Press Release

GME'S NEWSLETTER – Issue no. 208 now online

Rome, 16 November – The new issue of the newsletter of *Gestore dei Mercati Energetici* (GME) is now available at www.mercatoelettrico.org.

The newsletter opens with an article by Gian Paolo Repetto (from *Ricerche Industriali Energetiche* – RIE) about energy and transition requirements in the world and, in particular, the resilience of fossil fuels and the still additional role of renewables. Repetto stresses that *global energy demand continues to increase, driven above all by energy requirements in the major Asian countries. In 2025, primary energy consumption reached 600 Exajoules (+1.7% on 2024) and, for 2026, other sources estimate a roughly 1.4% increase. Since the beginning of the century, energy consumption has grown by 57%, at a yearly average rate of 1.8%. 79% of this growth is ascribable to the countries of the Asia–Pacific area, namely 55% to China and 12% to India. While energy demand in the EU has declined by 17% – as a result of both changes in the economic–industrial fabric and higher efficiency in energy uses – and has remained practically stable in the US, China has quadrupled its consumption and India has tripled it. Energy requirements in African countries has grown almost twice and about two and a half times as that of the Middle East. In practice, the dynamics of energy demand follow the different evolution of economic, industrial, population, and technological development in the different areas.* Always in 2025, *all energy supply sources recorded an increase at global level.* Repetto points out that, f*or the first time, excluding periods of recession such as 2020, renewables drove the growth of energy supply with respect to the individual fossil sources, and solar energy accounted for 71% of the increase in renewables.* Nevertheless, *fossil fuels grew in absolute terms and retained their dominant position, accounting for 86.2% of overall demand, in which the shares of oil, coal, and natural gas were equal to 33.5%, 27.6%, and 25.1%, respectively, while nuclear energy merely covered 5.2% of requirements. Renewable sources included in energy trade represent the remaining 8.6% (where hydro and bioenergy account for 2.7% and 0.4%, respectively). It is interesting to observe that the share of global energy requirements covered by fossil fuels has dropped by as a little as 3 percentage points since 2000 (89.1%). In practice, although in the past 25 years solar and wind energy increased 9*

Press Release

times and hydro energy was up by 70%, the contribution of these sources to the coverage of global demand still remains relatively moderate. These dynamics *show that fossil sources continue to play a central role in the coverage of the growing global energy demand. Today, it is still hard to predict whether this role will remain unaltered.* Repetto recalls that, in 2023, the International Energy Agency (IEA) had projected a peak in the demand of fossil fuels by the end of the current decade, but then revised its projection in the light of geopolitical and economic trends and data. *In the scenario released in November 2025, based on the implementation of ongoing climate policies, the Agency forecast a peak in oil consumption in 2030, which would then decrease over the years but quite slowly. In contrast, the gas peak was predicted to occur around 2035, but in this case consumption levels would remain high for a long time. For coal only, a 20% decline was expected by 2035.* In conclusion, Repetto highlights that, *however, in this framework of strong resilience of fossil fuels, 2025 was the first year in which the main factor of growth in the supply of worldwide energy was not coal, oil, or gas, but renewables, especially solar and wind energy; at European level, the expansion of renewables is producing the first tangible effects of replacement of the fossil fuel mix.*

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, the publication also reports the summary data of the electricity market for October 2026.

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