



“Dear business partners,

Although 2022 is already well underway, we would still like to use this opportunity to wish all of you a healthy and successful new year! And we sincerely hope that 2022 will be the year of recovery from the COVID-19 pandemic!

In this issue of NEWS4SHIPPERS, we mainly focus on the 2022 Czech natural gas transmission prices announced at the end of the previous year and on the ongoing NET4GAS projects, including the Central European Hydrogen Corridor (CEHC) as a new hydrogen highway to be developed through Central Europe.

Enjoy reading!

Tomáš Vyležík, Senior Manager, Client and Contract Management

Price Decision for the calendar year 2022

- Variable fee for exit border points stays at 0.58% of the daily market price
- Gas storage transmission prices slightly increase
- Firm prices for border points have already been published in *Price Decision No. 3/2021* on 27 May 2021

PRICES

On 30 November 2021, the Energy Regulatory Office (ERO) published its new *Price Decision No. 7/2021* with the variable transmission price for border exit points and transmission tariffs for gas storage effective for the calendar year 2022. Furthermore, the Price Decision also includes the regulated prices for domestic transmission, including distribution systems and customers directly connected to the transmission network.

Compared with the calendar year 2021, the variable price for transported natural gas at the Czech exit border points

remains unchanged at $0.0058 \times C_{OTE}$ whereas C_{OTE} is determined by the Czech gas market *OTE Index* published by the Czech gas market operator.

Moreover, please find below the new transmission prices for virtual gas storage. Tariffs are the same for all storage system operators in the Czech Republic:

| SSO transmission (CZK/MWh/d/y) | 2021 | 2022 |
|-------------------------------------|----------|----------|
| Entry TSO | 111.76 | 114.70 |
| Exit TSO | 1,001.96 | 1,028.29 |
| Variable price - exit TSO (CZK/MWh) | 0.49 | 0.74 |

For more detailed information, please see the *Price Decision* published on the [ERO website](#) or visit our [website](#).

David Urban

Central European Hydrogen Corridor (CEHC): A hydrogen “highway” through Central Europe

- Four gas transmission system operators (TSO) explore the feasibility of creating a hydrogen highway from Ukraine via Slovakia and the Czech Republic to Germany

HYDROGEN

In line with the European Union climate and decarbonisation goals, NET4GAS, together with German TSO Open Grid Europe, Slovak TSO eustream and the Gas TSO of Ukraine, introduced on 23 September 2021 an initiative with the aim to create a hydrogen “highway” in Central Europe.

The partners of the initiative believe that such a corridor can be created based on repurposed existing gas infrastructure in combination with targeted new investments in new hydrogen pipelines and compressor stations allowing shippers to transport hydrogen at affordable costs from major hydrogen supply areas in Ukraine via Slovakia and the Czech Republic to the hydrogen demand areas in Germany in the future.

All the engaged TSOs are strongly committed to contribute to the transition of the European gas sector and to provide European customers with another option for hydrogen supplies. You can find more information on the initiative on the CEHC [website](#).

Michal Mareš

Incremental capacity projects with Austria and Poland

- Incremental capacity project with Austria received final approval from the national regulatory authorities (NRAs)
- Preparation of the new incremental project with Poland has been launched

CAPACITIES

The incremental capacity process for the Czech-Austrian border, that started in 2019 and was prolonged by the decision of ACER in May 2021, has reached its final stage. Following the approval of all project parameters by the NRAs on both sides of the border, the incremental capacity will be marketed in the yearly capacity auction scheduled on 4 July 2022. Shippers that would like to participate in the incremental capacity auction have to sign a template capacity contract before the auction. The template contract will be published on NET4GAS' website no later than 2 months before the auction.

Despite the lack of interest in the incremental capacity offered in the 2021 yearly capacity auction for the Czech-Polish border, NET4GAS and the Polish TSO GAZ-SYSTEM received another non-binding market demand indication for the Czech-Polish connection and launched a design phase for a new incremental capacity project for gas transmission from Poland to the Czech Republic. The public consultation of the project proposal started on 17 January 2022. For more information, see our [website](#).

Both incremental capacity projects are being developed to a large extent as hydrogen-ready infrastructure.

Michal Mareš

Czech Ten-Year Network Development Plan

MARKET

The Czech Ten-Year Network Development Plan for the period 2022–2031 has been approved by the Energy Regulatory Office on 10 December 2021. In accordance with the Energy Act, the plan is prepared every year and includes a description of the Czech transmission system, a list of implemented and forthcoming investment projects, and information about transmission system adequacy and the security of supply.

Moreover, in line with the EU and the Czech climate targets, the plan also focuses on the Czech hydrogen strategy published by the Ministry of Industry and Trade in July 2021, the future of hydrogen in the Czech gas transmission network and currently ongoing hydrogen activities – such as the European Hydrogen Backbone and the Central European Hydrogen Corridor initiatives and the Power-2-Gas pilot project.

The new development plan is published on our [website](#) (available in Czech only).

Drahomíra Glacová

Implementation of a new capacity management system expected in 2023

PLATFORMS

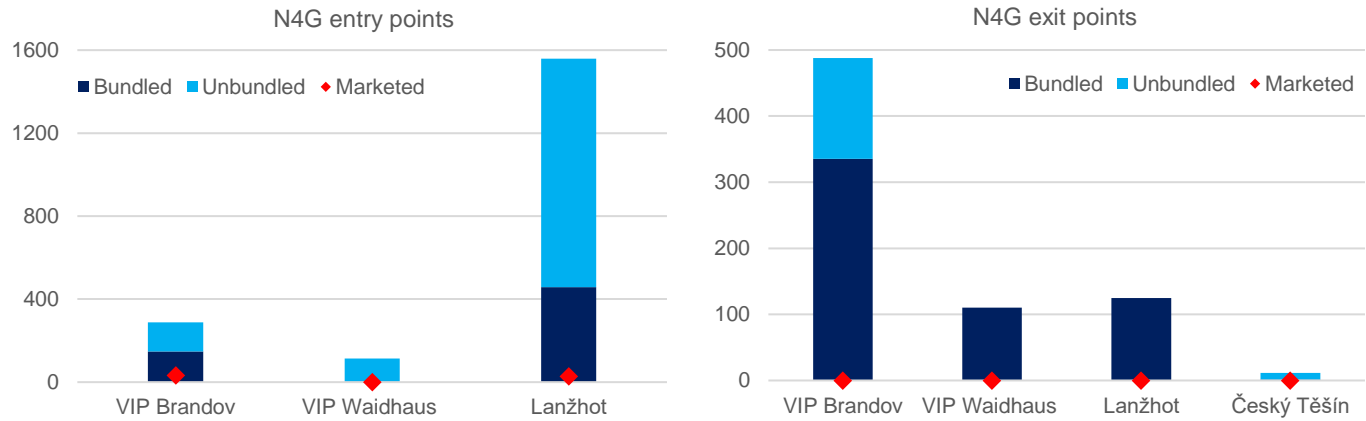
A delay has occurred in the implementation phase of NET4GAS' new capacity management system, postponing the expected replacement of the currently used tryGAS system into 2023.

We will keep you informed about the further development of this project and provide you with an updated time schedule in the coming months.

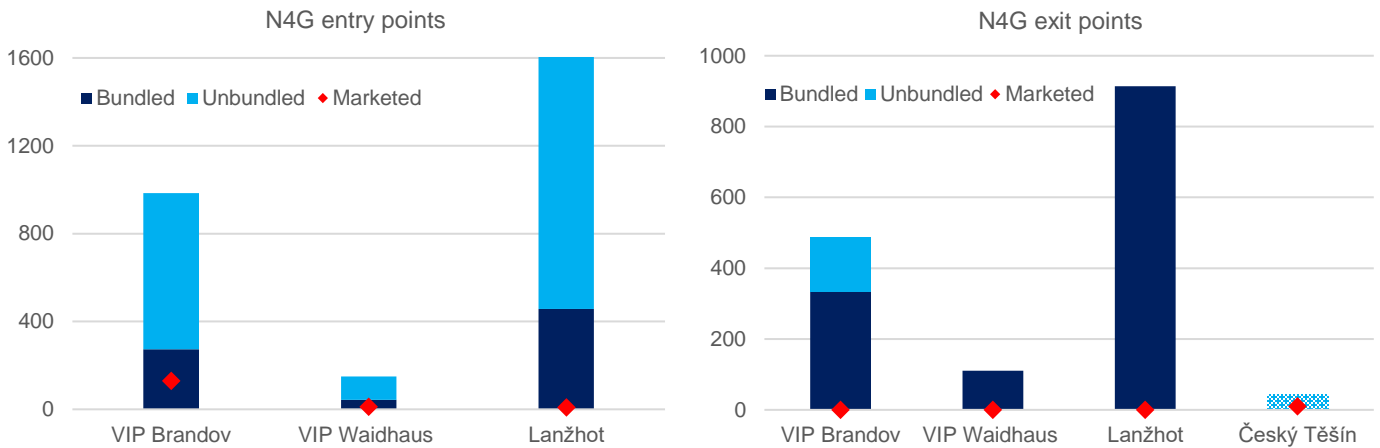
Tomáš Vyležík

Overview of NET4GAS capacity auctions and planned maintenance

NET4GAS capacities offered and booked in monthly auctions for January 2022 in GWh/d



NET4GAS capacities offered and booked in daily auctions in GWh/d for the period 1 – 9 January 2022 *)



Note: Hatched charts represent unbundled capacities offered on an interruptible basis.

*) Charts represent the daily maximums offered and marketed during the respective time period. Marketed also includes interruptible capacities which are on a day-ahead basis offered for all NET4GAS entry and exit points.

Overview of upcoming planned maintenance work of NET4GAS infrastructure

SHUTDOWNS

Please find below a rough overview of the currently planned maintenance up to March 2022. All and complete planned maintenance work and consequent firm capacity interruptions at all entry and exit points of the NET4GAS infrastructure for every gas day are available on our [website](#). The final maintenance plan is in line with the legislation announced 42 days in advance.

Entry points

| Month | Entry point | Technical capacity [GWh/d] | Maximum daily interruption [GWh/d] | Maximum available daily firm capacity [GWh/d] |
|----------|--------------|----------------------------|------------------------------------|---|
| January | VIP Brandov | 2,546.338 | 44.935 | 2,546.338 |
| | VIP Waidhaus | 120.000 | 98.800 | 120.000 |
| February | VIP Brandov | 2,546.338 | 78.375 | 2,495.133 |
| | VIP Waidhaus | 120.000 | 98.800 | 21.200 |
| March | VIP Brandov | 2,546.338 | 107.635 | 2,479.458 |
| | VIP Waidhaus | 120.000 | 98.800 | 21.200 |

Exit points

| Month | Exit point | Technical capacity [GWh/d] | Maximum daily interruption [GWh/d] | Maximum available daily firm capacity [GWh/d] |
|----------|------------|----------------------------|------------------------------------|---|
| January | | | No planned maintenance | |
| February | | | No planned maintenance | |
| March | | | No planned maintenance | |

The last two columns show the maximum daily interruption and the maximum available daily firm capacity in a given month during maintenance, i.e. in case the maintenance affects infrastructure only during some days of the month, the maximum available daily firm capacity equals the whole technical capacity.

Upcoming auctions of NET4GAS capacities

AUCTIONS

All upcoming auctions can be found in the auction calendar on the [PRISMA](#) platform. Find all monthly and quarterly auctions to be published in the next three months in the table below:

| Publication date | Auctions start | Auction type | Product runtime | Capacity types |
|-----------------------|-----------------------|--------------|-------------------------------|----------------|
| 24 January 2022 9:00 | 7 February 2022 9:00 | Quarterly | 1 April 2022 – 1 October 2022 | Firm |
| 7 February 2022 9:00 | 14 February 2022 9:00 | Monthly | 1 March 2022 – 1 April 2022 | Firm |
| 15 February 2022 7:00 | 22 February 2022 9:00 | Monthly | 1 March 2022 – 1 April 2022 | Interruptible |
| 28 February 2022 7:00 | 7 March 2022 9:00 | Quarterly | 1 April 2022 – 1 October 2022 | Interruptible |
| 14 March 2022 09:00 | 21 March 2022 09:00 | Monthly | 1 April 2022 – 1 May 2022 | Firm |
| 22 March 2022 07:00 | 29 March 2022 09:00 | Monthly | 1 April 2022 – 1 May 2022 | Interruptible |
| 12 April 2022 09:00 | 19 April 2022 09:00 | Monthly | 1 May 2022 – 1 June 2022 | Firm |
| 18 April 2022 9:00 | 2 May 2022 9:00 | Quarterly | 1 July 2022 – 1 October 2022 | Firm |
| 20 April 2022 07:00 | 27 April 2022 09:00 | Monthly | 1 May 2022 – 1 June 2022 | Interruptible |
| 31 May 2022 7:00 | 7 June 2022 9:00 | Quarterly | 1 July 2022 – 1 October 2022 | Interruptible |

Daily auctions for firm capacity always start at 4:30 PM on the day before the gas day, and the auctions for interruptible capacity always start at 5:30 PM on the day before the gas day. Within-day auctions start at 7:00 PM on the day before the gas day. Bidding windows open at the start of an auction and start every hour H , with bids to be placed for the remaining part of the gas day starting at hour $H+4$.