

**Written Testimony of
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**Before the Senate Foreign Relations Committee
Subcommittee on Europe and Regional Security Cooperation**

**European Energy Security: America's Role in Supporting Europe's
Energy Diversification Agenda**

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10:00 a.m.

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 four 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 production 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 eight 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 one million extra barrels of oil per day on the market over six 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 four and a half years—and a wind project takes nine. 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.