

LEGAL UPDATE

ENERGY AND INFRASTRUCTURE

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EU Commission says "OK" to the new Renewables Decree

The EU Commission finally approved the draft decree amending the Italian regulatory framework for incentives for renewable energy sources; it is now close to being approved and published. A quasi-final draft decree is already being circulated, under which there will be only one auction and it will take place before 20 July 2016.

For on shore wind farms above 5MW, 800 MW will be available and tariffs will be auctioned starting from 110 Euro/MWh.

The decree will be effective until the earlier of (a) the Euro 5.8 billion cumulative yearly cost of the incentive tariffs is reached and (b) 1 December 2016 (1 December 2017 for hydroelectric plants).

The draft decree also sets out new guidelines for extraordinary maintenance of PV and other renewable energy plants such as

- 1. the maintenance cannot entail power increases exceeding 1% of the nominal power of the plant (5% for plants below 20kW);
- 2. both new and refurbished components can be used to substitute defective components;
- 3. notice of substitutions of main components (i.e. modules and inverters for PV plants) must be given to the GSE within 60 days of the substitution.

The GSE should implement the above guidelines within 90 days of the publication of the decree.