

GME'S NEWSLETTER – Issue no. 199 now online

Rome, 16 January 2026 – The new issue of the newsletter of *Gestore dei Mercati Energetici* (GME) is now downloadable from www.mercatoelettrico.org.

The newsletter opens with an article by Agata Gugliotta from *Ricerche Industriali Energetiche* (RIE) about the dynamics of the coal market in 2025. Gugliotta emphasises that these dynamics *highlight some new developments with respect to the consolidated trends in the past few years*, beginning with a *steady demand following a relentless decade-old growth trajectory*. *Based on IEA's latest estimations, coal consumption in 2025 practically stabilised (+0.5%) remaining around or slightly above its levels in 2024, when it grew by 1.5% and averaged +3% per year over the post-Covid three-year period*. However, *consumption still reached a record of 8,845 million tonnes, i.e. up by 40 million tonnes compared with the previous twelve months*. A *second noteworthy development is that 37 out of the 40 additional million tonnes were consumed in the United States*. After 10 years of decline, averaging -7.5%, *the latter country reversed its structural downward trend in coal uses, posting a 9.9% increase in demand, whereas China (whose growth is slowing) added only 1 million tonnes*. Gugliotta adds that *India experienced a contraction after 4 years of record growth rates. In Europe, coal demand slowed its declining pace. Instead, what did not change were the uses of coal, primarily to fuel thermal power plants, and the ongoing policy trend of the major Western countries to move away from this source, albeit over different timescales*. Gugliotta points out that, *for instance, in June 2025, Ireland completed its phase-out, by closing its last coal-fired power plant in Moneypoint, thus becoming the 15th European country to eliminate the utilisation of coal for electricity generation*. In such a context *is it possible to anticipate the onset of this source's decline? After years of predictions of an imminent drop in demand - regularly contradicted by new consumption records – the IEA, albeit timidly and with a wait-and-see approach, has once again interpreted the 2025 data as the first signs of an expected trend reversal, particularly regarding the use of coal in electricity generation*. *The competition of coal with other growing sources (renewables and LNG) and a heightened awareness of decarbonisation issues (although the latter have long been sacrificed in the name of economic development) appear to point in this direction*.

Gugliotta concludes that, nevertheless, *the use of the conditional is necessary and that the Agency itself remains cautious. Indeed, in the background, many uncertainties persist: on the one hand, the energy security needs of many countries (India above all); and, on the other hand, the actual growth rate of alternatives to coal, which cannot be taken for granted.*

This issue of the newsletter comes with the usual technical commentaries about European and national power exchanges and environmental markets, a section focused on the analysis of Italian gas market trends, and a section with insights into the trends of the main European commodity markets.

As has become customary in January, the publication also reports **the yearly data of trades in the electricity and gas market for the year 2025.**

Gestore dei Mercati Energetici S.p.A.

Governance Department

Tel. +39 06 8012 4549

Fax. +39 06 8012 4519

governance@mercatoelettrico.org

www.mercatoelettrico.org