



Autorità per l'energia elettrica e il gas

JOINT PRESS RELEASE

Everything Ready for the Start of the Energy Efficiency Certificates Market

Rome, 2 February 2006 – On 1 Feb. 2006, GME's Board of Directors resolved to start the trading of Energy Efficiency Certificates (TEE) on its electronic platform by the end of February. Indeed, the last details were finalised in order to enable parties involved in the energy-saving promotion scheme to access the Energy Efficiency Certificates Market and trade the TEE.

The launch of the market of "white certificates" operationalises the innovative scheme that AEEG (Autorità per l'Energia Elettrica e il Gas - Electricity & Gas Regulator) planned for promoting energy savings in accordance with the Ministerial Decrees of July 2004. To describe the mode of operation of the TEE Register and Market, GME will organise, with AEEG's support, two technical meetings for operators. The meetings will be held in Rome on 13 February and in Milan on 16 February.

GME issues Energy Efficiency Certificates to electricity and natural gas distributors, as well as to energy service companies that have been accredited with AEEG. The certificates are issued after authorisation by AEEG, which certifies the energy savings achieved by the above-mentioned parties through demand-side energy efficiency enhancement projects.

For each ton of oil-equivalent (toe) certified by AEEG, GME releases one energy efficiency certificate.

After their issuing, the TEE are deposited with the TEE Register, which is administered by GME, and thus become tradable.

Press Release



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Large-scale electricity and natural gas distributors use the TEE to demonstrate their compliance with the yearly energy-saving obligations that AEEG assigned to them beginning in 2005, under the provisions of the Ministerial Decrees of July 2004. To avoid AEEG's sanctions in the event of non-compliance, liable distributors may opt to develop projects on their own and obtain the related TEE or to buy the TEE gained by other parties. The TEE may be traded bilaterally or through the organised market that GME will manage under AEEG-approved rules.

Based on AEEG-determined obligations, large-scale distributors were required to achieve about 155,000 toe of overall energy savings in 2005. Since 1 Jan. 2005, AEEG has received over 350 applications for verification and certification of energy savings obtained through approximately 1,000 demand-side energy efficiency enhancement projects. About half of the projects were implemented by electricity and gas distributors, generally with the co-operation of third parties (e.g. plant and equipment manufacturers, installers, service companies). The other half of applications were submitted by companies operating in the energy service sector (over 400 of which have been accredited with AEEG).

To date, AEEG has completed the assessment of roughly one hundred applications, certifying about 88,000 toe of savings. In the next few weeks, AEEG will end the processing of applications for which it required additional information from applicants.

By trading on the electronic platform, that GME manages under rules established jointly with AEEG, distributors and energy service companies will: i) easily find their counterparties; ii) make secure and transparent transactions; and iii) rely on efficient TEE price setting.



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Energy efficiency enhancement and energy consumption reduction

Promoting rationalisation of residential, commercial and industrial energy consumption is one of the priorities of EU and national energy policies. In particular, enhancing energy efficiency means deploying new technologies capable of cutting down electricity, gas and primary energy consumption. In its “Green Paper on Energy Efficiency or doing more with less” (published in June 2005), the EU estimated that more efficient technologies may decrease the current energy consumption by 20%, i.e. save about € 60 billion/yr at EU level and € 200-1,000/yr for an average household. Energy conservation is also crucial to reducing dependence on fossil energy sources (which might otherwise reach 70% in the next 20-30 years at worldwide level) and on energy imports from other countries (still accounting for about 14% in Italy). Moreover, improving energy efficiency may counter climate change, facilitating the attainment of the Kyoto Protocol targets.

At national level, the Decrees of July 2004 (adopted jointly by the Ministries of Productive Activities and of Environment and Land Protection) have put in place an innovative scheme fostering efficient resource use and energy savings. Under the scheme, electricity and natural gas distributors with more than 100,000 final customers are held to achieve an overall energy efficiency enhancement target of 2.9 million tons of oil-equivalent (Mtoe) by 2009. Beginning in 2006, such distributors will have to fulfil an AEEG-determined yearly energy-saving obligation by implementing demand-side projects. The scheme relies on a market mechanism based on the trading of certificates giving evidence of the energy savings achieved. These energy efficiency certificates (TEE in Italian) are also known as “white certificates”. To fulfil their yearly obligation, liable distributors will have to surrender to AEEG the number of TEE corresponding to their obligation.



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The parties entitled to receive the TEE will be distributors (liable and non-liable to the energy-saving obligation) and ESCOs (companies operating in the energy service sector) that have implemented energy efficiency enhancement projects. Therefore, to comply with their obligation, liable distributors may choose to develop projects on their own and gain the related TEE or to purchase in the market the TEE obtained by other parties. In particular, the TEE may be traded bilaterally or on an organised market.

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