



V4 Fiscal Response to the Energy Crisis

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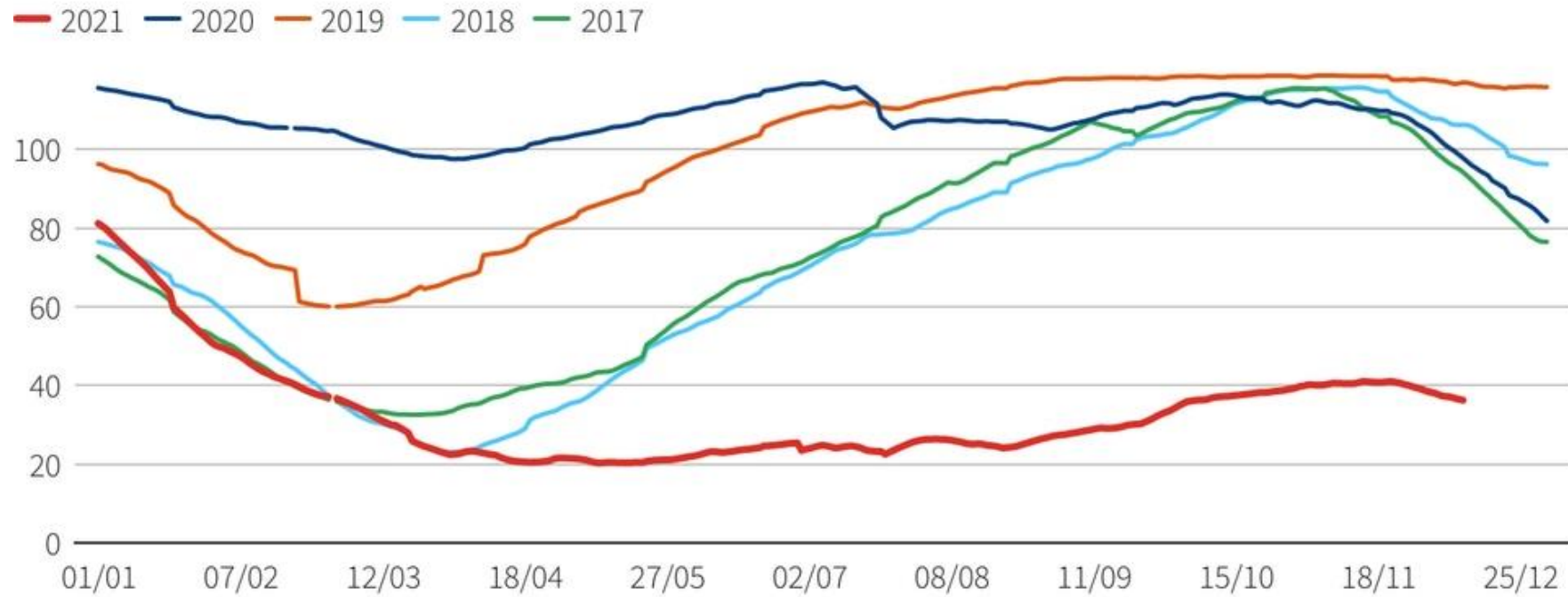
Causes of the crisis

Pre-war development

- Exceptionally rapid global economic recovery after the previous covid recession
- Weaker-than-expected increase in supply
- Russian manipulation of gas storage facilities located in Europe



Causes of the crisis



NATURAL GAS RESERVES IN GAZPROM-CONTROLLED RESERVOIRS IN EU TERRITORY (IN TWH)

Source: Reuters



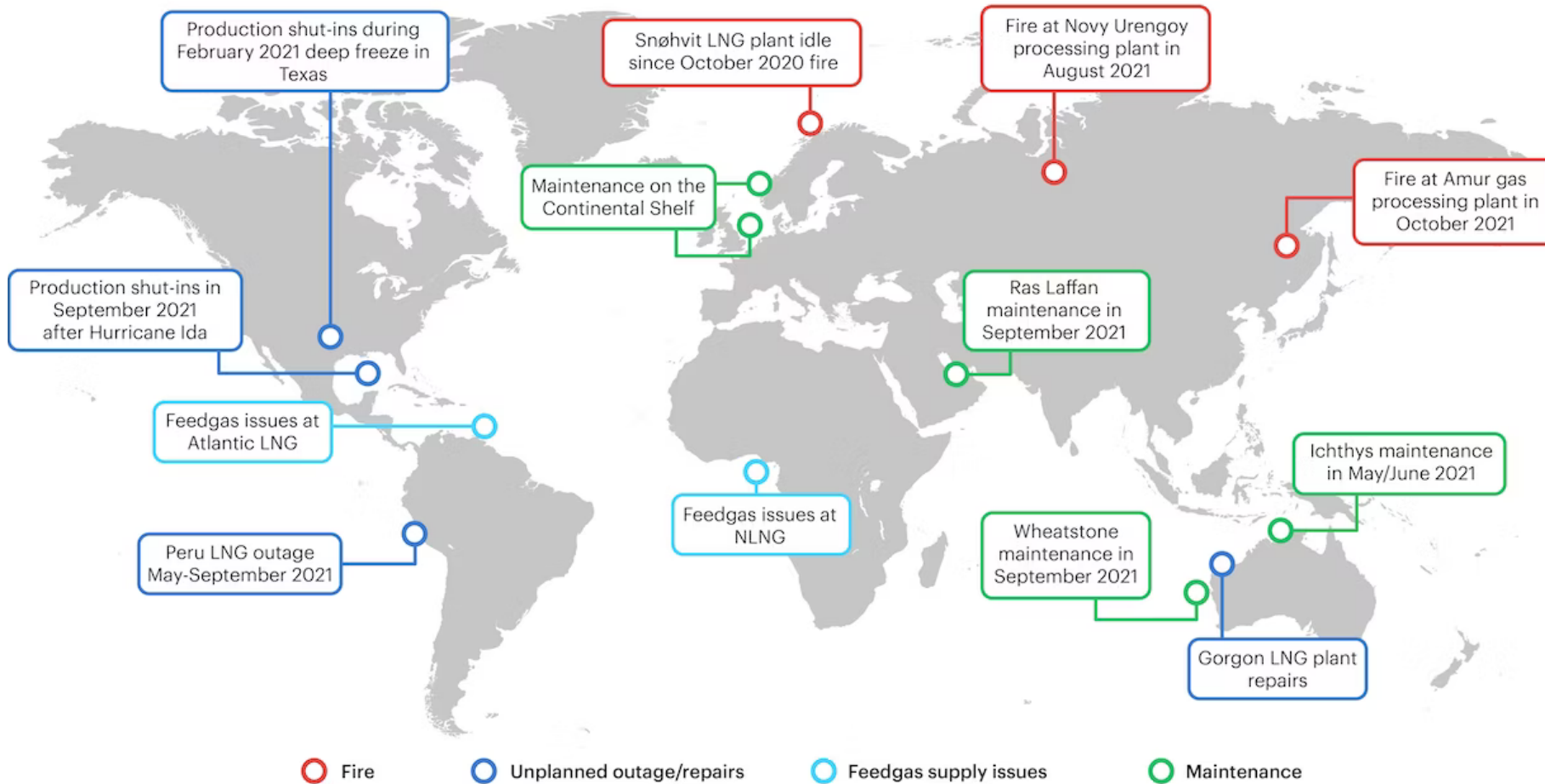
Causes of the crisis

Other factors:

- **Cold and long winter** in the Northern Hemisphere (2020/2021).
- **Decline in investments in fossil infrastructure in recent years**, which has not been offset by investment in renewables and the associated transition to low carbon energy.
- Curtailment of some operations due to the **postponement of planned maintenance** work as a result of the COVID-19 pandemic
- Unplanned **shutdowns of fossil fuel infrastructure due to operational accidents** (for example, the fires at the Snøhvit LNG plant in Norway or at the Novy Urengoy and Amur gas processing plants in Russia) or extreme weather events (production shut-ins during deep freeze in Texas or in Mexican Gulf after hurricane Ida).



Causes of the crisis

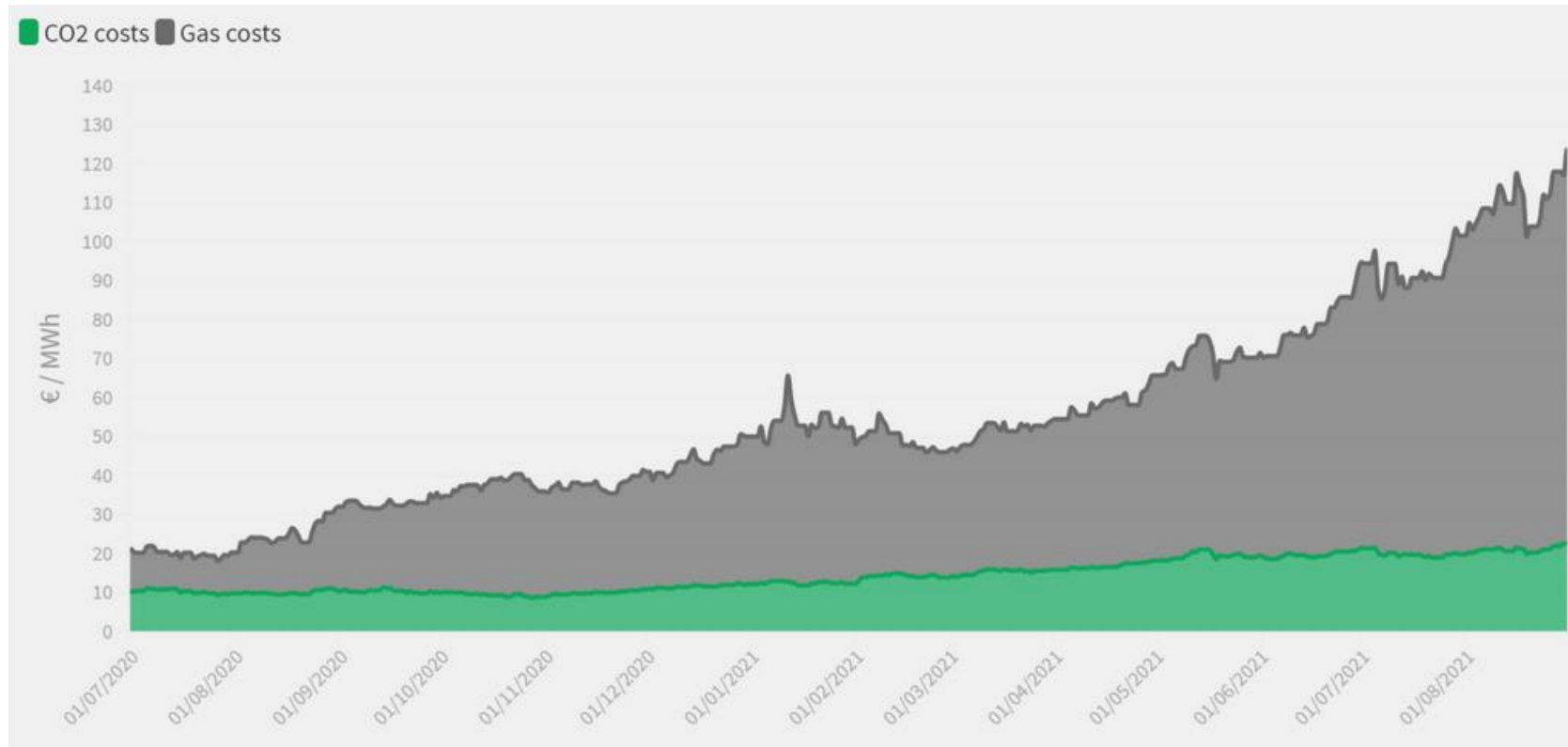


KEY
MAINTENANCE
WORKS AND
UNPLANNED
OUTAGES IN
2021

Source: IEA



Causes of the crisis



FOSSIL GAS COSTS VS. CARBON COSTS FOR EU ELECTRICITY GENERATION

Source: EMBER



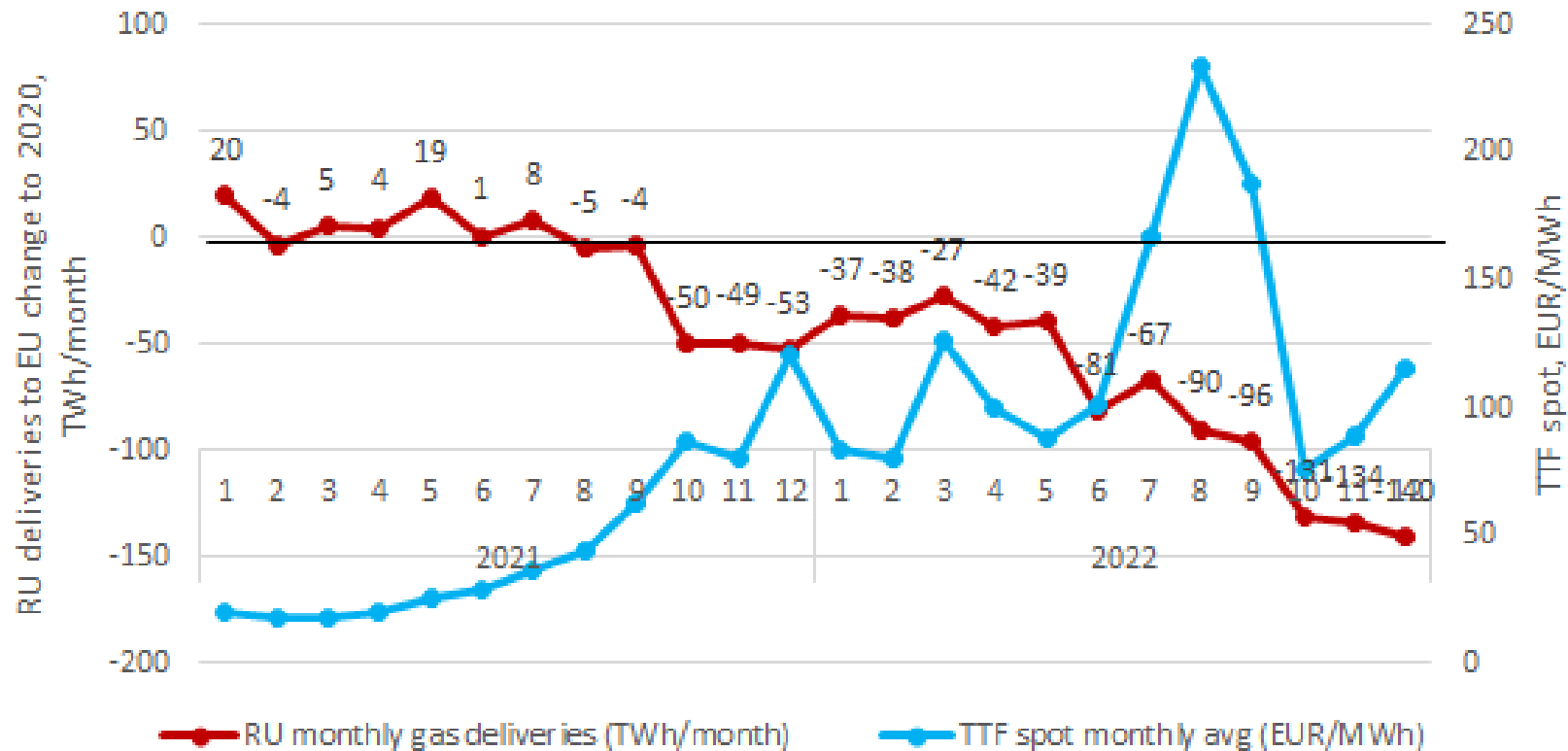
Causes of the crisis

Development after the Russian aggression in Ukraine

- Declining fossil fuel supplies from Russia
- Drought in summer 2022
- French nuclear plant shutdowns



Causes of the crisis

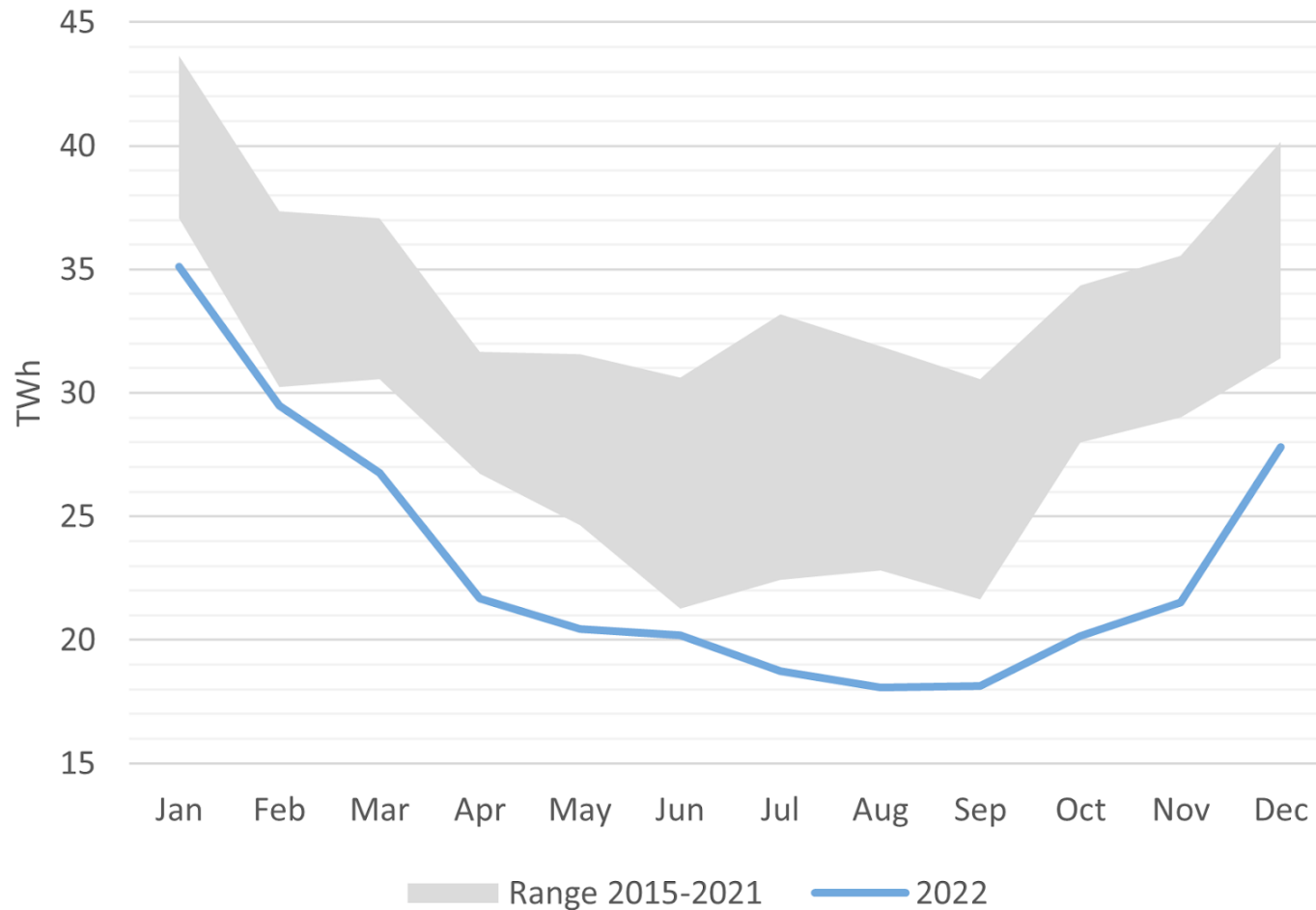


RUSSIAN MONTHLY DELIVERIES TO EU TO 2020 AND TTF PRICE

Source: REKK



Causes of the crisis



PRODUCTION OF
FRENCH NUCLEAR
POWER PLANTS

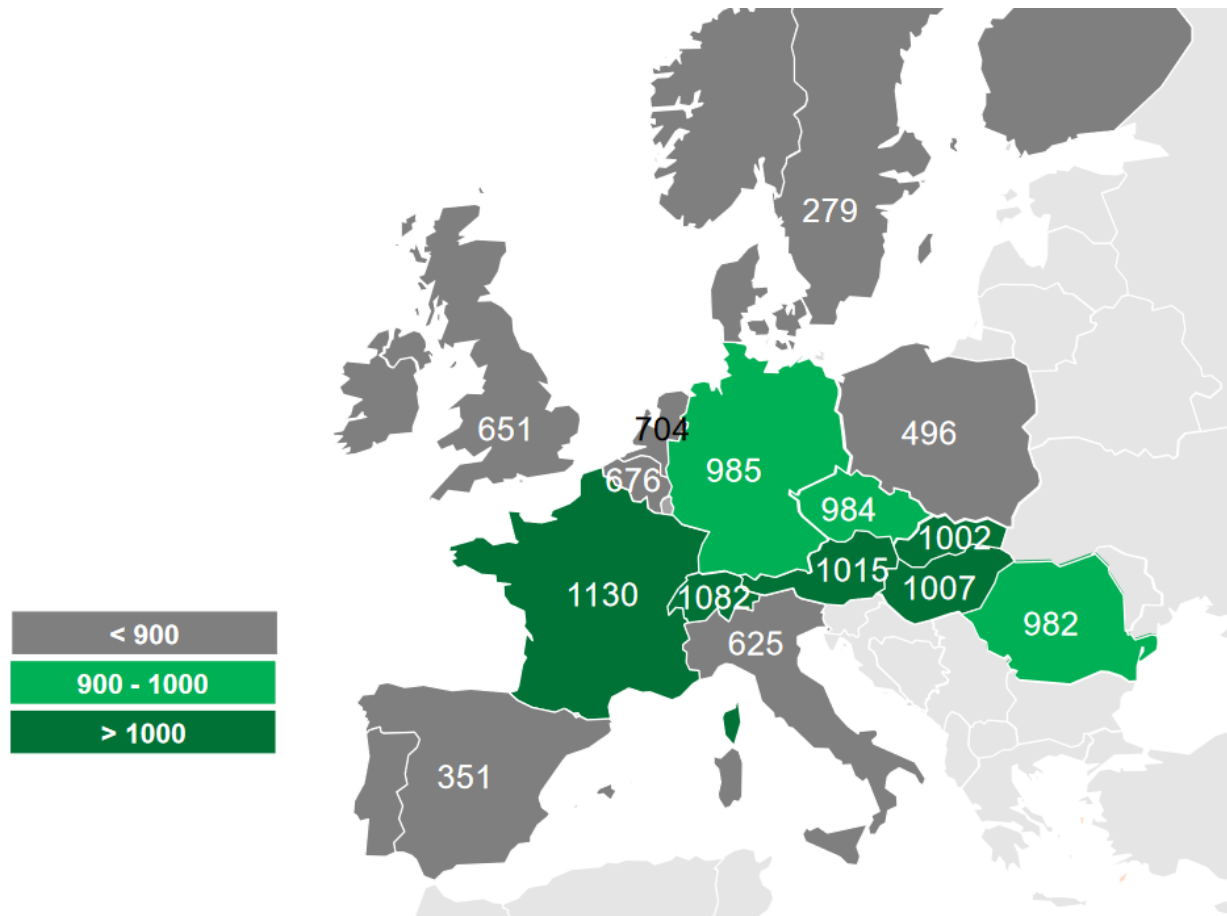
Source: ICIS



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V4 Energy Think Tank Platform

Causes of the crisis



WHOLESALE ELECTRICITY PRICES IN INDIVIDUAL EUROPEAN COUNTRIES IN AUGUST 2022. THE VALUES SHOWN ARE IN EUR/MWH FOR CAL-23

Source: ČEZ

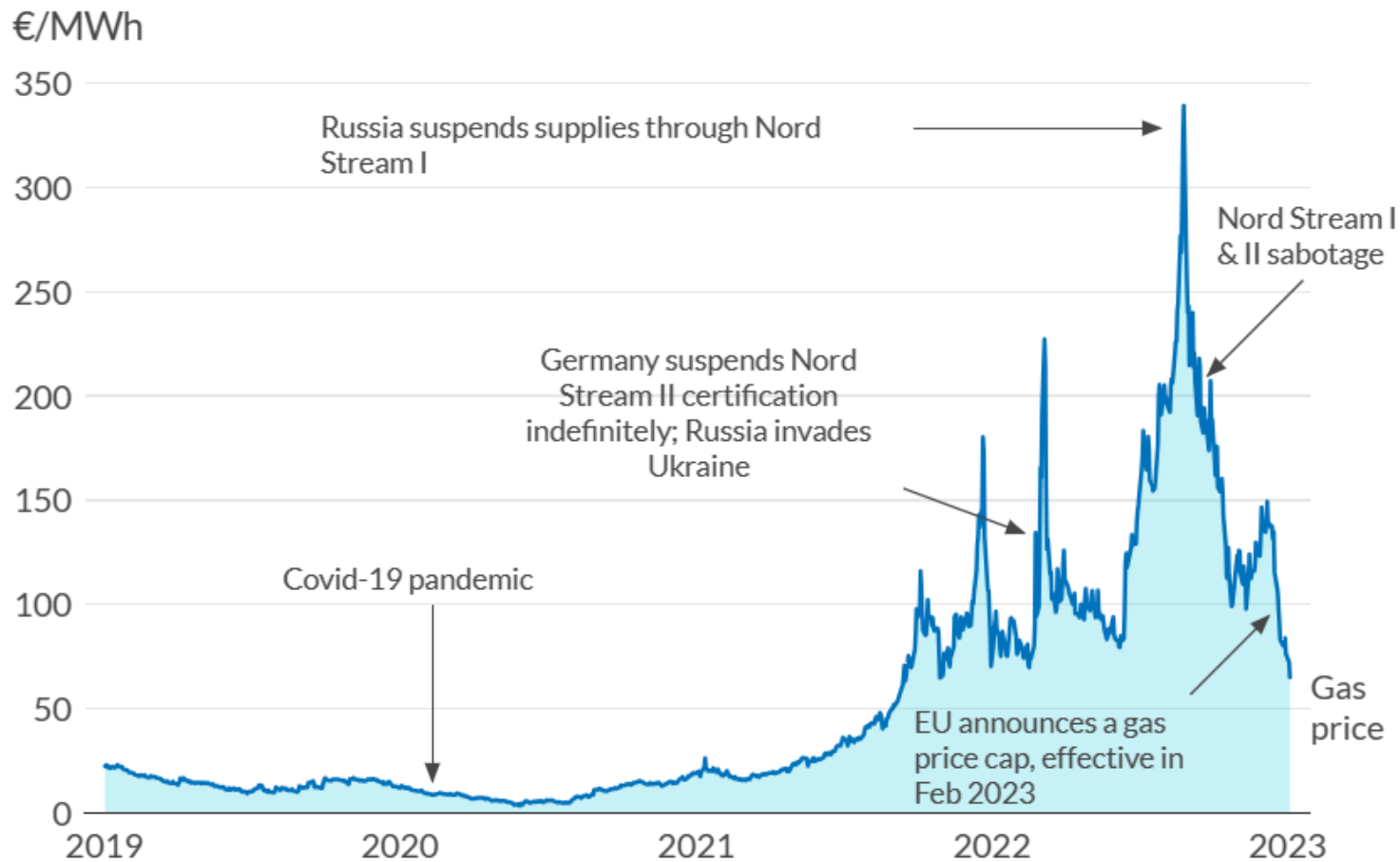


Measures at the European level

- Agreement on capping natural gas prices
- Instruments to limit energy price volatility in markets
- Agreement on capping excess profits for energy companies
- Mechanism for joint purchases of natural gas
- Solidarity mechanism in case of natural gas shortages
- REPowerEU plan (energy savings, RES development, diversification of energy supplies)
- ...



Measures at the European level

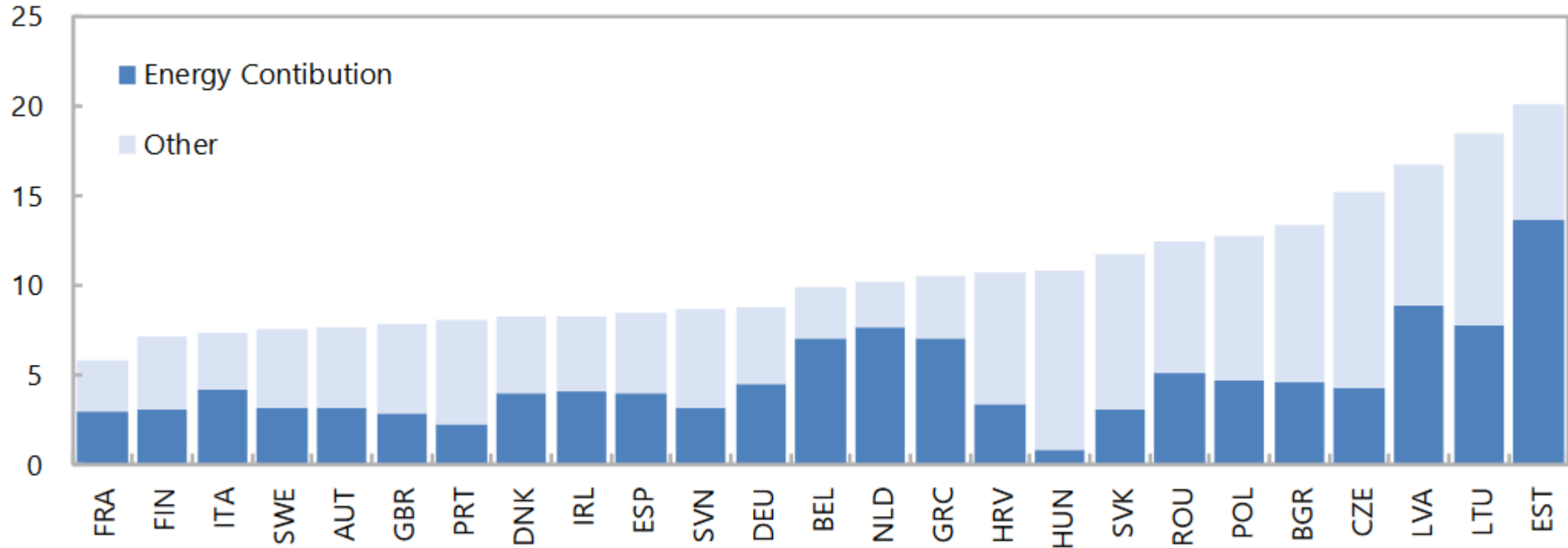


DEVELOPMENT OF
GAS PRICES ON THE
EUROPEAN MARKET

Source: Geopolitical
Intelligence Services



Measures at the national level in V4

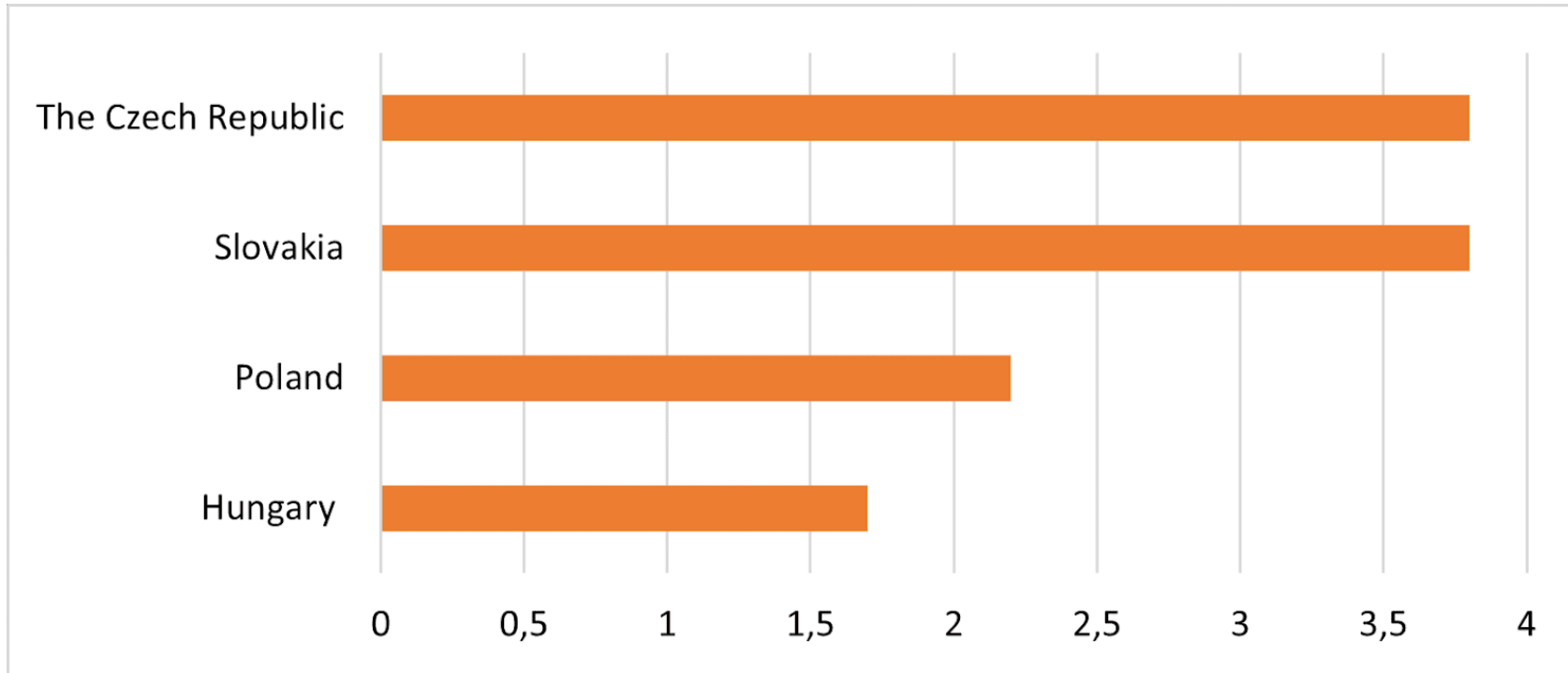


Contribution of Energy Prices to Consumer Price Inflation, May 2022

Source: IMF



Measures at the national level in V4



ALLOCATED FUNDING TO SHIELD HOUSEHOLDS AND FIRMS FROM THE ENERGY CRISIS AS A PERCENTAGE OF NATIONAL GDP (SEP 2021 - JAN 2023) Source: Bruegel



Measures at the national level in V4

	Reduced energy tax / VAT	Retail price regulation	Transfers to vulnerable groups	Windfall profits tax	Business support
Czech Republic	Exempt VAT for electricity and gas for 2 months (XI-XII/2021) Reduced consumption tax for petrol (VI-IX/2022) and diesel fuel (VI/2022-VII/2023)	Price cap on electricity and gas (I-XII/2023) on 100% of consumption	Yes	Windfall tax on energy production and trade companies, banking, petroleum and fossil fuel mining and processing (I/2023-XII/2025), 60% of the excess profit	Price cap on electricity and gas (I-XII/2023) for 80% of consumption
Hungary	No	Price cap on electricity and gas (from VIII/2022) on a limited amount of consumption Price cap on petrol a diesel fuel (XII/2021-XII/2022)	No	Windfall tax on MOL company of 95% of the excess profit Windfall tax on electricity ancillary service providers of 13% in 2022 and 10% in 2023	Yes
Poland	Reduced VAT for electricity, gas, heat, petrol and diesel (II/2022-VII/2022)	Price cap on electricity and gas (I-XII/2023) on a limited amount of consumption	Yes	Windfall tax on coal mining and trading companies of 33% on their excess profits	Price cap on electricity and gas (XII/2022-XII/2023) for 90% of consumption
Slovakia	No	Price cap on electricity (I-XII/2023)	Yes	Windfall tax on electricity sector (XII/2022-XII/2024) of 90% of the excess profit Windfall tax on fossil fuel companies of 70% of the excess profit	Yes



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Asociace pro mezinárodní otázky — Association for International Affairs

Thank you for your attention

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