



## NEWSLETTER GME – New issue now on line

Rome, 15 October 2012 – The new issue of the Newsletter of Gestore dei Mercati Energetici (GME) is now downloadable at [www.mercatoelettrico.org](http://www.mercatoelettrico.org).

The newsletter opens with a contribution by **Sergio Ascari from REF-E** about the reform of congestion management on European gas networks. Indeed, in the wake of the process of implementation of the Third Energy Package and in view of the completion of the internal gas market by 2014, the European Commission approved the new rules aimed at removing the last obstacles to the integration of national markets. In particular, on 24 August, the Commission decided to adopt the overcapacity & buy-back mechanism for congestion management (option for TSOs to allocate excess capacity and possibly buy it back in case of actual congestion). As pointed out by Ascari, the Decision was taken considering the *moderate reduction of the renomination right*, i.e. the last-minute correction of actually demanded capacity vs. reserved capacity, and the *quite extreme nature of the “expropriation” of long-term capacity*. The expert from REF-E, however, granted that the choice made by the Commission involves *some implementing uncertainties in many systems* and leaves *considerable discretion* to national authorities as to possible releases of long-term capacity. As a whole, *in Italy, the phenomenon of renomination at the borders appears to be negligible and not significant at present* - explains Ascari -. *Generally, the numerous renominations - which are clearly technically justified by withdrawals, especially for the thermal power generation sector - are counterbalanced by renominations of flows from and to storage systems*. Nevertheless, the expert emphasises that *“the problem will potentially remain because, owing to its structural situation, Italy has one of the lowest ratios of daily supply capacity to European consumption*. Ascari concludes that, taking into account the novel character of the Commission Decision and of the related procedures, *timescales will not be short*,



*especially for the implementation of mechanisms of capacity sale and buy-back; indeed, these mechanisms will require major changes to the Network Code, preceded by consultations or even actions by the regulator.*

The new issue of the newsletter also comes with the usual technical commentaries on European and national power exchanges and environmental markets, the section devoted to the analysis of the trends of the Italian gas market and the one with insights into the trends of the main European commodity markets. As has become customary, GME's new publication reports the **summary data of the electricity market for the month of September**.

**Gestore dei Mercati Energetici S.p.A.**  
*Relazioni Istituzionali e Comunicazione*  
Tel. +39 06 8012 4549  
Fax. +39 06 8012 4519  
[relazioni.istituzionali@mercatoelettrico.org](mailto:relazioni.istituzionali@mercatoelettrico.org)  
[www.mercatoelettrico.org](http://www.mercatoelettrico.org)