

Cultivating Sustainability: European Commission Greenlights Italy's EUR 1.7 Billion Agrivoltaic Initiative

Article By:

Paolo Esposito

Ester Latorre

On Nov. 10, 2023, the European Commission **authorized** a State aid scheme presented by Italy, earmarking EUR 1.7 billion to bolster agrivoltaic plants.

The initiative aligns with Italy's overarching strategy to curtail greenhouse gas emissions and increase the utilization of renewable energies, consistent with the European Union's strategic goals outlined in the European Green Deal. The funds, in part, originate from the Recovery and Resilience Facility (RRF).

The Commission analyzed and subsequently endorsed the Italian scheme based on the State aid regulations stipulated in the Treaty on the Functioning of the European Union (TFEU), specifically invoking Article 107(3)(c) TFEU. This provision empowers Member States to support the development of specific economic activities under

predetermined conditions. Additionally, the Climate, Energy, and Environmental Aid Guidelines 2022 (CEEAG Guidelines) were taken into consideration.

The scheme supports the construction and operation in Italy of new agrivoltaic plants up to an overall capacity of 1.04 GW and an electricity production of at least 1,300 GWh/year.

In force until Dec. 31, 2024, the scheme extends aid to agricultural producers in the form of:

Tariffs will be ascertained through a transparent and non-discriminatory competitive bidding process – in which beneficiaries will compete for the lowest amount of the incentive fee required to implement an individual project – on a “pay-as-bid” basis, taking the legal form of two-way contracts for difference (*contratti bidirezionali per differenza*).

Furthermore, support will bridge the gap between feed-in tariffs and energy prices. In the event of elevated energy prices, a claw-back mechanism is envisaged, facilitating reimbursement for any amount exceeding the incentive tariffs.

In order to benefit from the above-mentioned subsidies, the relevant plants must achieve full operational status by June 30, 2026.

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