

## **NEWSLETTER GME – Nrew issue now online**

Rome, 13 July 2017 – The new issue of the newsletter of Gestore dei Mercati Energetici (Gme) is online and can be downloaded from the website [www.mercatoelettrico.org](http://www.mercatoelettrico.org).

The newsletter starts with a speech by Alberto Clô del RIE on the energy sector.

*"By reading the data collected in 2016, there is the perception of a reality that seems to be not consistent with the reality itself", said the RIE expert, "especially in relation to the decarbonisation processes. Things are basically not going as expected and as it would be necessary".* According to Clô, there are fewer consumption in China but more in the OECD area, a strengthening of the oil leadership that raises the share of energy demand from 32.8% in 2014 to 33.3% in 2016, *"cutting off a decline that lasted since 1999 and denying the prospect of the oil peak demand"*. But even natural gas, considered as the "bridge" fuel of the energy transition, recorded in 2016 *"a 1.5% increase in fuel consumption"* albeit reduced if compared to the +2.3% in the previous decade. However, *growth that is far below the "golden age of gas" illusorily forecasted by AIE in 2011"*, the RIE analyst pointed out. In decline, however, is the coal that left on the ground over 50 million tep (-1.7% over 2015) as renewable energies and electricity continue to grow, though less than in the past. Finally, for the fourth consecutive year, carbon dioxide emissions remained basically stable at 33.4 billion tonnes despite the growth in the economy and energy consumption, indicating their lower carbon intensity. This data shows that the demand for energy *"continues to grow, even at slow rates"* - Clô admitted -. *The positive change in the OECD area over the last two years shows that economic growth is still the main driver of energy consumption" and that the expected and hoped "oil exclusion from energy budgets is far from being reached. If the IEA predicts for 2017 an increase in consumption of another 1.3 million bbl/day (+1.3% over 2016), it means that in a five-year period its demand increased by 7.2 million bbl/day: one of the highest post-war increases"*.

At the same time, the RIE analyst added that *"the new renewables will continue to grow, although at current rates it will take a long time before they can beat the record of fossil sources"*. In addition, CO2 emissions have *"stabilized, unlike what they generally predict"*. One of the reasons may not exclude the incorrect climate and economic models that the more time that goes by, the more they revise downwards their forecasts".



In essence, Clô concludes by stating that *"the discrepancies between facts and perceptions in the two-year period 2015-2016 (perhaps even in 2017) seem to identify a discontinuity with respect to the trends that have characterized the past decade. It is soon to say if they will last, but they nevertheless advise a stronger caution when predicting scenarios that do not match the reality"*.

The new issue also includes the usual technical commentaries on the markets and the national and European electricity and environment exchanges, the section devoted to the analysis of the trends of the Italian gas market and the section with an analysis on European trends, which delves into trends in key European commodities markets.

The GME's new publication also reports, as customary, the summary data of the electricity market for June 2017.

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