



“Dear business partners,

As always at this time of the year, we provide you with a new issue of our NEWS4SHIPPERS that mainly focuses on the key information for the upcoming annual capacity auction that will be held on 3 July 2023.

Looking into the future, we also want to share with you new information regarding our hydrogen transit projects – e.g. the Central and Eastern Hydrogen Corridor (CEHC) and the Czech-German Hydrogen Interconnector (CGHI).

Last but not least, we are expecting a significant operational milestone at the beginning of the next gas year – the Go-Live date of our new Capacity Management System (CAMS). We will provide you with more detailed information on this matter during the upcoming weeks.

Enjoy your reading!”

Petr Vaněk, Specialist, Client and Contract Management

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Yearly capacity auction on 3 July 2023

- NET4GAS capacities for the yearly auction are already available on the PRISMA and GSA platforms
- Capacities available for the next 15 gas years (GY)

AUCTIONS

The firm yearly capacity auction starts 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)* on 3 July 2023 at 9 AM (CET). All the auction data, including capacities and prices, are already available on the *PRISMA* and *GSA* platforms.

NET4GAS offers firm bundled transmission capacities at its border points for 15 consecutive gas years, starting with GY2023/24 and ending with GY2037/38. Unbundled transmission capacities are in line with the CAM NC offered only for the period of the upcoming GY2023/24.

In the following tables, there is a nonbinding overview as well as the links to the auctions for border point transmission capacities for the upcoming gas year:

NET4GAS entry capacities for GY 2023/24 (GWh/d)

Interconnection Point	Bundled	Unbundled
Lanžhot	356	1,039
Český Těšín	-	-
VIP Brandov	652	260
VIP Waidhaus	0	102

NET4GAS exit capacities for GY 2023/24 (GWh/d)

Interconnection Point	Bundled	Unbundled
Lanžhot	137	0
Český Těšín	0	4
VIP Brandov	302	137
VIP Waidhaus	477	487

More firm capacities 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 on the Czech side of the borders. For information on the unbundled capacities offered on the other side of the Czech border, please check capacity auctions organized by the adjacent transmission system operators.

Petr Vaněk

Price Decision for the Calendar Year 2024

- Yearly border points' transmission tariffs have been escalated for the Calendar Year (CY) 2024 in light of the exceptional circumstances and significant changes in the European gas market
- The multipliers for short-term products remain at the same level as in the previous years
- Variable charge for border points and transmission prices for storage will be published in November 2023

PRICES

On 2 June 2023, the Czech Energy Regulatory Office (ERO) published *Price Decision No. 1/2023* setting the 2024 firm transmission capacity tariffs for the Czech border points.

In the context of the ongoing war in Ukraine, significant changes in gas flows and at the European gas market in general, the ERO has decided to escalate the CY2024 yearly fixed transmission capacity tariffs by 20 % for entry border points and approx. 92 % for exit border points. This

development is basically in line with the tariffs in the surrounding countries, which had also been significantly increased over the past two years.

As of 1 January 2024, the yearly tariffs for gas transmission services at the border points will therefore be as follows:

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

Entry border point	2024	2023
Lanžhot	632.35	526.96
Český Těšín	280.39	233.66
VIP Brandov	1,054.24	878.53
VIP Waidhaus	1,124.28	936.90

Exit border point	2024	2023
Lanžhot	6,714.53	3,495.33
Český Těšín	10,208.39	5,314.10
VIP Brandov	7,210.38	3,753.45
VIP Waidhaus	3,694.01	1,922.96

The Price Decision also sets multipliers for short-term products. These 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 variable charge for cross-border transmission for transported gas at the Czech exit border points, together with other important parameters effective in 2024 such as the transmission tariffs for SSOs, DSOs and directly connected customers, will be published by the ERO in a Price Decision in November 2023.

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

David Urban

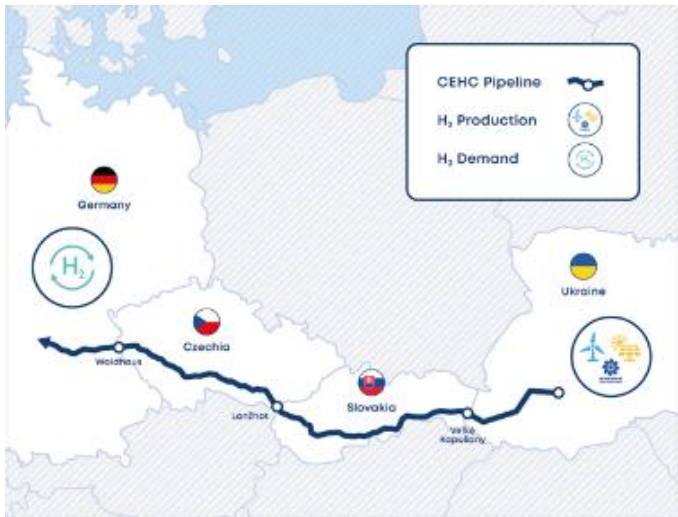
Growing interest in planned hydrogen transmission corridors

- NET4GAS' infrastructure as part of three major hydrogen transit corridors through Europe is applying for the Project of Common Interest (PCI) status
- As part of these projects, NET4GAS plans to convert two large-scale natural gas pipelines for pure hydrogen transmission

HYDROGEN

NET4GAS, together with its project partners, has continued developing hydrogen transport projects that would enable the large

scale importation of competitively priced pure hydrogen into the region.



The first project is the **Central European Hydrogen Corridor (CEHC)**. Its objective is to enable the transport of pure hydrogen from Ukraine, via Slovakia and the Czech Republic, to large hydrogen demand areas in Germany and the EU. NET4GAS is developing this project with other participating transmission system operators (TSOs) - Open Grid Europe (OGE), eustream and the Gas TSO of Ukraine.

The same part of NET4GAS infrastructure as for the CEHC project is planned to also be used in the second project called **SunSHyne** that aims to bring pure hydrogen to the region from supply areas in North Africa. Besides NET4GAS, the partners on this project include SNAM, TAG, eustream and OGE.



The third project is the **Czech-German Hydrogen Interconnector (CGHI)**. The goal of this project is to build a transport route for pure hydrogen produced in the Baltic Sea and Nordic regions to the Czech Republic and further south to Germany.



As part of the development of these projects and subject to meeting all valid contractual obligations, NET4GAS plans to **convert two of its existing large-scale natural gas pipelines to pure hydrogen transport by 2030** – one on the southern branch and one on the western branch of its existing network. Thanks to the full repurposing, the **total expected levelized cost of hydrogen transmission in those pipelines is estimated not to exceed 0.10 EUR/kg per 1,000 km**, which is much lower compared to new build alternatives. The starting capacity of these two pipelines is expected to be 144 GWh/d.

NET4GAS – together with its partners – has also **applied for the PCI (Project of Common Interest) status** for the above-mentioned corridors. The European Commission should decide on granting the status by the end of this year.

As part of this further development, the project partners have initiated discussions on official support and cooperation with key stakeholders from industry. Key stakeholders from the Czech Republic that have already expressed their support include: the Ministry of Industry and Trade of the Czech Republic, MND, GasNet and the Ústecký Region. Dialogues with other important stakeholders are ongoing.

For more information, please visit the project websites (<http://www.cehc.eu>, <http://www.cgih.eu>) or directly contact the TSOs involved.

Tomáš Lev

Go-Live date of the new capacity management system planned on 1 October 2023

PLATFORMS

We are pleased to inform you that the new CAMS system will Go Live at the start of the new gas year on 1 October 2023. CAMS will replace the existing tryGAS system and provide inter alia:

- A new platform for capacity bookings into / from gas storage facilities and transmission nominations

- A new website with the key Czech gas transmission data, including capacities, maintenance, flows, etc.
- Additional services on the PRISMA & GSA platforms, including capacity transfers and surrenders

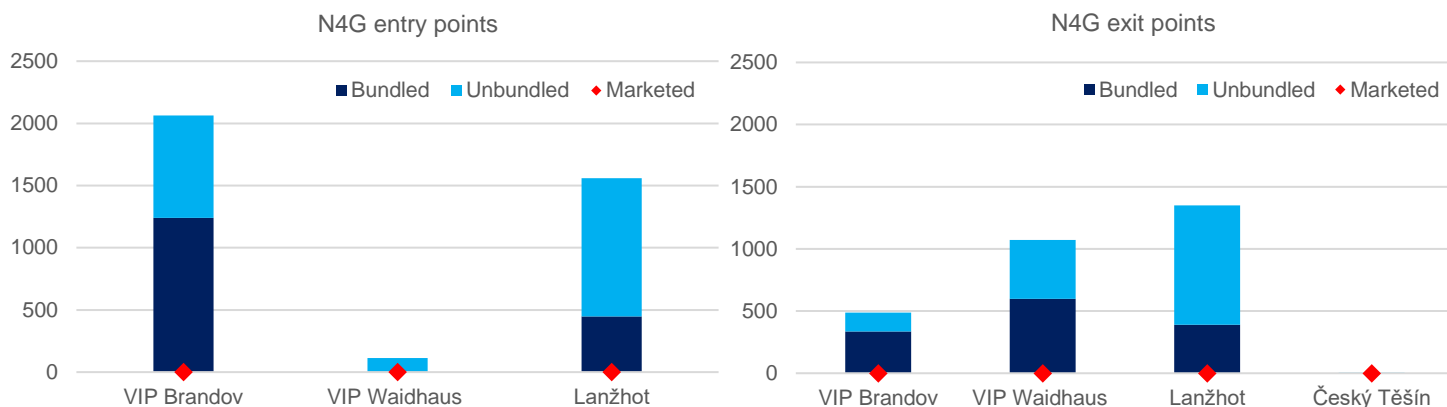
We will provide you with more detailed information regarding the change to the new CAMS system in the coming months. Moreover, we will also schedule several online training sessions for future CAMS users in September 2023 to make the process of switching to the new system as easy and convenient as possible.

Petr Vaněk

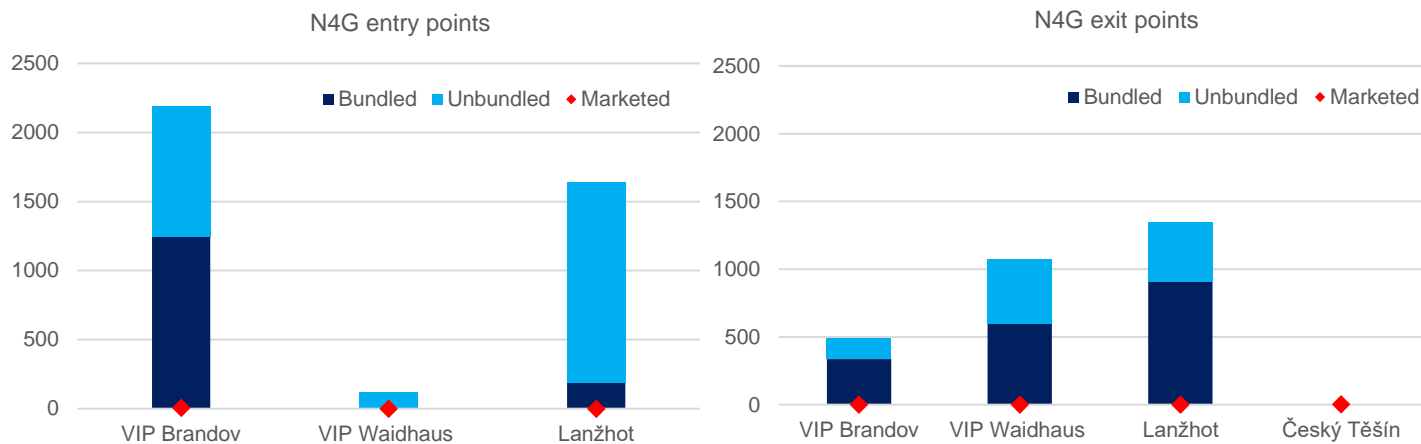
Overview of NET4GAS capacity auctions and planned maintenance

Recent auction activities (Q2 / 2023)

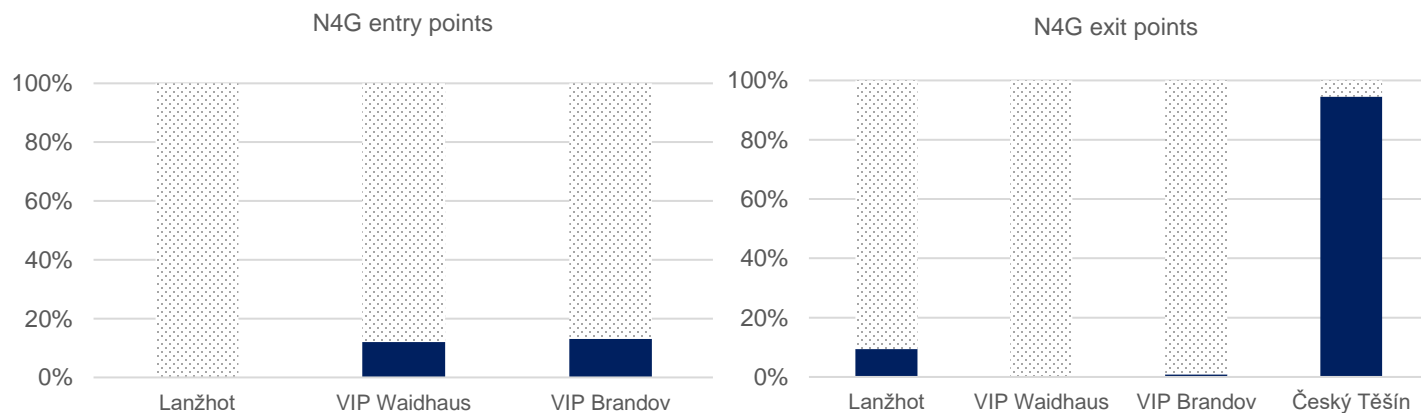
NET4GAS firm capacities offered and booked in monthly auctions for June 2023 in GWh/d



NET4GAS firm capacities offered and booked in daily auctions in GWh/d for the period 7 June – 16 June 2023



Maximum daily technical capacity utilization at border points for the period January - April 2023



Overview of upcoming planned maintenance work of NET4GAS' infrastructure

SHUTDOWNS

Please find below a rough overview of the currently planned maintenance up to September 2023. 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	124.095	2,546.338
July	VIP Brandov	2,546.338	686.595	2,546.338
August	VIP Brandov	2,546.338	361.082	2,546.338
September	VIP Brandov	2,546.338	127.187	2,419.150

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	
September			No planned maintenance	
August			No planned maintenance	
September			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
3 June 2023 9:00	3 July 2023 9:00	Yearly	1 October 2023 – 1 October 2038	Firm
10 July 2023 9:00	17 July 2023 9:00	Yearly	1 October 2023 – 1 October 2038	Interruptible
10 July 2023 9:00	17 July 2023 9:00	Monthly	1 August 2023 – 1 September 2023	Firm
18 July 2023 7:00	25 July 2023 9:00	Monthly	1 August 2023 – 1 September 2023	Interruptible
24 July 2023 9:00	7 August 2023 9:00	Quarterly	1 October 2023 – 1 October 2024	Firm
14 August 2023 9:00	21 August 2023 9:00	Monthly	1 September 2023 – 1 October 2023	Firm
22 August 2023 7:00	29 August 2023 9:00	Monthly	1 September 2023 – 1 October 2023	Interruptible
28 August 2023 7:00	4 September 2023 9:00	Quarterly	1 October 2023 – 1 October 2024	Interruptible
11 September 2023 9:00	18 September 2023 9:00	Monthly	1 October 2023 – 1 November 2023	Firm
19 September 2023 7:00	26 September 2023 9:00	Monthly	1 October 2023 – 1 November 2023	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.