

THIS MORNING, MEETING AT PALAZZO TORRIANI ON THE CURRENT STATUS AND FUTURE DEVELOPMENTS OF THE ELECTRICITY MARKET

One year after the start of the Power Exchange, GME (Gestore del Mercato Elettrico) held a regional-scale seminar on the energy market and on its development prospects. The seminar, organised jointly with the Friuli Region Industrialists' Association, was held at Palazzo Torriani this morning.

The seminar was focused on a particularly topical issue, as companies continue to pay electricity prices much higher than those paid by their direct competitors. This is a factor of non-competitiveness adding to many other factors that companies have to address.

"In spite of the liberalisation process, the national power system continues to suffer from poor market competition, which limits the country's competitiveness. In a context of inadequate electricity generation - said Mr. Francesco Gibertini, in charge of energy at the Friuli Industrialists' Association - GME's Power Exchange has already given a major contribution to transparency in the formation of electricity prices and thus to transparency of the market itself".

Mr. Giovanni Battista Aruta, Executive Director of GME's Market Operations, described the functioning of the markets managed by GME.

"The Power Exchange" - said Mr. Aruta - is a fundamental instrument for the creation of a competitive electricity market. It was designed to favour the formation of efficient clearing prices, which enable producers and consumers to sell and buy electricity where it is more advantageous. At present, 82 participants are active in GME's market, where 63% on average of Italian electricity is traded. Thus, in terms of liquidity, GME's Power Exchange is no. 1 among European voluntary exchanges.

In addition to the Italian Power Exchange (IPEX) and to the Green Certificates Market (launched some time ago), GME recently finalised the organisation of its Energy Efficiency Certificates Market. These "White Certificates" are issued to electricity and gas distributors that have achieved energy consumption savings through energy efficiency enhancement projects. The Certificates may be purchased by parties liable to the energy-saving obligation or sold to parties that need them to fulfil the same obligation.

Mr. Aruta pointed out that, by year's end, GME will also organise the forward market for trading electricity blocks (BIPEX). This market will allow participants to trade future

supplies of electricity blocks, with the advantage of setting the price at the time of purchasing.

Moreover, within a short time, also the Emissions Trading Market will be established. This market will be conceived as a platform for trading greenhouse gas emission allowances, in accordance with the Kyoto Protocol on CO₂ emission reductions.