

SUMMARY OF THE RESPONSES RECEIVED TO THE PUBLISHED CONSULTATION DOCUMENT PURSUANT TO ARTICLE 26 OF COMMISSION REGULATION (EU) 2017/460 OF 16 MARCH 2017 ESTABLISHING A NETWORK CODE ON HARMONISED TRANSMISSION TARIFF STRUCTURES FOR NATURAL GAS

On 17 December 2024, the Energy Regulatory Office ('ERO') published a consultation document as required by Article 26 of Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for natural gas ('NC TAR'). In accordance with the rules of the consultation process, the ERO set a deadline for sending comments by 18 February 2025.

The Energy Regulatory Office received comments from the following entities:

- MND Energy Storage a.s.,
- SPP Storage, s.r.o.,
- ORLEN S.A.,
- Gas Storage CZ, a.s.,
- Czech Gas Association,
- Pražská plynárenská a.s.,
- Heating Association of the Czech Republic,
- Ocelářská unie, a.s.

This document summarises the main reactions of the market participants and the most important arguments for or against the published proposals in the consultation document. All comments received in full are published on the website of the Energy Regulatory Office¹. This overview, together with the individual comments from the consultation process, is published in Czech and English. In the event of a discrepancy between the translation into English and the original text of the comment, the original text shall prevail.

The comments submitted mainly concerned the proposed level of discount on the tariff for the transport of gas from/to the gas storage facility and the increase of charges at border points.

In the case of the proposed 80% discount on the tariff for the transmission of gas to and from the gas storage facility, the market participants disagree and advocate preserving the current 100% discount. In their comments, they argue that the Czech Republic is no longer a transit country, thus increasing the importance of gas storage facilities in the context of ensuring security of gas supply. The introduction of the 80% discount reduces the incentive for participants to store gas in gas storage facilities located in the Czech Republic and thus reduces their competitiveness. The market participants disagree with the ERO's statement that the high filling rate of gas storage facilities achieved in previous years, combined with the above-average warm winter season 2023/2024 and the functionality of market mechanisms for filling gas storage facilities in previous periods, is a reason for reducing the 100% discount on tariffs for transport to and from gas storage facilities in the upcoming period. Until the bottlenecks in Germany are removed and the firm transmission capacity to the Czech Republic is significantly increased and until the overall situation on the gas market calms down, the discount should be kept at 100% (at least until 2028). At the same time, the intention to reduce the discount to/from gas storage facilities should be announced several years

¹ <https://eru.gov.cz/narizeni-tar>

in advance so that it is possible to reduce the auction price by the expected transmission costs to and from the gas storage facilities when purchasing storage capacity.

Furthermore, one market participant does not find any reason to increase the tariff for the firm capacity at exit IP Český Těšín. As a result of the proposed tariff increase, in the opinion of the market participant, this point loses competitiveness. Tariff at exit IP Český Těšín should be at the same level as at the other IPs.

The subject of the comments was also the price increase at the entry IP Brandov to double. Given that Germany has complied with the Czech Republic and abolished the "gas storage" charge, this proposal currently seems absurd according to the market participant and very risky for the future setting of tariffs and charges from Germany to the Czech Republic. The tariff at the entry IP Brandov should be increased by no more than inflation.

The commented area was the inclusion of all assets and depreciation of the transmission system within regulated prices. According to the comments, the regulated prices should not reflect certain capacities/infrastructures that are not used (with the assumption that their function will not be restored in the future) or were built solely for the purpose of transporting gas through the Czech Republic without being used for domestic customers.

One comment disagreed with the increase of the WACC by 1 % depending on the fulfilment of the incentive scheme for transmission system operators, as 100% state-owned company.