



Annual Report on Regulatory Activities and the State of Services

PRESENTATION BY THE CHAIRMAN
Stefano Besseghini

2025

ROMA, 17 JUNE

The Italian Regulatory Authority for Energy Networks and Environment

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Distinguished Authorities, Ladies and Gentlemen

I would like to thank the President of the Chamber of Deputies for his presence, hospitality and words of introduction.

I wish to welcome and thank the representatives of Parliament and Government - the Annual Report addresses them, particularly those present today to represent the country.

A special greeting to all those who make this country's energy, water, waste management and district heating systems work on a daily basis, enabling us all to enjoy the quality of life we experience.

The temptation to narrate, summarise or interpret events, even to deliver some undisputed truths for the coming period, is unavoidable in the last report of this Board, and particularly considering the 30th anniversary of the law establishing the Authority. I believe we have either glimpsed or understood them in our years of activity.

I shall do my utmost to avoid this, though I am likely to succumb to the temptation.

I shall, instead, share open questions, hoping they will effectively encourage good answers.

Uncertainty is the one point we all have in common in this historical phase.

Uncertainty that threatens to undermine the very foundations of our society.

The return of quasi-medieval fears of wars and pandemics challenge our faith in modernity.

The practical real world is giving way to the digitisation of desires.

The main distortion wrought by digital solutions has been introducing the idea of immediacy into our lives.

Immediate responses deleted distances and compressed time have amplified our intentional actions.

Financial and digital solutions have shaped a society in which virtualised desires have constructed value that can be concretely monetised, at the cost of a loss of perception of both concreteness and limits.

While the description of the solution may be an ontology of the solution in the digital world, this is not the case in physical reality.

I am often asked about the role of regulation in this context. The answer is certainly complex. One of the roles is to be a point of synthesis between the various stakeholders in identifying concrete and sustainable implementation of technical and regulatory developments in the sectors.

However, regulation must also consider an intertemporal coherence between the inevitable legacies of the past and the demands presented by innovation.

If this intertemporal consistency benefitted, until a few years ago, from the relatively slow evolution of sectors, today it is precisely the speed of evolution that poses a further challenge to our action.

The introduction of artificial intelligence systems certainly poses a significant strain on regulation.

We are aware that massive deployment of this tool could significantly contribute to the operational resources of our facilities.

However, its introduction must be accompanied by careful reflection on its implications as regulation cannot evolve through trial and error (which will be inevitable).

The other major issue of our time is climate change.

The path of energy transition has not moved towards environmentally sustainable solutions driven by a technology that had the answers. Instead, we have been driven by both awareness of the costs, not only economic, of failing to take action, and a clear political intention, which has often attempted to "propose" the technological solution.

Such an approach would have required a sequence of success stories to be established and consolidated with progressive amplification

and replication of solutions. Instead, it encountered obstacles and difficulties, which was perhaps inevitable.

This exposes us today to the pendulum swing of history.

Certain technologies have paved the way for major epoch-making changes, and their rapid evolution has allowed a natural selection.

I am sure you will smile at the thought of how many devices, technologies and solutions that belong to our memory have raised hope but then been consigned to oblivion because they were quickly overtaken by something more effective.

Not necessarily something better from a technological perspective, but better able to intercept market demands and, ultimately, those of end users.

This is still in its infancy in the energy sector.

The urgency of accessing a different development path has led us to ask rules, goals, obligations and markets to define entry and exit paths for different technologies.

The process is asymmetrical since, for example, the exit paths from conventional sources have not been as clearly defined as the entry paths for renewables, perhaps in the hope that the former would have developed as a result of the difference.

I do not think there are any solutions that can be shared in the short space of this reflection. However, we can rely on a method, which has accompanied this Board throughout its entire term.

It is the process of considering the evolution of the energy context by moving from the pleasure principle, stimulated by modernity, to a concrete reality principle, acknowledging that such a complex and articulated evolution must necessarily and positively take stock of the external context and, perhaps above all, of the ability not to limit or compress the benefits brought to people by modernity itself.

Firstly, the water sector provides direct experience of climate change with the ongoing alternation of warnings of the two extreme phenomena of drought and frequent flooding, the penetration of the saltwater wedge, the low availability of raw water, and the increasing pressure on sewage networks to manage wastewater.

Such factors lead the sector to address the issue of the water cycle with a necessarily broader approach. Indeed, interventions and

related costs are no longer confined to the synallagmatic relationship with the user for management of the water commodity supplied but must broaden to include the overall impact of water management.

A broader perspective necessarily entails two consequences. Precisely, ever-increasing and more effective coordination between all those who, in various capacities and at various levels, deal with the water commodity, and the involvement of a broader audience than that of the integrated water service proper in covering the necessary costs.

The worsening climate crisis calls for a structural reflection on the adaptation strategies to be adopted by territorial governments.

The infrastructural responses under discussion today are articulated on several levels: the expansion and upgrading of existing reservoirs; the construction of new extraction and storage works; the interconnection between different water supply network systems to reduce local vulnerability; the enhancement of the capacity to reuse treated wastewater, particularly for agricultural and industrial uses; and, last but not least, demand management.

ARERA has progressively integrated climate issues into its actions. Examples of this can be found in the criteria for tariff recognition of resilience investments, the cost-benefit assessments for adaptation interventions in the Italian National Recovery and Resilience Plan (PNRR), and the promotion of strategic water management plans in collaboration with river basin authorities.

In a context where investment needs are growing, the role of the tariff as a hedging tool acquires importance.

Over the five-year period 2021-2026, extraordinary public resources have enabled numerous infrastructure projects to be launched even in fragile territorial contexts, thus temporarily reducing the pressure on management.

However, the end of the extraordinary cycle once again raises the topic of stable, multi-year investment coverage.

In this scenario, the tariff returns to being the only regulated and structurally available tool to support the investment capacity of

operators, continuing to respect social and territorial equity criteria, even in the face of any additional burdens that might be required by digitisation or by pressure on the cost of energy.

Conversely, the ability to attract funds from the Italian National Recovery and Resilience Plan (PNRR) and from the 2021-2027 programme is closely linked to the soundness of area plans, and to the presence of technically and economically structured managers.

Hence, the integration of industrial planning and public regulation remains a decisive issue.

Digitisation of the water service has become strategic, driven by both operational efficiency goals and the opportunities offered by technological innovation.

Digital technologies are applied throughout the supply chain.

The adoption of advanced remote-control systems has enabled a greater capacity for real-time intervention, and improved maintenance management.

The use of *digital* simulation models (*digital twins*) is becoming increasingly popular to represent the dynamic behaviour of networks.

In line with the European debate, ARERA's regulation has already acknowledged the strategic importance of these tools, given that, in the Water Tariff Method (MTI-4), pursuit of the objectives promotes the adoption of remote control and widespread sensor technology in a framework that does not neglect support for other technologies to increase service quality.

The Water Tariff Method for the fourth regulatory period (MTI-4) combines operator requirements for economic-and financial stability with the need to protect users, incentivise investments, and promote efficient and sustainable management of the service.

It does so by reinforcing an increasingly outcome-oriented cost recognition system, thus enhancing overall coherence with the similar change underway in the energy sector involving the introduction of the Regulation by Expenditure and Service Objectives (ROSS).

It aims to strengthen the implementation of interventions, reaching beyond a purely accounting rationale, and shifting focus to the results achieved in terms of services provided, infrastructure constructed, technical and commercial quality, and mitigated environmental impact.

The recent introduction of the M0 indicator acquires strategic importance as an environmental indicator aimed at monitoring and enhancing water system resilience, namely the ability of an area to cope with quantitative and qualitative pressures on water sources.

M0 allows the relationship between demand and availability to be grasped at a glance, offering a concise but meaningful representation of the degree of balance (or imbalance) in which the water service operates.

Adopting M0 allows to flank the economic dimension of tariff regulation with an environmental meaning that, while not directly influencing the calculation of tariffs, contributes to directing investment planning and strategic choices of local authorities.

From a multi-level governance perspective, the availability of concise and comparable environmental information between territories is an essential requirement for coordination between actors mentioned in the introduction.

Moreover, the construction and periodic updating of this indicator calls for in-depth reflection on basic data, the consistency of information sources, and the harmonisation of calculation criteria. In this regard, M0 is also an engine for improving the quality of public data.

Multi-level governance in the water sector is an example of the application of the principle of subsidiarity and of the possible cooperation between different levels of government, namely state, regions, Local Governing Bodies (EGAs) and integrated water service operators.

The multi-level rationale should allow to combine the territorial proximity of the EGA with the systemic vision of the central authority, while also ensuring technical and institutional supervision of service quality and the economic-financial balance of the system.

However, its efficacy has always been linked to the capacity for cooperation and coordination between the actors involved, as well as to the clarity and stability of the regulatory framework.

In recent years, case law - particularly constitutional and administrative case law - has played a significant role in defining the boundaries of competences between the different levels. In several cases, court decisions have attempted to restore the system's balance in favour of territorial autonomy, but some recent rulings seem to go further, questioning the resilience of the multi-level model.

The issues are many, from rulings that have questioned the mandatory nature of the single regional or supra-municipal area, even in the presence of an already established optimal territorial area (ATO), to those that have extended the power of Regions in defining service concession criteria, up to the most recent decisions aimed at acknowledging the endoprocedural nature of optimal territorial area (ATO) decisions.

Jurisprudence, in its obviously legitimate desire to clarify certain areas of competence, could end up feeding a rationale of disintermediation that would go in the opposite direction to that of the desired coordination.

Rather than pursuing claims to exclusive competences or denying responsibility, it would be useful to strengthen the tools of cooperation and coordination, being aware of the complexity of the institutional setting. Perhaps a review of the national legislative framework would be appropriate to clearly clarify the functions and prerogatives of the various levels of government.

Maintaining the multi-level model in the water sector is not a foregone conclusion, but a necessary condition to seriously continue the work undertaken.

Although decades have passed since the reform that introduced the concept of a single manager, many Italian territories have not managed to complete this modernisation process as yet.

The organisational delays that have accumulated over time have necessitated increasingly targeted interventions, including the measures envisaged by the Italian National Recovery and Resilience Plan (PNRR) and a discipline to strengthen governance. However, such

interventions have only been partially implemented and have enhanced territorial gaps in the quality and efficiency of the water service.

The casuistry is quickly summarised. There are still territories where no concession has been completed. A second category concerns districts where so-called "safeguarded" managers have been identified but not the sole manager.

Many of these assignments, originally awarded to entities that had the necessary management and implementation capabilities, are now coming to an end, but without the allocation of management to a single entity. This risks jeopardising the ability to continue and reinforce the trend of investment growth and performance improvement.

A third critical aspect concerns autonomous management and those who, despite not having obtained the necessary qualification, continue their activities. These are individual local administrations, which for more than thirty years have felt that they possess the necessary characteristics not to join the integrated operator.

Finally, there are more virtuous situations, where the concession to the sole manager has been completed but pending a consolidation process with other managers, who remain temporarily active in the territory.

But the most sensitive aspect concerns the imminent expiry dates of some historical allocations.

The first allocations to the sole manager date back to the 1990s, and many subsequent ones did not provide for a maximum duration of thirty years. Timely and effective turnover between managers thus becomes a crucial factor in enabling the territories concerned to maintain the capacity to implement long-term investment programmes.

We are in the final stage of the procedure to define the standard call for tenders in the water sector, which can be a further useful tool for the awarding bodies to meet the necessary deadlines.

The ultimate goal is to develop organisational characteristics necessary to create ambitious and long-term investment programmes, definitively overcoming the initial implementation phase of the reform to face future challenges and guarantee an efficient and sustainable water service for all Italian citizens.

It must be said that the waste sector saw the regulation come into effect at the start of this council term. At this stage, the development of the third tariff method is underway. It will close in late July, allowing the sector to start the new four-year period in 2026 with the forecasts of the third tariff method (MTR3).

The first period (2018-2021, MTR) was characterised by strong focus on cost transparency, on quality improvement, and on verifying the effects of the prolonged lack of closed-loop facilities in certain areas of the country.

The second period (2022-2025, MTR-2) addressed the completion of regulatory profiles defining access tariffs to the facilities.

In 2023, the strong inflationary spiral, with very high misalignments between *ex-post* indices applied to actual costs and ambitious *policy targets* (*ex-ante*) included in the growth constraint on tariff revenues, necessitated specific measures during the infra-period update, providing for the possibility of balancing monetary and financial pressure by easing improvement constraints.

The choice made by the Authority allowed for a general containment of fee increases, even in the face of particularly evident rises in input prices.

Today, the process of defining the framework of the new regulation of the municipal waste management service (MTI3) seeks to combine the determination of criteria for the recognition of efficient operating and investment costs with the definition of tariffs for access to treatment plants.

Given the need to maintain a stable, effective and credible general framework of rules by the various actors in the sector, it will be necessary to promote greater quality and extensive use of innovation in order to improve the material recovery rate.

It will also be necessary to strengthen economic and financial planning by identifying ways to draw up plans on the basis of a multi-year horizon.

But two points require specific attention, namely the costs of separate waste collection and the classification of minimum facilities.

The data submitted to the Authority by Competent Territorial Management Bodies (ETCs) concerning the indicator '*H_a*', which measures the coverage of costs of separate waste collection, indicate a situation that requires specific investigation.

In the sample collected, the managements for which the indicator presumes values below 40% are about 60% in terms of the corresponding population.

When analysing the results of monitoring the indicator H_a , in the light of rules requiring at least 80% coverage, it must be borne in mind that a difference persists between the revenues recognised by the *compliance* systems (as reported by the compliance systems themselves) and those reported to the Authority for the purpose of calculating H_a because a portion of the revenues is not correctly recorded in the financial statements of the recycling entities, with potential effects also on the calculation of the indicator H_a .

However, the persistence of unsatisfactory results suggests the adoption of measures to further improve the efficiency of material collection and valorisation activities effectively tailored to the specific context. It also indicates the need to adopt an increasingly comprehensive vision of management activities capable of identifying the measures necessary to foster a true circular economy, with economic benefits directly perceivable by communities engaged in the effort to improve their performance.

Indeed, separate collection, although of good quality, is only a necessary but not a sufficient condition for recycling. The real goal remains the recovery of materials in view of circular economy, an objective that cannot be separated from adequate plant solutions.

The new tariff method will confirm the regulation of minimum facilities in line with the guidelines found in the National Waste Management Plan (PNGR) adopted by the Italian Ministry of Environment and Energy Security (MASE), which sets the objectives and strategic guidelines to be followed by the Regions and Autonomous Provinces in drawing up regional waste management plans.

In compliance with the planning framework just described, and with the pronouncements of the Council of State, the Authority has proceeded to re-establish its power to establish the criteria for determining treatment tariffs, valid for the years 2024 and 2025.

Minimum facilities are defined on the basis of the possible existence of competitive pressure in the relevant territory.

It should also be said that, at the initiative of Parliament, the MASE set up, together with the Authority and the Italian Institute for Environmental Protection and Research (ISPRA), a National Waste Management Plan (PNGR) analysis table to examine the criteria for identifying "minimum" plants.

In the course of the work, useful data and information were collected to analyse critical issues in the identification of minimum facilities by the regions, as well as to improve the adaptation of regional planning to national planning.

The high price levels recorded in some areas of the country and the evidence on the decisions to identify "minimum" facilities suggest the validity of the institute but require more effective use by those in charge of planning functions.

The Authority considers plant tariff regulation to be a valid tool to support and promote modern and adequate plant equipment.

A significant novelty was the introduction, as of 28 March this year, of the so-called "waste bonus", which provides a 25% discount on the garbage collection fee (TARI) for households in economic hardship.

The Authority acted promptly to enable implementation of this measure, despite the very tight timeframe dictated by the tight deadline for the measures that individual municipalities had to take to enable the necessary billing.

It is true that the deadlines were then postponed, but it is also clear that the Authority's measures could not take this into account and, moreover, many local administrations had already taken the necessary steps even before the original deadline of 30 April. Moreover, the legislation did not take into account the overlap with other forms of discounting and facilitation, which are already applied at territorial level, and which lead to a generalised increase in the tariffs of non-users.

As stipulated in the same Prime Ministerial Decree, the coverage of this measure is guaranteed by an equalisation component at the national level, which was set at €6/user/year for first application.

The waste sector has certain peculiarities that make the process more delicate than, for example, the energy or water sectors, especially in light of the strong differentiation in service costs, the significant imbalances in terms of service quality and, last but not least, the significant levels of arrears that characterise it due to the impossibility of adopting effective countermeasures such as suspension.

A consultation on this issue is currently underway and further resolutions on the development of the mechanism for implementing payments to beneficiaries will follow shortly. In this regard, it

is worth mentioning that the operational platform developed with ANCI (SGATE) will also find new opportunities for development

As with all bonus-related interventions, which presuppose components of an equalising nature, there are of course general evaluations that should be more a matter for the legislator than for the regulator, such as the potentially uneven distribution of the benefits and burdens of these devices, particularly in sectors characterised by strong national differences.

The application of the waste bonus has proved to be a litmus test of organisational fragmentation and of the consequent complexity in developing initiatives that attempt to bring elements derived from central planning into local reality.

As also extensively illustrated in the *"Fourth Report, pursuant to Article 5, paragraph 6, of Legislative Decree no. 201 of 23 December 2022"*, the waste sector is characterised by a governance that has not yet reached full maturity.

Compartmentalisation of governance in the sector emerges when considering the range of bodies, with particular reference to the Competent Territorial Management Bodies (ETCs). For the two-yearly update (2024-2025) of the tariff arrangements, about 3,100 entities are configured as ETCs, of which 98 have supra-municipal competences (for a resident population of about 37.5 million inhabitants), and about 3,000 have municipal dimensions (corresponding to about 21.4 million inhabitants).

There is no significant progress in the aggregation of municipal areas in favour of multi-municipal areas, the few exceptions being observed in the Centre and North-East, with particular reference to the Veneto Region. Hence, even at the tariff level, the sector continues to appear extremely fragmented.

With the aim of simplifying administrative action, as far as possible by means of the available levers, the Authority plans on strengthening the existing rules on the aggregation of economic and financial planning, while preserving an approach based on empowering the competent bodies at local level.

With this in mind, in addition to the current provision simplifying the requirements for supra-municipal Local Governing Bodies (EGAs), the Authority plans on providing the option for the Competent Territorial Management Body (ETC) to jointly entrust the service to

prepare a unitary Financial Economic Plan (PEF) at the level of concession, and the evaluation of ETC determinations would take place at the level of the unitary PEF.

The methods for calculating the fees applied to users in the waste sector are still those governed by the well-known Prime Minister's Decree 158/99. When assessing the evolution of the sector's regulation, the Authority considered an initial reorganisation intervention to be imperative.

The complexity and delicacy of the subject matter prompted a careful survey (in the form of a fact-finding investigation), carried out in 2024, on the tariff structures applied to users, on the basis of which a report was published that stimulated useful insights.

The many objectives of the reform, to be launched as part of the 2025 package by the end of July, is to promote greater adherence to the core European principle of "*the polluter pays*".

It seems necessary to favour a substantial harmonisation of application methods, and to enhance measurement activities that can clarify to citizens the correlation between their behaviour and service costs.

As has been the case with particularly pervasive reforms, the Authority considers it appropriate to assess those implementation modalities that may allow the sector a gradual implementation, in the light of its organisational complexity.

Before addressing the important chapter of energy, let me recall the activity in the district heating sector.

It is widely known that, in 2023, the legislator extended the authority's competences by assigning it the task of setting heat transfer tariffs, so as to harmonise the economic-financial objectives of the entities operating the service with general objectives of a social nature, environmental protection and efficient use of resources.

The Authority has chosen to implement the new legal provisions immediately by adopting a multi-phase approach, envisaging the application, as of 1 January 2024, of a transitional tariff method

(MTL-T), and at the same time initiating a procedure for the definition of the tariff method applicable when fully operational, with the aim of defining the revenue constraint on the basis of efficient service costs.

Already in defining the transitional method (most recently extended, with some refinements, to the year 2025), the Authority intervened to overcome the main critical issues that emerged on service prices, in particular by acting on the methodology for determining the avoided cost (the sector's main regulatory driver), and by placing a cap on fuel prices.

The conclusion of the procedure for defining the tariff method applicable when fully operational is expected by the end of this year.

The topic of energy costs does not shine in terms of novelty or originality, with different accents and tones representing a constant in almost every annual report of this Authority.

Even today, our mix significantly depends on expensive imported raw materials that are often exposed to unpredictable exogenous stresses, which undermine the reliability of supplies.

The strength of a manufacturing country, such as Italy, depends on various factors, certainly including its ability to ensure the reliability and economic sustainability of energy supplies.

The government has done well to bring the topic of nuclear technology back into the debate, not because a significant and important penetration of the mix is possible in the short term, but because the wind of innovation blows there too. A leading industrialised country with Italy's technical-scientific expertise cannot fail to have a regulatory framework that facilitates the development of innovative solutions in every sector, whether they come from new technological *breakthroughs* or from the evolution of known technologies.

But any prospect of developing the new nuclear power is measured on the scale of years. Hence, the issues of energy supply and cost in the coming years remain open, subject to commitment to the decarbonisation of our energy system.

Active engagement in the development of medium and long-term solutions cannot justify relaxation of the immediate commitment to the transition to sustainable production and consumption patterns.

A central point of debate remains *decoupling*, the remuneration of the electricity market between production sources with or without marginal production costs. That is, the possibility that two sources contributing to the supply of the same product (electricity) might see different prices, which do not coincide with a marginal price as is currently the case.

This, too, is an often-heated debate between those who see an immediate benefit in imagining themselves the recipients of the cheapest share of available energy, and those who struggle to abandon the unified vision of a single spot market.

What seems to be growing is certainly the consensus that the increasing share of renewable energy resources in the market and the latter's poor ability to provide sufficiently stable and predictable price signals, which are adequate for capacity investments (as made clear by the need for capacity markets), requires serious and in-depth reflection on possible revisions or additions to the model.

If a few years ago we suggested not tackling the issue, in the complex framework of the emergency price phase and in the light of a scenario too exceptional to be used as a reference, today it is time to understand how to develop the market design, so that it can register the effects of changes in generation structure and transparently offer price signals that are useful to both consumers and investors.

Presumably this evolution comes with the recognition that the market (or perhaps, at this point, the markets) will have to appreciate additional and different value factors, other than only the availability of energy. A number of proposals have moved in this direction at international level (Greece and England). In Italy, too, the debate has opened up, both at academic level and in trade associations.

An inescapable question, in addressing these topics, is whether and to what extent the devices activated from time to time (spot market, power purchase agreement (PPA) contracts, Contracts for Difference (CFDs, auction models with public counterparty, etc.) are able to explore the correct price of the traded commodity in a competitive environment without exposing themselves to situations of supply

shortage. Market integration and harmonisation of tools at European level can help in this.

The actual benefit the system can derive from public investment in support of certain technologies must also be considered.

In October 2024 ARERA launched a fact-finding investigation into the national electricity auction markets with short-term delivery, focusing on the period 2023-2024. The aim was to assess the outcomes of these markets and identify any critical issues or anomalies that might require regulatory intervention or reporting to the Italian Competition Authority (AGCM).

The initiative stems from and expands on an initial audit carried out on a single operator during 2022, which hinted at the usefulness of a more systemic approach to the issue.

The investigation, characterised by its considerable complexity, will see the publication of a final report in a few days, as stipulated in the relevant resolution. This report will focus on the outcome of the market analysis of the day before, which required significant further investigation following the findings of the first phase completed at the end of March.

In any case, a clear general indication emerges from the intensive work of these months. In a market situation characterised by growing and relevant complexities, mainly related to the different cost structure (and opportunity costs) of the production sources, network and more generally system constraints, it is necessary to strengthen the continuous monitoring activity, capable of giving signals, even sanctions, to the market, in cooperation with the national regulators of the markets that are most important to us and with ACER.

This is with awareness that *ex-post* enforcement tools, while necessary to provide market players and consumers with a guarantee of compliance with the rules, are not adequate to guarantee a competitive environment. Such an environment requires constant attention to the evolution of *ex-ante* regulatory devices capable of widening the spaces of competitive confrontation, such as the capacity market and the development of networks, and flexibility and storage systems.

A relevant aspect of the electricity sector's development is the significant prospective increase in investment in grid infrastructure, in respect of which there is a broad and widespread consensus.

This investment is not only related to the strengthening of distributed generation, as widely expected, but also to a significant evolution of the resilience concept to take climate change into account.

This Authority has certainly not been unprepared for the issue, having long since activated specific activities to support resilience and necessary network developments. Indeed, the development plans of major distributors have incorporated focus on the issue and the extraordinary nature of the investment cycle.

The Budget Law 2025 provided that, by decree of the Italian Ministry of Environment and Energy Security (MASE), in agreement with the Ministry of Economy and Finance (MEF), at the proposal of the Authority, the terms and modalities for the presentation by the concessionaires of the electricity distribution service of extraordinary multi-year investment plans shall be defined, detailing specific minimum obligations the investments must pursue, and criteria for determining the *"charges the concessionaires of the electricity distribution service are required to pay as a result of rescheduling"* the duration of the concessions.

A consultation document is still open, and the Authority will quickly forward the criteria to the MASE, but a few important aspects must be mentioned here.

Extraordinary multi-annual investment plans should have a rationale of complementarity. They must not overlap with the discipline of ordinary development plans which, as mentioned in the introduction, have already internalised elements such as resilience.

However, this complementarity should extend to the validity of the regulatory criteria set by the Authority. No concession can result from the approval of the extraordinary multi-year investment plan since, even on the investments of this plan, the Authority will continue to define the ordinary modalities of assessment and tariff recognition.

But perhaps the most sensitive aspect is that, according to the rule, the distribution service concessionaires are obliged to pay charges to the government for rescheduling the duration of the concession. This marks a substantial change from the free-of-charge nature of existing concessions. Moreover, the rule stipulates that the

remodulation charge will be passed on in the bill, and will be subject to the proper remuneration of infrastructure investments, which will further burden consumers. The Authority considers that this provision runs counter to the general principles of pricing based on the efficient costs of the service, and that, in order to protect the interests of users and consumers, it is appropriate to minimise, if not eliminate, the impact of the remodulation charge in the bill.

In recent years, a consensus has developed at European level that infrastructure development needs, in addition to network regulation, to flank competition tools *in* the markets (the markets proper) with competition tools *for* the market (typically long-term auctions), tools capable of accompanying the development of renewable energy resources by ensuring adequacy through capacity markets and flexibility, e.g. with storage auctions.

This model has developed over time in our country, and is now proposed as a reference for other European countries.

The typical volatile nature of the energy markets in recent years, which is likely to characterise at least electricity market prices in the coming years as well, has a negative impact on the riskiness of market investments, which are increasingly characterised by fixed costs, regardless of their use.

The regulation of network infrastructures witnessed the launch of regulation by cost and service objectives (ROSS) in its "basic" version and, at the same time, the continuation of activities for the forthcoming implementation of its "full" version for the most important companies.

This approach continues the effort that has always characterised infrastructure regulation to combine cost containment with the level of service provided to users, leaving room for entrepreneurship in establishing the best investment and network management methods.

The completion phase will require caution to limit the negative effects that could arise from information asymmetry, especially in the initial phase, and at the same time to strengthen the tools for monitoring and verifying the impact of regulation.

Almost a year after the final abolition of the protection service, it is certainly worth reflecting on the retail market.

A first point, on which I would like to dwell only in passing, is the positive action taken by the system in transferring more than 3.6 million non-vulnerable users from the Standard Offer Service to the Gradual Offer Service. A step that, beyond the considerations of merit to which we will return later, witnessed the positive and active engagement of all actors involved to ensure the inconvenience for end consumers was minimal.

Hence, thanks are certainly due to the action of the Authority's offices, but also to the operators, to the The Associazione Bancaria Italiana (ABI) and to the Banca d'Italia, for providing decisive support in the smooth transition to automated payment systems.

The action of the Italian Regulatory Authority for Energy, Networks and Environment (ARERA) was not limited to a necessary organisational and regulatory function, but added an information and accompanying activity aimed at providing concrete information and operational elements to consumers in a very direct and comprehensible manner.

Of course, information on complex topics, such as energy, requires continuity and the adaptation of messages and language to different targets. Such elements are not easily activated by the public administration, which is often forced to rely on messages that are formally correct and important but far removed from the communicative experience of the average consumer.

Especially in the small retail market, like the vast majority of households, the concept of consumer empowerment is inevitably confronted with a well-established scepticism on the part of customers, often accompanied by disinterest and the belief that few or no tools are available to obtain supplies at prices deemed fair.

All this means that the main element traded in the retail electricity market is not energy or related services, but trust in the operator's brand, often determined by prejudice and frequently linked to its ability to spend on promotion or its historical positioning in the market.

Hence, when supporting consumer choice, it is important not only to provide comparative elements on the cost element of the commodity and the service but also, and this will be increasingly so in the future, on the actual "quality" of the overall service provided.

In 2024, the Authority again devoted great attention to the issue of consumer protection by strengthening the measures to protect consumer awareness and the tools at its disposal, and by providing

for measures to compensate for the inherent information asymmetry that characterises consumer relations. On this point, I would particularly like to say that this Authority, in cooperation with The Italian Competition Authority (AGCM), monitors the market within the scope of its regulatory and enforcement powers, with particular attention to the teleselling phenomenon.

The effective development of competitive dynamics among operators will depend to a large extent on the effectiveness of these tools. Such dynamics are aimed both at bringing to the consumer real added value, together with the supply of energy services and, no less important, at reducing the important difference that still exists today between free market prices and the underlying cost structure that penalises the weaker segments of the population.

As of 1 July 2025, the bill for electricity and natural gas in Italy will change layout.

This is a profound reform, the outcome of a long process of listening and analysis conducted by the Authority. It aims at offering consumers a tool capable of combining the need for synthesis and comprehensibility with the necessary exhaustive information.

The new bill was created to improve the citizen's relationship with the energy market, making it easier to access data on consumption, the economic conditions subscribed to, and the evolution of one's energy behaviour.

From this point of view, the bill is not just an administrative act. It is the main point of contact between the consumer and the energy system. It must speak in a way that is comprehensible to all, without renouncing the informational rigour necessary for those who wish to delve deeper.

The new model has been carefully constructed.

It is based on a modular approach. The initial part provides an immediate summary of key information, precisely, the amount to be paid, the reference period, the payment status, and the terms and conditions of the offer subscribed.

The innovative heart of the document is the "*energy receipt*", a concise but effective summary of the composition of the total cost, according to the simple "quantity times price" formula. Hence, each user will be able to understand at a glance which components make up his or her energy expenditure, distinguishing between the parts

related to actual consumption, the fixed shares and, for electricity, the power share.

Beside this section, there will be the “*supply contract window*”, a space dedicated to precisely and clearly summarising the economic conditions applied, such as name of the offer, identification code, pricing method and contractual deadlines. This is intended to facilitate verification of the actual application of the contractual terms by the supplier and, at the same time, to make it easier for the user to find his way around the market.

In addition to the summary part, a detailed section remains available for those who wish to refer to it, specifying all the accounting and technical elements of the invoicing, such as unit prices, volumes, any recalculations, and the breakdown of regulated and non-regulated components.

The bill thus meets two requirements, namely simplicity for the general user, and accuracy for those who need in-depth information.

The reform is completed by a comprehensive intervention on the transparency of commercial offers.

As of July 2025, each operator will be obliged to publish, in a visible and accessible manner, the technical-economic conditions of its offers, accompanied by the offer identification code and the summary sheet required by the regulation.

The new bill is an investment in transparency, in trust, and in participation. In an increasingly complex and strategic sector such as energy, the ability to communicate clearly is an essential condition for enhancing service quality.

We shall also use the same principles in the information campaign on the new bill that will be broadcast on TV, radio and social media between July and October.

The *Portale Offerte* of ARERA, active since 2018, continues to be the only comprehensive, institutional and independent tool that allows consumers to actually compare all electricity and natural gas offers available on the market.

Despite its potential, the use of the portal by users has been lower than that of commercial comparators.

In 2024, more than 2.55 million visitors visited the *Portale Offerte*, about 210,000 per month, marking a 1.8 per cent increase from 2023, numbers that are too low to influence consumer choice.

It is natural for commercial comparators to have higher user traffic, thanks to intensive and continuous advertising campaigns, more attractive graphics and promotional offers, albeit limited to the individual operators with whom they have partnerships. These tools often provide a more engaging user experience, with additional features such as the ability to sign contracts directly via the website.

Being a reliable and impartial option, ARERA's *Portale Offerte* could certainly benefit from further improvements to increase its attractiveness and user-friendliness.

The introduction of a mobile version goes in this direction, but there is no doubt that, despite the differences between a commercial comparator and an institutional, independent one, it would certainly be useful to devote resources to a positioning campaign for the Offer Portal that would encourage more frequent and informed use of the tool.

The domestic retail market has now reached a relatively stable configuration despite its rather complex profile. This complexity that can be grasped, above all, by trying to describe the different case groups in which a customer can be included. The main difference today is between vulnerable and non-vulnerable customers.

The vulnerable customer is either on the free market or in the standard offer service.

Although some express doubts about the actual value of choosing a vulnerable customer who is on the free market, it is a fact that the majority of vulnerable customers today are on that market (around 8 million versus 3 million under the protection regime).

It should be noted that a significant proportion of bonus customers are also on the free market.

While the assessment of the reasons for a vulnerable person's decision to remain in the free market can be broad, the atypicality of bonus customers being on the free market is certainly worth mentioning.

Since it is consistently true that the free market has always expressed higher costs than the standard offer market, these customers find themselves with a bonus that is partly eroded by higher supply costs.

The non-vulnerable customer can be in only two conditions. Precisely, he has voluntarily left the standard offer service and will, therefore, be supplied by a supplier in the free market, or, he has left the standard offer service due to its termination on 1 July 2024 and is, therefore, served today in the gradual standard offer service.

This situation will remain until March 2027, when it will automatically switch to the best offer proposed at that time by the gradual standard offer service provider or to another provider in the free market.

The market configuration reached today cannot be considered a harmonious design but a sort of progressive, almost dynamic layering of a series of evolutions that have attempted to govern the risks of an overly direct transition from the standard offer service to the free market. This occurred first by identifying vulnerable customers, then by activating the transitional service of a gradual standard offer at a time when the development path of competitive market conditions is not yet complete and, finally, with the temporary extension of access to the gradual standard offer service (STG) to vulnerable customers.

It has to be said that the particular dynamics of the markets in the crucial years of 2020 and 2022, first with a significant drop in demand (and prices) and then with an even more significant price surge, led to perceptions that were not always correct about the development of the various services.

It is hard to propose a complete reconstruction here, but some high-level elements should be recalled. They should become shared elements in the debate on these issues.

A first point concerns the price difference between the two services, namely the free market and the standard offer service.

We can say that from 2012 to 2019, i.e., over a long period of time characterised by relatively stable and certainly lower energy prices than now, the price in the standard offer service for households has been consistently lower than that in the free market, with an average differential of 19%.

In the period 2020-2024, things were different due to dynamics that can be traced back to the well-known issues of COVID, the price crisis and geopolitical changes.

In particular, during 2022 and part of 2023, the price of the standard offer service was higher than that of the free market.

It must, however, be said that the so-called *Aiuti bis* decree of August 2022 had intervened in this matter, suspending until 30 June 2023 the effectiveness of any contractual clause that allowed the supplier company to unilaterally change the general terms and conditions of the contract relating to price definition.

By the end of 2023, the two values were again reversed, and throughout 2024 the difference was particularly marked in favour of the standard offer service due to the special cost-recovery modalities of the standard offer service, which, by established regulation, compensate for over or underpayments in the previous period during a relatively long subsequent period.

Since early 2025, we have seen the return of a differential not unlike that which characterised the two markets in the previous decade.

This price difference should be appreciated, but not overestimated.

We must say that the comparison is made here between an average of prices of free market offers and the only offer in the standard offer service. Moreover, the presence of fixed-price offers on the free market has become significant again.

It is quite clear that, on average in the free market, there are offers that are above the standard offer service, but if this differential involved a few percentage points, it would be the value of any services that are not covered by the standard offer.

Unfortunately, indications provided by the monitoring process and by the choice index show that customers choose the cheapest offers on the market only to a very small extent, and the cost differentials between the chosen offers and the cheapest ones are often over 20%. This differential naturally increases significantly when compared with the price of the gradual standard offer service, where it reaches values of 40%. However, this comparison must take into account the specificities of the latter service.

A further consideration concerns the actual mobility of consumers, in light of the inertia in this sector. This was also evident in the recent opportunity offered to vulnerable customers to re-join the gradual standard offer service with very low take-up to date.

The termination of standard prices resulted in increased costs for some customers, and pressure from the suppliers' call centres for all.

Something is changing as this year's numbers for the first time show a significant growth in switching and an increased focus on supply

conditions, but even here continuous monitoring and a serious debate on the possibility of promoting substantial competition between operators seem to be the issues to be addressed with increasing intensity.

In recent years, the Authority has initiated a process of profound transformation of the natural gas *settlement* system, with the aim of strengthening operational efficiency, transparent allocation and alignment with European best practices. This intervention is part of a systemic vision aimed at empowering market players, ensuring consistency between measured and allocated data, and an increasingly accurate and timely balance between gas supply and demand.

The pre-reform model was predominantly based on conventional profiles and historical estimates, with high margins of uncertainty and limited incentives for accurate forecasting behaviour on the part balancing users. Penalties for errors or deviations were modest, not modulated according to the error, and often insufficient to direct virtuous behaviour.

This approach had negative effects on several levels.

The Authority intervened with a series of targeted measures, adopted in the period 2016-2023, which progressively radically redesigned its mode of operation.

This required significant consultation and discussion with stakeholders. Continuous dialogue has allowed the reforms to be calibrated with a balance between technical rigour, operational sustainability and consistency with European guidelines, enabling more precise management of the physical flows of natural gas, with positive impacts on safety, network quality and service costs.

Before the conclusions, I consider it important to mention some aspects that cut across the different sectors regulated by ARERA.

Again in 2024, the consumer protection and enforcement activities carried out by the Authority played an important role in protecting customers and ensuring the implementation of regulation.

The inspections conducted at the regulated entities, carried out with the cooperation of the Special Goods and Services Unit of the

Guardia di finanza, led to objections for infringements amounting to approximately EUR 8.4 million.

In particular, activities, which had already begun in 2023, continued to verify the disbursement of social bonuses for electricity and gas to households in economic hardship, "releasing" undisbursed bonuses amounting to EUR 2.4 million.

Finally, in the course of the year, the Guardia di finanza carried out, at the request of ARERA, telephone checks on the call centres of some suppliers in the free market, focusing on the pre-contractual information provided during telephone contacts with potential customers. As a result of these checks, penalty proceedings were initiated against 8 suppliers in recent weeks.

It should be noted that the Authority has approved the provisions to allow, as of October 2024, the operation at the Milan headquarters of a Carabinieri Unit, dependent on the Environmental Protection and Energy Security Command, to carry out planning and *enforcement* activities, particularly regarding proceedings for the quantitative assessments provided for by the incentive mechanism of the technical quality of the integrated water service.

The year 2024 marked a significant consolidation of the Authority's sanctioning activity, which for the first time established violations in the area of security in the operation of the Integrated Information System.

Moving from the retail to the wholesale markets, the application of the Regulation on Wholesale Energy Market Integrity and Transparency (REMIT) continued, detecting manipulative conduct in sending signals to the market on energy product prices.

Overall, from an economic point of view, penalties imposed in 2024 as a result of ordinary proceedings amounted to a total of EUR 4.9 million, marking a clear increase compared to the previous year.

Over time, the activities carried out by the Authority's Consumer Help-Desk have taken on an increasingly central role. ARERA's toll-free number, managed on a resource pooling basis by Acquirente Unico, has handled over 1 million calls, confirming its role as an authoritative and independent support to citizens.

In order to cope with the growing demand, the support of appropriate Artificial Intelligence tools, which are already adopted in the voice portal of the call centre, was used.

This is without prejudice to qualified assistance to final customers carried out on the territory by consumer associations with which the Authority has strengthened cooperation.

A collaboration also borrowed through active participation in focus groups and technical tables dedicated to new regulation and market developments. The *Tavolo consumatori superamento tutela* was certainly an effective example.

The Conciliation Service is increasingly becoming the main tool of protection following a complaint to the operator. It received a total of more than 34,000 applications, resulting in more than EUR 21 million with a 95% satisfaction rate among users of the Conciliation Service.

Furthermore, similarly to the water and district heating sectors, arrangements were made at the end of 2024 for the gradual extension of Consumer Help-Desk services to the waste sector. Since last April, users in this sector have also been able to turn to the contact centre to obtain information or submit complaints. From next October, dispute resolution tools will also be active.

Some 2.8 million social electricity bonuses and 1.7 million gas bonuses were automatically recognised in 2024. During the year, work continued on the full implementation of the social water bonus, a measure that provided support to almost 2 million households, with a four-fold increase in the households reached.

In the first months of 2025, immediately implementing the provisions of the primary legislation, the Authority finally started the process of defining application methods for the disbursement of the social waste bonus. About 3 million households experiencing economic hardship will be eligible to receive it.

Moreover, the flexible and automatic nature of the social bonus management system built up in previous years has recently allowed to rapidly start-up disbursement of the EUR 200 extraordinary subsidy envisaged by the government to compensate for the recorded energy price spikes.

The judiciary resolution of disputes between operators and managers - deflative of litigation, rapid, free of charge and easy for operators to use - has proved to be an effective tool in an increasing number of cases, both through the decisions of the ARERA Board and, above all, by favouring direct agreements between the parties. However, the year 2024 recorded a significant decrease in the number of dismissals due to procedural flaws.

During 2024, the administrative judge ruled on a number of issues of relevance to tariff and market regulation. In particular, the Council of State recognised the legitimacy of the measure re-exercising the power adopted by the Authority in the area of prescriptive measures, while the Lombardy Regional Administrative Court confirmed the legal validity of the *capacity market* regulation.

During 2024, the Authority implemented a comprehensive training programme on regulatory skills, smart working and performance assessment, partly carried out in cooperation with the Scuola Nazionale dell'Amministrazione and through its internal Academy.

The system of transparent planning of ARERA's activities continued through a consolidated strategic and operational planning cycle. Activity programmes are made public through specific documents developed through internal operational plans, publicly reported with regard to achieved objectives and periodically reviewed as the scenario changes.

It is anticipated here that the final reporting of the Strategic Framework 2022-2025 will be published near the end of the current Board's term.

In addition, with a view to being able to better assess the effectiveness of its action and the impacts of regulation on the sectors within its jurisdiction, and on the various categories of addressees, as well as to improve the quality of the rule-making process, the Authority has decided to give new impetus to its regulatory impact analysis activities, particularly concerning interventions, such as the revision of Bill 2.0, that have a significant impact on the system and on users.

What can be the role of the independent regulator in a world that is also transforming the relationship between nation states and European regulation?

The ongoing transformation is profound. It does not only affect the regulated sectors, but the institutional framework in which the regulator itself operates. The starting point is the increasing overlap between the national and the European regulatory framework. In areas such as energy, digital or competition, the national regulator is part of a multi-level system where decisions taken in Brussels have direct effects on the balance of domestic markets.

This does not mean a loss of autonomy, but rather a broadening of responsibility, such as interpreting European norms in the light of the specific characteristics of one's own country-system, representing national demands in European fora, adapting common instruments to local conditions and broadening the scope of communication from national to international, in coordination with the institutions and regulators of other countries.

ARERA has always promoted an intense activity in this regard. The forerunner insight of the Association of Mediterranean Regulators (MEDREG), of which the Authority has the permanent vice-presidency, in a projection in the Mediterranean supported by the conviction that the Mediterranean is not all Europe but Europe needs all the Mediterranean; the development of the Association of European Water Regulators (WAREG) supported by the ARERA presidency for three terms; the Balkan Energy School (BES) in support of the Balkan countries, recently established but already recognised as a success story by the Italian Ministry of Environment and Energy Security (MASE) and by the Ministry of Foreign Affairs and International Cooperation (MAECI); the stable qualified participation in the most significant associations of European regulation and the presidency of the European Union Agency for the Cooperation of Energy Regulators (ACER), are concrete examples of this vision.

In a rapidly changing world, the regulator must adopt a forward-looking surveillance function. This means, for example, developing advanced monitoring tools capable of detecting early signs of instability in the markets.

An increasingly important aspect is also the relationship with citizens. The independence of the regulator, which remains a fundamental principle, cannot be interpreted as distance.

The regulatory authority must maintain its autonomy from the regulated entities and the political decision-maker, but it cannot afford self-referentiality.

Public trust is built not only on technical competence, but also on transparent choices, consistent direction, and the ability to make complex decisions intelligible. In this perspective, the regulator also takes on a communicative and cultural function. He must inform, explain, motivate and educate, shortening distances, lightening the tone and simplifying the language without being misleading, and with a spirit of service.

I think the direction this Board has given to communication and transparency of information during the years of its mandate is clear. Without losing authoritativeness and institutional balance, accounts

were opened on the main social platforms, television and radio information campaigns and in-depth journalistic coverage were carried out to accompany citizens and businesses through the most delicate phases.

I am not only referring to Covid or to the soaring energy prices in recent years - during which each measure was illustrated by seeking the right target it addressed - but also to the conclusion of the standard offer service path, or to the disasters that affected some areas of Italy more than others, leading to the need for asymmetric and localised communication.

We have had weekly appointments on the radio, shared campaigns with other Authorities (such as the one carried out with the Italian Competition Authority (AGCM) to defend against aggressive call centres), tutorials on the Authority's YouTube channel, videos on platforms aimed at the very young, and soon, very soon (over the next few days), the information campaign dedicated to the New Bill and the *Energy Receipt*.

In short, communication was confirmed as a strategic lever of regulatory action. This Board has abandoned the *top-down* approach to providing information. It has accepted responsibility for following (chasing, sometimes) citizens and businesses directly through the media they use.

In short, the ongoing transformation requires the regulator to be an informed institutional actor, capable of listening to society and of reading the context, mediating between different drives and offering a clear direction in a transitional phase.

Its authority will increasingly be assessed not only on the technical quality of its actions, but also on its ability to be a landmark for operators, citizens and decision-makers at a time when the framework of certainties is constantly evolving.

In the current context of accelerating the adoption of Artificial Intelligence (AI) tools in public and private decision-making processes, the question of algorithmic explainability acquires strategic importance, especially when such tools are employed in regulatory environments.

Explainable Artificial Intelligence (XAI) is not only a desirable technical requirement, but a necessary condition to ensure the legitimacy, transparency and reliability of automated or AI-assisted decisions within regulatory systems.

In the regulatory framework, AI can be used to cover a wide range of activities, spanning the analysis of regulatory compliance,

market surveillance, and drawing up forecast scenarios on which to base regulatory or sanctioning decisions.

The first critical issue is epistemic in nature, precisely, to what extent is it possible to understand and justify a decision made by a complex algorithm?

Black-box models, by their very nature, produce results that are often accurate but hard to interpret.

However, statistical correctness does not suffice in a regulatory setting. It is necessary to provide an accessible and legally consistent justification, both at the preliminary stage and during control and litigation.

The second issue is institutional.

The use of automated systems cannot lead to a dereliction of duty on the part of the regulatory authority. Instead, the use of AI requires procedural guarantees to be strengthened, precisely to prevent decisions from being perceived as arbitrary or indecipherable. From this perspective, the XAI is a tool for reconnecting the technical efficiency of models with the deliberative and public dimension of regulatory decisions.

The XAI also acts as a mediation tool between different cultures - the algorithmic and the administrative - favouring processes of mutual learning and co-production of knowledge.

Distinguished Authorities, Ladies and Gentlemen, Dear Guests, we have reached the conclusion of this report with the usual acknowledgments, which are not an empty exercise in style but the genuine and public appreciation of the essential support the Authority's activity finds in a dense network of relations and partnerships.

I would like to take this opportunity to extend the thanks of the entire Board and of the Offices to the Council of State and to the Lombardy Regional Administrative Court, the State Legal Advisory Service, the Court of Auditors, and the other independent Authorities, for their continuous and effective cooperation.

Thank you also to the European Union Agency for the Cooperation of Energy Regulators (ACER), the National Council of Consumers and Users, the Energy Services Operator (GSE) group at RSE, the Energy

and Environmental Services Fund (CSEA), the Cassa dei Servizi Energetici e Ambientali, the Italian National Agency for New Technologies, Energy and Sustainable Economic Development (ENEA), the Regions and local autonomies, the ANCI, and the governing bodies of the districts converging in the National Association of Local Authorities for Water and Waste Management (ANEA).

Finally, thank you to the Board of Auditors, to the Evaluation and Strategic Control Unit, to the Carabinieri - with whom a valuable cooperation has been established, and a special thank you to the Guardia di Finanza which, through the Special Goods and Services Unit, has been providing daily support to our activities for some time now.

But my most heartfelt thank you goes to our colleagues who have accompanied us over these long years, to some extent putting up with us and to a great extent supporting us in a dialogue that was always frank and of merit in the common endeavour to provide the best possible solutions to the highly complex problems we faced.

Now I come to the conclusion that can hardly add to the many things already said. As I mentioned in my first annual report, the Authority will soon renew its spirit, but the body will continue to guarantee those elements of professionalism, loyal institutional cooperation, and high competence that will allow the new Board to quickly pick up the threads of an adventure that does not allow for pauses or hesitation.

Hence, a wish that the characteristics, which have made ARERA the reference entity it is today will find new vigour in the new leadership.

A sincerely grateful thought goes to my fellow travellers Clara, Andrea, Gianni, and Stefano for the way we went through so many situations together with the unwavering intention of finding a common point despite the fatigue of discussion.

The final reflection will be personal. I have never done this in all these years because function has always prevailed over man as I believe is right.

During these seven years I have had the opportunity of a unique experience, the need to draw on my years of life to place my know-how at the disposal of a role I have carried out with total dedication. I firmly believe that serving one's country is the best

way to give back the enormous amount of attention, education, training, culture, and love that the society around me has given me to date.

I have had teachers, educators and dear ones who have allowed me to play this role. It is not for me to make judgements. I can only say thank you, from the bottom of my heart, for the extraordinary opportunity I was given.

Thank you.



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