

Terna's European Trio

Three projects are already underway for the new electricity connections with Europe:

- *Cost reduction for the Italian electricity system amounting to €400 million a year*
- *about €1.5 billion in investments*
- *625 km of new power lines*

The future for Terna, and also therefore the future for energy in Italy, is towards Europe. Italy currently has a total electricity generating capacity of more than double its requirements, and the potential to export electricity on a continuous basis. A reduction in energy prices in Italy is crucial if this phenomenon is to translate into structural change, as is the adoption of common regulations and the creation of a system of interconnections with other European countries. Partly with this goal in mind, Terna has invested, since 2005, more than €6.5 billion in the development of the grid, not only nationally but also abroad.

This endeavor is in line with European regulations that have identified 81 initiatives on the list of PCIs (Projects of Common Interest), which will be approved by the end of July, of which as many as 11 involve Terna. Overall, the **81 European initiatives** judged as essential **will lead to the creation of about 23,000 km of lines and generate investments of €54 billion.**

In this context, **Terna has already begun work on three major projects** to increase electricity interconnections with Europe, **involving a total investment of about €1.5 billion, 625 km of new lines and €400 million** for the electricity system: in addition to the Italy-France connection, Terna is already working on the Italy-Montenegro connection (Villanova-Tivat), the first “*electricity bridge*” with the Balkans, and with Austria (Prati di Vizze-Steinach) across Brenner pass. These 3 projects are in addition to Italy’s 22 existing cross-border connection lines: In this way, Italy could, thanks to its geographical position, become a natural electricity hub, and in the future this could be extended to other southern Mediterranean countries.

ITALY-FRANCE INTERCONNECTION (Piosasco-Grand’Ile)

Technical and economic details

- A total investment of €1.4 billion (of which €800 million for the Italian section)
- 190 km between Piosasco (Piedmont) and Grand’Ile (Savoy), with the Italian section accounting for 95 km
- Up to 1,200 MW maximum transmission capacity
- Over 60% increase in electricity transmission capacity across the border with France

Benefits for the Italian electricity system

- More competitive electricity market with the possibility of cheaper supply
- Enhanced electricity system safety
- Estimated cost reduction for the Italian electricity system amounting to €150 million a year

ITALY-MONTENEGRO INTERCONNECTION (Villanova-Tivat)

Technical and economic details

- €1 billion in total investment
- Power line with zero environmental impact: 390 km via submarine cable and 25 km via land connections (15 km in Italy, 10 km in Montenegro), totaling 415 km in length (between Villanova in Abruzzo - Italy, and Tivat - Montenegro)
- 1,000 MW maximum transport capacity, a further 1,000 MW possible

Benefits for the Italian electricity system

- Increased safety and efficiency of supply for the Italian electricity system, diversification of sources and increased competitiveness within the Italian market
- Creation of a direct electricity connection with the Balkan region, which has large energy resources, especially water and lignite, and a potential electricity generation surplus. Montenegro has existing connections with Bosnia-Herzegovina, Serbia, UNM in Kosovo and, via Serbia, with Bulgaria and Romania
- Opportunity for electricity market operators to import energy at costs lower than in Italy with €225 million a year in savings on the electricity bills of businesses and households
- Work for 200 employees and over 60 companies over a 3-year period

ITALY-AUSTRIA INTERCONNECTION (Prati di Vizzi-Steinach)

Technical characteristics and benefits for the Italian electricity system

- €16 million in total investment
- 20 km in length of the new power line
- Cost reduction for the Italian electricity system amounting to about €15 million a year