

GME NEWSLETTER – New issue available

Rome 15 June 2017 – A new issue of the Gme (Gestore dei Mercati Energetici) newsletter is available online and can be downloaded at the webpage www.mercatoelettrico.org.

The newsletter opens with a speech by Claudia Checchi, Andrea Coletta and Roberta d'Alessandro from the REF-E concerning Europe's long way towards a greater energy security.

The crises which occurred in the years 2006 and 2009 have indeed lead the European Commission to adopt regulatory measures *“aimed at preventing and mitigating the risk of gas shortage due to supply problems or to exceptional peaks of the demand”*, so state the REF-E analysts. Hence the European Regulation n. 994/2010 was introduced as a first package of measures for the prevention and mitigation of possible crises. *“Each Member State is now required to produce three documents – so say Checchi, Coletti and d'Alessandro –: the risk-assessment, which is mandatory at a national level, although not public and which shall be used to define the preventive action plan and the emergency plan. The above mentioned plans describe the preventive measures or the measures to be implemented to manage a crisis situation according to three alert levels (pre-alarm, alarm and emergency)”*. However the 2014 Russia-Ukraine crisis - because of which in October 2014 simulations and stress-tests were carried out - highlighted the ineffectiveness of the actions required by the European Commission, by showing how, in case of gas shortage, there could be great disparities in the security levels among the different Member States, disparities which, in a cooperation scenario, can be highly reduced. For this reason, new provisions are about to be approved in Bruxelles, providing for *“a definition of the principle of solidarity among the Member States”*, while *“strengthening the preventive action plan and the emergency plan”* as well as *“the risk assessment procedure, even on a regional scale”*. The *“obligation to ensure bidirectional capacity at the interconnection points between Member States”* is also included. However, the application of the new update proposal *“has now been transferred to the areas of cooperation, as underlined by the REF-E experts. What is still not clear, is how Member States will implement it and which effect the new national and regional plans will have and if there will be further scope for an ever growing cooperation, at a community level, so that, by sharing energy crises, the Member*



States could be affected in a more homogeneous way, without particular gaps also in regard to profits and compensation. In addition – Checchi, Coletti and d’Alessandro conclude –, it will be necessary to understand how supervisory bodies actually interact with the Member States and with which level of authority: the lack of an efficient and timely coordination among areas of cooperation and the lack of supervision and harmonisation with regard to compensation mechanisms could cause a lack of uniformity between areas and consequently a non fully effective cooperation”.

The new issue contains the usual technical comments concerning the electrical and environmental markets and exchanges, at a European and national level, as well as a section dedicated to the analysis of the trends for the Italian gas market and a section focusing on the analysis of the trends on the main European commodities markets.

The new GME publication also includes, as a well-established tradition, the financial highlights of the electricity market for May 2017.

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