

Energy Report

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1. Grid connections: D.M. MASE No 291/2026 against virtual grid saturation

D.M. MASE 8 September 2026, No 291, has been in force since 9 September 2026. It implements art. 7 of d.l. No 21/2026 (the so-called DL Bollette), converted with amendments by l. No 49/2026, completing the regime set out in art. 10-bis of the TU FER.

The measure redesigns the arrangements for accessing grid capacity for FER plants and for storage systems connected to the RTN, excluding offshore plants, with the declared aim of tackling so-called *virtual saturation*, i.e. the occupation of capacity by initiatives that were never authorised or are no longer feasible.

Determination and publication of capacity

The decree governs the arrangements under which Terna calculates, publishes and updates the grid capacity available for new connections. The update takes place quarterly.

Micro-zones and open season

- available capacity is identified by micro-zone, according to the physical constraints of the grid;
- allocation takes place through public tenders and *open season* procedures;
- the procedure concludes with technical approval and the subsequent final allocation of capacity.

The new priority criterion

The focus shifts from a purely chronological criterion (*first come, first served*) to one that rewards the progress of the authorisation process (*first permitted, first connected*). Submitting a project therefore does not guarantee any automatic connection.

Points of attention for operators

The decree refers to ARERA for the detailed implementing rules. In the meantime, the coordination between the authorisation process, the connection solution and the project timetable becomes decisive: grid capacity is no longer a given precondition but a variable that must be actively managed, with direct effects on investment planning and on the structure of development contracts.

It is noted that ARERA opinion No 300/2026/I/eel of 6 August 2026 had been issued on the draft decree.

2. Final FER X: completion of operating rules for the first competitive procedure

D.M. MASE 18 June 2026, No 194 (the so-called final FER X) was published on 6 August 2026 and has been in force since 7 August 2026, following European Commission decision C(2026) 4012 of 8 June 2026 — which raised no objections on State aid grounds — and registration by the Corte dei Conti.

General structure of the mechanism

- a maximum contingent of 37.15 GW of new capacity, of which 10 GW for direct access for plants up to 1 MW and 27.15 GW for competitive procedures (10 GW photovoltaic, 16.5 GW wind, 0.63 GW hydroelectric, 0.02 GW gases residual from purification processes);
- eligible technologies: photovoltaic, wind, hydroelectric and plants treating gases residual from purification processes;
- direct access for plants with a capacity up to 1 MW; for plants with a capacity exceeding 1 MW, access through downward competitive-bidding procedures, subject to preliminary qualification and an expression of interest;
- a twenty-year all-inclusive tariff for plants below 200 kW and a two-way contract for difference, comparing the awarded price with the Day-Ahead Market price, for plants with a capacity equal to or greater than 200 kW.

Operating rules, contingents and zonal coefficients

By MASE directorial decree 7 August 2026, No 82, Part A of GSE's Operating Rules, relating to preliminary qualification, was approved, together with the timeline of the competitive procedures. Preliminary qualification requests for the first procedure could be submitted from 25 August to 30 September 2026.

By directorial decree 2 October 2026, No 93, in force since 3 October, MASE approved the updated Operating Rules, which supplement and replace the previous ones with Part B, covering expressions of interest, competitive procedures and guarantees: a provisional surety for the expression of interest and a final surety in case of admission to the ranking. The decree also sets the capacity contingents for the first two competitive procedures and the zonal coefficients, which apply only to photovoltaic procedures for the purposes of the ranking, without affecting the awarded price. For each procedure, the volume put out to tender will be the lower of the reference contingent and the sum of eligible expressions of interest, reduced by 10%.

Timetable and upcoming deadlines

- seven ordinary procedures held quarterly, from December 2026 to June 2028, open to all four technologies covered by the decree;
- four procedures under art. 6, reserved for photovoltaic and wind projects meeting the NZIA requirements;
- in December 2026 the first ordinary procedure and the first NZIA procedure start in parallel;
- the deadline for submitting the provisional surety to GSE for the purposes of the first procedure is set at 6 November 2026.

The windows for submitting expressions of interest and bids will be set by GSE's calls for tenders. The Operating Rules will be further updated, among other things, for direct access, the notice of entry into operation and the signing of contracts.

3. GSE: gas guarantees of origin, white certificates, PNRR and energy communities

Gas guarantees of origin

On 10 September 2026 GSE set the quantity and the starting price for the gas guarantees of origin trading session of 21 September 2026.

Energy efficiency and white certificates

On 16 September 2026 data on white certificates and high-efficiency cogeneration for the first eight months of 2026 were published, useful for monitoring the mechanism's progress.

PNRR M.7 I.17 measure

On 11 September 2026 GSE published the lists of applications submitted under the PNRR M.7 I.17 measure.

Self-consumption and energy communities

- on 7 September 2026 the Vetrina delle CER was launched, a tool designed to bring together energy communities, citizens, businesses and public bodies;
- on 27 August 2026 a further EUR 246 million was allocated under the Facility CACER, with publication of the seventh grant act;
- on 28 August 2026 the eighth grant act under the same Facility was published.

The flow of measures from the Gestore confirms sustained activity on several fronts and requires operators to keep continuous watch on publications, all the more so given the short deadlines that characterise auction sessions and application windows.

With specific reference to gas guarantees of origin, the setting of the quantity and starting price is relevant not only for parties directly taking part in the session, but also for assessing sale and purchase contracts that directly or indirectly incorporate the value of the guarantees: a point that has become particularly sensitive in the biomethane sector following the changes introduced by the DL Bollette.

As for the Facility CACER, the increase in funding and the progression of grant acts confirm the centrality of the measure for the development of self-consumption arrangements. For parties already admitted, strict compliance with the timing and requirements set out in the grant acts remains essential, as failure to comply exposes them to the risk of forfeiting the benefit.

4. **Permitting: MASE releases data on the acceleration of environmental assessments**

In a communication dated 11 September 2026, MASE released data updated to 31 August 2026 on the activity of the VIA-VAS and PNRR-PNIEC Commissions and of the ministerial offices.

The figures

- opinions issued for FER projects totalling over 67 GW, corresponding to around EUR 82 billion of investment;
- opinions issued for infrastructure works with an economic value of around EUR 123 billion.

The figures confirm an acceleration of environmental assessment procedures and, read together with the new connections regime, indicate a shift of the binding constraint from the authorisation stage to the availability of grid capacity: a circumstance that makes coordination between *permitting* and connection even more important when planning projects.

5. **EU ETS: the National Committee's resolutions of August and September**

During the period under review the ETS Committee adopted a series of measures relevant to industrial operators and to *hard-to-abate* sectors.

Allocation and issuance of allowances

- resolution 27 August 2026, No 109/2026: issuance of free emission allowances for 2026 to stationary installations, pursuant to resolution No 108/2026;
- resolution 10 September 2026, No 111/2026: preliminary allocation of free allowances to new entrant installations;
- resolution 10 September 2026, No 110/2026: preliminary allocation of allowances to installations affected by changes pursuant to art. 24, paragraphs 3 and 5, of legislative decree No 47/2020, as amended by legislative decree No 147/2024.

Aviation and sustainable fuels

- resolution 11 September 2026, No 114/2026: allocation and issuance of free allowances to aircraft operators administered by Italy for the use of sustainable aviation fuels and other non-fossil fuels for 2025, as well as allocation and issuance of 2024 allowances following a correction procedure;
- resolutions 11 September 2026, Nos 112/2026 and 113/2026: approval of the monitoring plans of certain aircraft operators and update of the validation of CO₂ data for CORSIA reporting to ICAO and the European Commission.

Small-scale installations

- resolutions 11 September 2026, Nos 115/2026, 116/2026, 117/2026 and 118/2026: update of monitoring plans, revocation of greenhouse gas emission permits and redetermination of allowed emissions for the 2021-2025 period.

The resolutions on preliminary allocation to new entrant installations and to installations affected by significant changes highlight the value, for industrial operators, of promptly checking whether planned works — expansions, conversions or changes in activity levels — may affect free allocation.

More broadly, the trend in ETS compliance costs continues to be one of the main factors shaping the decarbonisation strategies of *hard-to-abate* sectors and, with them, demand for renewable energy carriers and long-term supply contracts.

6. Innovation Fund: *Terms and Conditions of the IF26 Heat Auction*

On 24 September 2026 the European Commission published the final *Terms and Conditions* of the second European Innovation Fund auction dedicated to decarbonising industrial process heat (*IF26 Heat Auction*), a competitive procedure funded with proceeds from the EU ETS and announced as part of the *Clean Industrial Deal*. The auction has a total budget of EUR 1 billion and the bidding window is expected to open at the beginning of December 2026. According to the European Commission, process heat accounts for around three-quarters of industrial emissions, still largely generated using fossil fuels.

Structure of the support mechanism

Support is granted as a fixed premium calibrated to the tonnes of CO₂ directly abated, paid for a maximum period of five years. Ranking is based on the price bid, expressed in EUR/tCO₂, under the *pay-as-bid* criterion and with no minimum price set. In particular:

- low-temperature heat (80-100°C): projects of at least 5 MWth, limited to heat pumps with a COP above 1.5, direct renewable heat or nuclear heat; budget EUR 100 million;
- medium-temperature heat (100-400°C): projects of at least 3 MWth; budget EUR 600 million;
- high-temperature heat (above 400°C): projects of at least 3 MWth; budget EUR 300 million.

The *ceiling price* is set at EUR 400/tCO₂ for the low- and medium-temperature topics and at EUR 800/tCO₂ for the high-temperature topic, applicable after any *bid bonus*.

Eligible technologies and the opening to nuclear power

Projects of any size are eligible, promoted by operators from all industrial sectors established in the European Economic Area. Eligible technologies include electrification solutions (heat pumps, electric boilers, direct and indirect resistive heating, electromagnetic and dielectric heating, plasma torches, thermal storage), direct

renewable heat from solar thermal or geothermal sources and, for the first time, innovative nuclear technologies such as *small modular reactors*. Hybrid configurations combining these solutions are also eligible.

Broader scope and incentives for flexibility

Compared with the first edition, the temperature threshold has been lowered from 100°C to 80°C, broadening the pool of eligible projects. A 25% *bid bonus* is also provided, relevant only for ranking purposes, for projects that demonstrate certain flexibility features or that reduce pressure on the electricity system. Member States may increase the budget through the *Auction-as-a-Service* mechanism.

This auction (together with the first auction closed on 19 February 2026) is the *pilot project of the Industrial Decarbonisation Bank*, the financing vehicle provided for under the *Clean Industrial Deal* that is expected to mobilise up to EUR 100 billion for industrial decarbonisation. The early publication of the final *Terms and Conditions* responds to the need to allow operators to prepare their bid documentation in good time: this is a particularly important window, given that building the *bid* requires a reliable estimate of the premium required per unit of decarbonised heat produced and, consequently, careful upfront analysis of the *business case* (with a reliable assessment, *inter alia*, of the timing for entry into operation, which must take place within four years of signing the *grant agreement*).

7. Sustainable nuclear power: the enabling law given final approval

On 23 September 2026 the Senate gave final approval, without amendments to the text passed by the Chamber on 4 June 2026, to the bill “*Delega al Governo in materia di energia nucleare sostenibile*” (Delegation to the Government on sustainable nuclear energy), with 81 votes in favour, 51 against and 7 abstentions. The measure will enter into force following promulgation and publication in the *Gazzetta Ufficiale*.

The enabling law does not of itself authorise the construction of new plants, nor does it identify their location, but it sets the principles and guiding criteria that the Italian Government must follow in defining the new regulatory framework.

Terms of the delegation

- **within twelve months of the law's entry into force**, the Government is delegated to adopt one or more legislative decrees, on a proposal from the Minister of the Environment and Energy Security together with the other competent Ministers;
- **within twenty-four months of the entry into force of each legislative decree**, supplementary and corrective provisions may be adopted.

Scope of the delegation

The legislative decrees must govern, in compliance with the European Union taxonomy and international obligations: the production and use of energy from sustainable nuclear sources, covering the entire life cycle of plants — testing, siting, construction, operation and decommissioning — including for the production of hydrogen and heat; the manufacture and reprocessing of nuclear fuel; the decommissioning and dismantling of existing plants; the management of radioactive waste and spent nuclear fuel; research, development and use of fusion energy; and the reorganisation of responsibilities for nuclear safety and the related authorisation procedures.

Resources and timing

Art. 5 of the enabling law allocates EUR 20 million per year for each of 2027, 2028 and 2029 to the planned investments, in addition to EUR 1.5 million for 2026 and EUR 6 million for 2027 for information initiatives.

With approval of the enabling law, the parliamentary phase closes and the decisive phase of delegated rulemaking opens; it should be borne in mind that the elements of greatest importance for operators — siting criteria, authorisation procedures, the structure of the control authorities, the regime for financial guarantees and any risk-sharing instruments — will only be defined by the legislative decrees, on which the actual financeability of projects will depend.

8. MACSE: maximum premium set for the auction with 2029 delivery year

By resolution 24 September 2026, No 332/2026/R/eel, published on 25 September, ARERA set the maximum premium for the second auction of the forward procurement system for electricity storage capacity (MACSE), scheduled for 24 November 2026 with 2029 as the delivery year.

In particular, the maximum premium is set at EUR 27,000/MWh-year, up from the EUR 22,000/MWh-year proposed in consultation document 30 July 2026, No 283/2026/R/eel, but lower than the EUR 37,000/MWh-year set for the first auction.

Although the Authority accepted some of the operators' comments (e.g., redetermination of the parametric investment cost, fixed operating costs aligned with investment costs, an increase in the WACC to 8.2%), it excluded from the criteria the indexation of the premium to lithium carbonate prices, since the relevant maximum value must be notified at least sixty days before the auction is held.

9. Conto Energia: early exit and revamping of photovoltaic plants

D.M. MASE 10 August 2026, published on 28 September 2026, governs voluntary early exit from the incentive mechanisms of the First, Second, Third and Fourth Conto Energia for photovoltaic plants with an incentivised

nominal capacity exceeding 20 kW that benefit from tariffs or fixed premiums not linked to market price movements.

The measure, applicable from 1 January 2028 within a maximum contingent of 10 GW, provides for direct access for operators who have accepted the tariff rescheduling under d.l. No 21/2026, and access through a competitive procedure, to be held by 30 June 2027, for other operators. Opting in entails an obligation to carry out, between 1 January 2028 and 31 December 2030, full revamping works on the plants, ensuring the increases in output set out in the decree and using exclusively photovoltaic modules listed in the register under art. 12 of d.l. No 181/2023.

GSE will need to adopt the relevant operating rules, setting out the arrangements and timing for submitting applications, running the competitive procedure, standard contracts and beneficiaries' obligations. Failure to complete the works within the set deadline or to comply with the obligations set out results in forfeiture of the right to the consideration granted for early exit.

10. PAS: the power to block works must be exercised within 30 days

In judgment No 6733 of 1 September 2026, the Consiglio di Stato clarified that, in the simplified authorisation procedure (PAS), the Municipality may exercise the ordinary power of control and prohibition only within the 30-day time limit set by art. 6, paragraph 4, of legislative decree No 28/2011, applicable *ratione temporis*. Once that time limit has elapsed, the authorising effect of the PAS becomes final and the power to block the works must be regarded as spent: a subsequent refusal or order not to carry out the works is therefore unlawful, and its lateness is not a mere procedural irregularity.

The expiry of the time limit does not absolutely prevent the Administration from intervening, but it changes the power that may be exercised. The Municipality can no longer use the ordinary power to block works provided for under the PAS rules and must instead rely on self-annulment, in compliance with the requirements set out in art. 21-nonies of law No 241/1990. The Administration must therefore demonstrate, in addition to the original unlawfulness of the works, the existence of a specific and current public interest in removing the authorising effect, and must weigh this against the reliance built up by the proponent. The mere restoration of legality is not, by itself, sufficient.

11. Forfeiture of GSE incentives: the repayment obligation falls on the party that received them

In judgment No 6267 of 3 August 2026, the Consiglio di Stato clarified that, where GSE incentives are forfeited with *ex tunc* effect, the obligation to repay amounts unduly paid falls, in principle, on the party that actually

received them. The subsequent transfer of the plant and the assumption of the incentive agreement do not automatically transfer to the new owner the repayment debt accrued by the previous beneficiary, absent a specific assumption of debt.

12. FER plants in protected areas: a landscape constraint does not automatically justify refusal

In judgment No 6631 of 25 August 2026, the Consiglio di Stato reaffirmed that the presence of a landscape constraint does not automatically render a photovoltaic or agrivoltaic plant incompatible. The Administration must carry out a concrete assessment of the specific project, balancing landscape protection against the public interest in renewable energy production, and must give specific reasons for any refusal. Generic formulas or a bare reference to the area's size, the number and height of the modules, or the duration of the plant are therefore not sufficient.

13. PAS and availability of land: a preliminary contract is a suitable title, but must also cover connection works

In judgment No 7126/2026, the Consiglio di Stato held that *“legal availability of the land needed to build the connection works is, just like availability of the land needed to install the plant, a requirement for standing to submit the declaration and, therefore, a condition for the admissibility of the works under the PAS”*.

It follows that the absence of title over the land crossed by the connection is sufficient to justify rejecting the PAS, even where title over the land for the plant itself is fully valid.

The Panel also held that:

- it is sufficient for the preliminary contract on availability of the land to grant the prospective buyer powers adequate to carry out the activities needed for the authorisation process, without requiring immediate and full transfer of possession;
- failure to demonstrate title to availability (or the creation of easements/rights of way) over third-party plots needed for the electrical connection deprives the proponent of standing to submit the PAS and renders the works inadmissible.

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