

## PRESS RELEASE

# Electricity: with ARERA regulation, the number and duration of outages for consumers are reduced again

*A new path has been undertaken for the climatic resilience of infrastructure*

Milan, 3 December 2021 - **In 2020** the duration and number of unannounced, long and short power outages are again decreasing. Thanks to the ARERA premium/penalty regulation system and a less severe weather year than the previous ones, the **duration of outages** per low voltage user has **decreased, dropping to 66 minutes (from 86 in 2019)**, spread over 25 minutes (39 in 2019) for reasons not attributable to distributors (mainly due to force majeure following exceptional events) and the remaining **41 minutes of distributors' responsibility (this is the part subject to regulation), with an improvement compared to the 47 minutes recorded in 2019**. Even in a context of clear improvement (-19%) compared to the 69 minutes recorded in 2019, the **worst performances are still in the South** with 56 minutes, against 29 in the North and 43 in the Centre (both slightly better than the 2019 data). **The number of lengthy unannounced outages also improves** (those over 3 minutes) with 2.09 outages per low voltage user (against 2.39 in 2019), **as well as short ones** (less than 3 minutes), with 1.90 outages (against 2.25 in 2019). Outages (recorded separately) due to the phenomenon of copper theft in distribution plants are still present but are decreasing.

The premium/penalty mechanism for the duration and number of unannounced, long and short outages - with which ARERA has been providing incentives for 20 years to improve the continuity of the electricity distribution service – therefore recorded an **overall improvement in 2020. In fact, that positive trend from 2000 to 2016 has resumed, also thanks to the recent regulatory tools** introduced to increase the resilience of the network in relation to the various climatic threats and the reduction of announced outages.

Thanks to the premium/penalty system, **over Euro 9 million will be returned by operators to consumers as a penalty for service disruptions.**

To go into detail, Euro 38.4 million have been assigned as net awards (difference between awards and penalties) to the 27 distributors subjected to this regulation (distributors with at least 15,000 low voltage users), while the total Euro 9.2 million penalties include 2.5 million for “long” unannounced outages (duration > 3 minutes) and 6.7 million for the regulation of the number of unannounced “long” and “short” outages (duration between 1 second and 3 minutes).

On a corporate level, almost all penalties were inflicted to E-Distribuzione, with Euro 8.4 million and 2.6 million penalties for failure to comply with the maintenance levels for the experimental regulation of announced outages (it was the only company involved), but at the same time E-Distribuzione has also collected the higher net award of Euro 33.5 million. In this regard, it should be noted that Areti and, partially, E-Distribuzione currently remain outside the standard premium/penalty mechanism because they participate in the new regulatory experiments and specific mechanisms and objectives are applied to them which, if not achieved, provide for the recalculation of premiums/penalties in 2024 for the entire three-year period 2020-2023 with standard parameters.

The comparative data between distributors are being published on the website [www.arera.it](http://www.arera.it), with indicators of the number and duration of outages on the electricity distribution networks.