



EU-Japan 100 Cities Event on Climate Action

Panel 1: Energy Security and Resilience | Wed, 25.01.2023.

Energy prices: near & long-term outlook in the time of severe uncertainty



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Energy prices (2020. – 2022. period) – public sector

To illustrate the severity of the (ongoing) crisis, let's compare the energy prices (~420GWh/2y natural gas & ~500 GWh/2y electricity) for City of Zagreb-owned entities (municipal companies, schools, hospitals, ...) after completed public procurement procedures in two periods (2020. – 2022. & 2022. – 2024.):

<p>Electricity (2020. – 2022.)</p> <p><u>Projection before public procurement:</u> €51.5m ~ ¥8b</p> <p><u>Winning bid:</u> €31.8m ~ ¥4.5b</p>	<p>Natural gas (2020. – 2022.)</p> <p><u>Projection before public procurement:</u> €18.1m ~ ¥2.56b</p> <p><u>Winning bid:</u> €17.6m ~ ¥2.49b</p>
<p>Electricity (2022. – 2024.)</p> <p><u>Projection before public procurement:</u> €103m ~ ¥14.6b</p> <p><u>Winning bid:</u> ...procurement cancelled...due to central government's price cap (next slide)</p>	<p>Natural gas (2022. – 2024.)</p> <p><u>Projection before public procurement:</u> €25.5m ~ ¥3.61b</p> <p><u>Winning bid:</u> €43.28 ~ ¥6.13b</p>

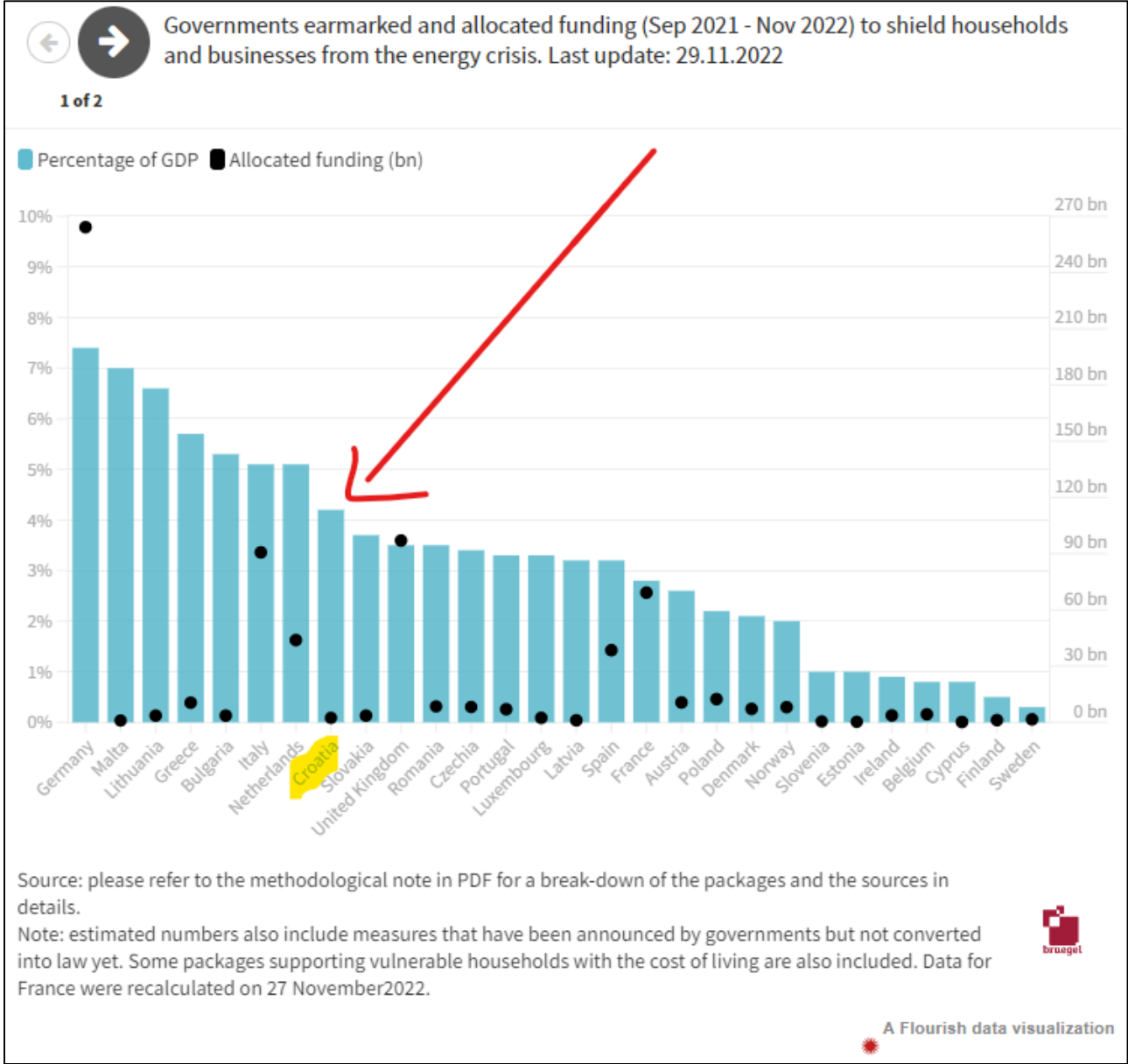
Central government's price cap & outlook (1)

On **8 September 2022**, the government announced a €2.8 billion (~¥396b) package that introduced a cap on energy prices. **From 1 October 2022 to 31 March 2023**, households will pay **€59 /MWh** (~¥8352), or €88/MWh (¥12454) when consuming above 2,500 kWh. Schools, kindergartens, universities, old people's homes, NGOs, and administrative buildings (includes local and regional administration) will pay a blanket price of **€62/MWh**.

For companies, prices will vary between €180/MWh or €230/MWh depending on consumption.

On **17 October 2022**, the government adopted a new Regulation establishing the highest retail prices of petroleum products. Price caps on fuel(s) are adjusted every two weeks.

Central government's price cap & outlook (2)



Zagreb's Energy Poverty Mitigation Programme

Originally conceived to set up the multi-year process for alleviating the upcoming **EU ETS2** introduction (**carbon tax on fossil fuel use in heating and transport**), since the onset of the crisis the Programme pivoted to a more **near-term local fiscal transfer** for the most vulnerable households approach with yearly updates and ongoing monitoring.

2023 is the preparatory year (mapping all vulnerable households and future Programme users) while direct fiscal transfer start in FY2024 across a range of measures:

- energy consulting
- energy baskets
- replacement of household appliances
- energy refurbishment of homes and buildings
- renewable energy sources
- social housing development



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ありがとうございます！

Thank you!



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