



Nord Stream 2

Committed. Reliable. Safe.

Questions and Answers

**Nord Stream 2 – A New Natural Gas
Pipeline Through the Baltic Sea**



A Pipeline Built on Dialogue

We are committed to working in harmony with the world around us. This means showing the utmost respect for the environment and everyone involved in a continuous open exchange. We recognise that a major project such as a natural gas pipeline gives rise to many questions: this leaflet aims to address some key points.

The Nord Stream 2 Pipeline will transport natural gas through the Baltic Sea to meet demand from consumers in the European Union. It will help tackle the gas shortfall caused by declining domestic production and contribute to a thriving, competitive internal energy market.

Nord Stream 2 is a major commercial project that touches on a range of complex issues such as energy security, environmental protection, international relations and market dynamics. Many people around the world are interested in the project's development and are following its progress. This leaflet provides factual answers to some of the most common questions and misperceptions that can arise.

To find out more about the project, visit [**www.nord-stream2.com**](http://www.nord-stream2.com).

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p. 1

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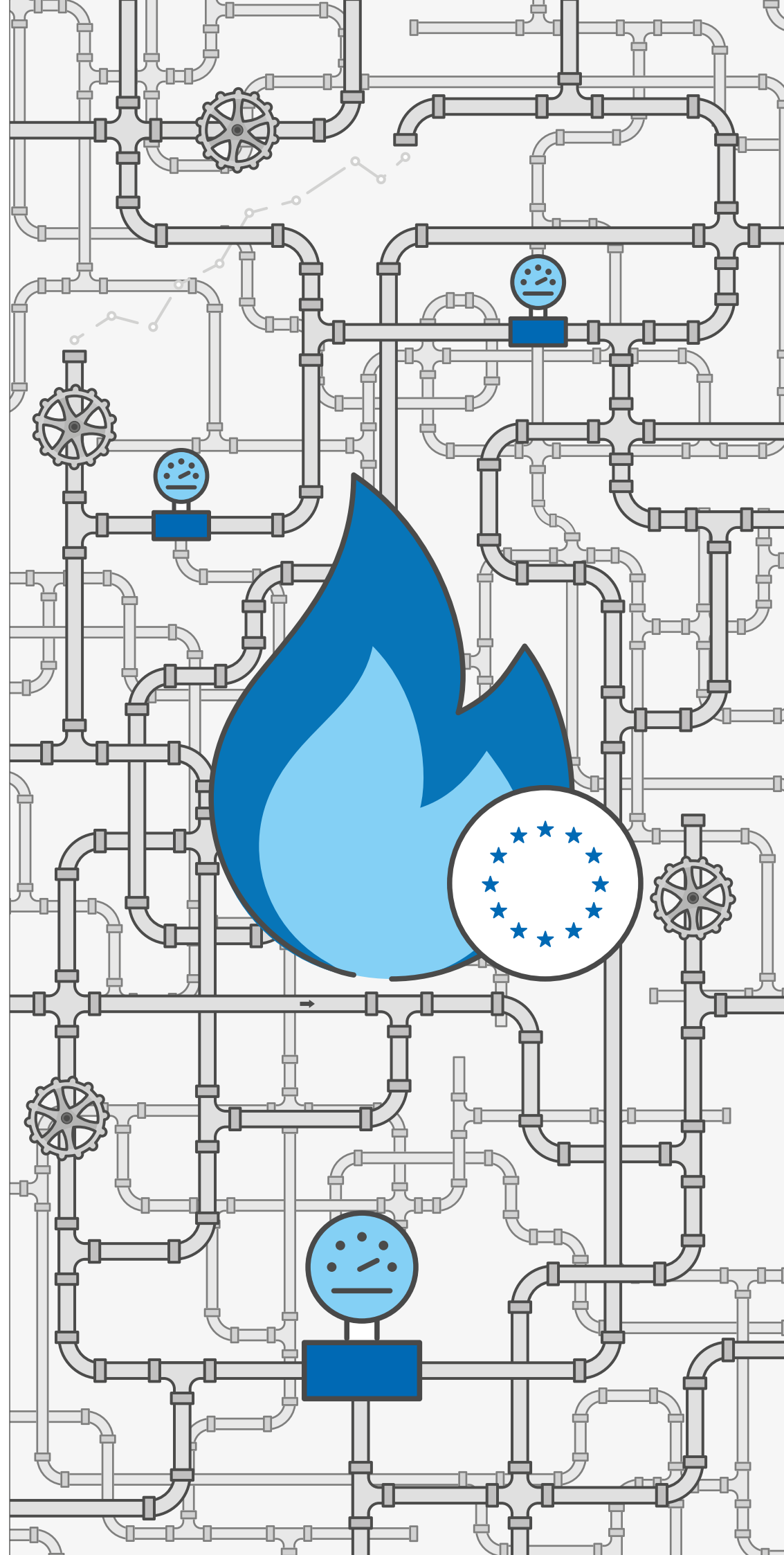
1.

Does Europe really need additional natural gas pipelines?

Gas production in the EU is forecast to decrease 50 percent in the next 20 years. Russian gas is the best option to compensate.

Gas production in the EU is forecast to decrease 50 percent in the next 20 years. At the same time, demand for gas is expected to remain at current levels, which means the EU will need to import more gas to meet demand.

These imports will have to be sourced from either the global liquefied natural gas (LNG) market or from Russia, which has the world's biggest resources. To safeguard future imports, more pipeline capacity is needed, especially in Northwestern Europe. The Baltic Sea route is the shortest direct link to transport gas from Northern Russia, where the key producing fields are located, to where it will be needed in Europe. Once gas lands on the German coast it will be possible for it to flow nearly anywhere in the EU's internal energy market.



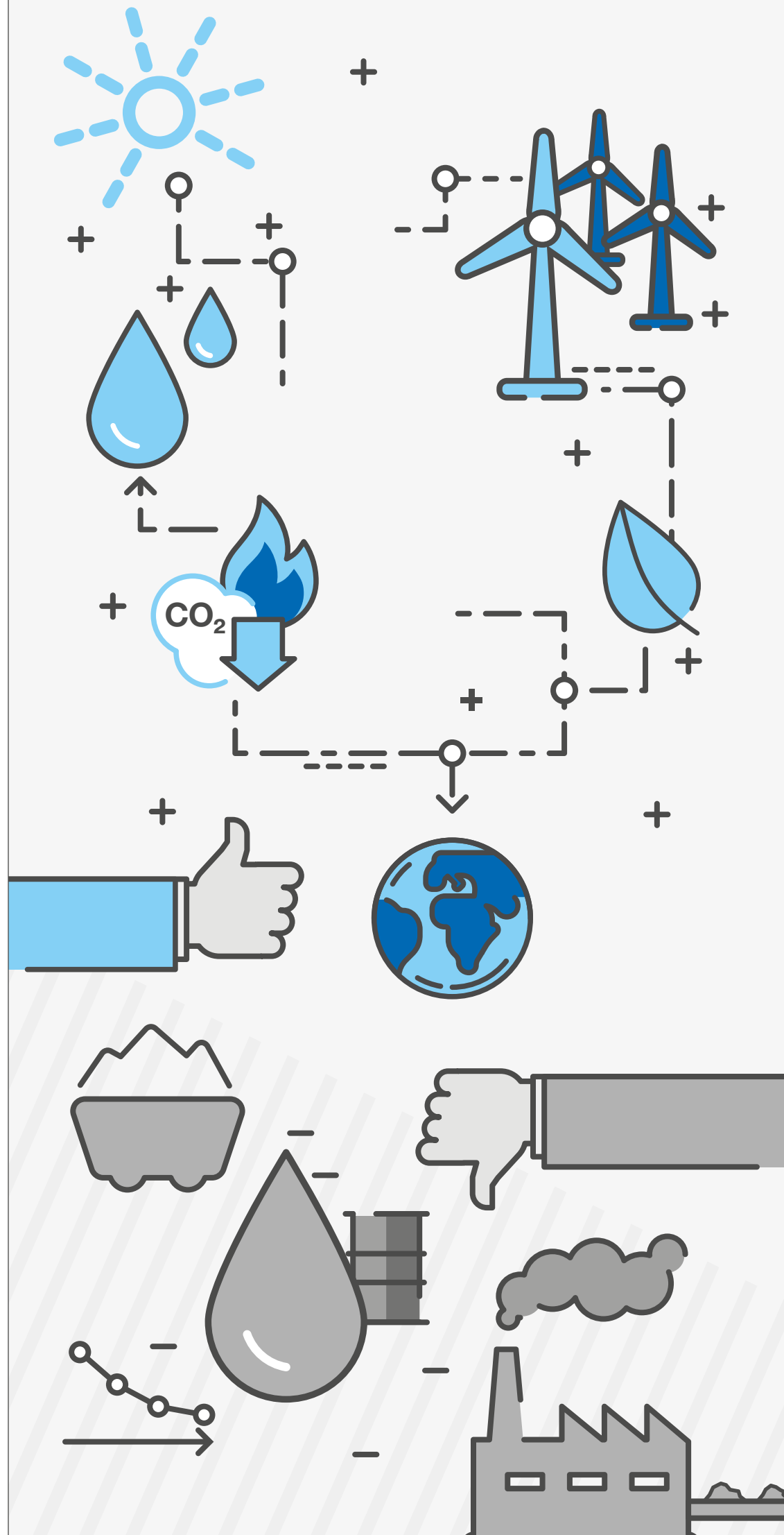
2.

With climate goals and the shift to renewable energy, does natural gas still fit?

Clean-burning gas can also help the EU to meet its climate targets.

The EU's energy supply is undergoing a major transition with more renewables coming online and an effort to phase out carbon-intensive coal power. However, clean-burning fuels will still need to play a role. Relying solely on wind and solar generation to power, heat and fuel Europe's industry and households would require a complete switch to an electricity-only energy system – a prohibitively costly and technologically challenging shift in the European energy systems. Natural gas is an ideal partner for renewable energies. It is the cleanest fossil fuel with the lowest CO₂ emissions and can provide flexible, reliable, storable energy to supplement renewable production.

Gas can also help the EU meet its climate targets. Using natural gas to generate power instead of coal cuts down CO₂ emissions by 50 percent. If the additional gas that could reach Europe through Nord Stream 2 were used to replace coal, it could save 14 percent of the EU's entire CO₂ emissions from power generation. Converting coal-fired generation to gas – while continuing to build the renewables we need – would be a significant contribution to fighting climate change.



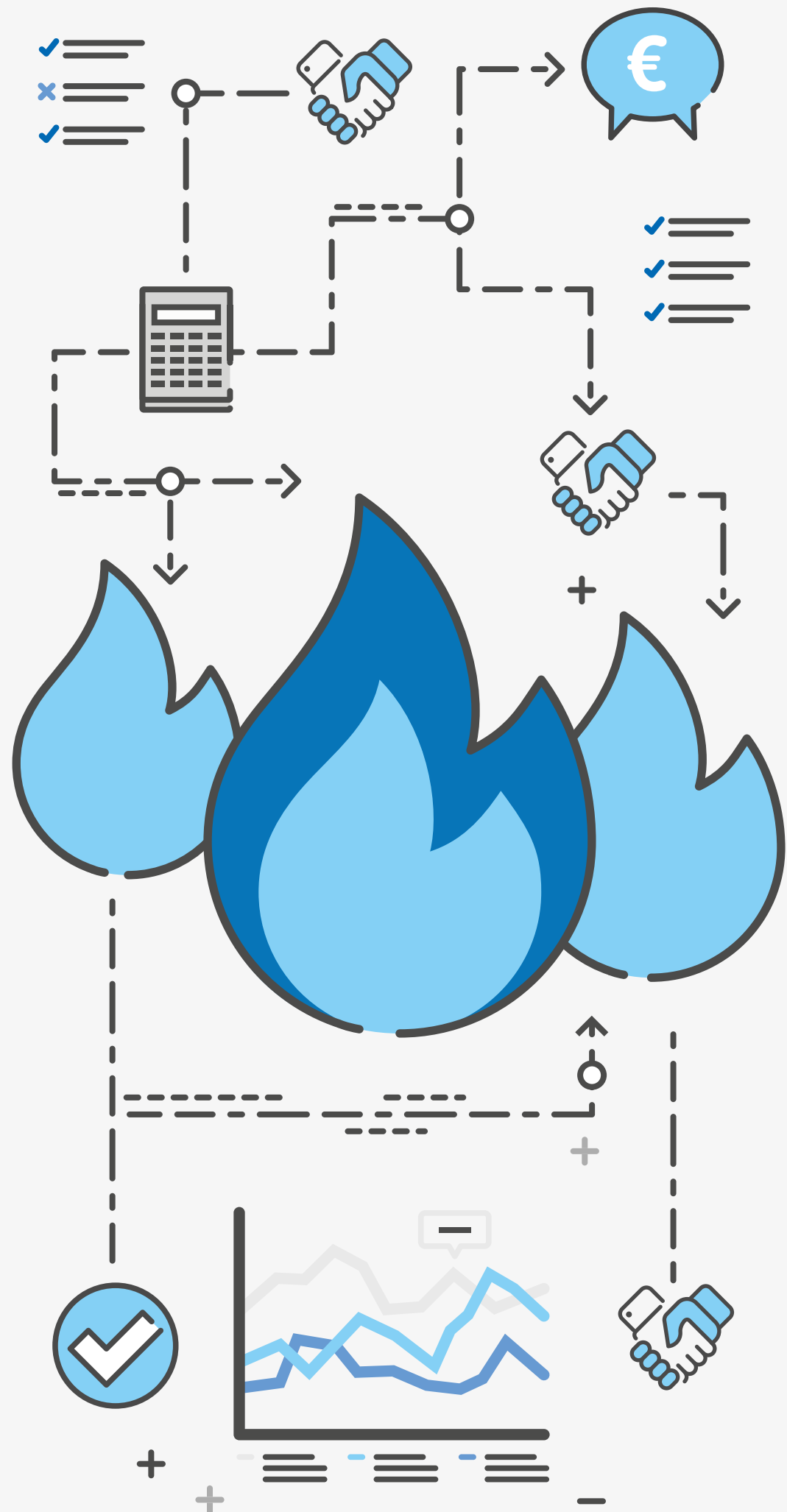
3.

Does this pipeline increase Europe's dependency on Russia?

European gas companies will buy gas where they find the best deal.

According to the European Commission, Russian gas made up about 37 percent of Europe's gas supply in 2018. As EU domestic gas production declines, more gas will need to be imported. While Russia will continue to be an important supplier, these additional imports will need to come from a range of sources. Nord Stream 2 will provide an additional import route, but it can only cover part of the additional needs.

Once gas reaches the EU energy market, different gas suppliers compete fairly with each other, as well as with other forms of energy. European gas companies will buy gas where they find the best deal. The concept of companies sourcing their gas based on the best economic offer is at the heart of the EU's goal for a liberalised internal energy market. It's all about market, not dependency.



4.

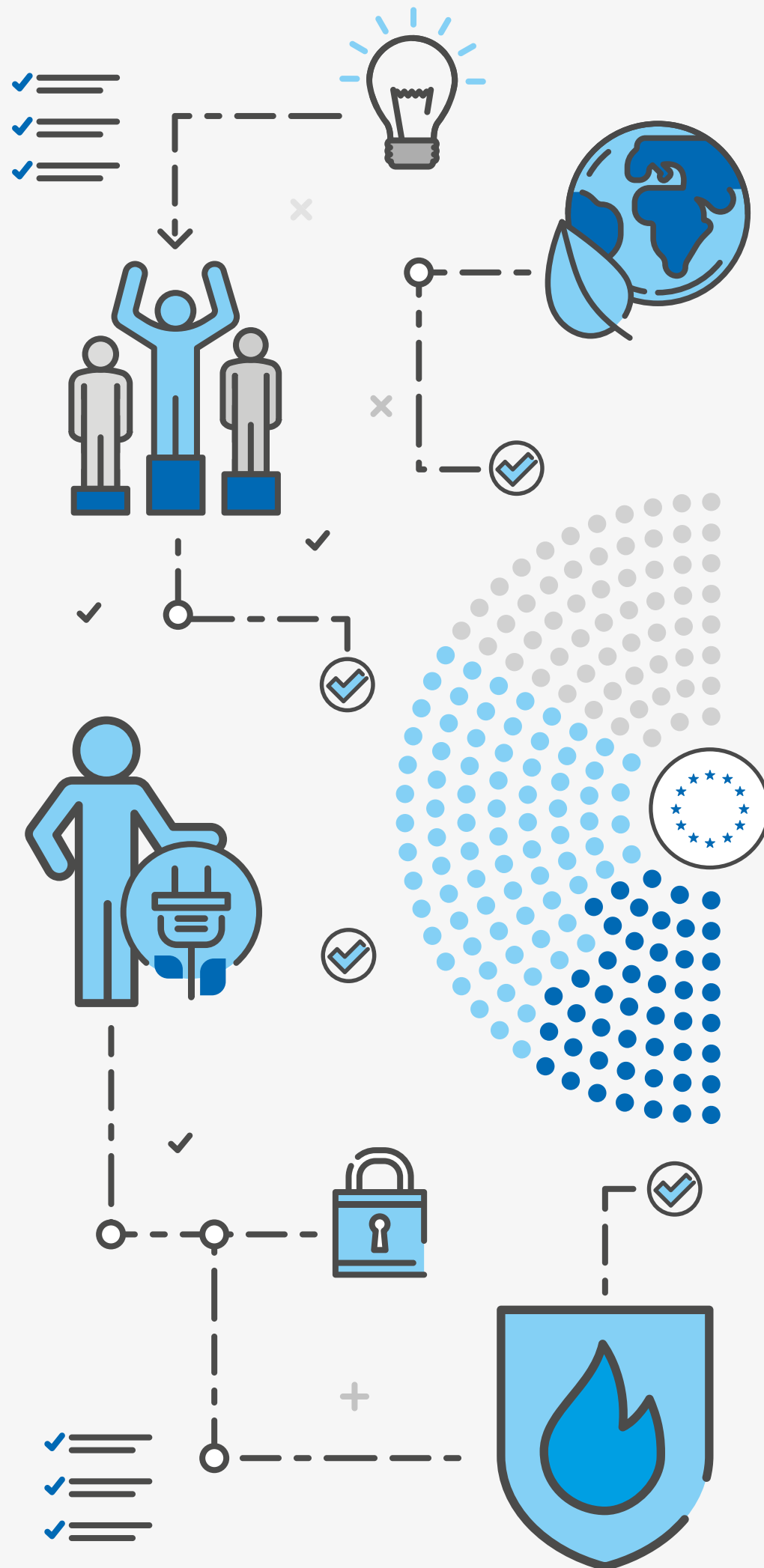
Is Nord Stream 2 in line with the EU's energy goals?

Nord Stream 2 clearly meets the three core goals of EU energy policy: competitiveness, security and sustainability.

Nord Stream 2 enhances supply security through the provision of new infrastructure to deliver additional gas. The pipeline itself is only one part of the solution – other gas sources and transport routes will also be required.

Nord Stream 2 contributes to a highly competitive market by providing access to the most cost-effective gas reserves via the most direct route.

Nord Stream 2 also supports sustainability, because gas from the pipeline can deliver a significant reduction in CO₂ emissions when used instead of coal in power generation.



5.

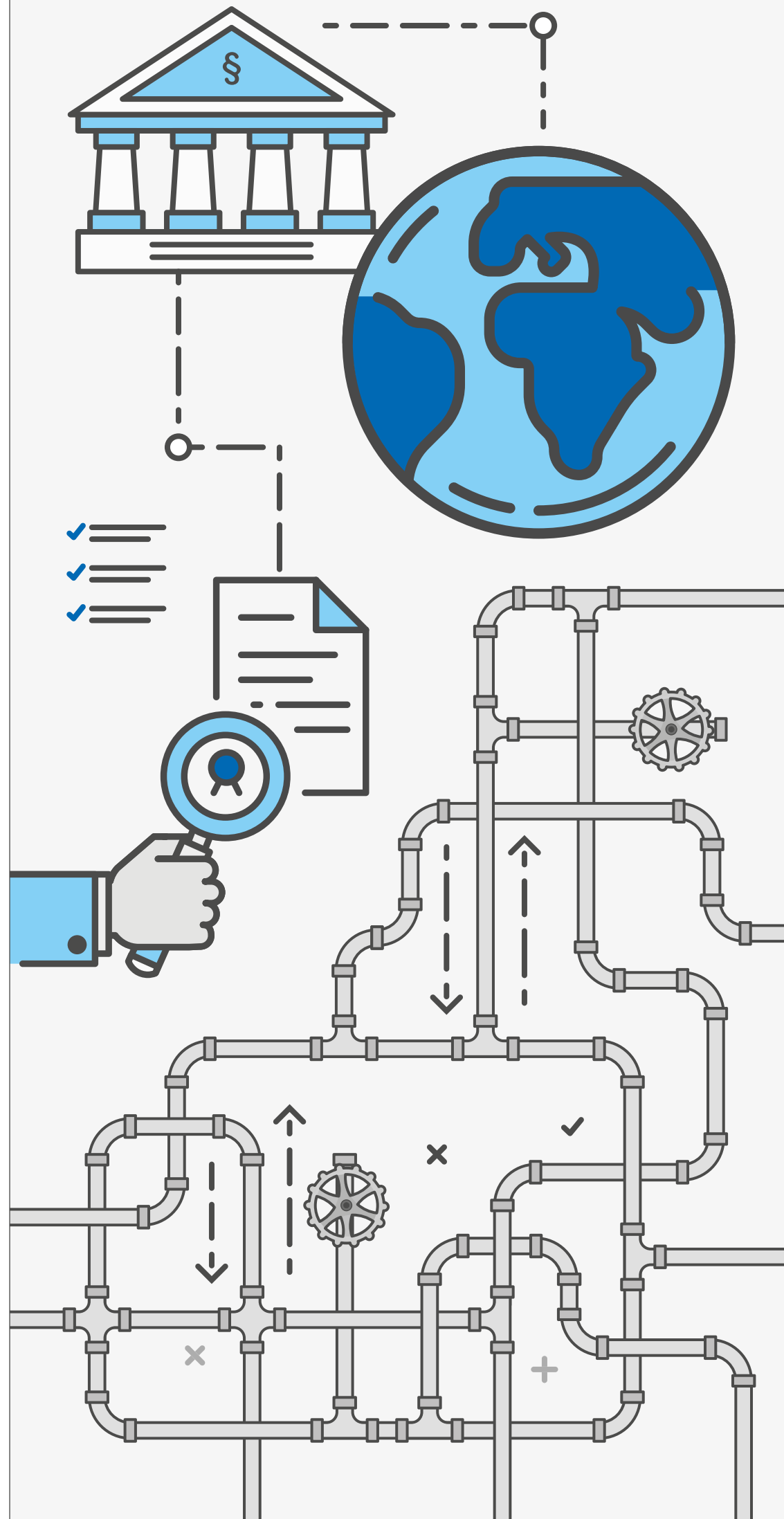
Is the Nord Stream 2 Pipeline subject to EU energy market regulation?

The EU's internal gas market laws only regulate pipelines within the internal market – Nord Stream 2 lies outside of the internal market.

Nord Stream 2 AG – as the developer of the project – will of course comply with all applicable laws and regulation, both national and international.

The EU's internal gas market laws were designed to regulate the use of pipelines which transport gas within the internal market only. These laws don't apply to pipelines like Nord Stream 2 that import gas into the internal market from outside the EU.

Nord Stream 2 is subject to the same rules as all other similar import pipelines. This includes, for example, the existing Nord Stream Pipeline as well as pipelines from Northern Africa, none of which fall under the EU's internal gas market laws. Nord Stream 2 is not looking for any exceptions to this general rule.



6.

Is the new pipeline compatible with the EU's diversification strategy?

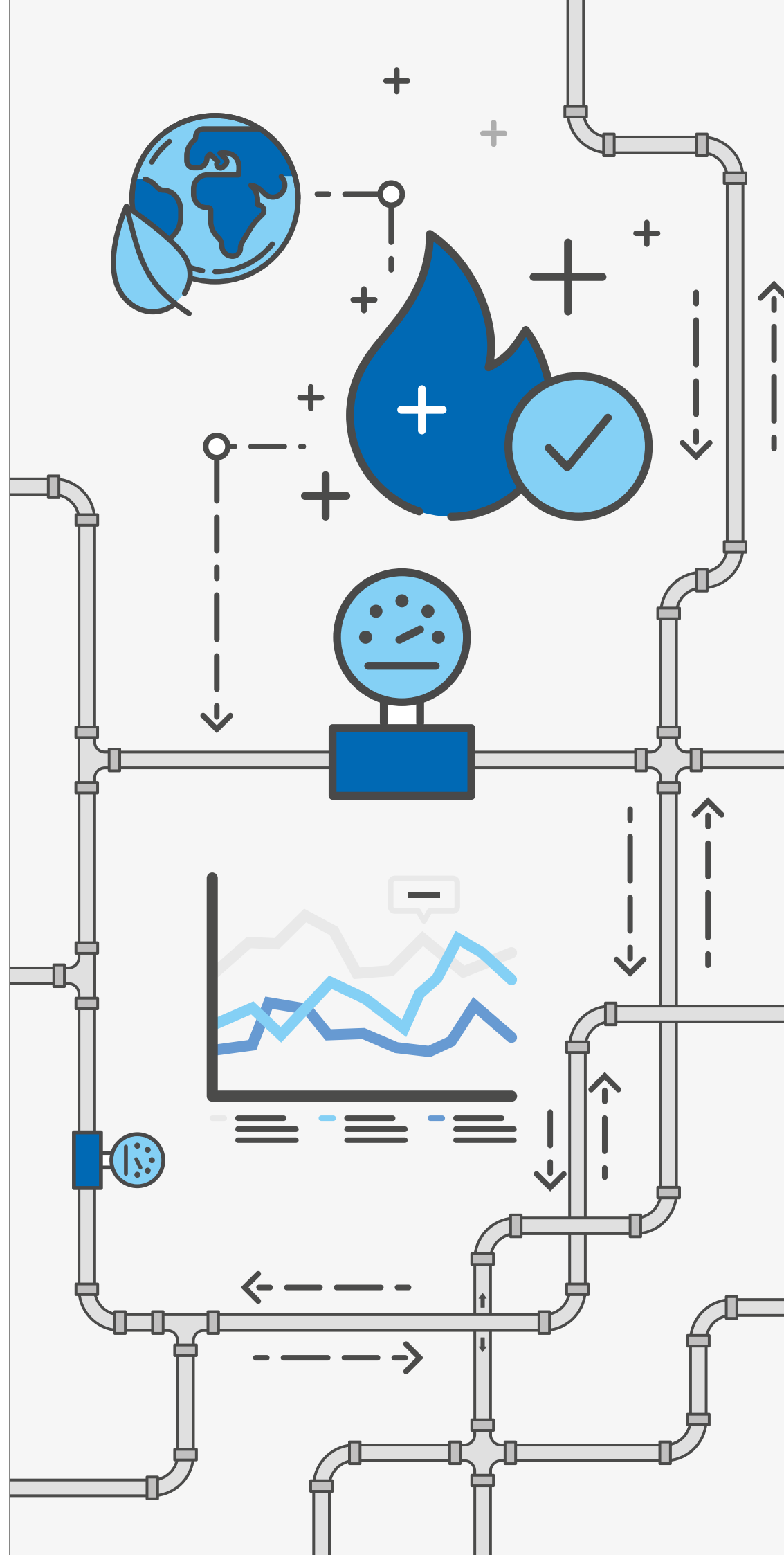
Nord Stream 2 supports Europe's security of supply. It provides a separate pipeline system along the Baltic Sea route and increases supply capacity.

Diversification of energy sources and suppliers is one pillar in the EU's strategy to improve energy security. In the event of disruption to any single route or source, EU member states should be able to draw on other options to meet demand.

Nord Stream 2 makes a significant contribution to Europe's security of supply. It provides a separate pipeline system along the Baltic Sea route corridor and increases supply capacity into the EU. By strengthening the internal market, gas will also increasingly flow both east and west between EU countries in response to market demand, providing an added level of supply security.

Affordability is another key consideration. Nord Stream 2 reflects the economic interests of European consumers by providing a direct link to Russian gas reserves, which are among the most cost-effective sources from which to supply Europe.

Nord Stream 2 does not preclude the development of further projects to connect to new suppliers or create capacities for the import of LNG. Nord Stream 2 can play an important role in EU supply security alongside a range of other providers.



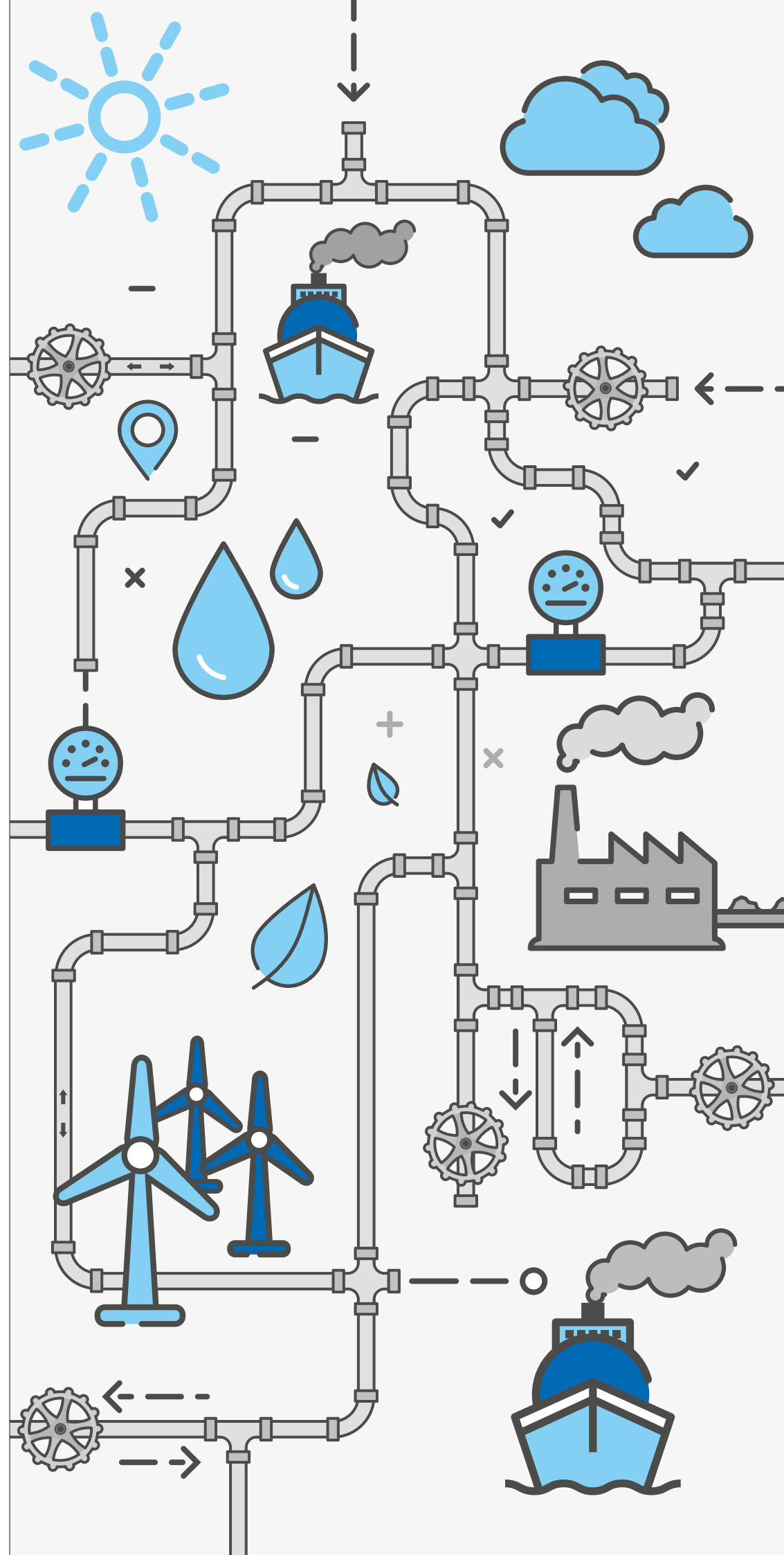
7.

Will the pipeline make other transport systems redundant?

Nord Stream 2 complements existing natural gas import routes into the EU.

Nord Stream 2 will provide a key additional route to import natural gas. As domestic production declines, more gas imports will be needed and will require reliable import systems connected to ample available resources. The project will supplement existing pipelines and other routes such as LNG deliveries.

Increasing the choice between different suppliers and different supply routes will boost competition. The market will decide which gas to favour and gas importers will make use of the available infrastructure options in the most efficient way. This will be based on the most economic option, benefitting European consumers. The result will be more secure supplies at more affordable prices.



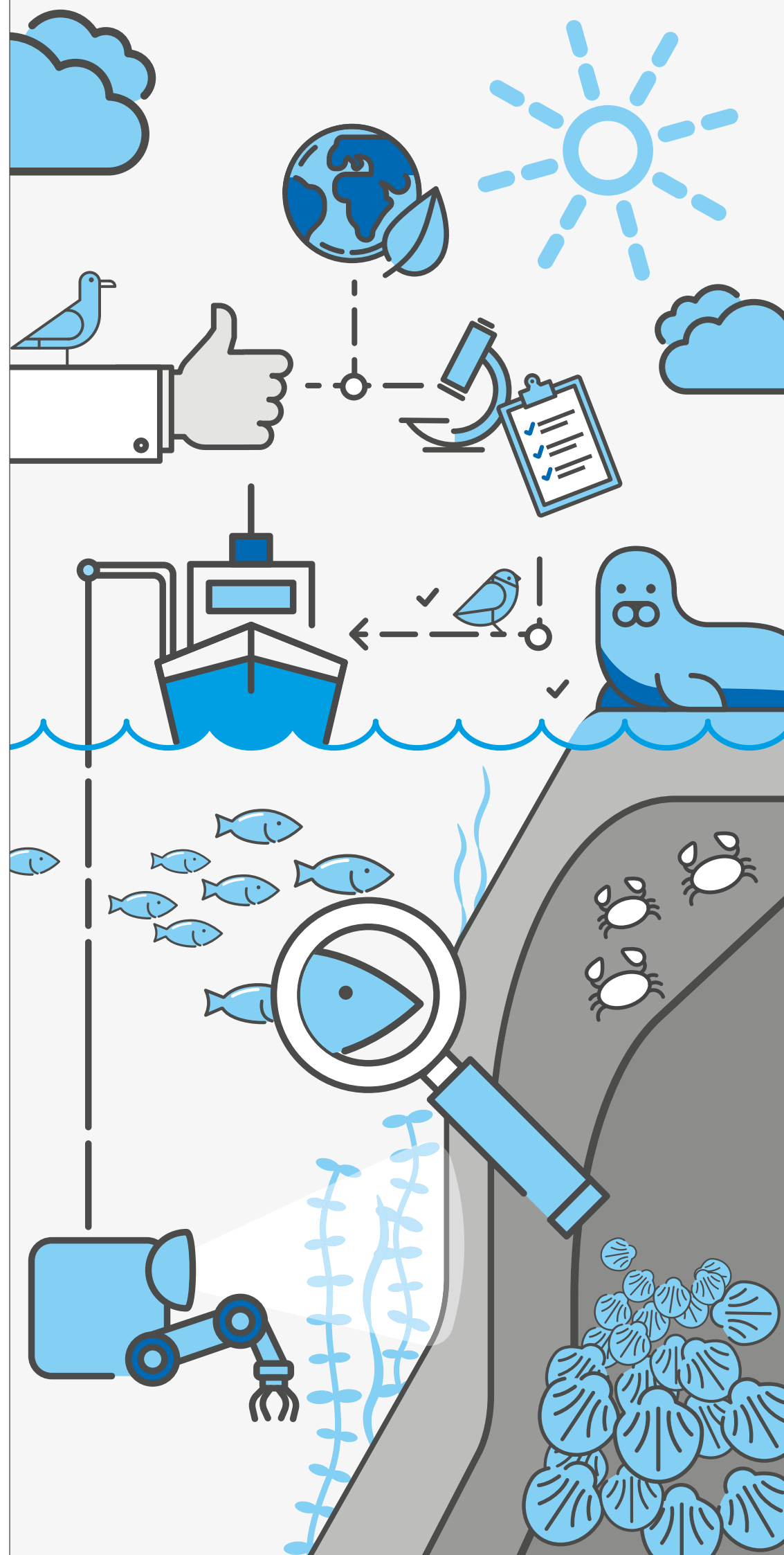
8.

Will the pipeline pose a risk to the Baltic Sea environment?

The first Nord Stream project demonstrated that the impacts of construction were limited, local and temporary.

Nord Stream 2 takes its environmental obligations very seriously. The first Nord Stream project proved that a pipeline can be laid in the Baltic Sea and fulfil demanding international environmental protection standards. Several years of environmental monitoring demonstrate that the impacts of construction were limited, local and temporary.

By drawing on this experience, as well as new ecological studies and monitoring, we are confident that we can meet or exceed the high environmental standards set by Nord Stream. The Nord Stream 2 Pipeline will be constructed with the utmost respect for the Baltic Sea environment.



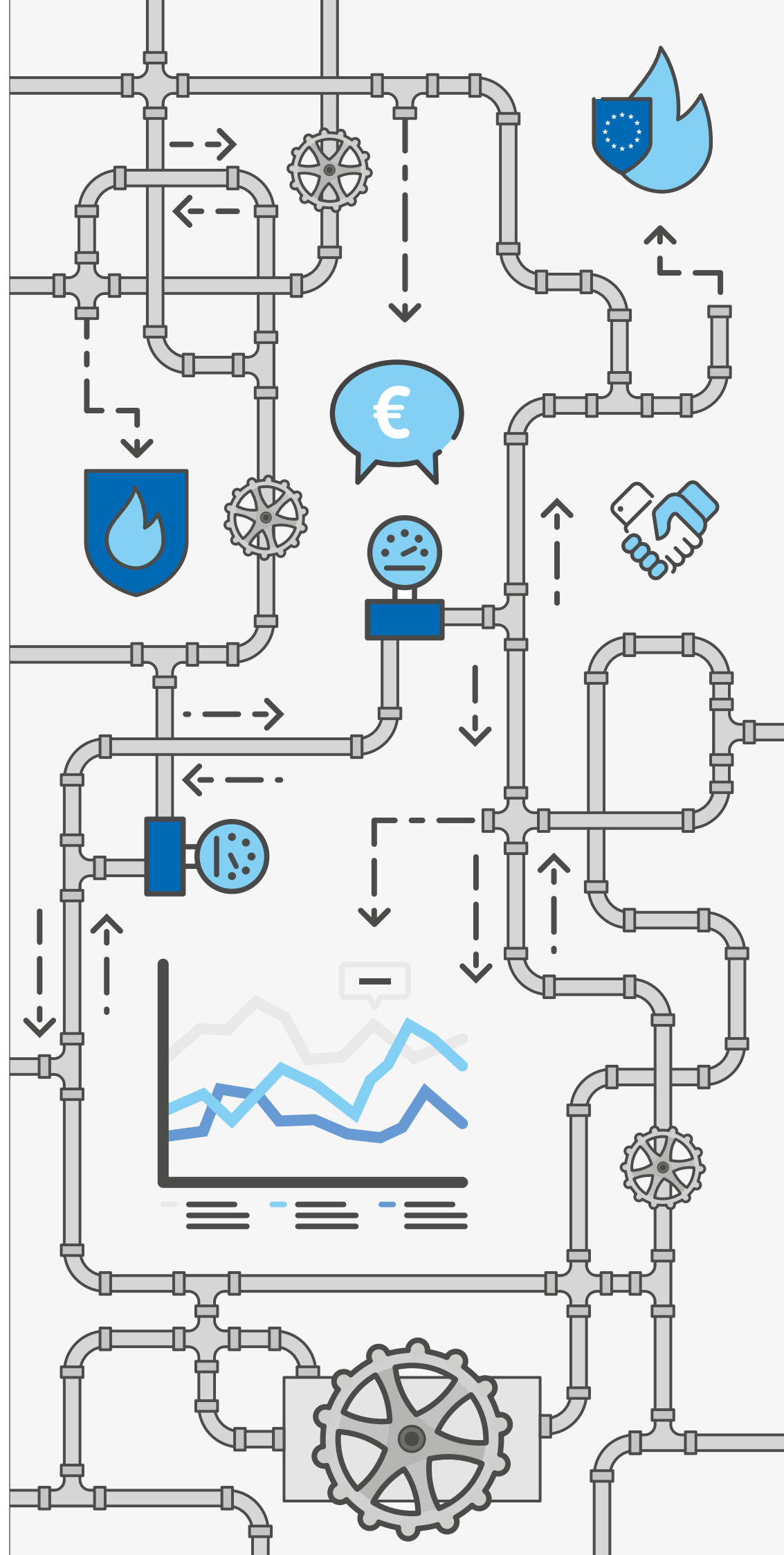
Will the pipeline have a negative impact on supply security for Eastern Europe?

Nord Stream 2 improves supply security and creates a stronger internal market for all.

Gas from Nord Stream 2 will also be available for gas markets in Eastern Europe. This will introduce more liquidity and competition into this region, creating a stronger, more resilient market.

This positive trend has already been seen since the opening of the Nord Stream Pipeline. It gave market participants in Eastern Europe more options to source their gas from Western Europe, helping local markets to perform in a similar way to the more developed markets in Northwestern Europe.

Gas flows across Europe are now more diverse than ever before and many countries are equipped with bi-directional reverse flows: gas increasingly flows from west to east, as well as from east to west. This improves supply security for Eastern Europe and creates a stronger internal market for all.



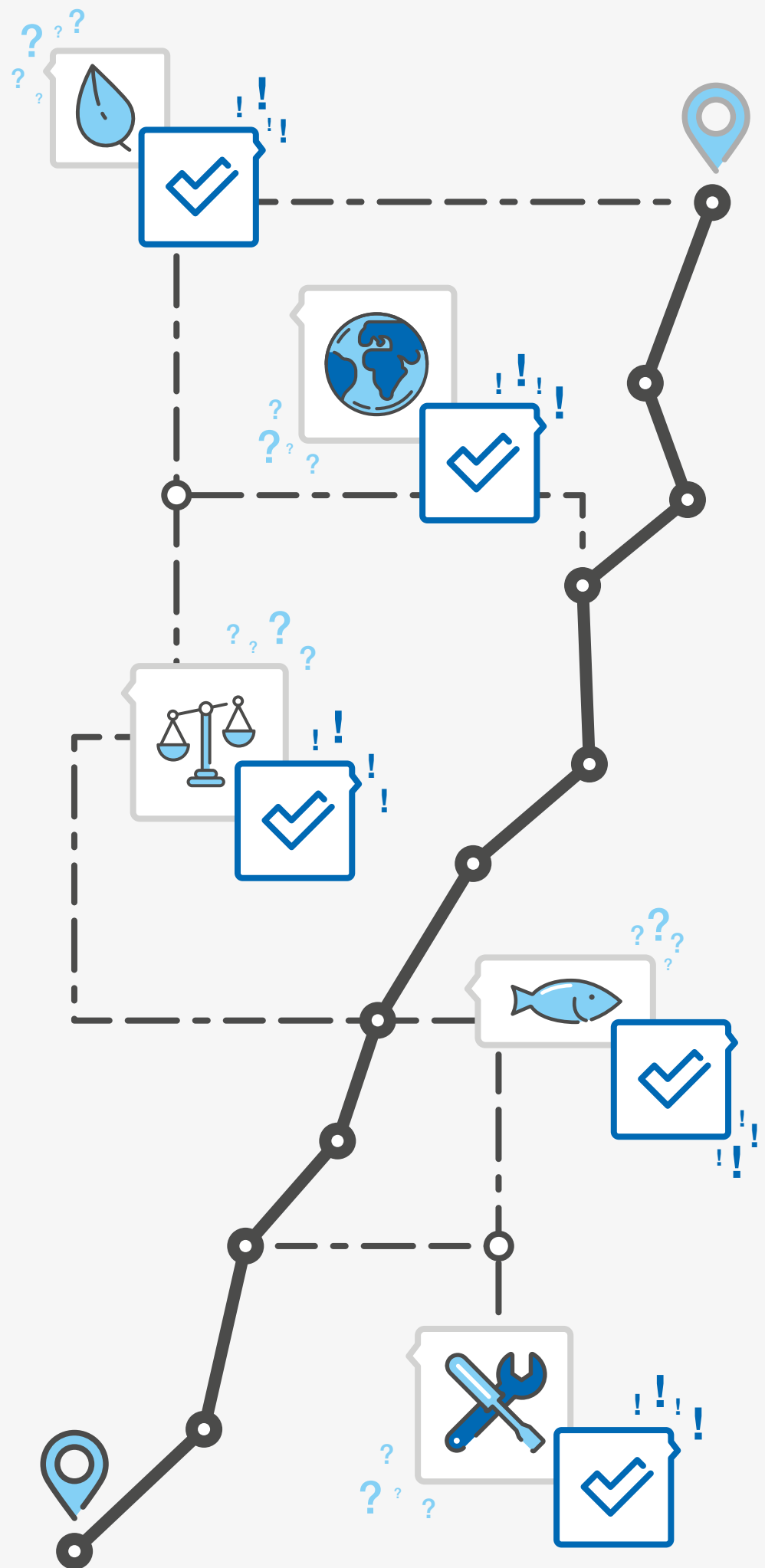
10.

Nord Stream 2 has been widely discussed, but who ultimately authorised its construction?

The permits to build Nord Stream 2 were granted by the authorities of the countries through whose waters the pipeline passes.

As a large energy infrastructure project, it is natural for Nord Stream 2 to be widely discussed in many countries. For many, this is a lively debate about the future of the EU's energy supply. In other cases, the debate reflects economic interests in securing transit fees, selling gas in Europe or becoming an energy hub. As project developer, we have always been willing to answer these economic, technical and environment-related questions.

Public consultation was a fundamental principle of the international permitting process and Nord Stream 2 was in dialogue with many authorities and communities neighbouring the pipeline route. In the end, the decision to build Nord Stream 2 was up to the relevant regulators in these countries, based on their respective environmental legislation. This is the standard process for international infrastructure projects and Nord Stream 2 was no exception.



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