NORD STREAM 2
FROM RUSSIA WITH MENACE

RUSSIA AS AN UNRELIABLE PARTNER

There are at least two facts that prove Russia an unreliable partner in the natural gas sector:

1) the Stockholm Arbitration has found Gazprom in violation of the gas transit deal with Ukraine's Naftogaz and imposed $4.6 billion in respective fines[1]. Gazprom refused to comply with the decision blatantly[2]; and

2) the European Commission, in an antitrust investigation, concluded that Gazprom violates EU antitrust rules by hindering cross-border gas sales within the EU, charging unfair prices, and conditioning gas supplies on unrelated commitments from wholesalers[3].

In Ukraine, Gazprom has manipulated pressure within the country's gas transmission system (GTS). Gazprom is contractually obligated to keep the pressure at the entry to GTS between 60 to 65 atmospheres (atm). However, pressure from the Russian side (Sudzha metering station, among others) has been between 51 and 59 atm for the period from January 2018 until the end of February 2018[4].

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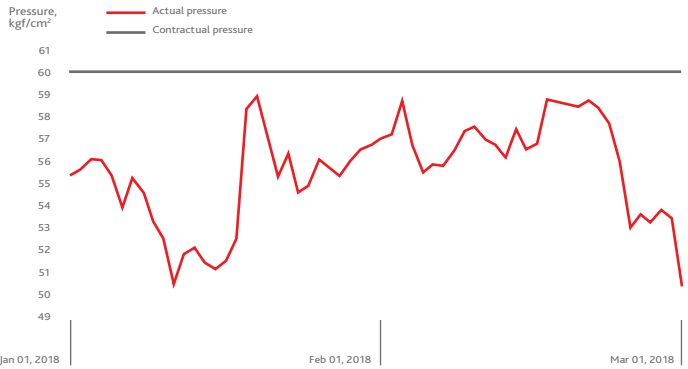
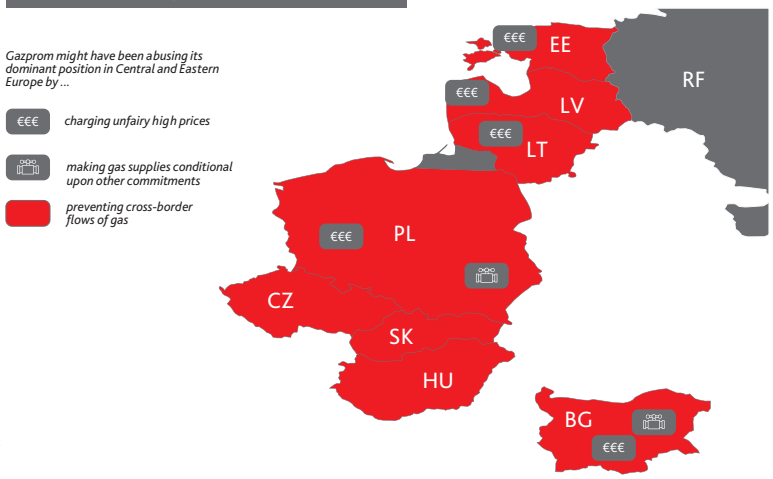
days Gazprom maintained contractual inflow pressure January 01 - March 01, 2018[4]

PRESSURE ON SUDZHA GMS
Jan 01 - Mar 01, 2018



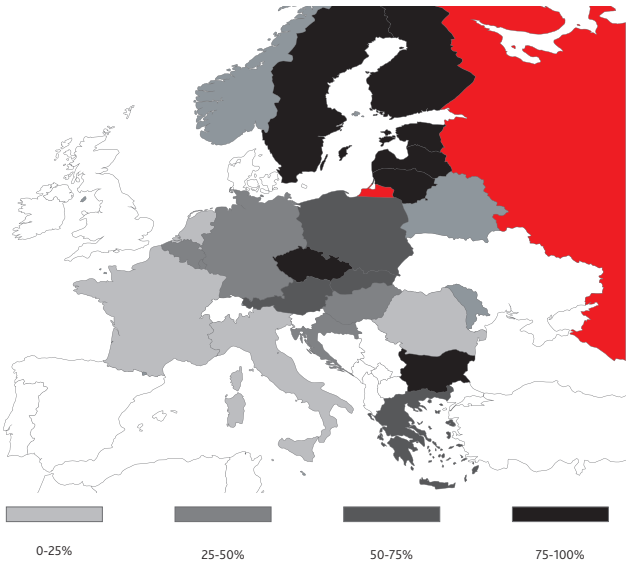
FINDINGS OF ANTITRUST PROBE
April, 2015



1 - https://www.oxfordenergy.org/wpcms/wp-content/uploads/2018/03/After-the-Gazprom-Naftogaz-arbitration-commerce-still-entangled-with-politics-Insight-31.pdf
2 - http://www.londonstockexchange.com/exchange/news/market-news/market-news-detail/OGZD/13550923.html
3 - http://europa.eu/rapid/press-release_MEMO-15-4829_en.htm
4 - http://utg.ua/en/utg/media/news/2018/in-2018-gazprom-failed-to-fulfill-its-obligations-under-the-gas-transit-contract.html

HIGH DEPENDENCE TURNS TO CRITICAL

EU ENERGY CONSUMPTION OF RUSSIAN GAS, 2015



In 2017, Gazprom supplied 194 bcm of gas to Europe, 8 percent higher than the record high set in 2016[5]. Europe imports one-third of its gas from Russia, and this share could increase with completion of Nord Stream 2 as domestic production declines.

By investing in construction of Nord Stream 2, Europe would also be locking itself into Russian energy structure for decades instead of developing new routes and sources of supply or substitute gas.

40%
German gas import comes from Russia with 90% of all gas imported in 2015[6]

5 - https://www.ft.com/content/7b86f4be-f08e-11e7-b220-857e26d1aca4
6 - https://oilprice.com/Energy/Natural-Gas/Germanys-Pivot-From-Russian-Gas-Will-Be-Costly.html

https://www.independent.ie/business/world/gazprom-europe-will-become-more-reliant-on-our-gas-30062968.html