FIVERS

Energy Report

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1. Capacity Market 2028: new derating coefficients for storage systems and auction set for 21 December

By Resolution No. 370/2026/R/eel of 14 October 2026, ARERA issued a favourable opinion on Terna's proposal to update the Technical Operating Provisions for the Capacity Market. By subsequent Decree No. 327 of 16 October 2026, MASE approved the new Technical Operating Provisions (known as DTF 2), together with the relevant Annex 4, applicable to the Capacity Market auction with a delivery period of 2028.

In particular, the measure updates (i) the derating coefficients for storage systems and (ii) the trading limit between the Northern Foreign Virtual Area and the Northern Area. According to the Ministry, Terna's data show a significant increase in authorised or pending authorisation storage capacity compared with the figures used in the proposal of 25 June 2026.

The new coefficients for storage systems

For a storage system with an energy-to-power ratio of 4 hours, the probable available capacity (CDP) recognised for auction purposes is:

- 40 per cent of the rated power in the North and Central-North areas;
- 51 per cent in the Central-South area;
- 21 per cent in the South and Calabria, as well as Sicily and Sardinia.

These figures are lower than both those in the version approved in August (according to available market analyses) – to a lesser extent in the Central-South and to a greater extent in the other areas – and the single national coefficient applied in the auction for 2027 delivery (67 per cent). The most significant reduction affects long-duration storage systems located in the South and Calabria, for which an 8-hour system drops to 29 per cent.

Scope of application

The new coefficients apply exclusively to storage capacity not included in the supply curve of the 2027 auction – that is, capacity offered but not selected. The coefficients from the 2027 auction continue to apply to existing capacity, capacity already contracted in previous auctions, and lithium storage systems awarded in the MACSE auction with delivery in 2028.

Cross-border trade limits and demand

The import limit from the Northern Foreign Virtual Area (which includes France, Switzerland, Austria and Slovenia) is set at 1,700 MW, a figure which, according to the decree, reflects more precise analyses of imports recorded in 2025 during periods of greatest criticality.

CDP's national demand ranges from 66.2 GW to 67.8 GW, of which approximately 39.7 GW is in the Northern area.

Timetable

Terna has made the relevant regulations and technical provisions available and has set the auction for the 2028 delivery period for **21 December 2026**. Applications to participate may be submitted, exclusively via the dedicated portal, **from 20 October to 3 November 2026**.

The revision of the coefficients has a direct impact on the expected return for new BESSs intending to participate in the Capacity Market, particularly in the South and on the Islands – that is, in the very areas where MACSE demand is concentrated. Consequently, sponsors and financiers need to factor into their financial models and due diligence the risk of changes to regulatory parameters between auctions, carefully assessing strategies for joint or alternative participation in the two mechanisms and the associated contractual allocation of risk.

2. FER X final: calls for expressions of interest for the first competitive procedure have been published

Following the approval of the updated Operating Rules (MASE Ministerial Decree No. 93 of 2 October 2026, as reported in our previous Energy Report), on 6 October 2026, the GSE published the calls for expressions of interest relating to the first competitive procedure provided for in the final FER X Ministerial Decree (MASE Ministerial Decree No. 194 of 18 June 2026).

The calls for expressions of interest

The first procedure concerns hydroelectric, wind and photovoltaic plants. Specific NZIA (*Net Zero Industry Act*) calls for expressions of interest are also provided for wind and photovoltaic plants only. Five calls for expressions of interest have therefore been published:

- PC_EOL_2026_01 (wind);
- PC_EOLNZIA_2026_01 (wind – NZIA);
- PC_FTV_2026_01 (photovoltaic);
- PC_FTVNZIA_2026_01 (photovoltaic – NZIA);
- PC_IDR_2026_01 (hydroelectric).

Deadlines

- Expressions of interest must be submitted via the FER-X Definitivo Portal **from 12:00 on 22 October 2026 to 12:00 on 6 November 2026**; this deadline is non-extendable;
- by 12:00 on 6 November 2026, the provisional security deposit and the documentation required to demonstrate the participant's financial soundness must be submitted exclusively via the Centralised Guarantees Portal (GIGA);

- by the end of the evaluation period for expressions of interest, set at **30 November 2026**, the relevant preliminary qualification must have been obtained.

The eligibility of the expression of interest is a necessary condition for participation in the competitive procedure. Furthermore, the expressions of interest affect the volume put out to tender, which is equal to the lesser of the reference quota and the sum of the eligible expressions of interest, reduced by 10 per cent. The windows for the submission of tenders will be set out in subsequent calls for tenders relating to the competitive procedure, which is scheduled to commence – in parallel for both the standard track and the NZIA track – in December 2026.

The short duration of the submission window and the accumulation of requirements (expression of interest, provisional deposit, documentation on financial soundness and preliminary qualification) mean that operators must coordinate their authorisation, financial and guarantee arrangements in good time, including in their dealings with issuing institutions. Furthermore, the choice between the standard track and the NZIA track requires a prior assessment of the supply chain's compliance with the applicable requirements.

3. MACSE: towards the auction on 24 November 2026

The second MACSE auction, with a delivery year of 2029, is approaching and is scheduled for **24 November 2026**. As is well known, the auction concerns an additional requirement of 16 GWh, concentrated in the Central-South, South and Islands regions (with no requirement for the North and Central-North regions), and the maximum premium has been set by ARERA at €27,000/MWh-year (Resolution 332/2026/R/eel), compared with the €37,000/MWh-year envisaged for the first auction.

The deadline for the payment of the security deposit and for the submission of the declarations referred to in Annex 2 of the Regulations via the MACSE portal expired on 20 October 2026. The results of the auction – and a comparison with the average award premium from the first procedure – will serve as a benchmark for the Italian energy storage market, particularly in light of the concurrent revision of the Capacity Market's *derating* coefficients (see paragraph 1).

4. Decree-Law No. 157/2026: measures on renewables and grid connections approved by the Senate

On 15 October 2026, the Senate approved, with amendments, the bill converting Decree-Law No. 157/2026 (*the* so-called *'Fuel* Dec*ree*-Law'). The text now passes to the Chamber of Deputies for final conversion, which, according to reports, must take place by 9 November 2026, failing which the decree will lapse.

During parliamentary scrutiny, the measure – originally focused on fuels and extractive activities – was expanded to include provisions of interest to the renewable energy sector. These include, according to available information:

- connection costs: ARERA has been tasked with reviewing the capacity charge applied in connection applications, with the aim of reducing the costs incurred due to an increase in connection capacity; the definition of operational parameters is left to subsequent measures by the Authority;
- buffer zones around UNESCO sites: an amendment, introduced during the Senate's examination of the bill, has been made to the restrictions applicable to renewable energy plants in *the* so-called *buffer zones* around UNESCO sites, to the effect of allowing installations provided they comply with the prescribed authorisation procedures.

Pending the final enactment and publication of the consolidated text in the Official Gazette, the actual scope of the new provisions will need to be verified against the final text, not least because the details of the approved amendments have not yet been made public in their final form. We reserve the right to return to this topic in the next edition of the Energy Report.

5. Emilia-Romagna: amendments to the law on suitable areas

Emilia-Romagna has once again intervened regarding the regulations on suitable areas for renewable energy plants, introducing a series of amendments to Regional Law No. 5 of 29 May 2026.

Draft Law No. 3299, approved by the 'Territory, Environment and Mobility' Committee on 14 October 2026 and subsequently passed by the Legislative Assembly, amends some of the most significant aspects of the regional legislation, with the aim of bringing it more closely into line with the national framework set out in Legislative Decree No. 190/2024.

The most significant amendment concerns the use of agricultural land.

Regional Law No. 5/2026 provided for an overall maximum limit of 1.5 per cent of the region's utilised agricultural area (UAA) and, for each municipality, a limit of 2.5 per cent of the municipal UAA, which could be exceeded by means of a municipal resolution. Sixty days after the publication of the fact that the thresholds had been reached, new applications would have had to be declared inadmissible, except for procedures already underway and those relating to installations registered in the name of renewable energy communities.

The new text replaces this mechanism. Firstly, it stipulates that agricultural areas classified as suitable must not be less than 0.8 per cent nor more than 1.5 per cent of the regional UAA, determined with reference to 2020.

Crucially, reaching the thresholds no longer renders new applications inadmissible. Sixty days after the relevant publication on the Region's website:

- the agricultural areas concerned lose their status as eligible areas;
- the administrative simplifications provided for in Article *11-quater* of Legislative Decree No. 190/2024 no longer apply;
- proceedings may nevertheless continue under the ordinary procedure.

6. Eligible areas: Lombardy publishes the map – renewable energy potential of up to 8.4 GW

The Lombardy Region has approved the digital mapping of areas suitable for the installation of renewable energy plants, thereby implementing Regional Law No. 10/2026. The map enables the identification of potentially suitable areas and allows for the verification of any overlap with the main landscape and environmental constraints.

Based on the areas surveyed, the Region estimates a potential installable photovoltaic capacity of between approximately **5.5 and 8.4 GW**.

Particular importance is attached to the monitoring of projects in agricultural areas. Lombardy's regulations, in fact, set specific limits on the occupation of utilised agricultural area at regional, provincial and municipal levels. Data relating to PAS applications and successfully concluded Single Authorisations will feed into the visualisation tool, which must indicate the utilised agricultural area and that which is still available.

7. Electrical substations, suitable areas and landscape assessment: the Regional Administrative Court (TAR) overturns the Superintendency's refusal

The Piedmont Regional Administrative Court, in its judgement no. 1910 of 29 September 2026, established two principles of significant interest.

On the one hand, it recognised that an electricity substation may be treated as an **industrial plant**, given its permanent integration into the industrial energy cycle. It follows that agricultural areas situated in the vicinity of such infrastructure may be relevant for the purposes of classification as **suitable areas under the law.**

Secondly, the presence of an existing electrical substation must be given due consideration in the context of the landscape assessment, as an indicator of the degree of human impact on the territory. On this basis, the Regional Administrative Court (TAR) **quashed the negative landscape assessments issued by the Superintendency on the grounds of a failure to conduct a proper investigation and provide adequate reasoning**, noting that the Administration had assessed the project against a backdrop that was essentially regarded as unspoilt, without taking adequate account of the impact of the pre-existing electricity infrastructure.

8. The Molise Regional Administrative Court strengthens safeguards for operators in the renewable energy sector

In judgment no. 397/2026, the Molise Regional Administrative Court (TAR) partially upheld the appeal lodged by an operator against the refusal of the single authorisation for an agrivoltaic plant, annulling the regional refusal, the prior notice of rejection and the negative opinions of the Superintendency. The ruling consolidates certain principles of particular interest to private operators in the renewable energy sector.

- **Absence of a veto power on the part of the Superintendency.** Even where landscape interests are involved, the Superintendency's negative opinion cannot automatically be regarded as binding. It constitutes a qualified dissent to be assessed within the framework of the inter-agency conference, through an effective weighing up of the prevailing positions and of all the public and private interests involved.
- **The need for an effective balance between landscape protection and the development of renewable energy.** Landscape interests do not take absolute precedence over renewable energy production. The latter constitutes an activity in the public interest, instrumental to the ecological transition and sustainable development, and must therefore be given due consideration by the competent authority.
- **Compatibility of renewable energy plants with agricultural areas.** The agricultural designation of a site does not, in itself, preclude the construction of a renewable energy plant. This principle is particularly relevant for agrivoltaic plants, where energy production is designed to be carried out in conjunction with ongoing agricultural activity.
- **Significance of the area not being classified as 'unsuitable'.** Where the plant is situated in an agricultural area not expressly designated as unsuitable, any refusal must be supported by particularly rigorous and specific grounds. The mere fact that the area is not classified as 'suitable' is not sufficient to prevent the project from being authorised.
- **Recognition of the agrivoltaic nature of the project.** The local authority and the Superintendency must carry out a substantive assessment of the agrivoltaic characteristics of the project and may not, without adequate preliminary investigation, treat it as equivalent to a traditional photovoltaic installation.
- **Limits on the assessment of cumulative effects.** For the purposes of assessing the actual perceived impact, only neighbouring installations that already exist or have been approved may be taken into account. It is not, however, legitimate to base a refusal on other projects still under assessment, the number, size and actual impact of which are uncertain. Otherwise, the mere fact

that further proceedings are pending could be used to delay or indefinitely prevent the authorisation of a project.

- **Safeguarding procedural participation.** Where the operator submits comments following a notice of intended rejection, the administration must demonstrate that it has effectively taken them into account. A mere reference to the opinions of the bodies involved, without an independent assessment of the proponent's counter-arguments, constitutes a procedural and reasoning defect.
- **Greater rigour in the examination of archaeological aspects.** The general presence of archaeological finds or potential is not sufficient to demonstrate the project's incompatibility. The administration must identify the specific interference with cultural heritage and provide detailed grounds for the objections, whilst also assessing any conditions that might make the project compatible.

9. A consolidated PAS cannot be blocked by a belated order from the local council

In judgment no. 423/2026, the Molise Regional Administrative Court upheld the appeal of a company responsible for a photovoltaic project, annulling the measure by which a local authority had prohibited the commencement of works several months after the PAS had been submitted.

The Regional Administrative Court clarified that, once the 30-day period has elapsed without the local authority having exercised its power to prohibit the works or convened the inter-departmental conference**,** the PAS becomes final and a genuine tacit authorisation is established. After this point, the local authority cannot simply issue an order not to carry out the works: any subsequent assessments must be carried out using the instruments and in accordance with the conditions specific to **administrative self-protection**.

In the case under consideration, the Court also emphasised the protection **of the operator's legitimate expectations**, noting that the company had incurred costs of approximately 900,000 euros to carry out the project and acquire the land.

The ruling also contains a significant passage on the issue of **areas unsuitable for renewable energy installations**. The Regional Administrative Court reiterates that the mere presence of a landscape restriction does not automatically render the site unsuitable: the identification of unsuitable areas requires a specific assessment and cannot amount to a blanket ban on the installation of renewable energy installations. In this specific case, the mere inclusion of the area in the wider-area landscape plan was therefore not deemed sufficient to demonstrate its unsuitability.

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