

About SETatWork

SETatWork assists European industries to gain access to the carbon markets by improving energy performance by offering an information platform and a wide range of activities within training, promotion and matchmaking for industry, technology suppliers and actors in the global Carbon Market. Learn more on www.SETatWork.eu

Profile

According to the EC proposal by 2020, Italy should achieve a 14% reduction of GHG emissions with respect to year 2005 and a 17% share of renewable energy in final energy consumption. The target of 17% in 2020 is really difficult: almost all the Italian final energy demand supply is still supplied by non renewable sources, particularly for heat and cooling uses and for transport (as regards renewables, their share on gross final energy consumption was 5,2% in 2005). To reach the Kyoto target, Italy should stabilise CO₂ emissions on a long term perspective.

ETS in industry

Insufficient ambitious cap for Italy combined with the recent economic recession period led to the fact that allocations to industrial companies in the ETS have been too high compared to the level of demand. For phase 2, starting in 2008, tougher caps were put in place but all the reductions were placed on the power sector with overallocation to industry. This would reduce potential for emission reductions and would not stimulate investments in emission saving projects: the redundancy of emissions allowances reduces the incentives to reduce the emissions of CO₂.

For these reasons, National ETS companies would need a strongest system were carbon prices don't reach zero and were the market is a real opportunity.

In addition, an important action needed for Italian ETS companies, is the necessity for additional measures such as subsidies to lighten the weight associated with the increased costs of research and development investments

Sustainable Energy Technology Providers

POWER GENERATION SECTOR

The Italian energy system is strongly dependent on oil & gas imports (about 84%); this dependence in the power generation sector is about 82% and represents a significant concern in terms of security of primary energy supply.

Average allocations 2008 – 2012 [Mt CO₂/year]: 115,18

REFINING

Within the EU, Italy has the greatest crude oil refining capacity. There are large oil refining facilities along the Mediterranean coast and on Mediterranean islands, capable of processing a wide range of crude oils from North Africa and the Persian Gulf. ENI operates five of the 17 major refineries in Italy.

Average allocations 2008 – 2012 [Mt CO₂/year]: 20,06

STEEL INDUSTRY

Italy is the second-largest producer of steel in the European Union. Main provider is Riva Group (the 11th-largest global producer in 2003) which purchased ILVA, with its plants at Taranto and Cornigliano. It accounts for 50% of production in Italy

Another important player is the German-based multinational ThyssenKrupp which took over Acciai Speciali Terni and also the Lucchini Group and Dalmine (which is passed to the Technit group).

Average allocations 2008 – 2012 [Mt CO₂/year]: 15,76

CEMENT INDUSTRY

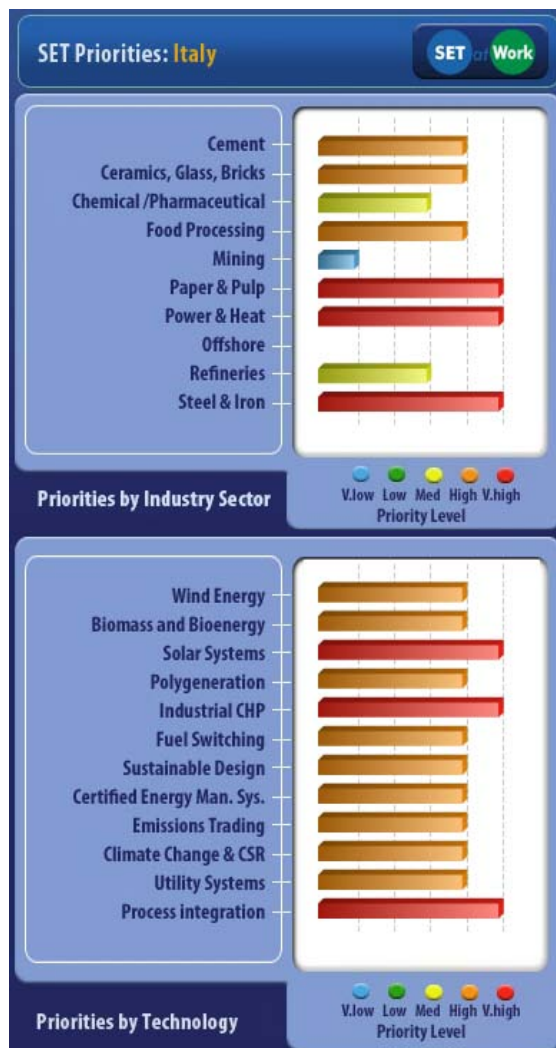
The Italian cement industry can be considered as the most significant segment within the country's economic contest. The Italian cement industry's market is the second largest in Europe and is among the first 10 in the world ranking. A production volume just under 48 million tons which makes Italy the European Union's second cement producer.

Average allocations 2008 – 2012 [Mt CO₂/year]: 27,63

PAPER INDUSTRY

The largest industrial paper district in Italy (and in Europe) is located in the Tuscany Region (central Italy). Here the production of paper is an ancient tradition and it is the most diffused activity in the area extending from Capannori to Lucca (the papermaking district of Capannori comprises 130 firms).

Average allocations 2008 – 2012 [Mt CO₂/year]: 5,09



Level of priority is given by the relevant amount of Paper and Pulp Industries, Power and Heat Generation and Steel and Iron Industries in Italy. In addition, those industries are the highest producers of CO₂ according to official estimates.

Level of opportunity is more or less high for each technology. Solar systems as well as CHP have in particular a very high potential for Italian SMEs.

Minimization of energy consumption together with process integration (Energy integration that deals with the global allocation, generation and exchange of energy throughout the process) is an important challenge.

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State of the Carbon Market

The European Commission assessment of Italy's national plan for allocating CO₂ emission allowances for the 2008-2012 trading period of the EU Emissions Trading Scheme (EU ETS) has been published. The Commission accepted Italy's national plan on condition that certain changes are made, including a reduction in the total number of emission allowances proposed. The cleared annual allocation is 195.8 million tonnes of CO₂ allowances, 6.3% less than Italy had proposed. This is the equivalent of 13.2 million tonnes less each year during 2008 to 2012.

Table 1: Total amount of allocations for the period 2008-2012.

	2008 [Mt CO ₂]	2009 [Mt CO ₂]	2010 [Mt CO ₂]	2011 [Mt CO ₂]	2012 [Mt CO ₂]
Total amount of allocations to be assigned	206,72	198,47	191,41	179,72	177,38

Good Practice

The "Archimede" Project: The aim of this project is to develop a technology that will produce energy by solar source offering an efficient alternative to oil energy and a path to reducing CO₂ emissions. The plant generates steam from solar radiation, which is then fed into the steam cycle of a gas-fired combined cycle power station next to it. The Archimede Project represents the first application worldwide of the integration of a gas - burned combine cycle power plant and a thermodynamic solar energy system. The advantage offered by this new technology is associated with the high output of the system.

CDM project: "Coke Dry Quenching (Cdq) Waste Heat Recovery for Power Generation Project of Wugang No. 9 and 10 Coke Ovens": The project is located in the main body of the iron and steel production facility operated by Wuhan Iron and Steel (Group) Co. To increase the utilization rate of available energy in Wugang, the specific project will construct dry quenching equipment with 140t/h dealing capacity matching a power station.

SETatWork Contact for ITALY:

etaflorence • renewableenergies

ETA Florence - Renewable Energies has been operating for almost a decade in the Renewable Energy sector, with a particular focus on Biomass. With a team of experienced engineers, economists and jurists and a multilingual staff to coordinate international contacts, ETA has built a sound and wide-ranging experience in the development, application and implementation of Renewable Energy systems, and especially of the Biomass projects. Since 2007, the company has been looking to use bioenergy for Kyoto related targets, knowing that Kyoto will be impossible to implement without the large share that bioenergy can offer, and on the other hand that biomass needs in many cases the driver of the Protocol targets to lead to concrete projects. ETA is also the organiser of the (now) yearly European Biomass Conference (www.conference-biomass.com)

ETA has gained a large experience in research, demonstration and promotion actions in the field of bioenergy and biofuels, e.g. conversion and use of liquid biofuels (like bioethanol and pyrolysis oil) for energy production and utilisation as transport fuels. ETA's skills cover a wide range of technical activities, included the assessment of the socio-economic follow-up at regional and local scale of sustainable energy initiatives.

ETA is a charter member of EUBIA (European Biomass Industry Association), a founding partner of the Florence Energy Agency, founding partner of the Regional Energy Agency, a member of the Italian Biofuels Committee.

For further information contact:

Angela Grassi - Email: angela.grassi@etaflorence.it

Francesco Bazzoffi - Email: francesco.bazzoffi@etaflorence.it

Tel: +39 055 5002174 Fax: +39 055 573425

ETA Florence - Renewable Energies, Piazzia Savonarola 10, 50132 Florence, Italy

Details of other partners can be found at: www.setatwork.eu/partners.htm

Further details of the case studies, businesses and match-making opportunities in Italy and the other countries covered by SETatWork can be found online at: www.SETatWork.eu or contact **Francesco Bazzoffi**

Stakeholders and Initiatives

Key national stakeholders are companies with large reduction obligations under the EU ETS interested in investment in own installations by reducing fossil fuel consumption and increasing energy efficiency, investment in Joint Implementation (JI) projects, and investment in Clean Development (CDM) projects.

In addition, finance institutions and investment banks; public and private funds, secondary market actors (traders, consultancies and service providers) are relevant stakeholders.

In order to implement further activities, SETatWork in Italy is in contact with AzeroCO2, the national society that operates in the voluntary market in Italy, Legambiente, Ambiente Italia and Kyoto Club, to offer public authorities, private companies and single citizens the opportunity to contribute to tackling climate change by neutralizing the greenhouse gas (GHG) emissions deriving from their resource and energy consumption.

In addition, a co-operation with Confindustria Firenze (Industry association in Florence) has been activated with the aim to provide training activities to selected industries.

Dates for your diary

Personal contact: please visit SETatWork at BrightGreen, 12-13 december 2009, at project stand no.90.

3-7 May 2010

18th European Biomass Conference & Exhibition

One ETS match-making event will be organized as a parallel event during the 18th European Biomass Conference & Exhibition (Lion, France, 3-7 May 2010) with the objective of matching stakeholders involved in energy efficiency and savings in European industry sectors for realization of energy efficiency and saving projects.

The 18th European Biomass Conference & Exhibition will be an important opportunity in order to establish a connection between ETS companies, technology and service suppliers and associated actors.

Training activity

In early 2010, the dates for the second training activity event will be identified. The first training activity was carried out on 28th October 2009 by ETA together with Confindustria Firenze (Industrial Association in Florence), addressed to selected industries mainly active in the manufacture of ceramic products sector.

Match-making events in CDM markets

3-4 February 2010

SETatWork Matchmaking Event in India

This one day conference and half day meeting aims to contribute towards meeting EEE targets. The main topics will include: Technology need and availability; Financing; B2B meeting for experience sharing and credit purchase

25-26 February 2010

SETatWork Matchmaking Event in Bangkok, Thailand

The place to develop CDM business opportunities, to learn about technologies available in Thailand, to meet CDM stakeholders (project owners, developers and carbon credit traders...

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