

Italian Electricity Market FAQs

01.01.2025

Contents

- This document provides you with an overview about the organization and management of the **Electricity Market (ME)** in Italy and a list of frequently asked questions on how it works and how to access it.
- [Contact](#) us if you do not find the answer to your questions.

ME in a Nutshell

DESIGN

- ME is based on a **central dispatching** model where schedules and dispatching of the units connected to the grid are determined through the operation of the electricity markets (economic merit dispatching)
- Bids/offers must mandatorily refer to the physical or virtual* units of the transmission grid. ME is therefore a “physical” market where it is not possible to trade positions that do not correspond to an asset connected to the grid.
- GME** is the Italian Market Operator responsible for the organization and management of ME in Italy according to art 5 of the Legislative Decree 79/99.

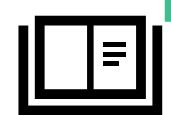
**Subjects that import/export energy in Italy are assigned a virtual production/consumption unit located in the foreign virtual bidding zones of the Italian market representing the interconnection with neighboring countries, corresponding to the Physical Transmission Rights allocated in auctions managed by JAO*



MARKET PLATFORMS

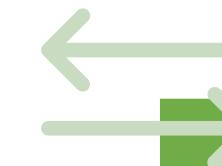
- ME consists of spot markets **MPE** and forward electricity markets **MTE**.
- Beside the market based procurement, the sale and purchase of electricity in Italy is also allowed through the registration of bilateral contracts (OTCs) on the Forward Account Registration Platform **PCE**.
- GME manages the IT platforms of MPE, which consists of:
 - MGP - THE DAY AHEAD MARKET**
 - MI - INTRA-DAY MARKET**
 - MPEG - DAILY PRODUCT MARKET**
 - MSD** - ANCILLARY SERVICES MARKET**
 - PN - NOMINATION PLATFORM**
- GME manages the IT platforms of:
 - MTE - FORWARD ELECTRICITY MARKET**
 - PCE - FORWARD ACCOUNT REGISTRATION PLATFORM**

***MSD are the IT platform operated by GME where Terna procures contracts for the dispatching and for global ancillary services. For all the other ME platforms GME acts as CCP.*

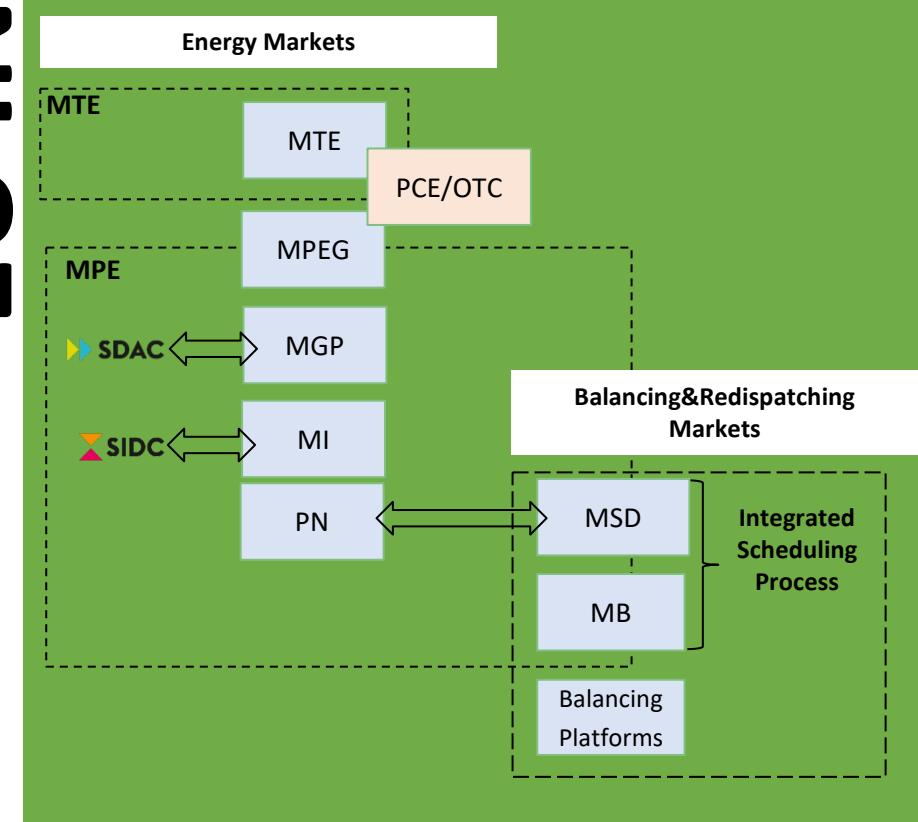


[Integrated Text of the Electricity Market Rules](#)

EU INTEGRATION



- The national markets, MGP and MI, are integrated respectively with the **SDAC** (PCR) and SIDC (XBID&IDA)
- SDAC and SIDC are initiatives set by the EU regulation **CACM** for the implementation of cross border trading across Europe.
- GME is designated in accordance with CACM, as Nominated Electricity Market Operator **NEMO** for the development and operation of SDAC and SIDC together with the NEMOs and TSOs of the EU member States.



- I am interested in the Italian electricity market. Is there any material available on GME website?** Yes, there is. From the [Markets Access](#) section of GME homepage you can browse through the [Electricity Market](#) (ME) section and [Forward Account Registration Platform](#) (PCE) section and consult all relevant information regarding the rules, how to participate, how to operate, fees, settlement and guarantee system. For technical documents please refer to the [Library](#) and for user guides refer to [Guidelines Facilitating Access to and Participation in GME's Electricity Market](#) and [Vademecum of the PCE](#), available in the [Manuals](#) section.
- My company is interested in trading electricity in Italy. Which are the requirements to trade on ME?** The marketplace for trading electricity in Italy is the ME. You are eligible to trade on ME if you are the owner of generation/consumption units or the holder of virtual units connected to the grid, i.e you have signed a BRP contract with TERNA and thus received the identification code of the units in respect of which you are entitled to submit bids/offers on ME. In order to trade on ME you must apply for the market admission to GME. You can trade in ME even if you are not a BRP, however trading is possible if the market participants holds a unit as it is delegated by the relevant BRP.
- Is being BRP is a requirement to trade in ME?** No, it is not. Nevertheless, for those market participants admitted to ME, trading is only possible if they hold a unit as a BRP or as a market participant delegated by the relevant BRP, subject to notification to GME.
- How to join ME?** In order to become an ME Market Participant and trade on ME platforms, follow the [ME admission process](#). Upon admission the applicant shall acquire the status of ME MP.

5. **I am a foreign trader with no generation/consumption units located in Italy. How can I import/export electricity in/from Italy?** If you are a foreign trader without a generation/consumption unit located in Italy you can import/export electricity in/from Italy through virtual units in case you are the holder of PTRs on the interconnection with France, Austria, Switzerland, Slovenia, Greece and Montenegro. PTRs are auctioned by JAO. The process is out of scope of GME.
6. **My company is interested in the bilateral negotiation of electricity. What are the requirements to join PCE?** The marketplace for the negotiation of bilateral electricity contracts is PCE. Being a member of PCE implies that you sign the PCE Membership contract with GME.
7. **Is being BRP a requirement to register a trade on PCE?** No, it is not. According to PCE rules there are three different options to register trades in PCE: 1) Being BRP of injection/withdrawal points; 2) being mandated by a BRP for its injection/withdrawal units; 3) request GME to have a forward account under art. 29 of the [PCE Rules](#). This can be done only by PCE members who are also ME MP (see FAQ4). This type of account gives the possibility to its holder register only net purchase positions. Since these positions cannot be converted into CET offers due to the absence of a physical asset underlying the account, the net purchase will correspond to a sale in MGP.
8. **How to join PCE?** In order to become a PCE participant and register bilateral contracts on the PCE platform follow the admission process described here [How to participate](#). Upon admission, the applicant shall acquire the status of PCE MP.

- 9. Being a ME MP implies also be a MP PCE?** No. The admission process for ME and PCE are different, see FAQ4 and FAQ8.
- 10. My company is interested in joining the Italian MI. What are the conditions?** The marketplace for trading electricity in the intraday timeframe (MI), as well as day ahead, in Italy is ME, see FAQ2. In order to be able to operate on MI, it is necessary to be qualified as an ME participant.
- 11. Joining ME implies being participant of the Balancing Markets:** Admission to ME regards all the markets that constitute the ME, including MSD, which is the market through which Terna procures the global ancillary services necessary for the management of the transmission grid. Nevertheless, only certain specific units are qualified by Terna to provide such global ancillary services through MSD and, therefore, only ME participants that are Balance Service Providers for these units may participate in the MSD.
- 12. Is there any fee for the participation to ME/PCE?** GME annually defines the amount of fees that electricity market participants and PCE participants pay for the services provided, see FAQ1.
- 13. Will the PUN still be calculated in the post coupling after it is removed from the Euphemia calculation?** By 01/01/2025 (see [News Archive \(mercatoelettrico.org\)](http://News Archive (mercatoelettrico.org))) purchasing bids in MGP will be accepted and valued through the zonal prices. Nevertheless, GME will continue to calculate an ex-post index (so called PUN Index GME) as the average of zonal prices weighted by the purchased volumes in each “geographical” bidding zone and that refer to consumption units. PUN Index GME is computed for the following purposes: 1) calculate the “compensatory component,” equal to the difference between the PUN Index GME and the zonal price, which is applied to each purchasing bid accepted in MGP and that refers to a consumption unit belonging to a geographical bidding zone; 2) as the reference price for MTE and for the futures contracts indexed to PUN Index GME; 3) as the price for the evaluation of “programmed imbalances” determined in PCE; 4) as a reference price for MPEG.