



# NEWS4SHIPPERS

June 2022



*“Dear business partners,*

*As the yearly capacity auction is knocking at our door, in this issue of our NEWS4SHIPPERS you will find, as usual, the main parameters of the auction. This includes the offered yearly NET4GAS capacities and the recently published 2023 transmission tariffs.*

*We also focus on our incremental capacity projects with Austria and Poland and provide you with brief information on the ongoing auctions to secure sufficient volumes in gas storage facilities.*

*If you are interested in a more detailed discussion about the Czech gas market, we will be happy to meet you at E-world Energy & Water 2022 on 21 & 22 June 2022 in Essen, Germany.*

*Enjoy your reading!”*

*Tomáš Vyležík, Senior Manager, Client and Contract Management*

## CONTENTS

Yearly capacity auction on 4 July 2022 .....	1
New Price Decisions published in May 2022 .....	2
Incremental capacity projects with Austria and Poland...	3
Auctions for securing gas storage .....	3
Overview of NET4GAS capacity auctions and planned maintenance .....	4
Recent auction activities (Q2 / 2022) .....	4
Overview of upcoming planned maintenance work of NET4GAS' infrastructure .....	5
Upcoming auctions of NET4GAS' capacities .....	5

## Yearly capacity auction on 4 July 2022

- NET4GAS capacities for the yearly auction are available on PRISMA and GSA platforms

### AUCTIONS

In line with *Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems (NC CAM)*, the firm yearly capacity auction starts on 4 July 2022 at 9 AM (CET). All the auction data, including capacities and prices, are already available on the *PRISMA* and *GSA* platforms.

As well as in previous years, NET4GAS offers firm bundled transmission capacities at its border points for 15 consecutive gas years, starting with gas year (GY) 2022/23 and ending with gas year 2036/37. Unbundled transmission capacities are in line with the CAM NC offered only for the period of the upcoming gas year 2022/23.

A nonbinding overview and links to the auctions for border point transmission capacities for the upcoming gas year are available in the following tables:

### NET4GAS entry capacities for GY 2022/23 (GWh/d)

Interconnection Point	Bundled	Unbundled
Lanžhot	402	992
Český Těšín	0	0
VIP Brandov	263	1
VIP Waidhaus	0	3

### NET4GAS exit capacities for GY 2022/23 (GWh/d)

Interconnection Point	Bundled	Unbundled
Lanžhot	0	0
Český Těšín	0	4
VIP Brandov	302	137
VIP Waidhaus	102	0

More firm capacities at VIP Waidhaus entry and at Lanžhot exit points will be on offer later in short-term auctions in accordance with the rules on set-aside capacity.

NET4GAS shares only information on unbundled transmission capacities within the internal borders of the Czech Republic. For information on the unbundled capacities offered beyond the Czech border, please check capacity auctions organized by the adjacent transmission system operators.

*Petr Vaněk*

## New Price Decisions published in May 2022

- Fixed gas storage transmission prices set at 0 CZK/MWh/d effective as of 10 May 2022
- The 2023 border transmission tariffs published on 30 May 2022

#### PRICES

In line with the new *Price Decision No. 2/2022* of the Czech Energy Regulatory Office (ERO), the fixed entry and transmission exit tariffs for virtual gas storage have been decreased to **0 CZK/MWh/d**, going into effect as of 10 May 2022. The variable exit fee from the transmission system to the virtual gas storage remains unchanged at 0.74 CZK/MWh as given by *Price Decision No. 7/2021*, published in November 2021.

Moreover, on 30 May 2022 the ERO issued *Price Decision No. 3/2022*. This sets the 2023 fixed transmission capacity tariffs for the Czech border points. These tariffs have been escalated in line with the methodology

applicable for the current 5th regulatory period (2021-2025). In addition, this Price Decision also determines the tariff for the Czech-Austrian incremental capacity project.

As of 1 January 2023, the tariffs for gas transmission services at the border points will be as follows:

### Border point transmission prices (CZK/MWh/d/a)

Entry border point	2023	2022
Lanžhot	526.96	507.95
Český Těšín	233.66	225.23
VIP Brandov	878.53	846.84
VIP Waidhaus	936.90	903.10

Exit border point	2023	2022
Lanžhot	3,495.33	3,369.25
Český Těšín	5,314.10	5,122.41
VIP Brandov	3,753.45	3,618.06
VIP Waidhaus	1,922.96	1,853.60

The multipliers for short-term products remain at the same level as in the previous years and are equal to 1.1 (quarterly products), 1.25 (monthly products), 1.5 (daily products) and 1.7 (within-day products).

The 2023 fixed transmission tariffs for the Czech-Austrian incremental capacity project at the Reintal border point equal to 532.02 CZK/MWh/d/a and 3,514.58 CZK/MWh/d/a for the Czech entry and exit points, respectively. More detailed price conditions for the project are outlined in Article 2.3 of the Price Decision.

The variable charge for cross-border transmission for transported natural gas at the Czech exit border points effective in 2023 will be published by the ERO in a price decision in November 2022. It will also come together with other parameters, such as the transmission tariffs for DSOs and directly connected customers. The variable fee for cross-border transmission applicable in 2022 equals  $0.0058 \times C_{OTE}$ , where  $C_{OTE}$  is given by the *OTE daily market price* for the respective transmission day.

For more detailed information, please see the Price Decisions published on the [ERO website](#) or visit the [website](#) of NET4GAS.

*David Urban*

## Incremental capacity projects with Austria and Poland

- Annual auction of Czech-Austrian incremental capacity scheduled for 4 July 2022

### CAPACITIES

NET4GAS, in cooperation with Gas Connect Austria, has developed a bi-directional incremental capacity project on the border between the Czech Republic and Austria (Market Area East). The capacity of this project will be marketed in both transmission directions in the annual capacity auction scheduled for 4 July 2022.

Incremental capacity of 2 and 6 bcm/a (2.1 and 7.6 GWh/h, respectively) will be offered for the two offer levels at the new Reintal interconnection point.

Signing of the Contract for Provision of Gas Transmission Service with NET4GAS is a necessary precondition to participate in the auction. More details regarding the project are available on our [website](#).

In case of a positive result of the economic test, the project is targeted to begin operation in 2028.

NET4GAS and the Polish transmission system operator, GAZ-SYSTEM, also continue with the development of the incremental capacity project at the Czech-Polish border. The [project proposal](#) for capacity at IP Cieszyn (~ 1 bcm/a) was already consulted with the market participants during the first quarter of 2022.

*Michal Mareš*

## Auctions for securing gas storage

### STORAGES

On 28 April 2022, the Czech Ministry of Industry and Trade ("MIT") issued Crisis Measure Ref. No. MPO 22638/22/41200/01000 in accordance with Section 12a of Act No. 240/2000 Coll. on Crisis Management and Amendment to Certain Acts (Crisis Act), as in effect (the "Crisis Measure").

In line with the Crisis Measure, NET4GAS is required to organize auctions for securing the storage of gas and contractual restrictions on the disposal of stored gas during the 2022/2023 storage year in gas storage facilities on the territory of the Czech Republic.

The MIT lays down the Terms and Conditions and the model of the Framework Agreement and also sets out and notifies NET4GAS of the specific parameters of each auction announced, including the date of the auction, the auctioned quantity, and the starting price.

The first auction was successfully organized on 11 May 2022. In total, 14 auctions have already been organized by 16 June 2022.

An auction may be attended by any holder of storage capacity who has signed a Framework Agreement with NET4GAS and the storage system operator to open a special account for the allocation of gas stored according to this agreement.

More information about these auctions is available on our [website](#).

*Tomáš Vyležík*

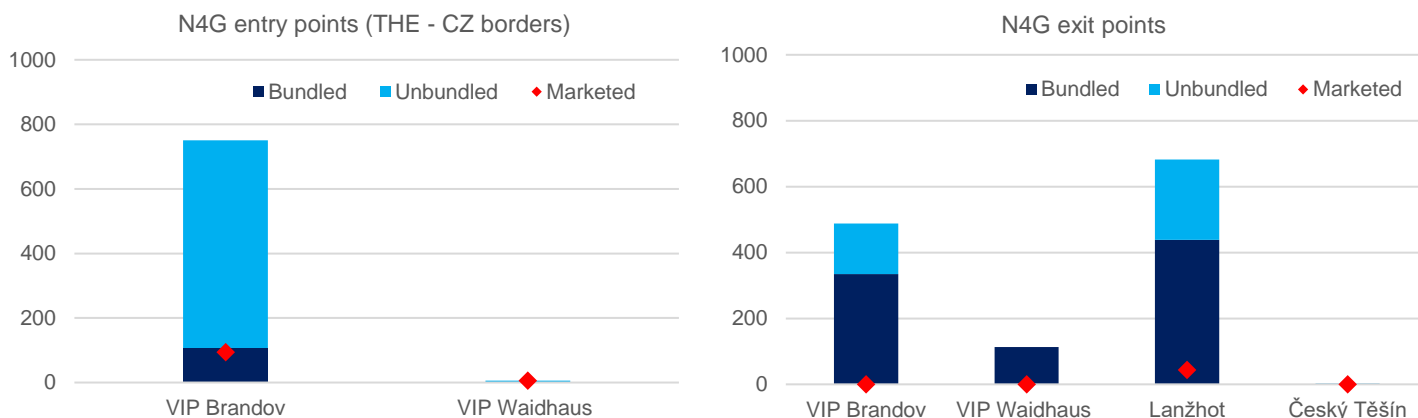
## Overview of NET4GAS capacity auctions and planned maintenance

### Recent auction activities (Q2 / 2022)

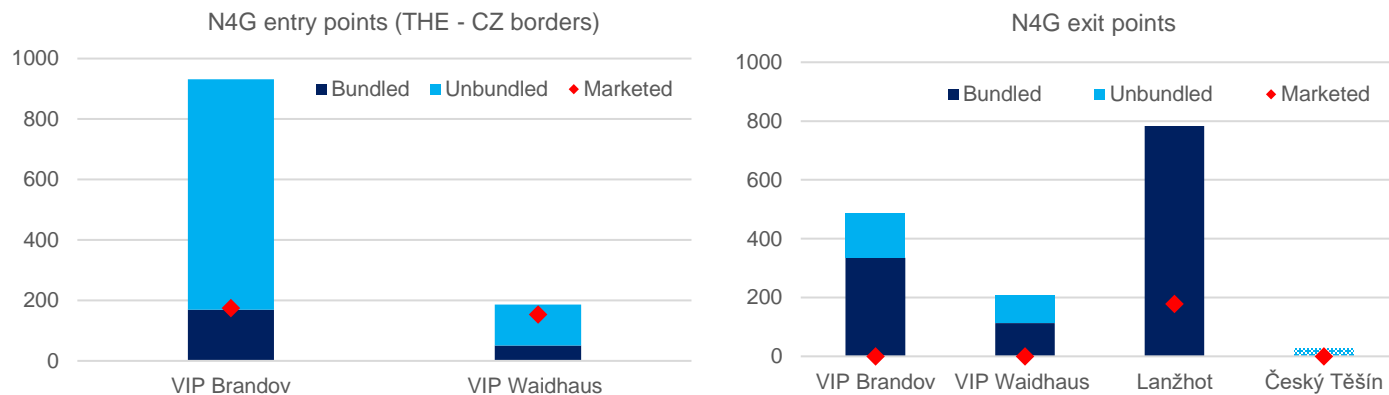
**AUCTIONS** Over the previous weeks, NET4GAS has experienced a significant increase in capacity bookings at its border interconnection points at VIP Brandov and VIP Waidhaus (entry) and at Lanžhot (exit). Moreover, there has also been an increase in exit capacity bookings at the virtual gas storage points due to the strong injections into the underground gas storage facilities in Q2/2022.

Tomáš Vyležík

### NET4GAS firm capacities offered and booked in monthly auctions for June 2022 in GWh/d



### NET4GAS firm capacities offered and booked in daily auctions in GWh/d for the period 25 May – 3 June 2022 \*)



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

\*) Daily Český Těšín unbundled exit capacities are only offered on an interruptible basis. However, the daily firm bundled product is also available.

## Overview of upcoming planned maintenance work of NET4GAS' infrastructure

### SHUTDOWNS

Please find below a rough overview of the currently planned maintenance up to September 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]
June	VIP Brandov	2,546.338	210.045	2,546.338
	VIP Waidhaus	120.000	98.800	21.200
July	VIP Brandov	2,546.338	844.294	2,546.338
	VIP Waidhaus	120.000	98.800	21.200
August	VIP Brandov	2,546.338	377.245	2,420.862
	VIP Waidhaus	120.000	98.800	21.200
September	VIP Brandov	2,546.338	126.521	2,473.188
	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]
June	No planned maintenance			
July	Lanžhot	1,246.380	662.776	1,246.380
August	VIP Brandov	487.666	197.530	487.666
September	VIP Brandov	487.666	197.530	487.666

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
4 June 2022 9:00	4 July 2022 9:00	Yearly	1 October 2022 – 1 October 2037	Firm
11 July 2022 7:00	18 July 2022 9:00	Yearly	1 October 2022 – 1 October 2037	Interruptible
11 July 2022 9:00	18 July 2022 9:00	Monthly	1 August 2022 – 1 September 2022	Firm
19 July 2022 7:00	26 July 2022 9:00	Monthly	1 August 2022 – 1 September 2022	Interruptible
18 July 2022 9:00	1 August 2022 9:00	Quarterly	1 October 2022 – 1 October 2023	Firm
8 August 2022 9:00	15 August 2022 9:00	Monthly	1 September 2022 – 1 October 2022	Firm
16 August 2022 7:00	23 August 2022 9:00	Monthly	1 September 2022 – 1 October 2022	Interruptible
29 August 2022 7:00	5 September 2022 9:00	Quarterly	1 October 2022 – 1 October 2023	Interruptible
12 September 2022 9:00	19 September 2022 9:00	Monthly	1 October 2022 – 1 November 2022	Firm
20 September 2022 7:00	27 September 2022 9:00	Monthly	1 October 2022 – 1 November 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.

NET4GAS, s.r.o.  
Na Hřebenech II 1718/8  
140 21 Prague 4 – Nusle  
Czech Republic  
Web: [www.net4gas.cz](http://www.net4gas.cz)  
Email: [capacitybooking@net4gas.cz](mailto:capacitybooking@net4gas.cz)

[Business documents](#)  
[Contacts](#)  
[Network data](#)

This newsletter is published on the NET4GAS website in the section "[News for shippers](#)".

**DISCLAIMER** NET4GAS expressly disclaims any obligation or undertaking to publicly release any updates or revisions to update this newsletter whether as a result of any change to the matters described herein or any change in any factor or circumstance subsisting at the date hereof or otherwise. The information contained in this newsletter has not been independently verified. Accordingly, no representation or warranty or undertaking, express or implied, is given by or on behalf of NET4GAS as to its accuracy, and no reliance should be placed on the accuracy and completeness of any source, and any information herein may be incomplete or condensed.