



After Nord Stream 2, time has come for Nord Stream 1 to go

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File photo. Dutch Prime Minister Mark Rutte (L), French Prime Minister Francois Fillon (2-L), German Chancellor Angela Merkel (C), and Russian President Dmitry Medvedev (2-R) open the symbolic valve during a ceremony of launching the first of Nord Stream's twin 1,224 km gas pipelines through the Baltic Sea at the Germany's Baltic coast in Lubmin 8 November 2011. [Kremlin pool/EPA/EFE]

Europe made a bold move by shutting down Nord Steam 2 on 22 February. Now, Germany car Privacy - Terms should scale back or terminate flows via Nord Stream 1, writes Sergiy Makogon.

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“Ukraine’s victory, I believe, is the only way to achieve peace,” said Timothy Snyder – a preeminent Yale historian who understands our country, perhaps, better than anyone. For us in Ukraine, this basic truth has been self-evident from the start, no matter how far back one looks: three months ago when Russian hordes violated our borders en masse, eight years back when Moscow annexed Crimea and occupied Donbas, or even a century heretofore (1932-1933) when Stalin perpetrated genocide through famine and killed millions of innocent Ukrainians.

While it took some time, the free world is beginning to understand that arming Ukraine doesn’t prolong the conflict but opens up a possibility of lasting peace. The Transatlantic community has recognised that the “fear of provoking Putin” is the surest way to provoke Putin. We are witnessing a Europe-wide awakening to the perils of energy dependence on Russia. This country doesn’t share our values and has consistently used the gas trade as a weapon against Europe.

Nord Stream 1 came into operation in 2012, connecting Germany directly to Russia, and that instantaneously diverted one-third of the gas transit flows away from Ukraine. This was an early omen, but to be frank, we had no one but ourselves to blame. Ukraine’s gas market – deliberately corrupted by Russia when Putin came into office – was opaque and dysfunctional. I’d have to concede that Germany and Europe were justified in looking at alternative transit routes.

But the world was turned upside down in 2014 when an aggressor state redrew the borders of the European continent. We stopped purchases of Russian gas in 2015 and reformed our gas market to harmonise it fully with EU regulations. Meanwhile, Russia was busy building two more pipelines (Turks Stream and Nord Stream 2) to bring the same Siberian gas to the same European customers. Putin’s goal was to bypass Ukraine completely. After Crimea, we knew exactly what that meant and how dangerous this was for our country.

We emphasised the geopolitical consequences of lessening Russian dependence on Ukrainian gas transit. We’ve asked our allies in Berlin, Brussels, and Washington to spare Kyiv’s strongest non-military deterrent to Russian aggression, to keep the bulk of Russian transit routed through Ukraine, and to terminate diversionary gas pipelines, which served the interests of no one, except Putin’s. It took a long time until Nord Stream 2 was finally frozen on 22 February 2022.

Europe sent a strong signal and prevented a total capture of gas transit routes by Gazprom. Yet, this pivotal decision had no impact on the existing gas flows since the suspended Baltic Sea pipeline was never operational. Another pipeline that isn’t advancing European interests is Nord Stream 1, and it is still pumping Russian gas exports directly to Germany, bypassing Ukraine.

There has never been a better time to shut it down.

European unity and willingness to defend itself on the energy front must have been a major shock to Putin. For decades, he played hardball with the gas trade, and Europe usually met it with appeasement and acquiescence. In Ukraine, we found it puzzling. Europe depends on Russia for less than half of it: but Russia depends on Europe for pretty much all of its revenue.

When it comes to natural gas, Putin's pivot to Asia is an empty threat. First of all, Russia's extensive pipeline network is heavily oriented toward Europe. The link to China was added with much fanfare in 2019, but most experts believe it economically unsound, especially if you account for the \$55 billion price tag.

"In a nutshell, the "Power of Siberia" is a very costly window dressing. For the global market, this project gives nothing...Until 2030, the Power of Siberia will not even pay off," a Russian energy expert, Mikhail Krutikhin, explained when the deal was announced.

Wherever new pipeline projects Moscow is dreaming about, every one of them will take years to complete. And we can only imagine the contracting terms China or India will insist on, given Russia's negotiating position.

The more we consider the market reality, the more absurd the situation looks. Europe holds all the cards, yet Russia is the one spewing threats. Gazprom reduced exports in the fall of 2021, causing the prices to skyrocket. It tried and failed to manufacture a serious gas crisis in Europe, but managed to inflict serious economic pain that was felt across our continent, especially by the low-income households. More recently, Gazprom has demanded payments for its gas in rubles and actually cut off supplies to Poland and Bulgaria when they refused.

The Russian military offensive in Ukraine has now compromised one of the entry points on our Eastern border – Sokhranivka – causing downstream effects on the transit volumes to Europe. Again, the Kremlin is mounting a misinformation campaign, refusing to reroute gas flows, and blaming Ukraine. It would be a grave mistake if Europe caved to this new pressure.

At the Gas TSO of Ukraine (GTSOU), we have proven our reliability as a partner for Europe beyond any possible doubt. Our repair crews have been risking their lives to keep the gas flowing under Russian bombardments for three months now. We continue to operate our infrastructure despite the questions from the People of Ukraine, who rightfully wonder why Europe continues to buy Russian energy at one billion euros a day, and why we continue to facilitate this trade.

Our position at GTSOU has not changed. We, as a country, do not buy gas from Russia, and we support President Zelenskyy's calls for an embargo on Russian energy in Europe. But until it is enacted, or our government announces new policies, we will not be blamed for market disruptions. We will not take active steps to cause our European neighbours downstream problems.

After GTSOU was no longer able to operate the Sokhranivka transit point, due to Russian military activities in the region, we offered a solution to the EU and Gazprom. GTSOU proposed that we off-take the volumes from Sokhranivka via Sudza – a transit point that GTSOU controls. We know for a fact that Russia can easily reroute the flows, but that has yet to happen. They do not even use the full booked capacity at this point!

The Kremlin's preferred scenario would be to elicit fear in Europe, but we need to make sure that times of appeasement and surrender have passed. Europe looks poised to call out Putin's bluff. Kremlin has dictated the transit routes for too long. It is Europe's turn now.

To demonstrate resolve, refute the efforts at blackmail, and show non-negotiable solidarity with Ukraine, Germany can and should scale back or terminate flows via Nord Stream 1 as a response to Russian efforts to sabotage existing transit routes.

We understand that the oil embargo is already in the works and that the phase-out of Russian gas in Europe will take a bit of time. As the gradual reduction of gas flows via East-West pipelines gets underway, it's important to remember that, unlike Turk Stream and Nord Stream 1, our system serves a dual purpose – facilitating international transit and supplying domestically produced gas to Ukrainian customers.

If Nord Stream 1 was shut down tomorrow by Germany, the Kremlin would face a choice, forgo the revenue and accelerate the European transition away from Russian gas; or reroute the flows via Ukraine (our system has plenty of spare capacity to absorb Nord Stream 1 flows). In all likelihood, it will choose the latter and thus strengthen the overall security in Europe. The more dependent Russia is on Ukraine for transit, the less likely it is to bomb our infrastructure and cause disruption in the energy markets.

At the beginning of the war, back in 2014, the West couldn't muster the will to send heavy weapons to Ukraine. So we were left without the tools we needed to defend ourselves and push back against the Russian invasion. This is no longer the case.

The world now understands that Putin will not stop until he is stopped. On the energy front too. Russia will continue to use the gas trade as a weapon until and unless Europe refuses to be pushed around. The time to deploy heavy weapons has come. The time to stop the flows via Nord Stream 1 is now.

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