

## ENERGY REGULATORY OFFICE POSTED ITS 2019 PRICING DECISIONS FOR ENERGY AND GAS INDUSTRY

On November 22<sup>nd</sup> 2018 the Energy Regulatory Office (“**ERO**”) posted three new pricing decisions which set the regulated prices for 2018 (i) [for related service in electricity and other regulated prices](#) and (ii) [for service in electricity for the customers from low voltage networks](#) and (iii) [prices related to supply of gas](#).

All three pricing decisions should come into effect on **January 1, 2019**.

Compared to 2018, when most regulated prices were either reduced, especially on the high voltage level (HV) and extra high voltage level (EHV), or stagnated, for households and small entrepreneurs, the pricing decisions for 2019 anticipate increased prices for both wholesale and for households and small entrepreneurs, in some cases large increases.

Good news for electricity consumers is the fact that, although the aid for the promoted energy sources is growing, the price component for the aid for electricity from promoted energy sources should be **reduced** for year 2019. This is due to growing electricity consumption, which determines the allocation of aid. For offtake and transmission points:

1. Connected to the electricity transmission or distribution network on the voltage level EHV and HV the relevant price component is reduced from CZK 65,424.50/MW/month (in 2018) to **CZK 58,944.64/MW/month**, and
2. Connected to the distribution network on the voltage level LV on the basis of nominal current values of the main circuit breaker before the electricity meter and on the basis of all distribution fees the relevant price component is reduced to CZK 13.56/A/month (above CZK 15.05/A/month in 2018).

Once again, the maximum amount the consumer pays for the RES fee for the billing period is limited. The maximum amount is determined by the product of amount CZK 495/MWh and total amount of electricity consumed from the network for the billing period.

The regulated price for providing system services should be also reduced significantly in 2019, by more than 20%.

The **regulated price components for gas** will change compared to 2018 only insignificantly, in most cases these will even slightly decrease.

As we have pointed out in the past, an increase in regulated components does not necessarily mean an equivalent increase in the total price for electricity or gas. Regulated components are just a part of the final prices (ca. ½ of the price for electricity and just ¼ of the price for gas). Customers have still some opportunity (even though more and more limited given the steeply rising prices of commodities) to compensate the rise of the prices for regulated components by buying cheaper commodities (electricity and gas) from suppliers.

**ENERGY REGULATORY OFFICE POSTED PROPOSALS OF PRICING DECISIONS FOR ENERGY AND GAS INDUSTRY FOR****bpv BRAUN PARTNERS s.r.o.**

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