

# Merchants of Crisis

Energy security self-sabotage through  
Europe's gas plants bonanza



## Executive summary

The fossil gas industry is planning to build nearly **60 GW of new gas plants in the EU**. If built and run at the same average capacity factor as the EU gas fleet in 2024, these plants would burn around **28 bcm of fossil gas every year**. That is equivalent to **9% of the EU's total gas imports in 2025**, or the annual gas use of around **46.4 million average EU households**.<sup>1</sup> It's now on national governments whether they will pander to fossil interests and support those going ahead.

Politicians who support the interests of fossil fuel companies over renewables and clean flexibility are sabotaging Europe's energy security and leaving households and businesses exposed to future price shocks. The geopolitical context keeps highlighting the continent's exposure to fossil fuel shocks. Only a time-bound commitment to fossil fuel phase-out can serve as a permanent strategy for Europe's energy security.

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[https://docs.google.com/document/d/1u3NpRlrd65qZqo4O8Ni9QWVfc1i3LWAA2wg\\_6lpWtWE/edit?tab=t.0](https://docs.google.com/document/d/1u3NpRlrd65qZqo4O8Ni9QWVfc1i3LWAA2wg_6lpWtWE/edit?tab=t.0)

## Europe's gas plant pipeline and implications for energy (in)security

New gas plants require a steady supply of fuel and the usual intended operating life for gas plants is 30 years. The operation of these gas plants is only possible if expensive adjacent infrastructure, such as pipelines and LNG terminals, is maintained, modernised, and in some cases expanded. Furthermore, new gas plant projects are often used as the excuse to allocate even more public resources to such infrastructure, thus creating a self-reinforcing mechanism of fossil gas lock-in. IEEFA estimates that a 60% rise in wholesale electricity prices above pre-February 2026 levels could increase European household electricity bills by up to €120 a year.<sup>2</sup>

The EU is highly reliant on imported fossil fuels – over 90% in 2024 – meaning European consumers are among the most exposed globally to price shocks and supply disruptions. Reliance on Russian fossil fuels has been lowered, although the EU remains reliant on Russian liquefied natural gas (LNG).<sup>3</sup> Moreover, the EU still depends on a few suppliers of oil and gas, particularly the US – a country which is now a key driving force behind geopolitical instability and energy price spikes.<sup>4</sup> Such high dependence on commodities whose prices are so volatile makes Europe vulnerable to political and trade pressure.

There is a clear alternative: a renewables-based electrification of our economy, with parallel focus on clean flexibility, grid modernisation and storage.<sup>5</sup>

## The energy companies and politicians behind Europe's gas plant dash

### German companies and politicians driving the gas plant agenda

In Germany, successive governments have been working for years to introduce tenders for a new fleet of gas plants. The exact GW volume of these tenders has changed over the years – from 12.5 GW, to 10 GW, to 20 GW. The latest cabinet proposal from 18 May 2026, which still requires parliamentary approval, establishes subsidy payments for 12 GW of new dispatchable capacity.<sup>6</sup> A conventional capacity market for new-build and existing assets is to follow afterwards.

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<sup>2</sup> <https://ieefa.org/resources/europes-reliance-gas-power-could-increase-electricity-bills-eu120-year>

<sup>3</sup> <https://www.urgewald.org/en/media/europes-russian-arctic-lng-imports-yamal-hit-record-high-first-4-months-2026>

<sup>4</sup> <https://ember-energy.org/latest-insights/shockproof-how-electrification-can-strengthen-eu-energy-security/europe-is-highly-vulnerable-due-to-reliance-on-fos/>

<sup>5</sup> <https://beyondfossilfuels.org/2026/02/23/clean-flexibility-supports-a-reliable-grid-without-fossil-fuels/>

<sup>6</sup> <https://www.bundeswirtschaftsministerium.de/Redaktion/DE/Pressemitteilungen/2026/05/20260513-meilenstein-fuer-die-versorgungssicherheit-strom-kapazitaetsmarkt-sichert-zukuenftig-die-versorgung-mit-strom-ab.html>

The tenders for the 12 GW have been designed in a way that primarily supports gas-fired power plants: batteries are effectively excluded from 10 GW of the tender volume, while demand-side response is formally excluded altogether. This is despite the fact that both could provide effective flexibility, complement renewable generation, and help enable the coal phase-out.<sup>7</sup> ClientEarth highlights how this runs in contradiction with a number of EU rules – including technology neutrality requirements; and the fact that **alternative ways to ensure energy security were not assessed**.<sup>8</sup>

The draft law does not explain why the government has decided to organise two auctions for 4.5 GW of capacity. Unsurprisingly, the gas industry has been an early advocate for substantial gas build out. In 2021, RWE CEO Markus Krebber said Germany will have to build 20-30 GW of new gas-fired power plant capacity to ensure supply security, but no transparent evidence was provided to support this claim.<sup>9</sup> In January 2024, Uniper CEO Micheal Lewis said “*without a firm framework, no one in Germany will invest in new gas-fired power plants*,”<sup>10</sup> describing the lack of a government gas strategy as “*frustrating*”.

Only in 2025 did the Bundesnetzagentur’s Supply Security Monitoring propose concrete scenarios, which estimated the need for additional controllable capacity at **up to 22.4 GW in the target scenario, or up to 35.5 GW in a delayed-transition scenario**, by 2035.<sup>11</sup> Renewable energy, solar and flexibility actors criticised this assessment **for understating the role of flexibility<sup>12</sup> and overstating the need for gas capacity.**<sup>13</sup>

More recently, the role that the companies have played in influencing the rules for the tenders to ensure that only gas can benefit has become clearer. ‘Handelsblatt’ published a leaked document showing that **RWE was proposing measures that would exclusively favour gas-fired power plants and effectively disqualify battery storage** from the tenders. The company is also opposing a recommendation from the Federal Cartel Office that would limit its market power.<sup>14</sup>

The European politician often mentioned in media reports as being in favour of more gas and once having worked for the gas industry is Economy and Energy Minister Katherina

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<sup>7</sup><https://www.greenpeace.de/klimaschutz/energiewende/gasausstieg/sichere-stromversorgung-ohne-gaskraftwerke>

<sup>8</sup><https://www.clientearth.org/latest/press-office/press-releases/letter-to-commission-german-gas-power-plant-plans-remain-incompatible-with-european-state-aid-laws/>

<sup>9</sup><https://www.wiwo.de/unternehmen/energie/versorgungssicherheit-warum-energieerese-rwe-den-ausbau-der-gaskraft-in-deutschland-fordert/27688336.html>

<sup>10</sup><https://www.faz.net/aktuell/wirtschaft/unternehmen/uniper-sorgt-sich-um-versorgungsluecke-mehr-tempo-fuer-gaskraftwerke-19455169.html>

<sup>11</sup> <https://www.bundesnetzagentur.de/1072798>. The report describes the Zielszenario as reflecting known legal and political targets and assuming the timely achievement of all relevant expansion targets valid at the start of the analysis, in early 2024. The “Verzögerte Energiewende” scenario uses more conservative assumptions, including two-year delays in European PV and wind deployment and the ramp-up of new consumers, roughly halved flexibility from new consumers, longer realisation times for gas plants, a smaller assumed Kraftwerksstrategie volume, and delayed interconnectors.

<sup>12</sup><https://www.bne-online.de/aktueller-versorgungssicherheitsbericht-bnetza-legt-finger-in-die-wunde-fehlende-digitalisierung-und-flexibilitaet-gefaehrden-versorgungssicherheit/>

<sup>13</sup><https://auroraer.com/company/press-room/german-energy-transition-under-scrutiny-how-much-does-it-have-to-change-course>

<sup>14</sup><https://www.handelsblatt.com/unternehmen/energie/energie-lobby-papier-rwe-setzt-auf-gas-und-will-batteriespeicher-ausgrenzen/100201683.html>

Reiche, who was previously the CEO of Westenergie AG, an E.ON subsidiary and major utility. Early on, she said that she would prioritise plans to support 20 GW of new gas plants, and called for a *"reality check"* on the role of renewables.<sup>15</sup>

According to a report in 'Der Spiegel', **the ministry asked the energy company EnBW for arguments to justify the use of gas-fired power plants and put storage at a disadvantage.** The magazine quoted from a text message containing several proposals from EnBW's chief lobbyist, Holger Schäfer, to a department head within the ministry. EnBW stated that the message was prepared "at the ministry's request."<sup>16</sup>

Ironically, the position of the German government to purposefully exclude clean flexibility from the mechanism, and only support gas plants, goes further than Reiche's previous employer. A spokesperson for E.On had previously welcomed the fact that the coalition committee was considering other flexibility solutions, in addition to gas plants.<sup>17</sup>

The 'ad hoc' capacity market auctions are coming under criticism. The plans will likely face legal action from the storage industry,<sup>18</sup> with a number of clean industry groups signalling their opposition. A report commissioned by the German Chamber of Industry and Commerce and others warned of the *"significant economic, regulatory, and environmental risks"*.<sup>19</sup>

## Web of influence behind Polish gas-heavy policy focus

The state is a major player in the Polish energy system, being the majority owner of companies PGE and ENEA, and the largest shareholder of Orlen (49.9%) and Tauron (30%). In Poland, the largest energy utilities do not only operate as private market actors seeking favourable rules, but they also play a quasi-public role – implementing the direction set by government energy policy.

The core issue is that the state appears to be using this influence to prolong and deepen fossil gas lock-in, rather than to accelerate a renewables-based transition. When public policy defines new gas capacity as the answer to coal phase-out and system security, state-controlled utilities become the vehicles for delivering that choice. Public subsidies turn a political decision to expand gas into a revenue opportunity for the companies best positioned to benefit from them.

Orlen Group and its daughter companies, among Poland's most expansive gas power

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<sup>15</sup><https://www.tagesschau.de/wirtschaft/energie/gaskraftwerke-reiche-energie-wende-kernenergie-neubau-100.htm>

<sup>16</sup><https://www.spiegel.de/wirtschaft/katherina-reiches-ministerium-bat-enbw-um-argumente-fuer-gaskraftwerke-a-1ce69ada-8eff-444b-a7f9-4eaf4d6e5447>

<sup>17</sup>[https://www.welt.de/newsticker/dpa\\_nt/infoline\\_nt/wirtschaft\\_nt/article6917441ac7cd0ff6c6201fa6/neue-gaskraftwerke-energiekonzerne-stehen-in-startloechern.html](https://www.welt.de/newsticker/dpa_nt/infoline_nt/wirtschaft_nt/article6917441ac7cd0ff6c6201fa6/neue-gaskraftwerke-energiekonzerne-stehen-in-startloechern.html)

<sup>18</sup><https://www.handelsblatt.com/unternehmen/energie/energie-speicherbetreiber-pruefen-klagen-gegen-kraftwerks-ausschreibungen/100220289.html>

<sup>19</sup>[https://www.connect-ee.com/wp-content/uploads/2026/04/Connect\\_Erforderlichkeit\\_von\\_Kapazitaetsmechanismen\\_2026.pdf](https://www.connect-ee.com/wp-content/uploads/2026/04/Connect_Erforderlichkeit_von_Kapazitaetsmechanismen_2026.pdf)

plant operators, have recently been expanding their portfolio.<sup>20</sup> According to various media reports, the company has been embedding itself into policies enabling the import of LNG from the US, looking to deepen the region’s reliance on imports from the US, in particular to Ukraine.<sup>21</sup>

The Department of Energy’s Attaché at the US Embassy in Warsaw, Nathan Reich has been open about working to promote US LNG and nuclear technologies in Poland, including through energy market liberalisation to help the development of a Polish gas hub.<sup>22</sup> During conferences, he has referred to how this will help *“meet the expectations of energy companies; specifically regarding gas supplies to new CCGT [combined cycle gas turbine] and OCGT [open cycle gas turbine] units.”*<sup>23</sup>

Companies who may benefit include PGE, which has developed its own energy trading team.<sup>24</sup> PGE recently received Nathan Reich at their Dolna Odra CCGT plant in Gryfino. In a LinkedIn post from the US’s Warsaw Embassy, it was stated that *“Power plants like this, fueled by American LNG, help Poland and other European countries affordably, reliably, and safely balance their energy systems and meet future energy needs.”*<sup>25</sup>

Polish Prime Minister Donald Tusk’s government has shown continued support for gas, and Poland’s energy strategy still includes substantial new gas-fired generation.<sup>26</sup> He is supported by Minister of Climate and Environment of Poland, Paulina Hennig-Kloska, whose ministry has defended gas infrastructure and flexible generation as necessary during the coal phase-out, while **suggesting that cleaner alternatives are “the long-term destination” rather than immediate replacement.**<sup>27</sup>

Under the current government, Climate Minister Paulina Hennig-Kloska advanced amendments allowing additional capacity auctions for delivery years 2029–2030, and those **auctions explicitly only allow gas-fired units to participate.**<sup>28</sup> The government framed this as system stabilisation and energy security, but this has been widely challenged by academia and civil society.

New research by PhD Krzysztof Bodzek at the Silesian University of Technology shows that **Poland could avoid the need for investments in gas plants with a generation**

<sup>20</sup><https://www.orlen.pl/en/about-the-company/media/press-releases/current/2026/february-2026/orlens-largest-capital-investment-programme-to-date>

<sup>21</sup> For example see

[https://www.reuters.com/business/energy/ukraine-buys-us-lng-deal-with-polands-orlen-2025-03-18/;](https://www.reuters.com/business/energy/ukraine-buys-us-lng-deal-with-polands-orlen-2025-03-18/)

<https://knenergies.lt/en/klaipeda-lng-terminal-hosts-a-symbolic-orlen-lng-carrier-and-significant-cargo-for-ukraine/>  
<sup>22</sup><https://amcham.pl/events/meeting-with-mr-nathan-reich-the-department-of-energy-office-director-and-energy-attaché-at-the-u-s-embassy-in-warsaw/>

<sup>23</sup><https://wjakobik.com/2026/05/12/polska-trzeci-gazoport-fsr2-usa-dostawy-lng-slowacja-ukraina-wegry-negocjacje-rozwoj-rynek-hub-gazowy-polska-gielda-indeks-cena-henry-hub-energetyka-gaz/>

<sup>24</sup>[https://www.gkpge.pl/content/download/61ab3879bd5772c1ab88ace3f7b99f13/file/20250612\\_Strategia\\_PGE\\_2035\\_EN\\_final\\_share.pdf](https://www.gkpge.pl/content/download/61ab3879bd5772c1ab88ace3f7b99f13/file/20250612_Strategia_PGE_2035_EN_final_share.pdf)

<sup>25</sup>[https://www.linkedin.com/posts/us-embassy-warsaw\\_dyrektor-w-us-department-of-energy-doe-activity-7328757475694870529-OSUF/?utm\\_source=share&utm\\_medium=member\\_desktop&rcm=ACoAABYjsCIBX-Mt8JZnSdMwP8vzVjQ8Tl9l9V8](https://www.linkedin.com/posts/us-embassy-warsaw_dyrektor-w-us-department-of-energy-doe-activity-7328757475694870529-OSUF/?utm_source=share&utm_medium=member_desktop&rcm=ACoAABYjsCIBX-Mt8JZnSdMwP8vzVjQ8Tl9l9V8)

<sup>26</sup> <https://www.iea.org/articles/poland-natural-gas-security-policy>

<sup>27</sup> <https://www.gov.pl/web/klimat/paulina-hennig-kloska-na-pomorzu-o-polityce-wodorowej-polski>

<sup>28</sup> <https://biznes.pap.pl/wiadomosci/gospodarka/poland-adopts-draft-law-additional-auction-power-market>

**equivalent up to 20.8 GW by 2040**, compared to a business as usual scenario.<sup>29</sup> If local renewables, storage, demand-side flexibility and local balancing are properly developed, a significant part of future electricity demand could be supplied and consumed locally – rather than via large, central power plants such as gas or nuclear. The research underscores that **Poland’s gas plant strategy is a political decision, rather than an unavoidable reality.**

## Unvirtuous circle between Romanian politicians and companies

The Romanian Ministry of Energy is both the author of the country’s energy policy, as well as a major shareholder in key companies involved in delivering it. This includes Romgaz, 70% state-owned, and OMV Petrom, where the Romanian state holds 20.7%. This gives the government considerable power to steer investment choices through public policy, permits, state shareholdings and EU-backed funding.

Concerningly, this steering capacity is being used to organise the transition around new fossil gas infrastructure: coal closures are delayed under the pretext of waiting for gas-fired replacements to be ready, state-owned CE Oltenia has partnered with private companies to develop gas plants, and Romgaz is co-developing the Neptun Deep offshore project with OMV Petrom.

Rather than using state influence to accelerate a renewables-based system built on storage, grids and demand-side flexibility, Romania’s current energy pathway risks turning public authorities into engines of fossil gas lock-in.

Romania’s former Minister of Energy (2023–2025), Sebastian Burduja, championed fossil gas as a “*vital*” transition fuel to secure baseload power.<sup>30</sup> The National Energy Strategy adopted under his mandate sets out a transition from coal to fossil gas (“*in the short and medium term*”) and then to nuclear energy.<sup>31</sup> The government’s energy expansion plans explicitly include large additions of gas-fired capacity.

Another key pillar of the energy strategy is Neptun Deep, a flagship gas venture backed by a company in which the Romanian state is a major shareholder, and co-developed by Romgaz, the state-controlled gas producer. The €4 billion offshore drilling project in the Black Sea developed jointly by OMV Petrom and Romgaz aims to extract around 100 billion cubic meters of fossil gas.

Greenpeace Romania has argued that approvals failed to properly assess climate, health, water, biodiversity and cross-border impacts. Greenpeace has also raised safety concerns

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<sup>29</sup> <https://www.onet.pl/informacje/odpowiedzialny-inwestor/energia-ktorej-system-nie-widzi/csy0bfv,0666d3f1>

<sup>30</sup> <https://www.fdiintelligence.com/content/2c23c6ef-a7d5-5b9b-a516-63c762bb7f21>

<sup>31</sup> <https://www.energynomics.ro/en/sebastian-burduja-priorities-and-progress-in-the-romanian-energy-sector/>

related to OMV Petrom's existing offshore infrastructure and has mobilised significant public opposition, with more than 50.000 people in Romania opposing Neptun Deep.<sup>32</sup>

Romania's gas plant expansion has been criticised as unnecessary by ENTSO-E's European Resource Adequacy Assessment 2024.<sup>33</sup> The report found that the results of the economic viability assessment show 2.15 GW of the CCGT capacity envisioned in the National Energy and Climate Plan (NECP) would not be economically viable by the 2035 horizon. Uncertainties related to the commissioning date of the new capacities may have an adverse impact on Romania and, potentially, on the region, the document underlines.<sup>34</sup>

## Conclusion: The need for structural fossil fuel independence

European politicians and energy companies have been using energy security arguments to justify new gas plants and related infrastructure, even though this risks deepening fossil dependence – exposing households and businesses to future price shocks.

Europe cannot secure its economy, strengthen its industrial base, or protect citizens from future crises while remaining structurally dependent on fossil fuels and exposed to global price volatility. The EU's long-term prosperity directly depends on reducing exposure to fossil fuel volatility while scaling investment in renewable energy, electrification, grids, clean flexibility and industrial innovation.

While we welcome the direction set out in AccelerateEU,<sup>35</sup> Europe must now move beyond emergency response measures and establish a long-term strategy for phasing out fossil fuels to strengthen economic security through structural energy independence.

We urge EU institutions to fulfil their roles as gatekeepers, and call on national governments to be held accountable for disregarding or distorting requirements related to market transparency and technology neutrality, particularly in capacity markets.

Failing to comply with these requirements, while pushing ahead with a gas expansion strategy despite security risks, high price volatility and market transparency issues, is creating an enormous liability for European households and industries.

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<sup>32</sup><https://www.greenpeace.org/static/planet4-eu-unit-stateless/2025/01/7073a9c5-briefing-neptun-deep-gas-project-romania-jan2025.pdf>

<sup>33</sup> <https://www.entsoe.eu/eraa/2024/#Economic%20Viability%20Assessment%20Findings>

<sup>34</sup> <https://balkangreenenergynews.com/romania-plan-to-install-2-15-gw-of-gas-power-plants-isnt-viable/>

<sup>35</sup> [https://energy.ec.europa.eu/strategy/accelerateeu-strengthen-eu-energy-resilience\\_en](https://energy.ec.europa.eu/strategy/accelerateeu-strengthen-eu-energy-resilience_en)