



The territorial dimension of Just Transition

Qualitative research findings

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Part 1

Energy Just Transition in Italy: the framework

Energy transition policies and strategies



Integrated National Energy and Climate Plan (PNIEC), 2019

ETS emissions **-43%** vs. 2005 & ESR emissions **-33%** vs. 2005

RES **30%** by 2030

Primary energy consumption **-43%** vs. PRIMES 2007 & Final energy consumption **-39%** vs. PRIMES 2007

Energy dependency from **77% to 68%** (2016-2030)

Coal Phase-out 2025 ?

Simplification and Rationalisation of Environmental Regulations

Italian long-term strategy on the reduction of GHG emissions, 2021

National Just Transition Fund Programme: EUR 1.211 billion.

Territorial Plans: provinces of **Sulcis Iglesias** and **Taranto**.

- Increasing the share of **energy produced from RES**;
- Diversification of the **local production system**;
- Mitigation of the **social and employment effects**.

Piano per la Transizione Ecologica (PTE), 2022

National Recovery and Resilience Plan (NRP), 2021

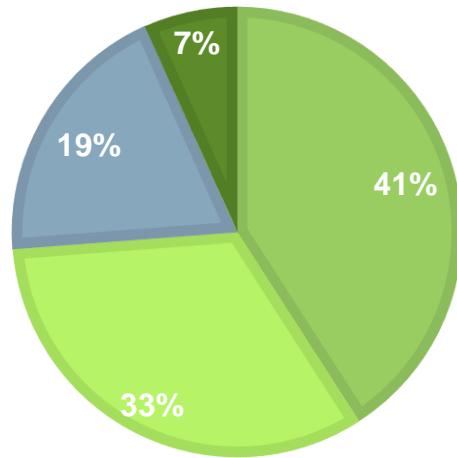
Green Revolution and Ecological Transition

Social Inclusion #New Skills Fund ?

The energy system in transition

Gross energy availability, 2021

■ Natural gas ■ Oil ■ Renewables ■ Other

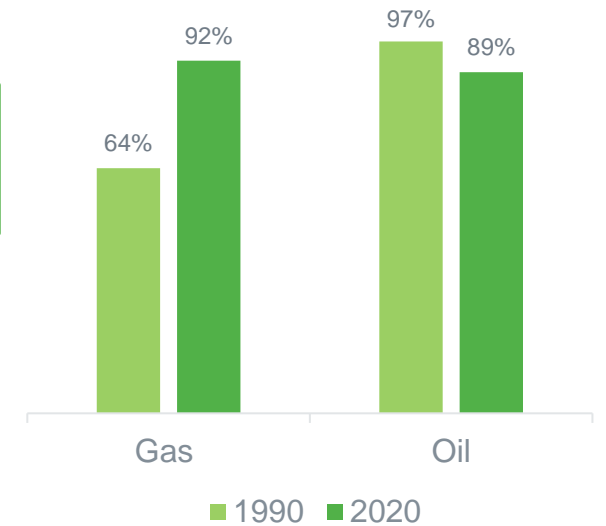


Share of net imports in gross energy availability, 2021

■ Net imports ■ Gross energy availability



Import dependency index



Electricity production, 2021



■ gas ■ solid fuels
 ■ oil ■ hydroelectric
 ■ solar & wind ■ geothermal and bioenergy

Source: Ministry of Energy Security, 2022 and GSE, 2023

Main trends of the energy system in the transition

Electrification of production processes and consumption: energy infrastructure and adaptation of the electricity grid

Decarbonization of the energy system through:

- ❖ **RES:** need to develop the production chains of technologies / disparate distribution of RES plants across the regions
- ❖ **Natural Gas:** transitional energy carrier (4 + 1 regasification units)

Production infrastructure: reuse the structural part subject to closure through new technologies

New technologies for decarbonization through R&D investments of major companies

Technological neutrality: plurality of technological solutions and energy carriers for the transition

Energy transition is a complex multi-dimensional process



Main barriers to the energy transition

- ❖ Lack of **systemic and unique** direction from the public players
- ❖ Lack of a **plan devoted to JET**
- ❖ Lack of **regulatory and legislative framework**
- ❖ Lack of **industrial and energy policies**
- ❖ Lack of **public investments**
- ❖ Allocation of **competences between State and Regions**
- ❖ Lengthy and cumbersome **administrative and authorization procedures**



Part 2

Energy Transition: main effects and the territorial dimension



Preliminary remarks

Energy transition is already underway (notwithstanding mentioned barriers):

- ❖ consensus on the **acceleration of RES**
- ❖ but **uncertainty about the actual timeframe** for fossil phase-out

Transition is slowed down because energy production, transport and distribution is a matter of **shared legislation** between State and Regions

Relying on agreements with TU, **large companies** already applied **transition measures** which also **pay attention to social effects**

SMEs lack financial requirements necessary to undertake the changes and introduce new technologies according to the JT perspective and are in **need for state aid and public investments**



Effects on regional development

Energy transition may contribute to **increase regional and territorial inequalities** due to:

- ❖ plant closures mainly concerning industrial sites in economically depressed areas;
- ❖ slow legislative and authorising processes of the regions
- ❖ political interests for regional “self-governance”

The transition of the energy production system towards the use of RES leads to a **change in the geography of production**:


- ❖ Because of the distribution of the RES on the territory and the move towards a **more fragmented and widened energy system** (electricity production plants grew from around a hundred large facilities to 1.03 million installed RE plants)

Due to the lack of territorial industrial policies, the conversion and/or decommissioning of fossil-based industrial sites leads to:

- ❖ **depletion of the economic and social framework;**
- ❖ **inability to plan local development interventions;**
- ❖ **risk of industrial wasteland.**



Effects on employment



Change in the
geography of
production

Spatial mismatch: employment will no longer be concentrated in specific sites, but will track the development of renewables

Temporal mismatch: employment prospects depend on the implementation of investments and employment in renewables will lead to a change in the labour chain layout

Need to adapt and certify the skills of workers, aligned with the renewed demand for profiles and skills redistributed throughout the territory

Energy transition entails
inequalities between traditional and new workers
in terms of safeguarding labour and contractual protections,
due to the difficulties in correctly classifying professional figures



Part 3

Industrial relations: role for the Energy Just Transition

The state of play/1

- ❖ The **IR system** in the energy sector is **sound**: some multilevel structures are already **supporting the eco-social transition**
- ❖ The effects of the energy crisis and sectoral transformations resulted in **increased intensity of the IR**, where **trade unions act as driving forces**
- ❖ Social partners **willing to master the ET** (to avoid being subject to it) delivering to **widened dialogue and confrontation spaces**



The state of play/2



- ❖ **Forecasting** is already a fundamental element in JET management. A few examples:
 - ❖ FILCTEM electric NCBA include **preventive discussions** of the industrial plans of electricity companies
 - ❖ ENEL's closure of thermoelectric power plants was agreed upon with TU relying on **shared strategic vision and planning**
 - ❖ Sector employers' organizations deliver a periodical **mapping of the energy infrastructures**, to analyze in advance them and their effects (PRALE document provides a list of projects ready to activate)
- ❖ Civic and environmental associations complain **poor involvement in decision-making processes** and in **territorial Social Dialogue**
- ❖ Though their advocacy actions result in local communities empowered to operate as **action groups** and in the establishment of **strong social ties**

Past and ongoing Social Dialogue interventions on JET

- ❖ ENI “**Together**” Protocol to strengthen IR in companies’ decarbonisation paths
- ❖ ENEL “**Statute of the person**” to enhance the individuals in the workplace
- ❖ 2022 renewals of NCBA including the **subjective right to training, certification of skills, training booklet**
- ❖ SP attitude to **fill knowledge gaps** on professional profiles and skills (Observatory on new skills, etc.)
- ❖ The **SMART contract** was included in the 2022 renewal of the Electricity NCBA to **broaden the coverage of work areas** (currently under other contracts either missing)
- ❖ The set up of a **Strategic Committee to manage employment effects** (2017 renewal of the Electricity NCBA)
- ❖ SP efforts to improve the higher education and research apprenticeship contract to make the **electricity sector more attractive**



The territorial dimension of Industrial Relations



Need for an in-depth knowledge of local social and productive fabric to properly deliver the negotiations

**Good level
of territorial
relations !!!**



ENI Site agreement with SP on the transition from fossil production in Basilicata Region



Protocols signed by ENI and SP on the conversion in biorefineries in Venice and Gela (Sicily) including the **Openess platform to support local enterprises**



MAIN DIFFICULTY

Poor participation of the public player

MAIN CONCERNS

- ❖ **Review of the bargaining and protection system** of the workers of the energy sector due to the transformations caused by fragmentation and wider distribution, providing attention to renewables
- ❖ **More participation of the workers in the set-up** of decarbonisation strategies

THANK YOU!

