

Alert | Energy & Natural Resources



November 2023

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

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

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

The Commission analyzed and subsequently endorsed the Italian scheme based on the State aid regulations stipulated in the Treaty on the Functioning of the European Union (TFEU), specifically invoking Article 107(3)(c) TFEU. This provision empowers Member States to support the development of specific economic activities under predetermined conditions. Additionally, the Climate, Energy, and Environmental Aid Guidelines 2022 (CEEAG Guidelines) were taken into consideration.

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

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

- **investment grants**, with a total allocation of EUR 1.1 billion, covering up to 40% of eligible investment costs; and
- **incentive tariffs**, with an estimated budget of EUR 560 million, to be paid during the operational phase of the projects, for a period of 20 years.

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

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

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

Authors

This GT Alert was prepared by:

- **Paolo Esposito** | + (39) 02.771971 | Paolo.Esposito@gtlaw.com
- **Ester Latorre** | + (39) 02.7719771 | Ester.Latorre@gtlaw.com

Albany. Amsterdam. Atlanta. Austin. Berlin. Boston. Charlotte. Chicago. Dallas. Delaware. Denver. Fort Lauderdale. Houston. Kingdom of Saudi Arabia. Las Vegas. London. Long Island. Los Angeles. Mexico City. Miami. Milan. Minneapolis. New Jersey. New York. Northern Virginia. Orange County. Orlando. Philadelphia. Phoenix. Portland. Sacramento. Salt Lake City. San Diego. San Francisco. Seoul. Shanghai. Silicon Valley. Singapore. Tallahassee. Tampa. Tel Aviv. Tokyo. United Arab Emirates. Warsaw. Washington, D.C.. West Palm Beach. Westchester County.

*This Greenberg Traurig Alert is issued for informational purposes only and is not intended to be construed or used as general legal advice nor as a solicitation of any type. Please contact the author(s) or your Greenberg Traurig contact if you have questions regarding the currency of this information. The hiring of a lawyer is an important decision. Before you decide, ask for written information about the lawyer's legal qualifications and experience. Greenberg Traurig is a service mark and trade name of Greenberg Traurig, LLP and Greenberg Traurig, P.A. ↯Greenberg Traurig's Berlin office is operated by Greenberg Traurig Germany, an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. «Khalid Al-Thebity Law Firm in affiliation with Greenberg Traurig, P.A. is applying to register a joint venture in Saudi Arabia. *Operates as a separate UK registered legal entity. +Greenberg Traurig's Mexico City office is operated by Greenberg Traurig, S.C., an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. »Greenberg Traurig's Milan office is operated by Greenberg Traurig Santa Maria, an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. ∞Operates as Greenberg Traurig LLP Foreign Legal Consultant Office. †Greenberg Traurig's Singapore office is operated by Greenberg Traurig Singapore LLP which is licensed as a foreign law practice in Singapore. ^Greenberg Traurig's Tel Aviv office is a branch of Greenberg Traurig, P.A., Florida, USA. ‡Greenberg Traurig's Tokyo Office is operated by GT Tokyo Horitsu Jimusho and Greenberg Traurig Gaikokuhojimbengoshi Jimusho, affiliates of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. ‹Greenberg Traurig's United Arab Emirates office is operated by Greenberg Traurig Limited. ~Greenberg Traurig's Warsaw office is operated by GREENBERG TRAURIG Nowakowska-Zimoch Wysokiński sp.k., an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. Certain partners in GREENBERG TRAURIG Nowakowska-Zimoch Wysokiński sp.k. are also shareholders in Greenberg Traurig, P.A. Images in this advertisement do not depict Greenberg Traurig attorneys, clients, staff or facilities. No aspect of this advertisement has been approved by the Supreme Court of New Jersey. ©2023 Greenberg Traurig, LLP. All rights reserved.*