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|-------------------------------------|---|
| <i>Title of the measure:</i> | <i>ITA 15 Agreement for promotion of methane, the Methane Project (2006-2007) and the Mobility Fund (2007-2009)</i> |
|-------------------------------------|---|

General description

An agreement to increase the methane distribution network in Italy has been signed for the first time for years 1997-2000 between FIAT, Oil Companies Union and ENI (Integrated Energy Company).

In 2001, an Action Plan supporting the agreement goals has been approved for the years 2002-2005 by the Ministry of Environment, Fiat and Oil Companies Union. The Action Plan objectives and actions were identified as follows:

Objectives

- Starting a multi-years programme for promoting the methane distribution and uses for transport, especially in those areas where the air pollution concentration is recognised as ‘critical’.
- Starting a National Research Programme for improving the efficiency of methane’s use for transport.

Actions

- The Ministry of Environment committed itself to approve a coherent legal framework to promote methane distribution and to support local authorities initiatives direct to renew public fleets. The resolution to invest on methane research was also endorsed.
- The role of disseminating the Agreement and its objectives between all its members was adopted by Oil Companies Union and ENI.
- FIAT renewed its engagement to produce and market methane vehicles and to invest in technological research.

Convention within cities- ‘Methane Project’

To realize the Action Plan, a ‘Convention within cities- Methane Project’ between the parties to the Agreement and 21 cities has been signed for 2002-2005 with a budget of 15ML.

The ‘Methane project’ specifically look up at opportunities to improve the methane distribution network in the main urban areas. Turin and Palermo have been appointed as coordinators.

The Fund has been allocated to local authorities to be distributed to:

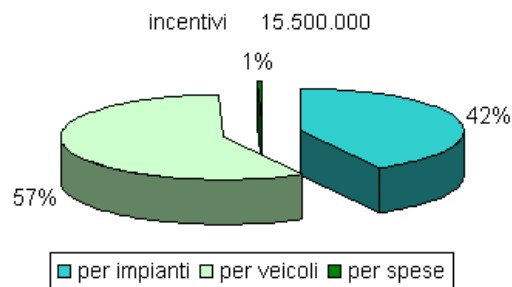
1. Business working for public or private transport
2. Business that work in the freight distribution

3. Business working in the vehicles renting
4. Business or private that intend to build gas station
5. Local public transport companies

Each grants was limited to:

| Scope | Grants |
|-------------------------------------|-----------------------------|
| Taxi/ vehicles for person transport | € 2500 |
| Freight vehicles | from € 1500 to € 6500 |
| Refuelling Station | from € 100.000 to € 150.000 |

Table 1- Grants Distribution



Refuelling stations: € 6.500.000,00 –

For vehicles: € 8.900.000,00 –

For others: € 100.000,00

Data- City of Turin¹

For the years 2006-2007, the Methane project has been financed newly through two agreements with a budget of 10 ML each.

The first Agreement, signed by the Ministry of Environment and a network of cities, focuses on supporting the procurement of methane and bio-fuels vehicles by public transport companies.

The second Agreement, signed between the Ministry of Environment, Oil Companies Union and others actors involved in the production or distribution of methane, is directed to increase the number of methane stations.

¹ <http://www.comune.torino.it/progettometano/incentivi.html>

RETE DISTRIBUTIVA AGGIORNATA AL 01/4/2008

| REGIONI | IMPIANTI IN ESERCIZIO | | | IN APERTURA | | IN COSTRUZIONE | | |
|----------------|-----------------------|------------|--------------|-------------|--------------|----------------|-----------|--------------|
| | Aziendali | Stradali | Autostradali | Stradali | Autostradali | Aziendali | Stradali | Autostradali |
| Val d'Aosta | 1 | - | - | - | - | 1 | 1 | - |
| Piemonte | 3 | 34 | - | 7 | 1 | - | 14 | 1 |
| Liguria | 1 | 7 | - | - | - | - | - | - |
| Lombardia | 4 | 59 | 2 | 2 | 2 | 1 | 7 | 1 |
| Veneto | 3 | 86 | 1 | 7 | - | - | 4 | - |
| Friuli V.G. | 1 | 3 | - | - | - | - | - | - |
| Trentino A.A. | 5 | 10 | - | 4 | - | - | 5 | 1 |
| Emilia Romagna | 7 | 103 | 4 | - | 1 | 1 | 14 | 3 |
| Marche | 6 | 69 | - | 1 | - | - | 1 | - |
| Abruzzo | - | 15 | - | - | - | - | 4 | - |
| Molise | - | 3 | - | - | - | - | - | - |
| Toscana | 5 | 59 | 3 | 1 | - | - | 4 | 1 |
| Umbria | 2 | 21 | - | 1 | - | - | - | - |
| Lazio | 2 | 24 | 6 | 4 | - | - | 4 | 2 |
| Puglia | - | 38 | - | 1 | - | - | 3 | - |
| Campania | 1 | 42 | - | 4 | - | - | 4 | - |
| Basilicata | - | 4 | - | - | - | - | 2 | - |
| Calabria | - | 4 | - | 2 | - | 1 | 1 | - |
| Sicilia | 2 | 15 | - | 2 | - | - | 5 | - |
| TOTALE | 43 | 596 | 16 | 36 | 4 | 4 | 72 | 9 |

Data - Fermetano²**Table 2- Methane distribution networks in 2008*****The Sustainable Mobility Fund***

Since 2007, the promotion of methane uses has become one of the objectives financed by the Sustainable Mobility Fund created by the Budget Law 27/12/2006 n. 296 (art. 1121). The Fund allocates a budget expenditure of € 270 ML devoted to improve air quality and public transport in urban areas for the years 2007-2009.

The Fund is managed by the Ministry of Environment that assesses, finances and monitors the projects presented by the cities in the fields of:

1. Improving efficiency of public vehicles stock
2. Increasing the intermodality
3. Introducing financial package for sustainable mobility
4. Developing mobility management and car sharing
5. Creating secure school-house paths
6. Creating control centers for the logistic organization of goods transport and delivery as well as promoting introduction of vehicles with low environmental impact
7. Increasing distribution network for methane, LPG, electricity and hydrogen
8. Improving bicycle paths

² <http://www.fedemetano.it/distributori.html>

Impact evaluation (methods and results)

Methods

Results

| | | | | |
|------------------------------------|------|------|------|------|
| Ex-post evaluation | 1995 | 2000 | | |
| direct CO ₂ (kt) | | | | |
| Energy (TJ) (Fuels/Electricity) | | | | |
| Ex-ante evaluation | 1995 | 2000 | 2010 | 2020 |
| direct CO ₂ (kt) | | | | |
| Energy (TJ) (Fuels/Electricity) | | | | |

Notes:

1. You might modify the years specified in this table, if the evaluation of your measure contains other years.
2. CO₂ and energy savings should be specified with respect to the reference scenario. If they are specified with respect to a fixed base year, e.g. 1990, and you cannot adapt to the requirements, please make a note in the measure description.
3. Please specify the energy savings separately for fuels saved and for electricity saved. CO₂ savings should only be for direct emissions from fuel combustion in the final sectors. For electricity please suggest in a footnote an emission factor per kWh. In the case of CHP please specify the reference towards which the savings are measured.

| Measure Impact Level | | |
|-----------------------------|-----------------|--------------------------------------|
| low | X medium | <input type="checkbox"/> high |

Interaction of measures

Historical data

References

The Agreements between the Ministry of Environment, Fiat and Oil Companies Union are available on the Ministry of Environment web-site:

<http://www.minambiente.it/>

Information of the project Methane are available at the web site:

<http://www.comune.torino.it/progettometano/>