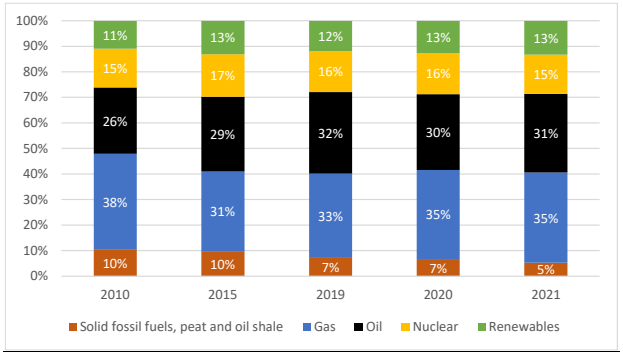
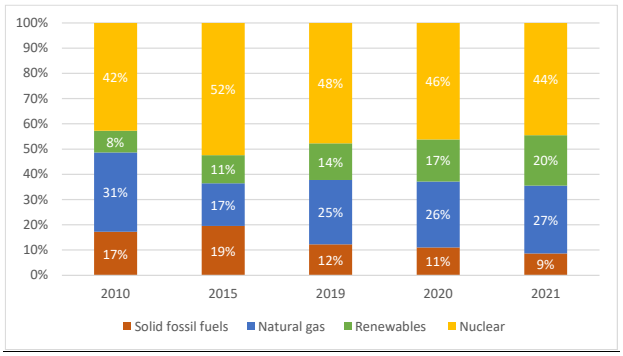
Key energy figures

Graph 1: **Energy mix**



Source: Eurostat

Graph 2: **Electricity mix**



Source: Eurostat

Saving energy

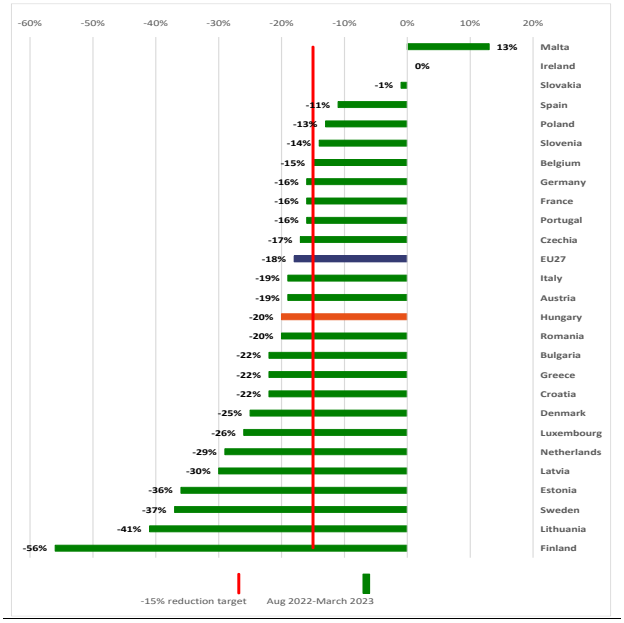
1. *Key energy savings measures*

- At beginning of 2021, Hungary introduced a renovation **support scheme for vulnerable households** that was extended until end of March 2023.
- In September 2022, in response to the energy crisis, Hungary imposed a 25% reduction in gas consumption on state agencies and state-owned companies and set an 18°C-heating cap for public buildings.
- Additionally, the Hungarian government purchased biomass boilers to replace natural gas heating in some public institutions and introduced KEHOP-.6.3.1.
- A programme for promoting energy efficiency in public buildings co-financed from REACT-EU funds and a support scheme for energy efficiency investment in SMEs through Energy Cost and Support Programme ([1]).

2. *Gas Demand Reduction*

Hungary has reduced its gas consumption by **20%** in the period **August 2022-March 2023**, above the decrease of EU consumption (18%) and the 15% EU legal obligation ([2]).

Graph 3: **Natural gas demand reduction (August 2022-March 2023)**



(1) Cyprus does not use natural gas
Source: Eurostat, DG ENER calculations

Diversification of energy supplies

1. *Key actions*

Hungary continues to **depend on Russia** for most of its gas imports (**95% in 2021, equalling 7.1 bcm**), raising uncertainties in terms of security of supply.

A 15-years agreement was concluded in September 2021. Another agreement with Gazprom was also signed in **2022** to replace missing quantities from Austria. On **April 11,**

(1) ACER dashboard on emergency measures implemented by the EU MSs and Norway in 2022 in response to energy crisis, Available at: ACER dashboard on emergency measures implemented by the EU MSs and Norway in 2022

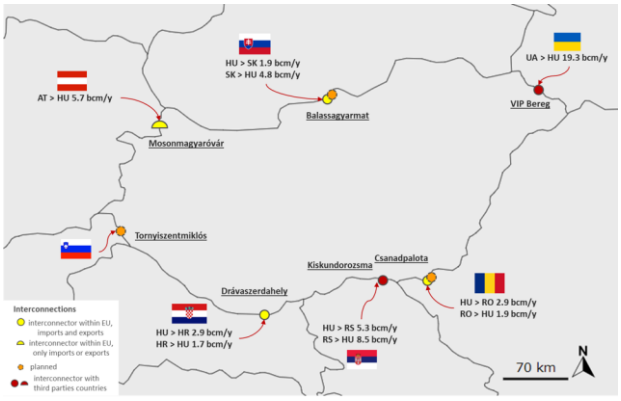
(2) Regulation (EU) 2022/1369 of the Council of 5 August 2022.

2023, Hungary reported to have concluded a deal with Russia for imports of natural gas beyond the quantities set in the long-term contract.

2. Gas Infrastructure Developments

Hungary has gas interconnectors with Romania, Austria (unidirectional flow from Austria to Hungary), Croatia, Slovakia, Serbia, and Ukraine. With the expansion of the Slovakia-Hungary interconnector and the Krk liquefied natural gas (LNG) terminal, and of the evacuation pipelines in Croatia, Hungary could increase its access to LNG in Poland and Croatia respectively. The completion of the BRUA phase II project, on the 5th Project of Common Interest list, would also enable Hungary to considerably improve its import capabilities from Romania.

Map 1: **Cross-border interconnections**



Source: DG ENER

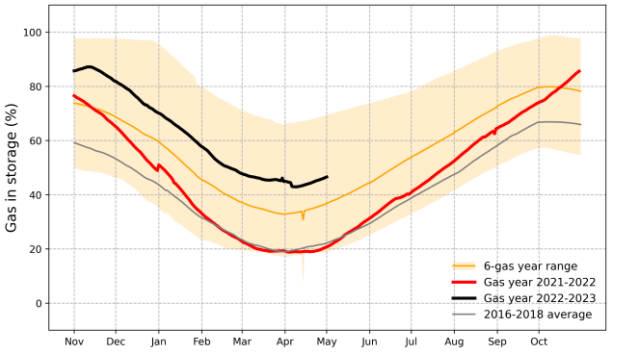
3. Gas Storage

Hungary has a large storage capacity of around 6.3 bcm, equal to almost 56% of its gas consumption in 2021 (11.3 bcm). The country operates five underground storage facilities managed by two operators: HEXUM (UGS Szöreg-1) and HGS (Pusztaederics, Zsana-Nord, Kardoskút-Pusztaszolos, Hajdúszoboszló).

Hungary fulfilled its gas storage obligations last winter, reaching 86.01% by 1 November ([3]), and ended the heating season with the gas storage capacity filled at 46.57% by 2 May 2023.

([3]) Regulation (EU) 2022/1032 of the European Parliament and of the Council of 29 June 2022 amending Regulations (EU) 2017/1938 and (EC) No 715/2009 with regard to gas storage.

Graph 4: **Storage levels in Hungary**



Source: JRC calculation based on AGSI+ Transparency Platform, 2022

4. Nuclear fuel diversification

The nuclear energy sector still depends on Russian technology and nuclear fuel. The two new nuclear power plants units (Paks II) which Hungary plans to finalise by 2030 have also a Russian vendor. The nuclear fuel diversification process is progressing. Currently, Paks NPP is in discussions with alternative fuel suppliers for the nuclear power plant. The Paks NPP operates VVER-440 reactors.

Energy Platform

Regional Group of reference: Central and Eastern Europe

National companies participating to the Industrial Advisory Group: MVM Energetika Ltd. (MVM Energetika Zrt.)

On Wednesday, May 10, the European Union launched its first international tender for joint gas purchases. A total of 25 international suppliers and more than 110 companies have decided to participate and intend to purchase 11.6 billion cubic meters of gas. Deliveries are expected to take place between June 2023 and May 2024.

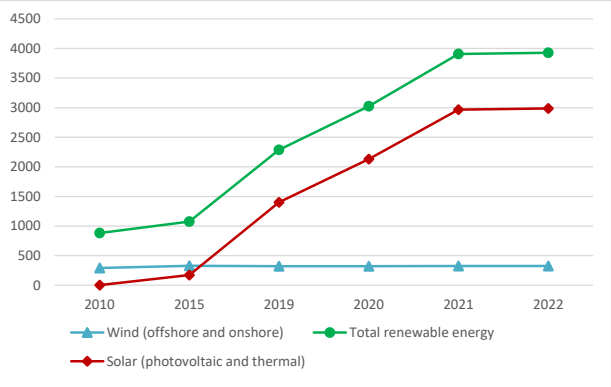
Accelerating clean energy

1. Installed Renewable Capacity

In **2022**, Hungary installed around 0.02 GW of renewable capacity, bringing the total to **3.9 GW** (vs. 3.9 GW in 2021).

In 2022, the annual growth rate of installed renewables power capacity was **1%**, compared to 29% in 2021.

Graph 5: **Installed solar and wind power capacity (in megawatt)**

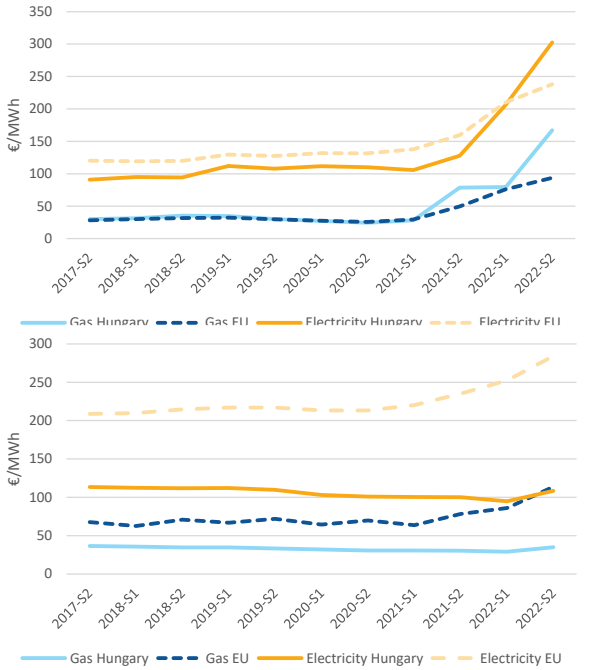


(1) The renewable power capacity data reflects the capacity installed and connected at the end of the calendar year.
(2) In 2022, Hungary installed 0 GW of wind power capacity (vs. 0.001 GW in 2021)
(3) In 2022, Hungary installed 0.02 GW of solar power capacity (vs. 0.8 GW in 2021).

Source: IRENA, RE Capacity statistics, 2023

Energy price developments

Graph 6: **Hungary's energy retail prices for industry (top) and households (bottom)**



(1) On electricity, the band consumption is for DC households and ID for industry
(2) On gas, the band consumption is D2 for households and I4 for industry
Source: Eurostat

Recovery and Resilience Plan (RRP)

- **EUR 5.81 billion in grants** (updated, representing approximately 3.8% of 2021 GDP). **EUR 9.65 billion in loans**
- **Adoption date by Council: 15 December 2022**
- **Number of payment requests submitted:** None
- **Latest payment request – status:** First payment request (EUR 813.5 million) expected to be submitted in Q2 2023.
- **Annual RRF event with stakeholders:** no annual event organised yet
- **Climate target:** 48.1%