



*Dear business partners,*

*It is my pleasure to welcome you to this edition of our newsletter, released in conjunction with the annual auction. This year's auction holds particular significance due to the further ongoing changes in gas flows across the entire Central and Eastern European (CEE) region. We also provide a detailed review of the Czech gas transmission prices for the calendar year 2025.*

*I am also excited to announce that, following the inclusion of our hydrogen projects in the list of candidates for PCI status, both of our projects have successfully attained this status. This milestone underscores our commitment to innovation and sustainable energy solutions.*

*Furthermore, this newsletter sheds light on legislative updates, including the release of the Hydrogen and Decarbonisation Gas Market Package, as well as potential amendments to the CAM NC, both of which are poised to have a significant impact on the gas industry.*

*We hope you find this edition informative and valuable! Thank you for your continued partnership and enjoy your reading!*

Petr Vaněk, Senior Specialist of Commercial Management



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## Yearly capacity auction on 1 July 2024

- NET4GAS capacities at VIP Brandov and Lanžhot are available to guarantee potential future gas supplies in the CEE region. More capacities will be provided in the consequent short-term auctions.

**AUCTIONS** The firm yearly capacity auction will commence on 1 July 2024 at 9 AM (CET), in accordance with *Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems (NC CAM)*. Detailed auction data, including capacities and prices, are now accessible on the *PRISMA* and *GSA* platforms.

NET4GAS is offering firm bundled transmission capacities at its border points for 15 consecutive gas years, starting from GY 2024/25 through to GY 2038/39. Unbundled

transmission capacities are offered, in line with the CAM NC, solely for the upcoming GY 2024/25 period.

Below are a nonbinding overview and links to the auctions for border point transmission capacities for the upcoming gas year:

### NET4GAS entry capacities for GY 2024/25 (GWh/d)

Interconnection Point	Bundled	Unbundled
Lanžhot	346	1,048
Český Těšín	-	-
VIP Brandov	179	844
VIP Waidhaus	0	102

### NET4GAS exit capacities for GY 2024/25 (GWh/d)

Interconnection Point	Bundled	Unbundled
Lanžhot	138	0
Český Těšín	0	4
VIP Brandov	179	260
VIP Waidhaus	240	822

NET4GAS, along with neighbouring transmission system operators, have capacities ready at two vital interconnection points, namely VIP Brandov and Lanžhot. These available capacities could play a significant part in ensuring the continuity of future gas supplies in the Central and Eastern Europe (CEE) region.

Additional firm capacities will be available in subsequent short-term auctions, following the rules on set-aside capacity. NET4GAS provides information only on unbundled transmission capacities on the Czech side of the border. For details on unbundled capacities offered on the other side of the Czech border, please refer to the capacity auctions organized by the adjacent transmission system operators.

*Petr Vaněk*

### Price decision for the calendar year 2025

- Annual transmission tariffs at exit border points for 2025 unified at 6,500 CZK/MWh/d/y; this is a slight increase in the annual entry transmission tariffs.
- The exit transmission tariff for Český Těšín is currently under public consultation for an adjustment to 6,500 CZK/MWh/d/y, effective from 1 July 2024.
- Multipliers for short-term products remain unchanged.
- Information about the variable charge for border points and transmission prices related to storage facilities will be published in November 2024.

#### PRICES

On 31 May 2024, the Czech Energy Regulatory Office (ERO) published *Price*

*Decision No. 1/2024*. This decision establishes regulated prices related to gas supply and specifically pertains to firm transmission capacity tariffs at all Czech border points for the calendar year 2025.

Considering the substantial shifts in gas flows and the broader context of the evolving European gas market, the ERO has decided to streamline the tariffs at all exit border points where there have been significant reductions (except VIP Waidhaus). Changes at all entry points were less significant and mostly marginal.

As of 1 January 2025, the annual 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	2025	2024
Lanžhot	744.21	632.35
Český Těšín	225.53	280.39
VIP Brandov	1,158.94	1,054.24
VIP Waidhaus	1,327.27	1,124.28

Exit border point	2025	2024
Lanžhot	6,500.00	6,714.53
Český Těšín	6,500.00	10,208.39
VIP Brandov	6,500.00	7,210.38
VIP Waidhaus	6,500.00	3,694.01

The Price Decision also establishes multipliers for short-term gas products. These multipliers remain consistent with previous years and are as follows:

- Quarterly products: 1.1
- Monthly products: 1.25
- Daily products: 1.5
- Within-day products: 1.7

Additionally, the variable charge for cross-border gas transmission at the Czech exit border points, along with other important parameters effective in 2025 (such as transmission tariffs for SSOs, DSOs, and directly connected customers), will be disclosed by the ERO in a Price Decision scheduled for November 2024.

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

*David Urban*

## Two hydrogen projects from NET4GAS have been awarded PCI status

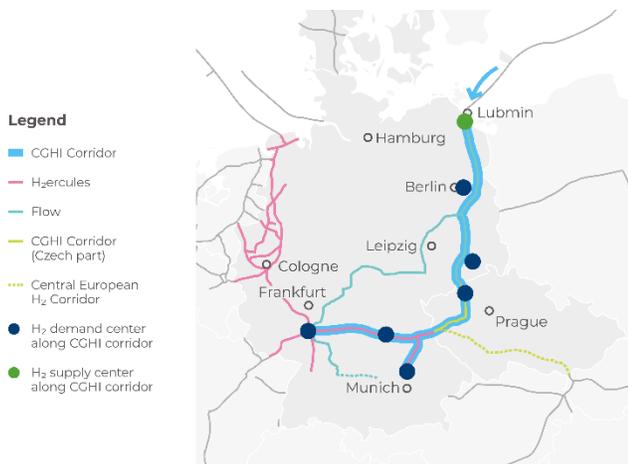
### HYDROGEN

The European Commission has officially published the sixth list of Projects of Common Interest (PCIs) and Projects of Mutual Interest (PMIs). The list contains key projects for the development of the European energy infrastructure, which are intended to help achieve the ambitious energy and climate objectives of the European Green Deal.

NET4GAS, with support from the Ministry of Industry and Trade and the Energy Regulatory Office, successfully managed to include two hydrogen projects on the list: the Czech-German Hydrogen Interconnection (CGHI) and the Central European Hydrogen Corridor (CEHC). This is a significant achievement, as only 4 projects out of more than 50 applications were successful for the given region.

More information about the projects is available on their websites:

- Czech-German hydrogen Interconnector ([www.cghi.eu](http://www.cghi.eu))



Source: [www.cghi.eu](http://www.cghi.eu)

- Central European Hydrogen Corridor ([www.cehc.eu](http://www.cehc.eu))



Source: [www.cehc.eu](http://www.cehc.eu)

The implementation of these projects represents a great opportunity for the Czech Republic to successfully establish itself in the emerging European hydrogen economy. Obtaining PCI status provides these projects

with a number of advantages, such as simplified and faster approval procedures and the possibility to apply for financial support from the European Connecting Europe Facility (CEF), which can contribute to their successful implementation.

*Tomáš Lev*

## NET4GAS initiates a new hydrogen pathway - the South-East European Hydrogen Corridor

### HYDROGEN

In February, NET4GAS signed a memorandum of understanding on the South-East European Hydrogen Corridor (SEEHyC) project with the German OGE, the Slovak eustream, the Hungarian FGSZ, the Romanian TRANSGAZ, the Bulgarian BULGARTRANGAZ and the Greek DESFA.

The project aims to facilitate the transportation of green hydrogen, produced in the Balkans, to consumption areas within the EU, including the Czech Republic and Germany. Following supplies from Ukraine and North Africa, this represents an additional potential source of green hydrogen deliveries to the Czech Republic via IP Lanžhot.

The length of the corridor will reach over 3,100 km, out of which about 900 km will be retrofitted natural gas pipelines, including NET4GAS infrastructure. The remaining 2,200 km will have to be newly built.

*Tomáš Lev*

## Hydrogen and Decarbonised Gas Market Package adopted by the European Council

### LEGISLATION

On 21 May 2024, the European Council endorsed the final version of the 'Hydrogen and Decarbonised Gas Market Package,' marking a significant milestone in aligning the gas sector with the EU Green Deal and Climate Law objectives. This comprehensive legislative package comprises two main documents:

**Gas Directive:** This directive is primarily concerned with the rules for the transmission, distribution, supply, and storage of natural gas. It also includes provisions for the promotion of renewable gases and hydrogen. The directive sets out the legal framework for the internal market in gas and aims to foster competition and consumer protection. The Gas Directive is set to be subsequently incorporated into the national legislation.

**Gas Regulation:** This regulation sets out the conditions for access to the gas transmission networks, aiming to

ensure the proper functioning of the internal gas market. It includes rules on network tariffs and conditions for access to storage and LNG facilities. The applicability of the Gas Regulation is expected at the end of 2024.

Both documents are designed to reshape the energy landscape to accommodate a future characterized by renewable and low-carbon gases, with a significant emphasis on hydrogen. They outline key developments for gas transmission and distribution networks, including the creation of 'The European Network for Network Operators of Hydrogen' (ENNOH), tariff regulations at cross-border points at hydrogen networks, and gas quality rules, including blends of hydrogen with natural gas.

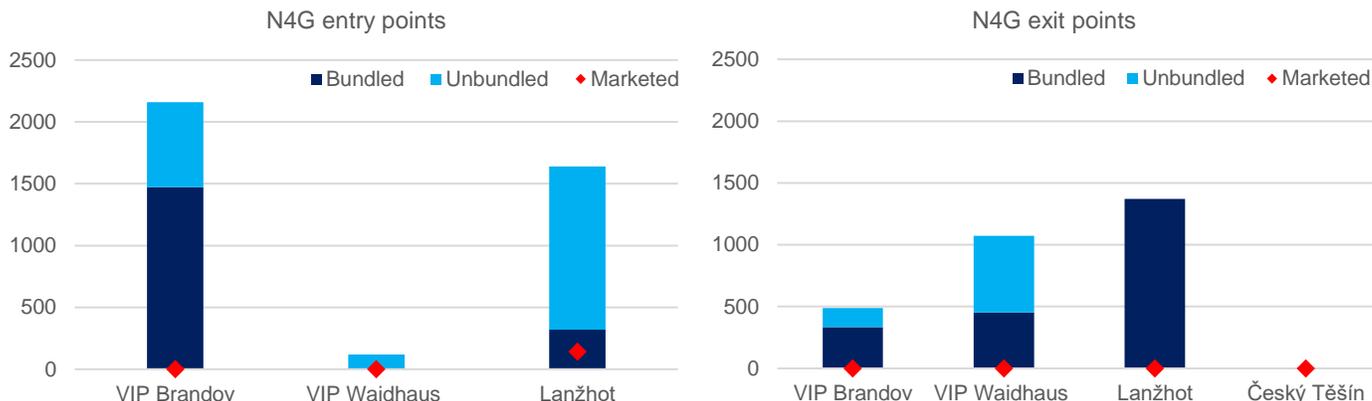
The ownership and access to hydrogen networks largely reflect existing regulations for natural gas, with provisions for inter-temporal cost allocation and temporary exemptions for network access. Notably, EU member states can postpone granting Third-Party Access (TPA) to hydrogen networks until 2032 to stimulate network development.

In summary, the package signifies a considerable stride towards achieving the EU's energy transition goals. While the package is ambitious, it offers the necessary flexibility for adaptation as the sector progresses.

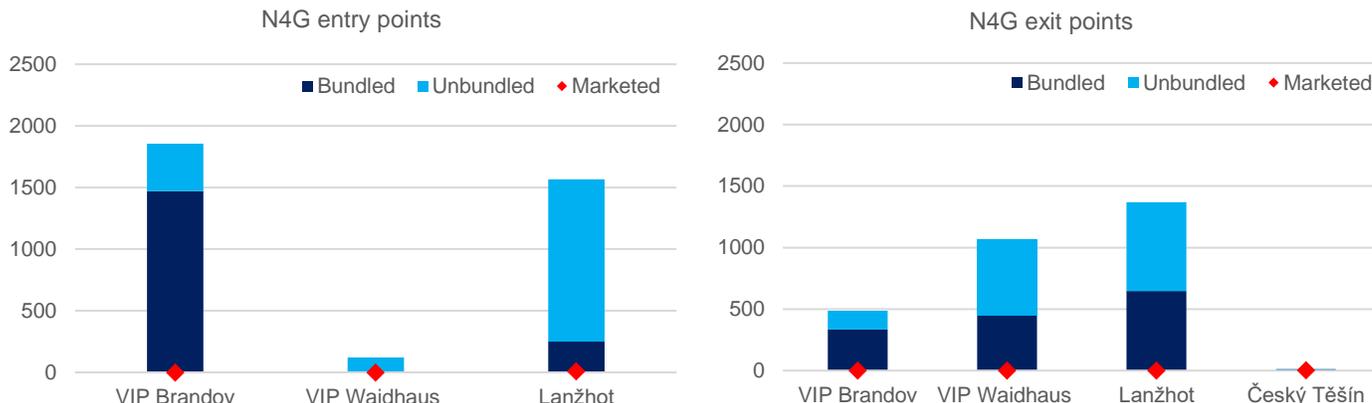
*Petr Vaněk*

## NET4GAS capacity offer and utilization

### NET4GAS capacities offered and booked in monthly auctions for June 2024 in GWh/d

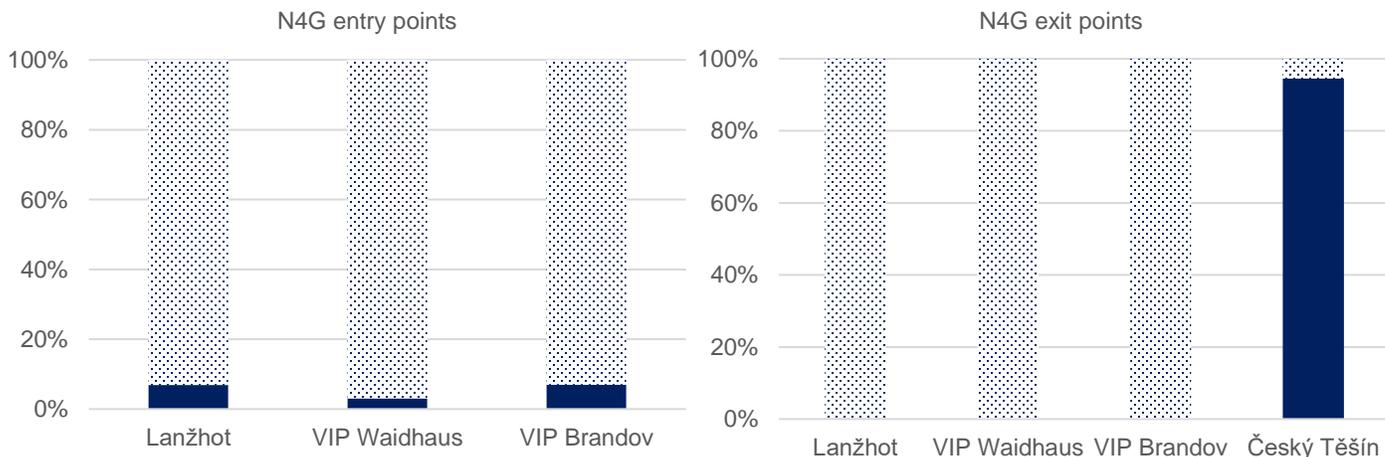


### NET4GAS capacities offered and booked in daily auctions in GWh/d for the period 21 – 30 May 2024 \*)



Note: Hatched charts represent unbundled capacities offered on an interruptible basis.  
 \*) Charts represent the daily maximums offered and marketed during the respective time period.

### Maximum daily technical capacity utilization at border points for the period January – April 2024



## Planned maintenance work of NET4GAS infrastructure

### SHUTDOWNS

Please find below a rough overview of the currently planned maintenance up to September 2024. All and complete planned maintenance work and consequent firm capacity interruptions at all entry and exit points of NET4GAS infrastructure for every gas day are available on our [website](#). The final maintenance plan is announced 42 days in advance in line with legislation.

### 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	682.406	2,459.582
July	VIP Brandov	2,546.338	520.431	2,459.582
August	VIP Brandov	2,546.338	388.761	2,459.582
September	VIP Brandov	2,546.338	106.611	2,439.727

### Exit points

Month	Entry point	Technical capacity [GWh/d]	Maximum daily interruption [GWh/d]	Maximum available daily firm capacity [GWh/d]
June	No planned maintenance			
July	VIP Brandov	487.666	145.020	487.666
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, quarterly and yearly auctions to be published in the coming months in the table below:

Publication date	Auctions start	Auction type	Product runtime	Capacity types
1 June 2024 9:00	<b>1 July 2024 9:00</b>	Yearly	1 October 2024 – 1 October 2039	Firm
8 July 2024 9:00	<b>15 July 2024 9:00</b>	Yearly	1 October 2024 – 1 October 2039	Interruptible
8 July 2024 9:00	<b>15 July 2024 9:00</b>	Monthly	1 August 2024 – 1 September 2024	Firm
16 July 2024 7:00	<b>23 July 2024 9:00</b>	Monthly	1 August 2024 – 1 September 2024	Interruptible
22 July 2024 9:00	<b>5 August 2024 9:00</b>	Quarterly	1 October 2024 – 1 October 2025	Firm
12 August 2024 9:00	<b>19 August 2024 9:00</b>	Monthly	1 September 2024 – 1 October 2024	Firm
20 August 2024 7:00	<b>27 August 2024 9:00</b>	Monthly	1 September 2024 – 1 October 2024	Interruptible
26 August 2024 7:00	<b>2 September 2024 9:00</b>	Quarterly	1 October 2024 – 1 October 2025	Interruptible
9 September 2024 9:00	<b>16 September 2024 9:00</b>	Monthly	1 October 2024 – 1 November 2024	Firm
17 September 2024 7:00	<b>24 September 2024 9:00</b>	Monthly	1 October 2024 – 1 November 2024	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  $H+4$ .