

A European Gas Demand Reduction Plan

JULY 2022

Europe is facing the possibility of a gas shortage this winter due to unreliable Russian deliveries, against the background of the Russian invasion of Ukraine. **Coordinated action is needed now**, with efforts by all Member States to reduce gas demand.

Acting now is more cost-effective and less disruptive to our daily lives and to the economy than making emergency cuts at a later date. Because **gas that is not used in the summer, is gas that can be put into storage for the winter**.

The Commission has adopted a **European Gas Demand Reduction Plan** with best practices and guidance for Member States, to help them reduce **gas demand by 15% from 1 August to 31 March 2023** and to prioritise which industrial sectors should make savings.





ENERGY SAVING, SUBSTITUTION AND SOLIDARITY

The European Gas Demand Reduction Plan is based on **three pillars of action**, which the Commission recommends to Member States: switching from gas to alternative fuels to minimise industry curtailment; incentivising consumption reduction from industries with market tools; and saving on heating and cooling.

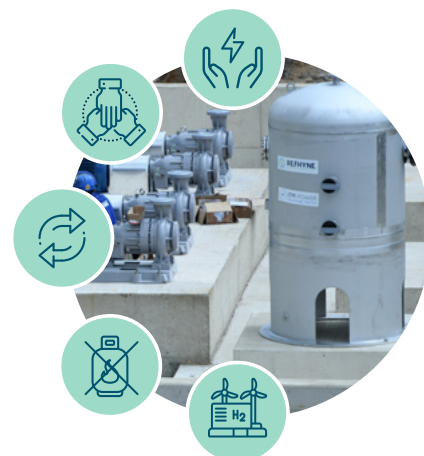
SWITCH AWAY FROM GAS



- **Fuel switch in industry and power and heat sectors:** preferably towards renewables and cleaner energy sources; nuclear where feasible; coal and other heavy fuels where necessary and on a temporary basis
- **Case-by-case derogations** to be considered on an exceptional and temporary basis for certain environmental regulations

INCENTIVISE CONSUMPTION REDUCTION

- Auctioning or tender systems to incentivise and compensate **reduction of consumption** by large companies
- **State Aid** schemes possible to support costs
- **Interruptible contracts** for gas consumption, to allow for reduced use when needed
- **Contract swaps** between industrial consumers, to allow production to be carried out in less affected regions in case of large shortage



REDUCE HEATING AND COOLING



- National **public awareness raising campaigns** in all Member States complementing the EU Save Energy Plan, as part of REPowerEU
- **Mandatory reduction in public buildings**
- Consumption reduction in commercial centres, offices and public spaces
- **New temperature and hourly thresholds** for heating and district heating in the household sector using gas



CRITERIA FOR PRIORITISATION OF SAVINGS

The Commission is **providing guidance and prioritisation criteria to Member States**, to help them reduce gas demand in a structured way, focused notably on industrial users. The criteria proposed by the Commission will help to minimise economic impacts and disruption of the internal market and key supply chains.

COMMISSION GUIDANCE - PRIORITISATION CRITERIA FOR DEMAND REDUCTION AMONG NON-PROTECTED CUSTOMERS



SOCIAL CRITICALITY

Health and pharmaceutical
Safety and environment
Security, defense and refineries
Food



CROSS-BORDER SUPPLY CHAINS

Downstream effects and value chain complexity
Companies' market weight
Identify essential products within sectors



SUBSTITUTION AND REDUCTION

Fuel switching
Production rescheduling
Intra-EU production swap
Substitutions in global value chains



DAMAGES TO INSTALLATIONS

Impact of disconnection or reduced gas supply on industrial tools



ECONOMIC CONSIDERATIONS

CROSS-BORDER CONSULTATION BY MEMBER STATES AND DIALOGUE WITH INDUSTRY

MEMBER STATES' NATIONAL MERIT ORDER

REAL TIME MONITORING AND INFORMATION EXCHANGE BETWEEN MEMBER STATES (DURING ALERT AND EMERGENCY)