



Issue no. 6 of GME'S NEWSLETTER now on line

Rome, 9 June 2008 – Issue no. 6 of the Newsletter of Gestore del Mercato Elettrico (GME) is now on line (downloadable from www.mercatoelettrico.org).

The Newsletter opens with an interview with Environment Minister Stefania Prestigiacomo, who analyses the issue (raised by Italy at EU level) of revising emission reduction commitments. The Minister emphasises that, to date, our emissions have increased by 12% owing to multiple factors: first of all, our nearly total dependence on fossil fuels, but also the allocation of emission cuts among EU member countries, which has penalised Italy. Therefore, in view of the 2009 Copenhagen Summit, which is expected to develop a platform for setting the Kyoto II targets, Italy should voice its requirements and reiterate the principle under which the more you pollute, the more you have to cut.

With regard to energy policy guidelines, the Minister recalls that promotion of renewables is a priority and that the Government is formulating a medium- and long-term energy plan placing particular emphasis on the environment and on environmental protection. Under the plan, the next Budget Law should involve legislative measures enabling Italy to keep its commitments in terms of energy savings and use of renewables. The plan will necessarily accommodate the nuclear option: although this option cannot solve all energy problems, it will help diversify sources and curb the country's energy dependence.

In the interview, the Minister also points out that environmental and energy governance is a key element of any development policy, that the related decision-making processes should be revised and that this can and should be done with the consent and involvement of local governments and communities.

As has become customary, GME's Newsletter reports the summary data of the Electricity Market for the month of May; from now on, these data will be supplemented with a paragraph (with table and graph) analysing the sales of electricity in Italy by type of generation. The Newsletter also features the usual technical commentaries on European and national markets, power exchanges and environmental exchanges, as well as a commentary by Clara Poletti (IEFE - Centre for Research on Energy and Environmental Economics and Policy, Università Bocconi) taking stock of the state of the art and prospects of the Guarantees of Origin.

In the "Approfondimenti" (insights) section, a contribution by Professor Alberto Cavaliere (University of Pavia) makes an in-depth review of the market

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mechanisms for balancing the gas transport grid. Based on AEEG's recent consultation document on the reform of the gas market balancing system, Professor Cavaliere outlines the potential and possible developments of the system. Thanks to a comparison with the first market mechanism introduced in the UK, Cavaliere stresses the need for introducing additional flexibility instruments for operators, with a view to achieving an adequate Italian gas exchange.

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