



Report 274/2026/I

SUMMARY OF THE ANNUAL REPORT
TO THE INTERNATIONAL AGENCY FOR COOPERATION
BETWEEN NATIONAL ENERGY REGULATORS AND THE
EUROPEAN COMMISSION
ON THE REGULATORY ACTIVITIES AND FULFILMENT OF
DUTIES
OF THE REGULATORY AUTHORITY FOR ENERGYNETWORKS
AND ENVIRONMENT (ARERA)

31 July 2026

MAIN DEVELOPMENTS IN THE ELECTRICITY AND NATURAL GAS MARKETS

1.1.1 Main changes in Italian legislation

The main legislative measures affecting the energy sectors are summarised below, as customary, in chronological order.

Law No. 20 of 28 February 2025 approved Article 8, introducing urgent measures for the implementation of Reform No. 4 under the REPowerEU Chapter of the PNRR.¹ The provision amends Article 28 of Legislative Decree No. 199/2021 concerning renewable energy Power Purchase Agreements (PPAs), providing that a ministerial decree shall establish the procedures and conditions under which the Energy Services Manager (Gestore dei Servizi Energetici – GSE) will act as the supplier of last resort guaranteeing against the risk of default under long-term contracts. The mechanism shall operate in accordance with market-based principles and risk-containment criteria, within an annual expenditure limit of €45 million for the period 2025–2027. The rules governing the organised PPA platform shall also define the requirements and guarantee obligations applicable to contracting parties, together with the measures to be adopted in the event of default. ARERA is responsible for determining the fee payable for access to the guarantee.

Of particular significance is **Law No. 60 of 24 April 2025²**, which introduces urgent measures concerning tariff concessions, the protection of vulnerable customers, the transparency of offers and the strengthening of enforcement powers. The Law assigns several tasks to the Authority, including the granting, for 2025, of the extraordinary contribution of €200 to household customers with an equivalent economic status indicator³ of up to €25,000, and the regulation of the future electricity service for vulnerable customers, to be introduced no earlier than the conclusion of the gradual standard offer service (31 March 2027). Pending its introduction, the supply of electricity to vulnerable customers without a supplier will continue to be guaranteed under conditions established by the Authority, including through the Acquirente Unico (it is the public company that carries out activities for the functioning of energy markets). The Law also provides specific safeguards for vulnerable customers, including protection from non-seizability against their sole residential property where condominium-related energy debts are below €5,000. The Law also provides for the six-monthly elimination of part of the *Asos* component of general system charges relating to support for renewable energy sources and cogeneration, applied to electricity withdrawn by non-domestic low-voltage customers with an available capacity exceeding 16.5 kW, within the limits of the resources available in the budget of the Energy and Environmental Services Fund (CSEA) to ensure the related financial coverage. Furthermore, the Law introduces mechanisms for monitoring the impact of energy costs on businesses and assigns the Authority the task of using this information to

¹ The Italian National Recovery and Resilience Plan (PNRR) is Italy's programme of investments and structural reforms established by the Government to support the country's economic recovery following the COVID-19 pandemic. It is financed by the European Union through the NextGenerationEU instrument. It is financed by the European Union through the *Next Generation EU* fund.

² Converting Decree-Law No. 19/2025 into law.

³ The Equivalent Economic Status Indicator (ISEE) is the instrument used to measure the economic circumstances of households. It measures income, assets (both movable and immovable) and household composition, and constitutes the fundamental requirement for access to bonuses, benefits and subsidised social services.

analyse and monitor the impact of energy costs, regulated service charges and general system charges on the various categories of undertakings, and to report periodically on the results of such monitoring to the Ministry of the Environment and Energy Security.

Further provisions concern the decoupling of the long-term remuneration of renewable energy generation from spot market prices, as well as assigning ARERA responsibility for strengthening the transparency and comparability of electricity and gas offers in the free market, including through standard documents, the simplification of pricing components and the updating of the Code of Business Conduct. The Authority's enforcement powers are also clarified by providing that, in cases of particular urgency, the Authority may, on its own initiative and by means of a reasoned decision, adopt interim measures even before the commencement of sanction proceedings, in order to ensure the most effective and timely protection of the interests safeguarded.

Law No. 69 of 9 May 2025 extended the incompatibility regime applicable to members and senior executives of CONSOB⁴ to all members of collegiate bodies of public administrations and independent authorities that adopt binding decisions intended to produce, directly or indirectly, effects in respect of specific private parties. By way of derogation from any contrary provision, such provisions cease to apply to the members of those bodies. The regime provides that members of governing bodies and senior executives may not, for one year after leaving office, enter into employment, consultancy or collaboration arrangements with regulated entities or with companies controlled by them. Contracts concluded in breach of this prohibition are null and void.

Law No. 100 of 2 July 2025 authorises expenditure of €15 million for each of 2027 and 2028, and €5 million for 2029, to support projects increasing Italy's liquefied natural gas (LNG) storage and regasification capacity, particularly in the maritime sector. The Law also introduces measures to accelerate investment in renewable energy by amending Article 12 of Legislative Decree No. 190/2024 (Consolidated Act on the Administrative Regimes for Renewable Energy Production (TU FER)). The amendments concern the national mapping of areas suitable for renewable energy installations and the designation of onshore acceleration areas for renewable energy plants, co-located renewable electricity storage facilities, associated works and the infrastructure necessary for their construction and operation. These measures are intended to support the achievement of the 2030 renewable energy targets set out in the National Integrated Energy and Climate Plan (PNIEC)⁵ and the implementation of Reform 1 ("Simplification of authorisation procedures for renewable energy at central and local level") under Mission 7 (REPowerEU) of the Italian National Recovery and Resilience Plan (NRRP).

The Annual Law for the Market and Competition 2025 (Law No. 190 of 18 December 2025) introduces ⁶new measures to ensure the efficient development of the electric mobility market and to guarantee users competitive conditions in relation to the services provided through charging infrastructure, with a view to encouraging a plurality of operators. More specifically, it provides that

⁴ CONSOB (*Commissione Nazionale per le Società e la Borsa*) is Italy's independent administrative authority, established in 1974, responsible for supervising and regulating the country's financial markets, with the primary objectives of protecting investors, ensuring transparency of information and safeguarding the efficient functioning of the securities market.

⁵ The National Integrated Energy and Climate Plan (PNIEC) is the ten-year strategic document defining Italy's objectives for the green transition to 2030, ranging from the reduction of CO₂ emissions and the development of renewable energy sources to energy efficiency and energy security.

⁶ The Law also amends Article 57(8) of Decree-Law No. 76/2020 (*Simplification of the rules governing the installation of electric vehicle charging points and charging stations*).

competitive, transparent and non-discriminatory procedures for the development and operation of charging infrastructure must be designed so as to favour, all other conditions being equal, the presence of a plurality of operators active in the management of charging infrastructure within municipal territories. It also provides that, where comparable authorisation applications are submitted, municipalities must give priority to applications from operators holding less than 40% of the total charging infrastructure already installed or authorised for installation within the relevant municipal area.

The same Law further amends Article 30 of Legislative Decree No. 201/2022 concerning the periodic review of the management of local public services by introducing new obligations for the contracting authorities. Where service performance is unsatisfactory, the contracting authority must identify the underlying causes and, where these are attributable to the operator, adopt a directive requiring the preparation, within three months, of a corrective action plan, including an implementation timetable. The Law also specifies the circumstances in which service performance is to be regarded as unsatisfactory and recognises the contracting authority's power to terminate the contractual relationship early in the event of serious non-compliance by the operator in implementing the corrective action plan.

Law No. 199 of 30 December 2025 (approving the State Budget for 2026 and the 2026–2028 three-year budget) extends until 31 December 2026 the exemption from the payment of utility charges in the areas affected by the 2016–2017 earthquakes, together with concessions, including tariff concessions, in the electricity, water, gas, insurance and telecommunications sectors for holders of utility contracts relating to buildings rendered unfit for use in the areas affected by the seismic events.

The Law also amends the regulatory framework governing biomethane by introducing new rules for connecting production plants to the natural gas network. In particular, it places an obligation on transmission and distribution operators to connect new plants and plants resulting from the upgrading of biogas facilities and entrusts the national regulator with updating the technical and economic conditions governing the connection service. The regulatory measures will, among other things, define the minimum biomethane quality requirements for injection into the network, infrastructure reinforcement and upgrading works, the allocation of costs between producers and network operators, technical standards, connection procedures and timeframes, measures in the event of inaction by network operators, metering and quality control systems, and dispute resolution procedures. It is also provided that the criterion for allocating tariff-related costs associated with the injection of biomethane into the network is to be established at national level.

Among the other legislative measures of interest is the **Ministerial Decree of the Minister for the Environment and Energy Security of 26 June 2025**, laying down *the criteria and arrangements for the supply of natural gas under the service of last resort for the 2025–2026 and 2026–2027 gas years*. The Decree assigns the Authority responsibility for determining the economic conditions applicable to the supply of natural gas under the service of last resort and identifies the geographical areas in which the service is to apply, which may also be grouped into larger geographical areas. The measure also provides for a price-moderation mechanism to limit costs for the customers concerned where auction outcomes result in excessively high prices.

Ministerial Decree of the Minister for the Environment and Energy Security No. 204 of 29 July 2025 updated the Energy Release mechanism following discussions with the European Commission. It constitutes an amending measure to the original Ministerial Decree No. 268 of 23 July 2024. The new decree (Energy Release 2.0) introduces a competitive procedure for selecting the entities responsible for developing new generation capacity and repaying the energy supplied in advance. The measure also introduces a provision designed to prevent any over-remuneration of investments

in renewable energy facilities at the end of the twenty-year contractual period, taking into account the three-year advance supply of electricity at a moderated price.

Also worth mentioning is the **Decree of the Ministry of the Environment and Energy Security of 7 August 2025** (Thermal Account 3.0), which updates the framework governing incentives for small-scale measures to improve energy efficiency and produce thermal energy from renewable sources, in accordance with the principles of simplification, effectiveness, diversification and technological innovation, as well as consistency with the objectives for the energy refurbishment of public administration buildings. In line with the National Integrated Energy and Climate Plan (PNIEC), it also contributes to achieving the decarbonisation and energy efficiency objectives for the civil sector. The measure assigns the Authority responsibility for updating, on a proposal from the Energy Services Manager (GSE), the standard contract⁷ governing the granting of State incentives for the production of thermal energy from renewable sources and for small-scale energy efficiency measures (known as the **Thermal Account**). The provision also establishes that, where breaches identified during inspections are material to the granting of incentives, the GSE shall reject the application or revoke entitlement to the incentives and recover any amounts already paid, while notifying the Authority so that any applicable sanctions may be imposed.

The **Decree of the President of the Council of Ministers of 10 September 2025**, concerning the works and infrastructure required for the phase-out of coal in Sardinia and the decarbonisation of the island's industrial sectors⁸, assigns the Authority responsibility for defining the regulatory framework applicable to the identified infrastructure, with particular reference to virtual connection arrangements, the sustainability of investments and equalisation with the national system.

Finally, mention should be made of the **Decree of the Minister of Infrastructure and Transport of 2 October 2025**, which redefined the total amount of resources allocated to Italian National Recovery and Resilience Plan Investment M3C2-2.3 – Cold Ironing at €305.6 million. The NRRP M3C2-2.3 Cold Ironing investment consists of the construction of a shore-side electricity supply network within port areas (quays) and the associated infrastructure connecting it to the national transmission network, also enabling the charging of electric vessels.

1.1.2 Regulation and Developments in the Electricity Market

Infrastructure and Key Regulatory Developments

In Italy, **power transmission** is carried out via 76,200 kilometres of power lines and electrical circuits, supported by 920 switching and conversion stations. The Transmission System Operator (TSO) is Terna, of which 29.85% is owned by the Italian State; apart from the State's shareholding and 0.2% of treasury shares, the remaining 69.95% of its share capital is held by the market. In 2024, there were nine companies holding assets forming part of the National Transmission Grid (NTG). Taking into account the assets of all the companies belonging to the Group, the Terna Group owns or operates almost all of the transmission infrastructure forming part of the NTG.

As of 31 December 2025, 110 **power distribution** companies (four fewer than in 2024) were

⁷ Pursuant to Article 28(1) paragraph (e) of Legislative Decree No. 28/2011.

⁸ The Decree replaces the previous Decree of the President of the Council of Ministers of 29 March 2022.

registered in ARERA Registry of Operators, of which only 11 serve more than 100,000 customers and together distribute 98.6% of all energy withdrawn by users. There are five distribution companies serving more than 500,000 points of delivery: e-distribuzione (Enel Group), Unareti and the newly established Duereti (A2A Group), Areti (Acea Group) and Ireti (Iren Group). Overall, power distribution in Italy takes place through 1,294,500 km of networks, most of which (68.3%) are low voltage. e-distribuzione is the largest operator, accounting for 81.7% of the electricity distributed.

The *Integrated Text on the Output-Based Regulation of the Electricity Transmission Service for the 2024–2027 Regulatory Period* introduced, for 2024, an incentive mechanism for Terna to deliver additional transmission capacity up to the target values established by the Authority in October 2021. The regulatory framework also provides for an additional bonus where such transmission capacity is delivered at investment costs below the benchmark costs established by the Authority. In October 2025, two incentive payments were awarded to Terna for additional transmission capacity made available in 2024: the first, amounting to €6,944,000, for the Calabria–Sicily section, and the second, amounting to €86,446,000, for the North–North Centre (in both directions) and South Centre–North Centre (in both directions) sections. The Authority has also introduced an incentive mechanism for electricity distribution networks applicable to distribution companies serving at least 100,000 final customers. The bonus is linked to the expected benefits of the investment, corresponding to two years of gross benefits, subject to a cap based on the investment cost. Distribution companies are required to submit a cost-benefit analysis for each project both for the purpose of determining eligibility for the bonus and for assessing its admissibility under the scheme. During the first implementation phase, relating to projects launched from 2024, the Authority approved seven projects, involving investments of more than €5 million and estimated benefits of €8 million over the following 25 years. Other proposed projects were not approved because the discounted benefits did not exceed the discounted costs.

In August 2025, the Authority issued its assessment of the draft **2025 Transmission Network Development Plan**. The Authority issued a favourable opinion on the Italy–Montenegro HVDC interconnection, while excluding from approval a number of projects subject to the two-stage approval mechanism, including the Milan–Montalto HVDC, the Adriatic Backbone, the Sardinian Link and the new Italy–Greece HVDC. The Authority also noted that several projects do not include implementation activities within the ten-year planning horizon and granted clearance for approval of the 2025 Development Plan, subject to compliance, for the Italy–Tunisia and SA.CO.I. 3 projects, with the tariff limits previously established. For future Development Plans, the Authority also requested that Terna give priority, where compatible with the complexity of the authorisation procedures, to the interconnections with France, Switzerland and Austria, and clarify the activities planned for certain projects aimed at strengthening interconnections with the Alpine area.

During 2025, the largest electricity distribution companies submitted the pre-consultation draft of their development plans by 31 March 2025, and the post-consultation version by 30 June. The final versions of the **distribution network development plans** were subsequently published on the dedicated page of the Authority's website on distribution network development (<https://www.arera.it/operatori-elettrici/sviluppo-reti-di-distribuzione-elettrica>).

Within the framework established by Legislative Decree No. 210/2021, the Authority continued implementing the ten-year rollout plan for the **installation and upgrading of intelligent metering systems**, with the aim of ensuring the widespread deployment of second-generation (2G) smart meters to final customers. For the larger electricity distribution companies, the regulatory framework governing the costs and penalties associated with the commissioning of 2G smart meters remained in force. In this context, in June 2025 a penalty of approximately €108 thousand was imposed for

failure to achieve the prescribed deployment targets. During 2025, the implementation timetable was also updated, with an estimated 39.7 million 2G meters expected to be in service by the end of the year. Finally, in December 2025, the existing regulatory provisions were confirmed for the 2026–2028 regulatory period, ensuring continuity with the current regulatory framework.

With regard to **tariffs for electricity distribution and metering services**, the separation between the single tariff applied to final customers (the "mandatory tariff") and the reference tariffs established for determining the revenue caps applicable to each distribution company continued, in line with previous years. For distribution companies serving at least 25,000 withdrawal points and subject to the ROSS tariff regime (Regulation based on Spending and Service Objectives), provisional reference tariffs for 2025 were established. At the same time, the 2025 parameters were approved ex ante to capture increases in operating costs arising from investments supporting the energy transition or from changes in the scope of activities. For distribution companies serving fewer than 25,000 withdrawal points and subject to the parametric tariff regime, the reference tariffs for distribution and metering services for the years 2019 to 2025 were determined during 2025.

In October 2025, the Authority launched a public consultation on its proposed revision of the parametric criteria for recognising the costs associated with electricity distribution and metering services for distribution companies serving fewer than 25,000 withdrawal points.

At the end of the year, the tariffs for the use of electricity distribution and metering infrastructure for household and non-household customers, together with the charges for the provision of connection services, were updated for 2026.

The **electricity dispatching service** is evolving in response to the increasing deployment of renewable energy sources, distributed energy resources, energy storage systems and self-consumption, all of which make the electricity system more variable and increase the need for flexibility services at both national and local levels. In this context, distribution networks are playing an increasingly active role, and distribution companies must also be able to procure local ancillary services. The main regulatory development is the *Dispatching Integrated Text* (TIDE), approved in 2023 and subsequently updated several times during 2024 and 2025. The framework reforms electricity dispatching by introducing a more open, technology-neutral model aligned with the European regulatory framework. TIDE enables distributed and aggregated resources to participate in ancillary services, distinguishes the roles of the Balancing Service Provider (BSP) and the Balance Responsible Party (BRP), reorganises electricity markets and settlement arrangements, enhances transparency regarding network models, and supports the transition from the Single National Price (PUN) to zonal pricing through a phased implementation comprising transitional, consolidation and full implementation stages.

During 2025, the transitional phase resulted in the adoption of quarter-hourly imbalance settlement, the launch of the GME nomination platform, and the application of the PUN Index as the reference price for compensation purposes. In preparation for the consolidation phase commencing in 2026, the Authority approved further amendments to TIDE and verified the compliance of numerous amendments to Terna's Network Code, including those relating to auctions for Frequency Containment Reserve (FCR), Virtual Enabled Units, the separation of the BSP and BRP roles, and reconnection to the European balancing platforms. The **interruptibility service**, incorporated into TIDE's extraordinary modulation framework, **was also updated**, together with Terna's **pilot demand modulation service**, which was extended to include the possibility of increasing electricity withdrawals in order to absorb excess renewable generation. In parallel, Terna's incentive mechanism for reducing dispatching costs was extended until 2030, with strengthened penalty arrangements and new performance targets linked to the implementation of TIDE. Finally, pilot projects relating to

local ancillary services continued under the Edge, RomeFlex and MindFlex initiatives, aimed at procuring flexibility services from resources connected to the electricity distribution networks. The pilot projects were extended through 2025 and, in some cases, into 2026. The Authority also published its first report on the outcomes of the pilot projects concerning the participation of new resources in national and local ancillary services.

In July 2024, the Authority completed the first phase of the reform of the regulatory framework governing the physical and financial settlement of the electricity dispatching service, as provided for under the *Integrated Electricity Settlement Framework* (TIS). The reform, launched in 2023, also aimed to revise the treatment of network losses. From 1 January 2025, **quarter-hourly settlement** was introduced in line with TIDE and the European Balancing Regulation, although the implementation of the new regulatory framework had originally been scheduled for 1 January 2026. The reform provides for more extensive use of actual metering data, strengthens the role of the Integrated Information System (SII) in profiling, data aggregation and data management activities, introduces the calculation of residual energy for each grid operator and bidding zone, and requires station own-use consumption and residual energy to be procured through the market, with specific arrangements for cost recovery. In June 2025, the Authority launched three public consultations to refine the regulatory framework. The first concerned the reorganisation of the TIS and the arrangements for settling financial transactions; the second focused on revising the *Integrated Metering Framework* (TIME) and the centralised management of metering data; and the third addressed completion of the reform, particularly with regard to loss factors, station own-use consumption, residual energy and the related cost recovery mechanisms. While stakeholders broadly supported the overall approach to the reform, they requested additional time to adapt their systems, algorithms and operational processes. The Authority therefore accepted this request by postponing the entry into force of the new regulatory framework until 1 January 2027, revising the timetable for the testing phase, launching further assessments of specific plant configurations, confirming for 2026 the percentage loss factors already applied for equalisation purposes, and deferring the rules governing unrecoverable fraudulent withdrawals to a subsequent measure.

The **Capacity Market** is intended to ensure the adequacy of the electricity system by securing sufficient generation capacity to meet electricity demand on a continuous basis while maintaining the required levels of security and quality of supply. Following the first auctions for the 2022–2024 delivery years, the procedures for the 2025 and 2026 delivery years were carried out in 2024, following updates to the regulatory framework and the relevant technical operating provisions. In May 2024, the Authority established the economic parameters for the procedures relating to the 2025–2028 delivery years, including the maximum premiums for new, existing and foreign capacity, the minimum investment threshold for access to fifteen-year contracts, and the criteria for determining the strike price. The allocation of 70% of the net cost to peak hours was confirmed until 2028. The main auctions for the 2025 and 2026 delivery years resulted in total capacity payments of approximately €1.72 billion and €1.82 billion, respectively. Existing capacity awarded amounted to approximately 37.6 GW for 2025 and 38.3 GW for 2026, while the volume of new capacity awarded was more limited, at approximately 0.2 GW and 0.1 GW, respectively. In both auctions, approximately 4.4 GW of cross-border capacity was also awarded.

In 2025, Terna launched a public consultation on further amendments to the Capacity Market framework, with the aim of aligning it with the TIDE consolidation phase scheduled to commence in 2026. The proposed amendments primarily concerned the calculation of available capacity, the verification of offer obligations, the determination of the variable remuneration component, and the distinction between the roles of the Balance Responsible Party (BRP) and the Balancing Service Provider (BSP). The Authority approved the proposed amendments, subject to the removal of a

provision concerning the role of the BRP within the regulatory framework governing essential facilities, as the relevant arrangements had not yet been defined for the period after 2026.

The **Electricity Storage Capacity Procurement Mechanism** (MACSE) introduces a long-term procurement scheme for electricity storage capacity, operating alongside the energy, ancillary services and capacity markets, with the objective of encouraging investment in energy storage systems that support the energy transition. During 2025, the economic framework for the first auction dedicated to battery storage systems and electricity storage technologies other than batteries and pumped-storage hydropower was established. Following the consultation process, the Authority set the maximum premium for the first auction covering battery storage systems and electricity storage technologies other than batteries and pumped-storage hydropower at €37,000/MWh/year, increasing the value initially proposed to reflect, among other factors, higher connection costs for greenfield projects, extended warranty requirements and higher operating costs. The Authority also clarified that MACSE storage facilities would be eligible to participate in the Frequency Containment Reserve (FCR) market mechanisms and, during the initial phase, would not be required to make the related mandatory reserve bands available free of charge.

The Authority also established the arrangements for recovering the costs of the independent assessment of MACSE. As a transitional measure, it provided for the use of the unit charge established under TIDE, taking into account the timing mismatch between the costs of the assessment and the commencement of payments to successful bidders.

The first auction, held on 30 September 2025 for the 2028 delivery year, secured virtually the entire national requirement of 10 GWh, with 9.968 GWh awarded, all relating to lithium-ion battery storage systems. Annual premium payments are expected to amount to approximately €129 million over a fifteen-year period. The marginal premium (corresponding to the last accepted bid) and the weighted average premium amounted to €18,800/MWh/year and €13,000/MWh/year, respectively, both below the maximum premium of €37,000/MWh/year established by the Authority in July 2025. The selected projects are primarily located in the Southern Italy and Calabria, South-Central Italy, Sardinia and Sicily market areas, with Enel Produzione being the largest successful bidder.

With regard to the **quality of electricity distribution services**, pursuant to the *Integrated Output-Based Regulation for Electricity Distribution Services for the 2024–2027 Regulatory Period*, in November 2025 the Authority determined the rewards and penalties for 2024 relating to the regulation of the duration and number of unplanned interruptions. Total penalties of €54.1 million were imposed (for the benefit of electricity system users liable for network tariffs), representing the net balance of: €61.4 million in net penalties under the standard continuity of service incentive scheme (based on the duration and number of unplanned interruptions); and €7.3 million in rewards granted to the top-performing 15% of districts under the incentive scheme promoting improved continuity of service.

In July 2025, the Authority launched a public consultation covering both the **output-based regulatory framework** and the **commercial quality regulation applicable to electricity distribution and metering services**.

With regard to output-based regulation, the consultation set out proposals concerning: the development of the individual continuity of supply incentive scheme; the revision of the definition of significant interruptions; the updating of the mechanism used to identify so-called periods of adverse operating conditions; and the revision of the rules governing sample monitoring of slow voltage variations in low-voltage networks.

With regard to commercial quality regulation, the Authority proposed the introduction of new

commercial quality standards relating to the disconnection of distributed generation under high-voltage conditions on low-voltage networks. The proposal reflects the increasing difficulties in injecting electricity into these networks where excessive network voltage automatically disconnects customers' generation facilities.

In 2025, performance improved compared with 2024, both in terms of the average duration of unplanned interruptions, which fell to 69 minutes from 76 minutes, and the average number of long and short unplanned interruptions per low-voltage customer, which decreased to 4.92 from 5.12 in 2024. The improvement in interruption duration during 2025 was partly attributable to the reduced impact of extreme weather events, including floods, windstorms and heatwaves. At national level, the duration of unplanned interruptions attributable to distribution companies averaged 41 minutes, while the number of long and short unplanned interruptions attributable to distribution companies (together representing interruptions lasting more than one second) amounted to 3.69 interruptions per low-voltage customer. During 2025, distribution companies paid automatic compensation totalling €38 million to approximately 627,000 low-voltage customers (averaging approximately €60 per customer) and just over €3 million to around 3,000 medium-voltage customers (averaging approximately €1,150 per customer).

With regard to high- and extra-high-voltage **connection requests**, during 2025 Terna received 4,241 applications for the connection of electricity generation facilities, representing a total capacity of 362.3 GW. During the same year, it issued 3,261 connection offers, corresponding to a total capacity of 291.3 GW. During the year, 1,429 of the 3,261 connection offers made available were accepted, corresponding to a total capacity of approximately 113.9 GW. Only five of these connection offers, representing a total capacity of 294 MW, resulted in requests for the provision of the Detailed Minimum Technical Solution (STMD). As Terna had not made the STMD available for any of these requests by 31 December 2025, no connections relating to applications received by Terna during 2025 were completed and commissioned during the year. With regard to active connection requests to medium- and low-voltage networks, in 2025 distribution companies received almost 291,000 applications for the connection of electricity generation facilities, corresponding to a total capacity of 37.6 GW. During the year, almost 240,000 of the connection offers issued in respect of those applications were accepted, representing a total capacity of 10.6 GW. During the year, more than 163,000 connections relating to applications submitted in 2025 were completed, corresponding to approximately 2.1 GW of installed capacity.

As regards passive customer connections, the data collected show that, in 2025, distribution companies carried out 213,773 activities relating to new standard permanent low-voltage connections, comprising 94,424 connection quotations, 81,544 simple connection works and 36,805 complex connection works. In addition, 7,934 activities relating to new standard permanent medium-voltage connections were completed, including 6,709 connection quotations, 121 simple connection works and 1,104 complex connection works. During 2025, Terna also completed four passive connections to the high- and extra-high-voltage transmission network.

With regard to **international coordination**, the Authority further strengthened its cooperation during 2025 with the Agency for the Cooperation of Energy Regulators (ACER), the Council of European Energy Regulators (CEER), the European Commission and other national regulatory authorities. This cooperation covered both the traditional areas of work relating to network codes, guidelines and market integration, and the implementation of new European legislation.

In addition to its established activities relating to network codes and guidelines adopted under the Third Energy Package and the Clean Energy Package, participation in European implementation processes intensified during 2025 following the adoption of new legislative acts in 2024. In particular,

cooperation continued with the European Commission, ACER and other national regulatory authorities on the implementation of the legislative package on renewable gases and hydrogen (Directive 2024/1788 and Regulation 2024/1789), which assigns new responsibilities to regulators in relation to integrated network planning, the governance of future hydrogen grid operators and the development of dedicated hydrogen markets. In the electricity sector, ARERA contributed to European work on implementing electricity market design reforms, which in 2025 focused in particular on capacity mechanisms, consumer protection and the resilience of balancing markets, including cooperation with ACER and initiatives relating to the European balancing energy exchange platforms PICASSO and MARI. Regulatory discussions also continued on the full implementation of the 70% Rule under Article 16 of Regulation (EU) 2019/943, taking into account ACER's 2025 monitoring reports, which highlight the benefits arising from increased capacity available for cross-border trade and from the development of capacity calculation methodologies across the various European Capacity Calculation Regions (CCRs). At the same time, following the entry into force of the revised REMIT Regulation (Regulation (EU) 2024/1106), the first technical discussions between national regulatory authorities and the Agency for the Cooperation of Energy Regulators (ACER) were launched in 2025 to adapt the requirements relating to registration, reporting and market surveillance. These discussions also took account of the updated Questions and Answers (Q&A) and ACER's first reports on Suspicious Transaction and Order Reports (STORs) and coordinated enforcement activities. Lastly, the Authority also participated in European initiatives concerning the development of strategic energy infrastructure, particularly the new monitoring cycle for Projects of Common Interest (PCIs) and Projects of Mutual Interest (PMIs) published by ACER in 2025, as well as the preparation of the 2025 list under the TEN-E Regulation, focusing on project implementation, permitting procedures and the consistency of network development plans.

Pursuant to Article 15 of Regulation (EU) 2019/942, during 2025 the Authority continued its cooperation with ACER and the Council of European Energy Regulators (CEER) in collecting, validating and submitting the data required for the preparation of the annual Market Monitoring Reports (MMRs), which are published in thematic volumes. Monitoring activities, carried out in accordance with ACER's implementation and effect monitoring strategy, are intended to assess the degree of integration of the European energy markets, the effective functioning of competition and the effectiveness of the internal energy market rules. In 2025, monitoring activities covered an expanded and increasingly structured range of areas, reflecting the continued development of ACER's analytical framework.

During 2025, implementation of the **Capacity Allocation and Congestion Management (CACM) Regulation** remained a key element in strengthening the integration of the European day-ahead and intraday electricity markets. In this context, the Authority monitored developments in the contractual and methodological framework governing market coupling at Italy's interconnections, assessing the consistency of operational agreements with both European and national regulatory requirements while supporting key initiatives aimed at strengthening cooperation between grid operators and nominated electricity market operators. In particular, the Authority's activities focused on: the governance arrangements for Nominated Electricity Market Operators (NEMOs); the introduction of 15-minute products in the day-ahead market coupling; the alignment of the Italian Border Working Table Operational Agreement with the European contractual framework; and preparations to ensure the efficient operation of the European electricity market and its extension to countries in the Balkan region. The Authority also approved the amendment to the Settlement Link Agreement between GME and CCP Austria (ABG) relating to the Single Day-Ahead Coupling.

At regional level, the Authority continued to monitor developments in the evolution of the Capacity Calculation Regions (CCRs), particularly the merger of the Core and Italy North CCRs into the new

Central Europe region and the gradual transition towards flow-based methodologies, aimed at improving network utilisation, providing more efficient price signals and enhancing the integration of the European electricity markets.

In June 2025, the European Commission launched the comitology procedure for the **revision of the CACM Regulation** governing the operation of the European day-ahead and intraday electricity markets. The proposed revision addresses a wide range of issues, two of which are expected to have a particularly significant impact on the Italian electricity sector: the governance of market coupling and the requirement to make at least 70% of interconnection capacity available to market participants.

The Forward Capacity Allocation (FCA) Regulation governs the allocation of long-term transmission capacity between bidding zones by establishing harmonised rules for auctions, transmission rights and price risk management. During 2025, ARERA adopted measures confirming, for the 2026–2029 regulatory period, the continued use of Transmission Capacity Allocation Charge (FTR) hedging instruments, as these continue to provide the most effective protection against volatility in transmission capacity allocation charges. This remains the case despite the abolition of the Single National Price (PUN) from 1 January 2025, since market participants remain exposed to the difference between the PUN Index (which continues to determine demand-side prices through the compensatory component) and zonal prices.

During 2025, the implementation of the provisions of the **System Operation Guideline (SOGL)** continued across the Continental Europe synchronous area. In February 2025, ARERA formally ratified the approval, jointly adopted by all regulatory authorities within the synchronous area, of the probabilistic methodology for sizing the Frequency Containment Reserve (FCR). The revised methodology takes account of the increasing penetration of resources with limited energy capacity and the growing volatility of demand and electricity generation from variable renewable energy sources. In July 2025, ARERA also ratified the update to the hierarchical structure of the Load Frequency Control Blocks (LFC Blocks), which had likewise been jointly approved by all regulatory authorities, to reflect the inclusion of the new control block comprising Lithuania, Latvia and Estonia, following their synchronisation with the Continental Europe synchronous area in February 2025.

The **Electricity Balancing Guideline (EBGL)** establishes the framework for the integration of the European balancing services markets by setting common rules for the procurement, activation and settlement of balancing reserves. In July 2025, ARERA approved the amendments to Terna's Network Code required for the full implementation of TIDE (Revision 4) and for reconnection to the European PICASSO platform, thereby fully enabling the activation of the automatic Frequency Restoration Reserve (aFRR) through a merit-order mechanism. In September 2025, ARERA also established the regulatory framework required for participation in the European MARI platform for the exchange of balancing energy from manual Frequency Restoration Reserve (mFRR). Finally, in October 2025, ARERA approved Terna's contractual arrangements relating to its participation in the European balancing platforms established under the Electricity Balancing Guideline. The Authority reviewed the agreements entered into by Terna and verified the operational readiness of the related technical and functional interfaces, identifying where appropriate the need for amendments to the Network Code and enhancements to information exchange processes.

As in previous years, the Authority has been particularly engaged in its interactions with countries outside the European Union.

Wholesale and retail markets

According to Terna's provisional data, **electricity demand** in 2025 amounted to 312.4 TWh, an increase of 0.1% compared with 2024. This marginal increase was entirely attributable to the services sector. Electricity available for consumption was met by 85% domestic generation (net of pumped storage and energy storage) and 15% net imports. Net domestic electricity generation increased by 2.4% compared with the previous year, while imports declined by 7.4% and electricity exports remained unchanged. As a result, net electricity imports decreased by 8%, from 51.0 TWh to 46.9 TWh. Peak electricity demand was recorded on 1 July 2025, when peak load reached 52.6 GW, representing a 9% decrease compared with the 2024 peak of 57.9 GW.

Gross domestic electricity generation increased from 271.0 TWh to 277.4 TWh (+2.4%). In particular, thermal generation increased by 5.2%, while generation from renewable energy sources declined by 1.5%. Within thermal generation, electricity production from solid fuels fell significantly (-15%), while generation from other fuels declined by 7.8%. By contrast, natural gas-fired generation increased by 7%, reaching almost 127 TWh. Renewable energy sources accounted for 48% of the national electricity generation mix in 2025, compared with 50% in the previous year. Generation increased only from solar photovoltaic (+25%) and bioenergy (+5.1%), while geothermal generation recorded only a marginal decline (-0.3%). Hydroelectric generation fell by 21% to almost 42 TWh, returning close to its 2023 level (40.5 TWh), while wind generation decreased by 3.3%. The combined share of gross electricity generation accounted for by the three largest corporate groups (Enel, Eni and Edison) increased to 29.5%, compared with 28.9% in 2024. This was driven by the increase in Edison's market share, from 6.2% to 8.1%, while the shares of Enel and Eni declined from 13.5% to 12.3% and from 9.2% to 9.1%, respectively. The A2A Group and the EPH Group retained fourth and fifth place, respectively. Based on Terna's provisional data, three groups accounted for more than 5% of total net installed generating capacity: Enel, A2A and Edison.

The **volume of incentivised electricity generation** amounted to approximately 50.2 TWh. Overall, in 2025, the costs associated with supporting renewable energy resources amounted to around €9.3 billion, representing a 4.3% increase compared to the previous year.

Electricity imports declined by 7.4%, decreasing by 4.1 TWh compared with the previous year, from 55.9 TWh to 51.8 TWh, while exports remained unchanged at 4.9 TWh, the same level as in 2024. Consequently, the net import balance decreased from 51.0 TWh in 2024 to 46.9 TWh in 2025 (-8%).

In 2025, the volume of **electricity traded on the Day-Ahead Market (MGP) within the Italian electricity system** amounted to 286.2 TWh, an increase of 0.8% compared with 2024. Exchange-traded volumes increased to 234.4 TWh (+3.4%), while bilateral transactions registered on the Energy Accounts Platform of Bilateral Contracts (PCE) declined to 51.8 TWh (-9.4%), almost entirely relating to Italian bidding zones. Cross-border trading declined, mainly as a result of lower imports, which totalled 55.2 TWh (-3.8%). These accounted for 23% of exchange-traded sales (compared with 24% in 2024) and 1% of bilateral sales (compared with 3% in 2024). Conversely, exports increased to 7.4 TWh (+37%), with all export transactions executed through the exchange. Electricity purchases by the Acquirente Unico declined to 6 TWh (-54.7%), while sales by the Energy Services Operator (GSE) increased to 33 TWh (+1.5%). Together, these represented 7% of total traded volumes, a reduction of 1.2 percentage points compared with 2024. In 2025, the **average Single National Price (PUN)** for electricity increased by 7% compared with 2024, reaching €115.9/MWh. Higher prices were recorded across all three hourly bands: €122/MWh (+5%) during peak hours; €119/MWh (+10.5%) during off-peak hours on working days; and €105/MWh (+5%) on public holidays. Total volumes traded on the **Intraday Market (MI)** amounted to 37.2 TWh, representing an increase of 5%

compared with the previous year. Average prices recorded on the intraday market remained closely aligned with the corresponding prices on the Day-Ahead Market. Throughout the year, average monthly prices broadly tracked the corresponding Day-Ahead Market selling price, with the exception of January, when all intraday sessions recorded lower prices (average differences of approximately €3/MWh for MI1 and MI2, and €4/MWh for MI3), and of April, May, October, November and December, when MI3 prices exceeded Day-Ahead Market prices by an average of between €3/MWh and €7/MWh. On the electricity **Forward Market** managed by GME, no trades were recorded in 2025 for standardised products with physical delivery. On an annual average basis, electricity prices across the **European power exchanges** increased across all markets in 2025 compared with 2024. In most European countries, wholesale electricity prices rose until February before falling significantly during the spring months. From June in Italy and Spain, and from July in the other markets, this trend reversed, with prices partially recovering to levels recorded during the first quarter of the year. Despite these increases, average prices in 2025 were the lowest recorded since 2021, the year in which the energy crisis began. Average prices in 2025 amounted to around 60% of the levels recorded in 2021 in the French, Spanish and Nordic electricity markets, while the corresponding figure was 92% for the Italian and German power exchanges. Moreover, although electricity prices increased across all markets, the increases were not uniform and did not reduce the long-standing price differentials arising from the different generation mixes of national electricity systems.

In July 2025, the Authority published a **Report on the Outcomes of the Day-Ahead Electricity Market for the 2023-2024 Period**, as part of its fact-finding investigation into short-term auction-based electricity markets. The purpose of the report was to assess the degree of competition and the proper functioning of the wholesale electricity markets, including the identification of any conduct that could be relevant under the REMIT Regulation. The analysis examined the relationship between zonal prices and marginal generation costs, identified potential economic withholding of generation capacity in accordance with ACER's guidelines, and included counterfactual simulations of market outcomes. The findings identified positive spreads between market prices and marginal generation costs, possible price-maker behaviour, and instances of economic withholding of generation capacity that affected price formation. The Authority therefore decided to continue its case-by-case investigations in order to determine whether market participants had legitimate grounds for their conduct. It also informed Terna of the need to strengthen the information available for system dispatching by updating the Gaudi system and improving the collection of technical and economic data relating to generation and electricity storage facilities.

In 2025, **two penalty proceedings were initiated for breaches** of the rules on integrity and transparency in wholesale markets under the **REMIT** regulation. The Authority also pursued enforcement activities, including one case concerning the failure to disclose inside information effectively and in a timely manner relating to the unavailability of a generation plant, and another concerning an alleged breach of the prohibition on market manipulation under the wholesale energy market rules.

The findings of the Annual Survey show a **modest recovery in electricity consumption** during 2025 (+1.1%), following the decline recorded in 2023 and the broadly stable level observed in 2024. In 2025 electricity consumption increased by almost 3 TWh, from just under 243 TWh to almost 246 TWh, supplied to 37.8 million customers. Compared with 2024, the number of withdrawal points increased by approximately 215,000 (+0.6%). The recovery in overall electricity demand reflected an **increase in sales to non-household customers**, which more than **offset lower sales to household customers**. In fact, the household sector purchased a total of 58.2 TWh, compared with 58.8 TWh in 2024, representing a 1% decline. By contrast, electricity purchased by the non-household sector

increased by 1.8%, from 184.2 TWh to 187.6 TWh, although it remained below the pre-pandemic level of 198 TWh recorded in 2019.

In 2025, electricity sales in the **free market** amounted to 230.6 TWh, an increase of 5.5 TWh compared with 2024, supplied to almost 31 million customers, whose number increased by 4.9% year on year. Having grown steadily over time, customers in the free market now account for 81.5% of the Italian retail electricity market, while electricity sold through the free market represents 93.8% of total electricity sales in Italy. The number of household delivery points served in the free market increased by 1.105 million, equivalent to 4.8% compared with 2024. Average annual consumption by household customers was 1,983 kWh, representing a slight decrease of 2.4% from the previous year.

From 1 January 2021, small businesses connected to the low-voltage network and micro-enterprises with at least one low-voltage withdrawal point having a contracted capacity exceeding 15 kW ceased to be eligible for the **standard offer service**. Eligibility was subsequently withdrawn for all remaining micro-enterprises from 1 April 2023. Since May 2023, therefore, the service has been reserved exclusively for household customers. Finally, from 1 July 2024, only vulnerable household customers have remained eligible to purchase electricity under the standard offer service. In 2025, electricity sales under the standard offer service amounted to 4.7 TWh, supplied through approximately 3.2 million withdrawal points. Compared to 2024, there was a significant decline in consumption, amounting to 3.7 TWh (-44%), along with a decrease in the number of points served by about 2.4 million units (-42.8%). Average annual electricity consumption amounted to 1,496 kWh, a decrease of 2.1% compared with 2024.

The **gradual standard offer service** facilitates customers' transition to the free electricity market by ensuring continuity of supply for customers who, following the end of the standard offer service, have not yet selected a free-market offer. It is structured into three arrangements, serving respectively non-vulnerable household customers, micro-enterprises and small businesses. The service is provided on a territorial basis by suppliers selected through competitive tender procedures organised by the Authority. In 2025, the gradual standard offer service for non-vulnerable household customers recorded particularly strong growth. Total volumes reached 5.2 TWh, an increase of 67.5%, while the number of withdrawal points rose by 80.0% to 3.0 million. As a result, average annual consumption per household customer served under the Gradual Protection Service declined to 1,724 kWh (-6.9%). The gradual standard offer service for small businesses supplied a total of 1,038 GWh, a decrease of 16.1% compared with 1,238 GWh in 2024. Over the same period, the number of withdrawal points fell from 77,100 to 61,600 (-20.2%), while average annual consumption increased to 16,864 kWh (+5.1%). The gradual standard offer service for micro-enterprises supplied a total of 1,249 GWh, down 17.6% compared with 2024, through 680,400 withdrawal points (-17.9%). Average annual consumption per non-household customer was 1,835 kWh, representing a marginal increase of 0.4%.

The **supply of safeguard service** also recorded a further decline. The number of withdrawal points served decreased by 13.4% to 69,300, while electricity supplied fell by 17.6% to 2,936 GWh.

Although lower than in 2024, the **switching** rate among household customers remained particularly high in 2025, reaching 20.8% of customers, a decrease of 3% compared with the previous year. The *switching* rate for non-household customers edged down to 22.3% (in terms of volumes), recording a 0.3% decrease. In total, over 7.7 million withdrawal points switched suppliers during 2025. In terms of underlying volumes, this amounted to 53.4 TWh, representing 22% of total electricity market purchases.

In 2025, electricity suppliers offered household customers an average of 44 **retail offers** each, of

which 7 were available exclusively through digital channels. For non-household customers, who generally benefit from a wider choice of products, had access to an average of 52 offers per supplier. However, only 6 of these were available exclusively through online channels. In 2025, contracts concluded online accounted for 9.3% of all contracts signed by domestic customers. The corresponding figure was even lower in the non-domestic segment, at 2.3%. With regard to **pricing structures**, household customers showed an almost even split between fixed-price offers (51%) and variable-price offers (49%), with very similar average prices of €236.69/MWh and €232.35/MWh, respectively. By contrast, the non-household segment showed a clear preference for variable-price contracts (79.5%), compared with fixed-price contracts (20.5%), with correspondingly lower average prices (€156.26/MWh versus €178.08/MWh). Among variable-price offers, **indexation** to the average PUN remained the predominant pricing mechanism, chosen by 89.1% of household customers and 78.8% of non-household customers. The average price for this type of contract was €233.12/MWh for household customers and €162.46/MWh for non-household customers, both figures being very close to the overall average prices for indexed contracts. Dynamic-price offers accounted for 7.2% of household contracts and 16.1% of non-household contracts. The survey also highlights the growing prevalence of **value-added services** in free-market offers. A Guarantee of Origin certifying that electricity is sourced from renewable energy sources was the most common additional service, included in 74.6% of fixed-price household contracts and 48.5% of variable-price household contracts. By contrast, in the non-household segment, more than half of all contracts (50.8% of fixed-price contracts and 53.0% of variable-price contracts) did not include any additional services, confirming that greater emphasis is placed on the price competitiveness of offers.

In 2025, the level of **concentration in the retail electricity market** declined across all market segments, as reflected by the various indicators commonly used to measure market concentration. The top three corporate groups' cumulative share (C3) declined, dropping from 42.3% to 39.8%. The Herfindahl–Hirschman index (HHI) index fell from 988 to 806, well below the first threshold of concern, set at 1,500; indeed, an HHI value between 1,500 and 2,500 indicates a moderately concentrated market, while a value above 2,500 signals a highly concentrated one (the maximum possible HHI is 10,000). The number of corporate groups needed to exceed 75% of total sales increased from 14 to 15. However, concentration in the Italian retail electricity market presents two contrasting trends: it remains relatively high in the household segment, although it continues to decline steadily, whereas it is low in the non-household segment.

The results of the analysis of the data submitted by the operators show that in 2025 the **average pre-tax electricity price** for households was 306.3 c€/kWh (217.8 c€/kWh the average value of the component covering procurement costs and marketing services). As usual, the data highlight variability in the unit cost borne by customers, with an inverse relationship to consumption size: unit costs range from €227/MWh for large users (more than 15,000 kWh annually) to €656/MWh for those in the smallest band (0–1,000 kWh). This pattern reflects the behaviour of supply costs, which consistently decline with increasing per capita consumption – from €359/MWh for the lowest consumption group to €167/MWh for the highest.

Regarding the **commercial quality of the sales service**, in 2025 the companies serving electricity sector customers received a total of 278,336 written complaints, 278,336 enquiries, 13,981 invoice corrections, and 358 cases of duplicate invoicing. 94% of compensations are related to the failure to meet response times for written complaints. In 2025, more than €632,000 in automatic compensation payments was credited to customers' electricity bills. Most of these payments were made to customers in the free market (both household and non-household), while only 11% was paid to customers supplied under protection schemes or last resort services.

During 2025, the Authority strengthened its **monitoring and enforcement activities** to verify compliance with regulatory requirements, ensure the proper delivery of services and safeguard final customers, with the support of the Financial Police (*Guardia di Finanza*) and the *Carabinieri*. These activities covered an increasing number of market operators and included on-site inspections, telephone monitoring and documentary checks. A total of 32 inspections were carried out during the year. The Authority's enforcement activities resulted in the recovery of approximately €11.2 million, comprising €8.5 million relating to social bonuses, €2.5 million from checks on energy-intensive companies and €0.18 million from inspections concerning gas distribution safety.

With regard to **sanctioning proceedings**, 56 measures were adopted, including 25 proceedings initiated and 9 penalty decisions, resulting in ordinary financial penalties totalling €6.8 million. Key developments during the year included the initiation of eight proceedings for breaches of pre-contractual information requirements, identified in part through mystery calls, and two proceedings concerning misleading information provided to vulnerable customers regarding access to the gradual standard offer service. The Authority also took action in relation to cases involving supplier switching, transfer of customer, use of the Integrated Information System (SII), requests for supply disconnection and social bonuses, further strengthening consumer protection and market transparency.

1.1.3 Regulation and Developments in the Natural Gas Market

Infrastructure and Key Regulatory Developments

In Italy there are eight companies operating the **national** (10,490 km) and **regional** (24,936 km) **gas transmission network**. The largest gas transmission company is Snam Rete Gas; in addition, two other companies operate on the national network, owning and managing smaller sections: Società Gasdotti Italia and Infrastrutture Trasporto Gas. The Snam group (consisting of Snam Rete Gas and Infrastrutture Trasporto Gas) owns 92.8% of the networks. The Italian gas transmission network is connected with several international gas pipelines: in the North it connects with the TENP natural gas pipeline for the import of gas from Northern Europe and with the TAG for the import of Russian gas; in the South it connects with the Transmed (Trans-Mediterranean Pipeline) for the import of Algerian gas and with the Greenstream for the import of Libyan gas, it connects with the TAP for the import of Azeri gas. In addition, five **liquefied natural gas terminals** are operational, through whose interconnection with the national network it is injected into the Italian national transmission network. In May 2025, the fifth LNG regasification plant entered into operation, namely the FSRU moored approximately 8 kilometres off the coast of Ravenna, which Snam acquired in July 2022. Built in 2015, the vessel has an import capacity of 4.5 bcm/year, a regasification capacity of 12.9 million cubic metres (mcm) per day, and LNG storage capacity of 175,000 cubic metres.

For gas year 2025–2026, the firm and interruptible transmission capacity at entry points interconnected with foreign systems and LNG terminals (i.e. import entry points) amounted to 403 mcm/day, comprising 383.8 mcm/day of firm capacity and 19.5 mcm/day of interruptible capacity. This represents an increase compared with previous gas years, reflecting the commissioning of the entry point connected to the Ravenna LNG terminal. The national transmission system also provides approximately 46 mcm/day of firm export capacity, in addition to 21.3 mcm/day of interruptible capacity through commercial reverse flow at Melendugno.

Natural gas storage is carried out under 15 **storage** concessions held by four companies: Stogit, Ital Gas Storage, Thaleia and Blugas Infrastrutture. In June 2024, Snam submitted a bid to acquire Edison's gas storage facilities. In 2025, Stogit acquired the entire share capital of Edison Stoccaggio, subsequently renaming the company Stogit Adriatica. With effect from 1 January 2026, Stogit Adriatica was merged into Stogit. Consequently, from 2025 the Snam Group has held 13 of Italy's 15 gas storage concessions, of which 12 relate to active storage fields. All active storage sites are built at depleted gas fields. The Italian gas storage system is of significant size: in the 2025-2026 thermal year, which ended on 31 March 2026, the system offered a total working gas capacity of 18.51 G(m³), of which 4.6 G(m³) were allocated for strategic storage. The available capacity for peak modulation storage amounts to 7.961 G(m³); the remaining capacity is linked to products with a uniform withdrawal profile throughout the year or that, in any case, enhance the flexibility offered.

The **distribution** of natural gas in Italy takes place through a network of 272,927 km (of which 520 km were non-operational in 2025), with 57% at low pressure, 42.4% at medium pressure, and 0.6% at high pressure. The length of the networks increased by approximately 700 km compared to 2024. In 2025, 174 companies were active in gas distribution, eight fewer than in 2024. These comprised eight very large operators (with more than 500,000 customers), 18 operators with between 100,000 and 500,000 customers, 17 medium-sized operators (50,000-100,000 customers), 86 small operators (10,000-50,000 customers) and 45 very small operators (fewer than 5,000 customers). Between 2020 and 2024, the number of companies with more than 100,000 redelivery points remained stable at 28; in 2025, this number decreased to 24. Overall, the 174 operators active in 2025 distributed 25 bcm of gas, 0.8 bcm less than in the previous year, to 21.7 million customers.

In 2024, the Authority launched an update of the provisions governing gas transmission network development plans, in light of changes to the national regulatory framework, the new European decarbonisation framework and recommendations concerning network planning. At the end of 2024, the Authority therefore launched a consultation on proposals for introducing a **Single Gas Transmission Network Development Plan**, covering both the preparation process and the minimum information requirements and cost-benefit analysis criteria. Following the consultation, in April 2025 the Authority updated the regulatory framework, defining in particular: the central role of the largest gas transmission system operator in coordinating the Single Development Plan, verifying the consistency of projects proposed by other operators, validating cost estimates and developing cost-benefit analyses; the requirement to submit the Plan to the Authority by 28 February of every odd-numbered year, with an exceptional deadline of 15 October 2025 for the 2025 Plan; the extension of the Plan's information requirements to include third-party projects, infrastructure decommissioning or conversion measures, and estimates of tariff impacts over a five and ten-year horizon; the extension of cost-benefit analyses to decommissioning projects, except where justified by safety requirements, together with the requirement for specific justification for switching projects, safety-related interventions and the methanization of gas networks to new areas. The 2025 Single Development Plan was subject to public consultation from 1 October to 22 December 2025, together with the applicable cost-benefit analysis criteria and the scenario document prepared by Snam and Terna. As part of the consultation process, a public presentation session was also held on 4 December 2025 to provide stakeholders with further explanations and additional information.

With regard to **access to LNG regasification facilities and the provision of LNG regasification services**, in 2025 the Authority supported the commissioning of the new Ravenna LNG terminal by approving its Regasification Code and the procedure for the initial allocation of the terminal's capacity, which was subsequently amended in June 2025. The Authority also approved an urgent update to the PAR Rules (the regasification capacity allocation platform operated by GME), enabling activation of the section dedicated to capacity allocation auctions for the Ravenna terminal and

introducing new functionalities relating to LNG Italia. In May 2025, the Authority also approved the proposal submitted by OLT Offshore LNG Toscana concerning the determination of charges for flexibility services and the recovery of the related incremental costs.

The regulatory framework **governing guarantees of non-discriminatory free access to the natural gas storage service** (RAST) was adopted in 2019. In March 2024, the Authority updated the RAST framework, adapting the regulatory regime and making the incentive mechanism introduced in 2019 a permanent feature, with parameters defined for the 2024–2025 period. For gas year 2025–2026, ministerial decrees issued in January and March 2025 introduced measures aimed at bringing forward capacity allocation and encouraging the filling of storage facilities, even under unfavourable market conditions. To implement these provisions, the Authority introduced, among other measures: confirmation of the reserve price formulas for annual and biennial products; specific criteria for multi-year products and for the priority offering of longer-duration capacity; quantitative limits on the capacity offered by each storage operator to prevent excess supply; the exclusion of technical gas consumption costs incurred by storage operators from charges payable by storage users; the continuation, for 2025–2026, of the compensation mechanism relating to insufficient storage filling; and the introduction of a **storage inventory award** designed to encourage gas injection from April 2025. At the end of 2025, the existing framework for incentive services and the shares of revenues retained from their allocation was confirmed for the 2026–2027 period.

In 2013, TAP AG, the operator of the **natural gas pipeline Trans Adriatic Pipeline** (TAP), was granted an exemption from certain European rules governing third-party access, regulated tariffs and unbundling, subject to compliance with the conditions jointly established by the Italian, Greek and Albanian regulatory authorities in the Final Joint Opinion. These conditions include the requirement to conduct a Market Test at least every two years to assess market interest in booking long-term transportation capacity. Where the Market Test produces a positive outcome and the subsequent technical and economic assessments are favourable, TAP AG is required to expand the natural gas pipeline's capacity from the current 10 bcm to a maximum of 20 bcm per year. Since 2019, the Market Test procedure established under the Final Joint Opinion has, wherever possible, been coordinated with the European incremental capacity process governed by the CAM NC Regulation. In 2025, together with the Greek and Albanian regulators, the Authority approved the **2025 Market Test Guidelines**, launching a new cycle for the collection of requests for incremental capacity, as well as the **Project Proposal** relating to the binding phase of the procedure initiated in 2023. The proposal defines the capacity levels for the potential expansion of the natural gas pipeline together with the criteria governing participation and capacity allocation to shippers.

In April 2025, the Authority established the **tariff methodology for gas storage services** for the 2026–2029 regulatory period. While largely confirming the previous framework, it introduced several updates, including: alignment with the ROSS criteria; a new reward-and-penalty mechanism to promote investment efficiency; a new asset category covering extraordinary maintenance works and an extension of the regulatory useful lives of assets; and replacement of the balancing mechanism based on the following year's reference revenues with a mechanism that compensates revenue deviations through the revenue recovery factor. In July 2025, the Authority approved operators' allowed revenues for 2026, revised those for 2025, and authorised payment of the amounts due under the 2024 revenue recovery factor. Storage tariffs now have only a limited application, being confined to operational balancing services and depleted gas producer storage, which together account for less than 2% of total storage capacity. Strategic storage, representing around one quarter of total capacity, is remunerated through the CRV^{CS} charge, while more than 70% of total capacity, allocated to seasonal and multi-year modulation services, is awarded through auctions governed by the RAST framework.

For gas year 2025–2026, the auctions held by Stogit, Stogit Adriatica and Ital Gas Storage recorded a substantial increase in allocated capacity (+25%), accompanied by a sharp fall in average clearing prices, which declined from €2.979/MWh in 2024 to €0.093/MWh in 2025. The decline reflected weaker expectations regarding the economic value of storage, owing to higher wholesale gas prices at the time the auctions were held.

In 2024, the Authority initiated proceedings to implement the rulings of the Council of State concerning **gas distribution and metering tariffs**, with particular reference to the operating costs recognised for the 2020–2025 regulatory period, following extensive litigation brought by a number of operators challenging the relevant regulatory provisions. The Authority subsequently launched a consultation on its proposed tariff methodology, aimed at strengthening the transparency and consistency of the regulatory framework. The proposed measures focused in particular on: providing greater transparency regarding the methodology used to process companies' cost and revenue data; quantifying the productivity gains achieved during the 2014–2019 period; verifying the representativeness of the samples and the criteria used to exclude outliers in determining actual 2018 costs; recalculating the X-factors applicable to all operators and introducing a company-specific adjustment mechanism; and revising the tariff coefficients to reflect the customer density of the areas served.

During 2025, the Authority adopted a series of measures to complete implementation of the Council of State's rulings, including:

- recalculating the tariff components covering recognised operating costs for gas distribution services for the years 2020–2025, differentiated according to company size and the customer density of the areas served;
- recalculating the annual efficiency factors (X-factors) applicable to recognised unit operating costs, differentiated by company size, for use in updating those tariff components in the years following 2020; and
- introducing a mechanism, subject to specified conditions, enabling the rate of reduction in recognised operating costs to be determined using data for the individual company, rather than sector-wide data. This mechanism is intended to ensure that, by the end of the regulatory period, each company's recognised operating costs are aligned with its actual 2018 costs, updated to 2025 to reflect inflation.

With the 2020–2025 regulatory period for gas distribution tariffs approaching its conclusion, in May 2025 the Authority launched proceedings to establish the new **regulatory framework for gas distribution and metering tariffs and service quality**, considering the adaptation of the ROSS approach already applied to other infrastructure services. To allow for a broader and more transparent consultation process, the current regulatory framework was extended through 2026–2027, postponing the start of the new regulatory period until 2028. Accordingly, in December 2025 the Authority approved the amendments required for the extension, including: setting the X-factor at zero for distribution, metering and commercialisation; establishing the rules governing recognised operating costs for area-based concessions during the seventh and eighth years of the concession period; reducing advance payments relating to metrological verification activities; updating the parameters applicable to customer contributions recognised as at 2011; confirming the tariff mitigation measures for Sardinia; defining the tariff framework for isolated gas networks; and recognising the costs incurred by distribution operators in implementing the European Regulation on methane emissions reduction.

In early April 2025, the Authority established the **tariff methodology and service quality requirements for gas storage services for the 2026–2029 regulatory period** (amendments to the

RQTG 6PRT and the RAST), largely maintaining the existing regulatory framework. The main changes include: strengthening safety obligations by introducing new requirements for the detection, reporting and publication of data on gas leaks and emissions, in line with the European Methane Emissions Regulation; updating the requirements governing non-intrusive inspection of flow lines; replacing the previous penalty mechanism for non-compliance with contractual obligations; and introducing new reporting obligations requiring comparison between the service performance actually available to users and the performance curves established by ministerial decree.

In June 2025, the Authority amended the **Regulation for Metering Services on the Natural Gas Transmission Network** (RMTG) following its analysis of monitoring data on service performance and the charges applied in 2024 for failure to meet the required service levels (the first year in which the framework was applied), as well as observations submitted by facility operators.

At the end of May 2025, the Authority also initiated proceedings **to extend the Consolidated Gas Distribution Code (TUDG) through 2026 and 2027** and to define the subsequent (sixth) regulatory period. In September 2025, the Authority launched a consultation on its proposals to extend the regulatory framework governing safety and service quality, taking into account the European Regulation on methane emissions. Pending the full implementation of the new European framework, the Authority considered it appropriate to maintain the existing regulatory provisions on a transitional basis, introducing only one change: aligning the inspection frequency for low-pressure distribution networks to a 36-month cycle. This approach was confirmed in December 2025, when the Authority extended the *Integrated Regulation on the Quality of Gas Distribution and Metering Services 2020-2025* to cover 2026 and 2027. The Authority emphasised the need to coordinate the new European rules on methane emissions with the national service quality framework without compromising the overriding objectives of safety and continuity of service.

Accordingly, the **regulatory framework for the quality of gas distribution and metering services** continues to govern the principal activities relevant to distribution safety, with the objective of minimising the risk of explosions, bursts and fires caused by distributed gas and, ultimately, protecting people and property from damage resulting from gas-related incidents. In 2025, the average emergency response time from receipt of the telephone call to arrival on site exceeded 38 minutes, an increase compared with 2024. The percentage of emergency responses reaching the site within the maximum time limit of 60 minutes was 99.9%, against a regulatory requirement of at least 90%. Early intervention can prevent gas accidents that could have very serious consequences. Compliance with the emergency response requirements, which apply to all gas distribution companies regardless of the number of final customers served, therefore remains an essential condition for eligibility for rewards under the reward-and-penalty mechanism relating to safety improvements. However, almost half of all calls to emergency call centres ultimately prove to be false alarms.

Data on connections are distinguished according to whether they are connections to transmission pipelines or to distribution networks. In 2025, 120 **connections to transport networks** were made, of which 116 were high-pressure pipelines and 4 medium-pressure pipelines. On average, the waiting time for connection works was 206.8 working days for high-pressure pipelines and 8.3 working days for medium-pressure pipelines. Just over 30% of the 120 connections completed were to high-pressure pipelines. **Local distribution networks** also recorded a decline in new connections in 2025, with around 16,000 fewer connections than in the previous year. The total number of new connections fell from 59,236 to 42,873. As always, most of the connections involved low-pressure pipelines (96.1%) and the remainder medium-pressure pipelines. Waiting times for connections to medium-pressure pipelines decreased from 11.8 to 8.6 working days, while those for connections to

low-pressure pipelines increased from 36.7 to 43.1 working days.

In 2025, the Authority also introduced a number of changes to the **regulatory framework governing gas balancing**, updating the *Integrated Balancing Code* and aligning it with the tariff regulation for gas transmission. In particular, it revised the methodology for valuing certain gas quantities by introducing the daily System Average Price (SAP) as the reference value, thereby bringing the methodology more closely into line with the actual costs of providing the service. The Authority also clarified the rules governing the "small adjustment" applied to imbalance prices, providing for the relevant percentage to be updated every six months in line with movements in interest rates. In addition, the Authority introduced transitional provisions governing the supply of system gas, taking into account the priority use, until 30 June 2027 of biomethane produced by Snam and Italgas for their own consumption. It also clarified the treatment of settlement adjustments, ensuring consistency across the relevant regulatory provisions.

The **settlement framework** for the gas sector continued to evolve during 2024 along two main lines: on the one hand, the use of more granular consumption measurement data and, on the other, the reduction of discrepancies between expected and actual daily withdrawals in order to improve system balancing. In 2025, the Authority introduced further changes to gas settlement procedures to make them faster, more predictable and better aligned with operators' operational requirements. In particular, in July 2025 it consulted on revised timetables for the settlement adjustment sessions, beginning with the 2021-2024 multi-year adjustment session, based on proposals submitted by the Balance Responsible Entity and the Integrated Water Services Operator, with the aim of shortening processing times and improving the correction of withdrawal data. Also in July 2025, the Authority established the accounting rules for the alternative gas supply service applicable where gas networks are temporarily isolated. Finally, the Authority also amended the incentive mechanism introduced to encourage distribution companies to correct withdrawal data promptly. Following the emergence of particularly high penalties during the 2020-2023 settlement adjustment session, the Authority introduced corrective measures to prevent disproportionate effects.

As early as 2022, the Authority had introduced an incentive mechanism designed to increase the **accountability of gas distribution companies**, with the aim of improving operational efficiency, reducing network leakages and enhancing the quality of metering data. The mechanism is based on the **in-out delta**, namely the difference between the volumes measured at the entry points to the distribution network and the volumes measured or estimated at the exit points, which, ideally, should tend towards zero. In 2025, the Authority refined the operation of the mechanism by providing for three calculation sessions covering the 2020-2022, 2021-2023 and 2022-2024 three-year periods. The methodology for allocating any penalties among interconnected distribution companies was also revised. The Authority further clarified the rules applicable where responsibility for operating distribution assets is transferred following the award of a concession through a competitive tender. In July 2025, the Operational Instructions were updated, establishing that, when calculating the in-out delta, the Balance Responsible Entity must also take into account the volumes injected into each city gate by tank trucks.

Wholesale and retail markets

According to provisional data published by the Ministry of the Environment and Energy Security, gross natural gas consumption increased by almost 2% in 2025, rising from 61.8 to 63 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. Final consumption nevertheless

remained at its lowest level of the past thirty years.

Domestic production recorded a solid recovery, increasing from 2.6 bcm in 2024 to 3 bcm. The **non-domestic balance** also increased slightly (by 1%), reflecting higher imports, which rose from 59.5 to 61.6 bcm, partly offset by a recovery in exports, which returned to 2.1 bcm, in line with their 2023 level. As gas volumes in storage at year-end exceeded those at the beginning of the year by around 0.6 bcm, **gross domestic consumption** amounted to 63 bcm. As a result, **Italy's dependence on foreign supplies**, measured as the ratio of net imports to gross domestic gas consumption, declined slightly. In 2025, 94.3% of the gas available in Italy was imported, compared with 95.2% in 2024. Including system consumption and network losses, **net gas consumption** in 2025 is estimated at around 62 bcm.

According to the provisional data published by the MASE, Italy imported 2.4 bcm less natural gas in 2025 than in 2023, but 2.1 bcm more than in 2024. Gross imports rose from 59.5 to 61.6 bcm, an increase of 3.6%. Following the low recorded in 2024, gross import volumes therefore returned to broadly the same level as in 2023. The increase was driven primarily by imports from the United States, which almost doubled in 2025, rising from 5.2 to 9.8 bcm. Imports from Northern Europe also increased, with volumes from both Norway and the Netherlands rising by 43%, as did supplies from countries more recently added to Italy's supply mix (Nigeria, Equatorial Guinea, Mauritania and others), which increased from 0.9 to 2.2 bcm (+163%). Imports from Algeria (-890 mcm), Azerbaijan (-307 mcm), Qatar (-108 mcm) and Libya (-448 mcm) declined. The volumes statistically attributed to Russia, reflecting higher withdrawals from Austrian storage facilities delivered via the Tarvisio entry point, also fell sharply (-83%), dropping from 5.7 bcm in 2024 to 972 mcm. The increase in Italy's gas imports was driven largely by liquefied natural gas (LNG). In 2025, LNG imports increased by 44%, rising from 14.7 to 21.2 bcm. As a result, LNG accounted for just over one-third of total imports, compared with around one-quarter in 2024.

According to the provisional data collected through the Authority's Annual Survey of the Energy Sectors, Italy imported 58.8 bcm of natural gas in 2025, 1.2 bcm more than the 57.6 bcm imported in 2024. The increase, equal to 2%, was therefore slightly lower than that indicated by the provisional data published by the Ministry of the Environment and Energy Security (MASE). Around 3.1% of total gas procured from abroad (just over 1.8 bcm) was purchased on European gas exchanges.

Five corporate groups each accounted for more than 5% of total gas supplies (that is, domestic production plus imports): Eni, Edison, Azerbaijan Gas Supply Company Limited, Vitol and Enel. These were the same five groups as in 2024, except that Vitol replaced Royal Dutch Shell. Together, they imported 44.4 bcm of the 58.8 bcm of gas entering the Italian market from abroad. These five groups were also the only ones each holding a market share of more than 5% of total gas available (which includes imports, domestic production and gas held in storage). Collectively, they accounted for 74.3% of total gas available, only slightly below their share of total gas supplies.

Based on their **remaining duration**, import contracts (both annual and multi-year) in force in 2025 show that 49.7% will expire within the next five years (compared with 50.5% in 2024), while 58.9% will expire within the next ten years (compared with 59.0% in 2024). Contracts with a remaining duration of more than 15 years account for 15.5% of those currently in force. This share has increased marginally from 14.8% in the previous year.

Total demand in the gas sector, defined as the sum of gas volumes sold in the wholesale market (including resale transactions), gas sold in the retail market and own consumption, increased by 1.8% to reach 291.7 bcm. This was driven primarily by the recovery in gas traded on the retail market and the broadly stable volumes traded on the wholesale market, although own consumption also made

a significant contribution. The **wholesale market** handled 232.1 bcm, compared with 232.6 bcm in 2024 (-0.2%), while the retail market accounted for 46.6 bcm, an increase of 1.1% on 2024. Own consumption rose from 12.2 to 13.1 bcm, up 7.5%.

In 2025, the **number of companies** operating in the wholesale market increased significantly to **336**, compared with 2024. However, it should be noted that the number of market participants - which is based on the companies responding to the Authority's Annual Survey - is the indicator most affected by year-to-year variations in the survey response rate. The volume of gas sold on the wholesale market declined by 0.5 bcm (-0.2%), resulting in a 9.1% reduction in the average sales volume per company, from 760 mcm to 691 mcm. **Market concentration** also declined. The combined market share of the three largest companies - Shell Energy Europe, Engie Global Markets and Edison - fell to 21.1%, from 23.6% in 2024. The combined market share of the five largest companies (the three above together with Eni and Vitol) declined from 35.1% to 31.6%. The Herfindahl-Hirschman Index (HHI) for the wholesale market also fell, from 427 to 377.

The principal gas trading hub in Italy's wholesale market is the **Virtual Trading Point** (VTP), operated by Snam Rete Gas, the transmission system operator. Alienations that can be registered are both those that take place through bilateral contracts and those that take place within the regulated markets managed by the GME. In 2025, 351 entities traded, alienated and acquired gas at the PSV. Only 54 qualified as standalone traders, since they were not transport system users. The number of VTP subscribers increased compared with the previous year, reaching 420, up from 387 in 2024 (+9%). OTC volumes increased by 1.5%, rising from 123 to almost 125 bcm. By contrast, volumes subject to mandatory delivery at the PSV fell by 40%, from 183 to 109 mcm. As a result, total deliveries at the VTP increased only marginally, by 1.4% compared with 2024. By contrast, volumes resulting from market transactions recorded strong growth (+19%), reflecting both the increase in volumes traded on the organised markets (+14.1%) and the expansion in gas traded through the clearing house (+56.6%).

During 2025, a total of 210.4 TWh was traded on the **markets organised and operated by the Energy Markets Operator** (GME), an increase of 16% compared with 2024.

The **Day-Ahead Market** continued to account for the largest share of liquidity (78%, up 3 percentage points on 2024), with traded volumes increasing to 165 TWh (+20% compared with 2024). The largest share of these volumes (81%; -1%) was traded via continuous trading (133.8 TWh; +20%). Monthly trading patterns also showed higher volumes during the first two months of the year. The AGS segment of the Day-Ahead Market (MGP) recorded total trading volumes of 30.8 TWh, up 22% on 2024.

As in 2024, the share of volumes traded on the **Intraday Market** continued to decline, falling from 22% in 2024 to 19%. Total traded volumes amounted to 39.5 TWh, down 2% on the previous year. Continuous trading remained the dominant mechanism, accounting for 98% of the market, with traded volumes of 38.9 TWh (-1%), while volumes traded in the AGS segment, at 0.6 TWh, were slightly less marginal than in the previous year. Trading on the Gas Storage Market (MGS) also increased, with volumes rising to 5.4 TWh (+54%).

Prices across the various trading platforms converged on an annual average of around €38.35/MWh, up 5% on 2024 and broadly in line with the annual average price of over-the-counter (OTC) transactions at the VTP (€38.56/MWh), which also increased by 5% compared with the previous year. In particular, the average prices in the two continuous trading segments of the M-GAS market, €37.95/MWh for the Day-Ahead Market (MGP) and €38.47/MWh for the Intraday Market (MI), followed an intra-year pattern closely mirroring that of VTP prices.

According to the provisional results of the Authority's Annual Survey, 46.4 bcm of gas was **sold on the retail market** in 2025. A further 186 mcm was supplied through the Supplier of Last Resort Service and default services. Total final sales therefore amounted to 46.5 bcm, an increase of 0.5 bcm compared with 2024. To obtain a figure comparable with final gas consumption published by the Ministry of the Environment and Energy Security and discussed above, it is also necessary to include own consumption, which amounted to 13.1 bcm. This brings total gas consumption recorded by the Annual Survey to 59.6 bcm, broadly comparable with the ministerial figure of 62.1 bcm. As usual, there are differences between the two sources, which classify the volumes of gas handled during the year differently. According to the Annual Survey data, total gas consumption recovered in 2025, increasing by 2.4% compared with 2024.

Unlike in the previous two years, the **number of suppliers** active in the retail market increased again in 2025, reaching 493 (11 more than in 2024). As gas sales also increased (by 1.1%), the average sales volume per supplier declined slightly, from 96 to 94 mcm (-1.2%). Of the 493 companies active in the end market, 27 (5.5%) sold more than 300 mcm in 2025. Together, these companies accounted for 85.4% of all gas sold in the retail market.

Analysing the sales performance of corporate groups, instead of individual companies, allows a more accurate assessment of market shares and the **level of concentration in the retail market**. Following a 9.7% increase in sales volumes, the Edison Group retained its leading position, with its market share rising from 15.5% to 16.8%. The Eni Group, which lost first place in 2023 but regained second place in 2024, consolidated that position in 2025. Supported by a 7.1% increase in sales, its market share also edged up, 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% in 2024 to 9.7%.

Given these contrasting trends among the largest groups, concentration in the retail gas market remained broadly unchanged compared with 2024, at least at the aggregate level across all customer segments. Based on market shares calculated from sales volumes, the number of groups accounting for more than 5% of the total market increased again to four. Moreover, in 2025, the top three groups control 44.8%, while in 2024 the share was 43.8%. The Herfindahl-Hirschman Index (HHI) for the retail market was 900, slightly higher than the 2024 figure of 858. However, the index remained below the threshold value of 1,000, below which market concentration is generally considered to be low. The highest level of concentration was observed in sales to industrial customers and electricity generators, where the C3 ratio exceeded 50%, while the lowest was recorded in sales to public service activities and the commercial and services sectors. Compared with 2024, both the C3 ratio and the HHI indicate slight increases in concentration in the apartment buildings, industrial and electricity generation segments, whereas concentration declined in all other segments, particularly in the commercial sector.

As noted above, total gas sales in 2025 amounted to 59.6 bcm, of which 13.0 bcm was for own consumption and 46.6 bcm for retail sales, supplied to just under 21.7 million customers (redelivery points). Overall, compared with 2024, gas consumption increased by 2.4%. Own consumption, which is concentrated mainly in the industrial and electricity generation sectors, increased by 7.5%. Gas sold on the free market, amounting to 44.7 bcm, rose modestly by 0.9%, while sales under the Vulnerability Protection Service for household customers and through Supplier of Last Resort services, totalling 1.8 bcm, increased by 4.8%. Consumption in the household sector (households and apartment buildings) remained broadly stable at 13.7 bcm, while consumption in the productive sectors (industry and thermoelectric generation) increased from 37.6 bcm to 39.6 bcm (+5.5%). By contrast, consumption in the tertiary sector (the commercial and services sectors together with public service activities) declined by 10%, falling from 7.0 bcm to 6.3 bcm. Considering retail sales only, and

therefore excluding own consumption, **96.1% of gas was purchased on the free market**, while the remaining 3.9% was supplied under the Vulnerability Protection Service and Supplier of Last Resort services. Measured by customer numbers, 87.1% purchased gas on the free market.

Looking solely at the **household sector**, the share of volumes purchased on the free market declined slightly to 86.2% for households, while reaching 99.4% for apartment buildings. Both shares are calculated on the basis of retail sales only, excluding own consumption. Measured by delivery points, 13.6% of households were supplied under the Vulnerability Protection Service, compared with 13.0% in 2024. A breakdown of retail sales by consumption sector and customer size (excluding own consumption) shows that customers with annual consumption of up to 5,000 m³ accounted, on average, for 27.6% of all gas sold in the retail market.

Average annual consumption amounted to 579 m³ for households, 11,787 m³ for apartment buildings with domestic use, 5,635 m³ for the commercial sector, 103.5 thousand m³ for industry, 20.4 mcm for electricity generation and 11,746 m³ for public service activities. On the free market, average household consumption (578 m³) was slightly lower than that recorded under the Vulnerability Protection Service (586 m³).

The **switching** rate - that is, the proportion of delivery points that changed supplier during the 2025 calendar year - stood at 18.8%, rising to 19.4% when measured by the gas volumes associated with customers that switched supplier. This was unchanged from 2024, confirming the high level of market dynamism achieved in recent years. More specifically, just over 4.2 million customers changed supplier at least once during the year, representing 18.7% of all household customers and accounting for 25.3% of household consumption volumes. An equally large proportion, amounting to 24.4%, of domestic-use condominiums switched to a different supplier, corresponding to 31% of the consumption volume in that sector.

Also in the gas sector, as already mentioned for electricity, the Annual Survey asked suppliers a number of questions aimed at assessing the quantity, types and modalities of offers that companies make available to customers who have chosen to supply in the free market.

The **average number of commercial offers** that each gas supplier is able to propose to its potential customers is 20.5 for household customers (9.2 are available for purchase online only), 8.8 for condominiums with domestic use (2.6 online only) and 15.7 for non-household customers (3.5 online only). Household interest in **online offers** remains limited, despite the growing digitalisation process. Only 9.7% of household customers have indeed chosen to subscribe to an offer through digital channels. The share is higher among non-household customers, where it stands at 20.6%, while it remains particularly low in the segment of residential buildings with household use, with a penetration rate of 2% (data substantially unchanged compared to 2023).

In 2025, natural gas suppliers offered household customers an average of 33.5 **retail offers**, of which 3.2 were available exclusively through online channels. For non-household customers, the average number of available offers was 18.1, including 1.9 that could be purchased exclusively through digital channels. For apartment buildings with domestic use, the average number of available offers stood at 8.1, of which an average of 1.3 were available exclusively online. Contracts concluded **online** accounted for 13.5% of all household contracts and 22.9% of those concluded by non-household customers.

As regards **pricing structures**, variable-price contracts remained the predominant type of offer in the free gas market across all customer segments in 2025. They accounted for 67.9% of household contracts, 94.1% of contracts for apartment buildings with domestic use and 86.2% of contracts for non-household customers. For household customers, the commodity component of variable-price

contracts averaged 75.0 c€/m³, compared with 81.2 c€/m³ for fixed-price contracts. Variable-price offers were also slightly more competitive for apartment buildings with domestic use (61.1 c€/m³ versus 62.5 c€/m³), while in the non-household segment the average prices of the two contract types were broadly aligned, at 50.2 c€/m³ for variable-price contracts and 48.9 c€/m³ for fixed-price contracts.

Across all customer categories, **indexation** to the VTP remained the principal pricing reference for variable-price offers in the free gas market. Contracts indexed to the VTP accounted for 74.8% of offers for household customers, 84.2% for apartment buildings with domestic use and 75.4% for non-household customers, with average commodity prices of 76.7 c€/m³, 61.7 c€/m³ and 51.9 c€/m³, respectively. Offers indexed to the price components defined by the Authority for the protection services remained the second most common type, accounting for 13.2% of household customers, 10.0% of apartment buildings with domestic use and 9.6% of non-household customers. By contrast, offers indexed to the TTF remained relatively limited in number, accounting for 5.4% of household customers and around 7% of non-household customers, and generally featured higher average prices than PSV-indexed offers, reaching 77.5 c€/m³ in the household segment.

38.9% of household customers have signed a contract that includes a **rebate or a discount**; lower percentages are found among other customers (16.9% for condominiums and 17.8% for non-household clients).

In 2025, **value-added services** were more common in gas offers for household customers, while apartment buildings with domestic use and non-household customers showed a clear preference for contracts focused solely on gas supply. Among fixed-price contracts, the most common value-added service for household customers was loyalty rewards programmes, which featured in 57.6% of contracts. These contracts had an average commodity price of 85.6 c€/m³, above the average for fixed-price contracts as a whole (81.2 c€/m³). Contracts without value-added services accounted for 22.7% of the total. By contrast, offers without auxiliary services predominated among apartment buildings with domestic use and non-household customers, representing more than 65% and almost 80% of contracts, respectively. Among variable-price contracts, offers without value-added services accounted for 55.5% of household contracts, 65.6% of contracts for apartment buildings with domestic use and 95.3% of non-household contracts. For household customers, the most common auxiliary services were loyalty rewards programmes (20.2%) and offers guaranteeing 100% green gas (12.9%). In the non-household segment, however, value-added services played only a marginal role, confirming that customers in this segment place greater emphasis on the economic aspects of gas supply.

Analysis of the data collected through the Annual Survey shows that, in 2025, the **average pre-tax price of gas** charged by suppliers to final customers, weighted by sales volumes, was 71.9 c€/m³, 1.0% higher than the 71.2 c€/m³ recorded in the previous year. The increase, reflecting higher wholesale gas prices, affected almost all customer categories and, where observed, varied only slightly across consumption bands. The largest increase (4.8%) was recorded for very large customers with annual consumption exceeding 20 million m³, while the smallest (+1.4%) was observed for customers with annual consumption between 0.2 million and 2 million m³. By contrast, the smallest customers (with annual consumption of up to 5,000 m³, consisting mainly of household customers) recorded a slight decrease of 1.3% compared with the previous year.

Price **trends** over the past decade **for household customers** (households and, until 2023, apartment buildings with annual consumption of up to 5,000 m³) can be analysed by distinguishing between the two main contractual arrangements under which gas was supplied: the protection service (reserved exclusively for vulnerable customers since 2024) and the free market. With the exception

of 2022, prices under the protection service were lower than those in the free market throughout the period. In that year, the free market showed a price lower than the protection service (-17.6%), due to the widespread use in that market of fixed-price contracts which, in the short term, limited the pass-through to final customers of the sharp rise in wholesale gas prices following the outbreak of the Russia-Ukraine conflict. This pass-through continued in both 2023 and 2024. In each of those years, prices in the free market increased by around 10 c€/m³, before easing slightly in the most recent year (-3 c€/m³). By contrast, prices under the protection service fell by as much as 33 c€/m³ in 2023, only partly offset by an increase of 11 c€/m³ over the following two years. As a result, the free market became markedly more expensive again in 2023. Over the past three years, prices in the free market have consistently exceeded those under the protection service by between 28% in 2023 and 20% in 2025.

With regard to the **commercial quality of retail services**, analysis based on data submitted by 457 gas suppliers shows that, in 2025, suppliers received a total of 178,695 written complaints, 437,829 requests for information, 12,547 billing adjustments and 238 corrections of double billing. There were 9,961 cases in which suppliers failed to comply with the service standards for the commercial quality of gas retail services, giving customers the **right to compensation**. Compensation payments were attributable primarily to failures to meet the standard response time for written complaints (94%) and, to a much lesser extent, to delays in completing billing adjustments (5%). Overall, the highest number of compensation payments was recorded in the free-market household customer segment.

In 2025, 102 suppliers reported serving 1.7 million customers under dual-fuel contracts. These customers submitted 27,519 written complaints, down 9.3% compared with the previous year, and 53,041 requests for information, more than double the number recorded in 2024. Bill and double-bill adjustments amounted to 1,496 (-3.4%) and 29 (-46.3%) respectively. Altogether, for customers with *dual fuel* contracts, the number of cases of non-compliance with the standards that triggered the right to automatic compensation on the bill for commercial quality performance was 1,818. Some 91.4% of cases of non-compliance were attributable to failures to respond to customer complaints within the prescribed time limits, while 7.8% related to delays in billing adjustments.

1.1.4 Customer protection and dispute resolution

The consumer protection system in the sectors regulated by the Authority consists of two macro-areas: the first concerns information and assistance to customers (basic level); the second concerns the resolution of problems and disputes that may arise between customer and service provider (second level). The **Energy and Environment Consumer Help Desk** and the **Conciliation Service** are operated on behalf of ARERA by the *Acquirente Unico*. The Help Desk provides answers to calls to the call centre, written requests for information, requests to activate special information procedures and second-level complaints.

In 2025, in line with the trend already observed in 2024, the overall number of incoming enquiries, both written and by telephone, continued to decline. In fact, in 2025 the Consumer Help Desk **call center** received 786,647 calls during operating hours, a decrease of 30% compared with 2024. The average call duration at the call centre was 214 seconds, compared with 233 seconds in 2024. Calls to the Consumer Help Desk mainly related to dispute resolution procedures (39% of the total, up 13% on 2024), followed by enquiries concerning the social bonus (36%, down 6% compared with the previous year). A total of 233,790 calls concerned social bonuses for the electricity and gas sectors.

The Consumer Help Desk received 45,152 **written requests** relating to the energy sectors, a decrease of 17% compared with the previous year. The social bonus remained the most common topic, accounting for 32% of all enquiries (up 8% on 2024), with almost all requests concerning the automatic award of the benefit. Requests relating to the market (17%, up 5%), billing (15%, up 1%) and contracts (13%, up 2%) also increased. **Special information procedures** make it possible to provide information without the need for assistance of the Help Desk staff. They are operational as of 1 January 2017 only for some specific topics in the energy sectors. In 2025, the Consumer Help Desk received 42,044 written requests requiring the initiation of a special information procedure, down 18% compared with 2024. Of these requests, 60.5% concerned the electricity sector, 31.5% the gas sector, and the remaining 8.0% both sectors.

Activities relating to the second level of the protection system concern the **resolution of issues and disputes** arising in the relationship between the customer and the regulated service supplier. These issues may be resolved through the Consumer Help Desk's special settlement procedures or through conciliation procedures. The latter may be brought before the Authority Conciliation Service or ADR entities registered on the Authority's special list.

Similarly to what happens for special information procedures, also for the **special settlement procedures** the Help Desk accesses information encoded in centralised databases. Unlike information procedures, special resolution procedures allow the outcome of the dispute to be determined. They imply assistance of the Help Desk staff, in case further information is needed to consult databases, or to verify the correct fulfilment of the regulation following the resolution of the dispute. In 2024, the Help Desk received 13,679 requests to initiate resolution procedures, representing a 21% decrease compared to 2024. The procedure concerning the social bonus remains the most frequently used, accounting for 80%, a decrease of 22 percentage points compared to 2024. The electricity sector accounted for the largest share of special settlement procedures, representing 59% of all requests. In the other cases, the issue involved both sectors or dual fuel customers. The household sector was involved in 94% of the special settlement procedures, and 85% of the requests were submitted by end customers without the assistance of delegates. The principal method for triggering these procedures was via email, used in 58% of cases.

The **Authority's Conciliation Service** allows electricity and gas end customers to resolve disputes with operators online when complaints go unanswered or are unsatisfactorily addressed. The procedure, conducted in the presence of an impartial third-party conciliator, can conclude with an agreement that holds the binding effect of a settlement under Article 1965 of the Civil Code. Furthermore, for disputes within sectors regulated by the Authority, an attempt at conciliation is a mandatory prerequisite before taking the matter to court, except in cases involving tax, fiscal matters, or urgent decisions. In 2025, end customers and users in the energy sectors submitted 22,619 applications to the Conciliation Service, a decrease of 22.5% compared with the previous year. The electricity sector recorded the highest number of applications, with 12,027 (40% of the total, unchanged from 2024), followed by the gas sector with 7,450 applications (24% of the total, down 9% on 2024). Dual-fuel customers submitted 2,920 applications (10% of the total, down 1%), while prosumers submitted 222 applications, a slight increase on the 217 recorded in 2024. Among procedures concluded by the Service in 2025, the settlement rate was 74% in the gas sector (up 11 percentage points on 2024) and 60% in the electricity sector (up 1 percentage point). Excluding pending procedures, settlements were reached in 73% of cases involving suppliers (up 7 percentage points) and in 43% of those involving distributors (up 11 percentage points). The average time required to reach a settlement was 56 days, one day less than in 2024.

As an alternative to ARERA's Conciliation Service, the final customer may make a compulsory attempt

at conciliation for judicial purposes also with recourse to other parties. ARERA, in implementation of the rules, established in December 2015 the **List of Organisations entrusted to handle ADR (Alternative Dispute Resolution procedures)**. At 31 March 2026, 25 ADR entities were registered in the Authority's List. Information submitted by ADR bodies shows a significant reduction in the total number of applications received in 2025, down 53% compared with the previous year. Of the 1,066 applications received, 702 related to disputes in the electricity and gas sectors or involving dual-fuel customers. Billing remained the predominant subject of disputes in the energy sectors, accounting for 50% of cases, up 25 percentage points on 2024.

Since 2009, a social bonus scheme has been in place to help household customers in economic or health-related hardship reduce their electricity and gas costs. In 2025, the electricity and gas social bonus schemes continued to provide support to households experiencing economic hardship with an equivalent economic status indicator (ISEE) of up to €9,530 (or up to €20,000 for households with at least four children), through the automatic entitlement mechanism introduced in 2021. As an exceptional measure, Decree-Law No. 19/2025 introduced, for 2025 only, a €200 contribution towards electricity supply costs for household customers with an ISEE of up to €25,000. The Authority established the operational arrangements for the automatic payment of this contribution. For beneficiaries of the electricity social bonus, the additional payment was granted together with the bonus between 1 April and 31 July 2025. For households with an ISEE between €9,530 and €25,000, eligible beneficiaries were identified through data exchange between National Social Security Institute (INPS), Acquirente Unico and the Integrated Information System (SII), enabling suppliers to apply the benefit directly to customers' electricity bills. The number of beneficiaries within the standard eligibility threshold for the social bonus (ISEE of up to €9,530 for households of up to four members and up to €20,000 for large families) declined slightly (-4.6%) compared with the previous year. Overall, around 2.7 million **electricity social bonuses** were granted during the year, in addition to the 3.4 million households that received the exceptional €200 contribution. More than 1.6 million **gas social bonuses** were also granted, with the number of beneficiaries again declining slightly compared with the previous year (-6.2%).

In 2025, the Authority continued its **information campaign** to support customers through the phase-out of regulated price protection, including the introduction of dedicated messages on energy bills. From 1 January 2025, a new information notice was introduced for household customers in the free electricity market, explaining the rights of vulnerable customers and the conditions for accessing the relevant protection services. From 1 July 2025, following the introduction of the new energy bill format, a dedicated notice was also included to help customers identify the free-market offers best suited to their needs. Existing communications on energy consumption remained in place, together with, for the gas sector, the information on the rights of vulnerable customers introduced in 2024.

In 2025, the strengthened **Code of Business Conduct** for the retail sale of electricity and gas entered into force, with the aim of improving transparency, enhancing the protection of final customers and making offers in the free market easier to compare. The main changes included stronger pre-contractual information requirements and enhanced safeguards for contract amendments, an extension of the right of withdrawal period to 30 days in specified cases of off-premises sales, mandatory written confirmation of contracts concluded by telephone, a minimum three-month notice period for unilateral contract changes and contract renewals, and an automatic compensation payment of €30 where the required notice period is not observed. To implement Decree-Law No. 19/2025, the Authority introduced transitional measures from 1 July 2025 to simplify the presentation of retail offers. These measures require suppliers to provide a clearer presentation of charges and to publish the contractual documentation, the Summary Information Sheet and the offer code on their websites. The Authority also adopted further measures, effective from 1 April 2026, providing for a

standardised pricing structure for offers to household customers and requiring all offers available through the Offers Portal (*Portale Offerte*) to be published online.

A new **energy bill** format also came into effect in 2025, with the aim of making bills simpler, more consistent and easier for customers to understand. From 1 July 2025, energy bills have comprised a Summary Bill, containing the Standardised Front Page, the Energy Summary, the Supply Contract Window and the Essential Information, together with the Detailed Information section, which has remained substantially unchanged. During the year, the Authority also introduced a number of refinements, including improved presentation of value-added services, a more detailed Supply Contract Window and specific simplifications for customers with multiple supply points. It also approved the Energy Bill Glossary to help customers better understand the terminology used. The new framework applies to low-voltage electricity customers and to domestic and small gas customers, and has also been extended to gas last-resort services and supplies to public administrations.

The **Portale Consumi** [Consumption Portal] continues to evolve, with ongoing enhancements aimed both at improving its performance and at expanding its functionality. In 2025, the programme to strengthen final customers' access to their energy consumption data was completed. In addition to the information already available on energy bills, through smart meters and on the *Portale Consumi*, a new system became fully operational in October 2025, enabling customers to authorise secure third-party access to their metering data. During the initial phase, authorisation may be granted to suppliers, certified Energy Service Companies (ESCOs), entities covered by the regulatory framework for self-consumption and dispatching, and representative consumer and business associations. The new model ensures that data are shared only with the customer's consent and solely for the purposes of comparing retail offers and providing energy services, thereby strengthening transparency and competition in the market.

In 2025, the **Portale Offerte** [Offers Portal] was enhanced with new features designed to support customers in the transition to the free market. In particular, access via SPID or the Electronic Identity Card (CIE) was introduced, enabling customers to use their actual historical consumption to estimate annual expenditure, view information on the Gradual Standard Offer Service, and access the details of their current retail offer, even where that offer is no longer available for sale. During the year, the Offers Portal recorded 1,552,757 unique visitors, averaging 129,400 visitors per month and reaching a peak of more than 184,000 users in January. As at 31 December 2025, the Portal listed 19,355 offers, comprising 15,861 free-market offers, 2,324 PLACET (free price offers under uniform contractual conditions) offers and 1,170 offers for which annual expenditure could not be estimated. The comparable offers included 10,027 electricity offers, 5,771 gas offers and 63 dual-fuel offers.

1.1.5 Implementation of the Clean Energy Package

Law No. 53 of 22 April 2021 is the ruling that defined the principles and guiding criteria for the delegation of powers to the Government for the implementation of the Clean Energy Package standards in the Italian legal system, with particular reference:

- to Directive 2018/2001/EU on the promotion of the use of energy from renewable energy resources (art. 5);
- to Directive 2019/944/EU concerning common rules for the internal market in electricity and amending Directive 2012/27/EU (recast) (art. 12);
- to the adaptation of national legislation to the provisions of Regulation (EU) 943/2019, on the

internal market in electricity (recast), and Regulation (EU) 941/2019, on risk preparedness in the electricity sector and repealing Directive 2005/89/EC (art. 19).

In implementation of this law, the following were then enacted: Legislative Decree No. 199 of 8 November 2021, on the 'Implementation of Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources' (so-called Decree Red II); Legislative Decree No. 210 of 8 November 2021 on 'Implementation of EU Directive 2019/944 concerning common rules for the internal market in electricity and amending Directive 2012/27/EU, as well as laying down provisions for the adaptation of national legislation to the provisions of EU Regulation 943/2019 on the internal market in electricity and EU Regulation 941/2019 on risk preparedness in the electricity sector and repealing Directive 2005/89/EC' and other decrees transposing European directives.

At the beginning of 2020, Italy published its **National Integrated Energy and Climate Plan (PNIEC)**, which was submitted to the European Commission in accordance with the Governance Regulation (Regulation (EU) 2018/1999). Under the Regulation, Member States were required to submit their updated and final PNIECs to the European Commission by 30 June 2024, taking account of the recommendations issued by the Commission at the end of 2023. On 1 July 2024, the Ministry of the Environment and Energy Security (MASE) and the Ministry of Infrastructure and Transport submitted the final version of Italy's PNIEC to the European Commission. The Plan sets out measures to strengthen the country's pathway towards the energy transition and climate neutrality. The PNIEC adopts a technology-neutral approach, relying on a balanced mix of measures, including the expansion of renewable electricity generation, the development of biomethane, hydrogen and biofuels, the electrification of final energy consumption, wider deployment of heat pumps, building renovation, electric mobility, and carbon capture and storage (CCS) technologies. The principal focus remains the expansion of renewable energy, with a target of 131 GW of installed capacity by 2030, driven primarily by solar generation, followed by wind, hydropower, bioenergy and geothermal energy. The Plan also includes a dedicated section on sustainable nuclear energy. The scenarios developed envisage nuclear power contributing around 11% of electricity demand by 2050, with a potential contribution of up to 22%, complementing renewable and other low-carbon energy sources.

In the area of energy efficiency, the PNIEC provides for a substantial reduction in energy consumption, while recognising that further measures will be needed to achieve the most ambitious targets, although the target for cumulative annual final energy savings is expected to be met. As regards greenhouse gas emissions, the Plan aims to exceed the Fit for 55 target for industrial installations covered by the EU Emissions Trading System (EU ETS), achieving a 66% reduction compared with 2005 levels, against the EU target of 62%. In the non-ETS sectors (buildings, transport and agriculture) additional measures will still be required to meet the European targets. The PNIEC also strengthens Italy's energy security through the diversification of energy supplies, the development of new infrastructure and enhanced interconnections.

It aims to consolidate Italy's role as a European energy hub and a Mediterranean corridor for renewable energy by reinforcing electricity interconnections, market coupling and infrastructure for renewable gases. Research, development and innovation play a central role in accelerating the deployment of technologies consistent with the European Green Deal and in strengthening the competitiveness of Italy's industrial sector. The Plan was prepared with contributions from the competent public authorities, technical bodies and the research community, and benefited from a public consultation involving 133 stakeholders in 2024, including businesses, public institutions, trade associations and citizens.

One of the key measures linked to the Clean Energy Package was the approval, in 2023, of the

Electricity Dispatching Integrated Text (TIDE). Its entry into force was deferred until 1 January 2025 - 18 months after its publication - to allow the main stakeholders, particularly Terna and the Energy Markets Operator (GME), sufficient time to implement the organisational changes required by the new regulatory framework. The TIDE reorganises the rules governing the day-ahead and intraday electricity markets in line with Commission Regulation (EU) 2015/1222 establishing a guideline on Capacity Allocation and Congestion Management (CACM).

However, further regulatory developments in 2024 and 2025 prompted the Authority to revise the TIDE even before it entered into force. In particular, in July 2024 the Authority approved Version 2 of the TIDE, introducing arrangements for the replacement of the Single National Price (PUN) from 1 January 2025 in accordance with the provisions of the Ministerial Decree of 18 April 2024 (see last year's Annual Report). In June 2025, the Authority adopted further amendments through Version 4 of the TIDE (see Section 3.1.5 of this Annual Report), focusing in particular on the arrangements for market-based procurement auctions for Frequency Containment Reserve (FCR). The Authority subsequently approved the amendments to Terna's Grid Code required for the full implementation of TIDE (Revision 4), ensuring full consistency with the European target model for the integration of balancing markets.