

# Tamás Vörös

Head of Staff of Vice President  
for International and Strategic Affairs

## Energy Regulatory Sandbox Hungary

5 March 2025

Hungarian Energy and Public Utility Regulatory Authority

*Clean energy, sustainable environment*



1. The general concept
2. How MEKH got there
3. The Hungarian concept
4. MEKH Regulatory Sandbox
5. Next steps
6. Energy Communities?



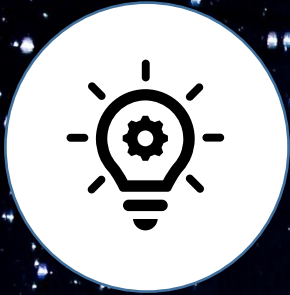


**Regulators apply the laws.**

**We may not be the spearhead for the uptake of innovation**

**- but do not want to be a barrier either!**





## Purpose 1

To facilitate the uptake of innovations that are useful for the regulated industry



## Purpose 2

To help review extant regulatory framework



## The solution: regulatory sandbox

- Innovator able to test innovation in a real life environment
- that is limited in time and space
- where they are exempt from certain regulatory rules (derogation).





# How MEKH got there

1. Internal discussions



2. International examples



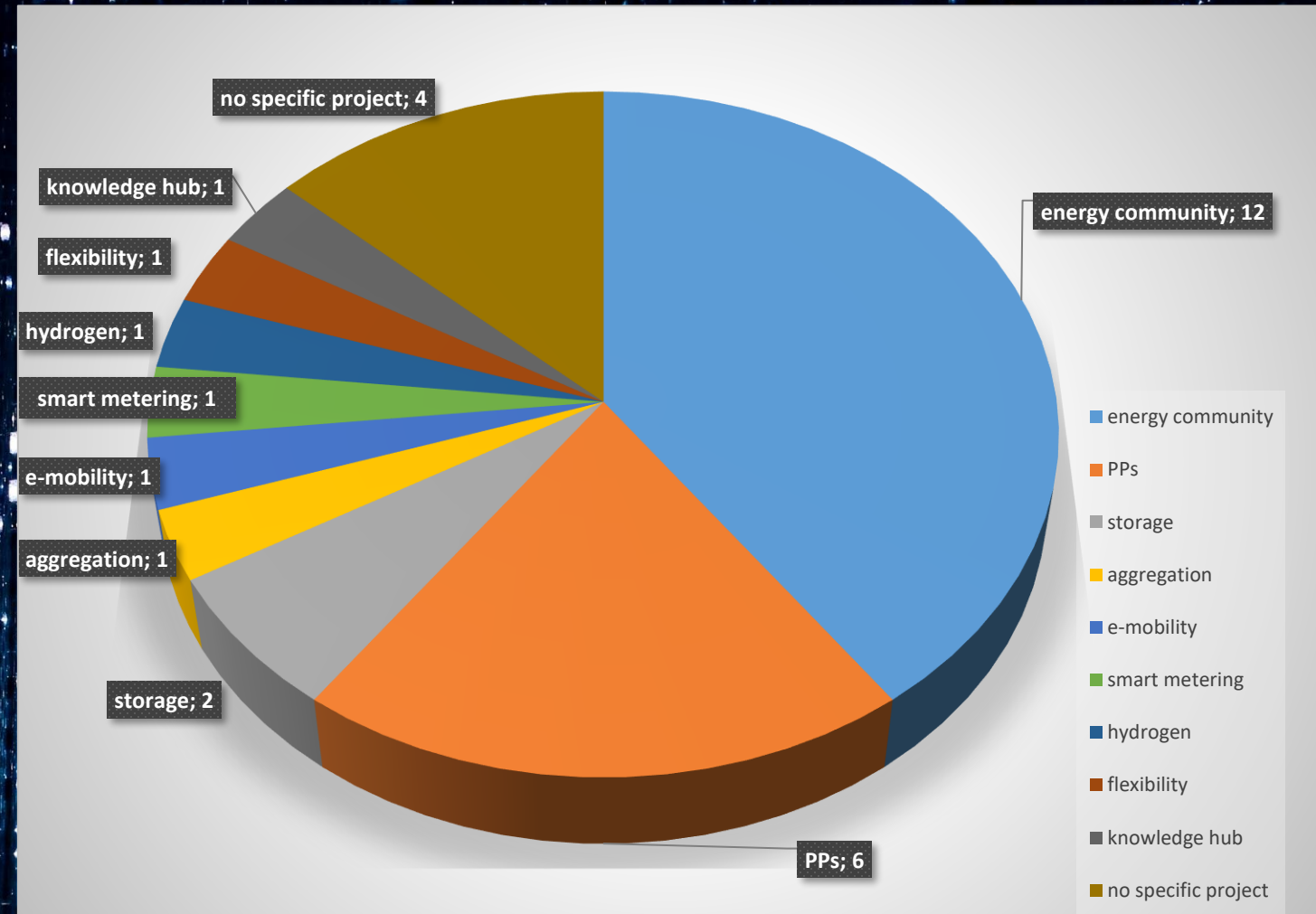
3. General legal framework and concept



4. Legislative proposals



- May - June 2022
- Press release, open consultation
- 63 stakeholder directly approached
- 30 responses
- Chart shows variety of subjects
- No regulatory or legislative barriers identified
- Many proposals might bring social welfare gain





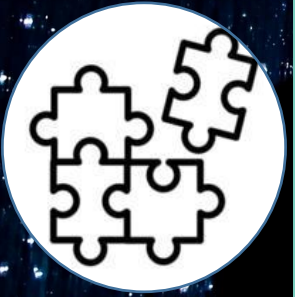
## Regulatory Sandbox

Legal basis (2021 Electricity Act, 2022 Gas Act amendments)

Procedural details in MEKH Decree

Approval of projects by MEKH Decision

Formal administrative procedure



## Energy Innovation Centre

No strict legal framework

MEKH's supporting and encouraging activity

Dedicated organizational unit (Innovation Office)

More informal process





Technically and commercially sound (safe to operate)



Innovative product, service, technology, business model, etc.



To be established or introduced in the Hungarian market



Testing in a sandbox environment is necessary



Derogation from MEKH Decree or market codes is requested



Cannot aim derogation from paying fees or to receive funding

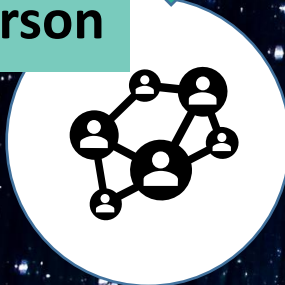


## Innovator

- a natural or a legal person resident/established in Hungary
- who applies for testing their innovation within a regulatory sandbox

can  
be  
the  
same  
person

otherwise: must have a contract with each other!



## Energy market player

- an electricity or gas industry licensee of MEKH, or
- an aggregator, energy community, electromobility provider registered by MEKH



## Participant

- a natural or a legal person other than Innovator or Energy market player
- who voluntarily participates within a regulatory sandbox



- MEKH prioritizes innovation gaps
- MEKH informally consults
  - innovation ecosystem
  - energy industry
  - energy policy

**Needs  
assessment**

**Selection of  
subject(s!)**

- MEKH decides on innovation target area(s)
- May be more than one subject!

- Considering subject matter and resources, MEKH decides on
  - application window timelines (window open min. 90 days)
  - expected TRL

**Scheduling**

**Launch of  
application  
window**

- Application details published on mekh.hu
- Supported by public communication campaign
- Formal application through e-Government Portal („hivatali kapu”)



# Regulatory sandbox: procedure

- Innovator initiates administrative procedure
- Formal requirements
- E.g. detailed concept, business plan, risk assessment, goals
- Requested derogation

- Scrutiny of maturity threshold (TRL6)
- Approval: derogation granted (MEKH Decision)
- Dismissal: if due to subject matter, MEKH may consider it when designing next application window

- Final Project Report
- MEKH assessment report
- Termination of project by MEKH only! (if unsuccessful or breach of terms)

Proposal

Admissibility

Merits

Monitoring

Assessment

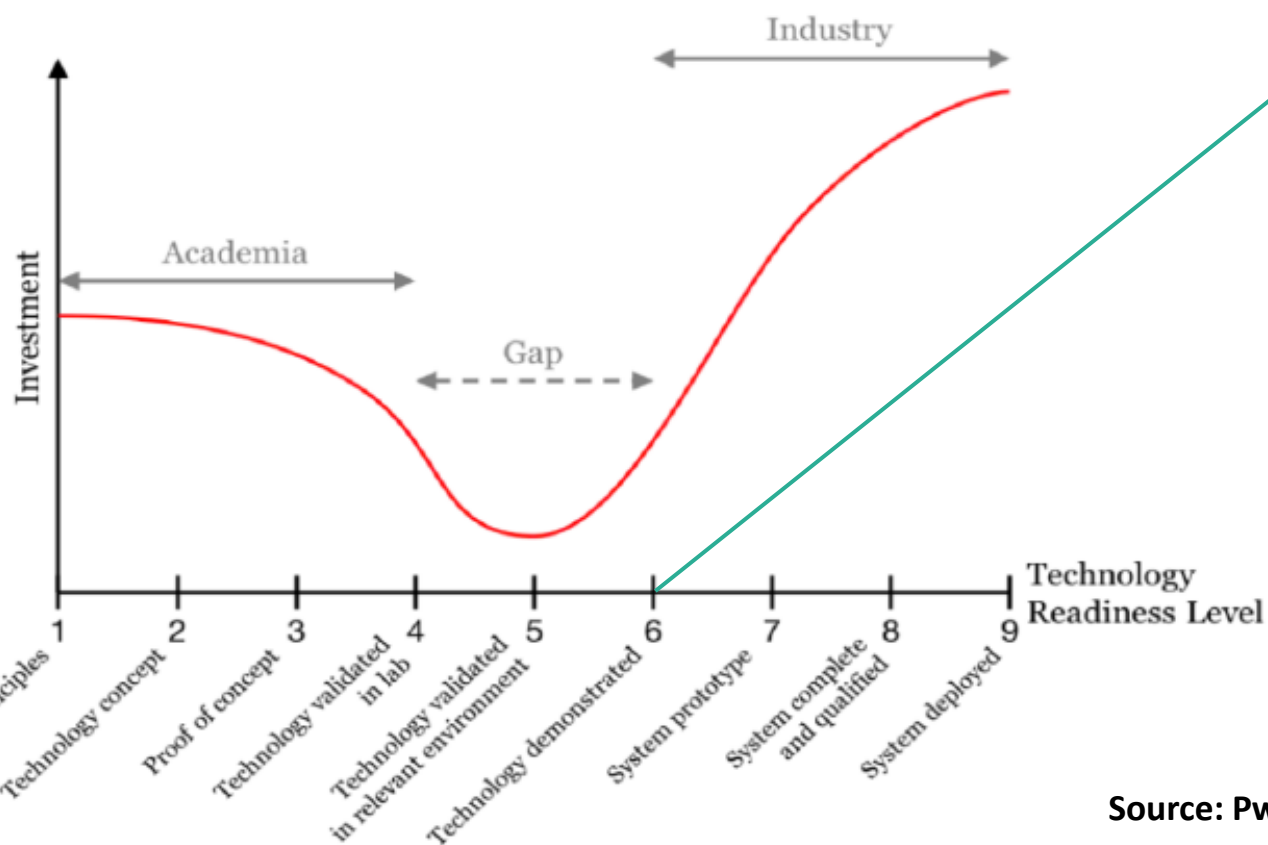
Amendment

- MEKH launches administrative procedure
- Scrutiny
- Compliance with formal requirements, including subject matter

- Sub-goals and deadlines
- Reports every 3 months
- Possibility of ad hoc data submission obligation if operation not in line with MEKH Decision

- Successful project
- MEKH decree and/or codes amended if justified
- Project goes on under new legislation
- MEKH might propose amendment of laws





Source: PwC

**Sandbox requirement:**  
**TRL 6 (Technology demonstrated)**  
**Or**  
**Already exists in other sectors or countries**

- Innovation might ensure improving sustainability or price-efficient operation of energy network, fulfilment of consumer needs, security of supply
- Provides better services
- Requirement of maturity
- Derogation is necessary
- Sandbox needed in order to decide on social usefulness



- Ongoing public consultation on draft text of MEKH Decree
- MEKH workshop for energy industry (19 March, by invite only)
- MEKH Decree – ETA: Spring 2025
- First regulatory sandbox window – planned for 2025
- Launch of Energy Innovation Centre – planned for 2025



- **Regulatory Sandbox: an „innovative solution neutral” flexible tool**
- **Energy Communities are welcome to apply**
- **Must be clear what the innovation in the project is and what the precisely identified regulatory barriers are**
- **Project subject matter must be within the scope specified for the application window**
- **MEKH is open for ideas from Energy Communities on subject matter for upcoming application windows**

