Digital Transformation Effect on the Economics of the Gas Market

Roundtable input by Hungary

N. Daniel Vig
MEKH

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Digitalization Level

- *Are some digitalization targets set from by the goverment side?*
  - TSO: Full digitalization by Hungarian gas TSO (FGSZ), with the use of SCADA software and related metering systems.
  - DSO: in non-households transmitter for remote control action for metering equipment with a nominal capacity of more than 10 cubic meter/hour and above is set by the natural gas law.
- *What is the digitalization level in TSO and DSO side?*
  - TSO side 100%
  - DSO: 100% from meters with 10 cubic meter/hour capacity.

Smart and Digital Meters

- *What is the share of smart meters? Are there any benefits to system operators and gas market for smart meter roll-out?*

  Roll-out for smart meters for households not foreseen because:

  - Price cap until 1729 m3/y consumption and consumers try to consume less than that;
  - Natural gas demand is projected to weaken in the future.
  - Consumption mostly dependent on temperature.
- *What is the cost & efficiency gain?*
  - Smart metering would be beneficial if there would be competition between the traders, however that's not the case for HU households. For non-households above 10 cubic meter/hour digitalization is mandated by natural gas law.

Cybersecurity

- *Are there any cybersecurity measures in place?*

Digital metering equipment can be installed only by the gas provider for cybersecurity reason.

The Cyber Resilience Act (CRA): the Council and Parliament striked a provisional agreement on security requirements for digital products in 2023 November: it introduces an EU-wide cybersecurity requirements for the design, development, production and making available on the market of hardware and software products. This includes smart meters, which are classified as critical products. The regulation will apply to all products that are connected either directly or indirectly to another device or to a network.

THANK YOU
FOR YOUR ATTENTION!

vignd@mekh.hu