



## **NEWSLETTER GME – New issue now on line**

Rome 16 May 2013 The new issue of the Gestore dei Mercati Energetici (GME) Newsletter is now on line. It can be downloaded from the [www.mercatoelettrico.org](http://www.mercatoelettrico.org) website. The Newsletter begins with a contribution by Emanuele Vendramin of RIE on the budget for the second regulatory period of the European ETS system. Based on the figures released by the EU Commission, the emissions verified by the Emissions Trading Scheme in 2012 (still partial and representing 74.2% of all plants covered by the system) "show a total of 1,787 billion tons of CO<sub>2</sub>, to which adding 54.9 millions from the aviation. The plants which reported last year's values - states the RIE analyst," released into the atmosphere a total of 116.7 million tons less than in 2011, accounting for a 6.1% drop, representing 12.8% less than the allocated annual quantity, generating an overall surplus of 263 million quotas that, added to the surplus of the previous years, reaches nearly 500 millions. 2012, according to Vendramin, "is therefore the sixth year (the fourth consecutive one) in which the verified emissions are lower than the allocated ones, and most of all the year with the most substantial surplus of permits." *A detailed analysis of the situation and a comparison of the verified emissions with the quantity allocated over the year, shows - adds the analyst - that only two nations recorded a deficit of quotas (Germany -6.6% and the United Kingdom -0.6% ), while the remaining countries increase the surplus of permits (France 37.2%, Austria 15.2%, 12.3%, Italy 7%). In particular, Italy, with a 'long' positioning of 13.5 millions in 2012, increases its surplus for the entire Phase 2 of the ETS up to 29.7 million quotas. "If you analyze, however, the actual economic impact of the ETS, said Vendramin, "we can say that the European Emission Trading Scheme during the second regulatory period has recorded a net profit of around 1.9 billion euros. However, the market is divided between buyers (combustion plants) who incurred a 9.9 billion euro cost for the system, and sellers (manufacturing plants), which instead have benefited from the sale of surplus permits. The revenues of the latter (11.8 billion*



euro) is a private asset that the plants have received for free, and that they could monetize by pouring it on the market. The ETS has thus had an anti-cyclical effect acting as an insurance policy against the recession and the international financial crisis. "The third phase of the ETS, concludes the RIE expert, "opens with a weakness of CO2 prices (reaching 3 €/quota) and with a surplus of 500 million emission permits that actually cancel out the reduction of the emission limits until 2018. "

The new GME issue shall contain not only the technical commentaries related to national and European electricity, power exchanges and environmental markets, but also an entire section addressed to the analysis of market trends within the Italian gas market, as well as insights by experts and spotlights on the main European trends and commodities markets.

The new GME publication shall include - as usual - **the summary data of the Electricity Market related to April.**

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