



GME'S NEWSLETTER – New issue now on line

Rome, 9 August 2013 – The new issue of the Newsletter of Gestore dei Mercati Energetici (GME) is now downloadable at www.mercatoelettrico.org.

The newsletter opens with a contribution by Roberto Bianchini, Claudia Checchi, Mario Cirillo and Cristina Rocca from REF-E about the future of incentives for electricity generation from renewables (RES-E).

The experts from REF-E remind that, under the National Energy Strategy, the targets set in the National Renewable Energy Action Plan (NREAP) are proposed to be exceeded. Indeed, under the current scenario outlined by the strategy, *the contribution of RES-E consumption will lie in the 120-130 TWh range vs. 112 TWh in the NREAP, with a share of imports (through the so-called flexible mechanisms) of “as little as” 6 TWh, i.e. less than half of the one indicated in the NREAP.* Nonetheless, warn Bianchini, Checchi, Cirillo and Rocca, based on Terna's statistical data, *RES-E was already above 90 TWh in 2012, substantiating its sustained upward trend in the past few years and its fast pace towards the set target.* The analysts point out that, *based on REF-E estimates, the NREAP target is likely to be reached as early as in 2015, without exceeding the planned limit of cost.* Indeed, Bianchini, Checchi, Cirillo and Rocca expect *this cost to total € 4.7 billion at the most, also taking into account the prospective yearly cost associated with green certificates, with the remuneration of mini-generation through the all-inclusive feed-in tariff and with CIP-6 agreements still in force.* The experts stress that the remaining resources (€ 1.1 billion) *would be sufficient to prolong incentives until 2020; at this time, overall RES-E would exceed 128 TWh (excluding imports), i.e. just slightly below the upper limit of the 120-130 MW range specified in the National Energy Strategy.* Bianchini, Checchi, Cirillo and Rocca predict that, in 2020, RES-E will mostly come from hydro generation, which will have *the highest share (36%), followed by solar photovoltaic (23%) and biomass (20%).* In contrast, wind power generation will account for 15% and geothermal generation will



be slightly above 5% of the total. Hence, at least in the next few years, incentives will remain the *only way to increase RES-E, even if* - conclude the analysts from REF-E - *the recent reforms have demonstrated that such instruments as quotas, market competition and automatic adjustments can significantly improve the efficiency of the measures taken in this sector.*

The new issue comes with the usual technical commentaries about European and national power exchanges and environmental markets, the section devoted to the analysis of Italian gas market trends and the one with insights into the trends of the main European commodity markets.

As has become customary, GME's new publication also reports the **summary data of the electricity market for the month of July.**

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