

INDUSTRY RADAR | ENERGY

The Bollette Reform: Europe Imposes "Selectivity Rules" Amid Standalone Battery Gold Rush

After the EU's RED III directive changes, Italy has formalized its regulatory step under the "Bollette Decree."

By **Manasee Kurlekar** | September 30, 2026



As massive capital shifts to grid-scale batteries, European grids are hitting "virtual saturation," forcing regulators to implement strict allocation frameworks for storage

infrastructure.

MILAN — The global push to decarbonise electricity networks has collided with a new infrastructure bottleneck: virtual grid saturation.

An unprecedented flood of capital into energy storage has forced European regulators to abruptly pivot from incentivising rapid buildouts to aggressively policing grid capacity, triggering a historic regulatory showdown for developers.

At the heart of this shift is an explosive market expansion. **The global grid-scale stationary battery market, valued at \$119.8 billion in 2025, is now projected to scale to \$996.5 billion by 2035 at a blistering 22.8% CAGR.**

This aggressive, capital-heavy buildout has triggered a major operational paradox. Governments that spent the last decade loosening bureaucratic permitting bottlenecks to meet climate targets are now forced to clamp down to prevent speculative projects from choking the physical grid.

The Italian Crackdown

Following recent amendments to the European Union's **RED III (Renewable Energy Directive)**, Italy has become the first major European economy to formalise this regulatory pushback. Under the newly enacted "**Bollette Decree**," the Italian government has established a definitive legal framework that automatically revokes grid connection slots allocated to "immature" or speculative storage systems.

For years, developers hoarded grid capacity slots with minimal upfront investment, creating paper-only projects that blocked viable installations. Italy's new decree effectively flushes out this speculative backlog, demanding immediate proof of hardware procurement and financial viability to retain grid access.

Capital Adapts to the Tightening Grid

The sudden enforcement of selectivity rules is rapidly altering how institutional capital views the energy storage sector. With standalone battery projects facing stricter regulatory hurdles and lengthy connection queues, global energy investors are quickly adjusting their playbooks to protect project ROI:

- **The Hybrid Pivot:** Capital is moving quickly away from isolated, standalone batteries toward **hybrid renewable-storage systems**. By co-locating battery infrastructure directly with existing wind or solar farms, developers can bypass the saturated queues for fresh grid connections.
- **AI-Led Asset Management:** Investment is pouring into advanced, **AI-led asset management software**. To justify the rising cost of regulatory compliance, operators are relying on predictive algorithms to execute microsecond trading on wholesale electricity markets, squeezing maximum profitability out of tightly regulated capacity.

The "Bollette Decree" is a stark warning to the global energy sector: the bottleneck is no longer technology or capital—it is the grid itself. As other EU nations prepare to mirror Italy's regulatory framework, the battery boom is transitioning out of its wild-west expansion phase into a highly disciplined, software-driven infrastructure era.

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