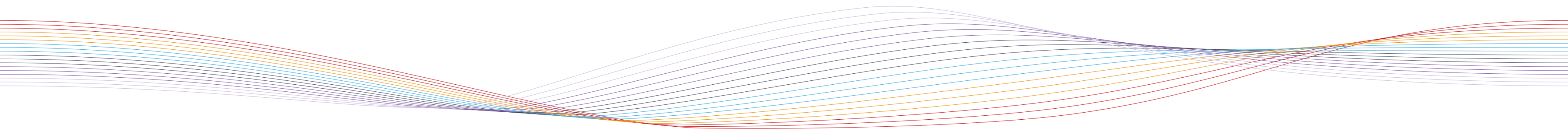


10 June 2025

Challenges stemming from CSEE gas hubs development stage

Pawel Lont, European Gas Markets Manager

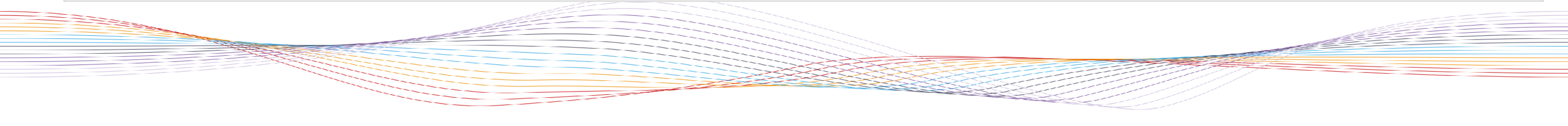
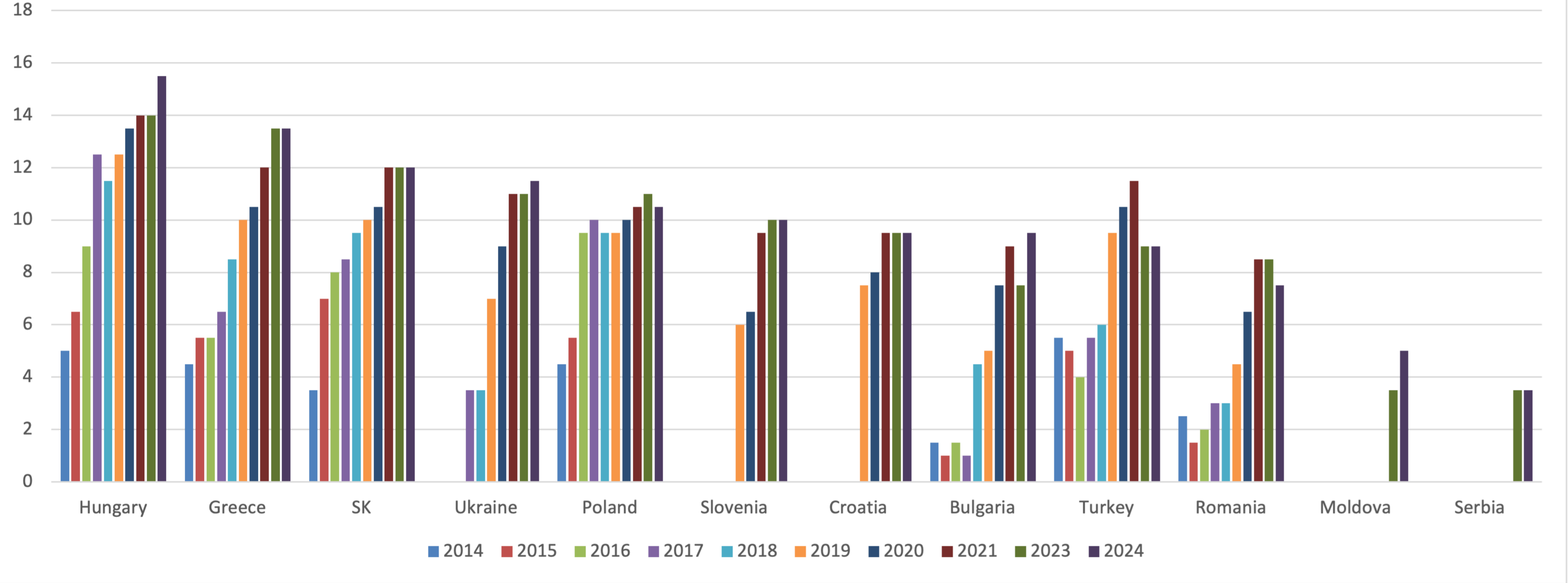


2024 scorecard signals slow progress

Criteria	Heading 2024	PL	HU MGP	SK	Greece	Turkey	Romania	BG	Ukraine	Slovenia	Croatia	Moldova	Serbia
1.a	Transparency and consultation	1	1,5	1	1	0,5	0,5	1	1	1	1	0,5	0,5
1.b		1,5	1,5	1	1,5	0,5	1	1	1,5	1,5	1	1	1
2	Entry-exit system established	0,5	1	1	1	1	1	1	1	1	1	1	0,5
3	Title Transfer	1	1	1	0,5	0,5	0,5	0,5	0,5	1	0,5	0,5	0,5
4	Cashout rules (long short positions imbalances set to zero at the end of the day with payment/receipt of imbalance charge in local currency/MWh)	1	1	1	1	1	1	1	0,5	1	1	0	0,5
5	TSO system balancing	1	1	0,5	1	1	1	0,5	1	1	1	0	0
6.a	Licensing and reporting obligations	0	0,5	1	1	0,5	0	1	0,5	1	1	0	0
6.b	Market interference	0	0,5	1	1	0	0	0	0,5	1	0,5	0,5	0
7	Resolve market structural and concentration issues (defined role for historical player if flexibility/liquidity is scarce)	0	1	0	1	0	0	0	0	0	1	0	0
8	NRA fees or Hub fees (not fees relating to participating on a exchange or trading platform)	0,5	0	0,5	1	0,5	0	0,5	1	0,5	0,5	1	0,5
9	Establish a reference price at the hub for contract settlement in the event of default	1	1	0,5	1	1	1	1	1	1	1	0	0
10	Standardised contract	1	1	1	1	1	0	1	1	0	0	0	0
11	Price Reporting Agencies producing daily prices at the hub	1	1	1	0	0,5	0,5	0	1	0	0	0	0
12	Voluntary market makers operating at the hub	0	0	0	0,5	0	0	0	0	0	0	0	0
13	Brokers	0	1,5	1,5	0	0	0	0,5	0	0	0	0	0
14	Establishment of exchange	1	1,5	0	1	1	1	0,5	0,5	0	0	0,5	0
15	Hub price becomes reliable and used as benchmark	0	0,5	0	0	0	0	0	0,5	0	0	0	0
16	Hub spot (shorter than monthly products) liquidity	0	0	0	0	0	0	0	0	0	0	0	0
Total		10,5	15,5	12	13,5	9	7,5	9,5	11,5	10	9,5	5	3,5

Highlights from 2024 – results

2024 Gas Hub Benchmarking Study



Challenges stemming from CSEE gas hubs development stage

2025 highlights

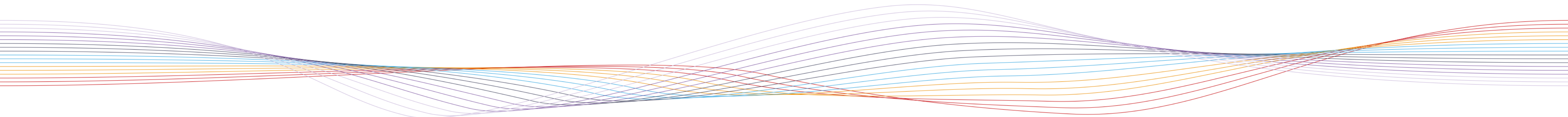
„Northern route“ - Poland

- **Storage obligations continue to block imports and gas-on-gas competition**
- **Terminal(s) capacities fully booked for years to come**
- **Licensing process remains time-consuming and challenging**

As a consequence, Naftogaz can effectively rely on the incumbent company to deliver the necessary volumes

On the bright side:

- **Firm capacities reinstated**
- **Efforts to make 2026 tariffs more attractive (cancellation of the seasonal factor, reduction of discounts to LNG)**



Challenges stemming from CSEE gas hubs development stage

2025 highlights

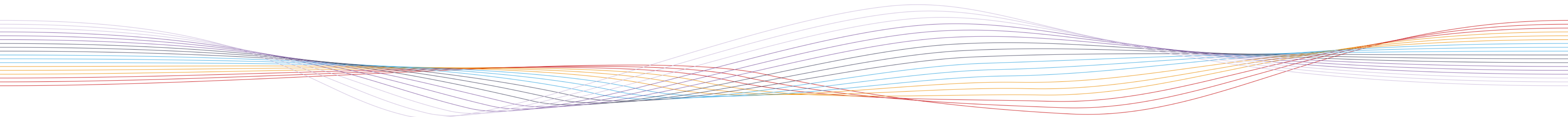
„Western route“ – via Czechia/Austria and Slovakia

- **Major increase of the hub fee charged in Slovakia**
- **High tariffs in 2025 and substantial increase in tariffs expected as of 2026**

As a consequence, largest route underutilized

On the bright side:

- **Could have been worse (storage levy charged at German IPs)**



Challenges stemming from CSEE gas hubs development stage

2025 highlights

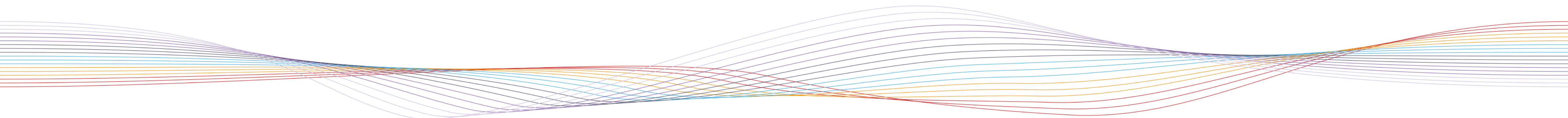
„Southern route” – via Hungary

- **Confusing approach to license fee calculation in Hungary (treatment of transit)**
- **Russian gas deliveries continue under the long-term contract**

Overall, high demand for export capacities towards Ukraine, currently undoubtedly the cheapest route

On the bright side:

- **Liquidity on the rise**
- **Constructive approach to capacity reinforcements at low/zero cost**
- **CEEGEX connection to Trayport**



Challenges stemming from CSEE gas hubs development stage

2025 highlights

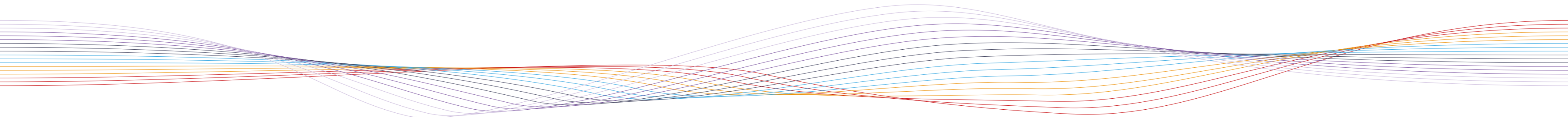
„Trans-Balkan“ – via Greece/Bulgaria, Romania

- **Russian gas deliveries continue via Turkey**
- **Gas Release Programme abandoned in Bulgaria**
- **High tariffs, no change in sight**
- **Multiple challenges in Romania (taxation, reporting, licensing), no firm capacities towards Ukraine**

As a consequence, the route is not being used, forcing TSOs to seek „creative“ workarounds to make the capacities attractive.

On the bright side:

- **Keller CCP to start clearing transactions at BGH**



Challenges stemming from CSEE gas hubs development stage

“Route 1” capacity product problem

- Effectively facilitates point-to-point transaction with a discount
- Suggests using UPAs for monthly products
- Does not address any of the region’s problems, while having the potential to make things worse

In short, such product can be distortive and it is difficult to expect it to be deemed compliant with the EU acquis.

We are happy to support further works seeking to find an alternative solution.



Pawel Lont

European Gas Markets Manager

+48 668 817 497

p.lont@efet.org

