

# Rebalancing Europe's gas supply

## Opportunities in a new era

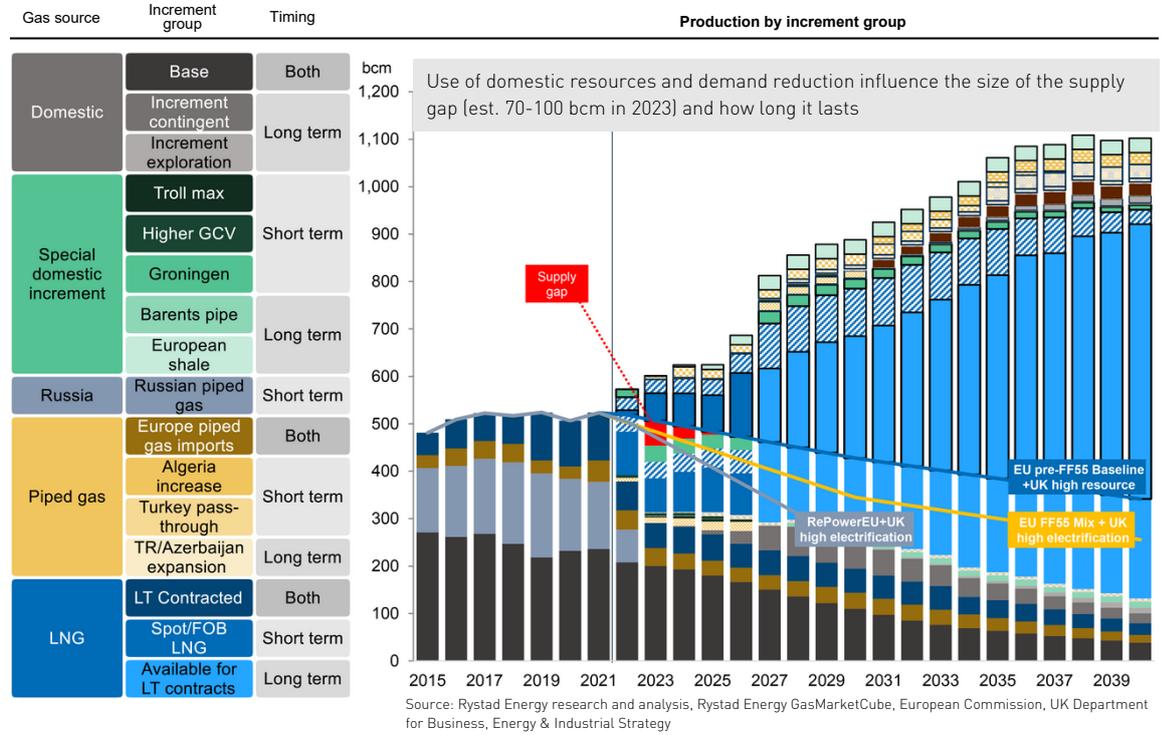
### Study findings and policy recommendations

A unique study with market input from the full gas value chain.

#### Main questions

- Can Russian gas supplies be replaced in the short term? How?
- Which key gas supply sources need to be developed to enable the longer-term rebalancing of Europe's supplies?
- Is the European infrastructure able to handle new flow patterns and peak day supply?

#### Supply options and demand scenarios



#### Main findings

**2023 to 2025** | It is progressively possible to substitute Russian imports thanks to alternative sources.

- High prices attract LNG cargoes, incentivize the full production of existing fields in Europe and maximize pipeline imports from neighboring countries.
- Significant demand reduction can be expected in a continued high price environment, as households and industry reduce consumption and switch to alternative energies.
- Europe's interconnected gas infrastructure and integrated gas market make a significant contribution to energy resilience by rebalancing flows within the region (especially West-to-East).

**2026 onwards** | New long-term supplies from abundant and low-cost global resources can fully substitute Russian supplies and rebalance the market.

- Long-term LNG imports can become the key alternative supply source in addition to maxed out domestic resources and pipeline imports
- Long-term contracts are needed to underpin LNG capacity while some adjustments to the European gas infrastructure are needed
- Cost of developing and supplying these alternative volumes to Europe are expected to let European gas prices drop to pre-Crisis expectation levels.

#### Policy recommendations

European Production	New Imports	Infrastructure
<ul style="list-style-type: none"> <li>• Reassess the potential of all European natural gas production sources, in line with climate objectives due to their significantly lower carbon footprint.</li> <li>• Member States should review their NECPs to reflect the potential of these domestic resources.</li> <li>• Recognize the significant role of Norway as reliable supplier and further deepen the partnership (possible exemption on Barents Sea).</li> </ul>	<ul style="list-style-type: none"> <li>• While the EU can facilitate the sourcing of new supplies with third countries, contracts should continue to be concluded between market participants in competition with each other.</li> <li>• Long-term LNG purchases and infrastructure-use contracts are needed and should be supported by an appropriate European legal framework.</li> <li>• Address missing North America midstream infrastructure bottleneck (pipeline capacity, liquefaction) to fully enable LNG exports to Europe.</li> </ul>	<ul style="list-style-type: none"> <li>• Address bottlenecks to increase system resilience and harvest benefits from further EU market integration.</li> <li>• Consider establishing a short-term / emergency Projects of Common Interest instrument to support necessary EU network, LNG regas, and storage reinforcements.</li> <li>• Carefully reassess gas demand reduction forecasts and infrastructure downsizing with aim to ensure security of supply.</li> </ul>

A study by:



Co-sponsors:



With technical input from:

