

Hungarian Energy Market

Energy market players that are members of the MSZKSZ will face rising costs over the next six months

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Some energy trader costs related to gas stockpiling will increase in the future and the details of this have just been recently published. Hungary's Minister of Innovation and Technology has revealed the level of contribution certain natural gas traders and other market players will have to pay in order to finance the newly established special natural gas stockpile of the country. The contribution is payable by those who are members of the Hungarian Hydrocarbon Stockpiling Association (HUSA, or MSZKSZ in Hungarian).

Approximately one month ago, the Hungarian government decided to build up a special stockpile of natural gas on credit in order to cope with the current energy crisis. It aims to finance part of the costs with certain traders and other stakeholders by imposing extraordinary fees on the members of MSZKSZ. The MSZKSZ is compulsory for, inter alia, all natural gas traders who sell natural gas to customers or use natural gas for their own purposes, and all customers who purchase natural gas through cross-border supplies or on the gas exchange.

The extraordinary membership fee is payable in the amount of HUF 726.42/MWh (ca. EUR 1.87/MWh) between 1 October 2022 and 31 December 2022 and HUF 537.74/MWh (ca. EUR 1.31/MWh) between 1 January 2023 and 31 March 2023.

We recommend that all stakeholders start preparing for the payment of the extraordinary membership fee in sufficient time. Failure to pay the fee may result in sanctions, including termination of membership, as defined in the MSZKSZ codes. Termination of membership can be particularly problematic because it is against legal obligations set forth by the applicable laws. In other words, suspension of membership will result in a direct violation of applicable laws for those who are bound by law to have such membership, which may even have implications for the licenses and permits of the company required for its due operation in the Hungarian energy market.

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