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MEETING DOCUMENT

From:	General Secretariat of the Council
To:	Working Party on Energy
Subject:	REPowerEU legislative proposal: Phase out dates: technical meeting - presentation

Delegations will find in the annex presentation on the REPowerEU legislative proposal: Phase out dates - technical meeting.

REPowerEU legislative proposal

Phase out dates: technical meeting

26 November 2025

DG ENERGY

Agenda

- Outlook of market fundamentals in 2026/2027
  - Infrastructure
  - Demand
  - Supply
- Current gas prices and price differences among EU regions
- Dates for pipeline phase-out

Market fundamentals
Infrastructure

- Several key gas routes are scheduled for expansion in 2026 and 2027.
- This could bring additional **regassification** capacity and **interconnection** capacity scheduled for completion in 2026.
- High uncertainty on the timing of **infrastructure:**
  - Delays in completion
  - Steps before starting operations
  - Timeline for capacity booking

Market fundamentals

Map of future infrastructure

European Commission

Market fundamentals
Infrastructure - elements of risks: delays

- For large-scale projects delays are not uncommon due to regulatory approvals, technical challenges, supply chain constraints, weather conditions, contractor performance, etc.
    - *BRUA corridor* (RO) – delays of 12 months, i.e. due to public procurement procedures, the identification of archaeological sites along the pipeline route, reprogramming of some works to mitigate the impact on species and habitats along the route and adverse weather conditions
    - *The Baltic Pipe (DK)* - delays of approx. 3 months due to revoked environmental permit for the construction of Baltic Pipe's onshore part in DK which led to a temporary shutdown of construction activities
    - *Interconnector Greece-Bulgaria (IGB)* – delays of 8 months due to supply chain disruptions and additional assessment procedure for environmental impact for the crossing of the Studen Kladenets dam.

Market fundamentals

Infrastructure - elements of risks: steps to start operations

- Start of operation requires several steps that can take even up **several months to complete:**
  - **Technical checks** (leak detection and repairs, pressure testing, check of safety devices, etc.) by the TSOs and various authorities across the borders.
  - Obtaining **working/use permit** takes usually between a few weeks and a couple of months depending on the national frameworks and complexity of documentation. required
  - **Ramp-up phase** to increase utilization gradually.

Market fundamentals

Infrastructure - elements of risks: auctions for capacity booking

- **Long-term** (one year+) capacity **booking is commercially most attractive** because (i) cheaper than short-term and (ii) supports long-term planning for shippers and operat*ors*
  - *e.g. BE-NL interconnection capacity: yearly 0.0102 €/(kWh/h)/d vs monthly 0.0264 €/(kWh/h)/d*
- But auction for long-term booking **only takes place in July each year*** and cover **only** infrastructures that are **fully commissioned and operational**
- As a result, certain capacities may **not** be **used immediately** after the entry into full operation
  - *Note that a number of projects for 2026 are scheduled to start operating in 2nd half of the year.*

In accordance with the Network Code on Capacity Allocation Mechanism

Market fundamentals

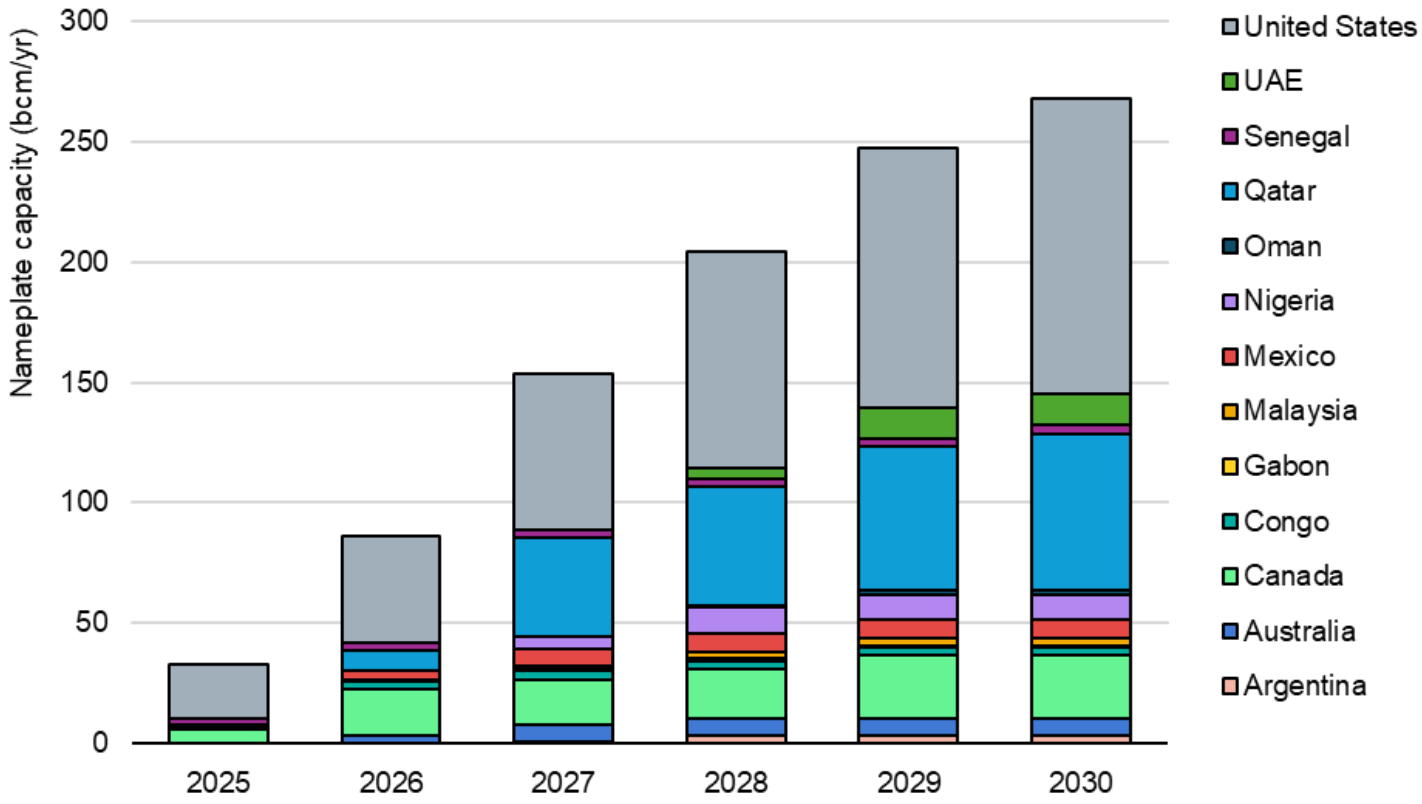
Infrastructure - elements of risks: gas quality

- **Non-harmonised gas quality** in SEE region causes today **interoperability issues** between network systems, esp. when accommodating supply from LNG or domestic production which differ from RF gas in quality specification
- **EC actively engaging** with **regional TSOs** via the CESEC high level group to reach a harmonised approach. Establishment of **CESEC coordinator**.
- **Challenges remain** due to technical and regulatory complexities, several Member States involved, timing uncertain.

Market fundamentals

Supply – new LNG global supply

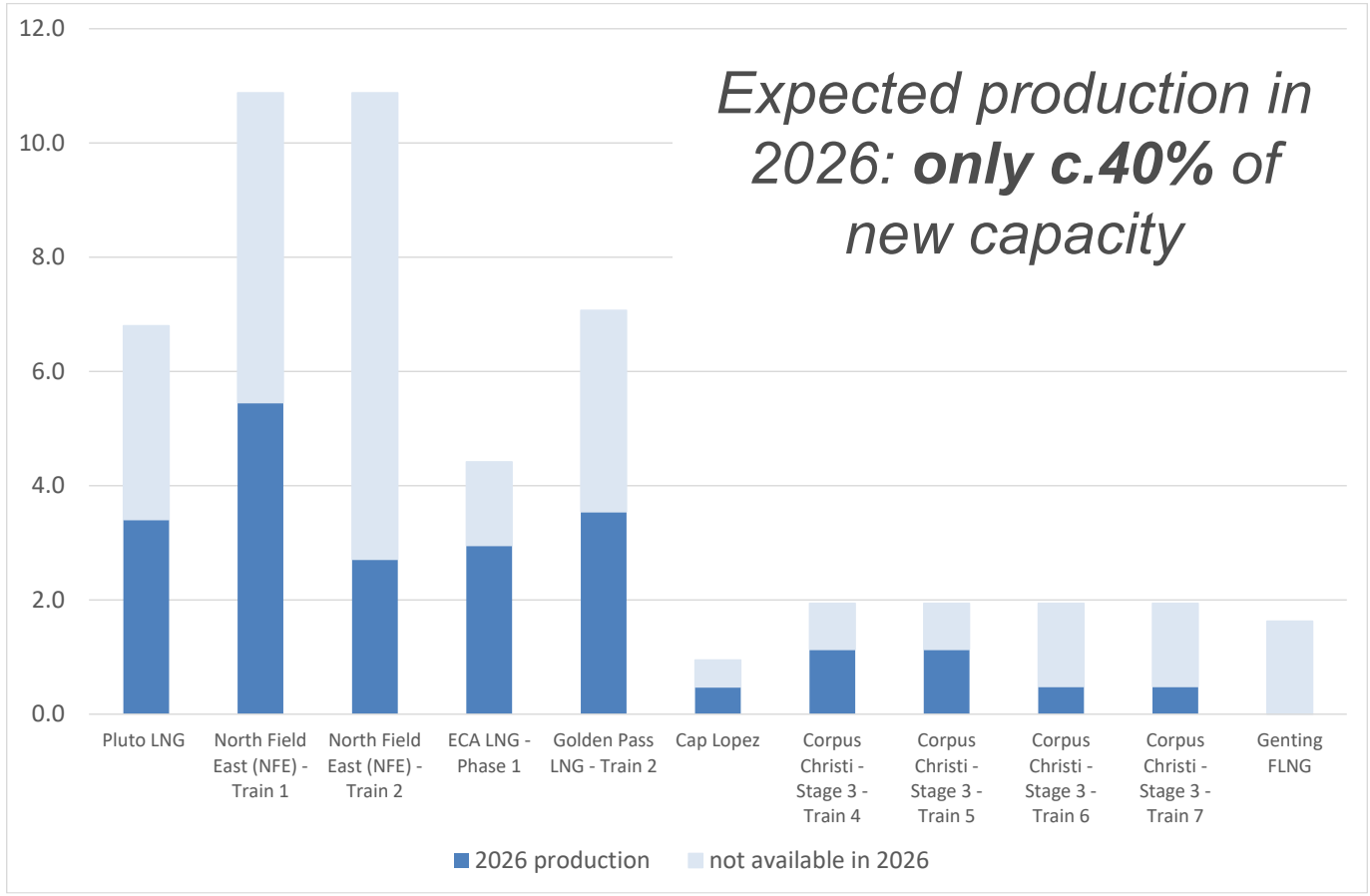
- **50+ bcm** of global new export capacity scheduled for 2026
- Some **uncertainties** about timing.
- But:
  - demand **growth is forecast to accelerate** in 2026
  - capacity will **come online gradually** during 2026-2027 (major increase in 2027).



Market fundamentals

Supply – new export capacity in 2026

- New capacity to **come online gradually** during 2026.
- Total demand to reach "*a new all-time high*" *(source IEA)*…net effect still positive but **surplus in 2026-2027** constrained by demand increase.
- No "glut" expected.



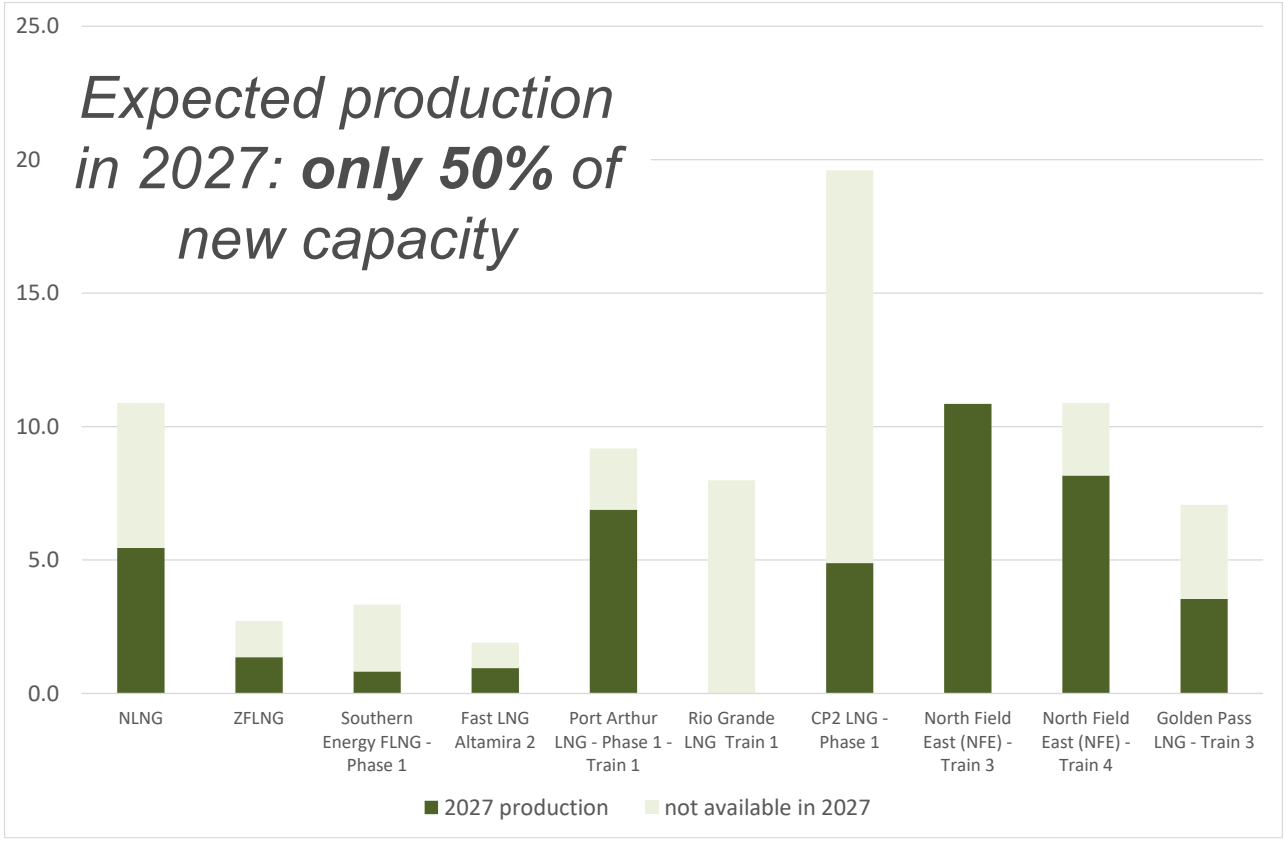
Source: Based on the IEA Global LNG Capacity Tracker (last updated on 22 October 2025)

Note: This is based on IEA's 'assumed first-year production rates' which are approximate. Estimates are based on available information on expected start-up dates and ramp-up schedules for individual liquefaction trains as of October 2025. These details are often incomplete or unavailable; in such cases, internal assumptions and best estimates are used to fill data gaps. The key advantage of the train-level first-year production estimates is to enable the pro-rating of annual nameplate capacity additions on an aggregate basis. However, due to inherent methodological limitations and data constraints, these first-year production estimates are not sufficiently accurate to provide a precise assessment of available liquefaction capacity in any given year.

Market fundamentals

Supply – new export capacity in 2027

- **70-80 bcm scheduled** to come online gradually during 2027.



Source: Based on the IEA Global LNG Capacity Tracker (last updated on 22 October 2025)

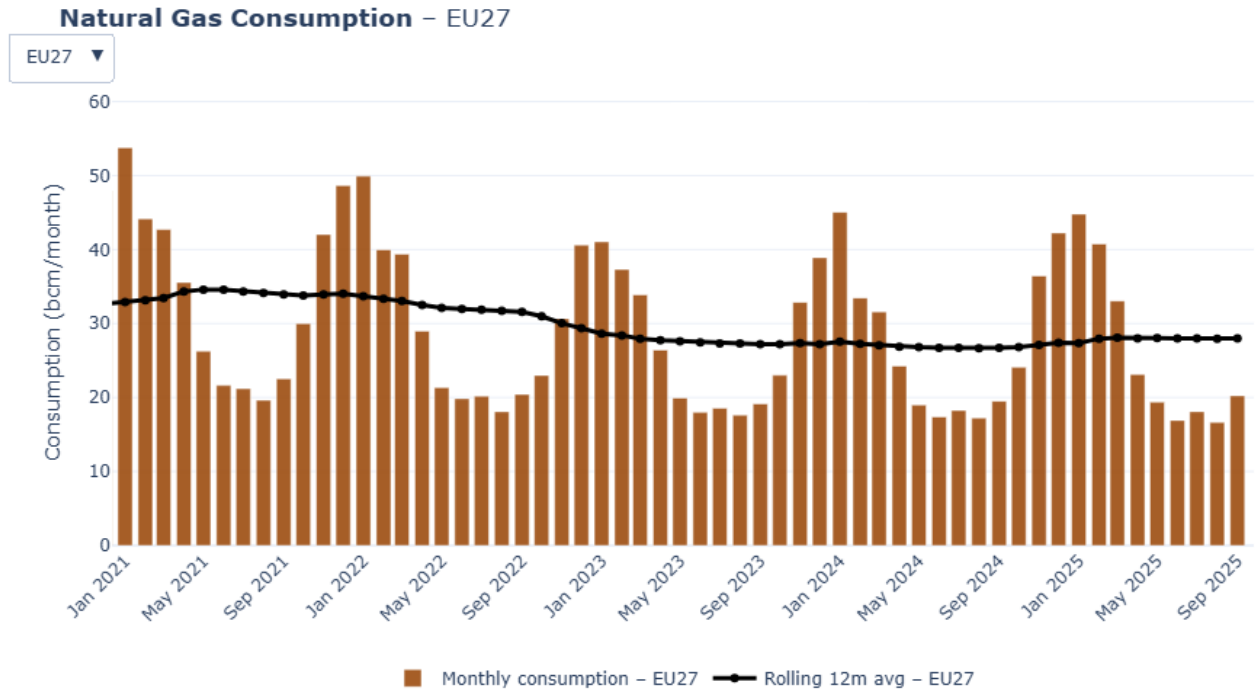
Market fundamentals
Supply – new EU domestic production

- **Neptun Deep field:** key infrastructure project for CE region
  - 8 bcm … **half of** Russian **remaining pipeline imports.**
  - strategically based in the region…**low transport costs** to bring gas to HU and SK.
  - timeline: first delivery in **Autumn 2027**, but **at full capacity as of 2028.**

Market fundamentals

Demand in the EU – evolution since the crisis

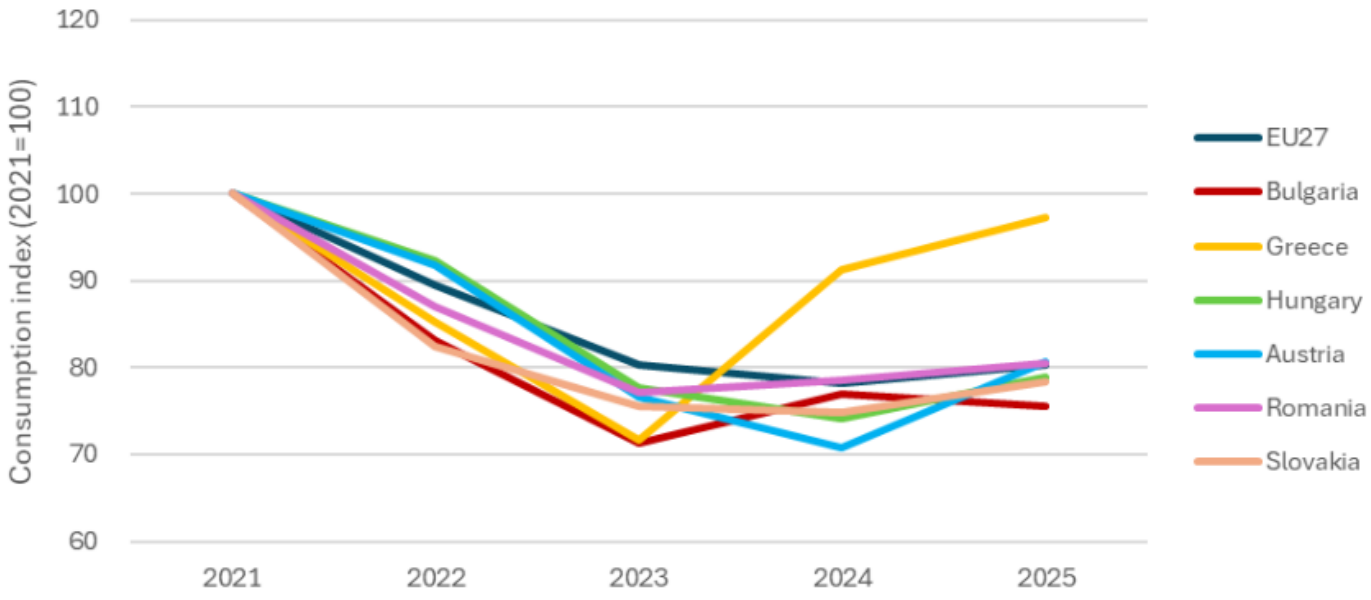
- EU gas consumption **down by about 20%** since pre-crisis.
- But elements of caution:
  - **demand reduction slowed down** in 2024 and 2025.
  - **more demand for imports** expected in 2026.



Market fundamentals

Demand in the EU – gas demand in recent years

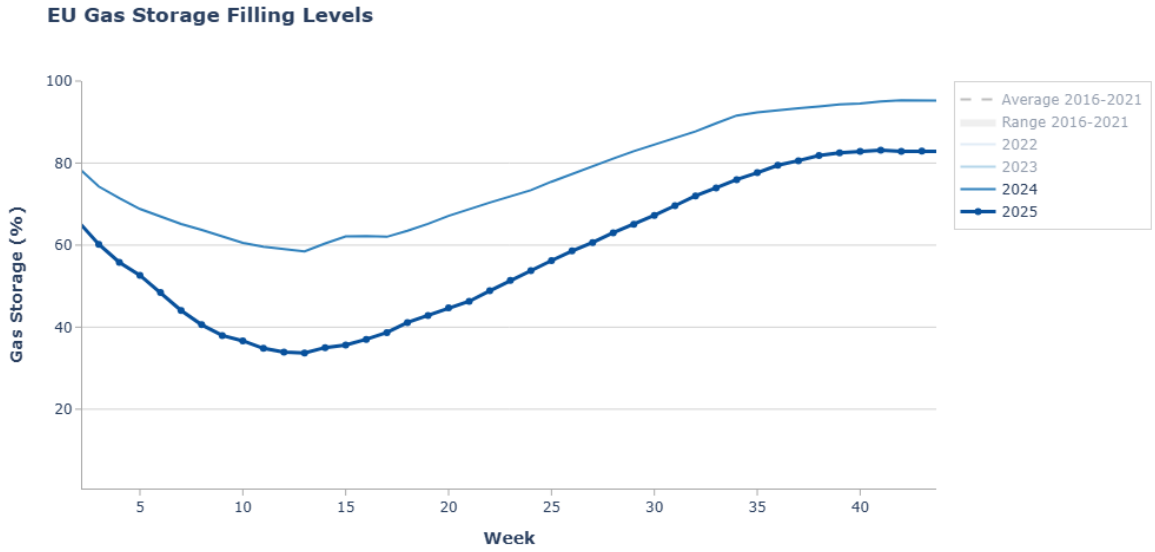
- EU gas demand **decreased by about 80 bcm** from 2021 to 2023
- But stable since 2023:
  - **no reduction in 2024 and 2025.**
  - Consumption in **Central-Eastern MS** increased (**+ 4-6%**).



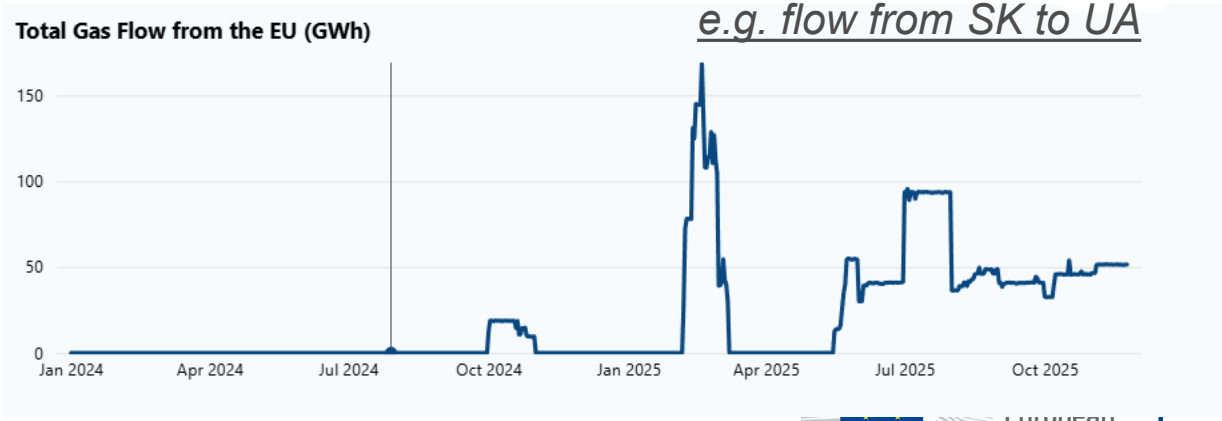
Market fundamentals

Demand in the EU – expected additional demand in 2026

- Up to **15-20 bcm of more imports** needed:
  - EU **storages** c.10 bcm lower than last year (at the start of winter season).
  - More **exports to Ukraine**: 4-5 bcm for winter, including to fill the gas storage and cover daily demand.



e.g. flow from SK to UA



Prices
TTF evolution

- Prices significantly **down since 2022** (currently around 30 €/MWh) and stable
- But:
  - still **c.50% higher than pre-crisis,**
  - **non-negligible price differences** between EU regions,

Prices

Differences between regions

- In some Central-Eastern MS countries gas prices **3-5 €/MWh higher than TTF.**

- Still **significant congestion, esp.** in South-East IPs (HU-SK, HU-RO, EL-BG, etc.).

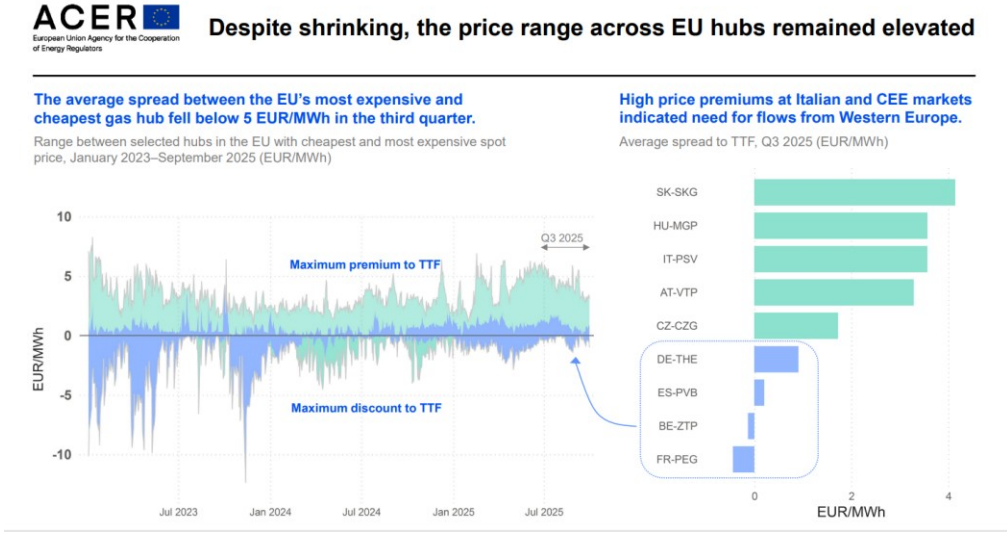
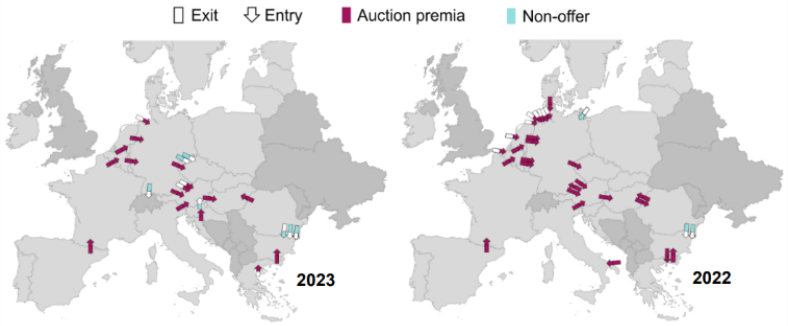


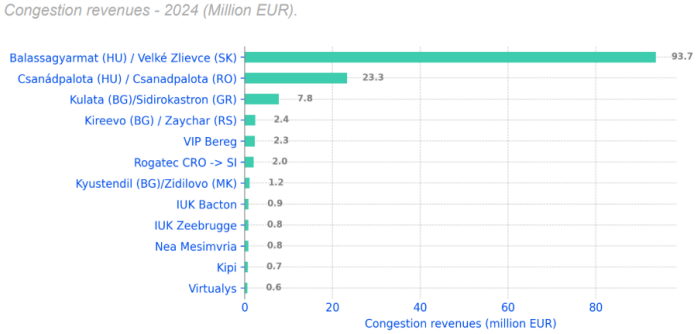
Figure 1: Map depicting the congested IP sides in 2023 (left) and in 2022 (right)



Congestion diminished in 2023 but remains present on key West-East routes that were found congested in 2022. The supply easing by new LNG import capacity removed congestion on entry points from Norway and from the UK.

Source: ACER congestion analysis based on data provided by ENTSOG, GSA Platform, PRISMA and RBP

Figure 24. 2024 congestion revenues follow capacity and utilisation trends, peaking in Southern and Eastern Europe.



Source: ACER based on PRISMA, GSA and RBP.

Note: The figure shows only interconnection points with congestion revenues greater than 0.5 million EUR.

Phase-out of pipeline imports from Russia

Start of prohibition of pipeline imports in Art 4(3):

- *[COM proposal based on Staff Working Document/analysis of impacts]*
  - *"Article 3 shall apply as of 1.1.2028"*
- *[Council proposal]*
  - *"Article 3 shall apply as of 1.1.2028"*
- *[EP proposal]*
  - *"Article 3 shall apply as of 1.1.2027"*

=> Price risks to become increasingly muted by end of 2027.

Thank you

Comments/Questions