

### Dr. Charles Ellinas

CEO, Cyprus Natural Hydrocarbons Co. &  
Senior Fellow, Global Energy Center - Atlantic Council



#### Is the gas situation in Europe as bad as the headlines indicate?

Not only is it looking bad, but it is getting worse. Energy prices are climbing by the minute. Gas prices have now reached 340 euros per megawatt hour and electricity prices in France and Germany have exceeded €1,000 and prices continue to climb. If Nord Stream 1 is shut down completely, that will stop supplies of gas to Germany. Gas storage in Europe is sufficient until the end of December; after that, it won't suffice. And Europe sees the whole thing being repeated next year, so much so that they estimate that the cost of energy in 2023 may be 12% of Europe's GDP. Europe may spend \$1.3 trillion next year just buying gas.

#### Can Europe implement an energy price cap?

That will only come if their respective energy ministers come together and agree on one, which I don't see happening given the lack of funds for subsidies. Europe has already spent approximately €300bn dealing with the energy crisis so far – the money is simply not there.

#### How will Europe solve this crisis?

I think it will burn more coal but there's more to it than that. France has shut down 31 of 56 nuclear plants due to maintenance and Norway has stopped exporting electricity to Europe due to drought. Despite this, Europe is still sticking to its plan to cut Russian oil down to zero by the end of the year. So as a result, more gas is being used and so it may run out by the end of the year. What surprises me most is that the European governments are almost paralyzed - they don't know what to do and are deferring decisions. ■

*\*Paraphrased Comments*

