

Electricity: protected electricity bill -10.8% in the first quarter of 2024

*Gas storage still high and consumption shrinking. From 1 January ISEE threshold to € 9,530 for automatic social bonuses for electricity, gas and water
ARERA report on the Energy Security Decree being converted into law filed*

Milan, 28 December 2023 - Electricity bill to fall by 10.8% for the typical protected household¹ in the first quarter of 2024.

Towards the end of the year, tensions in the Middle East interrupted the downward trend in energy commodity prices, including oil and natural gas. Demand for gas remains subdued and the level of European storage remains just under 90% of available capacity. Furthermore, the decline in gas consumption, especially in the thermoelectric sector, mainly due to the resumption of generation from the French nuclear park and the contribution of production from renewable sources, favoured a fall in the price of electricity (PUN) in the current quarter, which is estimated to be around € 114/MWh in the first quarter of 2024.

In terms of final effects, **the expenditure for the typical household in the rolling year² (from 1 April 2023 to 31 March 2024) will be about 684 euros, -50% compared to the equivalent 12 months of the previous year (1 April 2022 - 31 March 2023).**

With the end of the system of reinforcing the **social bonus** in force for the last two years, which had extended the number of beneficiaries, **from January the ISEE threshold for obtaining it will be € 9,530**, rising to € 20,000 for large families (with more than three children). Moreover, the **extraordinary contribution increasing with the number of family members is confirmed, automatically applied to those who already receive the electricity bonus**, as envisaged in the 2024 Budget Law under approval.

ARERA also sent today to the X Productive Activities, Commerce and Tourism and VIII Environment, Territory and Public Works Committees of the Chamber of Deputies a report on the “Energy Security Decree-Law” currently being converted (Decree-Law no. 181 of 9 December 2023) and in particular **on the aspects of the end of electricity protection concerning vulnerable customers, the transfer of automatic bill debits and price monitoring.**

"A steadily declining gas price trend and the easing of criticality on other sources deliver a declining first quarter for electricity. It is worth remembering, however, that absolute price values are still about double those of the pre-crisis period and that the European energy system is not free of risks", says ARERA Chairman Stefano Besseghini. "With the start of the year, we are also entering an important phase of change, with the overcoming of protection services. Reducing consumption and paying attention to costs remain the watchwords. The recent price crisis has accustomed us to paying more attention to energy issues, and ARERA is continuing to provide consumers with useful tools to guide their choices, as was recently the case with the offer codes of the PLACET (free price offers under uniform contractual conditions) end-of-gas-protection contracts for comparison on ilportaleofferte.it".

¹ The typical household has an average electricity consumption of 2,700 kWh per year and a committed power of 3 kW.

² A rolling year is defined as the year consisting of the quarter being updated and the three preceding quarters, including considering the consumption associated with each quarter.

Details of bill components

In detailing the individual components in the bill, the final price for the typical household is thus 25.24-euro cents per kWh, including taxes, compared to 28.29-euro cents per kWh in the previous quarter. The change of -10.8% is substantially related to the overall decrease in energy expenditure, about -14%, offset by increases in regulated network tariffs (transport and meter management, +2.1%) and general system charges (+1.1%).

We would recall that following the analyses performed during the year on electricity consumption³, ARERA's website will **also make the data available on the update** of electricity bills for the protected household customer calculated on the consumption of 2,000 kWh/year for the “**average customer**”, in addition to the 2,700 kWh/year typical household.

Full details on the update are available in the Data Sheet.

³ https://www.arera.it/it/dati/mr/mr_consumiele.htm.