Facts About LNG

Dismantling Misleading Rhetoric

In its narrative around the significance of liquefied natural gas (LNG) for the European Union, the Commission is repeatedly using a set of controversial arguments. Also many MEPs have adopted the Commission's wording unquestioned. But what is really behind these concepts?

Security of supply

- Already today, existing European LNG structure can cope with 43% of the EU's total gas demand.[1]
- European LNG terminals are heavily underused, running at only around 25% of their capacity.[2]
- The Commission repeatedly overestimates future gas demands and was criticized by the European Court of Auditors for this.[3]
- Gas demand has fallen about a quarter since 2010 despite a decrease of domestic gas and coal generation thanks to energy efficiency, renewables and consumption patterns.[4]
- Even in severe supply shortage scenarios, there is no need for new LNG infrastructure, if the EU is on track with its emission targets.[5]

Flexibility

- Smart interconnection of geographically dispersed renewable energy production, integrated with more local electricity and demand-response programmes, will make gas as a back-up fuel redundant.[6]
- LNG terminals often sign take-or-pay contracts, forcing them to accept LNG deliveries. Flexible reactions to actual energy need are fined.[7]
- If the EU market is not profitable, LNG exporters can easily redirect LNG cargos to other markets.[8]
- LNG infrastructure lasts for at least 40 years. In 2050, the EU will have reduced its greenhouse gas emissions by 80-95% — stranded assets will be the result.[9]

Diversification of supply

- This is a mere euphemism for decreasing the dependence on Russian gas.
- It would result in shifting EU gas dependence to countries such as Azerbaijan, Iraq, Kazakhstan, Nigeria and Saudi Arabia, known for human rights violations/instable political situations/ poor environmental standards.
- The viability of importing LNG from the United States is threatened through eventual political shifts in the country.

Competition

- EU policies push for cheap Russian gas, not for real independence from it.
- US LNG is most likely not able to compete with Russian gas — more terminals for LNG that may never reach Europe.[10]
- With low prices and little need for natural gas imports, LNG is likely to be bought for purely speculative reasons.

Sustainability

- The EU exports its dirty energy footprint to other countries that can hardly protect their citizens from its impact.
- Already today, our fossil fuel budget is very limited — every investment in dirty energy would be climatic suicide.[11]
- Methane emissions throughout the life cycle of LNG make LNG as harmful for our climate as coal or oil.[12]
- Almost 100% of US LNG is obtained through hydraulic fracturing ("fracking"), a highly controversial means of extreme energy extraction with devastating consequences for societies, the environment, and our health, air and water.[13]
- Investing in LNG would clearly contradict the global Paris Agreement on climate change and EU targets for limiting greenhouse gas emissions.
- Cutting demand is a much cheaper, safer and more effective solution.

The real solutions for a secure, sustainable, competitive, flexible and diverse energy system are:

- phasing out investment in fossil fuels now
- heavy investment in feed-in tariffs and support schemes for renewable energy sources
- rapidly expanding energy efficiency measures and smart grid reinforcement
- interconnecting existing infrastructure in a smart way
- developing an integrated perspective on gas, heat and electricity systems
- boosting domestic energy production through renewables
- supporting decentralised and diverse renewable energy generation
- introducing obligatory carbon value labelling for imported energy.

References

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