



GME'S NEWSLETTER – New issue now on line

Rome, 17 April 2012 – The new issue of the Newsletter of Gestore dei Mercati Energetici (GME) is now on line at www.mercatoelettrico.org.

The newsletter opens with a contribution by Emanuele Vendramin, from RIE, about the indirect effects that the new Energy Efficiency Directive (being discussed within EU institutions) will have on the EU-ETS. *Since July 2011 - stresses Vendramin - the market of emission permits has been hit by a severe liquidity crisis. This crisis - due, in part, to a problem of initial overallocation of permits and, in part, to the exacerbation of the economic-financial crisis - added to uncertainties over the post-Kyoto evolution of the global climate policy.* In this context, points out the expert from RIE, *the full implementation of the Energy Efficiency Directive might further weaken the price of emission permits, nullifying the cap & trade scheme used to curb greenhouse gas emissions.* To address this situation, the Environment Commission of the European Parliament made an amendment (set-aside) to the Directive. Under this amendment, *the Commission has the option of removing from the market or setting aside a given amount of allowances (about 8%, equal to a value of € 1.4 billion). The permits would be put back on the market at a later stage, after recovery of prices, so as to guarantee that the same prices do not exceed the € 30 level (forecast in 2008).* Nevertheless, recalls Vendramin, in the final version of the Directive, *any reference to a specific amount (whether the number of permits or the monetary value) has been removed.* The same applies to white certificates (or Energy Efficiency Certificates - TEE). *As the EU-ETS ceiling is fixed – explains the expert from RIE - the reduction of emissions promoted by white certificates has a depressive impact on CO₂ prices, to the advantage, above all, of the most polluting installations and of other industrial sectors, which may instead increase their emissions.* By contrast, concludes Vendramin, in the sectors not covered by the EU-ETS, white certificates *may have a significant impact on reduction of emissions in both the short and long term.*



The new issue of the newsletter also comes with the usual technical commentaries on national and European power exchanges and environmental markets, with the section dedicated to the analysis of Italian gas market trends and with the one giving insight into the trends of the main European commodity markets.

As has become customary, the new publication also reports the **summary data of the electricity market for the month of March.**

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