



## GME'S NEWSLETTER – New issue now on line

Rome, 10 June 2010 – The new issue of the Newsletter of "Gestore dei Mercati Energetici" (GME) is now downloadable from [www.mercatoelettrico.org](http://www.mercatoelettrico.org)

The newsletter opens with an interview with Philip Lowe (Director General, European Commission's DG Energy) on the implementation of the Third Energy Package that all EU member countries will have to transpose into their legislation by March 2011. In the opinion of Lowe, a more open and integrated European energy market, based on effective unbundling of energy production grids from energy distribution ones, will have positive repercussions on industry and consumers, favouring competition and reducing prices. With regard to unbundling, the Director General of the European Commission's DG Energy recognises that the Italian regulator and competition authorities have done a good job in stimulating competition in Italy and opening the way to new market players. However, there is still a long way to go, because the rules on unbundling of grid ownership are not the only barrier to an integrated European market. Indeed, the need arises for improving interconnection and managing it impartially and without discrimination. He also expresses satisfaction for the creation of the Agency for the Cooperation of Energy Regulators (Acer), headquartered in Ljubljana and headed by the Italian Alberto Pototschnig (appointed on 6 May). As to the assumption of creating a gas hub in Italy, Lowe points out that this should be the natural consequence of the removal of obstacles at national borders and of the development of new pipelines outside the EU, e.g. from Algeria to Russia. The projects for a southern corridor, including the ITGI (Turkey-Greece-Italy), and the supply of natural gas to the Adriatic and Mediterranean terminals - concludes Lowe - are likely to favour the creation of a hub in Italy.

The new issue comes with the usual technical commentaries on European and national power exchanges and environmental markets, one section dedicated to the analysis of Italian gas market trends and another section with the analysis of trends in the main European commodity markets. As has become customary, the new publication of GME reports **the summary data of the electricity market for the month of May**, as well as a contribution by Alberto Clò (from R.I.E. Ricerche Industriali e Energetiche) on the changes of energy scenarios induced by the crisis. In the opinion of Clò, *the effects of the crisis on our energy system will be felt above all in the area of natural gas, for three reasons: i) it is the source which should have grown the most; ii) it is the one which will be affected by the penetration of renewables and nuclear; and iii) it is the one which will suffer the most from energy consumption stagnation. If, as planned by the Italian Government, nuclear power and renewables covered 25% of electricity demand, the consumption of natural gas would sharply*

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*drop. And this is not all. The expert from R.I.E. argues that, more in general, all fossil sources would be highly penalised by the strong growth of other sources, first and foremost renewables. These considerations - stresses Clò - infer that the clock of our energy system has gone back by one decade and that any decision should necessarily take into account these scenario changes, but also the lower availability of financial resources and the higher market risks. Opposite views may be taken - concludes the expert from R.I.E. - provided that the costs of decisions do not fall on consumers.*

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Press Release