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Brussels, 16 dicembre 2015

Subject: The Italian electricity tariff reform and the regulation of closed transmission systems are not complying with the Directives 2012/27/EU, 2009/28/EC and 2010/31/EU

Dear Commissioner,
Dear Director-General for Energy,

On 18 June 2015 we wrote you asking to monitor the Italian reform process on electricity tariff. We would like to thank you for the engagement in monitoring the reform and taking appropriate actions that you declared in your reply letter (29 July 2015).

As you are probably aware, the Italian Regulatory Authority for Electricity, Gas and Water (AEEGSI) has recently adopted the reform with the resolution nr. 582 of 2 December 2015.

The concerns we raised in the previous letter are now materialising. In fact, following the reform, the "fixed charges" (network costs and taxes) is now the predominant component of the Italian households' electricity bill. This means that consumers producing and self-consuming energy from renewable sources will end up paying the same network charges as the consumers supplied entirely by electricity from the grid. Before the reform, investment in energy efficiency and self-production and consumption of energy from renewables allowed to save on most of the bill components. With the changes brought by the reform, the savings will instead be found, almost exclusively, in the "energy" component, thus reducing the attractiveness of such investment.

These provisions clearly contravene the objectives set out by the directives 2012/27/EU, 2010/31/EU and 2009/28/EC.

The reform clashes also with:

1. The vision set out in the Energy Union Framework Strategy - "*...with citizens at its core, where citizens take ownership of the energy transition, benefit from new technologies to reduce their bills, participate actively in the market, and where vulnerable consumers are protected*";
2. The recent Communication COM(2015) 339 "*Delivering a new deal for energy consumers*", in which the European Commission includes the "*increasing proportion of network charges, taxes and particularly levies in the average final household electricity bill*" among the obstacles hindering consumers to fully benefit of the ongoing energy transition;
3. The staff working document SWD(2015) 141 on "*Best practices on renewables energies self-consumption*", accompanying the previous communication mentioned above, which "*advocates that network tariffs should be designed in a cost-effective and fair manner while supporting energy efficiency and the renewables energy*

objectives while being simple and transparent for consumers" (as you also mentioned in your reply of 29 July 2015).

Further to what we have outlined above, there are additional concerns related to another AEEGSI resolution (nr. 539 of 13 November 2015), regulating the closed electrical distribution service in non-residential buildings (SDC). In our opinion there is the possibility that this also contradicts the European Directives 2009/28 and 2010/31 which require the use of renewable energy in new buildings. In fact, it is necessary to build an SDC for a plurality of users located in one building (for example, in a shopping mall) to be able to employ renewable energy produced, for instance, by a photovoltaic system located on the rooftop of same building. The resolution nr. 539, on the contrary, prevents to constitute an SDC, thus to distribute the renewable energy produced in non-residential buildings among a plurality of users located in the very same building.

We are confident that the Commission will examine carefully the newly adopted reform of the Italian electricity bill and the resolution on SDC and, if appropriate, will take immediate action.

We enclose to this letter the AEEGSI resolutions nr. 582 and 539 and a document better detailing the issues.

We remain at your disposal for any further information you may need.

Sincerely yours,

Dario Tamburrano (Member of the European Parliament)
David Borrelli (Member of the European Parliament)
Gianno Girotto (Member of the Italian Senate)
Gianluca Castaldi (Member of the Italian Senate)