

NEWSLETTER GME – New issue now online

Rome 17 dicembre 2018 – 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 opens with an intervention by Claudia Checchi, Tommaso Franci and Federico Clementi from the Ref-e on the relevant variables and recent trends in the air-conditioning market. According to the three experts, *“the largest share of energy consumed in Italy is intended for civil use, with 47 million Tep of final consumption (in 2016) out of a total of 116 MTep and 39 of transport and 26 of industry”*. Checchi, Franci and Clementi point out that *“the greatest part of the civil uses is ascribable to domestic air conditioning for which about 32.5 MTep are consumed every year, namely almost 70% of the entire sector”*. Although this sector is not included among the ETS, namely those subject to direct regulation of CO2 emissions through the European cap-and-trade emissions mechanism, public intervention on energy consumption in buildings will represent a keystone for achieving the new 2030 objectives of environmental energy policy, being able to contribute both through improvements in energy efficiency and through the penetration of renewable sources”. In this regard, the new European directive on the promotion of renewable sources, which will replace the 2009/28/EU, pays more attention to the thermal consumption of renewable energies and introduces specific provisions aimed at strengthening intervention in this sector. The Ref-e analysts explain that *“the main innovation is the establishment of an indicative target of annual increase in the penetration of renewables in consumption for heating and cooling of 1.3% from 2021 to 2030, compared to the level that Italy is expected to reach in 2020. This indicative target for the growth of renewable sources can be considered particularly significant in Italy: assuming a level of 20% in 2020, the compliance with the annual growth target of 1.3% would lead to an overall value of penetration of renewables in cooling and heating of 33% for 2030”*. However, Checchi, Franci and Clementi explain that the replacement of the 11 million conventional boilers *“will probably happen in very long times. In fact, boilers are usually replaced at the end of their service life, considering that the service life is theoretically about 10/15 years, but actually much longer in some cases. Boilers using*



conventional gas could be replaced by the more efficient condensing boilers, the most suitable alternatives, and this would allow saving less than 2 Mtep, probably well below the targets set in the 2030 energy and climate plan. The current trends suggest a certain heterogeneity of technologies, slowly replacing conventional boilers; from the heat pumps (in the different available versions) to the biomasses, which also contribute to renewable consumption. They are not listed in the statistics as they are completely marginal today but other technologies, such as micro-cogeneration, gas-fired heat pumps and hybrid technologies, which combine gas boilers and heat pumps, may also experience technological developments". As for national policies, the improvement of energy efficiency in buildings "can be accelerated by strengthening and optimizing the current tools, such as tax deductions, thermal meter (conto termico) and white certificates. In this context, the extension and strengthening of tax deductions can also play a crucial role in the event of interventions in multi-unit buildings through the transfer of debt that is already raising the interest of energy operators". Checchi, Franci and Clementi conclude by stating that "to this end, the availability of tools that facilitate access to credit such as the National Guarantee Fund for energy efficiency provided by Legislative Decree no. 102/2014 (still not effective), is crucial. Obviously, in the future, the sector will have to take into account a progressive efficiency of the buildings which, although very slowly, can in turn influence the variables at stake. The future in this sector, is therefore far from being clear".

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 November 2018.

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