



## LOCAL Policies for GREEN Energy – LOCAL4GREEN

**Priority Axis 2: Fostering low-carbon strategies and energy efficiency in specific MED territories: cities, islands and remote areas**

**Specific Objective 2.2: To increase the share of renewable local energy sources in energy mix strategies and plans in specific MED territories**

# National Handbook on green local fiscal policy models

## ITALY

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**Project Partner in charge: PP2 ANCI Lazio**

**Project partners involved: -**

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# 1 BACKGROUND

The Project LOCAL4GREEN supports local authorities to define and implement local fiscal policies aimed to promote renewable energy sources in all sectors (public, private, households), mainly in the framework of the Sustainable Energy Action Plans (hereinafter SEAPs), under the 2020 Covenant and Sustainable Energy and Climate Action Plans (hereinafter: SECAPs) as well as 2030 Covenant adopted by the signatories of the Covenant of Mayors.

The target areas are the rural zones and the islands of the MED region, where local fiscal policies can play a crucial role in order to raise the share of renewable energy sources.

The project concerns a pilot action in local authorities of 9 countries/regions of the MED area (Spain, Portugal, Italia, Cyprus, Malta, Greece, Slovenia, Albania and Croatia). The pilot includes the participative design, implementation, monitoring and evaluation of local fiscal policies to promote renewable energy sources.

Once concluded the phases of designing, implementation and monitoring of the fiscal policies, all partners will evaluate the pilots and the fiscal policies. The evaluation of the policies is a key activity since it will generate information for transferring activities (WP4).

According to the application form, ANCI LAZIO is in charge of preparing a National Handbook of green local fiscal policies that aims at comparing the local renewable energy fiscal policy tested by the seven Lazio's Municipalities, taking into account the current National Acts on the renewable energy fiscal policy.

# 2 INTRODUCTION

The National Handbook consists in a detailed description of the local fiscal policies tested by LOCAL4GREEN project in Lazio Region and in a comparative analysis on the applicability of these policies in other Italian regions. Tax policies on the renewable energy sector were identified by the targeted Municipalities and related impacts were verified through the monitoring of their effects in the Lazio Region.

In detail, a survey has been developed focused on the Lazio Regional Law 18th of July 2017, n.7 (*Provisions for urban and building regeneration*).

This Law has been compared with other Regional Laws active in the same field of application, in order to produce a National scenario.

In order to complete the framework of opportunities existing in Italy to promote the renewable energy sources, a description of the National Laws promoting fiscal incentives according to the objectives of Local4Green project has been provided.

The targeted Laws are below:

- ❖ Decree law of 30 April 2019, nr 19 on incentives for the municipalities to invest in the field of energy efficiency and sustainable territorial development;
- ❖ the law of 27 December 2017, nr. 205 for the energy upgrading of buildings;
- ❖ National Fund for energy efficiency, governed by the inter-ministerial decree 22 December 2017;
- ❖ Il *conto termico* 2019 GSE - incentives for interventions aimed at greater energy efficiency

### 3 OBJECTIVES

The objectives of the national handbook on green local fiscal policy models are to:

- ❖ Outline policy models transferrable at a national level.
- ❖ Provide national decision makers with all information (legal, economical, technical, etc.) needed to implement the green local fiscal policy models in other municipalities.
- ❖ Provide the project with best practices on green local fiscal policies to be included in an international handbook and transferred at international level.

### 4 TARGET GROUPS

To achieve its objectives, the National handbook on green local fiscal policy models has the following target groups:

- ❖ Local Authorities employees and decision makers;
- ❖ Consultants specialized in public management;
- ❖ National and regional authorities decision makers;
- ❖ Other Stakeholders;

### 5 LOCAL4GREEN PILOT MUNICIPALITIES IN LAZIO REGION

Lazio is one of the main production actor of the country, with a GDP of 182.4 billion euros in 2015, the Lazio economy represents about 11.2% of the Italian national product and is comparable to that of European nations such as Portugal, Hungary, Ireland, and Greece.

It is among the Regions with the greatest potential of “green” SMEs, but on the other hand it is among those with the greatest structural complexity: a large metropolitan area with a predominantly tertiary economy, large high-energy fossil production centers with power exceeding 300 MW<sup>1</sup>, industrial areas organized in industrial districts, a specialized vocation and local production systems widespread in the territorial areas of the five provinces flanked by small and micro productive realities.

In this context, the Regional Energy Plan currently in force was approved by the Regional Council of Lazio through the Resolution nr. 45 of 02/14/2001. ANCI Lazio has identified 7 Municipalities as pilot areas to be tested on the fiscal policy :

- ❖ Rocca Priora;
- ❖ Velletri;
- ❖ Albano Laziale;
- ❖ Formello;
- ❖ Ventotene;
- ❖ Vasanello;
- ❖ Olevano Romano.

## 5.1 ROCCA PRIORA

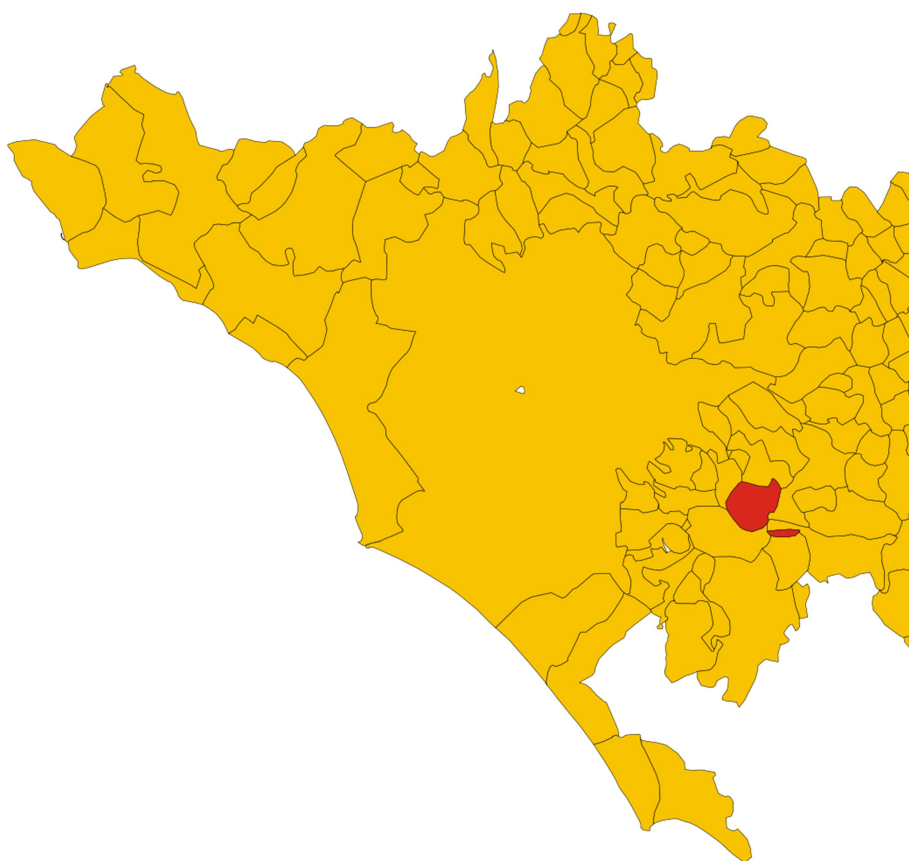
Rocca Priora is an Italian town of 12,085 inhabitants of the metropolitan city of Roma Capitale. Located in the "Colli Albani" area, it has an altitude of 768 m asl, making it the highest municipality of the "*Castelli Romani*".

The main economic activities in Rocca Priora are related to agriculture, trade, handcrafts and tourism.

Mayor: Anna Marini

Area: 23.80 km<sup>2</sup>

Population (2018): 12,085



*Figure 1 - Location of Rocca Priora in the Metropolitan area of Rome*

## 5.2 VELLETRI

Velletri is an Italian town of 53,315 inhabitants in the metropolitan city of Roma Capitale. It is 42 km from the city of Rome and 27 km from Latina.

The historic centre is located on the southern slopes of the Alban Hills, at 332 m. in the area of the *Castelli Romani*, Velletri is the 9<sup>th</sup> most populous municipality of Lazio region and the first among the fifteen municipalities of the *Castelli Romani*, both in terms of number of inhabitants and territorial extension. Velletri is ancient town of Volsci (Velester and Velitrae in Latin language).

The economic sector of Velletri is mainly represented by agriculture (important production of wine, “*Vino dei Castelli*”), industry, services and tourism.

Mayor: POCCI ORLANDO

Area 23.80 km<sup>2</sup>

Population (2018): 53,315

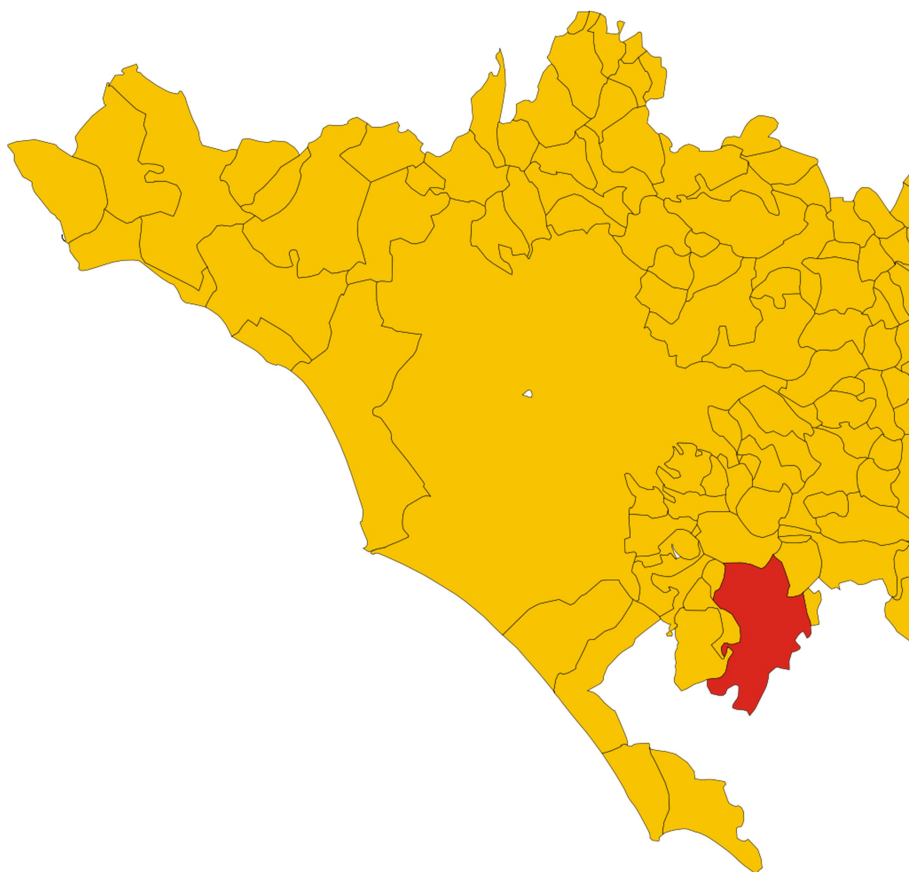


Figure 2- Location of Velletri in the Metropolitan area of Rome



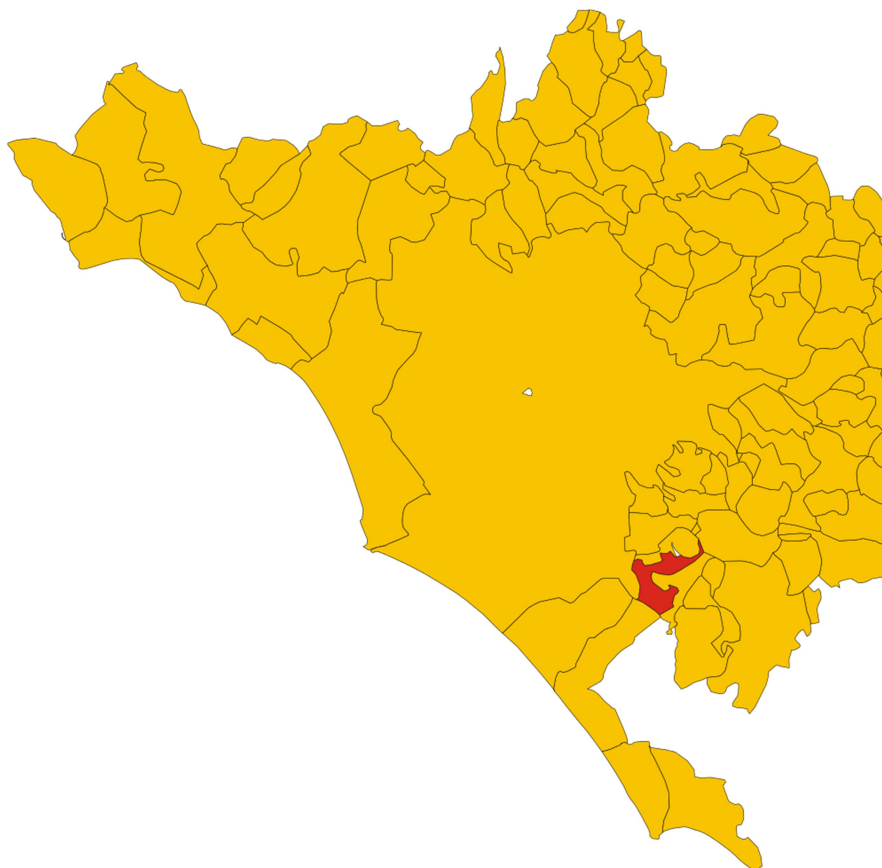
## 5.3 ALBANO LAZIALE

Albano Laziale is an Italian town of 41,314 inhabitants in the metropolitan city of Roma Capitale, one of the most important towns of the Castelli Romani, and the most commercially animated town. Suburbicary bishop's seat since the fifth century, historic principality of the Savelli aristocratic family and from 1699 to 1798 inalienable possession of the Holy See, it also houses the detached section of the district court of Velletri. The territory of Albano is partly included in the Regional Park of the Castelli Romani. It's characterized by a mixed economy and important administrative services are based here. In agriculture, cultivation of fruit, legumes, vegetables and grapes ("Vino dei Castelli" wine). The industry operates in the mechanical and clothing sectors; craftsmanship is active in the sectors of ceramics, goldsmithing, wrought iron and wood. Remarkable hotels, recreational and sports facilities favour tourism and summer holidays flows.

Mayor: Nicola Marini

Area: 23,80 km<sup>2</sup>

Population (2018): 41,314



*Figure 3 - Location of Albano Laziale in the Metropolitan area of Rome*

## 5.4 FORMELLO

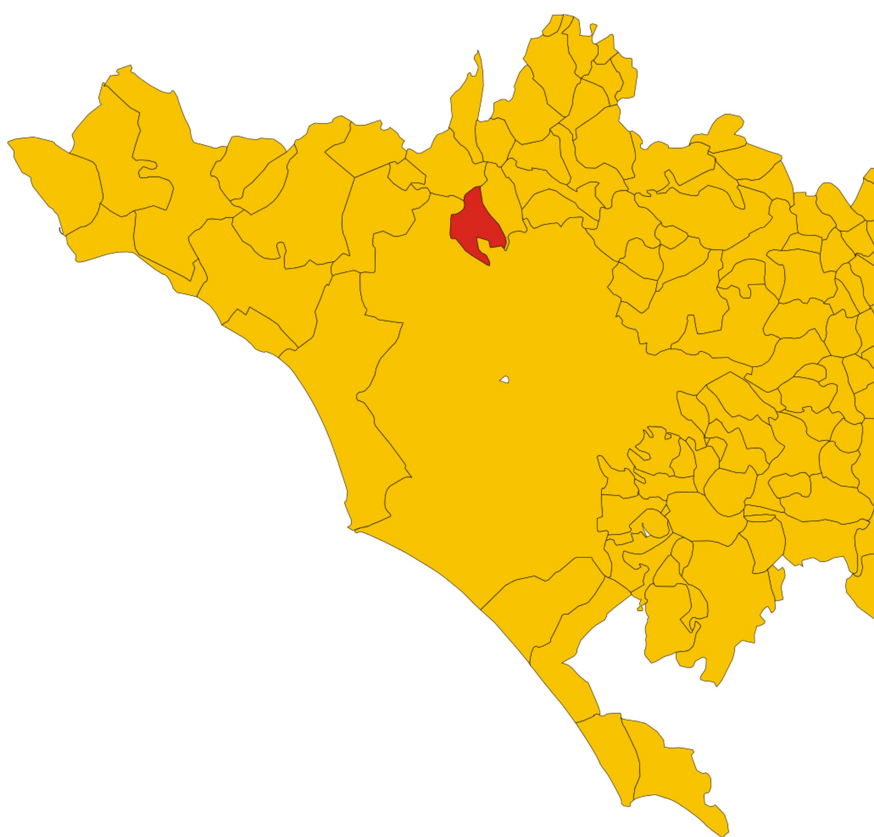
Formello is an Italian town of 13, 113 inhabitants of the metropolitan city of Rome Capital.

It is located north-west of Rome and south-west of the Sabatini Mountains, within the Vejo Regional Park, which covers the territory for about 71% of the surface; it borders to the north with the territory of the municipality of Campagnano di Roma, to the east with Sacrofano, to the south and to the west with Rome. The economy of Formello is based on construction, craftsmanship, agriculture, trade activities and sugar beet cultivations.

Mayor: Gian Filippo Santi

Area: 31,15 km<sup>2</sup>

Population (2018): 13,070



*Figure 4 - Location of Formello in the Metropolitan area of Rome*

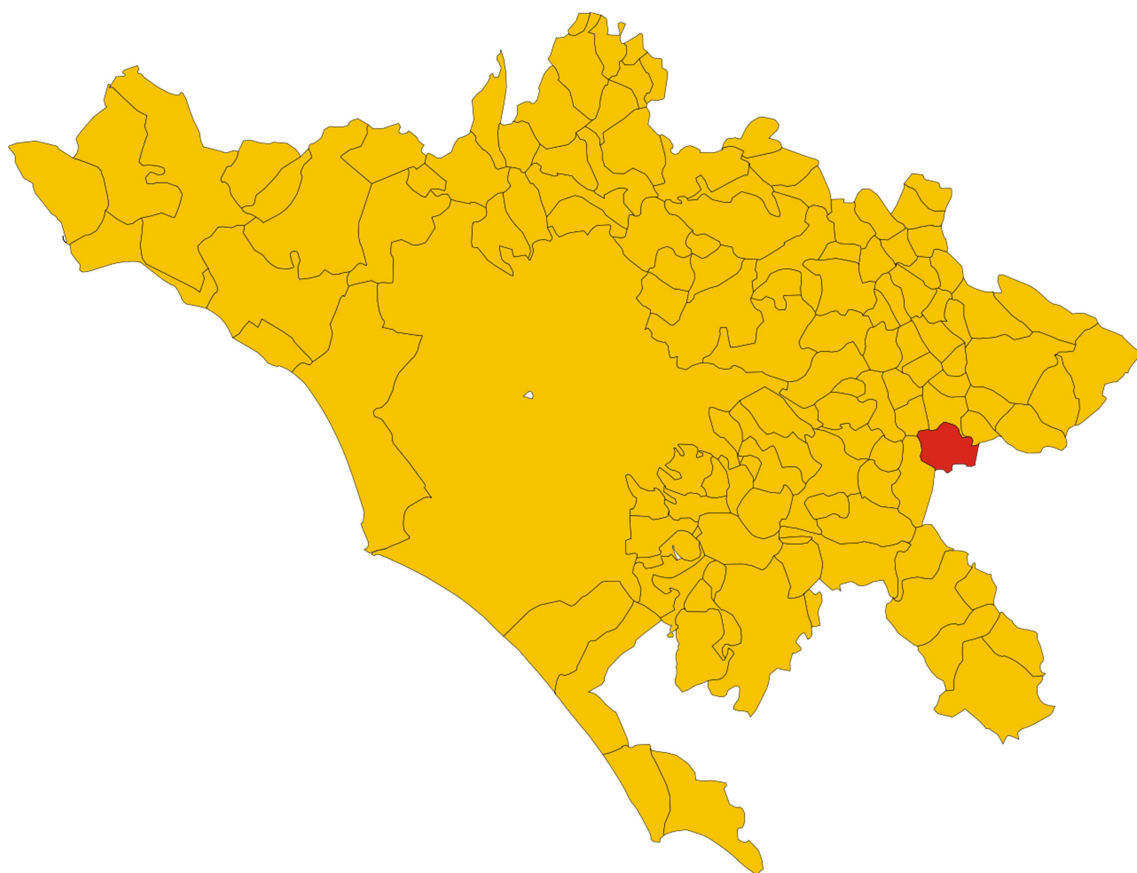
## 5.5 OLEVANO ROMANO

Olévano Romano is an Italian town of 6,639 inhabitants in the metropolitan city of Roma, located on the edge of the prenestino-lepino-ernico mountain range. It is famous for the production of red wines regulated by the Cesanese disciplinary of “Olevano Romano DOC”, coming from the native grapes "Cesanese".

Mayor: Umberto Quaresima

Area: 26,16 km<sup>2</sup>

Population (2018): 6,639



*Figure 5 - Location of Olevano Romano in the Metropolitan area of Rome*

## 5.6 VENTOTENE

Ventotene Island is part of the province of Latina and the “Pontino” archipelago together to Ponza island. The territory of the Municipality of Ventotene includes the Santo Stefano island known for the prison which was used during the WW2 for the political prisoners. This prison was inhabited by Sandro Pertini, who subsequently became the President of the Republic of Italy during 1980, and Altiero Spinelli, the “father” of the European Union.

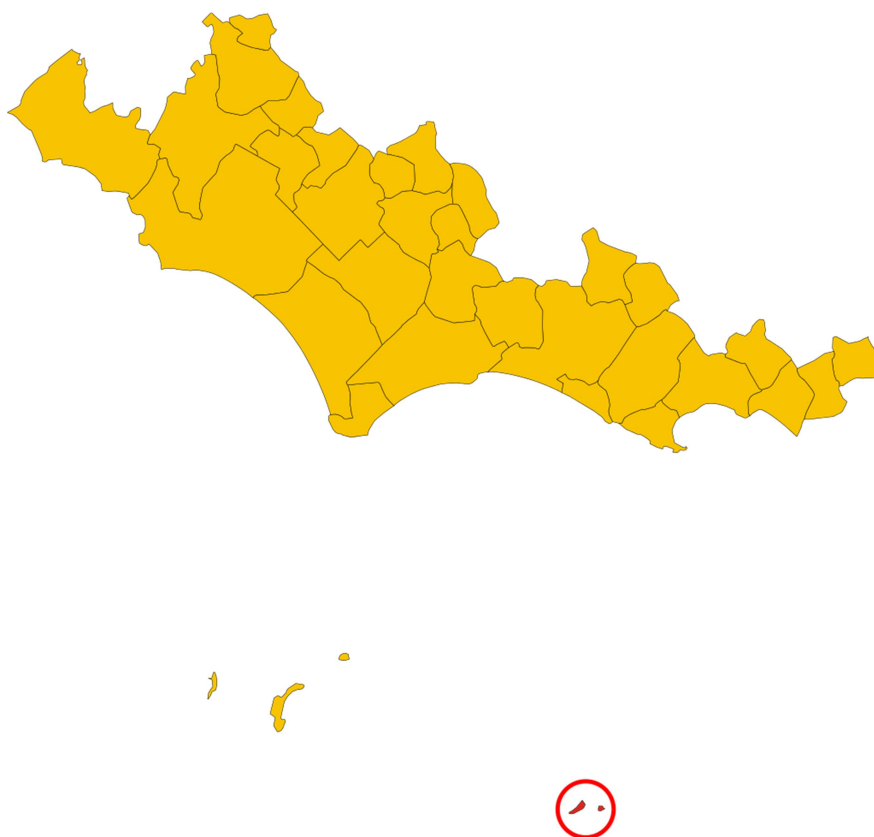
In Ventotene has been written the “Manifesto of Ventotene” that represent the basis of the born of the European Union.

The economic sector of Ventotene is mainly represented by tourism, fishing and agriculture.

Mayor: Gerardo Santomauro

Area: 1,89 km<sup>2</sup>

Population (2018): 768



*Figure 6 - Location of Ventotene in the Province of Latina*

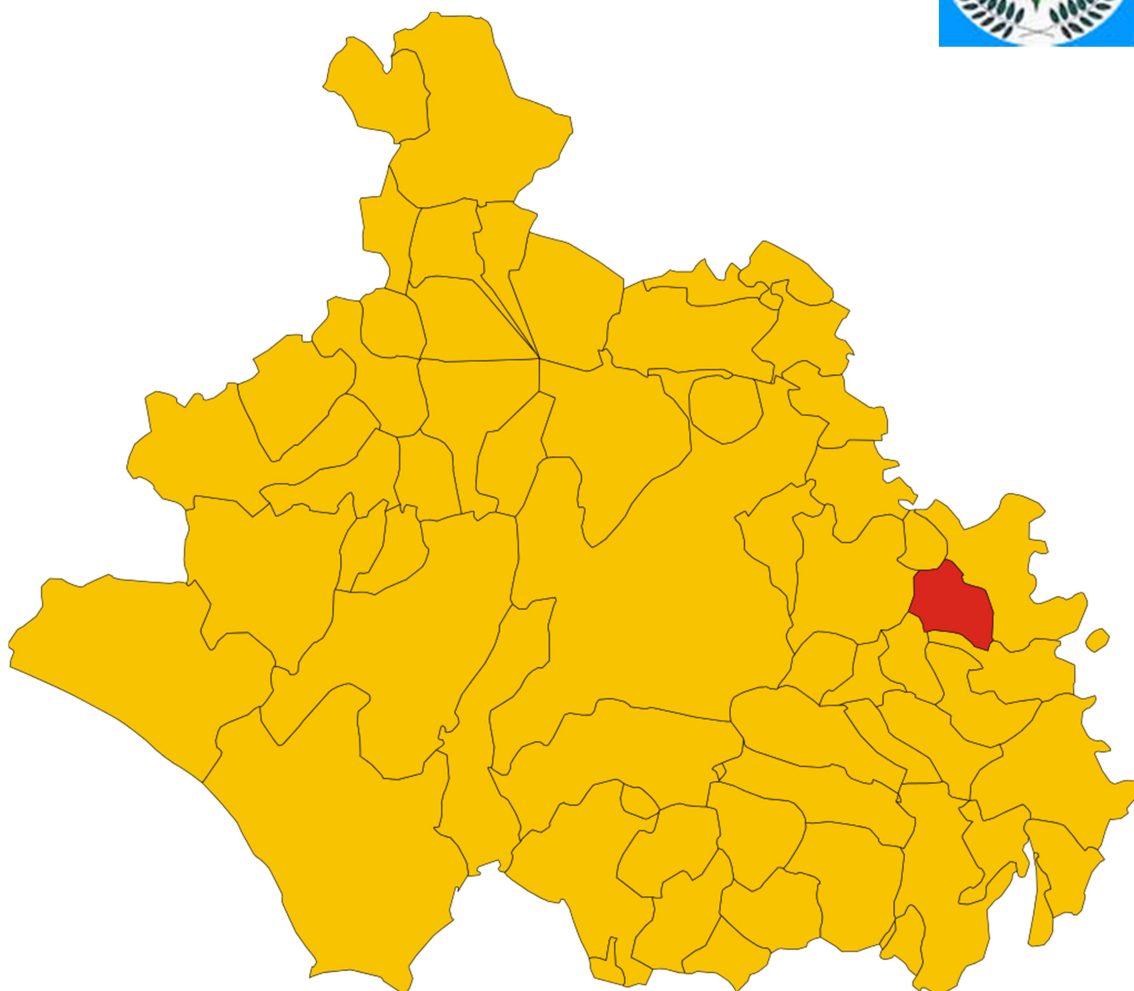
## 5.7 VASANELLO

Vasanello is a municipality located in the province of Viterbo, Italy. The economic sector in Vasanello is mainly represented by agriculture (hazelnuts) and handcrafts (ceramics and earthenware).

Mayor: Antonio Porri

Area: 28,96 km<sup>2</sup>

Population (2018): 4,008



*Figure 7 - Location of Vasanello in the Province of Viterbo*

## 6 ITALIAN TAX SYSTEM FOR LOCAL AUTHORITIES

Description of the main Italian Tax System managed by Local Authorities it's given in the table below:

<b>1 Municipal additional Tax on Income tax</b>
<b>2 Unified Municipal Tax (IUC) that includes:</b>  <b>2.1 TARI (Waste Management Tax)</b>  <b>2.2 TASI (Indivisible Services Tax)</b>  <b>2.3 IMU (Properties Tax) – Actually building used as main houses are excluded</b>
<b>3 Concession fees</b>
<b>4 Municipal Tax on Advertisements</b>
<b>5 Fee for installation of advertising media</b>
<b>6 Tax for use of public spaces and areas</b>
<b>7 Tourist Tax</b>
<b>8 Landing Fee (Port and Airports)</b>
<b>9 Incomes from local public services management (e.g. parking areas, school busses, etc.)</b>

Local Authorities have not the necessary autonomy in order to have an effective impact by using local fiscal policies.

The main income from Tax System is represented by the repartition ensured by the State.

Moreover, it's necessary to highlight that the amount transferred by the State to Local Authorities has been strongly reduced in the last decade.

The main challenge implementing LOCAL4GREEN project have concerned the aforementioned issues.

## 7 Local fiscal policy tested in LAZIO REGION BY LOCAL4GREEN PROJECT

The local fiscal policy proposed and under adoption in the Pilot Municipalities are based on the Lazio Regional Law 18 July 2017, nr. 7, aimed to the promotion and the protection of the municipal territory, respecting its identity and contributing to its sustainable development.

In particular, the adoption and the design of the policies is in charge of the Municipalities of Lazio Region that have to identify:

- ❖ The area of the Municipalities where this policy can be applied;
- ❖ The volumetric incentives foreseen for specific investments (up to 40%).

In order to design the new policy, the following Lazio regional acts have been analysed:

- ❖ **Resolution of the Regional Council N. 656 - 17.10.2017, "Regional Energy Plan - REP"**

The Regional Energy Plan - REP describes the package of actions to be implemented in the medium-long term, by identifying trend scenarios and relevant objectives:

- the increase of the energy production from renewable sources, in line with the local development and the synergies to be ensured through other sectoral policies (water, air, waste, etc.);
- the energy efficiency in all areas (civil, industrial, transport and agriculture);
- the development of a sustainable, multi-modal, alternative and shared mobility (for people and goods);
- the improvement of the regional energy system and the governance system;
- the lifestyle change, through a more conscious behaviour aimed at limiting energy consumption and reducing greenhouse gas emissions in all areas.

The REP consists of five sections, according to the methodological criteria here below:

- 1) reference context: after a short description of the European and National regulatory framework, the first section shows the analysis of the Regional Energy Balance, of the national electrical and gas infrastructures in Lazio region as well as the potentials both of development in the energy production from renewable sources and of increasing the energy efficiency in the final uses.
- 2) strategic objectives: the second section is dedicated to the description of the general strategic objectives of the Lazio Region and the identification of the scenarios by 2020, 2030 and 2050 to increase energy efficiency and renewable sources.
- 3) policies and planning: the third section illustrates the intervention policies that will be put in place for the development of renewable energy sources (RES) and the improvement of energy efficiency in each end-use area, reporting specific focus on the instruments and support schemes at regional, national and EU level.

- 4) monitoring: the fourth section regards the mechanisms and tools identified for the periodic monitoring and updating of the REP, not only to verify the compliance with the set objectives, but also to put in place corrective actions.
- 5) technical regulations: the fifth section sets out a summary of national and regional regulations regarding both the building permit to be obtained for the renewable energy plants and the interference with the main regulations for environmental protection (ie water, air and soil) that influence the evolution of the regional energy system).

❖ **Regional Law N. 7 - 18th of July 2017, Provisions for urban regeneration and building recovery.**

This Regional Law aims to:

- a) promote, incentivise and implement urban regeneration according to an integrated approach, including social, economic, urban and building aspects, also to regenerate territories subject to social exclusion and economic distress, favouring forms of co-housing for sharing spaces and activities;
- b) incentivise the urban heritage, favour the recovery of the urban suburbs, to accompany the phenomena linked to the spread of small businesses, also dedicated to the sale of products from the short supply chain, to promote and facilitate the recovery of either decayed urban and production areas, or abandoned buildings;
- c) regenerate the urban areas, to limit soil sealing, to enhance and increase public areas, to promote sustainable mobility, in particular, by developing the rail transport;
- d) increase the safety of the buildings by means of seismic upgrading, seismic improvement and local repair or intervention;
- e) favour the improvement of the environmental and architectural quality of the urban areas, promoting the most advanced bio-building techniques, ensuring higher levels of energy efficiency and the development of renewable sources;
- f) promote and protect agricultural activity, the landscape and the environment, to limit the consumption of soil, as it is a common good and a non-renewable resource that performs functions and produces ecosystem services, as well as to promote effective agricultural use through reuse or renewal, also through the demolition and reconstruction of existing buildings using the techniques and materials typical of the rural landscape. In this context, the Region encourages the recovery of the building heritage in agricultural areas, promoting measures to discourage the abandonment of crops, to support the recovery of production, the regeneration of abandoned agricultural areas, the generational change in agriculture and development of young agricultural entrepreneurship;
- g) promote the development of urban green areas, the adoption of permeable surfaces and green roofs, the implementation of interventions for the regimentation and recovery of rainwater.



❖ **Regional Executive Order N.243 - 19th of May 2017 - Lazio Region “Building Regulation”;**

The “Building Regulation” consists of two parts, namely:

- 1) "General principles at national and regional level for construction activity";
- 2) "Municipal regulatory provisions in the building sector".

❖ **Regional Regulation N. 6 - 23 April 2012**

System for the certification of energy and environmental sustainability of bio-building interventions as well as for the accreditation of the subjects authorized to issue the certificate of energy-environmental sustainability.

In detail, this initiative pursues the objectives of the Regional law as indicated below:

- a) The protection and enhancement of the environmental, cultural and landscape heritage;
- b) The limitation of land consumption;
- c) The territorial rebalancing;
- d) The urban regeneration;
- e) the building renovation, urban context, decayed areas, recovering abandoned buildings, improving social and environmental housing conditions through the use of structures and materials deriving from the demolition of civil and infrastructural buildings and works.

To achieve the purposes of facilitating urban regeneration and building recovery are foreseen volumetric increments up to 40% but even the possibility of delocalizing the interventions, allowing the change of intended use by acting on the technical implementing rules of the urban planning instrument in force. The new initiative is aimed to recover buildings using the “*perequazione urbanistica*”, a land law that in Italy allows to transfer building rights from one place to another, in order to build public works.

Furthermore, the policy is aimed at the recovery and replacement of individual buildings with possible changes in use included in the areas identified by the municipal administrations by admitting, for this purpose, specific awards up to 30%.

## **8 ENERGY INCENTIVE POLICIES**

The energy incentive policies and elaboration of the schedule of the Deliberation of the Executive Board of the City Council aims at protecting and promoting the integrity of the municipal territory, respecting its identity and contributing to its sustainable development. In detail, this initiative pursues the objectives of the regional law indicated here below:

- a) The protection and enhancement of the environmental, cultural and landscape heritage;

- b) The limitation of soil erosion;
- c) Territorial rebalancing;
- d) Urban regeneration;
- e) Redevelopment and building renovation, urban context, decayed areas, recovering abandoned buildings, improving social and environmental housing conditions through the use of structures and materials deriving from the demolition of civil and infrastructural buildings and works.

This initiative allows the municipal administrations to be at the center of their specific programming role, to safeguard the territory, with particular attention to the recovery of the buildings and the urban regeneration of decayed areas. As illustrated in the aforementioned paragraph, also this initiative is aimed to recover buildings using the “*perequazione urbanistica*”.

In detail, the Municipal Administration correctly applies the initiative, through one or more Municipal Council Resolutions aimed to:

- a) Identify the territorial areas for the Urban Regeneration and Building Recovery Programs;
- b) identify the areas where it is possible to allow the demolition and reconstruction and/or to build the only reward with the possible change of land use;
- c) integrate the urban planning instrument in force inserting, modifying and incorporating all the dispositions and possibilities of authorization provided for by the Regional law n. 7 of 18 July 2017.

## 9 Transferability of the tested policy in Italy

The tested policy could be easily transferred to other Italian Municipalities where a similar act exists. Actually, it has already been approved by 6 Italian Regions:

- ❖ Apulia;
- ❖ Tuscany;
- ❖ Veneto;
- ❖ Emilia Romagna;
- ❖ Lombardy;
- ❖ Lazio.

Moreover, the existing legislation could be easily applied in other Italian regions representing an useful tool also for other Mediterranean Regions.

### 9.1 Tuscany Region

Tuscany Region has approved its policy on Renewable Energy Sector and valorisation of the regional territory through the Regional Law 10 November 2014, No. 65.

The new "Rules for the Government of the Territory", that is the new urban planning law to enhance the territorial and landscape heritage for sustainable regional development, to reduce the soil erosion by promoting the multifunctional role of the rural territory, and encouraging citizens participation. Overall, the public bill meets the need to maintain "territorial governance", as a model of relations between public bodies, in compliance with the principles of subsidiarity, differentiation and adequacy, and at the same time guaranteeing a greater responsibility of each subject.

These are the main innovations introduced:

## Reducing soil erosion

Despite current public law declares that "new land commitments for settlement and infrastructure purposes are only allowed if there are no alternatives for reusing and reorganizing existing settlements and infrastructures", since 2005 land use for building purposes continues in the absence of effective checks on the existence of possible internal alternatives to the already urbanized areas.

In order to contrast and to reduce the consumption of soil to the minimum strictly necessary, the urbanized territory has defined in a precise way. It are differenced the procedures to intervene within this from those for the transformation in external areas, with particular reference to the protection of the rural territory and in order to promote the reuse and redevelopment of urban areas degraded.

Without prejudice to the precise definition of what is an urbanized territory, the Municipalities, in identifying the perimeter, take into account urban redevelopment and regeneration strategies, if this contributes to qualifying the design of urban margins.

In areas outside the urban area, new residential buildings have not allowed.

Limited land commitments for destinations other than the residential one are in any case subject to the mandatory opinion of the "vast area co-planning conference", called to verify punctually that there are no alternatives for the re-use or reorganization of settlements and existing infrastructure.

The conference must also assess the need for territorial equalization to compensate for the advantages and burdens of the new forecasts.

In the urbanized area, to promote the re-use and the redevelopment, simplifications have introduced for the urban planning procedures.

## Territorial heritage

In the absence of a clear definition of "status" of the territory and its "structural invariants", most of the plans drawn up have interpreted the statute as a list of cultural assets and protected areas.

The introduction of the concept of territorial heritage, as a common good constituting the regional collective identity, constitutes the reference to contextualize the "structural invariants" in the Statute of the territory, and to promote a more effective relationship between the statute and the strategy of the plans.

## Wide area planning

Given the current fragmentation of planning, and the need for an adequate scale to address the planning and planning choices, it has considered necessary to formally recognize and promote forms of inter-municipal planning.

The inter-municipal structural plan was introduced and enhanced, in application of the state and regional legislation on local autonomy which, together with the planning conference, becomes a qualifying reference to guarantee a unified and multi-sectoral design of the transformations at wide area level.

## House policies

It has established that territorial and urban planning contributes to the formation of housing policies, recognizing social housing as an urban standard, to have ensured by the transfer of areas, real estate units or additional charges for restricted use.

## Quality of rural land

The rural territory has considered, in too many cases, as a territory without value that requires to be 'developed' through new urbanization forecasts. It should instead emerge with increasing evidence that maintaining the rural territory and its multi-functionality is fundamental for sustainable and sustainable development, guaranteeing food quality and the environment, landscape reproduction, hydrogeological balance, and economic well-being of the region.

The law recognizes agricultural activity as an economic-productive activity, respecting the enhancement of the environment and the landscape to which the agricultural activity itself can contribute through its multifunctional role, marking an important cultural turning point. This recognition leads to the identification of the principle of limiting as much as possible the fragmentation of the agricultural territory by non-agricultural interventions.

In the rural area planning tools are expected to identify the "rural nuclei", whose transformations must guarantee coherence with the characteristics of the settlements, the "areas of relevance of centres and historical nuclei" to protect the landscape value

## Landscape protection

With regard to landscape protection, the law is affected by a previous draft of the Code of Cultural Heritage and Landscape currently in force, and therefore not adequate to its contents.

References to the current national legislation on landscape protection have improved, specifying the value of the ITP as a landscape plan pursuant to the Code for Cultural Heritage and the Landscape.

The tasks of the regional landscape observatory are to promote the participation of populations in the protection and enhancement of the regional landscape heritage, in implementation of the European Landscape Convention. Procedures have provided for the adaptation and conformation of municipal plans to the Pit with the value of Landscape Plan.

## 9.2 Lombardy Region

Lombardy Region has approved its policy instrument through the Regional Law 31/2014.

The Regional Territorial Plan determines the indexes of measurement of land consumption, divides the territories of the provinces and the metropolitan city into homogeneous areas and defines criteria, guidelines and technical lines to apply in the instruments of government of the territory to contain land consumption.

The RTP incorporates the criteria, guidelines and technical lines introduced to contain the consumption of soil in compliance with the regional threshold for the reduction of soil consumption.

The municipal instruments of government of the territory:

- to provide for land consumption only in cases where the plan document has demonstrated the technical and economic unsustainability of redevelop and regenerate already built areas;
- to cannot provide new forecasts involving further land use until the forecasts of have been fully implemented expansion and transformation in force at the date of entry into force of the law.

Moreover:

- the Plan Document quantifies the degree of land consumption based on the criteria and parameters established by the RTP and defines the municipal land consumption threshold, and identifies the areas in which to start regeneration processes urban;
- the Rules Plan identifies and quantifies, through the Charter of land consumption, the agricultural area, the abandoned areas, to be reclaimed, degraded, unused, underused, the free lots, the surfaces subject to recovery projects

Regional council, within 12 months of the law coming into force, defines simplification measures also procedural and incentive for the recovery of existing urban and rural building heritage.

The report of the plan document illustrates the solutions proposed, as well as their suitability to achieve maximum compatibility between the urbanization processes in progress and the need to reduce the land consumption and safeguarding the development of agricultural

activities, also through precise comparisons of the environmental, landscape and agricultural quality of the soils involved.

Municipalities can also approve the variants aimed at the implementation of regional program agreements, the expansion of already existing economic activities as well as the variations referred to in Article 97 of L.R. 12/2005.

The soil consumption generated by the variations referred to in the previous period contributes to the compliance with the regional and provincial threshold for reducing land consumption.

Following the integration of the PTR, the variants must be consistent with the criteria and guidelines identified by the PTR to contain land consumption; the municipalities can also proceed with the overall adjustment of the PGT to the contents of the PTR integration.

Within a year of the integration of the PTR, the municipalities are required to transmit information on the consumption of land in the PGTs to the Region, according to the contents and methods indicated by resolution of the Regional Council.

## 9.3 Veneto Region

Veneto Region has approved its policy through the Regional Law 06 June 2017, n. 14.

The regional law 6 June 2017, n. 14, promotes a process of substantial revision of the urban planning discipline inspired by a new awareness of territorial and environmental resources; in particular, the new regulation aims at progressively reducing the consumption of land that has not yet urbanized, in line with the European objective of reducing it to zero by 2050.

The regional law puts into effect the actions for a containment of land consumption, establishing that this objective will have gradually achieved over time and will be subject to regional and municipal planning.

Particular emphasis in the regulatory framework of the law is on forecasts for building and environmental redevelopment and urban regeneration, which envisage forms and actions such as the demolition of incongruous works or elements of deterioration, the recovery, the redevelopment of the existing building heritage and the development of urban building types with low energy and environmental impact. To this aim, a regional fund has established for urban regeneration and for the costs of planning and demolishing incongruous works.

This law is aimed to:

- a) promote collaboration with local authorities and other public bodies with competence in the field;
- b) establish the criteria, guidelines, methods and contents of territorial and urban planning tools to plan, limit and control land use for settlement and infrastructure purposes, to protect and enhance the open territory and to promote the redevelopment and regeneration of land areas of consolidated urbanization;

- c) regulate the acquisition, processing, sharing and updating of all data useful for the good governance of the regional territory, also promoting the broadest collaboration with the regional agency for environmental prevention and protection of the Veneto region;
- d) propose some initiatives aimed at promoting ideas competitions, obtaining financial resources and favouring agreements between public and private subjects, in order to take on sustainable urban regeneration and regeneration proposals of significant public interest and to support private initiatives.

The territorial and urban planning privileges the interventions of urban-building transformation within the areas of consolidated urbanization that do not involve land consumption, with the aim of redevelopment and regeneration, both at urban-building and economic-social level, of the existing building heritage, of the open spaces and of the relative urbanization works.

The objectives of the territorial policies and, in particular, of planning tools are:

- a) Progressively to reduce the consumption of land that not yet urbanized for settlement and infrastructural uses, in line with the European objective of reducing it to zero by 2050;
- b) identify the eco-systemic functions of the soils and the parts of the territory where to direct actions for the restoration of naturalness, also in urban and peri-urban areas;
- c) promote and encourage the use of sustainable agricultural practices, recovering and enhancing agricultural land, including in urban and peri-urban areas;
- d) identify the parts of the territory with hydraulic and geological danger, encouraging their safety in accordance with the principle of hydraulic invariance and evaluating, where necessary, the hydraulic upgrading and favouring the demolition of the artefacts that insist on it, with restitution of the grounds natural surface and, where possible, agricultural and forestry uses;
- e) evaluate the effects of urban-building transformation interventions on the healthiness of the environment, with particular reference to the quality of the air, and on the landscape, also understood as an identifying element of the local communities;
- f) encourage the recovery, reuse, redevelopment and enhancement of the areas of consolidated urbanization, favouring appropriate and flexible uses of buildings and public and private spaces, as well as promoting urban and architectural quality and, in particular, sustainable urban regeneration and the building and environmental requalification of buildings;
- g) restore the prevalent agricultural use of territories with territorial fragmentation, providing for the recovery of historical buildings and the natural agricultural landscape, the connection with ecological and environmental corridors, the enhancement of isolated buildings, the removal of abandoned buildings;
- h) enhance the Venetian villas and their landscape context, as a cultural identity element of the Veneto territory;
- i) revitalize the public city and promote its attractiveness, usability, environmental and architectural quality, safety and compliance

## 9.4 Umbria Region

Umbria Region has approved its policy through the Regional Law 21 January 2015, n. 1.

The Region pursues the optimal arrangement of the regional territory, according to the principles of containment of land consumption, re-use of existing buildings and urban regeneration, enhancement of the landscape, historical centres and cultural heritage, according to sustainable development policies in an integrated strategic vision, synergistic and coherent with the European, national and neighbouring regions' programming lines.

The Region, with regard to planning, settlement, rural, infrastructural and naturalistic-environmental themes identifies the objectives and necessary actions, the tools for the improvement and development of the same systems through the qualification and enhancement of natural and landscape beauties, of geological singularities, of cultural and settlement historical-architectural peculiarities, of the fauna and flora-vegetation heritage.

## 10 THE EXISTING ITALIAN NATIONAL FISCAL INCENTIVES ON ENERGY

In order to give a complete framework of the fiscal policies on renewable energy sources promotion, it has been considered necessary to include an analysis of the national incentives actually operative in Italy.

In Italy, the different level of legislations (National, Regional and Local) and incentives existing have stimulated important investments on renewable energy sources.

It's important to analyse the opportunity to can sum the effect of these policies where possible.

For this reason, it has been included the following description of the main Italian incentives operative on renewable energy sources field.

The targeted Laws are below:

- ❖ Decree law of 30 April 2019, nr 19 on incentives for the municipalities to invest in the field of energy efficiency and sustainable territorial development;
- ❖ the law of 27 December 2017, nr. 205 for the energy upgrading of buildings;
- ❖ National Fund for energy efficiency, governed by the inter-ministerial decree 22 December 2017;
- ❖ Il *conto termico* 2019 GSE - incentives for interventions aimed at greater energy efficiency

### 10.1 Decree Law 30 April 2019, n. 19

The first fiscal policy on the examined and compared with the local policy on renewable energies has been the Decree Law of 30 April 2019, n 19 on the national contribution in favor



of the municipalities for the realization of projects related to investments in the field of energy efficiency and sustainable territorial development

## Beneficiaries

All municipal administrations of the national territory.

## Financial contribution

Non-refundable contribution.

## Financial Resources

500 million euros, divided among the Italian municipalities according to the number of inhabitants residing in each municipality on 1 January 2018, as indicated below:

- ❖ Municipalities with a population less than or equal to 5,000 inhabitants are assigned a contribution of € 50,000.00;
- ❖ Municipalities with a population between 5,001 and 10,000 inhabitants are assigned a contribution of 70,000.00 euros;
- ❖ Municipalities with a population between 10,001 and 20,000 inhabitants are assigned a contribution of 90,000.00 euros;
- ❖ Municipalities with a population between 20,001 and 50,000 inhabitants are assigned a contribution of 130,000.00 euros;
- ❖ Municipalities with a population between 50,001 and 100,000 inhabitants are assigned a contribution of € 170,000.00;
- ❖ Municipalities with a higher population between 100,001 and 250,000 inhabitants are assigned a contribution of euro 210,000.00;
- ❖ Municipalities with a population exceeding 250,000 inhabitants are assigned a contribution of 250.000 euro.

## What It Finances:

The public works whose contribution can be used for the implementation of energy efficiency interventions, including efficiency of public lighting, energy saving of public buildings, installation of energy production plants from renewable sources and sustainable territorial development including sustainable mobility, adaptation and securing schools, public buildings and municipal heritage, removing architectural barriers

## The method of granting the contribution:

The grant is paid in two steps:

- 1) the first, equal to 50% of the assigned contribution, following the ministry's verification of compliance with the start of works;
- 2) the second step, equal to the difference between the expenditure actually incurred for the realisation of the project and the quota already disbursed, is paid only after the testing of the intervention carried out.

## The monitoring of the intervention:

The beneficiary municipalities monitor the financial, physical and procedural realisation of the public works carried out through the monitoring system referred to article 1, paragraph 703, of the law of 23 December 2014, n. 190, classifying the works under the heading «common contribution for energy efficiency and sustainable territorial development “.

The second law that has compared with the local fiscal policies of Local4green project is the law of 27 December 2017, n. 205 that has extended the tax deductions for the energy upgrading of buildings. In fact, it can benefit from the bonus:

- ❖ for expenses incurred by 31 December 2018, in the case of interventions on individual real estate units;
- ❖ for expenses incurred by 31 December 2021, in the case of interventions on the common parts of buildings;

For the energy redevelopment measures carried out in the individual real estate units, differentiated deduction rates are envisaged based on the intervention carried out, in order to link more the economic benefit to the achievable energy saving.

The increase in the deduction rate to 70% for interventions involving at least 25% of the building envelope and 75% for interventions aimed at improving the winter and summer energy performance and achieving the "average quality" of the building envelope, with a maximum ceiling of € 40,000 for each housing unit.

For all interventions, there is the possibility of opting for the assignment of the credit to the suppliers who carried out the interventions or to other private subjects. The assignment of credit-to-credit institutions and financial intermediaries is limited to incapacitated subjects.

Among the other innovations introduced, in the eligible interventions the installation of micro-cogeneration is now included and moreover it is foreseen the establishment, within the National Fund for energy efficiency, of a section dedicated to the promotion of the eco-designed through the release of guarantees on loans granted by credit institutions to citizens for the energy requalification of buildings.

The documentation to make use of the deductions must be sent electronically to ENEA, which also plays a role of technical assistance.

## 10.2 Public works on energy efficiency:

Eligible Interventions.	Types of Feasible Interventions.
Interventions aimed at improving the efficiency of public lighting, saving energy in public buildings and	replacement of interior and exterior lighting with more efficient systems
	Efficiency improvement of public lighting,

public residential buildings	such as the installation of a new system with LED technology lighting fixtures.
	Lighting systems, such as, for example, for sports fields or other areas, as long as the areas concerned are part of the municipal heritage
	Improvement of the thermal insulation of the building envelope
	Replacement of window frames and glazed panels with others for less thermal dispersion and the introduction of screens
	Replacement / installation of air conditioning systems (cold heat) with high efficiency technologies
	Replacement / installation of systems for the production of thermal energy and ACS from renewable sources
	Replacing boilers with greater efficiency, installation of photovoltaic systems, heat pumps, refrigeration units more efficient than those installed
	Replacement / installation of systems for the production of electricity from renewable sources
	Installation of thermal and electrical monitoring, control and management systems in buildings, including lighting and ventilation provided they are for the exclusive use / benefit of the building
	Application of green roofs, vertical and horizontal paints and systems for the recovery of rainwater for the reduction of the heat island effect for each building
	Installation of electricity production systems from renewable sources integrated with storage systems and

	charging systems for electric vehicles
	Storage systems of photovoltaic systems on public buildings already built, as long as it is not a mere supply, but an accumulation for the benefit of the public structure or for public end use (for example, charging vehicles for municipal electric park)
	Interventions related to the installation of equipment for monitoring, remote control and regulation of the power plants of public buildings
	Technical performances such as seismic classification, energy classification and certification, energy audit of the building, analysis of the consistency of the public lighting system, as long as they are relevant to the interventions to be carried out and, therefore, connected to the realization of the public work
Interventions aimed at the installation of plants for the production of energy from renewable sources	Installation of non-integrated systems in buildings, for the production of electric or thermal energy, with the function of covering collective and public consumption and end uses, from public lighting to electric charging networks for vehicles, from the collective consumption of buildings, even on the model of community cooperatives, to district heating networks as long as it benefits the local community

### 10.3 National fund for energy efficiency

Another fiscal incentive examined is National Fund for energy efficiency that promotes the interventions necessary for the achievement of national energy efficiency targets, promoting the involvement of national and EU financial institutions and private investors based on adequate risk sharing.

Established at the Ministry of Economic Development (article 15, paragraph 1 of legislative decree 4 July 2014, n. 102), the Fund is governed by the inter-ministerial decree 22 December 2017.

## What it supports

The Fund supports energy efficiency measures implemented by companies, including ESCOs, and by the Public Administration, on buildings, plants and production processes.

Specifically, the interventions supported must concern:

- ❖ the reduction of energy consumption in industrial processes;
- ❖ the construction and expansion of district heating networks;
- ❖ making public services and infrastructures more efficient, including public lighting;
- ❖ Energy upgrading of buildings.

## The sections

The Fund has a revolving nature and has divided into two sections that operate by:

- ❖ the granting of guarantees on individual financing operations, for which 30% of the resources that annually flow into the Fund are allocated;
- ❖ the provision of soft loans at a rate of 70% of the resources that flow into the Fund annually

The guarantees section also provides a 30% reserve for interventions concerning district heating networks or plants, while 20% of the resources allocated for granting loans is reserved for the PA.

## Accumulation

It's also envisaged that the concessions granted to the SMEs may be cumulated with contribution or financial benefits provided for by other community, national and regional regulations within the limits of the de Minimis Regulation where applicable, or within the maximum aid intensities permitted by current EU legislation in on state aid.

As regards the concessions granted to the Public Administration, it can be combined with other incentives, within the limits of a total maximum loan equal to 100 percent of the eligible costs.

## Management

The management of the Fund will be entrusted to Invitalia through a specific agreement with the Ministry of Economic Development and the Ministry of the Environment and Protection of the Territory and the Sea, which will publish the operating procedures for the presentation of the projects.

## 10.4 Conto Termico

The last one fiscal incentive compared is “Conto Termico” that encourages interventions to increase energy efficiency and the production of thermal energy from renewable sources for small plants. the beneficiaries are mainly the public administrations, but also businesses and individuals, who will be able to access funds for 900 million euros per year, of which 200 are destined for public administrations.

Thanks to this incentives it is possible to redevelop one's own buildings to improve their energy performance, thereby reducing consumption costs and quickly recovering part of the expense incurred. recently, the thermal account has been renewed with respect to the one introduced by the ministerial decree 28/12/2012.

In addition to an increase in access methods and admitted subjects (including in-house companies and population cooperatives), new energy efficiency measures are planned. the size of the eligible systems has been revised and the direct access procedure for devices with already approved and certified features has been revised.

The maximum limit for the payment of the incentives in a single instalment is 5,000 euros and payment times are approximately 2 months.

The subjects that can request the incentives of the new thermal account are:

- ❖ The public administrations this includes the former autonomous houses popular homes, the inhabitants' cooperatives registered in the national register of cooperative housing constructions and their consortia established at the ministry of economic development, as well as companies with public assets and cooperative societies registered in the respective regional registers.
- ❖ The private subjects: access to the incentive mechanisms is requested directly by these subjects or through an Esco.
- ❖ The public administrations will have to sign an energy performance contract;
- ❖ The private subjects will have an energy service contract.

Access to the incentives can take place through two methods:

- ❖ By direct access: the request must be submitted within 60 days from the end of the works.  
A simplified procedure is foreseen for interventions concerning the installation of small appliances (for generators up to 35 kw and for solar systems up to 50 m2) in the case of installation of components with guaranteed characteristics that are contained in the catalogue of household appliances
- ❖ through reservation:  
it is possible to book the incentive before the intervention is carried out and to receive an advance payment due at the start of the works, while the balance of the amounts due will be paid upon completion of the work, similar to what is implemented for the direct access mode.

For the reservation of the incentive, the public administrations submit a request for a quote, sending one of the following sets of documents to the responsible for the incentive.

- ❖ An energy diagnosis and an administrative act certifying the commitment to carry out at least one intervention among those indicated in the energy diagnosis itself;
- ❖ an energy performance contract stipulated between the pa and an Esco or a copy of the contract stipulated for the assignment, following the tender, of the energy service relevant to the proposed intervention;
- ❖ a provision or an administrative act certifying the assignment of the works with the report of delivery of the works themselves.

“Conto Termico” finances up to 65% of the costs incurred for maintenance work on the building envelope and on the buildings that increase energy efficiency.

The interventions that allow access to incentives include:

- ❖ the improvement of the thermal insulation of the building envelope;
- ❖ the replacement of window frames and glazed panels with others with less heat loss and the introduction of screens;
- ❖ the replacement of lighting systems with more efficient systems;
- ❖ the replacement of air conditioning systems with high-efficiency technologies;
- ❖ the production of thermal energy from renewable sources;
- ❖ the introduction of advanced lighting and ventilation control and management systems.

For the transformation of existing buildings into almost zero energy buildings, the contribution reaches 65% also for any demolition and seismic adjustment costs.

In any case, the mechanism covers 100% of the costs of the energy diagnosis performed to determine the interventions to perform and can be combined with other public (including state) financing, if the sum of the public contributions does not exceed 100% of the cost of the interventions.

The interventions must be carried out using exclusively new appliances and components and must be correctly sized according to the actual thermal energy requirements

## 11 CONCLUSION AND RECOMMENDATIONS

It is clear that the municipalities represent the form closest to the real needs of citizens and businesses, knowing and constantly monitoring their territory.

Considering the current scenario, the possibilities of implementing active fiscal policies on the part of Italian Municipalities is extremely limited by the budgetary conditions that exist in our country.

In fact, even in virtuous realities, the constraints of spending and compliance with stringent parameters lead to the inability to implement these policies even in the presence of available resources.

Furthermore, the existing constraints connected to the Italian tax system do not give autonomy to the Municipalities and the operations are often limited to limited amounts that do not allow to generate a significant driving force to stimulate investments of citizens and businesses in renewable energies.

However, as demonstrated in some of the pilot municipalities that have joined the LOCAL4GREEN project, the Municipalities can stimulate "green" investments using fiscal instruments linked to the payment of local services such as, for example, concession fees, parking costs, etc.

Recommendations for pilots local authorities include the following:

- ❖ Continue to develop new tax policy models to encourage the use of renewable sources
- ❖ Analyse the possibility of extending these fiscal policies to other sectors such as sustainable mobility, sustainable tourism, etc.
- ❖ Launching of a publicity and awareness-raising campaign on the approved local fiscal policy promoting renewable energy
- ❖ Informing citizens and entrepreneurs about status of designed local fiscal policies to promoting renewable energy sources;
- ❖ Continuously informing stakeholders and the public about the implementation of local fiscal policies to promote renewable energy sources.