

CEER

Council of European
Energy Regulators



17th GAS FORUM

Gas price surge and response to protect customers

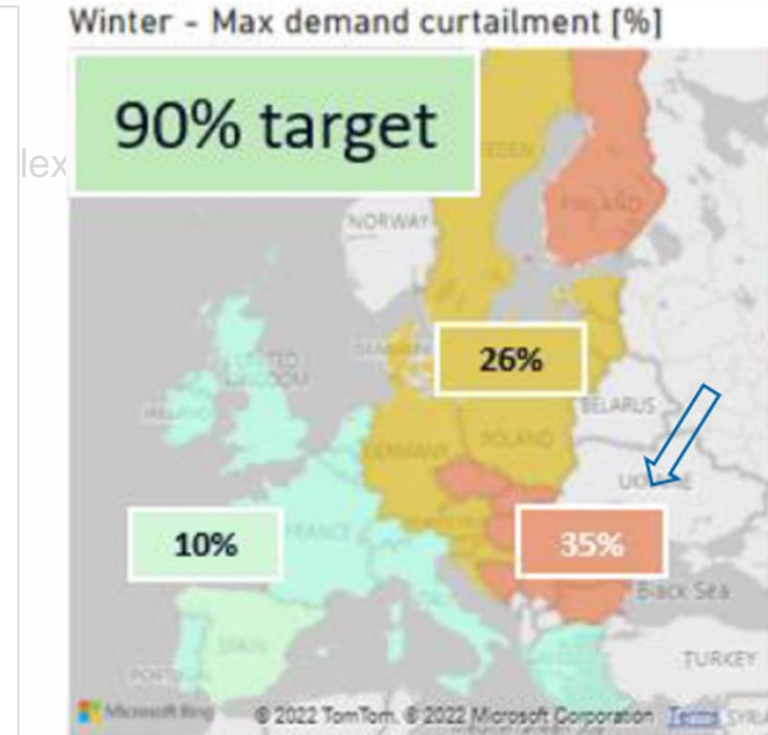
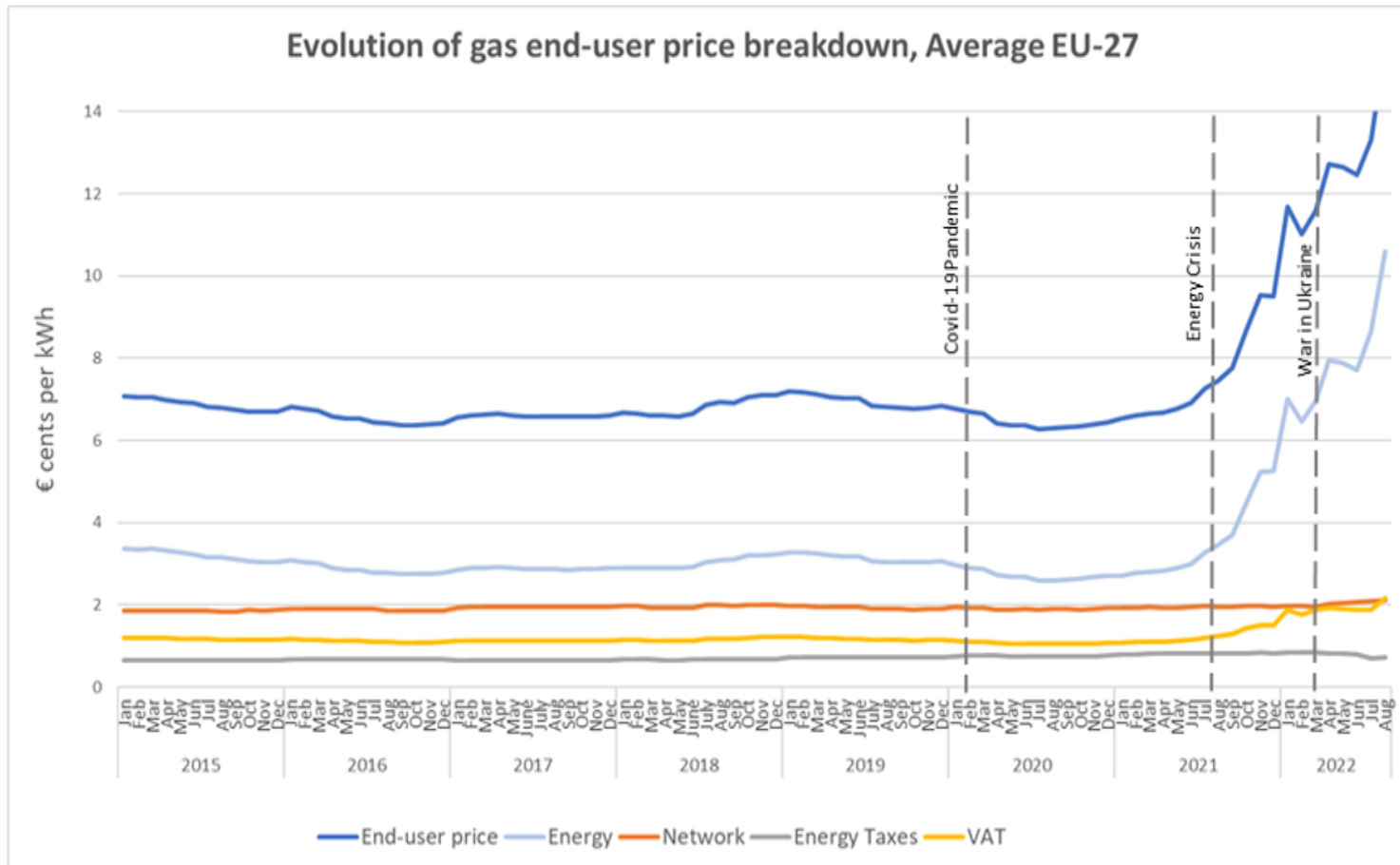
**Alessandro Ischia,
Ljubljana, 5 October 2022**

Gas price development



Rising energy prices

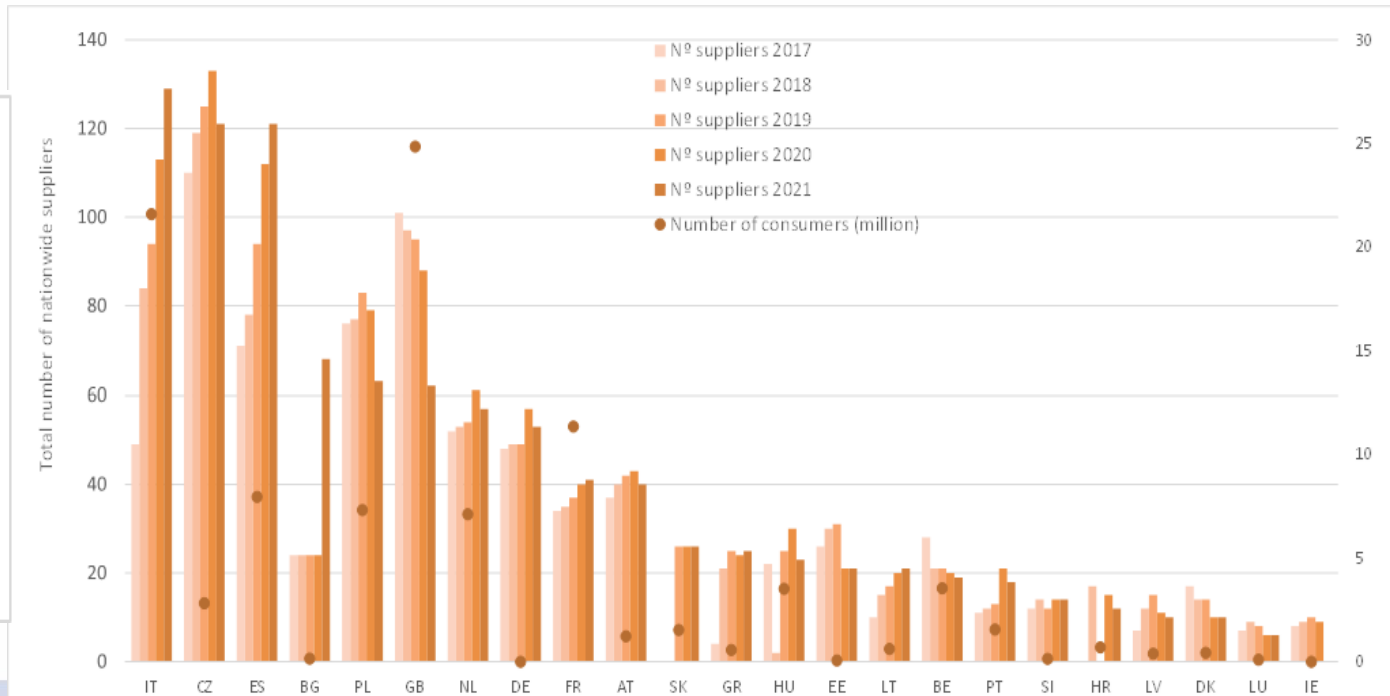
- **Reduction of the gas supply and rising energy prices** (different magnitude, do to not even distribution of the problem in Europe) at wholesale and **retail level**
 - ▶ Pipeline supply (balance of) LNG supply



Source: ENTSOG Yearly Supply Outlook 2022/2023

Rising energy prices

- Reduction of the gas supply and rising energy prices (different magnitude do to not even distribution of the problem in Europe) at wholesale and retail level
 - ▶ Pipeline supply (balance of) LNG supply
- Impact on gas consumers and suppliers
 - ▶ Several suppliers went **bankrupt**
 - ▶ **HHI index increases** (more space for incumbents)
 - ▶ Intervention of the **supply of last resort (SOLR)**
 - ▶ Shift from fix price contracts to contract with **variable prices** (floating - indexed to Hub prices)



06/10/2022

Rising energy prices

- Reduction of the gas supply and rising energy prices (different magnitude do to not even distribution of the problem in Europe) at wholesale and retail level
 - ▶ Pipeline supply (balance of) LNG supply
- Impact on consumers and suppliers
 - ▶ Several suppliers go bankrupt
 - ▶ Shift from fix price contracts to contract with variable prices (floating - indexed to Hub prices)
 - ▶ Intervention of the supply of last resort (SOLR)
 - ▶ HHI index increases
- This affects the entire industrial value chain and production costs
 - ▶ Loss of competitiveness of undertakings/ countries
 - Shut down of undertaking
 - Layoff of employees
 - ▶ Potential shortages in final products
- Declining purchasing power and increase in energy poverty of EU citizens
 - ▶ Increase of inflation
 - Difficulties in paying debts
 - Increasing need of financial securities
 - ▶ Pressure for political answers to the problem
 - Governments reacts with specific measures
 - NRAs reacts with specific measures

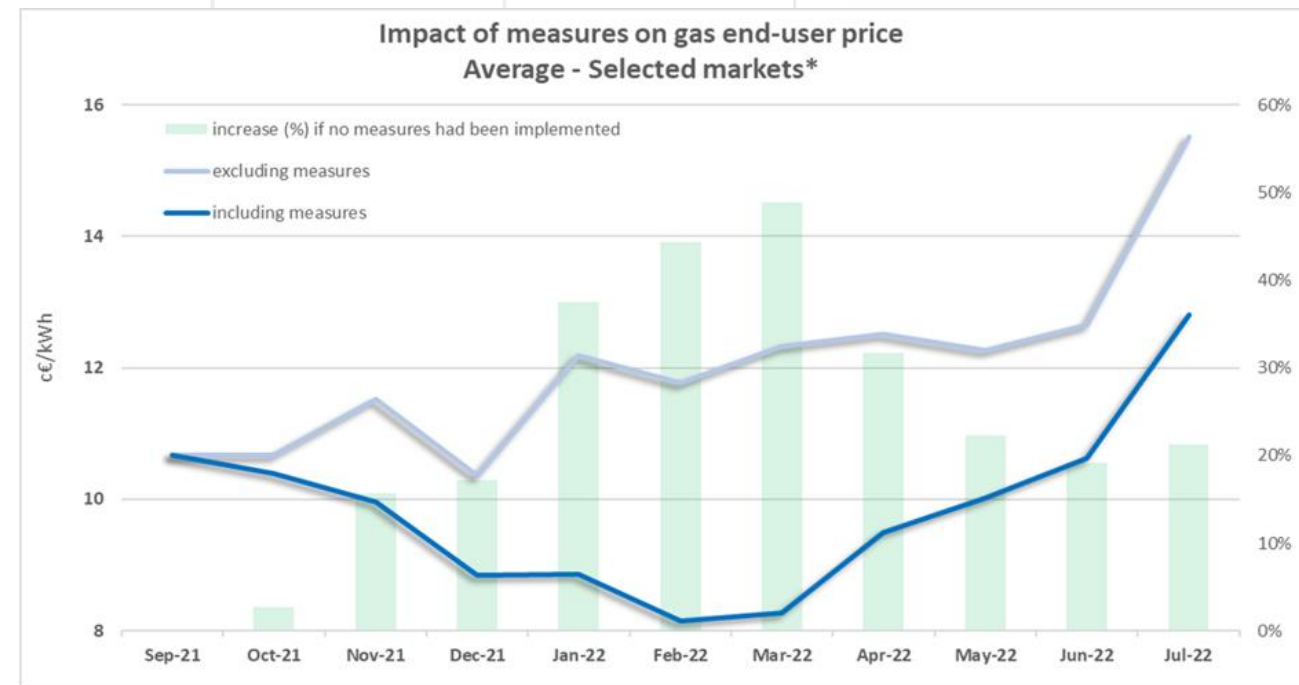
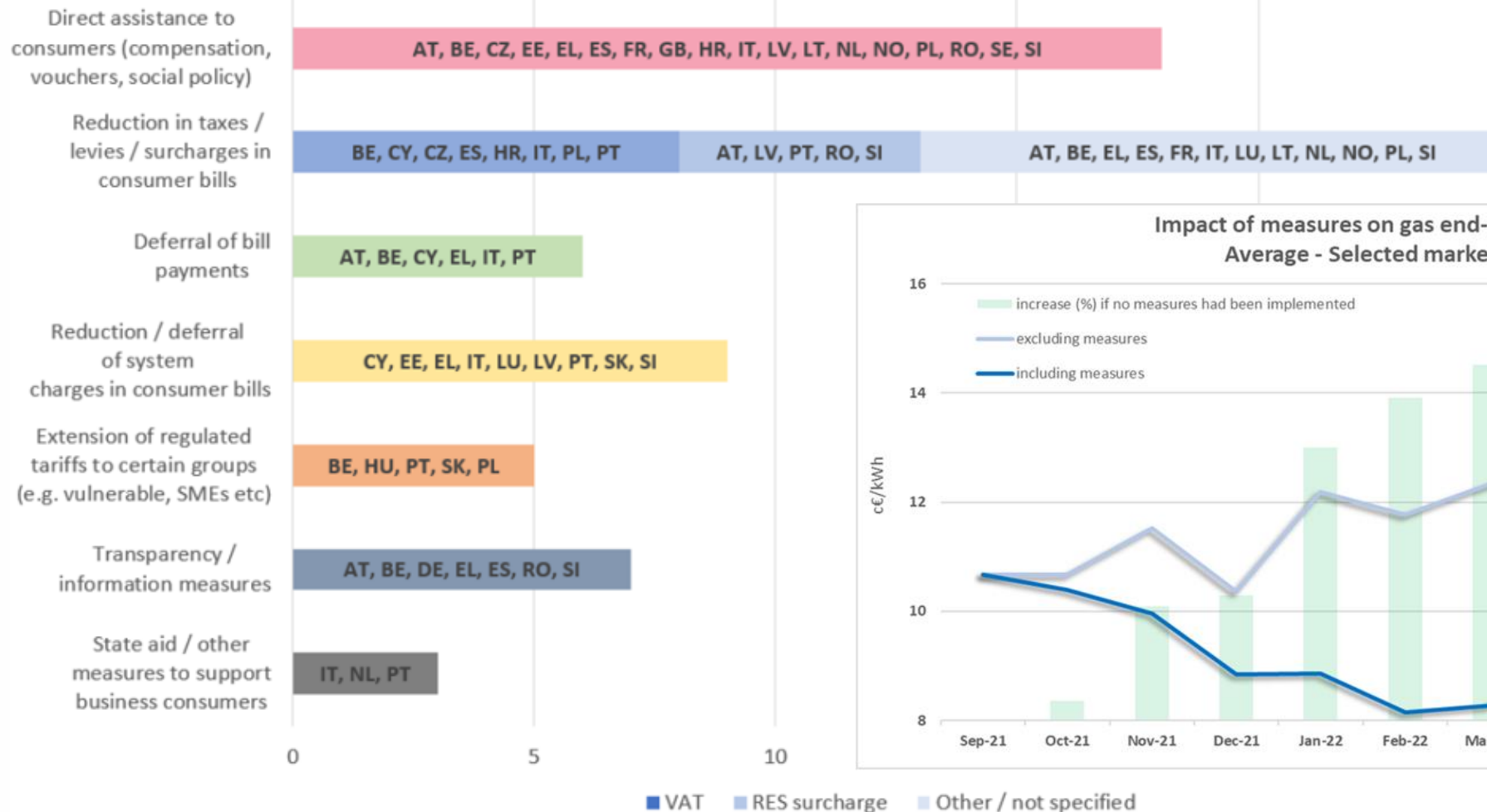


Implemented measures on gas market

Governments and NRAs have availed of **a wide variety of types of measures** to soften the impact of the energy price crisis on consumers.

- Measures that center around **social policy** and/or easing the impact of consumer bills, either through
 - ▶ **direct assistance** (e.g. vouchers or financial compensation) or through
 - ▶ **reducing the cost to consumers of certain elements of their bills** (such as taxes, levies, surcharges, or system charges).
- Measures relating to **ensuring the financial resilience of suppliers**, and measures relating to capping prices in the retail market, which was done through a diverse range of mechanisms.
- **Redistributive measures targeting the profits of businesses** seen to have benefited from current market circumstances (such measures were implemented in Spain, Italy, and Great Britain, and are under consideration in France and Belgium).

Measures taken since September 2021 until August 2022



Austria

For gas no special measures and mainly for electricity or of general nature

Name	type of support and amount
Climate bonus	Payout or voucher of €500 per person (over 18) or €250 (under 18), as of September 2022
Reduction of electricity and natural gas levy	100 € per average household per monthly instalment or annual settlement (still open), until 30 June 2023
Electricity price cap	For 2,900 kWh per year max. 30 ct/kWh (depending on electricity price)

Source <https://www.klimabonus.gv.at/#a1>

DERSTANDARD

**Die große Übersicht der
Antiteuerungsmaßnahmen in Bund und
Ländern**

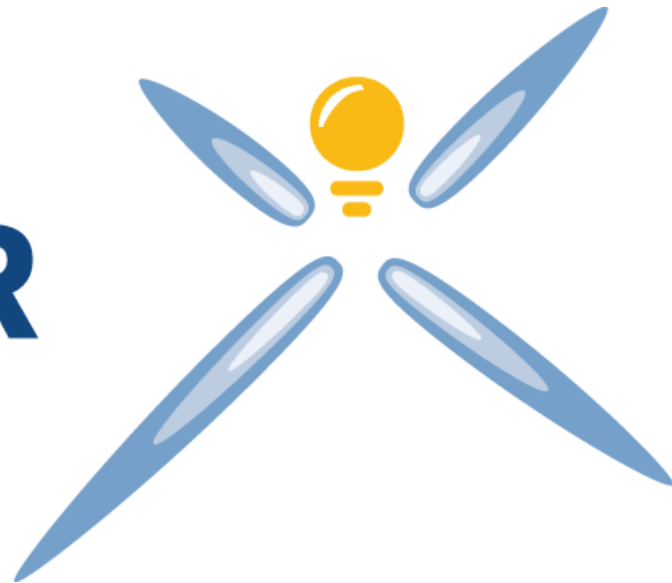
Der Standard, 22 September 2022 summary of the main measures against price increasing : <https://www.derstandard.at/story/2000139252009/die-grosse-uebersicht-der-antiteuerungsmassnahmen-in-bund-und-laendern>



Thank you for your attention!

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Energy price spikes, the Green Transition, empowering consumers

tools available for consumers to tackle high prices and manage their consumption sustainably

with a view to promoting the energy transition and contributing to a carbon-neutral society and economy, are committed to “empowering consumers for the energy transition”,

- ▶ **Enabling energy system integration:** integrating renewables and incentivising innovation;
- ▶ **Placing consumers at the centre of energy markets with consumer-centric dynamic regulation,** empowering consumers to actively contribute to and benefit from a flexible energy system;
- ▶ **Ensuring open, well-functioning and resilient markets nationally and in Europe:** delivering flexibility and new business models.

