

NEWSLETTER GME – New issue now online

Rome 14 May 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.

The newsletter begins with an intervention by Matteo Leonardi and Claudia Checchi from the REF-E on the upcoming rules to access the "green" financing. *“The European policy for decarbonisation is taking steps according to the expected stages and timescales. However, the current lockdown and the consequent economic crisis require a public intervention to provide economic resources to support income, businesses and investment recover, to plan a recovery from the crisis and the protection of employment – highlight the REF-E researchers -. This unprecedented intervention overlaps with the simultaneous goal of decarbonisation of European energy and production systems which aims at complete decarbonisation by 2050”*. For this reason, Leonardi and Checchi continue, *“the more resources for post-covid reconstruction 19 will be invested in activities aligned with the decarbonisation scenario, the more the reconstruction will be based on investments capable of restoring long-term value; on the contrary, the more the resources will be used in activities that are not compatible with the decarbonisation scenarios, the more the lock-in phenomenon will increase, that is, the concentration of capital in sectors that are not able to repay an investment before clashing with the climate protection scenarios”*. In line with the principle of the Agreement, in March 2018 the European Commission presented an action plan for sustainable finance focused on three pillars. *“Directing financial flows towards sustainable investments for inclusive and sustainable growth. Managing financial risks related to climate change, environmental damage and social issues. Strengthening the transparency and long-term perspective of economic and financial activities”*, explain the two REF-E analysts while adding that in the last two years a package of measures has taken shape from the action plan of March 2018.



The most important steps concern taxonomy and regulation. In the first case *"in May 2018 the Commission made a regulation proposal to promote sustainable investments through the introduction of a taxonomy that defines, in relation to different scenarios, the ways to be defined as sustainable - underline Leonardi and Checchi -. The presence of a taxonomy is an essential aspect for the regulation of finance because it practically defines the sectors and economic activities that can be considered sustainable in relation to different environmental macro-dimensions: climate change (mitigation and adaptation), sustainable use and protection of water and marine resources, the transition to a circular economy, the control and reduction of pollutants, the protection and restoration of biodiversity and ecosystems".* "A second measure of the action plan is the proposal for a regulation on information regarding sustainable investments and sustainability risks. The so-called disclosure. The regulation will introduce disclosure requirements on how institutional investors and asset managers integrate environmental, social and governance (ESG) factors into their risk management processes. The regulation will come into force from March 2021 - the analysts of the REF-E point out -. With the launch of the Green Deal in December 2019, Europe has announced its intention to allocate 1000 billion euros in strategic sectors for decarbonisation. In the context of public finance, at the end of 2019, the European Investment Bank published an internal policy in support of decarbonisation, anticipating, among other things, the intention not to finance infrastructures related to fossil sources, including generation plants with an emission coefficient higher than 250gCO₂/kWh. The action plan described, and the taxonomy in particular, will provide the reference framework to access the available resources", Leonardi and Checchi conclude.

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 April 2020.



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Press Release