

GME NEWSLETTER – The new issue has been published

Rome 15 February 2023 – The new issue of the Gestore dei Mercati Energetici (GME) newsletter is online, downloadable from the www.mercatoelettrico.org.

The newsletter opens with a speech by Gian Paolo Repetto and Agata Gugliotta of the RIE on the declining demand for gas that is giving new breath to the energy markets. *“If the gas system did not go into crisis this winter, as it might have done, this is certainly the result of a fast diversification of imports, in particular by using LNG and secondly by increasing (where possible) alternative gas pipeline imports”*, said the two RIE analysts. But this was also due to different factors such as *“exceptionally mild temperatures that led to little use of the very expensive storage of the summer, the destruction of industrial energy demand due to the very high costs of gas and electricity and the consumption-reducing measures issued by the EU countries”* continued Repetto and Gugliotta. Turning to the figures of our country, *“in 2022, given a EU consumption reduction of 13% if compared to the previous year (about -55 bn mc), in Italy we had a reduction of 10% corresponding to 7.7 bn mc less gas”*, the two RIE researchers pointed out. *Of these, 59% (4.5 bn mc) is attributable to the lower level of request from urban distribution networks linked mainly to consumption for civil use, 27.9% to the lower consumption of large industries connected to the transport network (2.1 bn mc), 11.6% to the decrease in thermoelectric consumption (-0.9 bn mc), the remaining 1.5% to the system consumption and other items”*. From 1st November 2022, the day on which the storage capacity was formally started, until January 2023 included, *“20.4 bn mc was consumed against an average of 25.8 bn (-21%), resulting in a “savings” of 5.4 bn mc. The consumptions in January 23”* – Repetto and Gugliotta have pointed out in their analysis – *“even recorded a negative record, with the lowest figures for the last 20 years for the same month. The destruction of demand, as we have seen, for several causes, including very mild temperatures and exceptionally high prices, has enabled very little use of the storage”*. We can say that, *“Europe is facing its first winter without, or almost without, Russian gas, pretty well. However, if this is happening, in addition to the speed with which the EU moved after a few weeks of confusion in finding further temporary or structural solutions, it is also due to different lucky circumstances, such as, as has been said several times, the extraordinarily mild climate and a weak Asian competition on LNG”*, explained the two RIE researchers. In any case, *“in a context of limited supply that seems to persist in the medium term, in 2023 the trend of demand, both in Europe and in Asia, will be one of the determining factors in the balance of the markets. With regard to Europe, the greatest uncertainties are related to the weather during the year and a possible (and desirable) recovery in industrial consumption,*



after the sharp reduction in prices since mid-December compared to the record levels of the second half of 2022,” concluded Repetto and Gugliotta.

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 January 2023.

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