



# 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.

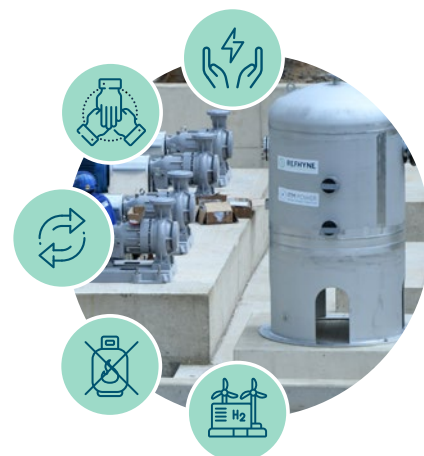
### SWITCH AWAY FROM GAS



- **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)