

RE24S: financial analysis

Technical assistance for Lampedusa, Italy

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The Comune di Lampedusa e Linosa (municipality) in cooperation with Politecnico di Torino applied to the second round of the Clean energy for EU islands technical assistance in March 2022 to receive financial support on a project that is currently at the concept status: RE24S project, in Lampedusa.

RE24S project, foresees the implementation of two small–medium size PV plants:

- Parco fotovoltaico P.ta Ruperta.
- Parco fotovoltaico Cala Pisana.

The project aims to increase the RES penetration in the current island's energy mix and recover abandoned landfills. The implementation of this project follows the Action Plans for Sustainable Energy and Climate targets, which foresees the installation of a maximum of 4 MWp of photovoltaic in the island.

In this context, the beneficiaries applied for technical assistance to develop the project's financial model, combined with an overview of the suitable funding and financial opportunities, not only for the project implementation, for cleaning the land where the PV powerplants will be located.

The financial model gave as output the following key economic indicators:

- Net Present Value: €3 463 260,3
- Internal Rate of Return: 15%
- Estimated payback time: 6,33 years
- Benefit to cost ratio: 2,4

Based on these calculations, it can be concluded that the project has the potential to move forward and to be profitable for a private investor, while decarbonising Lampedusa.

The analysis of the funding opportunities for cleaning the land where the PV powerplants will be located showed that there is not a specific call or public tender in the Region of Sicily and Italy to support waste removal from abusive and/or illegal landfills. Nevertheless, the relevant funding and financing opportunities/mechanisms available for RE24S were investigated, focusing on Public Private Partnership, at the request of project beneficiaries.