

CEER Citizens' Q&A

The influence of new LNG terminals on the future EU energy market

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1 What's in this Report?

This report seeks to support discussions related to the influence of new Liquefied Natural Gas (LNG) terminals on the future EU energy market. It is based on the analysis of LNG import, storage and existing regasification capacities, including those that have recently been commissioned, and planned facilities. This encompasses capacity increases in existing terminals and new LNG projects, both onshore and on Floating Storage Regasification Units (FSRUs). The report thereby provides readers with a comprehensive vision of the evolution of LNG activity and its potential impact on the EU's internal energy market.

2 Why is LNG playing a growing role in the EU energy mix?

In the current worldwide energy context, LNG is foreseen to play an increasingly significant role, considered as a critical source of security of supply and market competition. The efforts to replace Russian gas supplies, to reduce European dependency and to increase the resilience of our gas system are driving the EU to maximise the use of existing LNG infrastructure and to add new LNG import capacity. This has placed Europe as the second largest importing region in the world.

3 What are the consequences of such a shift in the system?

The observed increase in LNG capacity is fully in line with the European Commission's REPowerEU Plan, aiming to phase out the EU's dependence on fossil fuels before 2030. The new LNG infrastructure will help Europe to diversify its sources, by reducing its dependence while widening the range of potential suppliers and market opportunities. New LNG capacities contribute not only to the security of supply of host countries, but also to their neighbours and, therefore, to the entire reliability of Europe's energy system.

4 What is the benefit of the report for the wider energy community?

The report takes into consideration the importance of LNG in the framework of the current energy crisis, capacity allocation mechanisms as well as access conditions and their influence on the European Energy Market. The analysis also considers newly available information on gas prices and puts them in context with recent and future developments in European LNG terminals. In this context, CEER believes it is appropriate to undertake the task of analysing existing, recent, and planned LNG import, storage and regasification capacities. This assessment will include capacity increases in existing terminals and new LNG projects, both onshore and FSRUs, in order to have an overall vision of the evolution of this key activity and its potential impact on the EU internal energy market.