



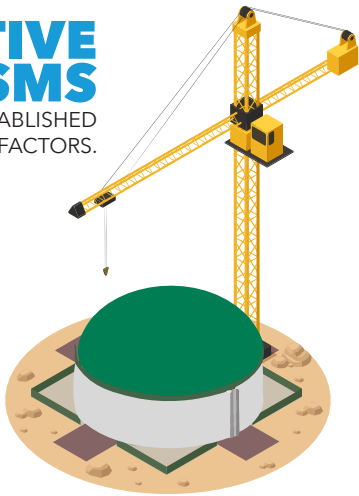
THE NEW BIOMETHANE DECREE

INCENTIVE MECHANISMS

NEW INCENTIVE MECHANISMS ARE ESTABLISHED COMBINING TWO CLOSELY RELATED FACTORS.

CAPITAL INCENTIVES A CAPITAL CONTRIBUTION EQUAL TO 40% OF THE INVESTMENT INCURRED FOR NEW PLANTS

BY USING FUNDS AVAILABLE UNDER THE NRRP (INCLUDING LIQUEFACTION)



FEED-IN TARIFF

(STANDARD TARIFF) FOR THE PRODUCTION OF BIOMETHANE FOR OTHER USES OR FOR THE PRODUCTION OF ADVANCED BIOMETHANE FOR TRANSPORT

110 EURO/MWH FOR PLANTS FUELLED WITH "NON-WASTE" AGRICULTURAL AND AGRO-INDUSTRIAL MATRICES
INCREASED TO 115 EURO/MWH FOR PLANTS >100 SMC / H

62 EURO/MWH FOR PLANTS FUELLED WITH WASTE



ELIGIBLE CAPITAL EXPENDITURE

- COSTS FOR **NEW OR RECONVERTED PLANTS** (BIOMASS MANAGEMENT AND ANAEROBIC DIGESTION FACILITIES AND MACHINERY, DIGESTATE STORAGE; BIOGAS PURIFICATION AND UPGRADING SYSTEMS; BIOMETHANE AND CO₂ TRANSFORMATION, COMPRESSION AND STORAGE; SYSTEMS AND EQUIPMENT FOR ON-FARM BIOMETHANE CONSUMPTION);
- MONITORING AND OXIDATION **EQUIPMENT** FOR BIOMETHANE, FLUE GAS AND FUGITIVE EMISSION MONITORING;
- COSTS OF **CONNECTION** TO THE NATURAL GAS GRID;
- COSTS RELATED TO PROCUREMENT OR PURCHASE OF **SOFTWARE** FOR PLANT MANAGEMENT;
- COSTS OF **DESIGN, SUPERVISION OF WORKS, TESTING, CONSULTANCY, FEASIBILITY STUDIES, PATENTS AND LICENCES**, RELATED TO THE ABOVE INVESTMENTS, UP TO AN OVERALL 12% OF ALL ELIGIBLE COSTS
- COSTS FOR **DIGESTATE COMPOSTING**. I COSTI PER LA FASE DI **COMPOSTAGGIO DEL DIGESTATO**.



ADMISSION TO COMPETITIVE PROCEDURE REQUIREMENTS

SUBMISSION OF APPLICATIONS WILL REQUIRE:

- A **VALID PERMIT** FOR THE CONSTRUCTION;
- ESTIMATED **INDOOR DIGESTATE STORAGE** FOR BIOGAS RECOVERY WITH CAPACITY EQUAL TO AT LEAST 30 DAYS' PRODUCTION;
- ESTIMATED **GRID CONNECTION** IF ENVISAGED;
- COMPLIANCE WITH **SUSTAINABILITY REQUIREMENTS** REGARDING GREENHOUSE GAS EMISSION REDUCTION ACCORDING TO BIOMETHANE USE; AND
- AT LEAST **40% OF MANURE USE IN PLANTS** OPERATING IN NVZS AND HAVING A HIGH LIVESTOCK LOAD.

ANYONE WHO OWNS THE **BIOGAS PURIFICATION AND REFINING SECTIONS** BUT NOT THE ANAEROBIC DIGESTION PLANT MAY ALSO APPLY.



BIOMASS

FOR BIOMETHANE INTENDED FOR OTHER USES, THE DIET IS FREE (INCLUDING MAIZE); THE RATIO BETWEEN DIFFERENT MATRICES MUST ALWAYS AND IN ANY CASE DELIVER THE REQUIRED SAVING IN GHG EMISSIONS (> 80%) TO CERTIFY THE BIOMETHANE PRODUCED AS "SUSTAINABLE"

FOR BIOMETHANE USED FOR TRANSPORT, THE DIET MUST ALWAYS AND IN ANY CASE DELIVER THE REQUIRED GHG EMISSION SAVINGS (> 65%)

IN ORDER TO BE CERTIFIED AS ENVIRONMENTALLY SUSTAINABLE, ONLY BIOMASS GENERATING ADVANCED BIOMETHANE MUST BE USED.

TARIFFS

THE **REFERENCE TARIFF**, SET AS STARTING BID, IS THE SAME BOTH FOR BIOMETHANE INTENDED FOR TRANSPORT AND FOR OTHER USES, BUT DIFFERS FOR PLANTS FUELLED BY AGRICULTURAL MATRICES OR WASTE.



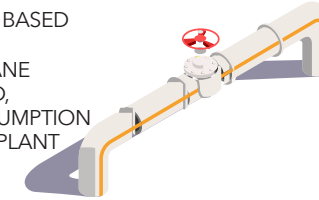
THE DECREE ESTABLISHES A **FEED-IN-TARIFF** FOR PLANTS UP TO 250 SMC. ALTERNATIVELY, A 'PREMIUM TARIFF' APPLIES BEYOND THIS THRESHOLD. THE ACCESS REQUIREMENTS FOR THE FEED-IN-TARIFF REMAIN UNCHANGED, A MAXIMUM OF 2 TIMES SWITCHING FROM ONE INCENTIVE SYSTEM TO THE OTHER IS ALLOWED.

FEED IN TARIFF - EQUIVALENT TO THE STANDARD TARIFF, NET OF THE PERCENTAGE DISCOUNT PROPOSED AND ACCEPTED IN THE COMPETITIVE PROCEDURES, AND INCLUDING THE MARKET VALUE OF THE SALE OF NATURAL GAS AS WELL AS THE VALUE OF ALL GUARANTEES OF ORIGIN.

FEED IN PREMIUM - EQUIVALENT TO THE DIFFERENCE BETWEEN THE STANDARD TARIFF AND THE AVERAGE PRICE OF NATURAL GAS PLUS THE AVERAGE VALUE OF THE GUARANTEES OF ORIGIN (GO) LEFT WITH THE PRODUCER.

PRODUCTION CAPACITY	BIOMETHANE INJECTION MODE	TARIFF
≤ 250 (Smc/h)	GRID WITH THIRD-PARTY CONNECTION OBLIGATION	FEED IN TARIFF (THE PRODUCER MAY OPT FOR THE FEED IN PREMIUM)
≤ 250 (Smc/h)	OTHER FORMS OF INJECTION	FEED IN PREMIUM
< 250 (Smc/h)	GRID WITH THIRD-PARTY CONNECTION OBLIGATION OR OTHER FORMS OF INJECTION	FEED IN PREMIUM

THE TARIFF WILL BE PAID OUT BASED ON **NET PRODUCTION**: THE QUANTITY OF BIOMETHANE INJECTED INTO THE GAS GRID, MINUS FOSSIL ENERGY CONSUMPTION ATTRIBUTABLE TO AUXILIARY PLANT SERVICES AND PLUS ANY BIOMETHANE SELF-CONSUMPTION.



IMPORTANT

THE DEDUCTION FOR AUXILIARY SERVICES MAY ALSO BE FLAT RATE OR BE MEASURED ACCORDING TO THE ACTUAL CONSUMPTION OF THE PLANT ON THE BASIS OF THE MODALITIES DEFINED IN THE APPLICATION RULES.

DETAILS ON HOW THE GUARANTEES OF ORIGIN CAN BE USED TO MEET THE USAGE REQUIREMENTS WILL BE LAID DOWN IN A SEPARATE DECREE BY MINISTRY OF THE ENVIRONMENT AND ENERGY SECURITY

HOW IS THE TARIFF SET?

A 2% REDUCTION IS ENVISAGED FOR PLANTS PARTICIPATING IN THE PROCEDURES FROM 2024 AS WELL AS THE OBLIGATION TO INDICATE A MINIMUM REBATE PERCENTAGE OF AT LEAST 1%.



FOR APPLICATIONS FOR ACCESS EXCEEDING THE ESTABLISHED QUOTAS, THE APPLICANTS WHO HAVE INDICATED A **HIGHER REBATE** WILL BE ADMITTED. IN THE CASE OF EQUAL REBATES, PRIORITY WILL BE GIVEN TO THOSE WHO ENSURE A GREATER EMISSION REDUCTION AND, SECONDARILY, TO EARLIER SUBMISSION OF THE APPLICATION..

COMPETITIVE PROCEDURES AND CAPACITY QUOTAS

THE PROCEDURES (AT LEAST TWO PER YEAR) WILL BE OPEN FOR **60 DAYS** AND THE GSE (ENERGY SERVICE MANAGER) WILL BE REQUIRED TO REVIEW ALL PROJECTS WITHIN **90 DAYS** OF THE DEADLINE FOR EACH ROUND. THE CONTINGENTS ARE DISTRIBUTED IN EACH PROCEDURE. UNUSED QUOTAS ARE REALLOCATED FOR SUBSEQUENT PROCEDURES.

NR.	PROCEDURES		LIMIT PUBLICATION GRADUATORY	CAPACITY QUOTAS (Smc/h)
	OPENING	CLOSURE		
1	30/01/23	31/03/23	29/06/23	67.000
2	14/07/23	12/09/23	11/12/23	71.250
3	22/12/23	20/02/24	20/05/24	23.750
4	03/06/24	02/08/24	31/10/24	71.250
5	18/11/24	17/01/25	17/04/25	23.750
TOTALE				257.000

TIMING OF WORKS

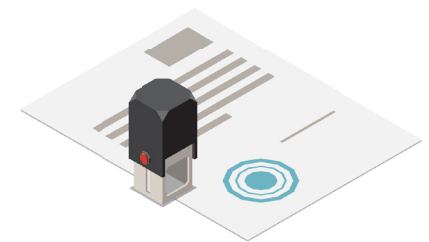
THE WORKS ELIGIBLE FOR FUNDING MUST BE COMPLETED BY NO LATER THAN **30 JUNE 2026**;

THE WORKS MUST NOT BE STARTED BEFORE THE PUBLICATION OF THE RANKING LIST AND COMPLETED WITHIN 18 MONTHS + A FURTHER 9 MONTHS WHERE A 0.5% TARIFF REDUCTION WILL BE APPLIED FOR EACH MONTH OF DELAY.



DECREE APPLICATION RULES

THE DECREE CONTAINING THE APPLICATION RULES WAS ISSUED ON 13 JANUARY 2023. THE BIOMETHANE DECREE WAS PUBLISHED IN THE OFFICIAL GAZETTE ON 26.10.2022 AND **ENTERED INTO FORCE ON 27.10.2022**.



THE ROLE OF CIB

CIB IS COMMITTED TO ONGOING TECHNICAL CONSULTATIONS WITH MINISTRY OF THE ENVIRONMENT AND ENERGY SECURITY AND THE GSE (ENERGY SERVICE MANAGER) ON A NUMBER OF KEY ISSUES. SPECIAL ATTENTION IS BEING PAID TO PRODUCTION AND ACCOUNTING OF AUXILIARY SERVICES, HOW GUARANTEES OF ORIGIN AND LIQUEFIED BIOMETHANE ARE VALUED, AS WELL AS THE POSSIBILITY OF REVIEWING THE TARIFFS.

