

What is the MACSE auction?

The MACSE auction will provide 15-year contracts for energy storage projects whereby they will be paid annual premiums to cover operating costs in exchange for making their capacity available on the Dispatching Services Market (acronymised in Italian as MSD). It will be led by transmission system operator (TSO) Terna.

What will MACSE do in 2025?

Much larger projects are expected to come online in the next few years, driven by MACSE. Image: Trina Solar. Minister of the environment and energy security Gilberto Pichetto has signed a decree allowing Italy to proceed with its energy storage capacity auction, known as MACSE, in the first half of 2025.

What is MACSE policy support?

The catalyst for this is the implementation of the new MACSE policy support mechanism, offering 15 year indexed contracts on up to 100% of asset capacity. MACSE is a game changer. 15 year contracts provide key downside risk protection for infrastructure investors.

Will MACSE competition be 'fierce'?

Consultancy Timera Energy recently said competition in the MACSE auction will be "fierce", and suggested BESS operators maintain a merchant tranche of their project to offset potentially lower returns on the MACSE contracted tranche.

How will MACSE tender targets affect Bess investors?

MACSE tender targets will adapt to the zonal need for storage, but market inefficiencies in predicting fundamental value drivers (e.g., RES buildout, lack of flexibility, interconnection constraints) will likely create locational merchant upside for BESS investors.

Is MACSE a good investment?

MACSE is a game changer. 15 year contracts provide key downside risk protection for infrastructure investors. They also ensure highly bankable projects given a strong credit counterparty (the government backed system operator Terna). There have been some important updates this month that impact investors targeting MACSE support.

Transmission system operator (TSO) Terna estimates Italy will need 9GW/71GWh of new energy storage to integrate its growing renewables pipeline, an average duration of just under 8 hours. That duration will be split between battery energy storage system (BESS) and select pumped hydro energy storage (PHES) projects, though even on the BESS ...

Italian BESS investors are now focusing on business models & MACSE bidding strategy. 2025 is set to see the start of a surge in Italian storage asset investment, led by BESS. The catalyst for this is the implementation



