

Chairman Manchin's Opening Remarks

One Year Later: The Impact of the Russian Federation's War in Ukraine on European and Global Energy Security

Introduction

- The committee will come to order.
- On February 24, 2022, nearly one year ago, Putin launched an unprovoked full-scale invasion of Ukraine.
- This war has taken precious human lives and has had immediate international consequences that will be felt for decades. Food, energy, and shipping prices have all increased, making it difficult for families all over the world to meet their most basic needs.
- We are here today to reflect on how we got here, and what the impact has been on global energy security, and discuss our path forward.
- Putin has played the long game in weaponizing Russia's abundant energy resources in the region by getting Europe hooked on their cheap gas.
- And more recently, in an effort to weaken the national resolve, Russia is targeting and systematically destroying Ukraine's water and energy infrastructure, leaving millions without power, water, or heat during the coldest winter months.

- The U.S., EU, and our other allies, are working together to support Ukraine and have enacted various sanctions targeting Russian entities, trade, and specific economic sectors.
- On energy, the U.S. has led the free world's response. We've more than doubled LNG shipments to Europe, exported record levels of crude oil, and have grown our coal and refined product exports to meet the demand and break the chokehold Putin has on Europe.
- We've worked with the EU and the rest of the G-7 to set a price cap on Russian oil exports, which has helped to reduce Putin's oil revenue by more than one-third.
- We are also responding by working with the Ukrainian Ministry of Energy to ship emergency electricity equipment for Ukrainian grid repair, led by the Department of Energy.
- The Department continues coordinating with public-private entities to deliver critical resources to Europe and Ukraine. I look forward to learning more about these efforts from Dr. Light, who is with us today.

European Energy Security

- Approximately one-quarter of Europe's energy is generated from natural gas, and prior to the war, Russia supplied the bulk of that energy.

- Throughout 2022, Russia began decreasing natural gas supplies to Europe but still supplied roughly 15% of the EU's natural gas consumption in 2022, down from 40% the prior year.
- As shown on the chart behind me, within six months of Putin's invasion, the U.S. sent more natural gas to Europe via ship than Russia sent by pipeline. This was an incredible feat that no one would have thought possible a year ago.
- But as this chart also shows, we still have a long way to go to replace the Russian energy which Europe has relied on.
- In 2023, the EU is facing a supply shortfall roughly equivalent to what Russia supplied in 2022—approximately 2 trillion cubic feet.
- The EU has been remarkably successful in diversifying its natural gas supplies, but this shortfall means the EU must continue to arrange for increased LNG imports, build out infrastructure, and also look to other generation technologies to fill the gap.
- I was encouraged to hear that this week European Commission officials met with representatives from our natural gas industries to discuss additional export agreements.

- Director General Jørgensen [Your-gun-son], we look forward to hearing from you about Europe's progress in moving off Russian energy and how our energy industries can continue to help.

United States – Action to Date and Action Needed

- Now I think it is important to point out that we, the United States, are not currently immune to the threat of resource weaponization.
- At the beginning of the war, we were importing 500,000 barrels of Russian oil daily, despite having huge oil and gas resources domestically and our Canadian friends to the North happy to send us more.
- I'm proud that immediately following Putin's invasion last year, members of this committee acted quickly on a bipartisan basis to introduce legislation to ban U.S. imports of Russian energy.
- President Biden followed our lead and implemented the ban.
- But still, we are reliant on Russia for the uranium needed for our zero-emission, baseload nuclear fleet and advanced nuclear reactors of the future.
- That is why Senators Barrasso, Risch, and I introduced two bills yesterday to cut our reliance on Russian nuclear fuel while reestablishing our uranium conversion and enrichment capacity to meet our domestic nuclear fuel needs.

- As the superpower of the world, we must evaluate our supply chains and ensure we are not beholden to countries that don't share our values, lest we fall victim to the same weaponization we've seen play out over the last year.
- The fact is business leaders and policymakers on both sides of the Atlantic have an opportunity to do more to help Ukraine, our European allies, and ourselves.
- Energy companies and shareholders must prioritize energy security, which may mean focusing on growing production before near-term profits.
- But that also goes for the federal government, which must start balancing lofty climate goals with geopolitical needs if we're going to remain the superpower of the world while also making progress on decarbonization.
- You see, my view of decarbonization includes displacing dirtier fuels sourced from around the world – whether that be dirtier environmentally or politically – and we have the abundant natural resources to do it.

- Let's be honest - increased imports of U.S. energy mean a cleaner fuel for our European friends. Russia emits 38% more methane and more than three times as much carbon dioxide from flaring per barrel of oil production than the U.S.
- To that end, industry also needs the federal government to signal with both words and actions that we will support the responsible development of all types of energy here in the U.S.
- This means timely, predictable energy permitting and an end to the regulatory assault on fossil fuels, which we can produce and use cleaner than anywhere else. Our country continues to need fossil fuels, and our allies are desperate for greater access to our resources.

Conclusion

- As of today, the war shows no sign of coming to a peaceful resolution. The U.S. and our allies must continue to work in concert to respond and prepare for the coming challenges while we continue to seek an end to hostilities.
- The U.S. has a responsibility and an opportunity to support our friends and allies. We must not allow Russia to dictate the economic and security terms of post-war Europe.
- That is why Senator Murkowski and I just introduced a bill that would enhance the ability of the Secretary of Energy to establish international partnerships to secure our supply chains while reducing our allies' reliance on Russian energy resources.

- We must create a future of energy independence and security from any un-democratic regime seeking to weaponized energy to win a war.
- I appreciate our witnesses joining us today, to discuss these important issues and look forward to the discussion.

Witness Introductions and Statements

- Thank you, Senator Barrasso.
- I'd like to turn to our witnesses,
 - We will begin with Assistant Secretary, Dr. Andrew Light.
 - He will be followed by the Director General for Energy of the European Commission, Ms. Ditte Juul Jørgensen
 - And finally, Fellow in Energy Studies at Rice University, Dr. Anna Mikulska
- Thank you all for joining us today, especially Director General Jørgensen for traveling here from Europe for this important hearing.
- Assistant Secretary Light, we'll begin with your opening remarks.
- Thank you, Dr. Light. Now we'll go to Director General Jørgensen.

- Finally, Dr. Mikulska.
- Thank you all again for being here with us, and for your testimony.
We will now begin with questions.