

Roundtable update

**Domestic gas sector in winter 2022/23
with possible 2023/24 outlooks**

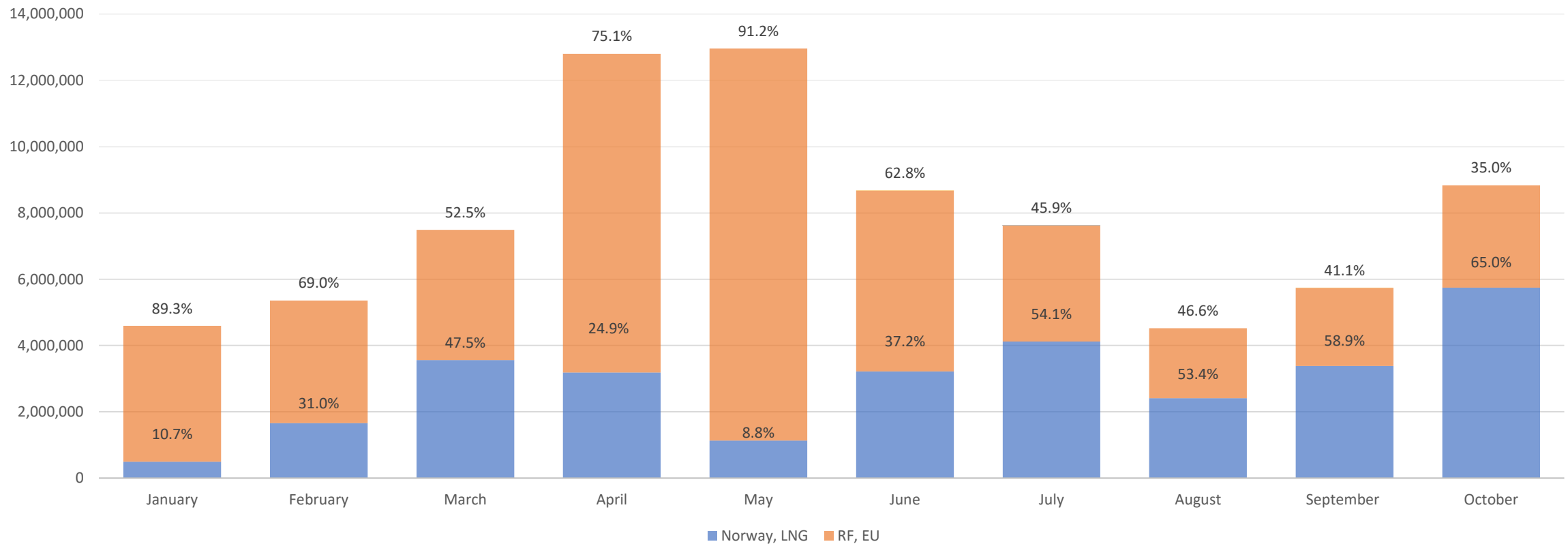
**Tomáš Moric
ERO, Czechia**



- Gas imports in 2021 30 % RF; 70 % „EU” → October 2022 35 % RF,EU; 65% Norway, LNG (IP Brandov)
- New import routes and sources
 - FSRU LNG terminal in Eemshaven, Netherlands – max 3 billion m³/year
 - Reverse flow from Slovakia → Russian gas through Ukraine, alternative use to transit to SK (IP Landžhot)
 - CZ-PL interconnection under negotiation – currently exemption extension process (until 12/2023)
- Voluntary demand reduction campaign → Effective, 19 % Q3 YoY decrease in adjusted gas consumption
 - Start of extraction period 15 November 2022 vs. 8 October 2021

SoS and sourcing

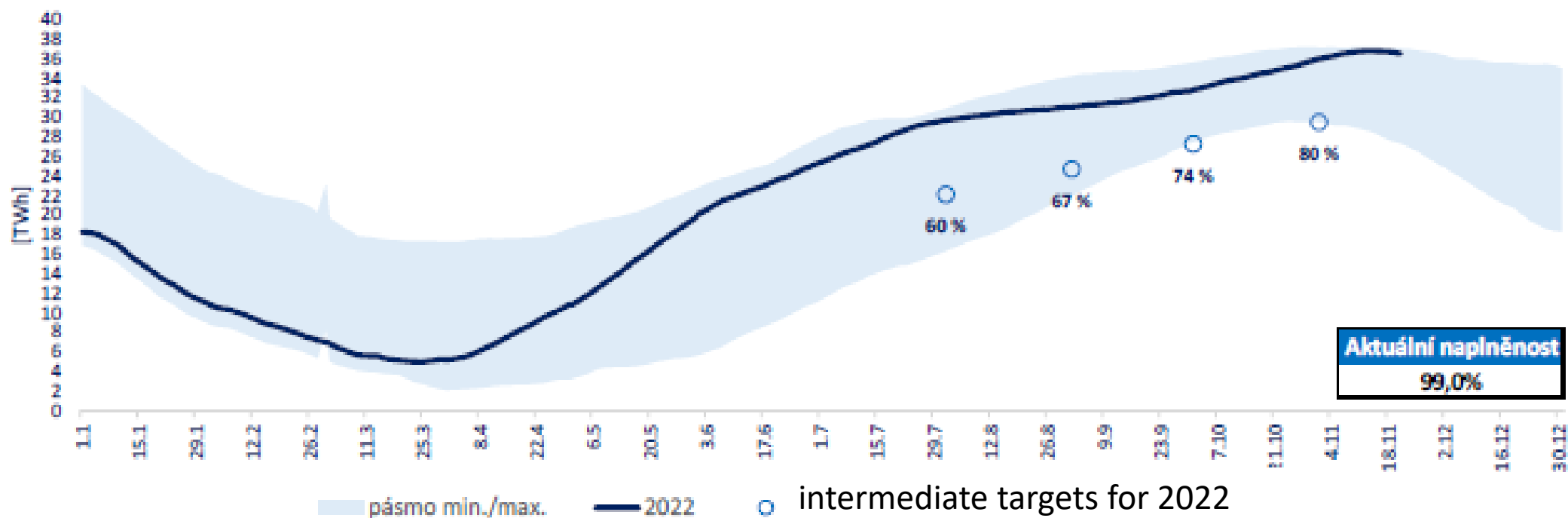
MONTHLY GAS IMPORTS BY ORIGIN FOR CZECHIA JANUARY - OCTOBER 2022



- Gas in storage 36,5 TWh; 99 % filling rate (23.11.)
- Government adopted measures to motivate filling of storages
 - UIOLI regulation
 - „Strategic” storage → State Material Reserves Administration
 - Zero tariff for transmission capacity to/from storage
 - Auctions incentives with reduced disposability
- Legislative proposal for regulated gas storage security of supply service

Storage

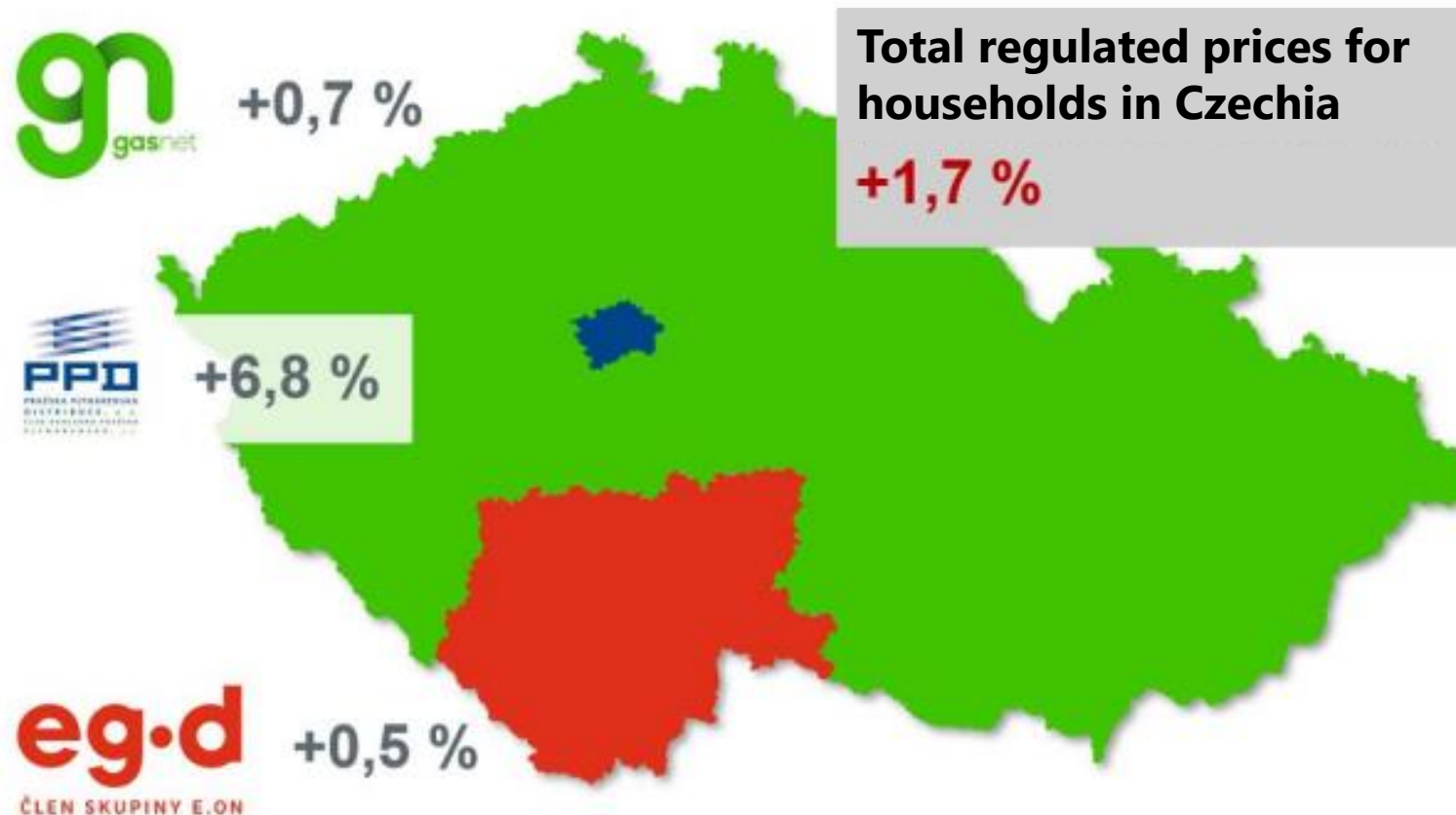
Filling level of storages



Tariff/market considerations

- Recovering cost of fuel
 - The cost of fuel covered by the price based on the principle of the TSO's cost neutrality. All costs are covered by the system users by the flow based charge (valid for the whole regulatory period 2021-2025)
- ERO price decision no 12/2022
 - Regulated prices related to the supply of gas will increase just by 1.7% on average in 2024 (just 11% of the final price)
 - Compensation for the increase in the cost of covering technical losses from the state budget 2.1 billion CZK (otherwise 20% increase of regulated prices)

Tariff/market considerations



Tariff/market considerations

- Protection of households
 - General government social support schemes for vulnerable citizens.
 - Universal support schemes for 2022/2023 (Financial aid, waiving of fees).
 - Gas price cap - for households and SME in 2023 → 122 EUR/MWh (commodity with VAT).
- New challenges in 2023/24
 - Filling the storages for winter 2023/2024 without russian gas
 - Prevent steep rise of tariffs in lower demand/stable fixed cost situation



**THANK YOU
FOR YOUR ATTENTION!**

Electricity generation from NG

