MEKSZ
HUNGARIAN ENERGY TRADERS' ASSOCIATION

RESTART 2026

Package of proposed measures to reduce energy costs for Hungarian companies and enhance the competitiveness of the Hungarian economy





TABLE OF CONTENTS

Greetings 4

1. Foreword 7

2. Market structure and operating model 13

2.1 Establishing a stable and predictable regulatory environment 13

2.2 Ensuring cost allocation without cross-subsidisation and with proportionate burden-sharing 14

2.3 Gradual introduction of cost-reflective household energy prices 16

2.4 Phasing out the sector-specific special tax 18

2.5 Providing targeted support programmes 19

3. Trading – Commodity prices 21

3.1 Improving wholesale price levels 21

3.1.1 Strengthening regional electricity market integration 22

3.1.2 Diversifying the energy mix 24

3.1.3 Eliminating intra-zonal physical congestion 25

3.2 Retail trade 25

3.2.1 Improving cooperation between traders and DSOs 26

3.2.2 Strengthening competition in the SME segment 28

3.2.3 Rethinking public procurement frameworks 29

3.2.4 Rationalising operating costs 30

4. Networks and infrastructure 33

4.1 Rethinking the tariff structure 33

4.2 Rolling settlement of the transmission tariff 36

4.3 Accelerating network connection procedures 37

5. Renewable energy support schemes and energy efficiency 39

5.1 Reform of the mandatory feed-in tariff scheme 39

5.2 Fine-tuning the Energy Efficiency Obligation Scheme (EEOS) regulatory framework 41

5.3 Removal of the accreditation requirement for smaller SCTE power plants 41

6. Intraday and seasonal flexibility incentives 43

6.1 Making price signals available to as many consumers as possible 43

6.2 Development of the independent aggregator model 45

6.3 Promoting the deployment and flexible use of energy storage facilities 45

6.4 Managing contracted capacity 46

Closing remarks and action plan 49

List of figures 53

DEAR READERS,

The global and European energy sectors, including Hungary's, are undergoing one of the most dynamic and complex transformations in their history. Increasingly extreme weather conditions, climate protection objectives, accelerating technological development, and challenges to security of supply and competitiveness are creating a new situation in which conventional responses are no longer sufficient. Ensuring a sustainable, secure and competitive energy supply is no longer merely a policy objective; it is a major economic and societal priority.

Since its establishment in 2003, the Hungarian Energy Traders Association (HETA) has been committed to bringing together and synthesising the expertise and experience of Hungarian energy traders, while also taking account of consumers' interests, to serve as a bridge between market participants and the experts and legislators responsible for energy regulation. We believe that a predictable, incentive-based and technically sound regulatory framework is the foundation for a reliable and competitive energy supply.

The assessment and package of regulatory proposals you are reading are the result of several months of joint work by executives and experts at our association and its member companies. Our aim in preparing this document was to:

- Based on a Europe-wide comparative analysis of the energy bills paid by Hungarian companies, identify the main causes underlying the competitiveness challenges, as well as
- to offer constructive solutions: to propose regulatory and procedural changes that help reduce businesses' energy costs and, in turn, contribute to a more competitive economy.

We regard this package of proposals not merely as an assessment of the situation, but as a starting point for reviving the expert dialogue that has too often taken a back seat in recent years. We trust that the initiatives it contains will provide meaningful support to policymakers in shaping the future regulatory framework and help mobilise the efforts needed to achieve this. This is also the message conveyed by the title of our package of proposals: **RE/START 2026.**

I thank my colleagues and the members of the expert working groups involved in preparing this document for their dedicated work, and I wish you an inspiring and useful read.

Kind regards,

Tamás Hiezl

President
Hungarian Energy Traders Association

DEAR READERS,

Europe's energy markets have shown their value time and again. They have strengthened security of supply, enabled efficient cross-border flows and helped consumers and businesses navigate extraordinary challenges. Yet completing the Internal Energy Market remains one of the biggest economic opportunities facing Europe today.

That is why I welcome the RE/START 2026 report from the Hungarian Energy Traders Association. With Integrate by '28, Energy Traders Europe has set out a roadmap of concrete, time-bound actions to complete the single market for energy by 2028. The ambition is European by nature, but it will only succeed if it reflects the realities on the ground in every part of the Union. In RE/START 2026 HETA now asks the complementary question: what has to happen at home so that Hungarian businesses can fully benefit from and contribute to market integration in Europe?

Hungary and its neighbouring markets sit at the crossroads of Europe's energy system. Their experience demonstrates both the benefits that integration can deliver and the barriers that still prevent the market from reaching its full potential. By naming these barriers, the Hungarian trading community is helping to ensure that the next phase of market integration is informed by practical experience and grounded in the needs of market participants.

The case for completing the Internal Energy Market is compelling. An integrated market makes Europe more competitive and more resilient. It keeps the cost of decarbonisation down and gives investors the confidence they need. At a time of growing geopolitical uncertainty and intense global competition, Europe cannot afford fragmentation or delay.

I congratulate HETA for taking the initiative to develop this regional perspective. Their work reinforces a simple but important message: completing the Internal Energy Market is neither a Brussels project nor a national project. It is a European project that will succeed only through cooperation, shared ambition and a commitment to making the Single Market work better for all.

Mark Copley

Chief Executive Officer
Energy Traders Europe

FOREWORD

> *Energy is a linchpin of economic prosperity, with energy security, reliability and affordability key preconditions for sustainable growth.*
>
> *- **António Costa,** President of the European Council*

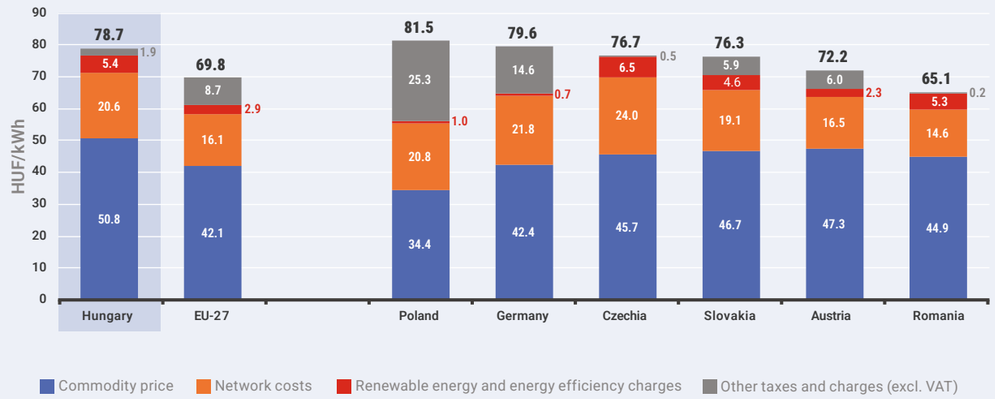
The **Integrate by '28** package of proposals, published in February 2026 by our European counterpart, Energy Traders Europe (ETE), provides a clear picture of the achievements of European energy market integration over recent decades. It also sets out the further urgent steps policymakers must take to make our continent's economy more competitive by advancing integration, while keeping security of supply and climate protection objectives in view.

While Integrate by '28 sets out energy regulatory proposals to support the global competitiveness of the European economy, focusing primarily on wholesale markets, the RE/START 2026 package of the Hungarian Energy Traders Association (HETA) presents a broader range of opportunities for action in Hungary identified by our association. Their significance lies in the fact that the energy prices paid by Hungarian companies are high even by European standards, particularly for electricity. It is concerning that the price gap is even wider than average for companies in energy-intensive industries, where energy costs are particularly important to their regional or global competitiveness.

Of course, not every Hungarian company has to compete internationally, but competitive energy prices matter to them too: high costs feed into the prices of goods and services, creating inflationary pressure and, in turn, slowing the Hungarian economy.

Strengthening the competitiveness of Hungarian companies requires lower and more predictable energy costs. The package of proposals by HETA identifies opportunities for intervention at several points along the energy market value chain, taking into account the cost structure of consumers' energy bills: from the general regulatory framework governing market structure and the operating model, through improvements to wholesale market integration and retail market operations, to a review of network tariffs and incentives for consumer flexibility.

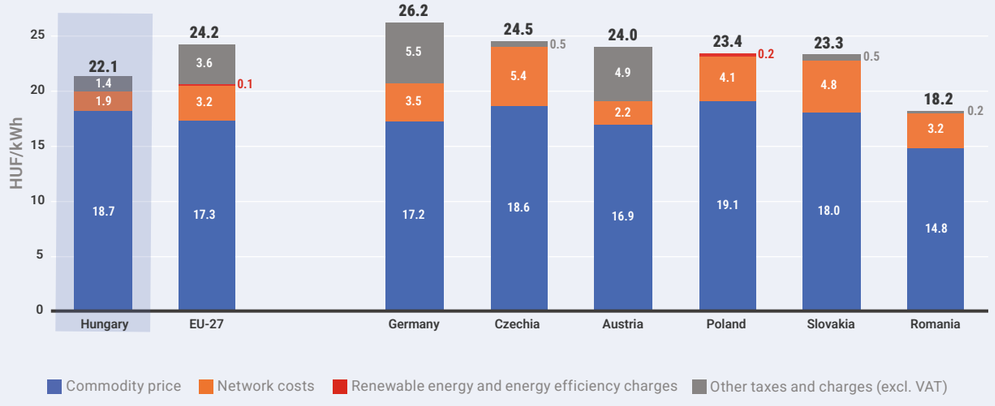
1. COMPARISON OF CORPORATE ELECTRICITY PRICES (2025)



The figure shows the 2025 electricity price paid by Hungarian companies, broken down into the 4 main price components, compared with prices in selected European countries and the EU-27 average. The data exclude corporate customers supplied under universal service. The commodity price component includes wholesale costs and retail mark-ups. Official data available in euros were converted at the average EUR/HUF exchange rate for the year.

Source: Eurostat, MEKH

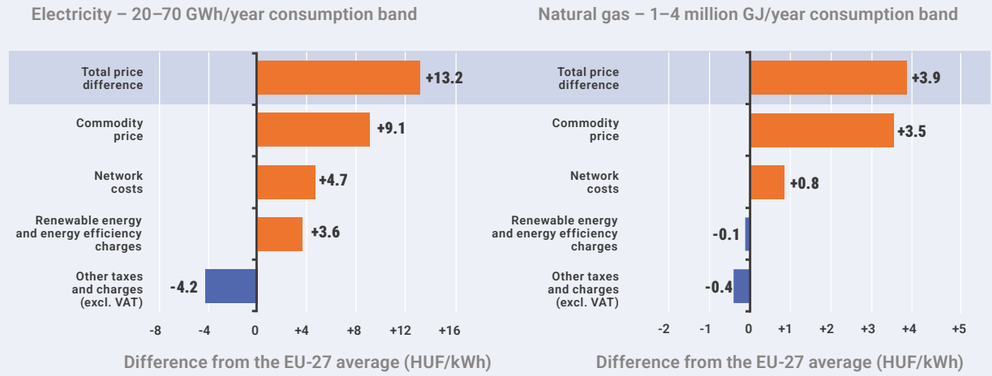
2. COMPARISON OF CORPORATE NATURAL GAS PRICES (2025)



The figure shows the 2025 natural gas price paid by Hungarian companies, broken down into the 4 main price components, compared with prices in selected European countries and the EU-27 average. The data exclude corporate customers supplied under universal service. The commodity price component includes wholesale costs and retail mark-ups. Official data available in euros were converted at the average EUR/HUF exchange rate for the year.

Source: Eurostat, MEKH

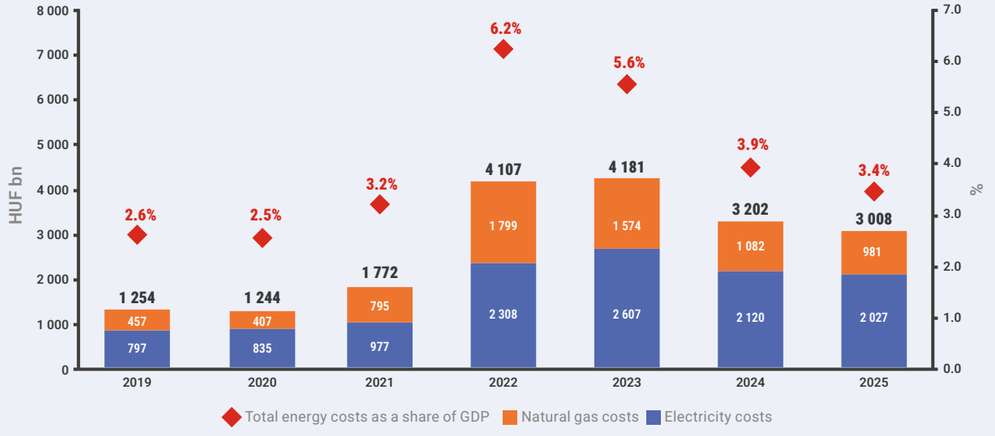
3. DIFFERENCES IN PRICE COMPONENTS (HUNGARY VS. EU-27; 2025)



The figures illustrate the differences between the unit energy prices paid by Hungarian companies and the EU-27 average prices for a selected large enterprise segments (one for electricity and one for natural gas), both in terms of the overall price level and individual price components.

Source: Eurostat

4. ENERGY COSTS OF COMPANIES (2019–2025)



The figure shows how much Hungarian companies spent in total on electricity and natural gas between 2019 and 2025, and what percentage of the Hungarian GDP these total corporate energy costs represented in each year.

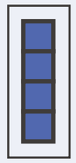
Source: Eurostat, MEKH, KSH



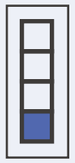
HOW TO READ

The legend below helps the reader to identify which price components are affected by the policy proposals in each chapter.

- MEASURES AFFECTING OTHER CHARGES
- MEASURES AFFECTING RENEWABLE ENERGY AND ENERGY EFFICIENCY CHARGES
- MEASURES AFFECTING NETWORK COSTS
- MEASURES AFFECTING THE COMMODITY PRICE



MEASURES AFFECTING
ALL PRICE COMPONENTS



MEASURES AFFECTING
THE COMMODITY PRICE

Starting from the four price components that constitute Hungarian energy prices, we have organised our policy proposals into chapters that address the challenges and opportunities for intervention affecting each price component and the overall energy price level.

2. MARKET STRUCTURE AND OPERATING MODEL 13
3. TRADING – COMMODITY PRICES 21
4. NETWORKS AND INFRASTRUCTURE 33
5. RENEWABLE ENERGY SUPPORT SCHEMES AND ENERGY EFFICIENCY 39
6. FLEXIBILITY INCENTIVES 43

2. MARKET STRUCTURE AND OPERATING MODEL

> *Weaknesses in the energy sector's regulation hinder competition and investments and drive up energy prices for business. At the same time, poorly targeted energy subsidies delay energy efficiency improvements.*
>
> - ***European Commission*** *– EU Country Report on Hungary*

Although energy market liberalisation was implemented in several stages in Hungary in the 2000s, one market segment has, apart from a brief transitional period, continued to operate without competition. The pricing system has become fragmented: regulated household prices kept artificially low under universal service stand in sharp contrast to competitive-market prices that reflect actual market developments. Moreover, cross-subsidisation on several fronts means that Hungarian businesses pay disproportionately more for energy than their competitors in neighbouring countries.

We can say that the Hungarian electricity and gas markets have been subject to significant distortions for more than a decade. The prices paid by residential customers and non-residential customers eligible for universal service fall far short of covering the actual costs of supplying them, both on the network side as well as on the retail side. The additional costs are borne partly by taxpayers through the central budget and partly by corporate consumers supplied on the competitive market as a result of cross-subsidisation. In effect, people finance the low energy costs of their own households through higher energy costs at their workplaces and the taxes they pay. Despite the seemingly clear benefits of reduced household utility bills, this distortion adversely affects the functioning of energy markets in many ways and in many areas, as we seek to highlight in several chapters of our package of proposals.

2.1 Establishing a stable and predictable regulatory environment

Situation assessment

Over the past decades, the energy sector and energy trading have frequently been affected by regulatory changes that entered into force without consultation with the industry, at short notice or even retroactively. Energy investments are long-term, and energy trading contracts typically run for at least one year. Regulatory unpredictability therefore makes it harder to plan for returns on investment and contractual obligations, can increase financing and risk-management costs, and may deter new market entrants. Regulatory changes introduced with little lead time and without meaningful industry consultation, or applied retroactively, make planning more difficult and may be reflected in commercial offers as a risk premium.

In other cases, these changes require contracts to be renegotiated, resulting in additional costs for both traders and consumers. The changing regulatory environment also adversely affects investments with the long payback periods typical of the energy sector (e.g. power plants and other infrastructure developments), leading to higher-than-optimal prices, a shortfall in investment and a more vulnerable energy system.

Proposed measures

Stable, predictable regulatory frameworks are needed, developed with the involvement of relevant industry stakeholders and entering into force with sufficient lead time. The optimal end state is an operating model in which more complex changes are introduced only after meaningful consultation, allow industry participants sufficient time to prepare and adapt, and remain in force unchanged for years. Stable institutional frameworks can reduce the risk premiums charged by traders and, in turn, the costs borne by consumers. A predictable regulatory environment also encourages investment in infrastructure, which strengthens security of supply, enables lower and more stable wholesale prices, and increases the overall resilience of the Hungarian energy system.

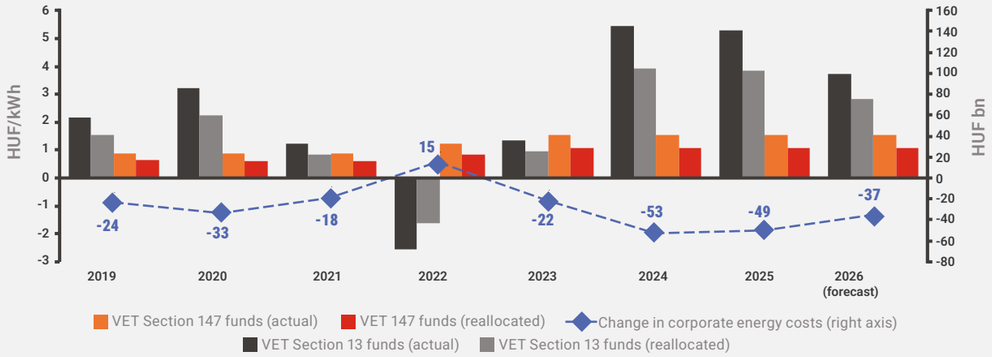
2.2 Ensuring cost allocation without cross-subsidisation and with proportionate burden-sharing

Situation assessment

At present, substantial cross-subsidisation occurs at multiple levels in both the electricity and natural gas markets between households and commercial customers, primarily because household energy prices are kept artificially low and do not reflect actual costs.

On the one hand, the corporate sector bears the entire cost of the renewable energy support schemes (KÁT, METÁR and METÁROLÓ). On the other hand, the funds payable under Section 147 of the Electricity Act, which are also paid exclusively by companies, impose significant additional costs on Hungarian businesses. Residential tariffs do not include these charge components at all, so costs are not shared proportionately. Similarly, cross-subsidisation is evident in the accounting model for the so-called MSZKSZ fee for natural gas.

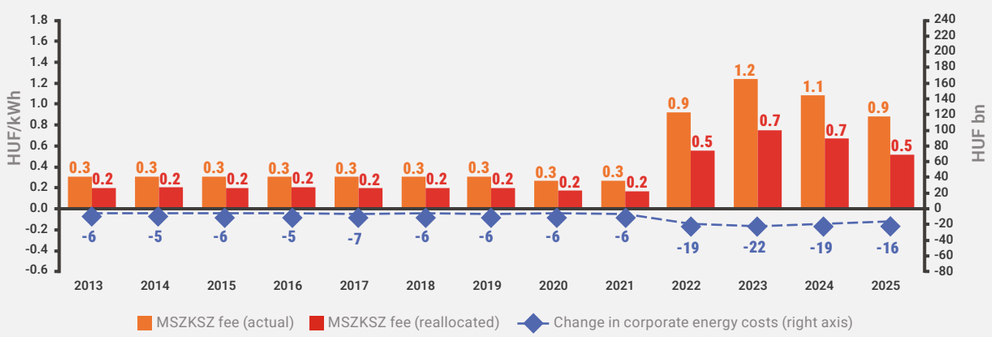
5. RENEWABLE ENERGY SUPPORT AND OTHER FUNDS – MODELLED PROPORTIONAL BURDEN-SHARING (2019–2026)



The figure illustrates the actual per-unit charges borne by corporate clients between 2019 and 2026 under Section 13 of the Electricity Act (VET), covering renewable energy and energy storage support, and Section 147, covering district heating price support and electricity price subsidies for retired electricity industry employees. It also shows how these per-unit charges would have differed if the associated costs had been shared equally between corporate and residential customers.

Source: MAVIR, MEKH

6. MSZKSZ FEE – MODELLED PROPORTIONAL BURDEN-SHARING (2013–2025)

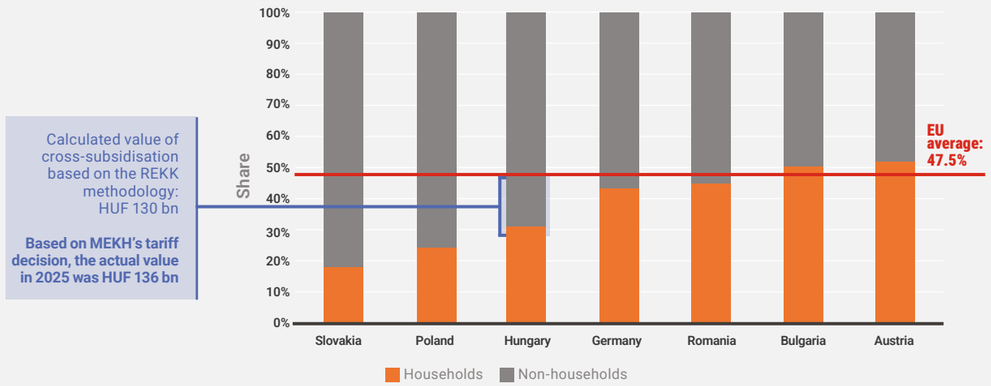


The figure shows the actual unit value over 2013–2025 of the so-called MSZKSZ fee paid by companies, which is needed to establish and maintain strategic natural gas reserves, and how these per-unit charges would have differed if they had been shared equally between corporate and residential customers.

Source: MSZKSZ, MEKH

The third, and perhaps most significant, form of cross-subsidisation occurs through electricity network tariffs: while the overall cost of network use can be considered competitive by European standards, partly thanks to the stringent cost-recognition methodology applied in tariff setting, the allocation of distribution charges among user groups does not fully reflect actual costs. Hungarian companies typically pay higher electricity network tariffs than their regional competitors, effectively subsidising residential and SME customers, who pay relatively lower network tariffs. In the natural gas market, the very low monthly fixed charge paid by households does not reflect the actual fixed costs of maintaining the network either.

7. ELECTRICITY NETWORK TARIFFS – MODELLED CROSS-SUBSIDISATION



The figure shows how network tariff revenues are split between households and companies in selected European countries. The analysis prepared by REKK calculated how much Hungarian companies would save on network tariffs if companies in Hungary contributed to financing network operators' costs in line with the European average. Countries are shown in ascending order of the share of network tariffs paid by households.

Source: MEKH, REKK

Proposed measures

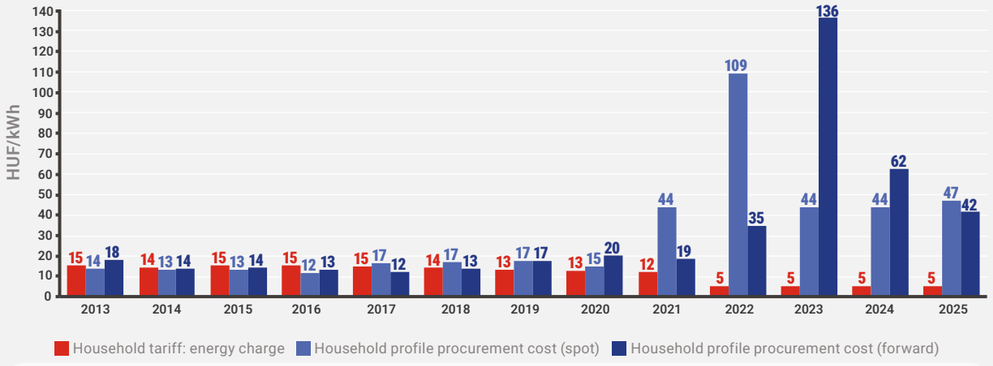
We propose gradually introducing proportionate distribution network tariffs that reflect actual costs of supply, and sharing the burden of various financial charges proportionately between businesses and households. Fully implemented proportional burden-sharing, calculated using 2025 annual tariffs and volumes, would reduce companies' unit electricity prices by around HUF 6.7/kWh and natural gas charges by HUF 0.4/kWh overall.

2.3 Gradual introduction of cost-reflective household energy prices

Situation assessment

The residential supply price (commodity price) under universal service has long been disconnected from actual market prices. Thus, although it provides substantial support to eligible consumers, the price does not function as a market signal: it distorts the returns on energy efficiency investments, provides insufficient incentives to save energy, and fails to provide the price signals needed to optimise consumption within the day. Higher-than-optimal demand also indirectly drives up prices in the competitive market. Under the current system, support does not reach only those in need: it also benefits consumer groups for which it is not justified. Financing this imposes a significant burden on the budget and is partly achieved through the cross-subsidisation described earlier.

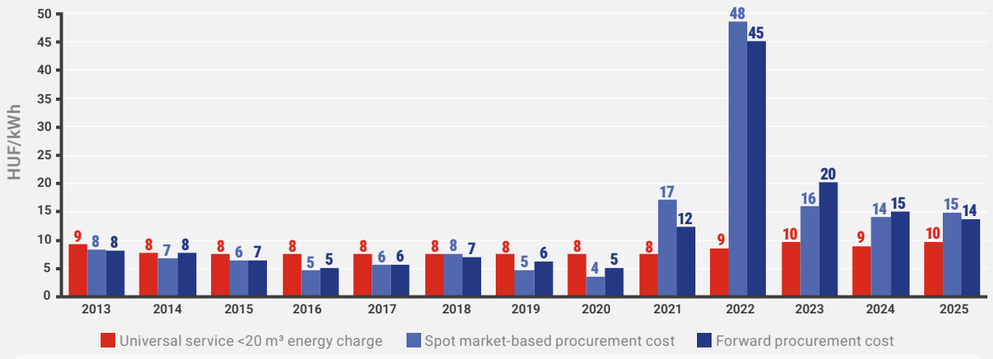
8. MODELLED COMPETITIVE-MARKET COSTS OF HOUSEHOLD SUPPLY – ELECTRICITY (2013–2025)



The figure shows the "commodity price", i.e. the wholesale price component, included in the electricity bill paid under universal service by a household with average consumption (household A1 tariff) over 2013–2025, It also compares this component with the estimated wholesale cost of supplying a residential customer billed according to the Budapest standard load profile on the competitive market during the same period, based on two different models. One model assumes that all purchases were made on the day-ahead (spot) market. In the other model, procurement is based on a forward purchase at the average of price quotations in the year preceding delivery (e.g. for 2025, the arithmetic mean of the daily settlement prices in 2024 for the annual baseload product for delivery in 2025), adjusted by the ratio of the price of profile supply to that of baseload delivery, as determined on the basis of spot procurement.

Source: MEKH, HUPX

9. MODELLED COMPETITIVE-MARKET COSTS OF SUPPLYING HOUSEHOLDS (FROM UNIVERSAL SERVICE TARIFF) – NATURAL GAS (2013–2025)



The figure shows how, over 2013–2025, the natural gas charge paid under universal service by an average household in the tariff category below 20 m³/h compared in each year with the average wholesale energy charge, where the wholesale price is determined using average spot and forward exchange quotations. One model assumes that all purchases were made on the day-ahead (spot) market. In the other model, procurement is based on a forward purchase at the average of price quotations in the year preceding delivery (e.g. for 2025, the arithmetic mean of the daily settlement prices in 2024 for the annual product for delivery in 2025).

Source: TTF, MVM, MEKH

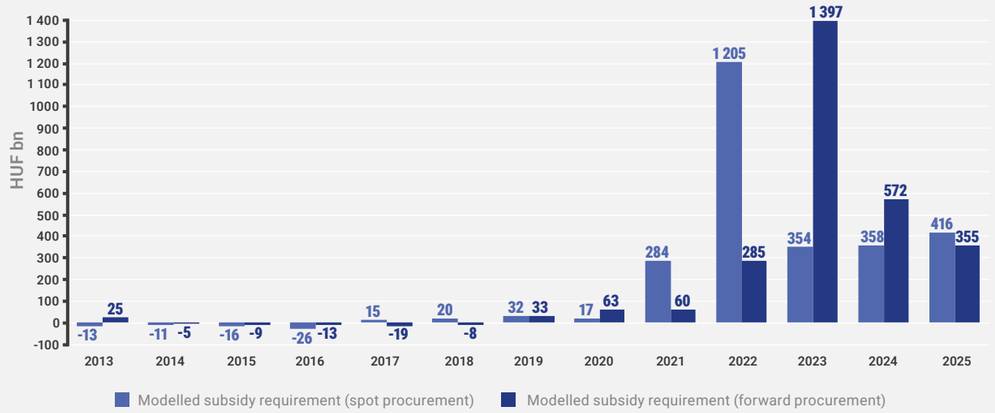
Proposed measures

It is recommended that prices for household consumers be gradually brought into line with actual market prices, while providing targeted support to vulnerable consumers through social policy measures, including, where warranted, more generous social assistance than at present for those in need.

To protect household consumers from potentially significant changes in market prices, both from one year to the next and within a given year, we recommend that the household tariffs offered by the universal service provider be based on a conservative, diversified hedging strategy extending several years ahead, while taking account of the supply portfolio underpinning universal service. This would mitigate the scale of periodic price changes.

We consider time-of-use tariffs important for encouraging energy-conscious consumption, so that households can also help ease future supply crises on the demand side by shifting their consumption in response to price signals.

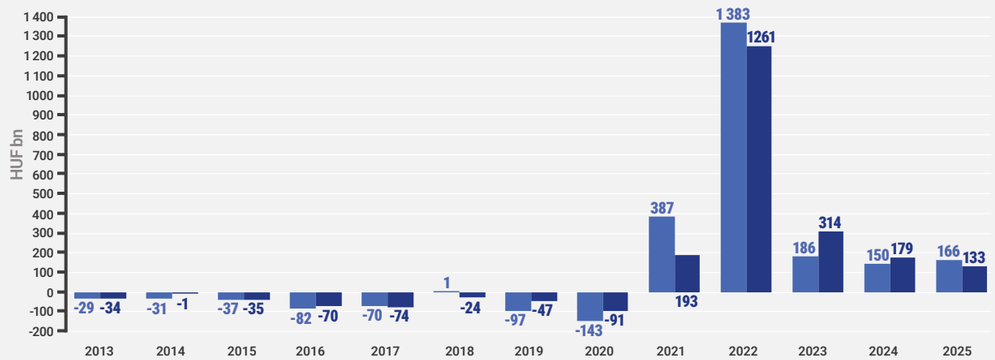
10. MODELLED SUBSIDY REQUIREMENTS FOR HOUSEHOLD ENERGY SUPPLY - ELECTRICITY (2013–2025)



The figure shows the subsidy requirement for household electricity supply in recent years, where the subsidy requirement is taken to be the difference between the commodity price paid under universal service and the modelled competitive-market procurement costs shown in Figure 8.

Source: MEKH, HUPX, HUDEX

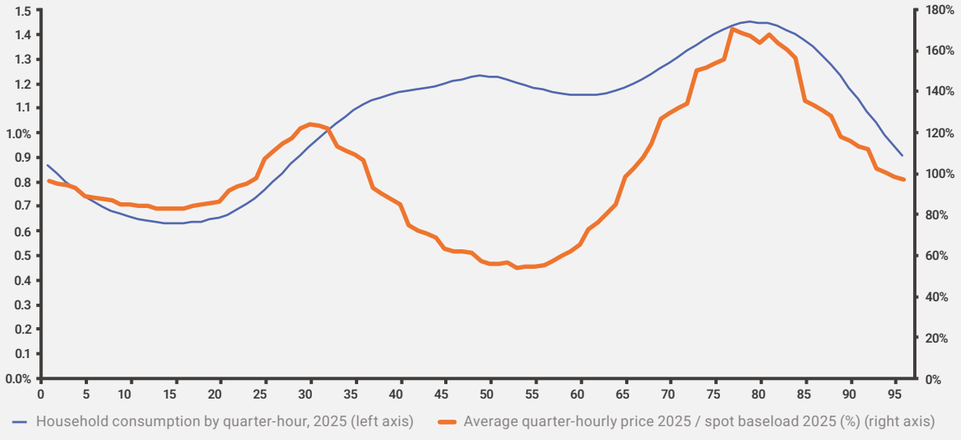
11. MODELLED SUBSIDY REQUIREMENTS FOR HOUSEHOLD ENERGY SUPPLY (FROM UNIVERSAL SERVICE TARIFF) – NATURAL GAS (2013–2025)



The figure shows the subsidy requirement for household natural gas supply in recent years, where the subsidy requirement is taken to be the difference between the commodity price paid under universal service and the modelled competitive-market procurement costs shown in Figure 9.

Source: TTF, MVM, MEKH

12. IMPACT OF THE HOUSEHOLD ELECTRICITY CONSUMPTION PROFILE ON PRICE RATIOS (2025)



The figure shows the ratio of the average day-ahead market price for each quarter-hour to the annual average day-ahead market price in the electricity market in 2025. as well as the average intraday distribution of the Budapest household consumption profile.

Source: ELMŰ, HUPX

To ensure that cost-reflective household energy prices place the least possible burden on households, every effort must be made to reduce energy consumption through digitalisation, greater energy awareness and support for energy efficiency investments, alongside targeted, means-tested support. Our association welcomes the already announced government energy efficiency programmes and policy measures that will enable these objectives to be achieved.

2.4 Phasing out the sector-specific special tax

Situation assessment

Energy sector companies have been subject to an additional income tax since 2008 (!), originally intended as a temporary measure. This tax burden also contributed to underinvestment in the sector, leading to higher wholesale prices than in neighbouring countries. The level and unpredictability of the special tax also reduce the number of market participants, create a high barrier to entry and, in turn, drive up end-user prices. The impact of the special tax may have become embedded in the operations of those subject to it, while the indirect negative effects of the sector-specific special tax burden, reflected in foregone investment and lower economic growth, outweigh its direct positive impact on the budget.

Proposed measures

We recommend that policymakers phase out the windfall tax imposed on the energy market. A tax environment should be established in the Hungarian energy market that does not put market participants at a competitive disadvantage compared with those in neighbouring countries. In the long term, reducing additional tax burdens could lower the need for public funding for investments and enable more infrastructure projects to proceed on a market basis. This could contribute to lower wholesale prices. In addition, an energy market with more participants and greater competition can lead to lower retail prices, higher service standards and a greater willingness to innovate.



2.5 Providing targeted support programmes

Situation assessment

In recent years, various (energy) policy objectives have been pursued through a wide range of support schemes. The form of support best suited to achieving a given objective will undoubtedly depend on the circumstances: price subsidies that take immediate effect in the event of short-lived price shocks, investment support under the factory rescue programme, long-term operating support, and so on. At the same time, an important lesson from recent years is that long-term operating support schemes that increase costs for business consumers (e.g. KÁT) are risky because future funding needs are difficult to estimate and, in many cases, such measures prove unsustainable or difficult to sustain.

Proposed measures

To achieve energy policy objectives quickly and effectively, it may in some cases be appropriate to use targeted state aid schemes to encourage market participants to make the necessary investments. At the same time, we consider it important that such support should, where possible, not be financed by other groups of energy users, or only to a limited and predictable extent.

Energy-intensive industries warrant particular attention, as companies operating in these sectors are especially exposed to energy prices. For this reason, consideration should be given to making dedicated support available to energy-intensive industries (e.g. the chemical and steel industries) to safeguard the competitiveness of Hungarian industry, ideally funded from sources outside the energy value chain rather than by other groups of energy users. We recommend supporting the electrifying of businesses to facilitate the transition away from natural gas, which could also help achieve national and EU climate policy objectives.



3. TRADING – COMMODITY PRICES

> *A competitive and resilient energy system will depend not only on new electricity generation and infrastructure, but also on how consumers engage with the energy system.*
>
> *- ACER, 2025*

It is no coincidence that we begin our assessment of the individual components of energy bills and our review of the proposals we have put forward with the trading components. On the one hand, this is the component of the energy bill that contributes most to the lack of competitiveness of the energy prices paid by Hungarian companies, primarily because domestic wholesale prices are exceptionally high. On the other hand, as an organisation representing traders, we believe we should first look closer to home.

In this chapter, we separately examine the reasons for the differences between Hungarian wholesale prices and those in neighbouring countries, and possible solutions. We also review measures that could reduce the retail price components added to the wholesale price.

We consider consumer education particularly important in relation to both actual wholesale price levels and the mark-ups charged in the retail market—and, indeed, across the entire value chain. Understanding how market and settlement mechanisms work, and the risks in energy markets, can help companies make informed decisions both when selecting the right commercial offer and when managing the resulting contract. In this educational process, traders have a particularly important role and responsibility.

3.1 Improving wholesale price levels

A sustained reduction in the overall level of wholesale prices experienced by individual consumers can be achieved through a combination of diversified supply sources, effective market coupling, reduced network congestion and greater system flexibility. This chapter summarises the recommendations concerning these factors.

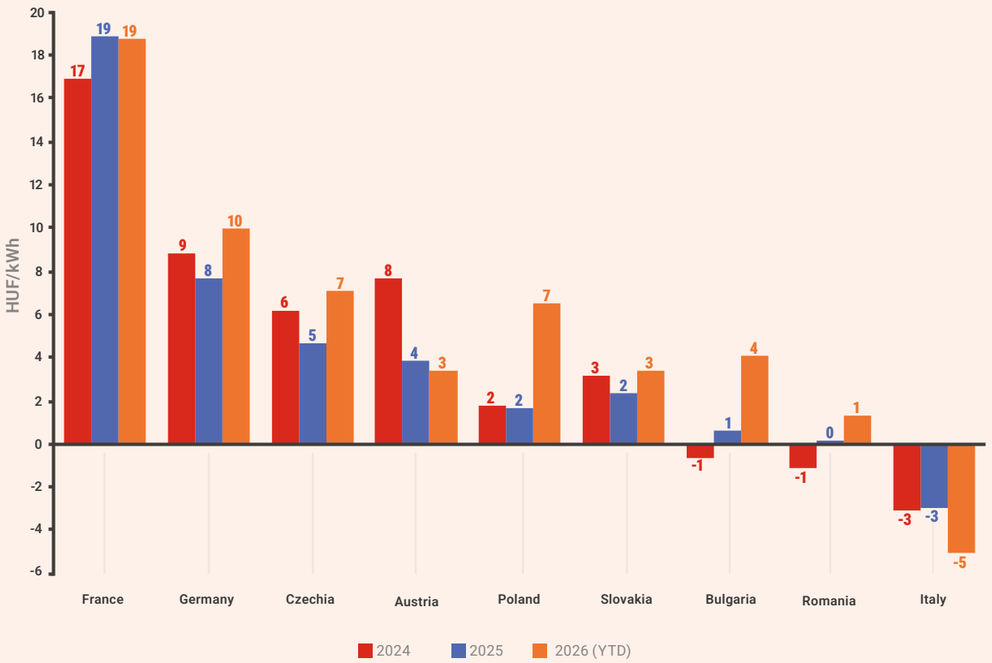
At the same time, it is important to emphasise that the customer-specific wholesale price actually realised—whether at the time of contracting for fixed-price products, through hedging transactions for indexed products, or partly or wholly on the basis of day-ahead market prices—is also significantly shaped by customer decisions, since the resulting price level depends substantially on the hedging strategy used and the timing of consumption. The objective should therefore be not only to reduce the overall level of wholesale prices, but also to establish deliberate, strategy-based energy procurement frameworks that take account of the specific characteristics of each company and its market.

3.1.1 Strengthening regional electricity market integration

Situation assessment

Although the Hungarian electricity market has become significantly more integrated with the European market over recent decades, numerous regulatory and physical barriers continue to impede the free flow of energy and, consequently, the convergence of wholesale prices. This is reflected in day-ahead (spot) prices that are typically higher than those in neighbouring countries, as well as in exceptionally high price volatility. Higher prices put traders, and ultimately consumers, at a cost disadvantage, while price volatility imposes additional risk management and financing costs on them.

13. HUNGARIAN SPOT ELECTRICITY PRICE PREMIUM OVER SELECTED EU COUNTRIES (2024–2026)



The figure compares the average annual day-ahead electricity market prices of selected countries with the average day-ahead market price in Hungary. All values are calculated as the difference between the Hungarian price and the price in the given country. Countries are ranked in descending order of the Hungarian price premium relative to each country in 2025.

Source: ENTSO-E

Proposed measures

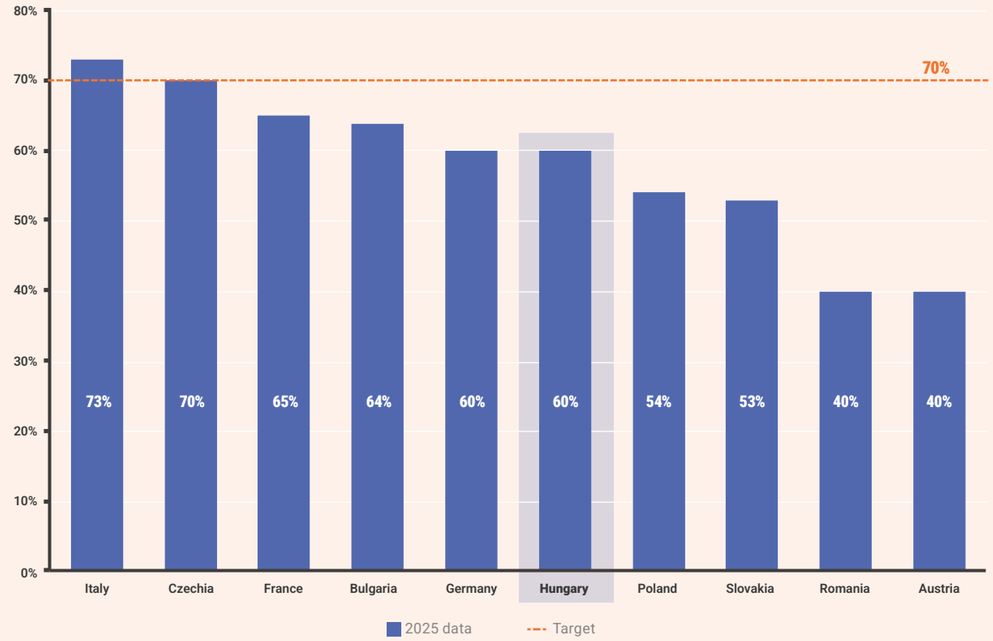
We recommend that the Hungarian legislator and regulator support the integration measures set out in Energy Traders Europe's (ETE) Integrate by '28 proposals to deepen the regional integration of energy markets, while taking account of Hungary's security of supply and competitiveness.

Our specific recommendation for Hungarian regulation is to broaden the applicability of the close-out netting rule in Hungary's legal framework for wholesale energy trading. Its absence from Hungary's bankruptcy legislation adversely affects wholesale market liquidity and investment financing: the wholesale market can operate only with higher-than-justified collateral requirements or lower trading limits, while bank financing for energy investments entails higher-than-necessary counterparty risks.

As part of regional market integration, it would be important to ensure effective regulatory enforcement of the requirement under the applicable EU regulation to make at least 70% of cross-border capacity available to wholesale markets, particularly at Hungary's borders.

ETE Integrate by '28 Study

14. AVAILABILITY OF CROSS-BORDER CAPACITIES (ANNUAL AVERAGE; 2025)



The figure shows how individual countries meet the requirement to make at least 70% of cross-border capacity available. Countries are shown in descending order of their 2025 availability rate.

Source: ETE

3.1.2 Diversifying the energy mix

Situation assessment

In Hungary, the investment-deterring effect of sector-specific special taxes and a one-sided support policy focused on solar power plants have, over recent decades, resulted in an insufficiently diversified, two-pillar energy mix that relies primarily on nuclear and solar power. It is highly weather-dependent and requires extensive balancing, while at certain times it is also heavily dependent on imports. Moreover, the current generation mix has a negative impact on the country's current account balance, as we typically export during periods of lower prices, while the Hungarian system relies on imports during periods of higher prices.

While electricity supply, thanks to cross-border capacity with all neighbouring countries, primarily faces challenges in diversifying the domestic generation mix, secure and competitively priced natural gas supply remains exposed to external supply sources and transport routes.

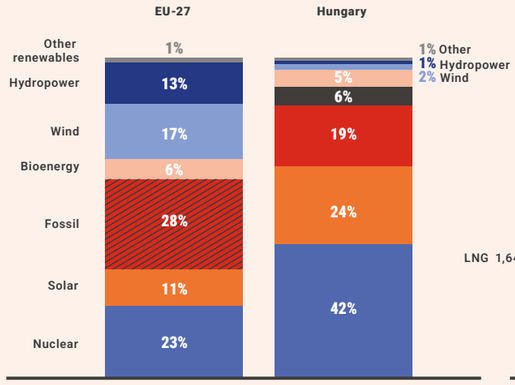
Proposed measures

Further diversification of the electricity generation mix is recommended, based on domestic weather conditions and primary energy resources (geothermal energy, biomass and biogas), and on an assessment of total system costs. In view of projected demand and climate protection goals, extending the operating life of the Paks Nuclear Power Plant is of paramount importance. We also welcome the wind power capacity expansion plans announced by policymakers. The use of renewable but weather-dependent generation assets should be assessed in conjunction with the development of networks, energy storage and demand-side flexibility. In this context, it is particularly important to build the previously announced flexible combined-cycle gas turbine (CCGT) power plant units and achieve the recently set energy storage capacity development targets as soon as possible.

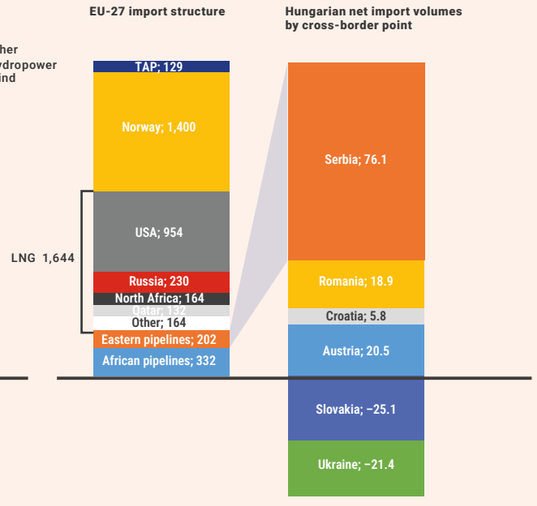
Diversifying the electricity generation mix, natural gas supply sources and transport routes improves security of supply and makes Hungarian wholesale prices more resilient to external shocks, providing stability for the market, the networks and, ultimately, consumers.

15. DIVERSIFICATION OF SUPPLY SOURCES – CURRENT SITUATION (2025)

Electricity generation mix:
EU-27 and Hungary

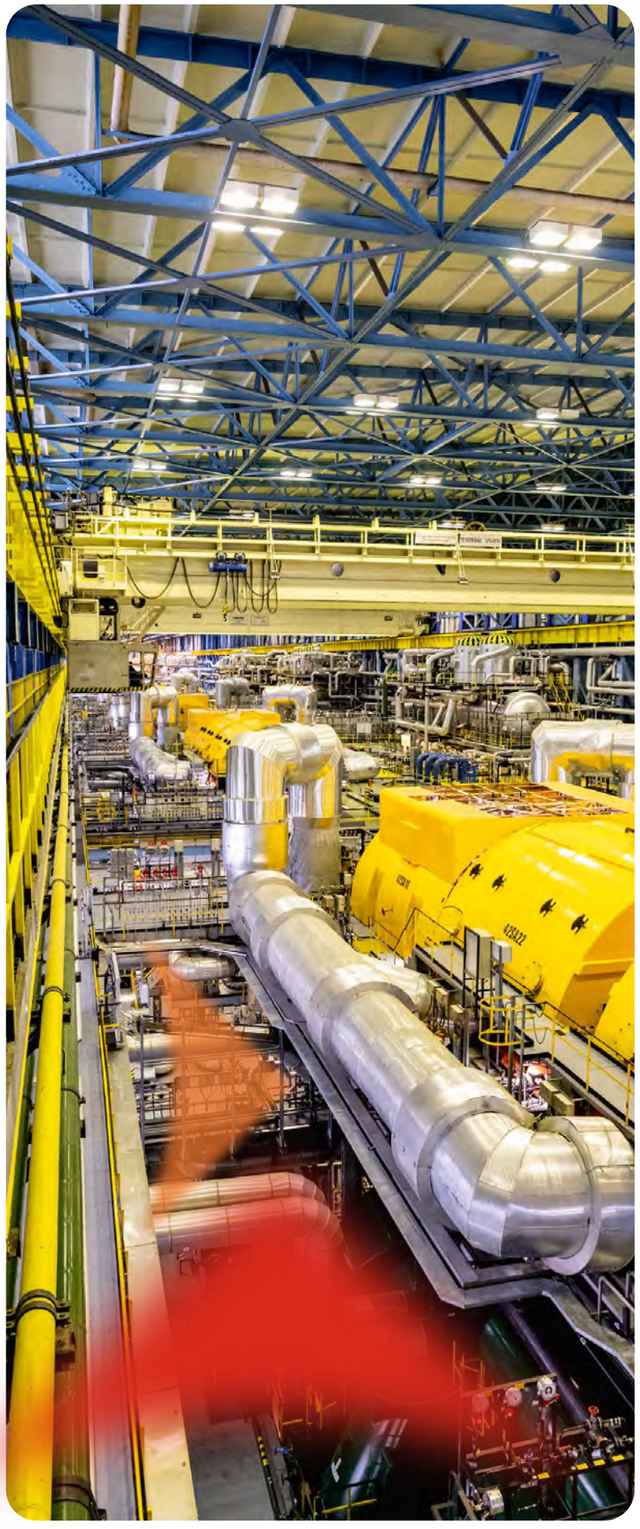


Natural gas import structure:
EU-27 and Hungarian net import volumes (TWh)



The left-hand chart shows the structure of total electricity generation in Hungary and the EU-27 as a percentage breakdown, based on the volume of electricity generated. The right-hand chart shows natural gas supply volumes for Hungary and the EU-27.

Source: Eurostat, MEKH



3.1.3 Eliminating intra-zonal physical congestion

Situation assessment

The intermittently occurring, exceptionally high day-ahead electricity market prices in Hungary in recent years (e.g. July and November 2024, June 2026) have highlighted the vulnerability and exposure of the Hungarian energy system. Studies analysing these situations identified network elements both abroad and within Hungary that created bottlenecks and drove up energy prices in Hungary.

Proposed measures

Reducing critical domestic network congestion and ensuring that neighbouring countries address identified internal bottlenecks would lower domestic wholesale electricity prices and price volatility, ultimately leading to more favourable, competitive energy supply prices. In this context, we propose that revenues from cross-border capacity auctions be used to reduce both cross-border and internal congestion.

3.2 Retail trade

We are convinced that traders can also help achieve more favourable energy prices by educating consumers and supporting more informed purchasing decisions. In addition, we consider it important that consumers have the information, tools and opportunities they need to make informed decisions about their energy consumption. However, all this can be achieved effectively only with a simpler and more predictable regulatory environment and consumption and generation data available at an appropriate level of quality and frequency.

If as many consumers as possible could access the data they need to understand their energy consumption, choose between comparable offers and switch suppliers without undue barriers, the resulting stronger competition could ensure that businesses, including those in the SME segment, are supplied efficiently at the lowest possible retail mark-ups.

It is also necessary to minimise individual risks associated with energy trading, which can be ensured by a stable and predictable regulatory environment.

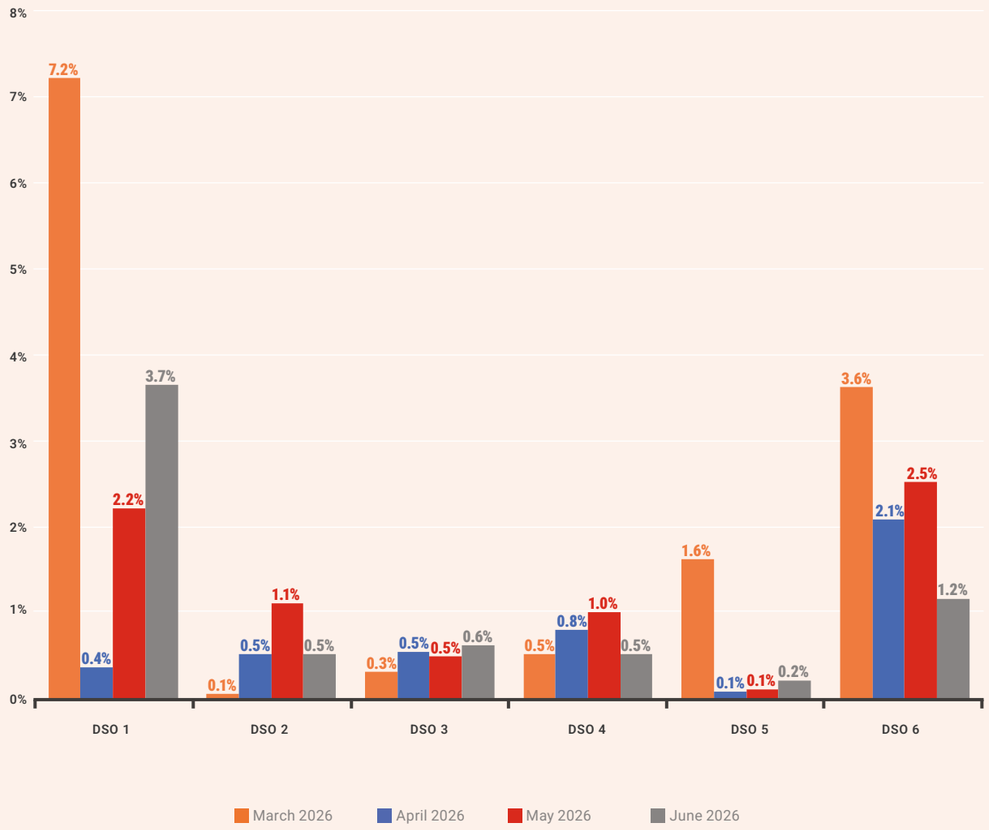
Making informed use of consumption data and optimising consumption can help consumers save money and secure more favourable energy supply terms, even without switching suppliers.

3.2.1 Improving cooperation between traders and DSOs

Situation assessment

Electricity traders and consumers cannot make full use of the opportunities offered by available technology and the intraday market without metering data of sufficient quality and frequency. Accurate metering data made available as close as possible to the time of consumption also improve the accuracy of volume forecasts by traders and balance responsible parties. A sufficiently liquid intraday market is already available for trading changes arising from more accurate forecasts. More accurate schedules also allow the TSO to plan for lower balancing reserve requirements, reducing system operation costs and, all else being equal, resulting in lower TSO tariffs and balancing energy costs. Lower balancing energy costs ultimately reduce the price businesses pay for their energy supply.

16. INACCURACY OF DATA REPORTING FROM CONVENTIONAL REMOTELY READ METERS (ELECTRICITY)



The MAPE (mean absolute percentage error) values shown in the figure indicate the error rate with which individual electricity DSOs provided metering data to traders in the given month as part of daily data reporting, compared with the data provided for final (day-60) settlement.

Source: ZENRG

Proposed measures

We recommend consistent monitoring of metering data quality and the introduction of data accuracy performance indicators for the completeness and quality of daily metering data, differentiated by customer group and taking account of the specific characteristics of individual DSOs, together with an effective incentive scheme. We consider it important to establish institutionalised sharing of best practices among distribution system operators and to develop a uniformly applied methodology for imputing missing data.

We also propose an industry agreement on the phased increase in the frequency of intraday data reporting, differentiated by user size, taking into account the development and operating costs required for implementation and the expected system-wide benefits. In this regard, we consider the implementation timetable previously proposed by HETA to be our guide.

17. CURRENT AND PROPOSED FREQUENCY CONCERNING TRANSFERS OF METERING DATA

Customer type	Meter type	Consumption / capacity threshold	Implementation milestones			
			1 Jan 2027[1]	1 Jan 2028	1 Jan 2029	1 Jan 2030
Universal service	Smart meter	Bottom 70%	once a day			
		Top 30%[3]	once a day		twice a day	
Competitive market	Smart meter	Bottom 50%	once a day			
		Top 50%	once a day		twice a day	
	Conventional remotely read (AMR)	< 1 MW	once a day	twice a day	every 2 hours[2]	near real time[3]
		1–3 MW	twice a day	every 2 hours	near real time	
		3–10 MW	every 2 hours		near real time	
		> 10 MW	near real time			

current status proposed future status

[1]: as soon as possible [2]: every 2 hours, around the clock (00:00–24:00) [3]: introduction subject to a cost–benefit analysis

The table shows HETA's proposals on data reporting frequency. Under the proposal, the frequency of intraday data reporting should differ depending on annual consumption or capacity, and would be extended in several phases over the coming years.

Source: HETA

3.2.2 Strengthening competition in the SME segment

Situation assessment

In the small and medium-sized enterprise segment, competition in both the natural gas and electricity retail markets remains below the level that could be considered optimal. One of the main reasons for this is that there are few active traders in this segment. The size of the Hungarian market, regulatory uncertainty and high barriers to entry (e.g. the sector-specific special tax) have together led to the current situation. In addition, contractual terms that SME customers find difficult to understand and compare, and potential practical barriers to switching suppliers, make it harder for customers to make informed decisions and access the best commercial offer.

Proposed measures

We consider it particularly important to improve awareness of energy markets among smaller businesses and to broaden corporate decision-makers' knowledge of energy procurement. To this end, priority must be given to education, making clear and practical information widely available, and sharing knowledge that supports informed decision-making in the energy market. It is important that businesses receive adequate information to interpret energy market offers, understand the differences between contractual arrangements, and assess key terms such as automatic renewal, termination, price adjustments and contract expiry. Our aim is to help SMEs make energy procurement decisions with a better understanding of market opportunities and risks. In this context, we consider it appropriate to review contractual practices in the SME segment in cooperation with the regulatory authority and under its supervision.

18. RETAIL MARKET CONCENTRATION – CORPORATE SEGMENT (HHI; 2025)



The figure shows values of the widely used Herfindahl–Hirschman Index (HHI), which measures market concentration, for the corporate segment of the electricity and natural gas markets in selected countries.

Source: ACER

3.2.3 Rethinking public procurement frameworks

Situation assessment

Energy procurement subject to public procurement rules is characterised by long bid validity periods and demand almost exclusively for fixed-price products. The cost of keeping an offer price open or hedging a conditional purchase increases traders' risks and, consequently, offer prices. The use of bespoke, inflexible contract templates that often deviate substantially from standard market practice also poses a risk for traders. Managing this risk requires significant resources and often leads traders to refrain from submitting bids. The low number of bids is itself an indication that the current public procurement model often fails to ensure effective price competition.

Proposed measures

To reduce the operating costs of state- and municipally owned institutions, we recommend reviewing current public procurement rules and practices and implementing a reform that takes account of the specific characteristics of energy as a product. In the longer term, this should ensure that the institutions concerned can choose from multiple offers and that those offers do not include risk premiums that could be avoided through appropriate procedures and product definitions.



3.2.4 Rationalising operating costs

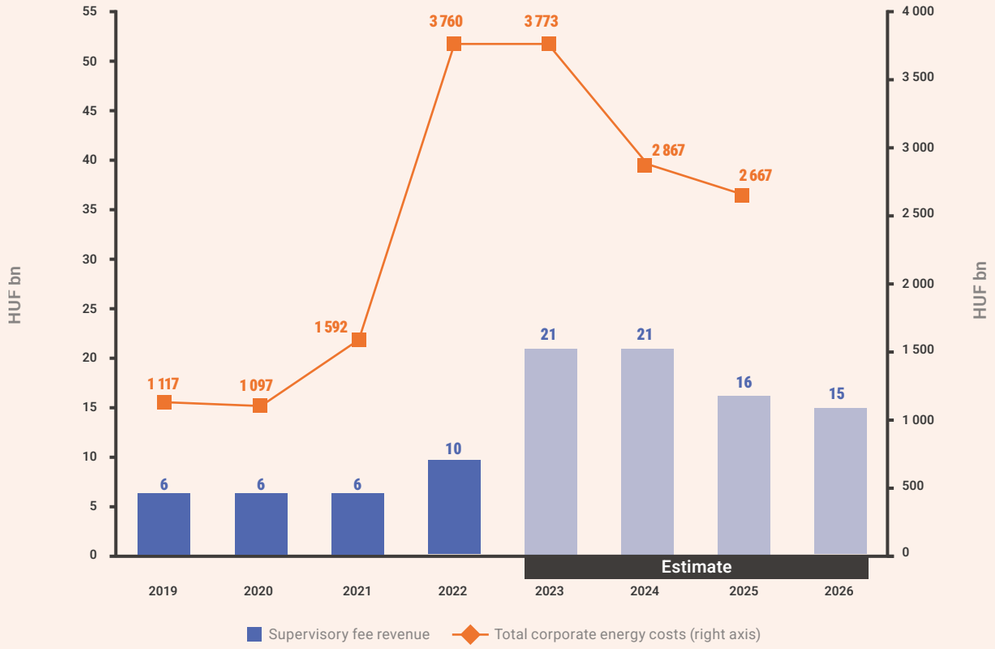
Situation assessment

Energy market licensees pay a supervisory fee to the Hungarian Energy and Public Utility Regulatory Authority (MEKH) in proportion to their revenue generated. In our view, the fees paid by the different categories of licence holders do not reflect the relative extent of the Authority's work in relation to those licences, and setting fees on the basis of revenue—particularly for trading licence holders—leads to significant year-on-year differences in the amounts payable. In recent years, the Authority's supervisory fee revenue has significantly exceeded the amount needed to ensure stable funding for its operations.

For smaller energy traders in particular, meeting various audit requirements, fulfilling reporting obligations imposed by regulatory authorities, which may in some cases be redundant, and providing the financial collateral required by the TSO and DSOs entail significant costs and administrative burdens.

Traders are currently subject to two audit requirements with almost identical scope: the NIS2 audit and the billing system audit. Licence holders must also submit reports to multiple authorities that are often outdated and presumably unused. In many cases, these reports are not based on consistent methodologies and overlap with one another, while traders may interpret them differently, calling their usefulness into question. These obligations increase traders' operating costs and, as they are passed through into prices, ultimately increase energy costs for end users. Moreover, certain requirements do not apply uniformly to all traders, which distorts competition.

19. REVENUES OF MEKH FROM ELECTRICITY AND NATURAL GAS COMPANIES (2019–2026)



The figure shows the supervisory fee revenues of the Hungarian Energy and Public Utility Regulatory Authority (MEKH) from electricity and natural gas companies over 2019–2026. Values for 2023–2026 have been estimated on the basis of the published values of the previous years, based on the energy costs paid by the corporate sector in the year preceding each year.

Source: Government of Hungary

Proposed measures

We recommend reviewing MEKH's methodology for setting supervisory fees in consultation with the parties concerned and revising it to ensure stable, more predictable funding for MEKH and an allocation of fee revenue among categories of licensees that reflects the authority's actual costs.

To further reduce operating costs, it is proposed to review and simplify the NIS2 and billing audit obligations, potentially abolishing one or both, and to reduce or harmonise the requirements for auditors.

It may also be advisable to review reporting obligations, eliminate redundancies, streamline outdated requirements (e.g. Guaranteed Services), and harmonise requirements across different types of traders. We also recommend reviewing the requirements for financial guarantees to be provided to the TSO and DSOs.



4. NETWORKS AND INFRASTRUCTURE

> *Europe now needs investment predictability, faster grid build-out and integrated delivery models that can scale quickly.*
>
> *- Markus Rauramo, Eurelectric*

4. Networks and infrastructure

As the share of weather-dependent and decentralised generation grows, network operators face an increasing challenge in ensuring a secure supply for consumers while taking into account the effects of new assets on the networks and system balance. Substantial fluctuations in electricity and natural gas flows pose challenges for financing network operators and, particularly in the electricity sector, require support for new network connections at an unprecedented pace. Providing the metering, settlement and IT services needed for the operation of new network components (e.g. smart meters, energy storage facilities, etc.) and market participants (e.g. aggregators) also requires significant additional resources from network operators.

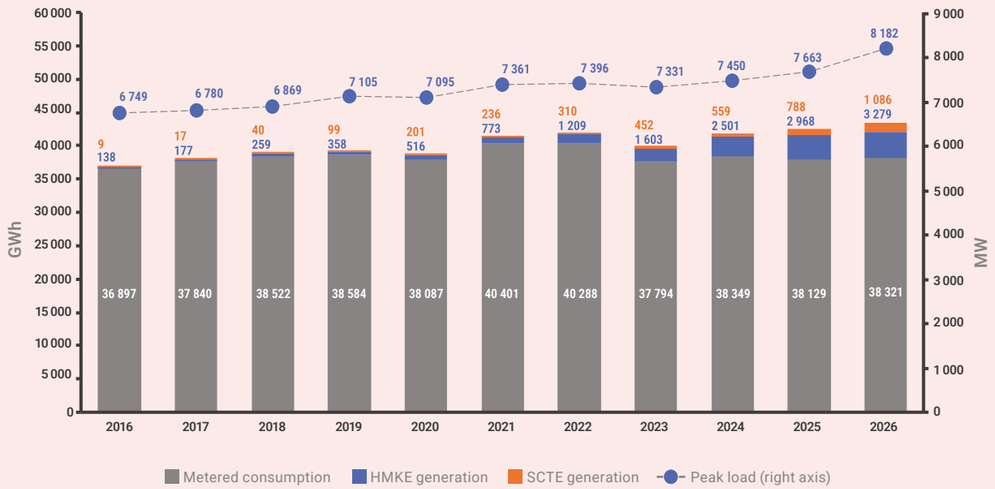
4.1 Rethinking the tariff structure

Situation assessment

With the growing adoption of household-scale small power plants (HMKE) and self-generation plants (SCTE), behind-the-meter electricity generation has increased rapidly in recent years. This poses challenges for network operation and has also led to a significant reduction (ceteris par.) in the metered volume of electricity distributed. The financing needs of network upgrades required to maintain an adequate standard of network operation are reflected in electricity network tariffs, while reduced consumption also drives up volumetric network tariffs. Locally generated and consumed electricity reduces the amount of electricity withdrawn from the grid and thus the volume on which usage-based network charges are levied, while the need for and cost of maintaining network capacity do not decrease proportionately. With the tariff structure remaining unchanged and predominantly volumetric, an increasing share of network costs is therefore borne by consumers without their own generation facilities.



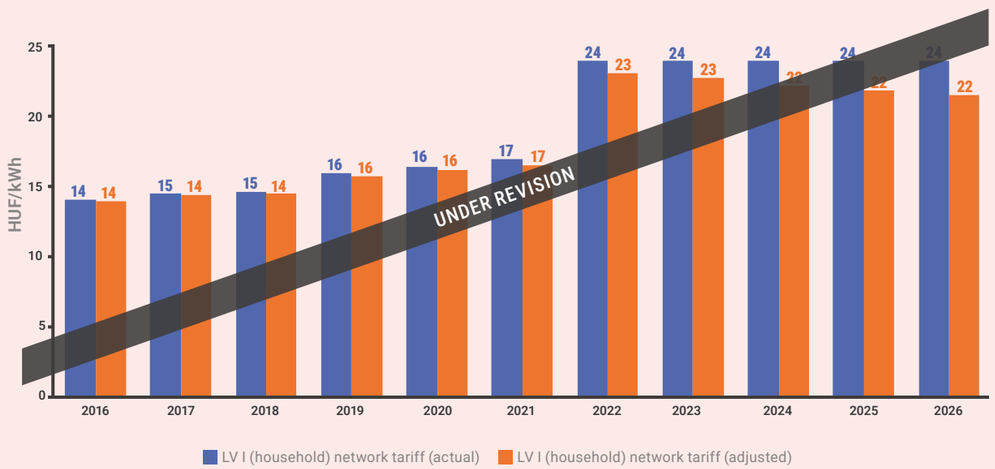
20. MODELLED ACTUAL ELECTRICITY CONSUMPTION (2016–2026)



The figure shows how Hungarian electricity consumption would have developed from 2016 had the metered volume of electricity distributed not decreased due to SCTE and HMKE generation. The volumes generated by SCTE and HMKE units that do not appear in metered data were calculated on the basis of installed capacity at the end of each year, using average estimated annual specific generation volumes.

Source: MEKH, MAVIR

21. IMPACT OF THE REDUCTION IN DISTRIBUTED VOLUMES DUE TO SCTE AND HMKE ON NETWORK TARIFFS (2016–2026)



The figure shows how the average unit network tariff paid by corporate consumers would have developed had SCTE and HMKE generation been included in the metered volume of distributed electricity.

Source: MEKH, MAVIR

Proposed measures

Because network capacity must remain available to users with self-generation facilities, the savings in electricity network tariffs arising from their reduced grid consumption amount to a hidden subsidy financed by other members of the tariff-paying community. We recommend considering a review of the current tariff structure through two possible approaches: examining a gradual shift in network tariffs towards fixed and capacity-based charges, and metering SCTE assets above a certain capacity threshold while introducing a special volumetric charge linked to generation (i.e. foregone consumption). Network charges would thus be allocated more cost-reflectively than at present, and the implicit subsidy provided through the tariff would not create competitiveness problems for other network users through the prices they pay.



4.2 Rolling settlement of the transmission tariff

Situation assessment

Tariffs associated with MAVIR, the TSO, have at times varied significantly from year to year in recent years, reflecting changes in the costs of reserving balancing reserves in the preceding period relevant to setting each year's tariff. Although there is no clear potential for cost reductions in this area, given that MAVIR procures reserves under established rules and algorithms designed to ensure secure system operation, significant year-on-year changes in ancillary services charges create planning uncertainty for companies.

Proposed measures

We propose developing a tariff-setting methodology that would trigger a tariff cap if the TSO tariff rises above a specified threshold, with the resulting shortfall in tariff revenue and its financing costs to be recognised in tariffs in subsequent years. This approach, which is also proposed for renewable energy support funds in the future, would make companies' energy costs more predictable and thus indirectly help improve their competitiveness.

4.3 Accelerating network connection procedures

Situation assessment

A country's economic attractiveness is significantly influenced by how quickly network connections can be established. Hungary, like many other European countries, is struggling to provide sufficiently timely network access for new consumer demand and generation projects amid growing demand for network connections.

Proposed measures

Timely network connections are essential for industrial competitiveness and electrification. Connection queues are slowing the energy transition and economic growth. Alongside network development, more efficient allocation of existing capacity, better management of connection queues and flexible connection agreements are also needed.

To shorten connection queues, we recommend releasing and allocating existing unused network capacity more efficiently and transparently reviewing the capacity reservations of projects that are not sufficiently advanced. We support the policy changes already under way in this area.

Capacity constraints should be addressed by tracking the progress of projects and modernising procedures for network connection requests. In prioritisation and the allocation of network capacity, the traditional first-come, first-served approach should be replaced by screening mechanisms based on project maturity and economic, social and environmental criteria.

We recommend the use of flexible connection agreements in areas of the network where there is insufficient capacity to meet new connection requests in full.



5. RENEWABLE ENERGY SUPPORT SCHEMES AND ENERGY EFFICIENCY

> *Energy efficiency is the first fuel – the fuel you do not have to use – and in terms of supply, it is abundantly available and cheap to extract.*
>
> *- Brian Motherway, IEA*

Achieving climate protection goals is a matter of overriding public interest. In financing the support required for this, we consider it essential, alongside the principles of proportionate burden-sharing discussed earlier, that support be delivered through an efficient system that imposes the lowest possible additional costs on consumers. This chapter summarises our assessment and recommendations concerning the mandatory feed-in tariff (KÁT) and energy efficiency obligation (EKR) schemes, which impose the greatest burden on companies. We also propose a regulatory amendment to reduce the associated administrative burden on companies wishing to invest in SCTE equipment.

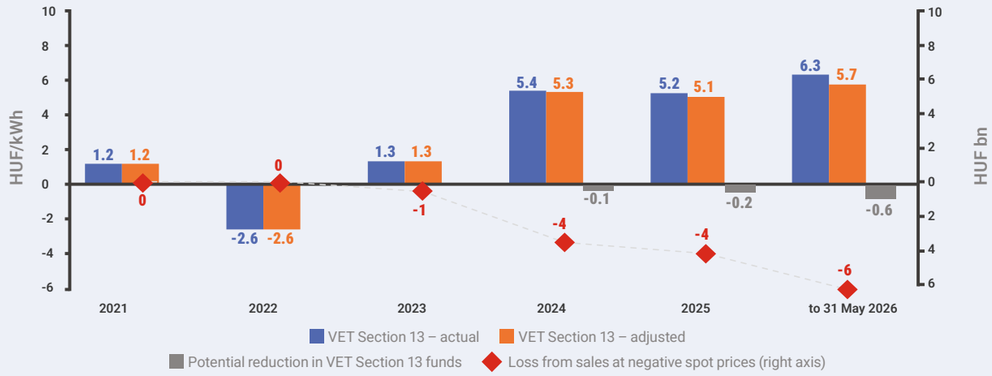
5.1 Reform of the mandatory feed-in tariff scheme

Situation assessment

As renewable generation expands, it is increasingly important that the support scheme does not incentivise generation that is disconnected from market and system operation needs. This does not happen under the current KÁT scheme: power plants supported under the scheme receive the supported price even when, in a given period, negative market prices signal that their output is not needed. At the same time, the proposed and inevitable reform must take account of previously undertaken support commitments and the financing conditions of the investments concerned, in order to maintain investor and lender confidence in similar incentive schemes in the future.

In addition to the KÁT scheme's substantial financing requirements and the direct costs it imposes on businesses, the charge, which varies from month to month under the current model, creates significant planning uncertainty for consumers.

22. LOSSES FROM SELLING ELECTRICITY BY KÁT GENERATION AT NEGATIVE PRICES (2021–2026)



The figure shows the additional cost incurred for corporate clients paying the KÁT charge as a result of the KÁT balancing group selling generation even at negative prices. The euro value of the KÁT generation profile calculated for periods of negative prices was converted at the MNB exchange rate for the given day.

Source: MEKH, MAVIR, MNB

Proposed measures

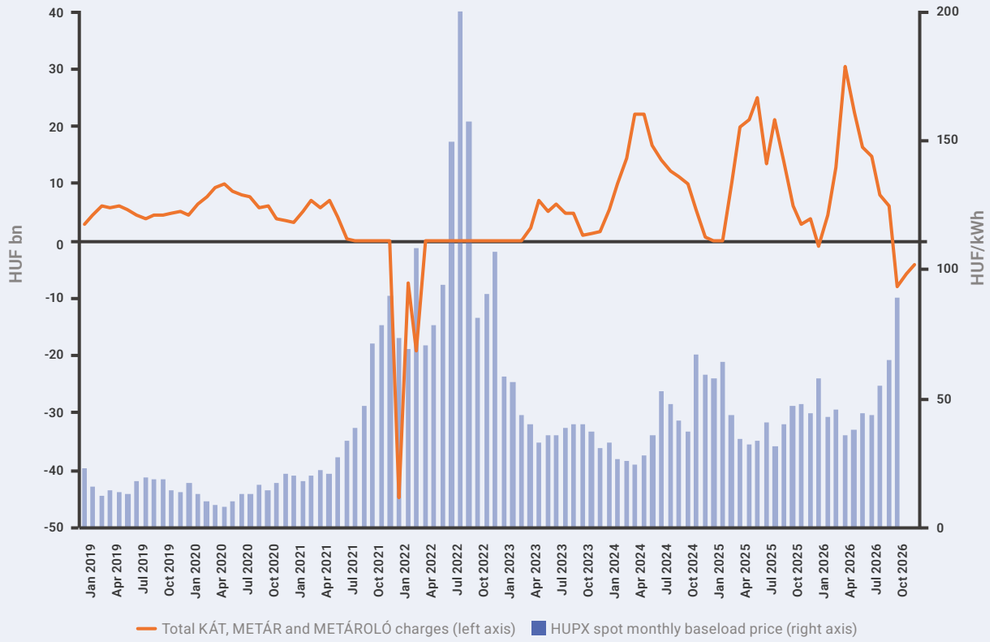
While respecting the fundamental purpose of existing support agreements, we propose changes to the KÁT scheme that would make it more efficient without materially harming the interests of investors and financiers, and would lead to lower, more predictable costs for end users.

We propose that, after a sufficient preparation period, KÁT producers sell their output on the market through traders, with support payments made on a CfD (Contract for Difference) basis, in line with the approach used under floating feed-in premium (METÁR). Managing and scheduling producers under the mandatory offtake scheme within market balancing groups would result in a more competitive and efficient system, particularly for intraday position management.

We consider it important to amend the support rules so that producers under the KÁT feed-in tariff scheme are incentivised not to generate electricity during periods of negative prices, while still receiving support for the forgone generation, so that fundamental investor interests are not compromised. This solution would not only introduce an incentive important for the electricity system but also reduce the burden on the users financing it. We recommend using state aid to support the development of the flexibility needed for implementation.

To make the amount of funding for the KÁT and premium fees predictable and allow companies to plan, we propose fixing or capping it for each year, with any differences accumulated during the year accounted for in the following year's funding or, where necessary, financed in part or in full from the state budget.

23. LEVEL OF KÁT, METÁR AND METÁROLÓ CHARGES (2019–2026)



The figure shows the monthly unit values of the charges under Section 13 of the Electricity Act (KÁT, METÁR, METÁROLÓ) and their volatility over 2019–2026. From August 2021, negative charges were not paid out to consumers; however a corrective settlement took place in early 2022. Thereafter, negative charges were paid out to consumers, and from April 2022 to December 2025 legislative measure have been stipulated that the charge could not be negative.

Source: MAVIR, HUPX

5.2 Fine-tuning the Energy Efficiency Obligation Scheme (EEOS) regulatory framework

Situation assessment

Since its introduction in Hungary, the energy efficiency obligation scheme has undergone numerous amendments. Compliance with the associated obligations itself imposes a significant administrative and financial burden on the parties subject to them and, ultimately, on end users. Frequent regulatory changes and the significant time lag between the creation and fulfilment of an obligation (the T-2 rule) pose substantial risks, as commercial contracts in most cases run for only one or two years.

Proposed measures

To meet Hungary's final energy savings targets under its commitments to the EU, it is essential to increase the current obligation levels and tighten the verification and monitoring system. These changes, on their own, lead to higher costs for energy users, and the increased costs contribute to improved business competitiveness only when considered alongside the positive effects of the energy efficiency measures implemented.

To complement the regulatory concept presented by policymakers in October 2026, we recommend that the new framework be designed and introduced with due regard for the interests of both obligated parties and the end-users who implement energy efficiency measures and ultimately bear their costs. It should remain in force for as long as possible to allow market participants to adapt appropriately.

To ensure a smooth transition, we recommend that substantive changes to the regulatory framework take effect only from 2028. We further recommend abolishing the so-called T-2 rule, so that obligations are fulfilled by 30 June of the year following the year in which they arise, avoiding the risks and premiums associated with protracted settlements.

We support establishing a transparent set of rules for small businesses, which have limited capacity to represent their interests, setting out the framework for obligated parties to accept certified energy savings (HEM) and for accounting for any costs that may be passed on. For large companies, we consider it important to avoid overregulation, while leaving room for bespoke agreements between consumers and traders.

Alongside the Energy Efficiency Obligation Scheme (EKR), it is important that the government promote the implementation of energy efficiency projects, which often require substantial funding, through investment support programmes and other alternative policy measures.

5.3 Removal of the accreditation requirement for smaller SCTE power plants

Situation assessment

Customers in competitive markets are looking for ways to reduce their overall energy costs. One such option is to develop power plants for self-consumption, financed from own resources or built by a third party under a PPA arrangement. The returns on these projects are currently significantly reduced by the cost of meeting the accreditation requirement for aFRR balancing capability, which is necessary for SCTEs to connect to the grid. The inclusion of these units in balancing services is necessary only to a limited extent and is impractical, particularly for smaller power plants.

Proposed measures

We propose raising the current threshold at which aFRR accreditation becomes mandatory for SCTEs, so that avoiding these costs improves project returns and enables more companies to use them to reduce their energy costs.



6. INTRADAY AND SEASONAL FLEXIBILITY INCENTIVES

> *A retail market that reflects market conditions and provides clear, timely price signals can help consumers contribute to a more efficient, affordable and decarbonised electricity system.*
>
> *- ACER/CEER*

The growing share of weather-dependent generation and electrifying increase the electricity system's need for flexibility. Deliberately adjusting the timing of consumption and making market use of demand-side flexibility can help maintain system balance and reduce energy costs. This requires price signals and regulatory frameworks that incentivise users to adapt.

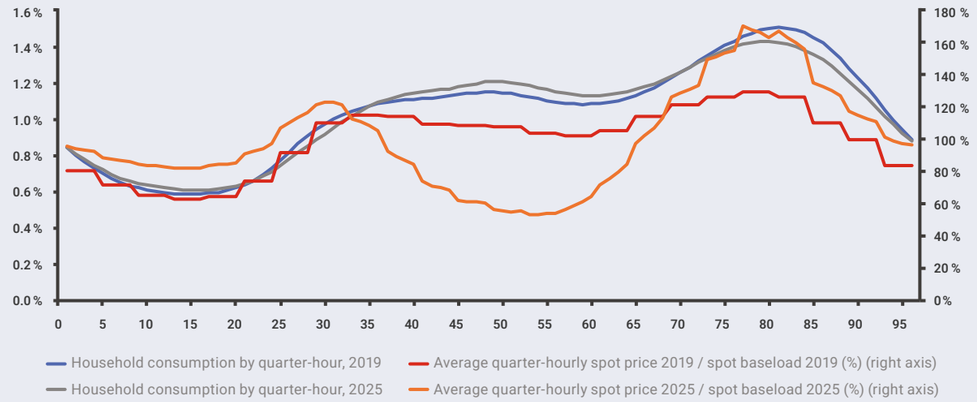
6.1 Making price signals available to as many consumers as possible

Situation assessment

In the electricity market, metering aligned with wholesale market prices and 15-minute settlement periods is widespread among businesses operating in the competitive market. Products with dynamic pricing based on day-ahead market prices are also widely available, giving companies an incentive to optimise their consumption profiles and thereby support the electricity system. Among residential consumers, smart metering is currently widespread only among those with annual consumption above 5,000 kWh and those with household-sized small power plants (the installation of smart meters for consumers with annual consumption of at least 4,000 kWh is under way). It is important to note, however, that fixed residential prices provide no incentive for consumers to manage their consumption actively, so quarter-hourly metering and settlement do not deliver their full benefits to either the system or users.

Without price signals, significant consumption is concentrated in periods when Hungarian generation and supply are lower. This can lead to extremely high prices during those periods, which are reflected in businesses' energy bills.

24. CHANGES IN THE DAILY CONSUMPTION PROFILE AND PRICE RATIOS – 2019 VS. 2025



The figure shows how the average daily Hungarian household electricity consumption profile changed between 2019 and 2025, together with the intraday pattern of day-ahead market prices in these years (the ratio of the average day-ahead market price for each hour to the annual average day-ahead market price).

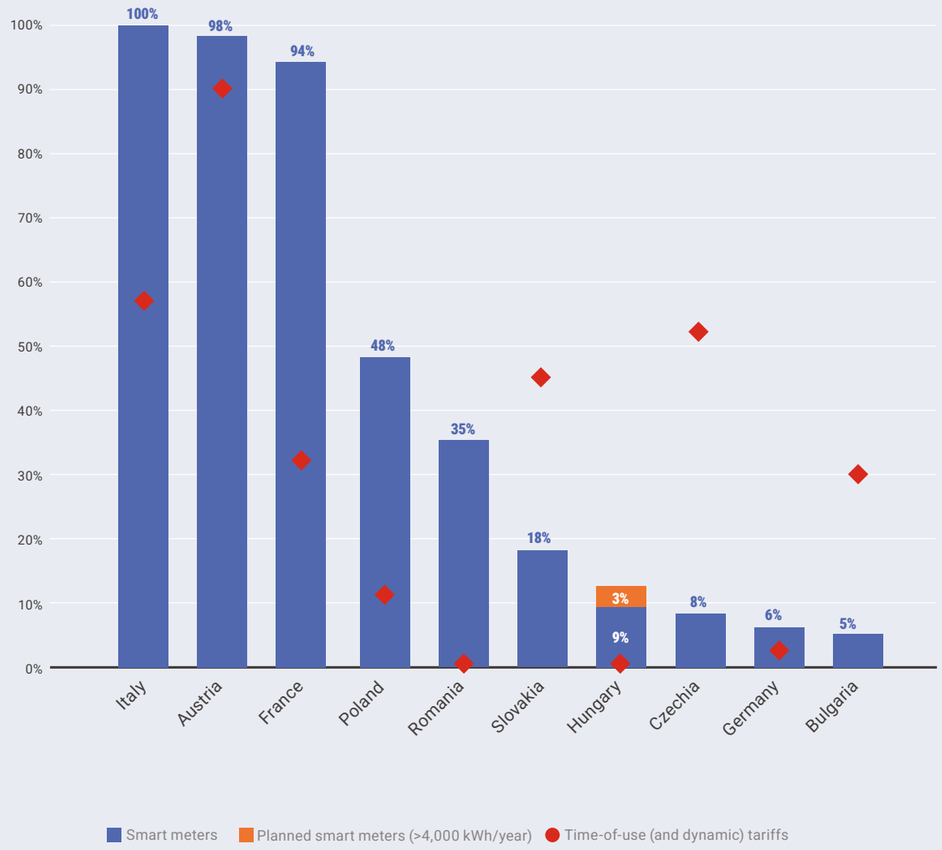
Source: ELMŰ, HUPX

Proposed measures

We recommend introducing residential tariff structures that make the cost implications of when electricity is consumed apparent, so that the benefits of the data provided by smart metering can be realised. It is also worth noting that time-of-use or dynamic tariffs can have a meaningful impact only in an environment where prices reflect actual market conditions. In the absence of such tariff arrangements and a pricing environment that reflects market conditions, further deployment of smart metering among residential consumers is not necessarily rational.

By contrast, we propose that, in the competitive market, where companies in many cases already purchase electricity under dynamic tariffs, quarter-hourly metering of consumption and the provision of metering data to the relevant parties be implemented as widely as possible, so that price signals and the resulting settlement arrangements encourage users to make use of the flexibility in their consumption.

25. SHARE OF SMART METERS AND TIME-OF-USE (AND DYNAMIC) TARIFFS AMONG HOUSEHOLDS (2025)



The figure shows the share of smart meters among household consumers in selected countries, and the proportion of households in each country using time-of-use or dynamic tariffs. Countries are shown in descending order of household smart meter penetration in 2025.

Source: ACER–CEER

6.2 Development of the independent aggregator model

Situation assessment

Harnessing the flexibility of end-user equipment, decentralised generation and energy storage requires predictable conditions for market entry and settlement, in addition to price signals. Aggregator interventions change users' electricity withdrawal or injection. It is therefore necessary to clearly determine the energy volumes concerned, account for their impact on balance responsible parties, and ensure the associated financial settlement. The absence of these conditions increases market participants' risks and hinders the wider participation of demand-side flexibility.

Proposed measures

We recommend establishing regulatory frameworks based on transparent settlement and data exchange processes to support the wider adoption of independent aggregation. In the long term, we consider it appropriate to introduce a centralised aggregator settlement and adjustment model that reduces the operational burdens and risks arising from bilateral agreements. Until this is implemented, the data provided by network operators that are essential to the functioning of the current bilateral contracting model must continue to be made available.

The affected traders and balance responsible parties must be informed of metering points added to or removed from aggregation through a standardised master data exchange process similar to that used for supplier switching. This option is currently absent from the regulatory framework, and we recommend introducing it as soon as possible. Accurate settlement requires access to validated metering data from an independent party, including data from distribution-level submeters. The regulatory framework must provide for action against aggregators that breach their contracts, including the possibility of initiating the removal of the affected metering points from aggregation and, where justified, the dissolution of the aggregated subunit.

6.3 Promoting the deployment and flexible use of energy storage facilities

Situation assessment

Support for energy storage can help increase the uptake of residential and commercial storage by reducing investment costs, substantially expanding opportunities for demand-side flexibility. In addition to storing generated energy for later use and reducing peak electricity withdrawals, energy storage facilities can, under appropriate commercial and aggregator contractual arrangements, enable the exploitation of price differentials and the provision of flexibility services. Energy storage facilities make a significant contribution to narrowing the gap between day-ahead and intraday market prices, thereby reducing wholesale prices and the risks arising from their volatility.

Proposed measures

We recommend launching further energy storage support programmes with conditions that facilitate the dispatchability, aggregation and market use of storage facilities. It is also important to improve users' understanding of how to size and operate energy storage systems correctly, and of the commercial contracts and aggregator arrangements that enable them to make the most of the benefits of energy storage.

6.4 Managing contracted capacity

Situation assessment

Companies pay for contracted network capacity as part of their network tariffs. In the electricity market, contracted capacity can be specified at the annual renewal date, broken down by month. Contracted capacity cannot be reduced during the year; exceptionally high monthly values can only be managed through operational requests during the year. This system may result in significant additional costs, particularly for companies with low utilisation rates or seasonally variable consumption. Exceeding the contracted capacity incurs significant additional charges, even though it does not result in any material additional network operating costs. The current system is inflexible and imposes significant, unjustified costs on a group of users.

In the case of natural gas, the current market environment makes it increasingly common for demand and capacity requirements to be forecast only over short time horizons. As a result, short-term capacity has become more important for consumers as well.

Proposed measures

We recommend exploring more flexible arrangements for contracted electricity capacity reservations, particularly allowing the annual renewal date to be changed when a user's activities change and introducing the option to reduce contracted capacity during the year, so that users can align their capacity needs and costs with seasonal variations in consumption. It would be appropriate to consider a more flexible calculation method or a tiered charge for exceeding the limit instead of using the monthly 15-minute maximum, or to bill the capacity charge based on actual peaks. We emphasise that any loss of distribution system operator revenue resulting from greater system flexibility must be offset by adjusting capacity charges.

For natural gas, maintaining the current tariff levels for short-term capacity is justified for both distribution and transmission exit capacity and cross-border capacity, where trading opportunities typically change over the short term. Maintaining the existing price structure can help preserve market liquidity and flexibility. Supporting the widespread use of short-term capacity products is also consistent with the objective of raising consumer awareness.



CLOSING REMARKS AND ACTION PLAN

The aim of the ***RE/START 2026*** package of proposals is clear from its name: let us begin with an honest assessment of the rules and practices that have developed over recent decades and create a new, predictable and fair regulatory framework based on a proportionate sharing of burdens and genuine price signals. We are convinced that our proposals can help reduce energy costs for Hungarian businesses and, in turn, contribute to a more competitive economy.

Further impact assessments and more in-depth analyses are needed to develop and implement each measure on a sound basis, both to understand the problem and to assess the expected impacts. To this end, broad consultation with the stakeholders concerned is essential.

RE/START 2026 draws attention to existing, well-known problems behind high energy prices for businesses and puts forward proposals intended to stimulate debate. At the same time, the geopolitical environment, technological advances and climate change pose new challenges for European and Hungarian government, regulatory and corporate decision-makers.

Alongside broader societal and technological trends, electrifying, the rapid growth of renewable energy generation and the gradual expansion of energy storage are fundamentally reshaping production and consumption patterns in our industry, placing increasing emphasis on system-wide flexibility and grid development. The growth of decentralised generation offers new opportunities for companies, while also raising new questions about regulation and market cooperation. In addition, the future development of the regulatory framework must take into account the deepening integration of European energy markets, tighter regulation of carbon emissions, the management of price volatility, and the cybersecurity risks arising from the increasing digital exposure of energy systems.

These changes also present opportunities: technological advances and digitalisation enable more extensive and efficient data processing and access to data, leaving considerable scope for improvement in data-sharing processes among industry participants and, in particular, in communication with customers. Digitalisation and access to information are crucial not only for unlocking demand-side flexibility potential, but also for improving corporate decision-makers' understanding of energy markets. Actively engaging consumers and improving their understanding of risk assessment and management are essential to achieving competitive energy costs. This document also serves this purpose in part. The EnergyTalks podcast series is being produced with the same aim and with professional support from HETA, and we plan to launch further educational programmes in the near future.

All our initiatives focus on improving the competitiveness of Hungarian companies. It is in our shared interest for energy supply to be a driver of Hungary's economic growth, not an obstacle to it.

As the changes and solutions required are complex and, in many cases, will only have an impact in the long term, discussions among experts on the proposals, their detailed development and their phased implementation should begin as soon as possible.

Let's get started!

HETA RE/START 2026 website

ACTION PLAN

	Electricity / natural gas	Quick win (can be implemented within 1–2 years)	Medium term (can be implemented within 3–5 years)	Conceptual measures (can be implemented in 5+ years)
2. MARKET STRUCTURE AND OPERATING MODEL				
2.1 Establishing a stable and predictable regulatory environment	⚡ 🔥			€ € €
2.2 Ensuring cost allocation without cross-subsidisation and with proportionate burden-sharin	⚡ 🔥			€ € €
2.3 Gradual introduction of cost-reflective household energy prices	⚡ 🔥			€ € €
2.4 Phasing out the sector-specific special tax	⚡ 🔥		€ € €	
2.5 Providing targeted support programmes	⚡ 🔥		🔑	
3.1 IMPROVING WHOLESALE PRICE LEVELS				
3.1.1 Strengthening regional electricity market integration	⚡ 🔥		€ € €	
3.1.2 Diversifying the energy mix	⚡ 🔥			€ € €
3.1.3 Eliminating intra-zonal physical congestion	⚡ 🔥			€ €
3.2 RETAIL TRADE				
3.2.1 Improving cooperation between traders and DSOs	⚡ 🔥	€		
3.2.2 Strengthening competition in the SME segment	⚡ 🔥		€	
3.2.3 Rethinking public procurement frameworks	⚡ 🔥		€ €	
3.2.4 Rationalising operating costs	⚡ 🔥	€		

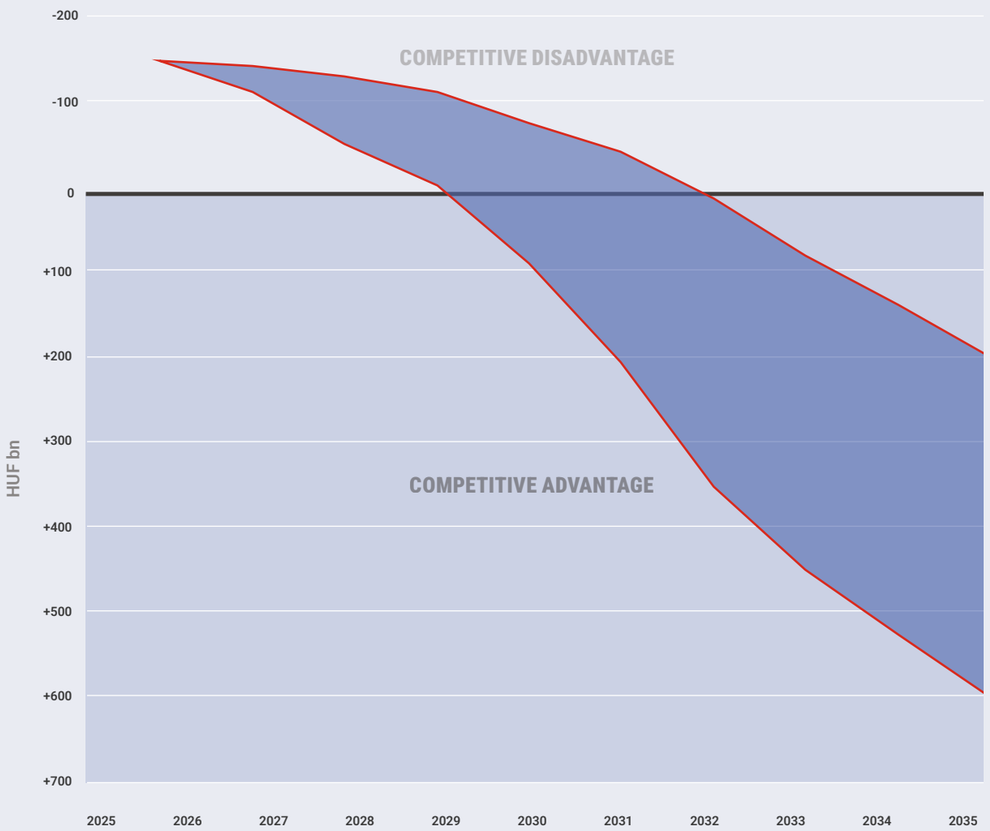
ACTION PLAN

	Electricity / natural gas	Quick win (can be implemented within 1–2 years)	Medium term (can be implemented within 3–5 years)	Conceptual measures (can be implemented in 5+ years)
4. NETWORKS AND INFRASTRUCTURE				
4.1 Rethinking the tariff structure	⚡		🔑	
4.2 Rolling settlement of the transmission tariff	⚡		🔑	
4.3 Accelerating network connection procedures	⚡		🔑	
5. RENEWABLE ENERGY SUPPORT SCHEMES AND ENERGY EFFICIENCY				
5.1 Reform of the mandatory feed-in tariff scheme	⚡	€ €		
5.2 Fine-tuning the Energy Efficiency Obligation Scheme (EEOS) regulatory framework	⚡ 🔥	€		
5.3 Removal of the accreditation requirement for smaller SCTE power plants	⚡	€		
6. INTRADAY AND SEASONAL FLEXIBILITY INCENTIVES				
6.1 Making price signals available to as many consumers as possible	⚡ 🔥			€
6.2 Development of the independent aggregator model	⚡	€		
6.3 Promoting the deployment and flexible use of energy storage facilities	⚡		€ €	
6.4 Managing contracted capacity	⚡	€		

LEGEND

- 🔑 Action supporting the full implementation of the other proposals
- € Magnitude of the action's impact on price levels
- ⚡ Proposal affecting the electricity sector
- 🔥 Proposal affecting the natural gas sector

26. IMPACT OF IMPLEMENTING THE PROPOSED MEASURES ON THE TOTAL ENERGY COSTS OF COMPANIES



The figure shows the energy cost savings that we consider achievable over the coming decade, starting from a 2025 baseline, if the measures proposed in RE/START 2026 are implemented. Because the measures differ in complexity, their effects materialise over different time horizons, and the calculated values of the expected benefits are in several cases uncertain, the expected aggregate energy cost savings are presented with an increasingly wide range over time. The starting point of the effects for the competitiveness-enhancing measures is the aggregate electricity and natural gas cost backlog of Hungarian companies relative to the EU-27 average price, as calculated for 2025. It is important to note that the average energy costs of EU-27 companies are expected, evidently, also to change over this period; the realisation of the effects presented therefore does not necessarily translate into an equivalent reduction in the competitive disadvantage of Hungarian companies.

LIST OF FIGURES

FIGURE NO.	FIGURE TITLE	PAGE
1	Comparison of corporate electricity prices (2025)	*8*
2	Comparison of corporate natural gas prices (2025)	*8*
3	Differences in price components (Hungary vs. EU-27; 2025)	*9*
4	Energy costs of companies (2019–2025)	*9*
5	Renewable energy support and other funds – modelled proportional burden-sharing (2019–2025)	*14*
6	MSZKSZ fee – modelled proportional burden-sharing (2013–2025)	*14*
7	Electricity network tariffs – modelled cross-subsidisation	*15*
8	Modelled competitive-market costs of household supply – electricity (2013–2025)	*16*
9	Modelled competitive-market costs of supplying households (from Universal Service tariff) – natural gas (2013–2025)	*16*
10	Modelled subsidy requirements for household energy supply - electricity (2013–2025)	*17*
11	Modelled subsidy requirements for household energy supply (from Universal Service tariff) – natural gas (2013–2025)	*17*
12	Impact of the household electricity consumption profile on price ratios (2025)	*18*
13	Hungarian spot electricity price premium over selected EU countries (2024–2026)	*22*
14	Availability of cross-border capacities (annual average; 2025)	*23*
15	Diversification of supply sources – current situation (2025)	*24*
16	Inaccuracy of data reporting from conventional remotely read meters (electricity)	*26*
17	Current and proposed frequency concerning transfers of metering data	*27*
18	Retail market concentration – corporate segment (HHI; 2025)	*28*
19	Revenues of MEKH from electricity and natural gas companies (2019–2026)	*30*
20	Modelled actual electricity consumption (2016–2026)	*34*
21	Impact of the reduction in distributed volumes due to SCTE and HMKE on network tariffs (2016–2026)	*34*
22	Losses from selling electricity by KÁT generation at negative prices (2021–2026)	*39*
23	Level of KÁT, METÁR and METÁROLÓ charges (2019–2026)	*40*
24	Changes in the daily consumption profile and price ratios – 2019 vs. 2025	*43*
25	Share of smart meters and time-of-use (and dynamic) tariffs among households (2025)	*44*
26	Impact of implementing the proposed measures on the total energy costs of companies	*52*

Abreviation	Full name
MEKH	Hungarian Energy and Public Utility Regulatory Authority
KÁT, METÁR, METÁROLÓ	Renewable Energy Support Schemes
SCTE	Self-generation plants
HMKE	Household-scale Small Power Plants
ESZ	Universal Service
VET	Hungarian Electricity Act
MSZKSZ	Hungarian Hydrocarbon Stockpiling Association

MEKSZ
HUNGARIAN ENERGY TRADERS' ASSOCIATION

The predecessor of the Hungarian Energy Traders' Association, the Federation of Hungarian Energy Traders, was founded in December 2003 by eight electricity traders in order to ensure that the professional interests of the Hungarian electricity trading companies were represented.

The continuous rapid changes taking place, in terms of the trading markets and the internal and external regulatory environment since 2010, as well as the professional reactions to these events and the objectives of the interest groups, all necessitated that, as well as electricity traders, gas trading licensees could also join the renewed Association, which in March 2012 was renamed the Hungarian Energy Traders' Association (HETA).

Mailing address: 1095 Budapest, Ipar u. 2/B.

Email: secretariat@meksz.eu

Website: https://meksz.eu/



EnergyTalks is a joint podcast by Portfolio and the Hungarian Energy Traders Association on the key issues facing the Hungarian energy sector.

LIST OF HETA COMPANIES

Members:

Alpiq Energy SE Magyarországi Fióktelepe
ALTEO Energiakereskedő Zrt.
Audax Renewables Kft.
AXPO Energy Romania S.A.
BC-Energiakereskedő Kft.
Budapesti Erőmű Zrt.
CEZ Magyarország Kft.
CHP Erőmű Kft.
CYEB Energiakereskedő Kft.
E.ON Energiamegoldások Kft.
E2 Hungary Zrt.
Electron Energy Trade Kft.
EMoGÁ Észak-Magyarországi Gáz Kereskedelmi Kft.
Emvia Energiakereskedelmi Zrt.
Energiabörze Kft.
Energy Financing Team AG
Energyfair Zrt.
GEN-I d.o.o.
Greenergy-Trade Kft.
KER TOKI Hungary Kft.
L2 Energy Trade Kft.
MOL Downstream Zrt.
MVM Mátra Energia Zrt.
MVM Next Energiakereskedelmi Zrt.
MVM ONEnergy Zrt.
OMV Gas Marketing&Trading Hungaria Kft.
ORLEN Energy Trading GmbH
Pannonenergia-Service Kft.
Photon Energy Trading CEE Kft.
PPD Hungária Energiakereskedő Kft.
Real Estate Energy Kft.
SEFE Central & Eastern Europe Kft.
Sinergy Energiakereskedő Kft.
Vattenfall Energy Trading GmbH
VPP Energiakereskedő és Üzemeltető Kft.

Supporting members:

Alpiq Szolgáltató Kft.
CEEGEX Zrt.
DLA Piper Posztl, Nemescsói, Győrfy-Tóth és Társai Ügyvédi Iroda
Hexum Földgáz Zrt.
HUPX Zrt.
KELER KSZF Zrt.
Magyar Földgáztároló Zrt.
Wolf Theiss Faludi Ügyvédi Iroda

DISCLAIMER FOR THE RE/START 2026 PACKAGE OF PROPOSED MEASURES

Nature and purpose of the Package of proposed measures

This study serves solely informational, analytical, and educational purposes, and its contents are not intended for commercial gain.

Data sources and information security

The quantitative and qualitative data, market statistics and industry information used in the Package of proposed measures originate from third parties considered independent and reliable, and are publicly available or have been made available with consent.

High-level background calculations have been prepared in relation to the proposals presented. These expert estimates were prepared by the Board, experts and advisers of HETA in order to illustrate the order of magnitude of the proposals' impacts, both relative to one another and in aggregate. The detailed calculations do not form part of this Package of proposed measures.

Exclusion of liability and indemnification

The authors and experts involved in preparing the Package of proposed measures expressly and fully exclude all legal and financial liability for any direct, indirect, incidental or consequential damage, loss or cost, or any loss of profit, arising from the use or interpretation of the information, analyses or conclusions contained in this Package of proposed measures, or from any individual or corporate decisions based on them.

Intellectual property rights and distribution

This Package of proposed measures and its visual and content elements are the exclusive intellectual property of HETA. Reproduction, adaptation, distribution or public disclosure of the document or any part of it is permitted only with the prior written consent of HETA as the rights holder and with standard, clear attribution of the source.

Use of artificial intelligence (AI)

In preparing the Package of proposed measures, the authors also used generative AI tools to support graphic design, editing, data filtering and translation. The responses and outputs generated by the AI tools were manually checked, professionally verified and reviewed by the authors. The authors alone bear professional responsibility for the final findings, interpretations and conceptual conclusions.

Photos: Misi Kondella

Graphic design: Szabolcs Kozicz

RE/START 2026

MEKSZ
HUNGARIAN ENERGY TRADERS' ASSOCIATION

www.meksz.eu

DSRPTN OUTSIDE THE BOX
This material was produced
with the support of DSRPTN Tanácsadó Kft.
dsrptnconsulting.hu

MEKSZ
HUNGARIAN ENERGY TRADERS' ASSOCIATION

www.meksz.eu