to help implementation of the measures defined in the NEEAP to disseminate and implement at national, regional and local level, by the Regions, the Provinces, the Municipal authorities, the local Energy Agencies and the Chambers of Commerce.

To help achieve these goals and render the actions foreseen in the 2014 NEEAP successful, an Integrated Energy Efficiency Diffusion Plan (PIDEE) will be drawn up in close collaboration with the regions and relevant private organisations. The PIDEE defines the objectives, targets, strategy and content of the information and training programs, the budget, and bodies responsible for the implementation and the ex-post assessment. In accordance with the provisions of the EU Directive 2012/27 the main actions of the energy efficiency dissemination strategy to feed into PIDEE are:

- Dissemination of information in Public Administration, SMEs and among consumers of best practices in energy efficiency.
- Elaboration of criteria and guidelines for local authorities and market operators, for the evaluation and monitoring of the results of energy efficiency measures.
- Design, implementation and testing of tools, in collaboration with industry to ensure the dissemination to all relevant market actors of information on the efficiency mechanisms,

financial frameworks, through direct means (information by computer or smart meters combined with home display) and indirect means ("smart" bills containing historical and comparative information on energy consumption).

- Awareness-raising in the construction industry, with particular reference to the housing market and activation of forms of collaboration for the preparation of tools for end-user awareness on the energy performance of buildings.
- Promotion of energy audits as a useful tool to provide the necessary information for the implementation of energy efficiency measures, assessing their communicative effectiveness.
- Collaboration with research institutions, universities and companies for the cost evaluation of systems and components for energy efficiency measures, comparison between the different technologies used for a given energy service and the possibility of using innovative technologies in the home.

The final approval of the text of the Plan was preceded by a public consultation on ENEA's website, where all the stakeholders and major companies, as well as individual citizens and public institutions, including the regions, have given their contribution. This contribution was not limited to general comments: in most cases the observations were timely and comprehensive, which were cataloged and transferred to the Ministry of Economic Development.⁷

Financial framework

Financial instruments to help reaching the energy efficiency targets include:

- **Tax deductions for the energy upgrading of buildings in the residential and commercial sector**

Under this scheme, all taxpayers including companies (but excluding municipalities), can apply for a reduction of up to 65%⁸ on personal income tax (IRPEF) or corporate income tax (IRES), for expenses incurred to

- reduce heating demand by means of overall upgrading of the building's energy performance;
- improve the building's thermal insulation (replacement of windows, including blinds or shutters, and insulation of roofs, walls and floors);
- install solar thermal panels;
- replace winter heating systems (with condensing boilers or heat pumps);
- replace electrical water heaters with heat pump water heaters.

The stability law 2016 has extended the scheme until the end of that year and has included all electronic devices for the remote control of heating, cooling and warm water.

Implementation and perception: Since its introduction in 2007 with the Budget Law, and numerous extensions and amendments, measures under this scheme have helped to generate final energy savings of 1 Mtoe per year and a total of €22 billion of investments.⁹

⁷ ENEA, Rapporto Annuale di Efficienza Energetica, RAEE, 2015

⁸ There is also a 50% reduction for a series of measures, among them the installation of photovoltaic panels and accumulation systems.

However, since its renewal is confirmed on a yearly basis, building owners only have one year to prepare the renovation. Moreover, the scheme is not open to unemployed or retired building owners, who often do not do a tax declaration. However, in condominiums the non-eligible residents can turn their deduction over to the building firm.

- **Thermal Account (conto termico): incentives for energy renovation in public buildings and renewable heating and cooling small scale plants (1MW)**

Since its introduction by the Ministerial Decree of 28 December 2012, it is applicable for public authorities and private parties, in order to improve energy efficiency in buildings and technical installations, as well as for renewable thermal energy. It will provide € 900 million per year, of which € 700 for individuals and companies and € 200 for public administrations, for energy efficiency measures and renewable energy installations. It is implemented and managed by Gestore Servizi Energetici (GSE), which grants an incentive of up to 40% of the expenses on the basis of the energy produced or saved. Public bodies can make a demand to have the incentives reserved, prior to the works being performed with the assurance that they will be paid once the measure is completed.

The scheme covers parts of the cost incurred and is paid through annual installments over 2-5 years.

The Thermal Account supports the following energy efficiency actions implemented by public authorities:

- thermal insulation of walls;
- replacement of windows or transparent doors;
- installation of screening and shading systems;
- replacement of heating systems with condensing boilers;

The new mechanism foresees for public administrations only the support for three further measures:

- transformation in “Nearly zero energy buildings” (NZEB)
- installation of high efficiency illumination
- automatic management and control systems of heating, cooling and electric energy consumption

As to the generation of heat from renewable sources, one or more of the following actions carried out by public administrations or private parties are eligible:

- replacement of heat generators with electrical and gas heat pumps, including heat pumps for the production of sanitary hot water;
- replacement of heat generators with biomass-fed heat generators, heating fireplaces and stoves;
- installation of solar thermal collectors and solar cooling systems.

With its most recent update which entered into force at the beginning of 2016, incentives for government buildings that typically cover 40% of the investment have been altered as follows:

- an incentive of 50 % of the investment cost incurred for the thermal insulation of the roofs, floors and walls in government buildings in climate zones E and F;
- an incentive of 55 % of the investment cost incurred for integrated building/installation measures in climate zones E and F;

⁹ Mauro Mallone, Italian Ministry of Economic Development

- an incentive of 65 % of the investment cost incurred for work to make a building 'nearly zero-energy'

Implementation and perception: According to the 2014 NEEAP, this scheme is so far much less used than the better known tax deduction scheme, mainly because it is until now too complicated and less convenient than the 50% fiscal deduction. As of March 2015, the scheme was used for the energy upgrading of 86 public buildings, out of which half were educational facilities.

Until January 1st 2016, €45.6 million of the incentive were paid to individuals compared to €10.8 to public administrations. For 2016, public administrations will receive €4.2 million, individuals €19.29 million ¹⁰

- **National Energy Efficiency Fund (€490 million over the period 2014-2020)**

The fund's aim is to improve the energy performance of buildings owned by public authorities, create district heating and cooling networks, improve efficiency of public services and infrastructure incl. street lighting, entire buildings (incl. social housing), reduce energy consumption in industrial processes.

It consists of a revolving fund with 2 sections: one issues guarantees on loans granted to businesses to implement energy efficiency projects for individual operations. The second one directly grants loans through banks and financial intermediaries (including the EIB), or by subscribing for units of closed mutual investment funds investing in energy efficiency.

The projects supported by the fund should aim at upgrading the energy efficiency of whole buildings, promoting NZEBs, introducing earthquake performance measures in addition to energy performance upgrades, and create new jobs.

- **Structural funds**

A share of the structural funds is to be earmarked for renovation and upgrading of school buildings. A National Registry of School Buildings (SNAES) was established in order to collect data and streamline procedures. The Ministry of Education and Research has earmarked €38 million for the design of new schools, and will cover 25% of their construction costs. It also assigned €150 million to the regions for the renovation and safety upgrading of schools in November 2013.

- **Kyoto fund**

600 million Euros had been allocated to this revolving fund managed by the Cassa Depositi e Prestiti which finances at low rate (0.50% + bank fees), investments aiming at improving the energy efficiency of publicly-owned school, university and higher education colleges.

In the first cycle of programming which ended July 14, 2014 € 200 million haven been allocated through the Kyoto fund, broken down by measures and Regions. The resources that were allocated during the first cycle but not used when the "Law on Growth" went into effect were transferred to the "Fund for youth employment in the green economy".¹¹

- **Loans excluded from the stability pact**

¹⁰ <http://www.gse.it/it/salastampa/news/Pages/Conto-Termico-aggiornato-il-Contatore-al-1-gennaio-2016.aspx>

¹¹ <http://www.minambiente.it/pagina/fondo-loccupazione-giovanile-nel-settore-della-green-economy>

Decree Law 104/2013 and the Economy and Finance Document (DEF) 2014 introduced further measures in order to promote investments in public buildings. They enable the regions to take out loans with the EIB, the Council of Europe Development Bank and other banks, with amortization costs for loans paid by the state. The amount scheduled for this measure is €40 million per year, excluded from the stability pact.

Overview of competences of different levels of government related to energy and buildings in Italy

The national level has the concurrent legislative competence with the regional level on energy production, transportation and distribution.

The 20 regions share the power on energy matters with the national level and are thus in charge of

- Formulation of objectives of regional energy policy
- Development and valorisation of local resources and renewable energy sources
- energetic assessment of buildings
- public housing

The competences and budgets of the **96 provinces** were significantly reduced by a constitutional reform in 2014. Their remaining competences include coordination of local planning, construction and maintenance of school buildings, and technical and administrative support of the local authorities.

Metropolitan cities (14), operating since the beginning of 2015, are replacing certain provinces by combining a core city with the surrounding municipalities which used to be in the same province.

They are in charge of local planning and zoning and construction and maintenance of school buildings.

Municipalities (8.003), aside from being in charge of public services, are often shareholders of local utilities. They have the city planning competence, which also includes energy planning and building regulation, and culture and recreation, encompassing the oversight of museums, exhibition halls, theaters, etc.

The Covenant of Mayors (CoM) in Italy

Almost 40% of Italian municipalities are signatories of the initiative, which thus is very influential in Italy. They are supported by 98 official territorial coordinators, most of them provinces, but also 20 regions and 4 metropolitan cities, which provide technical and promotional support for the development and implementation of the signatories' Sustainable Energy Action Plans (SEAPs). About half of the Italian regions have also started using structural funds to support action under the Covenant of Mayors.

Regarding the capacity building workshop, discussions are undergoing with the Italian focal point from the Covenant of Mayors Office in order to cooperate for the organization and communication of the workshop.

Energy Efficiency market

The market for energy efficiency is still at its beginnings in Italy. So far, energy supply contracting has been more common than energy performance contracting.

The sector of energy service companies (ESCO) is quite diverse, about 1900 units were registered in 2011, out of which only 390 operate routinely in the sector. 50% of the turnover of the sector is generated by 5% of large ESCOs belonging to multinational groups, the second half by companies of smaller size.¹²

In 2013, the major part of investments in EPC took place in the industry sector, followed by residential housing and public buildings. ESCO representatives expected the market to grow in the upcoming years, especially in the public sector and in industry.

According to the Eurocontract project, there is no official definition of an ESCO, which causes confusion and distortion of the market. Guidelines and model contracts have been issued by a number of regions, among them Lombardia and Piemonte. A centralized procurement procedure for energy services was established by the Italian government, which is controlled by the CONSIP agency.

The Stability Pact prevents municipalities to invest even when the resources are available. It has the primary objective of constraining the net debt of the local and regional authorities. Inevitably this has a substantial effect on the capacity of authorities to fund projects. Paradoxically, it is the case that, even those authorities which have access to funds which might normally be available for spending are subject to the constraints of the PSI and are compelled to suffer financial penalties if prescribed limits are exceeded. As a consequence, they cannot allocate equity funds for measures with long payback periods.

Energy performance contracting in the public sector¹³:

Due to the relatively low level of development of the Italian market for Energy performance contracting, there is a high potential for public authorities to act as the facilitator for the market and to set an example for private households.

Currently, interventions improving the energy performance of the heating system are considered profitable by local authorities, as opposed to interventions on the building envelope, with payback periods exceeding 12 years. These are often seen as too high for smaller ESCOs.

Many ESCOs also require a threshold of an investment of €200.000-300.000 per year for new clients. This is why bundling of several projects between and across municipalities, and combining less and more profitable investments are advisable.

According to the CombinES project report¹⁴, large companies which are not pure ESCOs tend to favor working with the public sector, since their chances of winning procurement tenders are higher.

¹² Italian NEEAP, 2014

¹³ Largely based on Zobot, Sergio: Energy Efficiency-Covenant of Mayors (Province of Milan). Presentation held at EASME event Innovative financing for energy efficiency and renewables. Feedback from successful projects, 8 October 2014

¹⁴ CombinES Project- Overview of the EPC potential and market, National Report for Italy, June 2013

Even though the potential of energy efficiency investments with local authorities is high, the necessary actions are often not taken and ongoing projects face a number of barriers.

Financial barriers:

- Smaller ESCOs do not have sufficient capitalization for long and complex contracts and cannot access bank loans. Banks usually require them to contribute 10-20% of risk capital to the investment.
- Small public or private projects are not economically attractive, because of high transaction costs.
- Banks rarely accept the cash flows generated by the energy savings of a project as the main collateral and as a consequence are very cautious when lending to ESCOs. Many banks prefer lending to renewable energy projects
- Insurance companies are reluctant to issue market performance bonds to insure customers in case ESCOs don't satisfy the performance contracts.

Barriers relating to the ESCOs themselves:

- Major ESCOs tend to boycott tenders for EPC which require guaranteed results, since they prefer embedded contracts which are not fully transparent
- Many ESCOs cannot build a special purpose vehicle even though this may be required by banks

Institutional barriers

- The complexity of bureaucratic procedures slows down many processes and prevents municipalities and households from applying for effective technologies, simply because the authorization times are too long
- The incentive system offered by the European, the national and the subnational levels are often too complex and with contradictory timing, or interactions between them create confusion and uncertainties

Barriers relating to local authorities:

- Certain ESCOs do not consider public authorities as trusted clients, since they sometimes pay late (in some cases more than 180-240 days)¹⁵
- In many smaller municipalities, the relevant technical and legal knowledge in order to develop and implement complex tenders is lacking, as well as funding to task an external consultancy with it.

¹⁵ Ibid.

- Once in a project, the time and cost to train personnel and put in place administrative procedures is often underestimated
- Many local authorities do not track their energy consumption, which is a major barrier for estimating energy savings potential, and to apply a monitoring and verification protocol.

Relevant best practices

Energy Efficiency Milan Covenant of Mayors

“Energy Efficiency Milan Covenant of Mayors” is a pilot project implemented by the Province of Milan in 2009 in order to improve the energy performance of a group of public buildings in the province and to achieve significant primary energy use reductions based on the principle of Energy Performance Contracting (EPC). The programme is designed to facilitate and finance energy efficiency retrofits for mainly public school buildings located in selected small municipalities (<30.000 inhabitants) in the province of Milan and the Municipality of Milan participating in the Covenant of Mayors initiative. The programme found its origin in a big scale energy audit programme, funded by Cariplo -a philanthropic banking foundation-, carried out between 2006 and 2008 in the region of Lombardy with the purpose to stimulate the implementation of energy efficiency measures in smaller municipalities. The foundation concluded afterwards that the energy audits programme had not resulted in a significant uptake of investments in energy efficiency, basically due to constrained budgets, reduced or absence of borrowing capacity and the lack of technical capacity to develop projects

As a Territorial Coordinator of the Covenant of Mayors, representing many small municipalities, the province of Milan’s ambition with this programme is to meet the energy reduction targets set out by the Covenant, i.e. by 2020 reach 20% reduction in greenhouse gas emissions relative to 1990 levels (reduction of 9.000 tonnes CO₂), 20% share of renewable energy generation, and 20% reduction in primary energy use relative to projections.

Besides the significant reduction of final energy consumption of the building stock of small municipalities it wants to foster a mature ESCO (Energy Services Company) market able to offer EPC with guaranteed results and increase the know-how of the municipalities in governance matters related to energy efficiencies.

Based on a joint study with the EIB a potential investment of 90M € in energy efficiency measures was identified and could be realised and to that purpose a Project Implementation Unit (PIU) was set-up in 2009. From the 90M€ the EIB was willing to make 65M € available to the ESCOs in the form of loans through an intermediary commercial bank in the region.

The PIU manages the whole implementation process of the programme, from promotion of the programme and analysis and assessment of the projects to public tendering, contract negotiation, works implementation follow up and results reporting. It acts thus as programme marketer, assessor, aggregator, facilitator and financial advisor.

As of today a total amount of 13M € of investments in energy efficiency measures have been awarded covering 98 buildings in 16 municipalities.

Though the initial investment ambition of 90M€ has not been achieved this programme has had the merit of being the first in Italy covering investments in energy efficiency measures solely based on EPC contracting on regional level. The project has upscaled the dissemination and recognition of EPC models in Italy, providing guidance to other public administrations involved in other ESCO projects.

It is planned that a speaker with first-hand experience will share the lessons learned from the Milan scheme.

Communication Multipliers

- Climate Alliance Italy
- Renovate Italy
- Cassa Depositi e Prestiti
- ENEA
- Cariplo Foundation
- Kyoto Club
- National coordination of Local Agenda 21
- Federesco- national federation of ESCOs

Long-term recommendations

As seen in the report, the political will and ambition to improve energy efficiency of the building stock is present in Italy. Local authorities are also increasingly interested to make use of innovative financing solutions. As an example, as of December 2015, 9 out of 46 projects supported by the European Investment Bank`s European Local ENergy Assistance (ELENA) are located in Italy, most of them implementing energy efficiency measures.¹⁶ Many of them are still at their starting phase, so it is an adequate time to involve their staff in the workshop.

This is all the more necessary since the practical implementation of these promising developments and projects is still hampered by the barriers described above.

This is why it is paramount to share the lessons which have been learned in projects implemented in Italy, learn from good practices from abroad, and discuss how to overcome barriers with other crucial stakeholders like banks and the national level.

¹⁶ <http://www.eib.org/products/advising/elena/index.htm>

National Workshop

Partners and location

The Italian workshop will be organised in cooperation with the national coordination office of Climate Alliance in Italy ([Alleanza per il Clima Italia onlus](#)) and [Renovate Italy](#), a coalition of business and non-profit stakeholders who are working towards the energy efficient renovation of the Italian building stock. Further potential partners include the City of Milan, the Cariplo Foundation and the Kyoto Club, all of which Climate Alliance Italy or Renovate Italy have long-standing ties with.

The workshop will take place in Milan in April or May 2016. The location is chosen to reach municipalities in the regions where most of the housing stock is located, and where energy efficiency renovation is a pressing issue due to the climatic conditions. Moreover, local, provincial and regional authorities in this area have the capacities to learn from and replicate examples from their Italian or European peers.

Milan was also chosen because a partner of Renovate Italy can issue training certificates for Architects and Engineers from Milan and the Lombardy region, which are required to attend similar seminars. This is expected to attract a large number of technical staff from the municipalities surrounding Milan.

Format

The orientation of the workshop is to show evidence of innovative financing models that successfully have been applied in different Member States and in Italy with a focus on its replicability aspects. The objective of the workshop is to trigger concrete discussions between key decision makers and the entire value chain of the Italian energy efficiency market. Emphasis will be on exposing local and regional decision-makers on the important facilitating role they can play in the take-up and scale-up of innovative financing for energy efficiency in the Italian context. The workshop will work as steppingstone to accelerate necessary collaboration between stakeholders, to be inspired from successful examples and to discuss on a step-by-step approach.

The workshop aims at:

1. Raising awareness and deepening knowledge of existing innovative financing instruments and inspiring case studies from other European countries
2. Exploring Italian best practices and discussing concretely how these innovative financing instruments could be applied in the participating local authorities
3. Identifying recurrent barriers for innovative financing instruments in energy efficiency retrofitting and finding ways to overcome them
4. Encouraging partnership-building between different stakeholders and levels of government

Draft Programme

Actual time	Topic	Content and aim of presentation	Speaker and Organisation
9:45 (5+5 minutes)	Welcome		NN, Renovate Italy NN, Lombardy Region/Milan
10:00 (10 minutes)	Introduction	Brief introduction to the project and the aim of the workshop	NN, CITYnvest/ Climate Alliance Italy
10:10 (60 minutes)	<p>Inspiring international examples</p> <ul style="list-style-type: none"> - Bundling of public buildings across municipalities in the RenoWatt scheme, Liège (BE) - Interventi programmati: Milan Covenant of Mayors Q&A - Internal contracting through a revolving fund, Kiel (DE) - Interventi programmati: NN Q&A -Facilitating a territorial EPC market , KEA, Baden-Württemberg (DE) - Interventi programmati: NN Q&A 	<p>How far have they gotten, what barriers have been encountered so far, how are they being overcome</p> <p>Reflection on how this could be applied to the Italian context</p> <p>How to involve a large range of actors in a regional EPC market and set it up pragmatically</p>	<ul style="list-style-type: none"> -Erika Honnaye, GRE Liège - NN - NN from the financial department, city of Kiel - Rüdiger Lohse, KEA
11:10 (20 minutes)	Coffee break		

11:30 (10 minutes)	"Elevator pitches"	each round table coordinator briefly presents what the discussion will be about and who the co-moderators will be	
11:40 (70 minutes)	<p>Roundtable discussions</p> <ul style="list-style-type: none"> - Bundling of public buildings across municipalities and the stability pact (Liège and Milan) - Territorial ESCO markets (KEA and Lombardy colleague) - Internal contracting and revolving funds (Kiel, Udine, Parma, CA members) 	<p>Each discussion starts with a 5 minute presentation of the Italian partner on their experience</p> <p>Goal of the discussions:</p> <ul style="list-style-type: none"> • Possibility to ask more precise questions to examples - Discuss adaptation to the Italian context - how can the ESCOs problems be overcome? How can local and regional authorities and energy agencies support? What is hindering Italian regional authorities to do the same thing as KEA? 	<p>Erika Honnaye, NN (Milan), NN expert on the stability pact <u>Coordinator: NN (Milan)</u></p> <p>Rüdiger Lohse, KEA Representatives from Emilia Romagna, Piemonte (Silvio Nigri), Lombardia , representatives from Banks – Tintimonte scheme <u>Coordinator: NN, Renovate Italy</u></p>
12:50 (60 minutes)	<p>Feedback from the roundtables</p> <p>Followed by Panel discussion</p>	<p>Discussion with national and local experts on how the potential of innovative financing for energy efficiency can be better tapped in Italy, what is needed for wide-scale implementation</p>	<p>NN, Renovate Italy</p> <p>Claudio Ferrari, Federesco NN, Ministry of Economic Development NN, financial institutions Stefano Melazzini, Mediocredito italiano Elisa Dardanella, Gruppo Inesa SanPaolo City of Milan Gianni Silvestrini, Kyoto Club international experts</p> <p><u>Moderator:</u> Monica Frassoni/journalist/ Karl-Ludwig</p>
13:50 (10 minutes)	Closing and outlook		CITYnvest with local expert
14:00 (60 minutes)	Networking lunch		

Expert & stakeholders mobilisation

Central Government

- Ministry of Economic Development
- Ministry of Environment

Local Government groups

- Climate Alliance Italy
- Kyoto Club
- ANCI (national association of local authorities)

Financial service providers/financial institutions

- Cariplo
- Mediocredito Italiano
- Gruppo Inesa SanPaolo
- Cassa Depositi e Prestiti

Construction and energy businesses

- Renovate Italy and Partners
- Federesco

Research & Academia

- Politecnico di Milano

Possible media partners:

- Ecodallecittà (electronic newsletter)
- e-gazette.it
- Qual energia

Invitees, target audiences:

- Main target group: Local, provincial and regional authorities
- Local ESCOs and other private sector stakeholders
- Energy distributors and local energy agencies
- National authorities- Media actors
- To a lesser extent: Research, academia, NGOs, think thanks...

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