

European Energy Security: An American Responsibility?

by GAL LUFT

When the Ukraine crisis broke out threatening to compromise Europe's energy supply from Russia, many American politicians and pundits called for the United States to expedite exports of liquefied natural gas, or LNG, to help bolster European energy security. Speaker of the House John Boehner opined in *The Wall Street Journal*, "America not only has a right to develop and market its natural resources. In the face of rising danger, it has an obligation to do so."

Never mind that the United States won't have its first LNG export terminal in operation until late 2015 at the very earliest; that much of its approved gas exports are already committed to long-term contracts in Asia; and that Ukraine as well as most European countries under the Kremlin's boot do not have the terminals for receiving LNG. The United States is under no obligation to bolster Europe's energy security just because Europe, in its fixation on climate change, has for years undermined its own energy security and brought upon itself its current predicament.

■ Energy Policy

While both Europe and the United States depend on oil for their transportation sectors, when it comes to electricity generation they are in a completely different position. Rich in coal and gas reserves and equipped with one fourth of the world's total number of nuclear power plants, the United States can generate all of its electricity from domestic resources.

Europe, on the other hand, is heav-

ily dependent for its power generation on imported energy, primarily natural gas from Russia. The reason for this is not a dearth of energy resources. To the contrary, Europe has vast reserves of coal, a significant endowment of more than 470 trillion cubic feet of shale gas—over 50 years worth of Russia's current gas exports to Europe—as well as one third of the world's nuclear power plants. Those three resources of base load (24/7) electricity—coal, natural gas and nuclear—could have brought Europe to self-sufficiency in power generation. But Europe has turned its back on all three.

and Spain have banned the construction of new reactors. Belgium is considering phasing out its nuclear plants. France is contemplating cutting nuclear power's electricity contribution by more than a third by 2025, and Italy maintains its non-nuclear policy. As a result of this nuclear freeze, of the 72 reactors currently under construction globally, only six are being built in Europe, mostly in Belarus and Slovakia, and only 19 out of 147 reactors currently in planning are in Europe. Domestic production of natural gas is also facing challenges in Europe. Hydraulic fracturing (fracking), the tech-

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Spearheading the global effort to reduce greenhouse gas emissions, the European Union adopted carbon dioxide emissions reduction targets so aggressive that they effectively made coal impossible to utilize. At the same time, a war has been waged against nuclear power by some European countries, primarily Germany, despite the fact that nuclear energy is the only source of base load electricity that emits no greenhouse gases. Following the Fukushima nuclear incident in Japan, Germany, which until then was getting a quarter of its electricity from nuclear power, decided to shut down eight nuclear plants. Switzerland

nology which enabled the North American oil and gas boom and that could have alleviated Europe's dependence on Russia, is banned in France and is facing strong opposition in Germany and the United Kingdom due to local communities' concerns about ground water contamination.

In rejecting three of the most important sources of base load electricity—photovoltaic solar and wind are intermittent sources of power and therefore not substitutable for fossil fuels and nuclear—Europe has sleepwalked into deep dependency on Vladimir Putin's natural gas.

■ A Disconnect from the Market

Europe also bears some responsibility for the fact that one of the world's richest deposits of natural gas, the Caspian region, is still disconnected from its energy market. Despite years of negotiations, Europe has failed to reach consensus about the best pipeline route to transport gas from energy-rich Azerbaijan and Turkmenistan to the European market. It also failed to reduce its dependency on Ukraine as a corridor for Russian gas. Ukraine's chronic political instability, its deep corruption—in 2013, Transparency International called Ukraine the most corrupt nation in Europe—its adversarial relations with Moscow, and its poor payment history make it an unreliable transit country. Yet, nearly one fifth of Europe's gas imports still flow via Ukraine. Despite the various alternative routes that have been proposed over the years, with the exception of Nord Stream, the pipeline from Russia to Germany, the Europeans have failed to develop conduits for Russian gas that do not traverse Ukraine. For example, the South Stream pipeline which could transport annually over 60 billion cubic meters from Russia through the Black Sea and to Bulgaria, Serbia, Hungary, Slovenia, Austria, Italy and beyond has been rejected by the European Union, and its construction has recently been stalled.

All this is to say that Europe's energy predicament is self-inflicted. It is the policies of the European Union that made Europe increasingly dependent on Russia's gas and on the unreliable transit country of Ukraine. Europe's green fixation has caused in some European countries a spike in electricity prices, making electricity "a luxury good," to use *Der Spiegel Magazine's* term. Germany's case is the most extreme. Today, 17 percent of German households are now in a state of "energy poverty" because of aggressive environmental policies. The traditional definition of energy security is "availability of sufficient energy supply at affordable prices." Europe's green policies have thus far compromised both the availabil-



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ity and the affordability of energy.

■ European Self-Help

If the United States is to come to Europe's aid, as it has done several times over the past century, such mobilization

would only be warranted once Europe decides to help itself first by assigning a higher priority to energy security. The May 6, 2014 Rome Declaration of the G-7 energy ministers announced in the wake of the Ukraine crisis shows

that Europe is still not there. Oblivious to the unfolding energy security crisis, the declaration took a business-as-usual approach, highlighting the transition to a low carbon economy as a supposedly key contributor to enduring energy security. In this, the ministers reaffirmed their belief that climate policies are actually conducive to stronger energy secu-

European market while contributing to the U.S. economy.

NUCLEAR

Europe should also rethink its position on nuclear power. Contrary to popular opinion, nuclear energy is one of the safest sources of energy. The so-called “Fukushima disaster” claimed no lives

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urity. Nothing could be farther from the truth. Energy security and greenhouse gas reduction may complement each other in some areas, but as Europe’s case demonstrates, in most cases the focus on “greening” comes at the expense of energy security.

COAL

If Europe is to truly address its energy security problem, it should first and foremost change its attitude toward coal. While the environmental problems associated with coal burning cannot be ignored, they should be balanced against the energy security implications associated with an overly aggressive shift away from the commodity. As Poland’s Prime Minister Donald Tusk correctly stated, “We need to fight for a cleaner planet, but we must have access to energy resources and jobs to finance it.” In adopting a more positive disposition toward coal Europe can find America a reliable source of the commodity. The United States is by far the world’s largest reserve holder of coal, owning 27 percent of the globe’s total. But as American electric utilities are shifting rapidly from coal-fired power generation to natural gas-powered turbines the United States is left with surplus coal which can be utilized by the

and its environmental consequences have been much more modest than the public is led to believe. China, Russia and India are building dozens of civilian reactors utilizing new reactor designs, and if Europe wishes to be less dependent on Russia and at the same time reduce its greenhouse gas emissions, it cannot afford to take nuclear off its menu of options.

FRACKING

European countries should also embrace environmentally responsible fracking in order to tap into their shale gas resources. Here too the United States can be helpful. The U.S. State Department launched the Unconventional Gas Technical Engagement Program and the Energy Governance and Capacity Initiative—two programs that help other countries to enhance investment and technical cooperation in shale gas development. Working with the United States, Europe can learn how to develop new fracking techniques and adopt new fracking fluids, safety standards and environmental best practices.

ENERGY CORRIDORS

Europe should also get serious about opening a new energy corridor from the Caspian region and possibly from Israel’s newly discovered offshore

gas fields in the Eastern Mediterranean. Some of the proposed projects that are expected to make Europe more independent of Russia’s gas supplies include Nabucco-West (Turkey-Austria Pipeline), the Trans Adriatic Pipeline (TAP, connecting Greece, Albania and Italy), and the Trans Anatolian Pipeline (TANAP, connecting Georgia and Greece through Turkey). However, with the exception of TANAP, construction has not yet begun on any of the pipelines. TANAP is not likely to be commissioned before 2018 and TAP is expected to become operational by 2019.

No matter which route is chosen for importing gas from the Caspian and the Eastern Mediterranean, Turkey will be a key transit country for European energy security. The importance of its security and stability is therefore paramount. At the same time, Turkey’s opposition to LNG tanker traffic through the Bosphorus due to safety concerns undermines the energy security of the Black Sea countries, especially Ukraine and Bulgaria. Europe should develop and advance a grand bargain with Turkey, one which on the one hand supports Turkey’s aspirations to become a land bridge for European energy while on the other persuades Turkey to facilitate the transit of LNG tankers through its straits.

The Ukraine crisis should come as a wake up call to Europe’s leaders. It is past time for them to depart from some long held positions and to candidly articulate to their people the tradeoffs among security, environment, health, and economic prosperity associated with each element of the energy mix in order to reach the most balanced and economically sustainable energy strategy. Then, and only then, should the United States consider helping its allies once again.

GAL LUFT is co-director of the Institute for the Analysis of Global Security and Senior Adviser to the United States Energy Security Council.