



GME'S NEWSLETTER – New issue now on line

Rome, 11 May 2009 – The new issue of the Newsletter of “Gestore del Mercato Elettrico” (GME) is now downloadable from www.mercatoelettrico.org

The newsletter opens with a contribution by **Piero Gnudi** (Chairman of Enel and President of e8), who addresses the issues of reduction of CO₂ emissions into the atmosphere and the needs to be met so that this commitment may yield positive and global results, especially in view of the coming G8. To give its contribution to the summit, e8 (association of the leading electricity producers) is engaged in working out a common platform.

“The starting point - stresses Mr. Gnudi - for a serious reflection on this theme is the sustainability of environmental policies pursued by individual countries and international organisations. In other terms, we believe that the industrial world will be able to adopt the most advanced low-CO₂ technologies on a large scale, only if it sees the prospect of an economic return on these investments... This makes it necessary to create a liquid, transparent, diffuse and stable CO₂ market, capable of stabilising prices in the long term. Moreover, to accompany the efforts undertaken by companies, Governments should support the development of innovative technologies that are not yet sufficiently cost-effective”.

With regard to the need to reduce CO₂ emissions, Mr. Gnudi recalls that *“it should be viewed in the light of the important experience acquired through the Kyoto Protocol. In spite of its limits, the Kyoto accord had the merit of indicating the target towards which we now have to resolutely move: to hold down CO₂ emissions, we should rely on a worldwide system based on a market mechanism. The moderate results obtained so far in terms of actually avoided emissions have exposed the limits of the Protocol, above all: lack of a worldwide horizon; low number of sectors bearing the weight of emission reductions; and poor geographic dissemination of flexible instruments, such as CDM”.*

Given the limits which have arisen so far and the challenges to be responded to, Mr. Gnudi feels that *“the new post-Kyoto rules should have a global and no longer regional scale and encourage investments and cooperation in areas where they may drive a real sustainable development process. We need to invest in areas of the Planet where potential emission reductions are much higher than those that may be achieved, all other things being equal, in countries with high energy efficiency, such as the e8 countries”.*

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To make these efforts successful, *“Governments should ensure public support to technologies with high emission abatement potential, namely Carbon Capture and Storage (CCS), which is essential to eliminate emissions from power generation and the heavy industry”*.

Therefore, Gnudi and e8 express the desirability that *“the G8 ministers and the negotiators of the agreement for the post-2012 period will take into due consideration the analyses made and suggestions given by the productive world and design a new approach fostering development and dissemination of new technologies”*.

“Hence, the G8 summit to be held in L’Aquila this Summer - concludes Gnudi - will provide the most industrialised countries of the world with a unique opportunity to produce a final document defining investment priorities and offering concerted support to new energy initiatives”.

As has become customary, issue no. 16 of GME’s publication reports the **summary data of the Electricity Market for the month of April** and the **“Fuel Market Section”**, analysing international oil and fossil fuel prices. The new issue also features the usual technical commentaries on European and national power and environmental markets and exchanges and a thorough review of legislative developments in terms of support to new renewable power plants by **Clara Poletti and Annalisa D’Orazio (IEFE)**.

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