

## Prediction of the expected long-term development of electricity consumption update

Despite the ongoing economic recession, the consumption of electricity in the Czech Republic during 2013 developed less pessimistic than expected in the previous prediction that was presented in March. The changes comparing to March expectations are probably caused by economic recovery, indicated by growth in gross domestic product in the second quarter compared to the first quarter, and also by presented amount of new industrial contracts (according to the index of industrial managers). After conversion to the climate conditions the decrease of domestic net consumption for the first eight months of 2013 was by 0.8%, while previously expected the decline of 1.3%.

The conclusions of the expert working group, which took place on 6 September 2013 at the headquarters of OTE expect a slight decrease in 2013 domestic net consumption by 0.1 % to 58.6 TWh while prediction from September 2012 expected domestic net consumption for 2013 to be 58.4 TWh. The net domestic consumption for 2014 is predicted to be 58.9 TWh, an annual growth of 0.5 %. Restoring growth of electricity consumption is currently expected in 2014 as well as the expected economic growth in the Czech Republic. The highest values of electricity consumption increase are expected between years 2020 and 2025. Predictions expect a significant reduction in the energy intensity of added value (EEN) as a result of savings and improving the production efficiency (by 2040 EEN should be reduced by 35 %) and also significant savings in the household sector where's expected average saving rate about 1.7 % of annual consumption sector by 2040. Prediction of net domestic consumption has been reduced for the entire forecast horizon as a result of the use of new population projections by the Czech Statistical Office, expecting decrease of population by approximately 900 thousands to 10.1 million by the year 2040. Other assumptions remain unchanged except for minor corrections retained. According to current expectations development of net domestic consumption will be also influenced by the development of electric cars (most significantly since 2035) which, alongside with CNG cars, will become one of the alternatives to the classic fossil fuels cars.

Consumption of electricity and gas forecast and its presentation to the group of experts are being prepared in cooperation between OTE and EGU Brno as the inputs to the Project of the expected long-term balance between supply and demand of electricity and gas. A brief summary of the report is also regularly published in the "Statistics - Long-term balances" section of the public OTE website: <http://www.ote-cr.cz>

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### **OTE, a.s.**

*OTE, a.s., the Czech electricity and gas market operator, (OTE) is a joint stock company established in 2001. OTE provides comprehensive services to individual electricity and gas market players. OTE commenced organizing trading in the day-ahead electricity market in 2002 and the intra-day and block electricity markets in later years. OTE has been the market operator on the gas market since 2010 including operation of day-ahead gas market and intraday gas market. Continuous data processing and exchange required for the accounting and settlement of imbalance between the contractual and actual volumes of electricity and gas supplied and received are among services offered by the OTE to players in the Czech electricity and gas markets, as well as administrative procedures associated with a switch of supplier. The OTE also administers the National Register of*



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*Greenhouse Gas Emissions. OTE is the holder of the license for market operator's activities, which includes activities in the electricity and gas market in the Czech Republic.*

*Additional information is available on [www.ote-cr.cz](http://www.ote-cr.cz).*