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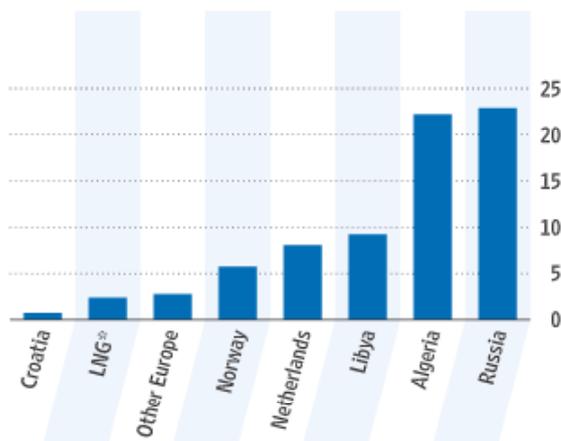
# In Italy, Culture Trumps

*Energy Deals Suffer from Subsidence Fears; Risk to Pisa's Tower?*

By LIAM MOLONEY

ROME -- When Italian Industry Minister Claudio Scajola looks at Venice, he sees not just one of the world's most beautiful cities, but also a potentially rich supply of natural gas. But he also sees fierce opposition to trying to extract the gas because of fears the resulting subsidence could cause La Serenissima, as the city is fondly known, to sink into the sea. Venice offers a high-profile example of the problems that the Italian government faces as it seeks to balance preservation of its cultural heritage with the goal of securing its energy supply. Italian emergency officials are scrambling this week to meet a similar challenge: to preserve as many lives as possible after Monday's earthquake in central Italy, while also seeing that priceless pieces of art aren't lost. Natural gas provides the most obvious way to secure the energy Italy needs to grow. Coal provides a small portion of electrical generation capacity, but environmental concerns are limiting new facilities. Because of a ban on atomic energy in Italy, nuclear power hasn't been an answer, though the current government has vowed to reverse the rule.

**Energy dependency**  
Italy's 2007 natural-gas imports, in billions of cubic meters



\*Liquefied natural gas  
Source: Eni World Oil and Gas Review 2008

Almost 90% of Italy's natural gas supply comes from abroad. Its vulnerability to supply disruptions was highlighted earlier this year when a dispute between Russia and Ukraine halted deliveries of Russian gas.

Assomineraria, the association of Italian oil and mining companies, estimates Italy holds the European Union's fourth-largest proven gas reserves, totaling 160 billion cubic meters. But getting at that gas, particularly the reserves off the coast of Venice, has been the problem.

Mr. Scajola, the industry minister, has been pushing for an end to an exploration ban that blocks extraction of fossil fuels in the upper Italian section of the Adriatic Sea.

"We can't renounce the hydrocarbon reserves that are in the Northern Adriatic," he said earlier this year.

"We need to have them at least as strategic stockpiles to be used in the event of extreme necessity."

But the government of the Veneto region, where Venice is based, is opposed to the end of the ban because

the possibility of subsidence, Vice Governor Franco Manzato said in an interview.

Experts say there is a solution to the subsidence problem: injecting water into the ground to replace the extracted gas and form a barrier. It is tested technology, said Giuseppe Gambolati, a professor at Padua University and an expert on subsidence. If enough money is spent, the danger can be eliminated, he said. In the meantime, Croatia is pumping gas from its reservoirs on its side of the Adriatic Sea, helped by Italian state-controlled energy company [Eni](#) SpA. Some of the gas produced is sold in the Italian market. The situation in the Veneto region is partly the result of Italy's decision in recent years to move to a more federal system of government, allowing local authorities to veto energy infrastructure plans. A plan led by [Enel](#) SpA to build a regasification terminal in Sicily received the official go-ahead but is still facing obstacles from local government almost five years after it applied.



A similar plan by Solvay SA to build a liquefied-natural-gas receiving terminal in Tuscany is still awaiting the necessary approvals, despite an initial application in 2002. Opponents say the project would spoil the postcard-like Tuscan scenery, and an explosion could damage the foundations of the Leaning Tower of Pisa, some 30 kilometers away.

Experts say regasification and LNG facilities such as these are needed to diversify supplies of gas away from Russia and Algeria.

Italy pays a high price for failing to construct these plants, says Alessandro Marangoni, an environment professor at Milan's Bocconi University and head of energy consultancy Althesys Srl. He estimates that not having adequate infrastructure will cost Italy €22.5 billion (\$29.8 billion) between now and 2020 through higher prices for energy.

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