PRESS RELEASE

ARERA: THE FIGURES FOR PUBLIC SERVICES

The Authority's Annual Report Volumes Published. 2025 Data on Electricity, Gas, Water, Waste and District Heating

Rome, 1 July 2026 – The **presentation** of the **2025 Annual Report** to Parliament and Government **marks the first Annual Report** delivered by ARERA's new Board, which took office on 1 January 2026 and is composed of President Nicola Dell'Acqua and Board Members Alessandro Bratti, Lorena De Marco, Livio de Santoli and Francesca Salvemini.

With the presentation of the 2025 Annual Report by the ARERA Board to Parliament and Government, the two volumes of the Annual Report on the State of Services and the Activities Carried out in 2025 by the Italian Regulatory Authority for Energy, Networks and Environment have been published on the Authority's website, www.arera.it.

The information contained in the two volumes, excerpts of which are summarised below, refers to the **2025 calendar year.**

In 2025, international markets continued to display strong sensitivity to geopolitical developments. Following an initial period characterised by relatively favourable conditions, the macroeconomic environment gradually deteriorated over the course of the year, particularly as a result of **trade policy measures adopted by the United States** from the spring onwards, which heightened uncertainty and led to a downward revision of global growth prospects. Alongside the **continuing conflicts in Ukraine and the Israeli–Palestinian region**, geopolitical tensions in the Middle East intensified, culminating in the **military escalation between Israel and Iran during the summer of 2025**, with significant repercussions for energy markets and increased price volatility.

In Italy, the energy and environmental sectors presented a mixed picture. In the electricity sector, the generation mix reversed course, with **renewable generation declining by 1.5% and thermoelectric generation returning to growth (+5.2%), driving an overall increase in electricity generation of 2.4%.** In the gas sector, consumption recovered, rising by 2%. Imports also increased, supported by a doubling of flows from the United States and a significant rise in supplies arriving from Northern Europe, particularly Norway and the Netherlands. **LNG imports, which account for around one-third of total gas imports, increased by 44% year-on-year.** In both the electricity and gas sectors, **households in the free market continued to pay more, on average, than those served under standard offer service.** From a consumer protection perspective, the extensive use of social bonuses, granted to 4.3 million households, demonstrates that income support remains a crucial instrument for many Italian families.

SECTORAL DATA IS REPORTED BELOW

SECTORAL DATA

- *ARERA CONSUMER SERVICES AND COMMUNICATION CAMPAIGNS*
- *Electricity*
- *Natural Gas*
- *Water services*
- *Waste management*
- *District heating*

SOCIAL BONUSES: MORE THAN 4.3 MILLION IN BENEFITS FOR HOUSEHOLDS EXPERIENCING ECONOMIC HARDSHIP, DOWN AS PRE-CRISIS THRESHOLDS ARE RESTORED. THE NUMBER OF BONUSES FOR PHYSICAL DISCOMFORT INCREASES

In 2025, social bonuses for economic hardship were granted to households with an ISEE (Equivalent Economic Status Indicator) of up to €9,530, or up to €20,000 in the case of households with at least four dependent children. **In addition** to the standard social bonus, Article 1(1) of Decree-Law No. 19 of 28 February 2025 provided, **exclusively for 2025**, for **an extraordinary contribution of €200** on electricity supplies for domestic customers **with an ISEE of up to €25,000**, as a temporary support measure for eligible households.

During 2025, access to the procedures for the recognition of the standard social bonus was guaranteed to more than four million households below the €9,530 ISEE threshold. In addition, approximately 4.2 million households with an ISEE above €9,530 but not exceeding €25,000 were eligible for the extraordinary benefit introduced for 2025. **Overall, benefits were granted to 4.3 million households, including 2.7 million electricity bonuses and 1.6 million gas bonuses.** The estimated amount disbursed through the benefits granted (the standard bonus and the extraordinary 2025 contribution) **to recipients of social bonuses for economic hardship amounts to approximately €840 million for electricity bonuses and approximately €165 million for direct gas bonuses. As at 31 December 2025, the number of households receiving a bonus for physical hardship stood at 86,010, an increase of 11.45%** compared to the previous year. The growth in beneficiaries observed in recent years reflects both improved awareness of the measure and greater understanding of the procedures for obtaining it, as well as a higher propensity among households to apply for support in response to rising energy costs. In the water sector, based on partial data for 2025, approximately one million social bonuses were granted.

ENERGY AND ENVIRONMENT CONSUMER DESK: EUR 24 MILLION RECOVERED FROM CONCILIATION. APPLICATIONS DOWN (-13%) AND CALLS DOWN (-30%); 95% RELATED TO ELECTRICITY AND GAS

In 2025, the Consumer Desk call centre handled **786,647 calls** during its operating hours across all regulated sectors, a decrease of 30% compared to 2024. Average call duration was 214 seconds, compared with 233 seconds in 2024. In line with previous years, **95% of calls** related to **the electricity and natural gas sectors, while "dispute resolution procedures" was the most frequently raised topic, accounting for 39% of all calls. Written requests for information** totalled 45,152, down from 52,632 in 2024. Requests relating to the energy sectors **accounted for almost all enquiries** (40,398, down 17% year-on-year), compared with 4,182 requests concerning the water sector (+17%), 525 relating to waste services and 72 concerning district heating. The five most frequently addressed topics were: Social bonuses (32%) Market-related issues (14%) Billing (14%) Non-payment and service suspension (11%) Contracts (10%) In 2025, requests for the activation of special information procedures in the energy sectors totalled 42,044, representing an 18% decrease compared to 2024.

In 2025, the **Conciliation Service received 30,235 applications, down 13% year-on-year.** 42% of conciliation applications were submitted by delegates of customers or end-users other than the associations representing household and non-household customers, 34% directly by the customers concerned, and 24% by delegates of CNCU (National Council of Consumers and Service Users) associations.

As in 2024, the electricity sector accounted for the largest share of applications, representing 40% of the total (12,027 applications). This was followed by the water sector, with 25% of applications (7,523, up 10% compared to 2024), and natural gas, with 24% (7,450, down 9%). Dual-fuel customers submitted 2,920 applications, accounting for 10% of the total, while prosumers, entities that both produce and consume electricity, submitted 222 applications (217 in 2024). Applications relating to district heating totalled 47 (44 in 2024), while those concerning waste services numbered 46.

The **agreement rate reached 65%**, compared with 63% in 2024, **while the average time to conclude proceedings fell to 56 days, one day shorter than in the previous year.** Among the three sectors with the highest number of applications, the highest settlement rate was recorded in the gas sector (74%, up 11 percentage points on 2024), followed by electricity (60%, up 1 percentage point) and water (59%, down 7 percentage points).

The overall value recovered through conciliation exceeded €24 million in 2025. This amount includes refunds, compensation, bill recalculations, waivers of charges and default interest, and other forms of financial settlement **obtained by customers and end users through conciliation agreements.**

COMPLAINTS: MORE THAN €1 MILLION IN COMPENSATION PAID TO ELECTRICITY AND NATURAL GAS CUSTOMERS. *CUSTOMER SATISFACTION* SURVEY RESULTS ARE STILL IMPROVING

The Authority **monitors the quality of customer service provided by regulated companies.** With regard to compliance with commercial quality standards in the **electricity sales sector**, companies received 278,336 written complaints in 2025, a decrease of 6.5% compared to 2024, with an average response time of 13 days. They also received 778,607 written requests for information, more than double the number recorded in 2024. Companies carried out 13,981 bill adjustments, compared with 6,566 the previous year, and 358 adjustments relating to duplicate billing, down 38% year-on-year.

Automatic compensation was paid primarily for delays in responding to written complaints. Overall, compensation payments totalled €632,000, compared with more than €1.1 million in 2024, with most payments made to household customers in the free market.

In the **natural gas sector**, sales companies received 178,695 written complaints in 2025, down 12% compared to the previous year, with an average response time of 16 days. Written requests for information totalled 437,829, compared with 127,311 in 2024. Bill adjustments reached 12,547 (+60%), while duplicate billing adjustments amounted to 238, compared with 269 in 2024. A total of 9,961 **compensation payments** were made, approximately 55% fewer than in 2024, primarily for failure to respond to written complaints within the required timeframe. The total amount paid exceeded **€420,000**, approximately half the amount recorded in the previous year.

In addition to analysing data submitted by suppliers, the Authority carries out **an annual customer satisfaction survey on the quality of responses to written complaints and information requests,** interviewing customers who have received written replies. The results show that, for complaints, 66 per cent of customers are overall satisfied with the response received, while 34 per cent are dissatisfied. Among the quality factors assessed, those considered most important relate to problem resolution, particularly clarity regarding response times and the completeness of information provided on the procedures to be followed.

Considering the responses of all customers interviewed as part of the survey sample, **the Overall Satisfaction Index (ICS) for 2025 stood at 68.3 out of 100, a figure higher than that recorded in 2024 (+2.4).**

The Authority also annually assesses the quality of telephone customer services based on information submitted by larger suppliers, through a call-back survey involving electricity and gas customers who have actually used those services. Based on more than 16,500 telephone interviews, the Overall Satisfaction Index (ICS) for 2025 stood at 92.5, up 1.5 points on the previous year. The improvement was driven in particular by higher scores for the ability to resolve issues quickly and the clarity of responses provided.

CONSUMER INFORMATION CAMPAIGNS ARE GROWING. SLIGHT DECLINE IN MEDIA COVERAGE (AROUND 8,000 MENTIONS), WHILE SOCIAL MEDIA PRESENCE INCREASES (OVER 87,000 FOLLOWERS)

During 2025, the Authority consolidated an integrated, multi-channel communication strategy aimed at supporting citizens during complex phases involving new regulatory requirements and at effectively informing the widest possible range of stakeholders, through the media, about regulatory issues, while also strengthening its brand and reputation.

Campaigns implemented: In **2025**, DCOM delivered two major multi-channel communication campaigns. The first, launched in January–February, involved the relaunch of the "*Chiedi all'ARERA*" campaign through radio and television advertising on RAI networks (115 radio broadcasts and 80 TV broadcasts in March, followed by a further relaunch in September). Originally developed in 2024, the campaign was revised and reissued to coincide with regulatory measures relating to supplementary support for families in economic hardship and the transfer of vulnerable customers to the Gradual Standard Offer Service (STG), with the aim of strengthening support for citizens in accessing reliable information.

The second campaign, "*Nuova Bolletta – Scontrino dell'energia*", launched at the end of June and implemented with the support of the appointed supplier, adopted a multi-channel strategy. During the first phase (July), institutional communication slots made available by the Presidency of the Council of Ministers on RAI channels were used (80 TV broadcasts and 60 radio broadcasts). During the second phase (September–October), advertising space was purchased on national commercial radio stations, social media platforms (Facebook, Instagram and YouTube), and through influencer marketing initiatives targeted at specific audiences, including Generation Z and audiences interested in economic and financial information.

More generally, media coverage in 2025 amounted to just over **8,000** items, including articles and news reports mentioning ARERA (compared with almost 9,000 in 2024), of which more than 5,300 appeared in print publications, 406 on television and 183 on radio. Particular note should be made of the consolidation of the collaboration with Repubblica.it through the "*ARERA risponde*" column, as well as with Rai Radio 1 through the weekly programme "Sportello Italia", which has been running continuously for six years. Cooperation also continued with the specialist magazine Servizi a Rete, while a new collaboration was launched with Adnkronos and Area (the local radio network) for the production of 16 journalistic features.

Social media channels continued to grow, with total followers increasing by 8% to around 87,000. LinkedIn recorded particularly strong growth **(+10%), exceeding 66,000 followers,** while YouTube surpassed 3,200 subscribers (+50% compared with 2024). X, Linkedin and YouTube profiles have recently been joined by an Instagram channel and ARERA's new institutional Facebook page. During 2025, more than 600 original items of content were published across the Authority's social media channels, also with the support of the supplier. Content frequently adopted innovative formats, including "*L'utile detto facile*" (practical consumer advice), "WE ARERA" (focusing on institutional topics), "ARERA NEWS", "*Parlano i Num3ri*" (targeted at a professional audience via LinkedIn), and short-form video content on YouTube and Instagram designed to reach users with limited viewing time.

Throughout 2025, the X profile (formerly Twitter) maintained a stable engagement rate, indicating a loyal and engaged audience, although overall reach and impressions continued to decline, reflecting a broader trend across the platform.

ELECTRICITY: IN 2025, ITALY REDUCES THE FINAL PRICE (-1.6%) AND NARROWS THE GAP WITH EUROPE (+13%). HOWEVER, NETWORK CHARGES AND TAX COMPONENTS OFFSET POTENTIAL SAVINGS. GERMAN HOUSEHOLDS ALWAYS PAY THE MOST, FOLLOWED BY ITALIAN HOUSEHOLDS

In 2025, among household consumer classes across the European Union, electricity prices increased in 14 countries and decreased in the remaining 14. Among the countries recording the largest

increases were Romania (+32.9%), Poland, Ireland and Austria (all around +15%). By contrast, **prices declined in other countries, relatively modestly in Italy (-1.6%)** and Portugal (-2.0%), and more markedly in Denmark (-8.5%), Cyprus (-9.1%) and France (-9.2%). Despite considerable differences across countries, **the weighted average price in the euro area recorded a slight decrease of 1%.**

The euro area average stood at 31.09 c€/kWh, slightly lower than in 2024. **Within this average, the component that recorded the largest reduction was energy supply costs**, which fell by 11.7%, from 15.85 to 14.00 c€/kWh.

A comparison of prices for household consumers in the four largest European countries namely Italy, France, Germany and Spain, reveals significant differences. With an average price of 25.46 c€/kWh, 9.2% lower than in the previous year, France recorded the largest reduction among the four countries considered. The energy component was the main driver of this decline, falling by 28.3% compared with 2024 to 10.75 c€/kWh.

Germany remained the country with the highest final price, although this also decreased, from 41.13 to 40.23 c€/kWh (-2.2% compared with the previous year).

Spain was the only country to record a significant increase in the final price, which rose by 8.1%, from 26.56 to 28.28 c€/kWh. The modest reduction in the energy supply component (-0.9%) and the 2.1% decline in network charges were insufficient to offset the sharp increase in the tax component (+37.9%), which rose from 6.33 to 8.73 c€/kWh.

In Italy, the total price decreased moderately (-1.6%), falling to 35.12 c€/kWh. Unlike France, Germany and Spain, however, the decline in the average price for household customers had already begun in 2024. Analysis of the individual components shows that the energy component remained broadly unchanged (-0.1%, from 19.69 to 19.68 c€/kWh), following the substantial reduction recorded in 2024 (-20.7%). Meanwhile, **network charges fell by 5.8% (from 6.23 to 5.87 c€/kWh), while the tax component declined by 2.1%.**

As a result, in 2025 household consumers in Italy paid prices that were 13% higher than the euro area average, corresponding to a difference of 4.03 c€/kWh. **This gap is attributable almost entirely to the energy component, which in Italy is 5.68 c€/kWh higher than the euro area average.**

Looking at individual consumption classes, electricity prices in Italy in 2025 were higher than both those in France and the euro area average across all consumption classes. They were only slightly higher than German prices in the DA band, which includes customers consuming less than 1,000 kWh per year (60.18 versus 59.03 c€/kWh). In the DB band (1,000–2,500 kWh per year) and the DC band (2,500–5,000 kWh per year) - the most numerous consumption classes and those most representative of Italian households - prices stood at 35.13 c€/kWh and 31.32 c€/kWh respectively. Although lower than German prices, prices in these bands remain significantly higher than those recorded in France, Spain and the euro area average.

ELECTRICITY: PRICES FOR NON-HOUSEHOLD CUSTOMERS DECLINE ACROSS EUROPE; DOWN 1% ALSO IN ITALY, BUT REMAIN UNCOMPETITIVE DUE TO THE CHARGES, TAXES AND LEVIES COMPONENT (+24.1% COMPARED TO THE EURO AREA)

The comparative analysis of total prices (i.e. excluding charges and taxes) recorded in 2025 for the set of non-household consumer classes in the European Union highlights increases in 10 countries and decreases in the remaining 20. The trend in electricity prices for these consumers therefore shows an overall reduction compared with 2024. The euro area recorded a decrease of 4%; however, developments varied significantly across countries. The average price in euro area countries **fell to 21.15 c€/kWh**, representing a **decrease of 3.9%** compared with 2024. The decline was driven primarily by the energy component, which fell by 9.1%, from 12.08 to 10.98 c€/kWh. This reduction was, however, partially offset by a 6.1% increase in network costs (3.99 c€/kWh) and a 0.3% increase in charges and tax components (6.18 c€/kWh).

As with household customers, prices for non-household customers also fell significantly in France, from 19.34 to 17.36 c€/kWh (-10.2%). This was the largest decrease among the countries analysed. Germany remained the country with the second-highest price, although it too recorded a decrease of

4.5% compared with the previous year, from 24.91 to 23.80 c€/kWh. As usual, Spain recorded the lowest final price (16.10 c€/kWh) among the countries compared, also declining by 3.4% compared with 2024.

In Italy, the total price decreased moderately, falling by 1% to 26.25 c€/kWh. The reduction was therefore considerably more limited than in the other countries analysed. A breakdown of the components shows that the **energy component increased by 2%, the only case among the countries considered.**

In 2025, **non-household consumers in Italy** paid **a final price 24.1% higher than the euro area average. The resulting differential of 5.10 c€/kWh derived almost entirely from the energy component, which was 27% higher than the euro area average (around 3 c€/kWh more).**

Analysis by consumption class shows that Germany continues to record the highest price levels across all non-household consumption classes except the first. German prices range from 38.92 c€/kWh in the IA band (lowest consumption) and remain above 18 c€/kWh even in the IF band (highest consumption). Compared with 2024, the German market recorded a slight decrease in prices in the intermediate and higher consumption classes, while prices in the lowest band remained broadly unchanged.

After Germany, Italy remains the second most expensive country. In 2025, Italian prices were higher than those in France, Spain (which remain the most competitive markets) and the euro area average across all consumption classes considered. In the IA band, the price reached 46.52 c€/kWh, while in the IF band, relating to the most energy-intensive consumers, it stood at 15.73 c€/kWh. Compared with 2024, the Italian market showed a differentiated trend. In the lower and intermediate bands (IA and IC), prices increased by 6.9% and 3.4% respectively, while the higher-consumption bands recorded more limited changes, with increases of less than 2%.

ELECTRICITY: CONSUMPTION STABLE (+0.1%). DOMESTIC GENERATION INCREASES (+2.4%) BUT THE TREND REVERSES, WITH THERMOELECTRIC GENERATION UP (+5.2%) AND RENEWABLES DOWN (-1.5%)

Electricity consumption remained largely stable at 312.4 TWh, recording a slight increase of 0.1%. This was entirely attributable to growth in the services sector (+1.9%), which offset the modest declines recorded across all other sectors. **83.7% of Italy's electricity demand was met by net domestic generation** (excluding pumping energy), while the remaining 15% was covered by net imports. **Gross domestic generation increased by 2.4%**, reaching 277.4 TWh. Compared with 2024, however, there was a reversal in the generation mix trend: **renewable energy sources, which account for 48% of total generation, declined by 1.5%,** while thermoelectric generation recovered, increasing by 5.2%. **More specifically, generation from natural gas increased by 7% and photovoltaic generation by 25%, while wind and hydroelectric generation declined by 3% and 21% respectively.**

In 2025, the Enel Group confirmed its position as Italy's leading electricity producer with a market share of 12.3%, although continuing its downward trend (13.5% in 2024). It was followed by Eni with 9.1% (9.2% in 2024). Eni remained the leading operator in thermoelectric generation with a share of 18.5%, followed by Edison with 14.4% and EPH in third place with 8.1%. Enel remained in fourth place with 6%.

Overall, in 2025, **the costs associated with supporting renewable energy sources amounted to approximately €9.3 billion**, representing an increase of 4.3% compared with the previous year. This increase was mainly driven by a 3% rise in **photovoltaic** incentives under the five Conto Energia schemes, which in recent years have become the most significant component of renewable energy support mechanisms. The volume of electricity benefiting from incentive schemes amounted to approximately 50.2 TWh, of which 44% was generated by photovoltaic plants, 23% by wind farms, 16% by biomass facilities, 15% by hydroelectric plants and 2% by geothermal sources.

ELECTRICITY: IN 2025, MORE THAN 30 MILLION HOUSEHOLD CUSTOMERS ARE IN THE FREE MARKET, WHICH REMAINS MORE EXPENSIVE THAN THE STANDARD OFFER SERVICE. SWITCHING RATES REMAIN HIGH. THE NUMBER OF ACTIVE SUPPLIERS IS RISING AGAIN

In 2025, the number of household points of withdrawal exceeded 30.5 million, showing a slight increase (+0.2%) compared with 2024. Of these, 3.2 million were served under the Gradual Standard Offer Service (10.4% of the total), 3 million under the Gradual Protection Service (9.9%) and approximately 24.3 million in the free market (79.7%).

In terms of consumption volumes, the share of electricity purchased by household customers in the free market reached 83%. The share attributable to the Gradual Standard Offer Service increased from 5.5% to 9.9%, while the share of the Standard Offer Service fell to 8.2%, down from the already limited 14.4% recorded in 2024. From a geographical perspective, the free market accounted for a dominant share across all territorial areas, although regional differences continue to narrow gradually. The lowest penetration rate was recorded in Calabria (87.4%) and the highest in Valle d'Aosta (97.2%).

Although lower than in 2024, **switching activity among Italian households remained elevated,** at 20.8% in terms of customers and 21% in terms of volumes. It is reasonable to assume that the automatic exit from the Standard Offer Service encouraged some customers to seek information and switch supplier in the free market, thereby changing their contractual arrangements.

The number of suppliers increased to 769, including 710 operating in the free market. This returns the market to the levels observed two years ago, interrupting the downward trend that began in 2022.

The Enel Group remained the leading operator in the Italian electricity market as a whole, although its market share continued to decline, reaching 22.3% (compared with 26.8% in 2024 and 33.5% in 2023), reflecting a sharp reduction in sales (-15.8%), equivalent to around 10 TWh. The A2A Group remained in second place with a 10% market share (8.3% in 2024), followed by the Edison Group with 7.5% (6.3% in 2024).

Market concentration in the electricity sector continued to decrease. The combined share of the three largest groups fell to 38.6% (39.3% in 2024 and 44.1% in 2023), while the share of the top five groups fell below 50% (51.3% in 2024 and 55.2% in 2023).

In 2025, the electricity free market continued to show a clear distinction between household and non-household customer preferences regarding pricing structures. Among household customers, there was a near balance between fixed-price contracts (51%) and variable-price contracts (49%). By contrast, non-household customers showed a clear preference for variable-price contracts (79.5%). This distribution reflects businesses' greater willingness to assume the risk associated with wholesale price fluctuations, also in light of the opportunity to benefit more rapidly from any reductions in market prices.

For household customers, the average price differential between the two options (supply component only) remained very limited: €236.69/MWh for fixed-price contracts compared with €232.35/MWh for variable-price contracts, a difference of less than 2%. For non-household customers, the differential was 12%, with variable-price contracts recording a lower average price than fixed-price contracts (€156.26/MWh compared with €178.08/MWh).

In 2025, the free market once again recorded higher prices than the Standard Offer Service across all consumption classes.

As at 1 January 2026, the electricity price for a resident vulnerable household customer under the Standard Offer Service, with annual consumption of 2,000 kWh and contracted capacity of 3 kW, was 25.2 c€/kWh excluding taxes and 27.97 c€/kWh including taxes. Under the Gradual Standard Offer Service, the corresponding values were 22.8 c€/kWh and 25.3 c€/kWh respectively.

NATURAL GAS: IN 2025, ITALIAN HOUSEHOLD CUSTOMERS PAY MORE (+7%) THAN THE EURO AREA AVERAGE. THE ENERGY COMPONENT AND NETWORK CHARGES CONTINUE TO WEIGH HEAVILY

In 2025, total natural gas prices (i.e. including charges and taxes) for household customers in Europe showed moderate overall growth, albeit with significant differences across individual countries. More specifically, prices increased in 17 countries and decreased in the remaining 8. The largest increases were recorded in Hungary, Poland, Luxembourg and Bulgaria (all +11%), followed by Estonia (+10%) and Croatia and France (+9%). **Italy recorded an increase of just under 5%, above both the European Union and euro area averages, which stood at 3%.**

The euro area average reached 12.81 c€/kWh, up by 2.8%. This increase was mainly driven by an 11.1% rise in network charges (from 2.34 to 2.60 c€/kWh) and a 10.9% increase in the tax component (from 3.59 to 3.98 c€/kWh), while the energy component fell by 4.6% (from 6.53 to 6.23 c€/kWh).
With a total price of 14.14 c€/kWh, France recorded the largest increase among the main countries analysed, at 8.5%.
Germany showed broadly stable prices, with the final price increasing from 12.06 to 12.12 c€/kWh (+1%). The sharp reduction in the energy component (-14.1%) was almost entirely offset by increases in network charges and taxes, which rose by 19.3% and 22.9% respectively.
Spain recorded the lowest final price among the countries analysed (9.31 c€/kWh), remaining broadly in line with 2024 levels (+0.6%). The energy component, down by 3.4%, remained the lowest among the countries considered, while network charges increased by 9.5% and the tax component by 2.9%.
In Italy, total expenditure increased moderately, with the final price reaching 13.71 c€/kWh, an annual increase of 4.8%. A breakdown of the components shows that the energy component increased by 1.3%, from 6.94 c€/kWh to 7.03 c€/kWh. Italy and France were therefore the only countries among those analysed in which this component increased. Network charges remained broadly stable (-1%, from 2.96 to 2.93 c€/kWh), while t**he increase in charges and taxes** (+17.9%, from 3.18 to 3.75 c€/kWh) **contributed to higher bills for Italian household customers.**
In 2025, Italian household consumers paid a gas price 7% higher than the euro area average, corresponding to a differential of 0.90 c€/kWh. The energy component (+0.80 c€/kWh) and network charges (+0.33 c€/kWh) showed similar percentage differentials (+12.8% and +12.7% respectively), while Italy's tax component remained slightly below the European average (-5.8%). Compared with France, Italian household customers paid a price that was 3% lower. A comparison with Germany, however, reveals a price differential to Italy's disadvantage: the price paid by Italian household customers is 12.6% higher than that paid by German consumers. Relative to Spain, Italy recorded significantly higher gas prices for household customers, with a differential reaching 47.3%, equivalent to 4.40 c€/kWh, the largest gap among the countries compared.
Overall, Italy ranked second among the four countries analysed in terms of household gas prices, reflecting a higher energy component and relatively high network charges, while the tax component remained broadly aligned with the other countries, with the exception of Spain.
Looking at **individual consumption classes**, France recorded the highest household gas prices among the main European countries across all consumption bands in 2025. The increase was particularly marked in the higher-consumption classes (D2: 8.4%; D3: 11%), with prices remaining above both the euro area average and Italian levels.
In 2025, Germany showed broadly stable household gas prices: prices in class D1 increased from 15.67 to 16.12 c€/kWh (+2.9%), in class D2 from 12.16 to 12.19 c€/kWh (+0.2%), and in class D3 from 10.80 to 11.25 c€/kWh (+4.2%). Germany recorded prices lower than Italy's across all consumption classes, although still higher than Spain's.
The euro area also experienced moderate price growth across all consumption classes, while maintaining the progressive tariff structure common throughout most European countries, whereby the unit price decreases as consumption increases.
Italy remained in the upper range of European household gas prices, with prices increasing across all consumption classes compared with 2024. The largest increase (9.1%) was recorded in the highest-consumption class, where the price rose from 11.11 to 12.12 c€/kWh. In the lowest-consumption class (D1), the price increased by 3.7%, from 17.12 to 17.75 c€/kWh, while in class D2, which accounts for around two-thirds of Italian household consumption, the increase was 4.2%, from 12.30 to 12.87 c€/kWh. Compared with the euro area average, Italian prices were higher across all consumption classes. The differential relative to Spain remained particularly large, while the gap with Germany was smaller, although still positive.

NATURAL GAS: GENERALISED FALL IN PRICES FOR NON-HOUSEHOLD CUSTOMERS. ITALIAN COMPANIES PAY LESS THAN FRENCH AND GERMAN ONES BUT MORE THAN SPANISH ONES

The trend in gas prices for non-household consumers in Europe showed a **general increase** compared with 2024. The average price in the euro area rose from 6.98 to 7.26 c€/kWh (+4%), with 18 countries

recording price increases. The most notable increase was observed in Lithuania (+46%), by far the largest in Europe. Significant increases were also recorded in Austria (+9%), Greece, Portugal and Germany (+8%), and Bulgaria (+7%). Only six countries registered price reductions, the most significant being Slovakia (-8%), Luxembourg (-7%) and Hungary (-5%). With an **increase of 6%, Italy was among the countries experiencing higher prices.**

Despite this larger increase, Italian industrial customers continued in 2025 to pay less than the euro area average. The price differential narrowed only slightly, from -0.84 to -0.78 c€/kWh. Among European Union Member States, the highest gas prices for non-household consumers were recorded in Sweden (12.02 c€/kWh), the Netherlands (9.39 c€/kWh), Finland (9.28 c€/kWh) and Denmark (8.28 c€/kWh). At the other end of the spectrum, the lowest prices were recorded in Spain (4.95 c€/kWh), Bulgaria (5.02 c€/kWh) and Greece (5.20 c€/kWh).

France, which recorded the highest price among the countries analysed in 2024, continued to show relatively high price levels in 2025, second only to Germany.

Germany recorded the largest increase among the countries analysed (+7.5%), with the total price rising from 7.31 to 7.86 c€/kWh. The reduction in the energy component (-2.3%, from 4.44 to 4.34 c€/kWh) was more than offset by increases in the tax component, which rose by 0.49 c€/kWh (+22.8%), and in network charges, which increased by 0.16 c€/kWh (+22.2%).

GAS: IN 2025, THE RECOVERY IN CONSUMPTION CONTINUES IN ITALY (+2%); DOMESTIC PRODUCTION ALSO RISES, REACHING 3 BCM. IMPORTS RECOVER (+3.6%), WITH ALGERIA CONFIRMING ITS POSITION AS LEADING SUPPLIER. LNG IMPORTS INCREASE AGAIN (+44%)

In 2025, natural gas consumption increased by almost 2%, rising from 61 to 62.1 billion cubic metres (bcm). Following the sharp declines recorded in 2022 and 2023 (both -10%) and the modest recovery in 2024 (+1.2%), this increase represents a further positive signal for the sector. The recovery was driven almost entirely by **demand from the thermoelectric sector, where consumption rose by 6.6%,** mainly to offset the decline in net electricity imports.

Domestic production also increased, rising from 2.6 to 3 bcm, with Eni confirming its leading position, accounting for 56.7% of total output. Exports also rose slightly, returning to 2023 levels (2.1 bcm). Exports also rose slightly, returning to 2023 levels (2.1 bcm). The level of dependence on foreign supplies, measured as the ratio of net imports to gross domestic consumption, declined slightly. In 2025, 94.3% of the gas available in Italy originated from abroad, compared with 95.2% in 2024.

Imports recovered, increasing from 59.5 to 61.6 bcm (+3.6%), driven by a **doubling of flows from the United States and a sharp increase in supplies from Northern Europe (+43% from both Norway and the Netherlands).** Volumes imported from countries more recently added to the supply mix (Trinidad and Tobago, Equatorial Guinea, Nigeria, Mauritania and Senegal) also increased, rising from 0.9 to 2.2 bcm. By contrast, imports from traditional suppliers (Algeria, Azerbaijan, Qatar and Libya) declined. **Quantities statistically attributed to Russia (linked to increased withdrawals from Austrian storage facilities transiting through Tarvisio) also fell sharply,** from 5.7 bcm in 2024 to 972 million cubic metres.

Considering total import volumes, both by pipeline and LNG tanker, **Algeria remained Italy's leading supplier in 2025, accounting for 36.1%** of total imports, followed by Azerbaijan (16.2%) and the United States (15.9%). Qatar's share declined slightly, from 11.6% to 11.0%, while the share of Northern European suppliers (Norway and the Netherlands), traditionally important sources of supply, increased from 10.1% to 14.1%.

Growth in Italian imports was driven largely by liquefied natural gas (LNG). In 2025, **LNG imports increased by 44%**, rising from 14.7 to 21.2 bcm and a**ccounting for approximately one-third of total imports.**

The top three positions among the twenty largest importers remained unchanged. Eni retained first place, despite a decline in market share from 30.9% to 28.6%. Edison also maintained second position, although its share fell from 17.6% to 15.3%. Overall, the three largest importers supplied 59.1% of the natural gas entering the Italian market, compared with 64.4% in 2024.

GAS: MARKET CONCENTRATION REMAINS STABLE, WITH EDISON IN FIRST PLACE FOLLOWED BY ENI. SLIGHT INCREASE IN HOUSEHOLDS SERVED UNDER THE VULNERABILITY PROTECTION SERVICE. THE FREE MARKET REMAINS MORE EXPENSIVE

In 2025, **the level of concentration in the retail gas market remained broadly unchanged compared with the previous year. The top three groups accounted for 39.3%** of the market, compared with 38.6% in 2024. The Edison Group retained its leading position, with sales increasing by 9.7% and its market share rising from 15.5% to 16.8%. The Eni Group consolidated its second-place position (regained in 2024 after losing it in 2023) with sales increasing by 7.1% and its market share rising from 12.0% to 12.7%. The Enel Group remained in third place despite an 11.5% decline in sales, which reduced its market share from 11.1% to 9.7%. **The number of suppliers active in the retail market increased once again, reaching 493, eleven more than in 2024.**

Looking at the household segment alone, the share of volumes purchased in the free market declined slightly in 2025, to 86.2% for households, while reaching 99.4% for residential condominiums (both figures net of self-consumption). In terms of withdrawal points, households served under the Vulnerability Protection Service accounted for 13.6% of the total in 2025, compared with 13.0% in 2024. **In 2025, the switching rate**, the share of customers who changed supplier during the calendar year, **stood at 18.8% in terms of customers and 19.4% in terms of volumes**, broadly in line with the previous year.

The free market exceeded an 80% share in all regions, with peaks above 90% in Lombardy, Trentino-Alto Adige, Emilia-Romagna, Umbria and Sardinia. The Vulnerability Protection Service accounted for an average national share of 12.2%, with higher penetration in southern regions and Liguria. The highest shares were recorded in Basilicata (18.9%), Calabria (18.3%) and Sicily (18.3%), while the lowest were recorded in Sardinia (0.2%), Umbria (9.8%) and Lombardy (9.9%).

The majority of free-market household contracts (67.9%) were based on variable-price tariffs, which showed a lower average supply component than fixed-price contracts (75.0 c€/m³ compared with 81.2 c€/m³). Nonetheless, a significant proportion of households continued to favour the stability offered by fixed-price contracts. Among residential condominiums, preference for variable-price contracts was even more pronounced (94.1%), with average prices remaining slightly below those of fixed-price contracts (61.1 c€/m³ compared with 62.5 c€/m³). Among non-household customers, variable-price contracts were even more widespread (86.2%). In this segment, however, the price differential relative to fixed-price contracts was minimal (50.2 c€/m³ compared with 48.9 c€/m³).

The final gas price for the typical consumer served under the Vulnerability Protection Service (including taxes) closely tracked developments in the gas commodity component. After peaking at 130 c€/m³ in February 2025, it fell rapidly to 108 c€/m³ in April, remained broadly stable during the summer months, then declined further to 102 c€/m³ in December before rising again to 113 c€/m³ in January 2026. This trend was driven primarily by movements in the gas commodity component, which increased from around 42 c€/m³ in spring 2024 to a peak of 65.7 c€/m³ in February 2025, before falling below 50 c€/m³ in April and reaching 41.5 c€/m³ at year-end. It then rose again towards 50 c€/m³ in January 2026; this latest increase, together with higher network charges, contributed to the subsequent rise in the overall final price.

For household customers with annual consumption of up to 5,000 m³, the average price in the free market remained higher (112.4 c€/m³) than the price applied to vulnerable customers (93.5 c€/m³).

WATER: INVESTMENT EXPENDITURE TO EXCEED €29 BILLION BY 2029. REDUCTIONS IN PUBLIC FUNDING AND CONCESSION EXPIRIES SLOW GROWTH, BUT EARLY SIGNS OF RECOVERY EMERGE FROM 2026

As part of the preliminary activities carried out by the Authority during 2024 and in the first months of 2025 for the approval of tariff proposals relating to the fourth regulatory period (2024-2029), by 12 May 2026 the tariff determinations adopted by the Authority covered 60 operators, serving 29,224,152 inhabitants.

With reference to the sample of 170 operators that submitted tariff update proposals to the Authority

for the biennial tariff review (serving a total of 53,969,154 inhabitants), the **average increase** in charges applied to users in 2025, compared with the previous year, was **6.3%, albeit with some geographical variation**: +5.03% in the South and Islands, +5.60% in Central Italy, +7.57% in the North-East and +7.19% in the North-West.

Planned investment for the 2024–2029 period - excluding forecasts relating to the availability of public funding for water infrastructure development - amounts to **€541 per inhabitant at national level, corresponding to annual investment expenditure of €90 per inhabitant per year**, compared with €69 per inhabitant per year during the third regulatory period (2020–2023). The highest figure is recorded in Central Italy, at €802 per inhabitant over the fourth regulatory period 2024-2029.

In absolute terms, **investment expenditure** for the aforementioned sample of 170 operators serving just under 54 million inhabitants amounts to a total of **€29.6 billion over the six years of the fourth regulatory period** (including the availability of public funding), **increasing from €4.7 billion in 2024 to €6.1 billion in 2025**, before declining in the subsequent years to €5.3 billion in 2026, €4.8 billion in 2027, €4.6 billion in 2028 and €4.1 billion in 2029.

This decline reflects the **progressive reduction in public funding** available at the time the tariff plans were prepared (in 2024), as well as the impact of management transitions that are either about to commence or remain ongoing due to pending award procedures. These findings highlight the urgency of ensuring swift procedures for the appointment of operators with adequate technical and managerial capabilities. In any event, investment projections from 2026 onwards will be updated every two years, taking account of any renewed availability of public funding allocated to the water sector, including resources from the National Financial Instrument for Infrastructure Investments and Safety in the Water Sector (SFNIISSI), introduced as part of the latest revision of Italy's National Recovery and Resilience Plan (NRRP/PNRR).

The audits carried out confirmed a widespread ability to implement planned investments (albeit with some variability among the panel managements). The realisation rate was 95% in 2022 and 86% in 2023, with lower values for operators operating in the South and Islands area (whose realisation rate, for 2023, stood at 60%), for which certain criticalities seem to remain as regards the execution of interventions.

WATER: 388 EURO/YEAR IS THE AVERAGE EXPENDITURE FOR THE TYPICAL HOUSEHOLD. DESPITE IMPROVEMENTS, WATER LOSSES REMAIN SIGNIFICANT, ESPECIALLY IN THE SOUTH AND ISLANDS

In 2025, **the average annual expenditure incurred by a three-person household with annual consumption of 150 cubic metres** amounted to **€388 nationwide**, equivalent to €2.59 per cubic metre consumed. **The figure was lower in the North-West (€299 per year) and higher in Central Italy (€479 per year), while the South and Islands and the North-East were closer to the national average, at €393 and €386 per year respectively.** Looking **at the components that make up the bills of household customers**, again assuming annual consumption of 150 m³, around **38.3% of total expenditure is attributable to the water supply service**, for which the average annual cost at national level is €148.5. A further 12.1% is attributable to sewerage services (€46.8 per year), while 29.9% relates to wastewater treatment services (€115.9 per year). Finally, the fixed charge represents 10.7% (€41.6 per year), while taxes account for the remaining 9.1% (€35.3 per year). As already noted in the previous edition of the Annual Report, a comparison with the data collected for the baseline year (2016) shows that the 2024 data point to continued progress in the overall improvement of the technical quality indicators identified by the Authority, as well as a modest but steady increase in the number of operators for which the Area Governance Bodies periodically collect infrastructure and quality data, including operators located in the South and Islands. However, **water losses remain at unacceptably high levels. The national average stands at 42.5%, reaching 50.6% in the South and Islands, while lower levels are recorded in the North-West (34.4%).**

Analysis of investment needs for the 2024–2029 period confirms that reducing water losses remains the principal investment priority nationwide, accounting for 26.8% of planned expenditure. **This objective has consistently represented the main driver of sector investment planning** since the Authority first undertook these assessments in 2019. Reducing service interruptions ranks second, accounting for 16% of planned investment and continuing to grow in importance. This is followed

by measures to improve drinking water quality (14%) and investments to upgrade sewerage infrastructure (12.5%). Lastly, investments aimed at improving the M0 macro-indicator (ARERA's technical quality indicator measuring resilience, namely the ability of water systems to withstand varying conditions including climate change and peaks in demand) amount to approximately €1.55 billion, representing 5.22% of total planned investment.
The proportion of investment in integrated water service infrastructure that cannot be directly linked to the specific technical quality objectives defined by the Authority has fallen below 11%. From a broader service perspective, the national investment profile remains predominantly focused on **water supply infrastructure**, which accounts for approximately 52% of planned expenditure, compared with around 40% allocated to sewerage networks and wastewater treatment facilities combined. This gap is virtually eliminated in the North-West, where investment requirements for sewerage and wastewater treatment are broadly equivalent to those for water supply infrastructure. By contrast, the gap widens in other areas and reaches its highest level in Central Italy, where investment in water supply infrastructure significantly exceeds the national average, accounting for 63.82% of total planned expenditure.

WASTE: OPERATORS DECLINE (-19%); JUST OVER 8,100 OPERATORS ACTIVE IN 2025. THE TARIFF METHOD COVERS 86% OF THE POPULATION. WASTE GENERATION (+2.3%) AND SEPARATE COLLECTION (+1%) CONTINUE TO INCREASE

As of April 2026, **8,152 entities** were registered in the Authority's Registry of Operators, compared with 8,386 in 2025. Confirming that the territorial organisation of the service remains incomplete, the number of entities registered as territorially competent authorities remains high, at 2,698, although this represents a decrease of 19% compared with the previous year.
In 2024, **national municipal waste generation amounted to approximately 30 million tonnes, up 2.3% compared with** 2023. **The growth trend in separate waste collection was also confirmed, increasing by more than one percentage point,** from 66.6% to 67.7% (equivalent to more than 20 million tonnes of separately collected waste). **At territorial level, the North-East and North-West continued to record the highest levels of separate collection,** at 77.8% (+1%) and 71.3% (+0.7%) respectively. Central Italy reached 63.2% (+0.9%), while the South recorded 59.9% (+1.7%) and the Islands 60.8%, up slightly on the previous year (+0.3%).
With regard to tariff arrangements for the 2024-2025 biennial update, there was **a positive increase in the number of entities complying with tariff regulation**. Compared with the 5,332 tariff proposals submitted in 2024, a total of 5,699 proposals were submitted, including 5,672 municipal proposals and 27 multi-municipal proposals. These related to 6,125 municipalities (78% of all Italian municipalities), **serving almost 51 million inhabitants, equivalent to 86% of the national population.**
Analysis of the Economic and Financial Plans available to the Authority, with particular reference to 2024, shows an **average tariff growth** cap of **5.3% set by the territorially competent authorities (ETCs), while the actual increase in tariff revenues was lower, at 3.3%**. Both figures were lower than those recorded in the previous year (6.3% and 5.4% respectively). The increases recorded reflect the strong inflationary pressures experienced in 2022 and continued in 2023, the effects of which, for tariff purposes, were incorporated into the 2024–2025 biennium in accordance with the provisions of MTR-2 governing cost recognition for tariff-setting purposes.
The **average annual TARI charge for a typical household** (three occupants residing in a 100-square-metre dwelling) was estimated at **€311 nationwide in 2023, although significant differences remain across geographical areas.**

DISTRICT HEATING: 70.5% OF PRODUCTION IS FUELLED BY NATURAL GAS. PRICES REMAIN ABOVE PRE-CRISIS LEVELS, WITH AN AVERAGE OF €113/MWh

In Italy, **the penetration of district heating systems remains limited, albeit on a historically upward trend. The five northern regions** of Lombardy, Piedmont, Trentino-Alto Adige, Emilia-Romagna and Veneto **account for more than 95% of thermal energy supplied**, although the size of their networks varies significantly. In Piedmont, for example, a smaller number of networks

distributes more than twice as much energy as the networks operating in Trentino-Alto Adige, most of which serve mountainous areas. In 2024, thermal power stations serving district heating networks produced 11,409 thermal GWh, 6,511 electric GWh and 146 refrigeration GWh. **Natural gas remains the dominant energy source, accounting for 70.5%** of total energy consumption. Other significant contributions come from waste-to-energy sources (14.9%) and bioenergy sources (biomass, biogas and bioliquids), which together account for 11%. 69% of users have a contracted capacity no greater than 50 kW, while 24% have a capacity of between 50 kW and 350 kW, and only 7% have a capacity greater than 350 kW. Larger users, despite being relatively few in number, account for a large share of total consumption (over 50%). **Energy supplied through district heating networks is used primarily for space heating and cooling** and for the production of domestic hot water, while its use in industrial processes remains limited. A significant share of the market is made up of residential (65%) and tertiary (32%) users. Demand from the industrial sector remains marginal (3%). The number of companies operating on district heating networks is 254 (249 a year ago). Of these, 84% are involved in activities strictly related to the operation of networks and the supply of thermal energy to customers (distribution and/or metering and/or sales), while the remainder are only involved in the production of thermal energy.

The widespread use of **the avoided-cost methodology and fuel-indexed pricing mechanisms** in commercial offers naturally means that district heating prices remain strongly influenced by energy commodity prices, particularly natural gas. As a result, following the peak reached in 2022, when average prices stood at €155/MWh, prices declined to €116/MWh in 2023 and, partly as a result of the introduction of the revenue-cap mechanism, to **€113/MWh in 2024.**

Although prices have yet to return to pre-crisis levels, owing to continuing tensions in international energy markets, there has been a significant reduction since 2022 both in average prices and in the variability between different offers. **In 2024, the average prices applied by operators ranged between €105/MWh and €137/MWh.**