

Situation Nordstream II

Actual Situation

It is just 100 km left to complete laying Nord Stream 2 pipeline (May 10, 2021). Two Russian vessels - the Fortuna and the Akademik Cherskiy - currently are operating in Danish waters. They will lay pipe at a combined 1 km/day, and assuming weather conditions allow, it would take ~100 days to lay the remaining pipeline.

Situation

Actually the gas from Russia is sent via 3 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.

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. The countries that fill their pockets with the transfer royalties seem to have a strong lobby in Washington. Nordstream II gives Gazprom a better negotiation position by reducing the gas transfer of one of these pipelines reducing transfer royalties.

Background I: Germany is already dependent on Russian gas.

Background II: 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 III: The European domestic gas production is declining, closure of Groningen on 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 regassification plants in Netherlands, Belgium, France, Danzig, 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