

# Gas storage market in Hungary

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# Hungary in a nutshell

Hungary has interconnections with all neighbouring countries except Slovenia

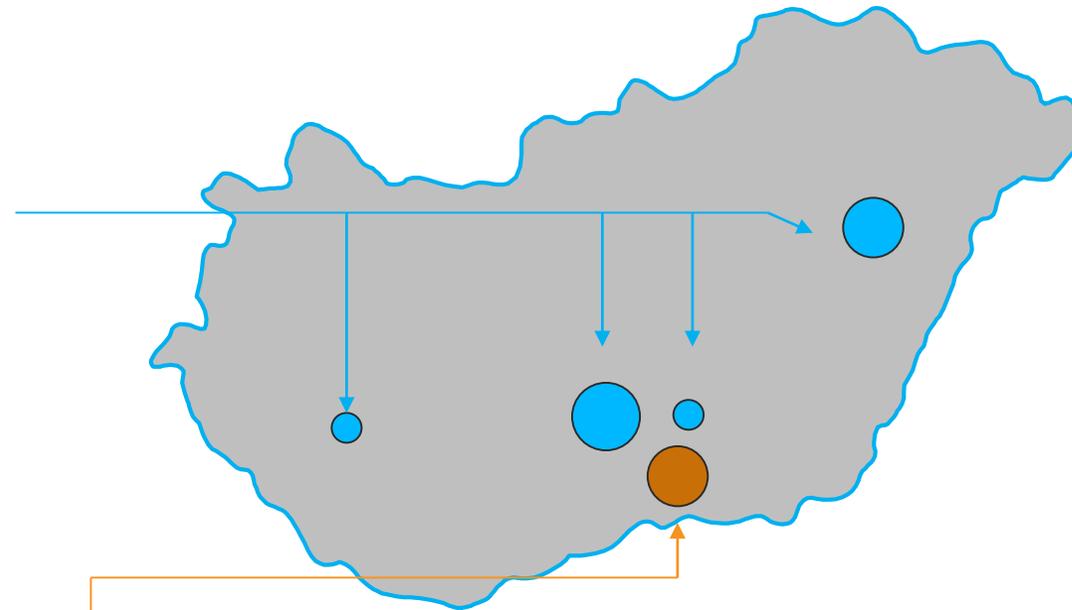
Hungary – 2 SSO's:



- 4 sites, unified storage system
- Only commercial stocks
- (Licence for strategic storage)
- Main flexibility provider
- Total of 4.43 bcm WG capacity
- Injection: 31.6 mcm/d
- Withdrawal: 53.6 mcm/d



- 1 site
- Strategic (1.45 bcm) and commercial stocks, physically not separated
- Total of 1.9 bcm WG capacity
- Injection: 12.7 mcm/d
- Withdrawal: 25 mcm/d



 Total consumption ~ 10 bcm

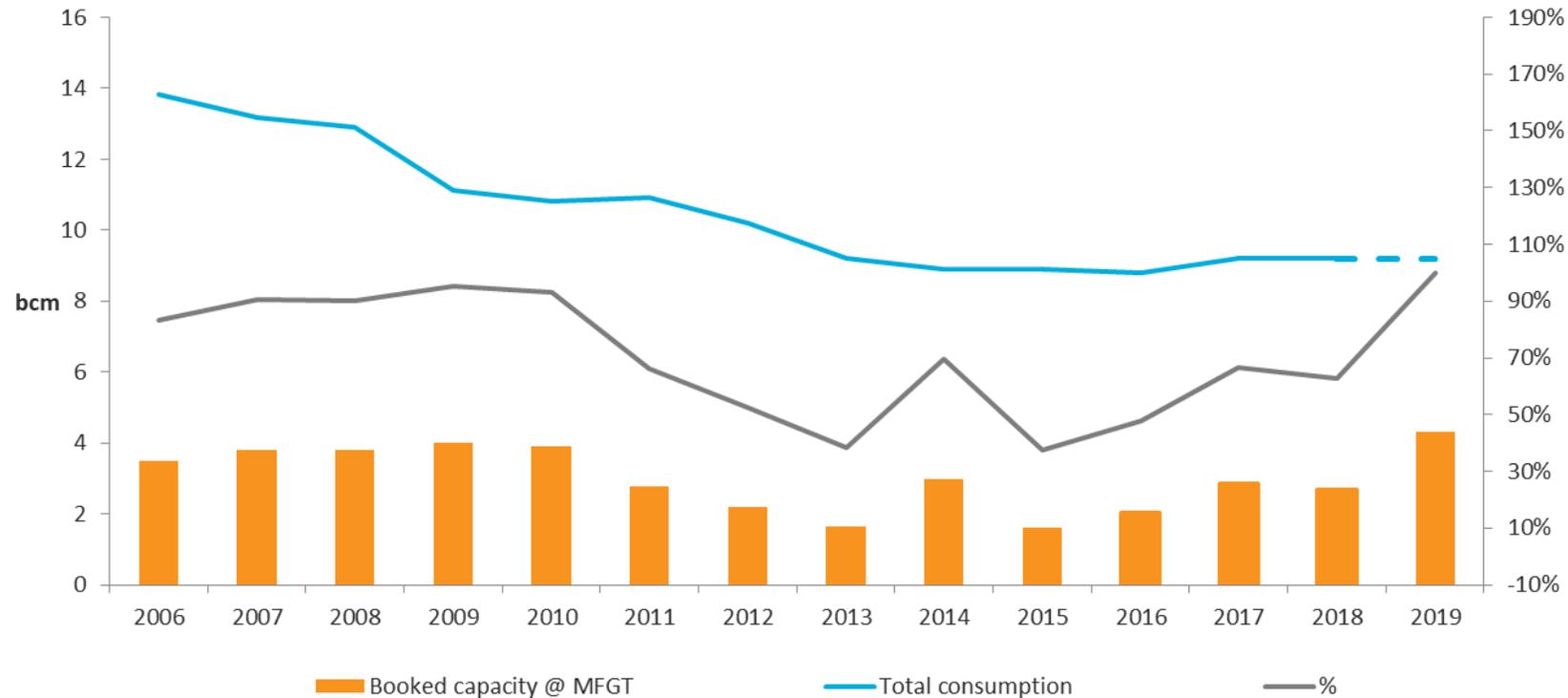
## Total storage capacities

- 6.3 bcm WG capacity
- Injection: 44.3 mcm/d
- Withdrawal: 78.6 mcm/d



## Storage booking trend is changing in Hungary

The yearly natural gas consumption has decreased in the last 10 years, however it stopped decreasing in 2016.

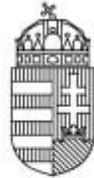


The storage booking level exceeded 100% in 2019 at Hungarian Gas Storage.



# The most relevant stakeholders for SSOs in Hungary

Ministry



MINISTRY FOR  
INNOVATION AND TECHNOLOGY

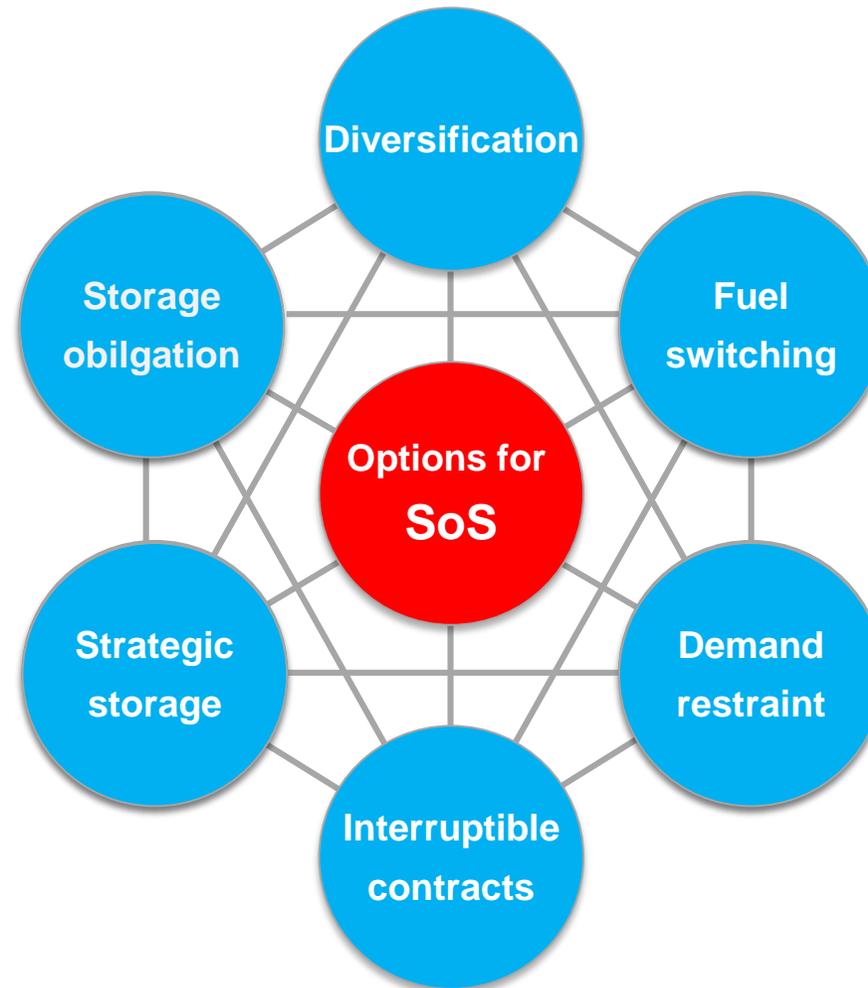
NRA



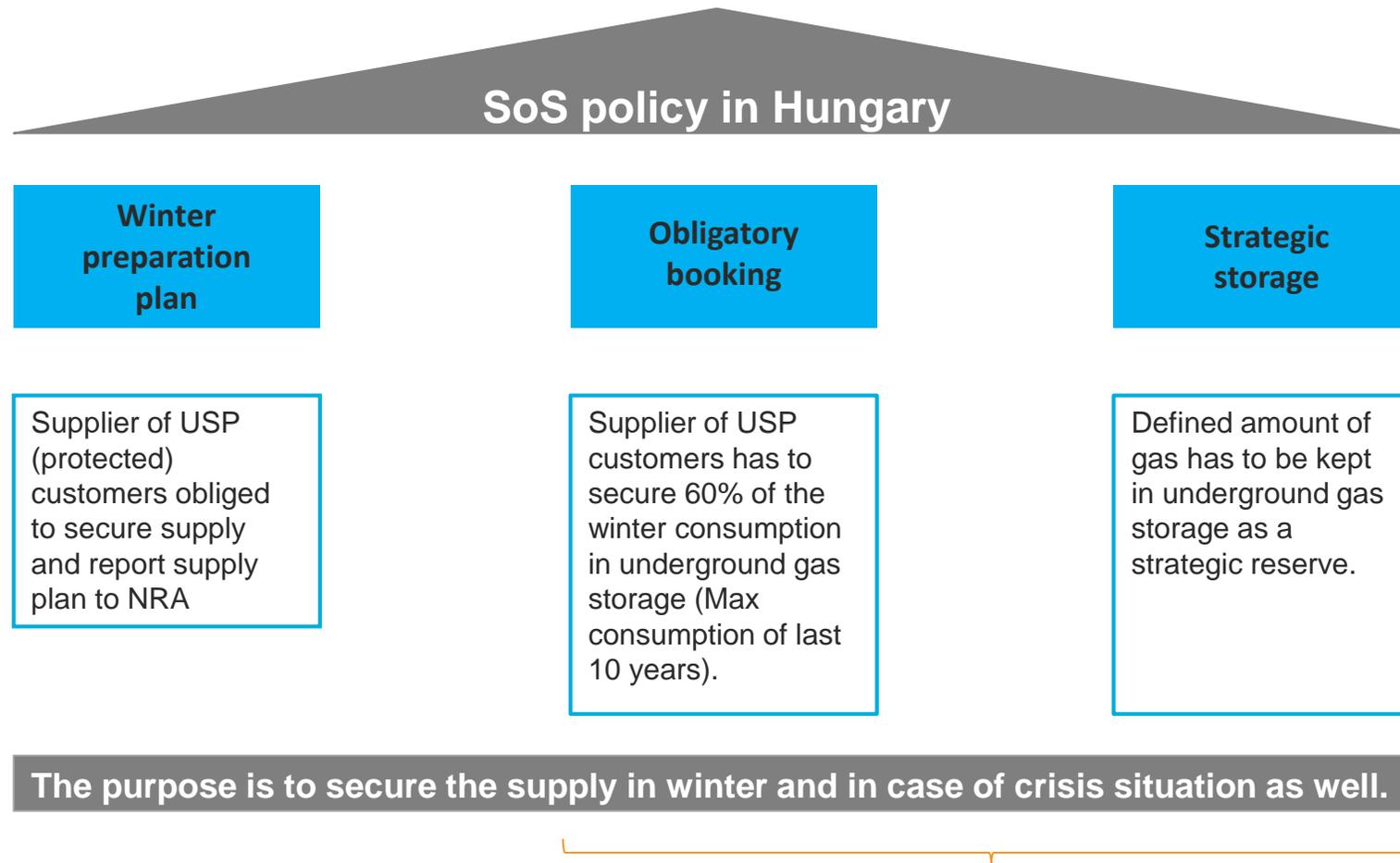
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- Responsible for gas law
  - Defines the location and measure of strategic stocks in Ministerial Decree
  - Sets out the obligatory minimum injection and withdrawal capacity
  - Determines the reason of use, measure, price, order of replenishment in case of emergency
- Issues the licenses for storage operators
  - Set the tariff for SSOs
  - Proposes the measure of strategic stocks to the Minister
  - Responsible for the preparation of Emergency Plan and Preventive Action Plan



# Security of supply tools



# Since Hungary's import dependency is close to 85%, many SoS tools are applied



# Strategic and commercial storages are responsible for different parts of the supply

Strategic storage	Main purpose	Commercial storage
Ensuring supply in case of supply crisis		Storing gas on commercial basis, providing flexibility to the market
Only minister can release the stock	Availability	Based on customer demand
Act on SoS and ministerial decree	Legislation	Act on gas supply
The amount is defined by Minister Non TPA	Capacity	TPA
Not subject of tariff regulation	Price	Regulated tariff (price cap)
Hungarian Hydrocarbon Stockpiling Association	The owner of the injected gas	Customers of SSOs
Distort the competition without strong regulation	Effect on the market	Decrease gas price volatility



Thank you!

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