

## NEWSLETTER GME – New issue now online

Rome 15 November 2019 – 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 opens with an intervention by Claudia Checchi from the REF-E on the future of citizens' energy communities (CEC) *"considered by some to be a possible new market paradigm, an evolution capable of undermining the traditional ways of organizing the energy system. In particular, the contribution of the CECs could be the promotion of the acceptability of production plants from renewable sources" which "remains in many cases one of the major obstacles to the development of renewable plants".* In this context, *"Italy could be a country particularly suitable for spreading the CECs, thanks to a long experience of self-consumption and to the already wide penetration of distributed generation - Claudia Checchi explains -. In 2017, the gross production of electricity from plants connected to the distribution network amounted to 64.2 TWh (approximately 21.7% of the entire national electricity production), with a slight increase (+1.3 TWh) compared to 2016. Out of the almost 800 thousand installed systems, 98% are photovoltaic, covering 59% of installed capacity and 35% of gross production".* In essence, Claudia Checchi points out, *"these data suggest that the widespread generation could have a crucial role in the achievement of the ambitious 2030 targets (+ 40 GW of renewable installed capacity compared to 2017), and the CECs are considered an indispensable tool".* However, the system needs some general adjustments: *"In the first place - Claudia Checchi explains - in order for the potential of the CEC to become real, the rules need to allow the exploitation of the economic advantages linked to the possibility of self-consumption of the energy produced on site. Even in terms of self-consumption, Italy has an important tradition and a regulatory framework that is already widely developed. However, the many existing situations (internal networks, cooperatives, etc.) have made it difficult for the regulatory Authority even to classify the different configurations and their classification in a common*



*regulation". Indeed, most of the generation of distributed generation is today distributed and only a minor part is self-consumed, with a greater incidence of self-consumption with non-renewable sources, consisting mainly of cogeneration configurations of energy and heat fueled by natural gas. "This situation is the result of the regulatory framework, which until now has granted direct incentives on the distributed energy even for small consumers, not favoring self-consumption solutions", the REF-E expert points out, specifying that another issue to be resolved "is that the sharing of costs and benefits within the CEC among the different parties involved. This management requires coordination levels hardly compatible with the quality and timing of the official measurements available today". CECs can therefore be organized in two possible ways: "through a punctual regulation of the obligations and rights of the CEC's participants - regulation that could favor standardization but which risks turning into a bureaucratic nightmare - or rather let the market find independent solutions, making the most of the potential of digital technologies". Finally, it would be interesting to verify whether the presence of the CECs may or may not provide prospects for the financing of interventions for the construction of renewable generation or energy efficiency plants. "The CECs should moreover become part of the new market paradigm, in which explicit incentives are not envisaged but where the market finds forms of guarantee and bankability of investments through the stipulation of long-term contracts (PPA)", Claudia Checchi points out. Finally, "the push towards the creation of CEC and the participation of consumers in the market must be conceived as a search for energy self-sufficiency that reduces the need for coordination and market organization. These needs will increase, both in terms of physical and financial management, with new and important roles for both network managers and market intermediaries, but supported by different forms of risk and opportunitie sharing", Claudia Checchi concludes.*

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 October 2019.



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