

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

Rome 16 April 2020 – 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 begins with an intervention by Mattia Santori from the RIE on the decarbonisation process underway after the launch of the European Green Deal. *"It took exactly three months for the European Green Deal to find an obstacle on its way: the coronavirus,"* has observed the RIE researcher, pointing out that when the EU Commission started working on the European Climate Law *"it was impossibile to predict that after just 90 days, carbon neutrality - or even the decoupling between growth and use of resources - could no longer be the priorities of the political agenda and that the more than one trillion billion allocated would have seemed inappropriate in the face of the most serious and dramatic health and economic crisis never faced by the eurozone since the post-war period"*. However, if at first glance the presence of COVID-19 may seem to be in contrast with the European transition plan, *"there are three interpretations that lead us to reflect on what many have hurried to considered as an impossible coexistence - Santori observed -. First there is the time factor. Since the European Commission submitted on 4 March, unintentionally anticipating the outbreak of the epicemic, the proposal of the first European climate law, the European Climate Law, to the European Parliament and Council, to the European Economic and Social Committee and to the European Committee of the Regions"*. Secondly *"there are the first data on air quality, and in particular on nitrogen dioxide (NO<sub>2</sub>) which among the pollutants of the air, is the one that responds most rapidly to changes in emissions and is produced by all combustion processes, including those deriving from vehicle traffic"*. While it is still too early to clearly establish *"the drop in total emissions and fine particles (PM<sub>10</sub>), the first evidence on carbon dioxide (CO<sub>2</sub>) anticipates the data observed for China with a reduction of its emissions by 25% compared to the same period of 2019"*. Finally, the third interpretation is linked to the future. *"While the current situation gives us an environmental scenario that is difficult to replicate in a normal situation, with reduced vehicle and air traffic and a substantial deadlock in industrial production, on the other hand this precludes the start of a great phase of reconstruction, which could be associated with a rethinking of economic,*



*energy and industrial models", the analyst of the RIE admits while recalling that the energy sector plays, in this context, a decisive role, since the production and consumption of energy accounts for over 75% of the total Union emissions. The sticking point, if anything, clarifies Santori, concerns the portfolio as, overall, it is a matter of mobilizing at least one thousand billion euros over the next ten years: "Enzo Di Giulio in a recent article on RiEnergia tried to do some maths: whereas the EU represents just over 20% of the global GDP (about 80 trillion dollars) and assuming that the effort is proportional to the wealth produced, the EU should spend about 7 trillion euros: seven times the trillion allocated to today". In essence, "there is enough ground for those who want to raise concerns - the RIE researcher points out -. Actually, the European Commission itself appears realistic since, in addition to claiming the proposed objectives, is preparing its citizens for what will be a collective effort not far from that requested in the fight against the coronavirus. It does so while leaving 40% of its work to private individuals, technology and lifestyles. It does so while admitting that it takes 25 years - a whole generation - to transform an industrial sector along its entire supply chain. It does so while proclaiming that time is short and we must act as soon as possible. It does so while, in full compliance with the announced deadlines, on 4 March 2020 it published the proposal to Parliament and the European Council for the definition of the first European climate law. It does so by launching a massive consultation process which takes the name of European Climate Pact and which will guarantee the expression of the next climate law. And perhaps this is the worst news of all. Since once the work of the institutions is over - Santori concludes – our work will begin".*

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 March 2020.

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Press Release