Italy has a very strong energy efficiency profile. The country is committed to reducing primary energy consumption 43% by 2030 and GHG emissions 33% below 2005 levels by 2030. The country’s cross-sectoral White Certificates scheme is one of the primary mechanisms used to achieve EU energy efficiency targets and has been a best practice program since its inception in 2005. Italy had the highest operational efficiency of thermal power plants in the Scorecard, and the country offers multisector loans and credits for energy efficiency investments.

Several initiatives exist at the national level to support an increased rate of renovation, including the Conto Termico program, which provides incentives for retrofits and energy efficiency improvements in residential and public buildings. Italy also has mandatory requirements for renovations in residential and commercial buildings. Like other European Union members, Italy currently has 42 appliance groups covered by energy performance standards and 25 appliance groups covered by mandatory labels. Italy can improve by enhancing the energy intensity of its residential building stock.

The country has shown a strong commitment to energy efficiency by establishing energy savings targets and requiring plant energy managers to meet them. Italy mandates periodic energy audits in industrial facilities. The country also has implemented a market-based energy efficiency certificate-trading scheme to allow flexibility to industrial facilities looking to meet energy savings goals. Italy also has a high share of installed CHP capacity due in part to its policies to encourage CHP deployment. The Nuova Sabatini subsidy seeks to improve access to new, more efficient, and less carbon intensive machinery and industrial equipment for small and medium enterprises.

Italy tied for third place with the Netherlands in the transportation category. The country participates in the EU’s vehicle standards and will aim to achieve a fleet-wide average of 64.4 mpg by 2025. Italy’s average on-road fuel economy for passenger vehicles of 45.2 mpg is the highest in the Scorecard. Italy has a relatively high ratio of investment in rail transit to investment in roads. Further energy savings can be gained by reducing vehicle miles traveled per capita and improving fuel efficiency standards for heavy-duty vehicles.