S. HRG. 117–525

EUROPEAN ENERGY SECURITY: AMERICA'S ROLE IN SUPPORTING EUROPE'S ENERGY DIVERSIFICATION

HEARING

BEFORE THE

SUBCOMMITTEE ON EUROPE AND REGIONAL SECURITY COOPERATION

OF THE

COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

ONE HUNDRED SEVENTEENTH CONGRESS

SECOND SESSION

JUNE 9, 2022

Printed for the use of the Committee on Foreign Relations

Available via http://www.govinfo.gov

U.S. GOVERNMENT PUBLISHING OFFICE
49–947 PDF WASHINGTON : 2023

COMMITTEE ON FOREIGN RELATIONS

ROBERT MENENDEZ, New Jersey, *Chairman*

BENJAMIN L. CARDIN, Maryland
JEANNE SHAHEEN, New Hampshire
CHRISTOPHER A. COONS, Delaware
CHRISTOPHER MURPHY, Connecticut
TIM KAINE, Virginia
EDWARD J. MARKEY, Massachusetts
JEFF MERKLEY, Oregon
CORY A. BOOKER, New Jersey
BRIAN SCHATZ, Hawaii
CHRIS VAN HOLLEN, Maryland

JAMES E. RISCH, Idaho
MARCO RUBIO, Florida
RON JOHNSON, Wisconsin
MITT ROMNEY, Utah
ROB PORTMAN, Ohio
RAND PAUL, Kentucky
TODD YOUNG, Indiana
JOHN BARRASSO, Wyoming
TED CRUZ, Texas
MIKE ROUNDS, South Dakota
BILL HAGERTY, Tennessee

DAMIAN MURPHY, *Staff Director*
CHRISTOPHER M. SOCHA, *Republican Staff Director*
JOHN DUTTON, *Chief Clerk*

SUBCOMMITTEE ON EUROPE AND REGIONAL SECURITY COOPERATION

JEANNE SHAHEEN, New Hampshire, *Chairman*

BENJAMIN L. CARDIN, Maryland
CHRISTOPHER MURPHY, Connecticut
CHRIS VAN HOLLEN, Maryland
CHRISTOPHER A. COONS, Delaware

RON JOHNSON, Wisconsin
JOHN BARRASSO, Wyoming
MITT ROMNEY, Utah
ROB PORTMAN, Ohio
TODD YOUNG, Indiana

C O N T E N T S

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

EUROPEAN ENERGY SECURITY: AMERICA'S ROLE IN SUPPORTING EUROPE'S ENERGY DIVERSIFICATION

THURSDAY, JUNE 9, 2022

U.S. SENATE,
SUBCOMMITTEE ON EUROPE AND REGIONAL
SECURITY COOPERATION,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:31 a.m., in room SD–419, Senate Office Building, Hon. Jeanne Shaheen, chairman of the subcommittee, presiding.

Present: Senators Shaheen [presiding], Murphy, Van Hollen, Johnson, and Portman.

OPENING STATEMENT OF HON. JEANNE SHAHEEN, U.S. SENATOR FROM NEW HAMPSHIRE

Senator SHAHEEN. This meeting of the Senate Foreign Relations Subcommittee on Europe and Regional Security Cooperation will now come to order.

I am pleased to be joined by Ranking Member Senator Johnson.

As we all know, supporting energy diversification in Europe is a key U.S. priority, and I hope that our discussion today is going to offer some ways in which Congress can best address this issue. I personally have been concerned that Russia's energy policy toward Europe was not just a simple transactional arrangement to provide oil and gas, but a tool that Putin could weaponize and, as we have seen, has weaponized to advance his foreign policy agenda. That has been a concern for a number of years in this committee. That is why I worked on sanctions legislation on Nord Stream 2 to prevent its completion and to deny Putin his ambition to further punish Ukraine for its pro-European aspirations.

Russia's unprovoked—illegal and unprovoked invasion—further invasion of Ukraine earlier this year brought an end to Nord Stream 2, fortunately, but it also shed light on the significant influence that Russia wields over Europe through its gas and oil exports. The Transatlantic Alliance is an agreement. Europe must work to end its dependence on Russian energy resources. I want to congratulate our European allies for making critical, but difficult, decisions to accelerate their strategy to end their dependency on Russian energy sources.

We must not forget the impact that these decisions have on households and businesses across Europe and here in the United

States. In the U.S., we have seen gas prices skyrocket, leaving too many families struggling as they experience high fuel costs. The same trend is true in countries all across Europe. Lowering fuel costs, increasing energy efficiency, and diversifying how we heat our homes is critical for Americans and for our allies and partners. That is why it is so important that just last week, the European Union announced a sixth package of sanctions that would end their dependency on Russian oil.

Furthermore, the European Union has accelerated its strategy to end its dependence on Russian gas by banning coal imports and establishing the EU Energy Purchase Platform, a voluntary coordination mechanism for the common purchase of gas, LNG, and hydrogen. This transition is important in the near term to stop petrodollars from flowing to Russia and funding the Kremlin's campaign to wipe Ukraine off the map. The effort is also important as part of our shared commitment to save our planet by investing in clean energy sources. At the COP26 Summit in Glasgow, the United States and our allies made ambitious, but critical, commitments to emissions reductions that will keep the target of limiting warming to 1.5 degrees within reach.

Speeding the transition to clean energy and ramping up energy efficiency feature prominently in Europe's proposed solutions to reducing their energy dependence on Russia, but of course, what is still unclear is how Russia's war on Ukraine has altered Europe's ability to uphold its commitments and meeting its targets. Yet the process of detaching Europe from its reliance on Russian energy sources is complex and still politically fraught, as I am sure we are going to hear this morning. We have seen the challenges with Hungary's objections to the imposition of the ban on Russian oil.

Ending Europe's reliance on Russian energy must be a thoughtful process, one that is fully implemented to ensure loopholes and back doors are closed to Russian suppliers. I am eager to hear from our Administration witness this morning how these efforts to transition away from Russian oil and gas benefit both climate efforts and energy security, and I look forward to hearing the tools that the United States has to help countries in Eastern Europe, particularly those in the Western Balkans, reduce their dependence on Russian oil, and how that can help thwart Putin's effort to divide European unity and prevent aspirant countries that want to join the European family. The State Department, USAID, the Department of Energy, and the Development Finance Corporation are already playing a role in advancing these efforts, and I look forward to understanding how they fit into our broader strategy toward Europe.

We must find ways to urgently support our allies and partners across the Atlantic and find creative and effective ways to supply energy while maintaining our focus on reducing fossil fuel dependence. I hope this hearing will help us do just that.

With that, I turn to Ranking Member Johnson.

STATEMENT OF HON. RON JOHNSON,
U.S. SENATOR FROM WISCONSIN

Senator JOHNSON. Well, thanks, Senator Shaheen, and I will just ask for my written opening statement to be entered in the record

because it pretty well marries with an awful lot of things that you are saying there. Coming from the private sector, the last thing you would ever allow your business to do when there are multiple suppliers was become dependent on one. Here in the world, we have got multiple suppliers of oil, and gas, and coal, and yet Europe has allowed itself to become basically 40 to 45 percent dependent on Russia, knowing full well how they will use that geopolitical power for their aims, for Russia's aims. Of course, now we are witnessing it in Ukraine.

Just how dependent Europe is is pretty obvious now that we have this war in Ukraine, the—again, the unprovoked, the atrocities, the war crimes being committed right now. Europe cannot do much about weaning themselves off the oil, and so they continue to fund—through oil purchases, continue to fund the war effort, so it is a travesty. All of us, Democrat, Republican, multiple Administrations, have been warning Europe about it.

Hopefully, Europe will understand how vulnerable they have become and the ramifications of becoming this vulnerable in today's world. I am not sure there is much we can do about it right now. I will have some questions just in terms of exactly to what extent they have been able to begin the weaning process. I do not think it is much. We had a secure briefing, and it did not sound like much, did not have the exact numbers, but maybe we will get some more information from you today. This situation could have been avoided by long-term planning and just applying basic business principles. Again, as a business, you would never get yourself in this position when there are multiple suppliers for this kind of material.

So anyway, I appreciate you holding this hearing. It is an important one and look forward to the testimony.

[The prepared statement of Senator Johnson follows:]

Prepared Statement of Senator Ron Johnson

Thank you Senator Shaheen. Today's hearing will examine Europe's efforts to reduce its reliance on Russian energy and U.S. policy options for supporting this goal. Russia's February invasion of Ukraine appears to have finally shaken Europe out of its lethargy on this issue. For years, the United States and some EU member states have warned about the geopolitical dangers of relying on Russian energy imports. Those warnings were largely ignored, and Ukraine is now paying a horrific price. It is critical that European leaders seize this moment to adopt a realistic strategy for achieving energy independence as soon as practicably possible.

This subcommittee held a hearing on European energy security back in December 2017. At that time, the EU was the world's largest energy importer, with a daily bill totaling more than 1 billion euros. Russia was the EU's main supplier, accounting for more than a third of Europe's natural gas imports. Four years later, European reliance on Russian energy, particularly natural gas, has gotten worse. In 2021, Russian natural gas imports rose to an astonishing 45 percent of EU imports and 40 percent of total EU gas consumption. Over the last 3 years, and despite the best efforts of this Congress and the prior Administration, leading EU member states green-lighted the 767-mile long Nord Stream 2 pipeline which would have added another 55 billion cubic meters of Russian gas import capacity to Europe—the project only being paused just before Russia invaded. Even with Europe scrambling to reduce energy payments to Russia after the full-scale February invasion, by the end of April, the EU had already spent an estimated $44.7 billion on Russian imports since the war began. In sum, years of willfully blind energy policy has made weaning Europe off Russian energy a more difficult task. Fortunately, at least now there appears to be agreement that it is necessary.

Since the invasion, the EU has adopted a number of measures aimed at reducing its reliance on Russian energy. Most recently, on May 30, the EU agreed to ban im-

ports of Russian oil delivered by tankers—an estimated two-thirds of Russian oil imports. This represents the most significant step taken by the EU to cut off Russian energy and even this step took weeks of wrangling in the EU parliament and will not fundamentally change Russia's dominance in the EU energy market nor cripple the Kremlin's ability to finance its atrocities in Ukraine. A major underlying problem that needs to be addressed is that EU domestic energy production, apart from renewables, has been decreasing steadily over the last two decades. This slackening production, moreover, has largely been elective, as the EU has prioritized clean energy goals over energy independence. Reversing this trend will undoubtedly be a major piece of any long-term solution to curing Europe of its addiction to Russian energy.

In the past, it has not been uncommon for U.S. allies in Europe to rebuff U.S. efforts to promote European energy independence from Russia. There should no longer be any doubt as to the appropriateness of U.S. concerns on this issue. Peace in Europe is a core U.S. interest, and Europe's security is deeply impacted by its energy independence or lack thereof. The United States stands ready to help; we only ask our European partners to tackle this challenge with the urgency it so clearly requires.

I look forward to hearing from our witness today about Europe's strategy to decrease its reliance on Russian energy and the Biden administration's plan to support this critical goal.

Senator SHAHEEN. Thank you, Senator Johnson, and I know our witness today is going to shed light on all of those issues. He is U.S. presidential coordinator for energy security, Amos Hochstein.

Mr. Hochstein brings deep expertise in the energy sector. He has worked on U.S. energy policy at the State Department in several different roles, including leading the Department's Bureau of Energy Resources. He has also spent time on the Hill here in both chambers as senior policy advisor to the Foreign Affairs Committee of the U.S. House and as an advisor to Senators Chris Dodd and Mark Warner. Mr. Hochstein also has experience in the industry. He has advised both domestic and international oil and gas companies, and his perspective on the energy sector from so many different angles, as well as his expertise on energy markets, informs his testimony today and makes him an excellent witness for this discussion.

So we will submit your entire testimony for the record and ask if you could try and keep your opening remarks to the 5-minute window. So we very much appreciate your being here in person this morning. Thank you.

STATEMENT OF AMOS HOCHSTEIN, PRESIDENTIAL COORDINATOR, U.S. DEPARTMENT OF STATE

Mr. HOCHSTEIN. Thank you, Madam Chairman, and Ranking Member Johnson, and members of the subcommittee. Thank you for the opportunity to discuss the Administration's efforts to support energy—Europe's energy security.

Putin's war of choice against Ukraine has affected global energy prices and underscored the imperative to diversify away from Russian energy dependence while accelerating the clean energy transition. The Biden Administration supports Europe's efforts to achieve these goals in real energy security while depriving Putin of the economic revenues underwriting his war. This is not easy. Europe's dependence on Russian energy is significant and longstanding, and Europe will face difficult decisions in these efforts.

The United States has long recognized the vulnerability that dependence on Russia poses to European energy security. The President and members of this committee have focused on this issue for

several years. In 2021, Russia provided around 45 percent of the EU's total natural gas imports and 27 percent of oil imports, and we can see that Russia is leveraging its fossil fuels as a weapon. The evidence for that is quite clear. Examples of Gazprom cutting off natural gas supplies are numerous from Poland and Bulgaria to Finland, Netherlands, and Denmark. We have been working in lockstep with Europe to respond decisively.

In the fall of 2021, we began working to divert LNG cargoes to Europe to avoid winter blackouts and shortages. In the first 4 months of 2022, the EU and U.K. imports of U.S. LNG more than tripled compared to 2021, and, on average, U.S. companies shipped 7.3 billion cubic feet, or bcf, of LNG to Europe per day, accounting for 49 percent of LNG imports. The United States is now the largest supplier of natural gas to Europe, and Europe is taking steps to secure its energy supply. Finland reached an agreement with an American company, Excelerate, to get a floating storage and regasification unit in place by October that will allow Finland and Estonia to import additional LNG this winter. This builds on previous decisions by individual countries to voluntarily reduce imports of Russian fossil fuels.

Addressing the threat Russia poses to European energy security is not a simple task, as I said. Russia is one of the largest global producers and suppliers of fossil fuels. In 2021, Russian oil production reached 10.5 million barrels per day, making up 14 percent of the world's total supply, and exports to Europe total 2.4 million barrels per day.

The Administration has been working tirelessly to take actions that support energy—European energy security. With the International Energy Agency, we initiated two historic collective releases from the Strategic Petroleum Reserve, including a U.S. contribution that put 1 million extra barrels of oil per day for 6 months on the market. We supported cooperative initiatives with Europe to shift rapidly from Russian fossil fuels while accelerating the clean energy transition. On March 25 this year, President Biden and European Commission von der Leyen—President von der Leyen, announced a joint task force to address European energy security. It has two goals: to diversify Europe's natural gas imports in the short term and reduce demand for fossil fuels in line with our share to climate and energy goals—clean energy goals. When Putin unilaterally violated his contract and illegally cut off gas supplies to Poland and Bulgaria, which went from a 95-percent dependence on Russia to zero literally overnight, we took swift collective action to support their efforts in identifying alternative LNG and pipeline gas supplies, and even that is not enough.

While LNG diversification work has received a great deal of attention, our efforts with the EU on increased energy efficiency—and I know, Madam Chair, that you have done a lot of work on the efficiency side of this equation—and demand reduction have an equal, if not more important, role in Europe's long-term energy security. The most effective way to reduce demand for Russian fossil fuel is to reduce dependence on all fossil fuels. The President has been clear. We have to advance these goals in parallel, diversifying away from Russia while accelerating the clean energy transition.

The U.S. and Europe are advancing energy demand reduction in the near term through facilitating smart technology deployment, increased energy efficiency, and renewable energy integration. We are working with the EU to engage key stakeholders to achieve that goal, and the EU plans to spend $56 billion on these efforts. We welcome EU and member states' efforts to accelerate that transition to reduce the dependence on fossil fuels. They are expediting approvals for renewable energy projects. Just for example, full permitting for a ground-mounted solar project in the EU takes 4-and-a-half years. A wind project takes almost 9 years. Reducing these times will accelerate the clean energy transition and decrease Europe's dependence on Russian fossil fuels.

The Administration prioritizes strengthening Europe's energy security, and in these critical times, our cooperation has only strengthened. We are working alongside our European allies and partners to move away from Russian fossil fuels and towards a clean energy future and talk to them literally on a daily basis.

Thank you, and I look forward to addressing your questions.

[The prepared statement of Mr. Hochstein follows:]

Prepared Statement of Mr. Amos Hochstein

Chairwoman Shaheen, Ranking Member Johnson, and members of the subcommittee, thank you for the opportunity to discuss the Administration's efforts to support Europe's energy security.

Putin's war of choice against Ukraine has affected energy prices around the world and has underscored the imperative to diversify away from Russian energy dependence while accelerating the clean energy transition. The Biden administration has worked to support Europe's efforts to achieve these goals, and real energy security, while depriving Putin of the economic revenues underwriting his war. This will not be easy—Europe's dependence on Russian energy is significant and longstanding. It will take time to change course from decades of policy, and Europe will face difficult decisions in their efforts to reduce that dependence.

The United States has long recognized the vulnerability that dependence on Russia poses to European energy security. Indeed, the President and Members of this Committee have focused on this issue for several years. Europe's reliance on Russian fossil fuels did not happen overnight—and European leaders have acknowledged it will take time to phase out these dependencies. In 2021, the EU relied on fossil fuels for more than 70 percent of its energy needs, with some countries almost entirely dependent upon Russian sources. Russia provided around 45 percent of the EU's total natural gas imports and 27 percent of oil imports. And we can see today that Russia is leveraging these exports and its fossil fuels as a weapon. The evidence is clear—examples of Gazprom cutting off natural gas supplies are numerous, from Poland and Bulgaria to Finland, the Netherlands, and Denmark.

Make no mistake, though, we have been working in lockstep with Europe to respond through decisive actions. Our close cooperation started in the fall of 2021, when we began working to divert LNG cargoes to Europe. We continued these efforts through the winter to help Europe avoid winter blackouts and shortages. And the United States continues to play its part in supporting European energy security. In the first 4 months of 2022, EU and UK imports of LNG from the United States have more than tripled when compared with 2021. U.S. companies on average shipped 7.3 billion cubic feet of LNG per day to the region and accounted for 49 percent of the region's total LNG imports. The United States is now the largest supplier of natural gas to Europe. And Europe is taking its own steps to secure its energy supply. For example, Finland has reached an agreement with an American company to get a floating storage and regasification unit in place by October that will allow both Finland and Estonia to import additional LNG this winter. This builds on the previous decisions by individual countries, such as Germany, Estonia, Latvia, Lithuania, and Poland, which previously announced their intent to voluntarily reduce imports of Russian fossil fuels.

Addressing the threat Russia now poses to European energy security is not a simple task. Russia is one of the largest global producers and suppliers of fossil fuels, particularly oil and natural gas. In 2021, Russian crude and condensate oil produc-

tion reached 10.5 million barrels per day (bpd), making up 14 percent of the world's total supply, and exports to Europe totaled 2.4 million bpd. Russia's natural gas exports to Europe through pipelines totaled around 150 billion cubic meters or bcm, in 2021, and Russia exported 40 bcm of LNG in 2021 globally, accounting for 8 percent of the world's supply and making it the fourth-largest exporter of LNG. The Administration has been working tirelessly, engaging global allies, partners, and friends, as well as the private sector, both domestically and internationally, to take actions that support European energy security. We have achieved notable success, including working with allies to redirect LNG cargoes to Europe. In conjunction with our partners in the International Energy Agency, we initiated two historic collective releases from the Strategic Petroleum Reserve, including a U.S. contribution that put 1 million extra barrels of oil per day on the market over 6 months. And we have supported cooperative initiatives with our European allies and partners to shift rapidly from Russian fossil fuels while accelerating the clean energy transition.

On March 25 of this year, President Biden and European Commission President von der Leyen issued a joint statement on the creation of a joint task force to address immediate actions toward achieving European energy security. It has two distinct yet equally important goals: (1) diversify Europe's natural gas imports in the short term and (2) reduce demand for fossil fuels in line with our shared climate and clean energy goals.

When Putin unilaterally violated his contracts and illegally cut off gas supplies to Poland and Bulgaria, which went from a 95 percent dependence on Russia to zero, we took swift collective action to support their effort in identifying alternative LNG and pipeline gas supplies. The United States and European Commission are also working to reduce the greenhouse gas intensity of natural gas infrastructure across its entire value chain in Europe to sustain progress toward our shared climate goals, including on the development of new LNG infrastructure. This effort will include using clean energy to power onsite operations at LNG facilities and reducing methane leakage during production and transmission.

While LNG diversification work has received a great deal of attention, our efforts with the EU on increased energy efficiency and demand reduction have an equal, if not more important, role in ensuring Europe's long-term energy security. The most effective way to reduce demand for Russian fossil fuels is to reduce dependence on all fossil fuels. The President has been clear we need to advance these goals in parallel, diversifying away from Russian fossil fuels while accelerating the overall clean energy transition.

The United States, the European Commission, and EU member states are advancing energy demand reduction in the near-term through facilitating smart technology deployment, increased energy efficiency, and renewable energy integration. We are working with the European Commission to engage key stakeholders, including the private sector, to get technologies like heat pumps and smart thermostats into homes. We are exploring how we can accelerate deployment of these technologies as quickly and efficiently as possible by meeting with national and private sector counterparts.

We also welcome EU and member states' efforts to accelerate the clean energy transition. The Commission has proposed increasing the EU-wide target for renewables from 40 to 45 percent of total energy production by 2030 and setting a more ambitious binding energy efficiency target. According to the European Commission's own REPowerEU proposal, the adoption of smart thermostats and heat pumps in residences can replace 15.5 bcm of gas demand this year. To reduce dependence on fossil fuels, the EU is expediting planning and approval for renewable energy projects. For example, full permitting for a ground-mounted solar project in the EU currently takes 4 and a half years—and a wind project takes 9. Finding ways to cut down those wait times will accelerate the clean energy transition and decrease Europe's dependence on Russian fossil fuels.

In our engagement with European Commission counterparts, we agreed on the importance of quickly scaling up the deployment of smart technologies to increase energy efficiency and reduce demand. EU member states outlined plans to reduce demand through electrification of the largely gas-dependent heating sector, public outreach to turn down thermostats for residential heating, and increased deployment of heat pumps in anticipation of the winter heating season.

The Administration prioritizes strengthening Europe's energy security, and in these critical times, our cooperation has only strengthened. We are working diligently alongside our European allies and partners to move away from Russian fossil fuels and towards a clean energy future.

Thank you. I look forward to addressing your questions.

Senator SHAHEEN. Thank you very much for your testimony.

So as you talk about the various ways in which we are trying to help Europe, what do we see as the biggest challenges? I assume that over the summer, things will remain relatively stable, but when we get into the fall, as we look at the ongoing war and the winter coming, what particular challenges are there, and what more can we do to be helpful?

Mr. HOCHSTEIN. Well, as you stated, this is really difficult, and, as Senator Johnson just said, Europe has put itself in a really precarious position, and, we, the United States, are now in the position to help him get out of this precarious condition. We have, for the last—at least for the last 10 years, 12 years that I have worked on—intensively on energy security in Europe, I have been trying to get them to understand the danger of relying not just on one supplier, as Senator Johnson said, but on Russia as being that one supplier when they have proven time and again that they will use that for political purposes and political leverage.

So what we have done so far, trying to accelerate the LNG from the United States from Qatar, from Australia into Europe. Last winter, we identified the crisis before the Europeans did, before the war even started. We used our diplomatic efforts with purchasers around the world to see if they can accept less gas in their storage, still to secure their demand, but to lessen storage and divert those cargoes to Europe. That and a—the God effect of a mild winter saved us from having actual shortages, but that is how close we got to depleting, going to zero.

Russia started this process long before the war. From May of last year, they started undersupplying Europe with gas to make sure that by the winter when they launched the war, gas supplies would be low. So what we are trying to do is to see what can we—how can we work within the market forces to see if we can identify rerouting of gas to Europe on an urgent basis and reduce the demand itself. That is the hardest task. The first year is going to be very difficult. The summer is the most important period because we need to build up the stocks and the reserves for storage in Europe that are at a low level now. Europe uses the summer to fill and the winter to use. So we have to get—by November 1, we have to get to somewhere in the 85 to 95 percent of storage across Europe. That is a really tall ask, and we are working on that tirelessly.

Senator SHAHEEN. So can you talk a little bit more about what is going on with respect to the demand side and to energy efficiency? As we know, the—that is the cheapest, fastest way to deal with our energy needs, energy that is not used, does not have to be produced. I know Ukraine, and for all that I really admire what they are doing, from an energy perspective, they have been most—one of the most energy inefficient countries in Europe. So what is happening that can really focus more on that efficiency side in ways that help deal with the energy needs?

Mr. HOCHSTEIN. So the issue in Europe is that gas is—does not compete really with renewables all that much because gas is used for heating and not for power in most countries. So we would need—in order to get the—move it to renewables, we would have to electrify the heating system, so that is a step in between. So we focus not just on moving to renewals, but rather using technologies that are used in a—sort of widely used in the United States, but

not in Europe. We use smart thermostats in the United States far more than in Europe. They are—they are—they are very rare in Europe, and that alone could save 6 to 10 bcm of gas demand just if we can get 10 percent of homes to use those kinds of technologies. Heat pumps. If we can get more of those into the system, we can reduce it, as you said, take away the demand for the molecule itself.

On oil, it is even harder because the supply is really constrained around the world. We are suffering from gasoline prices in the United States, and Russia is such a big supplier into Europe, but beyond just oil, it is about the refined products, so gasoline, diesel. We, as a result of the pandemic, lost a lot of those capabilities and capacity that is not coming back, so we have to be more efficient, and we have to accelerate the efficiency levels and the alternatives to oil and gas in Europe as much as we can. It is not just about the United States. It is about looking at what is happening in North Africa, the East Med, more efficiency in Norway, and rerouting all these pipeline gas systems to support Europe while we work on the efficiency.

Senator SHAHEEN. Thank you. Senator Johnson.

Senator JOHNSON. So I am a numbers guy, and kind of looking at my prep material here, we are going from, on your testimony, billion cubic feet, then billion meters. This is just—I tried to make head nor tails. It is pretty difficult. So let us here, because what I really want to get at is to what extent have the imports from Russia on natural gas, oil, and coal, to what extent have we reduced those over the last 100 days of this war? I mean, how successful have we been? I mean, obviously, we have increased shipments from LNG from the U.S. That looks pretty impressive in terms of 4 times the region's total, but where do we sit on a macro basis?

Mr. HOCHSTEIN. So what is happening—I think you are right. What is happening is less about how much oil is going off market or how much gas is being shut out of market from Russia and how much of it is being rearranged to some degree. So the reason that you are seeing so much gas coming into Europe from the United States and from Qatar is because the Russian gas is not—is moving in other directions. So they have prioritized the Chinese pipeline. The LNG is still going, but they were beginning from such a low threshold, that even if they continue to buy the Russian gas, which they are, they need more just to get to the starting point of the winter.

On oil is where the rearrangement is happening. So you are seeing a lot less oil going into Europe on a seaborne and going more towards India. So you have seen the Indian numbers in the press. They have gone from less than 100,000 barrels a day on average, Russian supply, to close to 800,000. China has increased its purchases from Russia. That means two things. One, the voyage is shorter, so Russia now has to sell it with shipping costs that are far greater, and because those countries know that there is constraint on Europe and the United States banning or constraining the purchase, the discount to the Russian oil is getting—is wider and wider. So we are getting reports in the press and from industry of significant discounts for Russian oil. So it is less about the volume coming down and more about the revenues.

We also know that some of the production——

Senator JOHNSON. So what is your estimate in terms of the reduction in revenue then to Russia? So in other words, they are probably selling the same amount of oil, gas. It is just going to different places, but because it is going different places, they have increased transportation costs, and people are taking advantage of situation and not paying as high a prices as Europe was paying.

Mr. HOCHSTEIN. Correct.

Senator JOHNSON. So do you have—do you have some kind of estimate in general? First of all, how much on an annual basis or monthly basis—what is the revenue estimate for Russian sale of fossil fuels? Do you kind of have that basic number?

Mr. HOCHSTEIN. I do not think I have that number in front of me. I have that number. I just do not have that specific number in front of me, and I can get that to you after the hearing.

Senator JOHNSON. Do you have a kind of sense then in terms of the percent reduction then, based on they had transportation costs and the discounts that they are having to sell to these other places?

Mr. HOCHSTEIN. So in most cases there, if you do the combination of both, they are looking at, in some cases, between $20 and $30 discount to Brent. So with Brent being very volatile, I would have to calculate, but today we are at $120 Brent. About 10 days ago, we were at $110, and 10 days before that we were at $105. So you have to look at the Urals, which is the Russian grade, trading at somewhere in that $20 to $30 discount.

What we are seeing, though, is—which will only manifest itself a little bit later, is that their production levels are coming down—starting to come down. So they can export the same amount because their demand is down, because the economy in Russia is down, so the demand is down, and they are putting less in storage. That is going to take some time to catch up where production levels are down. The production levels are down because Western companies have left, so maintenance, parts, equipment, expertise are gone, and as time goes by, that starts taking more and more of a hit—somewhere in the 5 to 15 percent is the estimate—on any field that was managed by either a U.S. or European company.

I will try to do a better job and get some specific numbers——

Senator JOHNSON. Can you—do know what the cost of Brent was a year ago at the start of this Administration?

Mr. HOCHSTEIN. So before, I would say, last summer, we were in the $70s. We ramped up as the—ramped up to about $86 in November as COVID started easing, then we got Omicron fears and prices went down again on the fear that we would go to lockdown. Already then, we have the estimates where we are going to $100 because of a supply demand. Once the—once the troops started amassing on the border in December/January, prices started really going up, and then we were stable in the $100 to $110, and only in the last couple of weeks we have gone to $120.

Senator JOHNSON. So I guess my point to this quick analysis is that the price increased more than the discount that they are recognizing right now——

Mr. HOCHSTEIN. Correct.

Senator JOHNSON. —because they are selling to other places. So Russia is actually in a better position revenue-wise, it appears, at this stage in the war than they were at the start of the war.

Mr. HOCHSTEIN. I cannot deny that.

Senator JOHNSON. Well, I am not——

Mr. HOCHSTEIN. —revenue.

Senator JOHNSON. No, it is just unfortunate.

Mr. HOCHSTEIN. It is very unfortunate.

Senator JOHNSON. It is an important fact for the U.S. to realize that they are actually probably getting more revenue from their sale of fossil fuels globally at this point, 100-plus days into the war, than they were at the start of the war.

Mr. HOCHSTEIN. Than before, I would say, a couple of months before the war started——

Senator JOHNSON. Right.

Mr. HOCHSTEIN. —because by the time the war starts in February——

Senator JOHNSON. It was already ramping up. Okay. I got you.

Mr. HOCHSTEIN. It was already ramping up.

Senator JOHNSON. Okay.

Mr. HOCHSTEIN. So it was definitely before the war. I will note, coming out of COVID, the demand increase that we are seeing around the world is far greater, stronger than anyone expected, especially since 6 months ago we thought we were going into lockdowns, and people were saying that we may be at $50 oil, and——

Senator JOHNSON. Yes. No, again, my whole point here is——

Mr. HOCHSTEIN. I agree with your point.

Senator JOHNSON. Yes, my whole point is, is Russia in a better position or a worse position 100 days in this war vis-a-vis the revenue they are getting off their fossil fuel, and they are, unfortunately, in a better position. Regardless of all the sanctions, all the—all the pressure, all the substitution and that type of thing, they are getting more revenue today than they were certainly a few months before the war.

Mr. HOCHSTEIN. I think if you look at it narrowly just on price they get per barrel sold, then I would agree with you on that. I think the broader picture is that they have a harder time getting the money back into Russia, so some of the money sits in accounts outside of Russia, so they cannot utilize those revenues because of restrictions on bank transfers, et cetera, and currency. They have a harder time spending that money, and they cannot take care of their fields. So that is what I—my point before. Their production is starting to actually decline.

So I would argue that, narrowly, on revenue per barrel, yes, but broadly, no, they are in worse—they are in far worse shape, and they will not be able to cover their natural declines and their aggressive declines, so, and they know that. They are trying to work every which way in order to get parts and other things in order to prevent—because that is—that is calamitous for them over the next 6 months.

Senator JOHNSON. So these are the kind of questions I was asking in our secure briefing with the intelligence folks from the State Department. They did not have the answers. You have actually

given me some pretty good information, which I appreciate. I still do not have the full story, so if you have that analysis, I think it is an important one for policymakers to understand exactly what is happening here, to what extent Russia is really getting squeezed. Right now, it does not—it just does not seem like they are getting squeezed that much, so but anyway.

Mr. HOCHSTEIN. In a secure format, I can give you a little bit more than what I have given you here on their picture on the hit to their industry, but I think on that would be difficult for me to do that here.

Senator JOHNSON. Okay. No, I appreciate that. Thanks.

Senator SHAHEEN. Thank you, Senator Johnson. Senator Murphy.

Senator MURPHY. Thank you very much, Senator Shaheen, for convening this important hearing. Amos, good to see you. You are a truly indispensable person in our fight to try to make sure that Russia pays a price for their aggression and that we move Europe forward on a path towards energy independence. I thank you for everything you are doing.

I am not going to ask you a question about Saudi Arabia, but I know that you are deeply involved in the effort to try to unlock additional resources from our Gulf partners. I will just say I have been incredibly unimpressed by the commitments that they have made. I think there is great doubt as to whether it will actually move the needle on global pricing. I also note that at the same time that they are increasing production, they are also increasing their official selling price for refiners in top destinations in Asia and Europe, signaling that they are still very much looking to use this crisis as a means to increase their profit taking. So I think we have a lot more work to do on that front.

I do want to stick to the topic at hand, though, and talk about what capacities we have to try to help our friends in Europe. I note that we just passed $40 billion dollars in assistance for Ukraine, and nowhere in that package was hard dollars to try to help our friends and allies in Europe become energy independent. That remains very strange to me that we spend billions of dollars on our Russia and Ukraine policy, and yet we do not seem to put real hard dollars into the projects that are necessary to break these countries free from Russian dependence.

Senator Shaheen and I were in Serbia about a month ago, and they were talking about a small project to lessen their dependence on Russian gas in which their shortfall was $20 million, and there was not a clean way for the United States make that up. Twenty million dollars is a drop in the bucket when it comes to the amount of money that we are sending into the fight in Ukraine. You and I have had this discussion, but just for the record, should we not as a legislative body be thinking about giving the Administration additional tools with which to use on the European continent to try to help some of these energy independence projects that sometimes have trouble getting funded through European or private channels?

Mr. HOCHSTEIN. Senator, yes, I fully agree. I am not in a position to tell the legislative branch what to—what to do, but I think that we—it is sometimes staggering how small the number is for what we—that would actually make an impact. As we look at—and I do

not want to only focus on the gas side because you are right. When it comes to Bulgaria and Serbia, their total demand is 3 bcm a year. That is it, and we can see a government in Bulgaria that falls literally on the concerns for gas sales from Gazprom, the cutoff, where really small numbers would have helped us to be able to do that.

That does not necessarily mean that the U.S. taxpayers should pay for gas in Bulgaria. That is not—anyone suggesting that. To give financing for some facilities that could help them do that the way that we have done with Ukraine in 2014, to Romania, the Czech Republic, and some others—Poland—would like to expand their nuclear power SMRs, which we are supporting American technologies of SMR that can be deployed far faster for less money, but need support on the financing side. Those are things that we can do. Changing around some of the routes from Central Asia and other places around the East Med could benefit from our support as well.

So there are things that we can do if we had the resources and the authorities to do that through the DFC and others.

Senator MURPHY. So, listen, I think it is simply extraordinary what you and your team have been able to do. You mentioned Bulgaria. Behind the scenes, we have, I think, provided substantial help and assistance to Bulgaria to try to manage this energy crisis. I would just argue that there is more capacity, more tools we could give you. Senator Johnson and I have written and passed legislation increasing DFC's capabilities, but we can do more. Can you just have give a word—my time is up, but can you just give a word on India? Obviously we have seen this dramatic increase in exports to India. They are a critical partner. What are the—what does sort of the future look like of the Russia-India energy relationship, and what can we be doing together to try to talk to our friends in India about the consequences of continuing to ramp up their dependence?

Mr. HOCHSTEIN. So obviously, the relationship with India is critical from energy strategically in the region for a variety of reasons, and energy is just one of them. In my conversations with them, I have said, look, I understand—I cannot—we do not have secondary sanctions that can ban your purchases, but as you increase your purchases from Russia, I would ask two things. One, do not go too far, and do not look like you are taking advantage of the pain that is being felt in European households and the United States. Second, make sure you negotiate well because if you do not buy it, nobody else is, so you have an advantage here. It is a very difficult conversation——

Senator MURPHY. Yes.

Mr. HOCHSTEIN. —because the Indian economy is so dependent on these imports, and their inflation is worse than ours, and the impact as such a big importer compared to the U.S. being a producer, it hits them a lot harder than hits us. So it is a balance. I think there is a ceiling to what they will take and how much they will increase further, but we will have to see as we go.

Senator MURPHY. I think it is a policy question for this committee and for this Congress as to whether this has an effect on our growing enthusiasm for the U.S.-India relationship and our willingness to look the other way as they have more deeply inte-

grated themselves with both Russian energy sources and Russian military equipment.

Thank you, Madam Chair.

Senator SHAHEEN. Thank you, Senator Murphy. I want to pick up. Senator Murphy talked about Serbia and what is happening there. As he said, we were there at the end of April, and obviously that is—Serbia and the Western Balkans are one of the places where Russia still has a fair amount of influence and has the potential to disrupt stability and make things more difficult, and energy is one of those areas that helps them do that. Having said that, I have noted with great interest that President Vucic entered into a very favorable gas agreement with Putin, and I wondered if we have any sense of whether this deal was done as part of relations with Serbia and Russia re-warming, or is it the result of Russia seeing their usual customer there and being able to continue to sell them the gas that they need. So do you have any sense of what the geopolitics around that are?

Mr. HOCHSTEIN. I think Russia will offer a discount right now to anybody who will agree to pay, and anybody who will agree to sign a contract, they will get a discount. Gas has traditionally not been about revenues. It has been about politics. Oil has been about revenues in the Russian system. It is not they do not want to make money, but that has been sort of the division of labor between those two.

I am not sure that the agreement with Vucic with Serbia is—has entered into force yet. It is for a 10-year extension. I think they got a 6-month extension that has now expired. I have talked to him around the same time of your visit on the phone a couple of times. He knows what our expectations are and that if he wants to continue on his accession to the EU, which we—which we support him taking the steps necessary for that. We also think that his alliance with the West and with Europe needs to be—being cautious of putting his entire basket, even though it just 3 bcm, into the Russian basket.

However, we are going to have the Bulgaria-Serbia interconnector complete soon. We are going to have the interconnector of Greece-Bulgaria complete, by September will be operational, something that we have been working on for years. There is going to be a new LNG terminal in Albania and in Greece. So there will—right now, he has no other options. There is literally no other interconnect except for Gazprom. So my hope is that as we go forward, we are going to—we are showing him that there are alternatives, so please do not get into a 10-year agreement when within the next few months, I may have some other options for you.

Senator SHAHEEN. Well, we also heard from President Vucic that he was very interested in ending Russia's majority role in the oil company, NIS, and would that—if he is successfully able to do that, will that have any impact on Russia's oil supplies or the energy relationship between the two countries?

Mr. HOCHSTEIN. I think that would be a really good step to take towards more independence. I am aware of the statements he made to you on his efforts and to others. I have not seen yet the action taken, but I think he is under discussions with the EU, with the Council, and the Commission, for the tools to be able to do that le-

gally. We will have to continue to follow up, and I can follow up with you on those conversations separately.

Senator SHAHEEN. That would great. Can you also go into a little more detail on what we can do that is helpful in terms of the Western Balkans and energy issues? We are working on legislation right now to try and address some of—some of the concerns in that region, and obviously energy is one of those big issues. Are there specific aspects of energy that we ought to be looking at in legislation, or do we think that that is important as we are looking at legislation for the region?

Mr. HOCHSTEIN. Well, first, I think the Western Balkans are important because I think what we are seeing today is years of us not paying enough attention——

Senator SHAHEEN. Right.

Mr. HOCHSTEIN. —to the Western Balkans and allowing the situation continue. We have to be able to marry—I believe we have to be able to marry our political agenda, our policy goals with economics. If we ignore the economic side, we will not achieve the political ends because we cannot ask people to continuously make very large economic sacrifices for our political—for political goals with no benefit on the economic side on the other end of it. So that is why we worked on the Krk. If you take it as a whole, the Krk LNG terminal now is operational in Croatia that most people, when I came up to brief here many years ago, told me it would never happen.

An LNG terminal in Greece. We are trying to see if there could be a possibility for a LNG FSRU, so a floating LNG terminal in Albania, redo some of the connections between Bulgaria and Serbia, and between Greece and Bulgaria ultimately to Serbia. If I can do all those things, and that can work in Central Asia to increase the supply from Azerbaijan by interconnecting and working more closely with in Turkmenistan and Kazakhstan, and with the agreement from Turkey, you are looking at a really substantial change of the map if the infrastructure exists. As we stand today, I do not even have the infrastructure to deliver energy supplies into the Western Balkans and to compete.

The Turk Stream 2 pipeline. Everybody talks about Nord Stream. The Turk Stream 2 is as damaging as Nord Stream was, and we fought against it really hard. Unfortunately, that got built, but we have to—we have to counter it with actual physical volumes that have the infrastructure to get across the entire region. What I have just described is a huge step forward, but not enough.

Senator SHAHEEN. Thank you. Senator Johnson.

Senator JOHNSON. Do you want to let Senator Van Hollen go?

Senator SHAHEEN. That would be great. Senator Van Hollen.

Senator VAN HOLLEN. Thank you, Senator Johnson, and, Senator Shaheen, thank you for calling this hearing. Mr. Hochstein, thank you for all your great work on this front.

I really want to pick up on a point that Senator Johnson made earlier and Senator Murphy with respect to those countries that are taking advantage of the situation in Ukraine. You have worked very hard, the Administration has worked hard to get our European partners to put together a plan to reduce and phase out reliance on Russian oil, and that comes with a price of higher energy prices, which their people are willing to tolerate because of the

cause. You have other countries that are increasing their imports of Russian oil at discounted prices, essentially, in my view, war profiteering. Can you talk about the Administration's plan? I heard in response to Senator Murphy, in India you said, well our—we are saying to them just do not go too far. That does not seem to me to be a clear enough line here.

We are exploring the idea of secondary sanctions here, and I want to know what your view is on this question and how Europeans would respond if we collectively worked on secondary sanctions to prevent countries—it is not just India—from essentially exploiting the situation to their benefit while other countries' population are having to deal with the wartime sacrifice.

Mr. HOCHSTEIN. Well, Senator, I think the most important part of the policy, really critical for us to succeed in this, is to focus on the goal of reducing revenues for Russia while mitigating the negative impacts on the allies at the same time. That is the hardest part of this is how do you strike that balance to reduce the revenues and focus on reducing the revenues for Russia. So I do not necessarily look at it always as how many barrels have come off the market versus how much money is he making on it, and how can I reduce that in a way that mitigates what we are seeing here at home. I mean, look at the prices of oil of Brent crude, WTI crude here at home, and, of course, Europe is suffering from massive increases in gas, which is—are today almost triple the price in the United States.

So I know I am being a little bit vague on India, and I am happy to have a separate conversation on the exact nature of that conversation of what I think is too much and how much discounts we can push into the system. I can tell you that we are working with Europe very closely, and they have just passed the six package of sanctions that includes some sanctions on insurance and on supplies. We would like to see how we can use those sanctions to affect the broader market beyond the U.S. and Europe so that it achieves the goal that you are saying so that nobody is profiteering from the suffering.

Senator VAN HOLLEN. Right. No, I appreciate that, but we have to recognize that the reason that certain countries are getting Russian oil at a discount is because they are not able to sell that oil into places like Europe because of Europe's efforts. So it just seems to me that we need to be thinking about taking stronger action, and I am not talking about any one country in particular. I am talking about any country——

Mr. HOCHSTEIN. Yes.

Senator VAN HOLLEN. —where they are dramatically increasing their purchase of Russian oil. I understand the volume price issue, but, again, the fact that they are—Russians are getting less for their oil from those countries is a direct result of the fact that other countries are paying more.

If I could turn quickly to the situation in Lebanon, which, as you well know, and we have had conversations in the past about this, is a huge—continues to be a huge economic problem. A while back, Hezbollah worked to exploit the energy shortage situation by trying to bring in uranium and oil from other places. Our ambassador to Lebanon, and you, and others came up with a more innovative ap-

proach to try to transfer Egyptian gas and Jordanian electricity in Lebanon in a way that still would not benefit the Assad regime. Can you provide an update on where we are? This process has taken a lot slower than some of us hoped.

Mr. HOCHSTEIN. It sure has been a lot slower than some of us hope, and I am one of those. We have given them a—some comfort and preclearance to, based on the information we had, to move ahead on the sanctions, but I want to be clear that that will be determined when the contracts are signed. Lebanon has been negotiating with Egypt. I believe those negotiations are now complete. The negotiations with Jordan are complete. The arrangement of the barter agreement with Syria, I believe, is near completion. They will be meeting this week. My hope is that over the next 10 days, 2 weeks or so, they will see if they can reach an agreement.

What makes it so difficult is that in order to stay out of the—benefiting Assad, this makes it very, very difficult, and that is why it has taken such a long time. I have been very consistently in touch with all parties. I am hoping that we can get it there because a total collapse of Lebanon is not in the interest of any of the countries in the region or the United States. I believe that is—that is a unanimous view in the region that we have to do that. Today, Lebanon only has about 4 to 5 hours of electricity per day, so if we do not step into that breach, someone else will, and someone else has plans to, as you mentioned already, so we need to work efficiently.

We also have some other instability in Lebanon today between—as we have seen in the press, between Lebanon, statements that they have made about a ship arriving in Israel, and we hope that that does not escalate further. We have asked for everyone to just maintain the discussions, and we are hoping that we can resume our negotiations and mediation between Israel and Lebanon very, very quickly in order to calm things down from escalating further as they did rhetorically over the last few days.

Senator VAN HOLLEN. Well, thank you for your efforts to push this forward, and, Senator Johnson, thank you again.

Senator SHAHEEN. Thank you, Senator Van Hollen.

Senator Johnson.

Senator JOHNSON. You are more than welcome. More numbers. Does the Administration have any estimate in terms of what the war in Ukraine is costing the West on a monthly basis or any basis?

Mr. HOCHSTEIN. I do not have that number. I assume that that number exists somewhere between our support and the economic—the economic destruction in the energy market, food markets, and inflation, but would have to—I would have to have those who have that get back to you.

Senator JOHNSON. That would be a useful piece of information.

Obviously, the human toll is incalculable. Do you have any estimation terms of the—just the economic—the just, not economic, but infrastructure, I mean, just the damage done to Ukraine, what it is going to cost to rebuild?

Mr. HOCHSTEIN. Oh, I—again, I would have to get back to you on that number, but it is—you have seen the images that we have

all seen. You have had the secure briefings on the damage to the infrastructure. It is immense.

Senator JOHNSON. It is hundreds of billions. I am hoping we do not start using the "T" word.

Mr. HOCHSTEIN. Yes.

Senator JOHNSON. I mean, that is basically what we are talking about, right?

Mr. HOCHSTEIN. Yes, for sure.

Senator JOHNSON. So the reason I bring it up is, and the reason I had my earlier round of questions is to just kind of lay out here is the reality of the situation. As much as we would like to put the squeeze on Russia, it is very difficult to do so. People need oil. People need gas. People need energy. So it is just a shell game. You are just substituting I, and, yes, their revenue declines, but that is what is going to happen. So from my standpoint, I am kind of looking ahead, hoping at some point in time this war ends, then our attention is going to be turning to rebuilding Ukraine.

Mr. HOCHSTEIN. Yes.

Senator JOHNSON. It is going to cost hundreds of billions of dollars. Where are you going to get that money? From my standpoint, the best place to get that money is some kind of royalty off of Russian oil sales. Again, I am not saying this is going to be easy to implement, but we are already seeing Europe is willing to pay $120 a barrel while somebody else is paying $70. Gas prices, oil prices go up and down all the time. So is the Administration kind of looking ahead that way, and do you have any imaginative ideas in terms of how you can fund the rebuilding of Ukraine, potentially by using Russian oil and gas?

Mr. HOCHSTEIN. We are taking a look on a variety of options that go along the lines of some of the things that you have just said of looking how we can think on both of those issues, of the revenues to Putin, but also looking at—the day ahead of what happens and how do we generate revenues that will—can be used for reconstruction. I think they are not mature yet for a discussion here. We are also having that conversation with our European allies at the Commission and the member states, and with some of the G7 allies around the world to identify and to address that.

I think that the comments you have made are spot on and things that we are really looking at trying to come up with creative solutions to make sure that it works not just on paper, but in the—in the reality of the markets, that it is enforceable and works.

Senator JOHNSON. Okay. Well, I am glad you are thinking about it. I would not expect you to have a plan. I mean, it is going to be incredibly difficult to negotiate something, but as long as—I mean, I cannot think of a better source of revenue for that kind of rebuilding.

In our full committee hearing on Ukraine, I was really asking about the food—the grain situation. It did not sound like they were too many answers. I have not seen too many answers. I have seen some calls from the press for military flotilla to bring the grain out through the ports. There is rail, that type of thing. What is the current status, because we do not have months and months? We have got days and weeks before you are really facing severe food shortages around the world.

Mr. HOCHSTEIN. So we have a significant team that is working on it together with Ukraine, and with the EU, and specifically the European countries, right there to see how much we can get out as fast as possible. Obviously, Putin allowing ships to lift the blockade and allowing ships to leave the port would—that would—and not starve the rest of the world and cause so much damage to the global food supply would be the easiest ways to do it. We are trying to see how much grain we can get out and at what pace, and then how fast we can do it. I think that is a top-of-mind effort.

I will say on food security, the food energy nexus is quite significant, and I will tell you just yesterday, one of the U.K. companies shut down a fertilizer plant because of the high cost of natural gas. So we saw a number of plants shut down in September, and, again, in November, which is why I was able to see that we are going to—we were warning in the press in September and October that there will be a—there could be a food crisis if natural gas prices do not come because of that nexus. So we have these two issues. One is the supplier—that is, Ukraine and Russia being such a large supplier to the world, and the second, fertilizer plants and other things that—and the diesel required for planting season. All of these are very closely linked between energy prices and the food prices.

Senator JOHNSON. So I take from your answer the Administration is really looking at alternate modes of transportation than the normal one, which should be using the sea. Any quick estimates in terms of what percentage of the grain you can get out of the silos right now so they have a place to store the winter wheat when they harvest it?

Mr. HOCHSTEIN. Again, I will talk to the team that is doing that, and I think they do have an estimate for that, so I will make sure that you get that.

[The information referred to above follows:]

Ukraine currently has approximately 20 million tons of grain in storage. Overland routes have to-date moved at most 1.7 million tons per month. We are in close touch with Ukraine and European partners on grain transportation and storage needs, and how to meet them.

Senator JOHNSON. I am assuming it is also safe to say there is really no serious discussions about having a military escort for much—merchant ships and forcing our way in there?

Mr. HOCHSTEIN. I will leave that discussion to a different—to a different venue and people to discuss that.

Senator JOHNSON. Okay. Well, appreciate your testimony.

Mr. HOCHSTEIN. Let me just add, I was—just to answer your question from before, the estimate—the IEA's estimate is that Russia earned about $20 billion a month this past year on oil and gas revenues.

Senator JOHNSON. Thank you.

Senator SHAHEEN. I think I only have a couple more questions. I do not know if Senator Johnson does, so we will finish up very quickly. I did want to ask about grid interconnectedness and—because one of the things I was very pleased to see was that Ukraine was able to disconnect from Russia's energy grid and get into Europe's. I think it was at the Helsinki Commission hearing this week that one of the people testifying suggested that one of the things that would be really helpful would be to have France—if France

were to allow the grid interconnection to Eastern Europe so that the LNG from Spain could actually reach through. I know the MidCat Pipeline project also is in there, so it would take a number of steps, but how likely is that? Are negotiations under way to address that, and what is the progress? Do we think that France is interested in allowing that energy to pass through to Eastern Europe?

Mr. HOCHSTEIN. So two very important issues. So in the days leading up to the invasion, literally, I think, February 20th, we were finally able, and the Administration was pushing very hard on everyone involved, to allow for the grid of Ukrenergo, which is the Ukrainian grid, to connect to Europe. This is something that we—I tried to work on in 2015 and 2016. Europe was very resistant to it at the time, competition and so on, but they gave Ukraine a roadmap, and they fulfilled every single step. I have to say Ukrenergo was run as a clean, transparent, and very effective company and was able to fulfill that.

So we orchestrated a disconnection from Belarus and Russia in the days leading up to the invasion under the risk that Russia would not reconnect right after. That went very successfully. Following that, the ENTSO–E, which the association in Europe of the TSO, or the transmission system operators, allowed it to connect. So today, Ukraine is connected to the EU and not connected to Russia and Belarus, which was a key strategic imperative. Two, I think that we are actually at a point where we are going to be able to sell electricity from Ukraine into Europe this year. That will create both cash flow, to Senator Johnson's point about creating some cash flow in Ukraine. That will be able to—and we can expand that quite significantly, and these are not small amounts of money for Ukraine. Now sadly, Ukraine has the capacity to sell. Because of the war, their demand for electricity in Ukraine has been—is so low under these circumstances.

As far as France and Spain, look, this is an issue that we have been talking about for literally over a decade of seeing if there can be a more mature connection between Spain and France. Spain has an enormous amount of LNG capacity that is completely unused because they can transmit the gas to France, and then the grid can connect from there. I am truly hopeful that the lessons are learned and that that could finally be resolved. That has not happened yet, but I am truly hopeful that that can be addressed.

Senator SHAHEEN. So are there ways that Congress could be helpful on that?

Mr. HOCHSTEIN. Well, at the end of the day, these are decisions that France and Spain have to make about physical interconnection between the two.

Senator SHAHEEN. Right.

Mr. HOCHSTEIN. They have the money to do it, so it is not a financial issue. I think both countries know the issue quite well. I think there are political forces at play. I hope and I am—I am very hopeful that we can see the end of that dispute and get interconnection done quickly, but, again, it is up to those two countries.

Senator SHAHEEN. Sure, but pointing out the folly of what is happening right now, I think, is important, and as we look at——

Mr. HOCHSTEIN. Madam Chairman, I am sure that you and your—and senators on this committee, and others will know how to do that better than I can advise you.

Senator SHAHEEN. Thank you. Anything else you want to ask?

Senator JOHNSON. I would ask if on behalf of Senator Risch, he would like a fact sheet from the Count on Coal organization be entered in the record, and I have a letter from the MC of Poland as well as one from the Center for European Policy Analysis to be entered. I ask consent to enter those in the record.

Senator SHAHEEN. Yes, and, in fact, we would like to extend the opportunity for folks to enter items into the record for—until Monday because we have reached out to a number of our European allies and asked if they would like to submit testimony, and so we do have some of that testimony coming in.

So without objection, we will certainly do that.

[EDITOR'S NOTE.—The information referred to above can be found in the "Additional Material Submitted for the Record" section at the end of this hearing.]

Senator SHAHEEN. Senator Portman made it in just under the wire, so I will call on you if you are ready.

Senator PORTMAN. Well, thank you. First, thanks to the witness and to Chairman Shaheen and Ranking Member Johnson for holding this hearing. It is really an important topic.

We are now in the 106th day of the war against Ukraine. I just met with a bunch of Ohioans who are Ukrainian Americans, who are very frustrated by what they see in Ukraine with the Russians have superior weapons, and then with our sanctions against Russia, the global sanctions, not being as effective as they should be.

I focus a lot on this issue of energy because that is where most of the money is coming from to fund the war machine: $870 million a day roughly coming from Europe alone to the coffers. With big profit margins, that enables Putin to continue to fight this war without the kinds of consequences that I would hope we could put in place. So good that European Union is beginning to, over a 6- to 8-month period, wean themselves away from Russian oil, but too little too late. So that is—that is my big concern is that we are not doing what we need to do to be able to actually have the Putin regime feel the pain. Ten to 12 percent reduction in their economy, 40- to 50-percent reduction in the Ukrainian economy, as an example, over the past 106 days.

So, Mr. Hochstein, I understand you are currently serving as a senior member of the U.S.-European Union Task Force on Energy Security, and, again, I have said positive things about that, but also said they need to move more quickly. Can you please provide us just a brief update—maybe you already have—and specifically what is in this work plan? We have not seen publicly what is actually in the work plan. I would love if you could provide me with the updates of the progress of this task force as we go forward, but wonder if you could give us a report—maybe you already have today and I missed it—but specifically on what the work plan is.

Mr. HOCHSTEIN. Sure, Senator. So the task force, we have a mechanism called the U.S.-EU Energy Council, which addresses a sort of long-term relationship between the United States and the

EU. So the task force was created to—not to disrupt that work as—in the long term, but rather to address things are the immediate concern. I co-chair the task force with the president—EU Commission President von der Leyen's chief of staff, Bjoern Seibert.

We are looking at two parallel things that we want to achieve through this task force. One is to increase the amount of gas flowing into Europe on an immediate basis. We have committed to try to—from the U.S. to try to increase that by 15 bcm this year. That is not just LNG from the U.S., but the U.S. using our diplomatic efforts and creative thinking to provide that gas through the pipeline and LNG from around the world. I think we are making significant progress towards that—towards that goal. Second, we want to be in a—in a place where we can increase the supplies of LNG to Europe by 50 bcm—"Five Zero"—by the end of the decade. To do that, though, Europe has to take its own steps. It has to build the infrastructure, which it had not done, and it has to sign contracts that are—be willing to sign long-term contracts.

You are seeing that work being done in Germany. They have announced the creation of two new LNG terminals. They are going to have three or four floating LNG terminals for the interim that should start operating—a couple of those start operating by the end of this year. So that is some of the commitments that the task force started working on.

Senator PORTMAN. So could I interrupt you there because I have heard so many different estimates as to how long it is going to take to get these import terminals, in effect, in position. You are saying it could happen in the next 6 to 8 months?

Mr. HOCHSTEIN. So there are different kinds of terminals. So there is the onshore, full-time terminal.

Senator PORTMAN. Yes.

Mr. HOCHSTEIN. That takes years to do.

Senator PORTMAN. Yes.

Mr. HOCHSTEIN. That takes 5 years to build.

Senator PORTMAN. Yes.

Mr. HOCHSTEIN. In the interim, if you can get a ship that comes in, docks in your port, you have an interconnection that you build a short pipeline, that can be done within a matter of under a year. So we are going to see a couple of those in—a couple of those in Germany. Excelerate, an American company, just signed a contract with Finland. It is going to have one hopefully in October connected to Estonia and then move to Finland to address the Finland-Estonia Baltic markets. So these are the kinds of things that we are going to try to do.

We work with the Norwegians, and there is an increased—there is already an announced increase of 5 bcm from the field and—an LNG terminal and field in Norway that is coming on—that is coming online now. It is in its final stages. That will do about 5 bcm. Working in North Africa and the East Med, Israeli gas through Egypt and Jordan to get to Europe as well. So those are the kinds of things on gas.

Second, as we—I talked about a little bit earlier, we also have to reduce the demand for gas using far better technology, efficiency standards. There are things that we can do on an immediate basis, some with American companies, some Asian companies that have

the technology to do that. Europe buys 140 bcm of pipeline gas from Russia. That is not something that is easy to replace under the current market.

Senator PORTMAN. Are we going to meet our goal of adding 15 to that this year?

Mr. HOCHSTEIN. I believe so.

Senator PORTMAN. I see that between January and April, we increased about 18 percent of our LNG exports, 74 percent of which is going to Europe. Is there enough infrastructure to be able to absorb what we are—what we are sending, these increased amounts?

Mr. HOCHSTEIN. So for now, yes, but if you look at every available terminal today, the capacity is full.

Senator PORTMAN. Yes.

Mr. HOCHSTEIN. That is why we are working with them on how do you address the capacity, and there may be another LNG terminal that we can get in place by the end of the year in Albania. So we are trying to see what we can do with the available infrastructure——

Senator PORTMAN. Yes.

Mr. HOCHSTEIN. —the increase of immediate infrastructure as well as long-term infrastructure, and then make sure that the gas is available to supply it.

Senator PORTMAN. Well, it sounds like we are not going to have enough gas to replace, as you say, this incredible dependency that they unfortunately developed with Russia. So thinking outside the box, and then I will end my questioning—thank you guys for your indulgence—what else? I mean, we—you mentioned energy efficiency. That is fine. They are more efficient than we are already, but there are technologies to help on that. One thing that—some of these countries are still using nuclear power plants, in particular, Romania. I was just in Romania last week. They are going from 20 to 40 percent nuclear. They want help from us, by the way. Please help us with EXIM Bank to provide them the loan they need to make that happen. They are kind of frustrated with the U.S. since they left the Chinese company and decided to go with us. We need to help them work.

What else can we do? Hydrogen technology? I mean, is there something else we can do to sort of leap frog this? Otherwise, it seems to me we are going to be playing a game of catch-up.

Mr. HOCHSTEIN. I agree completely. So first, I think they are not necessarily more efficient than we are. I think we are more efficient.

Senator PORTMAN. I am talking about residential——

Mr. HOCHSTEIN. Yes, me, too.

Senator PORTMAN. —energy efficiency standards.

Mr. HOCHSTEIN. Well, the standards are there, but because they do not use things like smart thermostats, because they do not——

Senator PORTMAN. Okay. Good. That is good. So there is—there is an opportunity to do more.

Mr. HOCHSTEIN. So we are working with the American private sector and others to see how we can surge and make the adjustments to these technologies, that they fit the European models.

Senator PORTMAN. Yes.

Mr. HOCHSTEIN. I want to touch on Romania because I think this is critically important. They did—we supported their effort on SMR——

Senator PORTMAN. Yes.

Mr. HOCHSTEIN. —on modular reactors. They are right to be frustrated with us. I am in touch with them directly. I think that is a key thing for U.S. to support is advanced nuclear and not regular—not just traditional. As we go into SMR, I think Czech Republic, Romania, Poland, seeing how much we can do to be helpful there, they need the support financially from us, not just from EXIM Bank, but there are feed studies that need to be done that we should be helping finance through existing DFC, EPA, et cetera.

Senator PORTMAN. DFC.

Mr. HOCHSTEIN. That is something that I think will be a step change in dependency because electrifying the entire heating system is going to be extremely difficult. So we have to get that step of electrifying and then supplying the electricity.

Senator PORTMAN. Yes. Well, thank you for being an advocate for moving ahead aggressively there since they have, again, made a decision to go with us rather than China. We got to step up, and that will be a model, as you say, a template for the region. They also built cell energy to places like Moldova, who are desperate for it and do not want to be so dependent on Russia and the Transnistria plant. So thank you very much for your advocacy of that, and let us know if we can do anything to be helpful. Thank you.

Senator SHAHEEN. Thank you, Senator Portman. Again, I want to thank Ranking Member Johnson for sitting on this hearing with me. Thank you very much, Mr. Hochstein, for your excellent testimony this morning. Obviously there is more work we have to do, and this subcommittee stands ready to help in any way that we can.

We will leave the record open until 5:00 p.m., close of business on Monday, June 13, for additional testimony.

Senator SHAHEEN. With that, this hearing will close.

[Whereupon, at 11:38 a.m., the subcommittee was adjourned.]

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

RESPONSES OF MR. AMOS HOCHSTEIN TO QUESTIONS SUBMITTED BY SENATOR ROBERT MENENDEZ

Question. On March 25, the Biden administration committed to delivering 15 bcm of gas to Europe this year, and 50 bcm per year between 2023–2030. This is what Europe has asked for, and that's what the U.S. has agreed to provide. To clarify a couple of points you raised during the hearing:

- Does the U.S. intend to facilitate the shipment of 50 bcm per year to Europe starting in 2023?
- In order to secure this 50 bcm per year to Europe, do EU member-states need to sign new long-term contracts with suppliers, or are pre-existing contracts sufficient?
- Is the entirety of the 50 bcm produced in the United States, or is part of the 50 bcm gas produced elsewhere with contracts to Europe being facilitated by the United States?

Answer. Through the U.S.-European Commission Joint Task Force, the United States committed to working with international partners and is striving to ensure additional LNG volumes for the EU market of at least 15 billion cubic meters (bcm) in 2022, with expected increases going forward. The Commission has committed to work with EU Member States toward the goal of ensuring—until at least 2030—demand for approximately 50 bcm per year of additional LNG supplied from the United States. Through the Task Force, the United States and the Commission have hosted meetings with industry representatives and EU Member States to explore how we can achieve these goals as soon as possible and determine steps and agreements needed to meet these objectives.

Question. Does the U.S. need to build 'more' LNG export terminals beyond the facilities that are either in operation or permitted but not yet constructed by the projects' proponents to deliver on this commitment?

Answer. U.S. companies that export liquified natural gas (LNG) will make that decision by themselves based on global demand. U.S. LNG export facilities under construction and permitted will add a total of more than 24 million tons per annum of capacity.

Question. Do you foresee a need for U.S. gas producers to expand operations, beyond what the industry in currently producing—or has leases and permits to produce, to meet this commitment (giving consideration to meeting existing export contracts and projected domestic demand)

Answer. The U.S. Energy Information Administration forecasts U.S. production will increase 5 percent from 2020 to 2030 to meet expected increases in U.S. natural gas exports. U.S. domestic natural gas demand is forecasted to be essentially unchanged through 2030. The nature of shale production requires ongoing drilling of new wells. Only 10 percent of oil and gas drilling is on federal lands; the other 90 percent is on private lands, so any additional leases or permits would be overwhelmingly on private land.

Question. How do you predict the explosion and temporary closure of the Freeport LNG plant will impact the USG's ability to meet our LNG commitment to our European allies? How will the Administration ensure this 15 bcm commitment is met?

Answer. We are heartened that no one was injured in the explosion or aftermath at Freeport LNG's liquefaction plant on Quintana Island, Texas. We are hopeful that Freeport LNG will be able to resume operations in a timely and efficient manner and continue to meet the energy demands of its customers in Europe and other markets. As outlined in the March 25 joint statement on the U.S.-EU Joint Task Force, the United States is committed to helping the EU source an additional 15 billion cubic meters (bcm) of LNG in 2022 by working with international partners. We have not committed to providing that additional 15 bcm solely through U.S. LNG exports. We are optimistic we will be able to reach our stated goal through our current outreach.

Question. Is it fair to say that Europe is committed to expediting its transition to clean, zero emitting sources of energy and that all European countries recognize the imperative of taking ambitious action to combat climate change—even if some countries, Poland for example, call for more time and support to meet Europe's ambitious goals?

Answer. Yes, Europe is committed to its clean energy transition and combatting climate change. The EU's Climate Law, which went into effect in 2021, creates a legally binding requirement for the EU to reach net-zero greenhouse gas emissions by 2050. The EU's Fit for 55 package sets an intermediary goal, mandating a 30 percent reduction in greenhouse gas emissions compared to 1990 levels by 2030. Each EU member state has a national Energy and Climate Plan of how to reach national and EU greenhouse gas emissions targets. Poland and the United States are collaborating to develop nuclear power using U.S. technology to generate safe, reliable, zero-emission baseload electricity to ease Poland's transition away from coal.

Question. Given the EU's commitment to not just end dependence on Russian gas and oil, but to drastically cut the EU's overall fossil fuel consumption: is it fair to characterize and treat the U.S. commitment to help supply the EU with LNG as a "Short-term" or "immediate" response to the European energy crisis?

Answer. As Europe's energy security is threatened by Russia's continued reductions in natural gas deliveries, assisting our allies and partners with additional LNG exports is in the U.S. national interest. Natural gas in alignment with our climate objectives will continue to play an important role in the global energy mix,

particularly in the near-term. The long-term path to reducing Europe's dependence on Russian fossil fuels is to reduce overall fossil fuel consumption and accelerate deployment of clean and renewable energy.

Question. The European Commission recently unveiled a 210 billion euro plan for Europe to end its reliance on Russian fossil fuels by 2027, and to use the pivot away from Moscow to quicken its transition to non-fossil fuel energy. How can the U.S. appropriately partner with the EU, and facilitate U.S. private sector investment, to help Europe realizer these important LONG-term energy security goals?

Answer. The United States appreciates the EU's ambitious REPowerEU plan to accelerate the clean energy transition and eliminate its reliance on Russian fossil fuels. REPowerEU creates an opportunity for increased U.S. trade and investment in Europe's clean energy transition. REPowerEU specifically identifies heat pumps, solar photovoltaic panels, and renewable hydrogen, among other technologies, to advance Europe's long-term energy security. The United States is well-positioned to partner with the EU on such clean energy technologies.

Question. Given Europe's interest to lead on developing zero-emitting energy, motivated by energy security and climate security imperatives on quickly reducing fossil fuel consumption, is it appropriate for the U.S. to encourage Europe to expand its fossil fuel infrastructure?

Answer. We support the EU's goals to eliminate its dependence on Russian fossil fuel imports and advance its clean energy transition, including through efforts such as its May 2022 REPowerEU plan. We defer to our European partners and allies to make their own decisions about how to best meet their short-term and long-term energy needs and climate goals.

Question. Most of Europe is comprised of High-Income Countries. Understanding that Europe is a critical strategic partner of the U.S., what, if any, circumstances would justify the U.S. (through the DFC or USAID) to provide support or concessional finance for energy projects, in particular fossil fuel infrastructure, in Europe's High-Income or Upper Middle-Income Countries? If so, where?

Answer. While the Administration has underscored its preference for clean energy engagement, in certain cases and depending on the scope of the engagement and geostrategic objectives, support for fossil fuel projects may be justified, including for national security reasons. Addressing the energy crisis facing Europe is a priority, and the Department, USAID, and the DFC are working tirelessly to support European energy security and diversification to countries across the continent impacted by Russia's aggression in Ukraine.

Question. What are we doing to help other countries, more vulnerable countries, weather the effects of this energy crisis?

Answer. The Department and USAID work diplomatically and programmatically in countries most vulnerable to impacts of the energy crisis caused by Russian aggression in Ukraine. We are helping to increase these countries' access to affordable, clean, sustainable, secure, and reliable energy. Department and USAID programs promote energy diversification and decarbonization, including adoption of clean energy sources, so that vulnerable countries can better mitigate the impacts of this energy crisis and any future crises.

Question. Are the optics of the U.S. focus on helping Europe through the energy crisis, and its majority White populations and High Income Countries, concerning to the Administration?

Answer. The Administration is working tirelessly with partners and allies around the world to mitigate the consequences of Russia's war of aggression against Ukraine. The United States and its partners coordinate efforts to promote energy diversification and decarbonization globally, including accelerating the adoption of clean energy sources in vulnerable countries outside of Europe to better mitigate the impacts of future energy crises.

Question. Given all the sanctions levers the U.S. is justifiably pulling around the world (Venezuela, Iran, and Russia), do we have the capacity—should the need arise—to impose more sanctions on additional countries if other malign actors emerge during this especially tumultuous time in geopolitics?

Answer. U.S. oil production is expected to increase by more than 1 million barrels per day in 2022. We continue to actively engage with petroleum-producing states to ensure adequate supplies of crude oil. On a global basis, spare oil production capacity exists, specifically in OPEC countries. The Administration worked with other International Energy Agency (IEA) members to approve the largest collective stock

releases in IEA history, totaling more than 182 million barrels (more than 1 million barrels per day through October). All of these actions, plus IEA members' additional 900+ million barrels of strategic reserves available for future releases if needed, provide tools to mitigate market reactions, should additional sanctions be required.

RESPONSES OF MR. AMOS HOCHSTEIN TO QUESTIONS
SUBMITTED BY SENATOR JAMES E. RISCH

Question. Despite Maduro's many undocumented crimes and human rights abuses, on March 5, 2022, a delegation of senior administration officials met with Maduro to discuss "energy security." Last month, the Administration allowed European oil companies to ship Venezuelan oil to Europe to make up for Russian crude. Did you have a role in the planning or execution of this meeting with Maduro on March 5?

Answer. U.S. officials' March 5 visit to Caracas focused on securing the release of wrongfully detained U.S. nationals and urging the Maduro regime to return to the negotiating table in Mexico with the democratic opposition's Unitary Platform to restore democracy in Venezuela. We have long made clear that we would review our sanctions policies in response to constructive steps by the Maduro regime and if the Venezuelan parties made meaningful progress in the Venezuelan-led negotiations in Mexico. This action, coordinated with Interim President Juan Guaidó and the Unitary Platform, was only taken to help move negotiations forward to benefit the people of Venezuela.

Question. Can the U.S. rely on Maduro for its energy security?

Answer. The United States does not rely on Venezuela for energy security. Prior to the imposition of U.S. sanctions, about 10 percent of U.S. crude oil imports originated from Venezuela. Venezuela's oil production has fallen from around 2.8 million bpd in 2013 to an estimated 636,000 bpd in 2021, following U.S. sanctions and as a result of corruption and mismanagement of the oil sector. Our Venezuela-related sanctions, including on PDVSA, remain in effect. The United States continues to recognize the Interim Presidency of Juan Guaidó and the 2015 democratically elected National Assembly and remains committed to supporting Venezuelan democratic aspirations while addressing the humanitarian crisis caused by the Maduro regime.

Question. Can Europe rely on Maduro for its energy security?

Answer. Europe does not rely on Venezuela for energy security. Prior to the imposition of U.S. sanctions, a very small percentage of European crude oil imports originated from Venezuela. Venezuela's oil production has fallen from around 2.8 million bpd in 2013 to an estimated 636,000 bpd in 2021, following U.S. sanctions and as a result of corruption and mismanagement of the oil sector. Our Venezuela-related sanctions, including on PDVSA, remain in effect. The United States continues to recognize the Interim Presidency of Juan Guaidó and the 2015 democratically elected National Assembly and remains committed to supporting Venezuelan democratic aspirations while addressing the humanitarian crisis caused by the Maduro regime.

Question. Can you explain the logic of replacing Putin's war-tainted oil with Maduro's narco-terrorist tainted oil?

Answer. We remain steadfast in our commitment to the Venezuelan people, which includes supporting their democratic aspirations and providing assistance to address Venezuela's humanitarian crisis. We have long made clear that we would review our sanctions policies in response to constructive steps by the Maduro regime and if the Venezuelan parties make meaningful progress in the Venezuelan-led negotiations. Venezuelan-led negotiations between the Maduro regime and the Unitary Platform represent the best path to restore to Venezuelans the democracy that they deserve, and to alleviate their suffering.

Question. The Idaho National Labs have been pioneers in developing SMRs. As Europe faces down the prospect of its short-term energy shortages and looks to replace Russian oil and gas in the long term, I am curious about the potential SMRs have in Europe. How seriously is Europe looking at utilizing SMRs in their power mix?

Answer. Several European countries are actively pursuing the use of small modular reactors (SMRs) in their power mix. As SPEC Kerry and Romanian President Iohannis announced at COP 26 last November, Romania is partnering with the U.S. firm NuScale to deploy a first-of-a-kind SMR in partnership with the Romanian nuclear power plant operator, SN Nuclearelectrica S.A. (SNN). In May, SNN shared the results of a USTDA-funded feasibility study and announced plans to develop the

first SMR on the site of a decommissioned coal-fired power plant near the capital, Bucharest. U.S. companies are exploring projects and have signed initial memoranda of understanding with private and public firms in the UK, Poland, Czech Republic, and Bulgaria.

Question. Is the U.S. encouraging Europe to use SMRs for their power?

Answer. The United States is actively encouraging European countries to use SMRs for electricity production, clean hydrogen generation, district heating, industrial process heat, and water desalination. The State Department, through the Fundamental Infrastructure for the Responsible Use of Small Modular Reactor Technology (FIRST) program, is providing technical capacity-building support to Romania, Bulgaria, Estonia, and Latvia and is developing regional projects to bring in other European partners. We also coordinate closely with other U.S. Government agencies, including Energy, Commerce and USTDA, to provide additional support and technical coordination and to increase partner country demand for U.S. SMRs.

Question. What are the major regulatory hurdles to getting SMRs running in Europe?

Answer. Europe, like many jurisdictions around the world, is just beginning the process of developing regulatory frameworks that allow for licensing and permitting of appropriate, safe, and secure use of SMR technology. The Department of State, along with the Departments of Commerce and Energy, and the Nuclear Regulatory Commission, are engaging closely with our European partners to promote closer regulatory cooperation and to ensure that U.S. firms can compete on a level playing field for opportunities in Europe.

Question. Does the Administration believe that Nord Stream 2 is not a regular commercial project, but is in fact a geopolitical tool of the Russian Government?

Answer. The Administration has long maintained that Nord Stream 2 is a geopolitical project that—if made operational—would harm the energy security of Ukraine and Europe more broadly.

Question. Does the Administration believe that Nord Stream 2 has been permanently stopped?

Answer. Germany's February 22 decision to take administrative steps to halt the certification process for Nord Stream 2 (NS2) prevents the pipeline from becoming operational. Secretary Blinken concurrently imposed sanctions on Nord Stream 2 AG (NS2AG), its CEO Matthias Warnig, and NS2AG's corporate officers, ensuring NS2 would not move forward after Russia's full-scale invasion of Ukraine. Furthermore, Germany is working urgently to reduce its overall energy dependence on Russia and has committed to eliminate its imports of Russian gas by mid-2024.

Question. How will the Administration ensure the project will not be reopened should political will in Germany shift in favor of that action?

Answer. The Administration has remained in close coordination with Germany on Nord Stream 2, including in the lead up to Germany's decision to halt the certification progress for the pipeline and our action to revoke the sanctions waiver against Nord Stream 2 AG and its CEO Matthias Warnig. These coordinated actions prevented the pipeline from becoming operational and illustrate that our bilateral cooperation has continued and strengthened. We will continue to further our already robust coordination and cooperation with Germany and other European Allies and partners on shared efforts to reduce Europe's dependence on Russian fossil fuels, including related to Nord Stream 2.

Question. Does the Administration support making Nord Stream 2 sanctions permanent?

Answer. The Protecting Europe's Energy Security Act (PEESA), as amended, mandates continued identification of individuals and entities that knowingly engage in sanctionable conduct as related to Nord Stream 2 (NS2). The Administration remains committed to implementing PEESA, as amended, and has sanctioned 10 persons related to NS2's construction and identified 17 of their vessels as blocked property. The Administration continues to examine entities potentially engaged in sanctionable behavior. President Biden committed that NS2 will not move forward after Russia's full-scale invasion of Ukraine.

Question. I'm deeply concerned with this Administration's support for energy projects that would benefit the Assad regime. Specifically, the movement of Egyptian gas through Jordan and Syria into Lebanon. Some sources cite an 8 percent transit fee payable to Assad. What is State's legal interpretation of "in-kind" benefit

to the Assad regime? How is this distinct from the legal definition of "direct benefit" pursuant of the Caesar Act?

Answer. I would respectfully refer you to the Department of the Treasury and Office of Foreign Assets Control as the lead U.S. Government agency for sanctions for legal interpretations of statutory terms. We have not lifted or waived Syria-related sanctions in this case. The Departments of the Treasury and State will review the final contracts from the parties, as well as the final financing details from the World Bank, to ensure this agreement is in line with U.S. policy and addresses any potential sanctions concerns.

Question. Please provide an overview of the process involved in determining whether an individual transaction is assessed to provide "in-kind" vs "direct" benefit.

Answer. I would respectfully refer you to the Department of the Treasury and Office of Foreign Assets Control as the lead U.S. Government agency for sanctions for legal interpretations of statutory terms and the process involved in making determinations.

Question. You have asserted these deals are exempt from sanctions because Assad is likely to be paid "in-kind," not in cash, for his participation in these deals. How do so called "in-kind" contributions to the Assad regime not constitute a direct benefit as defined under the Caesar Act?

Answer. As Secretary Blinken has made clear, we have not lifted or waived Syria-related sanctions in this case. Our understanding from the draft agreements is that the Assad regime will receive in-kind payments of natural gas, and potentially electricity, worth additional minutes per day of power. The Departments of the Treasury and State will review the final contracts from the parties, as well as the final financing details from the World Bank, to ensure this agreement is in line with U.S. policy and addresses any potential sanctions concerns.

Question. How do the agreements related to the Arab Gas Pipeline that run through Assad-controlled territory in Syria not circumvent the spirit of the Caesar Act, which was passed by U.S. Congress as a means of denying all benefit to the Assad regime?

Answer. The Administration is fully committed to upholding legal obligations under the Caesar Act. Our sanctions are important tools as we seek to promote accountability for the Assad regime's atrocities, some of which rise to the level of war crimes or crimes against humanity. Under the proposed arrangements being negotiated by Jordan, Egypt, and Lebanon, we understand the Assad regime would receive no cash. Instead, it would receive in-kind gas/electricity for transiting Syrian territory. Treasury and State will review the final contracts from the parties, as well as the final financing details from the World Bank, to ensure this agreement is in line with U.S. policy and addresses any potential sanctions concerns.

Question. How does this Administration plan to ensure the "in-kind" benefit to the regime will not be diverted to chemical weapons facilities, military bases, or prisons run by the Assad regime or its backers?

Answer. The Departments of the Treasury and State will need to receive the final contracts from the parties and the final financing details from the World Bank before reviewing the details to assess any possible sanctions concerns. Under the proposed gas and electricity arrangements, we understand the amount of gas/electricity the Syrian regime would receive in-kind would add a matter of minutes of electricity to Syria per day. With regard to the Syrian regime's military apparatus, the United States will continue to use all available tools, including Caesar Act sanctions, to further press for accountability for the ongoing atrocities of the Assad regime.

Question. The Arab Gas pipeline physically feeds Assad's military, intelligence, and detention facilities—in addition to civilian infrastructure. How does the pipeline not contribute to continued atrocities against the Syrian people given its physical proximity to these sites?

Answer. With regards to the Assad regime's military apparatus, the United States will continue to use all available tools, including Caesar Act sanctions, to further press for accountability for its ongoing atrocities. The Departments of the Treasury and State will review the final contracts from the parties, as well as the final financing details from the World Bank, to ensure this agreement is in line with U.S. policy and addresses any potential sanctions concerns.

Question. Sanctioned Russian State Owned Entities are responsible for maintenance on the Syrian portion of the pipeline. How does this Administration plan to

ensure the Gas Pipeline project does not benefit sanctioned Russian entities as they assault Ukraine?

Answer. The Departments of the Treasury and State will review the final contracts from the parties, as well as the final financing details from the World Bank, to ensure this agreement is in line with U.S. policy and addresses any potential sanctions concerns.

Question. How does the Administration plan to address Syria's work with a sanctioned Russian entity, Stroytransgaz, with known connections to the Kremlin as it continues to undermine Ukraine's security? Does this Administration feel waiving sanctions on Stroytransgaz under E.O. 13662 is necessary to repair and maintain the Arab Gas Pipeline?

Answer. Speaking broadly, a number of Syrian and Russian entities involved in the Syrian economy are designated under various sanctions authorities. We are aware of reports that the Russian firm Stroytransgaz was involved in construction of the Syrian portion of the Arab Gas Pipeline, which was completed in February 2008. Stroytransgaz has been on the OFAC SDN list since 2014. The Departments of the Treasury and State will review the final contracts from the parties, as well as the final financing details from the World Bank, to ensure this agreement is in line with U.S. policy and addresses any potential sanctions concerns. As Secretary Blinken has made clear, we have not lifted or waived Syria-related sanctions in this case.

Question. Given that the Arab Gas Pipeline relies on the use of sanctioned Russian entities with direct connections to the Kremlin, how does this Administration justify promoting the Arab Gas Pipeline Project? How does it plan to maintain consistency in its policy toward Ukraine?

Answer. We are aware of reports that the Russian firm Stroytransgaz was involved in construction of the Syrian portion of the Arab Gas Pipeline, which was completed in February 2008. Stroytransgaz has been on the OFAC SDN list since 2014. The Departments of the Treasury and State will review the final contracts from the parties, as well as the final financing details from the World Bank, to ensure this agreement is in line with U.S. policy and addresses any potential sanctions concerns.

Question. How much does Stroytransgaz and its subcontractors stand to gain from any deal related to the Arab Gas Pipeline financially?

Answer. Speaking broadly, a number of Syrian and Russian entities involved in the Syrian economy are designated under various sanctions authorities. We are aware of reports that the Russian firm, Stroytransgaz, was involved in construction of the Syrian portion of the Arab Gas Pipeline, which was completed in February 2008. Stroytransgaz has been on the OFAC SDN list since 2014. The Departments of the Treasury and State will review the final contracts from the parties, as well as the final financing details from the World Bank, to ensure this agreement is in line with U.S. policy and addresses any potential sanctions concerns.

Question. Given that Stroytransgaz is under sanctions for its role in destabilizing Ukraine, do you not feel this project runs counter to the Administration's Russia policy?

Answer. We are aware of reports that the Russian firm Stroytransgaz was involved in construction of the Syrian portion of the Arab Gas Pipeline, which was completed in February 2008. Stroytransgaz has been on the OFAC SDN list since 2014. The Departments of the Treasury and State will review the final contracts from the parties, as well as the final financing details from the World Bank, to ensure this agreement is in line with U.S. policy and addresses any potential sanctions concerns.

RESPONSES OF MR. AMOS HOCHSTEIN TO QUESTIONS
SUBMITTED BY SENATOR JOHN BARRASSO

Question. Do you believe the U.S. Government should be supporting an all-of-the-above energy strategy that includes oil, natural gas, and coal?

Answer. On day one President Biden took executive actions to ensure we tackle the climate crisis at home and abroad through a whole-of-government approach. I believe that an "all of the above" energy strategy takes heed of underlying climate concerns, and therefore does not include highly polluting and highly inefficient sources of power. U.S. energy security and geostrategic concerns necessitate consid-

ering all energy options, but environmental concerns should be factored in throughout.

Question. What is the current status of the Nord Stream 2 pipeline and Nord Stream 2 AG?

Answer. Germany's February 22 decision to take administrative steps to halt the certification process for the pipeline has prevented it from becoming operational. On February 28, Swiss Economics Minister Guy Parmelin announced all Nord Stream 2 AG staff were "made redundant." Nord Stream 2 AG subsequently affirmed it terminated the contracts of its staff in response to sanctions. I have seen—but cannot confirm—media reports of Nord Stream 2 AG's intention to declare bankruptcy in late March 2022.

Question. To your knowledge, has the Government of the United Kingdom banned or limited access to oil and gas in the North Sea?

Answer. To my knowledge, the Government of the United Kingdom has not banned or limited access to oil and gas in the North Sea. UK Government officials promised a new round of licensing later this year, even though no commercial discoveries have been made or new acreage awarded in the last decade of licensing rounds.

Question. To your knowledge, has the Government of Norway banned or limited access to oil and gas in the North Sea?

Answer. To my knowledge, the Government of Norway has not banned nor limited access to oil and gas in the North Sea. While Norway has made strides in carbon capture and storage, hydrogen, and offshore wind for its energy transition, Norwegian Government officials have not made any decision to set an end date for oil and gas exploration and production. Specifically, Norway intends to continue to hold regular licensing rounds, offering exploration acreage to energy firms according to its long-term energy strategy.

Question. To your knowledge has the Government of the Russia banned or limited access to oil and gas in the North Sea?

Answer. No, to my knowledge, the Government of Russia does not control access or hold licensing for oil or gas production in the North Sea.

Question. Are you aware of any OPEC country that has banned or limited access to oil and gas resources?

Answer. Many OPEC countries either restrict oil and gas production to the national oil company or require oil and gas producers to partner with the national oil company in order to develop oil and gas resources. This is also true of many non-OPEC countries.

Question. Has China banned access to its critical mineral resources?

Answer. The People's Republic of China (PRC) has not explicitly banned access to its critical minerals and, since 2015, has abolished export quotas in compliance with a World Trade Organization ruling that found PRC Government policies were unfairly benefiting its domestic mineral industry. The PRC strictly controls the trade of mineral processing equipment, technology, and expertise through patents and export restrictions, and imposes production quotas on domestic mineral mining and separation. These export restrictions on equipment and expertise inhibit foreign companies in the sector from easily challenging the PRC's dominance over the processing stage for several critical minerals.

Question. Gazprom announced that it was halting gas deliveries to a number of European countries. What countries has Russia stopped delivering natural gas to? What actions are those countries taking to mitigate the impact of being cut off from Russian natural gas?

Answer. As of June 9, 2022, Russia has halted natural gas supplies to Poland, Bulgaria, Finland, Denmark, and the Netherlands. The EU is taking concrete steps to reduce dependence on Russian natural gas, including through its REPowerEU plan, which aims to reduce dependence on Russian natural gas by two-thirds by the end of 2022 and to eliminate dependence on Russian fossil fuels before 2030. To mitigate the impact of Russian cutoffs, the EU is seeking additional natural gas supply globally, including from Egypt, Israel, Algeria, Azerbaijan, Nigeria, Senegal, and Angola, in addition to increased LNG imports from the United States. The EU is also setting out contingency measures in case of severe supply disruption.

Question. Are European Union member states prepared and able to meet their needs without Russian imports?

Answer. EU Member States are working to reduce their dependence on Russian fossil fuels, but this will take time. The EU imported from Russia more than 40 percent of its total gas consumption, 27 percent of oil imports, and 46 percent of coal in 2021. The EU is taking steps to reduce this dependency and establish contingency measures in case of severe supply disruption, including phased bans on imports of Russian coal and seaborne oil, and its REPowerEU plan to make Europe independent from Russian fossil fuels by 2030. We support these efforts through regular coordination and joint initiatives, such as the U.S.-European Commission Joint Task Force to Reduce Europe's Dependence on Russian Fossil Fuels.

Question. Under what circumstances and conditions could European Union member states stop receiving Russian natural gas imports from Nord Stream 1?

Answer. Individual EU member states have different levels of dependencies and options and abilities to reduce them. These efforts involve numerous steps, including increasing LNG imports from non-Russian sources, reducing overall energy demand, and accelerating deployment of renewables and clean energy solutions. These efforts are difficult and will take time. Beyond European states taking actions to reduce energy dependencies on Russia, Russia itself could also preemptively choose to institute further decreases and cutoffs of natural gas supplies to European states, including through pipelines such as Nord Stream 1.

Question. Russia is targeting Ukraine's Gas Transmission System and increasingly using Nord Stream 1 to bypass Ukraine to deliver gas to Europe. What is the status of Ukraine's Gas Transmission System?

Answer. As of June 9, 2022, Ukraine's gas transmission system—which is designed to transport Russian natural gas through Ukraine to Europe—has not been a target of Russia's weapons of war and the gas transmission system remains physically intact and fully operational. However, the Gas Transmission System Operator of Ukraine (GTSOU) said its engineers could no longer safely operate the Novopskov compressor station due to interference of occupying Russian forces and declared "force majeure" on May 10, effectively halting Russian gas transit through one of two operational cross-border gas transit points at Sochronivka. Localized natural gas distribution networks have taken collateral damage in areas of heavy fighting in eastern Ukraine.

Question. With Russia destroying and heavily damaging gas transmission infrastructure in Ukraine, is Ukraine still able to reliably deliver natural gas to Europe?

Answer. As of June 9, 2022, Ukraine's gas transmission system has not been a target of Russia's weapons of war and remains physically intact and fully operational. Ukraine's gas transmission system is still able to reliably deliver natural gas to Europe. However, the Gas Transmission System Operator of Ukraine (GTSOU) said its engineers could no longer safely operate the Novopskov compressor station due to interference of occupying Russian forces and declared "force majeure" on May 10 and halted Russian gas transit through one of two operational cross-border gas transit points at Sokhranivka. GTSOU officials offered to re-route all Russian gas flows from Sokhranivka to the cross-border point at Sudzha.

Question. The Eastern Mediterranean Pipeline can help enhance European energy security. Yet, on January 11, 2022, the State Department announced the withdrawal of U.S. support for the strategic pipeline. You discussed the project stating you would be "extremely uncomfortable with the U.S. supporting this project . . . why would we build a fossil fuel pipeline between the EastMed and Europe when our entire policy is to support new technology . . . and new investments in going green and in going clean?" You also stated "By the time this pipeline is built we will have spent billions of taxpayer money on something that is not only obsolete but against our collective interest between the U.S. and Europe." Given the need to help Europe diversify their routes and supplies away from Russian energy resources, what is the Administration's current stance on the Eastern Mediterranean Pipeline?

Answer. Putin's aggression in Ukraine and subsequent actions to disrupt gas supplies to European consumers only underscores our longstanding position that energy cooperation in the East Mediterranean provides a foundation for durable energy security and economic prosperity in the East Mediterranean region and the rest of Europe. We remain committed to physically interconnecting East Mediterranean and Middle East energy to Europe. The Administration's stance on the Eastern Mediterranean Gas Pipeline (EMGP) has not changed. We are continuing to shift our focus to electricity interconnectors that can support both natural gas and renewable energy sources. A new pipeline such as the EMGP, which is not even under construction, would not contribute to European energy security in the immediate or even medium term.

Question. What is the status of the Eastern Mediterranean pipeline?

Answer. The East Mediterranean Gas Pipeline (EMGP) is not under construction and no financing or business case has been identified. This is an EU project and financing this pipeline is a decision for the EU and any potential investors to make.

Question. The United States has the energy resources needed to help our allies reduce their dependence on Russian energy. Our nation should be a strategic energy supplier to Europe. American natural gas is reliable, affordable, and abundant. It is an important energy solution for those who want to keep their lights on without empowering Russia. Please provide a list of countries you have met with and urged to increase exports of liquefied natural gas.

Answer. We also see the promise of U.S. liquified natural gas (LNG) exports as a major component of helping Europe. I have met with many U.S. LNG exporters and project developers to facilitate more U.S. LNG exports to Europe to fulfill our commitments to help Europe import 15 billion cubic meters (bcm) of additional natural gas supplies by the end of 2022 and approximately 50 bcm per year of additional U.S. LNG supplies, until at least 2030. To fully replace Russian gas, we are also working with major natural gas producers that currently or potentially could supply Europe, including Algeria, Australia, Azerbaijan, Norway, Libya, Qatar, and Trinidad and Tobago. I have met personally with most to urge them to increase exports of natural gas to Europe.

Question. Do you support increasing exports of U.S. liquefied natural gas (LNG) to help our allies and partners escape their dependence on Russia?

Answer. I fully support the President's commitment to helping our European allies and partners reduce their dependence on Russian gas, including through the provision of American LNG, reducing their overall demand for energy, and accelerating the clean energy transition.

Question. What are the current barriers to increasing exports of American energy resources to our allies in Europe?

Answer. Energy exports to our European allies have increased significantly since January 2021. One current logistical barrier overseas is Europe's lack of sufficient compatible import infrastructure such as LNG import terminals or Floating Storage Regasification Units (FSRUs). We are working tirelessly with the private sector, and our partners and allies to address these capacity issues. Our European allies and partners already have taken steps to address existing infrastructure constraints to increase imports of non-Russian gas.

Question. What steps is the Administration currently taking to support U.S. energy companies in increasing domestic export capacity and building the infrastructure needed to increase exports to Europe?

Answer. The Administration has already taken steps to increase U.S. LNG export capacity, including authorizing additional exports of LNG to non-free trade agreement countries from two existing facilities, one under construction and one additional approved LNG project. We are committed to working with EU member states toward ensuring demand for approximately 50 billion cubic meters per year of additional U.S. supplies, until at least 2030, as part of the President's commitment to the U.S.-EU Task Force for Energy Security. In addition, the United States and the European Commission will work to expedite planning and approval for renewable energy projects that will facilitate exports of U.S. energy technology.

Question. In 2021, Syria, Egypt, Jordan, and Lebanon agreed to a deal which would import natural gas from Egypt and electricity from Jordan into Lebanon. Both the natural gas and electricity would be transported through Syria. Under Secretary of State for Political Affairs Victoria Nuland said in October 2021, "one of the energy solutions that we are working on with Lebanese authorities [. . .] would involve the World Bank and would involve humanitarian relief. So because it falls under the humanitarian category, no sanctions waiver would be required in this instance." U.S. Ambassador to Lebanon Dorothy Shea, said that the United States had been active in facilitating and encouraging the deal. You said during the hearing on June 9, "If we don't step into that breach someone else will." How is the U.S. going to "step into that breach"?

Answer. We are deeply concerned about the prospect of state collapse in Lebanon. The lack of fuel and power in Lebanon threatens the delivery of critical services to the Lebanese people. These deals are about providing them with a more sustainable and dependable form of electricity. A further deterioration of the situation in Lebanon would undermine regional stability and U.S. interests. The Treasury and State Departments will review the final contracts, as well as the final financing details

from the World Bank, to ensure this agreement is in line with U.S. policy and addresses any potential sanctions concerns. To receive any financing, the World Bank will require Lebanon to implement a number of long-overdue reforms to its electricity sector.

Question. What difficulties may there be once the project is active?

Answer. There are still a number of agreements and approvals, including the approval of financing by the World Bank's Board of Directors, that must be finalized before the project can reach the implementation stage. It would be premature and speculative on my part to comment on hypothetical difficulties before the project commences.

Question. In 2021, Syria, Egypt, Jordan, and Lebanon agreed to a deal which would import natural gas from Egypt and electricity from Jordan into Lebanon. Both the natural gas and electricity would be transported through Syria. Under Secretary of State for Political Affairs Victoria Nuland said in October 2021, "one of the energy solutions that we are working on with Lebanese authorities [. . .] would involve the World Bank and would involve humanitarian relief. So because it falls under the humanitarian category, no sanctions waiver would be required in this instance." U.S. Ambassador to Lebanon Dorothy Shea, said that the United States had been active in facilitating and encouraging the deal. You said during the hearing on June 9, "If we don't step into that breach someone else will." Are there additional U.S. sanctions that may be triggered due to this deal?"

Answer. Our understanding from the draft agreements is that the Assad regime will receive in-kind payments of natural gas, and potentially electricity, worth additional minutes per day of power. The Departments of the Treasury and State will review the final contracts from the parties, as well as the final financing details from the World Bank, to ensure this agreement is in line with U.S. policy and addresses any potential sanctions concerns.

Question. Recent media reports indicate Italian oil company ENI SpA and Spanish oil company Repsol SA plan to resume shipments of Venezuela oil to Europe for debt. Do these actions violate U.S. sanctions?

Answer. As a general matter we remain opposed to any dealing in Venezuelan oil in exchange for diesel or other products or for debt repayment. Eni and Repsol jointly operate an offshore natural gas facility that provides a significant amount of natural gas to the Venezuelan population. We have determined that it is in our foreign policy interest to authorize these firms to accept oil as compensation for current natural gas operations only, without any additional product swaps. Authorizing these transactions will directly benefit the Venezuelan people. These transactions will not provide any benefit, financial or otherwise, to the Maduro regime, and they are consistent with our current sanctions.

Question. What actions has the State Department taken on reports about the resumption of oil-for-debt swaps from Venezuela to Europe?

Answer. In response to press inquiries, we have noted we remain opposed to any dealing in Venezuelan oil in exchange for diesel or other products or for debt repayment. However, we support issuance of licenses or other actions when it is in our foreign policy interest to do so. We continue to recognize Interim President Guaidó and remain steadfast in our commitment to the Venezuelan people, which includes supporting their democratic aspirations and providing assistance to address their humanitarian crisis.

Question. What assurances and conditions, if any, has the State Department agreed to with ENI and Repsol regarding resuming shipments of Venezuela oil?

Answer. Eni and Repsol jointly operate an offshore natural gas facility that provides a significant amount of natural gas to the Venezuelan population. We have determined that it is in our foreign policy interest to authorize these firms to accept oil as compensation for current natural gas operations only, without any additional product swaps. Authorizing these transactions will directly benefit the Venezuelan people. These transactions will not provide any benefit, financial or otherwise, to the Maduro regime, and they are consistent with our current sanctions.

Question. Why is the Biden administration blocking countries in Africa, some of the most impoverished nations, from using traditional energy resources to build their economies through grants and loans at the World Bank and the African Development Bank?

Answer. Administration guidance on energy projects informs our voting position in multilateral development banks and centers on promoting clean energy, advanc-

ing innovative technologies, boosting U.S. clean technology competitiveness, and providing financing and technical assistance to support net-zero transitions worldwide. Investment in carbon-intensive energy is no longer the best solution for many African countries from an economic or environmental perspective. Where there are no viable alternatives, engagement on a carbon-intensive energy project may still be necessary to protect U.S. national security or advance development goals, especially in Africa where energy access is a huge challenge.

Question. How important is providing reliable baseload energy in assisting countries in Africa with economic growth, job creation and poverty reduction?

Answer. More than 600 million people in Africa lack access to reliable, affordable electricity, and lack of reliable power stunts economic growth and social development goals. Africa's electricity access is constrained by governance challenges and a lack of investment that have resulted in inadequate generation, transmission, and distribution infrastructure. We work diplomatically and programmatically, and in partnership with Power Africa, to support efforts to build governments' capacity to manage their power sectors and to level the playing field to attract transparent, competitive investment.

The Ambassador

Embassy of Italy
Washington

Prot. 2768
June 14, 2022

Dear Senator,

With regard to your request to provide information on Italy's views on how to address the challenges posed by Russia's invasion of Ukraine for European energy security, please find herewith the following two documents:

- A position paper ("Italy support of Ukraine") from the Italian Ministry of Foreign Affairs and International Cooperation (see specifically point 7: "Italy is working to significantly reduce dependence on Russian gas") - in English;
- The May 24th 2022 hearing in the Italian Parliament of Mr. Roberto Cingolani, Minister of Ecological Transition, in preparation for the G7 Ministerial on Energy and the Environment (May 25-27, 2022) - in Italian.

Best Regards,

Mariangela Zappia

Senator Ron Johnson
Ranking member, Subcommittee on Europe and Regional Security Cooperation
Washington, DC

The Ambassador

Embassy of Italy
Washington

Prot. 2769
June 14, 2022

Dear Senator,

With regard to your request to provide information on Italy's views on how to address the challenges posed by Russia's invasion of Ukraine for European energy security, please find herewith the following two documents:

- A position paper ("Italy support of Ukraine") from the Italian Ministry of Foreign Affairs and International Cooperation (see specifically point 7: "Italy is working to significantly reduce dependence on Russian gas") - in English;
- The May 24th 2022 hearing in the Italian Parliament of Mr. Roberto Cingolani, Minister of Ecological Transition, in preparation for the G7 Ministerial on Energy and the Environment (May 25-27, 2022) - in Italian.

Best Regards,

Mariangela Zappia

Senator Jeanne Shaheen
Chair, European Subcommittee on European Energy Security
Washington, DC

Embassy of the Republic of Kosovo

Washington, D.C.

Ref. nv. 77/2022

The Embassy of the Republic of Kosovo presents its compliments to the Subcommittee on Europe and Regional Security Cooperation and in respect to the Subcommittee's hearing on "European Energy Security: America's Role in Support Europe's Energy Diversification Agenda" has the honor to convey the following information on behalf of the institutions of the Republic of Kosovo.

The Embassy of the Republic of Kosovo avails itself of this opportunity to renew to the Subcommittee on Europe and Regional Cooperation of the United States Senate Committee on Foreign relations the assurances of its highest consideration.

B.H.

Washington, D.C.
June 13, 2022

EMBASSY OF THE REPUBLIC OF KOSOVO • WASHINGTON •

Subcommittee on Europe and Regional Security Cooperation ***(United States Senate Committee on Foreign Relations)***

Kosovo's energy needs are mainly covered by coal for electricity, biomass and electricity for heating, and oil for transport.

Kosovo's power system relies on two old lignite power plants built between the years 1962 - 1984. Since 1984, there have been no investments in new baseload- capacities, and the deployment of renewable energy sources is quite limited, with only a 6.3% share of renewable energy sources (RES) in the electricity sector. Although Kosovo does not have gas infrastructure and it has considerable domestic lignite reserves, the effect of the post-pandemic energy crisis and the war in Ukraine have affected Kosovo harshly through the impact on power prices.

The highest electricity consumption occurs during the heating seasons due to the use of electricity for space heating and inefficient heating equipment, thus resulting in high imports. This increased reliance of the system on imports was particularly stressed last winter when Kosovo had to pay high electricity prices up to around 350 €/ MWh.

As forward power prices are expected to be relatively high for next year, and given the system's outdated and unreliable power plants, a difficult situation is also expected this year, as Kosovo will have to pay high import prices to meet demand during heating seasons.

Regional market integration and efficient use of electricity interconnection capacity would ensure optimisation of Kosovo's and regional resources. However, there is a continuous blockage from Serbia related to Kosovo's integration on the regional market and cross-border mechanism resulting on significant loss of regional welfare. At existing electricity prices, only due to blockage of Kosovo-Serbia electricity interconnection there is up to EUR 20 million/month loss of welfare.

Although Kosovo does not directly rely on Russia have gas infrastructure, old unreliable lignite capacities pose a serious threat to energy security. Moreover, the Government of Kosovo is committed to transitioning to renewable energy sources.

The draft National Energy Strategy 2022-2031 which is currently under public consultation sets out concrete and robust steps in the short and long term, with the main goals of ensuring the security of supply, maintaining affordability, achieving sustainability and integrating Kosovo's energy systems into the European energy system.

The Energy Strategy foresees high penetration of renewable energy sources in the upcoming decade, mainly in wind and photovoltaic technologies. Potential for other sources of clean energy such as geothermal, nuclear and hydrogen will be explored, as will opportunities for (co-)investment in gas-fired powerplants in neighboring countries such as Albania, North Macedonia and Greece which offer access to the Trans-Adriatic Pipeline (TAP) and/or LNG.

Due to its high level of (energy) poverty, diversification and investments will be challenging.

Kosovo needs support in investing in renewables. The swift approval by Congress of the Millennium Challenge Corporation's program focusing on investments in battery storage1 is very important because energy storage will be crucial to allow integration of variable renewable sources of energy.

Support on identifying feasible opportunities and implementing investments in other areas cited above, i.e. investment in gas-powered powerplants in the region, and in the mid-term small modular reactors, hydrogen and geothermal energy.

In the very short term, exerting political pressure on Serbia to unblock the interconnection with Kosovo and allow the commercial allocation of capacities would result in easing the pressure on supply and prices not only in Kosovo, but throughout the region.

[1] https://www.mcc.gov/content/uploads/Kosovo-Intent-to-Negotiate-Congressional-Notification.pdf

Ambasada
e Republikës së Shqipërisë

Uashington D.C.

Embassy
of the Republic of Albania

Washington D.C.

Washington, D.C., on June 13th, 2022

The Hon. Senator Jeanne Shaheen
Chairman
Subcommittee On Europe and Regional Security Coop.
United States Senate

The Hon. Senator Ron Johnson
Ranking Member
Subcommittee On Europe and Regional Security Coop.
United States Senate

Dear Chairwoman Shaheen and Ranking Member Johnson,

First, let me start by warmly thanking the Subcommittee on Europe and Regional Security Cooperation, and you in particular, for hosting this hearing on European Energy Security with Mr. Amos Hochstein, U.S Presidential Coordinator for Energy Security.

Europe is currently facing unfortunate circumstances, caused by Russia's unprovoked aggression towards Ukraine. In this context, Albania has reiterated its position and unwavering support for the sovereignty and territorial integrity of Ukraine and has made its position clear as a member of NATO, UNSC, and OSCE.

Our country has joined the United States and many other allies and partner in calling on Russia to reduce tensions and engage in diplomacy. Sadly these efforts have fallen short in the deaf ear of President Putin. As a result, the whole world, especially Europe, is facing a major crisis concerning energy supply and security that this unjustifiable war has caused.

In order to face this crisis, we stand together with the United States, its Congress in particular, and with all our European friends to address the need for Europe's energy independence. This is a tough task, but an equally important one, if we seek to avoid being dependent from malign actors who are trying and sometimes succeeding in using their exports, mainly those of gas and fuel, as a geostrategic means of fulfilling their obscure political agenda.

Address: 2100 S Street NW, Washington DC 20008, USA
Tel: +1-202-223 4942 Fax: +1-202-628 7342 E-mail: embassy.washington@mfa.gov.al

Moreover, Albania is fully aware of the important role the United States has to play in order for Europe to achieve this objective. That is why our country has engaged with the US to strengthen the commitment and contribution to our strategic partnership and worked with the US Administration to foster a stronger and long lasting partnership, among other areas, in energy and energy security.

In this context, I am proud to say that Albania is one of the few countries in the world to wholly base its production of energy on renewable power. In 2020, Albania exceeded the national target for renewable energy in final energy consumption, achieving 39%, in an energy mix based on hydropower for nearly 99% of production, except a few small photovoltaic plants.

In order to meet its internal demand, Albania remains very much dependent on import of electricity. In a typical year, Albania imports 20-30% of electricity and as such, the European energy crisis and the increased prices on the spot market have made it very costly for the government to fulfill its energy security obligation towards its citizens.

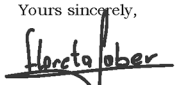
Nevertheless, the government is putting in a lot of efforts in diversifying the energy production. The Ministry of Infrastructure and Energy has concluded two very successful auctions for developing and building photovoltaics with a total capacity of 240 MW and another auction for a capacity of 150 MW is launched and under way on wind capacities. We remain confident that all these projects will create a new synergy on the renewable access in Albania.

A very important project for the energy security of Albania is the Hydropower plant of Skavica, which is in the upper flow of Drin river and serves as a regulator for the whole cascade. This project is being developed in collaboration with the US construction company, Bechtel. The Ministry of Instructure and Energy has also initiated an LNG terminal in Vlora, in collaboration with two US companies, Excelerate Energy and Exxon Mobil, which aims to deliver LNG from the US to Albania and through Albania potentially to Europe, making it a regional project.

It is our clear position that energy security should be a regional project, as Albania cannot import electricity if there isn't already in place an established transmission network between countries. That is why we believe that projects with a regional relevance should be facilitated and the US and EU can be major contributors in assisting Albania and other countries in the Western Balkans to raise their capacities in the energy sector both financially and through promotion of best industry practices.

Please accept, Honorable Senators, the assurances of my highest consideration.

Yours sincerely,



Floreta Faber
Ambassador of the Republic of Albania to the US

CEPA

Thursday, 09 June 2022

Leadership and Members of the U.S. Senate Foreign Relations Committee Subcommittee on Europe and Regional Security Cooperation:

Chairwoman Shaheen, Ranking Member Johnson, and distinguished Members of the U.S. Senate Foreign Relations Committee Subcommittee on Europe and Regional Security Cooperation. Thank you for holding a hearing today on an issue as vital to Transatlantic national security and U.S. foreign policy interests as supporting Europe's energy security.

My name is Dr. Benjamin L. Schmitt, and I have previously served as European Energy Security Advisor at the U.S. Department of State, where I focused on advancing evidence-based diplomatic engagement vital to supporting the energy and national security interests of the Transatlantic community, with a particular focus on supporting NATO's Eastern Flank and Ukraine in the face of Russian malign energy activities.

I am now a research associate at the Harvard-Smithsonian Center for Astrophysics, serving as project development scientist to advance the design and implementation of a new set of cosmology telescope facilities at the U.S. National Science Foundation-administered Amundsen-Scott South Pole Station in Antarctica. I am also an associate of the Harvard-Ukrainian Research Institute, a senior fellow at the Center for European Policy Analysis (CEPA), and co-founder of the Duke University Space Diplomacy Lab and "Rethinking Diplomacy" fellow at the Duke University Center for International and Global Studies. I also had the honor of representing the United States in Germany as a U.S. Fulbright Research Fellow at the Max-Planck-Institut für Kernphysik, in Heidelberg.

With heavy fighting ongoing in Ukraine – and the wounds of Bucha and Mariupol still open and bleeding – the Transatlantic community doesn't have the luxury of time to search for an effective path forward in countering this new phase of Russian aggression, but urgent anticipatory diplomacy is needed.

This is especially true concerning Europe's dependence on Russian energy resources because Putin's Kremlin has weaponized energy against Europe for years and because hydrocarbon revenues play an outsized role in funding Moscow's war-making capability. Given this reality, we need to take a lessons-learned approach to identify energy policies that have been successful to curb the Kremlin's energy influence in the lead up to the war, as well as being clear-eyed about mistakes that were made so that they are not repeated.

Three key lessons that should guide future European energy security policymaking include:

- **First, energy and critical infrastructure proposals advanced by authoritarian nations like Russia are "not just commercial deals."**

Center for European Policy Analysis
1275 Pennsylvania Ave NW, Suite 400
Washington, DC 20004

Telephone: (202) 551-9200
Email: info@cepa.org

www.cepa.org

- **Second, energy diversification infrastructure has been effective at countering Russian energy weaponization.**

- **Third, sanctions have been an effective tool to slow and stop Kremlin malign energy influence.**

On the first lesson, given total state control in authoritarian nations like Russia, nearly every sector of society can be weaponized to advance geopolitical aims, from cyberspace, to supply chains, to space assets. This reality means that foreign policy responses must now be deliberately multidisciplinary and include basic science and technology analysis in the traditional national security process. Russia's long and sordid history of weaponizing energy against Europe is a key example of such authoritarian activities, including numerous gas cutoffs of Ukraine for political blackmail, including in 2009, 2014, 2015, and 2018.

In 2021, the Kremlin intentionally limited natural gas volumes exported to European storages, many of which were owned by Kremlin-controlled Gazprom. This created EU-wide gas scarcity that limited the latitude of foreign policy responses to Putin's invasion of Ukraine as hostilities began during the height of the European heating season in February 2022.

Russia also uses energy proposals – like the Nord Stream 1 and 2 pipelines – to advance strategic corruption and elite capture in Europe. This includes former senior officials leaving office only to end up working for Russian state-owned energy firms like Gazprom and Rosneft and their subsidiaries. You have likely heard of the case of former German Chancellor Gerhard Schröder infamously taking multiple such roles – including at Rosneft and majority-Gazprom-controlled Nord Stream AG – after leaving office. But over the last decade a long line of officials have followed in his footsteps, including from France, Austria, and beyond. Just a few such examples include former French Prime Minister François Fillon joining the board of Russian state-owned oil group Zaroubejneft, and former Austrian Foreign Minister Karin Kneissl joining the board of Kremlin-controlled Rosneft in 2021. The trend became so notorious it got a name – Schröderization – and the practice dangerously undermines confidence in democratic norms in the face of authoritarian influence.

On the second lesson, in recent weeks, Moscow has increased its energy pressure to deter a united European response to its invasion of Ukraine, cutting off gas exports to Poland, Bulgaria, Finland, Denmark, and the Netherlands. However, effective energy infrastructure policies driven under the European Energy Union framework and supported by U.S. energy diplomacy, have made these countries resilient to Russia's cutoffs. In fact, Poland and Bulgaria were able to neutralize pressure from the cutoffs by developing many such projects, such as Poland's Świnoujście LNG terminal and BalticPipe natural gas pipeline, as well as Bulgaria's long-awaited Interconnector Greece-Bulgaria set to come online this year.

And finally, the third lesson. Let's be clear: Congress has been consistently right with its sanctions policies to limit Russian malign energy influence over the years. This is particularly true when it comes to measures to stop the Kremlin-backed Nord Stream 2 pipeline, including discretionary sanctions against the project under the 2017 Countering America's Adversaries Through Sanctions Act (CAATSA), as well as the mandatory, technology-calibrated sanctions measures that were included in the 2020 and 2021 National Defense Authorization Acts.

Nord Stream 2 was a long-running geostrategic anchor that Germany clung to even as Russia openly created a gas crisis last year, and likely emboldened Putin's confidence that energy pressure could limit Western pushback on his looming invasion. Nevertheless, despite long-running narratives that sanctions could not stop Nord Stream 2, Congressional sanctions worked: the Biden Administration finally sanctioned Nord Stream 2 AG and its corporate officers in the hours before Russia's invasion, leading to reports of its insolvency, and hopefully ending the project for good.

Nevertheless, energy sanctions measures can always be made tighter to ensure that the Kremlin can't exploit perceived loopholes. For example, the avoidance of sanctions in 2021 against a vessel whose registered ownership was by a so-called "Climate Foundation" which was set up in northeastern Germany had raised concerns at the time. This is because the entity was fact nearly fully funded by the Gazprom-backed Nord Stream 2 consortium, though set up as a government-related entity at the German state level, reportedly in an effort to avoid sanctions. The implications of not learning from this lesson in the future are clear. If left uncorrected, the move could provide a framework for other authoritarian nations to create similar shell "foundations" within countries allied with the United States to evade sanctions designations and thereby undermine the efficacy of broader U.S. counter threat financing programs globally.

With these lessons in mind, the United States and Europe need to take urgent action to increase energy sanctions on the Kremlin to pressure it to relent in its ongoing aggression against Ukraine. The Biden Administration's embargo on Russian hydrocarbon imports was a vital first step, and last week's partial oil embargo of Russia by the EU was another step in the right direction.

But as the Guardian reported last week, during the first two months of Putin's assault on Ukraine, "EU countries are estimated to have paid a total of 39 billion Euros for Russian energy, more than double the sum they have given to help Ukraine defend itself." This is unacceptable if global democracies are going to be successful in helping Ukraine defend its sovereignty and territorial integrity.

Therefore, to pressure the Kremlin to relent in its aggression against Ukraine, increase Europe's energy resiliency, and counter longstanding strategic corruption and elite capture concerns associated with Russian state-owned-enterprises, I offer three recommendations:

1. **We must dramatically increase Transatlantic energy sanctions on the Putin regime.** Our collective goal must be a total oil and gas embargo of exports from the Russian Federation. Until we get to zero, we must:
    - Increase tariffs on Russian energy to deter purchases by energy traders, and – particularly for oil – to continue to depress the Russian Urals crude oil price with respect to the global Brent oil benchmark.
    - Implement controlled sales regimes such as escrow accounts so that Russia can't immediately cash in from interim energy sales en route to zero.
    - The US and EU should issue joint sanctions to permanently stop Russian energy export pipelines like Nord Stream 1 and TurkStream 2. Measures should also be included to expand export controls restrictions on technologies supporting Russia's energy sector, on insurers and maritime certification providers, as well as on technical service providers for Russian energy ventures, especially those that can help aid sanctions evasion, like ship-to-ship transfer service providing firms.

2. **We need to keep leading global energy diplomacy to help the EU secure alternatives to Russian energy resources, while supporting a wartime level of effort to deploy energy diversification infrastructure to make Europe independent of Russian energy.** The Biden Administration's global energy diplomacy – led by Senior Energy Advisor Amos Hochstein who is testifying at today's hearing – has been doing an excellent job advancing efforts to help the EU identify and secure alternative oil and gas volumes to replace Russian resources; this needs to continue. Further infrastructure measures should include the deployment of floating LNG terminals to increase natural gas import capacity at strategic locations around Europe's periphery. Special interest should be given to locations where appropriate onshore infrastructure already exists to speed project development, such as repurposing the gas hub built for Nord Stream 1 and 2 at Lubmin, Germany to instead allow for LNG imports from non-Russian sources. Urgent legal and regulatory steps must also be taken to end ownership of critical oil and gas facilities by Kremlin-controlled entities across the EU.

3. **We must curb Kremlin Strategic Corruption in Western Democracies.** Although several senior European officials have begun to leave their post-government positions working for Kremlin state-owned-enterprises in recent weeks, the trend has not reached a definitive end. To ensure that this practice does not re-emerge to undermine confidence in democratic norms once more, Congress should first work with European parliaments to issue a joint-statement defining a Transatlantic norm stating that nations on both sides of the Atlantic will pass legislation to bar post-government employment at Russian state-owned-enterprises. This shouldn't be controversial and can be done today. Then this legislation should be passed, for the United States in the form of the Stop Helping America's Malign Enemies, or SHAME Act, to set a Transatlantic example to help end the trend of Schröderization for good.

For the sake of Ukraine's struggle, we must rise to the occasion with effective European energy security policy. For the sake of those millions of people now exposed to the Kremlin's malice, failure is not an option.

With highest regards,

Dr. Benjamin L. Schmitt

09 June 2022

Cambridge, Massachusetts

My views expressed in this letter are my own and do not represent those of the organizations I am affiliated with, which take no institutional position.

Center for European Policy Analysis
1275 Pennsylvania Ave NW, Suite 400
Washington, DC 20004

Telephone: (202) 551-9200
Email: info@cepa.org

www.cepa.org

EMBASSY OF THE REPUBLIC OF BULGARIA
Washington D.C.

AMBASSADOR

June 13th, 2022

Honorable Senator Shaheen:
Honorable Senator Johnson:

As a follow-up to the hearing "European Energy Security: America's Role in Support Europe's Energy Diversification Agenda" last week, I am pleased to enclose herewith an update on Bulgaria's energy sources, needs and efforts to reduce its energy dependence on Russia.

I do hope that the update would contribute to better understanding my country's energy security challenges, especially in the aftermath of the recent gas supply cut-off by "Gazprom".

I firmly believe that the United States has a crucial role to play in supporting Europe's diversification and energy resilience.

Sincerely,

GEORGI PANAYOTOV

THE HONORABLE JEANNE SHAHEEN
CHAIRWOMAN

THE HONORABLE RON JOHNSON
RANKING MEMBER

SUBCOMITTEE ON EUROPE
AND REGIONAL SECURITY COOPERATION

US SENATE COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, DC

1621 22nd Street, NW; Washington, DC 20008; Tel: 202-387-0174; Fax: 202-234-7973
www.bulgaria-embassy.org; E-mail: office@bulgaria-embassy.org

EMBASSY OF THE REPUBLIC OF CYPRUS
Washington, D.C.

June 13, 2022

Honorable Jeanne Shaheen
Chair
Senate Subcommittee on Europe and Regional Security Cooperation
US Senate

Honorable Ron Johnson
Ranking Member
Subcommittee on Europe and Regional Security Cooperation
US Senate

Honorable Senators,
We are very grateful to have been invited by the Sub-Committee to contribute to the discussion on American support to European energy security. Your initiative to hold this dialogue is a testament to transatlantic unity and co-operation. This discussion is very timely, as it looks at addressing some of the challenges of the Russian invasion of Ukraine, but also topical as Europe is expediting, because of the energy crisis that this invasion has propelled, its thinking on energy options in fulfilling climate commitments. We appreciate the opportunity to share with the Senate information on the energy programme and the priorities of the Republic of Cyprus, in furthering energy diversification and European energy security.

The current energy crisis in Europe has highlighted, in every possible way, the importance of planning one's political and economic future on solid grounds of trust and cooperation, with partners and allies one can rely on and with whom one shares common values and interests. These developments, have illustrated that (a) the energy transition is even more than urgent and (b) that the energy security of supply, via the diversification of sources and necessary interconnections is critical in ensuring affordable energy to our EU citizens, companies and to our economies in general.

Cyprus has no natural gas in its energy mix. It is the least dependent of EU Member States on direct oil imports, and other energy related products, from Russia.

However, gas flow disruptions from Russia to Europe have a severe ripple effect for all EU Member States. They cause energy price spikes, with serious consequences for our economy and

2211 R St., N.W., Washington, D.C. 20008-4082, Tel (202) 462-5772, Fax (202) 483-6710
www.cyprusembassy.net

citizens, worsening an already strained prices situation. Cyprus is particularly concerned about such effects as it is currently isolated from EU energy networks.

Cyprus is a staunch supporter of all measures and instruments that aim to enhance the EU's energy autonomy, and the swift phasing out of its dependency to Russian energy. We are in favour of all such measures that respect our Green Transition goals.

As we are transitioning towards achieving our climate commitments, transforming our infrastructure to accept gas in the interim, Renewable Energy Sources (RES) have a significant role to play. Studies by the International Renewables Agency (IRENA) concluded that using the existing electricity grid system, renewable energy – mostly solar – could provide 25% to 40% of Cyprus' total electricity supply in 2030 and significantly reduce costs. Today more than 92% of houses, 53% of hotels and a considerable number of industries, are using solar heaters for heating water. According to the European Solar Industry Federation, Cyprus has the largest number of solar collector installations per capita.

Our integrated National Energy and Climate Plan 2021-2030 (NECP) maps out the actions for our energy efficiency and renewable targets for the next decade and lays the foundation for an ambitious long-term strategy, aiming towards zero net greenhouse gas emissions by 2050. In addition, the Cyprus Energy Regulatory Authority and the Wind Energy Association, with the support of the EU's Directorate-General for Growth, are initiating a *Green Pivot project*, which will focus on energy production, distribution and storage between Cyprus, Egypt and Israel, with Cyprus as a hub with a focus on offshore wind. Furthermore, Cyprus' internal electricity grid is currently undergoing a major overhaul to accommodate a higher percentage of renewable energy sources, increasing it up to 4GW, as compared to the 0,5GW that exists today. Moreover, for the introduction of large energy storage systems, which can also significantly help increase RES penetration in our currently isolated energy system, we are working to introduce both a regulatory framework and funding programmes, in which the US could invest and actively support.

A great priority for Cyprus is the exploitation of hydrocarbon reserves found in our Exclusive Economic Zone. According to the USA Geological Survey assessments, the Eastern Mediterranean region - the Nile Delta Basin and the Levantine Basin - holds enormous quantities of natural gas and oil. In fact, the total quantities of natural gas in the Eastern Mediterranean are estimated to be 9700 billion cubic meters. So far approximately 2800 bcm have been discovered in the Exclusive Economic Zones of Cyprus, Egypt and Israel.

Since 2003, Cyprus has engaged in creating a web of international agreements that provide for the necessary legal certainty, establishing in parallel the conditions for the Eastern Mediterranean's hydrocarbons to gradually contribute to greater stability, peace and prosperity in the region. We have concluded bilateral agreements for the delimitation of our respective EEZ's with neighbouring countries and we are working to conclude more agreements on the exploitation of any joint finds, based on international law and the UN Convention on the Law of the Sea.

This policy has resulted in establishing an attractive environment for major American and international companies to invest in Cyprus' EEZ (EXXON-MOBIL, CHEVRON, TOTAL, ENI among others). Following a disruption in the development programme due to COVID, we are looking forward to expedited work that could make resources from our EEZ available, the earliest possible. To that end, we look forward to the positive results of the recent drilling in block 10 and of the upcoming seismic surveys in block 5, to be conducted by Exxon Mobil. ENI and Total also started performing new drillings in block 6. We also look forward to speedy exploitation of "Aphrodite" in Block 12 by Chevron.

Today, Cyprus, Greece, Israel and Egypt are working on creating an **energy corridor** (including LNG, electricity interconnections or other infrastructure for transferring natural gas or clean energy, e.g. hydrogen) **from the Eastern Mediterranean to Europe.** While addressing the energy needs of Cyprus, Israel, Greece and Egypt, this corridor also contributes significantly to Europe's energy security by diversifying energy sources and routes.

One of the most ambitious and rapidly developing diversification projects is the one of the ***EuroAsia Interconnector.*** We remain grateful for the US public support on the said project of electrical interconnection between Israel, Cyprus and Greece; it will be indeed a truly beneficial infrastructure for the countries of the region. The project has already acquired EU financing of approx. $700m, but will require additional funding. It is expected to be operational by 2025.

Likewise, another project of electrical interconnection which proceeds in parallel, is the ***EuroAfrica Interconnector***, which could contribute significantly to the supply of renewable energy from Egypt and potentially the Gulf, towards the European market.

On another front, most recently, the Governments of Cyprus, Israel and Greece reaffirmed their political will for the construction of the ***East Med Pipeline***, under the condition that the said project will prove to be financially viable. The project remains a "project of common interest" for the EU, since natural gas is still much needed in the energy transition process towards the goal of achieving a neutral carbon footprint. At the same time, our focus is for the East Med Pipeline to have the capacity to transfer clean energy (e.g. hydrogen) in the future, something which will fully align the project with the EU Green Deal binding set of principles and the decarbonization strategies as agreed in the framework of the Paris Agreements.

We are grateful to Congress for the enactment of the *Eastern Mediterranean Security and Energy Partnership Act 2019* and for the bipartisan support expressed "*to deepen energy security co-operation among Cyprus, Greece and Israel and to encourage the private sector to make investments in energy infrastructure in the Eastern Mediterranean region*" (Sec. 203 (2)). The Congress has also expressed strong support for the completion of the Eastern Mediterranean Pipeline, "*as a means of diversifying regional energy needs away from the Russian federation" (Section 203 (3)).*

As we are working on an Eastern Mediterranean energy corridor that will significantly enhance european energy security, the support of the US Administration and Congress will continue to be important. Diplomatically and politically. Not only to secure the necessary funding, but also to deter any disruptions that may be caused due to possible Turkish provocations in our EEZ and in the Greek maritime zones.

The aggressive behavior of Turkey in our region poses a major challenge in exploiting our full energy security potential. Not only does Turkey refuse to engage in negotiations with Cyprus in order to reach an agreement on their respective maritime boundaries, but it persistently violates the sovereignty and sovereign rights of Cyprus and harasses oil and gas companies currently working in our EEZ. Till this date, Turkey has conducted six (6) illegal drillings within the maritime zones of Cyprus, as well as successive unauthorized seismic surveys. All these illegal activities are taking place with the active participation of the Turkish military, resulting in an intense and dangerous militarization of the Eastern Mediterranean, thus posing a serious threat to peace and security of the region. During this time of fragility in international security, it is very important that Turkey gets clear messages that this behaviour is not acceptable and that Ankara be prevented from obstructing these diversification efforts.

I would be remiss in concluding my letter, Honorable Senators, if I did not refer to the **3+1 co-operation** that Cyprus, Greece and Israel have with the US, and the dialogue on energy therein, that spans energy infrastructure and renewable energy sources. This forum bears a lot of untapped potential and can certainly assist our common efforts for energy diversification.

In the context of this platform of co-operation, I would also like to express our gratitude for the provision in the *Eastern Mediterranean Security and Energy Partnership Act 2019* for the creation of a **US-Eastern Mediterranean Energy Center**. Such a center to generate academic knowledge and technical expertise, while contributing to exchanges between US, Cyprus, Greece and Israel, can have an added value as we explore alternative sources of energy and ways to further our co-operation.

While remaining at your disposal for any further information, please accept Honorable Senators the assurances of my highest consideration and esteem.

Marios Lysiotis
Ambassador

Embassy of the Czech Republic
in Washington, DC

3900 Spring of Freedom Street, NW
Washington, DC 20008
phone: +1 202 274 9100, fax: +1 202 966 8540
www.mzv.cz/washington

Hynek Kmoníček
Ambassador

June 13, 2022

Dear Senator Shaheen:

In connection to the Subcommittee on Europe and Regional Security Cooperation of the US Senate hearing entitled "European Energy Security: America's Role in Support Europe's Energy Diversification Agenda" on June 9, 2022, I am pleased to provide below the brief information on the energy situation in the Czech Republic.

In the year 2020, the Czech energy mix was as follows:
· 40.75 % nuclear power
· 40 % lignite,
· 9.6 % natural gas,
· 6.75 % renewables (3.4 % biomass, 2.27 % solar, 0.65 % water, 0.43 % wind energy, etc)
· 2.6 % bituminous coal,

The future CZ energy mix should be based on nucelar power (large projects and potentially smaller projects), declining role of coal power and growing role of renewables. CZ is obliged to cut greenhouse gas emission by 40% by 2030 compared to the year 1990. This goal will be met by the mix of nuclear energy sources (including a new source at the Dukovany site expected to be finished in 2030s) and renewables.

CZ objective is to be energy independent and secure. The current Russian aggression against Ukraine increases risks for our energy security. CZ aims to continue to diversify our energy resources and quickly reduce Russian supplies (also depending on current and potential future sanctions).

CZ believes that is a great potential for our cooperation with the US e.g. in the areas of LNG supplies or nuclear cooperation (including on scientific level and on advances reactors).

Yours sincerely,

Senator Jeanne Shaheen
Chairwoman
Subcommittee on Europe and Regional Security Cooperation
US Senate

Senator Ron Johnson
Ranking Member
Subcommittee on Europe and Regional Security Cooperation
US Senate

ENERGY SECURITY: BULGARIA

Bulgaria has a diverse electricity generation mix which includes nuclear and thermal power plants as well as renewable energy sources (RES) (hydro, wind, solar and biomass).

Primary energy production in the country satisfies about 62% of the gross domestic energy consumption and has a relatively unchanged structure in the past years. Bulgaria's energy dependence (38% in 2020) is significantly below the average for the EU (58% in 2020). The main local resource of the country is lignite coal. Nuclear energy is a local source and contributes significantly to improving energy independence. In 2020 natural gas had a share of 12.3% in the structure of the final energy consumption.

The electricity production mix in 2020 was dominated by the Kozloduy Nuclear power plant (41%) and the coal-fired thermal power plants (34%). The share of RES was 14%.

Bulgaria keeps a strong proactive nuclear approach by demonstrating more than a 45-year proven safety record of operation of WWER nuclear reactors. After a comprehensive programme for the life extensions of Units 5 and 6 of Kozloduy NPP, in 2017 and 2019, respectively, the licenses for the operation of the two units have been renewed for a period of 10 years each. The technical analyzes have confirmed that the two units can operate safely until 2051.

At present, the Government is assessing different options for the future development of the nuclear energy sector in the most cost-effective, technically and legally reasonable way.

On October 23, 2020, Bulgaria and the United States signed a Memorandum of Understanding (MoU) concerning strategic civil nuclear cooperation. The MoU expresses the two countries' intention to work together for the development of nuclear energy sector. Bulgaria is interested in the latest Small Modular Reactors (SMR) technologies developments and considers this new technology as a complementarity to the existing large-scale reactors, not as their replacement.

A Program for diversification of the fresh nuclear fuel supplies has been developed and approved in 2019 in coordination with the Euratom Supply Agency. The aim of the programme is to reduce the dependence of Bulgaria on one supplier of nuclear materials and services in the nuclear fuel cycle. Kozloduy NPP is working closely with Westinghouse Electric Sweden AB on the implementation of this programme.

Against the background of high energy prices, the recent cut-off of the gas supplies by Gazprom Export to Bulgaria poses serious threats to our energy and economic systems. Nevertheless, the Bulgarian Government along with the state companies in the gas sector has taken the necessary steps for ensuring alternative gas deliveries, including from our partners from the United States and Azerbaijan.

Bulgargaz EAD signed a contract with the Azerbaijani state gas company SOCAR (later transferred to the Azerbaijan Gas Supply Company - AGSC) in 2013, for the purchase of 1 bcm of natural gas per year for a period of 25 years. Natural gas will be supplied from the Shah Deniz-2 field in the Caspian Sea via the Southern Gas Corridor. As of December 31, 2020, Bulgaria receives certain quantities of natural gas under the contract with AGSC, which enter the country through the existing Kulata-Sidirokastro gas interconnection with Greece. After the commissioning of the Interconnection Greece-Bulgaria (IGB), the whole quantity of the contracted natural gas from Azerbaijan will be delivered through the IGB.

Two LNG tankers have been agreed with a U.S. company during the official visit of the Prime Minister to the U.S in May this year.

Estimates show that in the current situation, despite the fact that Bulgaria is highly dependent on the gas flows from Russia, there is no necessity to limit gas consumption in the country.

However, further development of the gas infrastructure and consolidating cooperation among the countries in South East Europe is important for guarantying future security of supply and diversification.

Due to its strategic location and good connectivity with the neighboring countries, Bulgaria plays an important role for the gas security in South East Europe. Our country has been actively working to increase the potential of the regional cooperation by promoting completion of the missing energy infrastructure and ensuring security of energy supplies in South East Europe. There are several infrastructure projects with the participation of Bulgaria that will significantly improve gas connectivity in the region.

The LNG terminal near Alexandroupolis (where Bulgartransgaz EAD owns 20% of the project) will allow access to various sources on the international liquefied gas market, including the United States, Israel, Egypt, Qatar, etc. The expected time for commissioning of the terminal is Fall 2023.

The Gas Interconnection Greece-Bulgaria (IGB) will provide our country with access to the LNG terminal near Alexandroupolis as well as to the Southern Gas Corridor, which transports natural gas from Azerbaijan. The interconnection is expected to be completed by July 2022 and to be commissioned before the beginning of the next heating season.

Gas flows from the new potential sources can be transported to Romania (and even to Ukraine) through the reverse flow of the existing Trans-Balkan pipeline, as well as to the Republic of North Macedonia. After the completion of the Interconnection Bulgaria-Serbia (IBS), access to the Southern Gas Corridor and the LNG terminal near Alexandroupolis will be provided also to Serbia and its neighbors.

A regional approach to the common challenges in the energy sector has been adopted also at EU level. As part of the RePowerEU plan, which aims to reduce the EU's energy dependence in the

context of the ongoing military conflict in Ukraine, the European Commission and the Member States have set up the EU's platform for the common purchase of gas, LNG and hydrogen.

The first session of the Regional Platform for Southeast Europe, part of the EU Energy Platform, was held in Sofia on May 5, 2022, in parallel with the Ministerial Meeting on Energy Security, Diversification and Green Transition. The meeting of the working group was co-chaired by the European Commission (DG Energy) and the Bulgarian Ministry of Energy. The aim of the event was to strengthen energy cooperation between the countries of Southeast Europe and to explore how they can address emerging challenges in the energy sector in a coordinated and efficient way.

An action plan that will guide the next steps for diversification and security of supply in the region after the interruption of gas supplies from Gazprom Export was agreed in the framework of the Regional Platform on June 1, 2022.

The Russian invasion of Ukraine may accelerate the process of the green transition considering Europe’s aspiration towards energy independence. As the cornerstone of the European Green Deal, the EU has adopted ambitious goals of climate neutrality by 2050 which Bulgaria supports. The policies proposed under the European Green Deal would make the European economy less dependent on energy imports and therefore more resilient. High energy prices are already accelerating energy saving measures. It is important that the transition to a low-carbon, resource-efficient and sustainable economy, combined with new opportunities for economic growth, employment and investment, takes place in stages and in a cost-effective way. Achieving this goal requires transformation in all sectors and at all governance levels.

A Strategic Dialogue has been established between Bulgaria and the United States, which represents not only another impetus in the Bulgarian-American strategic partnership, but also a new, higher level of bilateral relations. Energy has a special place in this Strategic Dialogue. The working visit of the Deputy Prime Minister for EU Funds and Minister of Finance and the Minister of Energy of the Republic of Bulgaria in February 2022 and the official visit of the Prime Minister of the Republic of Bulgaria at the beginning of May to the United States are building up the Strategic Dialogue and expanding the prospects for energy cooperation between our two countries.

We highly appreciate the consistent US support for achieving the national priorities of Bulgaria for energy security and diversification, and more specifically the solidarity in the current difficult situation. The two LNG tankers agreed during the official visit of the Prime Minister to the U.S. have a great impact on ensuring our short-term security of supply. We also rely on the U.S. support for ensuring the security of gas supply in the longer term.

Bulgaria attaches great importance to the Three Seas Initiative, which has been developing as a platform for cooperation with a main focus on trade, economics and integration of the countries

in the region between the Baltic, Adriatic and Black Seas. Key element of the Initiative in the field of energy is the energy connectivity on the North-South axis.

In 2021 Bulgaria was the host of a successful and productive 6th Presidential Three Seas Initiative Summit, accompanied by a representative Business Forum, engaging companies and stakeholders from the region with strategic foreign investors. A priority area was the consolidation of the Three Seas Initiative Investment Fund by enhancing the support from members, strategic partners and international financial institutions, and attracting private sector investments to implement the proposed projects. At the end of 2020, the Bulgarian Development Bank completed the procedure for accession to the Three Seas Initiative Investment Fund and is officially a class A shareholder with a cash contribution of EUR 20 million. The raised funds will be invested in three target sectors, including energy.

The Partnership for Transatlantic Energy Cooperation and Climate (P-TECC) has been set up as part of the Three Seas initiative. Its main objectives are to assist the countries in South East Europe in enhancing energy security and diversifying energy sources through investments in infrastructure and accelerating the interconnection and compatibility of energy networks in the region. Bulgaria supports the Partnership and participates in the working meetings of the format since its set up in 2018. Representatives of the Ministry of Energy will continue their active work within the Working Groups of the Partnership.

Latvijas Republikas vēstniecība Amerikas Savienotajās Valstīs
Embassy of the Republic of Latvia to the United States of America

2306 Massachusetts Avenue NW, Washington, DC 20008, USA, phone +1 202 328 2840, fax +1 202 328 2860,
e-mail embassy.usa@mfa.gov.lv, www.mfa.gov.lv/en/usa

Washington, DC

June 13, 2022 No.US-13318

The Honorable Jeanne Shaheen
Chairwoman of the Subcommittee on Europe and Regional Security Cooperation,
Senate Committee on Foreign Relations

The Honorable Ron Johnson
Ranking Member of the Subcommittee on Europe and Regional Security Cooperation,
Senate Committee on Foreign Relations

Dear Chairwoman Shaheen, Ranking Member Johnson,

Latvia is grateful for your effort in prioritizing the discussion on the energy security issues in Europe. In the light of the recent hearing at the Subcommittee on Europe and Regional Security Cooperation under the title "European Energy Security: America's Role in Supporting Europe's Energy Diversification Agenda" that took place on June 9th, 2022, allow me to share Latvia's perspective on energy security in the region.

Latvia has been constantly working on diversification of energy sources including the transition towards renewable energy. Russia`s unprovoked war in Ukraine served as a strong catalyst in this regard. It made us take several steps to reduce the dependency on Russian natural gas and other energy resources and diversify supply routes as quickly as possible. Without a doubt, energy security currently is Latvia`s highest priority.

The location, existing infrastructure, and market conditions had put us in a situation where Latvia's more than 90% of its annual natural gas consumption was imported from Russia. Now this means certain challenges to the natural gas supply. However, Latvia and the other Baltic countries are almost entirely non-dependent on Russian oil and oil products. Latvia imports from Russia only about 10% of annual diesel fuel consumption with the rest coming from other suppliers, including Poland and Lithuania. Currently, Latvia remains connected to the Russia-led *BRELL* electricity network. Nevertheless, we are doing our best to be ready to desynchronize from *BRELL* by the end of the year 2025 at the latest.

Despite the difficult situation in energy markets, we are confident that Latvia will not be left without natural gas under any circumstances. We have already obtained additional 2 TWh of natural gas to ensure the reserves of energy supply needed for the coming winter. The gas supplies will be brought in through the liquefied natural gas (LNG) terminal in *Klaipeda*, Lithuania. We have also signed agreements with Lithuania and Estonia on solidarity measures to protect the security of the gas supply. These agreements are especially important since Latvia, Estonia and Finland have a common gas market which at the moment remains unique in Europe. Furthermore, our underground gas storage facility in *Inčukalns* currently stores sufficient natural gas reserves to provide a buffer in case of interruption of imports. *Inčukalns* can cover entire Latvia's gas consumption for the winter period which is around 7-8 TWh of natural gas. Yet, it must be emphasized that the storage facility in *Inčukalns* is used by several countries in the region the overall consumption of which, of course, exceeds that of Latvia alone.

The government of Latvia has taken several consecutive steps to address the issues of natural gas supply. The government decided to prioritize gas flows from the *Klaipeda* LNG terminal on the Lithuania-Latvia interconnection and gas flows on the Lithuania-Poland gas interconnection over natural gas originating in the Russian Federation. The Parliament of Latvia is working on a complete prohibition of natural gas flows imported from Russia. This proposal could potentially be adopted by the Parliament and implemented by the end of the year 2022. To further address energy security, the government is also working on legislation introducing the requirement for security of energy supply reserves to ensure the continuity of heat and electricity supply. The proposal is already under the discussion in Parliament.

However, it is a known fact that the existing LNG import infrastructure in the Baltic region is not sufficient to support complete decoupling from Russian gas supplies. Therefore, one of the most important and

urgent tasks for the region is to ensure that another LNG entry point is operational as soon as possible. In this regard, Latvia is working together with Estonia and Finland on an LNG terminal in *Paldiski,* Estonia. Yet, given that renting a share in the *Paldiski* terminal in the long and mid-term is not a cost-efficient solution for Latvia, we are considering constructing a local LNG terminal in Latvia. Although the details of the project are not publicly available yet we can already state that it will be a commercial private enterprise operating under the market conditions. We expect that the construction of a new LNG terminal in Latvia will attract potential investors and LNG suppliers to the region allowing us to substantially diversify energy supply routes. We strongly believe that LNG suppliers will play a crucial role in the Baltic's energy security in the nearest future. Thus, investments in the energy sector from partner countries, including the U.S. and Europe, are highly anticipated.

Let me underline that tackling short-term challenges do not make Latvia forget the long-term strategy of reducing dependency on fossil fuels and facilitating the green transition. Latvia is prioritizing investment in renewable energy projects to beef up new local energy generation capacity, notably through wind and solar. We acknowledge the great progress achieved by the U.S. in the area of applying solar panel installations, and transmission lines as well as off-shore and on-shore wind-based generation capacities. Hence a transatlantic exchange of expertise is crucial for us in achieving the set green goals in the future. Additionally, we are considering the possible integration of local renewable electricity projects with hydrogen infrastructure, producing the so-called green hydrogen in the future. Although the local hydrogen production is a long-term objective that is not yet researched enough to make any conclusions, we see the potential in modernizing and repurposing the existing natural gas infrastructure to use hydrogen, which simultaneously further reduces the dependency on fossil fuels and ensures Latvia's energy security. At the beginning of 2022, Latvia's gas transmission system operator Conexus Baltic Grid joined the European Hydrogen Backbone initiative to boost the European vision of a climate-neutral Europe enabled by a thriving renewable hydrogen market. We perceive it as a remarkable opportunity to engage with our European colleagues in this innovative sphere of the energy sector.

Solving the current energy crisis is a global challenge and we truly count on our partners around the globe. Getting natural gas to the Baltic region entails not only solving the infrastructure bottlenecks but also diverting more of the global LNG flows toward Europe. In this context, we believe that the European Commission could actively facilitate the conclusion of new gas delivery agreements with foreign suppliers

outside of the E.U. including from the U.S. Latvia is interested in negotiating and concluding offtake agreements with the U.S. companies for LNG deliveries through the region's LNG terminals. Such long-term cooperation would not only substantially strengthen the bilateral economic relations but also our energy security as a part of Latvia's national security.

Once again, the Honorable Senators, I am grateful for your interest and remain at your disposal for further inquiries.

Sincerely,

Māris Selga
Ambassador

EMBASSY OF ROMANIA
to the United States of America

1607 23rd Street NW
Washington, DC 20008
Tel: +1 202 9866973
Fax: +1 202 2324748
E-mail: washington@mae.ro
http://washington.mae.ro
facebook.com/romanian.embassy.us

The Honorable Jeanne Shaheen
Chairman

The Honorable Ron Johnson
Ranking Member

Subcommittee on Europe and Regional Security Cooperation
United States Senate Committee on Foreign Relations

June 13, 2022

Dear Senator Shaheen,
Dear Senator Johnson,

I would like to thank you and the other honorable members of the Subcommittee on Europe and Regional Security Cooperation for organizing the *European Energy Security: America's Role in Supporting Europe's Energy Diversification Agenda* hearing on June 9. It was a timely and important discussion, at a moment that highlights the central role of energy security in ensuring Transatlantic security as a whole.

I am also grateful for your long-standing support for the United States – Romania Strategic Partnership, celebrating its 25th anniversary this year, which has an increasingly important energy dimension, and which can bring a substantial contribution to ensuring regional and European energy security.

Romania relies on a diversified and balanced energy mix, based mainly on domestic resources, a combination of hydro, nuclear, hydrocarbons, solar, wind, biomass, and coal with a clear calendar for phasing-out of coal by 2032 and replacement with more sustainable sources. This diversified energy mix and its own national resources make Romania one of the least energy-dependent European countries, and place it in a strong position to increase its role as a regional and European energy provider. United States cooperation and support can greatly accelerate fulfilling this potential.

Under the goal of accelerating our efforts to meet internationally-agreed de-carbonization targets by 2050, Romania aims at ensuring a fair energy transition from fossil fuels, protecting vulnerable consumers and establishing a diverse energy mix for the future. Nuclear, renewable energy sources and natural gas as a transition source form the backbone of our national energy transition strategy.

The Government of Romania has committed to increase investments in energy production in order to boost internal energy production and to capitalize on the potential of onshore and offshore natural gas including in the Black Sea. New legislation to facilitate exploitation of these deposits has recently been approved by the Romanian Parliament, creating a favorable framework of cooperation with U.S. energy companies. At the same time, Romania supports increasing the supply of liquefied natural gas (LNG) on the European energy market in cooperation with the EU's strategic partners, first and foremost the United States.

Interconnectivity, including in terms of energy infrastructure, remains a high priority for Romania, in order to ensure security of supply. We support the development of regional gas transport

infrastructure, such as Southern Gas Corridor/TANAP-TAP, the Vertical Corridor/BRUA, with the Romania-Bulgaria Interconnector at Giurgiu–Ruse and the Trans-Balkan pipeline.

In line with its comprehensive strategy and its EU and international commitments, Romania continues to be an active supporter of nuclear energy and renewable energy sources. As you know, the United States and Romania have signed a far-reaching Intergovernmental Agreement (IGA) on civil nuclear energy. The flagship project of this cooperation - the modernization and expansion of Romania's Cernavoda Nuclear Plant is already underway. In addition to its economic and security benefits, the project's success will serve as a positive example for other states in the region looking for alternatives to energy actors that do not share our values and interests. The timely completion of the Cernavoda project requires comprehensive U.S. Government support, including the full use of available financial tools and the training of human resources.

The IGA also lays the groundwork for long-term cooperation in the construction and operation of Small Modular Reactors (SMRs) as well as civil nuclear research. During the November 2021 Glasgow Climate Summit, President of Romania Klaus Iohannis and Special Presidential Envoy for Climate John Kerry jointly announced Romania's intention to build a first-of-a-kind U.S. SMR. Romania's ambition is to become, in cooperation with the United States, a European hub for SMRs. Considering the interest already demonstrated by various other states and companies to adopt this technology, we are firmly convinced that the project's success will not only open the regional market, but will also vastly contribute to increasing transatlantic cooperation in the energy field, thus providing a new, clean alternative to fossil fuels.

Romania also looks to the United States as the partner of choice in the development of the next generation of clean, renewable energy solutions. We appreciate the technical support given by the United States to Romania in drafting national legislation in the field of offshore wind and a study on geothermal resources. We aim to continue bilateral cooperation in these fields, as well as on solar energy and hydrogen, all of them with an important potential to further increase our energy security and resilience.

The regional context has always been an essential factor in Romania's energy outlook. Romania has been supportive of the energy needs of Ukraine and the Republic of Moldova, by means of targeted assistance and increased interconnectivity. We believe that any discussion about the future of energy security in Europe should take into consideration the countries in our neighborhood. Russia's unprovoked and unjustified invasion of Ukraine has brought this issue to the fore with renewed urgency.

United States – Romania cooperation in the field of energy under the aegis of our bilateral Strategic Partnership can and should be a key part of any solution for the Black Sea region, for Europe and for the transatlantic community. It is my privilege as Ambassador to advance an ambitious agenda of cooperation that aims to strengthen Romania's role as the United States' closest ally in the region and partner of first resort in the European Union. As we look forward to the next steps, I would welcome the opportunity of an in-depth discussion with you on the best ways to further develop this dimension of the U.S.-Romania Strategic Partnership.

Thank you very much for this opportunity.

Yours sincerely,

Andrei Muraru

Ambassador of Romania

Embassy of the Kingdom of Belgium
in **Washington, D.C.**

1430 K Street NW, Suite 101
Washington, DC 20005
T +1 202 333-6900
F +1 202 333-3079
E-mail: Washington@diplobel.fed.be
unitedstates.diplomatie.belgium.be

The Honorable Jeanne Shaheen
Chairman of the Subcommittee on Europe and Regional Security Cooperation
506 Hart Senate Office Building
Washington, DC 20510

The Honorable Ron Johnson
Ranking Member of the Subcommittee on Europe and Regional Security Cooperation
328 Hart Senate Office Building
Washington, DC 20510

our reference	**date**
JAR/JDP/lf	06.13.2022

Dear Senator Shaheen and Senator Johnson,

In our shared effort to better understand the challenges Russia's invasion of Ukraine pose for European energy security, and how the U.S. government can support Europe's response to those challenges, it is my pleasure to hereby submit Belgium's input as per your invitation of June 8th.

Belgium's energy policy is focused on transitioning to a zero-carbon economy while ensuring security of supply, lowering costs for consumers, increasing market competition and continuing integration with the European energy system.

In light of the Russian invasion of Ukraine and goals to reduce fossil fuel dependency, the federal government decided in March 2022 to take the necessary steps to extend 2 GW of nuclear capacity by ten years till 2035, delaying a planned phase-out in 2025.

The federal government also introduced a EUR 1.2 billion package to accelerate energy transition towards renewables and EUR 3 billion to protect consumers from high energy prices.

Your contact person: Lynn Forsyth
Tel: +1 202 625 5802 – E-mail: lynn.forsyth@diplobel.fed.be

Furthermore, at the European level, Belgium is working to accelerate the transition to renewable energy and wean off dependency of Russian fossil fuels.

Belgium, the Netherlands, Germany and Denmark signed the "Esbjerg Declaration on The North Sea as a Green Power Plant of Europe" to take urgent and immediate action, during the North Sea Summit 18th May 2022.

The plan will increasingly replace fossil fuels, including Russian oil, coal and gas, with European renewable energy, from the North Sea, including offshore wind and renewable hydrogen, contributing to both EU climate neutrality as well as and energy security.

The 4 North Sea countries set ambitious combined targets for offshore wind of at least 65 GW by 2030. Together we aim to more than double our total 2030-capacity of offshore wind to at least 150 GW by 2050, delivering more than half of the capacity needed offshore in 2050 to reach EU climate neutrality in line with the European Commission's Strategy on Offshore Renewable Energy.

This will contribute to large-scale onshore and offshore production of renewable hydrogen. We have set combined targets of about 20 GW production capacity already by 2030 and look to expand our production even further for 2050, complementing also the need for import of renewable hydrogen.

The Belgian role in the "North Sea as the Green Power Plant of Europe" plan is both ambitious and pioneering:

- Belgium will establish the world's first offshore energy island, a hybrid project combining offshore wind generation and cross-border interconnection.

- Belgium and Denmark will cooperate closely on a cable-connection between both the Danish Energy Island and the Belgian Energy Island.

- Belgium will establish 5.8 GW offshore wind capacity by 2030 and will aim to 8 GW by 2040.

With regard to US-EU energy cooperation, allow me to highlight that Belgium occupies a central position in Europe, with 2 oversized LNG terminals and 18 interconnection points. Of the imported gas only 1/3 is for domestic use.

We continue to invest in import and transport infrastructure of molecules gas for now but H2 in the future. Belgium is well connected and will play an importing and transiting role of hydrogen in Western Europe, offering many business opportunities in the field of renewable hydrogen.

Renewable hydrogen plays a central role in the REPowerEU plan to diversify Europe's gas imports. The US could play a major role in supporting the global breakthrough of the molecule – both in Europe and domestically.

Your contact person: Lynn Forsyth
Tel: +1 202 625 5802 – E-mail: lynn.forsyth@diplobel.fed.be

With this, allow me, Madam Chair, Sir, to thank you for the opportunity to contribute to the debate. With the above, I am glad to provide an outline of the Belgian understanding and vision of energy provision and security for the future. Hoping to have been of service herewith, I remain at your disposal for further questions.

Sincerely

Jean Arthur Régibeau
Ambassador of Belgium to the United States

Your contact person: Lynn Forsyth
Tel: +1 202 625 5802 – E-mail: lynn.forsyth@diplobel.fed.be

.be

RESOCONTO STENOGRAFICO
Presidenza del presidente ALBERTI CASELLATI

Informativa del Ministro della transizione ecologica in vista del G7 dei Ministri dell'energia e dell'ambiente del 25-27 maggio 2022 e conseguente discussione (ore 17,09)

PRESIDENTE. L'ordine del giorno reca: «Informativa del Ministro della transizione ecologica in vista del G7 dei Ministri dell'energia e dell'ambiente del 25-27 maggio 2022».

Ha facoltà di parlare il ministro della transizione ecologica, professor Cingolani.

CINGOLANI, *ministro della transizione ecologica*. Signora Presidente, onorevoli senatori, vi ringrazio per l'opportunità.

Vi informo su quanto avverrà nei prossimi due giorni nella riunione del G7 "energia e ambiente" e sullo stato di avanzamento dei lavori finora. I punti fondamentali dell'agenda saranno: stabilire un'alleanza globale per la protezione del clima; promuovere una transizione energetica pulita, sostenibile ed inclusiva; preservare la biodiversità, rafforzando le attività correlate all'efficienza delle risorse e all'economia circolare; migliorare la sostenibilità della gestione delle sostanze chimiche; promuovere la protezione e l'uso sostenibile dei mari; migliorare la tutela della biodiversità marina. Questi sono i temi attualmente nell'agenda della riunione dei Ministri del clima, dell'energia e dell'ambiente dei Paesi del G7, che si terrà il 26 e il 27 maggio a Berlino, nell'ambito dell'annuale Presidenza tedesca.

I Ministri del G7 sono chiamati ad adottare, alla conclusione dei due giorni di lavoro, un comunicato che rifletta un approccio trasversale e multisettoriale, che evidenzia l'interdisciplinarità di questi argomenti. C'è un comunicato in via di costruzione - come sapete sempre, in questi impegni internazionali si lavora per la costruzione almeno di una base in modo da poter convergere nei due giorni di lavori - che riconosce l'urgenza di affrontare le grandi sfide globali legate ai cambiamenti climatici e alla transizione energetica, per il futuro a emissioni zero, alla perdita di biodiversità e ai danni dovuti all'inquinamento.

La Presidenza tedesca intende promuovere ulteriori impegni di riduzione delle emissioni rispetto a quelli adottati nel corso del 2021, attraverso i *forum* che avete seguito (G7, G20 e COP26 di Glasgow). Questo non dovrebbe necessariamente avvenire da parte dei Paesi del G7 nella forma di una revisione diretta degli obiettivi generali, ma ad esempio attraverso il rafforzamento di obiettivi settoriali o di interventi su specifiche fonti di emissioni, come per esempio il caso del metano, che è abbastanza focale nel dibattito.

La recente presentazione di Repower EU va in questa direzione: secondo tale proposta, che risponde alla situazione geopolitica che stiamo vivendo, l'Unione europea dovrà accelerare su obiettivi di efficienza energetica e rinnovabili. Questo non comporta oggi un formale cambio dell'obiettivo al 2030, ma se l'implementazione di nuovi *target*, qualora concordati, fosse completata da parte di tutti gli Stati membri, potremmo collettivamente raggiungere un livello di riduzione superiore a quello formalmente approvato. Al di là di queste considerazioni interne in ambito G7, quello che come Italia abbiamo evidenziato è che il solo rinnovato impegno unilaterale dei Paesi del G7 ad innalzare l'ambizione non è sufficiente. Occorre un richiamo forte, in particolare a tutti grandi emettitori, specie ai membri del G20, a presentare i nuovi obiettivi di riduzione in linea con il mantenimento del *global warming* sotto 1,5 gradi centigradi e con gli impegni adottati a Glasgow.

Un'importante proposta della Presidenza tedesca riguarda la costituzione di un *club* sul clima che non sia limitato solo ai Paesi del G7, ma sia esteso anche ad altri gruppi emettitori del G20 e, più in generale, ad altri Paesi, sia emergenti che in via di sviluppo, fortemente impegnati nella lotta al clima. Questa proposta è finalizzata ad allineare le politiche e le misure climatiche, soprattutto nei settori industriali, accelerando il taglio delle emissioni nei settori in cui ciò è più difficile e, al contempo, nel prevenire distorsioni del mercato e fenomeni di *carbon leakage*.

Nelle intenzioni tedesche il *climate club* potrebbe essere sviluppato sui seguenti tre pilastri: primo, la comune misurazione delle emissioni e allineamento del prezzo della CO_2, collegato a materiali prodotti, per garantire la comparabilità delle politiche climatiche, ricorrendo a strumenti come il Carbon border adjustment mechanism (CBAM); secondo, la progressiva trasformazione dei settori industriali attraverso approcci comuni di decarbonizzazione delle aziende, attraverso strumenti come

il Patto di azione per l'idrogeno (Hydrogen action pact); terzo, lo sviluppo di *partnership* internazionali per la decarbonizzazione del settore energetico nelle economie emergenti e nei Paesi in via di sviluppo, attraverso l'eliminazione del ricorso al carbone e la progressiva diffusione delle rinnovabili.

È un'iniziativa ambiziosa, che richiede uno sforzo diplomatico e tecnico non indifferente per mettere in piedi tutto il complesso sistema di cooperazione. Al momento, presenta alcune criticità sulla realizzabilità dell'iniziativa in tempi così ristretti; l'idea sarebbe la presentazione nella ministeriale di maggio e il lancio al vertice di giugno, tenendo conto che ci sono diversi approcci, che esistono tuttora all'interno del G7, rispetto agli strumenti e alle politiche impiegate per ridurre le emissioni in settori strategici per l'economia dei diversi Paesi.

Da parte di quasi tutti i membri del G7 è nata quindi una disponibilità a discutere dell'iniziativa tedesca, tra le priorità del cancelliere Scholz, evitando però di lanciarla nella sua interezza in occasione della prossima ministeriale.

Per il settore energetico è emersa la determinazione ad accelerare la transizione verso un futuro a zero emissioni nette entro il 2050, mantenendo, al contempo, la sicurezza e l'accessibilità dei sistemi energetici anche attraverso la rapida espansione delle energie rinnovabili e dell'efficienza energetica. La transizione energetica pulita deve assicurare la stabilità e l'accessibilità economica all'approvvigionamento energetico, riducendo, al contempo, i rischi per la sicurezza e per il clima associati alla dipendenza dalle fonti fossili, preservando la competitività industriale e tutelando i consumatori finali di energia.

Vediamo adesso alcuni aspetti specifici che verranno trattati nella riunione del G7 riguardo al tema dell'energia e che saranno oggetto del comunicato.

Il primo concerne il metano, con l'obiettivo di riaffermare l'impegno definito in ambito di Global methane pledge, adottato a Glasgow, e volto alla riduzione delle emissioni globali di metano antropogenico del 30 per cento al di sotto dei livelli del 2020 entro il 2030. La Presidenza tedesca ha proposto ai Paesi del G7 l'impegno di sviluppare dei piani di azione nazionali nel settore della riduzione delle emissioni di metano. Inoltre, l'Italia ha proposto - e la *membership* G7 ha accolto la proposta - di considerare anche il ruolo delle tecnologie *waste to fuel*, come il biometano, come una preziosa opportunità per mitigare le emissioni di metano.

Il secondo punto in agenda per il settore dell'energia concerne l'impatto dell'aggressione russa e la sicurezza energetica. La Presidenza tedesca ha ripreso il linguaggio e i contenuti definiti nella dichiarazione congiunta dei Ministri dell'energia del G7 a seguito dell'aggressione russa contro l'Ucraina. In particolare, è stato rappresentato come la situazione stia provocando forti riverberi sui mercati energetici internazionali e come abbia condotto a ulteriori e significativi aumenti dei prezzi di petrolio, gas, carbone e minerali e, indirettamente, dell'elettricità, oltre che di beni, servizi e generi alimentari a livello mondiale. È stata riportata la grave preoccupazione per l'onere che ciò crea per le famiglie, in particolare per quelle più vulnerabili, nonché per le imprese e le industrie, in particolare nei Paesi europei.

L'Italia ha sottolineato che i prezzi elevati hanno impattato, non solo sui Paesi in via di sviluppo, ma anche sulle economie più mature che presentano elevate importazioni nette. La Presidenza tedesca - come proposto dall'Italia sin dalle prime fasi del negoziato G7 - ha riconosciuto la necessità di considerare misure efficaci per fermare l'aumento del prezzo del gas, determinato da condizioni di mercato straordinarie. Come sapete, abbiamo a lungo spinto in Europa per il *price cap*: si tratta di misure oggetto di un importante dibattito a livello europeo con i Paesi membri.

Il terzo punto in agenda per il settore dell'energia concerne i sussidi alle fonti fossili. Rispetto ai sussidi alle fonti fossili, tra cui petrolio, gas e carbone, la Presidenza mira a riaffermare l'impegno a eliminare gradatamente i sussidi nazionali, cosiddetti inefficienti, per le fonti fossili entro il 2025. Tale impegno è in linea con quanto deliberato dal Comitato interministeriale per la transizione ecologica in Italia, che prevede la graduale eliminazione dei sussidi ambientalmente dannosi tra il 2022 e il 2025. L'eliminazione graduale dei sussidi inefficienti ai combustibili fossili libera risorse pubbliche, che potranno essere utilizzate per sostenere una transizione verso energie pulite e possono contribuire a ridurre gli svantaggi competitivi per le tecnologie energetiche più innovative. Preciso che, nell'ambito del G7, per sussidi inefficienti alle fonti fossili si intendono quelli che non hanno caratteristiche di temporaneità, che non sono destinati ai consumatori più vulnerabili o che non contribuiscono ad una transizione energetica giusta.

Per accelerare l'eliminazione di tali sussidi si prevede un rafforzamento della trasparenza internazionale, la condivisione delle buone pratiche, l'avvio di un'azione di monitoraggio e di aggiornamento sui progressi raggiunti al 2023, oltre che una valutazione delle possibili azioni per sviluppare inventari pubblici congiunti relativi ai sussidi esistenti per i combustibili fossili. Da parte italiana è stato evidenziato che non esistono sussidi efficienti alle fonti fossili e che è quindi opportuno prevedere una rapida accelerazione a livello internazionale, al fine di raggiungere gli obiettivi di Parigi.

Inoltre, l'Italia ha fatto presente che, laddove si vogliano sviluppare inventari pubblici congiunti relativi ai sussidi esistenti per i combustibili fossili, sarà necessario condividere altresì i metodi di classificazione dei sussidi alle fonti fossili e criteri di stima economica uniformi e condivisi.

Il quarto punto dell'agenda energia riguarda l'idrogeno. Per il raggiungimento di un futuro a zero emissioni nette ed energicamente sicuro è stato sottolineato il ruolo centrale dell'idrogeno rinnovabile e a basso contenuto di carbonio e dei suoi derivati, come l'ammoniaca. L'idrogeno è visto quale elemento chiave verso una piena decarbonizzazione delle economie. A tal fine, la Presidenza tedesca propone di sottoscrivere e lanciare il G7 Hydrogen action pact, un'iniziativa volta ad accelerare e rafforzare l'azione congiunta nel campo dell'idrogeno, nonché a favorire le sinergie e la razionalizzazione delle attività svolte nelle diverse piattaforme multilaterali già esistenti.

Da parte italiana, è stata ribadita la priorità per l'idrogeno verde da rinnovabili e il riferimento al suo ruolo per decarbonizzare anche i settori industriali *hard to abate*, confermando, al contempo, l'importanza della collaborazione internazionale per promuovere lo sviluppo e la definizione di *standard* settoriali comuni, al fine di favorire la produzione, l'uso, il commercio e il trasporto di idrogeno.

Come sapete, nell'ambito del PNRR, sono previsti tutti gli investimenti, come da dettame della Commissione, per l'idrogeno verde. Altri Paesi producono idrogeno in altro modo. In questo momento è importante avere una metrica di utilizzo, stoccaggio e scambio che sia il più possibile europea.

Il quinto punto del settore energia riguarda l'Agenda industriale di decarbonizzazione, la cosiddetta IDA (Industrial decarbonisation agenda): la Presidenza G7 promuove la decarbonizzazione dell'industria, in particolare nei settori *hard to abate*, e favorisce la neutralità climatica del sistema industriale globale. Pertanto, la Presidenza intende favorire l'iniziativa G7 dedicata alla decarbonizzazione dei settori industriali, la cosiddetta Industrial decarbonisation agenda, lanciata nel 2021, nel corso della Presidenza G7 del Regno Unito; è stata dedicata a rafforzare la collaborazione tra membri del G7 anche in materia di regolamentazione, di *standard*, di investimenti, di appalti e ricerca relativa alla decarbonizzazione industriale.

L'IDA mira a favorire lo sviluppo di una definizione internazionale per la produzione sostenibile di acciaio e cemento cosiddetta *near zero carbon dioxide*, al fine di inviare un segnale ai mercati internazionali. Inoltre, IDA intende promuovere lo sviluppo di un pacchetto di misure - che in Europa chiamano *tool box* -, incluse quelle relative al *carbon pricing* e allo sviluppo di definizioni *standard* per la produzione di materiali a emissioni quasi zero, anche alla luce del rapporto predisposto dalla International energy agency dedicato alla decarbonizzazione dell'industria nei Paesi del G7.

La proposta IDA, che sarà uno degli allegati al comunicato finale della ministeriale, mira allo sviluppo di piani e politiche di transizione industriale e a favorire investimenti e finanziamenti per progetti dimostrativi. Mira inoltre allo sviluppo di meccanismi finanziari per lo sviluppo tecnologico e all'avvio di collaborazioni internazionali avanzate per la decarbonizzazione dell'industria a livello globale. Capite che per noi è importante perché siamo uno dei principali Paesi manifatturieri e quindi tale discussione per l'Italia è molto rilevante.

Il sesto punto relativo alla materia energetica dell'agenda G7 sono gli edifici a emissioni nette zero. Nel confermare il ruolo centrale dell'efficienza energetica nel settore dell'edilizia, la Presidenza tedesca ha proposto di adottare un approccio graduale, per favorire, tra le varie tecnologie, l'installazione di nuovi sistemi di riscaldamento a emissioni zero e/o con un'elevata quota di energia rinnovabile, dal 2025 in poi. Per ridurre le emissioni di carbonio dei nostri edifici esistenti si prevede un aumento del tasso di ristrutturazione e di *retrofitting*, con particolare attenzione agli edifici con le prestazioni peggiori e agli edifici pubblici.

Tutti i Paesi del G7 sono, pertanto, invitati a introdurre politiche nazionali volte a prevedere esclusivamente lo sviluppo di nuovi edifici a emissioni zero entro il 2030. Particolare attenzione viene rivolta al potenziale degli edifici come possibili stoccaggi di anidride carbonica tramite l'utilizzo di materiali di costruzione finalizzati a questo scopo. Da parte italiana, è stato espresso supporto alla decarbonizzazione degli edifici al 2050, in linea con la Strategia nazionale del rinnovamento degli edifici. In tal senso, Giappone, USA e Canada hanno, invece, richiesto impegni meno stringenti.

Il settimo punto dell'area energia è rappresentato dalle rinnovabili, in agenda per i prossimi giorni. Sottolineando la necessità di una maggiore e rapida crescita della diffusione delle energie rinnovabili a livello globale, la Presidenza tedesca propone che il G7 si impegni a rimuovere le barriere e gli ostacoli che attualmente impediscono o rallentano l'espansione delle energie rinnovabili, ad esempio, nell'ambito delle procedure di pianificazione e autorizzazione, strutturazione del mercato, operatività della rete, incentivi fiscali, investimenti in infrastrutture necessarie per l'integrazione di quote elevate di rinnovabili variabili.

Noi siamo tutti fermamente convinti della necessità di una forte accelerazione, perché abbiamo preso degli impegni internazionali importantissimi. È chiaro che l'installazione dell'energia rinnovabile è solo

una parte della sfida. Un'altra parte importantissima è una rete intelligente in grado di gestire, smistare e soprattutto sopportare i carichi, visti gli aumenti di potenza. Un'altra parte, la terza e ultima, è quella dell'accumulo, trattandosi di sorgenti non programmabili. Quindi il capitolo delle rinnovabili richiede una programmazione e una visione importante. Al fine di avviare un percorso verso le emissioni nette zero entro il 2050, i Paesi del G7 prevedono finanziamenti pubblici per le energie rinnovabili, per favorire il livello dell'investimento privato. Da parte italiana è stato manifestato convinto supporto all'accelerazione dello sviluppo delle rinnovabili; è richiesto un maggiore *focus* nel comunicato finale sulla tematica della ricerca e dello sviluppo in questi settori, ovviamente in particolare per l'accumulo, che necessita di grandi investimenti, e anche in parte per le reti.

L'ottavo punto riguarda la decarbonizzazione dei sistemi energetici. La Presidenza ha proposto l'obiettivo relativo al *phase out* del carbone entro il 2030, posizione largamente in linea con il nostro PNIAC, persino quello che ancora non è aggiornato alla Fit for 55. Diciamo che abbiamo fatto i compiti un po' meglio dei cugini europei; noi abbiamo una frazione di energia prodotta da carbone più piccola rispetto ad altri Paesi europei. Da parte tedesca è stato proposto l'impegno a raggiungere la neutralità climatica del settore elettrico entro il 2035, in linea con quanto auspicato dagli scenari di decarbonizzazione dell'Agenzia internazionale dell'energia. Si tratta di un impegno ambizioso per il nostro Paese, ma anche per gli altri membri del G7. Il negoziato su questo punto al momento attuale è ancora aperto, ma c'è un generale consenso ad andare in questa direzione con questo cronoprogramma.

Ci sono poi alcuni temi trasversali agli ambiti del clima e dell'energia. Il primo è la cosiddetta Just energy transition partnership. Il forte e concreto sostegno ai Paesi emergenti e a quelli in via di sviluppo per accelerare la loro transizione energetica è diventato una priorità dei Paesi del G7, anche alla luce dei recenti impegni presi a Glasgow. Lo sviluppo di *partnership* internazionali per assistere i Paesi in via di sviluppo e i Paesi emergenti sul modello disegnato per il Sudafrica e annunciato alla COP26 costituisce uno strumento individuato dall'intera *membership* del G7 e sostenuto da Paesi *partner* per accelerare l'uscita dal carbone. Su questa iniziativa saranno chiamati a fornire un contributo sostanziale le banche multilaterali, il settore privato e potenzialmente le filantropie, attraverso diversi strumenti finanziari e di *capacity building* in risposta alle necessità e alle priorità dei beneficiari. È intenzione della Presidenza tedesca - e su questo c'è il nostro convinto sostegno - lanciare nuove *partnership* con Indonesia, Vietnam, Senegal e India, in ragione del loro interesse politico e del ruolo di *leadership* che questi Paesi potrebbero svolgere in ambito energetico e climatico nelle loro rispettive aree geografiche.

Un altro punto intermedio e trasversale fra clima ed energia riguarda il settore dei trasporti su strada. In merito alla decarbonizzazione del settore trasporti, la Germania ha fin da subito posto l'accento sulla centralità del contributo di questo settore alla riduzione delle emissioni, per mantenere la temperatura entro i famosi 1,5 gradi centigradi. A tal proposito, si sta discutendo un forte impegno dei Paesi del G7 a favorire la crescita dei veicoli elettrici, con l'obiettivo di procedere ad avere tutte le nuove auto e i furgoni (quindi il trasporto leggero) a zero emissioni entro la prossima decade (gli anni Trenta). Su questo aspetto abbiamo rimarcato l'impegno italiano a favorire una veloce decarbonizzazione del settore automobilistico, evidenziando, coerentemente con la posizione espressa nel parallelo negoziato europeo relativo al Fit for 55, la necessità di identificare tempistiche diverse tra auto e furgoni, suggerendo rispettivamente il 2035 per le auto e il 2040 per i furgoni. Tale approccio consentirebbe di avviare una transazione ambiziosa, ma giusta, tarata sulle specificità nazionali relativamente allo sviluppo delle necessarie infrastrutture, all'adattamento del sistema produttivo alle nuove tecnologie e al passaggio dalla produzione di componenti per motori a combustione interna alla produzione e gestione di attrezzature per propulsori di natura elettrica. La discussione è aperta; ci aspettiamo un testo finale molto vicino alle nostre posizioni; da parte italiana è stato richiesto di non far riferimento solo all'elettrificazione, ma anche a combustibili sostenibili come il biometano e a tecnologie innovative come l'idrogeno, che danno un forte contributo anche col motore endotermico alla decarbonizzazione. Almeno nella fase della transizione sono da considerare.

L'ultimo capitolo è relativo all'ambiente. I temi che costituiranno la parte ambiente del comunicato saranno articolati secondo gli argomenti che mi accingo a elencarvi (sono in conclusione, mancano poche pagine). Il primo di questi argomenti è proteggere e conservare la biodiversità. I Ministri dei Paesi del G7 intendono impegnarsi a livello globale per abbassare la curva di perdita di biodiversità entro il 2030, anche attraverso il raggiungimento di accordi globali ambiziosi e realistici, rafforzando gli impegni delle convenzioni internazionali per proteggere e conservare almeno il 30 per cento della terra globale e il 30 per cento dell'oceano globale. Si tratta del famoso *thirty by thirty,* il 30 per 30. I Paesi del G7 si impegnano, inoltre, a rivedere le loro strategie nazionali per la biodiversità per riflettere i nuovi ambiziosi obiettivi, tenendo in debito conto l'Agenda per lo sviluppo sostenibile 2030

e l'agenda climatica, incluse le cosiddette *nature-based solutions*. L'Italia sostiene con estrema rilevanza il quadro globale sulla biodiversità *post* 2020 e si è pertanto impegnata a svolgere un ruolo attivo sin dall'inizio di questo processo, sia a livello internazionale sia a livello di Unione, pur sottolineando che il contesto formale in cui il menzionato quadro verrà sviluppato deve essere quello della Conferenza delle parti della Convenzione sulla biodiversità (Cbd). L'Italia verrà chiamata anche a discutere e concordare una relativa posizione europea in merito. Ciononostante l'Italia condivide l'approccio del G7, che sostiene l'azione di stimolo dal punto di vista politico, visti gli sforzi che dovranno essere messi in campo da parte di tutti i settori delle società rappresentate per raggiungere gli ambiziosi obiettivi di tutela della biodiversità. Il G7 può svolgere un ruolo significativo per far avanzare alcuni degli obiettivi chiave del GBF *post* 2020 e nel proporre meccanismi di responsabilità a tutti gli Stati. All'interno della Conferenza sulla biodiversità e di qualsiasi altro quadro delle Nazioni Unite, qualsiasi proposta dovrebbe evitare la duplicazione dei meccanismi e l'incertezza sugli obblighi e sui principali attori responsabili. Inoltre, a livello nazionale l'approccio dovrebbe mirare a integrare i piani esistenti, a evitare duplicazioni e ad allinearsi con i processi e le misure preesistenti. Va considerato che il *post* 2020 implicherà una nuova programmazione decennale a livello nazionale.

Il punto 2 della sezione ambiente riguarda protezione, conservazione e uso sostenibile degli oceani. Il comunicato ribadisce l'essenzialità per la vita sulla terra di oceani sani, produttivi e liberi da inquinanti e l'importanza della loro tutela, della loro conservazione, del loro ripristino, di un loro uso sostenibile. Il comunicato evidenzia, inoltre, come gli sforzi fatti fino ad ora nell'ambito dell'Agenda 2030 - Sustainable development goal n. 14 in particolare della Convenzione sulla biodiversità nella risoluzione UNEA e in quanto previsto dalla convenzione delle Nazioni Unite sulla legge del mare non abbiano raggiunto gli obiettivi prefissati (abbiano un ritardo). Il gruppo sottolinea pertanto il ruolo fondamentale dell'implementazione a livello regionale di queste risoluzioni, in particolare attraverso le convenzioni regionali sul mare e i programmi regionali di gestione dell'attività di pesca. In quest'ottica, i Ministri dei Paesi del G7 accolgono con favore la risoluzione UNEA, la cosiddetta End plastic pollution, riguardante lo sviluppo di uno strumento giuridicamente vincolante che disciplini la gestione dell'intero ciclo produttivo della plastica. I Ministri riconoscono il grave pericolo per la salute degli oceani anche derivante dalla pesca illegale, che non è registrata né regolamentata, e rinnovano il proprio impegno a far cessare queste attività attraverso una maggiore cooperazione internazionale e un rafforzamento dell'attività di controllo e monitoraggio. Sottolineano infine l'opportunità di regolare preventivamente le future attività di estrazione mineraria dei fondali, in considerazione del loro impatto potenzialmente devastante sugli ecosistemi marini.

I principali risultati attesi dall'incontro ministeriale in materia di oceani e mari sono: incrementare gli sforzi a livello nazionale e internazionale per proteggere almeno il 30 per cento degli oceani su scala globale entro il 2030 attraverso l'istituzione di aree marine protette che siano ecologicamente rappresentative, adeguatamente interconnesse e gestite in modo efficace ed equo e nelle quali sia inclusa una parte consistente delle acque delle coste dei rispettivi Paesi.

Secondo punto: aumentare in modo sostanziale e sostenibile l'impegno economico per la realizzazione di *nature based solution* che riguardino la biodiversità e il clima. Terzo: concludere entro il 2022 le negoziazioni per lo sviluppo di uno strumento giuridicamente vincolante nell'ambito della Convenzione delle Nazioni Unite sul diritto del mare, per la conservazione e l'uso sostenibile della biodiversità nelle aree al di fuori delle giurisdizioni nazionali (quindi acque internazionali).

L'Italia ritiene il documento condivisibile; lo considera coerente con gli obiettivi e i traguardi previsti dalla Strategia europea sulla biodiversità per il 2030 e dalla direttiva quadro sulla strategia marina.

Quarto punto nel settore ambiente: il comunicato affronta il tema dell'approccio internazionale alla gestione delle sostanze chimiche e dei rifiuti, inquadrandolo come uno dei fattori principali che hanno determinato la crisi globale dell'inquinamento, facendo riferimento al *sustainable development goal 12* relativo a sostanze chimiche e rifiuti (in particolare il quarto *task*). Si propone, quindi, di intensificare l'azione globale contro l'inquinamento e raggiungere l'obiettivo di una corretta gestione delle sostanze chimiche e dei rifiuti.

I risultati attesi sono: istituzione di un gruppo di esperti che dialoghi con lo Science-policy panel istituito da UNEA; la riduzione dell'esposizione al piombo attraverso l'identificazione delle aree di azione prioritarie alla cooperazione con le iniziative internazionali esistenti; l'adozione di un quadro ambizioso alla quinta Conferenza internazionale sulla gestione delle sostanze chimiche; la promozione dell'attuazione del Sistema globale armonizzato per la classificazione e l'etichettatura delle sostanze chimiche nei Paesi dove ancora non è stato adottato; sviluppo e attività di *capacity building* e cooperazione tecnica fra gli Stati e infine l'attuazione degli obblighi, ai sensi della Convenzione di Stoccolma, in particolare per quanto riguarda l'eliminazione dell'uso dei PCB, i cosiddetti bifenili policlorurati.

L'Italia condivide il concetto di *global pollution crisis*, in quanto consente di sottolineare con sufficiente enfasi la natura globale e l'urgenza del tema e il mantenimento del termine *waste* (rifiuto), unitamente alla connessione tra *chemical and waste*, perché il termine è ampiamente contenuto nel Global chemicals outlook II, a cui si fa riferimento, in linea con i processi internazionali di tutte le nuove *policy*.

Mancano due brevi punti per chiudere l'intera agenda, sempre nel settore ambiente. Il quinto è: aumentare l'efficienza delle risorse e trasformare le economie verso la circolarità. Il comunicato ambiente del G7 affronta il tema dell'economia circolare e dell'efficienza delle risorse. Nel testo viene sottolineata l'importanza dell'economia circolare e dell'efficienza delle risorse per rispondere alle varie sfide ambientali, in particolare la lotta ai cambiamenti climatici e la conservazione della biodiversità.

Quale seguito della *roadmap* di Bologna, i Paesi del G7 adottano un nuovo programma di lavoro triennale, la *roadmap* di Berlino, elaborato in seno al gruppo G7 e dedicato al tema noto come Alleanza sull'efficienza delle risorse, che affronta con azioni volontarie l'urgente necessità di promuovere l'efficienza delle risorse dell'economia circolare per contribuire a mitigare le molteplici crisi ambientali. L'Italia ha svolto un ruolo attivo nel negoziato, anche in virtù del lavoro effettuato durante la Presidenza italiana del G7 del 2017, nel corso della quale è stata approvata la *roadmap* di Bologna, e durante la Presidenza del G20 del 2021, nel corso della quale è stata approvata la *roadmap* G20, quella su cui correntemente basiamo il nostro lavoro.

L'ultimo punto di quest'agenda lunga - spero non troppo noiosa - che ho cercato di sintetizzare, è la cosiddetta *supply chain*, la catena di forniture, che rappresenta un problema essenziale.

I Paesi del G7 si impegnano a sostenere una transizione verso catene di approvvigionamento sostenibili dal punto di vista ambientale, che siano allineate all'obiettivo di emissioni zero e resilienti al clima, che riducano l'inquinamento, dissocino la produzione agricola dalla perdita di foreste e dal degrado del suolo e utilizzino le risorse in modo sostenibile, riducendo l'impatto ambientale dei prodotti e promuovendo la circolarità dell'economia. Nel comunicato viene, inoltre, menzionato il ruolo che le imprese private possono e devono giocare per raggiungere gli obiettivi di sostenibilità. Infine, viene ricordata la necessità di garantire chiarezza giuridica per le imprese in tutte le giurisdizioni e di dare sostegno alle imprese più importanti e alle piccole e medie imprese per facilitare la sostenibilità delle catene di approvvigionamento.

In conclusione, i Paesi del G7 intendono accelerare la transizione verso catene di approvvigionamento sostenibili, che separino il commercio e la produzione agricola dalla deforestazione e dal degrado forestale.

È in discussione l'ipotesi che il G7 si impegni ad introdurre requisiti di *due diligence* per le materie prime forestali a rischio. In questo contesto l'Italia ha chiesto e ottenuto di includere, al paragrafo 26, un riferimento all'impatto ambientale dei prodotti.

Come avrete capito, è un G7 ampio e con un'agenda molto grande: energia e ambiente a tratti separati e a tratti strettamente interconnessi. C'è stato un lunghissimo lavoro preparatorio: i cosiddetti *sherpa* hanno lavorato moltissimo e stanno ancora lavorando. Ci presentiamo con un quadro, a livello di direzione, tutto sommato abbastanza condiviso; immagino ci saranno le ultime rifiniture nelle prossime ore e negli ultimi due giorni.

Questo è lo stato attuale e vi ringrazio per avermi ascoltato per questo lungo tempo. *(Applausi)*.

PRESIDENTE. Dichiaro aperta la discussione sull'informativa del Ministro della transizione ecologica.

È iscritta a parlare la senatrice Tiraboschi. Ne ha facoltà.

TIRABOSCHI *(FIBP-UDC)*. Signor Presidente, onorevoli colleghi, signor Ministro, lei ha detto che si tratta di un Consiglio europeo straordinario estremamente denso di contenuti. Forse sarebbe stato più semplice se ne fosse stato previsto qualcuno in meno, ma speriamo ci sia condivisione di temi e, soprattutto, si arrivi a delle soluzioni efficaci.

Mi rifaccio alla raccomandazione del *premier* Draghi, che ha detto che nel brevissimo periodo siamo impegnati per diversificare le forniture. Per conto dell'Italia (ma credo per un po' tutti i Paesi europei) ci sono emissari che si sono prodigati per chiudere degli accordi, che sono stati realizzati per non dipendere dal gas russo. Mi riferisco chiaramente agli accordi che, a livello bilaterale, abbiamo chiuso con Algeria, Egitto, Angola, Congo, Qatar e così via. Questa è la cosiddetta azione di breve periodo.

Nel medio e lungo periodo c'è poi quella che il *premier* Draghi dice essere la *mission* strategica, ossia la pianificazione delle energie rinnovabili. Ministro Cingolani, i temi sono estremamente complessi e immagino che per lei sia più semplice fare il fisico, che non il politico perché deve portare a sintesi interessi contrapposti.

Dico questo perché in Commissione industria, commercio, turismo abbiamo audito tanti portatori di interesse. Proprio sul tema delle rinnovabili non le nascondo che, non più tardi di qualche giorno fa, nella trasmissione «Report» su RaiTre, alla quale ha partecipato anche lei, sono emerse due posizioni

contrapposte. Per una, come me, che non è un addetto al settore e neanche un politico di lunga generazione, arrivare a trovare il cosiddetto punto di sintesi non è così semplice.

Molti ci dicono che ci sono investitori privati disponibili a investire 80 miliardi in pochissimo tempo (tre, quattro o cinque anni) per creare sostanzialmente 60 *gigawatt* di nuovi impianti. Ciò servirebbe a dimezzare le importazioni. Adesso ripeto quello che ha detto lei, visto che io credo a lei perché rappresenta il Governo. Noi facciamo parte di questa maggioranza e mi fido assolutamente della posizione di un Ministro che, peraltro, in maniera pubblica, dice che tutto questo non è assolutamente conseguibile. Lei ha infatti detto che sulla carta potremmo produrre 60 *gigawatt*, ma che la rete non è sufficientemente intelligente per poter gestire dei flussi disponibili ventiquattr'ore su ventiquattro. Mi perdoni se non sono molto tecnica, ma l'argomento non è semplice. Mi aiuti a capire.

Il direttore di ENEL - lei lo ha sentito - dice che la situazione starebbe esattamente in termini contrari, perché la rete italiana è una delle più avanzate al mondo e, quindi, questi benedetti 60 *gigawatt* in più sarebbero gestibili. Quindi nei prossimi tre anni, così dice lui, avendo anche previsto 10 miliardi di euro di investimenti, tutto questo sarebbe possibile. Ormai tutti parlano di tutto, senza avere competenze o conoscenze specifiche e immagini quando poi dobbiamo parlare della diversificazione energetica e affrontare temi decisamente più complessi, sui quali, peraltro, ci sono pure delle posizioni ideologiche: ha capito perfettamente a cosa mi riferisco, ovvero a tutto il tema del nucleare. *(Richiami del Presidente)*.

Mi avvio alla conclusione, perché il tempo a mia disposizione sta terminando. Signor Ministro, lei sta guidando una transizione complessissima, estremamente strategica e importante, non solo per l'Italia, ma anche per il ruolo che speriamo l'Italia giocherà in Europa. La chiarezza nella comunicazione e la trasparenza... *(Il microfono si disattiva automaticamente)* ...sono importanti, partendo dal basso. Ciò è fondamentale, perché altrimenti ci ritroveremo in una situazione simile a quella della pandemia, con tutta la discussione che abbiamo sentito, per due anni e mezzo, sui vaccini e quant'altro. Signor Ministro, le chiedo quindi davvero di predisporre anche un piano di comunicazione, molto semplice, trasparente e serio, che ci aiuti a capire. *(Applausi)*.

PRESIDENTE. È iscritta a parlare la senatrice Pavanelli. Ne ha facoltà.

PAVANELLI *(M5S)*. Signor Presidente, signor rappresentante del Governo, onorevoli colleghe e colleghi, ringrazio il ministro Cingolani per l'elenco di tutte le affermazioni di buona volontà che state per discutere nei prossimi giorni. Oggi possiamo veramente affermare che la crisi ambientale è reale. Abbiamo letto pochi giorni fa il rapporto dell'Intergovernmental panel on climate change (IPCC) delle Nazioni Unite e l'Organizzazione meteorologica mondiale ci richiama per l'emergenza climatica. Sappiamo anche che in realtà il pianeta non avrà problemi, perché sarà resiliente, ma stiamo rischiando di vivere un'estinzione di massa, quella degli esseri umani. Negli ultimi giorni, l'India e il Pakistan hanno vissuto giornate di grande calore, con temperature che vanno dai 44 ai 50 gradi centigradi. Noi del MoVimento 5 Stelle vogliamo correre verso un futuro che garantisca la protezione delle prossime generazioni e per fare questo dobbiamo puntare sulla mitigazione ambientale, nonché energetica. Penso ad una grande spinta per le energie rinnovabili, ma dobbiamo anche diminuire tutti gli inquinanti in atmosfera, sul suolo e nelle nostre acque. Abbiamo firmato il Protocollo di Kyoto, gli Accordi di Parigi, la COP 26 e a Glasgow sono state delineate diverse linee guida, come farete in questi giorni, signor Ministro, con i suoi colleghi al G7.

Ora bisogna però passare ai fatti e correre per attuarli. Dobbiamo essere resilienti ed affrontare l'idea che la crisi energetica deve passare per una conversione ambientale. Per fare questo, signor Ministro, è fondamentale che, insieme ai suoi colleghi, abbiate veramente una linea comune, per cui tutti i Paesi agiscano in maniera identica. Vorrei utilizzare una frase del presidente Draghi: in questo caso veramente *whatever it takes*, per il bene delle nuove generazioni. Dobbiamo poi, ovviamente, aiutare le imprese con fondi adeguati.

Queste politiche, come sa bene, sono nell'anima del MoVimento 5 Stelle e infatti siamo stati noi a lanciare provvedimenti come il superbonus 110 e le comunità energetiche e l'ex *premier* Conte si è battuto per il Next generation EU. Abbiamo sentito, proprio pochi giorni fa, che anche l'Europa sostiene il provvedimento sul superbonus 110, nominato in tre passaggi delle linee programmatiche europee.

Si raccomanda di estendere quel provvedimento anche alle imprese e di agevolare gli investimenti per il risparmio energetico e le energie rinnovabili.

Ministro, è fondamentale assumere la direzione della transizione ecologica ed energetica allo stesso tempo. Bisogna essere coerenti, dismettendo quanto prima le fonti energetiche inquinanti e pericolose e passando ad una vera conversione per tutte le imprese, anche quelle agricole. *(Applausi)*.

PRESIDENTE. È iscritta a parlare la senatrice La Mura. Ne ha facoltà.

LA MURA *(CAL-Alt-PC-IdV)*. Signor Ministro, al G7 si parlerà di ecosistemi naturali, di clima e di energia, temi strettamente connessi tra loro e a maggio del 2020 la Commissione europea ci ha

regalato un documento preziosissimo a cui fare riferimento, ovvero la Strategia sulla biodiversità entro il 2030, indicando con precisione la strada da seguire per la ripresa economica dalla crisi innescata dalla pandemia di Covid-19 e per rafforzare la nostra resilienza. Si dice testualmente che bisogna proteggere gli ecosistemi naturali e ripristinare quelli degradati, perché la nostra salute dipende dallo stato di salute della natura. Da qui l'esigenza di estendere ad almeno il 30 per cento le aree protette a mare e a terra e di creare una rete di aree protette. La natura, quindi, diventa anche indispensabile per l'adattamento e la mitigazione degli effetti dei cambiamenti climatici, come leggiamo anche nella strategia dell'Unione europea per l'adattamento ai cambiamenti climatici, in cui si promuove il ricorso a soluzioni basate sulla natura e, in particolare, a infrastrutture verdi e blu. La più recente Strategia europea per il suolo per il 2030 è lo strumento più potente ai fini dell'adattamento ai cambiamenti climatici: conoscenza, misure di gestione, gerarchia dell'uso del suolo e coordinamento tra Stati sono alcuni degli obiettivi intermedi entro il 2030 in vista dell'obiettivo di lungo periodo di ottenere suoli sani entro il 2050. Il suolo, tra gli ecosistemi naturali, è quello più sottovalutato, anche se da esso dipende la vita del Pianeta grazie alla moltitudine di microrganismi che forniscono cibo, biomassa, fibre e materie prime, regolano i cicli dell'acqua, del carbonio e dei nutrienti e rendono possibile la vita sulla Terra. Questo lo dimentichiamo ogni giorno: dobbiamo ringraziare il suolo.

La COP26, dalla quale ci aspettavamo un cambio di passo importante, si è conclusa invece con decisioni deboli, tra cui la finanza climatica, una decisione molto tiepida, e si è assistito quindi ad un successivo aumento dei prezzi del gas, che è stato rilanciato come l'energia del futuro, e all'incredibile inclusione nella tassonomia del nucleare e del gas. Il nostro Paese, purtroppo, non si è espresso in modo chiaro e deciso in tal senso, nonostante i due *referendum* che hanno riguardato il nucleare e la conseguente fase di *decommissioning* e di gestione dei rifiuti radioattivi, che è ancora irrisolta. Poi la Russia ha invaso l'Ucraina e, come sappiamo tutti, questa invasione, oltre alla tragedia umanitaria che mai avremmo voluto vivere, ha avuto un impatto sulla nostra economia e sull'economia di tutto il mondo e, mentre da una parte proseguono gli impegni di carattere internazionale che dovrebbero vederci uniti riguardo al destino della Terra, dall'altra si cerca di eliminare quanto prima la nostra dipendenza energetica dalla Russia, grazie al nuovo piano europeo Repower, come se il continente euroasiatico potesse seguire due strategie opposte, per l'adattamento al clima da una parte e per la sopravvivenza energetica dall'altra. La nostra, però, è una penisola, noi moriremo se non creeremo un'unione con il continente euroasiatico. Arriveremo alla COP27 divisi in schieramenti: il mondo occidentale da una parte, la Russia e i suoi alleati dall'altra, e poi i cosiddetti indifferenti. Tutto ciò in un clima che non fa altro che acuire diffidenze e reciproche accuse, proprio in un momento in cui si dovrebbe trattare il tema della solidarietà per affrontare la sfida climatica.

Voglio anche ricordare la COP15, che si è tenuta in Costa d'Avorio, per la lotta alla desertificazione. Sul suolo dobbiamo puntare la nostra attenzione. In Italia i dati ISPRA ci dicono che il consumo del suolo non si è fermato, purtroppo, e dobbiamo fare davvero qualcosa perché aumenta: consumiamo quasi 2 metri quadrati di suolo al secondo, causando perdita di biodiversità, quindi di aree naturali e agricole. Cosa ha fatto questo Governo sul suolo? Noi parlamentari abbiamo presentato dei disegni di legge sul suolo: tredici disegni di legge nelle Commissioni ambiente e agricoltura che sono fermi. Abbiamo fatto cento audizioni. Riprendiamo quei disegni di legge e arriviamo ad un punto, perché abbiamo la maturità per poter parlare di gestione del suolo, della sua tutela e dei suoi servizi ecosistemici.

Non solo. Questo Governo promuove anche l'agrivoltaico, trasformando i contadini in produttori di energia, in un Paese che ha prodotti agricoli di eccellenza da tutelare. Per non parlare del digestato equiparato che desertificherà gli eccezionali terreni agricoli italiani, e delle semplificazioni sulle installazioni delle rinnovabili senza la preventiva individuazione delle aree idonee e non idonee, che l'Europa si è trovata costretta ad inserire nel Repower EU per tutelare le aree di pregio. Quindi come criterio individuiamo queste aree idonee.

Arriviamo al tema del mare, agli otto chilometri di costa. Signor Ministro, ho apprezzato il fatto che lei abbia deciso di inserire nel PNRR il mare e il progetto che le ho inviato sul mare: mi riferisco all'investimento 3.5 su ripristino e tutela dei fondali e degli *habitat* marini (400 milioni di euro), che si integra con la strategia marina e tutti i progetti scientifici europei e italiani. Ma non abbiamo più notizie, quindi ci aiuti a capire e risponda alla mia interrogazione, perché non abbiamo ancora ricevuto risposta né io né gli altri colleghi. Si tratta di una misura importantissima per lo sviluppo dell'economia circolare integrata e sostenibile, e al contempo serve per tutelare quello che lei ha detto. Noi siamo in anticipo su quanto dice l'Europa perché vogliamo tutelare gli *habitat* di pregio, sia il mare costiero che quello profondo, e ripristinare gli ecosistemi degradati.

Ci sono voluti quattro anni per portare a casa la cosiddetta legge salva mare. Bene, anche lì adesso abbiamo diversi decreti legati alla legge salva mare. L'*end of waste* sui rifiuti marini: dobbiamo assolutamente promuovere l'economia circolare e sostenibile anche del mare. A tale proposito c'è

anche il decreto, che si attende dal 2006 - certo, non è colpa di questo Governo -, per rendere l'acquacoltura compatibile con l'ecosistema marino. Eppure l'Europa, per limitare lo sforzo di pesca, vuole proprio puntare sull'acquacoltura. Inoltre, quanto tempo ci vorrà per chiudere la pianificazione dello spazio marittimo? Se vogliamo sviluppare l'economia del mare, abbiamo bisogno della pianificazione; eppure siamo ancora in procedura di infrazione e in procedura VAS. Invece abbiamo dato spazio al Piano per la transizione energetica sostenibile dalle aree idonee (Pitesai) e, piuttosto che sviluppare tutte le economie del mare in maniera sostenibile, abbiamo preferito trivellare e quindi estrarre gas e petrolio.

Signor Presidente, signor Ministro, colleghi, quello che intendo ribadire è che l'Italia, proprio a fronte della strada tracciata a livello ambientale sia in ambito europeo che internazionale, dovrà rafforzare con maggiore consapevolezza e coraggio una proposta di conversione energetica davvero sostenibile, ossia basata sulle nostre risorse. Mi riferisco alla nostra naturale eredità ambientale legata al sole, al mare e al vento: elementi naturali poco valorizzati, soprattutto al Sud, e che abbiamo in comune con il Mediterraneo, verso cui a mio parere ci stiamo proponendo in maniera debole e ignara del nostro ruolo, il quale non deve essere predatorio ma incline alla collaborazione e alla mutualità; un rapporto equilibrato e di crescita reciproca. Ciò in modo che l'Italia possa, da una parte, costruire la tanto attesa indipendenza energetica e, dall'altra, muoversi sulla linea del confronto trasversale e privo di interessi, soprattutto davanti alle sfide ambientali che stiamo vivendo; in particolar modo noi, che a causa di questa irrazionale crisi internazionale tra Ucraina e Russia ci troveremo a pagare, come Nazione, il prezzo di morire sotto l'acqua, perché noi siamo una zattera in mezzo al Mediterraneo e potremmo, se non corriamo ai ripari, rimanere soli in mezzo al mare, a causa dei cambiamenti climatici: questo ce lo dobbiamo dire e lo dobbiamo dire a tutti.

Cosa stiamo facendo? Cerchiamo di avere consapevolezza che abbiamo grandi risorse, siamo strategici e siamo anche umani, noi italiani: questo portiamolo in Europa. *(Applausi)*.

PRESIDENTE. È iscritta a parlare la senatrice Garavini. Ne ha facoltà.

GARAVINI *(IV-PSI)*. Signora Presidente, signor Ministro, onorevoli colleghi, a causa della guerra in corso ci rendiamo conto, come mai prima, di quanto la questione energetica abbia un valore geostrategico vitale a livello mondiale. Per questo è utile che ci sia un confronto su questo tema proprio adesso, a livello di grandi potenze occidentali, all'interno del G7.

L'aggressione della Russia all'Ucraina ha rivelato in modo drammatico quanto sia inopportuna un'eccessiva dipendenza energetica da un unico Paese fornitore. In Italia, ad esempio, prima che scoppiasse la guerra, il 40 per cento del gas importato nel nostro Paese arrivava dalla Russia, il che ha comportato che non appena Putin ha esercitato la sua pressione politica, riducendo la produzione e le esportazioni di gas, noi, come altri Paesi in condizioni analoghe, abbiamo subito una repentina impennata dei prezzi dell'energia. Si capisce subito quanto sia necessaria una diversificazione delle fonti energetiche, così da non dipendere dai possibili ricatti di un unico fornitore monopolistico.

Ci troviamo di fronte ad un'ulteriore sfida epocale: l'impennata dei prezzi dell'energia e la necessità di trovare fonti alternative non deve far buttare alle ortiche tutti i buoni propositi e gli impegni assunti recentemente dai singoli Paesi in sede internazionale. Anzi, la crisi provocata dalla guerra deve semmai aiutarci ad accelerare il passaggio alle energie rinnovabili, nella consapevolezza che il nostro futuro dipende dalla salute del Pianeta ed è pertanto necessario che ce ne prendiamo cura. Dobbiamo azzerare il più velocemente possibile le emissioni di anidride carbonica e non possiamo continuare, come se nulla fosse, senza intervenire con misure correttive, perché altrimenti i cataclismi estremi che purtroppo devastano, ormai sempre più spesso, ogni angolo della terra ci porteranno al collasso.

Nel nostro Paese oggi il 30 per cento dell'energia utilizzata proviene da energie rinnovabili: una percentuale importante che ci colloca tra i Paesi più avanzati, ma che ci mostra anche quanto ci sia ancora da fare. Abbiamo infatti l'ambizione di arrivare a produrre nei prossimi dieci anni il 70 per cento della nostra energia da fonti verdi. È questo l'obiettivo che perseguiamo, nella misura in cui investiamo circa un quarto delle risorse del PNRR nella transizione ecologica.

Ci ripromettiamo di contenere l'aumento della temperatura ad un massimo di 1,5 gradi centigradi, ma non è detto che ci si riesca. Le stime più accreditate ci dicono che se non ci fossero aggiustamenti, si arriverebbe a raggiungere un aumento di 5 o 6 gradi della temperatura a fine secolo, con un conseguente innalzamento complessivo del livello del mare di circa un metro da qui al 2100, con conseguenze destinate ad essere devastanti: eventi estremi, inondazioni, uragani, incendi, forte siccità, quei disastri naturali che già abbiamo visto negli ultimi cinquant'anni essere addirittura quintuplicati nel nostro Paese. Anche a livello mondiale si calcola che già oggi, ogni anno, circa 24 milioni di profughi siano causati dal clima, costretti ad abbandonare la propria terra a causa della progressiva desertificazione o dell'insufficienza di risorse idriche. Anche il nostro Paese è destinato a pagare un prezzo altissimo a causa del surriscaldamento climatico: località marittime rischiano di

subire ingenti danni a causa dell'innalzamento del livello del mare; la stessa Venezia rischia di essere sommersa dalle acque, con conseguenze inimmaginabili.

C'è dunque bisogno di correre urgentemente ai ripari in Italia e a livello globale e per questa ragione ciò che è stato deciso nei mesi scorsi nelle diverse sedi internazionali va presto realizzato. Gli impegni assunti non vanno rinnegati alla luce delle nuove emergenze legate alla guerra, anzi, vanno rilanciati anche e soprattutto all'interno dei Paesi del G7.

Innanzitutto, vi è la necessità di decarbonizzare entro il 2030 e di pervenire a una società a impatto climatico zero entro il 2050. Sono esigenze oggettive; tutti i comparti economici sono chiamati a promuovere sviluppo, in modo tale che si arrivi all'azzeramento delle emissioni di anidride carbonica entro i prossimi trent'anni. Allo stesso modo non va fatta retromarcia rispetto all'impegno assunto in sede di COP26 da tutti i Paesi del G7 in merito alla necessità di ridurre del 30 per cento le emissioni di metano entro il 2030 e di non finanziare più con soldi pubblici progetti inquinanti situati all'estero.

Sono tutti impegni che devono promuovere, al contempo, la massima inclusione sociale. La sfida è quella di rendere l'energia pulita così conveniente che tutti la preferiscano ai combustibili fossili. La transizione ecologica può funzionare soltanto nella misura in cui ci sia anche sostenibilità sociale. La lotta ai cambiamenti climatici non può essere disgiunta dalla lotta per il superamento delle disuguaglianze economiche nei nostri rispettivi Paesi e nel mondo perché se dovesse generare disoccupazione, costi elevati o povertà energetica, sarebbe destinata a non avere successo. È necessario essere molto chiari su questo.

L'aumento dei prezzi dell'energia potrebbe indurre a pensare erroneamente che la transizione ecologica sia troppo costosa e che, pertanto, debba essere messa da parte. Non possiamo permetterci un fallimento di questo tipo; ne va del futuro dei nostri figli e dei nostri nipoti. Dobbiamo invece dimostrare che è vero il contrario: a medio e a lungo termine lo sviluppo di energia rinnovabile è molto più conveniente, ci rende autosufficienti e può essere strategico nel contrastare la povertà energetica.

È proprio a questo riguardo che mi preme sottolineare alcune considerazioni di carattere geostrategico.

La sfida del *climate change* non si può vincere senza la Cina e senza l'India. Al mondo esistono ancora 8.500 centrali a carbone funzionanti, metà delle quali collocate proprio in questi due Paesi. Per raggiungere l'obiettivo di non superare 1,5 gradi di temperatura bisognerebbe chiudere il 40 per cento delle centrali a carbone entro il 2030, senza costruirne di nuove, ma la Cina da sola - ahinoi - è alle prese con la costruzione di altre 238 nuove centrali di carbone, nonostante già oggi esprima da sola un terzo dell'inquinamento globale. Una situazione simile esiste anche in India, dove oltre il 70 per cento dell'energia consumata deriva dalle centrali a carbone e non è di certo tranquillizzante il fatto che il primo ministro Modi abbia fornito di recente i permessi per la costruzione di 55 nuove centrali.

Vanno dunque intensificati tutti gli sforzi finalizzati al coinvolgimento di questi due attori internazionali e non si può lasciare nulla di intentato: sia la Cina che l'India vanno coinvolte nella battaglia contro il surriscaldamento climatico e negli sforzi per la decarbonizzazione, cercando di fare leva proprio sul messaggio che le rinnovabili convengono più dei carboni fossili.

Serve poi un'attenzione particolare al continente africano. Attualmente il consumo energetico dell'Africa esprime solamente il 4 per cento dell'intero consumo mondiale di energia, mentre la popolazione rappresenta il 17 per cento della popolazione globale. Ne deriva che, quando inizierà lo sviluppo del continente, la domanda di energia è destinata ad aumentare in modo esponenziale. Per questo sarebbe utile stilare sin da ora un grande accordo con l'Africa per realizzare impianti di energia solare che, oltre a creare le premesse per soddisfare l'imminente bisogno di energia del continente africano, possa servire anche per esportare ingenti quantitativi di energia pulita verso l'Europa.

Insomma, signora Presidente, dobbiamo riuscire a mettere in campo misure capaci di invertire in modo incisivo e veloce, a breve termine, l'innalzamento della temperatura globale e per questo non possiamo che coinvolgere anche i grandi *player* internazionali come Cina, India e Africa, consapevoli che il contrasto alla povertà energetica è una chiave che ci può aiutare a conseguire l'obiettivo, ma, al contempo, anche ad assicurare una garanzia di stabilità mondiale.

Bisogna dunque investire, notevolmente in ricerca, e la ricerca deve andare a beneficio di tutti. Analogamente a quanto è stato fatto nel corso della pandemia per inventare vaccini che risultassero efficaci contro il Covid, credo sia necessario un grande sforzo *ad hoc* per pervenire a tecniche innovative che consentano di contrastare il surriscaldamento climatico, in materia di stoccaggio di anidride carbonica, sull'idrogeno verde e anche sul nucleare di nuova generazione, per verificare se sia possibile produrre energia senza produrre scorie radioattive.

In conclusione, signora Presidente, il raggiungimento della neutralità climatica e di un ambiente pulito si può perseguire solamente intrecciando la forza dei diversi Paesi, i Paesi costitutivi del G7, ma anche

Cina, India e Africa. Solo così possiamo pensare di raggiungere il risultato. Occidente e Oriente devono incontrarsi su un confine condiviso, quello tutela dell'ambiente. *(Applausi)*.

PRESIDENTE. È iscritto a parlare il senatore Urso. Ne ha facoltà.

URSO *(FdI)*. Signor Presidente, cari colleghi, signor Ministro, nell'introduzione ha detto, alla fine, consapevole del clima che c'era in quest'Aula, che l'agenda di questo G7, così importante e significativo per il momento in cui cade e per la città in cui si svolge (Berlino), era un'agenda lunga, forse troppo lunga, ha aggiunto noiosa - visto il clima dell'Aula - io potrei aggiungere forse terribilmente inutile. Quindi, un'agenda lunga, troppo lunga, noiosa, forse inutile, che non tiene conto della realtà. Noi che siamo una forza patriottica, di opposizione patriottica, dobbiamo necessariamente tener conto della realtà, e quindi la prima cosa che le diciamo a proposito di tale agenda, considerando anche il dibattito che si è svolto poco fa alla Camera e qui al Senato, è che ci sembra essere «Alice nel paese delle meraviglie». Credo che lei, signor Ministro, abbia dimostrato in questi mesi di non essere affatto Alice nel paese delle meraviglie; anzi, ha dimostrato di parlare con franchezza in Parlamento e al Paese già prima dell'invasione della Russia in Ucraina, quando andava affrontata - come va affrontata comunque e a prescindere - la questione della sicurezza energetica e del suo impatto sull'economia, alla luce della transizione ecologica.

Ricordo ai colleghi senatori che il Comitato parlamentare per la sicurezza della Repubblica, quaranta giorni prima dell'invasione della Russia in Ucraina, ha presentato in Parlamento - e non a caso - una relazione il cui titolo è: «Relazione sulla sicurezza energetica nell'attuale fase di transizione ecologica», perché già prima dell'invasione della Russia in Ucraina, noi del Comitato eravamo consapevoli - e credo che il Parlamento lo debba essere altrettanto - che la questione della sicurezza energetica era già presente o doveva essere presente nell'agenda del nostro Paese, proprio per raggiungere gli obiettivi di transizione ecologica che noi tutti condividiamo, in Italia e nella nostra Unione europea.

Ebbene ci auguriamo che nel vertice del G7 lei faccia capire che la favola è finita e che la Germania e l'Europa devono affrontare la realtà, innanzitutto nel campo dell'energia e dell'ambiente. Cosa significa, cari colleghi? Significa sicurezza energetica e sicurezza alimentare, che non è un fatto scontato. Poco fa c'era chi evidenziava come, in conseguenza dei mutamenti climatici, da qui a qualche decennio ci potrebbero essere movimenti migratori imponenti di qualche decina di milioni di persone. Penso che questa minaccia sia molto più incombente e non riguardi le generazioni future, ma la nostra generazione, anzi, le prossime settimane e i prossimi mesi.

Se non si garantisce la sicurezza alimentare per i Paesi che vivono al di là del Mediterraneo, nella sponda sud, nell'Africa nera, se non si liberano i porti ucraini e non si consente di rifornire di grano e di altri alimenti quei popoli, noi ben prima avremo quella massa migratoria che verrà comunque a premere come bomba demografica lanciata da chi ha concepito una guerra permanente che si enuclea in una guerra ibrida, di cui l'energia è uno degli elementi di potenza e di cui l'alimentazione è uno degli altri *assett* su cui può far leva per premere e sottomettere la nostra Europa.

Di tutto questo non troviamo nulla in questa agenda, senza renderci conto peraltro che, se il G7 si svolge a Berlino, se si svolge pochi mesi dopo l'invasione russa in Ucraina (guerra guerreggiata ancora oggi), si svolge con un convitato di pietra, che è la Russia. Peraltro siamo tornati al G7 - lo ricordo a me stesso, certamente non ai nostri colleghi - proprio perché la Russia aveva già invaso l'Ucraina nel 2014. Come conseguenza di quell'invasione, con l'annessione della Crimea e con le milizie travestite da indipendentisti nel Donbass a Lugansk e a Donetsk, la Russia fu esclusa dal G8. Dal 2014 a oggi sono passati troppi anni senza che noi prendessimo atto di cosa significasse la prima guerra di invasione dell'Ucraina, avendo poi subito la seconda, più cruenta della prima, perché alla prima non abbiamo saputo reagire. Soprattutto non ha saputo reagire la Germania, che oggi ci elenca, come se nulla fosse cambiato, l'agenda del prossimo G7 energia e ambiente, senza fare un *mea culpa* sul fatto che sull'energia la Germania ha assecondato la politica di potenza della Russia e ci ha reso di fatto dipendenti a tutti gli effetti. Certamente noi italiani abbiamo fatto altrettanto, per quanto riguardava la nostra responsabilità.

Dobbiamo quindi - e mi auguro che il Governo lo faccia - ricondurre alla realtà, anche in quel vertice, la condizione in cui ci ritroviamo. Non è un caso, signor Ministro, che il presidente del Consiglio Draghi preferisca giungere al Consiglio europeo straordinario senza passare dalle Aule parlamentari, come noi, forza di opposizione, chiediamo per chiarezza e trasparenza nei confronti del Paese, ancorché appoggiamo - dovete darcene atto - la politica unitaria, che noi ci auguriamo unanime, del nostro Paese per fronteggiare la minaccia grave all'Ucraina, alla sua libertà e indipendenza e contemporaneamente, in qualche misura, alla nostra libertà e indipendenza.

Non è un caso che voglia andare al Consiglio europeo senza passare da quest'Aula, anche perché - parliamoci chiaro - è proprio sull'energia che l'Europa sta perdendo la sua unità. Settimane fa ci avevano annunciato che era pronto il sesto pacchetto di sanzioni nei confronti della Russia; sono

passate settimane e questo pacchetto di sanzioni non vede la luce, proprio perché riguarda l'energia (in questo caso il petrolio e poi successivamente il gas). Ci avevano anche detto che l'ufficio legale avrebbe reso impossibile il pagamento in rubli e poi invece è accaduto il contrario, perché la questione energetica è il tema centrale della sottomissione europea nei confronti della politica di potenza delle altre nazioni e degli altri Paesi e non si risolve soltanto nel campo delle buone intenzioni o soltanto mantenendo gli impegni. Noi crediamo che vadano mantenuti gli impegni, per raggiungere alla fine quella transizione energetica e quindi ecologica utile all'ambiente; ma proprio le vicende recenti hanno dimostrato che gli altri Paesi (parlo della Cina, dell'India e non solo) non hanno alcun interesse a fare tutto questo, anzi hanno approfittato della crisi per avere altra energia fossile a un miglior costo. Noi sappiamo che non risolveremo i problemi del Pianeta se non coinvolgiamo questi Paesi, ma dobbiamo anche sapere che da soli non ci possiamo far carico dei problemi del mondo, senza essere consapevoli di quali sono le nostre priorità. Per questo credo sia importante, signor Ministro, e lo dico anche in quest'Aula del Parlamento, che il Paese affronti con chiarezza la questione della sicurezza energetica e della sicurezza alimentare, non soltanto per noi ma per gli altri.

Per quanto riguarda la sicurezza energetica credo che sia indispensabile, altrimenti gli impegni stabiliti anche in campo ambientale saranno sostanzialmente di facciata e impossibili da realizzare. Serve un piano di sicurezza energetica nazionale, che faccia capire al Paese quali sono gli strumenti, le tecnologie e i tempi per poter arrivare a quell'autonomia e indipendenza energetica nazionale, europea e occidentale, senza la quale non potremo difendere la nostra indipendenza e quindi la nostra sovranità.

Avviandomi alla conclusione, questo si lega anche al problema della tecnologia, perché corriamo il rischio di passare da una tecnologia che ci rende succubi della Russia, quella del carbon fossile, a un'altra tecnologia sulle rinnovabili che ci rende succubi della Cina. Cadremmo dalla padella alla brace, quindi è più che mai necessario realizzare un'autonomia strategica energetica e produttiva italiana ed europea. *(Applausi)*.

PRESIDENTE. È iscritto a parlare il senatore Buccarella. Ne ha facoltà.

BUCCARELLA *(Misto-LeU-Eco)*. Signor Presidente, ringrazio il signor Ministro per l'illustrazione di quello che sarà il suo ruolo come rappresentante italiano nell'ambito dell'incontro dei Ministri dell'energia e dell'ambiente dei sette Paesi più industrializzati del mondo del 25-27 maggio.

Il mio intervento sarà distinto in tre brevi fasi, se me lo consente e se riuscirò a gestire il tempo a mia disposizione: una fase di sostegno e incoraggiamento a quanto ci ha rappresentato con riferimento alla posizione dell'Italia sui punti che saranno all'ordine del giorno; una critica collaterale all'argomento precisamente in oggetto e, se posso, anche un suggerimento che speriamo possa essere preso in considerazione dal Ministero.

La prima fase è la più dolce, quella dell'incoraggiamento, del sostegno, nel senso che mi sembra di capire che anche l'Italia veda di buon'occhio l'intendimento della presidenza tedesca di estendere nell'ambito del G20 la creazione di un *club* sul clima, in modo da dare maggior consistenza a un'azione globale volta al contrasto agli sconvolgimenti climatici, seppur nei tempi - se ho ben compreso - che non potranno essere immediati, data la complicazione dello sforzo diplomatico di coinvolgere i venti principali attori mondiali.

Ho apprezzato il passaggio in cui ha ricordato che dal punto di vista concettuale nessun sussidio alle fonti fossili è efficiente, anche se sappiamo bene che sono necessari. Speriamo, infatti, che la transizione energetica si sviluppi in un ambito temporale che possa essere il più breve possibile per non far crollare il sistema economico e produttivo italiano e globale, ma sappiamo bene - ne siamo consapevoli e pensiamo di condividere questo pensiero con lei - che i tempi per un abbandono il più celere possibile del sostegno ai sussidi fossili debba essere un obiettivo da tenere sempre presente.

Abbiamo altresì apprezzato il riferimento su quello che sarà l'*action pact* nonché il G7 Hydrogen action pact. Qualche componente di quest'Assemblea si occupa di idrogeno da prima della crisi pandemica e di quella geopolitica; siamo quindi contenti e incoraggiamo il sostegno a ogni iniziativa volta a sviluppare in ambito globale l'utilizzo e il potenziamento del vettore energetico prodotto da fonte rinnovabile. Anche a questo proposito abbiamo apprezzato il suo ricordare in Aula - penso lo abbia fatto in maniera più incisiva alla Camera dei deputati - che nel nostro PNRR è previsto solo l'idrogeno verde, cioè quello prodotto da fonti rinnovabili. Questa è una posizione che va mantenuta per tutto quello che già ci siamo detti e che fortunatamente sembra incontrare anche i suoi intendimenti, le sue posizioni e - in questo caso - quelle del nostro Paese.

Decarbonizzazione degli edifici al 2050: anche questo va bene, e occorre spingere. Quando si auspica l'aumento dei tassi di ristrutturazione edilizia e di retrofit il pensiero personalmente non può non andare al nostro italiano superbonus così bistrattato e spesso colpito da inciampi voluti non dal Parlamento, ma da qualche ambiente governativo. Su questo auspichiamo che da parte sua si levi una voce volta a semplificare il meccanismo che certamente non ha meritato e non merita le critiche

che talvolta vengono ancora sollevate, addirittura anche dal Presidente del Consiglio; ma chiudiamo subito questa parentesi.

Va tutto bene, quindi, e siamo sicuri che lei ci rappresenterà più che degnamente nell'ambito dell'incontro con gli altri sette Ministri.

La critica che vado a svolgere molto brevemente riguarda non ciò di cui ci ha parlato, ma un provvedimento che è stato pubblicato in *Gazzetta Ufficiale* cinque giorni fa, ovvero il decreto-legge n. 50 attinente all'energia. Oramai ho perso la classificazione nominalistica dei vari decreti-legge: energia, aiuti, sostegni e quant'altro. Chiamiamolo decreto-legge n. 50 per non correre il rischio di confonderci.

Come Gruppo LeU-Ecosolidali non abbiamo ovviamente una posizione preconcetta e tra le misure ragionevoli, che riteniamo necessarie per potenziare la diversificazione dell'approvvigionamento della materia prima gas, c'è l'entrata in gioco anche dei rigassificatori, quelli galleggianti, quelli di cui ci ha parlato e quelli che trovano nell'articolo 5 del provvedimento in questione un sostegno, sostegno che non ci sorprende, ma che, al contrario, lascia un po' perplessi nel momento in cui vediamo che l'ambito temporale del sostegno finanziario di 30 milioni annui per vent'anni - quindi, fino al 2043 - si spinge, per l'appunto, fino al 2043. Se, allora, vogliamo raggiungere quell'orizzonte temporale di cui lei ci ha parlato, ovvero il secondo semestre del 2024, entro il quale riusciremo a liberarci dalla dipendenza del gas russo, dobbiamo tenere presente - lei con noi, e sono certo che lo farà - che il nostro vero obiettivo ultimativo è liberarci non dal gas russo, ma dal gas il più presto possibile; il che non vuol dire domani, e ne abbiamo tutti perfetta consapevolezza. Tuttavia, l'idea di finanziamenti che vadano incontro alle legittime aspettative dei *business plan,* di chi investirà negli impianti di rigassificazione in un ambito temporale così esteso, chiaramente espone il fianco al rischio che poi questi interventi diventino in qualche maniera strutturali e possano rallentare quella transizione energetica su cui tutti stiamo puntando. Ne parleremo meglio nella opportuna sede di conversione - se ce ne sarà data la possibilità - per capire se è possibile quantomeno limitare l'ambito temporale di sostegno ai rigassificatori; altrimenti, se ci liberiamo da una manetta, rischiamo di trovarci ammanettati da un'altra parte come Paese, e questo non va bene.

Termino con un piccolo suggerimento che andrà sviluppandosi in maniera più compiuta e analitica, al di là di questo mio intervento che lo sta preannunciando: la questione dei mercati del gas e dell'elettricità.

Tutti gli interventi governativi, che pure abbiamo appoggiato (sostegni alle bollette, taglio delle accise, riduzione dell'IVA, ora l'assegno straordinario di 200 euro a famiglie e imprese) vanno certamente bene, ma sappiamo - e lei lo saprà meglio di noi - che sono interventi tampone che cercano di frenare un'emorragia. È allora il tempo di iniziare a ragionare - probabilmente lo state già facendo - di interventi strutturali, che non sono solo la diversificazione del gas, che si sviluppa necessariamente in un ambito temporale che andrà nel decennio; non lo so, ma speriamo nel più breve tempo possibile. Occorre intervenire sui mercati del gas e forse un sistema intelligente, pratico e fattibile esiste. Ce lo suggerisce - non è farina del mio sacco - un recente articolo pubblicato sul sito della fondazione Hume, a firma di un consulente finanziario e di un fisico, che prevede la possibilità di intervenire a livello regolatorio, scollegando il prezzo per il mercato tutelato del gas dal cosiddetto TTF, che tutti abbiamo imparato a conoscere, cioè il prezzo *spot* del mercato del gas olandese che fino, ad aprile-maggio 2021, seguiva pedissequamente il diagramma del prezzo doganale, ossia quello con cui l'Italia calcola le accise che sono spalmate sulle bollette. Da un anno questo andamento parallelo ha subito un'inversione, fino all'elevazione rapidissima del prezzo *spot* del gas finanziario rispetto al gas fisico.

Presidenza del vice presidente LA RUSSA (ore 18,32)

(*Segue* BUCCARELLA). Non avendo il tempo di illustrare compiutamente il tema, mi riservo, con i colleghi del mio Gruppo e con altri che vorranno partecipare all'elaborazione di questa proposta, di rappresentare meglio tale possibilità.

Ricordo la dichiarazione pubblica del direttore dell'Agenzia delle dogane e dei monopoli con cui dichiara fattibile la possibilità di ancorare il prezzo del gas a quello fisico e non già a quello finanziario, tenendo a mente che il rapporto quantitativo è un metro cubo di gas fisico e 10 metri cubi di gas cosiddetto finanziario, ossia quello comprato sulle borse che - ricordiamolo - non sono regolamentate, ma *over the counter* (OTC), con un sistema che non necessiterebbe di scardinare anche la segretazione commerciale di chi importa il gas (soprattutto ENI, ma anche altri importatori). Rimarrebbe il segreto sul prezzo del gas, ma, come Paese e autorità regolatorie, riusciremmo a collegarlo a un prezzo più vicino alla realtà, allontanandoci così dalle conseguenze nefaste della liberalizzazione e della privatizzazione del gas e dell'elettricità. Ma questo è un altro discorso.

Infine, c'è la questione del prezzo marginale del mercato elettrico. Signor Ministro, lei conosce meglio di me la questione, ma evidentemente la moltiplicazione...

PRESIDENTE. Senatore Buccarella, la invito a concludere.

BUCCARELLA *(Misto-LeU-Eco)*. Concludo rinviando a una futura elaborazione, spero la più precisa possibile, affinché queste proposte possano essere prese in considerazione. *(Applausi)*.

PRESIDENTE. È iscritto a parlare il senatore Ferrazzi. Ne ha facoltà.

FERRAZZI *(PD)*. Signor Presidente, signor Ministro, onorevoli senatrici e senatori, è evidente che negli ultimi quarantotto mesi abbiamo vissuto due tragedie di livello globale: la pandemia, con i risvolti drammatici che ancora stiamo vivendo, e poi la guerra in Ucraina.

Come sempre, gli eventi drammatici hanno, in sé stessi, anche la possibilità di essere fonti e risorse di innovazioni per trovare soluzioni migliori che consentano un mondo migliore del precedente. Questo è successo certamente per la pandemia, che ha costretto i Paesi a unirsi e sviluppato una politica di integrazione europea; ci ha fatto riflettere sul fondamentale tassello della sanità pubblica del nostro Paese e fatto capire come solamente una sanità pubblica è in grado di rispondere ai bisogni dei cittadini, perché quella più efficiente e in grado di dare risposte e tutelare la salute dei cittadini.

Allo stesso modo, la grande sfida della crisi ucraina - diciamo, propriamente, dell'aggressione della Russia nei confronti del libero Stato indipendente dell'Ucraina - porta e porterà tutti noi a una nuova considerazione dell'autonomia energetica. E sta facendo vedere in maniera molto plastica come sia assolutamente non più rinviabile una politica energetica autonoma a livello nazionale e continentale.

Il presidente Draghi, non più tardi di dieci giorni fa, alla Camera, ha detto - cito testualmente - che questo Governo è nato come Governo ecologico che ha fatto del clima, della transizione verde e del digitale il pilastro portante. Come mai il *premier* Draghi ha fatto un'affermazione di questo genere? Innanzitutto perché è vera: il mandato che gli abbiamo conferito si muove esattamente all'interno di questi filoni fondamentali di crescita e di sviluppo. E lo è poi perché l'Unione europea e lo stesso grande patto europeo che il nostro Paese sta costruendo si muovono in questa direzione. Il Repower EU di cui ha parlato il Ministro nell'informativa che abbiamo appena ascoltato dice - cito ancora testualmente dalla parte introduttiva di Repower EU - che gli obiettivi sono tre: certamente ridurre le emissioni, ma anche rafforzare la sicurezza e la competitività economica. La transizione ecologica serve dunque non solo per ridurre le emissioni - questione naturalmente fondamentale in se stessa - ma anche per rafforzare la sicurezza energetica e geopolitica e per aumentare la competitività dei nostri sistemi economici. Chi pensa diversamente si muove guardando all'indietro, va avanti guardando lo specchietto retrovisore. Signor Presidente, per noi la transizione ecologica vuol dire creare sviluppo, futuro, lavoro, investimenti, benessere e sostenibilità, ed è esattamente questa la grande sfida che abbiamo dinanzi.

Signor Ministro, domani e dopodomani lei avrà l'importante incarico, il compito di Governo di rappresentare il nostro Paese al G7 di Berlino, che si svolgerà alla presenza di sette Paesi, di cui tre europei: oltre all'Italia ci saranno infatti Francia e Germania. Ora non sfugge a nessuno che Repower EU nasce all'interno di questo patto che è stato siglato e, per molti versi, segue le politiche che il Governo, anche attraverso il suo contributo, ha definito negli ultimi mesi. Certamente il grande compito che avrete in questi due giorni sarà quello di far sì che l'Europa, capofila nel campo della transizione, della sicurezza, della competitività e della durabilità - come si dice in economia - della crescita economica, diventi anche convincente a livello internazionale. E bisogna essere convincenti nel G7, ma poi bisogna esserlo nel G20 e questa - come abbiamo visto insieme a Glasgow, signor Ministro - non è esattamente una passeggiata o una cosa semplicissima: basti pensare alle resistenze della Cina, dell'India, del Brasile, dell'Australia e via dicendo. Siamo però certi che questa è l'unica via da seguire e lo è in particolare per il nostro Paese e per il nostro continente.

Il nostro continente, per sviluppare una politica di autonomia e indipendenza energetica ha esattamente questa grande linea. Ora, naturalmente, la prima operazione è quella di renderci indipendenti dalla Russia e, quindi, va bene la politica dei gassificatori, perché dobbiamo essere anche coerenti con noi stessi: se non vogliamo rimanere al freddo il prossimo anno o nei prossimi due o tre anni, se vogliamo sostituire il gas russo, è di ogni evidenza che dobbiamo trovare una soluzione alla situazione grave nella quale ci stiamo trovando. Naturalmente, però, questo vale nel breve periodo ed è un primo passo, non è la soluzione strutturale. Lo diciamo e lo ripetiamo: è quello che dicono Draghi e il Governo ed è quello che dice l'Unione europea con Repower EU.

Signor Ministro, sa molto meglio di me che ci siamo trovati nella situazione di essere dipendenti dalla Russia, dal punto di vista del gas. E ci siamo trovati nella condizione, in questi ultimi venti anni, di avere una diminuzione del consumo di gas nell'Unione europea del 10 per cento e, nonostante questo, abbiamo aumentato l'importazione della Russia, perché abbiamo diminuito la produzione del gas in Europa. L'estrazione del gas, negli ultimi vent'anni, è infatti diminuita, passando da 290 miliardi e 200 miliardi di metri cubi, perché le risorse stanno diminuendo. Anche le risorse del Mare del Nord stanno calando drasticamente e mi riferisco - per esempio - al grande giacimento storico di Groningen. Dunque l'operazione di transizione di Repower EU è necessaria, oltre che eticamente

sostenibile e intelligente. È necessaria, nel senso che non abbiamo alternative nel medio e nel lungo periodo.

Da qui, abbiamo aumentato l'importazione dalla Russia fino a 175 miliardi di metri cubi l'anno a livello europeo, di cui 29 italiani, perché abbiamo ritenuto che i Paesi del Nord Africa - ad esempio - fossero meno stabili dal punto di vista geopolitico. Lei fa bene, Ministro, ad andare in giro per il mondo a cercare una sostituzione, in Qatar, in Algeria, in Egitto. Ma non sfugge a nessuno che la situazione politica di quei Paesi non è esattamente un idillio dal punto di vista della stabilità democratica e istituzionale. Nel giro di pochi anni, quindi, nel modo più veloce possibile, dobbiamo costruire l'autonomia e l'indipendenza basata sulle nostre risorse.

Per fare questo, va benissimo il Repower EU, con i 210 miliardi da investire entro il 2027; vanno benissimo i 300 miliardi entro il 2030 e va molto bene il risparmio energetico con la diminuzione del 5 per cento del consumo, perché anche ridurre il consumo di energia è possibile, anzi è eticamente anche conveniente. E poi c'è l'efficienza energetica: dobbiamo portare al tavolo del G7 quanto deciso nel Repower EU, quel passaggio dal 9 al 13 per cento - ad esempio - dell'efficientamento energetico.

Quanto poi alle quote rinnovabili, il Repower EU aumenta quanto previsto addirittura dal Fit for 55, stabilendo che entro il 2030 le rinnovabili devono coprire non più il 40, ma il 45 per cento della produzione a livello europeo. C'è poi il tema delle quote rinnovabili del fotovoltaico: ottima la scelta di imporre agli stabilimenti industriali, in particolare quelli commerciali per ora e quelli pubblici, i pannelli fotovoltaici sui tetti, perché prima di consumare suolo, possiamo consumare quelle superfici che sono enormi e hanno delle grandissime possibilità. E quindi è bene andare in quella direzione. *(Applausi)*.

È molto positiva anche l'accelerazione dal punto di vista del *permitting*, perché anche su questo tema dobbiamo metterci d'accordo con noi stessi, Presidente: dal momento che l'energia serve, dobbiamo decidere come produrla; quindi, se decidiamo per la transizione, transizione sia e, quindi, va bene la decisione europea dell'impatto ambientale non più sui singoli progetti ma a livello di aree. Si parla poi di idrogeno rinnovabile, di biometano, di pompe di calore.

Ancora, il contributo di solidarietà, che il Partito Democratico per primo ha posto in questa sede e che il Governo ha fatto proprio all'interno di due decreti, è fondamentale, perché noi prendiamo una parte degli extra profitti (40 miliardi in aziende italiane) e li distribuiamo a 28 milioni di italiani e a migliaia di imprese.

Infine, c'è il tema dell'*hard to abate*, che sarà affrontato in questi giorni. A livello europeo, dobbiamo accelerare con grande determinazione perché il 15 per cento degli *hard to abate* comporta il totale dell'uso del carbone e il 10 per cento degli *hard to abate* del G7 dell'uso del carbone. Dobbiamo accelerare in quella direzione. Non c'è dubbio alcuno che la transizione ecologica anche in quel settore sarà la grande sfida. E quindi buon lavoro, Ministro. *(Applausi)*.

PRESIDENTE. È iscritta a parlare la senatrice Gallone. Ne ha facoltà.

GALLONE *(FIBP-UDC)*. Signor Ministro, innanzitutto la ringrazio per la sua dettagliata e approfondita relazione, che rappresenta l'ennesimo spunto per noi per ribadire alcuni concetti fondamentali. Lei ha toccato tutti i temi più importanti che in questo momento straordinario verranno trattati nel corso del prossimo G7, ci auguriamo in maniera altrettanto straordinaria. Come a più riprese abbiamo ribadito nel corso di altri interventi sul tema energetico e ambientale, il mondo è cambiato e per questo c'è bisogno di imponenti, veloci, corrette contromisure derivanti da una necessaria visione strategica.

Ancora una volta Forza Italia, come forza di maggioranza di un Governo di unità, si rivolge a lei che può determinare le scelte sui temi più importanti in questo momento: l'energia; l'innovazione tecnologica; la sostenibilità ambientale, economica, sociale; le concessioni; le autorizzazioni; le verifiche; i controlli; i sistemi di protezione; la sicurezza e il lavoro.

Il Paese ha bisogno che vengano create le giuste condizioni per poter autonomamente - come sa e può fare benissimo - affrontare ogni difficoltà; anzi, per trasformare le difficoltà in opportunità. Lo abbiamo ripetuto fino allo sfinimento: solo la tecnologia e l'innovazione potranno far fronte alla crisi climatica e ambientale. L'estinzione di massa, evocata dalla collega Pavanelli, si realizzerà soprattutto se non si smetterà di dire no a tutto. Come ricordava il collega Ferrazzi, transizione ecologica vuol dire sviluppo, lavoro, benessere, realizzazioni di reddito. Ma, per farlo, le imprese non vanno aiutate con fondi adeguati o con sistemi fatti male come il superbonus 110 per cento; vanno aiutate a fare quello che sanno fare, dando loro certezze e semplificazione, possibilità di pianificazione, di incentivi sì, ma strutturali, di flessibilità nel campo del lavoro, di fiscalità semplificata ed equa e quant'altro.

Signor Ministro, semplifichiamo ancor di più procedure e *iter* autorizzativi, incoraggiamo investimenti, premiamo e agevoliamo riconversioni e innovazioni delle imprese, rendiamo flessibile il lavoro e puntiamo sulle comunità energetiche e l'autoconsumo. Tali comunità - secondo noi - vanno estese il più possibile anche alle grandi aziende. Aumentiamo le produzioni interne, come Forza Italia è riuscita

a fare - per esempio - in tema di biogas. La rigenerazione urbana va estesa a ogni edificio subito, come da lei esposto: tutti i Paesi del G7 sono invitati a introdurre politiche nazionali volte a prevedere esclusivamente lo sviluppo di nuovi edifici a emissioni zero entro il 2030 o prima. Ma, se non rendiamo efficienti a emissioni zero gli edifici esistenti, come risolviamo il problema? Diamo una calmata anche alle soprintendenze e cerchiamo di licenziare quanto prima il disegno di legge sulla rigenerazione urbana.

Signor Ministro, nel comunicato a cui il Governo sta lavorando già da tempo - come lei ci ricorda - si riconosce l'urgenza di affrontare le grandi sfide globali legate ai cambiamenti climatici, alla transizione energetica e quant'altro. Ma cominciamo noi a realizzare la transizione energetica verso un futuro a emissioni zero, iniziando a piantarla una volta per tutte con i comitati del no. Lei ci ha detto anche che, da parte italiana, è stato manifestato un convinto supporto all'accelerazione dello sviluppo delle rinnovabili e chiesto un maggiore *focus* nel comunicato finale sulla tematica della ricerca e sviluppo in questo settore. E come lo realizziamo, viste le contraddizioni che ci vedono inneggiare alle rinnovabili dovendo combattere però i comitati che, a loro volta, combattono pale e pannelli? Per non parlare poi dei gassificatori, che ci servono come l'aria, ma vengono bloccati in ogni dove. Come facciamo a combattere l'inquinamento senza infrastrutture? Come utilizzeremo l'idrogeno di qualsiasi colore senza infrastrutture?

Energia: i rifiuti sono oggi un bene primario per produrla. Torniamo al tema dell'economia circolare, che non è la sorella povera dell'energia. Se oggi ci stiamo rendendo conto della necessità di avere energia e di averla a prezzi accessibili, quindi come problema geopolitico, ci rendiamo parimenti conto di come sia indispensabile reperire le materie prime e averle disponibili per produrre e fare manifattura, da quel grande Paese trasformatore che siamo.

Torno al tema del mondo che è cambiato per ribadire che potenziare le capacità di produrre materie prime seconde dei prodotti a fine vita e dei prodotti *post* consumo, che volgarmente chiamiamo rifiuti, al posto di combattere la realizzazione di impianti, sarà l'unico modo per avere una disponibilità di materia prima seconda incredibile. Per quanto riguarda la produzione di energia, vale lo stesso discorso: dai rifiuti e dagli impianti come il termovalorizzatore potremmo risolvere i problemi del corretto smaltimento e aiutare a uscire dalla povertà energetica (Roma *docet*).

Signor Ministro, porti al G7 il messaggio di un'Italia del fare, di un'Italia che possiede la materia prima infinita che è la nostra intelligenza. Porti al G7 la serietà e l'impegno e poi torni e cominciamo a lavorare sul serio, cominciamo a fare bene e senza paura, perché l'unica cosa di cui aver paura veramente è l'ignoranza. *(Applausi)*.

PRESIDENTE. È iscritto a parlare il senatore Arrigoni. Ne ha facoltà.

ARRIGONI *(L-SP-PSd'Az)*. Signor Presidente, colleghi, ringrazio il ministro Cingolani per l'ampia relazione in previsione della prossima riunione dei Ministri dell'energia e dell'ambiente dei Paesi del G7, convocata per stabilire un'alleanza globale sulla transizione ecologica e sulla sostenibilità.

Apprendiamo che la Presidenza tedesca intende promuovere ulteriori impegni di riduzione delle emissioni rispetto a quelli già adottati alla Cop26 di Glasgow. Ebbene, se le anticipazioni sono queste, c'è un po' da preoccuparsi, soprattutto se a fare i primi della classe restiamo solo noi Paesi della UE, responsabili del solo 9 per cento di emissioni della CO_2, mentre Cina e India continuano a fare i grandi inquinatori. *(Applausi)*.

Dico questo perché abbiamo ben presente il fallimento di anni della politica europea italiana in materia energetica, impostata su obiettivi ipersfidanti e sul no a quasi tutto: no al nucleare, no ai rigassificatori, no alle trivelle, no alla TAP, no al termovalorizzatore di Roma. In Europa e in Italia, negli scorsi anni - per esempio - abbiamo disinvestito nell'*oil and gas*, pensando di tutelare l'ambiente; invece abbiamo fatto un disastro. I consumi di gas sono rimasti analoghi; i prezzi sono andati alle stelle, a causa dell'impennata della domanda globale di gas, e inquiniamo di più perché, importando il gas, si creano più emissioni. *(Applausi)*.

Così, il gas naturale ha prepotentemente esercitato il suo ruolo strategico di fonte di energia e di accompagnamento alla transizione ecologica e si vende caro. Rispetto al periodo pre-Covid siamo a livelli folli di prezzi di gas e, di conseguenza, di elettricità: sono aumentati di cinque volte. Il caro energia, che sempre più ha caratteristiche strutturali, è un fenomeno soprattutto europeo. Ma l'Italia soffre molto di più perché paga le scelte discutibili che ho detto sopra: paga per inefficienze mai risolte e per un *mix* energetico troppo ridotto. Il caro energia sta anche rallentando la transizione ecologica: in Europa si sta bruciando più carbone, soprattutto in Germania, la quale vorrebbe fare la morale su emissioni e no al nucleare. *(Applausi)*.

Contro il caro energia, diamo atto al Governo di essere intervenuto negli ultimi mesi con sette provvedimenti, stanziando complessivamente circa 24 miliardi per contenere le bollette di luce e gas e il caro carburanti. Positive sono anche le misure dopo la crisi russo-ucraina per l'emergenza gas e

quelle per incrementare la sicurezza a breve termine e per ridurre ed eliminare la dipendenza di importazioni dalla Russia. Non sarà facile comunque.

Vengo all'Europa e al recentissimo piano Repower EU. Dopo il positivo inserimento di gas e nucleare nella tassonomia, avvenuto alla fine dello scorso anno, a Bruxelles il pragmatismo ha fatto ancora dei progressi. Infatti, si è incominciato a riconoscere il ruolo del gas nella transizione. Ora si parla non più di affrancamento dell'Europa dal gas, considerato per troppo tempo il male oscuro, perché è un fossile, ma di affrancamento dal gas russo. *(Applausi)*.

Dopo la guerra russo-ucraina, per fronteggiare il caro energia e per affrancarsi da carbone, petrolio e gas russo, Bruxelles ha aggiornato la cassetta degli attrezzi, il *toolbox,* dopo quella mezza vuota di ottobre, e così la Commissione, la scorsa settimana, ha presentato il piano Repower EU. I nuovi obiettivi, innalzati rispetto a quelli già sfidanti e per noi poco condivisibili del pacchetto Fit for 55, ci lasciano molto perplessi. Prendiamo atto della necessità di prolungare la vita di centrali a carbone e nucleari e gli ambientalisti se ne faranno una ragione. *(Applausi)*.

Illusorio è invece il raddoppio dell'obiettivo dell'idrogeno verde, da 5 a 10 milioni di tonnellate all'anno. Non c'è ancora nulla. Non vi è un mercato dell'idrogeno e soprattutto vi è poca energia elettrica rinnovabile per produrlo. Troppa enfasi poi sul nuovo obiettivo di efficientamento energetico dell'edilizia 2030, alzato dal 9 al 13 per cento. Domando: chi paga gli investimenti sugli edifici esistenti? Se lo dovessimo fare solo con il superbonus, lo Stato andrebbe in bancarotta.

Vi è ancora troppa enfasi sul rinnovabile con obiettivo alzato dal 40 al 45 per cento sui consumi finali di energia. Ribadiamo che lo sviluppo di fotovoltaico ed eolico - non sono programmabili e rappresentano un forte limite alla sicurezza del sistema energetico - non potrà prescindere dall'adeguamento della rete di trasmissione Terna e dallo sviluppo della capacità di accumulo - lo *storage* - ancora non disponibile a livello industriale, per il quale occorre fare ricerca per sviluppare tecnologie che non facciano uso del litio, per evitare di legarci ancora sempre di più, mani e piedi, alla Cina. *(Applausi)*.

Difficile, con queste premesse, coniugare tre obiettivi della politica energetica quali ridurre le emissioni, garantire la sicurezza di approvvigionamento del gas da altri fornitori e contenere i prezzi dell'energia.

Occorrono ingenti investimenti. Si sta ipotizzando in Europa un sostegno economico complessivo di 220 miliardi entro il 2027, con un meccanismo di prestiti come quello nato in risposta al Covid, ma all'Italia quanto spetterebbe? Sappiamo che l'Italia, come Romania e Grecia, è tra i Paesi che hanno già attinto a tutti i fondi a disposizione per il Piano nazionale di ripresa e resilienza, per cui rischiamo di rimanere a bocca asciutta.

Signor Ministro, come Lega, sempre attenti ai temi energetici, avanziamo proposte che chiediamo a lei e al Governo di tenere in considerazione.

Innanzitutto, giova ricordare che tutte le misure varate sino a oggi per contenere il caro energia e il caro carburanti sono coperte fino al 30 giugno - all'8 luglio le accise sui carburanti - e questo è un grande problema, Siccome il caro energia, aggravato dalla guerra, ha caratteristiche strutturali, il Governo entro un mese dovrà necessariamente varare un altro provvedimento corposo che estenda al terzo trimestre le misure a tutela di cittadini, di imprese e della ripresa economica, pena la crisi. Serviranno diversi miliardi ed è probabile che occorra un nuovo intervento a debito, uno scostamento di bilancio, ovvero un intervento comunitario in cui l'Europa sia chiamata a fare la sua parte.

Quanto al gas, tutte le misure di diversificazione degli approvvigionamenti vanno bene per affrancarsi dalla Russia. Ma occorre soprattutto ridurre la nostra elevata dipendenza energetica, anche perché Algeria, Mozambico, Angola, Congo e lo stesso Qatar non sono dei campioni di democrazia. Va bene dunque produrre più biometano, ma soprattutto occorre aumentare la produzione nazionale di gas *(Applausi)*, sfruttando i nostri giacimenti; il che, signor Ministro, significa più investimenti, più occupazione, più *royalty* per i territori e più tutela ambientale.

Sulla mobilità sostenibile e sulla decarbonizzazione dei trasporti, per contrastare i cambiamenti climatici il nemico è la CO2, non l'auto a combustione interna. L'obiettivo - pare anche del G7 - di avere tutti i nuovi veicoli elettrici, auto e furgoni a zero emissioni entro la prossima decade, è profondamente sbagliato.

Signor Ministro, faccia rispettare il principio della neutralità tecnologica. *(Applausi)*. Occorre sostenere tutte le tecnologie che contribuiscono alla decarbonizzazione, compresi l'Euro 6 e l'Euro 7. Continuiamo a sviluppare, oltre al biometano e all'idrogeno, anche i biocarburanti, i carburanti sintetici e le filiere del GNL (gas naturale liquefatto) per i trasporti pesanti. È un problema non solo di tutela della nostra filiera dell'*automotive*, ma anche di tutela dell'ambiente, visto che non vi è tutta l'energia verde. Dov'è infatti l'infrastruttura di ricarica? La rete elettrica, peraltro, non si potrà facilmente adeguare e poi non ci saranno le batterie, oppure ci sarà un'altra dipendenza dall'Asia, con enormi rischi geopolitici.

Sull'economia circolare occorre chiudere il ciclo dei rifiuti secondo il principio di autosufficienza e di prossimità territoriale. Avanti, dunque, con il termovalorizzatore di Roma e con analoghi impianti che sono necessari. *(Applausi)*.

Quelle precedenti sono misure per il breve e medio periodo, mentre dobbiamo avere una visione sul medio-lungo termine. Dunque, se nel 2050 dobbiamo decarbonizzare, rispondere alla domanda crescente di elettricità; se dobbiamo erogare l'energia in modo continuativo; se dobbiamo produrre idrogeno a bassissime emissioni - considerato elemento centrale per superare il gas - e se dobbiamo ridurre la dipendenza energetica, non possiamo evitare lo sviluppo del nucleare di ultima generazione pulito e sicuro.

Ministro Cingolani - e ho concluso - riteniamo che queste nostre proposte siano importanti per la tenuta del sistema economico del nostro Paese in un periodo di profonda crisi e instabilità internazionale. Le valuti e accolga la piena disponibilità della nostra collaborazione. Buon lavoro. *(Applausi)*.

PRESIDENTE. È iscritto a parlare il senatore Girotto. Ne ha facoltà.

GIROTTO *(M5S)*. Gentile Ministro, l'economia globale è travolta e il G7 deve discuterne. Le guerre palesano la fragilità di un sistema che può diventare sostenibile solamente intraprendendo azioni che garantiscano equilibrio tra la soddisfazione dei bisogni e il rispetto dell'ambiente. Il percorso è unico: innovazione tecnologica, forte riduzione degli sprechi, efficientamento delle utenze energetiche, forte incremento della produzione di energia rinnovabile con relativi stoccaggi e tecnologie di *smart grid*. Questo garantirà energia economicamente conveniente e - lo ripeto - sostenibile? Se non è sostenibile, non è nemmeno conveniente.

Tale scenario è tratto dagli impegni assunti in ambito internazionale sul clima e l'energia che l'Europa sostiene con diverse azioni e che delineano una *road map* al 2050 di piena decarbonizzazione; obiettivi già definiti dal PNIEC e dal Piano per la transizione ecologica, ma che dovranno essere resi ancora più ambiziosi come indicato dal Repower EU; obiettivi che anche per il Presidente del Consiglio sono «un impegno che l'Italia intende mantenere», appoggiati anche dalla proposta della Germania che noi dobbiamo supportare e rilanciare per garantirci al più presto possibile la sicurezza energetica, in particolare dal gas russo.

Ministro, il Governo afferma di essersi mosso rapidamente per ridurre la quota di gas naturale che importiamo dalla Russia. Peccato, però, che non stiamo avendo la stessa rapidità, decisione ed efficacia nell'accelerare gli interventi strutturali di decarbonizzazione. Preciso: noi escludiamo il nucleare per motivi più volte accennati in quest'Aula e recentemente anche la Germania ha espresso contrarietà all'inserimento del nucleare nella tassonomia. Siamo consapevoli che, nella transizione ecologica, il vettore del gas giochi un ruolo importante. Ma siamo altrettanto consapevoli che gli impatti che esso ha sul clima non sono affatto trascurabili, anzi, ed è una risorsa quantitativamente limitata in Italia per pensare che possa essere un'alternativa strutturale, almeno per l'Italia. Per questo dovremmo il più velocemente possibile programmare la sua riduzione costante tramite una *exit strategy*, così come abbiamo fatto per il carbone.

Il decreto sulle misure urgenti in materia di politiche energetiche nazionali, però, Ministro, ci suscita una forte reazione di allarme, perché dispone una liberalizzazione estesa e a tempo indeterminato - vorrei dire *urbi et orbi* - al proliferare dei rigassificatori. Preciso: nel dibattito parlamentare lei, Ministro, ha sempre parlato della necessità di due rigassificatori - due di numero - e di circa 12-15 miliardi di metri cubi relativi. Quindi, un conto è legiferare in accordo con tali cifre, soluzione giustificata per affrontare la crisi in atto. Un conto è trovarsi un decreto che deroga numerose norme e apre le porte a una potenziale rigassificazione incondizionata *urbi et orbi* che avverrebbe a caro prezzo per le tasche di consumatori sui quali verranno scaricati i costi. Quindi nel decreto, Ministro, semplicemente non c'è scritto "due": c'è scritto che liberalizziamo. Non dimentichiamoci che anche il prezzo del GNL è attualmente elevatissimo: costa il 30-40 per cento in più rispetto alle forniture del suo cugino gassoso e avrà pertanto impatti economici e sociali rilevanti per le attività produttive.

Sempre a livello strutturale, ricordo che la Germania chiederà al G7 di ridurre i sussidi alle fossili e di sostenere il *retrofit* degli edifici, come fortemente voluto dal MoVimento 5 Stelle con il superbonus 110. Così si fa.

Infine, l'altra grande misura sulla quale le chiediamo di lavorare seriamente al G7 riguarda l'accelerazione nelle rinnovabili, distruggendo le barriere che impediscono gli investimenti. Non allentiamo le briglie per il gas, se non per i due rigassificatori, ma a tempo determinato. Allentiamole su rinnovabili ed efficienza energetica, ora, subito, senza indugiare ancora. Individuiamo un quadro di regole speciali per l'innovazione energetica, semplifichiamo e velocizziamo anche sull'efficienza e acceleriamo l'attuazione della regolazione, che è indispensabile. Va pertanto sostenuta e incentivata tutta la filiera produttiva industriale e tecnologica relativa e va definito un piano di rilancio industriale per la produzione di beni e servizi necessari alla transizione ecologica. Ecco la politica industriale che

ci serve, ecco la creazione di decine e decine di migliaia di posti di lavoro, essendo queste soluzioni *labour-intensive*, che sostituiscono le *capital-intensive*.

Signor Ministro, non sbagliamo ancora. Daremo in questo modo il nostro contributo per costruire il cambiamento necessario per un futuro dignitoso per tutti e pacifico, perché meno gas e meno petrolio è uguale a meno guerre. *(Applausi)*.

PRESIDENTE. Dichiaro chiusa la discussione sull'informativa del Ministro della transizione ecologica, che ringrazio per la disponibilità.

Italy support of Ukraine

7. Italy is working to significantly reduce dependence on Russian gas

- Italy has adopted a strategy to gradually replace the current 29 billion bcm yearly gas supply from Russia by increasing supplies (via both pipelines and LNG) from existing sources and partners.
- We act in synergy with major national players to relaunch national gas production, maximize the capacity of existing re-gasifier plants and strengthen critical infrastructures, including through an additional 10 bcm from new offshore re-gasifier capacity.
- Levels of gas reserves in Italy are among the highest in the EU. Italy has a stock capacity exceeding 20% of its annual consumption, both in commercial storage and public strategic reserve.
- Italy was instrumental in the adoption of the REPowerEU Communication that anticipated that gas storage facilities in the EU will be filled up to 80% of their capacity by November 2022.

- Italy was also among the main sponsors of the EU Energy Purchase Platform, which will be a voluntary coordination mechanism, bringing together the Commission and the Member States, supporting the purchase of gas and hydrogen for the Union.
- The Italian gas system is very well connected to the EU network, also through reverse-flow. Our diversification strategy is therefore a common asset for the overall EU energy security.
- The creation of the Southern Gas Corridor/TAP, from the Caspian Sea to Italy, has proven to be a far-sighted endeavor, given that it is the only energy project added in Europe in the last decade that does not rely on Russia, and has the potential to redouble its capacity in the mid-term.
- The EU's energy diversification also benefits from Italy's pivotal role in the Mediterranean at large, including in the Levantine Basin as a founding member of the East Mediterranean Gas Forum [EMGF]. Now more than ever, Italy's inclusive and cooperative approach will be instrumental to further unlock the Region's energy potential, in order to increase our common energy security.
- Italy has participated to two releases of oil stocks decided by all the members of the International Energy Agency, to quell the high prices of crude oil and prevent any supply gaps. The first release at the beginning of March, for 60 million barrels and the second in April for additional 120 million barrels. In both occasions, Italy has released the sixth largest amount of reserves among participating countries.
- As for assistance to Kiev in the energy domain Italy, through its Transmission System Operator (TSO), has supported from the very beginning the Ukrainian Government's request to synchronize its power grid to the European power grid, after its disconnection from the Russian one.
- Italy remains committed, both at a multilateral and EU level and with our partners and energy suppliers, to a substantial clean energy transition, which we view as the only solution to achieve lasting energy security and strategic autonomy.

Embassy of Sweden
Washington

June 13, 2021

Washington

United States Senator Jeanne Shaheen

United States Senator Ron Johnson

Dear Senators Shaheen and Johnson,

I would like to thank you for the opportunity to submit a letter in regard to the hearing "European Energy Security: America's Role in Support Europe's Energy Diversification Agenda" setting out Sweden's views on this issue.

Sweden is a global leader in decarbonisation and has adopted a target to reach a net-zero carbon economy by 2045. Sweden was the first country to introduce carbon pricing and has the highest carbon price in the world, which has proven effective at driving decarbonisation.

Sweden's electricity supply comes mainly from hydro and nuclear, together with a growing contribution from wind. Heating is supplied mainly through bioenergy-based district heating and heat pumps.

Like many other countries, our transport sector, which remains reliant on oil, has the highest emissions. The government's target is to reduce transport emissions by 70% from 2010 to 2030. Transport decarbonisation is supported through electrification and advanced biofuels. Sweden is also supporting industrial decarbonisation and is home to one of the first major projects for hydrogen-based steel production.

Sweden's direct dependency on Russian energy imports is low, and several commercial entities have chosen to avoid Russian products. About 8 percent of Sweden's import of crude oil originated from Russia in 2021. The main importer (Preem) has chosen to avoid Russian crude oil. Sweden welcomes European sanctions on oil. Sweden imports natural gas via Denmark, and roughly a third of this is assumed to be of Russian origin.

Sweden is a strong proponent of the need to phase out fossil fuels as soon as possible to improve security of supply and to reach climate goals. All fossil free energy sources contribute to this, including wind, nuclear and

Postal Address:
2900 K Street, NW
Washington, DC 20007
USA

Visitors' address:
2900 K Street, NW
Washington, DC 20007
USA

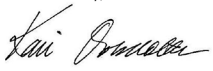
Telephone:
+1(202)467-2600

Fax:
+1(202)467-2699

E-mail:
ambassaden.washington@gov.se

bioenergy. Sweden fully supports the European Commission's RePowerEU initiative and welcomes the support of the United States to implement it.

Yours sincerely,



Karin Olofsdotter
Ambassador of Sweden to the U.S.

Veleposlanstvo Republike Hrvatske u Sjedinjenim Američkim Državama
Embassy of the Republic of Croatia to the United States of America

2343 Massachusetts Avenue, N.W. Washington D.C. 20008
Tel: +1 202 588 5899, fax: +1 202 588 8937

Washington D.C., June 10th, 2022

The Honorable Jeanne Shaheen
Chairwoman

The Honorable Ron Johnson
Ranking Member

Senate Subcommittee on Europe and Regional Security Cooperation
United States Senate

Honorable Senators Shaheen and Johnson,

It is with great interest and gratitude that we follow the United States Senate's deliberations on the important topic of European energy security and the United States' role in support of European energy diversification. Strong cooperation between Europe and the United States, ensuring our energy needs along a reliable, mutually benefiting supply chain among Allies, within a community of nations sharing same values and interests – are defining ingredients of Croatia's energy policy.

Honorable Senators, please allow me to convey to your kind consideration the main elements of this policy, which may hopefully make a meaningful contribution to an enhancement of energy cooperation between the United States and Europe. Our joint efforts are ever more needed during the present crisis caused by Russia's aggression in Ukraine, against which we have to stand together firmly and efficiently, in every aspect, now, and in a foreseeable future.

Croatia's energy policy is formulated within an overarching European Union policy, aiming to reduce the emission of harmful greenhouse gases, increase the share of renewable sources in the energy mix, increase efficiency, security and quality of energy supply. Cooperation on energy and combating climate changes specifically have also been one of the main pillars of United States - Croatia Strategic Dialogue, launched in March this year.

Croatia sees a great potential of energy cooperation, aiming to ensure a reliable supply, in Central Europe specifically, with a prominent U.S. participation, within the Three Seas Initiative, as well

as within the Partnership for Transatlantic Energy and Climate Cooperation (P-TECC). Croatia will be hosting a P-TECC Ministerial Meeting this fall.

Croatia's distinct contribution to the European energy diversification and transatlantic energy cooperation - offering a promising growth potential and an attractive investment opportunity - is represented by the LNG receiving terminal in Omišalj, on the Island of Krk, in the Northern Adriatic. The terminal, which is also a project supported by the European Union, is fully operational, capable of covering Croatia's entire gas needs while contributing to a wider Central European energy diversification, and independence from Russian supplies in particular. Its initial capacity of 2.6 bcms per year have been already increased to 2.9 bcms, while the options of further increase are being explored.

The increase of this terminal's capacity, including its storage space and downstream pipeline system, is of a truly strategic importance, both for ensuring a reliable LNG supply route to Europe, as well as for reinforcing transatlantic ties by offering an opportunity for the United States' LNG exports. Together with our European partners, we have been urging the United States to increase its LNG output and quantities available for Europe. The increase of Krk Terminal's capacity is already a prominent subject of the United States - Croatia consultations, which are addressing also the topic of Southern Gas Interconnection towards Bosnia and Herzegovina, ensuring that country's energy diversification as well.

The REPowerEU Plan, which the European Commission recently presented as its response to the hardships and global energy market disruption caused by Russia's invasion of Ukraine, highlights the need to further invest into gas and oil pipelines networks. Investing in the crucial energy infrastructure, the Krk LNG terminal, Plinacro gas pipelines and Adriatic Oil Pipeline system (JANAF) would enable Croatia to provide its neighbors with additionally diversified supply of energy. Croatia also attaches great importance to the realization of Ionian-Adriatic Pipeline (IAP) - with a projected capacity of 5 bcms per year - connecting Croatia, Bosnia and Herzegovina, Montenegro and Albania to the Trans Adriatic Pipeline (TAP), transporting gas from Azerbaijan to Italia, *via* Turkey and Greece. Finally, let me add that Croatia is also aiming to increase the output from its domestic oil and gas reserves, requiring investments in new technologies, as well as issuance of new leases for exploration and exploitation.

Hoping that I have provided you with an illustrative overview of Croatia's energy policy and with a relevant input to your deliberations, I most gladly and fully remain at your disposal.

Respectfully,

Pjer Šimunović
Ambassador

Embassy
of the Republic of Poland
in Washington, D.C.

June 8, 2022

The Honorable Cynthia Jeanne Shaheen
United States Senator for New Hampshire
Chair
Subcommittee on Europe and Regional
Security Cooperation
Committee on Foreign Relations
United States Senate
Washington, D.C. 20510

The Honorable Ronald Harold Johnson
United States Senator for Wisconsin
Ranking Member
Subcommittee on Europe and Regional
Security Cooperation
Committee on Foreign Relations
United States Senate
Washington, D.C. 20510

Dear Senators,

For many years, even prior to Russia's invasion of Ukraine, Poland has steadfastly warned its partners and allies that the Kremlin exploited natural gas as an external policy tool, threatening European energy security. We continuously emphasized the fact that Nord Stream 2 produced an excessive dependence on a single source, route and supplier. My country was strongly opposed to this project, as we did not wish for Europe to become even more dependent on Russian gas supplies and exposed to potential blackmail from Moscow. As such, we have actively advocated for the diversification of gas supplies and other energy resources.

Poland has worked towards securing its energy independence by investing in an LNG Terminal in Świnoujście, which will soon receive over 7 bcm of U.S. LNG annually. As we work to increase the terminal's regasification capacity, we plan to further increase our LNG import capacity by launching the Floating Storage and Regasification Unit Terminal in Gdańsk, with a capacity of 12 bcm. We consider our long-term contracts for U.S. LNG to be important steps in building a competitive gas market not only for Poland, but also for other Central and Eastern Europe countries, which will be able to receive LNG through Poland. Simultaneously, Poland is working on completing the Baltic Pipe project, a pipeline that will deliver gas from the Norwegian Continental Shelf to both Poland and other end-users in neighboring countries. Scheduled to be completed in October this year,

the Baltic Pipe will serve as another guarantee of energy diversification for Poland and Central and Eastern Europe.

We believe that appeasement will fail to compel Russia to cease its aggression. We believe that Russia can only be stopped by limiting the financing of its military complex; to this end, one necessary course of action is to completely cut Russia off from financing its criminal activities by ending the importation of Russian energy resources. Because these imports will need to be substituted by resources from elsewhere, we ask our allies, including you - our American friends - to increase gas export opportunities to Europe. We also look forward to working together on the development of renewable and nuclear energy, which will both strengthen European energy security as well as lead to the reduction of emissions and the meeting of climate goals.

Regarding nuclear energy, Poland strongly believes that the bipartisan initiative championed by Sens. Manchin and Risch, the International Nuclear Energy Act of 2022, presents a truly strategic vision for empowering the United States administration to effectively promote U.S. civil nuclear exports, international civil nuclear cooperation and U.S. global competitiveness in this sector. If adopted, the act would mark a real turning point for U.S. engagement in global civil nuclear energy competition and in combatting global climate change by promoting non-emission, civil nuclear technology.

I wish to assure you, Senator, that Poland will continue to motivate our European partners to develop a plan to move away from Russian hydrocarbons as soon as possible. Freedom and peaceful coexistence are paramount, and we are convinced that further transatlantic cooperation in the energy sector, as well as continued support from the United States, will help us to pursue our common energy security goals and interests, as well as to overcome the current energy crisis and the threat posed by Russia to Europe and the entire world.

Sincerely,

Marek Magierowski
Ambassador of the Republic of Poland to the United States

2640 16th Street NW, Washington D.C. 20009 • Tel: 202-499-1700 • E-mail: washington.amb.sekretariat@msz.gov.pl
https://www.gov.pl/web/usa-en

EMBASSY OF THE REPUBLIC OF MOLDOVA
Washington D.C.

June 10, 2022

The Honorable Jeanne Shaheen
Chair of the Subcommittee on Europe and Regional Security Cooperation
U.S. Senate Committee on Foreign Relations
506 Hart SOB Building,
Washington DC, 20510

The Honorable Ron Johnson
Ranking Member, Subcommittee on Europe and Regional Security Cooperation
U.S. Senate Committee on Foreign Relations
328 Hart SOB Building,
Washington DC, 20510

Dear Senator Shaheen,
Dear Senator Johnson,

I would like to thank you for your continuous robust support to Eastern Europe tackling current security and economic challenges. We followed with great interest the recent hearing hosted by Europe subcommittee titled "European Energy Security: America`s Role in Support Europe`s Diversification Agenda". In this context, I would like to bring to your kind attention the situation in my country.

Because Moldova lacks energy resources, it is almost fully dependent on imports of fossil fuels and electricity. Since October 2021, gas prices have increased significantly in Moldova due to both the latest developments on the regional energy markets caused by the post-pandemic economy recovery and the war in Ukraine (the purchasing gas price increased from 265 USD/1000 m3 in 2021 to 1193 USD/1000 m3 in April 2022 and 910 USD/1000 m3 in May 2022). Unforeseen excessive price increase has caused a domino effect of rising prices in all areas, including electricity, increasing the level of energy poverty of the population. This have put significant pressures on the public finances and the most vulnerable citizens' ability to afford gas over the winter (60% of Moldova's population live in energy poverty, spending more than 10% of their budgets on energy bills). Moldova is highly exposed to spillovers from the war in Ukraine given geographic location, trade and financial linkages, and energy import dependence. The risks to the Moldovan economy are substantial and largely tied to the future evolution of the conflict and global energy prices.

Given no in-country gas storage facilities and with alternatives to the current suppliers for both gas and electricity implying substantially higher prices as well as possible cap on available volumes, contingency planning—including on possible rationing—remains crucial.

To enhance security of gas supply, Moldovan authorities are seeking to diversify gas supplies and create gas stocks for emergency situations or specific cases, by enabling acquisition, creation, and use of gas stocks, especially if there are natural gas shortages.

Moldova is taking steps towards improving its energy security. A soon-to-be-finalized loan with the EBRD of over EUR 300 million will, among other measures, allow buying and storing one winter month worth of natural gas consumption in Romania, providing a much-needed buffer to Moldova's natural gas supply. Also, the recent emergency synchronization of the Moldovan Power System with the ENTSO-E Continental Europe is an important step towards improving the security of electricity supply.

USAID supports the Government of the Republic of Moldova in the process of reviewing and updating the National Energy Strategy and contributes to the development and consolidation of the energy sector through the Moldova Energy Security Project (MESA).

The recent joint statement by the Governments of the Republic of Moldova and the United States of America on the Relaunch of the U.S.-Moldova Strategic Dialogue (April 2022) mentions that the cooperation on economic and energy issues remains a cornerstone of our bilateral relationship and emphasizes the importance of strengthening Moldova's energy security and ongoing cooperation to promote market reforms and integrate Moldova's energy systems with the rest of Europe. The United States continues to support Moldova's energy diversification and reducing its dependence on Russian energy supplies.

I would like also to take this opportunity to thank you for introducing a bipartisan Senate resolution commending Moldova for its efforts to help Ukrainian refugees fleeing Russia's illegal and unjustified war against Ukraine, expressing support for Moldova's sovereignty and ongoing reforms, and urging Europe to integrate Moldova and Ukraine further into its energy architecture. In current challenging times, it is of crucial importance for my country to have the U.S. support and to benefit from the engagement of the Congress.

Let me thank you again, Honorable Senators, for your friendship towards Moldova and I look forward to new opportunities of cooperation.

Yours sincerely,

Eugen CARAS
Ambassador

VELVYSLANEC
SLOVENSKEJ REPUBLIKY
AMBASSADOR
OF THE SLOVAK REPUBLIC

June 13, 2022

The Honorable Senator Jeanne Shaheen
United States Senator of New Hampshire
506 Hart Senate Office Building
United States Senate
Washington, D.C. 20510

The Honorable Ronald Harold Johnson
United States Senator for Wisconsin
328 Hart Senate Office Building
United States Senate
Washington, D.C. 20510

Chairwoman Shaheen, Ranking Member Johnson,

First of all, Slovakia would like to commend the United States for its continuous support in strengthening Europe´s energy security which had started long before the Russian war in Ukraine.

Mr. Putin´s war against Ukraine has affected our region in every imaginable way. We are facing challenges related to our energy security and economic stability while dealing with the humanitarian situation in Ukraine. Kremlin weaponized the energy and democratic countries are working around the clock on diversifying their energy sources and decoupling from Russian energy. Europe´s long-lasting dependence on the Russian energy sector has created an unprecedented vulnerability to our national securities. Now, as we have to diversify our energy sources immediately, transatlantic unity and cooperation with allies and like-minded countries play a key role. A great example of transatlantic cooperation is the increased LNG export from the United States, which helped European households during last winter.

In the past years, while the European Union was importing around 40 percent of its natural gas from Russia and around 27 percent of Russian oil, Slovakia relied on Russian gas for more than 85 percent and was entirely dependent on Russian oil. Now, Slovakia is taking painful and expensive measures to minimize its dependence on Russian energy while fully bearing in mind its commitments to reduce greenhouse gas emissions.

We supported the sixth EU package of sanctions targeting Russian oil and although Slovakia was given a temporary exemption for oil imports from Russia via the Druzhba pipeline, we rely on European solidarity in meeting our energy needs. Slovakia needs EU support in expanding the capacity of the Adria pipeline, through which Slovakia could be supplied with non-Russian oil. The same European solidarity is needed in the gas segment too. Here, in accordance with the recently published RePowerEU plan, we expect the creation of a pan-European system that would guarantee sufficient gas reserves for the winter, joint purchase of gas, and distribution of non-Russian gas across the continent. Slovakia aims to preserve the main reverse gas corridor to Ukraine, which is important in securing Ukrainian energy security.

At this point, Slovakia can substitute approximately up to 70% of Russian gas imports from other sources. As of July 10, Slovakia will have enough gas in its storage tanks for the next winter season. Slovakia has received three shipments of LNG in the past 3 months and is expecting more. Given that Slovakia is a landlocked country without LNG terminals, we rely on our neighbors when importing LNG. Slovakia can receive gas via the Croatian terminal Krk and soon will be able to receive its first gas transfer through the recently finished interconnector with Poland that will connect us to an LNG Terminal in Świnoujście.

Regarding our climate goals, Slovakia met the EU target for the share of renewable energy by 2020 with the current share of renewables in the energy mix of about 22%, which will increase in 2023 when we are expecting a huge increase in the use of renewable resources. Slovakia is also working on the expansion of the use of new nuclear units in Mochovce, which will contribute to the reduction of greenhouse gas emissions and will increase the share of nuclear energy from 55% to almost 70%. We are working together with a group of five other European countries that are using soviet nuclear reactors VVER 440, on adapting and certifying technologies for the use of Western nuclear fuel and negotiating with relevant companies such as American Westinghouse and French Framatome. In addition, Slovakia is exploring new nuclear technologies such as SMRs. As to hydrogen, Slovakia has started the preparations for its production, distribution, and exploitation. In addition to its future domestic production, Slovak entities are participating in the projects for the future transportation of green hydrogen, which can be produced in Ukraine.

Slovakia will continue its efforts to move away from Russian energy in which transatlantic cooperation and steadfast support from the United States are crucial. United States energy diplomacy is particularly important in increasing LNG exports from the United States – and other parts of the world – to Europe, expansion of existing European LNG capacities, assisting with reservation of free capacities at existing LNG terminals, looking for alternatives to Russian oil, which could be imported to Slovakia via Port of Rijeka in Croatia and which could be processed by the Slovak refinery Slovnaft; accelerating deployment of smart technologies to increase energy efficiency and reduce dependence on fossil fuels.

We look forward to strengthening the cooperation with the United States in achieving global energy security and enhancing resilience against threats posed by countries like Russia and other authoritarian regimes.

Sincerely,

Radovan Javorčik

Ambassador of the Slovak Republic to the United States

ROYAL NORWEGIAN EMBASSY

The Ambassador

The Honorable Jeanne Shaheen, Chairwoman
The Honorable Ron Johnson, Ranking Member
United States Senate Foreign Relations Subcommittee on
Europe and Regional Security Cooperation

Washington, 13.06.2022

Regarding Europe Subcommittee hearing on European Energy Security: Americas Role in Support of Europe's Energy Diversification Agenda.

Norway would like to extend its appreciation for the leadership the United States is showing in contributing to securing a strong and stable supply of energy to Europe. Norway is a member of the International Energy Association (IEA) and enjoys a close relationship with the United States and its other member states. The current situation in the global energy-markets have further highlighted the importance of this cooperation. Norway is a significant producer and net exporter of energy, and as a country we are independent of Russian energy supplies.

Norway's two most significant sources of energy are hydropower and petroleum.
During an average year, our hydropower-production covers around 90 per cent of our domestic power-consumption. The Norwegian electricity-grid has several interconnectors to a number of European countries that provide additional stability and flexibility for both the domestic and the European electricity market.

For decades, Norway has also been a stable and predictable producer and net exporter of petroleum, with an average total production slightly above 4 million barrels of oil equivalents per day, around half of which is natural gas and half oil and liquids. Due to limited domestic demand, we export almost the entirety of our natural gas production, making Norway a top tier natural gas provider internationally. Most of these volumes go to Europe and constitute between 20 and 25 per cent of European natural gas consumption. Norway also exports more than half of its oil and liquids production.

In light of the current uncertainties in European natural gas-markets, Norway has acted in unison with the IEA, and supports the efforts to provide a stable supply of as much natural gas to Europe as possible. For Norway, this has included ramping up production and exports of natural gas as much as possible. In addition, Norway's only LNG-export terminal recently came back on stream, and later this year, the construction of the Baltic Pipe pipeline will be finalized, providing an additional physical landing point for natural gas in Europe and additional increased stability for piped natural gas exports from Norway to Poland via Denmark.

Postal address: 2720 34th St. N.W., Washington D.C. 20008, USA
Office address: 2720 34th St. N.W. Telephone: 12023336000 Fax: 12024693990
Org. no.:972417920

As a result of these efforts, Norway recently announced that we expect our natural gas exports to be approximately 8 per cent higher year-on-year in 2022. While the Norwegian Government will continue to assess opportunities to further increase, Norwegian petroleum production is now at close to full capacity.

Norway believes that our main contribution to the current crisis in European energy-markets in the short term, is to maintain the current high level of production and export of oil and gas. This will be accomplished through utilizing all production assets and related transport infrastructure.

Longer term, Norway has ambitious plans to increase and decarbonize its energy supply. We recently announced that we are looking to develop significant additional renewable energy capacity from large-scale development of offshore wind. We are also looking to significantly reduce emissions from our petroleum production. Additional efforts include developing industrial scale low-carbon solutions such as Hydrogen and Ammonia production and full value-chain carbon capture and storage (CCS) from high-emitting industrial activity. We believe that all these efforts will add further benefits and stability to Europe.

Norway will continue to work closely with the IEA, the Europe and the United States in providing as much stable and predictable energy as possible to European markets, and I remain at your disposal to discuss Norway's role and potential further contributions in these challenging times.

Yours sincerely

Anniken Ramberg Krutnes

Embassy of Montenegro in USA
Washington DC

Address: 1610 New Hampshire Ave NW,
20009 Washington, DC, USA
phone: +1 202 234 6108
fax: +1 202 234 6109
WWW.MVP.GOV.ME

File Number 1-5153 **June 13th 2022.**

Esteemed Chairwoman Senator Shaheen, Esteemed Ranking Member Senator Johnson,

First of all, allow me to express our gratitude for organizing a very important hearing about energy security in Europe. We consider this topic to be of high importance, especially in context of Russia's unprovoked war of aggression against Ukraine.

The brutality of Russian invasion can only be compared to its blatant disregard and trampling of international law and to the threat it presents to rules – based international order and European and Euro – Atlantic security, including in the energy sphere.

Montenegro's decision to align itself with all EU-imposed sanctions against Russia, our continuous help to Ukraine, including a contribution to, together with allies and partners, pay for Ukrainian membership fee in the Energy Community, our participation in NATO's efforts to secure its Eastern flank and our full support to Sweden's and Finland's bids to become NATO allies clearly show our commitment and resolve to ensure that wars of aggression are not waged without severe consequences.

We consider the Trans – Atlantic unity to be stronger and more visible now than at any time in recent history.

In the energy sector, we regard the recent EU decision to impose an oil embargo to Russia in the next six months as a very positive development. It is exactly these kinds of measures that ensure Russia will pay increasingly steep price for every day it prolongs its unjustified, unjust and brutal war against Ukraine.

With regard to the South East Europe, our position is that it would be a highly important, civilizational step forward if all countries of the region impose sanctions against Russia.

We were especially pleased to hear the willingness and commitment from both Subcommittee members and US Presidential Coordinator for Energy Security to discuss the issues of energy security and energy situation in our region after Russian invasion of Ukraine, to actively consider ways to help us solve the issues we have, and to send a clear message to the countries of the region "not to put all eggs in Putin's energy basket", but to diversify their energy supply.

The energy sector is one of the strategic branches of Montenegrin economy, so special attention is paid to its development, reform activities in this sector and inclusion in the regional and European energy market. It is important to note that Montenegro currently does not have access to natural gas sources or infrastructure to support its use.

In the oil sector, where petroleum products and liquefied petroleum gas (LPG) are fully imported in Montenegro, the main energy undertakings include: JSC Jugopetrol Podgorica (joint-stock company for research, production and trade in oil and oil products, which is 54.5% owned by a Greek company Hellenic Petroleum International AG), L.L.C. Montenegro Bonus Cetinje (a public company dealing with wholesale trade in oil products, trading and supply of electricity) and a number of other companies that are licensed to import and distribute oil products in Montenegro.

All this means that we are not dependent on Russian energy sources and suppliers to address our energy demand.

As a member of the Energy Community and a candidate for EU membership, Montenegro harmonizes its energy policy and regulations with the policy and legislation of the European Union in the field of energy and environment. In accordance with that, we are working on the preparation of the first National Energy and Climate Plan, which will be the main strategic and planning document in the field of energy until 2030. It will be a plan for the development of the energy sector of Montenegro, which will aim to meet the demand for energy, ensuring the implementation of a green energy transition and minimal negative impact of the energy sector on climate change.

According to the national determined contribution of Montenegro, which is determined in accordance with the Paris Agreement, greenhouse gas emissions in Montenegro will be reduced by 35% until 2030 compared to the base year 1990. In accordance with the European Green Deal and the EU energy policy, we plan further development of the energy sector through green energy transition and decarbonization, increasing the use of energy from renewable sources and improving energy efficiency, as well as building infrastructure facilities to connect with neighboring energy systems.

We want to turn climate and environmental challenges into our opportunities and competitive advantages, by ensuring a fair and inclusive transition to climate neutrality.

Montenegro has significant potentials of renewable energy sources, the most important of which are: hydro potential, wind potential, solar radiation and biomass. Also, in Montenegro there is a great potential for energy savings through the application of various energy efficiency measures.

In addition, connecting with neighboring energy systems is of great importance for the development of the energy sector and the overall economic development of Montenegro.

In order to use the available energy potentials, ensure security of energy supply and meet international obligations, Montenegro is working intensively on the implementation of numerous energy projects. In addition to the construction of power plants that produce energy from renewable sources, we are developing facilities for the transmission of electricity and connection to neighboring power systems.

Such projects, especially the construction and commissioning of the electricity interconnection Montenegro - Italy, have contributed to Montenegro becoming a regional power hub and a leader in generation of electricity from renewable sources.

Recognizing the importance of energy saving and energy efficiency for achieving the goals of sustainable development, Montenegro is actively improving the legislative framework and implementing numerous programs and projects in this area. The most important projects in this area are: improvement of energy performance in healthcare, educational, social and administrative facilities.

Also, energy efficiency measures in households are being implemented, the aim of which is to reduce heating costs and increase comfort in households, as well as the development of the market for efficient heating and cooling systems in Montenegro.

In order to develop our energy infrastructure and diversify energy sources, our strategic documents envisage that Montenegro is supplied with natural gas through the Ionian-Adriatic gas pipeline and the possible valorization of its gas reserves from the Adriatic submarine. Accordingly, we are involved in the implementation of the Ionian-Adriatic gas pipeline project. It is a project implemented by Montenegro, Albania, Bosnia and Herzegovina and Croatia.

Based on the aforementioned, it can be concluded that cooperation with the interested parties would provide us important support aimed at meeting set goals, namely increasing the use of renewable energy sources, improving energy efficiency, building energy interconnections and diversify energy sources. This would certainly contribute to achieving faster and greater success on the path to decarbonization and a fair energy transition, while ensuring security of energy supply.

In that regard, we have high hopes in functioning of the Montenegro – USA Economic Dialogue. This highly important initiative for economic and cooperation between Montenegro and USA in general was launched on September 16th 2021. It is very important for us that the Dialogue, which in future will be conducted through five agency-level working groups, brings tangible results that will enhance the economic cooperation between Montenegro and USA and serve as a valuable bridge between Montenegro's market and US investors.

Under auspices of the Economic Dialogue, Montenegro is ready to focus on attracting US investments in the fields of infrastructure, renewable energy and green economy.

Dear Senators,

Europe is at the crossroads. We are faced with a challenge to our peace, security and stability unseen since the end of World War 2. It is the task of the Euro-Atlantic community to ensure that our democracies, our committment to Europe whole, free and at peace and our values prevail.

Montenegro stands ready to continue helping and supporting that endeavor, of which energy security is a crucial part.

Sincerely yours,

Marija Stjepcevic

Chargé d'affaires a.i.

АМБАСАДА НА
РЕПУБЛИКА СЕВЕРНА
МАКЕДОНИЈА
ВО
ВАШИНГТОН

EMBASSY OF THE
REPUBLIC OF NORTH
MACEDONIA
IN
WASHINGTON D.C.

Ref.No. 13-01-29

June 13, 2022

Distinguished Senator Shaheen,
Distinguished Senator Johnson,

Regarding the European Subcommittee hearing on the European Energy Security: America's Role in Support Europe's Energy Diversification Agenda (Thursday, June 9), it is my pleasure to submit this letter that outlines the Republic of North Macedonia's views, assessment and suggestions on the issues that are challenging Energy Security.

Diversification of energy supplies:

• At the ministerial meeting in Sofia, "Southeast Energy Transition – Regional Cooperation for Energy Security, Diversification and Transition", North Macedonia together with SEE countries set up regional taskforce to jointly diversify gas supplies and strengthen energy security. The regional taskforce will support and coordinate the implementation of the joint preparedness plans in the region, including international purchase, storage and interconnections, as well as provide specific regional expertise and know-how to develop and implement the REPower EU action plan.
• The North Macedonia section of the Greece–North Macedonia gas interconnector project is one of the highest priority projects for both countries, for the regions, as well as for the Energy Community, being supported by all the relevant European institutions. Implementation of this project will provide stability in the energy supply, will enable diversification and security of sources of supply, and will also enable access to a more competitive natural gas market. Investing in natural gas in North Macedonia is seen as a transitory measure to enable a gradual shift to renewable, green and clean energy, improving environmental health and ensuring energy security in the long run.
Climate ambitions and cooperation on climate change/Just transition and meeting Eu requirements for coal phase-out and decarbonization
• Ongoing energy crisis as well as reaching the climate neutral aims at EU level, once again highlighted that a change in the energy system is needed – a transition that will bring clean energy to the forefront. Coal regions at EU and WB should change and

Embassy of the Republic of North Macedonia in Washington D.C.
2129 Wyoming Ave. NW, Washington D.C. 20008
T:+1 202 667 0501; E: washington@mfa.gov.mk

АМБАСАДА НА
РЕПУБЛИКА СЕВЕРНА
МАКЕДОНИЈА
ВО
ВАШИНГТОН

EMBASSY OF THE
REPUBLIC OF NORTH
MACEDONIA
IN
WASHINGTON D.C.

define scenarios for their gradually transitions, followed with development of advanced climate policies and measures and protected vulnerable consumers

• North Macedonia has endorsed the Western Balkan Green Agenda in December 2020 and started with implementation of the measures defined in the Action Plan for implementation of the Green Agenda. The Action Plan is used as an operational tool which has been developed in extensive cooperation process reflecting the 5 pillars: Decarburization, Circular Economy, Depollution, Sustainable Agriculture and Protection of Nature and Biodiversity. North Macedonia is a leader in the Western Balkans in terms of green transformation, including shouting down the existing coal sites and investments in renewables.

• The country has become one of the pair - to pair participant in the Exchange Program of the Initiative for Coal Transition Regions for Western Balkan and Ukraine. In 2021, the country, represented by the coal regions, has been selected and paired up with exchange partner from Western Macedonia Region in Greece. Exchange program is an opportunity for exchange of expiries, start direct talks, connect and transfer of knowledge with exchange partners. National teams has started working and the first site meeting has been scheduled for July 2022.

• North Macedonia is the first country in the WB to layout concrete options for a pre-2030 coal phase-out, as a member of the Powering Past Coal Alliance. On this regard, the country has signed memoranda with Greece on the supply of natural gas and electricity produced the neighboring country's future gas-fired power plant, with the aim of abandoning coal.

• We are the first country to develop a National Energy and Climate Plan that includes decarbonization, energy efficiency, security of energy supply, internal energy market and research, innovation and competitiveness. The NECP was adopted by the Government on 31 May 2022.

• Our country is a leader in the Western Balkans in terms of green transformation and is the first country in the region to make an energy transition from a thermal power plant to a capacity that will produce electricity with photovoltaic. The Oslomej 1 photovoltaic power plant is one of the 21 flagship projects in the Western Balkan region, selected for the EU financing in 2022 through the WBIF. The 10MW solar plant, built on the site of the spent Oslomej lignite coal mine, was constructed by JSC Elektrani na Severna Makedonija (ESM), the country's state-owned electricity company. This is the company's first solar plant in North Macedonia, developed with a view to diversifying energy sources and supporting decarbonization.

• The Long-term Climate Action Strategy and Action Plan has been developed in August, 2021.The Strategy, together with the Enhanced National Determined Contribution (eNDC) and 3rd Biannual Updated Report (3rd BUR) on climate changes,

АМБАСАДА НА
РЕПУБЛИКА СЕВЕРНА
МАКЕДОНИЈА
ВО
ВАШИНГТОН

EMBASSY OF THE
REPUBLIC OF NORTH
MACEDONIA
IN
WASHINGTON D.C.

sets the medium and long-term goals on decreasing the national net GHG emission for 72% until 2050 in compared to the level from 1990 (without included MEMO emissions) and enhanced climate resilience of the society, the economy and the ecosystems in the country.

• Draft Law on Climate Action has been prepared transposing EU Acquis. Consultation on the draft Law on Climate Action with the Energy Community are on-going with regard to the newest developments at EU level and further carbon border adjustment mechanism.

Cooperation in the field of EU legislation, renewable resources, the development of hydropower plants and the needs for future development of the power infrastructure and cyber security:

• About the cooperation in the field of renewable resources, the development of hydropower plants, solar and photovoltaic energy, geothermal technologies were mentioned that North Macedonian government is doing an important energy strategy. When this strategy will be adopted there will be a big field of cooperation for both countries in the field of energy.

• Tender for hydropower plant Cebren (300 MW) with public privet partnership with ELEM, will be done by ELEM.

• Also, MEPSO will have a tender procedure for 400 kV overhead line connection with Albania, 400/110 kV Transformer station in Ohrid and development of 110 kV network in Bitola and Ohrid.

• The government of North Macedonia will make several tenders for photo voltaic power plant on state fields place and after that another tender for plants on private fields. For the first time we will not use feeding tariffs but so called premiums.

• Much depends on the future adoption of the law on security of networks and information systems. That it is broadly a faithful representation of the EU's NIS Directive means that it should provide solid foundations for a comprehensive legal framework in this area. Transposition of NIS by itself however does not immediately provide much more than that foundation. Much will then depend on the development of and building awareness, engagement and adherence to new policies, regulations and operating procedures that will drive improvements to national capabilities and capacity. Therefore, the establishment of the Digital Agency should be a priority to give further impetus to the activity required within the sectors on identifying OES and DSPs and forming the various CSIRTs. Longer term, the presence of the Digital Agency as a national body, should drive a coordinated and comprehensive approach to both operational and strategy issues. Finally, the obligation laid down by the national legislation on both the

АМБАСАДА НА
РЕПУБЛИКА СЕВЕРНА
МАКЕДОНИЈА
ВО
ВАШИНГТОН

EMBASSY OF THE
REPUBLIC OF NORTH
MACEDONIA
IN
WASHINGTON D.C.

Digital Agency (as the SPOC) and the CISRT network to engage with the EU (via ENISA) is welcome. North Macedonia should seek to benefit from the lessons identified by EU Member States to enable a smoother and more effective implementation of their legislation.

Areas in which the US or the EU could further support energy diversification in the country and the region:

- Development of the electricity market and its regional integration,
- Creating conditions for encouraging investments in renewable energy sources
- Popularization of the concept of consumer-producer and energy cooperatives
- Energy transition- development of natural gas distribution network and interconnections for natural gas with neighboring countries
- Decarbonization - development of the measures from the National Energy and Climate Plan.

Respectfully,
Dr. Vilma Petkovska
Charge d' Affairs

The Honorable
Jeanne Shaheen
United States Senate

The Honorable
Ron Johnson
United States Senate

Embassy of the Republic of North Macedonia in Washington D.C.
2129 Wyoming Ave. NW, Washington D.C. 20008
T:+1 202 667 0501; E: washington@mfa.gov.mk

Embassy of the
Republic of Serbia in the USA

Dear Chairwoman Shaheen and Ranking Member Johnson,

I want to thank you for having convened the Hearing titled "European Energy Security: America's Role in Support Europe's Energy Diversification Agenda." Like every other country, Serbia treats energy security as an inherent part of national security and the essential precondition of the country's development. Our policy aims at acquiring continuous energy supply in various forms and sufficient quantities and at acceptable prices. We share the same concerns regarding the current geopolitical challenges to the European Energy Security and remain committed to contributing to the solutions which should be transformational in attaining regional and continental energy security.

Our approach in addressing the current challenges is inevitably defined by the real state of affairs. This primarily relates to the fact that Serbia, for its gas needs, is entirely dependent on imports from the Russian Federation. Hence, our efforts are focused on providing more routes and suppliers in the gas sector, regional connectivity, and the continuation of the de-carbonization process.

I want to underline some critical advancements in this regard:

- A year and a half ago, Serbia was getting gas from only one direction (Hungary), which made our country highly vulnerable in case of any disturbances. Today, we have the Balkan Stream gas pipeline, which ensures a diverse gas supply;
- For the purpose of diversification of sources, Serbia has started the construction of a new natural gas interconnector between Serbia and Bulgaria, which is slated for completion in May of 2023. The pipeline, funded jointly by the European Commission and Serbia, will provide an additional 80% increase in capacity compared to Serbia's current annual needs, which is about 2.4 billion cubic meters of gas per year. With the completion of this project next year, we will be able to procure the gas from the Caspian region to Serbia and gas from the LPG terminal in Alexandropoulos, as well as gas from the future sources, such as the East Med pipeline.

Serbia considers regional connectivity a key to increasing its energy security and fortifying its resilience to external shocks. Therefore, our goal is to link with gas interconnections in Romania, Bosnia and Herzegovina, Montenegro, Croatia, and North Macedonia, as well as to work on increasing our country's natural gas storage capacity. With the increase of obligatory reserves of crude oil derivatives, where we have already achieved significant progress, in this way, Serbia would substantially increase its own energy security but also contribute to greater security of supply in the region. Furthermore, it is crucial to establish various regional mechanisms to coordinate actions in the event of supply disruptions, including crisis planning.

Dear Senators,

Serbia has managed to preserve energy stability throughout the current crisis, but we remain vitally interested in joint investments in the necessary improvement of our energy infrastructure. In addition to the diversification of routes and suppliers and regional connectivity, faster and more efficient development of capacities that use RES and raising energy efficiency are pillars of our energy policy. Serbia has already taken concrete steps by adopting a new legislative framework, creating the basis for the energy transition process. The goal is to have at least 40 percent of the energy produced from RES by 2040 and achieve climate neutrality by 2050. At the same time, we are working on improving energy efficiency, increasing the participation of RES, and implementing new projects that we have defined in our investment plan.

The exemplary case of the American investments in this field is Serbia's largest windfarm Čibuk 1 with a maximum capacity of 158MW, developed by the US company Continental Wind Partners. In addition, the Government of Serbia has signed an MOU with the American company UGT Renewables which envisions cooperation in developing solar power plants and electricity storage systems.

In closing, I would like to assure you, dear Senators, that in your contribution to the cooperation of our two countries in tackling the Balkan and European energy security issues, you may count on the full cooperation of the Serbian leadership and me personally.

Sincerely Yours,

Marko Djurić

Ambasador

Ambassador

Embassy of Türkiye
Washington, D.C.

June 13, 2022

The Honorable Jeanne Shaheen
Chair
Committee on Foreign Relations
Subcommittee on Europe and Regional
Regional Security Cooperation
United States Senate
Washington, DC 20510

The Honorable Ron Johnson
Ranking Member
Committee on Foreign Relations
Subcommittee on Europe and
Security Cooperation
United States Senate
Washington, DC 20510

Dear Chair Shaheen and Ranking Member Johnson:

Thank you for the invitation to provide testimony in support of the U.S. Senate Committee on Foreign Relations Subcommittee on Europe and Regional Security Cooperation's June 9, 2022 hearing on "European Energy Security: America's Role in Supporting Europe's Energy Diversification Agenda". I am pleased to offer the following testimony on behalf of the Republic of Türkiye.

The ever-increasing domestic demand and high import dependency have been the main challenges of Turkish energy sector for decades. With 70% dependency on imports for energy, total demand volume reached 147.2 million toe in 2020.

Türkiye imported around 60 bcm of natural gas and 44 million tons of oil in 2021. Our import dependency in hydrocarbons is still above 90%. Electricity demand has more than tripled since 2002. Through new investments, we increased our installed power capacity to 100.3 GW in April 2022, from 30 GW in 2002.

As the global effects of the pandemic on the economies, followed by the war in Ukraine, significantly increased global energy prices, Türkiye has been negatively affected by energy price volatilities and unpredictability in the markets, especially in oil and natural gas.

Although the recent developments in our region made diversification of energy resources even more important, Türkiye has always promoted diversification of energy sources and routes for energy security, not only for itself, but also for the other European countries. With these views, we have realized major international energy projects in our region, such as the Baku-Tbilisi-Ceyhan (BTC) oil pipeline, Baku-Tbilisi-Erzurum (BTE) gas pipeline, TANAP within the Southern Gas Corridor.

As a result of our diversification policy, Türkiye reached its record-high share of 54.2% of renewables in installed capacity as of April 2022. Hydro power plants rank first with 31.5 GW. In 2021, 36% of our electricity production came from renewables (16.8% hydro, 9.4% wind, 4% solar, 5.5% others).

In the absence of nuclear power, Türkiye has to continue to rely, to a certain degree, on fossil fuels for electricity production. Still, we aim to add an additional 2 GW of renewables (1 GW solar, 1 GW wind) to our installed capacity every year, until 2030.

We have heavily invested in our natural gas infrastructure in recent years and managed to diversify our natural gas imports. We increased Türkiye's natural gas entry capacity to 360 million m3 (mcm) in April 2022, from 196 mcm in 2015.

The Trans Anatolian Pipeline (TANAP) is the backbone of the Southern Gas Corridor, which is designed as the fourth artery carrying natural gas to Europe. Türkiye has increased the capacities of its two LNG re-gasification terminals and an additional two FSRUs became operational. A third FSRU, which will be located in the Marmara Region, will enable access to alternative natural gas supplies for Türkiye and for the region. Türkiye's current natural gas storage capacity is 4.5 bcm. We aim to increase this capacity to 10 bcm in 2023.

The share of LNG in our natural gas imports is on the rise. It surpassed 30% of our total gas imports. In 2021, Türkiye imported LNG from 6 different countries. In the first quarter of 2022, the U.S. has become Türkiye's second biggest gas provider with 20% share (3.58 bcm gas in the form of LNG). Russia still provides around 40% of Türkiye's total gas imports. However, this figure has constantly been dropping: it was 54% in 2014 and 64% in 2006.

Türkiye's first nuclear reactor of 1200 MW capacity (one of four to be built in Akkuyu), will be operational in 2023. Türkiye is closely following the developments on Small Modular Reactor (SMR) technologies, currently developed by the U.S. and European countries.

Türkiye has a diversified oil market, where we import oil and oil products from 57 different countries. Russian oil imports constitute around 17% of our total oil imports. Türkiye is a founding member of the International Energy Agency. We comply with the obligation of holding 90 days of strategic oil reserves. Following the outbreak of the war in Ukraine, Türkiye supported the decision and joined the action at the IEA to release oil from strategic reserves.

Türkiye ratified the Paris Agreement in 2021, and declared a net-zero emissions target for 2053. Works are underway towards this target within the framework of Türkiye's Green Development Plan.

Türkiye considers energy to be an area of cooperation, which can contribute to regional peace and stability. With this understanding, Türkiye has been a net contributor to the energy security of Europe. Since the inception of the Southern Gas Corridor back in December 2020, 12.5 bcm of Azeri gas has been transferred to European markets via Türkiye. Moreover, the most feasible way to transport East Mediterranean gas to western markets, undoubtedly, is through Türkiye.

TANAP's capacity can be increased to transport gas from Israel, Iraq, Azerbaijan and Turkmenistan to Europe, thus, further contributing to the energy source diversification of Europe.

As a matter of fact, Türkiye has an indispensable position in our region for diversification of energy routes and sources. Türkiye stands out as the most feasible option for the transfer of gas resources in our region to Europe, which gained critical importance. We have the most developed energy infrastructure and market in the region, are a reliable partner and have vast experience in such major international energy projects. We are in close contact with Eastern European countries to support regional energy security. We believe that in order to find fast solutions to the current energy crisis, the investments in upstream natural gas projects should be encouraged, feasible energy infrastructure projects should be reinforced and financial institutions should support such investments.

Energy transition will be instrumental in overcoming the challenges ahead and supporting energy security. However, this process requires strategic awareness, good planning and should take into account the vulnerabilities of energy importing countries. It requires closer cooperation on renewables, nuclear energy, hydrogen, electricity storage and energy efficiency.

The involvement of U.S. companies in solar and wind energy projects, as well as technical and financial support for energy diversification projects in Türkiye, will contribute to the energy security of Türkiye and the whole region. Establishing partnerships in SMR technologies is another area that would create opportunities to this end. Türkiye-U.S. Energy Transition and Climate Change Dialogue (TRUSEC) is proposed to start in 2022. This mechanism will enhance Türkiye-U.S. cooperation and assist in the realization of projects with wider regional impact.

Please be in contact with my Counselor, Mrs. Anıl Özge Ertay, should you have any questions or require further details on the contents of this testimony.

Sincerely,

Hasan Murat Mercan

MINISTRY OF FOREIGN AFFAIRS AND TRADE

Senator Jeanne Shaheen
Chairwoman of the Subcommittee on Europe And Regional Security Cooperation
United States Senate Committee on Foreign Relations

Senator Ron Johnson
Ranking Member of the Subcommittee on Europe And Regional Security Cooperation
United States Senate Committee on Foreign Relations

Washington, DC

Budapest, 9th June 2022

Honourable Chairwoman,
Honourable Ranking Member,

In the context of today's hearing, the Hungarian Government is taking the opportunity to share with the Honourable Senators its position on the energy security of Hungary.

Fossil fuels such as natural gas (32.8%) and oil (30.7%) play a significant role in Hungary's energy mix, and Hungary counts on natural gas as a bridge on the road towards decarbonisation. Nuclear energy has a share of 16.6%. We continue to rely on nuclear energy (47.8%) as the most important decarbonised source for electricity generation.

In line with the National Energy Strategy, for the past decade Hungary has been consistently promoting the diversification of natural gas routes and sources. We have also supported the development of a single European energy market. Natural gas accounts for about 34% of our total energy supply. Our annual consumption is about 10 billion cubic meters. As natural gas represents the largest share of energy consumption in the residential and commercial sectors of Hungary, Hungary regards natural gas supply as a matter of national security. 85% of the Hungarian demand needs to be secured from import sources.

Following the 2006 and 2009 Ukrainian/Russian natural gas crises, Hungary implemented a comprehensive energy security policy, and the followings were achieved:

- Hungary now has a large storage capacity (cca. 6 billion cubic meters, while annual gas consumption is around 10 billion cubic meters).
- Hungary have built interconnectors with six of its neighbor, so she is able to export gas to Austria, Slovakia, Ukraine, Romania, Serbia and Croatia.
- The launch of the Krk LNG Terminal in Croatia in 2021 was a milestone in Hungary´s diversification efforts. Over the upcoming years this source will cover 10% of the Hungarian domestic gas consumption. Hungary has now direct access to the global LNG market and made its first long-term gas purchase arrangement from a non-Russian source.

Examining other possible diversification options, Hungary believes that access to natural gas via the North-South Gas Corridor (from the Baltic Pipe and Polish LNG terminals as well as from sources available from the South) is imperative in strengthening both Hungary's and the region's gas supply security. Thus, we are following closely the implementation of the Poland-Slovakia gas interconnector, expected to be commissioned by mid-2022.

H-1027 Budapest, Bem rakpart 47. Phone: +36 (1) 458-1000

For now, Hungary has no physical access to the Southern Gas Corridor. The interconnector between Bulgaria and Greece (IGB) is expected to be operational by this summer. We are optimistic regarding the progress made in the development of the Bulgaria-Serbia interconnector (IBS). According to the latest information, the pipeline is expected to be operational by Autumn 2023. Hungary considers this route via Bulgaria as a potential option for the transit of Azeri natural gas and possibly LNG from the Greek terminal towards Hungary. Hungary still considers the Neptun Deep project in Romania to be another viable alternative to Russian gas. We trust that in the medium term, Black Sea gas will become a real diversification option for the whole region. The Romanian Offshore Law was amended in May 2022. Unfortunately, the Hungarian energy companies' source contracts connected to the Neptun Deep project have been terminated by their foreign partners. We continue to follow closely the moves of the consortium partners (Romgaz and OMV Petrom) with regard to the project.

In the absence of other available suitable alternative sources, the Hungarian Government agreed with Russia about a new long-term contract on September 27, 2021, as the previous one had expired on September 30, 2021. Under the agreement, Hungary has pledged to buy 4.5 billion cubic meters of natural from Russia.

Hungary has been contributing to Ukraine's gas supply since 2013. Through reverse flow exports, Hungarian shippers transmitted more than 2 billion cubic meters of natural gas to Ukraine in 2021. Overall, nearly 20 billion cubic meters of gas has been supplied to Ukraine over the past nine years. The Hungarian Government fully supported negotiations between the Hungarian gas TSO (FGSZ Ltd.) and its Ukrainian partner, Gas TSO of Ukraine (GTSOUA) on establishing firm gas transmission capacities on the Ukraine-Hungary Virtual Interconnection Point. We also welcome that the test period has now been extended until the end of March 2023.

Hungary's crude oil imports account for 85% of consumption (around 7 million tonnes in 2021), with the remainder mainly covered by domestic production. Around 65% of imports come from Russia (predominantly via the Druzhba pipeline through Ukraine), with the remaining nearly 20% coming by sea (mainly non-Russian crude). Another possibility for Hungary to buy oil is through Croatia via the Adriatic pipeline although it would need significant investment in order to be able to fully replace the Russian oil import volumes.

Hungary is 100% dependent on fuel supply for our nuclear power plant (four VVER 440-213 type reactor units in Paks). At present the nuclear fuel by the Russian TVEL company is the only operational option to the Hungarian nuclear power plant.

Hungary is still heavily dependent on Russian gas, oil and nuclear fuel. In order to reduce the reliance on Russian energy sources, Hungary needs time, investments and considerable financial support. At the same time, our government is committed to continue the work towards diversification, and we are confident that we will achieve further progress in the medium term. We hereby would like to thank to the Honourable Senators for supporting Hungary in these efforts.

Yours sincerely,

Dóra Zombori
Ambassador-at-Large for energy

FACT SHEET, COUNT ON COAL ORGANIZATION,
SUBMITTED BY SENATOR JAMES E. RISCH

U.S. COAL TO EUROPE

Fatih Birol, head of the International Energy Agency, recently warned that the current global energy crisis is in fact bigger than the oil crises of the 1970s and 80s. "Now we have an oil crisis, a gas crisis and an electricity crisis at the same time," he said. He also warned it's likely to last longer.

Europe is in the eye of the storm as it races to try and delink itself from Russian energy. Prior to Russia's invasion of Ukraine, 40% of Europe's gas supply came from Russia and half its coal supply. While energy prices are up all over the world, European prices have skyrocketed as fears remain of fuel shortages in the months ahead.

American energy is playing a critical role in replacing Russian supply. The U.S. Energy Information Administration (EIA) reported this week that during the first four months of 2022, the U.S. exported 74% of its liquefied natural gas (LNG) to Europe, compared to 34% last year. And there are clear signs the same thing is happening with coal.

According to Energy Ventures Analysis (EVA), a leading energy consultancy, U.S. thermal coal exports over the first four months of the year are up 77% to Europe as significant tonnage shifts from Asia. U.S. metallurgical coal exports to Europe are also up but not as dramatically.

Illinois Basin thermal coal, travelling through the ports of Hampton Roads, Mobile and, primarily, New Orleans, is making up the majority of the new supply to Europe. Even more would be heading across the Atlantic but workforce and equipment challenges, significant rail problems, and congestion at ports are all limiting production and export potential.

But even with these constraints – as substantial as they are – a picture is emerging of an industry responding to price signals and the needs of its customers.

Domestic Production is Responding

U.S. coal production rebounded 8% last year from the pandemic-induced pain of 2020, reaching 578.4 MMst, and is expected to increase by another 20 MMst this year with coal prices and demand soaring all over the world.

The U.S. is often the "swing supplier" to the global thermal coal market, and in 2021 EVA found the same with exports up 42% over 2020. Total U.S. coal exports were up 23% over 2020, reaching 85 million metric tons (MMst) last year. And while metallurgical coal exports didn't rise at quite the same pace, increasing 8%, metallurgical coal still accounted for the majority of U.S. coal exports, meeting steelmaking needs all over the world. The top five export destinations for U.S. coal in 2021 were India, China, Japan, the Netherlands, and South Korea. Expect a reshuffling of those top destinations this year as the global energy crisis reorients trade flows.

How the market evolves over the remainder of 2022 remains to be seen but one thing is abundantly clear: coal remains inarguably essential to the global energy equation. To put a finer point on it, U.S. coal remains essential to the needs of our allies in Europe, to trade partners all over the world and to American consumers.

The pain of this ongoing global energy crisis is an important reminder of the danger of Western nations underinvesting in and demonizing the fuels that remain the lifeblood of the global economy. Reliance on geopolitical rivals to meet the West's energy needs was always a recipe for disaster and unfortunately Europe is now reaping what it sowed. While economically painful, a decisive break from Russia's energy exports is now a necessity.

These past months have hopefully been a wakeup call that navigating the challenges and uncertainty of the energy transition and this energy crisis demands reembracing an energy abundance agenda that not only encourages domestic energy production of all kinds but ensures we support the critical infrastructure – from rail lines and ports to the highly-trained workforce – needed to make it all happen.