

# **Nord Stream Pipeline**

For Prelims: Baltic Sea and its surrounding countries, Russia-Ukraine Crisis.

For Mains: Nord Stream Pipeline.

# Why in News?

Recently, leaks were found in the pipelines comprising the <u>Nord Stream pipelines</u> (Nord Stream 1 and Nord Stream 2) located near Denmark and Sweden.

 The leaks happened just before the ceremonial launch of the Baltic Pipe carrying gas from Norway to Poland, which is an effort by Poland to decrease its dependence on Russia for energy.

## What are the Nord Stream Pipelines?

- Nord Stream consists of two pipelines, which have two lines each.
  - Nord Stream 1 is a 1,224 km underwater gas pipeline running from Vyborg in northwest Russia to Lubmin in northeastern Germany via the Baltic Sea. It was completed in 2011.
  - Nord Stream 2 which runs from Ust-Luga in Leningrad to Lubmin was completed in September 2021 and has the capacity to handle 55 billion cubic meters of gas per year once it becomes operational.
- The twin pipelines together can transport a combined total of 110 billion cubic metres (bcm) of gas a year to Europe for at least 50 years.
- The Nord Stream crosses the <u>Exclusive Economic Zones (EEZs)</u> of several countries including Russia, Finland, Sweden, Denmark and Germany, and the territorial waters of Russia, Denmark, and Germany.
- In Germany, the pipeline connects to the OPAL (Baltic Sea Pipeline) and NEL (North European Pipeline) which further connects to the European grid.



### **How War Impacted Nord Stream Supply?**

- Russia had already decreased the supply of gas to Europe after the European Union imposed sanctions on Moscow for invading Ukraine.
- Flows via Nord Stream 1 were reduced to 20% of its capacity in July 2022.
- In August 2022, Russia further plugged the supply and stopped Nord Stream 1 completely, citing maintenance. Gazprom had reasoned that an oil leak in a turbine on the Nord Stream 1 pipeline was behind the closure.
- The Nord Stream 2, despite being completed, could not become operational after Germany pulled out of the project after Russia invaded Ukraine.
- The stream was supposed to double Russia's energy export to Europe to 110 billion cubic meters.
- The short supply of the gas pipeline resulted in a sudden hike in energy prices in Europe. With the shutting down of the Nord Stream pipeline, Europe faces a tough time ahead with winter approaching.

# What is its Significance of Nord Stream for Europe and Russia?

#### • Europe:

• Europe requires more than 100 billion cubic metres (bcm) of natural gas each year

- and around 40% of its gas comes from Russia.
- Over the last few years, Europe has become more dependent on gas imports because of a decrease in domestic gas production. Reducing dependence on Russian gas is difficult as there are no easy replacements.
- Many European businesses have large investments in Nord Stream 2 and there is
  pressure on governments from these businesses. Finally, a reduction in gas from Russia
  would increase already high gas prices and that would not be popular domestically.

#### Russia:

- As for Russia, which has the largest natural gas reserves in the world, around 40% of its budget comes from sales of gas and oil.
- Nord Stream 2 is important because it eliminates the risks related with sending gas through transit countries, cuts operating costs by doing away with transit fees and gives direct access to its most important European customer, Germany.
- It increases **Europe's dependence on Russia** while giving it a reliable customer.

Source: IE

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