



NEWSLETTER GME – The new issue has been published

Rome 13 April 2017 – The new issue of the newsletter of Gestore dei Mercati Energetici (GME) is online and can be downloaded at www.mercatoelettrico.org.

The newsletter opens with an intervention by Claudia Checchi and Tommaso Franci from REF-E about the LNG end-use chain including new rules and infrastructure projects. *"The end-use of LNG now represents a growing market, in Italy as in the rest of Europe, but with a relatively high development potential, a number of development projects and a broader reality, with interests from different sectors and investors – point out the experts of the REF-E-. Although slowed down by the current lack of infrastructure, there are many encouragements towards a greater use of this energy carrier. The Legislative Decree 257/2016, in transposing the European Directive on alternative fuels, in addition to providing a set of rules for the promotion of the use of gas and LNG in the transport industry, has broadened the scope of action also to 'further uses' of LNG, thus laying the foundation for the completion of the legal and regulatory framework ". The outlook for the LNG market identified in the National Strategic Framework "is very encouraging – as stated by Checchi and Franci -: in 2030, infrastructures capable of delivering an additional 5,300,000 t/y in the worst-case scenario, and 7,100,000 t/a in the best-case scenario, are expected to be implemented. A capacity that can meet the 6-7% of the final national energy consumption, compared with a still modest market, and estimated at 16,400 t/a in 2015". In the transport sector, for example, by 2030, "in addition to the presence of a minimum number of LNG stations accessible to the public along the Italian road sections of the TEN-T core network, it is also expected the presence of 800 methane refueling stations integrated with LNG – pointed out both the REF-E - analysts. At the same time, again for the year 2030, it is expected the presence of 30 to 35.000 heavy road vehicles powered by LNG, with a penetration rate of 12-15% on the overall predictable circulating vehicles in the next 15 years."* As for the new infrastructure such as intermediate LNG storage, the most advanced projects in the authorization process today are mainly in Sardinia, but there are others both in the Tyrrhenian Sea (Livorno) and in the Adriatic Sea (Ravenna), while the recent approval by the UN agency for maritime navigation, concerning the adoption of a global limit on the sulfur content in marine fuel of 0.5%



starting from 2020, is one of the greatest development potential for the industry. *"This legislation could in fact turn out to be one of the most effective engines for the creation of an infrastructure for the LNG market in the Mediterranean,"* explain Checchi and Franci, adding that if the necessary rules will be *"made available soon and will commence promptly the construction of infrastructure projects already announced between 2019 and 2020"*, the SSLNG production chain in Italy *"could take off effectively with real prospects for development in line with those indicated by the National Strategic Framework for LNG. The demand for LNG for end-use could also boost the role of Italy in the Mediterranean as a hub for the exchange of gases, even as import bridge for the Central European markets"*, concluded the REF-E experts .

The new issue of the newsletter comes with the usual technical commentaries on the markets and the national and European electricity and environmental exchanges, the section devoted to the analysis of the trends of the Italian gas market and the analysis on trends in Europe, which delves into the trends of the main European commodity markets. GME's new publication also reports, as customary, the summary data of the electricity market as of March 2017.

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