

THE HYPOCRISY OF EUROPEAN GAS DEMAND

2019

Projects of Common Interest (PCIs) automatically have a "priority" status within their countries, which makes it generally easier to get access to funding and profit from a range of benefits.

We took a look at the latest Eurostat figures showing gas demand across Europe from 2010 to 2017. We then compiled this data to show the declining gas demand in Europe and the number of PCI Projects being proposed for 2019.

In 2016 the **United Kingdom** produced 43.6bcm, more than half of its demand. Its gas imports are also very diversified, mostly coming from Norway (over two thirds) followed by Qatar and the Netherlands. The need for 4 PCI Projects is therefore questionable from a demand point of view alone.

Network investments in **Slovenia** in 2012 alone amounted to €38 million, of which €9 million was granted by the EU. Gas is Slovenia's 5th source of energy, and current infrastructure is fully able to meet Slovenia's needs. For these reasons alone 6 new infrastructure projects are unnecessary.

The six transmission pipelines in **Austria** have the capacity to import 72.8bcm/y of gas which is almost 9x more than it consumes. Given this, it seems unlikely that Austria can justify three new infrastructure projects which would bring more gas from Eastern Europe.

Portugal has recently diversified its gas supplies and has import rates twice as high as its current gas demand. New fossil fuel infrastructure should therefore not be a priority for the country, particularly given the goals of the Paris Agreement and the EU.

SWEDEN
Gas demand **declined by 36%**.
1 PCI list proposed project.

LATVIA
Gas demand **declined by 32%**.
3 PCI list proposed projects.

NETHERLANDS
Gas demand **declined by 23%**.

UNITED KINGDOM
Gas demand **declined by 20%**.
4 PCI list proposed projects.

SLOVENIA
Gas demand **declined by 14%**.
6 PCI list proposed projects.

HUNGARY
Gas demand **declined by 13%**.
8 PCI list proposed project.

CZECH REPUBLIC
Gas demand **declined by 11%**.
2 PCI list proposed projects.

FRANCE
Gas demand **declined by 10%**.
2 PCI list proposed projects.

IRELAND
Gas demand **declined by 8%**.
1 PCI list proposed project.

AUSTRIA
Gas demand **declined by 4%**.
3 PCI list proposed projects.

BULGARIA
Gas demand **increased by 20%**.
8 PCI list proposed projects.

PORTUGAL
Gas demand **increased by 21%**.
3 PCI list proposed projects.

FINLAND
Gas demand **declined by 49%**.
1 PCI list proposed project.

LUXEMBOURG
Gas demand **declined by 42%**.

DENMARK
Gas demand **declined by 35%**.
1 PCI list proposed project.

ESTONIA
Gas demand **declined by 28%**.
4 PCI list proposed projects.

LITHUANIA
Gas demand **declined by 23%**.
1 PCI list proposed project.

SLOVAKIA
Gas demand **declined by 17%**.
4 PCI list proposed projects.

BELGIUM
Gas demand **declined by 13%**.
1 PCI list proposed project.

SPAIN
Gas demand **declined by 12%**.
4 PCI list proposed projects.

ROMANIA
Gas demand **declined by 11%**.
10 PCI list proposed projects.

ITALY
Gas demand **declined by 10%**.
4 PCI1.2 list proposed projects.

CROATIA
Gas demand **declined by 5%**.
9 PCI list proposed projects.

GERMANY
Gas demand **declined by 1%**.

POLAND
Gas demand **increased by 21%**.
10 PCI list proposed projects.

GREECE
Gas demand **increased by 30%**.
12 PCI list proposed projects.

With a massive overall transmission and distribution capacity of 114 bcm/y from Russia, Czech Republic, Austria and Hungary, **Slovakia** can bring in 24x the amount of gas annually consumed. With its declining gas demand, there appears to be no need for another 4 PCI projects.

Hungary's gas demand has consistently remained below its 2010 peak, and yet it has a very high number of proposed PCI projects. Given the risk of fossil fuel lock in and stranded assets, it would be more strategic for Hungary to invest in renewables not 8 new gas projects.

With the most diversified gas sources in all of Europe (so much so that it is one of the biggest gas re-exporters in the world) and a gas demand decline of 12% from 2010 to 2017 it seems highly unreasonable to suggest that 4 new infrastructure projects in **Spain** should require PCI status.

Since a peak of gas demand in 2003, gas consumption in **Romania** fell by 35% in 2017. Countries surrounding Romania have also seen an average decrease in gas demand of 18% suggesting that investing in more infrastructure is very risky if Romania wants to avoid stranded assets.

Greece already has an import capacity about 3 times higher than it consumes, and an LNG terminal that was only used at 14% during the past years (2012-2019). Clearly new infrastructure is unnecessary as Europe tries to meet its 2050 net zero targets.