

## **NEWSLETTER GME – New issue out**

Rome, 9 August 2017 - The new Gestore dei Mercati Energetici (Gme) newsletter issue is online. You can download it from [www.mercatoelettrico.org](http://www.mercatoelettrico.org)

The newsletter opens with a statement of Claudia Checchi and Simone Zagliani from the REF-E on the challenge of electric mobility. *“In France and UK the discussion has been brought up in the last few days thanks to government initiatives. The topic could also be brought up at the Parliament in Italy - the two REF-E analysts remark -. Electric cars potential, in terms of climate-changing gases emission and energy efficiency, is vastly known. The weak spot for distribution is batteries costs and performances. Given the uncertainty on technological advance time and costs, today it’s impossible to agree on an evolution projection for this technology”.* There are, for Italy, several projections, often in conflict. *“According to Enel, but estimations date back to 2013, in 2020 electric cars percentage could range between 5 and 30% of the total cars registered in Italy - point out Checchi and Zagliani-. Virtually, the number of cars would range between 850,000 and 3,800,000 units. CIVES, Fuel Cell, Hybrid and Battery Electric Vehicles Italian Committee”* estimates that *“in 2020, electric cars could reach a less ambitious number of 426,000 units. RSE (Research on Energy System) projects an Italian electric car stock of 10 million units in 2030”.* Finally, The University of Milan developed two 2020 alternative scenarios. One is based on sector workers sales projections, that estimate 70,000 electric vehicles, and the other on the charging facility that projects 130,000 units. Anyway there is no problem in terms of increase in energy demand: with 3 million electric vehicles in 2030, equally distributed between full electric and hybrid, the demand would be around *“5 TWh, which accounts for 1.5% of total demand”*, a *“small part of the projected demand”* without any *“significant impact neither on the production system, nor on wholesale energy prices”*, point out the two analysts from REF-E. As for battery pack cost, it should be *“around 30% of vehicles list price”.* However, it must be said that *“it has significantly decreased since 2008 - the two experts from REF-E state -: battery price per kWh trend shows a 65% decrease in the analysed period. Manufacturers expect to further reduce prices in the next few years, through increasing electric vehicles volumes, optimising production processes and economies of scale, plant flexibility (capable of producing cells for hybrid, non-hybrid*



*and non-plug-in hybrid vehicles), market competitiveness and lithium-ion batteries performance improvement”, conclude Checchi and Zagliani.*

Moreover, in the new issue, you can find the usual technical comments, relating to Italian and European energy and environmental markets, the Italian gas market trends analysis section and the European trends analysis section, which goes into details about the main European commodities market trends.

The new GME issue also includes, as usual, the July 2017 energy market summary.

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