

PRESS RELEASE

**Energy: increase in the prices of raw materials,  
electricity + 3.8% and gas + 3.9%**

*savings remain on an annual basis for the typical family.  
The 'bill cut' for small businesses, provided for by  
the Decreto Sostegni ("Support' Decree-law)  
has been implemented with discounts of 600 million Euro.*

Milan, 29 March 2021 - The growth trend in raw material prices continues which, for the second quarter of 2021, leads to an **increase in standard offer market energy bills for the typical household<sup>1</sup> of + 3.8% for electricity and + 3.9% for gas.**

In terms of impact on the consumer, **the typical family will spend around €517 on electricity** during the rolling year<sup>2</sup> (between 1 July 2020 and 30 June 2021), down -0.7% compared with the equivalent 12-month period of the previous year (1 July 2019 – 30 June 2020), corresponding to an **annual saving of approximately 4 €/year.**

During the same period, the **typical family's expenditure on gas will be approximately € 966**, down -5.2% compared with the equivalent 12-month period of the previous year, corresponding to an **annual saving of around 52 €/year.**

The typical family, therefore, still benefits from an **overall saving of around € 56 annually.**

ARERA also approved the **implementing resolution of the Decreto Sostegni ("Support" Decree-law)** which will **reduce bills for small businesses by € 600 million** (non-domestic low voltage users, such as small businesses, craftsmen, bars, restaurants, laboratories, professionals and services).

The measure will mainly benefit **about 3.7 million people** and will lead to a discount in the months of April, May and June, which will be higher in percentage terms for commercial establishments activities forced to close by measures to fight the epidemic (as action is taken by reducing the fixed quotas of bills).

In particular, as similar to what happened last spring, **the discount will come to around €70 per month for a customer with a contract for 15 kW power** and will have a particular impact on total expenditure for businesses still forced to remain closed, reducing bills by up to 70%. For businesses that stay open, savings will still be between 20% and 30% of the total bill. These reductions do not impact on the charges placed on other consumers, as they are financed by specific allocations from the State Budget.

*"The increase is driven by the strong appreciation of raw materials also influenced by expectations for an upcoming economic recovery, on which the markets are betting, now that the vaccination plan makes the exit from the pandemic more tangible" - says the President of ARERA, Stefano Besseghini - "Supporting businesses in recent months is therefore a priority choice, with a strong social value also for families, which is why the Authority has also immediately implemented the provision of the "Decreto Sostegni" and postponed the expected increase in general system fees, thanks to the residual flexibility offered by the financial resources of the accounts managed by the CSEA (Energy and Environmental Services Fund)".*

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<sup>1</sup> The typical family has an average electricity consumption of 2,700 kWh per year and a committed power of 3 kW; for gas, consumption is 1,400 cubic meters per year.

<sup>2</sup> The rolling year refers to the year composed of the quarter under review and the three previous quarters, also considering the consumption associated with each quarter.

Going into more detail. As regards the updating of the prices of standard offer services, the increases are substantially linked to the growth trend in the prices of the main energy commodities, which characterized the last months of 2020 and especially the first quarter of 2021.

In fact, for natural gas (which also has a significant effect for electricity generation), the spot price in the first quarter of 2021, based on pre-definitive data, stood at around € 19/MWh, with an increase of approximately 27% compared to the average level recorded in the fourth quarter of 2020, also thanks to the colder temperatures of last winter.

The growth trend was also reflected in the forward quotes used for price updates. The forward price for the second quarter of 2021 is up by about 17% compared to that of the first quarter of 2021.

**The dynamics of the price of electricity** was also affected by the sustained growth in the price of CO<sub>2</sub> which, in the current month, exceeded the threshold of € 40 per ton.

In the first quarter of 2021, the National Single Price of electricity (PUN), based on the pre-definitive data, is equal to approximately € 58/MWh, an increase of 19% compared to the fourth quarter of 2020. The recent forward prices for the second quarter of 2021 are at the same price level.

Precisely for the individual components in the bill, for electricity the increase is mainly due to the increase in the raw material component, with an impact of + 3.8% on the final price of the typical family (which can be broken down into: + 1.86% due to the energy price (PE) item, + 1.84% linked to the dispatching price (PD) item, + 0.16% for the price equalization (PPE) item).

In particular, the growth in the dispatching component is due to the higher level that is usually recorded in the second quarter of each year and to the critical issues under the competitive profile that the dispatching market suffers, as highlighted in the monitoring report published by the Authority with resolution 282/2020/E/eel.

The entry into operation of some grid devices planned for some time by Terna, as well as some interventions already underway in the current year as part of the dispatching reform launched by the Authority, will contribute to containing this phenomenon, in view of the launch of the capacity market.

The regulated network tariffs (transmission, distribution and metering and equalization component) and general system charges remained unchanged overall.

**For natural gas**, the trend is determined by an increase in the raw material component, based on forward prices for the next quarter, with an impact of + 4.05% on the final price of the typical household, partially offset by a slight decrease in regulated network tariffs (transmission, distribution and metering) which account for -0.14% on the final price. General system charges are unchanged. This results in the +3.9% increase for the typical user in the standard offer market.

All the details of the update are available in the **Technical Sheet**. In addition, the main elements are also illustrated with graphics and dynamic tables in **a new section of the site (Italian version)** that contributes to consumer transparency and data comparability.