

## **GME NEWSLETTER – The new issue has been published**

Rome 14 October 2022 – The new issue of the Gestore dei Mercati Energetici (GME) newsletter is online, downloadable from the [www.mercatoelettrico.org](http://www.mercatoelettrico.org).

The newsletter opens with a speech by Chiara Proietti Silvestri of the RIE on how to survive the next winter with the energy crisis.

*"The importance of behaviours and policies, aimed at reducing consumption in the current emergency of shortage of Russian gas, is under everyone's eyes. There are geopolitical, economic and environmental reasons that require collective mobilization to reduce energy demand in the coming months",* underlined the RIE analyst. In particular, *"in times of crisis",* what can make the difference *"both in geopolitical - to undermine the Russian influence on European energy security - and economic terms - to reduce the energy bill - and, furthermore, from an environmental point of view - to reduce the effect of necessary measures to replace methane with non-intermittent alternative sources"* is represented by *"consumers that, with their behaviour, can contribute to significantly reduce the energy demand, the key element to overcome the current emergency context and to solve structural and long-term problems,"* explained Proietti Silvestri. To understand that this is the best way forward, on the other hand, just take a look at the evolution of demand: 2021 closed *"with a strong growth compared to the exceptional year 2020, dominated by the pandemic. Therefore, we cannot be surprised by the double-digit increase percentages that characterized the last year (final consumption + 11%), despite the energy market situation had already stated an unprecedented rise in gas and electricity prices",* highlighted the RIE researcher. In the first nine months of this year, however, *"we can see a decline of 3.4% in the January-September period compared to the same period in 2021 (-1.8 billion cubic meters), even if with a slight increase on the average for the decade. In September, in particular, there was a sharp contraction (-16% on 2021) in all sectors which brings us back to the levels of twenty years ago, a symptom that the price crisis is starting to hit heavily all consumer sectors".* But, if in the medium-long term there are several options available on the offer side to reduce Russian influence, such as the RePower EU, the European plan to get free from Russian dependence by 2027, *"to overcome the coming winter, politics can only look to the demand side".* For this reason, *"with this assumption in mind, on 20 July, the Commission presents the Save Gas for a Safe Winter (SGSW) Plan which sets a 15% saving target in natural gas consumption between August 2022 and March 2023 in order to prepare for potential interruptions in Russian gas flows during the winter",* said Proietti Silvestri. In fact, what consumers are asked today *"is, in an almost Parmenidean contradiction, not to consume (it could be defined as a non-consumer or a saver consumer)",* observed the RIE researcher. *Political*



*measures, at least if we look to circumstances, change but the structural objective is always the same: to preserve the safety and reliability of the system. In an extreme situation of lack of resources and price crisis, the consumption decrease becomes very important, given it contributes to guarantee the safe functioning of the system". "Given the difficulty of implementing a specific control system for ordinary users, it is necessary to focus" therefore "on people's sense of responsibility and awareness of their role for the stability of the energy system, as well as for energy transition and the fight against climate change. In order to achieve these results, it is important that citizens are informed and spread greater awareness of their decision-making power, through those dedicated campaigns related to Consumption Containment Plan but not yet disclosed", concluded Proietti Silvestri. We are all responsible and, above all, those that, even if they are able to consume even in such high price regimes, decide to promote virtuous behaviours in order to be active players in such a sensitive time. Moreover, an important opportunity to test a positive attitude for change to a more sustainable energy system that also necessarily passes through us and our habits".*

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 September 2022.

**Gestore dei Mercati Energetici S.p.A.**

Governance Department

Phone: +39 06 8012 4549

Fax: +39 06 8012 4519

[governance@mercatoelettrico.org](mailto:governance@mercatoelettrico.org)

[www.mercatoelettrico.org](http://www.mercatoelettrico.org)