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Suriya Jayanti

russia Is Still Winning the Energy War

росія, як і раніше, перемагає в енергетичній війні

Керуючий директор американсько-української компанії з декарбонізації Eney С. Джаянти в статті журналу «Time» пише, що енергія - це зброя війни, в якій поки що росія виграє.

Станом на 7 квітня Європа виділила Києву понад 1 мільярд євро на підтримку боротьби

України проти російського вторгнення, за той же період вона заплатила росії 35 мільярдів євро за імпорт енергоресурсів. Армія путіна жорстоко атакує українські паливні склади, ланцюжки поставок та нафтопереробні заводи. Перекриття доступу іншої сторони до бензину, дизельного палива та нафти – перевірена та правильна тактика, що дозволяє отримати військову перевагу.

<https://time.com/6172292/russia-ukraine-invasion-energy/>

Jayanti is an Eastern Europe energy policy expert. She served for ten years as a U.S. diplomat, including as the Energy Chief at the U.S. Embassy in Kyiv, Ukraine (2018-2020), and as international energy counsel at the U.S. Department of Commerce (2020-2021). She is currently the Managing Director of Eney, a U.S.-Ukrainian decarbonization company.

Russia has always used energy as a weapon to influence, coerce, and terrorize its neighbors and perceived enemies to the West. Now, cornered but far from crippled by sanctions that initially did not include energy exports and still do not in Europe, Putin is using his colossal energy power to retaliate.

Energy, of course, is a weapon of war. Putin's army is targeting Ukrainian fuel depots, supply chains, and refineries in its brutal assault. Cutting off the other side's access to gasoline, diesel, and oil is a tried and true tactic to gain a military upper hand. Ukraine may also have targeted Russian fuel storage facilities, according to reports of a strike on an oil depot in Belgorod, Russia.

Putin's energy warfare is now spilling outside Ukraine. The late April 26 decision by Russian state-owned gas giant Gazprom to cut off natural gas supply to Poland and Bulgaria is "blackmail," as European Commission President Ursula von der Leyen said. But the move was not unexpected for any student of recent Russian history.

The efficacy of energy as a foreign policy tool is something Russia grasped long ago, although it has used it more as the proverbial stick than carrot. It shut off gas to Ukraine and neighboring European countries in 2009, one of numerous such episodes, in an effort to force Ukraine to its knees in the midst of a brutal winter. It worked. Kyiv was forced to accept a deeply disadvantageous ten-year gas transit deal with Moscow, among other concessions. Russia did it again to Ukraine in 2014 over a payment dispute.

The Russia-Europe-U.S. fight over Putin's Nord Stream 2 natural gas pipeline, which Germany forswore only after Putin invaded Ukraine, is another of many examples. The 1,224 km, 55 billion cubic meter (bcm) capacity submarine natural gas pipeline from Ust-Luga, Russia (near the Estonian border) to Greifswald, Germany was never necessary for gas transit purposes. Europe already has 245 bcm pipeline capacity connecting it to Russia, with over 100 bcm unused. Rather, Russia wanted to bypass Ukraine as a gas transit country, and to deepen Germany's dependency on Russian gas so that Europe would be too paralyzed by energy fears to oppose its invasion of Ukraine.

Thus far, Russia is winning at this game. The war he started may not be going Putin's way, but his gamble that Europe and much of the developing world would be too insecure about energy to mount a meaningful reaction when he moved into Ukraine has arguably proved true thus far. Despite Germany's April 28 announcement that it would drop its opposition to imposing an E.U. energy embargo—at least on oil and natural gas—against Russia, there remains a difficult negotiation among member states as to what form such a ban would take, and its timeline. Thus far, it therefore remains true that the E.U. has failed to follow the U.S. (mostly symbolic, because it imports very little fuel from Russia) lead in instituting an energy embargo against Russia.

In 2021, 60% of Russia's revenues were from energy exports. While, as of April 7, Europe had given Kyiv over €1 billion to support Ukraine's fight against the Russian invasion, it paid Russia €35 billion for energy imports during that same period. In other words, Europe has been paying for Russia's attack on its smaller, democratic neighbor with one hand because it is still buying Russian energy exports, while sanctioning other Russian activities with the other. Even while E.U. countries pour weapons and aid into Ukraine, they have not yet forced themselves to defang the Russian bear.

It is not only Europe's failing, however. The United States, despite its own oil and gas embargo on Russia (which the White House fought to avoid imposing), cannot bring itself to break off Russian uranium imports. It still imports 16% or more of its uranium from a country that over 70% of Americans believe to be an enemy. Meanwhile, India, for example, continues to buy Russian Urals crude oil that most of the world has shunned. Perhaps worst of all, Bloomberg reported that ten European countries have opened bank accounts at Gazprombank through which to comply with Russia's demand to be paid in rubles, even though such payments may violate existing sanctions on financial transfers.

Russia has enjoyed this leverage because it is an energy and commodity superpower. The largest oil exporter on earth and the runner up on crude exports, it also supplies the European Union with about 40-45% of its natural gas—and as much as 80% of Austria's, 55% of Germany's, and 40% of Italy's, among others. It also boasts 40% of the world's uranium enrichment capacity, 20% of class 1 nickel, 30% of global palladium, and so on.

On April 26 Russia flexed these energy muscles against Poland and Bulgaria. In a Tweet, it announced that "Gazprom fully halts gas supplies to Bulgaria's Bulgargaz and Poland's PGNiG due to their failure to pay in rubles." Nominally, the justification as claimed is that these E.U. countries refused to acquiesce to Gazprom's demands that its existing contracts now be paid, in violation of those contracts' terms, in Russian rubles instead of U.S. dollars. The switch is an effort by Russia to prop up its faltering currency, and economy more broadly.

Neither Poland nor Bulgaria has given into the blackmail, despite their dependence on Russian natural gas. Poland imports 55% of its consumption from the east; for Bulgaria it is 90%. Losing these imports puts the populations of both at risk of freezing this winter. Regardless, they have been defiant since Gazprom's announcement. Given both countries' calls for stronger sanctions against Russia and more robust military support for Ukraine, Putin cannot reasonably have believed they would make the switch to rubles.

The more likely goal was scaring Europe sufficiently that the Union's current inability—now at least six weeks deep—to agree on an embargo against Russian oil and gas would persist. Each vulnerable European country may rightly fear that it could be next. And despite some reports that Germany, Italy, and maybe even Hungary are softening in their opposition to a full-scale ban on Russian energy, no decision has been reached. Germany's April 28 agreement to an embargo remains theoretical until the details are hammered out with its fellow E.U. countries, which

promises to be a very difficult negotiation. Meanwhile, gas prices rose 28% on April 27, making fears of provoking Russia into causing a catastrophic energy crisis seem all the more reasonable. Of course, such is Putin's calculus.

The European struggle to end its dependence on Russian oil, gas, and coal is a sharp lesson in how vulnerable energy insecurity can leave countries. If war is the continuation of diplomacy by other means (a misquote of Carl von Clausewitz, but a great one), then weaponized energy is the greatest diplomatic tool of all. Until the world proves it otherwise, Russia is still the master at wielding it.