

Hungarian electricity market – recent developments

Csaba Kovács
Hungarian Energy Office

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Results of the year 2004

- Market opening: all non-household costumers are eligible (1 July 2004).
- Competitive market share: 25 % (by the end of 2004)
- 01/01/2005: New 4-year price-regulation period for network-tariffs.
- Use of Depreciated Replacement Value.
- Monthly cross-border capacity auctions.
- Generation capacity auctions by the public wholesaler.

Important changes in 2005

- Competitive market share: 32 % (July 2005)
- Modifications in the Electricity Act (Sept 2005)
- Stricter unbundling regime.
- Changes in the renewable support scheme (but feed-in tariffs remain in use).
- Licence obligation for small generators as well.
- Co-ordinated cross-border capacity allocation (Sept 2005?).
- More auctioned generation capacity.
- TSO instead of ISO.

Future regulatory expectations

- Daily cross-border capacity auctions (2006).
- Legal unbundling of DSO's (2006-2007).
- Introduction of the new market-model (2007 – HEO's proposal available on the website).
- Full market opening (1 July 2007).
- Market-friendly PSO solution (2007).
- New price-regulation period for network tariffs (01/01/2009).

Thank you for your attention!

Csaba Kovács

kovacscs@eh.gov.hu

+36-1-459-7747