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LIQUEFIED LIES: THE REAL COSTS OF EUROPE'S LIQUEFIED ~~'NATURAL'~~ GAS ADDICTION?

The Size of The EU's LNG Problem

Between 2021 and 2023, **Liquefied Natural Gas (LNG)** imports into the EU have doubled. They now make up around 40% of all the bloc's gas imports. LNG is neither clean nor cheap, and it poses significant risks to both human health and the environment. **LNG accelerates climate breakdown** by causing soaring greenhouse gas emissions, including prolific methane emissions, throughout its entire supply chain. **Its production is also tied to severe human rights violations** and environmental degradation, disproportionately affecting marginalised communities especially in exporting countries. Additionally, **LNG's market volatility risks creating economic instability** by exposing consumers to unpredictable energy costs.

Although LNG demand is expected to peak in 2024, and existing LNG terminals are already underutilised, the EU continues to invest in new LNG projects. The EU's LNG import capacity is set to reach 406 billion cubic metres (bcm) in 2030, an increase of 143 bcm from 2021 levels, which will unnecessarily deepen Europe's fossil gas dependency.

Mr Trump's reelection as U.S. President introduces uncertainty, with potential shifts in trade policies, energy policies, and global agreements. It also brings unpredictability, particularly with risks of price increases due to potential tariffs and counter-tariffs on goods imported from the U.S., including fossil fuels. Trump is likely to roll back protections against toxic chemicals and air and water pollution, as he did in his first term, increasing the risks LNG poses to frontline communities, wildlife, and the climate.

LNG Is The New Coal

We all know the dire situation our planet is in. In order to limit global warming to 1.5°C we must swiftly phase out fossil fuels. That includes gas, liquified or not, as well as any fossil fuel industry schemes, such as fossil hydrogen and carbon capture and storage, that extend the life of fossil fuels. The EU, as the world's largest LNG importer, bears significant responsibility for its climate impacts.

LNG is frequently portrayed by industry and its enablers as a “safer” and “cleaner” alternative to “traditional” fossil fuels like coal, and it is falsely touted as a “bridge” to a net-zero emissions future. But this narrative has been crafted to maintain our dependence on fossil fuels and delay real climate action. **Studies** indicate that, when considering the global warming potential over 20 years, the greenhouse gas footprint of LNG exported from the U.S. is 33% greater than that of coal. In the U.S., the world’s top LNG exporter, existing LNG facilities emit 557 million metric tons (MMT) of CO2 equivalent annually, comparable to 149 coal plants. **If all proposed and under-construction LNG projects in the U.S. were to be completed, emissions could more than quadruple and become equivalent to 681 coal plants or 548 million cars on the road.**

Fracking - Banned at Home, Sneaked in Through the Back Door

The U.S. is the EU’s biggest LNG supplier, with 46% of all LNG imports into Europe coming from across the Atlantic. That proportion may grow even higher: According to EU Commission President von der Leyen, the EU **may consider replacing** Russian LNG with LNG from the U.S.

Around 90% of U.S. gas is produced by hydraulic fracturing (fracking). **Fracking contaminates the air and water**, leading to skyrocketing cancer rates, childhood asthma, increased risk of adverse pregnancy outcomes and a host of other health issues in frontline communities. It can also trigger earthquakes and lead to economic disadvantages (see next section).

Many EU countries have fracking moratoria or bans in place domestically – yet still import fracked LNG from the U.S. This can be seen as a hypocritical rejection of fracking while allowing fracked gas to be imported via the backdoor - or rather via the many EU LNG import facilities.

Food & Water Action Europe’s **analysis** shows that imported fracked gas is an increasing issue in Europe: **In 2023, U.S. LNG made up over 19% of the gas consumed by the bloc.**

LNG Offers Nothing More Than the Illusion of Energy Security

Research by the **International Monetary Fund (IMF)** finds that *‘Climate change mitigation policies tend to **enhance energy security in Europe** along both the energy supply security and economic resilience dimensions’*. The climate breakdown, with its increasingly frequent extreme weather events, has been **shown** to enhance energy security risks, while investments in clean energy counter these.

Contractual disputes, unreliability of supply, and high prices made LNG a bad solution for the EU energy security problem. Since 2019, **LNG price volatility has escalated** due to geopolitical tensions, weather conditions, export terminal outages and other factors like gas market speculation and undue corporate behaviour.

Contractual disputes in the LNG industry can severely impact the EU’s “energy security”, as exemplified by the ongoing arbitration case involving U.S. LNG company Venture Global. The company is facing claims from major European buyers, including BP, Shell and Edison International, **for failing to fulfil the long-term delivery commitments it made to them, while shipping 177 cargoes to non-contracted buyers over 16 months.**

Also the explosion in 2022 and longer closure in April 2024 of Freeport LNG, a U.S. LNG export terminal, have played a role in sending gas prices in Europe upwards.

Finally, the safest gas is the gas not consumed - even more so if the heads of governments supplying the gas are autocratic or unpredictable leaders. Europe has taken important steps to reduce its import dependency by decreasing gas demand, resulting in 146 bcm of gas saved between August 2022 and July 2024. This represents almost half of the EU's total annual gas demand in 2023, showing considerable savings are possible and need to be built on.

Health & Human Rights: The Human Cost of LNG Imports

The **LNG industry is linked to human rights violations and health issues**, particularly at the sites where fossil gas is extracted. Many local communities have faced **forced displacement and intensified conflicts**, like those seen in Mozambique's Cabo Delgado province, and had their health damaged by pollution from fracking. Air pollutants resulting from flaring from the oil and gas industry have been linked to **preterm births, low birth weight, and increased rates of cancer, asthma, and chronic diseases**. As seen in the U.S., these health impacts disproportionately affect vulnerable groups – especially Indigenous Peoples, people of colour, and low-income people.

Thus, the correct implementation of the new EU **Directive on Corporate Sustainability Due Diligence** is one crucial step to hold fossil fuel companies accountable for the damage caused by their activities. It mandates that (large) companies, including fossil gas companies, address their environmental and human rights impacts throughout their value chains. Despite its flaws, the directive offers an important tool to address human rights abuses, particularly as the EU relies on LNG imports from regions with troubling human rights records.

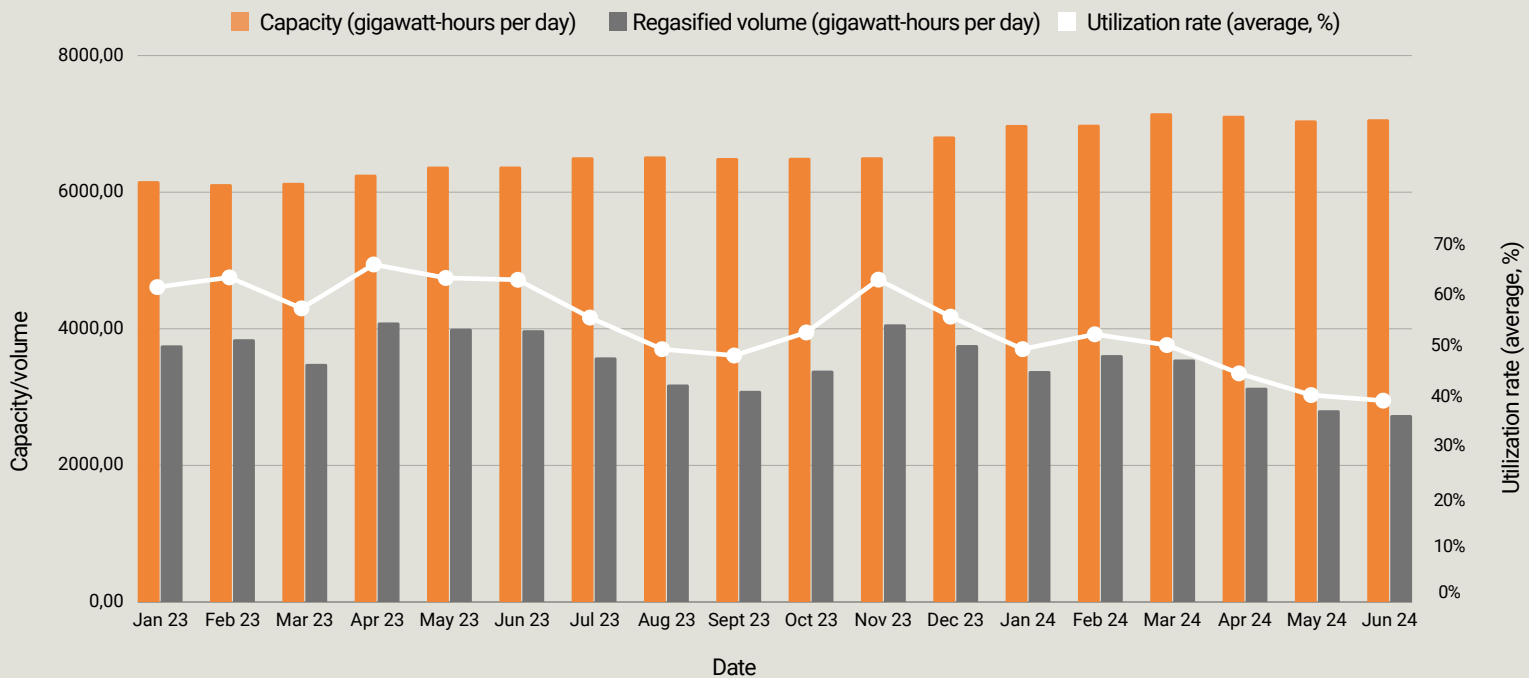
LNG Infrastructure - Building Stranded Assets

After the Russian invasion of Ukraine, the build-out of LNG infrastructure truly exploded. While the 2022 REPowerEU Communication deemed a limited amount of new LNG infrastructure necessary, **member states started a veritable LNG infrastructure frenzy**, increasing the EU's import capacity by almost a third from 2021 to 2023.

Even more LNG import terminals and pipeline infrastructure is in development, with a price tag of €84 billion as of March 2024. Everyday consumers may be forced to foot the bill, as they have been in Germany, where gas bills have risen significantly to recoup the high costs of the country's spending on LNG infrastructure, among other factors.

Continued gas demand decline in the EU raises the risk of overcapacity and costly stranded LNG assets. According to ACER, the EU Agency for the Cooperation of Energy Regulators, **demand for LNG imports might peak as early as 2024**. Existing LNG infrastructure isn't being used to its whole capacity: LNG import terminals were utilised **below 60% of their full capacity in 2023**, and **well under 50% of their capacity in the first half of 2024**. There is no reason to build further LNG capacity when what already exists isn't fully utilised, increasing the risk of creating stranded assets.

Capacity growing, imports declining: LNG regasification by country/terminal (EU-27)



Source: [Gas Infrastructure Europe](#), [IEEFA](#)

'Certified' Gas: The Newest Threat

A new form of gas greenwashing has emerged in the U.S., the EU's most important LNG supplier, as a **way to bypass regulation: 'certified' or 'responsibly sourced' gas.**

How does it work? The oil and gas industry contracts technology startups to monitor methane pollutants and 'certify' that they produce gas with low methane emissions. However, investigations reveal that **standards are lax and transparency is lacking.** Industry monitors can fail to detect pollution events and, when they are detected, oil and gas companies rarely take action. Gas from cherry-picked, high-performing wells may be certified as low-emission, but subsequently leak methane along the supply chain from pipelines, storage sites, LNG plants, and tankers.

In the EU, **this 'certified' gas can make its way to LNG terminals, making gas look 'cleaner' than it actually is.** This can then be **used to bypass the EU methane regulation**, which establishes domestic and international rules for monitoring and reporting methane emissions from fossil fuels, limits routine venting and flaring, and plans to implement a maximum methane intensity cap on imports by 2030.

In the US, producers certify their gas so they can charge a premium for their products. Recently, a certification project was set up in the UK using the same certifier as some U.S. plants, opening the door to more unreliable projects in Europe.

Fossil Fuel Industry Lobbying Pollutes Our Politics

The **fossil fuel industry influences decision-makers across Europe and at the EU level**, pushing for **weakened climate measures** and **false 'solutions'** that perpetuate fossil-fuel dependency.

Following the invasion of Ukraine, Energy Commissioner Kadri Simson and her cabinet, who had already been **meeting regularly with the fossil fuel industry**, **doubled the frequency of these meetings** discussing gas supply diversification, Russian fossil fuels and energy security.

At the request of fossil fuel industry players, the EU Commission also set up the EU Energy Platform Industry Advisory Group, which includes oil and gas majors like BP, Total and Eni. It fully excludes civil society, a decision which was criticised by the EU Ombudsman. The Energy Platform was established to coordinate –inter alia – voluntary common purchases of LNG. **The very industry with a vested interest in keeping the EU dependent on fossil fuels was asked to help respond to the energy crisis caused by our fossil fuel dependence.**

To move away from climate-wrecking, fracked LNG we must cut fossil fuel industry influence out of energy and climate decision-making.

We Have Proven, Clean-Energy Solutions to the Climate Crisis. It's Time to End Fossil Fuel Dependence

The solutions to the climate crisis are well known and do not include LNG. Renewable energy, alongside energy efficiency measures, is driving an energy shift, with over 130 GW of new renewable energy deployed since 2022, saving 24 bcm of gas. In the first half of 2024, wind and solar energy generated a greater share of the EU's electricity than fossil fuels for the first time. Research by Energy Flux shows that continental **Europe's reliance on gas for electricity in early 2024 was at its lowest since 2005**, a time when much of Europe's electricity still came from coal. This shift in gas demand between 2017, when gas use in the EU's power sector was at its peak, and 2024, has eliminated the need for roughly 240 LNG cargoes per year.

These developments show both that change is possible, and that it's not happening fast enough. Many estimates suggest that the EU's carbon budget has already been exhausted, which means that the **EU must end its gas dependency as soon as possible**. It must immediately end the unnecessary and harmful expansion of LNG infrastructure, and phase out fossil gas by 2035.



Ph. Credit Greenpeace Poland

Protest against the construction of a new floating liquefied 'natural gas' (LNG) terminal in the port of Gdańsk, Poland

WHAT SHOULD BE DONE

- 1) **Immediately stop investments in new LNG projects**, including infrastructure and extraction projects
- 2) **Ban the import and sale of all fracked gas**, in line with limitations on fracking in EU member states.
- 3) **Elaborate a detailed plan for a fair fossil gas phaseout across all sectors in the EU by 2035.**
- 4) **Ensure that Member States strictly implement the Directive on Corporate Sustainability Due Diligence** to prevent human rights abuses, mitigate the environmental impact of gas extraction and counter greenwashing.
- 5) **We urge the EU to oversee the proper implementation of the Methane Regulation**, ensuring gas-exporting countries comply with equivalent methane rules, while excluding voluntary monitoring measures such as gas certification schemes. By 2025, the EU should also set a binding EU-wide methane reduction target for 2030, for all relevant sectors.

6) **Avoid investments in dangerous distractions**, such as Fossil Hydrogen and CCS, and stop investments in fossil hydrogen production in the implementation of gas market rules. Public money should go towards a tangible transition away from fossil fuels.


7) **Cut fossil fuel industry influence on EU climate and energy decision-making** by implementing protection mechanisms similar to those of the WHO Framework Convention on Tobacco Control, which shields health legislation from the influence of the tobacco lobby.


8) Implement stronger measures to **decrease energy demand** through increased energy efficiency and energy sufficiency, including upgrading buildings and preventing vacancies.


9) **Accelerate Renewable Energy Deployment:** Drive down costs and speed up deployment by mobilizing funding and resources towards solar, wind, and direct electrification, while ensuring grid stability with clean energy solutions. Prioritize people-owned initiatives and promote fossil-free heating options to support a just transition.

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