



## GME's NEWSLETTER – New issue now on line

Rome, 10 February 2009 – The new issue of the Newsletter of Gestore del Mercato Elettrico (GME) is now on line at [www.mercatoelettrico.org](http://www.mercatoelettrico.org)

The newsletter opens with a contribution by **Francesco Lo Passo (NERA)**, who analyses the European Parliament's proposal for a Directive on the promotion of the use of energy from renewable sources as part of the Climate-Energy package. The proposal provides, among others, for the use of flexibility mechanisms through which European countries may count the renewable energy produced in other countries of the Community towards the achievement of their targets.

"The adoption of support schemes for renewables by the individual countries - stresses Lo Passo - has certainly encouraged their utilisation in the past few years. Nevertheless, the targets set by the European Commission are particularly challenging for the various countries and the current support schemes may be too burdensome to permit individual countries to reach their targets at reasonable costs. Flexibility mechanisms and the opportunity to meet one's own obligations by making investments in countries with a better cost-benefit ratio may help create a less polluted world at a sustainable cost. However, some flexibility mechanisms will be more effective and more socially acceptable than other ones. A particular issue is the social acceptance of the "statistical transfer" from European countries where support schemes are paid by the national community to countries with different support schemes. Indeed, the latter countries might pay less for the purchase of the transferred energy than the citizens of the transferring country, with a transfer of wealth from the country transferring energy to the country receiving it. These mechanisms are useful but should be implemented with the necessary precautions".

As has become customary, issue no. 13 of the publication reports **the summary data of the Electricity Market for the month of January** and the "Fuel Market" section, which analyses oil and fossil fuel price trends in the international market. The new issue also comes with the usual technical commentaries on national and European power and environmental exchanges and markets, as well as a **commentary on the gas balancing market by Clara Poletti (IEFE)**. With regard to the recent Russian gas crisis and its repercussions on Europe, Poletti concludes on the need for creating a "true balancing market, where the different resources may compete with one another and find their right remuneration. In this respect, also in the light of the recent debate on market integration and the gas crisis, it is worth recalling that the market permits to allocate available resources efficiently and not to generate new resources. We thus



hope that we will not have to wait for another interruption of gas supplies to see the achievement of this important step”.

**Gestore del Mercato Elettrico S.p.A.**

*Relazioni Istituzionali e Comunicazione*

Tel. +39 06 8012 4522

Fax. +39 06 8012 4519

[relazioni.istituzionali@mercatoelettrico.org](mailto:relazioni.istituzionali@mercatoelettrico.org)

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