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## **Energy Communities. Nerozzi (Social Weeks): "There is widespread interest and awareness throughout Italy – pending regulatory requirements"**

"Energy communities have become a project of the Italian Church. They provide an opportunity for pastoral care but also for the participation of the Church and Christians in the energy transition process. The seeds sown in Taranto are yielding fruit. We look forward to the day when dioceses and parishes will finally be able to start implementing their projects, when all the necessary preconditions are in place", says **Sebastiano Nerozzi**, associate professor of the History of Economic Thought at the Catholic University of the Sacred Heart, Secretary of the Scientific Committee and organizer of the Social Weeks of Catholics in Italy, interviewed by SIR on the subject of energy communities. It is worth remembering that these communities are groups of people who come together for self-production of electricity from renewable sources, providing environmental, economic and social benefits in the areas where they are located, contributing both to reaching the carbon reduction targets set by the European Union for 2030 while also strengthening Italy's energy security trajectory pursued by the incumbent government. **Professor, energy communities were the first of four tracks of commitment proposed in the concluding statement of the 49th Social Week in Taranto in October 2021. It envisaged the creation of energy community projects by faithful in parishes throughout Italy. How far has it progressed?** The process began in Taranto, with great expectations and great foresight. Legislative Decree 199/2021 is subsequent to the 49th Social Week. However, the law-making process that was supposed to be concluded in a few months, turned out to last far longer than expected and is still ongoing, thus the regulatory framework is not yet fully in place. We are awaiting for the EU Commission to review the notified draft bill and determine whether to approve it as it is or whether it will need some amendments. So there is still some uncertainty. However, having clarified the above, from the ecclesial perspective we have seen considerable interest. The appeal to create energy communities is an awareness shared by many local churches, many bishops, priests and lay faithful. **How is the project taking shape in the various Italian ecclesial realities approximately a year and a half after its launch?** The poll conducted last October by Italy's market research firm Ipsos- with interviews to social pastoral care workers and bursars of 220 dioceses responding from 80 ecclesial settings- found that

there is widespread interest and awareness of energy communities. In many surveyed areas, lay faithful were the ones who pressed for initiatives in this respect.

Further steps have been taken in some dioceses, including the creation of informative meetings on the subject, with project-based initiatives undertaken in some cases. Today we face a fairly diversified situation across the country, since some dioceses have already received funding, such as the diocese of Cremona – for four energy communities in four parishes together with municipalities and associations -, or in Verona, where the Diocesan Association of Works of Charity (ADOA) is networking with all charitable institutions, or again in the city of Lucca, where a pilot project was launched in four parishes. To summarize, it can be said that the response has been positive, and the process has gained momentum, but the regulatory framework for enabling investments is not yet in place. Yet there are a number of things the different realities can do, such as launching formation and discernment paths to identify the kind of energy community they want to create, collecting citizens' support, and identifying the technical partners. These steps do not yet involve any investment, and there is no risk of backsliding into exclusions that could be stipulated in the decree. **What steps have been taken at the national level?** A Technical Panel was set up within the Italian Bishops' Conference (CEI) past October, comprising the Legal Office, the Bursar's Office, Caritas, the Office for Social Pastoral Ministry and Labour, as well as the Scientific and Organizing Committee of the

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Social Weeks. The role of the Panel is not only to study all the technical, pastoral, legal and economic aspects so as to provide the dioceses with accurate information, but also to interact with national institutions (the ministry and Arera) so that the voice of the Church and of Catholic associations is heard in that context. The goal is also to avoid proceeding in random order in such a complex matter as energy communities; there is a risk of making mistakes - including economic and financial ones. Furthermore, a special commitment involves guiding the dioceses in their decision-making processes and identify the realities that have already taken action. Over the past few months, we met with some twenty entities and dioceses; they are probably the tip of the iceberg - which is no small thing, considering that we do not yet have an established regulatory framework. A vade mecum is being prepared that will be updated to include whichever changes may occur in the near future: the document will highlight all the calls for proposals available in the different regions. The purpose is to open a window of opportunity and provide a comprehensive map to navigate through the technical and legal aspects involved in this matter. **The Russian invasion of Ukraine made us realize the extent which energy dependence on fossil fuels (especially natural gas) affects our lives and our wallets. Besides the financial aspect, what other benefits are attached to the creation of an energy community?** Energy communities are an opportunity for pastoral care and for the involvement of the Church and Christians in the energy transition process. They also provide an opportunity for social inclusion and for combating energy poverty, which, as we have come to learn, affects almost 8 percent of Italian citizens. This is a salient issue, not least because energy poverty brings with it other forms of distress. The energy communities we have proposed, including in institutional arenas, are places for sharing and for social inclusion. They also provide an opportunity for parishes and dioceses to create additional local networks, thus giving concrete shape to the notion of a community engaged not only in pastoral and spiritual dimensions but that also shares a commitment to tackle the daily hardships of the poorest social brackets and of many households that have been grappling with the cost of utility bills over the past year, and which may want to make a personal contribution to a change in lifestyles with a view to ecological conversion and often don't know how it can be done. **What advice would you give to those entities that are developing an interest for energy communities? What are the first steps to be taken?** We have been encouraging pathways of formation and discernment throughout the past months. First, it is necessary to obtain basic information on energy communities and on energy sharing and self-consumption. Next, identifying the local stakeholders who could promote the energy community and which partnerships could be created (between parishes, municipalities, educational institutions, sports centers, small businesses...) is fundamental. Likewise, it is important to map out local needs and ensure citizens' support; finally, an expert in the field should be involved to estimate the size of the energy community, the type of investment needed, and the potential returns. At present, aid measures run for a period of 20 years, roughly the duration of solar panels if one chooses a photovoltaic system. The money saved on the purchase of electricity, the revenues from the sale of produced and shared electricity, along with the incentives of the national energy authority (GSE), means that the investments made can be recuperated over a period of about 5-6 years, with the benefits lasting for the remaining 14-15 years. The stronger the community's ability to make a personal commitment for the initial investment, the greater the benefit over time. In any case, due to regulatory uncertainty, it is recommended not to make any financial commitments at this time. **Perhaps no one would have expected that waiting for the regulatory framework would ultimately become the major constraint for the project's development. Which were the points of concern and which ones do you hope will change?** In fact, there are some points of concern, notably for the way in which they are taking shape. The current draft Decree fixes the total installed renewable capacity of 5 GW as the ceiling for subsidized energy interventions. This covers only a limited part of the development potential of energy communities and represents a small fraction of the total gigawatts of renewable power capacity that we need to achieve in order to meet the energy transition targets set at EU level; such a low quota could suggest that the energy communities

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instrument is not being given the right credit as a tool capable of accelerating the transition, or that the target is not being pursued with the required determination. A second aspect is that renewable energy communities (RECs) are an important tool, but we feel it is necessary to better define the nature of Renewable and Solidarity Based Energy Communities for which we have requested an additional premium as compared to other Energy Communities, so as to pursue activities for energy poverty eradication and for social inclusion activities on an equal footing. Finally, we are requesting interventions as regards the unbundling of incentives in utility bills for every citizen: the possibility of individual incentives risks running counter to the very spirit of the energy community as well as undermining its economic sustainability. A community is not simply the sum of many individuals; the current unbundling mechanism tends to transform a REC into a business entity like any other. In our view the community must be responsible for managing resources, fairly and to no one's detriment.

**Which initiatives or events have you planned for the near future?** "Several dioceses are taking the first steps. We look forward to progress along these lines in order to identify and share some best practices that might inspire also other communities. Secondly, as soon as the Decree is promulgated, we will present – together with Government-sponsored research and development agency ENEA - the preliminary assessment model available online. It is a user-friendly tool to help dioceses and parishes understand, through a simulation, the optimal size of the energy community, the nature of the investment and the payback period. Moreover, it is to be hoped that the 50th Social Week of Catholics in Italy, to be held in Trieste July 3-7, 2024, will offer energy communities an opportunity for visibility and debate. In the near future there could even be a Conference of energy communities created at ecclesial level. The Social Week will have as its theme "At the Heart of Democracy. Participation between the past and the future." Energy communities are among the new forms of social participation that can have an impact on the major processes affecting the planet by intervening locally. This issue, today more than ever, requires care, listening and generative capability.

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