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THE 11TH ANNUAL FORUM OF THE EU STRATEGY FOR THE DANUBE REGION (EUSDR)

Diversification of gas supply in EUSDR

Danube Strategy Flagship



19-20 OCTOBER 2022

SECOND DAY
ENERGY SECURITY AND SUSTAINABLE
ECONOMY OF THE REGION

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Russian gas has been dominant source of gas supply in the DR

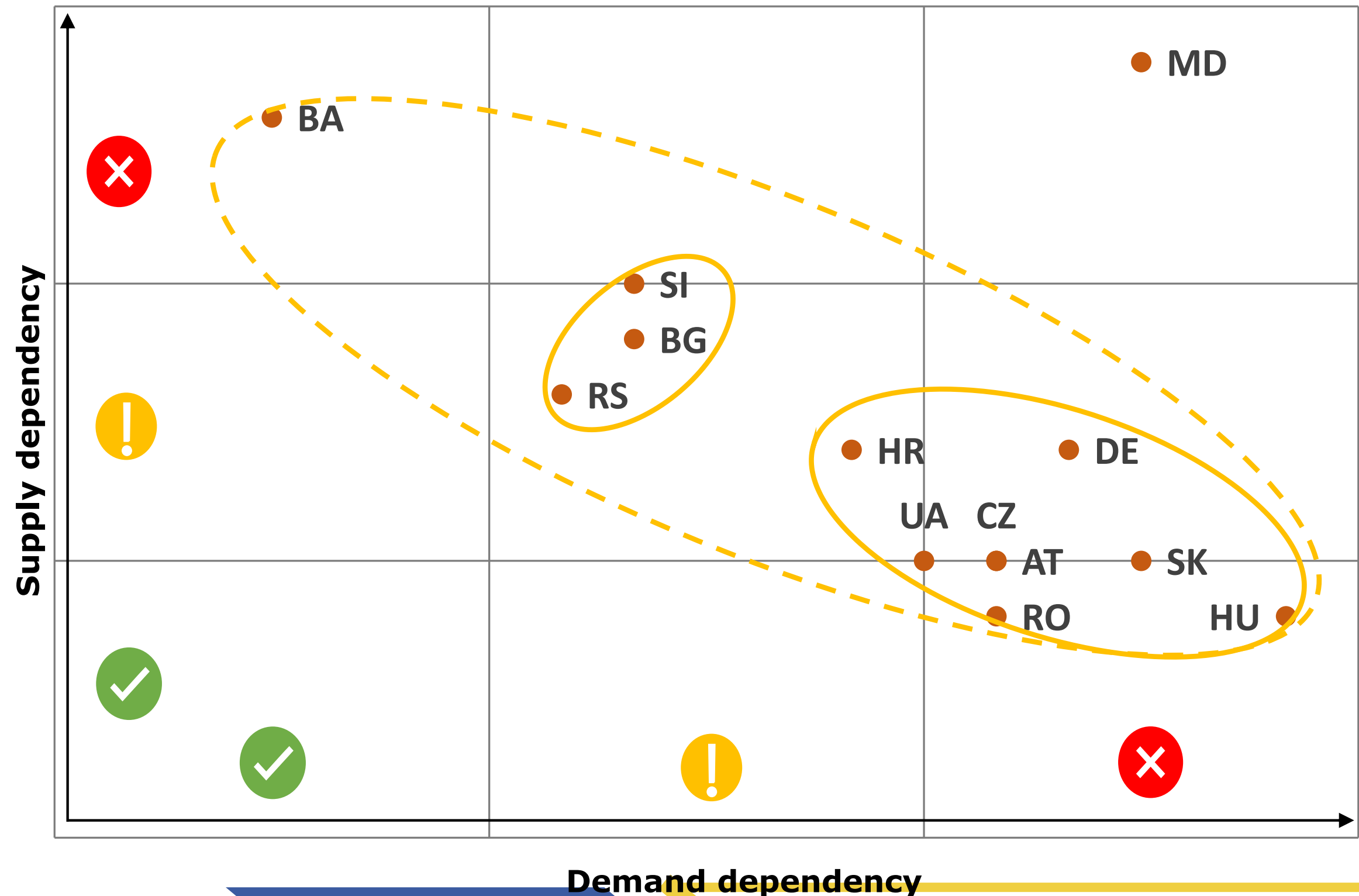


50%
RUSSIAN GAS DEPENDENCY



Different problems required different solutions

- Countries with high share of gas in the primary energy mix should secure source diversification
- Countries with high import dependency tend to use less gas
- Outlier: Moldova – 100% RU gas, widely used in all sectors

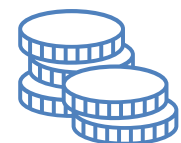
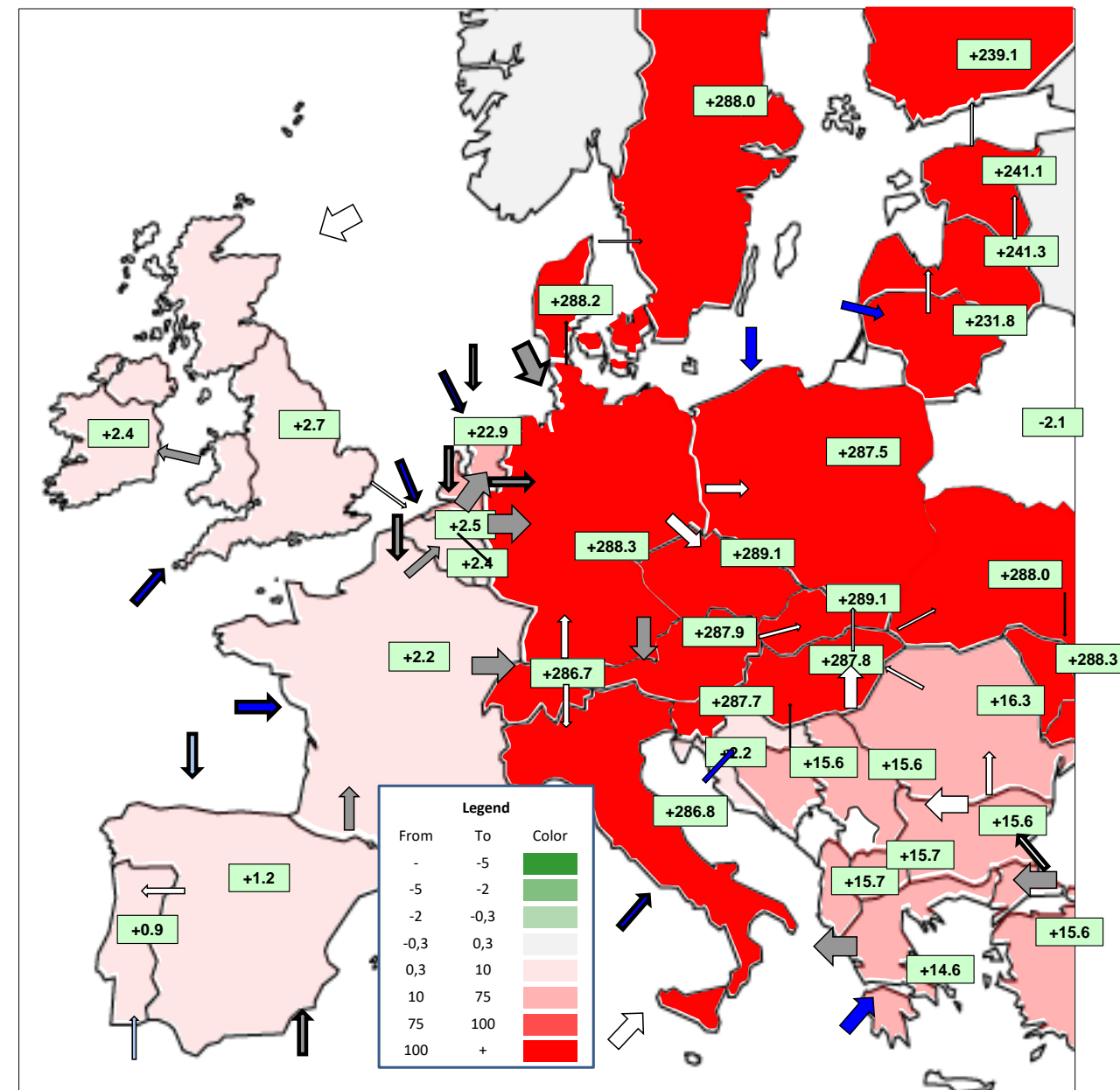


Cutting RU gas supplies to Europe

– How much does it hurt the DR?

WITHOUT ANY RU GAS

Change of wholesale yearly price in €/MWh compared to 2021 average

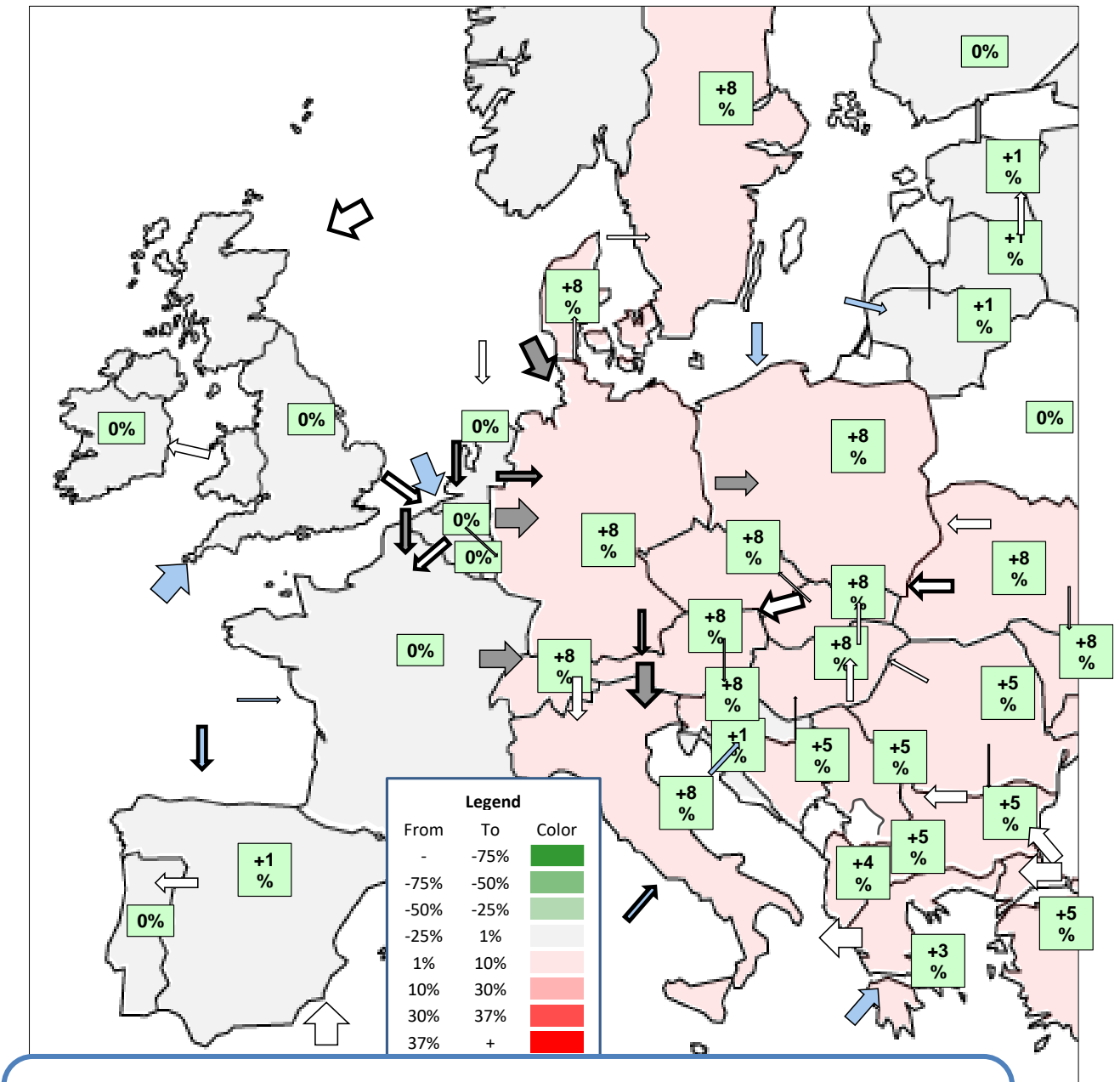


+149%

EU 27 gas bill compared to 2021

STORAGE FILLED

Change of wholesale price in €/MWh compared in February, %



+8%

DR due to a full supply cut WO any measure

What can Europe do?

SUPPLY

DEMAND

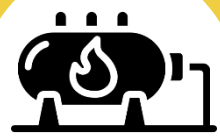
150
bcm/yr
gap



ADDITIONAL LNG
+30 bcm/yr



ADDITIONAL pipeline
+10 bcm/year
Baltic pipe



FILL UP STORAGES
80-90% target

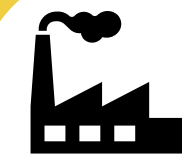


RAMP UP BIOGAS
+8 BCM/YR

+ 40-50 BCM/YR



BUILDING SECTOR
-15% average winter, -6% cold winter
(~bcm)



INDUSTRY
-15% (~bcm)



POWER & HEAT
-20-35% (~bcm)

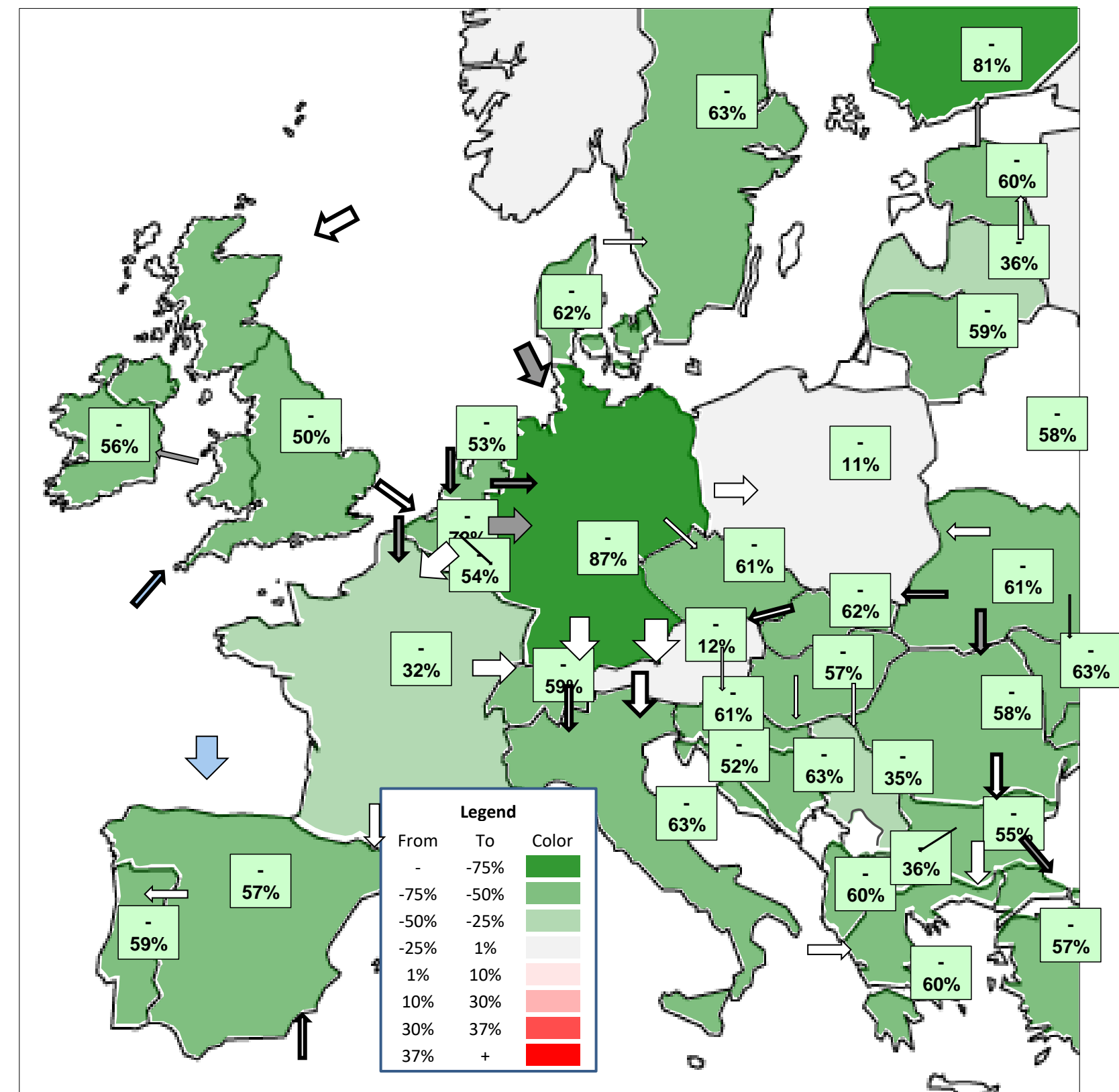
- 90-100 BCM/YR

The current winter is safe

MUCH HAS BEEN DONE

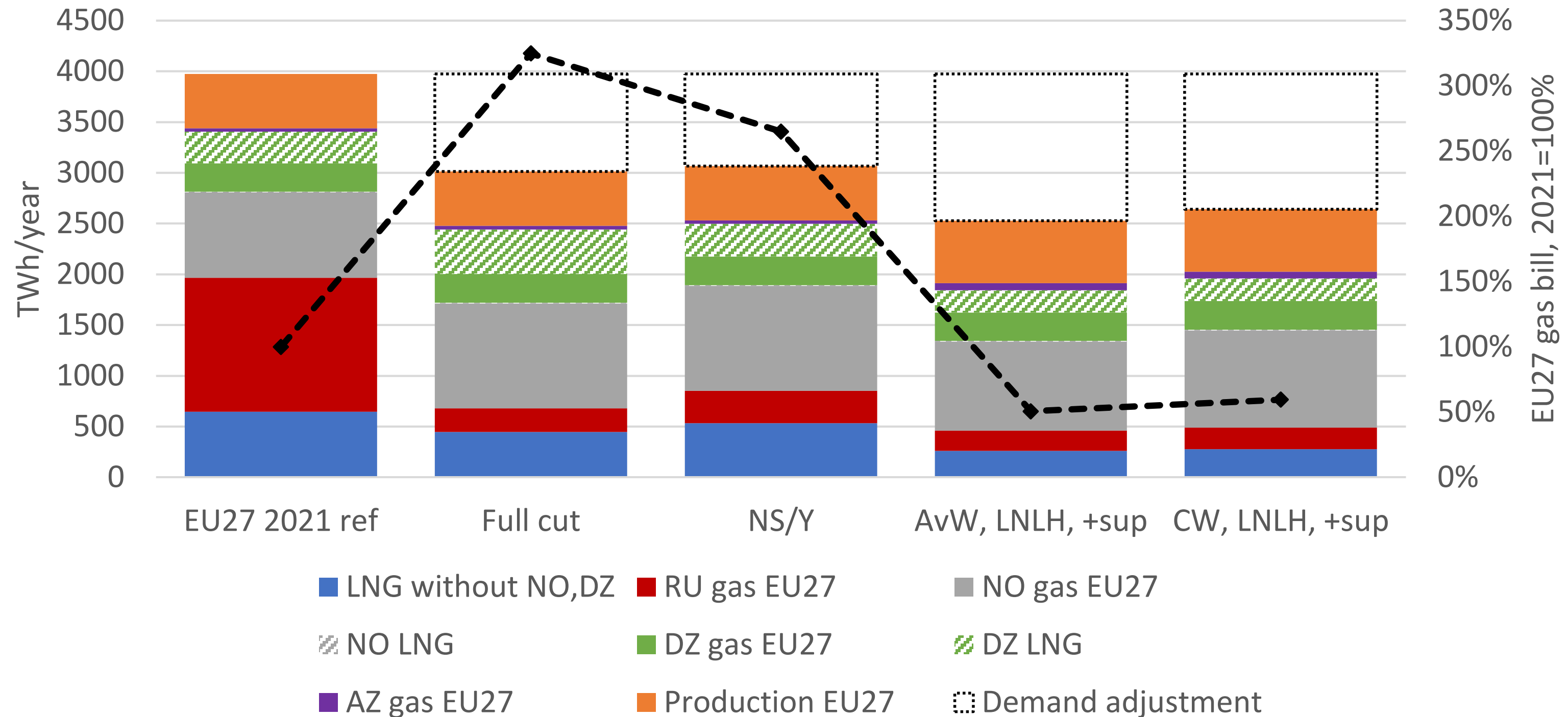
- Compared to full cut without any measures, notable (50-90%) price decrease in all countries in February
- Driven by additional LNG (DE,NL,FI)
- Demand response drives other countries

Price change in February to full cut no measures case, %



A new equilibrium without RU gas

– less consumption, lower bill



Conclusion – policy messages

Demand response

- Due to the price increase, industrial and HH sector reacted and curbed their demand
- Power sector's gas saving potential depends on French nuclear and hydro availability

Next winter will be worse

- With no RU gas filling up the storages will be a challenge

Solidarity and interconnectedness

Price signals are needed

Residential sector was so far partially shielded, there is further potential in demand reduction

THANK YOU!

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Certificate

DANUBE STRATEGY FLAGSHIP

This certificate is proudly awarded to
Diversification of gas supply in EUSDR

Danube Strategy Flagships are projects or processes that contribute to the implementation of the EU Strategy for the Danube Region (EUSDR), have a clear macro-regional dimension and a multi-level governance approach. They are of high importance for the Danube Region's economic, social and territorial cohesion and for improving the quality of life in the Danube Region.

Danube Strategy Flagships strengthen internal and external communication of the Strategy and the visibility of the topics, initiatives and prospects in the Danube Region. They illustrate the progress achieved in implementing the EUSDR and demonstrate exemplarily significant improvement in the Region that is induced by cooperation.

EUSDR National Coordinators and Priority Area Coordinators with the respective Steering Groups, in their capacity as representatives and key implementers of the EUSDR, as well as the Danube Strategy Point, are committed to contribute to and promote Danube Strategy Flagships in accordance with the Guidance Paper for identifying and listing Danube Strategy Flagships.

Date: 14 September 2022



EUSDR Priority Area(s): PA 2 Sustainable Energy