

GME NEWSLETTER – The new issue has been published

Rome 17 May 2022 – The new issue of the Gestore dei Mercati Energetici (GME) newsletter is online, downloadable from the www.mercatoelettrico.org.

The newsletter opens with the brief speech of Francesco Sassi, a member of RIE, on the state-of-art of the nuclear field in Europe. According to Sassi *“at today, nuclear power generation capacity in advanced economies is 18% of total demand, but for years, there has been a slow and inevitable decrease. This trend – he pointed out – is mainly explained by the closure of plants made available in 70s and 80s, which, as soon as they reach their end life, are taken out of service. For this reason, despite the dramatic increase in solar and wind power, electricity generation from low-carbon sources has remained substantially unchanged over the last 20 years. The result was a slowdown in decarbonization of the electricity sector.”*

Nonetheless, the RIE analyst has noted that *“in today’s context, the structural crisis of market, enhanced by the international situation due to the conflict between Ukraine and Russia and the increase in global commodity prices, nuclear power tends to assume a new centrality in national policies to strengthen energy security that goes beyond supporting the different transition strategies put in place by individual states. Nuclear power has a further role, as to say ensure electrical safety, providing support to the intermittent supply of renewables, and thus ensuring the stability of the electricity grid during peak consumption.”*

In this sense, a significant rebound was held in 2021, *“when nuclear power generation grew by 3,5%, recovering a substantial part of the losses of 2020. China is the country with the biggest growth of nuclear power, around 11%. In general, in 2020-2021, severely affected, at first, by the pandemic crisis and, then, by recovery of world economies, China’s nuclear power grew by 16%, substantially tripling its numbers at global level – Sassi pointed out –. The IEA provides an average increase in nuclear generation to 1%, over the three-year period 2022-2024, covering 4% of the overall growth in electricity demand”*.

For what concerns Europe, on the other side, *“the European Technical Expert Group (GTE), which is called upon to judge the nuclear sector on its alignment with the objectives of the Green Deal and the energy transition, declared nuclear power compatible with*



Brussels' energy and environmental deliberations. The GTE has also specified that there are no potential and significant problems with the disposal of radioactive waste," highlighted the RIE researcher and added that "therefore, it is not a case that the same European Green Deal, with its central intention to achieve carbon neutrality by 2050 and protection, conservation and improvement of the EU's natural capital and biodiversity, supports the inclusion of nuclear power in the European Taxonomy".

Among European countries, in France, "nuclear power is experiencing a new life, thanks to Emmanuel Macron's re-election as President. For what concerns the newly elected President's intentions, the so-called French nuclear Renaissance will see the realization of 6 new EPR2 reactors within 2036 and up to 14 by 2050 to ensure «the country's energy independence»." The German government, "after an initial temptation after the first phase of the war in Ukraine, confirmed its intention to end the operation of its three plants still active (eleven in 2011), and decided to build new regasification plants in the north of the country within a few years. A study commissioned by Berlin showed that extending their operation would imply legal and bureaucratic problems. The lack of trained staff and potential shortages in fuel stocks are further factors that have been taken into account by Germany to confirm its stop." Belgium "has decided to extend the operation of the two reactors by ten years, essentially by cancelling the decision taken years ago of a complete phase-out of nuclear power by 2025" while in Spain "nuclear generation is experiencing a constant decrease and, according to the National Energy and Climate Plan 2021-2030, the full decommissioning of the 7 active reactors will take place between 2027 and 2035, while the nuclear generation will change from 22.5% in 2020 to 7.8% in 2030". For what concerns Scandinavian area, "both Sweden and Finland are enhancing their nuclear strategy. While Stockholm now has six working reactors," Finland "is the last European country with a reactor entered in operation, Olkiluoto 3 has been operational since March 2022, the first in the last 40 years. Helsinki wants to realize the construction of a sixth reactor by the end of this decade and the country looks favourably to the use of atomic energy to complete its energy and climate transition", concluded Sassi.

The new issue also includes the usual technical comments relating to the national and European electricity and environmental markets and exchanges, the section dedicated to



the analysis of the trends in the Italian gas market and the analysis section on the trends in Europe, which explores the trends on the main European commodities markets.

The new GME publication also reports, as is now customary, the summary data of the electricity market for the month April 2022.

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