



GME's NEWSLETTER – New issue released

Rome, 14 February 2019 - The new issue of the Gestore dei Mercati Energetici (Gme) newsletter is now online. To download it, please visit the website www.mercatoelettrico.org

The newsletter opens with a statement by Claudia Checchi from REF-E on sustainable finance and climate risk management. *"At the end of 2015, the Paris agreement defined common objectives for climate protection - highlighted the REF-E researcher -. Among the tools to prevent climate change, the agreement has given for the first time equal dignity to financial flows and the more traditional instruments of mitigation and adaptation, setting, among others, the objective of making these investment flows consistent with the measures leading to decarbonisation. However, the quantitative limits concerning this aspect have not yet been defined".* As Mrs. Checchi points out, *"the basic idea is that the public sector alone cannot support the efforts and investments necessary to achieve the target, which sets additional resources estimated at EUR 180 billion per year only for the European Union, and it is therefore necessary to develop a financial system capable of orienting investments properly, rewarding green companies and environmentally sustainable initiatives".*

For this reason, in March 2018 *"the European Commission defined an action plan for the financing of sustainable growth - recalled the REF-E analyst -. The plan includes a series of legislative initiatives on various aspects focused on the idea of promoting the creation of information packages that allow investors to properly assess the level of sustainability of investments".* One of the key points is the assessment of the results: *"These should be measured not only in terms of emissions, but also in relation to the use of natural resources, land and water as well as biodiversity and the contribution to the circular economy – explained Mrs. Checchi -. Time horizon is also a much-debated issue. Key objectives should be set not only in relation to past actions but, above all, looking at future developments: the main risks and opportunities will arise in the coming years and businesses should also be assessed on the basis of their ability of resilience to climate change and the strategy and policies adopted for its mitigation.*



The Paris Agreement itself refers to adaptation to the process of decarbonisation. In Italy, following the publication of the Paris agreement, the Ministry of the Environment, in collaboration with Unep Inquiry (the international platform created by the UN Environmental Programme to promote financial policies for sustainable development), launched "the National Dialogue for Sustainable Finance. The initiative - stressed the researcher of the REF-E – recognizes the enormous potential of sustainable finance, pointing out that the time has come to further develop sustainable policies, in light of the significant experience gained and the relevant funds already invested in the field of renewable energy and energy efficiency".

Therefore, the main question is what can be expected for the future. *"Commission initiatives should lead to a revision of the Directive on Non-Financial Information in 2019. However, nowadays the development of tools and resources for sustainable finance are supported mainly by private and voluntary initiatives - observed Mrs. Checchi -. The cultural change at the base of the promotion of sustainable finance and, more specifically, of a more careful assessment of the climate risk by investors, represents only one of the many revolutions to face in order to meet the environmental challenge. The objective and hope, however, is that as the future prospects for climate change and climate change mitigation policies become more concrete, the financial sector may not only "passively" acknowledge the ongoing transformations and consequently change the decisions taken, but also play an active role in the fight against climate change,"* concluded the REF-E analyst.

As usual, the new issue also includes the latest technical commentaries on the national and European electricity and environmental markets and exchanges, the section dedicated to the analysis of trends in the Italian gas market and the analysis section on European trends, which provides insights on the trends in the main European commodity markets.



The new GME issue also contains the electricity market data for the month of January 2019.

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