



GME'S NEWSLETTER – Issue no. 4 now on line

Rome, 9 April 2008 – Issue no. 4 of the Newsletter of Gestore del Mercato Elettrico (GME) is now downloadable from www.mercatoelettrico.org

The Newsletter opens with an interview with **Corrado Clini** (Director General of the Italian Ministry of the Environment) on the potential role of renewables in mitigating Europe's energy dependence. Mr. Clini points out that: i) the contribution of renewables to energy security cannot be regarded as significant; and ii) if nuclear power generation is increased, Europe will be able to cover a fairly important share of its internal electricity demand, with a positive impact on its energy security. With regard to our country and to the European Commission's proposal to set a 17% renewable energy development target by 2020, Mr. Clini recalls the difficulties of achieving the target and describes: i) the energy policies to be put in place in order to help increase power generation from renewables; and ii) the sources making it possible to attain the European targets.

On the Italian 2008-2012 NAP, Mr. Clini expresses a critical view: the Plan conforms to the provisions of the Emissions Trading Directive, but it would have been different if the various requests for amending the Directive had been accepted.

As to energy prices in Italy and Europe, Mr. Clini feels that they will go up in the next decade as a result of environmental-energy policies aiming at curbing CO₂ emissions.

Issue no. 4 of GME's publication also features: the **March 2008 summary data of GME's Electricity Market**; the usual technical commentaries on European and



national markets, power exchanges and environmental exchanges; and an analysis by **Chiara Poletti (IEFE)** of the results of the first auction which was held to identify operators for the default service in the electricity sector.

In the “Approfondimenti” (insights) section, a contribution by **Pippo Ranci** (Università Cattolica of Milan - Istituto Universitario Europeo of Florence) explains in detail how to provide security of electricity supplies in the European liberalised context. In his contribution, Mr. Ranci identifies the most common strategies to be pursued in the near future: increasing the contribution of renewables; diversifying gas supply sources by building regasifiers to import LNG; increasing coal consumption and reintroducing nuclear power generation. He also stresses the need for: co-ordinating supply security policies with greenhouse gas emission reduction policies; strengthening interconnections; and a European-wide action to implement the projects of trans-European infrastructure networks and links with the Caucasus, Middle East and North Africa regions.

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