How Efela's 13 Countries coped with the Coronavirus pandemic ITALY

International Webinar – July 2, 2020

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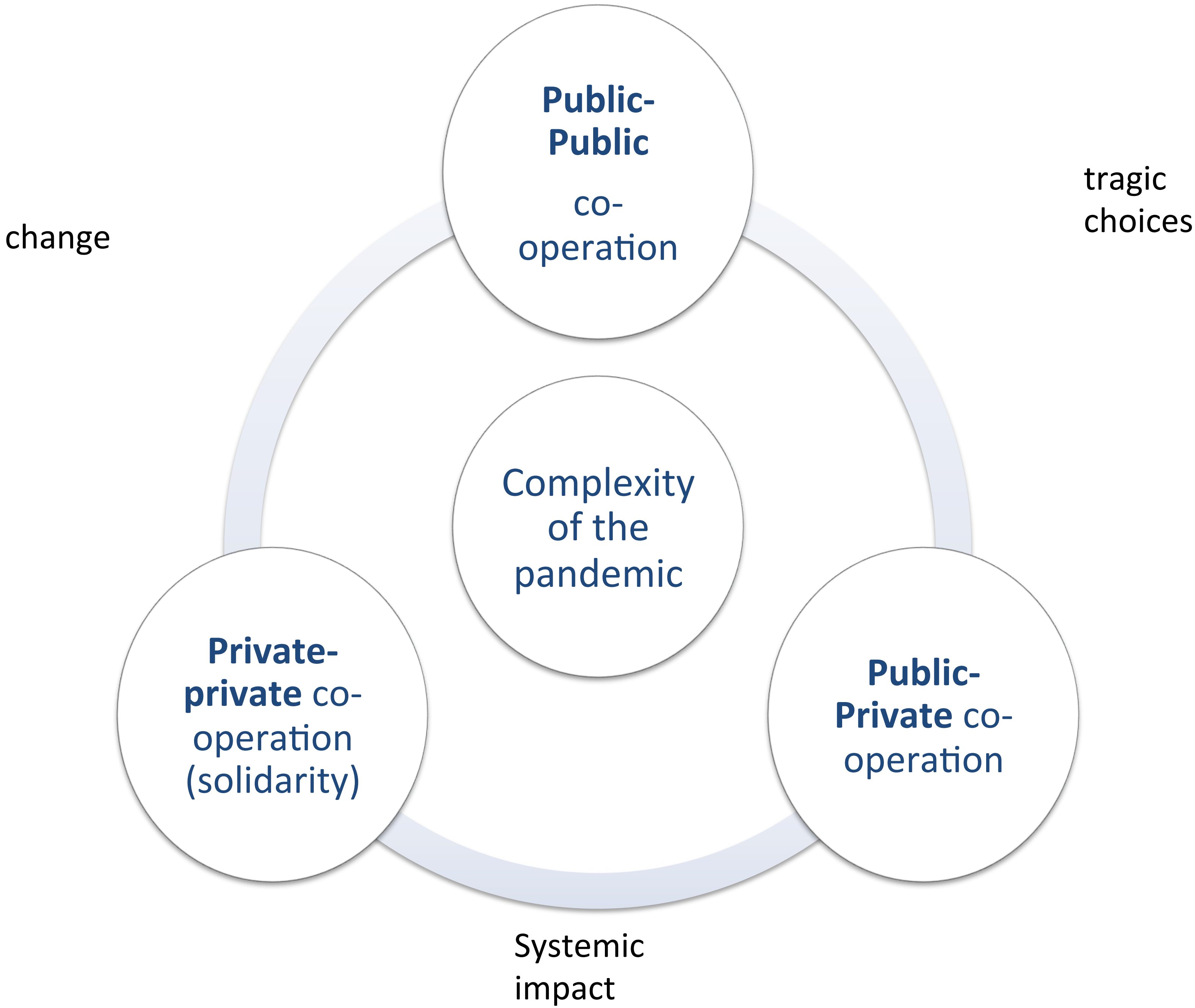
The Constitutional way-out of Pandemic? "**Loyal cooperation among all institutions**" and a "**collective effort**"

M. Cartabia, Chief Justice of the Constitutional Court 28th April, 2020


Public-Public co-operation
tragic choices
change
Complexity of the pandemic
Private-private co-operation (solidarity)
Public-Private co-operation
Systemic impact

Constitution of the Italian Republic

law-decrees +

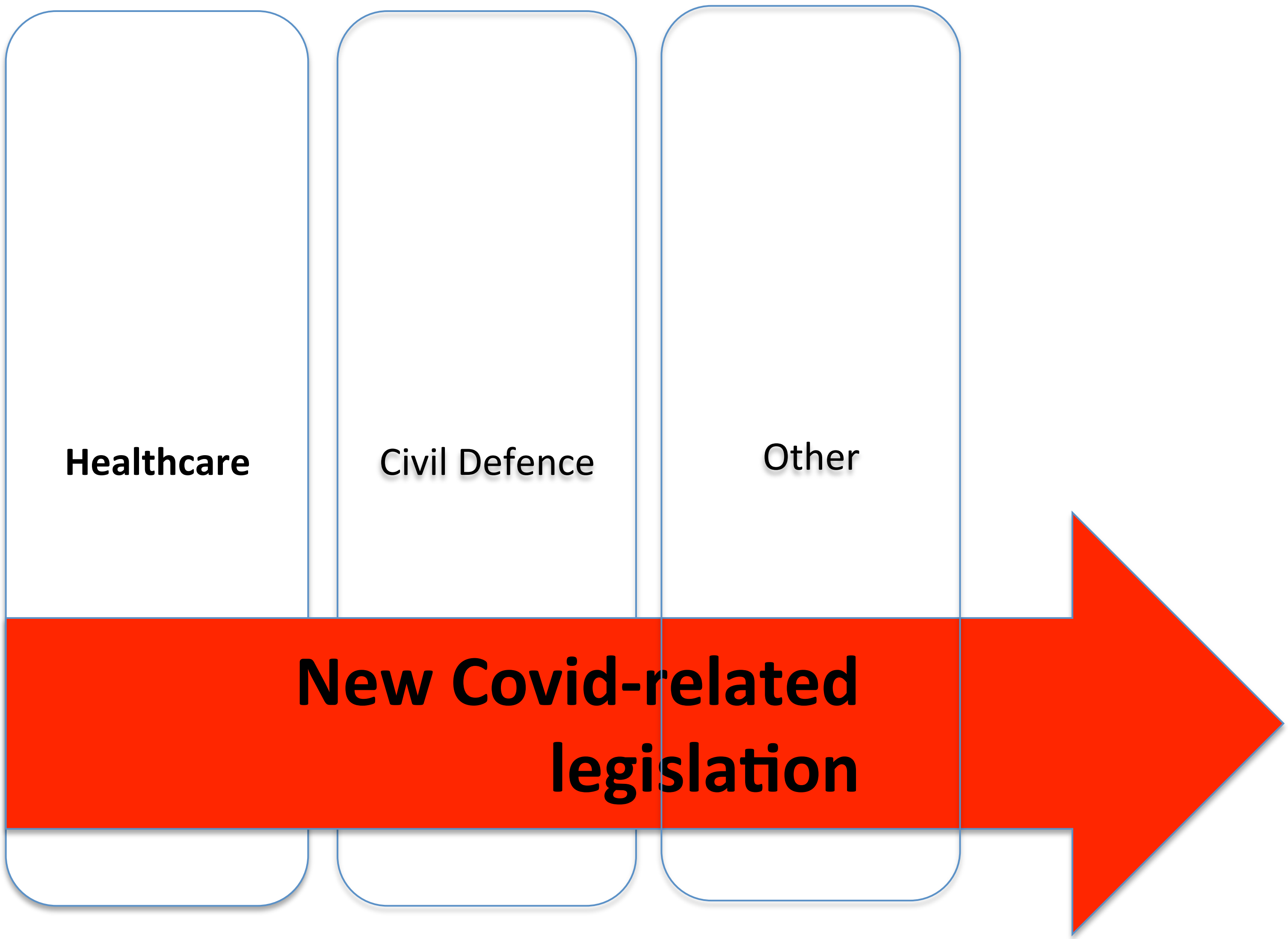
implementing acts (PM decrees)

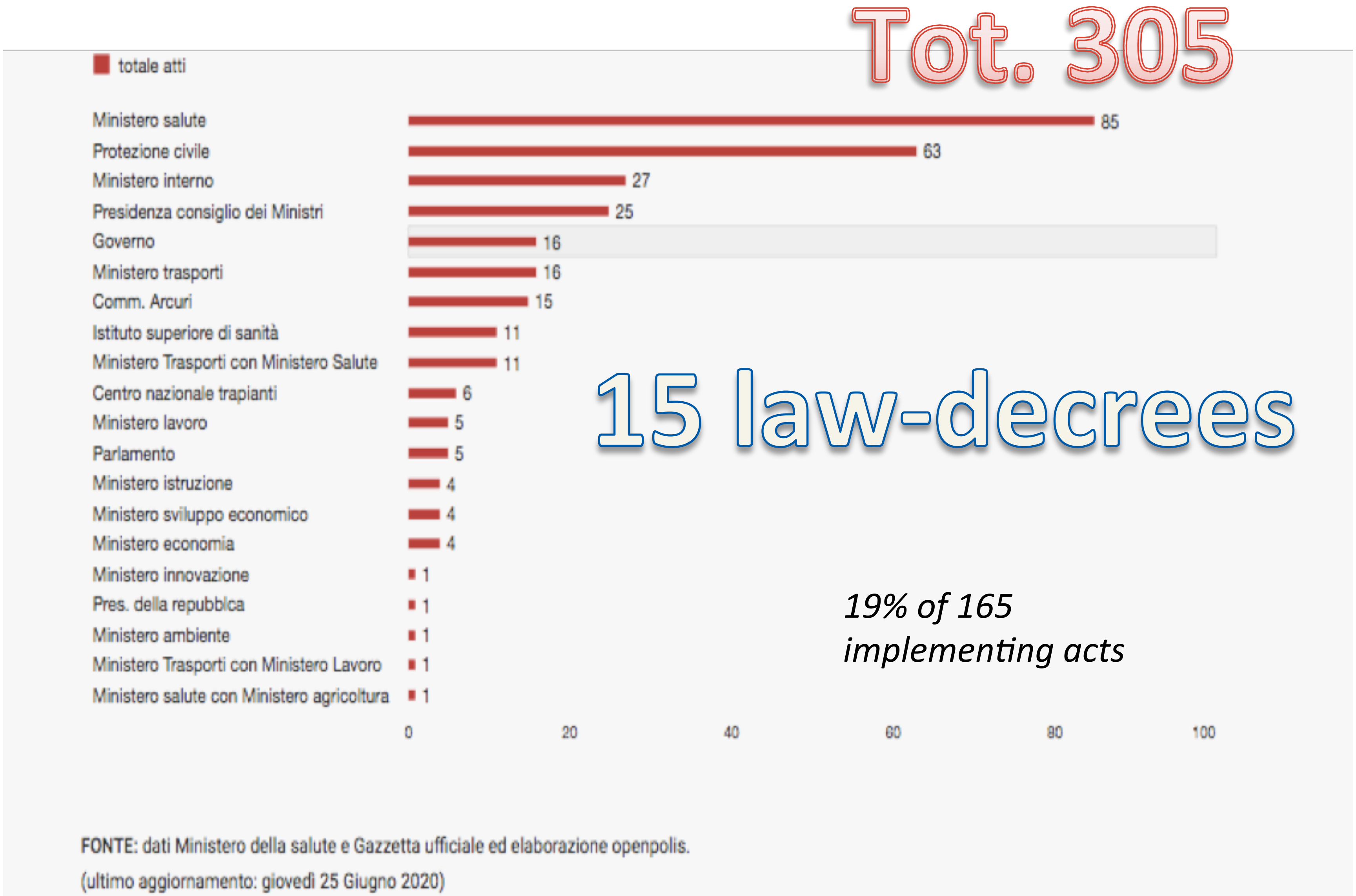
ART. 77

[…]

When, in **extraordinary cases of necessity and urgency,** the Government adopts **provisional measures having the force of law**, it must on the same day present said measures for **confirmation** to the Houses, which, even if dissolved, shall be summoned especially for this purpose and shall convene within five days.

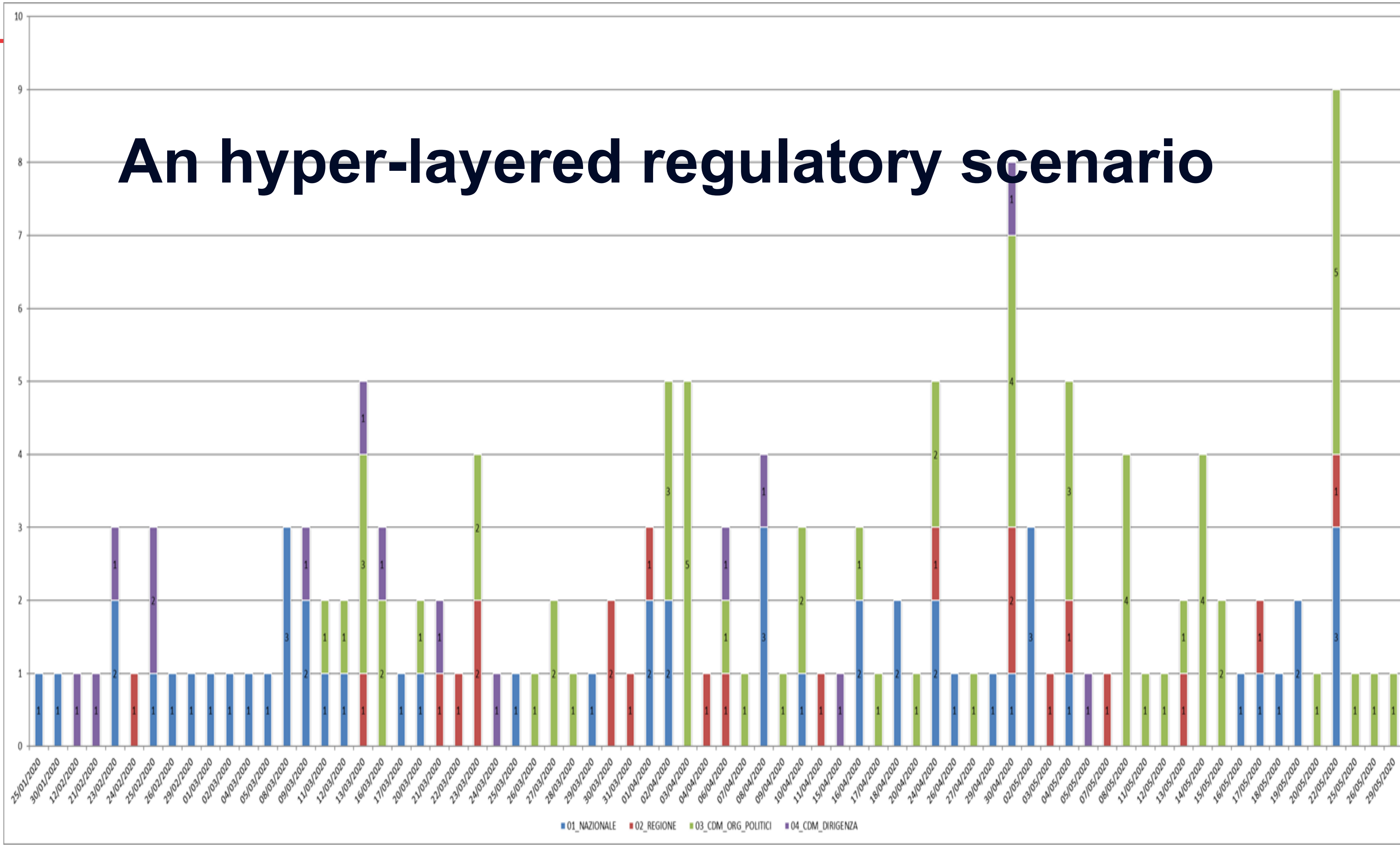
[…]


Healthcare
Civil Defence
Other
New Covid-related legislation



Covid-related legislation: numbers

An hyper-layered regulatory scenario



Source: City of Milan, from 25th January, 2020 to 29th May, 2020

Sunset rules have been extended or replaced

Massive **soft-law apparatus** (guidelines, recommendations, standards of behaviour…)

High-speed/ fast-track legislation but **sluggish** implementation

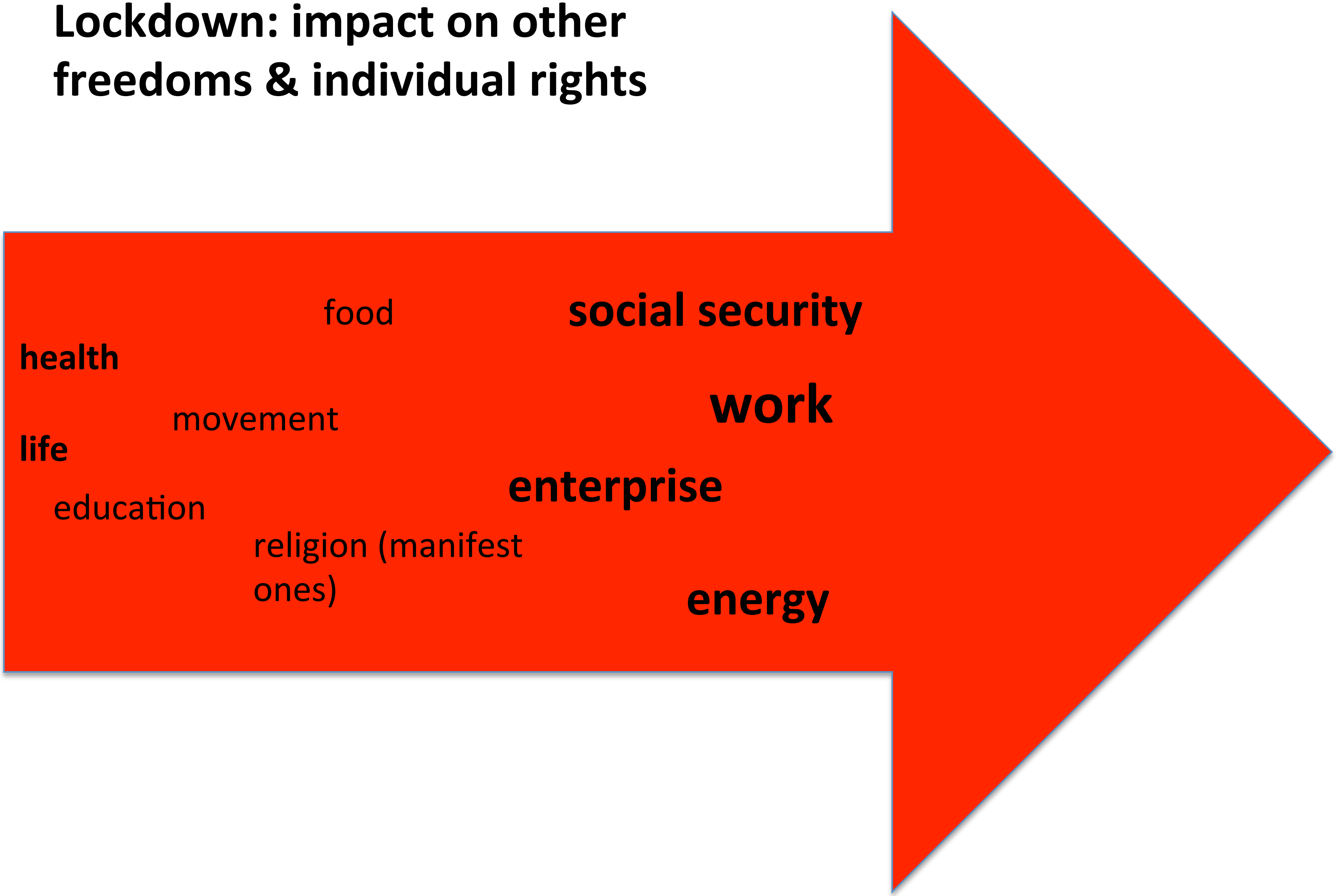
Evolution of the Anti-Covid measures


Law-decree 23rd February, 2020
start of lockdown + first anti-Covid measures
"Cure Italy" Decree
17th March, 2020
urgent measures to mitigate the spreading of Covid-19
"Liquidity Decree"
8th April, 2020
measures for businesses
"Relaunch Decree"
19th May, 2020
measures to support healthcare, employment, the economy and social policies


caring
healthcare
system
Health
prevention
general
interest
individual
rights

Lockdown

Lockdown: impact on other freedoms & individual rights



Anti-Covid measures: impact on the Energy Market

Keeping the supply chain going

Energy and Gas Industries declared essential services amid lockdown

Critical workers

Vulnerable Consumers: The role of Regulator (ARERA)

- Decrees 76 and 140/2020 extended the **social bonus for families in need** and consumers
- Decrees 60, 117, 124 and 148/2020 banned the cut-off of power supply in case of late payment by certain categories of **small consumers**
- Decrees 116, 149 and 192 helped **energy suppliers** cope with late payments by downstream customers
- Decree 190/20 provided for lower energy rates for **SMEs**

A new mix of measures for supporting the energy market and he entire supply chain is needed

Beyond the extension of the "Golden Power" Regulation which now applies also to companies operating in all sectors listed under Article 4 of the EU Regulation 2019/452 (**critical infrastructures** and **critical technologies; supply of critical inputs**, including energy or raw materials, as well as food security)

Beyond temporary measures for safeguarding key regulatory and administrative functions

Administrative proceedings: suspension of deadlines

Extension of licences, authorizations, concessions

Peak of
– 75% in
Italy

Lockdown measures have significantly reduced the **demand for electricity** thus affecting the power mix. Increases in **residential demand** were far outweighed by reductions in commercial and industrial operations.
A sharp **change in the energy mix** (renewable up to more 40%)

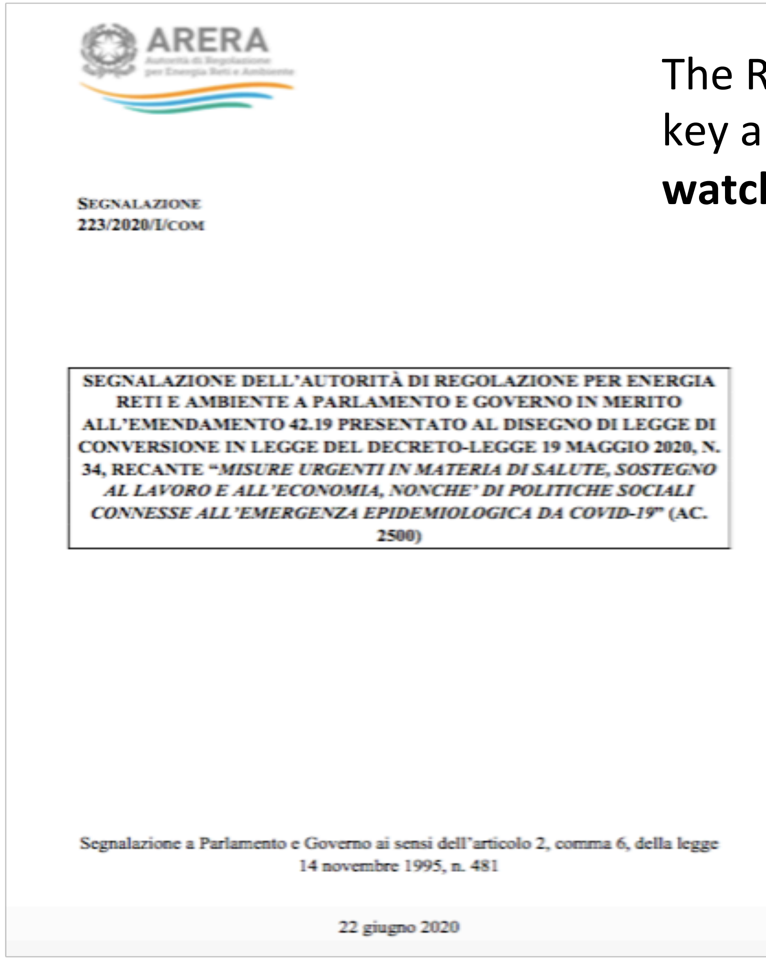
+40% on weekdays in some European countries

Energy sector under pressure.
All components are closely interrelated, with consumers playing a key role by making regular payments in this difficult period.

household costs down 18.3% as a result of the economic slowdown.
Source ARERA

New costs from the sharp energy mix change (Renewable Incentives; electricity grid due to congestions

"The complexity of the connections of the energy system has never been so clear as it is now" – said Stefano Besseghini, President of ARERA. "The good news of price cuts for consumers reflects the global economic slowdown. It is on the basis of this this weak balance that the institutions, governments and regulatory authorities are called upon to operate during this emergency so as to ensure seamless provision of services and support to citizens, without jeopardising the functioning of the system. By regularly paying their dues in this extraordinary period, citizens themselves are already contributing through a significant act of solidarity".


ARERA

SEGNALAZIONE
223/2020/I/COM

SEGNALAZIONE DELL'AUTORITÀ DI REGOLAZIONE PER ENERGIA RETI E AMBIENTE A PARLAMENTO E GOVERNO IN MERITO ALL'EMENDAMENTO 42.19 PRESENTATO AL DISEGNO DI LEGGE DI CONVERSIONE IN LEGGE DEL DECRETO-LEGGE 19 MAGGIO 2020, N. 34, RECANTE "*MISURE URGENTI IN MATERIA DI SALUTE, SOSTEGNO AL LAVORO E ALL'ECONOMIA, NONCHE' DI POLITICHE SOCIALI CONNESSE ALL'EMERGENZA EPIDEMIOLOGICA DA COVID-19*" (AC. 2500)

Segnalazione a Parlamento e Governo ai sensi dell'articolo 2, comma 6, della legge 14 novembre 1995, n. 481

22 giugno 2020

The Regulator as a key and impartial **watch-dog**

Attempt to reform the Energy Services Operator and ENEA (Italian National Agency for new Tech, Energy and Sustainable development)

Conclusions

POST-COVID TRENDS IMPACTING THE ENERGY MARKET

The post-pandemic reality is **the new normal**, yet to be/under construction

- We need to cope with the **smart-working transition**: impact on habits, transportation, energy consumption: **new integrated energy supply contracts**, products and services / **energy poverty** / **energy efficiency**
- We need to **keep emissions low** (even fiscal measures key; Energy Transition Funds..)
- We need to **channel economic aids into sustainable goals** (especially EU Covid-related Funds): innovation-driven sustainability to achieve the **European Green Deal** objectives at the same time