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Úrad pre reguláciu sieťových odvetví
Regulatory Office for Network Industries

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Regulatory Office for Network Industries
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ANNUAL REPORT

Regulatory Office for Network Industries
for 2024

List of most frequent abbreviations

ACER	Agency for the Cooperation of Energy Regulators
PXE	energy exchange specialising in the energy markets of the Central and Southeast Europe (POWER EXCHANGE CENTRAL EUROPE)
CEER	Council of European Energy Regulators
Core region	the CORE region (composed of the borders of the bidding areas of 13 EU member states), in which the simultaneous calculations of electricity price and cross-border flows are carried out
CZT	central heat supply
CR	Czech Republic
WTP	wastewater treatment plant
LRS	institute of electricity or gas supply by last resort suppliers
VAT	value added tax
EC	European Commission
EMO	Mochovce Power Plant
ERRA	Energy Regulators Regional Association
EU	European Union
PV power plant	photovoltaic power plant
HHI	Herfindahl-Hirschman Index
CHP	combined heat and power
LNG	liquefied natural gas
MH SR	Ministry of Economy of the SR
NTC	net transmission capacity
OKTE, a.s.	short-term electricity market operator
RES	renewable energy sources

PZ	reasonable profit
REMIT	Regulation (EU) of the European Parliament and of the Council No 1227/2011 of 25 October 2011 on integrity and transparency of the wholesale energy market
repowering	extension of the support period with reduced electricity price
SEPS, a.s.	Slovenská elektrizačná prenosová sústava, a.s.
SR	Slovak Republic
SOT	tariff for system operation
TSS	tariff for system services
The Office	Regulatory Office for Network Industries
HECHP	high-efficiency combined heat and power
Act No. 250/2012 Coll.	Act No. 250/2012 Coll. on regulation in network industries as amended
Act No. 251/2012 Coll.	Act No. 251/2012 Coll. on Energy and on Amendments and Additions to the Act No. 251/2012 Coll. on Energy and on Amendments and Additions to the Act No. 251/2012 Coll. on Energy of certain acts as amended
Act No. 309/2009 Coll.	Act No 309/2009 Coll. on the Promotion of Renewable Sources energy and high-efficiency cogeneration and on the change and amendments to certain acts, as amended Act No. 211/2000 Coll...
Act No. 211/2000 Coll.	Act No. 211/2000 Coll. on free access to information and on amendment and supplementation of certain acts (Freedom of information) as amended
Act No. 657/2004 Coll.	Act No 657/2004 Coll. on thermal energy as amended
Act No. 391/2015 Coll.	Act No. 391/2015 Coll. on Alternative Dispute Resolution for Consumer Disputes and on Amendments and Additions to Certain acts, as amended
4MMC	project for market coupling of daily electricity markets of four countries (Czech Republic, Slovakia, Hungary, Romania)

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Speech of the Office Chairman

Ladies and gentlemen, dear colleagues in the energy sector,

it is said that as chairman of a regulatory authority you know you are doing good regulation when all market participants dislike you equally. The year 2024 was my thirteenth year as chairman of the Office, and I think I can now judge that that light-hearted remark at the beginning has a very real ring of truth to it - and in a very positive way.

As in previous years, we have been given the opportunity to make significant legislative changes in 2024. We have prepared new decrees of the Office that have fundamentally changed the regulatory framework in Slovakia. We managed to maintain fair electricity prices for households, not overlooking the successful ex-offo pricing proceedings in the heating sector. Dealing with the policy of disconnecting from natural gas from the Russian Federation and the consequent impact on the market and prices has also been a challenge. Overall, the Office has performed as well as it should in 2024. After all, you may already know the motto I keep repeating - the so-called magic hand of the market will solve nothing without sensible regulation!

However, my personal focus in the Office during 2024 has been mainly on improving communication. I believe that communication is the bridge between regulation and the public energy needs, and we need to consistently explain to the citizens of Slovakia what we do for them at the Office. That is why our communication activities in 2024 reached a level never seen before. Our numerous media appearances on television, at professional conferences or in meetings with citizens have framed the public debate in Slovakia, not only in the field of pricing and regulation. In the spirit of the slogan - communication is the key to citizens' trust - we have also highlighted in the public space such topics as the devastating impact of stopping the flow of Russian gas through Ukraine on the Slovak and European economy, or the consequences of the chaotic energy policy of Brussels. We have made clear our position that it is not right to just mindlessly transpose EU directives. On the contrary, it is necessary to choose what is beneficial for Slovakia. At the same time, we have advocated that constant pressure be put on the EU to reconsider the Green Deal, electromobility and net zero policies so that the intentions adopted so far are again realised for the benefit of the people.

I also consider consultation to be an important part of communication. These have taken place regularly at the Office with market participants and the outcome has been reflected in our decision-making processes and legislation. I am convinced that the basis for a correct perception of regulation is clear rules, compliance and clarity. Decision-making processes should be short, efficient and the results unquestionable. And, as I said at the outset, clearly communicated to the public. I see fair rules for all as the foundation for a successful market.

I am pleased that the Office has strengthened its position on the international stage in 2024. Slovak regulation is respected at home and the world. We have cooperated with our partners in the V4, but also with the Agency for the Cooperation of Regulatory Authorities, and we have participated in twinning projects in Palestine and Malawi. There is really quite a lot. The expertise of our staff has been repeatedly recognised abroad and I am proud of that. I can already disclose that we have managed to establish further valuable partnerships for the preparation of professional projects under the auspices of the Office abroad in the future.

Finally, I would also like to thank the public authorities, whether the Government of the Slovak Republic, the Ministry of Economy or the Ministry of the Environment, for their active cooperation. Energy regulation is not just about technical parameters - it is primarily about ensuring fairness for all. As chairman of the regulatory authority, I will continue to insist that consumers must be guaranteed affordable energy prices, while producers and distributors need stable conditions for investment. Only such a balanced approach will ensure the long-term sustainability of the market, Slovakia's competitiveness and prosperity within the EU.

May we prosper on this journey together!

Office Management

Jozef Holjenčík

Chairman of the Office

Szabolcs Hodosy

Vice-Chairman of the Office (until 23.10.2024)

Martin Horváth

Vice-Chairman of the Office

Regulatory Board

The Regulatory Board is a body of the Office that ensures strategic management and the concept of regulation in the network industries. Act No. 250/2012 Coll. stipulates that the Regulatory Board shall be composed of six members. The Regulatory Board currently has four members, leaving it two members short of its full membership. The members of the Regulatory Board are appointed and dismissed by the President of the SR, so that three members of the Regulatory Board are appointed on the proposal of the National Council of the SR and three members on the proposal of the Government of the SR. The President of the SR, on the proposal of the Regulatory Board, appoints and dismisses the Chairman of the Regulatory Board.

Members of the Regulatory Board

Ján Ďuriš

Chairman of the Regulatory Board (until 14.06.2024)

Juraj Doležal

Vice-Chairman of the Regulatory Board
(from 03.12.2024 Chairman of the Regulatory Board)

Sylvia Beňová

Member of the Regulatory Board

Miroslav Dudlák

member of the Regulatory Board
(from 03.12.2024 Vice-Chairman
of the Regulatory Board)

Andrej Ochotnický

Member of the Regulatory Board

Competences of the Regulatory Board

- adoption of the regulatory policy, including its amendments or additions,
- election of a candidate for appointment as Chairman of the Regulatory Board from among its members,
- submission of a proposal for the appointment of the Chairman of the Regulatory Board and a proposal for the dismissal of the Chairman of the Regulatory Board to the President of the SR,
- election of the Vice-Chairman of the Regulatory Board from among its members,
- commenting on draft generally binding legislation issued by the Office,
- examining objections to the confirmation of the net cost of the SGEI or examining objections to the confirmation of the estimated net cost of the SGEI pursuant to the Act No 251/2012 Coll,
- approval of:
 1. draft agreements on mutual cooperation with the regulatory bodies of EU Member States,
 2. rules of procedure of the Regulatory Board,
 3. report on the activities of the Office,
 4. establishment of workplaces of the Office outside its seat,
 5. annual financial statements of the Office.

The competence of the Regulatory Board also includes decision-making on appeals against first instance decisions, except for decisions to impose fines. The parties to the proceedings have the opportunity to appeal against a first instance decision taken in a price regulation procedure, a substantive regulation procedure or an extraordinary regulation procedure. The Regulatory Board shall review the procedure of the first instance authority, address the objections of the parties to the proceedings and, if necessary, supplement the evidence. The Regulatory Board may reverse the decision of the first-instance authority, cancel it without compensation, confirm and dismiss the appeal, annul and refer the case back to the first-instance body for reconsideration and decision, or discontinue the proceedings. Decisions of the Regulatory Board shall become final upon delivery to the parties to the proceedings. The Regulatory Board shall also have jurisdiction to rule on appeals against decisions taken by the first-instance body in contentious proceedings.

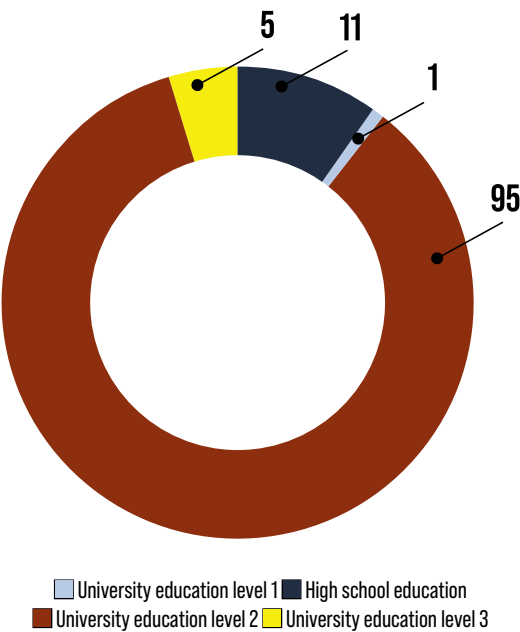
Human Resources

As of 31.12.2024, the Office employed a total of 112 staff members (85.5% of the planned 131 staff members), of whom 17 were senior staff members. There were 95 staff in the civil service and 17 in the public service. The regional offices (Košice, Martin, Trenčín, Prešov) employed 23 employees.

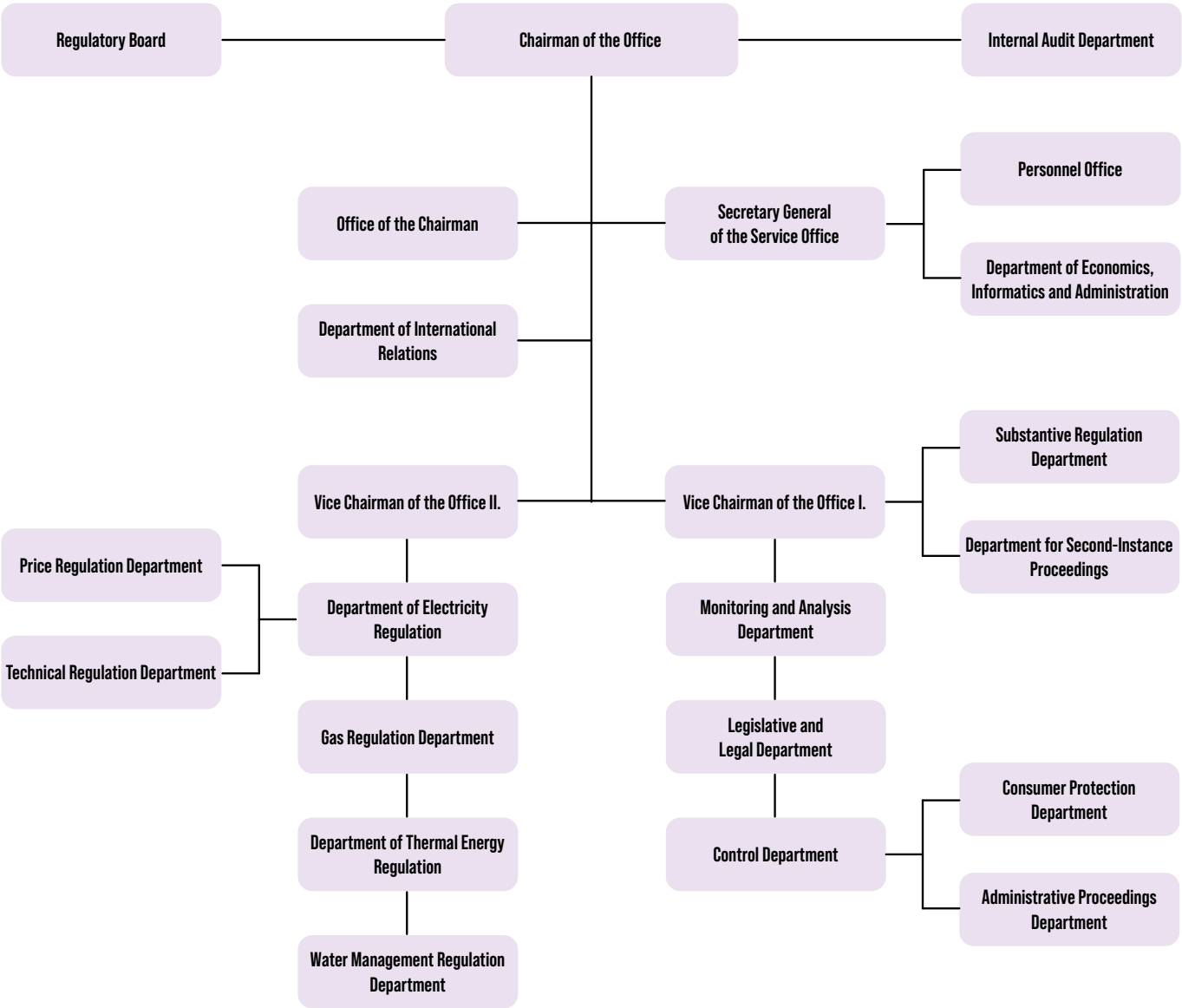
Age composition of employees

AGE	NUMBER
1. Employees age from 18 - 30 years	7
2. Employees age from 31 - 50 years	55
3. Employees age over 50	50
TOTAL	112

STAFF QUALIFICATION



Organisational chart of the Office as of 31. 12. 2024



State of implementation of EU legislation

During 2024, additional EU legislation, guidelines or recommendations with implications for national action were adopted:

- DELEGATED COMMISSION REGULATION (EU) 2024/1366 supplementing Regulation (EU) 2019/943 of the European Parliament and of the Council by laying down a network rule for sectoral rules on cybersecurity aspects of cross-border flows of electricity;
- Ongoing negotiations on the network regulation Demand Response Control (DR NC) - approval expected in early 2025;
- Regulation (EU) 2024/1747 amending Regulations (EU) 2019/942 and (EU) 2019/943 as regards improving the design of the Union electricity market;
- Directive (EU) 2024/1711 amending Directives (EU) 2018/2001 and (EU) 2019/944 as regards improving the design of the Union electricity market;
- Regulation (EU) 2024/1787 on reducing methane emissions in the energy sector;
- Directive (EU) 2024/1788 on common rules for the internal markets in renewable gas, natural gas and hydrogen;
- Regulation (EU) 2024/1789 - on the internal market for renewable gas, natural gas and hydrogen.

New legislation

In 2024, the Office prepared new decrees that fundamentally changed the regulatory framework in the SR. In the year under review, ground-breaking legislation was also adopted which established the Office as the central government authority for regulation of network industries.

In 2024, the Office actively cooperated with the Government of the SR and the ME SR in developing generally binding legislation, which, inter alia, regulated the Office's jurisdiction and competences, consumer protection, and substantive and price regulation of network industries.

One of the most important amendments to the primary legislation consisted in the extension of the Office's powers and control competences in the area of state supervision. The transition of state supervision over compliance with the obligations laid down in selected legislation from the Slovak Trade Inspection to the Office was ensured.

The amendments to the legislation also expanded the competences of the Office in the area of substantive and price regulation, modified the area of price regulation and the procedural rules of price regulation proceedings. Provisions on the issuance of a registration certificate for the owner of a public water supply system and a public sewerage system have been clarified, provisions have been adopted to make the performance of inspections more efficient and to prevent obstructive behaviour by the inspected entity. The obligations of regulated entities and service of process have been modified in order to minimise delays in proceedings before the Office. The rights and protection of consumers in the energy sector have been strengthened. At the same time, the contractual relations for the combined supply of electricity and gas at the price regulated by the Office were comprehensively regulated, the process of switching supplier was modified, the billing invoice for electricity and gas supply was made more transparent and the information of electricity and gas consumers was strengthened. Provisions on the imposition of obligations in the general economic interest and the empowerment of the Office to lay down details for the implementation of regulation have also been added.

The new consumer protection legislation has also succeeded in combining several regulations into a single piece of legislation, while clarifying the Office's jurisdiction in the area of supervision of compliance with consumer protection legislation.

Within its own legislative activity, the Office was mainly concerned with the issuance of price decrees. Furthermore, in view of the situation on the electricity and gas markets, it issued decrees amending the rules for the functioning of the internal electricity and gas markets, as well as decrees amending the decrees regulating quality standards.

Under the issued price decrees, the scope, structure and amount of economically justified and unjustified costs, the parameters entering into price regulation in network industries, the method of determining the amount of reasonable profit, the procedure and conditions for the application of prices and tariffs, including the individual tariff rate for the operation of the system, were adjusted. Inter alia, the Office also laid down calculation of the net costs of the obligation of general economic interest, the calculation of the overrun of reserved capacity and maximum reserved capacity and the price regulation of the supply of reactive electricity and the supply of electricity to island installations. The technical lifetime of assets has been adjusted in order to harmonise the reporting of depreciation of assets within the network industries, and the overrun of transmission capacity has been adjusted in the framework of the price regulation of access to the transmission network and gas transmission.

The calculation of certain fixed costs and reasonable profit in specific cases has been changed in order to optimise the heat price for heat end-users. The method of calculating the tariff for individual installations exploiting the hydroelectric potential of water flows has been modified. An important legislative event in 2024 is the two-component price in the hydro sector. It consists of a fixed price component and a variable price component in order to target the payment for water management services and on the basis of the actual economically justified costs for the use of water management services.

Decrees amending the quality standards took into account changes in the internal electricity and gas market - for example, they regulated the process of changing electricity and gas supplier, the process of changing the balance group, billing conditions and the content of the billing invoice for the supply of electricity and gas, and the method of ascertaining the status of the designated meter. The Office has regulated the processes related to the cross-border exchange of regulatory electricity, cross-border procurement and provision of support services to the transmission system operator and other related areas, the conditions for connection of electricity and electricity consumption facilities, the form and content of data to be kept on transactions, the procedures and arrangements for data retention, the manner, scope and structure for the provision of metered consumption data at the electricity and gas customer's off-take point.

Decrees, amending the quality standards in order to enhance customer protection and improve the quality of services provided, have tightened the existing quality standards and the required levels of compliance. The method of calculation and the amount of compensation

payments as well as the methods and conditions for their payment have also been amended. In the year under review, the Office also modified the monitoring, recording, evaluation of quality standards, the recording of compensation payments and the publication of the evaluation of quality standards and compensation payments.

In total, the Office, based on the enabling provisions of Act No. 250/2012 Coll., Act No. 251/2012 Coll. and Act No. 309/2009 Coll., drafted and submitted the following decrees for legislative process and subsequent publication in the Collection of Laws of the Slovak Republic in 2024:

| Pricing Decree:

- Decree of the Regulatory Office for Network Industries No. 141/2024 Coll., amending and supplementing Decree of the Regulatory Office for Network Industries No. 312/2022 Coll., establishing price regulation in the thermal energy sector,
- Decree of the Regulatory Office for Network Industries No. 146/2024 Coll., forming the scope of economically justified costs caused by disconnection of the customer from the supplier's system of thermal facilities and the method of their calculation,
- Decree of the Regulatory Office for Network Industries No. 147/2024 Coll., establishing price regulation of regulated activities in the gas industry and certain conditions for the performance of regulated activities in the gas industry,
- Decree of the Regulatory Office for Network Industries No. 154/2024 Coll., establishing price regulation in the electricity sector and certain conditions for the performance of regulated activities in the electricity sector,
- Decree of the Regulatory Office for Network Industries No. 390/2024 Coll., amending and supplementing Decree of the Regulatory Office for Network Industries No. 147/2024 Coll., establishing price regulation of regulated activities in the gas industry and certain conditions for the performance of regulated activities in the gas industry,
- Decree of the Regulatory Office for Network Industries No. 393/2024 Coll., amending Decree of the Regulatory Office for Network Industries No. 312/2022 Coll., establishing price regulation in the thermal energy sector, as amended by Decree No. 141/2024 Coll.

- Decree of the Regulatory Office for Network Industries No. 394/2024 Coll., amending Decree of the Regulatory Office for Network Industries No. 323/2022 Coll., establishing price regulation of production, distribution and supply of drinking water by public water supply and of wastewater disposal and treatment by public sewerage and certain conditions for the performance of regulated activities in the water sector, as amended by Decree No. 498/2023 Coll.
- Decree of the Regulatory Office for Network Industries No. 402/2024 Coll., amending and supplementing Decree of the Regulatory Office for Network Industries No. 154/2024 Coll., establishing price regulation in the electricity sector and certain conditions for the performance of regulated activities in the electricity sector,
- Decree of the Regulatory Office for Network Industries No. 403/2024 Coll., amending and supplementing Decree of the Regulatory Office for Network Industries No. 445/2022 Coll., establishing price regulation of surface water and energy water abstraction from watercourses and the use of the hydropower potential of watercourses.

Market rules:

- Decree of the Regulatory Office for Network Industries No. 132/2024 Coll., amending Decree of the Regulatory Office for Network Industries No. 208/2023 Coll., laying down rules for the functioning of the internal gas market, the content of the operating regulations of the network operator and the storage tank operator and the scope of commercial conditions that are part of the operating regulations of the network operator, as amended by Decree No. 491/2023 Coll.
- Decree of the Regulatory Office for Network Industries No. 133/2024 Coll., amending Decree of the Regulatory Office for Network Industries No. 207/2023 Coll., laying down rules for the functioning of the internal electricity market, the content of the operating regulations of the system operator, the organiser of the short-term electricity market and the scope of the commercial terms and conditions that are part of the operating regulations of the system operator, as amended by Decree No. 492/2023 Coll.
- Decree of the Regulatory Office for Network Industries No. 351/2024 Coll., amending Decree

of the Regulatory Office for Network Industries No. 207/2023 Coll., which establishes rules for the functioning of the internal electricity market, the content of the operating rules of the system operator, the organiser of the short-term electricity market and the scope of the commercial terms and conditions that are part of the operating rules of the system operator, as amended,

- Decree of the Regulatory Office for Network Industries No. 352/2024 Coll., amending and supplementing Decree of the Regulatory Office for Network Industries No. 208/2023 Coll., laying down rules for the functioning of the internal gas market, the content of the operating rules of the network operator and the storage tank operator and the scope of commercial terms and conditions that are part of the operating rules of the network operator, as amended.

Other ordinances:

- Decree of the Regulatory Office for Network Industries No. 315/2024 Coll., amending Decree of the Regulatory Office for Network Industries No. 277/2012 Coll., establishing quality standards for heat supply, as amended by Decree No. 234/2016 Coll.
- Decree of the Regulatory Office for Network Industries No. 316/2024 Coll., amending Decree of the Regulatory Office for Network Industries No. 276/2012 Coll., establishing quality standards for the supply of drinking water by public water supply and the disposal of waste water by public sewerage, as amended by Decree No. 235/2016 Coll.
- Decree of the Regulatory Office for Network Industries No. 317/2024 Coll., amending Decree of the Regulatory Office for Network Industries No. 236/2016 Coll., which establishes quality standards for electricity transmission, electricity distribution and electricity supply,
- Decree of the Regulatory Office for Network Industries No. 318/2024 Coll., amending Decree of the Regulatory Office for Network Industries No. 278/2012 Coll., establishing quality standards for gas storage, gas transportation, gas distribution and gas supply, as amended by Decree No. 233/2016 Coll.

The decrees issued also repealed the following decrees:

- Decree of the Regulatory Office for Network Industries No. 283/2010 Coll., which establishes the scope of economically justified costs caused by disconnection of the customer from the supplier's system of thermal facilities and the method of their calculation,
- Decree of the Regulatory Office for Network Industries No. 450/2022 Coll., establishing price regulation of gas supply,
- Decree of the Regulatory Office for Network Industries No. 451/2022 Coll., establishing price regulation of selected regulated activities in the gas industry and certain conditions for the performance of selected regulated activities in the gas industry,
- Decree of the Regulatory Office for Network Industries No. 107/2023 Coll., establishing price regulation of electricity supply,
- Decree of the Regulatory Office for Network Industries No. 246/2023 Coll., establishing price regulation of selected regulated activities in the electricity sector and certain conditions for the performance of selected regulated activities in the electricity sector,
- Decree of the Regulatory Office for Network Industries No. 370/2023 Coll., establishing price regulation in the field of electricity production support and certain related conditions for the performance of regulated activities,
- Decree of the Regulatory Office for Network Industries No. 2/2013 Coll., which establishes procedures and measures regarding data storage, the form and content of the stored data,
- Decree of the Regulatory Office for Network Industries No. 3/2013 Coll., which establishes the manner, scope and structure of providing and storing metered consumption data at the electricity consumer's point of consumption,
- Decree of the Regulatory Office for Network Industries No. 4/2013 Coll., which establishes the manner, scope and structure of providing and storing metered consumption data at the customer's gas off-take point.

Price development – brief characteristics

Electricity market prices in 2024, which are the main contributor to the level of regulated electricity prices for

vulnerable customers, continue to be most considerably impacted by the price for emission allowances. This stabilised in the year under review at a value six times higher than in the pre-crisis period. Together with the increase in natural gas prices, which can be observed from autumn 2021 onwards, emission allowances have thus caused an increase in the final price of electricity generated by fossil fuel power plants. These have thus become the most expensive resource on the market. In 2024, the Green Deal agenda became an even more important factor impacting the price of electricity, bringing the representation of sources with unpredictable generation in the Member States' energy mix to a level that caused a significant increase in the number of hours with negative electricity prices on the daily market compared to the previous year. This trend is likely to continue with near certainty.

Pressure to increase the share of resources with unpredictable generation in the energy mix, while at the same time shutting down stable, controllable resources, may exacerbate the crisis in interconnected system regulation. This is why in 2024, voices have become increasingly vocal, calling for a rethink of the EU's green policy objectives and their alignment with the usable potential of individual EU Member States. From an energy point of view, the EC's ill-conceived intervention in the common electricity market is also allowing individual exemptions from compliance with European legislation. For interconnected markets also in 2024, unilateral favouritism of selected countries and distortion of market principles were taking place.

In the case of gas, market prices in 2024, which primarily influence the level of regulated prices for gas supply to vulnerable gas customers, have decreased compared to 2023. For gas supply, pricing decisions were changed based on a change in the maximum gas supply price that went into the calculation of the maximum gas offtake tariffs for 2023, and for prices for access to the distribution network and gas distribution, pricing decisions were changed based on a change in the economic parameters related to the price of gas to cover losses and self-consumption in the distribution network and changes in the quantities of gas distributed. Although market prices of gas in 2024 decreased by 27% compared to 2023, their level was more than 200% higher than the level of market prices of gas prior to the energy crisis in 2022.

Heat prices in 2024 have also fallen on average compared to heat prices in 2023. This was due to the fall in the prices of energy needed for heat production, especially natural gas, on global exchanges in 2023 compared to 2022, i.e. at the time of the conclusion of the bulk of the fuel contracts for 2024. The cost of fuels for heat produc-

tion makes up the dominant part of the total cost of heat production. Significant price reductions have not been made possible by inflation, whose double-digit increases in the reference period have pushed up the vast majority of fixed items. Heat prices for selected groups of heat consumers, which exceeded the maximum values set by Government Regulation No 475/2023 Coll., establishing the maximum price for regulated heat supply to selected heat end-users and the conditions for its application, were also subsidised by the state in 2024.

The Office also exercised fair and sustainable price regulation in the water-supply sector in the year under review, both in the area of public water supply and public sewerage and in the area of surface water services. The production, distribution and supply of drinking water and waste water disposal and treatment in the SR was provided by 14 large water companies with a monopoly position in their territory and smaller public water supply and public sewerage operators operating in smaller territorial units, such as a municipality or only part of a municipality.

Consumer protection

The focus on solving practical consumer problems is also one of the key tasks for the Office. With the change in legislation, the Office's competences in the area of supervision and state supervision have been significantly expanded since 01.08.2024. In this context, when taking over the dossier in question, the Slovak Trade Inspection transferred a number of unresolved complaints to the Office and a further 165 complaints were received by the Office from consumers and the Slovak Trade Inspection in the period from 01.08.2024 to 31.12.2024, which in most cases were related to the application of Decree No. 503/2022 Coll, which establishes the temperature of hot water at the point of consumption and the rules for budgeting the costs of the quantity of heat supplied in hot water, the costs of the quantity of heat supplied for heating, the costs of the quantity of heat supplied or the quantity of heat produced in a decentralised heat source and the economically justifiable costs of heat produced in a decentralised heat source.

The Office had and still has a problem with staff capacity in dealing with this transferred dossier, as a sufficient number of staff was not transferred together with the transferred dossier from the Slovak Trade Inspection.

In addition, in 2024, the vast majority of complaints submitted directly to the Office by vulnerable customers were mainly related to billing and metering of electricity and gas consumption. It was often not clear to consumers

how the estimated consumption was calculated or they did not agree with such calculations. Furthermore, customers often did not agree with the invoiced consumption. In addition to this issue, the Office also dealt with the issue of switching suppliers in an increased number of complaints during 2024, as there were legislative changes in the process that all market participants, i.e. customers as well as suppliers or distribution companies, had to deal with. The number of complaints concerning the so-called Virtual Batteries also increased, where the system of storing the electricity produced and the subsequent billing of the electricity consumed had to be explained to the customers. In view of the above-mentioned change in legislation in the summer of 2024, the number of complaints handled by the Office has also increased, in particular concerning the budgeting of housing costs by individual house and apartment managers.

Compared to the preceding year, the number of complaints handled by the Consumer Protection Department (from 01.02.2024 due to the organisational change of the Office by the Consumer Protection Department of the Control Department) decreased to 294 complaints in total, i.e. 278 fewer than in the previous year, in which there were 572 complaints, which is a decrease of 48.60 %. Also in the year under review, the Office received some complaints (54) which did not fall within the competence of the Office and which were subsequently referred by the Office to the competent authorities for their handling.

Number of complaints handled by the Consumer Protection Department (Consumer Protection Unit of the Inspection Department)

	2020	2021	2022	2023	2024
Number of complaints received	353	538	683	572	294
of which number of complaints referred to outside the Office	50	48	27	52	54
of which number of complaints completed with a response/opinion	222	388	530	477	176
of which number of complaints otherwise concluded*	81	102	126	43	64

* complaints concluded by an official record, in cases where the customer did not complete their complaint after the Office's invitation and for this reason the Office was not able to process the complaint further, or where the customer indicated that they did not wish to continue with the Office's processing of the complaint

In addition to the Consumer Protection Department, the Inspection Department received additional 55 complaints from natural and legal persons, 20 of which were included in the inspection plan, six complaints were referred to another state administration body for processing and one complaint was used as a basis for administrative proceedings. In the second half of 2024, in connection with the change in legislation in the field of supervision and state supervision, the Control Department received additional 165 submissions, a significant number of which were included in the inspection plan.

The Control Department registered three complaints in the central register of complaints and petitions received by the Office, and an investigation found that the complaints were unfounded.

Alternative dispute resolution

Pursuant to Act No. 391/2015 Coll., the Office is the authority for alternative dispute resolution of consumer disputes and also performs alternative dispute resolution of consumer disputes in accordance with Act No. 250/2012 Coll.

In 2024, the Office dealt with a total of four proposals for alternative dispute resolution of consumer disputes, one of which was carried over from 2023. Three proposals were filed in accordance with Section 37 of Act No. 250/2012 Coll., where the party to the dispute was a legal entity - the end consumer, and one proposal was filed on the basis of Act No. 391/2015 Coll, where the party to the dispute was a natural person consumer.

In all four ADR cases, the proceedings were terminated by 31 December 2024.

Alternative dispute resolution statistics for 2020 - 2024

	2020	2021	2022	2023	2024
Proposals received and carried over from the preceding year	9	4	13	5	4
of which					
- rejected *	5	1	2	1	1
- agreement in favour of the consumer *	0	1	1	0	0
- postponement or expiry of the deadline *	0	2	10	3	3
- reasoned opinion *	4	0	0	0	0
- a pending application for alternative dispute resolution by 31 December of the relevant year	0	0	0	1	0

* legal grounds for termination of alternative dispute resolution within the meaning of Sections 17 to 20 of Act No.391/2015 Coll. and Section 37 of Act No.250/2012 Coll.

All four proposals for alternative dispute resolution for consumer disputes in 2024 related to billing for electricity supply and consumption. The circumstances causing the majority of consumer disputes resolved by alternative are the large differences between regulated and unregulated prices, the lack of communication from the regulated entity or between the consumer and the regulated entity, and the lack of consumer knowledge and awareness of their rights, but also the obligations.

01

ELECTRIC POWER

From amongst the network industries, electricity sector is clearly among the most dynamic and at the same time the most complex network industry in terms of regulation. In the field of electricity, the Office carries out price, material and extraordinary regulation and quality regulation, the scope and specification of which are determined by § 11, § 13, § 16 and § 22 of Act No. 250/2012 Coll.

After the amendment of Act No. 251/2012 Coll. and Act No. 250/2012 Coll., the Office proceeded to issue Decree No. 154/2024 Coll., establishing price regulation in the electricity sector and certain conditions for the performance of regulated activities in the electricity sector, which entered into force on 01 July 2024 and according to which the Office for the first time proceeded in the implementation of price regulation for the year 2025. The Decree No 107/2023 Coll., which establishes price regulation of electricity supply, Decree No 246/2023 Coll., which establishes price regulation of selected regulated activities in the electricity sector and certain conditions for the performance of selected regulated activities in the electricity sector, and Decree No 370/2023 Coll., which establishes price regulation in the field of electricity production support and certain related conditions for the performance of regulated activities, were repealed by the issuance of the Decree mentioned above.

In 2024, the consequences of the massive connection of renewable sources of electricity in Europe and the closure of nuclear power plants in Germany have been fully felt. This also made 2024 a record year with 288 hours with a negative price on the daily market. Compared to 2023 (90 hours), there was an increase of 320%, making negative pricing a major challenge for the future.

In Decree No 154/2024 Coll., the Office set the maximum electricity price for vulnerable customers at EUR



61 per MWh in a total volume of 6 TWh, which was fully reflected in the end prices for vulnerable customers, especially for households.

Electricity market participants

The following were the conclusive participants in the electricity market in the Slovak Republic in 2024:

1. Slovenské elektrárne, a. s. (hereinafter only as „SE, a. s.“) - the most significant (dominant) electricity producer, which in 2024 provided 67.90% of electricity production in the SR from its own sources. Electricity production in the volume of 20,611 GWh provided 75.41 % of electricity consumption in the SR. The installed capacity of SE, a.s. own electricity generation facilities was 4,129 MW,
2. producers of electricity from RES and HECHP. In 2024, 1 457 producers with a total number of 1 780 production facilities were supported, while the expected amount of electricity for the surcharge produced from RES and HECHP in 2024 was 578,739 MWh,
3. SEPS, a.s. as the exclusive holder of the electricity transmission licence, the operator of the national

transmission system (hereinafter only as the „TS“), which also performed the tasks of energy dispatching (it ensured a balanced balance in the defined territory of the SR),

4. OKTE, a.s., the short-term electricity market organiser as an institution for evaluating and organising the short-term electricity market and providing clearing, evaluation and settlement of deviations in the territory of the SR,
5. Západoslovenská distribučná, a.s., Stredoslovenská distribučná, a. s. and Východoslovenská distribučná, a. s. as operators of regional distribution systems (hereinafter only as „RDS“) in the relevant parts of the defined territory, to which more than 100,000 points of consumption were connected,
- 6 in addition to the three companies mentioned above, 139 holders of electricity distribution permits were also active on the electricity market. These were operators of local distribution systems („LDN“) on the premises of both generating and non-generating companies with less than 100,000 customer premises connected to them,
7. other entities with a licence to operate in the electricity sector, totalling 374.

Overview of decisions on substantive regulation in the electricity sector

In the area of substantive regulation, mention should be made of the approval of operating rules and technical conditions of individual system operators, conditions for the transmission of electricity through the distribution system in the electricity transmission regime, conditions or methodology for the transmission system operator withing the meaning of EU legislation, as well as the preparation and updating of the model operating rules for local distribution system operators, which adopt the model operating rules.

Overview of the number of decisions issued in the field of substantive regulation in the electricity sector

Type of decision	2019	2020	2021	2022	2023	2024
Operating Regulations	15	15	124	85	15	20
Technical conditions	-	-	-	-	15	12
Transmission conditions	4	2	1	2	0	1
Decisions under EU legislation	27	5	7	7	6	8

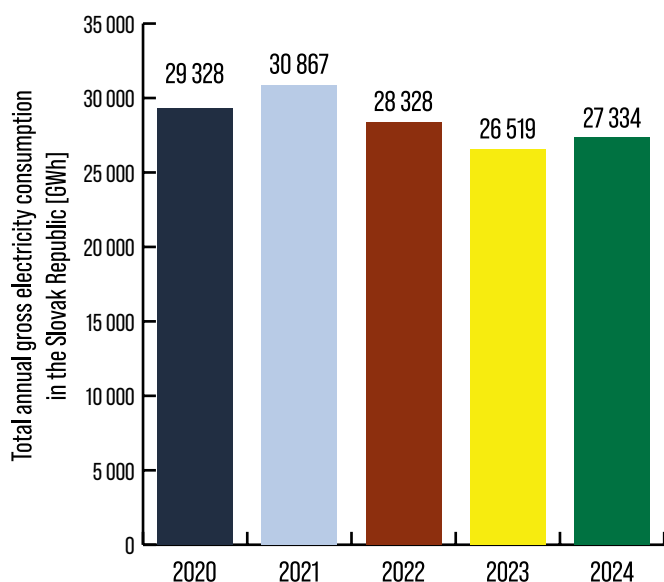
In accordance with the amendment to Act No 251/2012 Coll., which entered into force on 01 October 2022, system operators must submit to the Office for approval the draft technical conditions of the system operator in the part that regulates the conditions for the connection of electricity generation and electricity storage facilities to the system. At the same time, by the same amendment to Act No 251/2012 Coll., operators of local distribution systems have the possibility to adopt the model operating rules in the form of a notification.

Overview of decisions in the field of price regulation in the electricity sector (excluding RES and CHP)

Type of decision	2019	2020		2021		2022		2023	2024
		issued for 2020	issued for 2021	issued for 2021	issued for 2022	issued for 2022	issued for 2023		
Decision on price	301	49	112	213	104	229		414	222
Interrupted	20	20	-	13	-	167	-	115	40
Stayed proceedings	7	2	-	8	-	3	-	44	26
Provisional measure	-	-	-	-	-	-	8	190	0

Pursuant to Section 28(3)(b) of Act No 251/2012 Coll., the transmission system operator is obliged to draw up a transmission system development plan every two years, including a plan for the development of interconnectors for the next ten years. Pursuant to Act No 251/2012 Coll., the Office shall consult the ten-year system development plan in a non-discriminatory and transparent manner with existing and potential system users and shall allow them to submit reasoned comments on it within a reasonable period of time and shall examine the consistency of the ten-year system development plan with the requirements for the implementation of investments in the transmission system with the EU-wide system development plan. The Office shall, after its examination on 12 February 2012, examine the transmission system development plan in accordance with the EU-wide system development plan. 250/2012 Coll., with regard to the issuance of a decision on the imposition of an obligation to amend the Ten-Year System Development Plan pursuant to Section 13(2) of Act No. 250/2012 Coll. 1(k) of Act No. 250/2012 Coll. in conjunction with Section 29(7) of Act No. 251/2012 Coll. As the transmission system operator completed the Ten-Year Plan in accordance with the Office's comments, the Office discontinued the proceedings by Decision No. 0008/2024/E-ZK.

Development of total gross electricity consumption in the SR



In the year under review, the total gross electricity consumption in the SR reached 27,334 GWh, which represents an increase of 3% compared to 2023 (26,519 GWh) due to a slight recovery of the economy. This is a moderate increase, which shows a change in trend as consumption has continuously decreased significantly in 2022 and 2023. This increase was primarily due to a slight recovery

in production in energy-intensive businesses and in a narrow range of industries in Slovakia.

Electricity infrastructure

Transmission system

Support and system services

The transmission system operator shall purchase support services on the support services market from support service providers for the purpose of providing system services to system users to maintain the quality of electricity supply and to ensure the security and reliability of the operation of the SR system.

Based on the required volumes of availability of individual types of support services, the Office determined the total costs and maximum prices for individual types of support services for the transmission system operator of the SR for the year 2024.

1. The total planned costs for the purchase of availability of all types of ancillary services were reduced by 20% by the Office's Decision No 0117/2024/E of 29 December 2023 compared to 2023 due to the expected price savings in the procurement of availability of ancillary services, in order to ensure sufficient volumes of availability of individual types of ancillary services, and thus to ensure the security of operation of the system and the quality of the electricity supply. The assumption of price savings from the procurement of availability of ancillary services was based on the decrease of prices on the electricity market and thus the procurement of availability of ancillary services at prices below the maximum prices, especially in the case of procurement by means of multi-day tenders, for which the Office granted an exemption in accordance with Article 6(9) and (10) of Regulation (EU) 2019/943 of the European Parliament and of the Council on the internal market in electricity by Decision No 0006/2022/E-EU of 14 September 2022.

2. The maximum prices for the procurement of primary, secondary and tertiary active power and frequency regulation availability were set for 2024 by the Office's Decision No 0089/2023/E of 18.09.2023 at the prices applicable in 2023 for the period from 18.09.2023 to 18.2024. By Decision No 0118/2023/E of 15.12.2023, the Office further subsequently adjusted the maximum price for positive 3-minute tertiary regulation of active power and frequency by increasing it by 16.73%.
3. The maximum allowed annual costs for the procurement of non-frequency support services secondary voltage regulation and dark start were not changed by the Office's Decision No 0089/2023/E of 18.09.2023. The transmission system operator was able to provide sufficient compensating capacity at the electricity generation facilities connected to the to the transmission system and to ensure the safe operation of the transmission system also in terms of voltage and system restoration.
4. The maximum price of the offered positive control electricity and the minimum price of the offered negative control electricity upon activation of the type of support service in question by the Office's Decision No 0001/2023/E of 11 October 2022 remained at the same level as in 2022 and 2023, because the maximum prices of the positive control electricity and the minimum prices of the offered negative control electricity are determined in such manner that they correspond to the electricity prices on the daily market of the Slovak trading area. The Office did not change the maximum and minimum prices for regulatory electricity during 2024. Maximum bid prices for regulating electricity activated from the support services aFRR+, aFRR-, mFRR+ and mFRR- were valid until the connection of the TSO SR to the common platforms for the exchange of regulating electricity, which took place on 05.11.2024 for aFRR+ and aFRR-, respectively, and on 03.12.2024 for mFRR+ and mFRR, respectively. After these dates, the maximum bid prices for these regulating electricity are no longer subject to regulation by the Office.

The following table shows the evolution of the number of support service providers in individual years, which shows a growing market for support services in the defined area. The number of certified support service providers as well as the number of framework agreements and contracts for the provision of support services has increased, which is in terms of stability and liquidity of the support services market, as well as ensuring the security of the system, is a good sign.

Developments in the provision of Support Services

Indicator/year	2020	2021	2022	2023	2024
Number of certified SS providers	24	24	22	27	31
Number of concluded framework contracts for the provision of SS and contracts for the provision of SS	30	30	30	39	40

The following table shows the volumes of activated individual types of support services or regulatory electricity, which can be identified as a slight decrease in the volumes of activated support services or regulatory electricity in the positive direction and a significant increase in the volumes of regulatory electricity in the negative direction, which can be attributed to greater volatility in the electricity markets caused by the connection of new renewable sources of electricity, which places greater demands on the regulation of the system and ensuring the safety and reliability of its operation.

Comparison of regulatory electricity supply

Type of activated SS or control electricity	2023 [MWh]	2024 [MWh]	change 2024/2023 [%]
Primary control of active power + (FCR+)	6 393	10 252	60.36 %
Primary active power control - (FCR-)	-6 336	-10 233	61.51 %
Secondary active power regulation + (aFRR+)	51 728	45 029	-12.95 %
Secondary active power regulation - (aFRR-)	-58 921	-93 686	59.00 %
Tertiary active power control 12.5 min + (mFRR+)	459	2 431	429.63 %
Tertiary active power control 12.5 min - (mFRR-)	-1 954	-3 307	69.24 %
Tertiary active power control 3 min + (TRV3MIN+)	1 669	6 327	279.09 %
Tertiary active power control 3 min - (TRV3MIN-)	-1 131	-1 983	75.33 %
Positive emergency aid (import)	0	0	-
Negative emergency aid (export)	-600	-96 398	-16166.33 %
IGCC+ (IGCC import)	105 306	90 635	-13.93 %
IGCC- (IGCC export)	-77 778	-85 519	9.95 %

Note: a significant difference in negative emergency assistance was caused by aid to Ukraine.

The average price for emergency assistance (export) in 2024 was 153.33 €/MWh.

Network tariffs

For the transmission system operator, the Office has also set network tariffs in 2024, which the transmission system operator applies to:

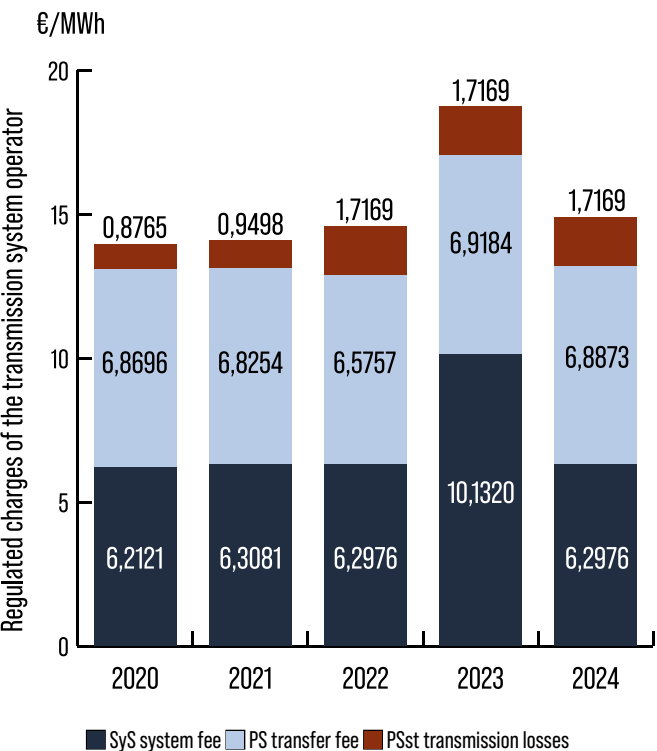
- users connected to the transmission system in the scope of:
 - reserved capacity tariff (€/MW/year),
 - electricity tariff (€/MWh),
 - Tariff for losses in the transmission of electricity through the transmission system (€/MWh),
- to all electricity end-users in the SR:
 - tariff for system services (€/MWh).

The following figure shows the evolution of the individual regulated charges of the transmission system operator. In the year under review, the System Service Tariffs (TSS) decreased by approximately 37.8% compared to 2023, due to a decrease in the cost of support services resulting from the development of power electricity prices in 2024 compared to 2023, the tariff for reserved capacity decreased by approximately 10.6%, and the electricity transmission tariff as well as the tariff for electricity transmission losses remained at the same level as in 2023.

By Decision No 0111/2024/E of 28 December 2023, the Office approved the prices for access to the transmission system and transmission of electricity and the conditions for their application, including the tariff for electricity transmission losses for 2024.

By Decision No 0118/2024/E of 29.12.2023, the Office designated the TSS for the year 2024.

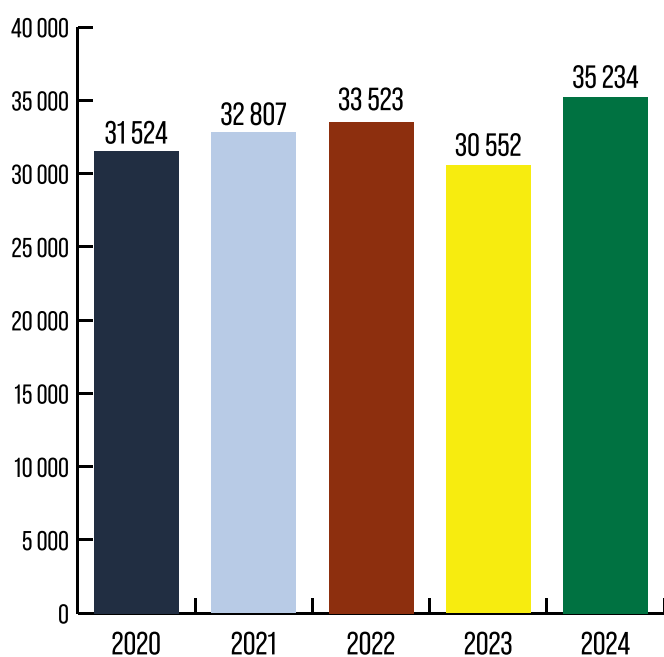
Development and structure of regulated fees of SEPS, a.s.



Electricity transmission

The following figure shows the evolution of the electricity transferred, with the total electricity transferred reaching 35,234 GWh in 2024. Compared to 2023 (30,552 GWh), this represents an increase of 15%, due to an increase in the total gross electricity consumption in the SR in 2024 compared to 2023 by about 3%, a decrease in imported electricity into the transmission system by about 37% due to the connection of the Mochovce Unit 3 nuclear power plant to the grid and an increase in electricity transit from Northern Europe to the Balkans.

Volume of electricity transmitted 2020 - 2024 (GWh)



| Distribution system

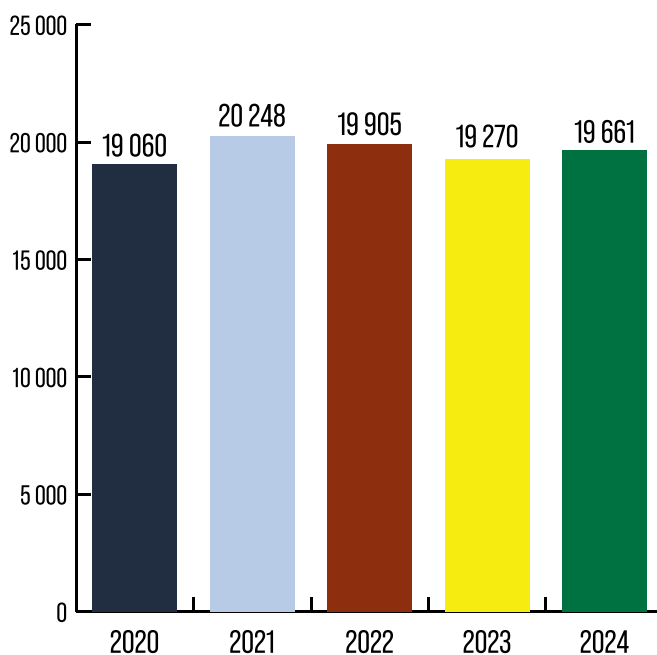
For the operators of regional distribution systems, the Office has set the network tariffs in 2024, which the operator of the regional distribution system applies to users connected to the distribution system, in the following structure:

- electricity distribution tariff without losses, including electricity transmission - reserved capacity component (€/MW/month),
- electricity distribution tariff without losses, including electricity transmission - distributed electricity component (€/MWh),
- tariff for losses in the distribution of electricity through the distribution system (€/MWh).

Price regulation also applied to operators of local distribution systems and was carried out by determining the method of calculating the maximum price for electricity supply and the tariff for access to the local distribution system and distribution of electricity.

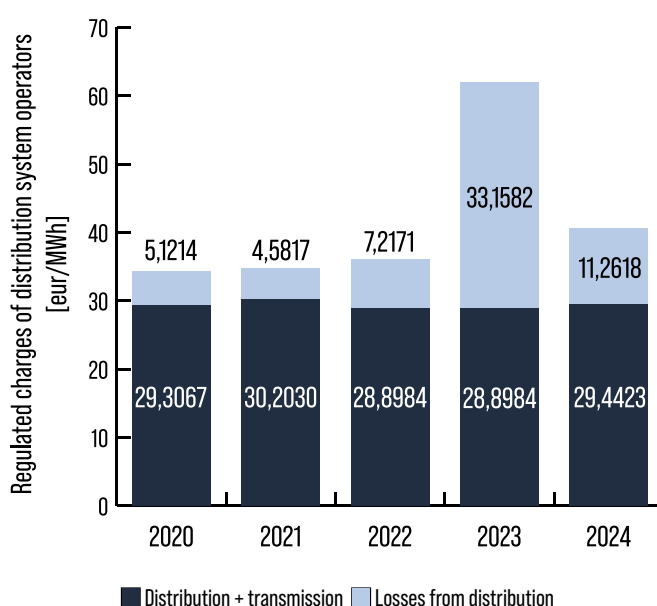
In the year under review 2024, the total distributed electricity in the defined territory amounts to 19,661 GWh, which represents an increase of approximately 2% compared to 2023 (19,270 GWh), due to the increase in consumption on the part of electricity consumers.

Volume of electricity distributed (GWh)



The following figure shows the evolution of selected regulated charges of regional distribution system operators. In the year under review, compared to 2023, tariffs for access to the distribution system and distribution of electricity, including electricity transmission, increased by 1.9%. The value of the tariff for electricity distribution losses in 2024 decreased, compared to 2023, by 66 %, which was due to a decrease in the daily price index for the product F PXE SK BL Cal-t from the official exchange rate published by the PXE (POWER EXCHANGE CENTRAL EUROPE), on the basis of which the price for the purchase of electricity for electricity distribution losses is determined.

Development and structure of regulated fees



System operation tariff

The system operation tariff (SOT) for the of the shall be a fixed price in euros per unit of the quantity of electricity linked to a technical unit, which takes into account the proportionate part of the costs of electricity production from renewable energy sources, electricity production by high-efficiency combined generation and the activities of the short-term electricity market organiser, including the correction. The SOT shall form one of the components of the final electricity price and shall apply to each final electricity customer. In 2024, the SOT was applied to three SOT bands (SOT1, SOT2 and SOT3), where SOT3 included electricity consumers' off-take points which were assigned an individual tariff for 2024. The assignment to the individual ranges is made according to the expected end-use electricity consumption at a given point of consumption for the year t-1.

- Range 1 (SOT1) - end-use off-take point consumption up to 1 GWh,
- Range 2 (SOT2) - end-use off-take point consumption from 1 GWh up to 100 GWh,
- Range 3 (SOT3) - end-use off-take point consumption greater than 100 GWh.

In 2024, the individual tariffs for operating the system are reduced by an average of 38.90% compared to 2023.

The figure below compares the values of individual SOT components over the last five years, with the SOT split into three values from 2022 onwards according to the ranges above.

Evolution of the individual components of the SOT

Individual components of the system operation tariff (TPS)	2020	2021	2022			2023			2024		
			TPS1	TPS2	TPS3	TPS1	TPS2	TPS3	TPS1	TPS2	TPS3
	2020	2021	TPS1 2022	TPS2 2022	TPS3 2022	TPS1 2023	TPS2 2023	TPS3 2023	TPS1 2024	TPS2 2024	TPS3 2024
	€/MWh	€/MWh	€/MWh	€/MWh	€/MWh	€/MWh	€/MWh	€/MWh	€/MWh	€/MWh	€/MWh
RES	14.6090	10.1220	4.3283	3.2394	0.3231	6.0953	4.5619	0.4524	5.7454	4.3000	0.4289
FLOWER	3.5581	8.0241	1.5525	1.1619	0.1159	2.1862	1.6362	0.1622	6.9826	5.2259	0.5213
ENO (electricity production from domestic coal)	5.1200	5.3073	8.1783	6.1209	0.6105	9.0679	6.7867	0.6730			
Other**	0.3339	0.2871	1.8409	1.3778	0.1374	8.1312	6.0856	0.6034	3.1721	2.3741	0.2368
Total TPS	23.6210	23.7405	15.9000	11.9000	1.1870	25.4807	19.0705	1.8910	15.9000	11.9000	1.1870

Note:

Other** - includes items of costs for the activities of OKTE, a.s., electricity purchaser SPP, a.s., ENO correction, costs for the redemption of historical debts and other

| Interconnecting electricity markets

Investments in internal and cross-border interconnections are a prerequisite for achieving the objectives of the Energy Union Strategy issued by the EC, which include in particular security of electricity supply, flexibility of the interconnected system as well as a well-functioning and transparent wholesale market.

One of the instruments that can be used for the above-mentioned objectives is the use of congestion revenues resulting from the allocation of inter-area capacity („congestion revenues“), Article 19(2) of Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market in electricity defines the priority objectives for which these funds are to be used, which include in particular the construction of projects with cross-border significance to maintain and increase cross-border capacity.

The total net revenues from congestion of the transmission system operator, SEPS, a.s. (hereinafter only as „TSO“), amounted to EUR 84.375 million in 2024. In 2024, part of the congestion income of EUR 2.599 million was used for investment projects with cross-border significance, in particular for the construction of the 400/100 kV Vajnory transformer station and the line upgrade and reinsulating of the 400 kV line V404. EUR 44.372 million of the congestion revenues from the allocation of inter-connection transmission capacities were used to support end consumers in the calculation of network tariffs.

| Projects of common interest

Another option to support the construction of projects with a significant impact on cross-border capacity is the process of selecting so-called Projects of Common Interest (PCIs), which can be co-financed by the EC.

In order to be eligible for inclusion in the PCI list, electricity infrastructure projects as well as electricity storage projects must be included in the European Network for Transmission System Operators for Electricity's (ENTSO-E) Ten-Year Network Development Plan (TYNDP).

Commission Delegated Regulation (EU) 2024/1041 of 28 November 2023 amending Regulation (EU) 2022/869 of the European Parliament and of the Council as regards the list of projects of common interest and projects of mutual interest for the Union („the Delegated Regulation“) adopted the list of projects of common interest („PCI projects“) and projects of mutual interest for the Union.

PCI projects in the SR, adopted by delegated regulation are the following:

- Interconnection line between Otrokovice (Czech Republic) and Ladce (Slovakia) - PCI project No. 2.7
- Modernisation of electricity storage in the pumped storage hydroelectric power plant Čierny Váh (SK) - PCI project No. 2.11
- ACON - Again COnnected Networks (CZ, SK) to support the integration of the Czech and Slovak electricity markets by improving the efficiency of distribution systems - PCI project No. 12.1
- Danube InGrid (HU, SK) to effectively connect the behaviour and actions of all market participants connected to the electricity grids in Hungary and Slovakia - PCI Project No. 12.3

Market coupling is also another way to meet the EU's strategic objectives in the electricity sector.

| Single Day-Ahead Coupling (SDAC)

SDAC currently connects the daily markets of 26 countries: Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden. These countries, in the framework of the interconnection of the single daily electricity market, have the opportunity to use resources more efficiently and reduce electricity costs for consumers. In total, SDAC covers more than 98% of European electricity consumption, in daily traded volumes of 200 million per day and the algorithm calculates volumes exceeding 1,500 TWh/year.

| Single Intraday Coupling (SIDC)

SIDC currently connects the intraday markets of 25 countries: Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Norway, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.

Thanks to the interconnection of electricity markets, the liquidity of trading in the SR has increased. The central solution allows orders placed by market participants in one country to be matched with orders placed by market participants in any other interconnected country if there is available cross-border capacity for the transmission of

electricity between the affected bidding areas. The SIDC shall trade in 15-minute intervals (15-minute products).

Implementation of new methodologies for capacity calculation and allocation

Another way to meet the EU objectives outlined in the introduction is through the implementation of new methodologies for calculating and allocating capacity.

One such methodology is the flow-based capacity calculation methodology, which takes into account the physical constraints in the operation of electricity systems based on the available reserves on critical network elements of the system (mainly lines) and the Power Transfer Distribution Factors (PTDFs). These are defined for each critical system line and each supply area in the Core Capacity Calculation Region and the capacity calculation is coordinated across the region, resulting in improved capacity allocation in the region in terms of reflecting the actual constraints on the system in terms of its security of operation, allowing more electricity to be transmitted across borders and, last but not least, reducing overall costs.

Following the successful interconnection of the daily markets via the flow-based capacity calculation methodology in 2022, the intraday markets were also successfully interconnected via the flow-based capacity calculation methodology on 13 June 2024.

Regulatory electricity sharing platforms

Pursuant to EC Regulation No 2195/2017 of 23.11.2017 establishing guidelines on the provision of balancing power in the electricity system („Regulation No 2017/2195“), European platforms are to operate on:

- the Trans European Replacement Reserves Exchange (TERRE) in accordance with Article 19 of the Regulation, which was put into operation on 06.01.2020. Portugal, Spain, France, Switzerland and the Czech Republic were progressively added as members until January 2021 and Poland joined the platform in 2024. The transmission system operator of the SR does not participate in this platform,

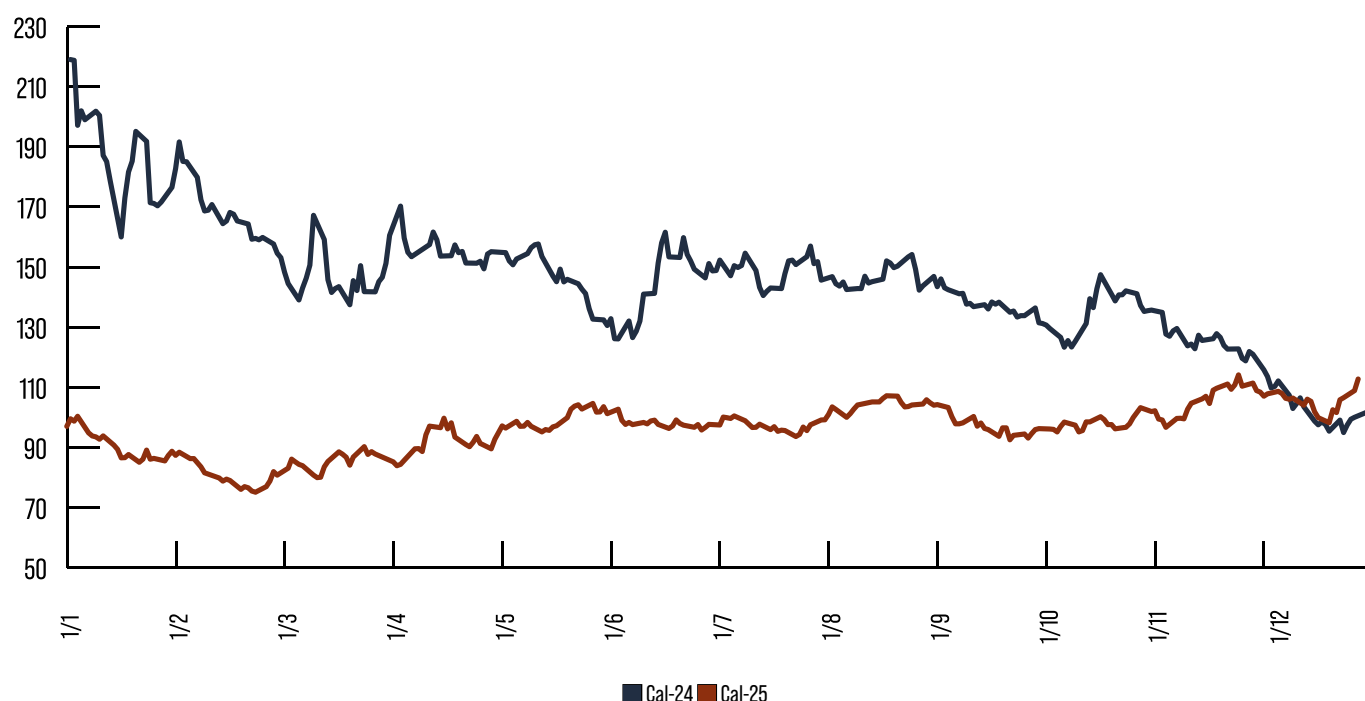
- exchange of control energy from reserves for frequency restoration with automatic activation On 05.11.2024, the TSO of Slovakia was successfully connected, joining the TSOs of the Czech Republic, Austria, Germany, Italy, the Netherlands and Denmark, which were already connected to the PICASSO platform. Also in November 2024, Belgium was connected,
- the exchange of control energy from Manually Activated Reserves Initiative (MARI) in accordance with Article 20 of the Regulation, which was put into operation on 15.09.2022 without connected TSOs. On 03.12.2024, the TSO of Slovakia was successfully connected, joining the TSOs of the Czech Republic, Germany, Austria, Estonia, Lithuania, Latvia, Spain and Portugal, which were already connected to the MARI platform. The TSOs of Belgium and Bulgaria plan to connect in early 2025. The TSOs of Poland, the Netherlands, Slovenia and Romania plan to connect to the MARI platform at the end of 2025 and the TSO of Hungary only in 2026,
- Real-time Imbalance Netting in accordance with Article 22 of the Regulation, which was put into operation on 21.06.2021 and at that time all TSOs of continental Europe were connected to it, except Romania (TSO connected as of December 2021) and Bulgaria (TSO connected as of July 2022).

Wholesale market

After a price decline in the first two months of 2024, when the F PXE SK BL Cal-25 product reached an annual low of €74.60/MWh on 23 February 2024, electricity prices on the European electricity markets stabilised around €95/MWh, and started to show a slight increase towards the end of the year to a level of €112.72/MWh as of 27 December 2024.

The above values are confirmed in more detail in the following figure, which shows the electricity price paths on the PXE exchange, the F products PXE SK BL Cal-25 and Cal-24.

Electricity price development (graph PXE Praha)



Retail market

Electricity supply was subject to price regulation in 2024:

- for households,
- for non-household electricity consumers with a total annual electricity consumption for the previous year of 30 000 kWh or less,
- for non-household electricity consumers, except for non-household electricity consumers with a total annual electricity consumption for the previous year not exceeding 30,000 kWh, who consume electricity for the operation of a social services facility registered in the register of social services, for the operation of a facility for social protection of children and social guardianship, for the operation of a residential building with rental flats owned by a municipality or a higher territorial unit, which are intended for social housing according to a special regulation, or for the operation of a residential building with rental flats within the framework of state-supported rental housing according to a special regulation,
- for a group of end-users of electricity, which are owners of flats and non-residential premises in an apartment building, consuming electricity for heat production and domestic hot water heating, legally represented by a natural person or a legal person performing the administration of a

common heat source supplying the apartment building with heat and domestic hot water, supplier of last resort.

The initial parameters based on which the maximum price for the supply of electricity to vulnerable electricity consumers, except household electricity consumers, was determined for the year 2024 were the arithmetic average of the daily prices of the official price list published by the PXE on its website, in the section EEX - PXE Slovakian Power Futures, Baseload product, Year Settlement Price Cal-24 for the period from 01. 04. 2023 to 30. 09. 2023, which was at the level of 146.5091 €/MWh (year-on-year decrease by 401.0720 €/MWh, i.e. 73.24 %), to which was added a coefficient to cover the planned electricity supply schedule for vulnerable customers, the deviation costs related to the supply of electricity to vulnerable customers and a reasonable profit.

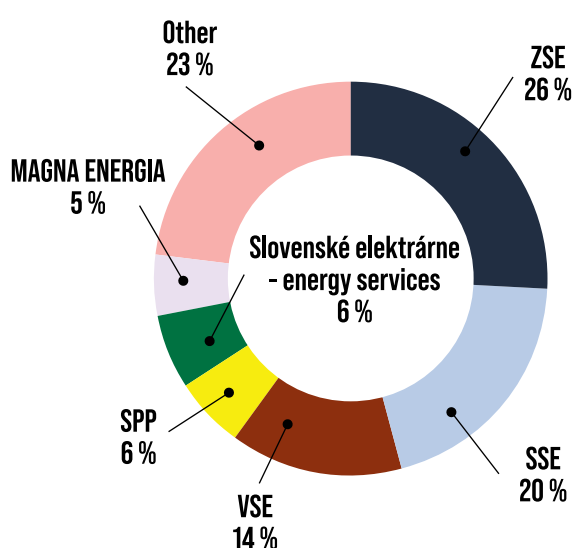
The maximum prices for the supply of electricity to households have been determined for 2024 by a decision of the ME SR in the general economic interest. The starting parameters on the basis of which the maximum price for electricity supply was determined were the price of the commodity at the level of 2022 and 2023, i.e. €61.2077/MWh, to which was added a coefficient to cover the planned diagram of electricity supply to vulnerable household customers, the cost of the deviation related to the supply of electricity to vulnerable household customers and a reasonable profit.

The price for distribution, including electricity transmission and electricity transmission losses, and the price for electricity losses in electricity distribution, TSS and SOT are added to the individual rates for electricity supply.

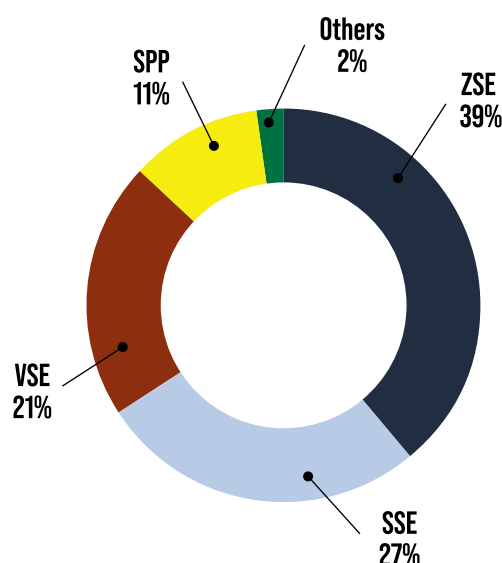
The largest share in electricity supply is still held by three „traditional“ suppliers, which are part of vertically integrated companies - ZSE Energia, a. s., Stredoslovenská energetika, a. s., and Východoslovenská energetika, a. s.

The supply of electricity to households was divided into eight tariffs. In 2024, 14 suppliers with nationwide coverage supplied electricity to households. On its website, the Office offers vulnerable household electricity customers the possibility to compare electricity prices through a simple price calculator. The data in the price calculator is regularly updated by the Office according to the price decisions issued. The price calculator compares only the price of the commodity as a determining component of the integrated price according to the estimated annual electricity consumption.

Market shares of electricity suppliers in the supply of electricity to all customer groups

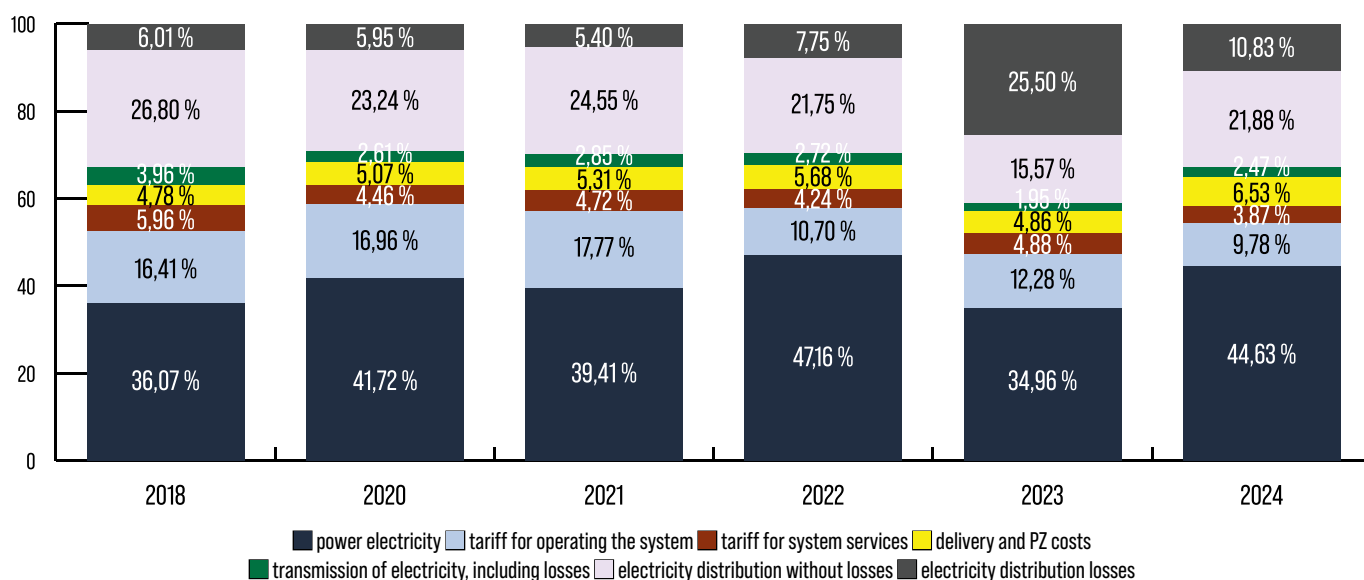


Share of suppliers in household electricity supply



Electricity supply for households

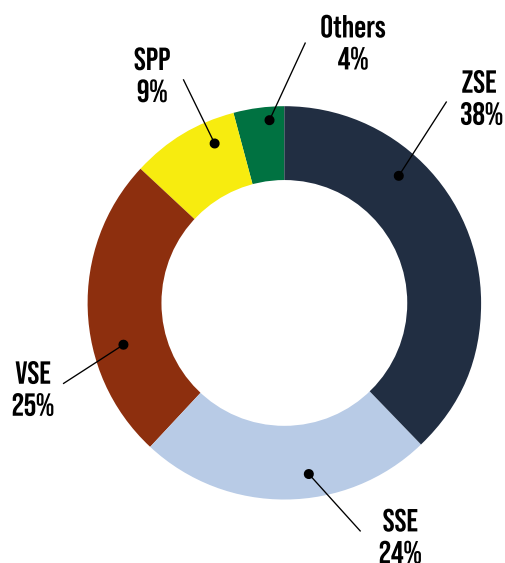
Comparison of the structure of the average final electricity price for households



Supply of electricity to non-household electricity customers with a total annual electricity consumption for the previous year of 30,000 kWh or less

Electricity supply to non-household electricity consumers with a total annual electricity consumption for the previous year of 30,000 kWh or less was divided into 11 tariffs and supplied by 14 suppliers with nationwide coverage.

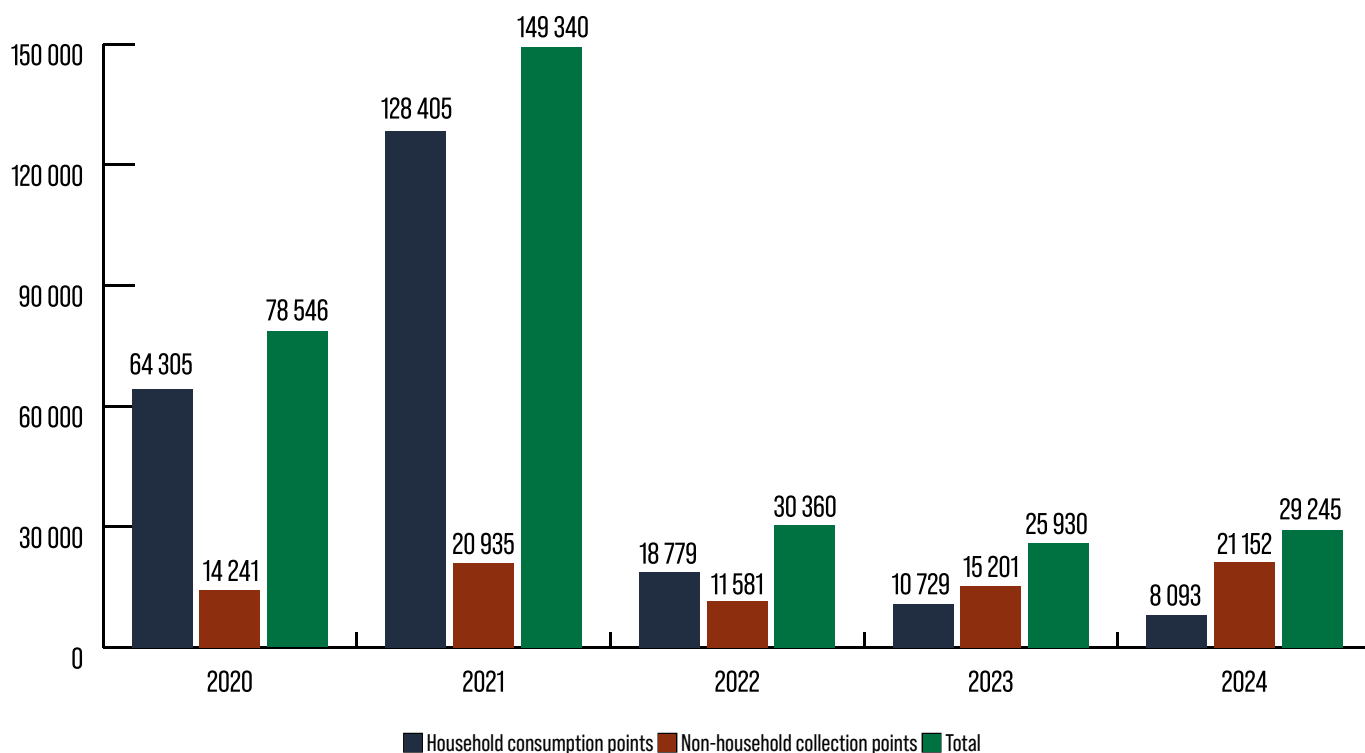
Share of suppliers in the supply of electricity to non-household electricity customers with a total annual electricity consumption for the previous year of 30 000 kWh or less



Electricity supplier change

A percentage coefficient is used to assess the level of liberalisation of the electricity market, switching, which expresses the ratio of the number of points of consumption with a change of electricity supplier to the total number of points of consumption in the year under review.

Switching



Delivery of last resort

On the basis of the Office's decision, ZSE Energia, a.s., Východoslovenská energetika, a.s. and Stredoslovenská energetika, a.s. are the suppliers of last resort in the territory of the SR. In the year under review, the Office registered 50 consumption points in the regime of supply of last resort. In 2024, it recorded 1 electricity supplier that lost its eligibility to supply electricity to customers pursuant to Act No 251/2012 Coll.

Electricity production from RES and CHP

Promoting electricity generation from RES and CHP is one of the most important factors in achieving a 20% reduction in greenhouse gas emissions. This ambitious energy commitment and climate has been set as a key and quantified target by the Integrated National Energy and Climate Plan 2021-2030, which was developed under Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action and amending Regulations (EC) of the European Parliament and of the Council No 663/2009 and (EC) No 715/2009, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council.

Within the SR, the support of electricity production from RES and HECHP is governed by Act No. 309/2009 Coll.

Pricing decisions and certificates of origin for electricity

The Office issued a total of 288 pricing decisions mainly for the following reasons:

- change in the correction for primary fuel (Pzn) burned in RES and CHP installations,
- change of ownership of RES and CHP installations,
- completed renovations of CHP production facilities.

At the same time, it issued 40 cancellation decisions due to the cessation of activities or change of ownership of RES and CHP installations.

Table overview of issued price decisions RES and CHP

Decisions issued for RES installations	125
Decisions issued for CHP installations	163
Price decisions annulled	40
Total	328

In 2024, the Office issued 259 certificates of origin for electricity from renewable sources:

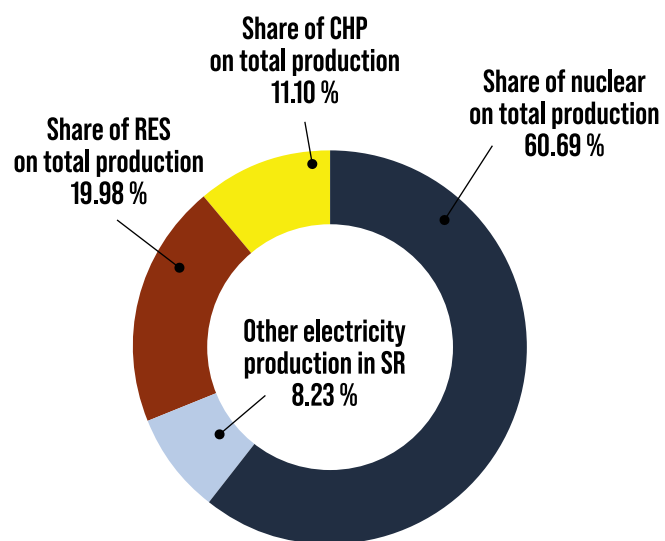
- 118 certificates of origin of electricity from RES for installations that used biogas or biomass combustion technology to generate electricity,
- 111 certificates of origin for electricity generated by HECHP, the vast majority of which were for facilities with technology using natural gas as a fuel source,
- 30 certificates of origin due to a change in the operator of the facility, termination of support, or the need to renew the certificate.

At the same time, the Office cancelled 25 certificates of origin for RES-produced electricity.

Clearing agent and purchaser of electricity produced from RES and CHP

OKTE, a.s., on the basis of Act No. 309/2009Z. z., performed also in 2024 the activity of the clearing house for the support of electricity produced from RES and CHP. In cooperation with the obligatory buyer, in 2024 they also ensured the smooth operation and administration of the support by surcharge and extra prices for all producers with the right to the support by purchase and assumption of responsibility for deviation. The activity of the purchaser of electricity from RES and CHP was also performed in the year under review by SPP, a. s., which was selected by the ME SR by way of direct designation No 42372/2022-4110-100249 of 03.11.2022 as the purchaser of electricity from RES and CHP for the years 2023 to 2025.

Share of electricity produced from RES and CHP in the total electricity production in the Slovak Republic



02

GAS INDUSTRY



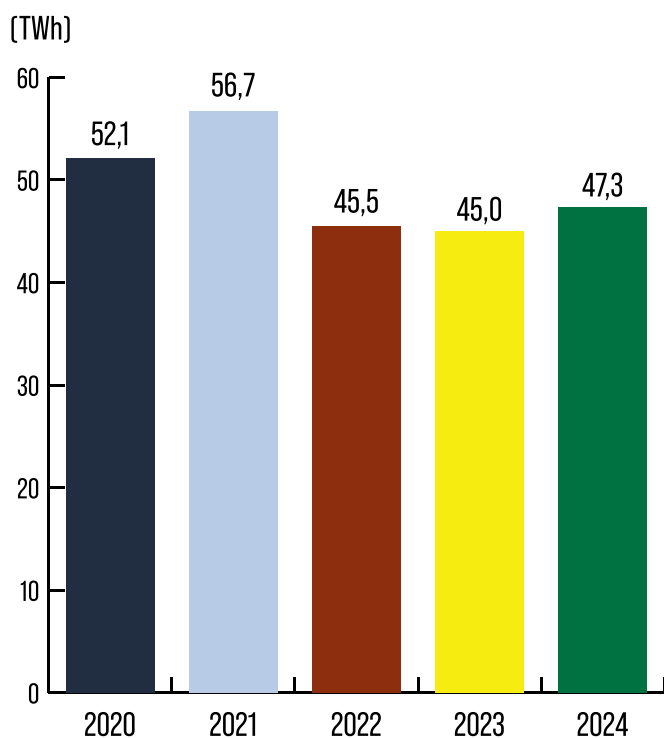
The year 2024 was the second year of the 6th regulatory period and the regulatory frameworks for the next regulatory period had to be amended in the gas sector, in particular in the area of price regulation. The Office carries out price and material regulation in the gas sector for regulated activities related to the use of gas infrastructure for network operators as well as for the supply of gas to vulnerable customers, which are specified in Act No 250/2012 Coll. as well as in Act No 251/2012 Coll. The Office has drawn up the Office Decree No 147/2024 Coll. (147/2024 Coll.) and also prepared an amendment to this decree with effect from 01.01.2025. The amendment was mainly related to the change of the scope of price regulation in the gas sector, which resulted from the amendment of Act No. 250/2012 Z. z. and Act No. 251/2012 Coll., by specifying the manner of price regulation of access to storage and storage of gas and the details of the calculation of the price for access to storage and storage of gas, the submission of the price proposal and the documents for the price proposal for access to storage and storage of gas. Another objective of the Decree was to add details on determining the price for trader services for the supply of gas to the final consumer of gas for heat production and supply. In 2024, the Office also processed two amendments to Decree No 208/2023 Coll. laying down the rules for the functioning of the internal gas market, the content of the network operator and storage operator operating rules and the scope of the commercial terms and conditions that are part of the network operator's operating rules.

Gas market participants

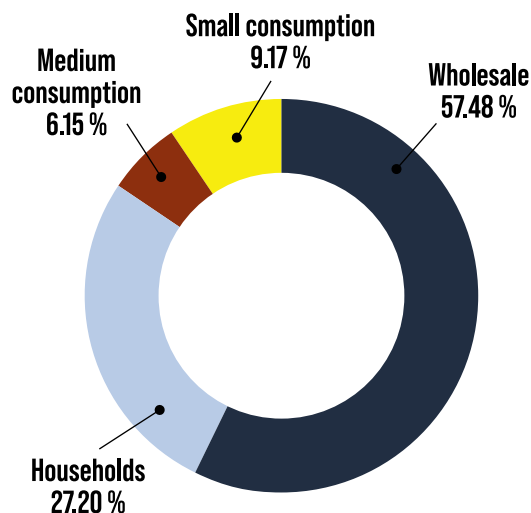
- transmission network operator (eustream, a. s.),
- distribution network operator in the defined territory of the SR (SPP - distribúcia, a. s.),
- 38 distribution network operators with fewer than 100 000 end-users connected to them, the so-called local distribution networks or LDNs,
- storage tank operators (NAFTA a. s., POZAGAZ a. s.),
- 23 active gas suppliers,
- gas customers with gas supply prices not subject to price regulation by the Office and vulnerable gas customers pursuant to Act No 250/2012 Coll.

The total gas consumption in the SR in 2024 was at the level of 47.3 TWh, which is an increase compared to 2023. In relation to the share of individual groups of consumers in the higher gas consumption, the largest share in the year-on-year increase in consumption is accounted for by large gas consumers with an increase in gas consumption by more than 10%, while a decrease in gas consumption by households was recorded by about 4%.

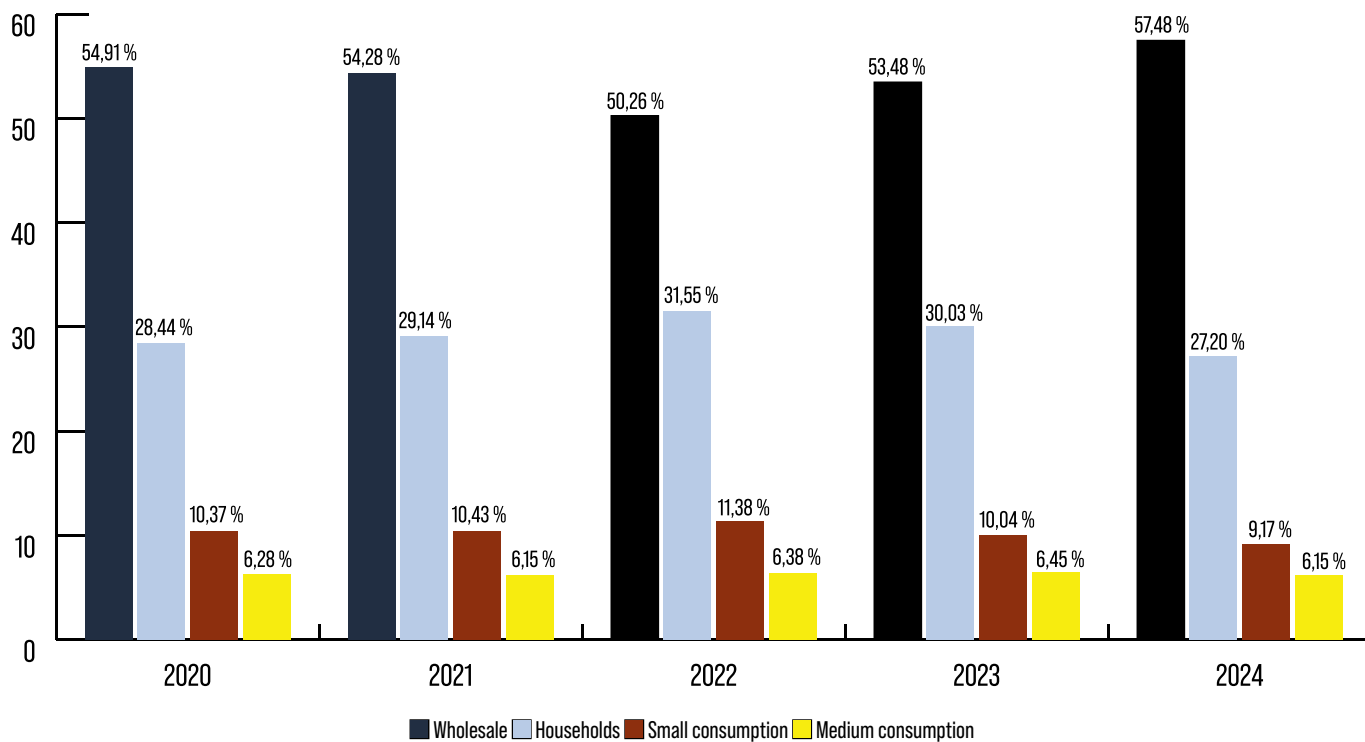
Development of gas consumption in the Slovak Republic



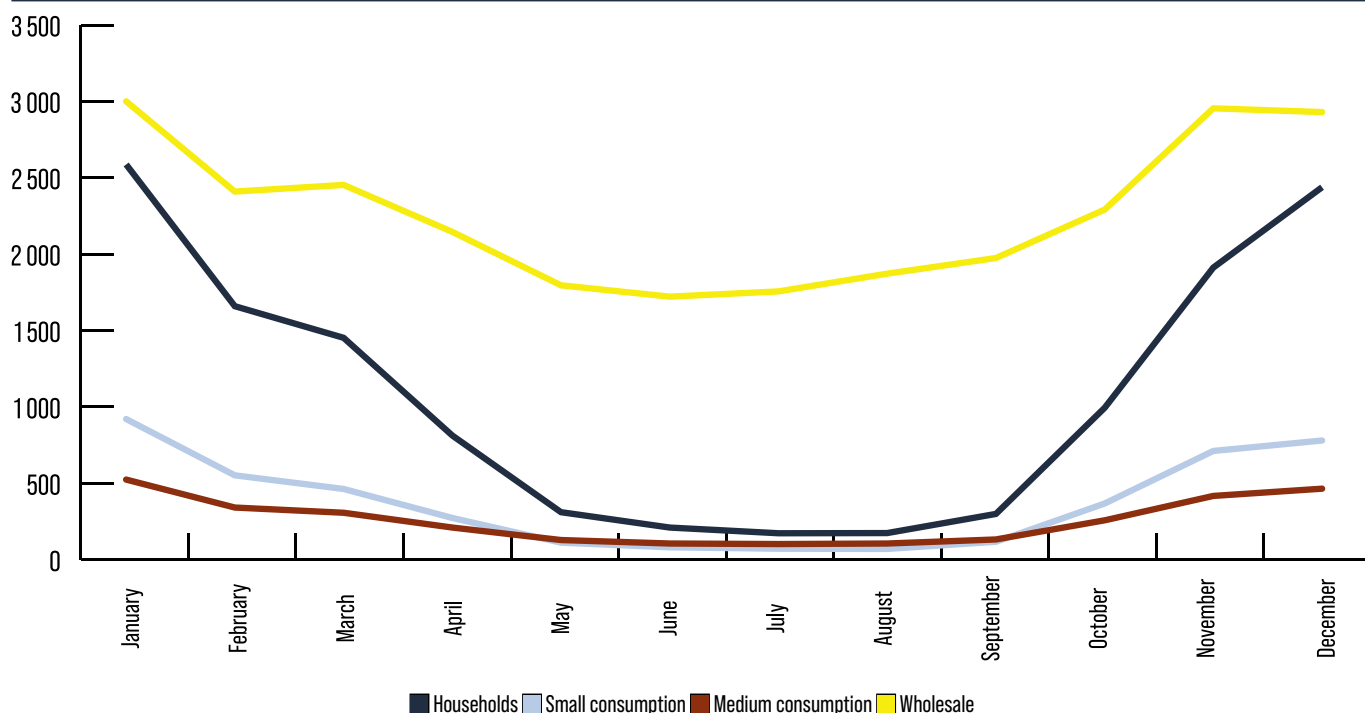
Gas consumption by customer category



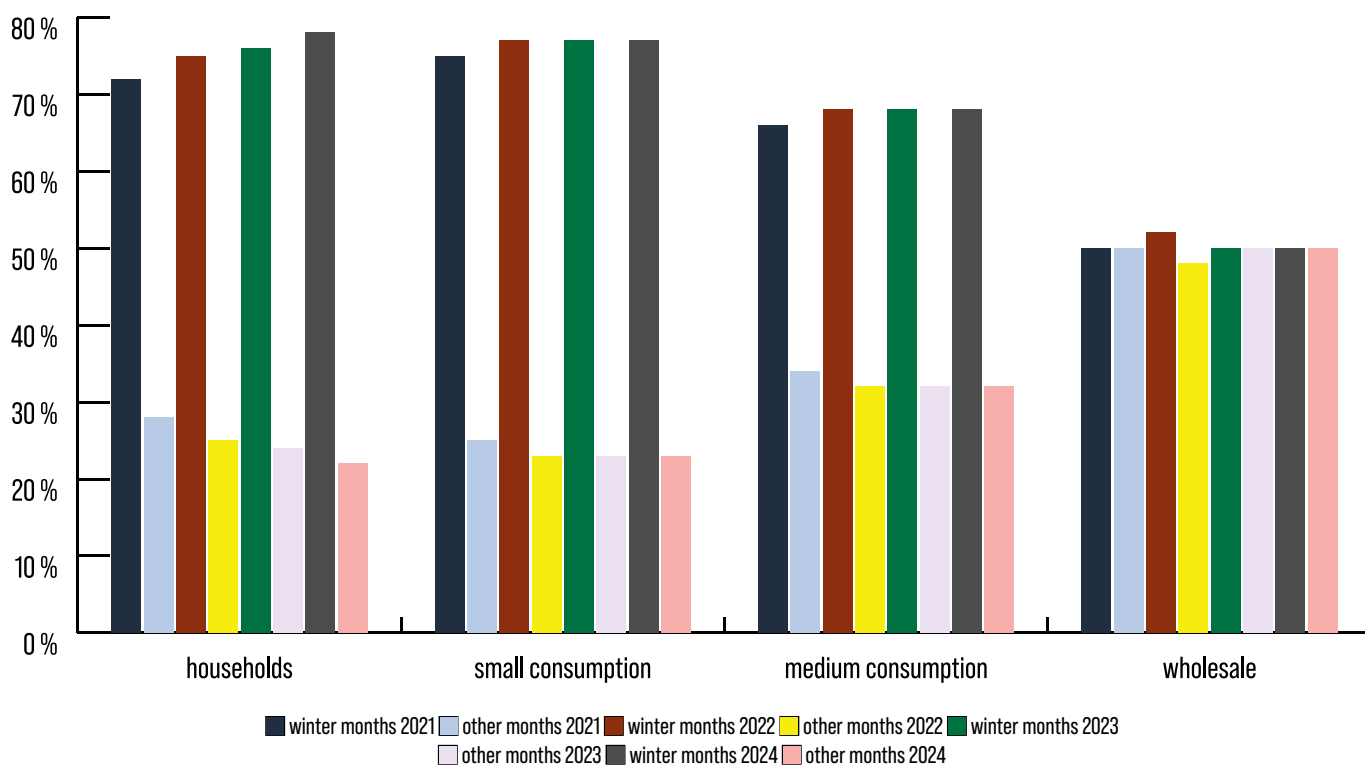
Gas consumption by customer category



Gas consumption chart in 2024 according to individual consumer groups (GWh)



Share of gas consumed according to seasons broken down to gas consumption categories in 2021 to 2024



Overview of pricing decisions for 2020 to 2024

Decisions regarding gas price regulation		2020	2021	2022	2023	Issued in 2024 for 2024	Issued in 2024 for 2025
from that	Gas supply for vulnerable customers - suppliers with nationwide coverage	2	1	12	15		13
	Gas supply for vulnerable customers - suppliers with nationwide coverage - change of decision	21	16	7		12	
	Last resort delivery			1			
	Last resort delivery - change of decision		1				
	Gas supply for vulnerable customers - LDS			15	18		13
	Gas supply for vulnerable customers - LDS - change of decision	19	16	1		1	
	Access to the distribution network and gas distribution (LDS - § 11 (6))		4		24	2	
	Access to the distribution network and gas distribution (LDS - § 11 paragraph 6) - change of decision	4	19				1
	Access to the distribution network and gas distribution (LDS - § 11 (7))				1		
	Access to the distribution network and gas distribution (LDS - § 11 paragraph 7) - change of decision	1	1				
	Access to the distribution network and gas distribution (LDS - § 11 (8))		1		13		
	Access to the distribution network and gas distribution (LDS - § 11 paragraph 8) - change of decision	9	1	11		12	
	Access to the distribution network and gas distribution (LDS - Section 12, Paragraph 1)	1	1		25		
	Access to the distribution network and gas distribution (LDS - § 12 paragraph 1) - change of decision	2	17				1
	Connection to the distribution network (LDS)			1	5	1	
	Connection to the distribution network (LDS) - change of decision		10				
	Access to the distribution network and gas distribution (SPP-D)			1			
	Access to the distribution network and gas distribution - change of decision (SPP-D)	1	1		1		1
	Connection to the distribution network (SPP-D)				1		
	Purchase of gas equipment				1		
	Purchase of gas equipment - change of decision		1				
	Access to the transmission network and gas transport				1		
	Access to the transmission network and gas transmission - change of decision	1	3				2
	Provision of services related to the operation of the renewable gases registry				1		
Total		61	93	49	106	59	
Price proceedings stopped			3	1	28	3	
Interrupted price proceedings		1	3	93	6		
Cancellation of decision		3	2	3	2	4	

Overview of substantive regulatory decisions in the gas sector

Operating rules for the transmission system operator, the distribution system operator and the storage system operator

In 2024, the Office decided to approve changes to four operating regulations for gas network operators, namely:

- for storage tank operator,
- for distribution network operator which performs the tasks of gas dispatching in the defined territory; and
- two changes for the transmission system operator.

In the process of approval of operating rules, gas network operators followed the procedure under Section 19a of Act No 251/2012 Coll., where they were obliged to publicly consult the draft changes to the operating rules with existing and potential users of the network or market participants for at least 10 working days (hereinafter only as the „public consultation“).

Affected market participants were thus able to participate in a public consultation on the proposed change to the operating rules through forms published on the website of the gas network operators. Following the public consultation, the Office received two submissions from relevant gas market participants in 2024 on the proposed draft operating rules.

During 2024, the Office discontinued one proceeding regarding the approval of a change to the operating rules for the transmission system operator. Furthermore, in 2024, three LDN operators adopted in full the updated model operating rules of the distribution network operator to which less than 100,000 gas end-users are connected, which were issued or re-updated by the Office and published on its website pursuant to Act No. 251/2012 Coll. Of these, at the same time, one LDN operator has also requested the Office to revoke the decision in question approving its operating rules and two LDN operators have notified the Office that they are re-adopting the updated model operating rules in their entirety.

Following the change in the primary energy legislation, decisions on the approval of commercial terms and conditions for gas suppliers providing universal service are no longer subject to substantive regulation. The Office has published on its website the model terms and conditions for the provision of universal service for gas supply pursuant to Act No 251/2012 Coll. The gas supplier

must apply in the gas pooling contract concluded with the household gas customer the terms and conditions for the provision of universal service, which must meet the requirements of the provisions of the relevant legislation and must be consistent in content with the model terms and conditions for the provision of universal service developed by the Office. The commercial terms and conditions shall be published by the gas supplier and shall be amended by the gas supplier at the request of the Office within the time limit provided for by law.

Decisions under EC Regulations

In 2024, the Office approved by Decision No 0002/2024/P-EU of 27.03.2024 pursuant to Commission Regulation (EU) No 312/2014 of 26.03.2014 establishing a network code for balancing gas in transmission networks the Seventh Updated Report on the application of interim measures for the transmission system operator eustream, a. s.

Implementation of Regulation (EU) 2017/1938 of the European Parliament and of the Council

Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 on measures to safeguard security of gas supply and repealing Regulation (EU) No 994/2010 was adopted as a legislative measure to ensure the security and continuity of gas supply to all Member States. The Regulation establishes a solidarity mechanism between Member States to be applied in the event of an extreme gas crisis. EU Member States are therefore required to put in place the necessary bilateral technical, legal and financial arrangements to make the provision of gas in solidarity possible in practice, i.e. to put in place the necessary measures to ensure that gas supplies to customers other than those protected by solidarity in the territory of the supplying Member State are reduced or not continued, to the extent and for as long as necessary, until supplies to customers protected by solidarity in the requesting Member State can be secured. The objective of solidarity shall be to ensure continuity of gas supply to selected groups of customers in the requesting Member State through gas supplies from the supplying Member State, even at the expense of supplies to all groups of customers in the supplying Member State. The requesting Member State shall subsequently ensure that the relevant volume of gas is effectively supplied to the customers protected by solidarity in its territory. The EU legislation does not further specify the mechanism by which the amount of adequate compensation should be determined and who should be actively entitled to ob-

tain adequate compensation at national level, and it is left to the Member States to regulate their national solidarity measures. The Regulation has also been implemented in national energy legislation. In the legal environment of the SR, the Office is empowered by law to determine the amount of adequate compensation and the Ministry of Economy is empowered to issue a general binding legal regulation laying down the details of the procedure to be followed by gas market participants in granting and accepting solidarity in gas supply. The Office has been actively involved in the preparation of secondary legislation on this issue as well as in the preparation of a general binding legal regulation laying down the procedure for determining appropriate compensation for the provision of solidarity in gas supply or measures related to its provision in the event of involuntary gas release.

Gas infrastructure

Price regulation in the field of gas infrastructure use in 2024 was subject to prices for:

- access to the transmission network and gas transport,
- access to the distribution network and gas distribution,
- network connections for gas producers or new gas customers.

Substantive regulation in the field of network use is mainly carried out in the approval of operating rules for network operators, including storage facilities, in terms of setting the rules for network operators in the operation of networks in relation to network users.

In 2024, the Office also considered the technical conditions of the gas network operators, of which one proposal was from a storage operator and the other was from an LDN operator. The gas network operators and the Office are required to conduct public consultations on the gas network operator draft technical specifications on their websites. Following the public consultation, the Office did not receive a single submission from a relevant gas market participant in 2024 on the submitted draft technical conditions of the gas network operators.

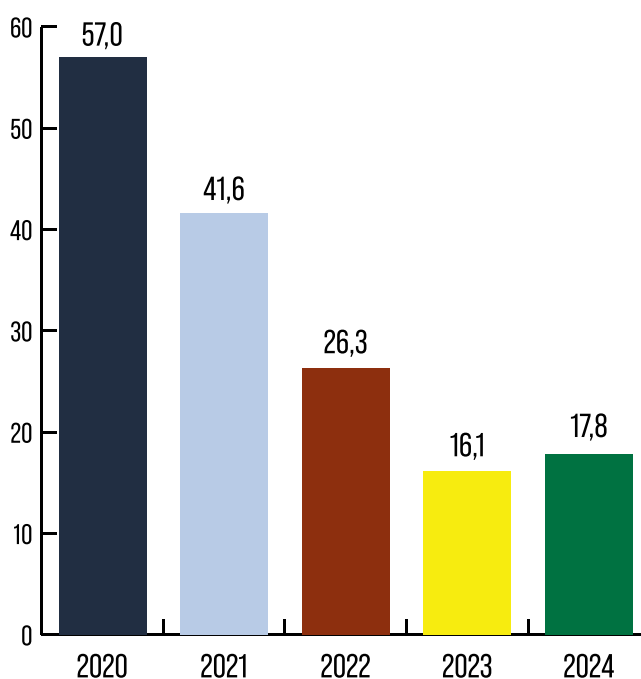
Decree No 147/2024 Coll., drawn up in accordance with the regulatory policy for the period of years 2023 - 2027 constituted the regulatory framework for price regulation in 2024 in the following scope:

- connection to the transmission network,
- connection to the distribution network,
- connecting new gas producers to the network,
- providing support services,
- access to the transmission network and transport of gas,
- access to the distribution network and gas distribution,
- purchase of gas equipment.

Transport network

The transport network in the SR, although one of the main corridors allowing gas to enter the EU, has been underutilised in recent years to the extent of its technical capacity. Gas consumption in Slovakia in the year under review was at 25% of the total volume of gas transported in 2024. The utilisation of the transmission network in terms of gas transported to the annual capacity of the entire transmission system is at around 20%.

Gas transport volume in bln. m³



The annual maximum technical capacity of the transmission network can reach up to 90 billion m³ of transported natural gas. The volume of transported gas has been continuously decreasing in 2020 and 2023, but a slight increase was recorded in 2024, where the transmission network operator eustream, a.s. transported 17.8 bcm of gas, which represents an increase in the volume of transported gas compared to 2023 of less than 11.0%. The recorded significant decrease in gas transport through the SR between 2020 and 2023 was mainly due to changes in the transport routes for Russian gas supplies to Europe as a result of the military conflict in Ukraine. The decrease in volumes of gas transported through the SR is also a consequence of the decisions of European institutions to restrict Russian gas supplies, a greater focus on LNG, but also a general decrease in gas consumption in individual European countries.

The operator and owner of the transmission network is eustream, a. s. The interconnection of the Slovak transmission network with the transmission routes in Ukraine (entry/exit point Veľké Kapušany and Budince), the Czech Republic (entry/exit point Lanžhot), Austria (entry/exit point Baumgarten), Hungary (entry/exit point Veľké Zlievce) and Poland (entry/exit point Výrava) is ensured via border interconnection points, which are now complete north-south and east-west interconnections. The technical capacity of at the exit points from Ukraine and Poland is almost 201 million m³ per day, which amounts to approximately 73.4 billion m³ of natural gas per year. The aggregated daily capacity of all entry points of the transmission network is 366 million m³ of natural gas. All existing interconnections between EU Member States allow physical gas flows in both directions, including the Budince entry/exit point. The entry/exit point from/to distribution networks and storage facilities in the territory of the Slovak Republic is the so-called „Home Point“.

Technical functionality of the transmission network

Investments in the transmission network in 2024 amounted to EUR 3.10 million. The transmission system operator eustream, a. s. provides information on the amount of technical, spare and contracted capacities at individual entry/exit points as well as information on daily gas flows by individual entry and exit points of the transmission network on its website in accordance with secondary legislation developed by the Office (Decree No 208/2023 Coll.).

Transmission network - evolution of the number of requests for access to the transmission network and concluded gas transport contracts

Indicator/year	2020	2021	2022	2023	2024
Number of requests for access to the transmission network	1 294	844	5 001	3 771	3 206
Number of requests for connection to the transmission network	0	0	1	0	0
Number of concluded contracts for connection to the transmission network	0	0	0	0	0
Number of concluded contracts for the transportation of natural gas with firm transportation capacity	1 150	842	4 782	3 262	3 144
Of which: long-term	0	1	0	0	1
annual	29	9	16	19	26
short-term, of which:	1 121	832	4 766	3 243	3 117
quarterly	28	19	23	37	30
monthly	98	42	116	162	188
daily	874	507	3 763	2 552	2 364
intraday	121	264	864	492	535
Number of concluded contracts for the transmission of natural gas with interruptible transmission capacity	128	2	216	508	61
Of which: long-term	0				
annual	0				
short-term, of which:	128	2	216	508	61
quarterly	16				
monthly	51			5	31
daily	51	2	189	450	27
intraday	10		27	53	3
Number of concluded contracts for the transportation of natural gas with combined transportation capacity	16		3	1	1
Of which: long-term					
annual	4				
short-term, of which:	12		3		
quarterly	7				
monthly	3				
daily	2		2	1	1
intraday	0		1		
Number of transmission network users	31	22	48	50	44

Share of individual network users in terms of country of origin in the volume of gas transported

Transmission network users on the domestic market (transportation to the domestic)	2020 [%]	2021 [%]	2022 [%]	2023 [%]	2024 [%]
Slovakia	8.40	9.10	11.20	22.20	25.70
Transiting users of the transport network					
Mask	71.30	86.90	77.40	57.60	53.90
Germany	1.70	0.00	0.30	1.00	4.00
Czechia	1.80	0.70	1.90	2.10	3.90
Hungary	2.40	0.00	1.00	0.00	0.00
Switzerland	5.10	0.60	3.10	10.90	9.30
Great Britain	4.50	2.70	2.90	3.10	0.40
Austria	0.40	0.00	0.50	0.70	0.00
Denmark	0.00	0.00	0.50	0.00	0.20
France	0.60	0.00	0.00	0.30	0.00
Luxembourg	1.10	0.00	0.10	0.00	0.00
Ukraine	0.00	0.00	0.00	0.00	0.00
Poland	0.00	0.00	0.10	0.70	0.00
Romania	0.50	0.00	0.00	0.00	0.00
Netherlands	2.20	0.00	0.20	1.10	0.00
Croatia	0.00	0.00	0.80	0.00	0.00
Bulgaria	0.00	0.00	0.00	0.30	2.60
Total	100.00	100.00	100.00	100.00	100.00

Ten-year transmission network development plan and cross-border cooperation

Regular submission of the Ten-Year Transmission Network Development Plan is one of the basic obligations of the transmission system operator, as the technical functionality and reliability of the transmission network with its subsequent development is also the responsibility of the transmission system operator. The Office shall monitor and evaluate the implementation of the ten-year network development plan. Also in 2024, the transmission system operator submitted to the Office for consideration the draft Ten-Year Transmission Network Development Plan for the period 2024-2033 in the SR together with the Report on the implementation of the Ten-Year Plan for the period 2023-2032, including a breakdown of the in-

vestments made and planned for the projects in question, monitored by the Office annually.

The Ten-Year Plan includes a description of the network, a scenario of the development of gas consumption in the SR, as well as description of effective measures to guarantee network adequacy gas supply security. The Ten-Year Plan also identifies the main parts of the transmission network to be built or upgraded in the next ten years, together with the expected dates for their implementation. The ten-year plan is necessary to identify the need for new infrastructure projects to ensure a primary level of security of gas supply for the SR and the whole European region and includes, inter alia, the development of cross-border interconnections. The Ten-Year Plan of the transmission system operator eustream, a.s. must be in line with the Ten-Year Plan for the Development of the EU Gas Transmission Network, which includes, inter alia, the so-called EU Projects of Common Interest (PCIs). Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing the European Union Agency for the Cooperation of Energy Regulators imposes an obligation on the Office, in cooperation with ACER, to monitor, assess and evaluate the state of compliance of investment plans for cross-border infrastructure development projects with the EU-wide network development plans.

Before submitting it to the Office, the transmission system operator shall consult the Ten-Year Network Development Plan with all interested parties on its website. The Office shall subsequently consult the Ten-Year Network Development Plan with existing and potential users of the network and give them the opportunity to submit reasoned comments on it within a reasonable period of time. The Office has published on its website information on the results of the consultation that it has not received any comments on the Ten-Year Plan from interested parties as part of the consultation process. In 2024, the Office also published on its website an evaluation of the implementation of the Ten-Year Transmission Network Development Plan of eustream, Inc. for the period 2023-2032.

Investments into the transmission network shall be related to the construction of new capacity or the upgrading of the transmission network, taking into account the future supply and demand situation for transmission network capacity, the results of market surveys carried out to assess market demand for cross-border transmission network capacity, as well as the available forecasts of the development of production, supply, storage and consumption of natural gas in the Slovak Republic.

The transmission system operator shall also take into account cross-border flows with other countries, the network development plan for the whole European Union or regional investment plans and investment plans for gas storage and liquefaction facilities, taking into account the current market situation on the energy market.

Major projects from the transmission system operator ten-year network development plan for the period 2024-2033

Development projects - Capacity development and transmission network modernisation:

- Increase of the fixed transmission capacity at the interconnection point Velké Zlievece,
- Solidarity Ring,
- Increase in natural gas reverse flow in the direction of Ukraine,
- Eastring pipeline,
- Installation of photovoltaics at the Velké Kapušany compressor station,
- Increase of the fixed transmission capacity at the interconnection point Výrava,
- Slovak Hydrogen Backbone.

Interconnections of the transmission network with distribution networks and storage facilities

In addition to the international transport of natural gas, an important task of the transmission network is also to ensure the transport of natural gas to distribution networks and to/from storage facilities in the Slovak Republic. The transmission network and the interconnected distribution networks and storage facilities are interconnected through a system of national transfer stations (STS), which serve as physical entry and exit points to/from the transmission network. The distribution networks and storage tanks are connected to the transmission network via the following physical points: STS Ruská, STS Rimavská Sobota, STS Starý Hrádok, STS Ivanka pri Nitre, STS Plavecký Peter, STS Špačince, STS Mikušovce, STS Ardovo, STS Gajary, STS Central Area Nafta, STS Kittsee.

At all the above mentioned points the measurement of quantity and determination of the quality of the transferred or received gas is ensured.

Distribution network

Compared to other European countries, SR has the second largest gas network coverage. Natural gas as a fuel has an irreplaceable role in heating for households or industry.

In 2024, the distribution network operator SPP - distribúcia, a.s., which operates in the defined territory of the SR, provided gas distribution to more than 1.5 million points of consumption. The total length of the gas pipeline structure of the SPP - distribúcia network, a.s. as of 31 December 2024 was 34,885 km, of which the length of high-pressure gas pipelines was 6,291 km and the length of medium- and low-pressure gas pipelines was 28,594 km.

Distribution network development plan

In 2024, the Office continued to assess the obligation of distribution network operators. Under Section 64(7)(f) of Act No 251/2012 Coll., the distribution network operator is obliged to submit a distribution network development plan for a period of five years, including a report on the implementation of the distribution network development plan.

Development of investments in the renewal and reconstruction of the distribution network SPP - distribúcia, a. s.

Volume in million €	2020	2021	2022	2023	2024
	34.87	34.44	34.13	41.37	47.58

Balancing the distribution network

Ensuring safe and reliable gas distribution requires distribution network operators to carry out both physical and commercial balancing when there is a shortage or surplus of gas in the distribution network.

The distribution network operator SPP - distribúcia, a. s., which performs the tasks of gas dispatching based on decision of ME SR, has gas stored for these purposes in the underground storage tank Dolní Bojanovice, located in the territory of the Czech Republic.

Network balancing (mcm/d) - extraction or injection of gas into underground storage

	2020	2021	2022	2023	2024
gas shortage - extraction	1.6	1.5	1.3	1.6	1.4
excess gas - injection	1.9	1.2	1.5	1.0	1.3

Development of the number of off-take points and the quantity of distributed gas SPP - distribúcia, a. s.

	2020	2021	2022	2023	2024
Number of off-take points	1 526 582	1 529 429	1 528 834	1 523 009	1 518 622
Amount of gas distributed in m³	5 003 958 741	5 504 375 139	4 463 629 085	4 179 157 874	4 337 567 653

The total number of off-take points connected to the distribution network of SPP - distribúcia, a.s. also includes CNG filling stations, of which there are 19, with a volume of distributed gas in 2024 of 8,489,287 m³, which is 0.8% more than in 2023.

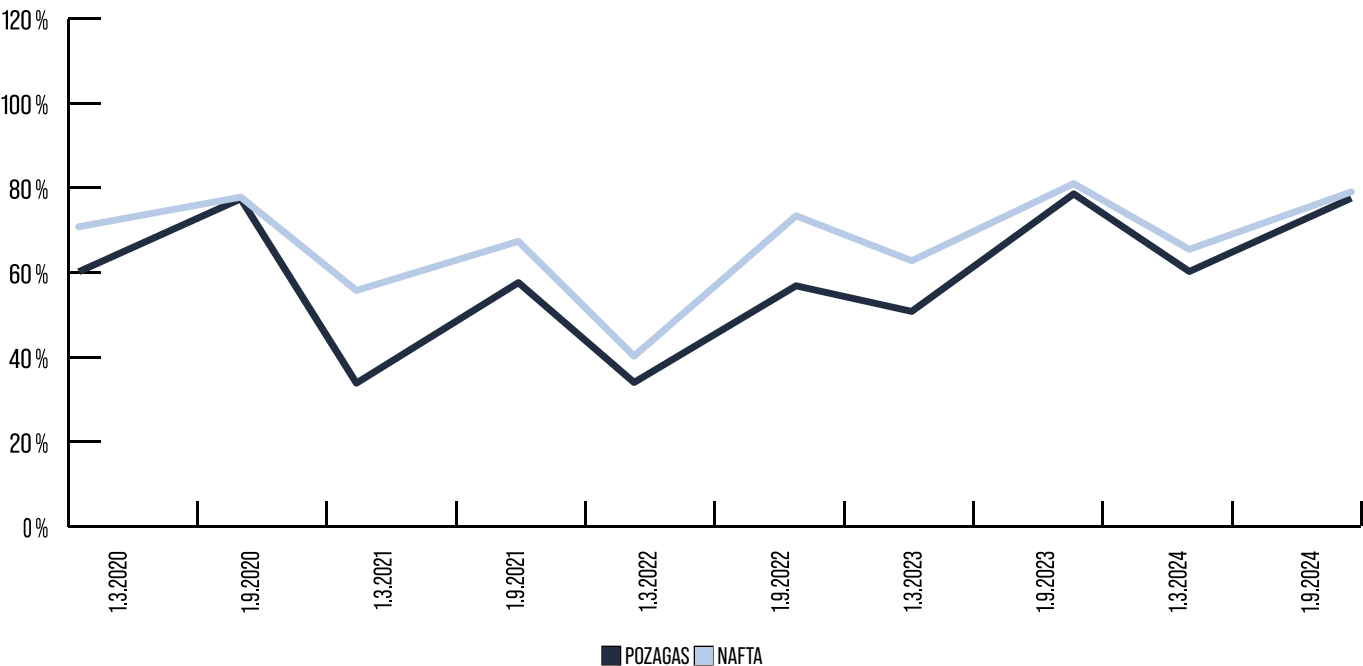
LDN operators

In the year under review, the Office registered 38 LDN operators that distributed gas in 62 local distribution networks (premises of large enterprises, industrial parks, business centres, residential complexes) with a total volume of 966,369,348 m³.

Underground gas storage operators

Gas storage access and storage was not subject to price regulation in 2024. Based on changes in primary legislation in 2024, the agreed storage access changes to regulated access from 2025. The Office has prepared secondary legislation in 2024 detailing the exercise of price regulation for storage access and gas storage. Negotiated access by gas market participants applies to storage access. Although the Office did not regulate the price of storage access and gas storage in 2024, it did develop a regulatory framework under substantive regulation. The storage operator is obliged to comply with the market rules established by the Office and also to provide data on its activities to the Office either on a regular basis or on request. The Office approves the operating rules of the storage operator as well as assesses the technical conditions for access and connection to storage. In addition, the Office monitors, within its competences, the status and changes in the status of gas stored in the gas storage facilities of both storage operators and communicates, through published links on the Office's website, information on aggregated data published on a daily basis on the websites of the storage operators.

Storage capacity status in %



Storage capacity of underground storage operators

Underground storage facility operator	Technical working volume (in MWh/year)					Technical injection performance (in MWh/day)					Technical mining performance (in MWh/day)				
	2 020	2021	2022	2023	2024	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024
NAFTA a.s.	35 600 000	31 800 000	31 900 000	29 510 000	30 034 000	338 300	338 300	338 300	338 300	338 300	418 898	418 898	418 898	418 898	418 898
POZAGAS a.s.	6 947 585	6 947 585	6 947 585	7 359 000	6 947 585	72 658	72 658	72 658	72 658	72 658	72 658	72 658	72 658	72 658	72 658
Total	42 547 585	38 747 585	38 847 585	36 869 000	36 981 585	410 958	410 958	410 958	410 958	410 958	491 556	491 556	491 556	491 556	491 556

Storage tanks in the SR are mainly used for seasonal storage of natural gas. As part of the gas infrastructure, storage tanks are an important tool that enhances the energy security of the SR.

Underground storage tanks in the SR are operated by NAFTA a.s. and POZAGAS a.s. The operators of the storage tanks invest in technology and in 2024 the investments of NAFTA a.s. were at the level of 12.1 million euros and the operator of the storage tank POZAGAS a.s. invested 1.15 million euros in 2024.

Use of storage capacity of NAFTA a. s. by users

Storage tank users (country of origin)	share
Slovakia	49.54 %
Great Britain	30.98 %
Switzerland	5.78 %
Germany	4.12 %
Czechia	3.88 %
France	3.81 %
Austria	1.89 %
Total	100.00 %

The operator of the underground storage facility, NAFTA a.s., entered into 179 contracts with storage users, including one contract with interruptible storage capacity and 178 contracts with fixed storage capacity. The number of applications received was 943, of which 659 were rejected due to the allocation of storage capacity to other interested parties.

Use of storage capacity of POZAGAS a. s. by users

Storage tank users (country of origin)	share
Switzerland	40.41 %
Switzerland	19.79 %
Germany	18.20 %
Slovakia	16.69 %
Czechia	4.24 %
Italy	0.67 %
Total	100.00 %

The underground storage operator POZAGAS a. s. received 246 requests for access to the reservoir and concluded 66 fixed storage capacity contracts and four interruptible storage capacity contracts with reservoir users. The remaining applications were rejected due to a better price offered by other bidders for gas storage and for not reaching the minimum price.

Wholesale gas market

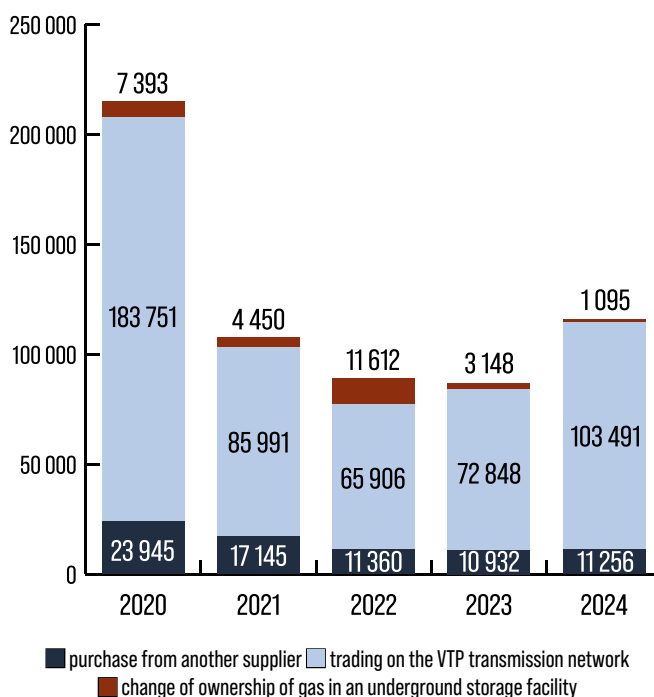
Gas purchase for supply to customers is carried out through the wholesale market. Gas suppliers purchase gas on the basis of long-term contracts as well as on commodity exchanges.

The Office monitors the wholesale gas market on a daily basis, recording data on gas prices at two trading hubs and several monthly and annual „futures“ products, i.e. gas prices with physical delivery only in the future period. The Office evaluates the development of market gas prices, makes forecasts of further developments and impacts on regulated prices.

On a regular basis, the Office publishes the evolution of market prices of gas on commodity exchanges on its website, thus providing customers with a better overview of wholesale commodity prices by listing the current prices on the markets at monthly intervals. This enables the gas consumer to navigate more easily through the gas offers by suppliers and to better assess the price offers.

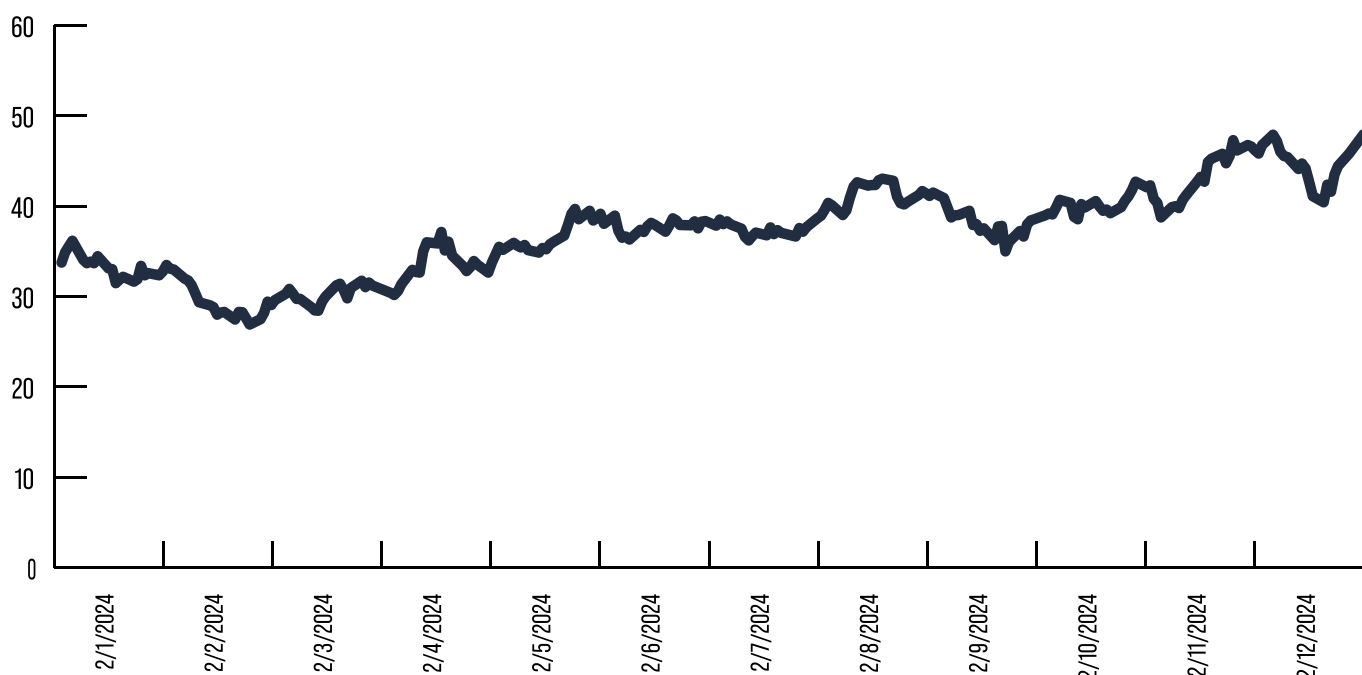
In order to ensure gas supply to the off-take points of their contracted gas customers, gas suppliers also purchased gas from traders - other gas suppliers (in 2024 in the volume of 11,256 GWh, which is about 3% more than in 2023). Another option for gas purchases is also trading on the transmission network virtual trading point (VTP) - in 2024 in a volume of 103 491 GWh, which is about 42 % more than in 2023. Gas purchases are also possible by changing ownership of stored gas in storage facilities, where gas has changed hands in a total volume of 1,095 GWh.

Development of some wholesale gas indicators (in GWh)



The evolution of gas market price, which is key for the calculation for gas supply price to vulnerable customers, has seen a decrease compared to 2023 throughout 2024. The average price of the EEX THE NATURAL GAS FUTURES Cal - 1 product has decreased by 29.5% in 2024 compared to 2023.

Product price development EEX THE NATURAL GAS FUTURES Cal - 25 for 2024; average price: 37.74 €/MWh



Retail gas market

The Office monitors the retail gas market, the degree of openness of the gas market and the level of gas market transparency, and assesses the level of competition achieved on the gas market.

Within the secondary legislation developed by the Office, it is essential to regulate the mutual relations of gas market participants and the processes related to the safe and reliable supply of gas. In accordance with Act No 250/2012 Coll. and Act No 251/2012 Coll., the Office has drafted an amendment to Decree No 208/2023 Coll. laying down the rules for the functioning of the internal gas market, the content of the network operator's operating rules and storage reservoir operator and the scope of the commercial terms and conditions that are part of the network operator operating rules (market rules). The Market Rules contain details on the rights and obligations of gas market participants and their mutual relations, regulate the conditions for the functioning of the liberalised gas market in the SR in both regulated and unregulated environments. The primary reason for the amendment of this Decree was in particular to clarify the definitions in the field of gas supply, the billing conditions, the man-

ner, scope and structure of the provision of measured and evaluated data of consumption at the gas customer point of consumption depending on the type of metering at the customer point of consumption and the structure of the metering, the storage of consumption data by network operators, as well as the procedures and measures concerning the storage of data, the form and content of the data to be stored.

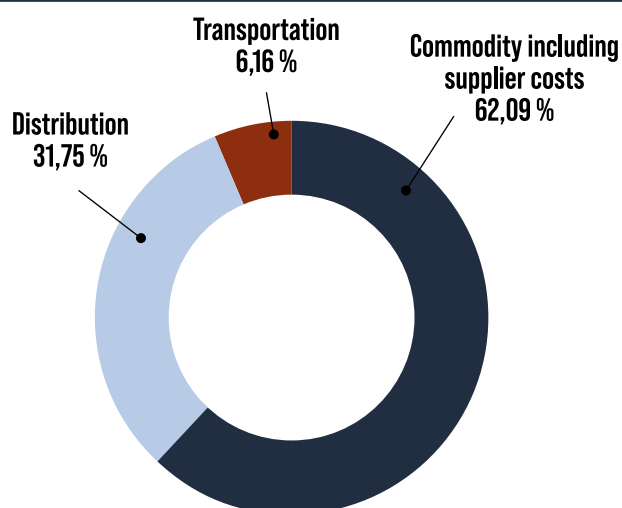
Gas supply to vulnerable customers

In 2024, the Office issued pricing decisions in the area of gas supply to vulnerable gas customers in accordance with primary energy legislation and the Decree No 147/2024 Coll., according to which the price regulation of gas supply to vulnerable gas customers for 2025 was carried out. The most important parameter entering into the price calculation was the reference price of gas on the EEX commodity exchange, namely the EEX product THE NATURAL GAS FUTURES Cal - 1, the average value of which for the established reference period substantially influences the calculation of the maximum price for gas supply.

Development of maximum prices for gas supply to households, excluding VAT, including network charges, according to the average consumption in individual tariff groups for vulnerable household gas consumers. (in 2023 and 2024, the tariffs are shown after the application of state measures of general economic interest).

Tariffs (based on annual amount of gas supplied in kWh)	Fixed monthly rate (€/month)					Rate for gas consumed (€/kWh)				
	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024
1 (up to 2,138 kWh)	2.78	2.78	2.88	3.55	3.55	0.0453	0.0436	0.0534	0.0641	0.0640
2 (over 2,138 to 18,173 kWh)	5.76	5.76	5.86	6.97	6.97	0.0333	0.0300	0.0373	0.0433	0.0427
3 (over 18,173 to 42,760 kWh)	8.64	8.64	8.74	10.29	10.29	0.0332	0.0297	0.0364	0.0422	0.0416
4 (over 42,760 to 69,485 kWh)	13.36	13.36	13.46	15.71	15.71	0.0320	0.0280	0.0346	0.0401	0.0399
5 (over 69,485 to 85,000 kWh)	42.45	42.45	42.55	49.17	49.17	0.0420	0.0387	0.0424	0.0492	0.0490
6 (over 85,000 to 100,000 kWh)	51.78	51.78	51.88	59.90	59.90	0.0419	0.0386	0.0422	0.0490	0.0488

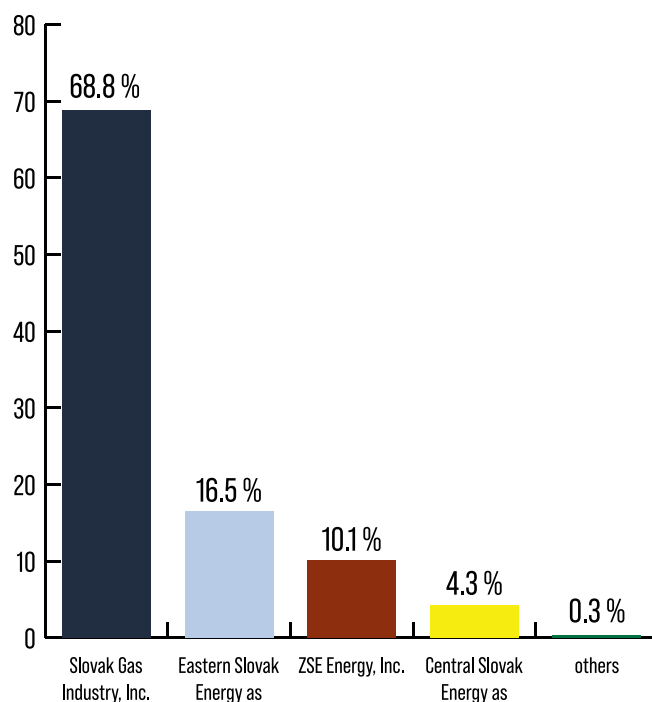
Structure of the average final price for gas supply to households



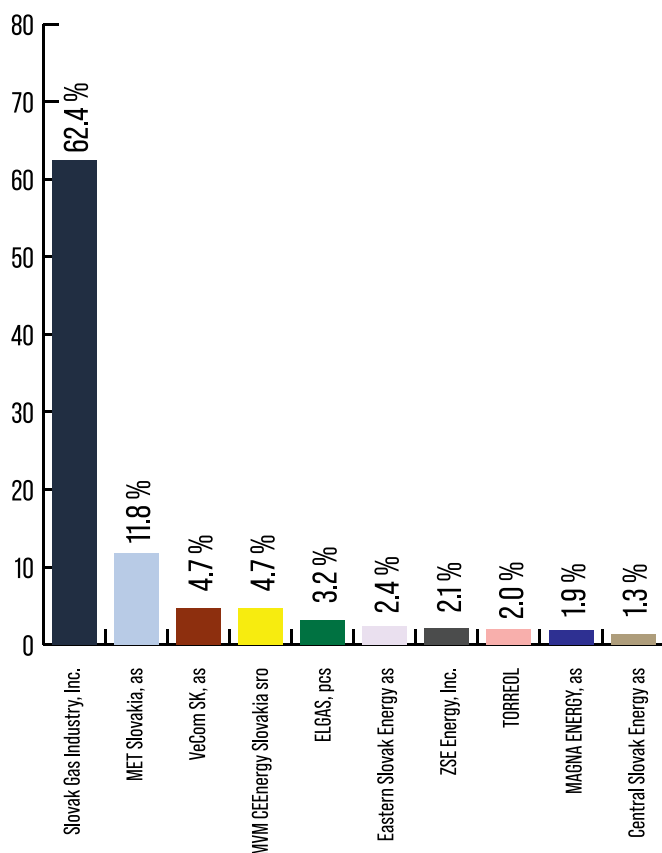
An important tool for household gas customers to help navigate when choosing their potential gas supplier is the regular publication of an updated list of universal service gas suppliers active on the gas market. The Office also offers on its website the option to compare offers from gas suppliers through a simple price calculator. The price calculator is used to calculate the cost-effectiveness of gas supply for vulnerable household customers according to their estimated annual gas consumption. The price calculator is updated by the Office according to the pricing decisions with the prices for gas supply to vulnerable gas customers for individual gas suppliers.

Market shares of gas suppliers in different segments of the gas market in Slovakia

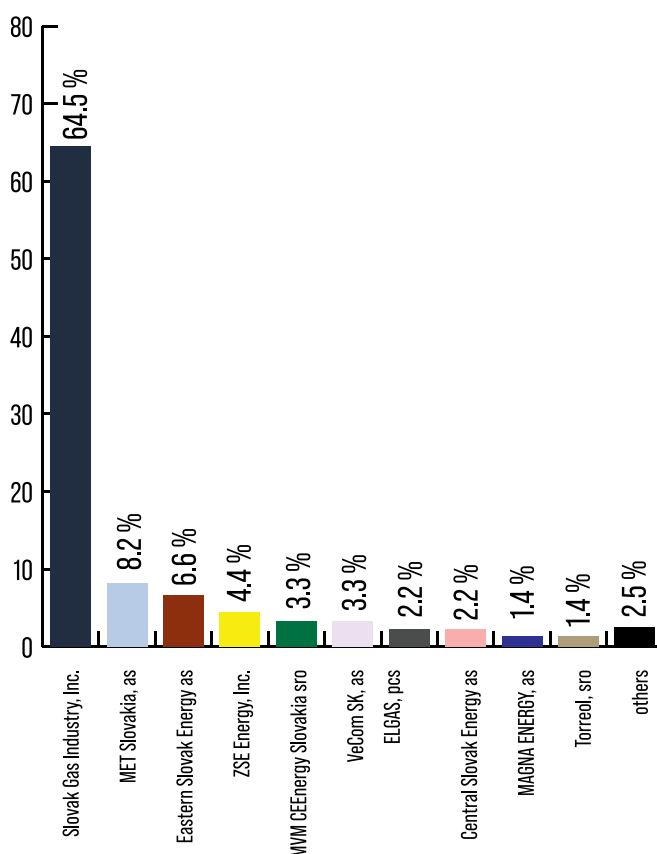
Gas suppliers and their market shares for the supply of gas to household gas customers



Suppliers of gas for supply to industrial customers excluding supply to small enterprises

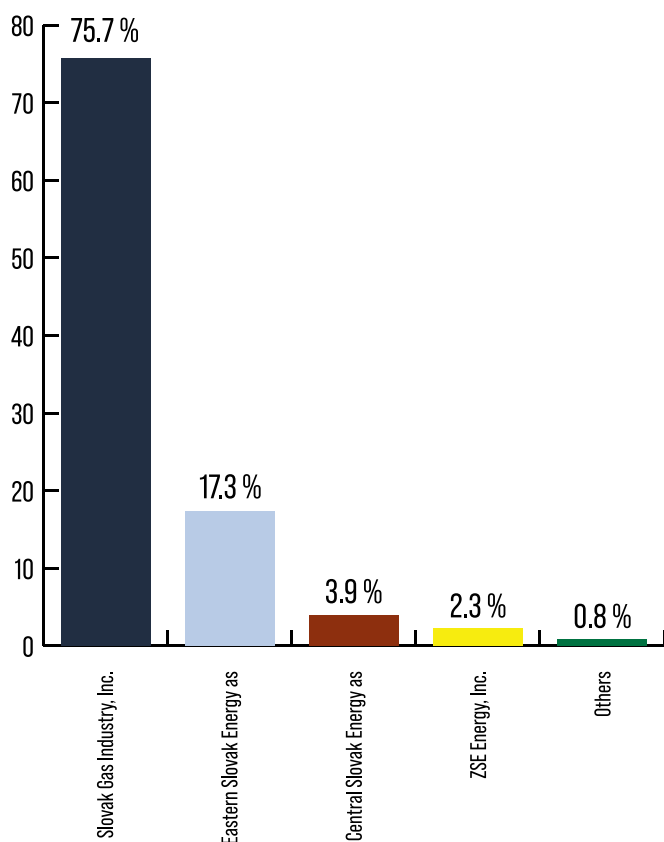


Market shares of gas suppliers in the supply of gas to all categories of customers

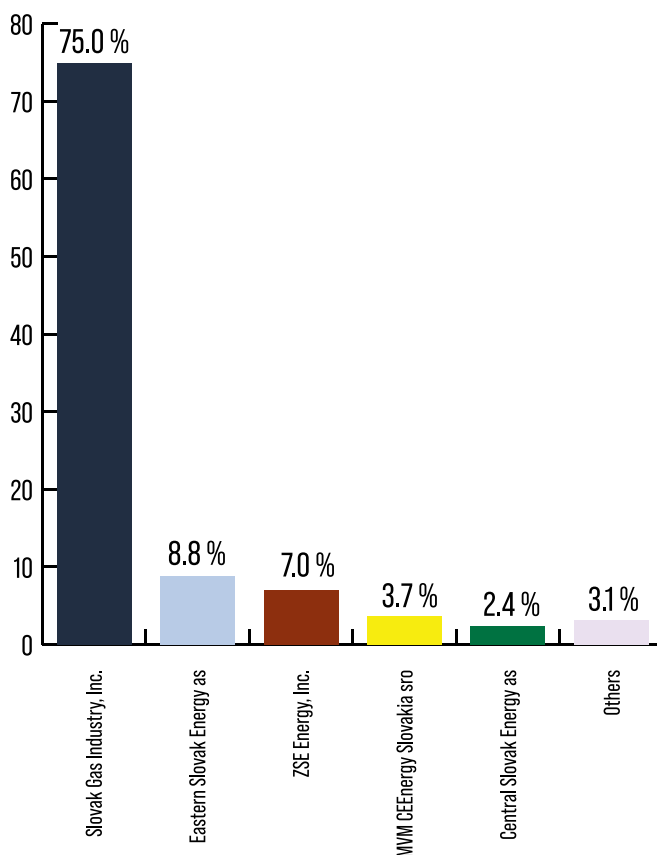


Vulnerable gas customers with regulated gas prices include, in addition to household gas customers, so-called small enterprises (non-household gas customers with an annual gas consumption of 100,000 kWh or less in the preceding year). In addition, vulnerable gas customers as defined in Section 2(2)(a) of Directive 2004/18/EC are vulnerable gas customers. 250/2012 Coll., such as social services establishments, social-legal protection of children and social welfare institutions, owners of flats and non-residential premises in an apartment building consuming gas for the production of heat and domestic hot water for households, legally represented by a natural person or a legal person administering a common heat source supplying heat and domestic hot water to a dwelling house, and also for gas consumers using gas for the operation of a dwelling house with rental flats owned by a municipality or a higher territorial unit, which are designated for social housing or for the operation of a residential building with rental flats within the framework of state-supported rental housing.

Market shares of gas suppliers in the supply of gas to so-called small businesses (non-household gas customers with gas consumption of less than 100 000 kWh in the previous year)



Market shares of gas suppliers in the supply of gas to vulnerable gas customers by Section 2(k)(6) and (7) of Act No 250/2012 Coll.



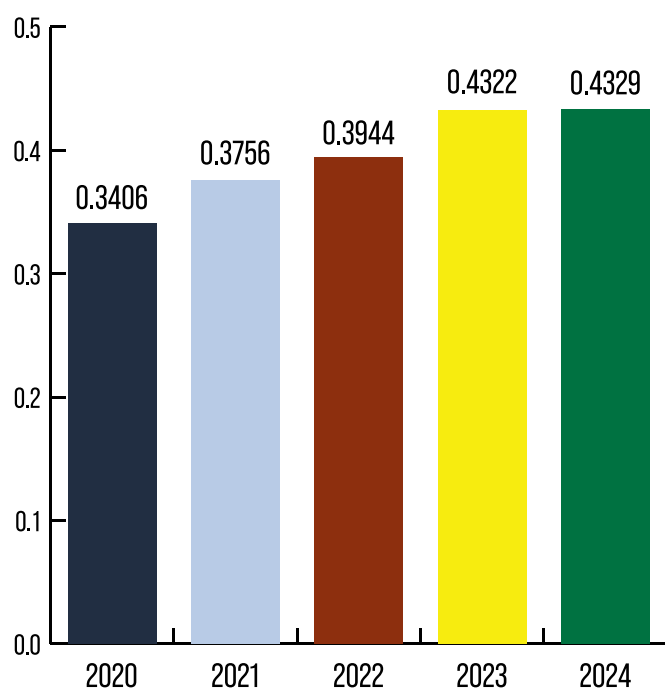
Delivery of last resort

The supplier of last resort on the gas market in the SR is Slovenský plynárenský priemysel, a. s., the gas supplier with the largest market share in all segments of the gas market. In the year under review, the Office did not register any customer of last resort.

Herfindahl - Hirschman Index (HHI)

The HHI represents the concentration of gas suppliers in a competitive environment. It assesses the position of gas suppliers operating in the gas supply market for all segments of gas customers. In principle, a market is concentrated if the HHI is more than 0.1 and highly concentrated if it exceeds 0.2. The HHI for gas supply to all gas customers reached 0.4329 in 2024, indicating a continued high level of concentration on the gas market.

Herfindahl–Hirschman Index (HHI)



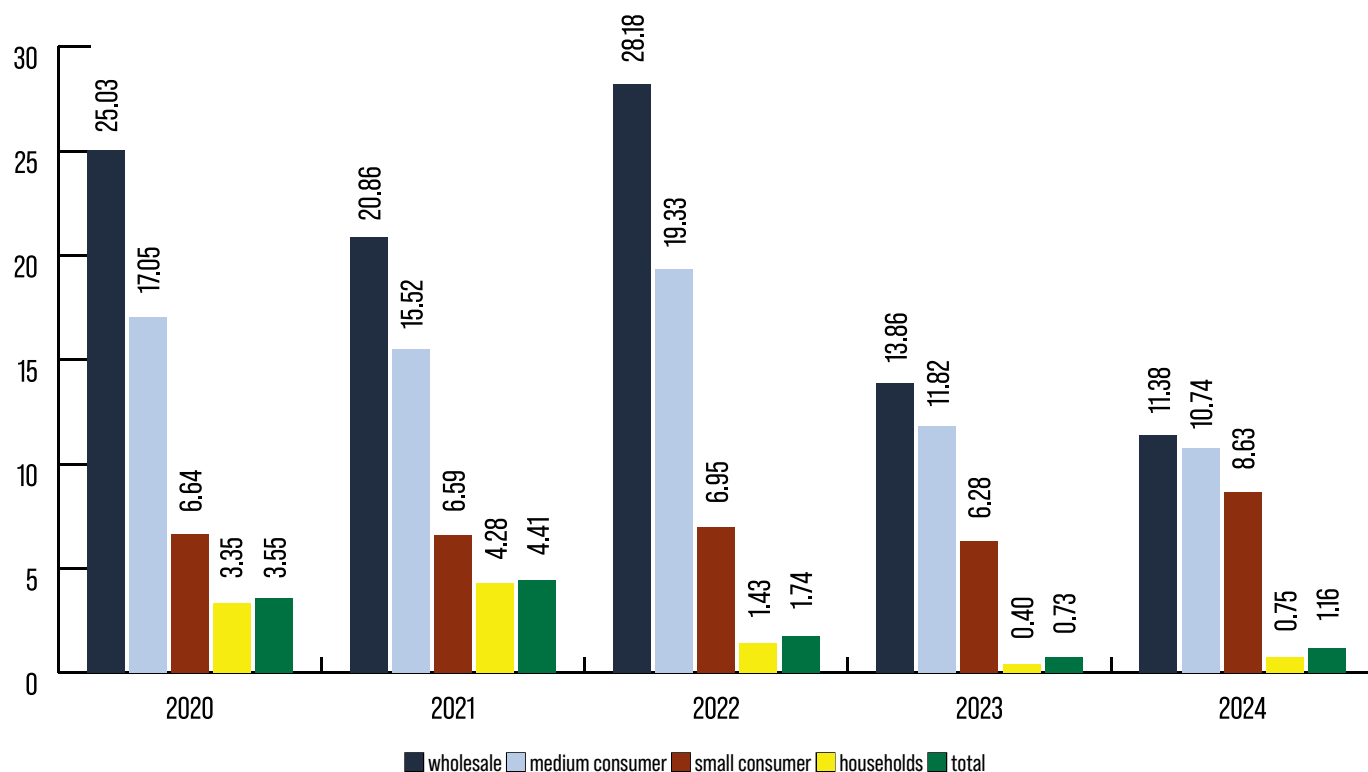
Change of gas supplier

The level of liberalisation of the gas market is reported annually by means of a coefficient called switching. Switching is the ratio of the number of off-take points with a change of gas supplier to the total number of off-take points on the gas market in the SR.

Switching between 2020 and 2024

Categories of customer off-take points	number of gas customers with a change of gas supplier					switching (%)				
	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024
wholesale	179	145	204	94	74	25.03	20.86	28.18	13.86	11.38
medium customer	478	415	535	321	308	17.05	15.52	19.33	11.82	10.74
small customer	5 093	5 151	5 251	4 843	6 395	6.64	6.59	6.95	6.28	8.63
households	48 481	67 067	20 738	5 826	10 785	3.35	4.28	1.43	0.40	0.75
total	54 231	72 778	26 728	11 084	17 562	3.55	4.41	1.74	0.73	1.16

Switching level (%) in 2020 to 2024



In the year-on-year comparison between 2024 and 2023, the Office registers a decrease in the number of customer points with a change of gas supplier in the category of medium and large customers, while in the case of households and small customers there is an increase. The increasing level of switching in these categories of consumption is mainly due to the removal of legislative barriers to effective switching of gas supplier in Act No 251/2012 Coll.

03

HEATING



| Description of the heat market

The participants in the heat market are producers, suppliers, consumers and end-users of heat.

From the point of view of heat producers and suppliers, their number is mainly influenced by the nature and size of heat installations, from the point of view of heat consumers and end consumers also by the intensity of construction, especially in the residential and housing-community sphere.

As of 31.12.2024, 316 holders of permits for production, distribution and supply of heat had a permit to operate in the thermal energy sector.

The conditions for doing business in the thermal energy sector are regulated in Act No. 657/2004 Coll. and any entity can obtain a permit after meeting all legislative conditions to operate in the thermal energy sector, provided that the other legislative rules are complied with. Act No 250/2012 Coll. is the determining law in the field of price regulation and in terms of requirements for increasing energy efficiency and reducing energy intensity Act No 321/2014 Coll.

The price regulation in the thermal energy sector is regulated by Decree No. 312/2022 Coll., establishing price regulation in the thermal energy sector, which was amended in 2024 by Decree No. 141/2024 Coll. and Decree No. 393/2024 Coll.

Despite the liberalised rules on the entry of legal and natural persons into the heat market it cannot be assumed that the heat market will be liberalised, i.e. that heat traders will enter the market. The heat installations

and the heat prices derived from them are local in nature, strictly respecting this individuality, and therefore the position of a heat trader would not bring competition and lower prices on the market but, on the contrary, would increase the final price of heat precisely by the trader's costs. In addition, ownership or other legal relationship to the heat installations is required.

The number of entities operating in the thermal energy sector is therefore limited by the number and scale of heat installations and centralised heat supply systems. The number of operators is stable year-on-year. Recently, the number of heat suppliers who have obtained a permit to operate their business on the basis of proving their ownership of domestic boilers or other decentralised heat sources intended for heating, common hot water preparation or other use exclusively for the heat consumption object in which they are located has increased, pointing out that the ownership of such heat sources by a person other than the owners of flats is in direct contravention of Act No 182/1993 Coll. on the Ownership of Flats and Non-residential Premises, as amended.

Scope of the entities operating in the thermal energy sector

Year	2020	2021	2022	2023	2024
Number of heat suppliers	348	343	333	326	316
Number of suppliers who have ceased production, distribution and supply of heat	8	8	18	14	15
Number of suppliers that have started producing, distributing and supplying heat	11	4	8	7	5

Structure of thermal equipment systems

The greatest development was recorded in the past in the construction of thermal equipment systems together with the intensive development of urban agglomerations, specially housing and communal construction and civic amenities until 1990. The structure of the heat installations from which heat supply is provided is very heterogeneous within Slovakia in terms of scale of the installations, the technology used, the fuel mix and, last but not least, the age of the facility. As a rule, larger and more complex systems of heat installations are located in larger settlements. The largest systems consist of one or more heat sources, usually combined heat and power plants, primary distribution systems, heat transfer stations, secondary distribution systems or on-site heat transfer stations. On these systems, heat is usually supplied by several suppliers from production to final consumption. In Slovakia, such large systems are registered in 44 cities. In other systems of heat installations, which consist mainly of heating

plants, block and house boiler houses, only one supplier carries out the production or distribution of heat.

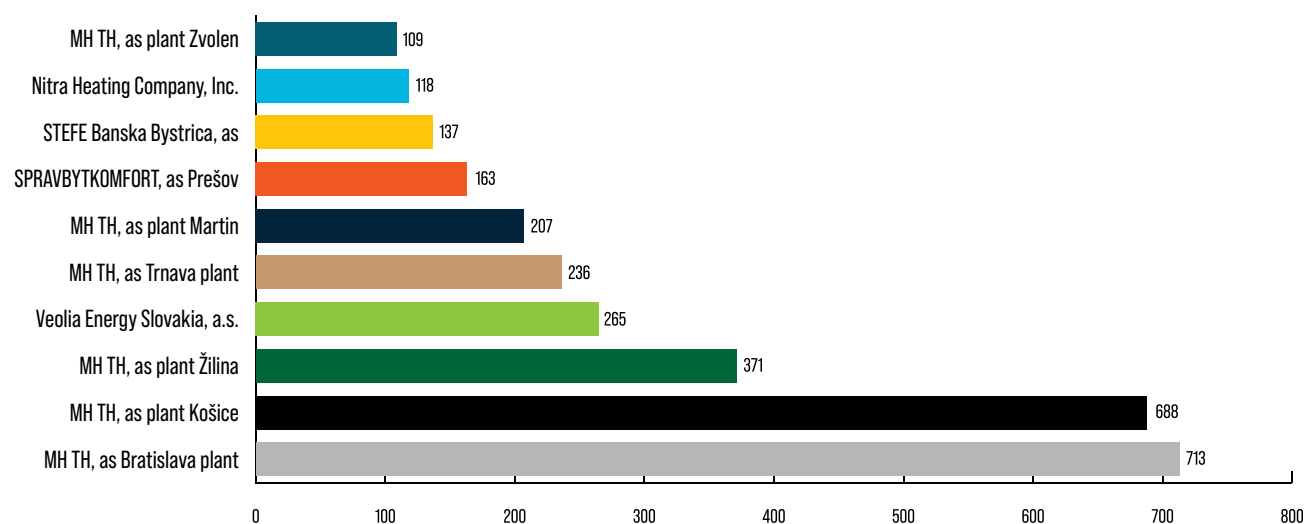
Thermal equipment systems by number of suppliers in 2024

	Number
Manufacturers who are also suppliers	635
Suppliers who are the manufacturer and/or the first distributor in the system	49
Suppliers who are the manufacturer and/or the second distributor in the system	17
Suppliers who are a manufacturer and/or third party distributor in the system	3
Suppliers who are the manufacturer and/or the first and second distributors in the system	2

Heat supply

In addition to the larger towns, CHP systems have been built in a number of municipalities, as it is an energy-efficient, effective, environmentally friendly and comfortable way of providing heat in densely populated locations. At the same time, this way of supplying heat accelerates the use of renewable energy sources in heat production and the use of combined heat and power generation. The heat from these systems is supplied to about 11,600 end-users at more than 29,000 end-use consumption points for customers who consume the heat for their own use or who distribute the heat supplied to end-users, mainly households. The decisive supplier of heat for households is the

Key heat suppliers



Heat supply

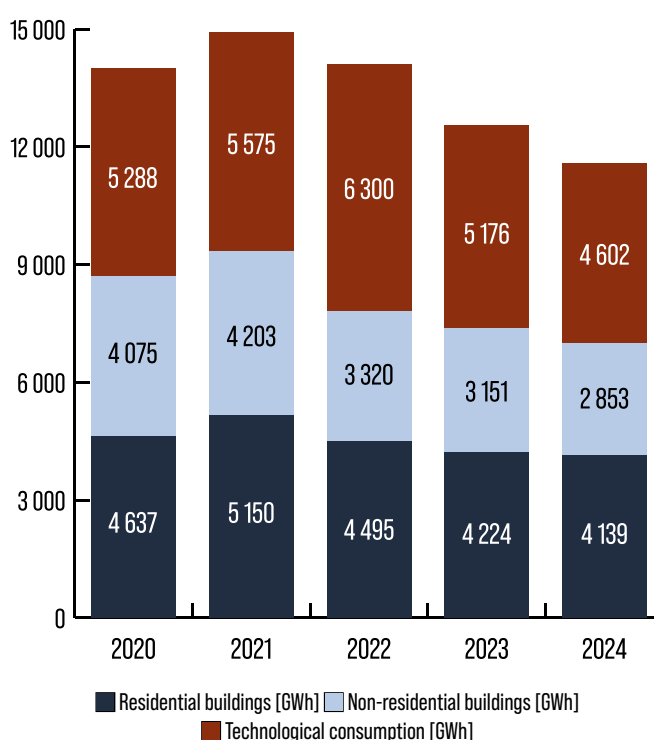
Year	Number of degree days	Delivery for residential buildings [GWh]			Supply for non-residential buildings [GWh]	Supply for technological consumption [GWh]	Total delivery [GWh]	Own consumption [GWh]
		Central Office	DHW	Total				
2020	3 386	3 016	1 621	4 637	4 075	5 288	14 000	256
2021	3 774	3 459	1 691	5 150	4 203	5 575	14 928	273
2022	3 456	2 939	1 556	4 495	3 320	6 300	14 115	284
2023	3 213	2 705	1 519	4 224	3 151	5 176	12 551	250
2024	3 023	2 631	1 508	4 139	2 853	4 602	11 594	209

state joint stock company MH Teplárenský holding, a. s. with its largest plants in Bratislava, Košice, Trnava, Žilina, Martin and Zvolen. The supply from individual plants ranges from 110 GWh to 715 GWh per year. There are also heat producers in the SR with higher production volumes, but their supply to households is minimal. In addition to providing heat energy for households, heat from CHP systems is also used for heating and hot water preparation in non-residential and commercial premises and for technological use.

The total heat supply in the year under review amounted to 11,594 GWh, which is 7.6% less than in 2023. The total heat supply includes the supply for heating and hot water preparation for residential and non-residential buildings and the supply for technological consumption. Suppliers' own consumption is an indicative figure and does not enter the total. Of the total heat supply in 2024, 35.7% is consumed for heating and hot water preparation in residential buildings, 24.6% in non-residential buildings and 39.7% for technological purposes. To exclude the impact of weather when comparing the behaviour of consumers and end-users, the so called daily rates are used. Their annual values indicate a warmer or cooler year and by comparing the amount of heat supplied for heating to the number of day-rates, it is possible to assess, for example, the impact of rationalisation measures taken by customers or the contribution of new heat offtakes to the overall heat supply. The average number of daily units was 5.9% lower in 2024 than in 2023. In the year under review, mainly as a result of the warmer year 2024, the share of heat supply for heating and domestic hot water decreased by 2.0% in residential buildings and by 9.5% in non-residential buildings. Heat supply for process consumption was 11.1% lower compared to the previous year. This decrease was not impacted by the weather, but by a change in the structure and method of heat supply of one of the major suppliers of heat for process purposes and also by the consequent reduction in heat production in the affected system of thermal installations. Heat supply

in all segments under review continued to be influenced by the value of commodity prices on the short-term markets in 2023, which, despite their reduction compared to the prices in the extreme year 2022, were several times higher than before 2021. Higher real energy prices had the least impact on household consumption, as heat consumers in residential buildings and other selected categories continued to receive government subsidies in 2024, decided by government decree. Thus, the effort to reduce the adverse economic impact of still high energy prices on life and business was most evident in the reduction of heat consumption by consumers who were not eligible for state subsidies.

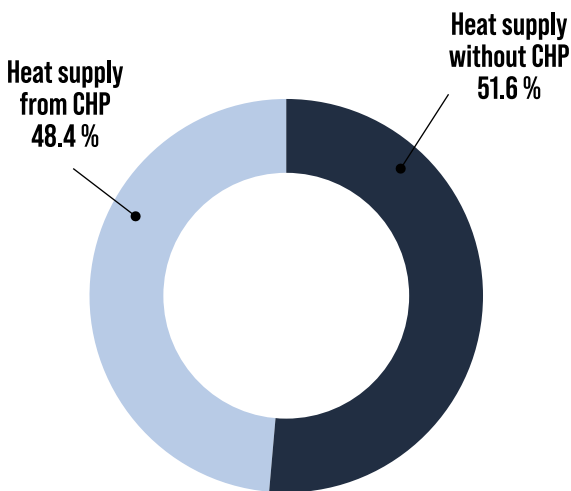
Heat supply



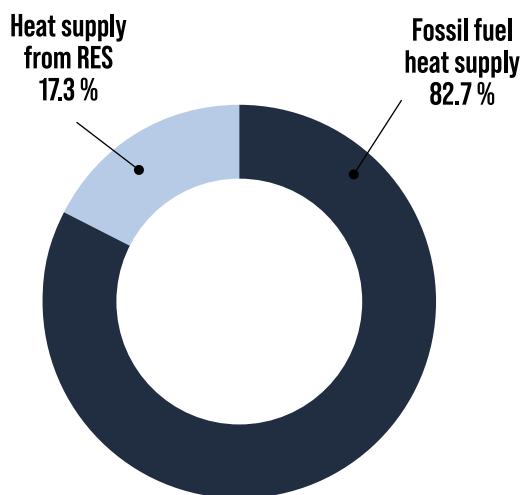
Heat supply from RES and CHP

Combined heat and power systems produced 48.4% of the heat in 2024. The rest of the regulated heat was produced without combined heat and power in the so-called mono-generation. The share of RES in the total heat supply decreased slightly to 17.3% of the total heat supply in 2023 compared to 19.5% in 2023. RES were used in both of the above mentioned technologies.

Share of heat supply from CHP in total heat supplied



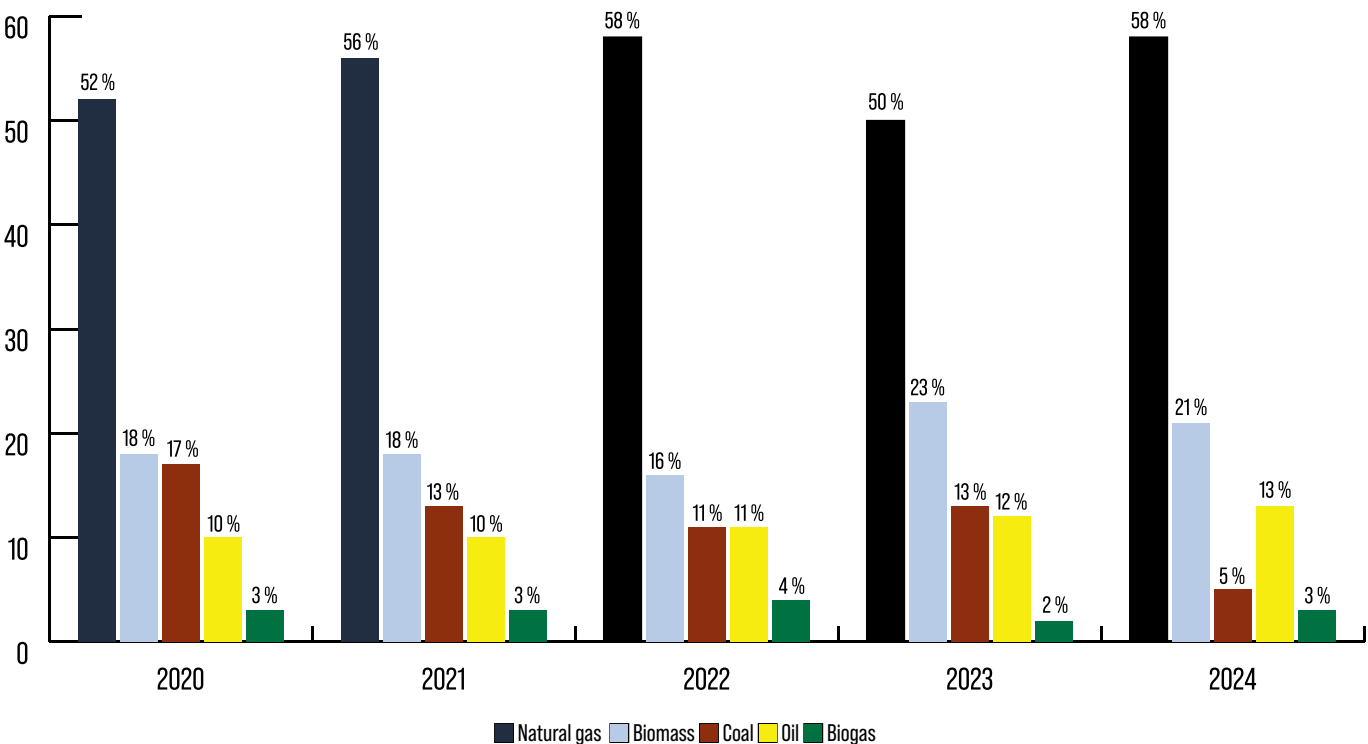
Share of heat supply from RES in total heat supplied



Share of fuels in heat production

Year	Natural gas [GWh]	Biomass [thousand tons]	Coal [thousand tons]	Biogas [GWh]	Oil [thousand tons]
2020	8 582	1 020	554	347	127
2021	8 865	1 009	411	337	127
2022	9 338	927	335	503	127
2023	8 333	1 236	368	299	152
2024	8 604	1 015	123	214	152

Share of fuels on heat production



The representation of individual fuel types in heat production is without major variations in the period 2020 to 2022. The year-on-year changes in the consumption of individual fuel types over this period are mainly related to the change in the total heat supply in each year. The structure of fuel consumption in the previous year, 2023, was strongly influenced by the extreme increase in the price of the most widely used fuel for heat production, natural gas, so that heat producers who could have used other fuels for heat production in their production facilities often maximised the share of these fuels at the expense of natural gas. The structure and price of fuels used for heat generation in 2024 reflected a more pronounced decline in natural gas prices and a slight stabilisation of prices for other fuels in 2023 compared to 2022. Natural gas remained the most represented fuel for heat production and supply in 2024 with a share of 58%. Its consumption increased by 271 GWh year-on-year, i.e. by 3.25%. The increase in consumption, in addition to the fall in gas prices, was also due to a significant reduction in the amount of coal burned for heat production by two large heat producers and its replacement by natural gas and renewable energy sources. The dominant influence on the total year-on-year decrease in coal consumption for heat production by 245 GWh, i.e. by 66.6%, was the cessation of electricity and heat production from lignite at the Nováky Power Plant at the end of 2023. Compared to the previous year, heat production from biomass also decreased slightly by about 11%, i.e. by 221 GWh. The decrease was mainly due to a change in the structure and method of heat supply by one of the major heat suppliers for technological purposes and the subsequent reduction of heat production in the affected system of thermal installations. Other fuels are without significant changes.

Fuel and emission permit prices

The prices of most of the fuels used for heat production entering the 2024 heat price have seen a decrease during 2023 compared to the previous period.

The price of natural gas for delivery in 2024 has seen two significant declines. The first significant decrease occurred between January 2023 and March 2023, when the price dropped from €78.00/MWh by about 35%, and the second between October 2023 and December 2023, also by about 35% to a final level of €37.21/MWh. The arithmetic average of the daily natural gas prices (EEX product THE NATURAL GAS FUTURES: Cal-24) published by the EEX (European Energy Exchange) in the calendar year 2023 was €53.59/MWh, a decrease of 54.88% compared to the average price in 2022, which was at €118.78/MWh. In accordance with the Decree of the Regulatory Office for

Network Industries No. 312/2022 Coll, establishing price regulation in the thermal energy sector (version effective from 19 September 2022 until 30 September 2022), the Regulation No. June 2024) in the calculation of the heat price for the year 2024 it was possible to apply economically justified costs for the purchase of natural gas, within which the price per rate of the quantity of natural gas taken, excluding the costs of gas transportation, gas distribution and natural gas storage and excluding the excise duty on natural gas, must not exceed the maximum amount calculated for the year t as the product of the coefficient 1.15 and the arithmetic average of the daily prices of natural gas (product EEX THE NATURAL GAS FUTURES: Cal-t) published by the European Energy Exchange (EEX) for the calendar month in which the purchase of natural gas under the contract was made or agreed. During 2023, the maximum price for the natural gas off-take rate ranged from €79.46/MWh to €44.05/MWh, with an arithmetic average for the 12 calendar months of 2023 of €61.42/MWh. These price levels were the price of natural gas in the heat price change proposals for those regulated entities that signed a gas supply contract during 2023.

Emission permit prices saw a 30.98% drop right at the start of 2024. The price fell from €73.17/t to €50.50/t in the first two months. In the following three months, the price returned to €74.41/t. In the following period until the end of the year the price oscillated around the average value of €67/t. The arithmetic average of the daily closing prices for emission permits (EEX EUA SPOT product: Spot t) published by the EEX for the calendar year 2024 was at €65.20/t, a decrease of 21.89% compared to the 2023 average price of €83.47/t.

The prices of other fuels included in the heat price for 2024 were not limited by their maximum amount this year either, and several of them were stagnant compared to the previous year. The highest year-on-year decrease in average prices (-14.8%) was recorded for lignite and the highest increase (+7%) for agricultural biomass.

Average market and regulated fuel prices

Fuel	Price	2020	2021	2022	2023	2024
Natural gas €/MWh (Section 4(4) of Decree No. 312/2022 Coll.)	EEX THE NATURAL GAS FUTURES: Cal-t (arithmetic average for calendar year t-1)	18.77	13.85	34.12	118.78	53.59
	Maximum amount of heat price for year t	23.00	15.90	41.49	* 135.41	* 61.42
Emission allowances in €/t (§ 4 paragraph 1 letter d) of Decree no. 312/2022 Coll.)	EEX EUA SPOT: Spot t (arithmetic average for calendar year t)	24.73	53.52	80.82	83.47	65.20
	Maximum amount of heat price for year t	average daily prices for the calendar month at the time of purchas				
Hard coal in €/MWh	Market	15.07	14.10	15.47	52.08	52.04
	Maximum amount of heat price for year t	17.00			-	
Brown coal in €/MWh	Market	17.87	17.35	19.53	36.51	31.11
	Maximum amount of heat price for year t	20.00			-	
Pellets in €/MWh	Market	34.54	33.68	34.41	110.15	110.56
	Maximum amount of heat price for year t	38.00			-	
Dendromass in €/MWh	Market	18.57	18.59	19.03	44.45	41.16
	Maximum amount of heat price for year t	19.00			-	
Agricultural biomass in €/MWh	Market	22.93	22.96	22.81	28.48	30.47
	Maximum amount of heat price for year t	23.00			-	
Landfill gas and WWTP gas in €/MWh	Market	22.00	22.00	22.00	31.50	31.50
	Maximum amount of heat price for year t	22.00			-	
Biogas in €/MWh	Market	29.67	28.54	28.80	55.79	54.42
	Maximum amount of heat price for year t	35.00			-	

* Arithmetic average of maximum natural gas prices (Section 4(4) of Decree No. 312/2022 Coll.) set for each calendar month of year t-1.

Purpose of investment use

	2020	2021	2022	2023	2024
Heat generation equipment [thousands of €]	12 963	55 997	3 562	35 324	17 186
Heat distribution equipment [thousands of €]	9 255	8 318	13 029	8 045	13 564
Greening [thousands of €]	120	0	0	0	0
RES construction [thousands of €]	0	0	590	0	11 717
Costs of planned GO [€000]	-	-	-	433	34
Total [€ thousand]	22 338	64 315	17 181	43 802	42 501

Amount of investment claimed by heat suppliers in the heat price for 2024 by using the investment development factor for modernisation, reconstruction and construction of new heat equipment with the aim of increasing the energy efficiency of heat installations or reducing operating costs in heat production or heat distribution, amounts to approximately € 42.5 million, which is a decrease of 3% compared to 2023. Investments in heat production facilities can be attributed, inter alia, to the efforts of the regulated entities to achieve, in their construction and renovation, in accordance with the law No. 657/2004 Coll. gradually by 31.12.2025 the concept of the so-called efficient CHP, or the concept of efficient CHP from RES.

The investment cost shall also include the cost of periodic comprehensive renewal of the designed functionality of the CHP or geothermal energy installations.

Only those investments that cannot be realised by heat producers and suppliers without increasing the maximum limit of economically eligible costs are specifically monitored and recorded.

| Scope and method of regulation

The year 2024 was the second year of the sixth regulatory period and the regulation of heat prices in this year proceeded in the same way as in 2023 according to the Decree of the Office of 08.09.2022 No. 312/2022 Coll., which establishes price regulation in the thermal energy sector. Price regulation in 2024, as well as in 2023 and in the past, was subject to price regulation of heat production, distribution and supply. The prices were determined by a certain method of calculating the maximum heat price, which is based on the cost method using some elements of the price cap method. This Decree does not change the scope, method or basic principles of regulation compared to the previous regulatory period.

The Decree primarily reflected the adopted Regulatory Policy for the 6th regulatory period, the current dynamically changing situation on the world and domestic markets in the area of prices and availability of all energy commodities, high inflation and the experience from the application practice in the previous period. Changes in the provisions of the new decrees did not in principle have a fundamental impact on the scope and amount of economically justified costs that could be applied in the price of heat.

| Basic principles of price regulation:

- setting a two-component heat price to ensure that the funds for heat production and distribution are covered evenly,
- determining the optimum economically justified costs and reasonable profit in order to ensure an efficient, reliable and safe heat supply,
- setting binding energy conversion efficiency values for installations for heat production and heat distribution, thereby excluding from the price of heat the costs of uneconomic heat production and distribution,
- regulation of the maximum price of natural gas as the dominant fuel for heat production in order to optimise economically justified variable costs,
- motivating regulated entities to increase energy efficiency in heat production and distribution through regulatory measures,

- support for the use of RES for heat production, especially in CHP systems,
- ensuring objective settlement of costs incurred in the production and distribution of heat for end customers by accounting for the actual costs in the determined heat price after the end of each calendar year and obligatory reallocation of fixed costs according to the heat actually supplied in the year and with the aim of creating a stable industry with a predictable and transparent regulatory environment.

| Monitoring heat prices

Pursuant to Act No. 250/2012 Coll., pricing decisions issued for 2023 are valid for the entire regulatory period ending on 31 December 2027, unless the Office, on the proposal of the regulated entity or on its own initiative does not approve a change to the price decision. For 2024, the Office issued a total of 244 heat price decisions approving a total of 372 heat prices. The number of decisions for new suppliers and new sites was 20 price decisions approving 20 prices. The remaining decisions entailed changes to prices approved or determined for the first year of the regulatory period or later. Based on requests from regulated entities, the Office issued 224 decisions approving 352 heat price changes for 2024. The changes in heat prices for 2024 were mainly due to changes in the economic parameters on which the previous price was based.

Not all heat producers and suppliers have requested the Office to change the heat price for 2024. The Office determines the maximum price components by decision and the regulated entity is not obliged to request the Office to reduce the price if its input costs have decreased, for example due to a decrease in fuel costs. However, this does not affect the obligation of the regulated entities to charge the costs approved in the Office's price decision to the actual economically justified costs and to credit the difference to customers after the end of each calendar year, therefore lower actual economically justified costs than those approved in the price decision will be reflected in the final costs of final customers and final consumers.

Pricing decisions

Year	Number of pricing decisions	decisions	prices
2020	Number of new decisions issued for new suppliers or new locations	33	58
	Number of amended decisions	89	156
2021	Number of new decisions issued for new suppliers or new locations	15	15
	Number of amended decisions	115	145
	period	207	-
2022	Number of new decisions issued for new suppliers or new locations	13	14
	Number of amended decisions	372	544
2023	Number of new decisions issued for the regulatory period 2023 - 2027	337	674
	Number of amended decisions	78	87
	Number of new decisions issued for new suppliers or new locations	13	14
2024	Number of new decisions issued for new suppliers or new locations	20	20
	Number of amended decisions	224	352

Heat prices

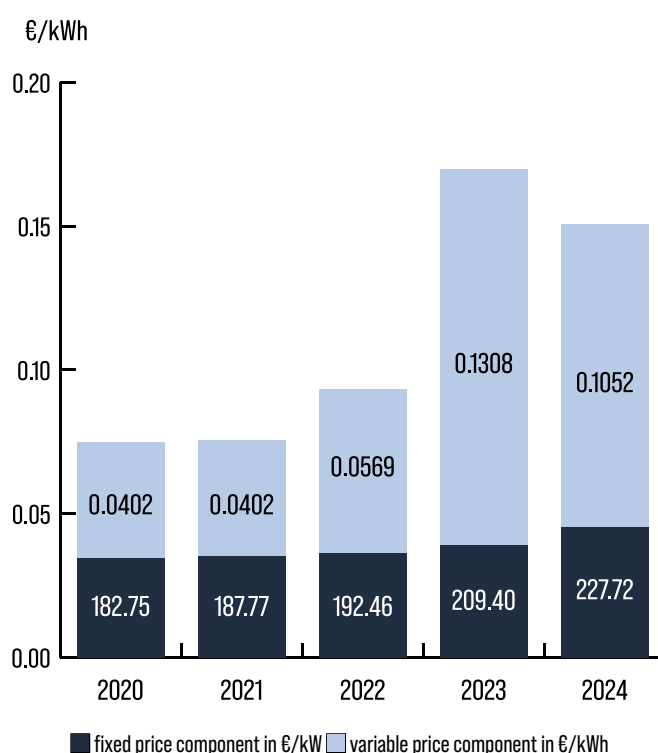
Average heat prices					
YEAR	2020	2021	2022	2023	2024
Variable component in €/kWh	0.0402	0.0402	0.0569	0.1308	0.1052
Fixed price component in €/kV	182.75	187.77	192.46	209.40	227.72
Resulting price in €/kWh	0.0732	0.0753	0.0941	0.1699	0.1506

Year-on-year change in average heat prices				
YEAR	2021/2020	2022/2021	2023/2022	2024/2023
Variable component in €/kWh	-0.1 %	41.5 %	129.9 %	-19.6 %
Fixed price component in €/kV	2.7 %	2.5 %	8.8 %	8.7 %
Resulting price in €/kWh	2.9 %	24.9 %	80.6 %	-11.4 %

The Office shall approve two-component heat price for each supplier as the common price from all heat installations from which heat is supplied within the city or urban district.

The average variable component of the heat price determined by the Office decisions at the end of 2024 amounted to €0.1052/kWh, which is a decrease of 19.6% compared to 2023. Heat generators usually purchase fuels for heat production one year in advance. The level of the resulting heat prices in 2024 was thus influenced by the development of energy commodity prices on world markets and domestic markets, especially in 2023, but many heat producers conclude multi-year contracts, so in several cases the negative impact of contracts concluded in the extreme year 2022, in which commodity prices on world markets (especially for natural gas and electricity) reached on average the most extreme values in recent years, persisted. The prices of most other fuels used for heat generation in 2023 either decreased slightly or remained at a similar level compared to 2022. The level of the variable component of the price was also influenced by the price of gasoline and diesel for biomass transport and the level of emission allowance charges. The EU-wide energy price crisis in 2022 clearly had spill-over effects in the heat sector into 2024, as it kept the average variable component of the heat price, and hence the overall average heat price, at multiples of the values of these prices before 2023.

Average heat price development



The average fixed component of the heat price, which is determined in €/kW of regulatory input, increased for 2024 compared to 2023 from €209.40/kW to €227.92/kW, i.e. by 8.7%. The increase in the fixed component of the price of heat was mainly influenced by the high inflation rate, which the regulated entities could take into account when increasing the maximum eligible fixed cost volume.

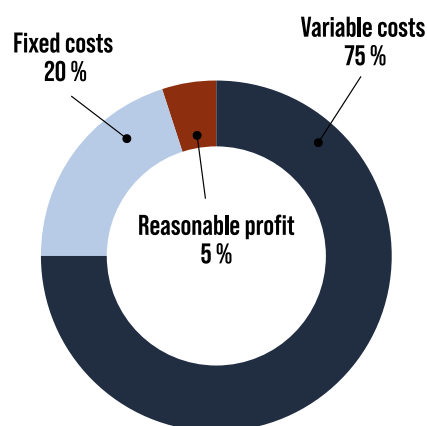
Apart from the impact of inflation, the volume of fixed costs can only be increased in specific cases, namely for investments in greening of equipment and in the efficiency of heat production and distribution, or for the overhaul of combined heat and power plants or geothermal energy plants. Possibility of increasing fixed costs in 2024 above inflation due to new investments were claimed by heat suppliers in 21 locations with a total amount of EUR 42,467 million and due to overhauls by one supplier with an amount of €0,034 million. The amount of the regulatory input depends on the actual heat supply in 2021 and, except in well-specified cases, e.g. new off-take installations or off-take installations where part of the heat is used in an industrial process, is fixed for the whole regulatory period.

Variable costs dominated the average price in 2024 with a share of 75%.

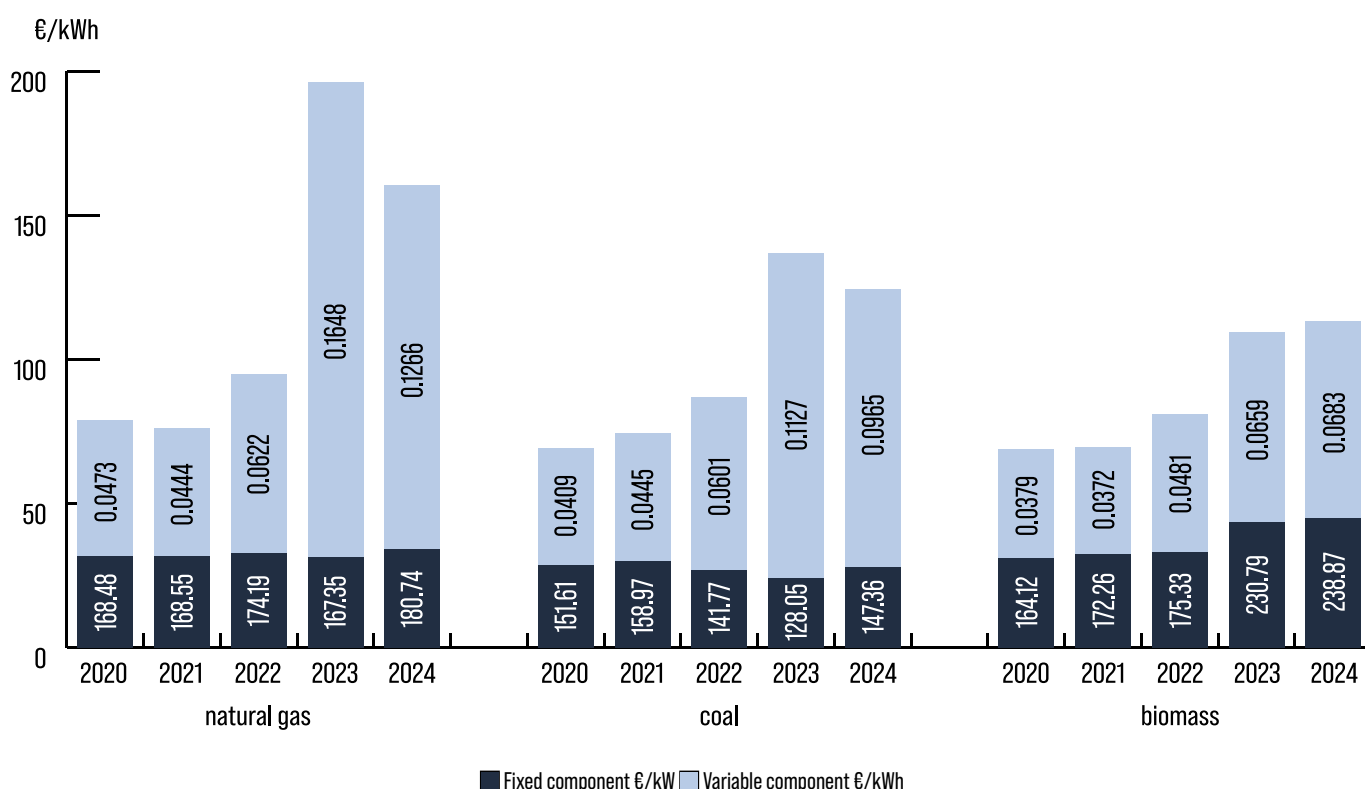
After the end of each year, the total amount of economically justified fixed costs and a reasonable profit for the supply of heat shall be redistributed among the individual customer sites according to the actual quantity of heat supplied in that year.

After the end of the regulatory year, heat suppliers are obliged to account for the costs included in the determined variable component and fixed component of the maximum heat price and a reasonable profit on economically justified costs. They are obliged to credit the positive difference of costs in the approved heat prices compared to the actual ones to the customers.

Cost structure in heat price

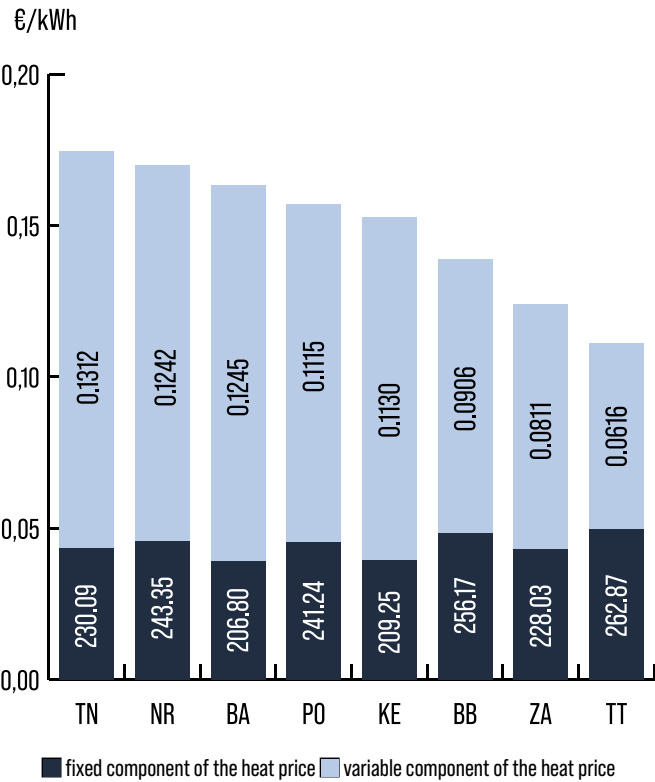


Average heat prices according to fuel type



The chart above shows that the development of heat prices by fuel type reflects the development of prices of fuels entering the variable component of the heat price.

Heat prices according to regions



In the year under review, the average prices in the individual counties in the systems of heat installations of specific heat suppliers varied widely, as did the prices in the decisions of individual heat suppliers. In particular, there were significant price differences between locations depending on the fuel used to produce the heat, the date of its purchase, but also the size of the heat system, the production technology, the investment in the heat installations and the quantity of heat supplied. A key factor was the prevailing type of fuel for heat generation. For residential heat end-users and other selected heat end-users, based on the extraordinary measures of the Slovak Government, the actual applied prices for heat supply in 2024 were increased by a maximum of €20 per MWh including VAT compared to the prices last approved or determined by the Office for 2022. The adopted extraordinary measures of the Slovak Government took precedence over the pricing decisions of the Office and significantly reduced the price differences in the heat prices of the individual regions of the SR. Thus, for residential heat end-users, invoiced heat prices have not increased compared to 2023.

Prices of heat from heat installations for household end-users

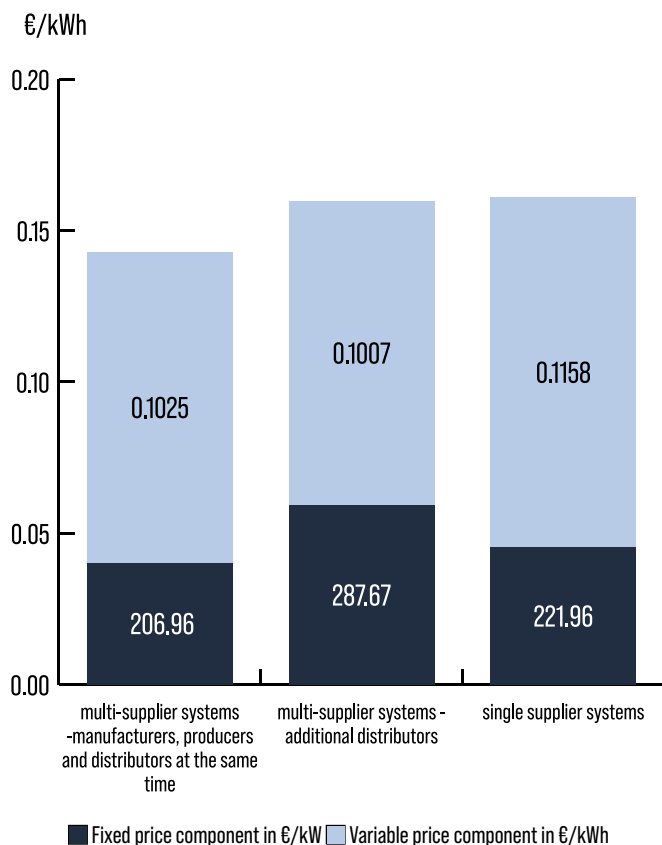
The average heat price of heat suppliers who supply heat to households and are at the end of a chain of several suppliers providing heat production and supply to the end customer in a single CHP system was lower than the average heat price in heat installations where only one regulated entity is both the producer and supplier of heat, as in the previous year. However, the difference between these average prices has been reduced to a minimum in 2024.

Heat prices for end users - households in 2024

Systems by number of suppliers in the chain		Variable price component in €/kWh	Fixed price component in €/kW	Resulting price in €/kWh
Multi-vendor systems	manufacturers and manufacturers who are also distributors	0.1025	206.96	0.1428
	second and third distributors	0.1007	287.67	0.1599
Single-vendor systems		0.1158	221.96	0.1611

Also in this case, the persistence of the effects of the energy crisis in 2022 on thermal energy prices in 2024 and the possibilities and abilities of heat suppliers to procure fuel at a more favourable price are evident. Heat supply chains are mostly implemented in large cities, where a large number of customers are supplied from the heat supply systems. The large quantity of heat supplied usually gives the heat producer a better starting position to negotiate the price of the fuel purchased than in the case of heat systems with a much lower heat supply, as it allows to take advantage of volume discounts. This was markedly reflected in the 2023 heat prices, which were the result of fuel price contracting at a time of high prices for all energy commodities in 2022. Several heat suppliers, in an attempt to obtain the lowest possible fuel price in 2022 for heat generation in 2023, entered into a multi-year fuel contract, and thus the agreed 2022 fuel price persisted in the 2024 heat prices. Large heat plant systems often have multiple heat generation sources that burn different types of fuels. Such a multi-fuel base allows the proportion of different fuels to vary to a certain extent, giving preference to the one with the currently more favourable price. The smaller the heat supply system, the more often heat is produced from only one fuel type, which also means that there is much less flexibility to react when the market price changes significantly.

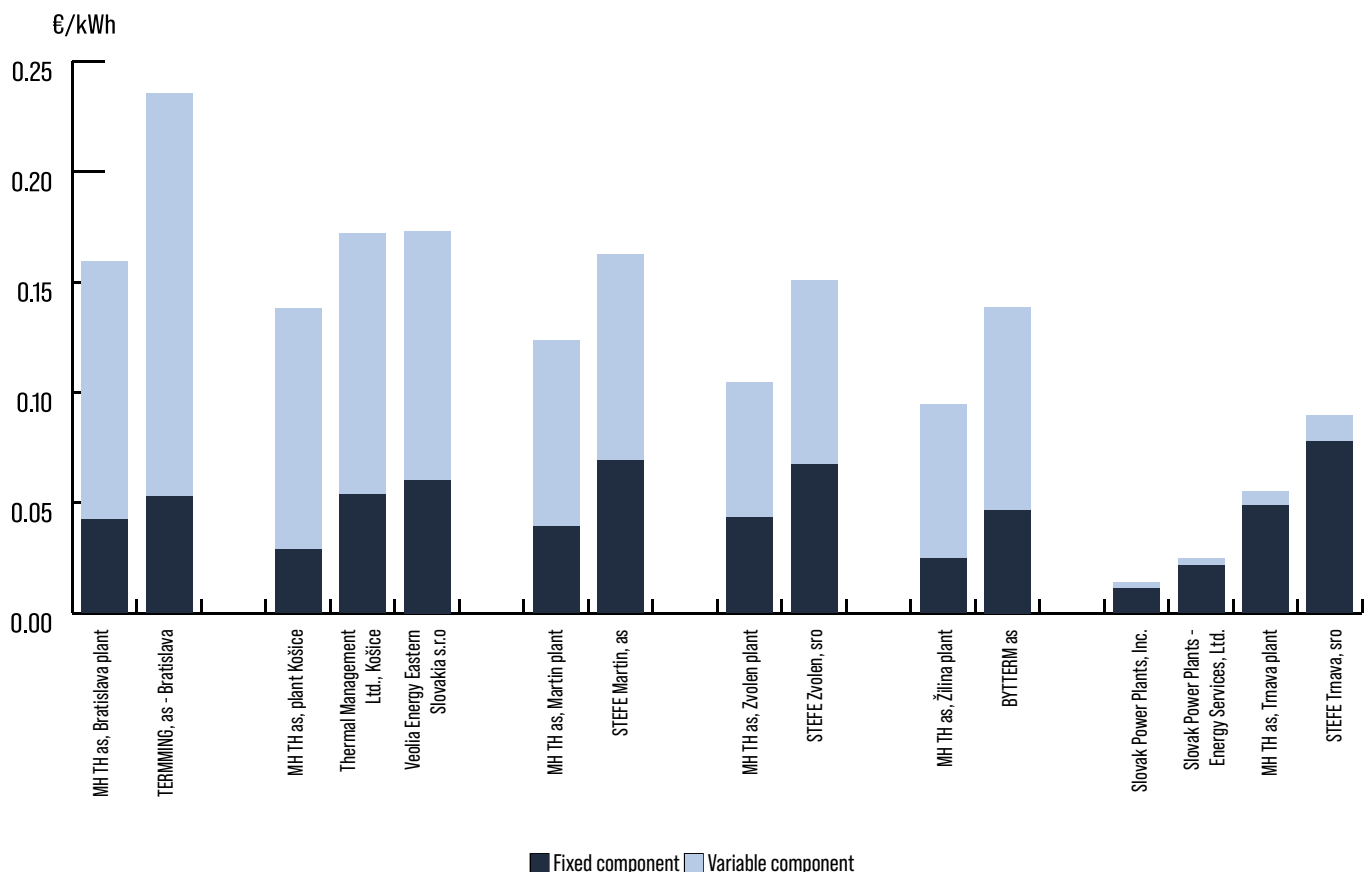
Heat prices by system size



Household heat costs

The Office monitors and assesses annually the actual consumption of heat for heating and domestic hot water preparation of households. The sample monitored represents 41,000 dwellings. The heat consumption per household in the year under review was 5,118 kWh, which is 5 % less than in 2023. The decrease in heat consumption is mainly related to the warmer year 2024, as documented by the 5.9 % lower number of day-days in 2024 compared to 2023.

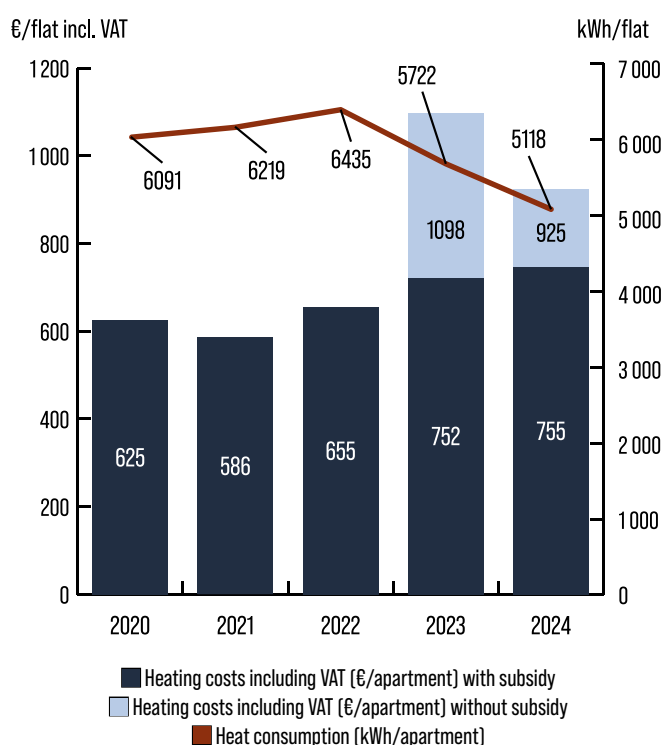
Heat prices in multi-supplier systems



Household heat costs

	2020	2021	2022	2023	2024
Heat consumption (kWh/apartment)	6219	6435	5722	5388	5118
Heating costs including VAT (€/apartment) without subsidy	625	586	655	1098	925
Heating costs with VAT (€/apartment) incl. subsidies	625	586	655	752	755

Development of annual household heat cost



Based on the Office pricing decisions, the annual cost per household for heat for heating and domestic hot water preparation incl. VAT amounted to €925, which is a decrease of about 16% compared to 2023. This decrease in costs was caused by reduced costs for heat production and supply in 2024, in particular by a decrease in the price of the most commonly used fuel for heat production - natural gas.

In order to mitigate the impact of the society-wide energy crisis on selected heat consumers, the Government of the SR adopted measures which, in the case of heat prices, set a maximum limit on the increase in heat prices that heat suppliers may impose on heat consumers in residential buildings, social service facilities registered in the register of social services, and the operations of social protection facilities for children and social welfare institutions and student residences to apply when invoic-

ing in 2024. Pursuant to Slovak Government Regulation No 475/2023 Coll., which establishes the maximum price for regulated heat supply for selected end-users of heat and the conditions for its application the maximum price for regulated heat supply for selected heat end-users for the year 2024 shall be set at the amount of the limit of the heat price increase pursuant to a special regulation, but not more than €199 per MWh including value added tax. The special regulation is Article 1(1) of Slovak Government Regulation 464/2022 Coll., establishing the limit of the increase of the approved or determined heat price, as amended: the limit of the increase of the heat price or a regulated entity pursuant to Section 45j(1) of Act No 250/2012 Coll. from 1 January 2023 to 31 December 2023 was set at the amount of the single-component value of the maximum heat price last approved or determined by the Office for the year 2022 increased by €20 per MWh including VAT. The difference between the price approved or determined by the Office and the price applied under the Government Regulation was eligible for a subsidy. Thus, after taking into account the state subsidy, the real average cost per household for thermal energy in 2024 amounted to EUR 755 and remained practically unchanged compared to the cost in 2023.

04.

WATER MANAGEMENT

Description of market regulation in the water sector

The Office carries out price regulation in the water sector in the field of public water supply and public sewerage, as well as in the field of services related to the use of surface water. The regulated activities in the field of public water supply and public sewerage are the production, distribution and supply of drinking water by public water supply and the disposal and treatment of waste water by public sewerage. The price for connection to the public sewerage system is also subject to price regulation. The regulated activities in the field of surface water use are the abstraction of surface water and energy water from watercourses and the exploitation of the hydropower potential of watercourses.

The production, distribution and supply of drinking water and wastewater collection and treatment is provided by 14 large water companies with a monopoly position in their territory and by smaller operators of public water supply and public sewerage systems operating in smaller territorial units, such as a municipality or only a part of a municipality. It is always a single supplier defined by its territory of operation; the consumer has no choice.

In surface water services, there are two regulated entities with a monopoly position, Slovenský vodohospodársky podnik, state enterprise, as the state-appointed administrator of water flows in Slovakia, and Vojenské lesy a majetky SR, štátny podnik (Military Forests and Estates of the Slovak Republic, state enterprise).

The business environment within public water supply and public sewerage is stabilised by the statutory scope of price regulation and the definition of the regulated en-



tity. The Office issues registration certificates to regulated entities indicating the regulated activity and the category of public water supply or public sewerage system used for the regulated activity.

In 2024, the Office issued a total of 50 registration certificates on the basis of applications from regulated entities for the issuance of a registration certificate pursuant to Section 23 of Act No. 250/2012 Coll., of which 18 certificates were issued to new regulated entities and 32 certificates were issued on the basis of a notification of a change in the data specified in the registration certificate.

As of 31 December 2024, a total of 697 regulated entities operating public water supply and public sewerage systems were registered. Of this number of regulated entities, there were 14 water companies, 1 city, 42 municipalities and 82 smaller companies operating public water supply or public sewerage of category I and II. There were 558 small towns and municipalities operating public water supply or public sewerage systems of category III.

Method of price regulation of drinking water and waste water

In price procedures, the Office sets the price by issuing a price decision for regulated entities operating public

water supply and/or public sewerage Category I and II, and by issuing a price confirmation for regulated entities operating public water supply and/or public sewerage in Category III.

Type and number of decisions issued

Type of decision	2020	2021	2022	2023	2024
New pricing decisions	12	16	85	94	6
Changes to pricing decisions	19	18	30	20	41
Price confirmations	17	532	19	556	56
Decisions to discontinue proceedings	6	19	19	16	15
Decisions to stay proceedings	38	40	229	77	54
Decisions on the annulment of a pricing decision	1	1	1	0	2
Decisions on connection to the public sewerage system	0	0	0	1	46
Total	93	626	383	764	220

Monitoring and development of drinking water and waste water prices

In 2024, new pricing decisions were issued for new regulated entities or for regulated entities that started operating public water supply and public sewerage in a new location. 41 pricing decisions were issued due to a proven increase in economically justified costs, i.e. a change in the pricing decision. A change of pricing decision was issued for 7 large water companies and 34 small companies operating public water supply and public sewerage systems. Decisions to discontinue the pricing procedure were issued mainly due to failure to complete the supporting documents in the procedure, even after the Office's invitation, most often due to non-compliance with Article 14(4)(c) of the Act. No. 250/2012 Coll. on regulation in network industries - lack of approval by the highest body of the company prior to the submission of the price proposal.

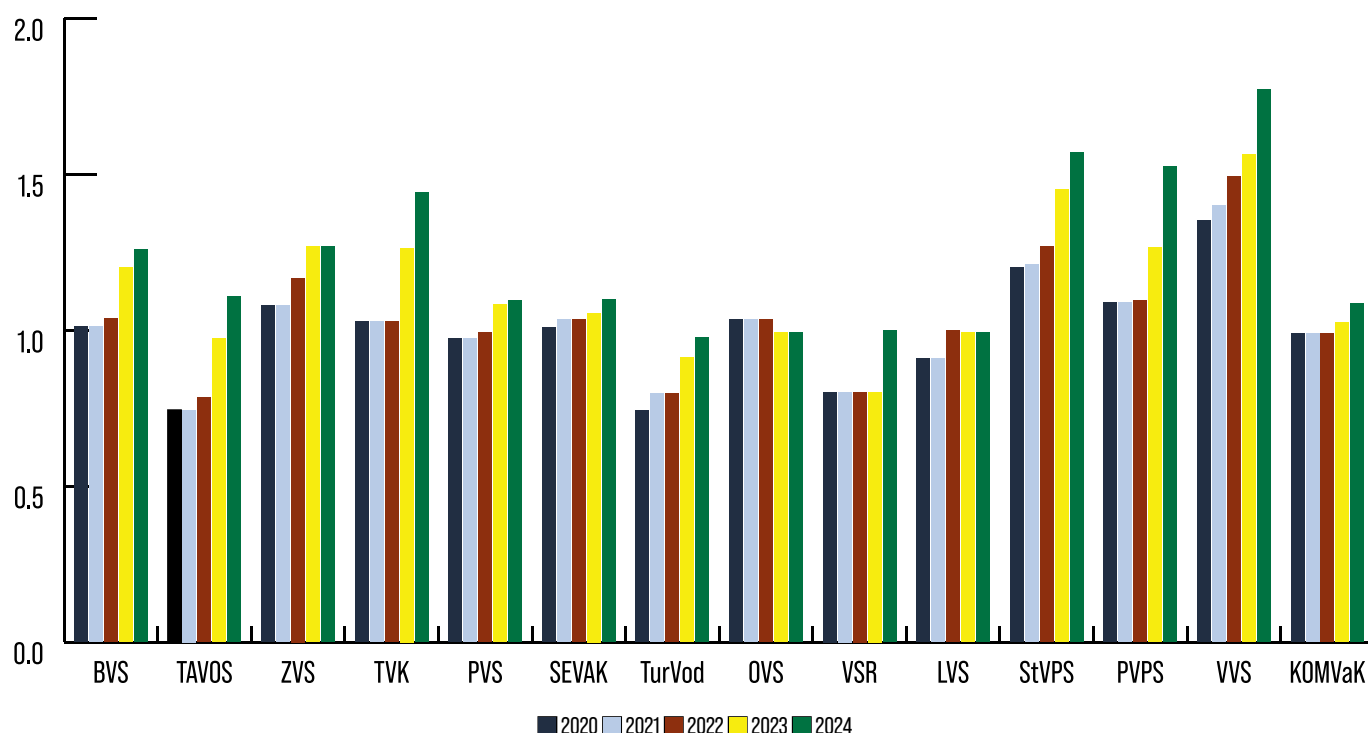
The average maximum price for the production and supply of drinking water at 31 December 2024 in the water companies was €1.3451/m³ (price calculated on a weighted average basis), an increase of 5.6% compared to the average maximum price applicable at the end of 2023, which was €1.2741/m³. For wastewater collection and treatment, the average maximum price in water companies as at 31 December 2024 was €1.3911/m³, an increase of 7.4% compared to the average maximum

price applicable at the end of 2023, which was €1.2956/m³ (price calculated on a weighted average basis). This price increase is due to a demonstrated increase in the economically justified costs of the regulated activities. The prices exclude VAT.

Prices for production and supply of drinking water by public water supply in €/m³ excl. VAT

Water company	2020	2021	2022	2023	2024
Bratislava Water Company (BVS)	1.0135	1.0135	1.0387	1.2025	1.2586
Trnava Water Company (TAVOS)	0.7449	0.7449	0.7847	0.9737	1.1101
West Slovak Water Company (ZVS)	1.0802	1.0802	1.1683	1.2700	1.2700
Trenčín Waterworks and Sewerage (TVK)	1.0293	1.0293	1.0293	1.2643	1.4418
Považská Water Company (PVS)	0.9741	0.9741	0.9937	1.0829	1.0952
North Slovak Waterworks and Sewerage (SEVAK)	1.0094	1.0343	1.0343	1.0557	1.0998
Turčianska Water Company (TurVod)	0.7427	0.7978	0.7978	0.9142	0.9773
Orava Water Company (OVS)	1.0353	1.0353	1.0353	0.9927	0.9927
Ružomberok Water Company (VSR)	0.8024	0.8024	0.8024	0.8024	0.9989
Liptov Water Company (LVS)	0.9102	0.9102	0.9991	0.9934	0.9934
Central Slovak Water Supply and Drainage Company (StVPS)	1.2010	1.2119	1.2680	1.4517	1.5704
Podtatranská Waterworks Operating Company (PVPS)	1.0884	1.0884	1.0960	1.2664	1.5247
East Slovak Water Company (VVS)	1.3530	1.4004	1.4944	1.5648	1.7729
Waterworks and sewerage of the city of Komárno (KOMVaK)	0.9900	0.9900	0.9900	1.0267	1.0863

Price development for drinking water production and supply in €/m³ (excl. VAT)

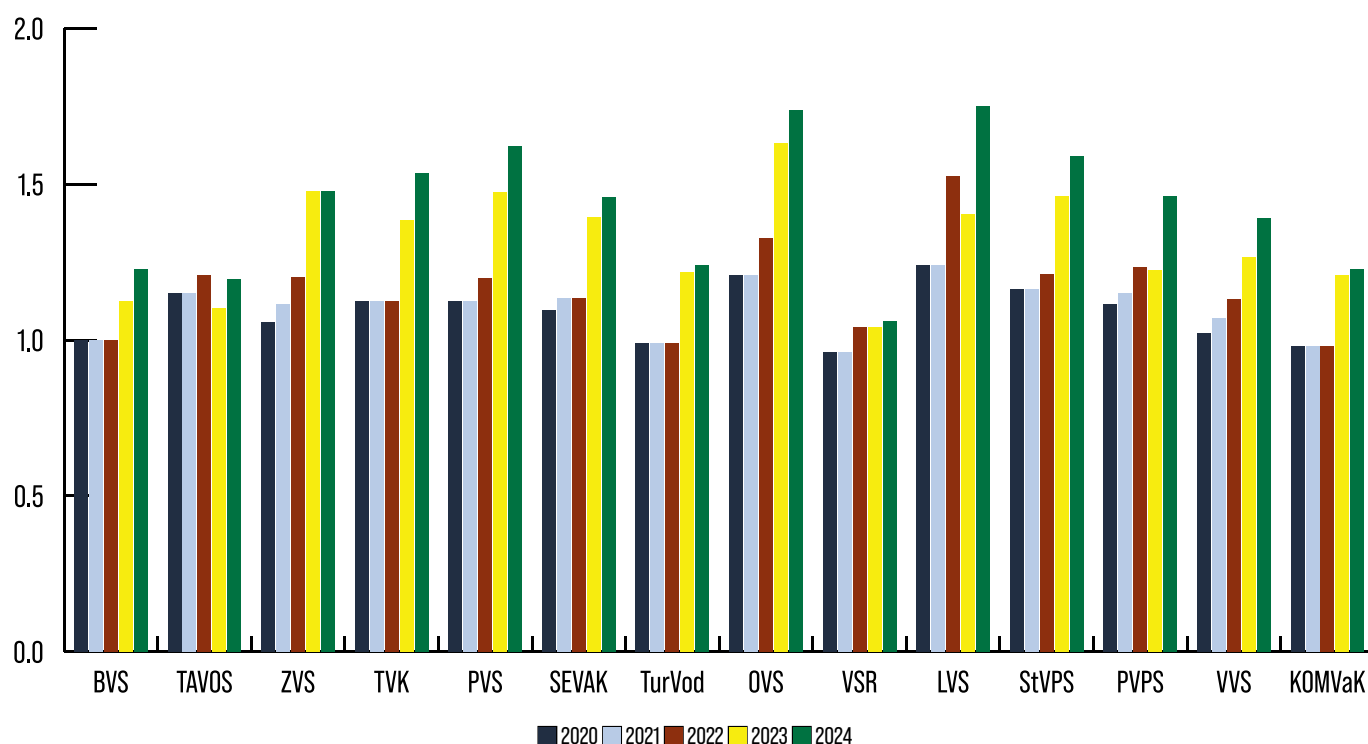


Prices for wastewater collection and treatment by public sewerage in €/m³ excl. VAT

Water company	2020	2021	2022	2023	2024
Bratislava Water Company (BVS)	0.9985	0.9985	0.9985	1.1251	1.2271
Trnava Water Company (TAVOS)	1.1497	1.1497	1.2071	1.1035	1.1960
West Slovak Water Company (ZVS)	1.0573	1.1157	1.2024	1.4783	1.4783
Trenčín Waterworks and Sewerage (TVK)	1.1251	1.1251	1.1251	1.3832	1.5367
Považská Water Company (PVS)	1.1235	1.1235	1.1993	1.4745	1.6220
North Slovak Waterworks and Sewerage (SEVAK)	1.0947	1.1352	1.1352	1.3957	1.4574
Turčianska Water Company (TurVod)	0.9907	0.9907	0.9907	1.2181	1.2417
Orava Water Company (OVS)	1.2075	1.2075	1.3271	1.6317	1.7386
Ružomberok Water Company (VSR)	0.9603	0.9603	1.0415	1.0415	1.0594
Liptov Water Company (LVS)	1.2398	1.2398	1.5262	1.4032	1.7500

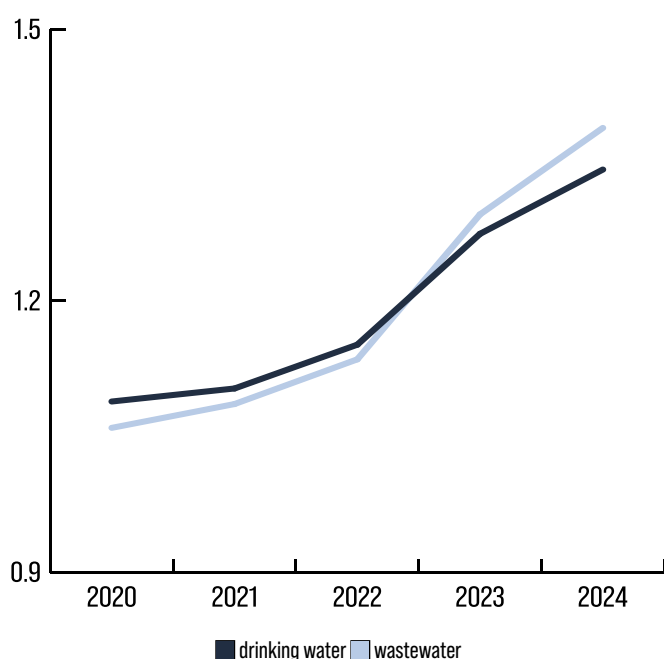
Central Slovak Water Supply and Drainage Company (StVPS)	1.1615	1.1615	1.2122	1.4629	1.5905
Podtatranská Waterworks Operating Company (PVPS)	1.1164	1.1499	1.2336	1.2246	1.4626
East Slovak Water Company (VVS)	1.0235	1.0716	1.1305	1.2671	1.3922
Waterworks and sewerage of the city of Komárno (KOMVaK)	0.9813	0.9813	0.9813	1.2074	1.2259

Price development for wastewater collection and treatment in €/m³ (excl. VAT)



Average unit price for total water and sewerage, excluding VAT, in water companies in the SR amounted to €2.7362/m³ and increased by 6.5% year-on-year.

Average price development for drinking water production and supply and for wastewater collection and treatment in €/m³ (excl. VAT)



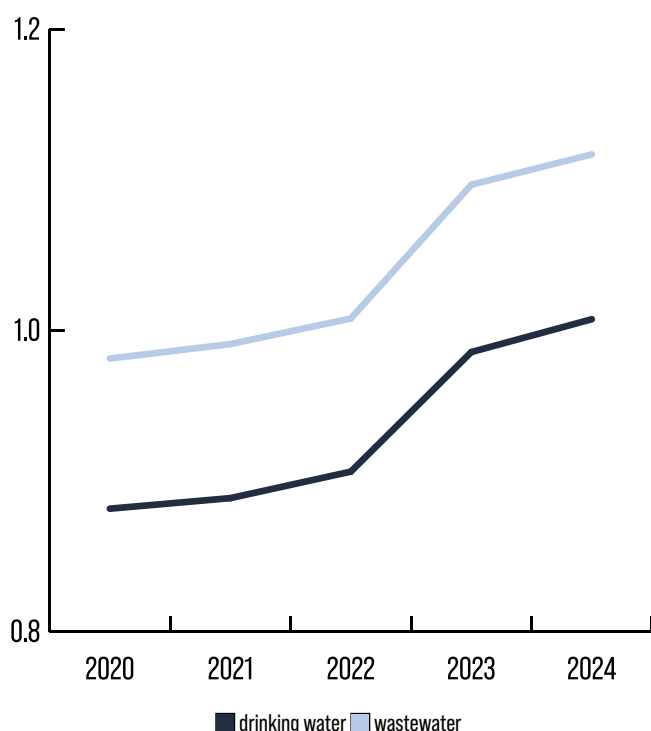
In 2024, the Office issued 56 price certificates to municipalities operating a Category III public water supply or Category III public sewerage system. Of this total, 12 price certificates were issued to new regulated entities (municipalities that have been issued a public water supply or public sewerage system use permit) and 44 price certificates with a price increase due to a proven increase in economically justified costs.

For regulated entities operating public water supply and public sewerage systems in small territorial units, i.e. municipalities and small companies, the average price for the production and supply of drinking water in 2024 increased by 2.2% and the average price for the removal and treatment of wastewater by 1.6%. These average prices are lower than the average prices of large water companies. For drinking water supply prices, the increase is mainly due to price increases by the large water companies from which some municipalities and small companies purchase drinking water. For sewerage and wastewater treatment, the increases are mainly due to an increase in depreciation on newly classified assets of sewerage and wastewater treatment plants built by municipalities with EU funds and state subsidies.

Evolution of average prices of small regulated entities in €/m³ excl. VAT

	2020	2021	2022	2023	2024
Drinking water	0.8815	0.8885	0.9061	0.9855	1.0073
Wastewater	0.9812	0.9908	1.0078	1.0966	1.1168

Price development of small regulated entities in €/m³



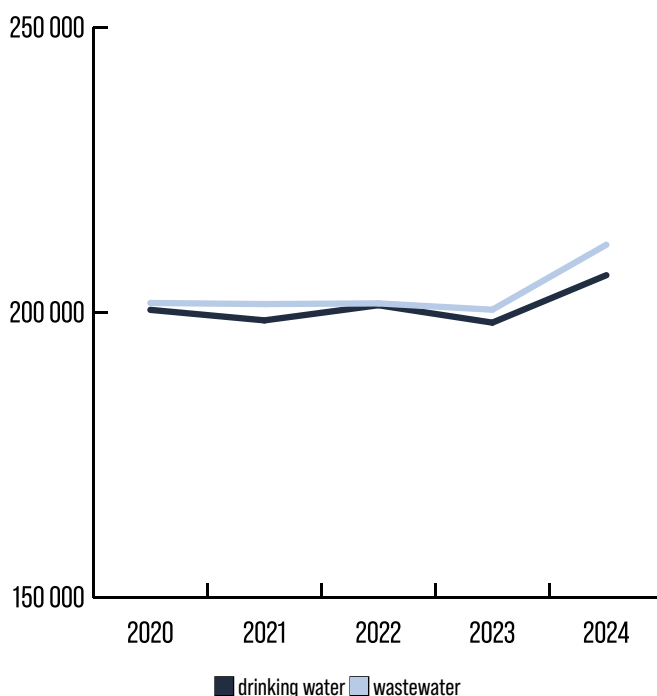
Development of drinking water supply and waste water disposal

The development of drinking water supply, as well as wastewater collection and treatment, saw an increase in 2024. In the year under review, water companies supplied 8,321,000 m³ (4.2 %) more drinking water than in the previous year, which is also the highest in the last 5 years. The amount of wastewater discharged by public sewers increased even more, with 11,397,000 m³ (5.7%) more in 2024 than in the previous year, also the highest amount in the last 5 years. These increases can be attributed to the increase in water supply and sewerage assets, both through completion and also through the takeover of newly constructed assets, which, according to Article 3(2) of Act No 442/2002 Coll. on public water supply and public sewerage and on amendment and supplementation of Act No 276/2001 Coll. on regulation in network

industries, can only be owned by a public law entity for reasons of public interest. The increase in the quantities of drinking water supplied and waste water discharged from new water supply or sewerage systems is also indicated by the fact that the capacity utilisation of the assets has not increased.

Capacity utilisation of water supply assets used to supply drinking water remained at the same level in both 2023 and 2022, at an average of 96%. Capacity utilisation of water supply assets used for wastewater collection and treatment also remained at the 2023 level, at 89%.

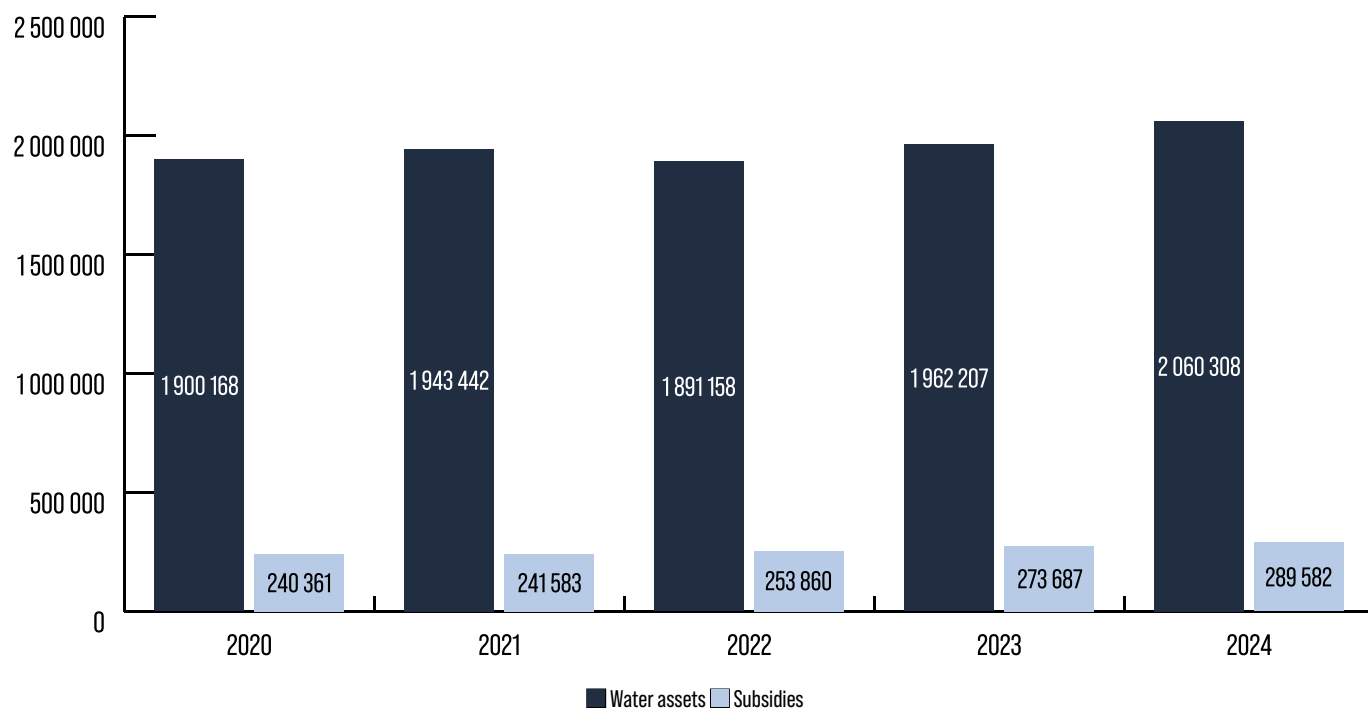
Development of drinking water supply and wastewater collection in thous. m³



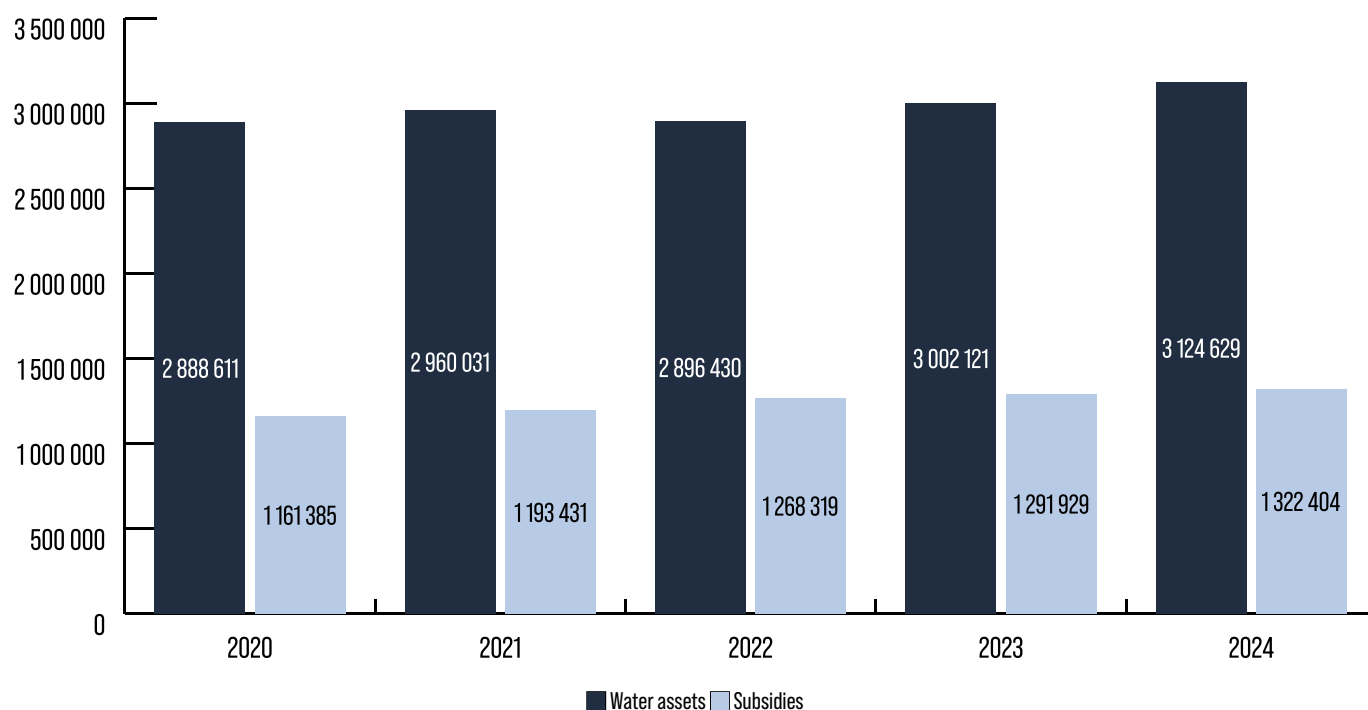
Investments

The total value of assets used for drinking water supply increased by 5.0% in 2024 compared to the previous year level, while the value of assets procured from EU and state budget subsidies increased by 5.8%. In the field of waste water collection and treatment, the total value of assets increased by 4.1 % in 2024 and the value of assets built from subsidies increased by 2.7%.

Development of water management assets and subsidies - public water supply (in thous. €)



Development of water management assets and subsidies - public sewerage and water treatment plants (in thous. €)



Development of indicators for regulated activities in water companies

Drinking water	2019	2020	2021	2022	2023	2024	change 2024/2023	%
Revenues from registered activities in	209 210	212 753	215 892	223 701	246 947	264 206	17 259	7.0
Eligible costs in thousand €	204 659	207 746	210 760	232 898	229 642	244 427	14 785	6.4
Operating result in thousand €	4 551	5 007	5 132	-9 197	17 304	19 778	2 474	14.3
VH assets in thousand €	1 856 088	1 900 168	1 943 442	1 891 158	1 962 207	2 060 308	98 101	5.0
from subsidies in thousand €	240 026	240 361	241 583	253 860	273 687	289 582	15 895	5.8
Repairs to property maintenance in tf	32 344	31 057	27 423	28 318	32 487	38 102	5 615	17.3
Amount of water, thousand m ³	198 816	200 447	198 602	201 262	198 205	206 526	8 321	4.2
Utilization of VH asset capacities	94 %	94 %	94 %	96 %	96 %	96 %	0	0.0

Wastewater	2019	2020	2021	2022	2023	2024	change 2024/2023	%
Revenues from registered activities in	202 194	207 268	216 546	225 900	262 605	283 251	20 646	7.9
Eligible costs in thousand €	209 751	210 101	217 936	237 931	236 816	263 403	26 587	11.2
Operating result in thousand €	-7 557	-2 833	-1 390	-12 031	25 789	19 847	-5 942	-23.0
VH assets in thousand €	2 824 438	2 888 611	2 960 031	2 896 430	3 002 121	3 124 629	122 507	4.1
from subsidies in thousand €	1 139 018	1 161 385	1 193 431	1 268 319	1 291 929	1 322 404	30 474	2.4
Repairs to property maintenance in tf	20 641	19 976	19 801	21 520	21 996	28 267	6 272	28.5
Amount of water, thousand m ³	201 791	201 652	201 464	201 585	200 474	211 871	11 397	5.7
Utilization of VH asset capacities	84 %	85 %	91 %	88 %	89 %	89 %	0	0

Surface and energy water abstraction and HEP use

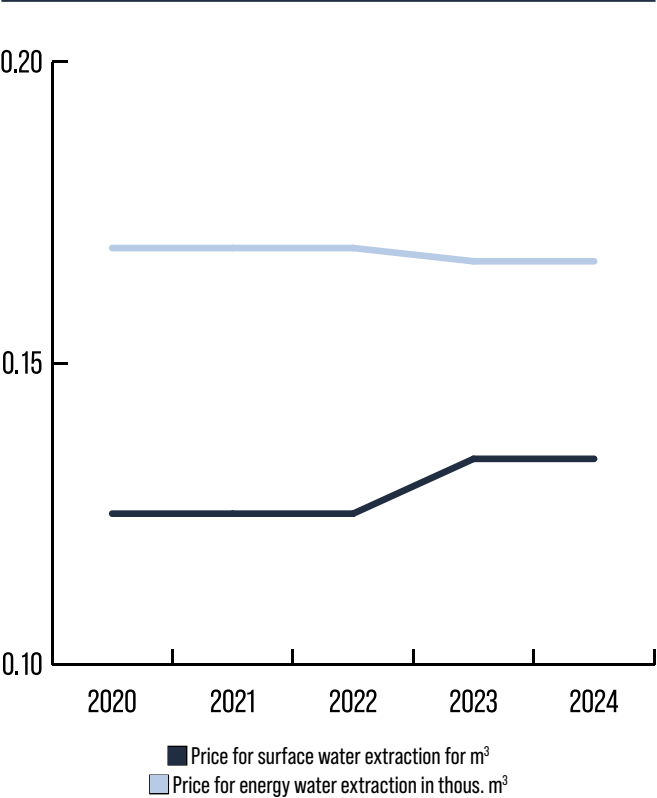
In the area of surface water use, the regulated activities are surface water abstraction, abstraction of energy water from watercourses and exploitation of the hydro-energy potential of watercourses.

These regulated activities are carried out by the state-appointed watercourse administrator, the Slovak Water Management Company, with a monopoly position in the SR, and in the area of surface water abstraction also by the Military Forests and Estates of the SR, a state enterprise, which manages watercourses in the territories necessary for the provision of the tasks of national defence.

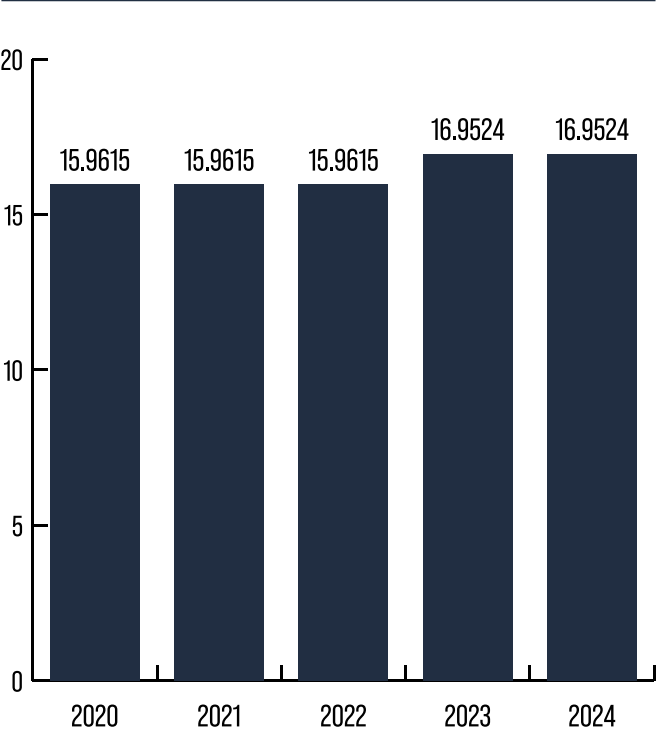
Prices for surface water use in € (excluding VAT)

	2020	2021	2022	2023	2024
Price for surface water abstraction per m ³	0.1250	0.1250	0.1250	0.1341	0.1341
Average price for the use of hydropower potential per 1 MWh	15.9615	15.9615	15.9615	16.9524	16.9524
Price for energy water consumption per thousand m ³	0.1691	0.1691	0.1691	0.1669	0.1669

Price development for water extraction in Eur. (excl. VAT)



Average price for using hydroenergy potential in €/MWh (excl.VAT)



05.



PERMITS, CERTIFICATES, ATTESTATIONS, NOTIFICATIONS

Permissions

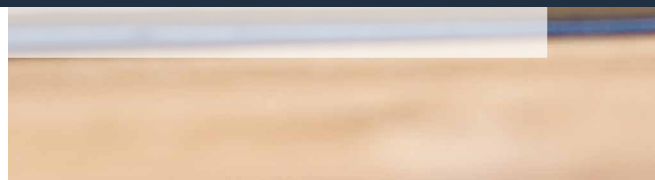
The Regulatory Office for Network Industries issues permits to operate under the Act 251/2012 Coll. and Act No 657/2004 Coll.

Permits for business in the energy sector - Act No. 251/2012 Coll:

In 2024, the Office issued a total of 230 decisions to issue, amend or revoke energy business permits, which is almost the same number as in the previous year (2023), when the Office issued 231 decisions.

In total the Office had:

- Issued 81 new permits for the energy sector. Of these, 61 were in the electricity sector, 20 in the gas sector and 0 in the fuel and oil sector,
- revoked 24 permits to operate in the energy sector. Of these, 15 were in the electricity sector, 9 in the gas sector and 0 in the fuel and oil sector,
- issued 125 amendments to issued permits, most of which were due to a change in in the scope of technical equipment, change of the responsible representative or identification data of the permit holder, or addition of the owner of the equipment in connection with the amendment of Act No. 251/2012 Coll. effective from 08.06.2024,



In addition, the Office stopped a total of 16 applications for the issue, variation or revocation of permits in 2024. The discontinued proceedings were due to withdrawal of the application, non-payment of the administrative fee, or failure to comply with the conditions for the issuance, amendment or revocation of the permit.

Overview of applications submitted and decisions issued in 2024

	new permits	revoked and lapsed authorisations	changes to permits	suspended proceeding	proceedings discontinued
Power Engineering	61	15	101	67	9
Gas Industry	20	9	20	13	7
fuel and oil	0	0	4	1	0
Total	81	24	125	81	16

Overview of valid permits in the electricity sector as of 31 December 2024

electricity generation	4
electricity transmission	1
electricity distribution	7
production and supply of electricity	128
production, distribution and supply of electricity	24
production, supply and aggregation of electricity	1
production, supply and storage of electricity	2
production, distribution, supply and aggregation of electricity	1
distribution, supply and aggregation of electricity	1
distribution and supply of electricity	109
electricity supply	226
electricity supply and aggregation	14
electricity supply and storage	5
supply, aggregation and storage of electricity	2
organising the short-term electricity market	1
the activity of an electricity buyer	1
Total	527

Overview of permits in the electricity sector (overlapping activities) as of 31.12.2024

electricity generation	160
electricity distribution	142
electricity supply	513

A physical check of all valid electricity permits found a difference in the number of permits between 2023 and 2024, with a difference of 5 permits noted. As of 31 December 2023, 486 valid permits were recorded, in 2024, 486 valid permits were issued 61 new permits were issued and 15 permits were cancelled. The total number of permits should therefore have been 532 (486 + 61 - 15).

The probable cause of this difference was inaccuracy in the recording of the extinction of permits in the Office electronic system. This situation may have arisen in particular because permits which ceased to be valid as a result of the closure of the companies for which they were issued were not correctly and timely recorded.

Overview of valid permits in the gas sector as of 31.12.2024

gas production and transport	2
gas transport	1
gas distribution	5
gas distribution and supply	40
gas storage	2
gas supply	178
Total	228

Overview of gas sector permits (overlapping activities) as of 31.12.2024

gas distribution	45
gas supply	218

Overview of valid permits in the energy sector - fuel and oil k 31.12.2024

operation of pipelines for the transport of fuel	1
the operation of equipment for filling pressure vessels	18
operation of pipelines for the transport of crude oil	2
the operation of the equipment for the filling of pressure vessels and the operation of the equipment for the distribution of liquefied gaseous hydrocarbon	1
Total	22

Permits for thermal energy business:

In 2024, the Office issued a total of 140 decisions on the issue, amendment or revocation of a permit to operate in the thermal energy sector.

In total the Office had:

- issued 5 new permits, including 4 permits in the scope of business of heat production and distribution and 1 in the scope of business of heat production,
- revoked 15 permits for business in the thermal energy sector, 14 of them in the scope of business of heat production and heat distribution, 1 in the scope of business of heat production,

- issued 120 changes in the issued permits in the thermal energy sector, most of which were due to a change in the scope of technical equipment for heat production and heat distribution, or a change in the responsible representative or identification data of the holder of the permit as well as due to the addition of the owner of the equipment in connection with the amendment of Act No. 657/2004 Coll. effective from 08.06.2024,
- terminated 7 procedures for the modification of a permit and 1 procedure for the issue of a permit, while in 5 cases the applicant withdrew his/her application, in 1 case the applicant did not remedy the deficiencies of the application, in 1 case the reason for the withdrawal fell away and in 1 case the applicant did not pay the administrative fee within the time limit set by the Office.

Overview of decisions issued in 2024

	new permits	revoked permits	changes to permits	suspended proceedings	proceedings discontinued
Thermal energy	5	15	120	55	8

Overview of valid permits in the thermal energy sector as of 31.12.2024

heat production and distribution	291
heat production	14
heat distribution	11
Total	316

Certificates

The Office issues certificates of compliance with the notification obligation under the Act 251/2012 Coll. and certificates of electricity production from a local source pursuant to the Act No 309/2009 Coll.

Certificates of compliance with the notification obligation pursuant to Act No 251/2012 Coll.

In 2024, the Office issued a total of 967 Notification Certificates, an increase of 41% compared to 2023 (687 Notification Certificates issued).

Out of a total of 967 notification certificates were issued:

- 946 for the generation or storage and supply of electricity by electricity generation or electricity storage facilities with a total installed capacity up to and including 1 MW,
- production and supply of biogas,
- 5 for the sale of compressed natural gas intended for the propulsion of motor vehicles,
- 6 sale of liquefied gaseous hydrocarbon in pressurized containers,
- 9 for the sale of liquefied gaseous hydrocarbon intended for the propulsion of motor vehicles, including the filling of the tank of a motor vehicle liquefied gaseous hydrocarbon intended for the propulsion of motor vehicles, with the exception of the filling of pressure vessels.

Overview of certificates issued pursuant to Section 6(5) of Act No 251/2012 Coll.

Production and supply of electricity by electricity generation installations with a total installed capacity up to and including 1 MW

division of electricity generation activity	number of certificates issued	number of new certificates (new devices)	number of new certificates (facilities transferred from other entities)	number of change certificates (registered office, statutory body, etc.)/authorisations issued (installed capacity, address, etc.)	number of terminated certificates (facilities transferred to other entities)	number of completed certificates
from hydropower	11	1	2	3	2	3
from solar energy	885	767	20	48	20	30
from combustion	26	3	2	12	2	7
in a combined cycle combustion turbine	24	4	2	5	2	11
TOTAL:	946	775	26	68	26	51

Out of the total number of 767 new certificates of compliance with the reporting obligation issued, 728 certificates of compliance with the reporting obligation were issued on the basis of the issuance of a certificate of electricity production in a local source pursuant to Section 4b(7) of Act No. 309/2009 Coll.

Biogas production and supply

number of certificates issued	number of new certificates (new devices)	number of new certificates (facilities transferred from other entities)	number of change certificates (registered office, statutory body, etc.)/permits issued (installed capacity, address, etc.)	number of terminated certificates (facilities transferred to other entities)	number of completed certificates
1	1	0	0	0	0

Sale of compressed natural gas intended for the propulsion of motor vehicles

number of certificates issued	number of new certificates (new devices)	number of new certificates (facilities transferred from other entities)	number of change certificates (registered office, statutory body, etc.)/permits issued (installed capacity, address, etc.)	number of terminated certificates (facilities transferred to other entities)	number of completed certificates
5	2	1	1	1	0

Sale of liquefied gaseous hydrocarbons in pressure vessels

number of certificates issued	number of new certificates (new devices)	number of new certificates (facilities transferred from other entities)	number of change certificates (registered office, statutory body, etc.)/permits issued (installed capacity, address, etc.)	number of terminated certificates (facilities transferred to other entities)	number of completed certificates
6	6	0	0	0	0

Sale of liquefied gaseous hydrocarbon intended for the propulsion of motor vehicles, including the filling of the tank of a motor vehicle liquefied gaseous hydrocarbon intended for the propulsion of motor vehicles with the exception of the filling of pressure vessels

number of certificates issued	number of new certificates (new devices)	number of new certificates (facilities transferred from other entities)	number of change certificates (registered office, statutory body, etc.)/permits issued (installed capacity, address, etc.)	number of terminated certificates (facilities transferred to other entities)	number of completed certificates
9	6	0	2	0	1

Certificates of electricity production in a local source according to Act No. 309/2009 Coll.

In 2019, the Office started to issue certificates of electricity production in a local source pursuant to Section 4b(7) of Act No. 309/2009 Coll.

Pursuant to Act No 309/2009 Coll., a local source means an installation for the production of electricity from a renewable energy source that produces electricity to cover the consumption of a customer point identical to the transmission point of that electricity production installation and the total installed capacity of which does not exceed the maximum reserved capacity of such off-take point. The institute of a local resource which is based on the production and consumption of energy at a single location shall not be considered as an energy business.

As of 31 December 2024, the Office has issued a total of 1,456 certificates for the generation of electricity at the local source.

Certificates (local sources)	Issued by (new + changes)	concluded
2019	10	
2020	45	
2021	68	
2022	200	1
2023	759	7
2024	1 439	17

The substantial increase in the number of certificates issued for the production of electricity in a local source has started in 2022 and continued in 2023 and 2024. This increase was caused by a change in the legislation effective from 01 April 2022, when, according to Section 4b(12) of Act No 309/2009 Coll., the producer of electricity in a local source may, within the scope of the maximum reserved capacity of the local source, supply to the grid electricity produced in the local source that is not consumed at a point of consumption identical to the transfer point of the local source. If the technical conditions of connection of the local source to the distribution system do not allow to contractually agree the maximum reserved capacity of the local source in the amount of the total installed capacity of the local source, the maximum reserved capacity of the local source shall be agreed in a lower value which the technical conditions of connection of the local source to the distribution system allow.

Prior to this amendment to Act No 309/2009 Coll., a producer of electricity in a local source who had a licence to supply electricity could sell electricity produced in the local source that is not consumed at a point of consumption identical to the point of transmission of the local source; the maximum reserved capacity of the local source was no more than 10 % of the total installed capacity of the local source.

Attestations

The amendment of Act No. 251/2012 Coll. with effect from 01 October 2022 created the possibility of creating energy communities and communities producing energy from renewable sources.

By issuing Decree No 207/2023 Coll. laying down the rules for the functioning of the internal electricity market, the content of the operating rules of the system operator, the organiser of the short-term electricity market and the scope of the commercial terms and conditions that

are part of the operating rules of the system operator, procedural conditions have been set for the implementation of the activities of the energy community and the community producing energy from renewable sources.

In 2024, 4 Energy Community Attestations were issued.

Attestations	Issued by	changes	concluded
2023	1	0	0
2024	4	0	0

Notifications

Notifications pursuant to Act No. 251/2012 Coll.

Subjects (persons) that supply electricity or gas at purchase prices without any further increase or operate a publicly accessible charging station are obliged to report this fact to the Office within 30 days pursuant to Section 4(9) of Act No. 251/2012 Coll.

In 2024, the Office registered a total of 25 notifications in the electricity sector and 5 notifications in the gas sector. The Office received 26 notifications for the start of operation of publicly accessible charging stations.

Effective from 01.10.2022 pursuant to § 4 (4) of Act No. 251/2012 Coll. doing business in the energy sector shall not include the production of electricity in an electricity production facility with an installed capacity of up to 11 kW by an electricity producer, unless it applies for support by a surcharge pursuant to a special regulation,¹⁴⁾ and the storage of electricity in an electricity storage facility with an installed capacity of up to 11 kW by the operator of the electricity storage facility.

Also, effective from 01 October 2022, the notification obligation pursuant to Section 4(9) of Act No 251/2012 Coll. does not apply to sources with an installed capacity of up to 11 kW.

In spite of the above fact, throughout the year 2024, entities (persons) sent the Office information on the start-up of a small source, or electricity generation facilities with an installed capacity of up to 11 kW by electricity producers in a total number of 452 notifications.

Notifications pursuant to Act No. 657/2004 Coll.

Pursuant to Section 11(1) of Act No. 657/2004 Coll., a legal person that produces heat or carries out heat distribution pursuant to Section 1(3)(b) and a natural person or legal person that carries out activities pursuant to Section 1(3) (c) and (d) are obliged to notify the Office of this fact no later than within 30 days of the commencement of the performance of these activities; the notification obligation does not apply to special objects and facilities within the scope and use of the Ministry of Defence of the Slovak Republic, of the Armed Forces of the Slovak Republic, the Ministry of the Interior of the Slovak Republic, the Slovak Information Service and the Prison and Justice Guard Corps.

In 2024, the Office received 33 notifications under Section 11(1) of the Act 657/2004 Coll.

Requests for access to information

Pursuant to Section 2(1) of Act No. 211/2000 Coll. on Free Access to Information and on Amendments and Additions to Certain Acts (Freedom of Information Act), as amended (hereinafter only as the „Freedom of Information Act,,), the Office is an obliged person.

In 2024, 45 requests for disclosure of information under the Freedom of Information Act (the „Request“) were submitted to the Office.

One application was withdrawn by the applicant and another was deferred, under section 14(3) of the Freedom of Information Act, as it was not completed after being invited to complete it, under section 14(2) of the Freedom of Information Act, the applicant did not respond and it was not clear from the application whether the applicant was a natural or legal person.

The Office handled 43 applications, with:

- 16 applicants were provided with the requested information,
- in 24 cases, decisions were issued on the grounds of:
 - in 6 cases the Office did not disclose information in part due to the protection of business secrets of regulated entities and/or the protection of privacy and personal data and/or part of the information was not available to the Office,
 - in 12 cases, the reason for not disclosing the information was that the Office did not have it,
 - in another 6 cases, the request made was not a Freedom of Information Act request,
- in one case, the request was partially dealt with by issuing a decision on non-disclosure on the grounds that the Office did not have the information and subsequently referred it to another obliged person for direct handling, pursuant to Section 15(1) of the Freedom of Information Act,
- two requests were referred directly to another obliged person for processing, pursuant to Section 15(1) of the Freedom of Information Act.

In 2024, in two cases the applicant appealed, and in one case the President, as the appellate authority, upheld the decision of the first-instance authority as he could not disclose the requested information as it was not in the possession of the Office. In the second case, it annulled the decision of the first-instance authority and referred the case back for a new hearing and decision.

In the year under review, there was a major demand for the following information:

- the price proposal of a specific regulated entity,
- specific decisions of the Office, including issued and amended business licences and/or their annexes,
- questions on electricity, heat and water prices,
- lists of public officials and/or senior staff of the Office,
- the Office Staff Regulations, the Office administrative files, various lists maintained by the Office,
- interpretations of generally applicable legislation and/or specific questions from applicants.

Under the year-on-year comparison, the Office received a number of specifically formulated questions from applicants which, although pursuant to Section 3(1) of the Freedom of Information Act it was not possible to handle them under the regime of the Freedom of Information Act, as they required the preparation of answers to specific questions of the applicant and this possibility of providing information is not in line with the disclosure of information under the Freedom of Information Act, were nevertheless, where possible, forwarded, already in a reclassified form as a complaint, to the relevant professional organisational unit of the Office for direct handling.

Statistics on requests for access to information pursuant to Act No. 211/2000 Coll.

	2020	2021	2022	2023	2024
Submitted by	57	67	51	52	45
Withdrawn / in full or in part	0	0	0	1	1
Deferred	1	1	1	1	1
Handled, of which:	56	66	50	50	43
• Information made available	45	47	18	24	16
• Non-disclosure decisions issued,	6	8	25+1**	25	24+1**
• information disclosed or partially disclosed	5	11	6	1**	2
Appeals against the decision of the first instance body	1	3x3*	2	1	2
Appeal rejected by the appellate body	1	1	1+2***	1	1

* 3 applicants have appealed the case 3 times

** request partially forwarded

*** applications or appeals from 2021

06

EXERCISE OF CONTROL

The Office carries out inspections in regulated entities on the basis of its competence resulting mainly from Act No. 250/2012 Coll. and Act No. 251/2012 Coll. The reason for these inspections is the protection of vulnerable customers, supervision over the functioning of the market with regulated commodities, as well as compliance with legislation in the field of regulation, in particular the decrees of the Office.

As mentioned above, the change in legislation has expanded the Office competences in the area of supervision and state supervision pursuant to Act No. 250/2012 Coll., Act No. 251/2012 Coll., Act No. 657/2004 Coll., Act No. 309/2009 Coll., as of 01 August 2024, Act No. 555/2005 Coll. on the Energy Performance of Buildings and on Amendments and Additions to Certain Acts, Act No. 314/2012 Coll. on Periodic Inspection of Heating Systems and Air Conditioning Systems and on Amendments to Act No. 455/1991 Coll. No. 321/2014 Coll. on energy efficiency and on amendment and supplementation of certain acts, and in the area of supervision and supervision pursuant to Act No. 108/2024 Coll. on consumer protection and on amendment and supplementation of certain acts. The Office had a problem with staff capacity when dealing with this transferred dossier, as the relevant number of staff was not transferred together with the transferred dossier.

The Office also focused on administrative checks of the documents available to it from its own sources. Based on these, the Office was subsequently able to initiate administrative proceedings at the initiative of the Office.

When carrying out inspections, the Office also focused on the protection of consumer rights as a more vulnerable party in customer-supplier relations, in particular on compliance with the provisions of the commercial terms and conditions of electricity and gas suppliers.



In 2024, in addition to the Department of Inspections, the Department of Inspections conducted compliance inspections 250/2012 Coll., Act No. 251/2012 Coll., generally binding legal regulations and compliance with the decisions of the Office, the Department of RES and CHP was also responsible for the inspection in the area of RES and CHP, whereas on the basis of the organisational change of the Office, which took place during 2024, the inspection was transferred exclusively to the competence of the Control Department.

Overview of audit findings

In 2024, the Office carried out inspections in 51 audited entities, of which 49 inspections were carried out by the Inspection Department and two by the RES and CHP Department, which were carried out in eight audited entities on the basis of received submissions and in 43 regulated entities on the basis of the inspection activity plan.

In 37 audited entities, the Office concluded the audits by drawing up a protocol on the result of the audit, i.e. with a violation of the applicable legislation found, and 14 audits were concluded by drawing up a record on the result of the audit, i.e. without a violation of the applicable legislation found.

Of the 14 inspections that were concluded with the drawing up of an inspection report, two were carried out by the RES and CHP Department.

The majority of the inspections carried out by the Control Department focused on compliance with applicable legislation in the performance of regulated activities in the network industries for the period 2019-2024. In this context, the inspections focused on compliance with the scope of price regulation, substantive regulation and quality regulation approved by the Office. One inspection focused on compliance with applicable legislation in the implementation of regulated activities in the network industries for the period 2015-2016, following a complaint received by the Office. Two inspections (state supervision) concerned the protection zone.

In 2024, inspections were carried out in 18 audited entities carrying out activities in the electricity sector, in two cases in the RES and CHP sector, of which 59 violations of Act No. 250/2012 Coll. and Act No. 251/2012 Coll. were detected in 13 of them. In the gas sector, the Office carried out inspections in 12 audited entities, with the following 10 of them were found to have 28 violations of Act No. 250/2012 Coll. and Act No. 251/2012 Coll. The most frequent violations in the electricity and gas sector included non-compliance with the approved commercial terms and conditions of electricity and gas supply, invoicing of prices without a pricing decision of the Office or in contradiction with the Office pricing decision, provision of false data in the submitted evaluation of quality standards, errors in billing invoices (e.g., in accordance with the Office price decision) and in the following areas absence of mandatory legal information on the share of RES, information on quality standards, etc.).

In the field of thermal energy, the Office carried out inspections in 22 audited entities, of which in two cases it was in the field of RES and CHP, while in 15 of them 36 violations of Act No. 250/2012 Coll. and Act No. 657/2004 Coll. were detected. In the heat energy sector, the most frequent offence was that the heat supplier did not settle with its customers the unjustified costs included in the variable component of the maximum heat price or the fixed component of the maximum heat price with a reasonable profit, thus withholding the funds of heat customers until the measure imposed by the Office for their settlement was fulfilled.

In the water sector, the Office carried out inspections in 15 audited entities, with In the field of water management, the most frequent offences were erroneous data in the tables submitted on the basis of the Office's request

and incorrect (contrary to the pricing decision) charging of the price for water supply and distribution and for wastewater treatment.

In addition to carrying out on-site inspections in regulated entities, the Office also found violations of the provisions of Act No. 250/2012 Coll. and Act No. 251/2012 Coll. directly from its official activities. As a result, the Control Department imposed fines on 36 regulated entities in the total amount of €121,900, which were administrative proceedings for one to three violations of the provisions of Act No. 250/2012 Coll. and/or Act No. 251/2012 Coll. in the field of electricity regulation and/or gas regulation or regulation of thermal energy or water management. In addition to these 36 regulated entities, the Office found directly from its official activities' infringements of the provisions of Act No. 250/2012 Coll. or No. 251/2012 Coll. in another four regulated entities in which it did not initiate separate administrative proceedings, as it also carried out an inspection in these regulated entities and included the detected infringements in these administrative proceedings.

In addition to the inspections carried out with a mandate to carry out an inspection, the Control Department examined the implementation of measures to eliminate and correct deficiencies imposed in the minutes of the discussion of the protocol on the result of the inspection completed in 2020 - 2023 by regulated entities that were not examined by the Control Department in the inspections carried out in subsequent years, as these regulated entities were not audited. As of 31.12.2024, a total of 30 regulated entities were audited and measures were imposed to eliminate and remedy the deficiencies identified during the audit, of which 15 regulated entities were found to be in breach of the provisions of Section 29(1) (l) of Act No 250/2012 Coll. as amended, for which fines were imposed in administrative proceedings.

| Infringements detected

The table below shows the number of individual types of infringements of Act No. 250/2012 Coll., Act No. 251/2012 Coll. and Act No. 657/2004 Coll., which were detected by the Control Department during the performance of controls in the audited entities:

Number of individual types of infringements of Act No. 250/2012 Coll., Act No. 251/2012 Coll. and Act No. 657/2004 Coll.

VIOLATIONS DETECTED		AREA				TOTAL
		E *	P *	T *	In *	
Section 22(4)(e) of Act No. 250/2012 Coll.	failure to archive data on quality standards for five years	0	0	0	1	1
Section 22(4)(f) of Act No. 250/2012 Coll.	failure to send a summary of compensation payments paid for the previous calendar year to the office by the end of February	0	0	1	0	1
Section 22(4)(h) of Act No. 250/2012 Coll.	failure to submit the evaluation of quality standards for the previous year to the Office by the end of February or failure to publish the evaluation of quality standards for the previous year on its website by the end of February	4	2	3	1	10
Section 22(5) of Act No. 250/2012 Coll.	failure to make a compensation payment to the customer for failure to comply with quality standards in the amount and manner determined by the Office's decree	6	2	0	0	8
Section 23(1) of Act No. 250/2012 Coll.	failure to comply with the obligation of a person who has an ownership relationship or a lease relationship with property used for the performance of a regulated activity pursuant to Section 2 letter c) sixth point and seventh point to request the Office for registration based on a written request within 30 days from the inclusion of the property in the accounting records or from the date of conclusion of the lease agreement	0	0	0	1	1
Section 23(5) of Act No. 250/2012 Coll.	failure to notify the Office of a change in the data specified in the registration certificate within 15 days of the occurrence of this change and the termination of the ownership relationship or lease relationship to the property used for the performance of the regulated activity 15 days before its termination	0	0	0	2	2
Section 29(1)(a) of Act No. 250/2012 Coll.	failure to perform a regulated activity on the basis and within the scope of a permit, confirmation of compliance with the notification obligation or confirmation of registration	0	0	1	0	1
Section 29(1)(b) of Act No. 250/2012 Coll.	failure to perform a regulated activity in accordance with a legally valid decision or confirmation of the Office and failure to comply with price regulation pursuant to a generally binding legal regulation issued by the Office	10	6	4	6	26
Section 29(1)(c) of Act No. 250/2012 Coll.	failure to settle costs for the production, distribution and supply of heat, which are not considered economically justified costs, within the period and in the manner established by the authority	0	0	14	0	14
Section 29(1)(g) of Act No. 250/2012 Coll.	failure to comply with the obligation to publish on its website or in another appropriate manner that guarantees public access, the price for a regulated activity that is subject to price regulation, including the conditions for its application, within three working days from the date of delivery of the price decision	1	1	0	0	2
Section 29(1)(j) of Act No. 250/2012 Coll., as amended by Act No. 256/2022 Coll.	failure to provide the Office, free of charge, with complete and truthful data, supporting documents, documents and any information necessary for the purposes of this Act and for the exercise of the Office's powers in the scope, manner and within the time limits determined by the Office	11	4	9	24	48
Section 29 (1) (l) of Act No. 250/2012 Coll. (or Section 29 (1) (k) of Act No. 250/2012 Coll. as amended by Act No. 256/2022 Coll.)	failure to implement a measure determined by the Office pursuant to Section 9(1) (e) within the specified period	0	0	3	0	3
Section 29 (1) (o) of Act No. 250/2012 Coll. (or Section 29 (1) (n) of Act No. 250/2012 Coll. as amended by Act No. 256/2022 Coll.)	failure to comply with market rules	14	8	0	0	22
Section 34(2)(b) of Act No. 250/2012 Coll.	failure to provide the required cooperation corresponding to the authorities of the Office's employees when performing an inspection pursuant to Section 33(1)(b)	0	0	0	1	1

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VIOLATIONS DETECTED		AREA				TOTAL
		E *	P *	T *	In *	
Section 4, paragraph 5 of Act No. 251/2012 Coll. as amended by Act No. 321/2014 Coll.	failure to comply with the notification obligation within 30 days if not engaged in energy business	1	1	0	0	2
Section 6(1) of Act No. 251/2012 Coll.	energy business without or in non-compliance with a permit or confirmation of compliance with the notification obligation	1	3	0	0	4
Section 34, paragraph 2, letter c) of Act No. 251/2012 Coll.	failure to fulfill the obligation to provide electricity consumers with information on the share of individual types of primary energy sources of electricity	1	0	0	0	1
Section 34, paragraph 2, letter d) of Act No. 251/2012 Coll.	failure to fulfill the obligation to provide electricity consumers with information about the impact of electricity production on the environment	1	0	0	0	1
Section 34 (2) (h) of Act No. 251/2012 Coll., as amended by Act No. 419/2020 Coll.	failure to provide information to the electricity consumer about his rights regarding means of dispute settlement	1	0	0	0	1
Section 34(3) of Act No. 251/2012 Coll.	failure to comply with the obligation to provide information pursuant to Section 34(2)(c), (d) and (h) of Act No. 251/2012 Coll. and pursuant to Section 34(2)(c), (d) and (o) of Act No. 251/2012 Coll. as amended by Act No. 256/2022 Coll. on the invoice for the supply of electricity or in the material sent simultaneously with such invoice and in promotional materials sent to end electricity consumers	7	0	0	0	7
Section 43 of Act No. 251/2012 Coll.	location of the structure in the protection zone of an overhead power line and at the same time under this overhead power line	1	0	0	0	1
§ 64 par. 7 letters p) point 2.3. Act No. 251/2012 Coll.	failure to fulfill the obligation of the distribution network operator to publish a sample contract for connection to the distribution network on the website	0	1	0	0	1
Section 5(1) of Act No. 657/2004 Coll.	thermal energy business without a permit or in non-compliance with the permit	0	0	1	0	1
TOTAL		59	28	36	36	159

* LEGEND E - electrical engineering, P - gas industry, T - thermal energy, V - water management

Measures to remedy deficiencies

Pursuant to Section 9(1)(e) of Act No.250/2012 Coll., the Office imposes measures to eliminate and correct deficiencies after detecting breaches of the applicable legislation, and in 2024, the Office imposed 16 measures in the course of the audit, including 11 measures in the field of thermal energy, four measures in the field of water management and one measure in the field of electricity.

The Office imposed 14 measures on eight regulated entities to settle economically unjustified costs with heat consumers and waste water producers in the total amount of EUR 484 751.40, of which:

- settlement with heat consumers
 - the variable component of the maximum heat price €18,882.44,
 - the fixed component of the maximum heat price €434,691.61,
- settlement with waste water producers €31,177.35.

The Office imposed a measure on one regulated entity in the field of thermal energy, to request the Office in

writing to change the location of the thermal energy business by 31 January 2025. The Office imposed a measure on one audited entity in the field of electricity, namely to bring the state of affairs into compliance with Section 43 of Act No. 251/2012 Coll. as amended by Act No. 143/2024 Coll. by 31 May 2025 (the owner of the building, in contravention of Act No. 251/2012 Coll. as amended, placed a building on the land without the knowledge and consent of the DS Operator within the protection zone of the high voltage overhead power line and at the same time under the high voltage overhead power line).

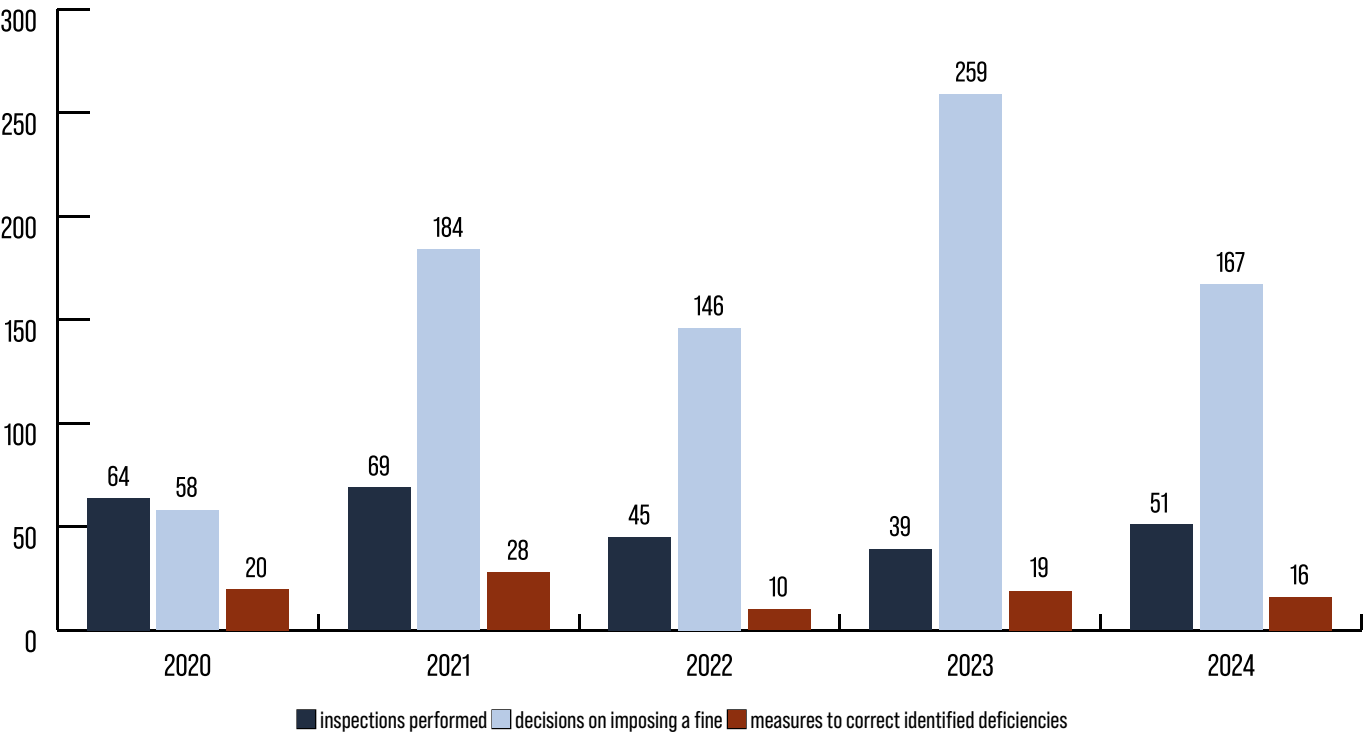
Fines for infringements of the law imposed at the first stage of the administrative procedure

In the summary, the Office lists the sanctions imposed at Level I of the administrative procedure for the entire Office, i.e. in addition to the fines imposed by the inspection department for infringements detected during inspections in regulated entities and directly from official activity, the table also includes fines imposed for infringements detected from official activity by other departments of the Office.

Administrative proceedings in 2024

		DECISIONS ISSUED	
		NUMBER	FINE (€)
I. ADMINISTRATIVE PROCEEDINGS BASED ON FINDINGS FROM INSPECTIONS IN REGULATED ENTITIES <i>(4 of them also associated with findings of violations of official activities - violations of Act No. 250/2012 Coll. in the field of regulation of the electricity and gas industry and violations of Act No. 251/2012 Coll. in the field of regulation of the electricity industry)</i>		34	297 550.00
II. ADMINISTRATIVE PROCEEDINGS BASED ON DETERMINED VIOLATIONS OF OFFICIAL ACTIVITIES	imposing fines for violations of Act No. 250/2012 Coll. and Act No. 251/2012 Coll. in the field of regulation of electricity, gas, thermal energy and water management	36	121 900.00
	imposing a fine for violations of Act No. 250/2012 Coll. in the field of electricity regulation	21	39 950.00
	imposing a fine for violations of Act No. 250/2012 Coll. in the field of gas regulation	3	3 000.00
	imposing a fine for violations of Act No. 250/2012 Coll. in the field of thermal energy regulation	6	8 700.00
	imposing a fine for violations of Act No. 250/2012 Coll. in the field of water management regulation	54	222 910.00
	imposing a fine for violations of Act No. 250/2012 Coll., concerning quality standards, in the field of regulation of the electricity, gas and thermal energy industries	6	6 500.00
	imposing a fine for violations of Act No. 251/2012 Coll., concerning the rules for the allocation of assets and liabilities, in the field of electricity regulation	7	7 000.00
TOTAL		167	707 510.00

Overview of the number of inspections carried out, the number of measures imposed and the number of decisions to impose fines (2020 - 2024)



7

MONITORING OF REGULATED ACTIVITIES

In order to ensure a balance between the interests of the consumer and the regulated entity, the Office monitors the activities of regulated entities in order to obtain the necessary information so that it has sufficient tools at its disposal to verify the structure and amount of costs incurred in the performance of regulated activities, in order to set transparent and non-discriminatory regulation and to prevent abusive vertical integration of regulated entities. Monitoring of the activities of the regulated entities is carried out by monitoring compliance with quality standards, the economic indicators achieved, the procurement of goods and services and the conclusion of service contracts within related undertakings.

Rules for the allocation of assets, liabilities, expenses, income

In order to prevent discrimination and cross-subsidies within the meaning of Section 16 of Act No.250/2012 Coll., the Office, on the basis of the application of 63 eligible entities, approved for the year 2024 the rules for the allocation of assets, liabilities, costs, revenues separately for each single activity for a total of 63 rules.

Monitoring of economic indicators

The Office monitors the economic indicators of regulated entities, monitors the impact of price and material regulation on the achieved economic results and economic efficiency of regulated entities in the electricity and gas sector through selected economic indicators.



In 2024, the Office monitored the 2023 unbundled records data, receiving a total of 1,258 records from individual market participants in the following structure:

- 1,199 records from the field of electricity only
- 44 records from the gas sector only
- 15 records simultaneously from electricity and gas.

On average, compliance with the individual assessed parameters was largely demonstrated at 79.97%, which is an improvement compared to the previous year (81.10%), as energy companies were exposed to several unfavourable external factors such as the war in Ukraine, high electricity prices or a significant rise in inflation (10.5% - source SO SR). Nevertheless, the assessed entities managed to create conditions that ensured maintaining financial stability and achieving favourable economic results.

Quality standards

By monitoring quality standards, the Office protects the consumer's right to receive adequate quality for the price they pay for energy and water in the conditions of the dominant position of the regulated entity. The Decrees laying down the quality standards primarily aim to protect the consumer under conditions of dominance of a regulated entity operating in one of the network indus-

tries. Compensation payments have a supporting function in quality regulation, which aims to incentivise regulated entities to increase the level of compliance with quality standards and to make investments that will ensure the growth of safety, stability and development of the regulated entities' infrastructure.

Number of assessments delivered and events recorded in the electricity sector

Electric Power	Electricity transmission	Electricity distribution	Electricity delivery
Number of assessments delivered	1	131	147
Number of recorded events	8	8 315 224	2 040 961
Number of recorded events with quality standard violated	0	23 598	556
Proportion of events with quality standard violated on recorded events	0.00 %	0.28 %	0.03 %

Number of assessments delivered and incidents recorded in the gas industry

Gas Industry	Storage Gas	Transport gas	Gas distribution	Delivery gas
Number of assessments delivered	2	1	39	62
Number of recorded events	831	886	40 038	1 117 194
Number of recorded events with quality standard violated	1	21	4	300
Proportion of events with quality standard violated on recorded events	0.12 %	2.37 %	0.01 %	0.03 %

Number of assessments delivered and events recorded in the thermal energy sector

Thermal energy	Dodávka tepla
Number of assessments delivered	278
Number of recorded events	58 564
Number of recorded events with quality standard violated	625
Proportion of events with quality standard violated on recorded events	1.07 %

Number of assessments delivered and events recorded in the water sector

Water	Dodávka pitnej vody	Odvádzanie odpadovej vody
Number of assessments delivered	410	413
Number of recorded events	67 031	64 460
Number of recorded events with quality standard violated	304	9
Proportion of events with quality standard violated on recorded events	0.45 %	0.01 %

Overview of compensation payments paid for 2024

Regulated activity		Compensatory payments paid
Electric Power	Electricity transmission	0.00
	Electricity distribution	370 587.89
	Electricity supply	25 718.07
	Total	396 305.96
Gas Industry	Gas storage	0.00
	Transport of gas	0.00
	Gas distribution	310.00
	Gas supply	9 292.80
	Total	9 602.80
Thermal energy	Heat supply	38 223.88
	Total	38 223.88
Water	Drinking water supply	6.48
	Waste water disposal	0.00
	Total	6.48

A total of €444,139.12 was paid to customers in 2024 for all commodities.

Procurement of goods and services and conclusion of contracts

In order to create a level playing field on the market, the Office monitors the activities of system and network operators to prevent them from taking advantage of vertical integration. A regulated entity which carries out a regulated activity in the electricity or gas sector and is part of a vertically integrated undertaking shall be obliged to submit a service contract or an amendment thereto to the Office for approval. In 2024, 6 contracts were approved by the Office.

In order to ensure a higher degree of control and management of heating and water companies, the Office will also monitor the conclusion of service contracts with an affiliated undertaking from 2020 if such contracts are concluded by heating and water companies outside the public procurement process. In 2024, 20 service contracts concluded with an affiliated undertaking by an entity that is active in the heating and water sector were approved.

The purpose of approving service contracts, in the first instance subject to the condition that the regulated entity complies with the reasonableness of the costs incurred in carrying out the regulated activity, is to optimise the costs of carrying out the regulated activities.

The Office also monitors transparent methods of procurement of goods and services necessary for the performance of regulated activities by entities that are part of vertically integrated undertakings and operate in the electricity and gas sectors.

Pursuant to Section 29(3) of Act No. 250/2012 Coll., the Office registered 1024 announced commercial tenders notified by 10 regulated entities. Of the tenders announced in 2024 and in the previous period, 875 tenders were terminated and 56 tenders were cancelled in the period under review. 4 tenders were terminated without a winner. As of 31.12.2024, 324 tenders are in progress.

Pursuant to Section 29(6) of Act No.250/2012 Coll., 107 regulated entities that are not vertically integrated notified the Office of 967 executed contracts whose value exceeds €300,000.

Commercial and financial agreements

The conclusion of commercial and financial agreements by a transmission system operator with another person that is part of the same vertically integrated natural gas undertaking shall be monitored by the Office in order to ensure that its independence from other parts of the vertically integrated undertaking is controlled.

The Office shall grant consent to the conclusion of the contract or its amendment if the transmission system operator demonstrates that the terms of the contract or its amendment correspond to those customary in the ordinary course of business, otherwise the Office shall not grant consent to the conclusion of the contract or its amendment. During 2024, 3 commercial agreements concluded within a group of vertically integrated undertakings were approved by the Office.

The amount of electricity and/or gas provided

Electricity and gas suppliers who provide electricity or gas to end-users on the basis of an electricity or gas supply contract or a pooled electricity or gas supply contract are obliged, in accordance with Decree No 207/2023 Coll. and Decree No 208/2023 Coll., to send information to the Office on the quantity of electricity and/or gas provided. Approximately 145 electricity and gas suppliers send information on the quantity of electricity and/or gas they have secured to the Office on a monthly basis.

8

INTERNATIONAL COOPERATION

In the area of international cooperation, the Office is engaged in a number of activities related to its role as a regulator:

1. Membership of international organisations:

The Office is an active member of several major European and global regulatory organisations:

- ACER (Agency for the Cooperation of Energy Regulators) - the European agency that coordinates the work of national regulators in the EU,
- CEER (Council of European Energy Regulators) - an association of European energy regulators,
- ERRRA (Energy Regulators Regional Association) - a regional association of regulators that promotes experience sharing and capacity building.

2. Joint work on European legislation:

The Office is involved in the preparation and implementation of European energy legislation.

3. Linking markets and cross-border projects:

It promotes the interconnection of electricity and gas networks with neighbouring countries.

Cooperates on cross-border investment projects (e.g. gas pipelines, transmission lines).

4. Sharing know-how and best practices:

Within the international groups, the Office shares its experience and at the same time draws inspiration and data from other regulators.

The European energy system is undergoing a profound transformation; large-scale integration of intermittent resources will require off-take solutions to manage supply and demand. The electricity market should effectively reflect the changes by establishing an appropriate framework and market structures.

Increasing the share of renewable generation in the energy mix to decarbonise, intermittent renewables such as wind and solar can threaten the capacity of local and regional grids, requiring costly network measures from system operators, both TSOs and PDSs. In addition, decentralised resources are increasingly being deployed, including storage and electric vehicles, among others, with the need for integration with the system. Active customers need to be able to offer demand response, either directly or through aggregation services. Electricity storage is a key element in providing flexibility and supporting the integration of renewable energy into the energy system and can therefore also contribute to decarbonising other economic sectors. The development and operation of storage is promoted in Directive (EU) 2019/944 as a mar-



ket activity to be carried out by market participants other than system operators.

| REMIT

REMIT, Regulation (EU) 2024/1106, has undergone a significant change. The aim of the Regulation, to improve market protection against market manipulation in the wholesale energy market, cannot be satisfactorily achieved at Member State level, but can be better achieved at EU level. ACER, the national regulatory authorities, ESMA and the competent financial authorities of the Member States shall exchange relevant information and data on a regular basis, if possible on a quarterly basis, regarding possible infringements of Regulation (EU) No 596/2014 in relation to wholesale energy products.

This Regulation will strengthen market oversight in the European Union and ensure open and fair competition in wholesale energy markets. The draft regulation was presented by the European Commission on 14 March 2023 in response to high and volatile energy prices in 2022.

| Main events and changes in 2024: REMIT amendment (REMIT II)

Date of adoption: April 2024

Effective date: May 2024

Objectives of the amendment: to increase the transparency and integrity of energy markets. Improve monitoring and detection of market manipulation. Strengthen cooperation between regulators within the EU. Key changes: Extension of the definition of „organised market“: Includes a wider range of trading platforms, which means that more entities have to comply with new obligations. Obligations for non-EU market participants: Non-EU entities must appoint a representative in the EU and provide their contact details to the Agency for the Cooperation of Energy Regulators (ACER) and the relevant national regulators by 8 November 2024. Notification of algorithmic trading: Market participants using algorithmic trading must report this to ACER and the relevant national regulators.

As of 31.12.2024, the Office continued to keep a record of and register market participants operating on the Slovak wholesale energy market. The majority of market participants reported transaction data to ACER through the Slovak RRM, which are the companies OKTE, a.s. and Solien, s. r. o.

| Twinning projects

In 2024, the Office successfully completed a twinning project in Palestine, where Greece and Italy have participated as junior project partners together with Slovakia for the past 3 years.

At the same time, in 2024, the Office continued its twinning project for the Malawi Electricity Regulatory Office (MERA), where a two-person consortium of providers is led by the Italian agency Gestore dei Servizi Energetici GSE SpA, and the Office acts as a junior partner in this project. Within the framework of the project, during the study visit of experts from Malawi to the Slovak Republic, on 04.11.2024, the President of the Office received at the premises of the Office in Bratislava members of the delegation of the Malawian regulatory authority MERA led by its Vice-Chairperson Phyllis Manguluti.

9

ECONOMIC MANAGEMENT

The Office implemented the binding indicators of the state budget for the year under review and managed the allocated funds as follows:

| Implementation of revenue

As at 31.12.2024, total revenue was implemented at €586,079.24 compared to the approved budget of €300,000. The establishment of the binding budget figures for the year 2024 allocated revenue of €310,500 to the Office after adjustments. Of this, fines imposed by the Office on regulated undertakings, in accordance with the Regulatory Act, amounted to €581,711.46 and other non-tax revenue amounted to €4,367.78, which, in percentage terms, represents an implementation of this binding indicator of 188.75 %.

| Disbursement of expenditure

The approved total expenditure budget for the year under review was set at €6,159,298.00. As of 31.12.2024, it was adjusted to €6,732,737.79 by budgetary measures of the Ministry of Finance of the SR and the payment unit of the Ministry of Investment, Regional Development and Informatisation of the SR. The sum of actual implementation of expenditure as of 31.12.2024 to €6,732,240.76, which in relation to the adjusted budget of €6,732,737.79 represents an implementation of almost 100%, with an unspent balance of expenditure of €497.03.



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