

The Italian Power Market

This document includes a report summary, a table of contents, report format and price information, and an order form



Report Summary

The Italian power market is in the midst of a deep and striking transformation. In the generation market, a dash for gas is replacing swathes of old and inefficient capacity with state of the art combined cycle plants. Enel, once overwhelmingly dominant, is losing ground to a host of new players and now accounts for less than half of the country's output. In the supply market, all business customers have been free to choose their suppliers since July 2004. Household customers will be freed in July 2007. Both established players and new entrants are competing for customers harder than ever before.

And yet the market is beset with weaknesses and plagued by controversies, from network congestion to allegations of trading market manipulation.

This 97 page report presents a comprehensive analysis of system fundamentals, the booming project market, the gas industry, the policy issues, the trading business, and leading companies. Market and industry indicators are also provided in 48 tables and 25 charts. The report is structured as follows:

✘ **Chapter 1 – The Italian Power System:** this chapter reviews the fundamentals of the Italian power industry. First, historic and projected consumption by sector are covered. Next it reviews production and capacity, focusing on the rise of natural gas and the decline of fuel oil. The last section reviews network operations at the cross-border and domestic levels. Network improvement projects – a crucial issue for industry stakeholders – are covered in detail.

✘ **Chapter 2 – Power Projects:** this chapter assesses the booming conventional thermal project business in Italy. It covers both projects under construction and proposed projects. The scale of the boom is measured, the leading developers are identified, and details on all projects over 200 MW are presented. The project details include the names of the developers, the locations, the capacity of each project, and expected completion dates.

✘ **Chapter 3 – The Italian Gas Industry:** since natural gas is so important to Italian power market stakeholders, this chapter presents a detailed review of the country's gas industry. It covers domestic production, consumption, imports, existing and planned infrastructure, market opening, trading, and leading players.

✘ **Chapter 4 – Power Policy:** this chapter covers the liberalisation of the Italian power market. First it reviews the players in the crowded field of energy regulation and policy development. Next it presents the market opening laws of 1999 (the Bersani decree), 2004 (the Marzano law), and current discussions of further legislation. The aims of these laws are then measured against practical progress, drawing on the assessments of regulatory officials and industry stakeholders. The chapter then moves on to environmental policies, focussing on CO₂ emissions, the promotion of renewables, green certificates, and energy efficiency. Finally, the single buyer and network management policy are reviewed.

✘ **Chapter 5 – The Trading Market:** this chapter profiles the Italian power trading market. First the Italian Power Exchange – the centre of today's trading business- is reviewed. Next the chapter examines OTC trading, single buyer auctions, CIP6 auctions and cross-border trading.

✘ **Chapter 6 – Company Profiles:** this chapter reviews important players in the Italian power market. A detailed profile of Enel comes first. The generation companies – or “gencos” – which Enel was forced to divest under Italian market opening legislation are covered next. Reviews of foreign utilities operating inside the Italian market, industrial groups with power interests, municipal utilities, and domestic new entrants follow. The chapter concludes with data tables presenting operating and financial information about Italian power market players.

✘ **Chapter 7 – A Liberal Path:** this chapter sketches a far-reaching reform programme that could complete Italy's difficult transition from monopoly to market.

Table of Contents:

1	The Italian Power System	8
1.1	Consumption	8
1.2	Production	11
1.2.1	Energy Sources	11
1.3	Capacity	13
1.3.1	Installed Capacity	13
1.3.2	Forecast Capacity Increases	15
1.4	Network Operations	17
1.4.1	Cross-Border Trading	17
1.4.2	Domestic Network Congestion	20
1.4.3	Service Levels	23
2	Power Projects	24
2.1	A Booming Market	24
2.2	Projects Under Construction	24
2.3	Projects Under Development	26
2.4	Project Tables	27
3	The Italian Gas Industry	32
3.1	Market Fundamentals	32
3.1.1	Reserves and Production	32
3.1.2	Consumption	33
3.1.3	Cross-Border Trade	34
3.1.4	Network Infrastructure	35
3.2	Market Development	39
3.2.1	Liberalisation	39
3.2.2	Trading Market	42
3.2.3	Market Participants	43
4	Power Policy	46
4.1	Regulatory Players	46
4.2	Market Opening Laws	48
4.2.1	From Postwar Boom to the Bersani Decree	48
4.2.2	The Marzano Law	50
4.2.3	Bersani Redux	50
4.3	The Technocrats' View: A Flawed Market	51
4.4	Environmental Policies	54
4.4.1	CO2 Emissions	54
4.4.2	CIP6	57
4.4.3	Green Certificates	60
4.4.4	White Certificates	61
4.5	Acquirente Unico - Single Buyer	62
4.5.1	The Single Buyer's Role	62
4.5.2	The Policy Rationale	63
4.6	Network Management Policy	63
4.6.1	High Voltage Network	63
5	The Trading Market	65
5.1	The Italian Power Exchange (IPEX)	65
5.1.1	Products	65
5.1.2	Trading Volumes	66
5.1.3	Shareholders	67
5.2	OTC Trading	67
5.3	Single Buyer Auctions	67
5.3.1	Single Buyer Trading Operations	67
5.4	CIP6 Auctions	70
5.5	Cross-Border Trading	71
6	Company Profiles	73
6.1	Enel	73
6.1.1	Summary	73
6.1.2	Italian Energy Operations	73
6.1.3	International Energy Operations	76
6.1.4	Emissions Position	78

6.1.5	Energy Trading	79
6.1.6	Financial Performance	79
6.1.7	Shareholders	80
6.2	The Gencos	80
6.3	Foreign Utilities	81
6.4	Industrial Groups	85
6.5	Municipal Utilities	86
6.6	New Entrants	88
6.7	Company Data Tables	90
7	A Liberal Path	94

Tables:

Table 1	Electricity Consumption by Sector, 1996 - 2005	9
Table 2	Gross Electricity Production by Technology, 1996 - 2005	11
Table 3	Thermal Production by Fuel Type, 2004 - 2005	12
Table 4	Gross Installed Capacity by Technology, 1996 - 2005	13
Table 5	Gross Installed Capacity by Technology and Producers, 2005	15
Table 6	Available Cross-border Network Capacity, 2006	17
Table 7	Net Imports by Country, 1997 - 2005	18
Table 8	Cross-Border Network Improvement Projects, 2006	19
Table 9	Main Regional Network Bottlenecks, 2005- 06	20
Table 10	Main Regional and Local Network Bottlenecks, January-September 2005	20
Table 11	Priority Domestic Network Investments of National Interest, 2006	22
Table 12	Quality of Network Service by Region, 2000- 05	23
Table 13	Leading Project Developers by MW Stakes, 2006	26
Table 14	Authorised Repowering Projects, as of Q4 2006	27
Table 15	Authorised New Build CCGT Projects, as of Q4 2006	28
Table 16	Projects under Development, as of Q4 2006	29
Table 17	(continues) - Projects under Development, as of Q4 2006	30
Table 18	Projects Suspended or Stopped, as of Q4 2006	31
Table 19	Italian Gas Reserves and Production, 2004 - 2005	32
Table 20	Italian Gas Consumption by Sector, 2004 - 2005	33
Table 21	Italian Gas Imports and Exports, 2004 - 2005	34
Table 22	Italian Operating LNG Terminals, 2006	37
Table 23	Italian Planned LNG Terminals, 2006	38
Table 24	Italian Gas Storage Facilities, 2006	39
Table 25	Italian Major Gas Market Participants, 2005	43
Table 26	Italian Gas Market Shares, 2005	44
Table 27	Leading Policy and Influence Players, 2006	47
Table 28	Leading Players in Industry Operations, 2006	48
Table 29	Company Capacity by Merit Order Segment, 2004	52
Table 30	Company Capacity by Region, 2004	53
Table 31	Italian CO2 Emissions Allowances by Sector, 2005 - 2007	55
Table 32	Major Players' CO2 Emissions Allowances and Performance, 2005	56
Table 33	CIP6 Capacity Allocations by Sector and Company, 2005 - 2006	59
Table 34	Green Certificates Obligation, 2001- 2006	60
Table 35	Single Buyer's Electricity Purchases and Sales, 2005 - 06	68
Table 36	Single Buyer Cross-Border Network Capacity Auctions, H1 2006	69
Table 37	Winners of Single Buyer Contracts for Differences, 2005 - 2006	70
Table 38	Interconnectors Capacity by Destination, Peak Winter Hours 2006	71
Table 39	Interconnector Transmission Rights Auctions, 2006	72
Table 40	Genco Operations and Shareholders, 2005	81
Table 41	Foreign Utilities' Italian Interests, 2005	85
Table 42	Leading Independent and Industrial Groups -	86
Table 43	Municipal Utility Electricity Sources and Sales, 2004	87
Table 44	Leading New Entrants, 2006	89
Table 45	Top 15 Companies by Generation Capacity, 2005	90
Table 46	Top 20 Companies by Production, 2005	91
Table 47	Top 20 Companies by Power Sales, 2005	92
Table 48	Leading Companies - Financial Performance, 2005	93

Charts:

Chart 1	Electricity Balance, 2005	8
Chart 2	Electricity Consumption by Sector, 1996-2005	9
Chart 3	Electricity Consumption by Sector and Market Type, 2005	9
Chart 4	Gross Electricity Production by Technology, 1996 - 2005	11
Chart 5	Gross Thermal Production by Fuel Type, 1996 and 2005	12
Chart 6	Gross Renewable Production by Technology, 1998-2005	13
Chart 7	Gross Installed Capacity by Technology, 1996 - 2005	13
Chart 8	Conventional Thermal Capacity by Technology, 2005	14
Chart 9	Renewable Installed Capacity by Technology, 2005	14
Chart 10	New Thermal Plants by Start-Up Year, 2003 - 2009	15
Chart 11	Net Imports by Country, 1997 - 2005	17
Chart 12	Cross-Border Network Improvements, 2006	19
Chart 13	Average Yearly Day-Ahead Market Prices by Zone, 2005	21
Chart 14	Large Project Capacity Additions, 2006 - 2009	25
Chart 15	Italian Gas Consumption by Sector, 2005	33
Chart 16	Italian Gas Imports by Origin, 2005	34
Chart 17	Italian Gas Network, 2006	36
Chart 18	PSV Trading Volumes, Oct 2003 to Sep 2006	42
Chart 19	Company Capacity by Merit Order Segment, 2004	52
Chart 20	Company Capacity by Region, 2004	53
Chart 21	Italian CO2 Emissions, 1990 - 2004	55
Chart 22	CIP6 Production by Technology, 2005	58
Chart 23	Green Certificates Production by Technology, 2005	61
Chart 24	IPEX and Powernext Prices, April 2004 – September 2005	66
Chart 25	Enel's Production Mix, 2005	74

About the Authors



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