

## GSE's Role in the Italian Renewable Electricity System

By Carlo Andrea Bollino\*

In accordance with the Italian and the relevant international legislation, Gestore dei Servizi Elettrici—GSE Spa—supports the development of renewable electricity, by granting incentives to power plants, and conducting awareness campaigns for fostering environmentally-sustainable uses of electricity.

The company has a single shareholder: the Ministry of Economy and Finance, which, together with the Ministry of Economic Development, gives it operation guidelines. GSE is also the holding of the Single Buyer and the Market Operator, the company responsible for the management of the Italian electricity exchange. By managing the support schemes to electricity generation, as well as the related financial flows, GSE plays a key role in the Italian power system.

In particular, GSE carries out all the activities related to the renewable energy certificates (REC) system. This system is Italy's major policy for the deployment of renewable energies (in operation since 2001), and is based on mandatory targets. Italian energy suppliers producing or importing more than 100 GWh per year from conventional sources are obliged to ensure that a percentage of their annual electricity supply for the domestic market comes from entitled renewable energy plants. For those plants, audited in advance by GSE, the total amount of REC is differentiated according to technology. Each MWh produced, before getting REC, is, therefore, multiplied by a special ratio. GSE also checks the compliance of market players.

Since 2005 GSE has also managed the new feed-in tariff for photovoltaic plants; and 2008 it also became responsible for the new feed-in mechanism for all renewable plants smaller than 1 MW.

Furthermore, GSE manages voluntary renewable certifications in accordance with the EU. In that respect it issues the Guarantee of Origin (GO) to renewable electricity. As requested by European directive 2001/77/CE, it participates in the international certificate trading platform managed by AIB (Association of Issuing Bodies) and issues RECS (Renewable Energy Certificates System) certificates.

The strengthening of its role in Italian RES energy policy, also increases the participation of GSE at the international level. During 2008 GSE joined both the IEA (International Energy Agency) Working Party on Renewable Energy Technology as the alternate of the Ministry of Economic Development and the OME (Observatoire Méditerranéen de l'Énergie) Renewable Energy and Sustainable Development Committee.

A new challenge for GSE is represented by the climate change package discussed at EU level. The ambitious targets need, in fact, a good analysis and GSE can be an active party supporting the job of the Italian government.

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