

[Interview by the CEO of Italgas Mr. Paolo Gallo at euro2day.gr and the journalist Mr. Giorgos Findikakis](#)

Gallo (Italgas): A new energy overdependence for Europe would be a mistake

In recent years, developments in the energy sector have been increasingly shaped by geopolitics. What lessons have we learned to improve our energy security?

After two wars in just three years, the one in Ukraine, which triggered a major energy crisis, and the escalation of tensions in the Middle East., which so far fortunately had only minor effects on the markets, the message is clear.

In this era of geopolitical instability in which we live, energy security cannot be taken for granted. We don't know when the next crisis will happen, but we do know it could happen anytime. Therefore, we must be prepared to deal with any repercussions of natural gas market.

There are two prerequisites to achieving this: securing a pluralism of sources beyond a single supplier and accelerating the construction of new infrastructure. This means creates infrastructures that cover 200% of your needs, not just 100%. Anyone who follows this approach, whatever may happen, will be able to switch from one infrastructure to another or from one supplier to another.

So you're saying that overdependence on a single supplier is harmful, regardless of who that supplier is. Is that correct?

It is a mistake to replace dependence on Russia with overdependence on another supplier. In practice, this means that while it's a good idea to buy more LNG from the United States, we should also increase imports via gas pipelines connecting Italy to North Africa. The same applies to the Greek terminals namely Revithoussa and Alexandroupoli which should be receiving LNG from multiple suppliers. In any case, whoever lacks either of the two elements I mentioned (infrastructure, multiple suppliers), will be at risk when the next crisis inevitably comes.

Does today's geopolitical landscape support major investments in energy infrastructure, or does broader uncertainty act as a deterrent?

Some may believe that geopolitical uncertainty is not the best momentum for massive investments like those required by the EU's energy system.

They are wrong. Without new infrastructure, we will gain neither resilience to future crises nor energy security. Of course, such investments won't be ready tomorrow. But we need to start at some point, and that point should have been yesterday. So yes, the immediate start of major infrastructural investments in European energy infrastructure is existential for the EU.

In a recent report, the International Energy Agency mentioned the systemic challenges that will arise for grids increasingly dominated by renewables during extended periods of low “green” production. What’s your opinion on the rapid electrification policy promoted by the European Commission?

This is not a matter of opinion but of technical feasibility. Like it or not, Spain's blackout showed us that a power system based exclusively on renewables is technically unviable.

The energy transition is a complex process that, in recent years, has been hindered by simplistic narratives and ideological prejudices, like those that still dominate Brussels.

There is no one-size-fits-all recipe, as many within the Commission claim, for achieving the goal of decarbonisation. There is no single path to energy transition.

Are you suggesting that the Commission, for ideological reasons, prioritizes certain technologies over others, even when the latter are proven and reliable, such as natural gas?

You could say that. The energy transition can be achieved through a set of strategies that are ignored by those with ideological fixations. Both existing technologies available on the market and those still to come should be considered from developments in artificial intelligence to the simultaneous use of electricity and gas networks, from hydrogen to biofuels without excluding already established solutions.

I’m talking about a maze of options, opportunities, and often dead-ends as I describe in my book «Out of the Maze» which leaders must have the reflexes to identify in time. And like every maze, this one holds the risk of never finding the way out if you let ideology and empty promises lead the way.

In summary, today more than ever we need a clear compass to navigate between dogma and reality, between politics and economics, far from the maze of illusions that dominates much of the European bureaucracy and leadership.

The Commission’s plan to fully phase out Russian gas has provoked reactions in countries where its share remains high. In Greece, for instance, it exceeds 40%. One of Athens’ conditions is that the phase-out should be carried out in such a way that prices do not increase. What is your opinion?

Look, Italy was once a major importer of Russian gas too, with a share of 40%. Today, that accounts for less than 5% of our total imports. The figures are low even at the EU level Russian gas now accounts for only 13% so the EU is not particularly concerned. I understand that Southeastern Europe and Greece represent a special case, which the Commission should take into account. As for prices, whether it’s Russian gas or any other source, once it enters the European market, it follows the fluctuations of the TTF index in Amsterdam. And if that index falls too low, it may not be possible to find a supplier willing to sell you gas.

Beyond that, I’m aware of the concerns of several companies that they may end up in court with Gazprom, which could seek hundreds of millions in compensation if long-term contracts

would be broken. However, European law will override the contracts as long as the Commission's final proposal offers strong legal guarantees that a ban on imports will not expose buyers to the risk of compensation claims.

The first-half results of Italgas show EBITDA at €857.8 million (a 27.8% increase), with the margin in Greece at 75%. Are you satisfied with the expansion of Enaon's network in Greece?

Indeed, our financial and operational figures for the first half reflect the consolidation of the Zi Rete Gas Group that took place in April 2025, and the growth trajectory that began in 2017 continues.

In Greece, the investment program for domestic gas distribution networks worth €1 billion through 2030 is progressing well. This year is expected to close with 50,000 new connections (compared to ~~31,000~~ last year), a realistic goal that translates to an average of 150 per day.

In Greece, we are broadly applying what some have called the "Sardinia model," made by small-scale LNG infrastructure projects across the country, aimed at reaching areas not directly connected to the main gas pipeline network.

The target remains to build more than 3,000 kilometers of new network by 2030, aiming to grow the number of consumers to over 900,000, up from more than 600,000 today.

Which region shows the fastest growth and highest interest in new natural gas connections?

Thessaloniki, which despite a very high penetration rate close to 70% continues to show strong demand for new connections. In Italy, we operate at 92%, but 70% is still remarkable. Consider that in Athens, penetration ranges between 35% and 40%.

I believe the difference in behavior between the two cities stems first from the policies of the previous company, which was the exclusive distributor before us in the Attica region, and second, from Thessaloniki's colder climate, which reinforces interest.

In summary, Enaon EDA is a company with strong foundations. The network expansion is progressing very satisfactorily, and EBITDA currently stands at around 75%, compared to 80% in Italy. This gap is mainly due to different scale and is unlikely to be fully bridged.

How do you view the growth of biomethane across Europe and in Greece?

Looking at the bigger picture, biomethane penetration reaches 25% in markets like Italy, France, Germany, and the Netherlands. Unfortunately, Greece currently has no production.

Biomethane is a real opportunity for the country, both for the sustainable development of rural areas and local communities, and for creating a circular economy model. It is a fully renewable energy source, fully compatible with the energy transition, since the production process itself includes CO₂ removal. Consider that the benefits of the circular economy in Italy amount to €2.3 billion.

The first step was taken with the recent law on biomethane and hydrogen. However, further steps are needed, with coordination among all stakeholders, for the Greek market to develop a comprehensive and clear framework for renewable gases.

Incentives must be given to prospective investors and biogas producers who have expressed interest in converting their units for biomethane production. These are typically small operators with limited financial resources. That's why support is needed for capital expenditures, as has been the case in Italy, France, and elsewhere.

The gas networks managed by Enaon in Greece are fully ready to receive and distribute biomethane injection. And according to a recent study by our subsidiary, the biomethane produced in Greece could be fed into nearby networks without requiring major investments.

A month ago, you signed an agreement with the National Bank and the General State Archives for the digitization of historical archival material. What exactly does this involve?

It involves the digitization of valuable and unique archival documents related to the history of natural gas industry and the energy industry in Greece, which are kept at the Historical Archive of the National Bank of Greece.

What's innovative is the use of unique digitization technologies for printed archival material and objects that we have developed over the years at the Italgas Heritage Lab – a digital transformation laboratory. The first step in the process involves photographing the document, followed by its conversion through software into a high-quality PDF, making a vast volume of archival material accessible not only to researchers but to anyone interested.

A similar digitization project was the one we launched in 2023 for the Teatro Regio in Turin, one of the oldest theatres in Italy. It involved around 5,000 posters and nearly 2,000 stage and costume design sketches. That material was digitized in extremely high-resolution images up to 100 gigapixels offering the public a unique experience that would otherwise be available only to experts. We will do the same with the material from the General State Archives and the National Bank's Historical Archive. These are landmark initiatives, and I hope others will follow. Knowledge must not be the privilege of the few.