



ENERGY SYSTEM RESILIENCE: THE FUTURE OF GAS SUPPLY IN EUROPE

Panel 1: Rebalancing Europe's gas supplies, a political challenge for European security

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NEW GEOPOLITICAL AND MARKET REALITIES

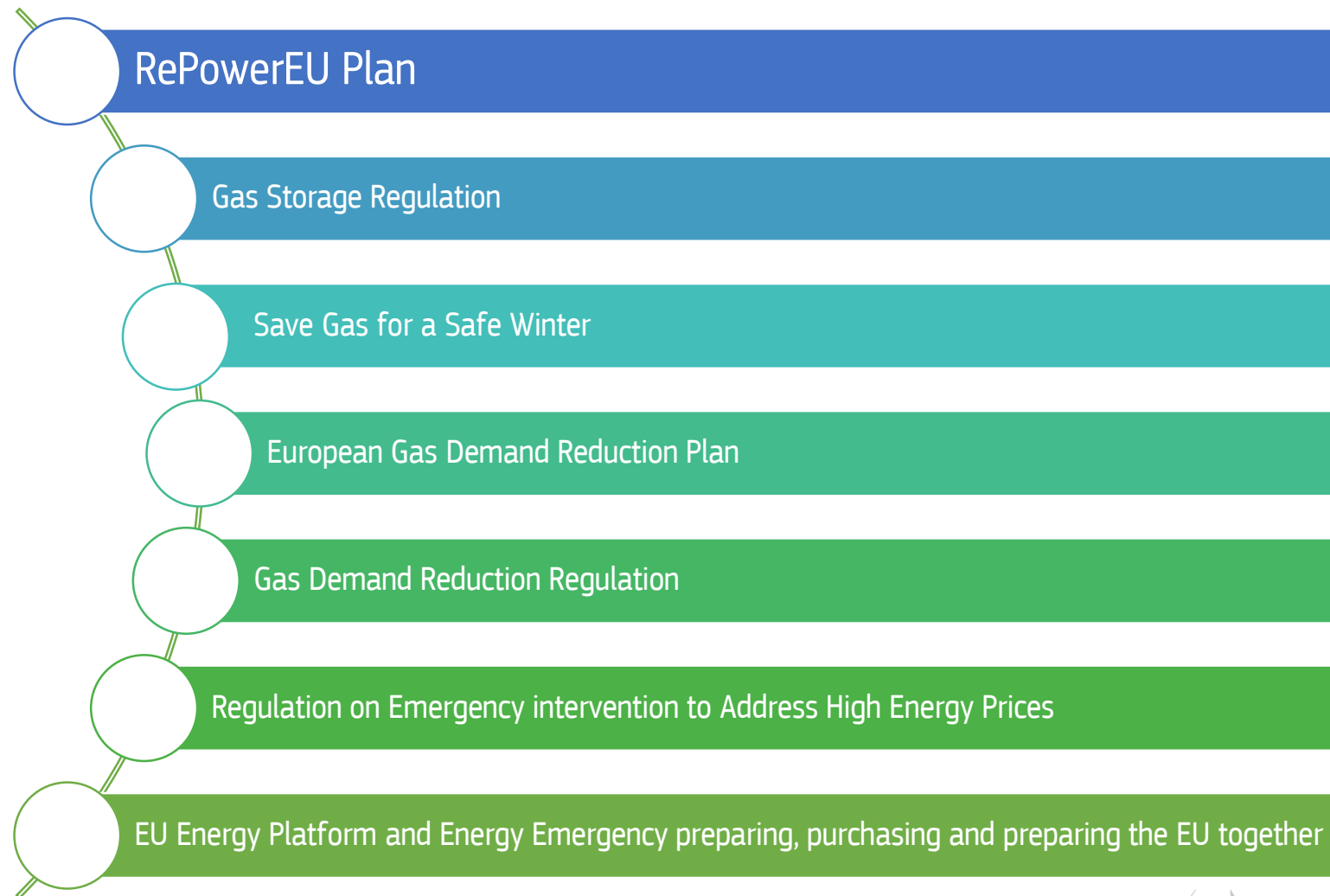


Russia's unprovoked and unjustified military aggression against Ukraine has upended energy markets, triggering **price volatility** and **energy insecurity** across the world with impacts and repercussions for the EU's energy system.

Urgency to transform Europe's energy system:

- end the EU's **dependence on Russian fossil fuels**, used as an economic and political weapon
- accelerate our **clean energy transition**
- tackle the **climate crisis**

EU RESPONSE AT A GLANCE 2021-2022



ENERGY SUPPLY

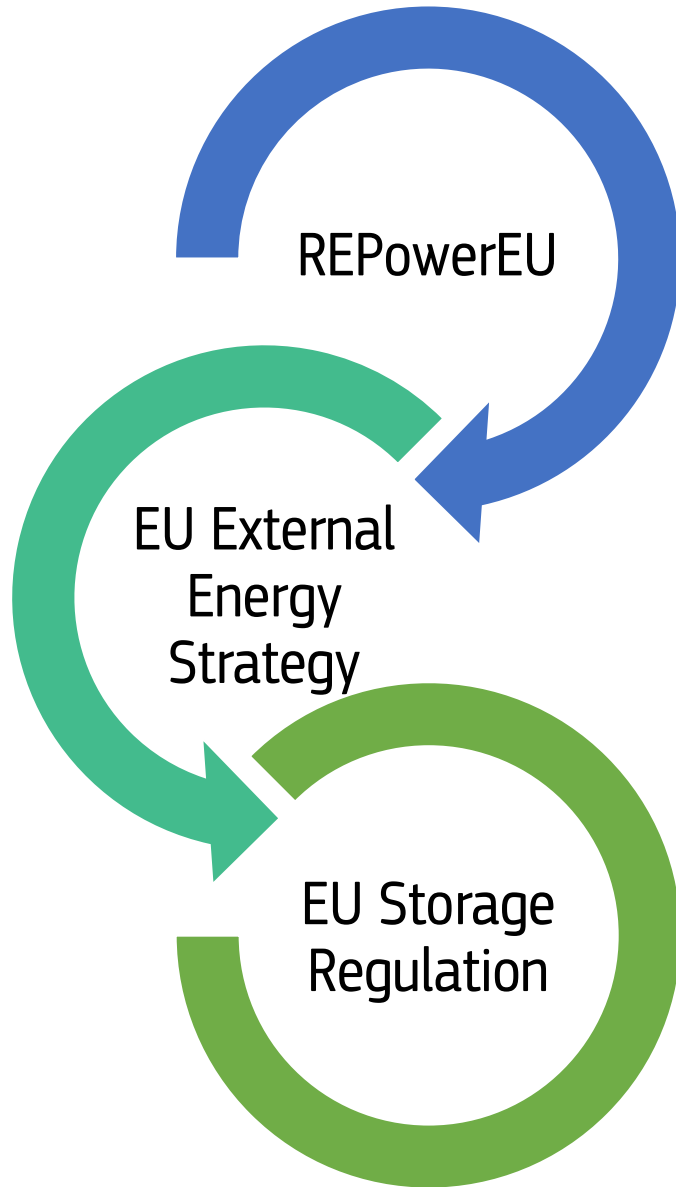
Key findings

- Russian share in pipeline imports reduced from 41% in 2021 to 9% in September 2022.
- Nuclear power fleet ageing and set to decline until new investments come online.
- Drop in electricity supply from hydropower (from 14% to 11%) due to low water levels.
- Tightness of key petroleum products due to increasing demand and draughts since March 2022.
- Fossil fuel subsidies remained fairly stable, while subsidies for renewable energy rose.

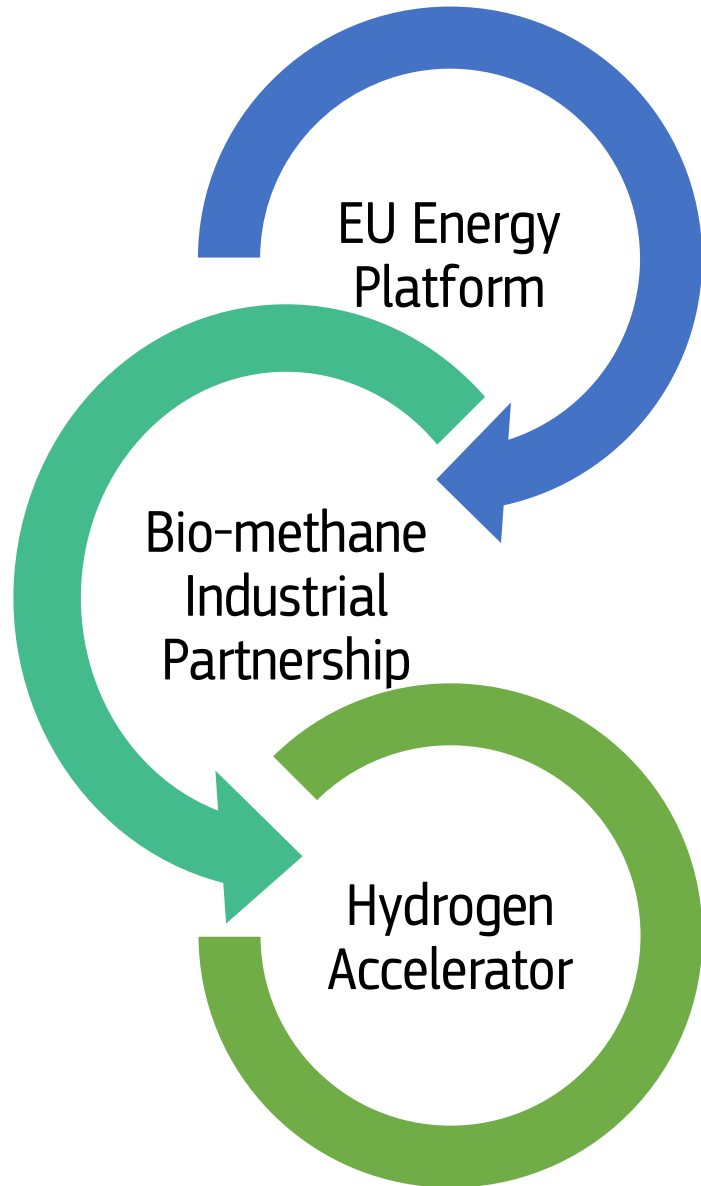


ENERGY SUPPLY

Key developments



- ✓ Increased gas supply from trusted partners compensated Russian supply drop.
- ✓ LNG is now a key source of supply (32% of total net gas imports).
- ✓ EU gas storage filling level already above 91%.



DIVERSIFICATION OF ENERGY SUPPLY

- ✓ Diversification of gas supply through new gas routes such as Baltic Pipe.
- ✓ EU Energy Platform fast-tracked agreements with trusted energy partners and will continue supporting joint purchase of gas, LNG and hydrogen. (Energy Emergency Package 18 Oct)
- ✓ BIP to facilitate achieving 35 bcm, sustainable bio-methane production by 2030.
- ✓ Hydrogen Accelerator to boost EU hydrogen market to replace natural gas use.
- ✓ Increased renewable energy use substituted around 155.6 & 164.6 Mtoe of fossil fuels.

Thank you



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