

WHO OWNS ALL THE PIPELINES?

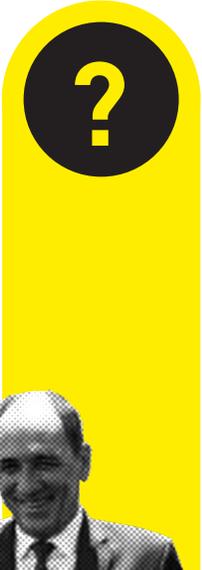
A look at Europe's 4 biggest
gas transport companies:

Fluxys (Belgium)

Enagás (Spain)

GRTgaz (France)

Snam (Italy)



?



▶▶▶ WHY IS THE EU STILL BUILDING

NEW AND UNNECESSARY GAS PIPELINES

AND LNG TERMINALS?

WHO'S PUSHING THEM & WHO'S PROFITING FROM THEM?

The companies behind Europe's gas transport network are rarely household names, yet their lobbyists sit at the heart of our political system.

They make their money building and operating pipelines and other gas infrastructure projects, and are desperate to keep us hooked on fossil gas, **despite the climate science and widespread local opposition.**

These little-known gas **"transmission system operators"** (TSOs) own enough kilometres of pipeline to stretch around the world two and a half times, with plans for more, including controversial projects like the Trans Adriatic Pipeline (TAP). Read the company profiles to find out more and see the map to get a full sense of how far they reach.

ZEEBRUGGE AND DUNKIRK

Fluxys operates two liquified natural gas (LNG) terminals, Dunkirk in France and Zeebrugge in Belgium. Both are important hubs for the supply of Northwestern Europe and have emerged as key enablers – alongside terminals owned by GRTgaz, Enagás and others – for controversial new gas developments in the US and Russia.

Zeebrugge and Dunkirk have been among the main ports of call for LNG tankers from the Arctic region of Russia, ever since the Yamal gas project became operational in late 2017. Yamal LNG is part of opening a new 'gas frontier' in the Russian Arctic, which could both wreak havoc on a region already vulnerable to climate change, and lead to huge greenhouse gas emissions.

Fluxys is just as happy to do business with Russia's geopolitical rival, the US. To make fracked gas economically viable, the industry has to find export markets, and Europe is a key target. Imports of fracked gas from the US began in 2016 in Portugal, and have increased in 2018, including to Dunkirk. This in turn leads to intensified fracking in the United States, with its devastating environmental and health impacts.¹

CASTOR PROJECT

The Castor Project is Spain's largest gas storage plant, built into an old oil field 22km off the Castellón coast, close to Valencia.

It was claimed at the time that Spain needed more storage due to energy security concerns (a claim subsequently dispelled),² but after starting pre-operation activities in 2013, the multi-billion euro project was shut down after it caused more than 1000 earthquakes reaching as high as 4.2 on the Richter scale.

A year later, the construction company behind the project, ACS (owned by Real Madrid President Florentino Pérez Rodríguez), gave up the concession. However, the costs fell on Enagás and the Spanish people via their gas bills. This was due to a controversial clause included in the original concession, enabling ACS to be awarded €1.35 billion in compensation.

Enagás, acting on behalf of the state, took over the failed concession, as well as the debt for the compensation and maintenance costs. Including interest, the total cost was as high as €3.3 billion.

This case of state-subsidised corporate profiteering is being challenged by groups under the banner "Caso Castor".³ They are taking the politicians and CEOs involved to court.

¹ https://www.foodandwaterwatch.org/sites/default/files/urget_case_f_or_ban_on_fracking.pdf

² https://sie.fer.es/recursos/richtmg/doc/17187/20120309_PII_DEFICIT_GAS.pdf

³ <https://casocastor.net/castor-case/>

CONTROVERSIAL

PROJECTS

AROUND EUROPE

MIDCAT

The MidCat project was originally a gas pipeline running from Catalonia in Northern Spain to South-Eastern France. Begun in 2011, its goal was to double the capacity of gas transportation from Spain to France and increase the European Union's "energy security".

With strong support from Commissioner Miguel Arias Cañete,⁴ the European Commission included it in its list of 'Projects of Common Interest' (PCIs) in 2015 and 2017, which gave it priority status and additional financial and political support.

The MidCat proposal evolved into a vast gas transport network on both sides of the border, encompassing 1,250km of new pipeline, including the controversial Eridan project in France. Backed by Enagás in Spain and Teréga (40.5% owned by SNAM) and GRTgaz in France, the €3.1 billion project was predicted to cause social, environmental and climate destruction.⁵ The original section was renamed STEP (South Transit East Pyrenees).

Work was planned to resume in 2019, but a leaked cost-benefit analysis commissioned and then buried by the EU cast doubt on the financial viability and necessity of MidCat.⁶ With opposition to the project growing, in January 2019 energy regulators in France and Spain refused to grant consent and funding for it.⁷

However, EU Commissioner Cañete (who is close to Enagás – see company profile), continues to promote the project and it may still be included in the 2019 PCI list.

4 <http://www.catalannews.com/business/item/strategic-gas-pipeline-midcat-will-be-ready-by-2020>
5 http://www.foeeurope.org/sites/default/files/extractive_industries/2018/mythcat_report_english.pdf
6 <http://www.foeeurope.org/EU-study-scorn-controversial-Spain-France-gas-pipeline-230418>
7 <https://www.cre.fr/content/download/20288/258771>
8 <http://espresso.repubblica.it/inchieste/2017/03/31/news/tap-mafia-e-solidi-sporchi-dietro-il-gasdotto-1.298585>
9 https://www.banktrack.org/download/the_transadriatic_pipeline_project_identified_noncompliance_with_the_equator_principles/the_tap_project_identified_noncompliance_with_the_equator_principles.pdf;
https://www.tap-ag.com/assets/07_reference_documents/english/Project%20Finance%20Disclosure/Executive%20Summary%20of%20TAP%20Site%20Visit%20Monitoring%20Report%20Spring%202017_UK2222080_Issue_01a.pdf

TAP

The Trans Adriatic Pipeline (TAP) is the last section of the Southern Gas Corridor (SGC), a 3,500 km pipeline from the Caspian Sea in Azerbaijan to the South of Italy, with a US\$ 45 billion price tag. TAP is supposed to run from Greece through Albania, under the Adriatic Sea and arrive in Puglia.

Its current shareholders are BP, Socar (the Azerbaijan state-owned gas company), Snam, Fluxys, Enagás and Switzerland's Axpo. The company is registered in Zug, the most secretive Swiss canton. The initial project was elaborated by a company controlled by Axpo whose CEO has been allegedly linked to money laundering for an Italian organised crime outfit.⁸

Both TAP and the SGC are "Projects of Common Interest", deemed strategic by the European Commission. TAP was selected in June 2013, against a backdrop of aggressive lobbying and alleged corruption by Azerbaijan at the Council of Europe, where a report highlighting human rights abuse in the country was infamously voted down.

Initially TAP was presented as a "private sector project". However, EU public funding may cover up to one third of the total costs. In 2018, the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD), and a number of private banks approved €2.7 billion in loans despite opposition in Italy, Albania and Greece. Independent evaluations also found the project failed to comply with international standards for financial institutions.⁹

In March 2017, thousands of police officers were sent to ensure building work in Italy, involving the uprooting of hundreds of olive trees, went ahead, against the non-violent resistance of residents. Since then, every new step on the construction site has been taken through special authorisation via government decree and under significant police presence.



Turnover:
€1.34 billion in 2018*
 Profit:
€691 million Paid out in dividends:
€377 million

Controversial projects:

TAP, Proyecto Integral Morelos, MidCat, Castor.

As well as the Trans Adriatic Pipeline (TAP – see case study), MidCat (see case study), and Castor (see case study), Enagás is involved in the contested “Proyecto Integral Morelos”(PIM) in Mexico. In February 2019 Indigenous community leader Samir Flores was shot multiple times outside his house to silence his opposition to the project.¹¹

Lobbying power:

€200,000

on EU lobbying

3 in-house lobbyists



Additional EU
 lobby groups: **18**

Enagás’ EU lobbying budget increased 400% in 2014, the year Partido Popular Minister Miguel Arias Cañete was appointed EU Climate Action and Energy Commissioner. Cañete has been a key supporter of the EU-subsidised MidCat pipeline, and a key Enagás lobby target (more than 70% of its meetings with Commission elite have been with Cañete or his cabinet).¹² The company is a member of 18 additional lobby groups which have 59 lobbyists in total.¹³

Gas propaganda:

Presents natural gas as a clean fossil fuel, essential in tackling climate change. Pushing gas in the transport sector (including so-called “renewable gas”)¹⁴ with plans to make Spain a “gas hub”.

Fun Fact: Notorious in Spain for its revolving door, placing ex-Presidents, Prime Ministers and Ministers from both parties into powerful and well-paid positions on the boards of its companies.

*Despite increasing profits, Enagás is indebted by €5 billion+, partly due to loans taken out for the controversial and never-used gas storage facility, Castor. The cost is being passed on to gas consumers via their bills (see case study)

**Sociedad Estatal de Participaciones Industriales (SEPI), is the Spanish treasury’s holding company to manage public corporations. SEPI has de facto control of Enagás as it is the only shareholder with a veto right over decisions taken by other shareholders.

10. <https://www.enagas.es/stfls/ENAGAS/Relaci%C3%B3n%20con%20inversores/Documentos/Estatutos%20Ingl%C3%A9s%20consolidado%20Enagas%20SA%20JGA%202016%20Inscrit%20en%20RM.pdf>

11. <http://www.gastivists.org/statement-the-assassination-of-indigenous-defender-in-mexico-samir-flores-soberanes-and-the-role-of-european-corporations/>

12. <https://lobbyfacts.eu/representative/bd8819b652c24a4d902b02cbbd624635/enagas-s-a>

13. <https://lobbyfacts.eu/representative/bd8819b652c24a4d902b02cbbd624635/enagas-s-a>

14. <https://www.enagas.es/enagases/QuienesSomos/Presentacion>

Country:
Spain

MAIN SHAREHOLDERS:¹⁰

5% SEPI**

with a veto right

Lazard Asset Management (5.07%)

Oman Oil Company (5%)

JP Morgan Securities (4.2%)

Merrill Lynch (3.6%)

Goldman Sachs (3.6%)

100+ other banks and corporations

CEO:

Marcelino Oreja Arburúa



Ex-Partido Popular MEP and son of former Minister of the Interior

Chairman:

Antonio Lladén Carratalá

Former Socialist Party (PSOE)

minister, former Chairman of

SEDIGAS, an association comprising Spanish gas companies.

Other board members:

mainly ex-ministers and politicians.

SUBSIDIARIES:

Spain, Europe, Latin America, North America.

Most are owned by the group’s two main subsidiaries:

Enagás Transporte:

Gas transmission in Spain

Enagás Internacional:

Operations outside of Spain

Controversial projects: TAP, shipping gas from the Arctic and fracking, Ghislenghien disaster.

Owns 19% share in the Trans Adriatic Pipeline (TAP – see case-study) and has actively lobbied Brussels on behalf of the TAP consortium alongside the Azerbaijan government.¹⁵ Fluxys' two LNG terminals (Dunkirk and Zeebrugge) import gas from the Russian Arctic and fracked gas from the US. In 2004, a high-pressure gas pipeline exploded in Ghislenghien, Belgium, killing 24 and injuring 132.

Lobbying power:

€100,000 on EU lobbying

4 in-house lobbyists

Additional EU lobby groups: 8

Consistently spends between €50,000-€100,000 per year on lobbying Brussels. Its three meetings with the European Commission since 2017 have all concerned TAP. It is also part of at least 8 gas industry lobby groups in Brussels. It sits on a Commission advisory group on security of gas supply, on behalf of its lobby group Gas Infrastructure Europe. It has received €2.4m in EU grants for gas projects.

Gas propaganda:

"As Belgium prepares for a more sustainable energy future, both natural and renewable gas will play an important role in achieving our national objectives."¹⁶

Fun Fact:

Fluxys Chairman Daniël Termont claims to be a climate champion, signing Gent up to be climate neutral by 2050 while mayor of the city,¹⁷ but his gas company is locking us into fossil fuels for the foreseeable future.

Country:
Belgium

MAIN SHAREHOLDERS:

75% Publigas
Belgian inter-municipal holding company

19.9% Caisse de dépôt et placement du Québec
Quebequois public financial institution

CEO:
Pascal de Buck



Took over in 2015. Former Chairman of Swedegas AB. Earned €450,000 in 2017.

Chairman:
Daniël Termont
Member of the Flemish Socialist Party (Sp.A), Mayor of Ghent until 2019.

Other board members:
Representatives of various Belgian political parties and the Caisse de dépôt et placement du Québec.

SUBSIDIARIES:

France, Germany, Netherlands, Switzerland and UK

Fluxys Belgium holds all domestic operations, while Fluxys Europe owns the European companies. Alongside Enagás, it acquired Swedish TSO Swedegas in 2015 but sold it in 2018.

CEO of Enagás
Marcelino Oreja

CEO of Snam
Marco Alverà

Greek Environment
& Energy Minister



15. https://corporateeurope.org/sites/default/files/the_great_gas_lock_in_english_.pdf
16. <https://www.fluxys.com/belgium/en/About%20natural%20gas/StrategicAsset/StrategicAsset>
17. <https://stad.gent/ghent-international/city-policy/ghent-climate-plans/ghent-climate-plan-2014-2019>



Turnover:
€2.3 billion in 2018
 Profit:
€447 million Paid out in dividends:
€300 million
to its parent company Engie

Country:
France

MAIN SHAREHOLDERS:

75% Engie

Engie's (formerly GDF-Suez) main shareholder is the French government (24.1%), followed by BlackRock.

25% Caisse de dépôts

Caisse des dépôts is a French public financial institution.

A new law passed in April 2019 opening up Engie and GRTgaz to further privatisations

Controversial projects:

MidCat, Eridan, SGC interconnector, Nord Stream II.

Midcat, Eridan and the Southern Gas Corridor interconnector (receiving Azeri gas from the SGC via Switzerland) are all on hold due to ongoing resistance and high costs. GRTgaz' parent company Engie is also involved in the Nord Stream II pipeline project. It is being led by Gazprom and would bring Russian gas through the Baltic, but is opposed by the European Commission and many EU member states.

Lobbying power:

€300,000

on EU lobbying

4 in-house lobbyists



Additional EU lobby groups: **6**

Lobby spending increased by around 500% from 2015-2016, but much is done via its six lobby groups and trade associations. A big focus is on so-called renewable gas, such as biomethane. It is also very active in France, where it spent up to €200,000 in 2018.

Gas Propaganda:

Pushing for so-called "renewable" gas, especially biomethane. Engie and its subsidiaries (including GRTgaz) want France's gas to be 100% renewable by 2050, using primarily biomethane produced from agricultural and urban waste, controversial for its links with polluting large-scale industrial farms.

Fun fact:

France has a very active revolving door between Engie and its subsidiaries, the government and the energy regulator, including top executives such as GRTgaz CEO Thierry Trouvé. Many go to the same schools and universities.



CEO:
Thierry Trouvé

Ex-civil servant and former director of French energy regulator, Previously in charge of Engie's LNG business.

Chair of the board:
Adeline Duterque
 Director of Engie's Foresight Department.

Other board members: representatives of Engie, Caisse des dépôts, and the French government.

SUBSIDIARIES:

France, Germany, Mexico

Holds all of Engie's gas transport networks, except Nord Stream II, with a particular presence in France (gas transport and LNG, via Elengly), Germany (MEGAL pipeline) and Mexico (Los Ramones Sur II, on behalf of Engie).



CEO of Fluxys
Arno Bûx



Turnover:
€2.5 billion in 2018
 Profit: **€1 billion** Paid out in dividends: **€735 million**

Country:
Italy

MAIN SHAREHOLDERS:

30.4% CDP Reti SpA

An Italian holding company, owned by public financial institution Cassa Depositi e Prestiti (59.10%) and a subsidiary of the State Grid Corporation of China (35%).

BlackRock (7.5%)

Holds its shares through a variety of subsidiaries.

Romano Minozzi (5.9%)

Minozzi is An Italian businessman.

Lazard Asset Management (5.1%)

Snam SpA (4.6%)

Controversial projects

Trans Adriatic Pipeline (TAP); Rete Adriatica.

SNAM holds the joint-largest stake in TAP with 20% (see case study), the last leg of the Southern Gas Corridor from Azerbaijan, which is facing strong popular opposition in Italy and Greece. It is supposed to connect to the Rete Adriatica, a 700km pipeline being built in Italy by Snam through an area prone to major earthquakes. There has been opposition to it since its first proposal in 2004.

Lobbying power:

€300,000

on EU lobbying

3 in-house lobbyists



Additional EU lobby groups: **10**

Snam has had 26 meetings with top level EU Commission officials since 2015, many concerning TAP and the Southern Gas Corridor. It is very well represented in Brussels thanks to its 10 lobby groups, in particular GasNaturally, chaired by Snam CEO Marco Alverà.

Gas propaganda:

Pushing for biomethane and small-scale LNG to be used in transport. Also keen on wrongly reassuring the public that "Natural gas is the greenest and most efficient fossil fuel and is an indispensable energy source for a sustainable energy mix" (see **gas - a false solution**).¹⁸

Fun Fact:

SNAM is involved in more projects to complete the EU's so-called 'Energy Union' than anyone else, building more kilometres of pipeline and more gas storage facilities than any other company.

CEO:

Marco Alverà



Was with Eni for 10 years, as well as on the board of Gazprom Neft. Previously Vice-President of Brussels trade association Eurogas, and is now President of super trade association GasNaturally.

Chairman:

Carlo Malacarne

Former Snam CEO who spent his whole career in the company. Previously Chairman of Confindustria Energia, the energy section of the main industrial trade association of Italy.

SUBSIDIARIES:

ACROSS EUROPE

- Assets in Italy (transmission system and LNG terminal)
- Albania (AGSCo)
- Austria (TAG and GCA)
- France (Teréga)
- Greece (DESFA) and the UK (Interconnector UK)

CEO of Snam
Marco Alverà



¹⁸ <http://www.snam.it/en/Natural-gas/>

THE BIGGEST GAS COMPANIES YOU'VE NEVER HEARD OF

Enagás (Spain), Fluxys (Belgium), GRTgaz (France) and Snam (Italy) are Europe's four biggest gas transporters (TSOs), owning infrastructure across the continent and beyond. Together they own more than half of the EU's LNG terminals and over 100,000km of pipeline, with new projects planned: 6,200km of pipeline and at least one more LNG terminal are under construction.

All four are run like private companies, despite being publicly-controlled. They collectively made more than €2 billion in profit in 2018 with almost three quarters paid out in dividends to shareholders such as investment funds BlackRock (GRTgaz and Snam) and Lazard (Enagás and Snam).

These little-known companies don't have the profile of Shell, Total or BP, but are just as influential in keeping Europe dependent on gas. As well as hundreds of thousands spent on lobbying, securing regular access to the EU's top-level officials, they also count on a network of paid-for lobby groups to push their agenda. However, their most important lever of power has been created by the EU itself.

Industry calls the shots on EU gas plans

The EU created its own in-house lobby group made up of gas TSOs, called the 'European Network of Transmission System Operators for Gas', or ENTSO-G. It counts Enagás, Fluxys, GRTgaz and Snam as members. Despite being composed exclusively of gas companies, the EU tasked the group with providing projections of future gas demand in Europe, which it consistently over-estimates.¹⁹ The EU then asks ENTSO-G to provide it with a list of infrastructure projects to meet the projected demand. After being agreed by governments, this becomes the official list of 'Projects of Common Interest' (PCIs), which ENTSO-G members then build with financial and political support from the EU. €1.3 billion in public money has already gone to projects such as MidCat, the Trans Adriatic Pipeline (TAP) and Fluxys' LNG terminals. The fourth PCI list will be finalised by the end of 2019, with more than a hundred new gas projects currently included, despite the need to phase out fossil gas completely.

GAS: A FALSE SOLUTION

Fossil gas spells disaster for communities and their environments, impacting them wherever it is drilled for or transported. It is also a disaster for the climate. So-called 'natural' gas is composed of methane, which is over 100 times more potent than CO₂ over a ten-year period.

Large quantities of gas leak into the atmosphere during drilling and transportation (particularly when fracking), making gas as bad for the climate as coal, if not worse.²⁰

19. https://www.e3g.org/docs/E3G_Trends_EU_Gas_Demand_June2015_Final_110615.pdf

20. http://www.rosalux.eu/fileadmin/user_upload/Powerpoints/Howarth-Cornell-Natural-gas-methane-after-cop21.pdf

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✘ Controversial projects:

1 Trans Adriatic Pipeline (TAP):

Last leg of the Southern Gas Corridor (SGC), a mega pipeline transporting Azeri gas through Greece and Italy, where local communities are resisting it.
Involved: Snam, Enagás, Fluxys

2 MidCat

Franco-Spanish gas pipeline from Catalonia to Carcassonne, met with strong resistance and currently rejected by regulators.
Involved: Enagás, GRTgaz, Snam

3 Castor Project

Offshore gas storage facility closed down before operational due to earthquakes, with multi-billion euro bill footed by gas consumers not investors. Fight for justice ongoing.
Involved: Enagás

4 Zeebrugge and Dunkirk

Belgian and French LNG terminals respectively, importing fracked gas from the US and LNG from the Russian arctic. Services ships and lorries converted to run on gas.
Involved: Fluxys

5 DESFA

Greek TSO whose privatisation was a condition of the ideologically-driven debt bailout package imposed by the EU. Enagás, Snam and Fluxys together own 66 per cent.
Involved: Enagás, Snam, Fluxys

6 Proyecto Integral Morelos (PIM)

'Proyecto Integral Morelos' in Mexico is strongly resisted by local peoples. Indigenous community leader Samir Flores was murdered in 2019 for opposing it.
Involved: Enagás

7 Gothenburg LNG Terminal

Not yet completed and facing strong local resistance. Bought by Fluxys and Enagás when they bought Swedish TSO Swedegas, with the aim of servicing lorries in Sweden with LNG from Fluxys' Zeebrugge terminal. Sold in September 2018.
Involved: Fluxys and Enagás

8 Rete Adriatica

700km pipeline being built by Snam through Italy and facing local resistance, with some ongoing for several years. It is being built in an area prone to major earthquakes.
Involved: Snam

9 El Musel LNG plant

The €382 million regasification plant was built and never used, placed immediately into hibernation due to a lack of gas demand in Spain. Like Castor, the cost has been passed onto bill-payers.
Involved: Enagás

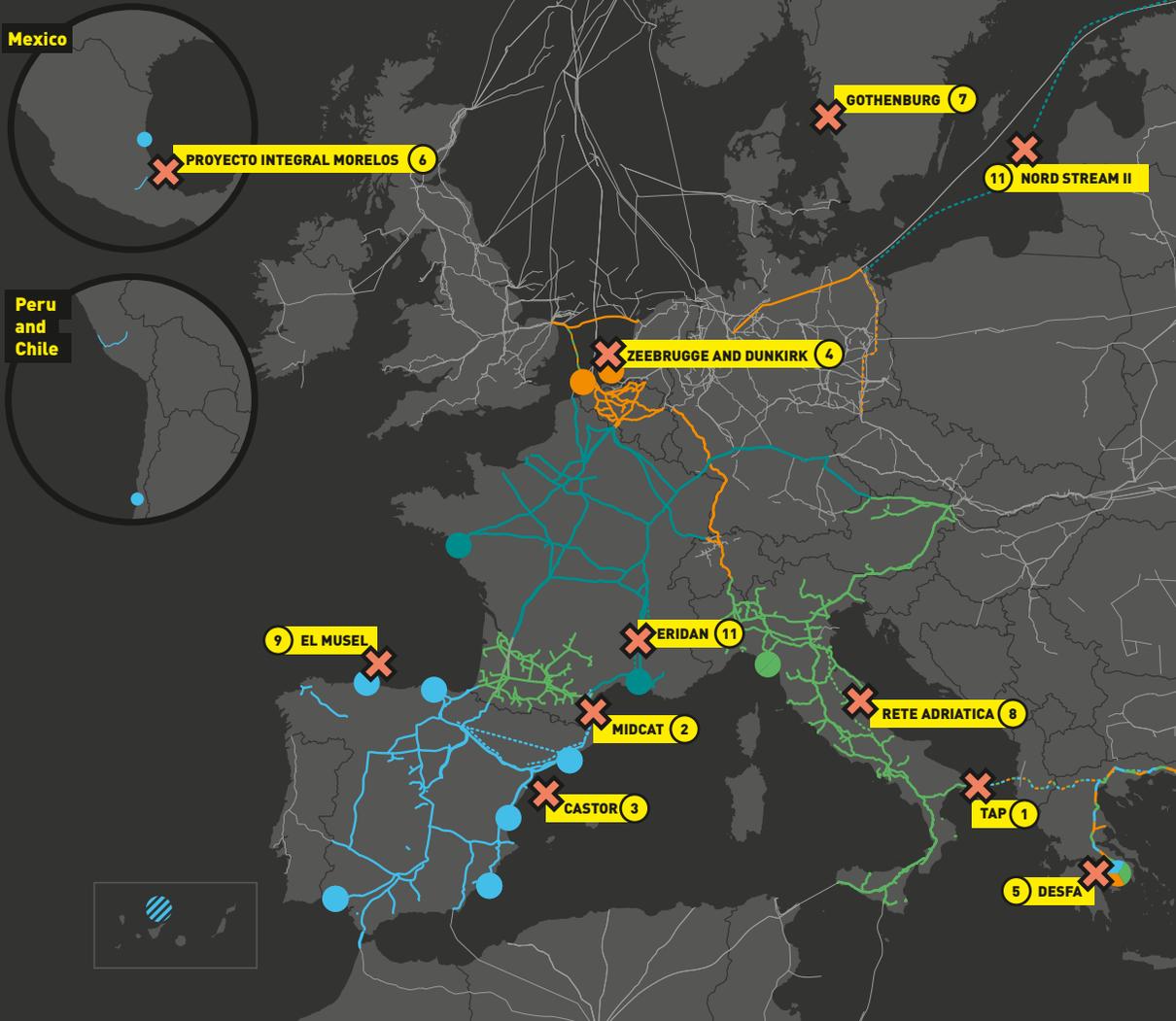
10 Eridan pipeline

220km planned pipeline through the Rhone Valley in France which, if built, will run alongside multiple nuclear reactors. Local resistance has delayed the project and massively increased its cost.
Involved: GRTgaz

11 Nord Stream II

Pipeline from Russia to Germany that will increase EU dependence on Gazprom, opposed by the European Commission.
Involved: GRTgaz (via Engie, its parent company)

Who owns all the pipelines? (And the LNG terminals)



LIQUIFIED NATURAL GAS (LNG) TERMINALS IN THE EU

& AVERAGE USAGE



source: <https://dlsi.gie.eu/>

HOW MUCH PIPELINE DO THEY OWN?



Total: 104,621km



2.5x
round the
WORLD

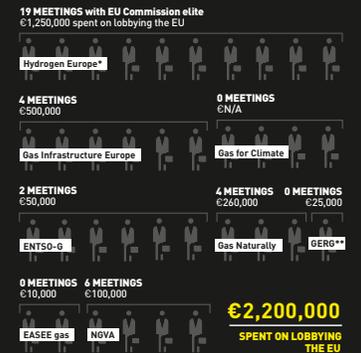
The EU gas transport LOBBY

Meetings, spending & lobbyists (2018)

4 BIGGEST GAS TRANSPORT COMPANIES (TSOs)

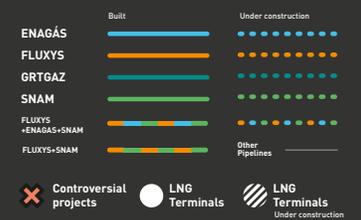


THEIR KEY EU LOBBY GROUPS



ALL FOUR GAS COMPANIES ARE MEMBERS, UNLESS OTHERWISE STATED
*except Snam
**except Fluxys
source: <http://ec.europa.eu/transparencyregister/public/homePage.do>

Combined Lobby Firepower



HOW MUCH DO THEY EARN?

