

Situation Nordstream II

Actual Situation

The Nord Stream 2 pipeline is technically completed. Its going in operation is blocked by a missing license. The license scheme was implemented by the EU long after the construction of NS 2 started. NS 2 is required to install an entity acc. to German law for licensing.

Well known opponents of NS 2 are: Ukraine, Poland, and the Green Party (Part of the Government) in Germany. Most probably the named countries motivated the USA to sanction Russia. They did as well motivate the EU and Mrs. Merkel.

As a guess the implementation of a new license scheme seems a shady trick. As far as an outsider can evaluate Ukraine and Poland did complain loosing bn€ in transfer royalties and Merkel promised to the US and these countries to help. Merkel (former Chancellor Germany) was a politician very experienced in intrigues and shady tricks. It is not clear who brought up this idea. Merkel tolerated at least the establishment of this certification scheme. The new Foreign Minister Baerbock (Green Communists) said that Germany does not need this pipeline.

Putin/Gazprom retaliated by reducing the gas transfer to Western Europe to the quantities already contracted. As a guess Gazprom will not make additional reservations of pipeline capacities crossing Ukraine or Poland. He offers additional gas via NS III!

Putin retaliated by pushing forward the Power of Siberia II pipeline. This pipeline is expected to connect the same Western Siberian gas fields that supply Europe with the industrial heart of China via Mongolia. Its construction start is actually scheduled for 2024.

Background I

Actually the gas from Russia is sent via 4 Pipelines to Western Europe with more than sufficient capacities:

Russia - Ukraine - Slovakia - Austria – Germany 100bn m3/yr.

Russia - Belarus - Poland – Germany 33bn m3/yr.

Russia - Nordstream I via Baltic Sea. – Germany 55bn m3/yr.

Russia – Turkey/Greece via. Black Sea 47 bn m3/yr

The main motivation to build Nordstream II 55bn m3/yr. are billions in transfer royalties paid by Gazprom (at the end the consumer in Western Europe) to Ukraine, Belarus and Poland. That means a blocking of Nordstream II will not reduce the gas shipped to Western Europe but keeps pockets in Poland, Belarus and Ukraine filled.

Background II: Germany is already dependent on Russian gas.

Background III: Germany had an energy politics with a strong preference on coal and nuclear till the 90ies. Lignite is very economic and available in large quantities. Germany is a high tech country best suited for the use of nuclear. The use of natural gas in the electricity generation was low. Thus Germany had one of the best electricity generating structures and competitive costs. With the green believe with such green dogma as anti - nuclear and climate change Germany shut down nuclear and is going to shut down coal. Gas is the only remaining source of reliable energy.

Background IV: The European domestic gas production is declining, closure of Groningen on political reasons difficult to understand, decline of British North sea gas. There are a couple of import sources as pipelines for Norwegian gas, Algerian gas to Spain and Italy and a couple of LNG regasification plants in Netherlands, Belgium, France, Danzig, and Swinemuende. These sources could not compensate a total loss of the Russian gas.

References:

1. https://seekingalpha.com/news/3693959-just-100-km-left-to-complete-nord-stream-2-pipeline-ambassador-says?mail_subject=rds-a-rds-b-just-100-km-left-to-complete-nord-stream-2-pipeline-ambassador-says&utm_campaign=rta-stock-news&utm_content=link-1&utm_medium=email&utm_source=seeking_alpha#comment-88866219es