

Gazprom develops biggest gas storage in Europe

Gazprom aims to build one or two new gas storage sites in eastern Germany. The Russian gas monopolist argues the sites, which could hold gas delivered by the Nord Stream pipeline, would benefit European energy security. Of course they are also intended to make money.

| by *Stefan Nicola*

The sparsely populated region of Prignitz, northeast of Berlin, known for its lakes and green fields, is not often in the news. This changed recently when Gazprom, the Russian energy giant, in early March announced it was considering building Western Europe's largest underground gas storage facility here. Gazprom's geologists have identified an area of roughly 250 km² that within the next few years could be home to a storage cavern with a capacity of 8-10 billion m³ (bcm) of gas, twice as much as the capacity of most of the largest storage reservoirs that are currently in use in Europe. The only other gas storage site that comes close to this in volume is located in – who would have guessed – Ukraine, and the Russians don't have access to it.

Gazprom has already embarked on test drilling, aimed at finding out whether a geological formation made up of sandstone roughly 1,800 m below ground is indeed as promising as experts believe. Gazprom's activities are generally met with suspicion in Germany, but the company said the project, which would cost an estimated \$500 million, is vital for energy security in the region. 'This is an investment in Germany's and Western Europe's supply security,' says Burkhard Woelki, spokesman of Gazprom

Germania, a 100-percent Gazprom daughter headquartered in Berlin. Additional gas storage sites, he says, could help handle supply disruptions like the one sparked by the Russian-Ukrainian gas crisis in early January. The gas crisis was felt most harshly by countries with little to zero national gas reserves. Germany was able to shrug off the crisis and even help other nations with emergency deliveries in part because it already has in place some 40 gas storage sites all over the country.

Germany nevertheless needs an additional storage site, Woelki says. First, because greater security can't hurt, and second, because it would provide a link to Nord Stream, the German-Russian gas pipeline project that will connect Western Siberia and Germany under the Baltic Sea. The pipeline will eventually bring 55 bcm of additional gas per year to Germany, and some of that gas could be stored in Brandenburg.

That's why since early March, drilling towers are being erected in the Prignitz, and large trucks are banging the earth, measuring the shockwaves sent across the ground. Gazprom's geologists have already completed similar work over another potential gas site in nearby Mecklenburg

Western-Pomerania, with an estimated capacity of 5 bcm. It remains unsure if just one or both sites would be built, but experts place greater hopes in the Brandenburg site.

Officials from the state government in Brandenburg are positive about Gazprom's plans. They increase Brandenburg's and Germany's role as a 'hub for gas deliveries to all of Europe,' Brandenburg Economics Minister Ulrich Junghanns said in a statement.

Brandenburg has developed into a major energy center in Germany. Once home to East Germany's lignite mining industry, the state in the years after Germany's reunification pushed the share of renewables to some 40 percent of the power mix. The state is also home to the world's first clean coal test plant based on the CCS technology, run by Vattenfall.

But not everyone in Brandenburg is pleased. Officials from environmental groups have warned of possible gas leakages. Woelki dismissed environmental concerns. 'If there is a security risk, the storage site won't be built,' he says. 'But sites like these are absolutely safe. Gazprom has zero interest in building a storage site that leaks. Gas is expensive.' ■