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Associazione
Agricoltori
Cremonesi

CONFAGRICOLTURA

Problems and bureaucratic difficulties concerning biogas and
electricity authorisation and production by farms in Northern Italy
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A short report about “Libera Associazione Agricoltori Cremonesi”

- “Libera” is involved in Trade Union activities
- It is one of the most important structures operating in the agricultural field in Northern Italy
- It is member at a national level of “Confagricoltura” which is member at an international level of Copa-Cogeca
- Libera operates in the Cremona province in connection with Confagricoltura's regional level (Lombardia)
- It has 2.500 farmer members and 80.000 hectares
- It is an expression of a large and professional Italian quality agriculture, producing over all fresh milk, pig meat, ham and sausages, cheese (for instance: Grana Padano, Prosciutto di Parma, Salame Cremona)
- It works closely with a large number of farmers' cooperatives and private companies



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Libera's strategy in renewable energy produced by farms

- To promote energy production directly by farmers
- To follow the traditional agricultural production of the area: livestock and crops, mainly milking cows, pig farms, maize, wheat and barley
- To promote energy production in agreement with the local government district starting by agricultural products and byproducts.
- Mainly cows' and pigs' manure and cereals: so our first channel is to complete animal and crops production with biogas and electricity



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Our path

- Since 2004 we have been working to promote energy production by our farmers
- We have followed the Agricultural Community Policy guidelines and also the Italian government ones
- But really we have found many difficulties in our path, mainly due to the lobbies of traditional electricity producers and also, we suppose, to the oil sellers and importers
- So up to now we have in Northern Italy about 100 plants for biogas and electricity production in connection with farms



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Main problems and obstacles

- Bureaucratic
- Economic
- Prescriptive



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Bureaucratic

- Local Authorities in order to obtain the licence to build up producing plants and to manage them
- Gse recognition (Gse is the General manager in Italy to control the electricity production and selling). It is the responsible for giving the recognition of renewable energy production. This is necessary in order to obtain the “green certificate” and the subsequent payment
- Enel authorization (Enel is the National Electricity Board owner of the physical electricity network). So its permission is necessary to sell and put the electricity into the network for its transport.
- Timing: altogether these kinds of permissions and authorizations could take 8 to 12 months.
- The longest is the one concerning Enel: usually no less than six months



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Economic

- One of the biggest economic problems is related to the connection costs to the Network of the National Electricity Board
- Two significant examples are:
- If one needs to build up an electric box to convey your electricity production on it, it should cost from 50.000 to 100.000 euro
- Otherwise, if one needs to connect to the electricity network with a new line, it will cost about 30.000 euro per km.



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Prescriptive

- The last financial law in Italy (december 2007) has introduced very important incentives for renewable energy production
- The main one is for plants with a nominal power less than 1 MW. In this case energy will be paid 0,30 euro per KW for 15 years
- But the new law is not fully operating because we need some more legal details
- Another very big problem is the impossibility to use byproducts coming from the agroindustry to feed the plant. For our law they are considered like waste, so it is impossible to use them.



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Financial support

- According to the new financial law is not clear if it is possible to combine the new energy price (0,30 eurocents) with other financial supports, like those foreseen in the new agricultural community policy
- Another big question concerns plants born before January 1st 2008 or with nominal power bigger than 1 MW.



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Green certificate

- For the oldest plants working with the “green certificate” prices are too low now. They are about 70 euro per MW. (three years ago they were 120)
- This is due to the possibility to buy abroad the “green certificate” by the traditional electricity producers.
- Last, with the increasing prices of crops, a new competition has began between traditional agriculture e new electricity production



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Conclusions

- After waiting for long, we are now in a slow-down phase, because of:
- Bureaucratic problems concerning the authorization to build up plants, and to produce and sell renewable energy
- Prescriptive problems: not very clear laws and sometime one against others
- Financial and economical problems: in the last period the competition between traditional agriculture and agriculture as a source of renewable energy has been increased



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