



Energy Security and Energy Policy in the EU. The Nord Stream Case

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1. Introduction

For centuries, people and states have sought to control the European continent through war and weapons. The idea that through peace and co-operation it is possible to realize the vision of a strong and united Europe, has gained more and more ground due to the two world wars and the weakening of the European position in the world. Initially, the Coal and Steel Community was created, and other economic societies and activities, such as agriculture, were later added. Subsequently, a single and large purchase of goods, services, human resources and capital was established, to which the single currency was added in 1999, the Euro. An economic and technical cooperation scheme was initially considered by the European Union, and with the first direct elections of the European Parliament, the strengthening of democratic legitimacy, which until then had been given to the citizens by the Council alone, was particularly important. The foundations for the political union have been established over the past decade and have also begun to cooperate in other areas such as social policy, asylum, employment, immigration, police, justice, foreign policy, and the common security and defense policy. For about half a century, Europe has been living in peace, so it can be considered that the European Union's undertaking has succeeded. The European Union, together with North America and Japan, belongs to the most prosperous regions of the world. Mutual solidarity and a fair distribution of the fruits of economic development helped to increase the level of prosperity of the weaker regions of the Union, which helped to cover the lost time.

The European Union is a system of governance with clear advantages and disadvantages. These are determined by the effort to strengthen and improve the democratic institutions of the member countries, by rationalizing the way in which the common interests are managed, by the coordinated action of transnational problems, and by endeavoring to strengthen the European security environment on the basis of a holistic perception. Joint actions are needed, as the challenges for the European Union are many. Its objectives are manifold and have been put forward in the form of three ambitions that the European Union must put in line with Jacques Delors' proposal¹:

- Creating an active and enlarged area of peace
- A framework of sustainable development
- A defined way of managing the cultural diversity of the European partners.

The field of energy security in conditions of interdependence and instability both in the region and in areas considered as energy hubs of the European Union is a particularly important challenge for it and must act in order to meet the challenges of the energy sector. The European Union could only develop a variety of different policy and action areas. Employment, social policy and human rights, agriculture and fisheries, justice, trade and transport, foreign policy issues, culture and education,

¹ On 17 January 1989, in an address to the Members of the European Parliament, Jacques Delors, President of the European Commission, refers for the first time to the establishment of a European Economic Area in order to provide a structure for economic relations between the Member States of the Community and those of the European Free Trade Association (EFTA).

development of the Member States and geographical areas of the Union, in particular the least economic and monetary policy issues, issues related to health and sport, as well as the great challenges of our time, the environment and energy, are just some of the wide range of actions of the Union of 28 Member States.

Natural gas accounts for a significant proportion of the country's energy mix, while forecasts suggest that by 2040 it will overtake global oil consumption, thus highlighting its importance in the energy security of states. Energy security provided by natural gas and its components, security, reliability, affordability and environmental sustainability have emerged as a major policy factor for the European Union, especially after the 2009 energy crisis arising from the conflict between Ukraine and Russia². In the context of this controversy and as discussed below, the gas transit pipeline to Europe was used by both sides as a diplomatic weapon in their effort to achieve their objective political objective, thus highlighting the importance of natural resources as power factor and integrating energy efficiency into these factors. Transit gas pipelines belong to the transport gas supply chain and, like all other sectors, are capital intensive investments. A future failure in a transit pipeline, as happened in the case of the Russian Ukrainian crisis, can have enormous consequences for the fueled states but also for the companies involved. Based on all the theoretical introduction presented above, this paper is going to analyze the importance of energy security and policy in Europe and the case study of Nord Stream.

² In February and March 2014 Ukraine was literally overrun by a chain of events that eventually led to an incorporation of Crimea into Russian territory. A joint endeavor by Crimean and Russian authorities used the internal conflict in Ukraine to deprive the Ukrainian government of its control over Crimea, to hold a referendum, and to declare the independence of Crimea.

2. Question of Research

Nord Stream is a large project that is expected to affect many parameters and levels of the European Union as well as other countries too indirectly. Based on this hypothesis and theoretical principle, the basic question that this paper is going to answer is the ways that this project will affect the energy security and the energy policy within Europe.

3. Literature Review

4.1. Energy Security and Policy in Europe

The International Energy Agency³ defines energy security as the unobstructed availability of energy at unreliable prices. In the international energy market, the physical total inability to find energy products has almost been neutralized. Therefore, the predominant practical dimension of the term concerns the possibility that when unchanged changes in the international system occur (wars, natural disasters, economic crises) prices are affected to such an extent, the state continues to feed it without serious economic, social consequences and at competitive prices. Energy security is more versatile than many policy makers or even scholars can realize. In addition, security can have an objective and subjective dimension. While the objective dimension may include factors that can be measured by external criteria, the subjective dimension can be defined as the individual's perception of what is safe. EU energy security policy addresses both internal threats (e.g. poor infrastructure and poor markets) as well as external threats (e.g. dependence on unreliable imports).⁴

Language and written depiction create practices and policies. Security is never an inherent, but rather a phenomenon that has been created and supported by ideologies, power and politics. The concept of energy security is not a given but rather a development of the social perception formed by the regular strategies of

³ Founded in 1974, the IEA was initially designed to help countries co-ordinate a collective response to major disruptions in the supply of oil, such as the crisis of 1973/4. While this remains a key aspect of its work, the IEA has evolved and expanded significantly.

⁴ "Understanding the Global Energy Crisis" by Eugene D. Coyle, Military Technological College and Richard A. Simmons, Purdue University

perpetrators who make use of linguistic and rhetorical schemes to express social vulnerabilities.

In the EU, the legal basis for the liberalization of the electricity and gas industry was based on EC Directives 96/92⁵ and 98/30⁶, which aspired to create a Single European Market for both electricity and PV. Continental industries were characterized by national monopolies or semi-monopolies, allowing only limited competition if there was one. For a long time, the EU left the field of energy policy out of a single line. So the EU was seen in the international energy arena aloof and uncoordinated. The Treaty of Lisbon makes the first major change in this pathogenicity of the community.⁷

Europe is exposed to intense competition for global demand for energy from other countries and is becoming increasingly dependent on oil and gas imports from geopolitically uncertain areas. Therefore, in addition to the existing problem of unpredictability of energy suppliers, EU Member States had to deal with increasing global competition for access to energy resources. These thoughts have led the Member States to take a number of steps towards energy cooperation. The idea of a common energy policy was endorsed at Hampton Court at the London summit in October 2005. It was stated at the summit that "the EU needs to diversify its energy sources and reach out to today's energy suppliers in a more coherent way. Following the Hampton Court summit, the European Commission published a Green Paper in

⁵ Directive 96/92/EC of the European Parliament and of the Council of 19 December 1996 concerning common rules for the internal market in electricity

⁶ Directive 98/30/EC of the European Parliament and of the Council of 22 June 1998 concerning common rules for the internal market in natural gas

⁷ "Understanding the Global Energy Crisis" by Eugene D. Coyle, Military Technological College and Richard A. Simmons, Purdue University

March 2006⁸ aimed at identifying the possibilities for energy cooperation within the EU. The main objectives listed in the document were: completing the internal energy market, security of supply in the internal energy market, sustainable, efficient and diversified composition of energy sources, a common external energy policy, an integrated approach to addressing climate changes and develop a Strategic Energy Technology Plan.⁹

In December 2007, the EU Member States signed the Treaty of Lisbon, which entered into force in December 2009, amending the Maastricht Treaty of 1992. The new energy chapter (Article 194)¹⁰ states that the EU energy policy must be to ensure the proper functioning of the energy market and to ensure the security of supply of the Union and also to promote energy efficiency and energy savings within the Union. It was also mentioned that energy policy should promote the development of new and renewable forms of energy as well as the interconnection of energy networks. In order to achieve these objectives, Article 194 also introduced a new legislative procedure by which Parliament and the Council will act by following consultation of the Economic and Social Committee and the Committee of the Regions. However, '... the right of the Member State to determine the conditions for the exploitation of energy resources, its choice between different sources of energy and the overall structure of its energy

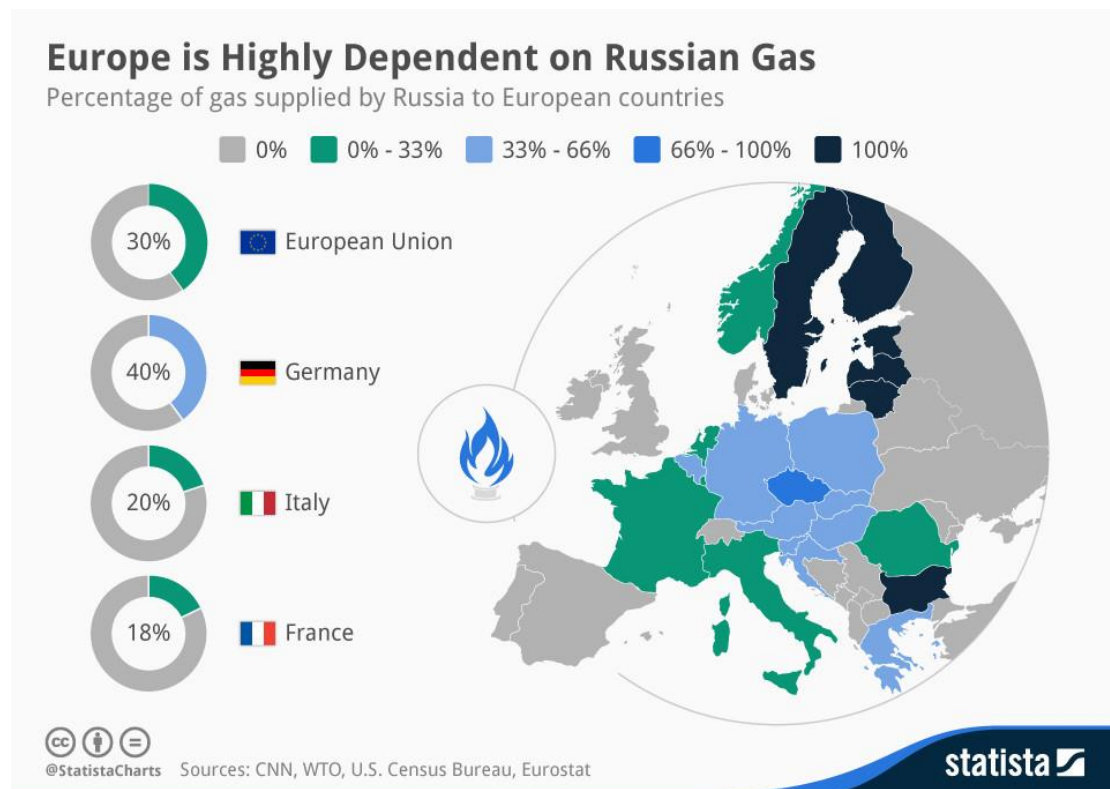
⁸ Green Paper: A European strategy for sustainable, competitive and secure energy

⁹ "European Development Cooperation In Between the Local and the Global" Edited by Paul Hoebink

¹⁰ Article 194 of the Treaty on the Functioning of the European Union (also known as the Lisbon Treaty) is an Article addressing and affirming the importance of energy cooperation and energy security within the EU, in a spirit of solidarity between Member States, to ensure the functioning of the energy market; to ensure security of energy supply in the Union; to promote energy efficiency and energy saving and the development of new and renewable forms of energy; and promote the interconnection of energy networks.

supply, without prejudice to Article 192 (2)(c) once again, leaving important aspects of the policy of energy supply as the responsibility of the Member States.¹¹

Below is presented the energy-oriented relationship between Russia and Europe.



¹¹ "Understanding the Global Energy Crisis" by Eugene D. Coyle, Military Technological College and Richard A. Simmons, Purdue University

4.2. Energy Security

From the two fundamental arrangements framing the establishment of the EU, energy was just seen through the point of rivalry law, without making a title devoted to this subject. During the period 1950-1970, the EU countries saw their requirements in petroleum exceedingly increment while the requirements for coal were backing off. EU dependence on energy before long clarified the significance of energy security. Initially related to military necessities, it turned into an international and in addition a national worry after the primary petroleum emergency in 1973, when the OPEC¹² countries chose to fourfold the cost of oil. The EU truly ended up mindful of the need of a typical energy policy. Since the 1990s, regular activity has significantly been put upon the goal of market progression. In 2000 however, the European Commission propelled the 'Green Paper' on Energy Security, which sets up an all-encompassing system to reinforce the security of supply to the following 20 or 30 years, while focusing on EU's auxiliary shortcomings, and draws consideration on environmental shortcomings, specifically as respects EU's duties in the Kyoto Protocol. It likewise attracts needs request to expound a European energy policy to direct request and supply, differentiate import sources and build up an EU coordinated market while putting an accentuation on the discourse with delivering countries. With the Lisbon Treaty, energy policy in Europe gets a self-governing legitimate stand, approaches in connection to energy being added to article 194 of the TFEU. This implies while the EU

¹² OPEC is a permanent intergovernmental organization of 14 oil-exporting developing nations that coordinates and unifies the petroleum policies of its Member Countries

used to mediate in this space just based on the adaptability statement of article 308 TFEU, energy is from now part of shared competences.¹³

The previous year has pushed energy security high on the EU motivation, and with it, the requirement for more grounded collaboration on a typical energy policy. For a considerable length of time the EU part states have been driven by various motivations to – or not to – work together. The inside energy market's financial advantages have not given an adequate driver to participation. The principal climate and energy targets were an accomplishment, however as a general rule activity has been undermined by worries over aggressiveness. Being a worldwide pioneer in setting targets has not deciphered in cross-fringe coordinated effort in meeting them. National interests and reciprocal energy bargains have debilitated EU's normal voice opposite provider countries. Regardless of whether the acknowledgment of EU's energy vulnerability will turn into a genuine driver for making an Energy Union worth its name stays to be seen. The requirement for activity couldn't be more grounded. Russia's unlawful addition of Crimea and impelling of war in Eastern Ukraine have activated principal inquiries concerning depending on an exchange accomplice that breaks international standards. While rationally Russia couldn't remain to use vitality as a political gadget and heretofore banter have not vexed EU-Russia vitality relations, President Putin's outlandish lead and tries to stick to control to any detriment have left their stamp. The memories of the 2006 and 2009 winters, when Russia stopped gas streams to Ukraine, achieving supply issues in various part states, have sharpened

¹³ "Understanding the Global Energy Crisis" by Eugene D. Coyle, Military Technological College and Richard A. Simmons, Purdue University

security of supply concerns. The Russian hazard to stop gas goes through Ukraine, moving toward the EU to collect pipelines to Turkey if it wishes to get gas later on, has moreover broadened uncertainty in Russia as a money related associate. The EU's vitality security test should not to come as a surprise, and goes past EU-Russia relations. As the EU-28 import over 53% of vitality, universal headways ordinarily impact vitality security. Despite Russia's presenting, strains in North Africa and the Middle East undermine oil and gas supplies.

The US shale gas and oil irritate, afresh, could benefit the EU: it has recently incited a development in coal imports and eagerness for another wellspring of LNG (consolidated oil gas). However, there is extraordinary vulnerability identified with future energy supplies: what will be accessible, where and at what cost? While the oil and gas costs are bringing down now, the aggregate world energy utilization is required to increment by 36% somewhere in the range of 2008 and 2035, and rivalry for petroleum products is expected to prompt more noteworthy market instability and higher costs in the more drawn out term. More than whatever else, EU's energy security challenge is an inside test. Initially, its energy vulnerability opposite Russia is of its own creation. Russia is an essential provider of unrefined petroleum, gaseous petrol and coal to the EU (separately 34%, 39%, and 28% of EU-28 imports in 2013). Germany is the biggest Russian gas merchant in the EU¹⁴, while Austria, Bulgaria, Hungary, Lithuania and Poland import over 75% of their gas or potentially oil from Russia. The Baltic States rely upon it for activity and adjusting their power organize. It

¹⁴ "NORD STREAM 2: MORE HOT AIR THAN GAS?" Insight Noah Gordon

likewise has a solid job in atomic power age particularly in Eastern Europe, and Hungary, Slovakia, Bulgaria, Finland and the Czech Republic are subject to Russian fuel.

The EU's vision for climate and energy policy, and the way to accomplish its goals are continually discussed. Will the policy structure advance aggressiveness and climate activity, and if not, which ought to win as the higher need? How to accomplish its objectives in a brilliant, cost-efficient way? What is the estimation of energy security: what amount is the EU willing to contribute, what moves will it make and what job should energy productivity and local sources play in the energy blend? The EU needs to characterize its needs and give a steady system to their accomplishment. The EU has a huge auxiliary and speculation challenge. As indicated by the European Commission, change towards a more secure and reasonable energy framework will require €200 billion in yearly interests in the following decade. The International Energy Agency cautions that half of the EU's power creating limit is required to shut in the coming decades. While renewables could cover a portion of the hole, they keep on requiring a base-stack power supply, be it gas, atomic or coal, and the choices on required ventures must be made at this point. The EU additionally needs to redesign the current system and manufacture the required interconnectors between countries with the end goal to make a market where this power can stream.¹⁵

¹⁵ "Understanding the Global Energy Crisis" by Eugene D. Coyle, Military Technological College and Richard A. Simmons, Purdue University

4.3. Energy Policy

Various undertakings were made in the past to make a formal European Energy Policy, yet co-errand around there remained for quite a while an intergovernmental system. In any case, the Lisbon Treaty (2007) spread all of a sudden the EU's abilities here and the key objectives of vitality approach, and reported it to be a locale of 'shared wellness', in which both the EU and the part state governments can authorize. Generally, the EU wants to arrange energy even more viably as a unified alliance, while broadening supply and elevating rivalry to guarantee security and maintainability of energy supplies. Counseling along these lines showed troublesome, as each country has particular vitality needs and blend of vitality sources. Such inconveniences are exemplified by contrasts on the improvement of pipelines to supply gas to Europe. Some EU states (tallying Turkey, Bulgaria, Romania, Hungary and Austria) support the 'Nabucco' pipeline¹⁶ in view of supply gas from Turkey to Austria from 2014 (the EU has organized a course of action for the pipeline to pass on combustible gas from Turkmenistan, starting at now a vital gas supplier to Russia). The pipeline is depended upon to cost €7.9bn, with the EU contributing up to €2bn. In any case, Germany, France and Italy have tended to whether the EU should pay for the pipeline, as two further endeavors are accepted to rise to it. Starting, a 'North European Gas' Pipeline, starting at now being developed, is supported by Germany yet negated by Poland and the Baltic States (it would evade Eastern Europe). Second, a 'South Stream' pipeline

¹⁶ The Nabucco-West pipeline (also referred to as the Turkey–Austria gas pipeline) was a proposed natural gas pipeline from the Turkish-Bulgarian border to Austria. It was a modification of the original Nabucco Pipeline project, which was to run from Erzurum in Turkey to Baumgarten an der March in Austria. The aim of the Nabucco pipeline was to diversify the natural gas suppliers and delivery routes for Europe, thus reducing European dependence on Russian energy. The original project was backed by several European Union member states and by the United States and was a rival to the South Stream pipeline project

from Turkey to Hungary is maintained by France, Hungary, and other Eastern European nations (and Russia's greatest vitality firm, Gazprom). It is required to be done in 2015. The EU Commission's suggestion to change the vitality region have been confounded by the more protectionist part states. A 2007 Commission report¹⁷ scrutinized France and Germany specifically to neglect to isolate responsibility for generation and conveyance, in this manner limiting rivalry. What's more, in 2010, the EU Commission asked for that 20 Member States work harder to actualize rules making a solitary market for gas and power.

Part States have in like manner demonstrated moving duty to cleaner fills and lower carbon transmissions. At a summit in March 2007, the European Council assented to a coupling 20% concentration for the use of maintainable power source by 2020. Simply more especially, the EU's goal for biofuels to give 10% of road fuel by 2020 was straightforwardly denounced by the World Bank in July 2008; it said the target had caused a 75% development in overall sustenance costs. The Energy 2020 action¹⁸ describes the vitality requirements for the accompanying ten years and sets the moves to be made with the true objective to deal with the troubles of saving vitality, achieving a market with forceful prizes and secure supplies, boosting mechanical expert, and effectively counseling with various nations. Talk brought about 2011 when Germany proclaimed the finish of its nuclear vitality plants, swinging rather to less earth neighborly oil subsidiary vitality and upbraiding the probability of

¹⁷ Every year, the European Commission draws up an annual report on its monitoring of the application of EU law in response to requests from the European Parliament and the EU countries

¹⁸ The 2020 package is a set of binding legislation to ensure the EU meets its climate and energy targets for the year 2020. The package sets three key targets: 20% cut in greenhouse gas emissions (from 1990 levels); 20% of EU energy from renewables; 20% improvement in energy efficiency. The targets were set by EU leaders in 2007 and enacted in legislation in 2009. They are also headline targets of the Europe 2020 strategy for smart, sustainable and inclusive growth.

looking for after more economical power source resources as a result of execution costs.

4.4. The Energy Market of Europe

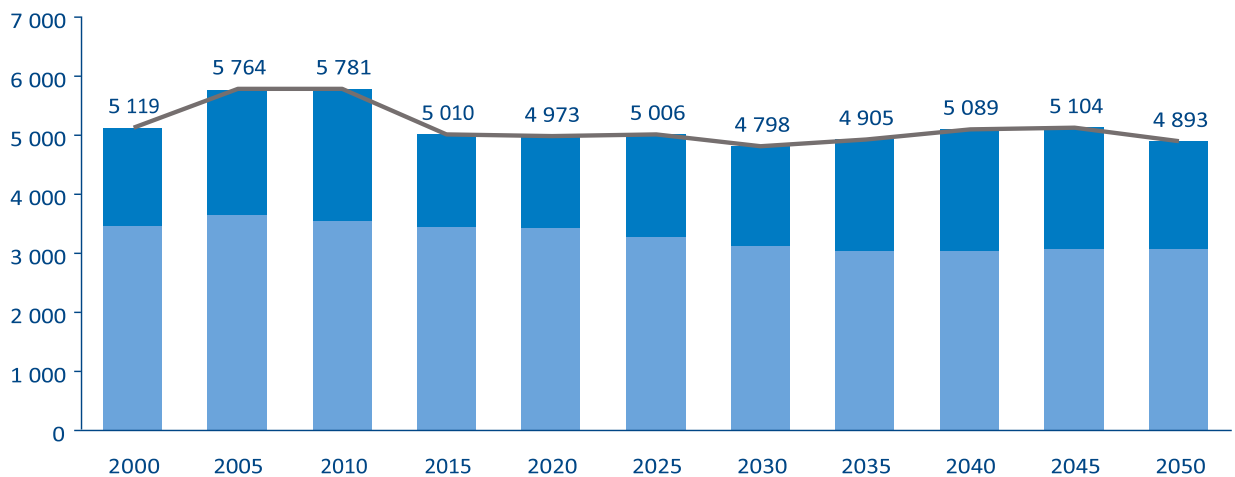
4.4.1. Internal

In the energy division, finish of the EU's inside market requires: the expulsion of various obstructions and exchange boundaries, the estimation of assessment and evaluating strategies and measures in regard of standards and guidelines, and environmental and security directions. The goal is to guarantee a working business sector with honest access and an abnormal state of customer security, and also satisfactory levels of interconnection and age limit.

Amid the 1990s, when most national power and flammable gas markets were still hoarded, the European Union and the Member States chose to open these business sectors slowly to rivalry. The principal advancement mandates (First Energy Package)¹⁹ were received in 1996 (power) and 1998 (gas), to be transposed into Member States' legitimate frameworks by 1998 (power) and 2000 (gas). The Second Energy Package was received in 2003, its mandates to be transposed into national law by Member States by 2004, with a few arrangements going into power just in 2007. Modern and household shoppers were presently allowed to pick their very own gas

¹⁹ Europarl: In order to harmonize and liberalize the EU's internal energy market, measures have been adopted since 1996 to address market access, transparency and regulation, consumer protection, supporting interconnection, and adequate levels of supply. These measures aim to build a more competitive, customer-centered, flexible and non-discriminatory EU electricity market with market-based supply prices

and power providers from a more extensive scope of contenders. In April 2009, a Third Energy Package trying to additionally change the interior power and gas markets was embraced, correcting the second bundle and giving the foundation to the execution of the inside energy advertise.



Source: Prognos AG on "Current Status and Perspectives of the European Gas Balance", 2016

As declared in the Energy Union technique (COM 2015 0080)²⁰, with the end goal to give purchasers secure, reasonable, focused and moderate energy, the Commission set forward an arrangement of authoritative recommendations for another EU energy showcase outline on 30 November 2016. The 'Perfect Energy for all Europeans' (COM 2016 0860)²¹ bundle means to execute the Energy Union and spreads energy effectiveness, sustainable power source, the plan of the power advertises, security of power supply and administration rules for the Energy Union. To finish the inward energy showcase, the Commission in this way proposed measures in

²⁰ Communication from the Commission to the European parliament, the council, the European economic and social Committee, the Committee of the regions and the European investment Bank A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy

²¹ Communication from the Commission to the European parliament, the Council, the European economic and social Committee, the Committee of the regions and the European investment bank Clean Energy for All Europeans

the Electricity Directive (COM 2016 0864)²², Electricity Regulation (COM 2016 0861)²³ and Risk-Preparedness Regulation (COM 2016 0862)²⁴.

The proposition for an order on normal guidelines for the interior market in power (COM 2016 0864) recasts Directive 2009/72/EC²⁵. The proposition is centered around:

- Clearer and more incessant power charges: power clients would have the opportunity to pick a provider or aggregator, helped by affirmed examination apparatuses, without expenses for evolving provider, and to settle on a dynamic value contract and a brilliant meter.
- Protecting poor or helpless clients: Member States would be obliged to offer focused on insurance by checking and revealing the quantity of families in energy neediness.
- Engaging new market players: aggregators would be allowed to take an interest in the retail advertise; neighborhood energy networks would have the privilege to participate in nearby energy age, dispersion, collection, stockpiling and

²² Proposal for a directive of the European Parliament and of the Council on common rules for the internal market in electricity (recast)

²³ Proposal for a regulation of the European Parliament and of the Council on the internal market for electricity (recast)

²⁴ Proposal for a regulation of the European Parliament and of the Council on risk-preparedness in the electricity sector and repealing Directive 2005/89/EC

²⁵ Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC

energy productivity benefits and approach every single composed market; Member States would direct information trade between market members.

- Facilitating electro-portability: Member States would need to encourage the association of energizing focuses for electric vehicles to the power circulation system, and open possession and task of these charging focuses to outsiders.
- Clarifying the errands of dissemination framework administrators (DSOs) and presenting a strategy for arranging the improvement of the dispersion organize.

The proposition for the Risk-Preparedness Regulation (COM 2016 0862) goes for reinforcing hazard readiness by empowering participation between transmission framework administrators (TSOs)²⁶ inside the EU, TSOs in neighboring countries and the European Agency for the Cooperation of Energy Regulators. It likewise goes for encouraging the cross-fringe administration of power lattices if there should be an occurrence of a power emergency, through the new Regional Operations Centers²⁷, which are presented in the related proposition for a direction on the inside power advertise (COM 2016 0861). Four arrangements of measures are proposed: (1) basic principles on the best way to anticipate and get ready for power emergencies to

²⁶ A transmission system operator (TSO) is an entity entrusted with transporting energy in the form of natural gas or electrical power on a national or regional level, using fixed infrastructure. The term is defined by the European Commission. The certification procedure for Transmission System Operators is listed in Article 10 of the Electricity and Gas Directives of 2009

²⁷ Regional Operational Centres (ROCs) are bodies envisioned by the so-called "Winter Energy Package" and articles 21(6), 32 - 44, Recitals 33 - 37 and Annex I of the Proposal for a Regulation of the European Parliament and of the Council on the internal market for electricity (recast), 30.11.2016, COM (2016) 861 final 2016/0379 (COD). Regional Operational Centres will be organised in a legal form stipulated in Article 1 of Directive 2009/101/EC of the European Parliament and of the Council (for example, in United Kingdom in the form of companies incorporated with limited liability).

guarantee cross-outskirt participation; (2) normal tenets for overseeing emergency circumstances; (3) regular strategies to survey dangers identified with security of supply; (4) a typical structure for better assessment and observing of security of power supply.

The proposition for a control on the inward market for power (COM 2016 0861) recasts Regulation (EC) No 714/2009²⁸, with the end goal to make the power advertise fit for adaptability, decarbonisation and advancement by accommodating undistorted market signals. The proposition comprises of seven other administrative recommendations. Five of these identify with power supply, to update the standards for power exchanging, clear up the duties of market members, and characterize standards for evaluating limit needs and for market-based limit components.

The European Agency for the Cooperation of Energy Regulators (ACER)²⁹ has been operational since March 2011 (Regulation (EC) No 713/2009)³⁰. ACER is for the most part in charge of advancing participation between national administrative experts at provincial and European level and for observing improvement of the system and the inward power and gas markets. It likewise has the capability to examine instances of market misuse and to organize the use of fitting punishments with the Member States. The duty regarding applying sanctions material to encroachments lies, in any case, in the hands of the Member States.³¹

²⁸ Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No 1228/2003

²⁹ ACER's missions and tasks are defined by the Directives and Regulations of the Third Energy Package, especially Regulation (EC) 713/2009 establishing the Agency. In 2011, ACER received additional tasks under Regulation (EU) No 1227/2011 on wholesale energy market integrity and transparency (REMIT) and in 2013 under Regulation (EU) No 347/2013 on guidelines for trans-European energy infrastructure.

³⁰ Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators

³¹ "Introduction to International Relations: Theories and Approaches by Robert Jackson and Georg Sorensen

As a further advance, two directions were received, making structures of participation for European Network Transmission Systems Operators (ENTSOs)³²: one for power (Regulation (EC) No 714/2009) and one for gas (Regulation (EC) No 715/2009)³³ revised by Commission Decision 2010/685/EU³⁴. The ENTSOs, together with ACER, make point by point arrangements to get to tenets and specialized codes, and guarantee the coordination of network tasks through the trading of operational data and the improvement of normal security and crisis guidelines and methodology. ENTSOs are likewise in charge of drafting a 10-year arrangement plan at regular intervals, which are then thusly looked into by ACER.

Moreover, Directive 2008/92/EC³⁵ tries to enhance the straightforwardness of gas and power costs charged to mechanical end-clients by obliging Member States to guarantee that these costs and the evaluating frameworks utilized are conveyed to Eurostat two times per year. In October 2011, the EU received Regulation (EU) No 1227/2011³⁶ on discount energy advertise uprightness and straightforwardness (REMIT)³⁷ intending to ensure reasonable exchanging hones on European energy markets.

³² ENTSO-E, the European Network of Transmission System Operators, represents 43 electricity transmission system operators (TSOs) from 36 countries across Europe, thus extending beyond EU borders. ENTSO-E was established and given legal mandates by the EU's Third Package for the Internal Energy Market in 2009, which aims at further liberalizing the gas and electricity markets in the EU.

³³ Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005

³⁴ 2010/685/EU: Commission Decision of 10 November 2010 amending Chapter 3 of Annex I to Regulation (EC) No 715/2009 of the European Parliament and of the Council on conditions for access to the natural gas transmission networks

³⁵ Directive 2008/92/EC of the European Parliament and of the Council of 22 October 2008 concerning a Community procedure to improve the transparency of gas and electricity prices charged to industrial end-users

³⁶ Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency

³⁷ In 2011, the Agency for the Cooperation of Energy Regulators (ACER) was assigned an additional task under Regulation (EU) No 1227/2011 of the European Parliament and of the Council on wholesale energy market integrity and transparency (REMIT) published on 8 December 2011. REMIT introduces a sector-specific legal framework for identifying and penalising insider trading and market manipulation in wholesale energy markets across Europe

On 30 November 2016, the Commission proposed a control (COM 2016 0863) to change ACER to recast lawful acts and reinforce its primary job as an organizer of the activity of national controllers, particularly in those zones where divided national basic leadership on issues with cross-outskirt significance would prompt issues or irregularities for the interior market. The rundown of assignments has in this manner been refreshed to incorporate ACER's obligations in the field of discount advertise supervision and cross-outskirt foundation, to give ACER greater duty in expounding and presenting the last proposition for a system code to the Commission and in impacting the territorial power showcase (offering zone) survey process (set down in the recast of the Electricity Regulation (COM 2016 0861)).

4.4.2. External

The European Union is the world's biggest merchant of energy assets, and the monetary zone most reliant on outside hydrocarbon supplies. In the most recent decades, this condition has plainly added to shape the European outer policy approach and the meaning of the EU alliance's security needs. The consideration of energy among the difficulties to the remote and security policy of the EU goes back to the European Security Strategy (ESS)³⁸. A Secure Europe in a Better World received by the European Council in 2003. However, it is just with the arrival of the Report on the Implementation of the European Security Strategy in 2008, that energy was recorded

³⁸ The European Council adopted the European Security Strategy (ESS) in December 2003. For the first time, it established principles and set clear objectives for advancing the EU's security interests based on our core values

among the Key Threats to Europe's security interests. The archive, propelled by the primary gas emergency among Russia and Ukraine in 2006, set solid accentuation on the abnormal state of outside reliance, and also the need to build up an EU energy policy, which consolidated the inward and outer measurements. Besides, the Report concentrated on the desire to reinforce energy broadening by connecting with customary and potential providers (i.e. Focal Asia, the Caucasus and Africa) and by putting resources into the extension of European energy sources and a development of gas and electrical lattice interconnections. Occasions, for example, the contention in Ukraine and the so-called Arab Spring uprisings, be that as it may, have profoundly impacted the structure for collaboration. The European Union, along these lines, has chosen to revive its outer energy activity through the selection of its first since forever Energy Security Strategy, distributed by the European Commission in May 2014. The Energy Union is somewhat intended to rejuvenate the EU's Energy Diplomacy³⁹, and in this setting the Council has embraced, in July 2015, an EU Energy Diplomacy Action Plan, assessing the expanding rivalry for energy assets at the worldwide level. The arrangement, specifically, goes for fortifying European limits with the end goal to advance new energy organizations and discourses, bolster the EU's energy broadening endeavors, and upgrade a recharged worldwide energy design, and multilateral activities.⁴⁰

³⁹ The European Security Strategy is the document in which the European Union clarifies its security strategy which is aimed at achieving a secure Europe in a better world, identifying the threats facing the Union, defining its strategic objectives and setting out the political implications for Europe.[1] The European security strategy was drawn up in 2003 under the authority of the EU's High Representative for the Common Foreign and Security Policy, Javier Solana, and adopted by the Brussels European Council of 12 and 13 December 2003. The strategy was replaced in 2016 by the European Union Global Strategy.

⁴⁰ "Introduction to International Relations: Theories and Approaches by Robert Jackson and Georg Sorensen

As most of the EU energy supplies originates from and travels through neighboring countries, the territorial measurement expects a crucial significance for European energy security. 33% of aggregate oil, petroleum gas and coal imported by EU countries is provided by Russia, while neighbors like Norway, Algeria and Libya contribute essentially to take care of the European energy demand, especially concerning gas assets. This topographical reality, even independent from anyone else, requires the EU to build up an intelligent energy policy that goes past its outskirts (i.e. an outside policy), with the end goal to effectively and emphatically take part in the process with its key energy providers as well as key travel countries, for example, Ukraine and Turkey. Territorial activity, be that as it may, can't be completely executed if not bolstered by steady approaches inside the inner measurement. In fact, the working of a completely incorporated and interconnected inner energy advertise speaks to the "best insurance" for the EU and its Member States against potential stuns and disturbances on the outside supply side. In the meantime, the dynamic reconciliation of key energy accomplices inside the EU interior energy showcase - either through multilateral components, for example, the Energy Community (the international association which went into power in 2006, now containing 8 Contracting Parties in addition to the EU: Albania, Bosnia and Herzegovina, Kosovo, Former Yugoslav Republic of Macedonia, Moldova, Montenegro, Serbia and Ukraine), or through specially appointed activities like on account of Norway – adds to decrease the vulnerabilities caused by the outer reliance of the EU. The two measurements are plainly interlaced.

Eventually, the development of new real energy purchasers, for example, China and India together with the expanding international rivalry over energy supplies,

requires the European Union to act all around with the end goal to fortify its energy security. Making new organizations with international energy providers, and also joint components for the administration of energy emergencies and supply deficiency with worldwide contenders, are two essential strides to improve Europe's energy security. Also, given its desire to go about as the worldwide pioneer in climate change and green policies-related issues, the EU is expected to build up helpful structures with third countries with the end goal to encourage their energy progress forms. Such commitment will in the long run add to a more secure and supportable worldwide energy segment.

4.5. The Nord Stream Pipeline

U.S. policymakers have bolstered European Union endeavors to decrease dependence on Russian petroleum gas, particularly after Moscow incidentally stopped fares by means of Ukraine in 2009 and 2006. Albeit European governments have for the most part upheld the objective of broadening, they have been tested to lessen Europe's reliance on Russian flammable gas, which represented 37% of European imports in 2017, up 5% from the earlier year. Examiners refer to different obstacles to decreasing European dependence on Russian gas, including dissimilar recognitions inside Europe on the unwavering quality of Russian supplies. Many have reprimanded Germany, Russia's biggest gaseous petrol client, for trying to extend the Nord Stream pipeline framework. Others recommend a development of Nord Stream would not really prompt an ascent in Russian gas imports by Europe, if Gazprom utilizes the new

ability to substitute for gas travel through Ukraine. In activity since 2011, Nord Stream 1 has an aggregate limit of 55 billion cubic meters (bcm) every year. Nord stream's course is being presented below⁴¹.



In 2017, it kept running at around 93% of limit and represented around 32% of Russia's aggregate flammable gas fares to Europe and 11% of the EU's gas utilization. In March 2018, the German government allowed licenses for Nord Stream 2, which would run parallel to Nord Stream 1, multiplying the pipeline framework's ability to 110 bcm. Nord Stream 2 is evaluated to cost about \$11 billion and planned to start activities in late 2019. It is claimed altogether by Russian state-possessed energy organization Gazprom. A large portion of the expense is to be financed by five European organizations: Engie (France), OMV (Austria), Shell (Netherlands/UK),

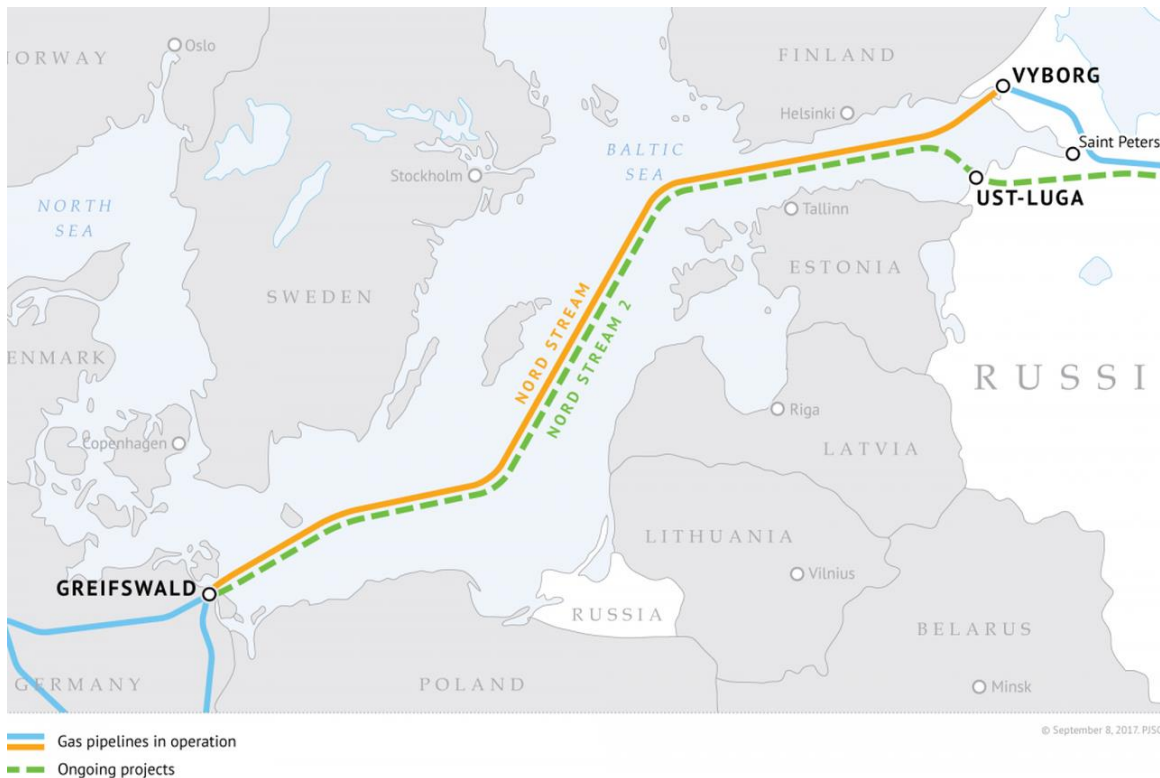
⁴¹ "Nord Stream and South Stream as innovative projects, their impact on the energy sector environment and policies of the European Union" by Ludmila Nikitina

Uniper (Germany), and Wintershall (Germany). By complexity, Gazprom possesses 51% of Nord Stream 1; four European organizations—Engie, Wintershall, E.ON (Germany), and Gasunie (Netherlands)—claim the rest.⁴²

In spite of proceeded with resistance from some European governments and EU authorities, Nord Stream 2 has held up under a basic survey by the European Commission (the EU's official organization) and anchored the essential licenses from everything except the Danish government to empower its development. In spite of the fact that its parliament may dismiss the pipeline on national security grounds, the pipeline could be somewhat rerouted to stay away from Danish regional waters. The German government has confronted elevated feedback of the task as worries over Russian activities in Europe have developed. In an April 2018 gathering with Russian President Vladimir Putin, German Chancellor Angela Merkel tended to a main worry of a few faultfinders by expressing the venture couldn't continue without ensures that Gazprom will keep on trading gas through Ukraine. Merkel did not determine in what shape such certifications could be made. A few examiners question whether the administration could disavow licenses that have just been allowed. Pundits of the proposed pipeline had been cheerful that the European Commission could square or utmost Gazprom's inclusion in the undertaking because of EU directions expected to avoid restraining infrastructure control of energy ventures. In any case, these directions have been translated as applying just to intra-EU pipelines. EU part states have not followed up on a Commission proposition to stretch out these controls to pipelines originating from outside the EU. Others have contended that conceivable

⁴² "Nord Stream and South Stream as innovative projects, their impact on the energy sector environment and policies of the European Union" by Ludmila Nikitina

U.S. authorizes on European moneylenders could propel them to choose not to proceed with the task. Nord stream's 2 course is being presented below⁴³.



Nord Stream has been politically controversial but there has not been any attempt, to examine the economics of the project in an in-depth manner and assess whether it is going to be profitable to its owners. The applied game-theoretic literature has found some economic rationale for building a project such as Nord Stream⁴⁴ and the Yamal-Europe pipeline⁴⁵. The economic and strategic insights from this literature are valuable, although authors may have underestimated the value of

⁴³ Representation of the EU - Russian energy relations: coverage of the Nord-stream pipeline's construction in German quality media by Barabash and Dudina, 2016

⁴⁴ "Investment Options and Bargaining Power in the Eurasian Supply Chain for Natural Gas" by Hubert and Ikonnikova, 2003

⁴⁵ "Strategic Investment in International Gas-Transport Systems: A Dynamic Analysis of the Hold-Up Problem" by Hubert and Suleymanova, 2006

Nord Stream and the cost of using the existing transport routes. Nord Stream is a shorter route to transport gas from the Yamal peninsula to Western Europe than using the Ukrainian corridor and existing transmission grid in Russia. Therefore, once Gazprom's production moves north, the transportation cost through Ukraine will increase.

Using a strategic simulation model of European gas supply, find that Russian gas exports to Europe until 2025 would not exceed export capacity through the existing routes (i.e. 180 bcm/a through Ukraine and Belarus).

They conclude that "...the much debated Nordstream pipeline from St. Petersburg through the Baltic Sea into Germany lacks an economic justification"⁴⁶.

However, by suggesting that Nord Stream is economically justifiable only if Gazprom needs additional export capacity, the authors imply that shipping gas through Nord Stream would necessarily be more expensive than using the existing options. Yet they provide no analytical basis to support this assumption. Explicitly or implicitly, the idea that Gazprom would need additional net transport capacity to justify Nord Stream economically stands behind most claims that Nord Stream is a purely geopolitical project.

The main source of natural gas for the Nord Stream pipeline is Yuzhno-Russkoye field, which is located in the Krasnoselkupsky District, Yamalo-Nenets Autonomous Okrug, Tyumen Oblast. Nord Stream is also fed from fields in Yamal Peninsula, Ob-Taz bay. Gazprom has also indicated that the majority of gas produced

⁴⁶ "Perspectives of the European natural gas markets until 2025." The Energy Journal, vol. 30, 2009, Holz, Franziska, et al.

at the Shtokman field would be sold to Europe via the Nord Stream pipeline. For this purpose, the pipeline from the Shtokman field via Kola peninsula to Volkhov or Vyborg in the Leningrad Oblast has to be built⁴⁷.

According to Gazprom, the costs of the onshore pipelines in Russia and Germany are around €6 billion. The offshore section of the project is expected to cost €8.8 billion. 30% of the financing was raised through equity provided by shareholders in proportion to their stakes in the project, while 70% came from external financing by banks.

There are two tranches. The first tranche for a €3.9 billion includes a 3.1 billion, 16-year facility covered by export credit agencies and a €800 million, 10-year uncovered commercial loan to be serviced by earnings from the transportation contracts. A €1.6 billion is covered by French credit insures company Euler Hermes, a €1 billion by the German United Loan Guarantee Programme UFK, and a €500 million Italian Export Credit Agency SACE SpA. Loans to be provided by 26 commercial banks. Crédit Agricole is documentation bank and bank facility agent. Société Générale is intercreditor agent, Sace facility agent, security trustee and model bank. Commerzbank is Hermes facility agent, UniCredit is UFK facility agent, Deutsche Bank is account bank and Sumitomo Mitsui Banking Corporation is technical and environmental bank. The financial advisers were Société Générale, Royal Bank of Scotland (ABN Amro), Dresdner Kleinwort (Commerzbank), and Unicredit. The legal adviser to Nord Stream.

⁴⁷ "Nord Stream: Not Just a Pipeline An analysis of the political debates in the Baltic Sea Region regarding the planned gas pipeline from Russia to Germany" by Bendik Solum Whist

4.6. Facts

When all is said in done, supporters of the pipeline, including the German, Austrian, and French governments, contend that Nord Stream 2 would upgrade the EU's energy security by expanding the limit of an immediate supply course. Germany and others have said that, when the gas achieves Germany, it very well may be transported all through Europe. Rivals of the pipeline—including, among others, the European Commission and President of the European Council, Poland, the Baltic States, Ukraine, the Trump Administration, and numerous Members of Congress—contend that it would give Russia more noteworthy political use over Germany and others that are reliant on Russian gas. Commentators likewise fight that Nord Stream 2 could abandon a few countries more helpless against supply shorts or value control by Russia. They include that by diminishing the travel of Russian gas through Ukraine, Nord Stream 2 would deny Ukraine of income and lessen its significance to Russia as a travel state.⁴⁸

Russia started to decrease its gas travel through Ukraine after Nord Stream 1 opened in 2011. Already, the greater part of Russia's gaseous petrol fares to Europe traveled Ukraine. As of now, around 40%-half travel Ukraine. In the event that Nord Stream 2 pushes ahead, it could additionally lessen travel through Ukraine. Conceivably, it could dispense with it totally, related to TurkStream, a pipeline under development to transport Russian gaseous petrol to southern Europe by means of the

⁴⁸ Representation of the EU - Russian energy relations: coverage of the Nord-stream pipeline's construction in German quality media by Barabash and Dudina, 2016

Black Sea. The joined limit of Nord Stream 2 and TurkStream is 87 bcm a year (93 bcm traveled Ukraine in 2017).

As per Ukrainian oil and gas organization Naftogaz, its working benefit for gas travel was over \$900 million of every 2016 and \$535 million out of 2017. Notwithstanding the income misfortune, numerous spectators consider that Ukraine's loss of gas travel would undermine its security. It would not really build Ukraine's vulnerability to energy supply shorts, as Ukraine prevented bringing in gaseous petrol from Russia in 2016. It could, be that as it may, increment Ukraine's key vulnerability, as Russia's reliance on Ukraine for gas travel would never again be a compelling component in its arrangements toward Ukraine.

4.7. The EU-Russian Interests

European supporters of Nord Stream 2, including the German government, have censured Section 232 authorizations. They contend that opening European-supported tasks to U.S. approvals could risk what has been solid transoceanic collaboration in forcing sanctions on Russia. Some European authorities have voiced doubt that U.S. resistance to Nord Stream 2 is attached in a craving to build U.S. fluid gaseous petrol (LNG) fares to Europe. They point to another announcement in CRIEEA⁴⁹ that the United States "ought to organize the fare of United States energy assets with the end goal to make American occupations, help United States partners

⁴⁹ The Russia section of the law, called the Countering Russian Influence in Europe and Eurasia Act of 2017 (CRIEEA), expands existing restrictions on US persons doing business with Russia, and adds some potentially significant secondary sanctions targeting non-US person activity involving Russia and certain operations outside of Russia

and accomplices, and reinforce United States outside policy." They fight that monumental authorizes on a partner with the end goal to propel national financial interests—particularly when U.S. LNG is costlier than gas from Russia and can't supplant every single Russian import—could have longer-term implications for the U.S.- German relationship⁵⁰.

EU concerns were conciliated to some extent by dialect embedded in CRIEEA which said that the President should "proceed to maintain and look for solidarity" with European accomplices on authorizations and that new U.S. authorizes on pipeline adventures would be forced in a joint effort with U.S. partners. Following the order of CRIEEA, the European Commission communicated fulfillment that "European interests would thus be able to be considered in the execution of any [U.S.] sanctions." Still, some stay attentive that usage of new U.S. authorizations could influence European energy ventures.

England's remote secretary Jeremy Hunt is requiring the EU to join new US sanctions against Russia over the nerve specialist poisonings in Salisbury. The US is preparing further measures after cases that Moscow is proceeding to attempt to meddle in its legislative issues, including against Moscow's Nord Stream 2 pipeline venture, and is scrutinizing German chancellor Angela Merkel's legislature for support the endeavor. The EU should make strides itself to end the undertaking — not identified with Salisbury, but rather on the grounds that it is against Europe's interests. The \$21bn pipeline intends to convey more Russian petroleum gas under the Baltic Sea direct to Germany, bypassing Ukraine and Poland. Be that as it may, it makes no

⁵⁰ Representation of the EU - Russian energy relations: coverage of the Nord-stream pipeline's construction in German quality media by Barabash and Dudina, 2016

monetary or, from the EU's outlook, vital sense. It won't transport extra gas, yet only give an option to the trans-Ukraine pipeline, or, in other words at 50 percent limit.

Venture to modernize Ukraine's Soviet-time arrange is considerably less expensive than building another subsea course. Moscow contends that Kiev is an untrustworthy accomplice, and that its duties for transporting gas are high to the point that they make the Ukrainian course uneconomic. Russia slice off gas to Ukraine itself in the midst of evaluating question in 2006 and 2009, with thump on impacts on provisions to clients assist west. Be that as it may, the debate came about because of Moscow's own endeavors to constrain vast gas cost increments on Ukraine to rebuff Kiev for moving political constancy towards the west after the 2004 Orange upset. Increments in Ukrainian travel duties as of late, in the meantime, were not a goad for Nord Stream 2, but rather a result of it. When Gazprom pronounced building the pipeline would move its provisions from Ukraine's system from 2019, the UK-style administrative model embraced by Kiev's most recent ace western government since 2014 constrained the nation's gas utility, Naftogaz, to pointedly quicken devaluation rates, thus taxes. Without the new pipeline venture, Kiev could cut levies once more. Russia's genuine thought process in Nord Stream 2 is by all accounts definitely to deny Ukraine of its travel job. While Kiev has ejected numerous business joins with Moscow as it re-orientates itself towards the west, there is no logical inconsistency in endeavoring to hold the incomes — and use — that shipping Russian gas give. Ukrainian authorities take note of that conceivable harm to the corridor conveying Moscow's greatest fare worker was a disincentive for Russia to mount a full-scale attack of Ukraine after it possessed Crimea and eastern areas in 2014. Regardless it is.

By offering Germany possibly less expensive energy costs and the opportunity to supplant Ukraine as the "center point" for Russian gas imports to Europe, Moscow has skillfully co-picked parts of the German political and business first class. That is especially valid for the inside left SPD. Previous chancellor Gerhard Schröder seats both the investors' panel of the organization that manufactured the primary Nord Stream pipeline, and the leading group of Russia's Rosneft oil organization. Ms. Merkel's own one of a kind hold of Nord Stream 2 is lukewarm, and cooling. Regardless, it undermines her essential and principled occupation in coaxing the EU to constrain approves on Russia over its expansion of Crimea in 2014. The errand denies the EU's technique of upgrading gas sources and decreasing reliance on Russia, and the EU's Third Energy Package, which intends to make a singular vitality feature. Berlin should not empower itself to be used by Moscow thusly. The mechanics of Germany's supervising partnership may give Ms. Merkel negligible choice anyway to encourage the endeavor. Expecting this is the situation, the onus falls on EU authorities to make sense of how to obstruct the endeavor, as clashing with everything that EU vitality approach hopes to achieve.

4.8. Nord Stream 2 project (3&4)

Building a seaward pipeline in the Baltic Sea returns in 1997, when Russian gas makers, related to Neste Oil Finnish energy organization, made the North Trans gas Company and began seaward reviews in the Baltic Sea⁵¹. After a few bureaucratic systems, monetary and vital contemplations, changes in offers possession and in addition political movements, the last concession to the pipeline development was marked in 2005 by German Federal Chancellor G. Schroeder and President V. Putin.

Nord Stream AG has been built up in 2006, where Gazprom holds 51%, the German E. ON Ruhrgas and BASF Wintershall got 15.5% each, the Dutch NV Nederlandse Gasunie took 9% and the French Group GDF Suez got 9%. Nord Stream transports gas from Vyborg, Russia to Greifswald, Germany through Line 1 and Line 2, built in 2011 and 2012, individually. The course crosses the Exclusive Economic Zones of Russia, Finland, Sweden, Denmark, and Germany, and in addition the regional waters of Russia, Denmark, and Germany. Prior to the development, a few licenses must be conceded by single countries and EU. Actually, a few conferences on environmental reactions, security, and business possibility have been made. EU Commission has given Nord Stream status as a "need venture, which would add to build aggressiveness in the energy market and increment security of supply⁵². Before Nord Stream began working, just about 80% of Russian gas to Europe passed Ukraine. In 2015, the twin pipeline framework has conveyed 39.1 billion cubic meters, which comprises 71% of the pipeline's total limit (Nord Stream AG). Germany, the UK, the

⁵¹ "THE NORD STREAM PROJECT" by Natalia Pavlova

⁵² Whist, 2008, p. 21

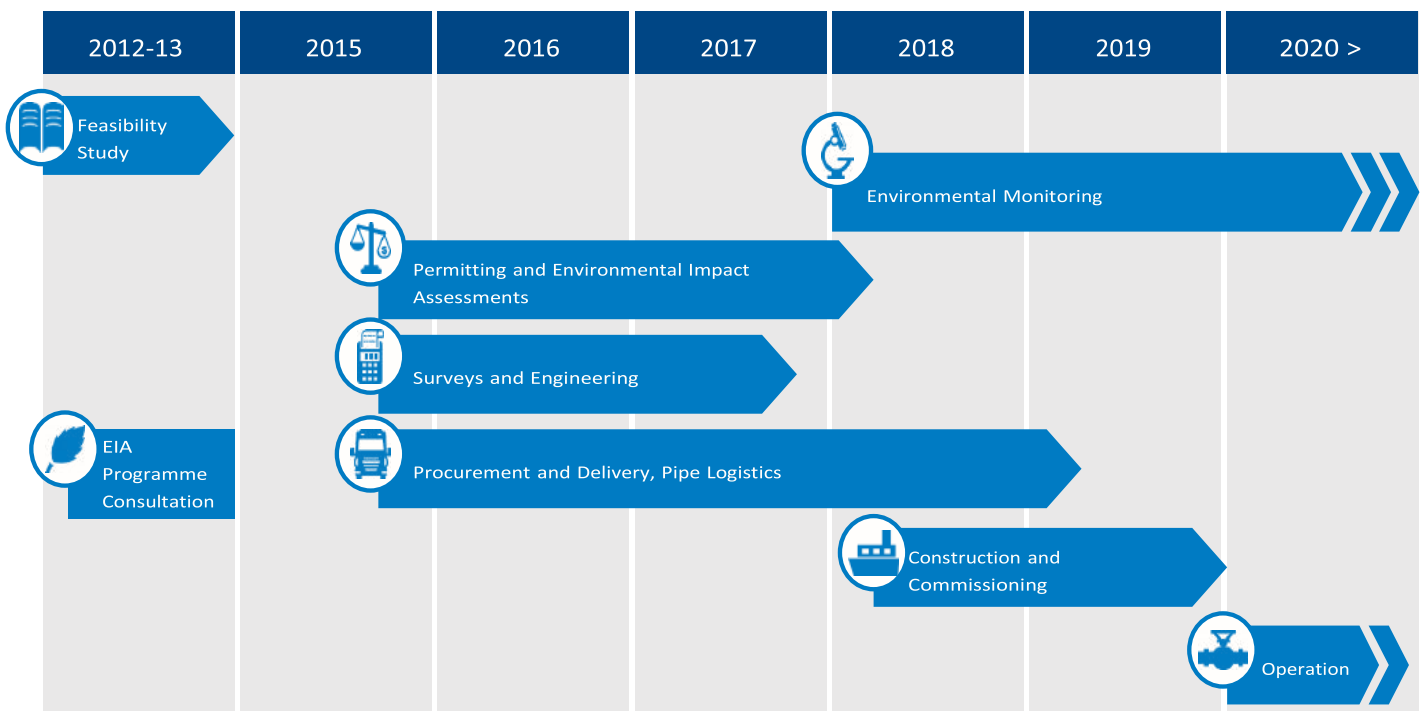
Netherlands, France, and Denmark get conveyances through Nord Stream. At the Eastern Economic Forum, toward the beginning of September 2015, Russia, Germany and a consortium of Western organizations have consented to an arrangement for the execution of Nord Stream 2 venture. The consortium comprises of Gazprom, OMV, E. ON and BASF, Gasunie, Royal Dutch Shell, and Engi. Despite the fact that surprising, the arrangement isn't new. As of now in June 2015, at the St. Petersburg International Economic Forum, Gazprom marked an arrangement of Memorandums with E. ON, Shell and OMV⁵³. Gazprom is the real investor with 51% and every one of alternate investors got 10%; Engie at first got 9%, and in the long run Gazprom sold it 1%. Strikingly enough, as of now in 2013, Nord Stream AG has issued a venture on the arranging and development of extra two pipelines of indistinguishable limit from the past ones, starter planned to be built from 2016 to 2018 (Nord Stream AG). The re-development of the venture in 2015, in the midst of political clashes, made it more questionable.⁵⁴

Nord Stream 2 is a dare to make and work another twin pipeline through the Baltic Sea, which will transport oil gas from the world's greatest holds in Russia to the internal gas feature in the European Union. The new pipeline will, all things considered, seek after the course and concentrated technique of the current Nord Stream pipeline system, which ended up being totally operational in 2012. With the EU's private gas creation foreseen to fall 50 percent over the accompanying two decades, the locale needs to construct imports. The Nord Stream 2 pipeline structure

⁵³ "Performance management reform as policy transfer. The case of Hungarian local government" Ugrosdy, 2015

⁵⁴ "Landscapes of Paradox: Public Discourses and Policies in Poland's Relationship with the Nord Stream Pipeline" Stefan Bouzarovski & Marcin Konieczny

will be able to supply gas for up to 26 million families. By upgrading existing transportation courses, it can contribute towards closing the EU's import opening and help to diminish moving toward threats to supply security. Below is presented the project management of the Nord Stream 2.⁵⁵



Source : Nord Stream AG

Table: Executed and planned activities by calendar year, Nord Stream

Nations which could be affected by the advancement or undertaking of the Nord Stream 2 pipeline structure have the chance to find more about the endeavor and offer their points of view, already improvement begins.

⁵⁵ "Landscapes of Paradox: Public Discourses and Policies in Poland's Relationship with the Nord Stream Pipeline" Stefan Bouzarovski & Marcin Konieczny

Nord Stream 2 must study the errand's likely ecological impacts and insight with affected nations. This system is spoken to by the Espoo Convention – the Convention on Environmental Impact Assessment in a Transboundary Context. Nord Stream 2 is an orchestrated combustible gas pipeline system that will grow transportation constrain into Europe to meet the area's creating import needs. The twin pipelines will continue running from the Baltic Coast in Russia, through the Baltic Sea, accomplishing landfall close Greifswald in Germany. At the point when the gas enters the EU internal market, it might be transported onwards to wherever it is required. Nord Stream 2 develops the successful improvement and movement of the current Nord Stream pipeline structure, which ended up being totally operational in 2012 and has been seen for its high natural and security measures, green collaborations and direct open meeting process.⁵⁶

The Nord Stream 2 adventure incorporates the advancement and following action of a twin subsea combustible gas pipeline through the Baltic Sea. The pipeline course will reach out for around 1,200 km from Russia's Baltic float in the Leningrad territory, accomplishing landfall close Greifswald in Germany. Despite these two nations, the pipeline will experience the wards of Finland, Sweden and Denmark.

Seaside workplaces at the Russian landfall Narva Bay, including secured pipelines portions of some place in the scope of 4 km or more ground workplaces; and Onshore workplaces at the German landfall Lubmin 2, including pipelines territories of precisely 0.4 km housed in twin little scale tunnels, or more ground workplaces. During advancement, Nord Stream 2 will make use of subordinate workplaces that

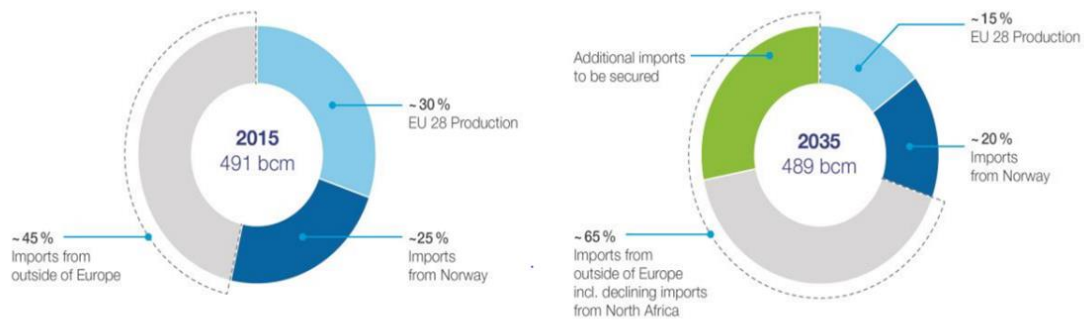
⁵⁶ "Nord Stream, the Environment and the Law: Disentangling a Multijurisdictional Energy Project". SSRN Electronic Journal Langlet, D. 2013

include covering plants in Kotka, Finland and Mukran, Germany, Pipe amassing yard at Karlshamn, Sweden; Kotka and Hanko, Finland; and Mukran, Germany.

The Nord Stream 2 structure will be able to pass on 55 billion cubic meters (bcm) of combustible gas each year clearly to the EU feature in a naturally shielded and reliable way. This will be satisfactory to supply 26 million families. Each pipeline will have an inside width of 1,153 mm (48 inches) and will be created from around 100,000, 24-ton concreteweight-secured steel pipes laid on the seabed. Pipe-laying will be finished by specific vessels managing the entire welding, quality control and pipe-laying process. The two lines are intended to be laid in the midst of 2018 and 2019, trailed by testing of the system toward the complete of 2019, going before gas begins to stream. The availability of direct data grabbed from the layout, advancement and movement of the current Nord Stream pipeline has benefitted the arrangement and orchestrating of Nord Stream 2. The new system will be free from the present pipeline, anyway they will continue running in parallel for a liberal partition.

Oil gas is depended upon to remain a fundamental vitality source with projections of relentless or extending demand in the coming decades. As nations endeavor to reduce their carbon releases, gas offers a lower carbon decision to coal. It can similarly upgrade manageable power source, while renewables go up against a creating offer in the vitality mix. Family EU making of vaporous oil, in any case, is depended upon to fall by half all through the accompanying two decades. As needs be, the EU should import additional volumes of gas to stay supply from as appropriate on time as 2020. Given the declining or unsteady supply of gas through pipelines from Norway, North Africa and the Caspian Region/Middle East, new import courses will be

required – either as pipeline gas from Russia and additionally liquefied oil gas (LNG) from various holders of tremendous gas spares.



Without another immediate gas pipeline supply from Russia, the EU should contend with different countries for LNG supplies, huge numbers of which, e.g. Asia, have been paying a premium for LNG over EU gas costs. Other unavoidable dangers to supply security additionally should be moderated by having promptly accessible back-up limit. Nord Stream 2 will give a solid and supportable extra transportation course into the EU, under sound environmental and financial conditions. By enhancing other existing and arranged import alternatives, Nord Stream 2 can contribute towards shutting the anticipated EU import hole and help to lessen inescapable dangers to supply security.

Nord Stream 2 will counsel with nine countries. The Espoo Convention⁵⁷ defines two important bunches of consultees⁵⁸:

"Gatherings of Origin" are the five countries in which Nord Stream 2 will be found: Russia, Finland, Sweden, Denmark and Germany; and "Affected Parties" are the countries which may be affected by Nord Stream 2 somehow, regardless of whether it isn't situated inside their limits: Estonia, Latvia, Lithuania and Poland. For Nord Stream 2, the five Parties of Origin are additionally viewed as Affected Parties. For instance, development exercises occurring in Russia may affect Finnish waters, implying that Finland would be an Affected Party. To guarantee that a depiction of Nord Stream 2 and its potential environmental effects are imparted unmistakably to every single Affected Party and partners, the Espoo Report is composed in English and is converted into the nine dialects of every Affected Party.

⁵⁷ The Espoo (EIA) Convention sets out the obligations of Parties to assess the environmental impact of certain activities at an early stage of planning. It also lays down the general obligation of States to notify and consult each other on all major projects under consideration that are likely to have a significant adverse environmental impact across boundaries

⁵⁸ ESPOO REPORT; Nord Stream 2; April 2017



The proposed Nord Stream 2 pipeline course, Parties of Origin and Affected Parties.

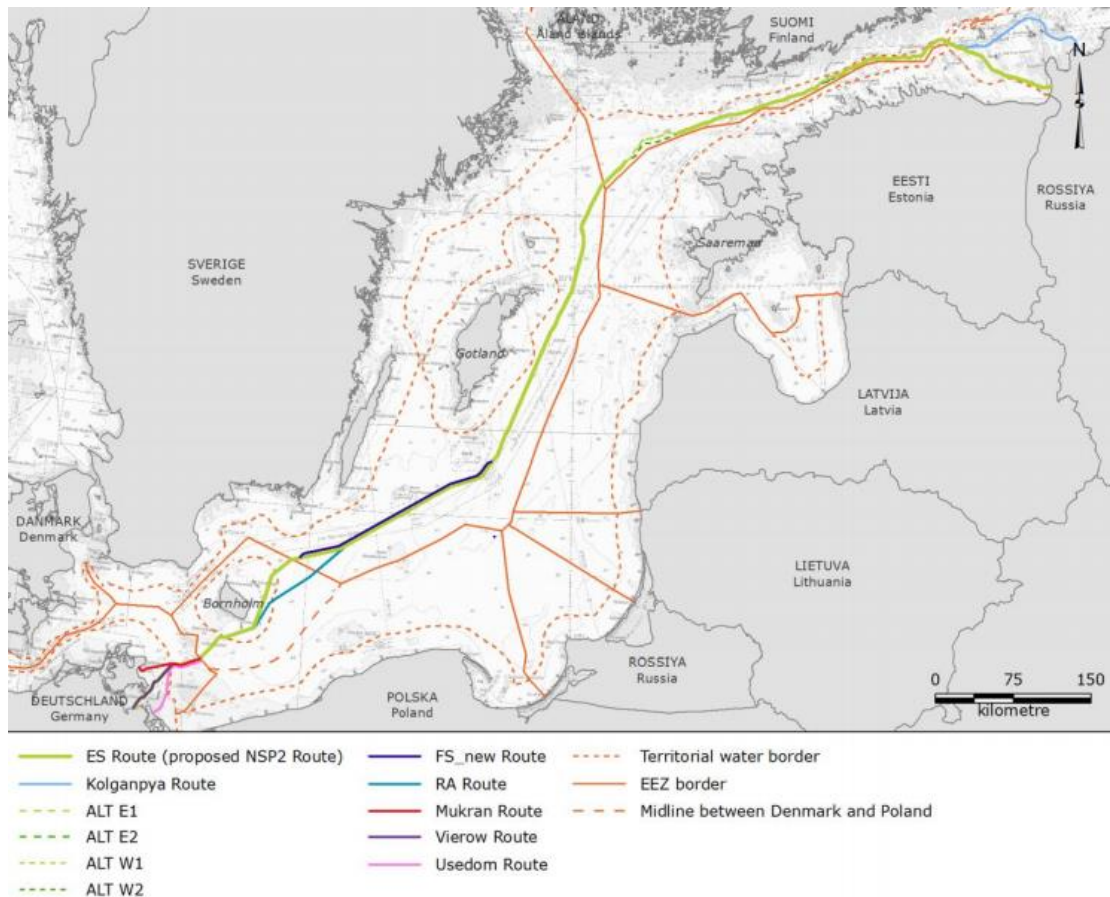
A few task steering, outline and development options were assessed amid the arranging procedure to guarantee that the favored alternative would, where conceivable, limit environmental and financial effects, while keeping up international great practice in connection to wellbeing and security, fulfilling plan measures and development necessities, and keeping up the respectability and dependability of the framework over its whole operational life. The choice of choices to consider, and the ensuing identification of the favored choice, included significant research and drew vigorously upon the experience picked up from the fruitful usage of the current Nord Stream pipeline framework. The assessment of every option was revolved around three fundamental criteria:

Environmental – Planners attempted to keep away from, where conceivable, crossing regions assigned as "secured" or generally perceived as "environmentally touchy" as essential territories for creature and additionally plant species. Task organizers additionally looked to limit nosy exercises that can possibly affect the regular habitat.

Financial – Planners looked to limit any confinements on existing clients, i.e. the delivery or fishery industry, the military, tourism and diversion clients and so forth., and in addition any impedance with existing seaward establishments, for example, links or wind turbines and onshore arrive employments. Venture organizers likewise looked to maintain a strategic distance from weapons (sent amid or after World Wars I and II) and social legacy destinations, for example, wrecks, wherever conceivable.

Specialized – Planners considered how to decrease development time by means of the minimization of potential disturbances of development works, and so forth., while likewise limiting specialized many-sided quality, expenses, and asset needs.

Based on the experience of the current Nord Stream pipeline framework, and considering the three primary criteria portrayed over, an intensive course passage evaluation was performed. This recognized various achievable course hallway and landfall alternatives as a reason for further arranging, every one of which were looked into before choosing the favored course.



Nord Stream 2 route alternatives.

4.9. The Impact on Energy Security: Opportunity or Risk

66% of the gaseous petrol expended in Europe is foreign made. For its gas imports, Europe is profoundly subject to Russia – 30% of the foreign made sum in 2013. Russia trades gas to Europe through Gazprom – its gas goliath. Constructing its system in light of the presumption that gas is rare, "Gazprom has been seeking after a policy of vertical mix in Europe, provincial framework control, and inclination for oil-connected long-haul supply contracts"⁵⁹. European Union began the advancement of

⁵⁹ "Gazprom's evolving strategy in a new commercial and political context: how should the EU react?" by Marco Giuli 2015

its gas showcase in 1998, looking to give a more aggressive and transparent condition. Gazprom has acclimated to these progressions by embracing a technique of downstream extension and also pitching gas to EU countries through a policy of benefit swaps, in light of special political relations, rather than contending on the exchanging stage on the spot showcase.⁶⁰

Nord Stream would diminish Ukraine's travel significance to a higher degree. Ukrainian pipeline framework has a limit of 142 billion cubic meters. Gas travel through Ukraine towards Central Europe goes by Slovakia, Czech Republic and Poland. The geological position anchored Ukraine travel charges and geostrategic use versus Russia and the EU. Truth be told, Ukraine utilized its travel restraining infrastructure a few times as a negotiating tool in value debate. After the gas cuts of 2006 and 2009 , which influenced a few EU individuals with deficiencies, Russia proclaimed its firm aim to sidestep Ukraine for its fares⁶¹. Presently Ukraine travels around half of Russian gas to Europe⁶² – 40 bcm, which represent \$73 billion. The Nord Stream 2 would cost Ukraine lost \$2 billion every year in travel expenses henceforth the distraction of Ukraine, as well as of EU individuals, which have been putting resources into Ukrainian economy. For example, if Ukraine lose its travel job, outside financing to update its pipeline system will diminish. Furthermore, Ukraine has been fiscally bolstered by EU and IMF. New credits would be important to cover the travel charges misfortune, with no sureness that Kiev would have the capacity to reimburse.⁶³

⁶⁰ "Nord Stream, the Environment and the Law: Disentangling a Multijurisdictional Energy Project". SSRN Electronic Journal Langlet, D. 2013

⁶¹ "The Coming of the Russian Gas Deficit: Consequences and Solutions" Alan Riley

⁶² "The 2014 Ukraine-Russia crisis: Implications for energy markets and scholarship" Andreas Goldthau & Tim Boersma

⁶³ "The case against Nord Stream 2" November 23, 2015 by Agata Loskot-Strachota

As of late, Ukraine has been provided with gas by means of switch spill out of Poland, Hungary and Slovakia. EU Commission has assessed the offer originating from EU as high as half. The procedure is a piece of EU's expect to make an interconnected system of pipelines inside EU, so all individuals would depend on one another. That would build EU's energy security and abatement the danger of unforeseen cut and deficiencies. EU is additionally anticipating coordinate Ukraine in the European energy showcase (EU Commission). In the event that Nord Stream 2 is to be fabricated, the turnaround stream to Ukraine will presumably increment. Chancellor Merkel, who bolsters Nord Stream 2 as a gainful business bargain, has expressed that Germany is occupied with an answer, where "Ukraine can likewise assume a job as transit nation" Sigmur Gabriel, the Vice Chancellor and the most vociferous supporter of the task, has repeated, while visiting Poland, that Nord Stream is practical just if Russia does not slice off gas streams to Ukraine and CEE (Central and Eastern Europe).⁶⁴

Then again a few times, Russia declared its aim to stop its gas streams to Ukraine by 2019. In any case, A. Mill operator, Gazprom's CEO, said that the continuation of gas sends out by means of Ukraine after 2019 is being arranged⁶⁵. There might be a few reasons. In the first place, Russia is wasted time with the turnaround stream supply to Ukraine by the CEE countries, when it diminishes Ukraine's reliance on Russian gas and consequently Russia's political use over its neighbor. Second, there are as yet numerous countries in Europe relying upon gas traveled by means of Ukraine. Other than losing shoppers and an extensive salary,

⁶⁴ "Nord Stream, the Environment and the Law: Disentangling a Multijurisdictional Energy Project". SSRN Electronic Journal Langlet, D. 2013

⁶⁵ "Performance management reform as policy transfer. The case of Hungarian local government" Ugrosdy, 2015

Russia dangers losing its geopolitical use in the area as well. At long last, Italy, Russia's second-biggest customer in Europe, is provided by means of Ukraine and, until the point when the South Stream and the Turkish Stream are not being supplanted by a reasonable task, Russia should meet its duties. Most importantly, Germany – the central accomplice in Nord Stream – has demanded a few times that the continuation of Nord Stream 2 venture relies upon Ukraine remaining a travel nation.

The fiercest adversaries of the task are the CEE countries. A letter marked by the Baltic States, Poland and other Central European countries was sent to the EU Commission. They contend that Nord Stream 2 would debilitate EU's energy security by expanding its reliance on Russian gas and in addition undermines the Energy Union undertaking of supply broadening⁶⁶. Specifically, Poland, which would lose its travel expenses and significance in the pipelines organize, sees the task as a German Russian union. Nord Stream 2 is blamed for purposefully bypassing Central Europe. In 2008, when arrangements were held over the principal Nord Stream, elective pipelines have been proposed. Specifically, Yamal 2 would have run parallel to Yamal 1, which brings Russian gas by means of Belarus and Poland to Germany. The advocates contended inland pipeline would have been less expensive; and Yamal was so built to enable a second pipeline to be included⁶⁷. The Nord Stream consortium has refuted there is a need to maintain a strategic distance from politically unsteady travel countries, reviewing the 2007 debate with Belarus. Much prior, in 2004, the Baltic States and Poland proposed the Amber pipeline, which would run Russian gas through Latvia, Lithuania to Poland, where it would join Yamal towards Germany. Golden would, in

⁶⁶ "Race against Nord Stream 2" Wojciech Jakóbiak

⁶⁷ Whist, 2008, p. 21

this manner, add to broadening and maintain a strategic distance from travel countries. The consortium dismissed over travel charges and higher expenses of support of an inland pipeline⁶⁸.

Contradicting the Nord Stream 2, the Baltic States have been scrutinizing the environmental effect evaluation (EIA) – it took approximately 3 years for the EIA for Nord Stream 1 to be issued. The Baltic countries are likewise worried about their security. Another pipeline would legitimize Russia's military nearness in the Baltic Sea for its security. In the fallout of Ukrainian emergency, the Baltic States have demonstrated their worry over their regional honesty and security and heightened the "NATO talk". Czech Republic and Slovakia contradicted likewise to the extra pipelines, since they would be denied of travel expenses, notwithstanding Czech Republic benefits from Nord Stream. Truth be told, it has changed in accordance with the pipeline and it is presently getting a large portion of its gas from Germany as opposed to Slovakia⁶⁹. Hungary, which has been assembling underground gas stockpiling framework, would lose its travel job and would purchase gas from Austria⁷⁰. Southern European countries and also Italy contradict Nord Stream 2 connecting it to the abrogation of South Stream, which denied them of high wages. They contend Nord Stream 2 ought to be suspended on indistinguishable legitimate premise from South Stream⁷¹.

⁶⁸ "Landscapes of Paradox: Public Discourses and Policies in Poland's Relationship with the Nord Stream Pipeline." Bouzarovski, S. and Konieczny, M. 2010

⁶⁹ "Europe should embrace Nord Stream 2" Tsafos, N. 2015

⁷⁰ "Performance management reform as policy transfer. The case of Hungarian local government" Ugrosdy, 2015

⁷¹ "Nord Stream, the Environment and the Law: Disentangling a Multijurisdictional Energy Project". SSRN Electronic Journal Langlet, D. 2013

What is for the most part addressed is the similarity of Nord Stream to the Third Package. To be sure, adversaries are searching for approaches to demonstrate the venture braches EU law and rivalry directions. It conflicts with the "unbundling possession" condition since Gazprom holds half of the offers. There are claims saying that, since it is a seaward pipeline going through international waters, it isn't liable to EU law. This case is questionable, when the pipeline would cross the regional waters of Germany and Denmark, and along these lines entering the EU ward.⁷² Nord Stream 2 would need to impeccably follow EU energy enactment, i.e. it would need to meet every one of the Three Package criteria, including the "outsider access", to permit different providers contenders the utilization of the pipelines. In a report dated of November 2015, the EU Commission has expressed that would evaluate Nord Stream 2 in the light of European administrative system. In this manner, the choosing question would be whether Nord Stream fits the EU locale as far as energy and inner market.⁷³

In April 2016, the discussion "Nord Stream 2 – the Energy Union at the junction" was held at the European Parliament. The gathering was an event to talk about the contentions sent in support and against the gas venture. The supporters of the pipeline demanded that it will give the EU gas in a time of diminishing residential creation; the gas pipeline reacts to the EU's climate objectives and in addition will invigorate rivalry in the changed European energy advertise. The faultfinders refunded, rather, that Nord Stream 2 breaks the Energy Union's standards of expansion of the two providers and courses and in addition environmental and climate

⁷² "The Coming of the Russian Gas Deficit: Consequences and Solutions" Alan Riley

⁷³ "Turkish Stream: What Strategy for Europe?" Manfred Hafner & Simone Tagliapietra
2015

orders; it would imperil Ukrainian travel course and deny it of its travel expenses; lastly, they considered it as a Russian geopolitical apparatus instead of a business venture, jeopardizing the energy security of Central and Southeastern Europe. Additionally, in July 2016, the Polish Office of Competition and Consumer Protection has recorded a formal complaint against the Nord Stream 2, in light of the fact that the pipeline could hurt buyers through "limitation of rivalry". With everything taken into account, while the EC and the rivals of Nord Stream 2 demand the pipeline building should relate to the Third Energy Package orders, Russia and Nord Stream AG state the TEP (Third Energy Package) is just appropriate to the strands on the German domain, while the seaward pipeline is exempted.

Nord Stream 2 will build Russian job in the European market. Numerous in Europe fear Russia is advancing its hidden geopolitical interests. Obviously, Russia is driven by both business and political interests. By the by, Gazprom, because of the EU energy showcase progression challenges, is differentiating its client base, particularly in China, regardless of it considers Europe as its most lucrative fare advertise. It is demonstrated by Gazprom's aims to change in accordance with the inward energy showcase and diversification.

4. Conclusions

Nord Stream 2 was announced in September 2015 when Turkish Stream was as yet a practical venture. Strangely, a €2 billion arrangement among Russia and Greece was marked for expanding the Turkish Stream venture into A Greek area, in the day after Gazprom marked a Memorandum of Understanding for the augmentation of Nord Stream 2. The ventures are not tradable – all the more likely they are reciprocal, however of various limit and expenses. Actually, the two tasks are gone for bypassing Ukraine: Turkish Stream would give gas to Southern Europe, while Nord Stream 2 would increase its gas streams to Northwestern and Central Europe. In this manner, Gazprom and Russia would anchor its offer markets in Europe evading travel countries, Ukraine specifically, which has been called politically instable and dangerous for travel. Every last one of the tasks has distinctive political and monetary ramifications, additionally on account of their geographic courses and transportation limit. The Nord Stream 2 would add 55 bcm to the European market, while Turkish Stream 49 bcm, generally indistinguishable limit from South Stream. While the South Stream course transformed, it would have focused on similar markets; Nord Stream 2 is going towards new, more lucrative markets in the Northwestern and Western Europe.⁷⁴Be that as it may, the OPAL pipeline isn't working at full limit and Turkish Stream is currently suspended and will barely be back on the motivation sooner rather than later; by the by, in December 2015, Russia declared that if EU ensured framework and high need to the course, Russia would be prepared to proceed with talks. Rather,

⁷⁴ "Nord Stream two: the project's implications in Europe". Eurasia Daily Monitor. Socor, V. 2015

in February 2016, Gazprom marked a Memorandum with Italy's Edison⁷⁵ and Greece's Depa⁷⁶ to supply petroleum gas from Russia to Greece and Italy through third countries. The arrangement demonstrates that a southern course is critically imperative for Russia in its offer to supply Southern Europe, differentiating Southern Gas Corridor (SGC). Here again the national interests of EU Members States have a tendency to beat the regular energy system. EU expected that Turkish Stream could undermine SGC, yet obviously the absence of unanimity inside EU with respect to energy security is as yet an issue to be handled. EU is extremely reproachful of its individuals' "energy aspirations".

Nord Stream 2 partitions EU over the energy methodology. The division of EU individuals, among supporters and rivals of the venture, demonstrates how little unanimity there is inside EU with respect to its energy market and energy security. National interests don't fit the EU regular vision and frequently crash, with countries difficultly hoping to sidestep EU regulating and advance their plans. Respective concurrences with Russia in the energy division thwart the production of a genuine basic energy security procedure. Nord Stream 2 is in this manner a test for EU Energy strategy. If EU could import gas from others sources separated from Russia, on the off chance that it doesn't prevail with regards to anchoring unanimity, it won't have a typical energy showcase. Travel countries have distinctive interests from bringing in countries. Clearly, having an Energy Union isn't productive for all individuals, or better,

⁷⁵ Edison S.p.A is an energy company in the field of electricity and natural gas headquartered in Milan, Italy. The company was established in 1884. Edison employs about 4,000 people in Europe, Africa and the Middle East. Chairman of the board is Jean-Bernard Lévy (CEO of EDF) and chief executive officer is Bruno Lescoeu

⁷⁶ Public Gas Corporation of Greece, commonly known for its Greek abbreviation DEPA, is the natural gas supply company of Greece. The registered office of the company is based in Irakleio, a suburb of Athens metropolitan area. It operates within the jurisdiction of the Ministry of Development. In 2005, in order to liberalise the natural gas market, DESFA was created as a fully owned subsidiary to transport natural gas within Greece

not all criteria fit the interests of each part. While EU would be upbeat to incorporate Ukraine inside its Energy Union and build up the turnaround stream, the last endeavors to remain a travel nation. Up until this point, it isn't just the wellspring of gas that undermines EU's energy security, yet additionally the national energy security arrangements rather than a typical European one. Obviously, EU isn't an exemplification of basic interests and energy seems to be the front line for national additions, with energy ventures originating from geopolitical contemplations and thusly making geopolitical movements.

The inclusion of a number of central and eastern European countries in the EU will eventually confirm the current trend in demand and consumption of energy. In general, the accession countries have an EU-wide balance of energy. However, there are differences in the operating environment such as the age and performance of infrastructures and factories, including nuclear power stations. With the accession of these countries, new factors will be added in terms of energy supply. For example, dependence on imports from a single source (Russia), the prevalence of solid fuels, different legal and institutional frameworks, vertically integrated monopolies, low energy efficiency, high technology and the remaining technical difficulties. In particular, the risk that exists is the demand to exceed the offer is increased. These considerations cannot be statistically quantified but are critical in terms of energy security. In particular, gas dependency in new member countries is likely to grow faster than current members and domestic coal production cut. Both of these factors will enhance dependence on energy imports, and especially from the former Soviet Union, which is the traditional energy supplier of the countries of central and eastern Europe. In this way the eastern part of the Union will be strongly dependent on a single

supplier. In addition, apart from perhaps Russia, there are no transmission systems with the capacity of the required quantities to meet the increased demand. There is therefore a lack of links with supplier countries, with the exception of Russia. There is also a need to establish links both to and within the candidate countries.

Supporters of Nord Stream 2 demand that, given the expansion of gas request in EU, the constrained limit of the Southern Gas Corridor underneath 20 bcm every year⁷⁷ and the firm goal of EU to build turn around streams and pipelines interconnectedness inside European market, Nord Stream 2 is the practical alternative. This, obviously, gave all EU individuals look a similar way and through the equivalent "energy technique" focal point. From the opposite side, it is disproved that Gazprom ought to conform to EU ward, beginning, for instance, by offering a portion of its offers and open the pipelines to third parts, which would anchor Gazprom's offers of European market. That would be a feasible choice, as one of the snags to Nord Stream 2 is the monetary limitation. Truth be told, Gazprom is surveyed not fiscally proficient to put resources into the Nord Stream 2, given the feeble gas costs. Financing through capital markets is a troublesome assignment now, since the authorizations have frustrated international subsidizing to Russian companies. Also, Russian government evidently means not to ransom energy organizations any longer. In any case, in all actuality the current discussion around Nord Stream 2 goes past energy, as it doubts the idea of Russian-EU relations, Russia and Germany relations, and above all the relations inside EU and the alleged unanimity over Energy Union, fueled by the absence of trust, both inside EU and among EU and Russia.

⁷⁷ "The energy security dilemma of Turkish Stream. Carnegie Europe." Pourzitakis, S. 2015

South Stream has been blocked in light of the fact that incongruities with EU's Third Package criteria. The emergency in Ukraine and Russia's job in it, and also the addition of Crimea, added to thwart the venture. EU Member States that were associated with the South Stream venture, with high salary forthcoming, savagely restricted the Nord Stream 2. They guarantee the last ought to be shut on indistinguishable lawful grounds from the South Stream. Nord Stream 2 is rather upheld by Germany and different Members States, which expected monetary and political additions from the pipeline. EU restricts the undertakings since it undermines its long-lasting energy enhancement and Energy Union and expands reliance on Russia as a solitary provider and raises Russia's political impact on the landmass. The Turkish Stream was suspended because of political reasons. Additionally, Turkish Stream was dreaded by EU as a geopolitical ascent of Turkey and its potential impact in the EU energy advertise, while upheld by the EU countries that would have profited from it. Since Italy and Greece are engaged with new transaction with Russia over gas transportation, the possibilities of an Energy Union look disheartening.

Every one of the undertakings confronted, and Nord Stream 2 still faces, legal and specialized requirements. However, above all, they are altogether considered by EU as political ventures. EU fears a Moscow-Ankara union and also a Moscow-Berlin partnership. Germany is the primary economy and a crucial political player on the European landmass and its use has been addressed by numerous individuals in EU. Truth be told, what CEE countries fear is a German strength in the energy advertise. On the opposite side, Turkey is developing as the predominant nation in the Middle East, extending geopolitical and financial interests just on the fringe with EU. Both Germany and Turkey go for getting to be "energy center points" and shape some

portion of their geostrategy around the energy use. The two courses would travel gas from Russia, through its gas goliath Gazprom, something that would block EU's point of energy enhancement. In any case, while EU's worry of Turkish energy and in this manner geopolitical switch is comprehended, the worry over Germany's "energy use" could be seen just whenever respected out of the "regular energy advertise" thought or Energy Union, or level out of the normal interests and rules that all Member States include and on which EU is based.

The general end is that the practicality of energy ventures isn't just about energy, fund and designing to construct the pipelines. It is a discussion that includes geopolitics, household legislative issues in perspective of the up and coming decisions (2017 concerning Germany), national interests, and not slightest character. Here, there are two interwoven problems. The first is the energy security problem inside EU, where Member States have a national and not a typical European way to deal with energy market and security and look for respective assertions advancing their national advantages over those of the Union. The second is the energy security difficulty of EU-Russia relationship. Their energy methodologies are sought after to the detriment of each other. The possibilities of a trade off on an energy bargain between the world's biggest gas maker and its most lucrative market look somber since their discretions depend on various, if not restricting, standards and qualities.

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