

Gas Industry in the Czech Republic

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Czech Republic



State Energy Policy priorities

1. **Maximum independence of the Czech Republic from foreign energy sources especially from risky regions**
2. **Maximum safety and reliability of energy sources including nuclear safety**
3. **Maximum sustainable development and environmental protection**

State Energy Policy Goals

- 1. Promotion of electricity and heat produced from Renewable Energy Sources,**
- 2. Maximising Energy Efficiency**
- 3. Optimising the use of indigenous energy sources**
- 4. Optimising nuclear energy use,**
- 5. Minimising GreenHouse Gases emission and environmental burden**

Gas Market Liberalisation I

■ § 55, Article 3 of the Energy Act

■ **January 1st, 2005** – all end customers, having annual gas consumption > 15 mill. m³, all Combined Heat and Power producers and electricity generation licence holders became eligible customers

■ **35 customers**

Gas Market Liberalisation II.

■ **January 1st, 2006 – all end customers, other than households became eligible customers**

■ **144 000 customers**

Gas Market Liberalisation III.

■ **January 1st, 2007 – all customers inclusive households shall be eligible customers**

■ **2 700 000 households**

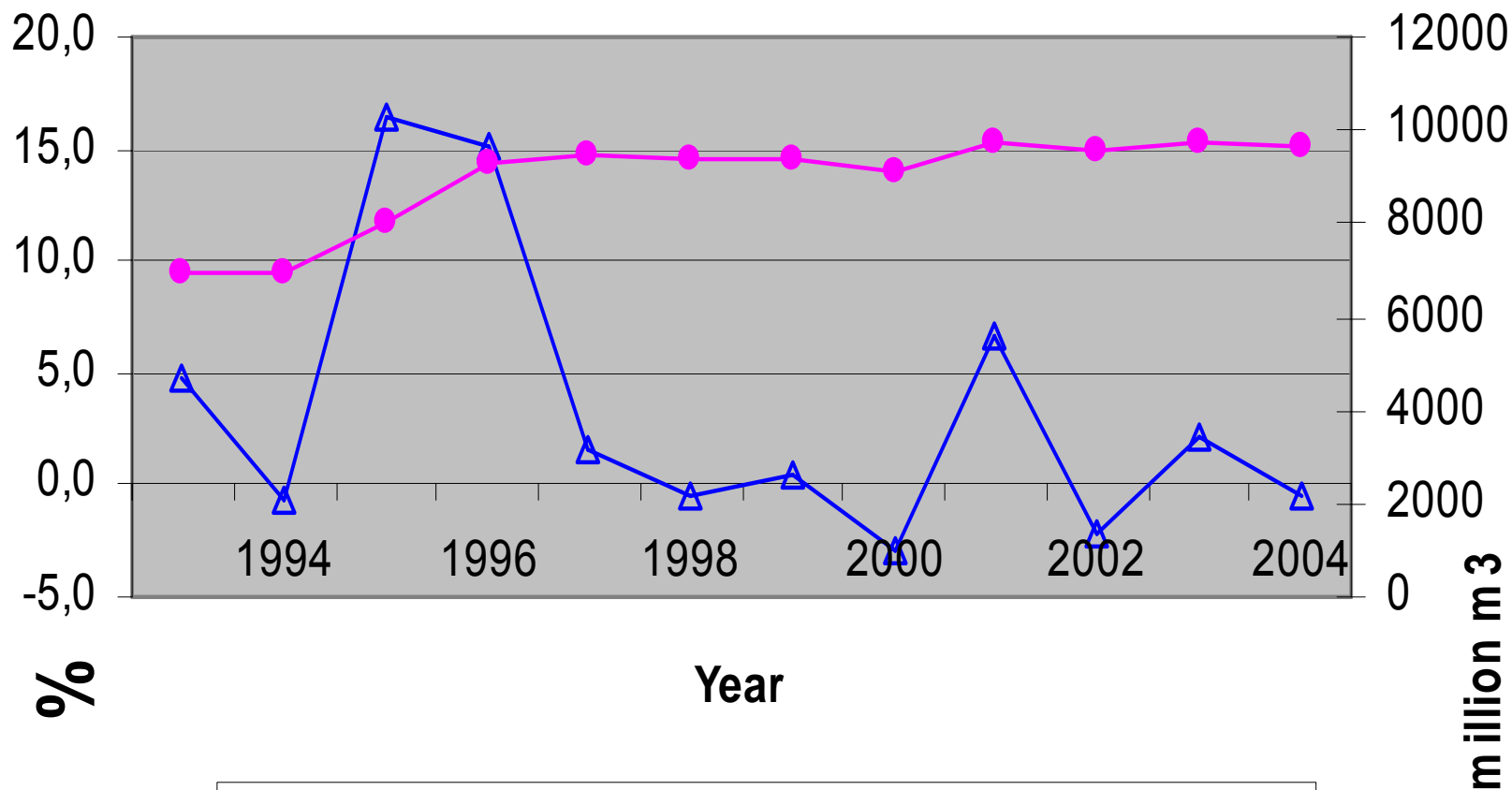
Gas Market Liberalisation IV.

- **Lessons learned**
- **No real gas market**
- **Missing competition**
- **Instead of competition and decreasing prices, 35 eligible customers experienced in 2005 sharp price increase up to 40 %**
- **Energy Regulatory Authority forced to introduce price regulation again**
- **Unless new suppliers enter the market**

Domestic Consumption of Primary Energy Sources in %

Year	1990	1995	2000	2004
Solid fuels	64,9	57,5	53,0	47,1
Liquid fuels	17,1	18,4	19,2	18,2
Natural gas	10,9	15,7	19,0	18,0
Nuclear power	6,7	7,7	8,9	16,3
Renewable energy sources	0,4	0,7	1,9	2,8

Natural Gas Consumption in the Czech Republic



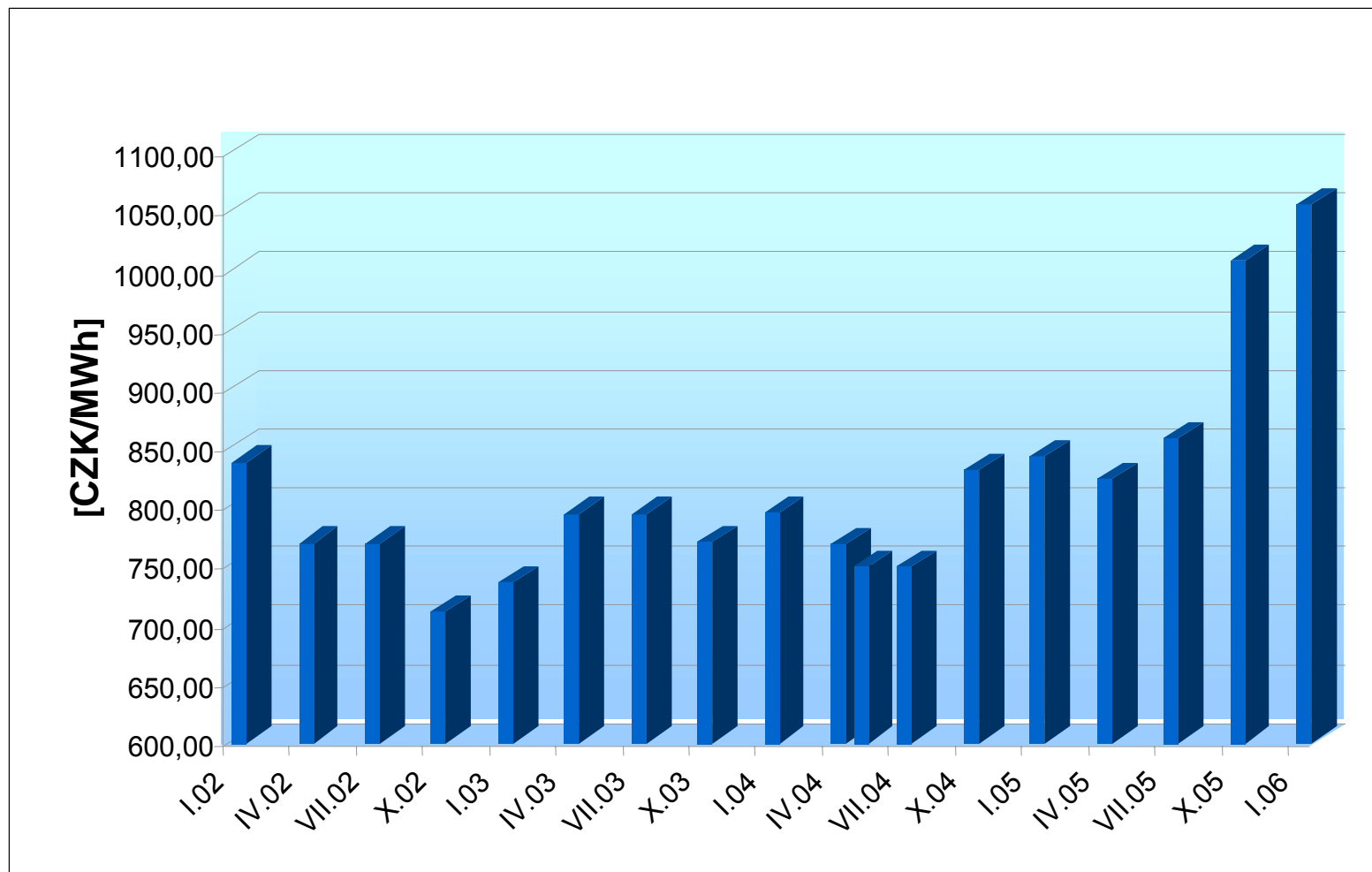
—△— Year-On-Year Difference —●— Total consumption

Primary Energy Sources by 2030

Environmentally friendly

	2000	2005	2030
Solid fuels	53,0 %	43,0 %	30,5 %
Liquid fuels	19,2 %	19,7 %	11,9 %
Natural gas	19,0 %	18,6 %	20,6 %
Nuclear power	8,9 %	16,5 %	20,9 %
Renewable energy sources	1,6 %	3,9 %	15,7 %

Average natural gas price for households incl. VAT, 2002 - 2006



Security of natural gas supply

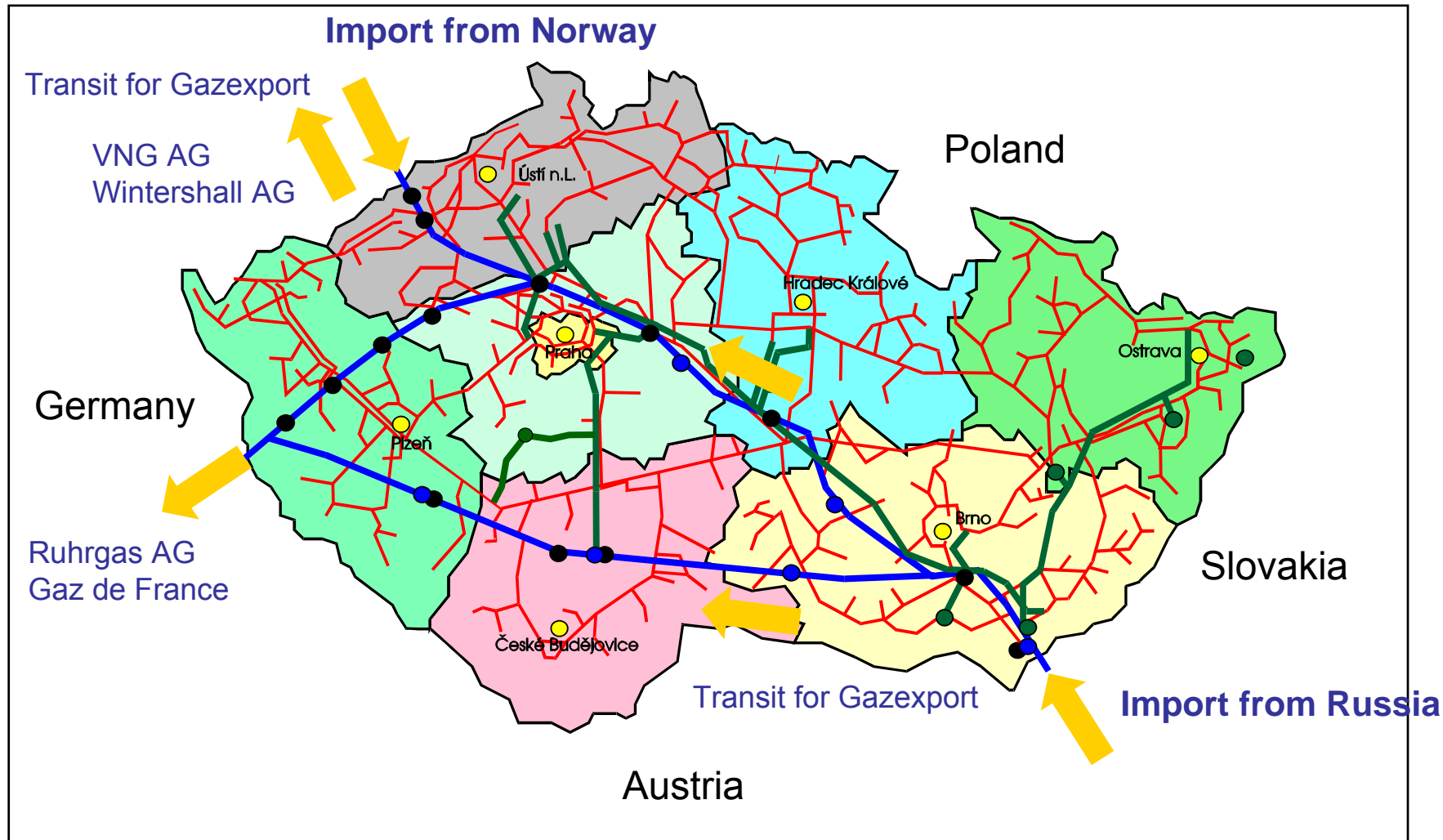
■ Gas supply diversification

- 75 % annual consumption from Russian Federation
- 25 % annual consumption from Norway

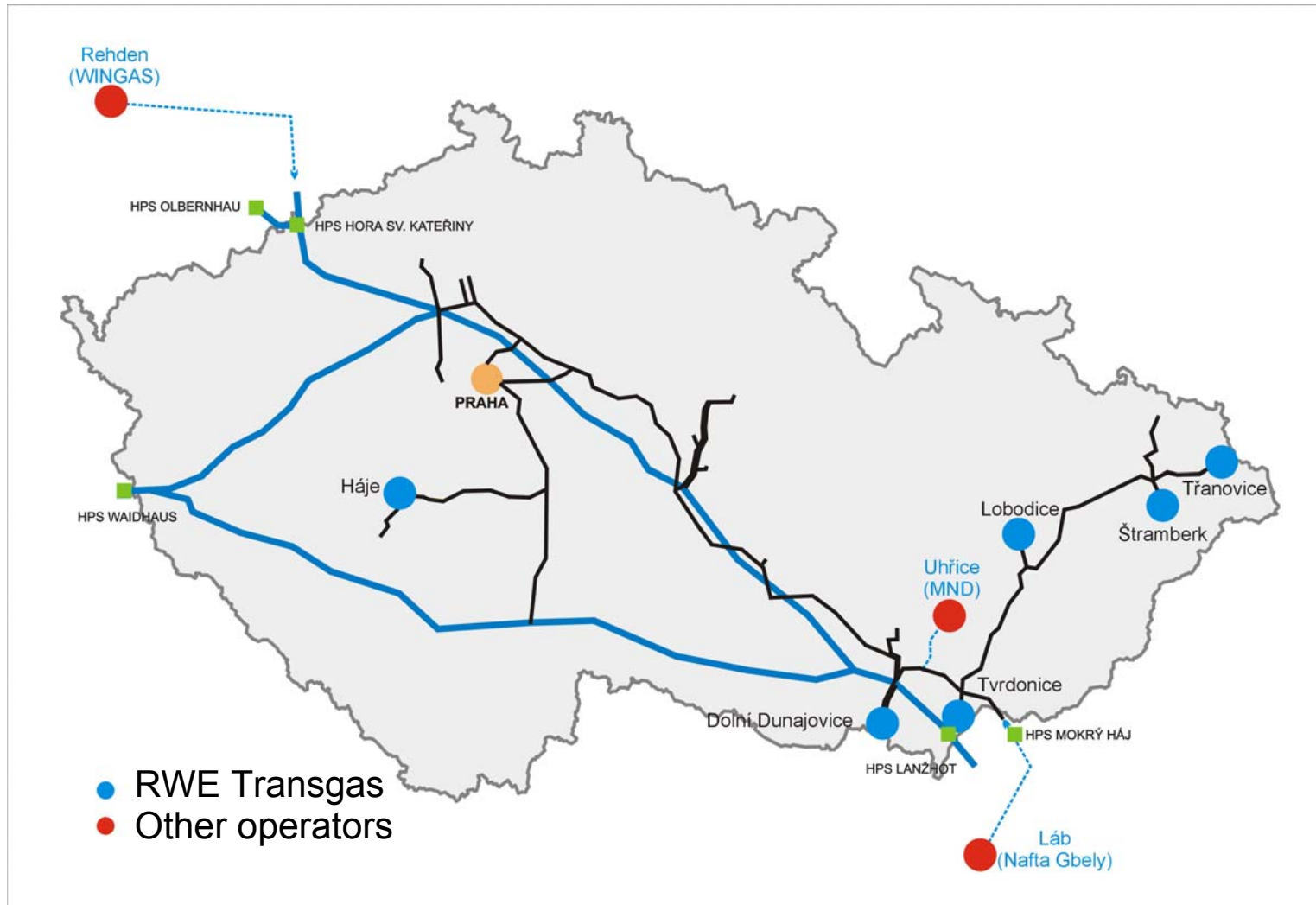
■ UGS facilities

- 6 UGS facilities = 25 % of annual consumption
- Total storage capacity 2,7 bcm
- Useful storage capacity 2,4 bcm
- Daily maximum withdrawal capacity 50 mcm
- At 1st October supply sufficient for 60 days

Czech Natural Gas Network



Underground Gas Storage Facilities



Future development I.

- Full Gas market liberalisation - 2007
- Finalisation of connection to natural gas grid of communities > 500 inhabitants - 2007

Year	Communities connected
1994	1 127
2004	4 098

- CR communities total 6 258

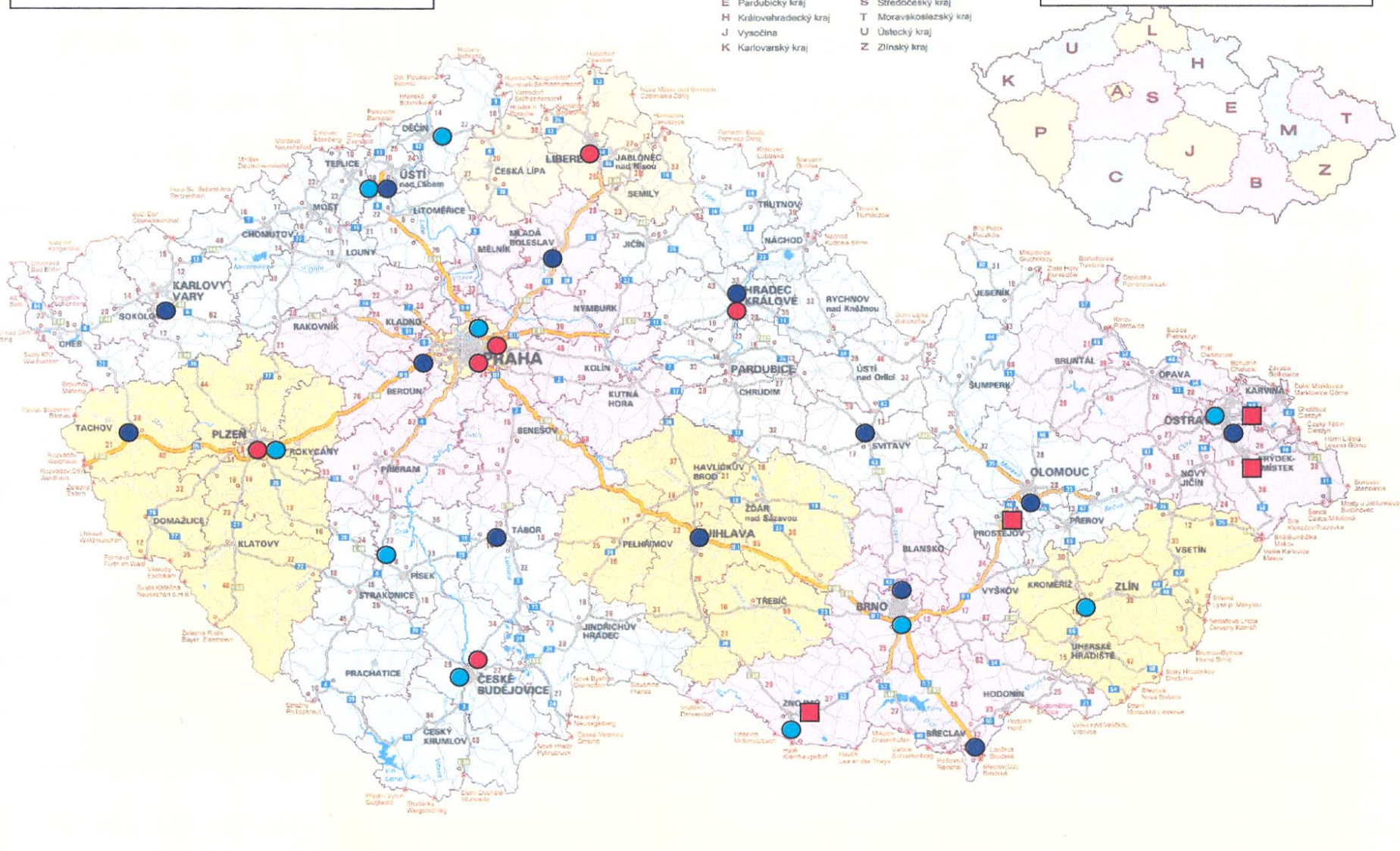
Future development II.

- **Construction of CNG filling stations**
- **State aid for communal traffic to be powered by natural gas**
- **Year 2005 – 14 CNG stations in operation**
- **Year 2013 – 31 CNG stations will create „Blue corridors“ through the Czech Republic in all main transit routes**
- **Year 2020 –100 CNG stations planned**

CNG Stations - 2013

- A Praha
- B Jihoomoravský kraj
- C Jihočeský kraj
- E Pardubický kraj
- H Královhradecký kraj
- J Vysočina
- K Karlovarský kraj
- L Liberecký kraj
- M Olomoucký kraj
- P Plzeňský kraj
- S Středočeský kraj
- T Moravskoslezský kraj
- U Ústecký kraj
- Z Zlínský kraj

Czech Republic



● Stations 2005 – Gas Industry

■ Stations 2005 - Others

● Stations 2006-2009

● CNG Stations 2009-2013

Ladies and Gentlemen
thank you
for your attention.