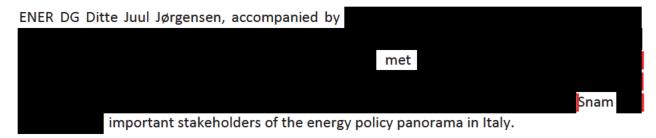
Mission to Rome, 15-16 March 2022

Report



You will find below the main takeaways of the mission, divided per meeting.







Joint meeting with

Snam (Marco Alverà, CEO,

Domenico Maggi, Group Head of European Affairs and Public Affairs for Energy at SNAM, and Patrizia Rutigliano, Executive Vice President of Institutional Affairs, ESG and Sustainability)

<u>Snam focused on the infrastructure</u>

- Strong Snam infrastructure in the country
- Additional LNG regasifier in Piombino (Tuscany)
- In terms of pipelines:
 - Need to develop a ES-IT interconnector (would allow an additional capacity of 5 bcm)
 - o Joint venture on pipes between Sicily and Algeria
 - The pipes are high quality, they can tolerate 100% hydrogen flows
 - o Bottleneck is central Europe

Snam favours intervention of the government to fill in the storage in the current market situation, otherwise no one else will do. Snam also promotes talks with the US to cool down the market.



The two stakeholders ask for a guarantee/legislation focusing on transactions to buy gas and related price cap, when it comes to attract additional supply and lower insurance/hedging costs against price volatility; this could be done at European level: they urge the creation of a Working group at European level discussing molecules, trade and infrastructure.

Biogas

- Snam raised the recertification process: the key issue is 'sandboxing'. They need regulatory certainty, but flexibility to grow. It is now the moment to regulate this process until 2030, where the market will be mature enough to be fully regulated to prevent anti-competitive behaviours.
- IT is already using its maximum potential when it comes to biogas: for a plant, it takes 3-4 years to deal with administrative aspects and 1 year to activate the plant

Snam asks for more generous incentives in this field, to diversify domestic production and solve the waste issue at the same time.

New oil and gas explorations (PiTESAI)

- It creates a conservative framework for new explorations
- 2.5 bcm of additional volume over a 10–15-year plan: too slow for the emergency situation we are in. Need to face an emergency situation and use all tools available now.

Request to solve the open issues with DG COMP.

<u>Next steps</u>: Possible future coordination on price cap mechanisms among IT, EL, AT, FR and ES. In case of real disruption, there will be real need for joint procurement activities for renting/buying new infrastructure; mechanisms to cool down the prices; financial support on storage.

