

U.S. EFFORTS TO SUPPORT EUROPEAN ENERGY SECURITY

HEARING BEFORE THE SUBCOMMITTEE ON EUROPE, ENERGY, THE ENVIRONMENT AND CYBER OF THE COMMITTEE ON FOREIGN AFFAIRS HOUSE OF REPRESENTATIVES ONE HUNDRED SEVENTEENTH CONGRESS SECOND SESSION

JUNE 16, 2022

Serial No. 117-122

Printed for the use of the Committee on Foreign Affairs



Available: <http://www.foreignaffairs.house.gov/>, <http://docs.house.gov>,
or <http://www.govinfo.gov>

U.S. GOVERNMENT PUBLISHING OFFICE

48-367PDF

WASHINGTON : 2023

COMMITTEE ON FOREIGN AFFAIRS

GREGORY W. MEEKS, New York, *Chairman*

BRAD SHERMAN, California	MICHAEL T. McCAUL, Texas, <i>Ranking Member</i>
ALBIO SIRES, New Jersey	CHRISTOPHER H. SMITH, New Jersey
GERALD E. CONNOLLY, Virginia	STEVE CHABOT, Ohio
THEODORE E. DEUTCH, Florida	SCOTT PERRY, Pennsylvania
KAREN BASS, California	DARRELL ISSA, California
WILLIAM R. KEATING, Massachusetts	ADAM KINZINGER, Illinois
DAVID CICILLINE, Rhode Island	LEE ZELDIN, New York
AMI BERA, California	ANN WAGNER, Missouri
JOAQUIN CASTRO, Texas	BRIAN MAST, Florida
DINA TITUS, Nevada	BRIAN FITZPATRICK, Pennsylvania
TED LIEU, California	KEN BUCK, Colorado
SUSAN WILD, Pennsylvania	TIM BURCHETT, Tennessee
DEAN PHILLIPS, Minnesota	MARK GREEN, Tennessee
ILHAN OMAR, Minnesota	ANDY BARR, Kentucky
COLIN ALLRED, Texas	GREG STEUBE, Florida
ANDY LEVIN, Michigan	DAN MEUSER, Pennsylvania
ABIGAIL SPANBERGER, Virginia	AUGUST PFLUGER, Texas
CHRISSY HOULAHAN, Pennsylvania	PETER MEIJER, Michigan
TOM MALINOWSKI, New Jersey	NICOLE MALLIOTAKIS, New York
ANDY KIM, New Jersey	RONNY JACKSON, Texas
SARA JACOBS, California	YOUNG KIM, California
KATHY MANNING, North Carolina	MARIA ELVIRA SALAZAR, Florida
JIM COSTA, California	JOE WILSON, South Carolina
JUAN VARGAS, California	
VICENTE GONZALEZ, Texas	
BRAD SCHNEIDER, Illinois	

SOPHIA LAFARGUE, *Staff Director*

BRENDAN SHIELDS, *Republican Staff Director*

SUBCOMMITTEE ON EUROPE, ENERGY, THE ENVIRONMENT AND CYBER

WILLIAM R. KEATING, Massachusetts, *Chairman*

SUSAN WILD, Pennsylvania	BRIAN FITZPATRICK, Pennsylvania, <i>Ranking Member</i>
ABIGAIL SPANBERGER, Virginia	ANN WAGNER, Missouri
ALBIO SIRES, New Jersey	ADAM KINZINGER, Illinois
THEODORE DEUTCH, Florida	BRIAN MAST, Florida
DAVID CICILLINE, Rhode Island	DAN MEUSER, Pennsylvania
DINA TITUS, Nevada	AUGUST PFLUGER, Texas
DEAN PHILLIPS, Minnesota	NICOLE MALLIOTAKIS, New York
JIM COSTA, California	PETER MEIJER, Michigan
VICENTE GONZALEZ, Texas	
BRAD SCHNEIDER, Illinois	

LEAH NODVIN, *Staff Director*

CONTENTS

	Page
WITNESSES	
Light, The Honorable Dr. Andrew, Assistant Secretary of Energy for International Affairs, U.S. Department of Energy	7
Kamian, Harry, Senior Bureau Official and Principal Deputy Assistant Secretary, Bureau of Energy Resources, U.S. Department of State	15
Levine, Jake, Chief Climate Officer, U.S. International Development Finance Corporation	21
APPENDIX	
Hearing Notice	54
Hearing Minutes	55
Hearing Attendance	56

U.S. EFFORTS TO SUPPORT EUROPEAN ENERGY SECURITY

Thursday, June 16, 2022

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EUROPE, ENERGY, THE
ENVIRONMENT AND CYBER,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:04 a.m., via Webex, Hon. William Keating (chairman of the subcommittee) presiding.

Mr. KEATING. The hearing will now come to order.

The House Foreign Affairs Subcommittee will come to order.

Without objection, the chair is authorized to declare a recess of the committee at any point and all members will have 5 days to submit statements, extraneous materials, and questions for the record, subject to the length limitation of the rules.

To insert something into the record, please have your staff email the previously mentioned address or contact full committee staff, and please keep your video function on at all times even when you're not recognized by the chair.

Members are responsible for muting and unmuting themselves. Please remember to mute yourself after you're finished speaking.

Consistent with the House rules, staff will only mute members and witnesses as appropriate when they're not under recognition to eliminate background noise.

I see that we have a quorum present virtually and myself in person, and I'll now recognize myself for opening remarks.

We are here at a very important time on a very important issue. It's one of that could be viewed as a three-legged stool. We are dealing with our security issues as well as global security issues, economic prosperity issues, as well as important climate change issues.

Energy is the lifeblood of our globalized and interconnected world. Our homes, cars, and our critical infrastructure, the most basic of our everyday necessities, all require some form of energy.

Since the Industrial Revolution, we have seen the obvious and clear benefits of harnessing this energy to buildup our infrastructure, invest in our communities, and ensure a high standard of living for the American people.

On the foundation of our energy resources, the U.S. and Europe have built a booming transatlantic economy, bringing immense prosperity and opportunity to all our shared citizens.

Unfortunately, just as the benefits of an energized world have fostered innovation, it's become abundantly clear that fossil fuels

providing much of our energy resources are warming our climate and destroying the world we live in.

Our military leaders, civilian leaders, and business leaders are clear. Fossil fuels and climate change pose an existential crisis that threatens the United States' national security.

Across the globe as well we have seen some energy-producing companies wield their resources to establish malign influence over transit countries in energy-importing nations.

Thankfully, we have what Russia and China cannot do here in the U.S. We have a transatlantic coalition aligned by values and actions in both the security and energy spheres to stand up to these malign influences and stand for the protection of democracy and the rule of law.

Even before Russia's full-scale invasion of Ukraine on February 24th, 2022, the U.S. provided substantial support to our European allies and partners in diversifying their energy portfolios and securing their energy in all sectors and with an understanding that energy security and the transatlantic alliance is central for our national security and the security of our transatlantic partners.

For example, during the 115th Congress, we provided the Development Finance Corporation with the authority to support energy diversification projects in Europe that would reduce Europe's dependency on Russian gas.

Further, both the Biden and Trump Administrations have shown resounding support for the Three Seas Initiative. Finally, both before and after Russia's full-scale invasion of Ukraine, President Biden's Senior Advisor for Energy Security, Amos Hochstein, has traveled across the globe to partner with countries in the energy sector and work in conjunction with our climate commitments to set up American and European energy for the future.

Now, in light of the full-scale invasion and the subsequent energy crisis, European nations, the EU, and the U.S. have to think critically not only about the long-term energy security but also about short-term supply and, thankfully, in lockstep with the United States, the transatlantic alliance has acted resolutely and with creativity and precision to support Ukraine in its fight for freedom, imposed punitive measures on Russia for its illegal invasion, and create short-and long-term energy solutions to shore up European energy sectors.

At the national level, Germany made the significant decision to halt Nord Stream 2 pipeline freezing, a major avenue for Russian malign influence in the energy sector. Other countries, like Bulgaria and Poland, have refused to pay for Russian gas in rubles to further limit Russia's ability to export fossil fuels to the rest of the European continent.

And at the EU level, an unprecedented six rounds of sanction patches have been announced and the EU has moved to ban imports of Russian coal and oil.

While I understand the difficulties of a gas ban, I hope the EU can continue to eliminate its dependence on Russian gas as soon as possible.

EU initiatives like REPowerEU and EU Energy Purchase Platform have also created proactive steps to ensure EU member coun-

tries are adequately supplied with energy before the cold winter months.

These necessary steps to save energy, diversify energy supplies, and create a crucial framework for a renewable energy future continue.

While action from the EU and its member States is necessary, continued support from the U.S. is essential if we aim to construct a world in which energy is secure and democratic values remain.

To that end, the U.S. has aided Europe through our Task Force on Energy Security, the Biden Administration joint initiative with the European Commission to diversify LNG supplies in alignment with climate objectives, ultimately reducing reliance on Russia and demand for natural gas altogether.

U.S. companies have pioneered technologies such as small modular nuclear reactors, including in Romania, which have the potential to provide immense amounts of energy with low emission levels.

These initiatives, among others, will be discussed here today at this hearing. Both recognize both the diversity across the continent regarding energy portfolios but also the need to act together across the Atlantic to invest in long-term energy solutions that do not compromise our climate commitments.

Given different jurisdictions, authorities, and financial tools to outline U.S. efforts to support European energy security from across the Administration, we have invited three witnesses from the executive branch to testify today who have been tasked to meet this challenge.

I want to thank all of you for your participation in this hearing.

In closing, let me be clear. Decreasing reliance on Russia in the short term and preparing for the new realities of climate and geopolitical changes in the long term will not be easy.

But by standing strong with our transatlantic allies, we can face the future with an innovative lens to build long-lasting resilience, shaping a world prepared for climate and geopolitical challenges, and that is our ultimate goal.

It's an ultimate necessity, and today's hearing, I hope, will shed light on pathways forward in dealing with this.

I'll now turn and recognize the ranking member for his opening remarks.

Mr. FITZPATRICK. Good morning. Thank you, Chairman Keating, for holding this hearing and to our witnesses for being here today.

For quite some time now, Europe has struggled with their energy security and has predominantly relied on Russia as a primary energy source.

Natural gas represents about one-fourth of the EU's energy mix and the EU is Russia's main gas export market. Specifically, in 2021, nearly 75 percent of Russia's pipeline exports went directly to the EU. Prior to the war in Ukraine, Russia was the top gas supplier for most countries in central, northeastern and southeastern Europe.

Since the war on Ukraine began, EU countries have spent tens of billions of dollars on Russian fossil fuels. As a result of the war it has exacerbated an already widespread energy crisis in Europe

at a time when soaring fuel prices and inflation have also been jeopardizing Europe's economic recovery post COVID-19.

As the unjustified full-scale genocide that's occurring in Ukraine continues, Europe's energy dependence on Russia 100 percent needs to change, and while the EU has banned Russia coal imports and Russian crude oil and petroleum products, there remains an exemption for Russian crude oil delivered via pipeline.

This needs to change. An article released yesterday on Bloomberg Stated, quote, "Russia is using gas as a weapon again, sending gas prices to new highs with the objective to limit Europe's capacity to fill its storage levels," end quote.

There must be more that is done to ensure that Europe does not have to succumb to Russia's bait when it comes to finding an energy source. For decades, the U.S. has worked with our European partners to encourage diversification of supplies, diversification of import routes, and diversification of fuel mixes, as well as exerted pressure against projects that contradict these goals, such as Nord Stream 2 and TurkStream.

I look forward to hearing from our witnesses on how the U.S. plans to once again work with our EU allies and ensuring that they do not have to rely on Russian energy sources, especially amidst this violent attack on Ukraine. Every dime that is sent to Russia is a dime that's complicit in killing Ukrainians and continuing this genocide that must end now.

Thank you, Mr. Chairman. I yield back.

Mr. KEATING. I thank you, Ranking Member.

I'll now introduce our witnesses. Thank you again for being here, and without objection, your written statements, all of you—all three of your written statements will be a part of the record.

And our first witness is Assistant Secretary Andrew Light, who is an assistant secretary of energy for international affairs at the U.S. Department of Energy.

Assistant Secretary Light, you're now recognized for 5 minutes.

STATEMENT OF THE HONORABLE DR. ANDREW LIGHT, ASSISTANT SECRETARY OF ENERGY FOR INTERNATIONAL AFFAIRS, U.S. DEPARTMENT OF ENERGY

Mr. LIGHT. Chairman Keating, Ranking Member Fitzpatrick, and members of the committee, it's, indeed, an honor to appear before you today to discuss energy security in Europe and the role of the U.S. Department of Energy and the larger U.S. Government in supporting development of infrastructure systems and policies in eastern and central Europe especially that will support a secure, sustainable, diversified European energy sector, which will make them more secure.

I'm appearing before you all, as you well know, at a very troubling and disturbing time. In addition to the tremendous humanitarian consequences of Russia's war against Ukraine, Russia is also instigating an energy war, affecting countries throughout Europe.

As a result, the U.S. Department of Energy, along with colleagues throughout the government, are redoubling our efforts to bolster European energy security and accelerate regional and global net-zero energy transitions.

The energy war has also, clearly, hit home. Vladimir Putin's actions have sent oil markets reeling, raising the price of gas at the pump, underscoring the need for the U.S. Government to work with our European allies to find affordable and diversified global energy solutions that will secure a clean energy future.

Stated bluntly, this conflict starkly reinforces the national security importance of our energy investments, for energy transitions, and those of our allies.

We're working to support Europe's energy security in three ways.

First, accelerating the transition to energy sources that are not susceptible to foreign manipulation. This includes supporting Ukraine's desynchronization with the Russian energy grid and integration into the European electricity grid, where it could eventually export clean nuclear and renewable energy to all of Europe.

Second, replacing Europe's natural gas volumes without creating global market instability, and third, facilitating multinational and public-private collaboration in energy innovation to multiply the options available for diversification and decarbonization of energy supply.

Any discussion on European energy security today must include Ukraine. Ukraine's nuclear power generation capacity alone could reduce Europe's dependence on Russian coal and gas once Ukraine is able to export electricity to Europe.

To help facilitate this, the Department of Energy is using emergency appropriations to support Ukraine's full integration into Europe's electricity grid with a focus on cybersecurity support for Ukraine's electric grid sector.

Part of the focus on cyber and physical security will help ensure Ukraine's connections to the grid remains reliable and stable.

We're in the process of transferring \$10 million now to our national labs with deep expertise on cyber and physical energy infrastructure security, and despite the ongoing war we expect their work will soon commence in earnest.

Looking beyond just Ukraine, we need to provide near-term support to our European allies, as the chairman and the ranking member said at the top, to ensure that they're able to withstand more potential shutdowns from Russia and have the resources to make it through the upcoming winter.

U.S. LNG is a key part of the near-term solution and we are also working bilaterally and with the European Commission to help Europe secure more natural gas from other sources.

In the longer term but starting immediately we need to support efforts to diversify and decarbonize Europe's energy sector in a way that will permanently reduce its dependence on Russia and set it on a path to a clean, secure, and affordable energy future.

To this end, we have bilateral and multilateral partnerships with several European countries that include research collaborations on hydrogen, offshore wind, and other innovative energy solutions.

In my remaining time, I want to highlight just one such tool we have for achieving these longer-term goals, the Partnership for Transatlantic Energy and Climate Cooperation, or P-TECC. It is, indeed, the very embodiment of the transatlantic coalition that the chairman mentioned at the top in his remarks.

The previous Administration created this platform as a tool for the Department of Energy to provide technical, policy, and commercial support to 24 countries in eastern and central Europe, both in and outside of the European Union, to integrate and modernize their energy sectors.

In September 2021 in Warsaw, Secretary Granholm relaunched P-TECC with climate action and energy security as interdependent mutually reinforcing goals with unanimous support of all of our 24 partner countries.

Today, we're using this initiative to help our European allies with both their diversification and decarbonization objectives with work streams focusing on regional cybersecurity of electricity and grids, deployment of commercial nuclear energy to provide clean baseload power, investment in renewable energy and efficiency measures, and to catalyze regional net-zero work.

As you know, next week leaders of the 12 central and eastern European EU member States will gather in Riga, Latvia, to attend the Three Seas Initiative Summit.

This summit was the impetus behind the creation of the Partnership for Transatlantic Energy and Climate Cooperation, and my department is fully supportive of its broad goals.

In short, we are pursuing—pushing to achieve short and long term solutions for European energy security that will ensure a diverse, clean, affordable energy future for ourselves and our allies.

I look forward to your questions.

[The prepared statement of Mr. Light:]

Testimony of Andrew Light

Assistant Secretary of Energy for International Affairs

U.S. Department of Energy

Before the

U.S. House Foreign Affairs Committee

Subcommittee on Europe, Energy, the Environment, and Cyber

June 16, 2022

Chairman Keating, Ranking Member Fitzpatrick, and Members of the Committee, it is an honor to appear before you today to discuss energy security in Europe, and the role of the U.S.

Department of Energy in supporting the development of infrastructure, systems, and policies in Eastern and Central Europe that will support a secure, sustainable, diversified European energy sector.

Energy Security in Europe

I am appearing before you at a troubling, shocking time in world history. In addition to the tremendous humanitarian consequences of Russia's war against Ukraine, Russia is also instigating an intentional energy war that is affecting countries throughout Europe. The bravery of the Ukrainian people should inspire all of us to do our part. For our part, Russia's invasion of Ukraine, and its weaponization of energy resources, have redoubled the U.S. Department of Energy's efforts to increase European energy security and to accelerate regional and global net zero energy transitions.

The energy war has also hit our home front. Vladimir Putin's actions have sent oil markets reeling, raising oil prices and the price of gas at the pump, underscoring the need for the U.S. government to work collaboratively with our European allies to find global energy solutions that are concurrently affordable and diversified, and which put us on a path to a more secure, clean energy future. Stated bluntly, this conflict has starkly reinforced the national security importance of our energy investments and those of our allies. Fortunately, we have a number of tools at our disposal to advance stronger energy security for Europe.

Three Seas Initiative and P-TECC

Next week most of the leaders of the 12 Central and Eastern European member states will gather together in Riga, Latvia, to attend the Three Seas Initiative Summit, or "3SI." Our allies in the region created the Three Seas Initiative in 2015 to diversify and integrate their energy, digital, and transportation sectors. Since the first Three Seas Initiative Summit in 2016 in Dubrovnik, Croatia, DOE has been a strong supporter of 3SI. DOE has consistently attended annual summits and the Secretary of Energy has twice served as head of the U.S. delegation.

The prescience of our European allies in forming this collaborative bloc is becoming fully apparent: Three Seas now offers a critical tool for reducing dependence on Russia and building a more transparent, commercially-driven, clean energy sector.

What Is P-TECC

The previous Administration recognized the importance of the Three Seas Initiative as a regional tool for energy cooperation. Former Energy Secretary Rick Perry developed the Partnership for Transatlantic Energy Cooperation, or P-TEC, as a way for the U.S. Department of Energy to provide technical, policy, and commercial support to the Three Seas countries as they sought to better integrate and modernize their energy sectors.

Under the Biden-Harris Administration, we have expanded P-TEC to be an even stronger force for regional energy cooperation. In September 2021 in Warsaw, Secretary Granholm relaunched and renamed the P-TECC initiative as the Partnership for Transatlantic Energy *and Climate* Cooperation, positioning climate action and energy security as interdependent, mutually reinforcing goals.

P-TECC and European Energy Security

Our September 2021 P-TECC Ministerial, which the U.S. Department of Energy co-hosted with the government of Poland, included high-level participation from 25 countries in the region, including Ukraine, the European Commission, the Export-Import Bank of the United States, International Development Finance Corporation, Department of Commerce, and State Department, and focused on pathways for the region to bolster the cybersecurity of its electricity and gas grids; deploy commercial nuclear energy solutions that will provide clean, baseload power; invest in the renewable energy technologies and efficiency measures that will catalyze a net-zero economy in the region and natural gas solutions that will facilitate energy security. With private sector partners and the Department of Commerce, we also convened a Business Roundtable to bring U.S. and European companies together with government stakeholders to help identify the biggest opportunities for energy deals, capable of creating hundreds of thousands of clean energy jobs in the U.S. and our P-TECC partner countries.

But P-TECC is not just a periodic Ministers' meeting. For us, it is a year-round, technical engagement with our 25 partners to act on energy diversification, cybersecurity, climate resilience, clean energy deployment, and more.

We have trained five partner countries to reduce the consequences of cyber-physical attacks on their energy infrastructure, by delivering the Office of Cybersecurity, Energy Security and Emergency Response's (CESER's) CyberStrike program, as administered through our partners at the Idaho National Laboratory. Additionally, we have conducted climate vulnerability models for P-TECC partner countries. Deputy Energy Secretary David Turk has led two P-TECC nuclear energy High-Level Sessions in Prague and Bucharest to discuss deepening the partnership following the events in Ukraine. The P-TECC session in Bucharest was held in conjunction with a U.S. Trade and Development Agency-sponsored technical workshop on the deployment of small and advanced nuclear reactors, and the Prague session was held with a Nuclear Energy Institute Trade Mission. Together, these sessions brought Ministers and U.S. industry together, with the additional support of colleagues at the Departments of Commerce and State as well as the Nuclear Regulatory Commission. The resulting discussions have allowed us to focus our efforts on developing a plan to meet our climate ambitions and energy security objectives in deploying both large- and small-scale nuclear energy solutions. To meet the natural gas requests

of our P-TECC partner countries, we are planning webinars focused on LNG markets and project finance.

In short, we have built P-TECC specifically to be nimble and responsive to the needs of the region. We achieve this by listening to the themes and outcomes of the Three Seas Initiative Summit. No one realized it when P-TECC was started and developed over the last two administrations, but P-TECC is now one of our most effective countermeasures to Putin's weaponization of energy.

Energy Supply Chains

As we support our European partners in the urgent project of energy diversification, we are simultaneously undertaking efforts to ensure that the enhanced deployment of alternative energy supplies and technologies does not create new, unsustainable dependencies or untenable national security vulnerabilities. To this end, we have also been actively working with our allies, including our European partners, to fortify the resiliency of energy supply chains. Severe industrial concentration, limited domestic capacity, and market bottlenecks in energy supply chains pose serious energy security risks and must be mitigated in pursuit of our global net-zero objectives. Through the EU-U.S. Trade and Technology Council (TTC), we are working with our partners in Europe to tackle these challenges by promoting transparency in our solar supply chain and coordinating our policy measures, incentives and other investments required to enable a more geographically and commercially diversified solar supply chain and enhance cooperation with the EU and other parties on critical minerals and materials. The TTC also allows the EU and the United States to further advance work on specific initiatives to accelerate the deployment of additional clean low carbon products and technologies to help in achieving net zero emission goals by 2050.

Executive Order 14017 – Securing Americas Supply Chains

An essential contribution to global efforts to impose costs on the Russian regime and halt the flow of its energy revenues that help finance its aggression is the domestic push to diversify our own energy resource consumption, including by reshoring energy supply chains. A successful supply chain strategy will free up hydrocarbon supplies that can be utilized to displace Russian volumes, reduce our own exposure to market volatility in oil and gas markets, and stimulate accelerated and expanded clean energy deployment in Europe.

In furtherance of these goals, President Biden issued Executive Order 14017 America's Supply Chains on February 24, 2021, ordering a review of risks and vulnerabilities in our critical minerals and material supply chains. In June 2021, the Administration released a first-of-its-kind supply chain assessment that found that our over-reliance on foreign sources and adversarial nations for critical minerals and materials posed national and economic security threats. The Executive Order directed the Secretary of Energy to submit a supply chain report for the Energy Sector Industrial Base. On February 24, 2022, the Department of Energy released a set of 14 reports on energy supply chain threats, vulnerabilities, and risks, including 13 issue-specific deep dive assessments on topics ranging from solar energy to semiconductors to cybersecurity, and an overarching strategy with over 40 policy recommendations entitled, "Americas Strategy to Secure the Supply Chain for a Robust Clean Energy Transition." The strategy is the first ever comprehensive U.S. government plan to secure our domestic supply chains and an Energy Sector Industrial Base and lays out more than 40 actions that the federal government is already taking or is now committed to taking to secure a resilient and robust energy base and that takes bold action on the climate crisis. It also lays out some 20 recommendations for Congressional action on the energy supply chain.

DOE Work in Ukraine

Finally, a brief update on DOE's Ukraine-specific work. Ukraine's sizable nuclear power generation capacity could meaningfully reduce Europe's dependence on Russian coal and gas once Ukraine is able to export electricity to the European common power market. One area we are working on in particular, with support from Congress, has been Ukraine's full integration into Europe's ENTSO-E electricity grid system, with a focus on cybersecurity support for the electricity grid operator.

We are in the process of finalizing the transfer of \$10 million to some of our national labs with deep expertise on cyber and physical security of critical energy infrastructure and longstanding professional relationships with counterparts in Ukraine's energy sector. Despite the ongoing war in Ukraine, we expect their work will soon be able to commence in earnest.

DOE's assistance will also generate critical insights into vulnerabilities at the intersection of Ukraine and Europe's natural gas systems and electrical systems. For Ukraine and many European countries, natural gas plays a key role as a source of power – both in industrial as well as in residential settings. Russia's weaponization of its gas exports to Europe – it has already cut off deliveries to Bulgaria, Denmark, Finland, the Netherlands, and Poland, and curtailed exports to Germany – could destabilize parts of Ukraine and Europe's grid given their reliance on natural gas as a source of power. To address these concerns, DOE has transferred \$1 million to one of our labs that brings deep technical expertise to the question of identifying vulnerabilities at the interconnection of gas and power markets. Their work will enable us, as policy makers, to take a more anticipatory view of the consequences of possible future Russian malign actions against Ukraine, and to target technical assistance to reinforce the stability of its connection to the European grid.

In the near-term, we need to support our European allies to ensure they have the energy resources they need to make it through the upcoming winters. In the longer-term, we need to support their efforts to diversify their energy sectors in a way that will permanently reduce their dependence on Russia and set them on a path to a clean, secure, affordable energy future. We are committed to doing that in a way that fosters technical innovation, policy coordination, a just transition, and the creation of good-paying jobs on both sides of the Atlantic.

In all of these endeavors we are committed to working with Congress to find the right energy solutions for Ukraine and every other country in the region which has historically been dependent on Russia for their energy needs. I look forward to your questions.

Mr. KEATING. Thank you very much.

Our second witness, Harry Kamian—is that correct?

Are we connected?

Mr. KAMIAN. We are.

Mr. KEATING. Thank you. I just want to be sure.

Is the Senior Bureau Official and Principal Deputy Assistant Secretary of the Bureau of Energy Resources at the U.S. Department of State.

You're now recognized for 5 minutes for your opening statement. Thank you for your participation.

**STATEMENT OF HARRY KAMIAN, SENIOR BUREAU OFFICIAL
AND PRINCIPAL DEPUTY ASSISTANT SECRETARY, BUREAU
OF ENERGY RESOURCES, U.S. DEPARTMENT OF STATE**

Mr. KAMIAN. Chairman Keating, Ranking Member Fitzpatrick, and members of the Subcommittee, thank you for the opportunity to discuss the Administration's efforts to support Europe's energy security.

I'm joining you today from Paris at the conclusion of an International Energy Agency governing board meeting where under joint State Department and Department of Energy leadership the IEA voted unanimously for Ukraine to join the IEA family, another signal of the Administration's unwavering commitment to supporting Ukraine in the face of Putin's brutal war.

Putin's unprovoked war on Ukraine has caused a major shift in Europe's approach to its energy security and has upended the world's energy map. It has made clear the dangers of over reliance on a single supplier, particularly one who uses energy as a tool of coercion.

It underscores that the clean energy transition strengthens our energy and our climate security. The United States and Europe are now united in our determination to stand up to Russia to ensure Europe's energy security and to accelerate the clean energy transition.

The United States is leveraging multilateral diplomacy to address global oil shortfalls and to assist European countries in finding alternative supplies. This will take time.

In 2021, Russia provide approximately 45 percent of the EU's total natural gas imports and 27 percent of oil imports. Putin's war and subsequent natural gas cutoffs to Poland, Bulgaria, Finland, the Netherlands, and others have destroyed the illusion that Russia is a reliable supplier of energy.

The EU's announcement in March that its REPowerEU claims to cut dependence on Russian natural gas by more than half by the end of 2022, and to achieve independence from Russian fossil fuels by 2027, was an important signal.

As early as last fall, we warned that Russia was deliberately preparing to leave Europe with extremely low levels of natural gas and storage for the winter.

The United States engaged major natural gas producers worldwide to understand their capacity and their willingness to surge output and allocate these volumes to European buyers.

This produced tangible successes, including allies like Japan and Korea agreeing to redirect LNG cargoes to Europe. President

Biden's March 25th announcement with European Commission President von der Leyen establishing a Joint Task Force on European Energy Security further illustrates close transatlantic cooperation.

Through the Task Force, we committed to help Europe attract 15 billion cubic meters of additional natural gas supplies by the end of this year. We committed to working with EU member States toward ensuring demand for approximately 50 bcm a year of additional LNG supplies until at least 2030, and Europe agreed to fast track regulatory approvals for LNG infrastructure and to identify demand sources to spur investments.

But as the chairman said, increasing LNG to Europe cannot fully resolve European dependence on Russian energy. We are collaborating with Europe with clean and renewable energy technology providers to help reduce overall demand, including U.S. companies.

We can reduce demand by accelerating deployment of technologies such as heat pumps, smart thermostats, efficient grid technologies, energy efficiency and productivity improvements, battery storage, offshore wind, nuclear energy, and clean hydrogen.

We were cooperating on these goals well before the onset of Putin's war. We are all seeing and feeling the impacts of high energy prices due to Putin's war of choice against Ukraine.

In March and April, the United States and the IEA announced collective releases from the Strategic Petroleum Reserve and IE member reserves. Together with United States commitment, these releases add 240 million barrels to global supply. It is both the largest release from the United States and the largest release from other IEA countries in history and will support American consumers and the global economy.

These actions result from the Administration's unwavering focus on doing everything in our power to help American families who are paying more out of pocket for gasoline as a result of Putin's war.

Strengthening Europe's energy security is a high priority for the Biden Administration. Together, with our partners and allies, we will accelerate Europe's independence from Russian fossil fuels and bolster energy security in line with our shared climate and energy access goals.

Thank you very much. I look forward to addressing your questions.

[The prepared statement of Mr. Kamian:]

**Written Testimony of
Harry R. Kamian
Principal Deputy Assistant Secretary
Bureau of Energy Resources
United States Department of State**

**Before the House Foreign Affairs Committee
Subcommittee on Europe, Energy, the Environment and Cyber**

June 16, 2022

Chairman Keating, Ranking Member Fitzpatrick, and members of the subcommittee, thank you for the opportunity to discuss the Administration's efforts to support Europe's energy security.

Putin's unprovoked war on Ukraine has caused a major shift in Europe's approach to its energy security and has upended the world's energy map. It has made clear the dangers of over-reliance on a single supplier—particularly one who uses its energy resources as a tool of coercion. It also underscores that the clean energy transition strengthens our collective energy and climate security. The United States and Europe are strongly united in our determination to stand up to Russia, to ensure Europe's energy security, and accelerate the clean energy transition in a just and equitable manner. The EU intends to end its dependence on Russian energy supplies and, eventually, all fossil fuels so that Russia can no longer use energy as a weapon. The United States is working tirelessly, bilaterally and multilaterally, to assist with these goals.

My Department of Energy colleague and I are joining you after an International Energy Agency (IEA) governing board meeting. The U.S. is leveraging multilateral diplomacy at the IEA to help address global oil shortfalls, and to support united efforts to assist European countries as they seek alternative supplies and a rapid energy transition. This is not a simple task, and European leaders have acknowledged that it will take

time to fully transition away, especially for those member states that are relatively more dependent on Russian energy supplies. In 2021, Russia provided approximately 45 percent of the EU's total natural gas imports and 27 percent of oil imports.

Putin's war and subsequent natural gas cutoffs to Poland, Bulgaria, Finland, the Netherlands, and others have destroyed the illusion that Russia is a reliable supplier of energy or partner to Europe. Leaders across Europe now fully embrace the imperative to diversify their energy sources and suppliers and the United States stands ready to support these efforts. The EU's announcement in March that its REPowerEU plan aims to cut European dependence on Russian natural gas by more than half by the end of this year and to achieve full independence from Russian fossil fuels by 2027 was an important signal.

As early as last fall, we warned Russia was laying the groundwork to deliberately leave Europe with extremely low levels of natural gas in storage for the winter. Working closely with European allies and partners, in September 2021 when no new gas supplies were available on the open market, we implemented a coordinated, purposeful strategy to increase natural gas supplies to Europe. The United States engaged major natural gas producers around the globe to understand their capacity and willingness to surge natural gas output and allocate these volumes to European buyers. This work produced tangible successes, including allies like Japan agreeing to redirect LNG cargoes to Europe. We engaged major global buyers and suppliers of LNG to ensure their flexibility with existing contracts to enable diversion to Europe. We will continue these global efforts to ensure that gas supplies are delivered and distributed to those who need them most.

President Biden's March 25 announcement with European Commission President von der Leyen establishing a joint task force on European energy further illustrates the close transatlantic cooperation on energy security. The task force has two priorities: first, diversifying Europe's LNG suppliers, and second, accelerating a reduction in Europe's overall natural gas dependence and demand. Through the Task Force, we

committed to help Europe attract 15 billion cubic meters (or bcm) of additional natural gas supplies from across the globe by the end of 2022. We also committed to working with EU Member States toward the goal of ensuring demand for approximately 50 bcm a year of additional U.S. LNG supplies, until at least 2030. In turn, Europe agreed to fast-track regulatory approvals for LNG infrastructure and identify demand for that amount, to spur U.S. investments and infrastructure buildout. To keep this new infrastructure aligned with climate goals to reduce the greenhouse gas intensity of all new LNG infrastructure, designers will be cognizant of the technical requirements needed to become compatible with low-carbon fuel alternatives like hydrogen and ammonia.

Increasing LNG to Europe, however, cannot fully resolve European dependence on Russian energy. Reducing demand and advancing the clean energy transition are key short- and long-term goals of this Task Force. European countries have varying degrees of dependency on Russian fossil fuels, and fossil fuels writ-large, and each will require its own set of technological, regulatory, and market-based tools to decarbonize. We are collaborating with clean and renewable energy technology providers to help reduce overall natural gas demand, including U.S. companies that continue to play an important role in the clean energy transition. We can achieve this demand reduction goal by accelerating deployment of clean energy and decarbonization technologies, such as heat pumps, smart thermostats, efficient grid technologies, energy efficiency and productivity improvements, battery storage, offshore wind, nuclear energy, and clean hydrogen. We were cooperating on these goals well before the onset of Putin's war, and this work will continue to ramp up. For example, I traveled to Tallinn, Estonia, and Riga, Latvia this past May to reaffirm our strong partnership with the Baltic region and commitment to their energy security. I conveyed that we have their backs, full stop.

Finally, it is worth noting that we are all seeing and feeling the impacts of high energy prices due to Putin's war of choice against Ukraine. In March and again in April, the United States and IEA announced

collective releases from the Strategic Petroleum Reserve and IEA member reserves. Together with the United States' commitment, these releases add a combined 240 million barrels to global supply. It is both the largest release from the United States and the largest release from other IEA countries in history, and it will support American consumers and the global economy. These actions are another result of the Administration's unwavering focus on doing everything in his power to help American families who are paying more out of pocket for gasoline as a result of Putin's war of choice against Ukraine.

Since Putin accelerated his military build-up around Ukraine this past winter, gas prices have increased by nearly a dollar per gallon, because less oil is getting to market. We will continue to take every action we can to increase supply in the immediate term so families can pay for gasoline. We will also continue working with the international community to achieve U.S. energy independence that reduces demand for oil and bolsters our clean energy economy. The increasingly high prices we are seeing, however, truly underscore the importance of transitioning to clean energy, including renewable sources that inherently moderate price volatility, while reinforcing the need for energy diversification. While the proximate cause of this increase in gasoline prices is Putin's war on Ukraine, the only way to truly shield ourselves from similar price volatilities is to address our dependence on fossil fuels for our transportation needs.

Strengthening Europe's energy security is high priority for the Biden Administration. These critical times have only underscored our commitment. Together, with our partners and allies, we will accelerate Europe's independence from Russian fossil fuels and bolster global energy security, in line with our shared climate and energy access goals.

Thank you. I look forward to addressing your questions.

Mr. KEATING. Thank you, Mr. Kamian.

Our next witness, Mr. Jake Levine, is the chief climate officer at the U.S. International Development Finance Corporation.

You are now recognized for 5 minutes for your opening statement. Thank you for your participation.

STATEMENT OF JAKE LEVINE, CHIEF CLIMATE OFFICER, U.S. INTERNATIONAL DEVELOPMENT FINANCE CORPORATION

Mr. LEVINE. Chairman Keating, Ranking Member Fitzpatrick, and distinguished members of the committee, thank you for inviting me to testify today on the Development Finance Corporation's role to support European energy security.

DFC has a mandate under the BUILD Act to invest in transactions that advance development and the strategic interests of the United States.

The subject of today's hearing is additionally central to our special responsibilities under the European Energy Security and Diversification Act.

In line with those authorities, we are working to expand a portfolio of projects that can accelerate Europe's pathway toward energy security.

Several of us have recently returned from the region, and next week DFC will lead the U.S. delegation to the Three Seas Summit in Riga to reinforce DFC's readiness to provide investment.

In Ukraine itself DFC has a current investment portfolio of approximately \$800 million across more than a dozen projects, including in renewables and nuclear fuel.

We are evaluating new opportunities there and have offered flexibilities to existing projects to make sure they can weather this war.

When it comes time to rebuild, DFC will be there again. Russia's unjustified war in Ukraine has permanently changed the energy landscape, particularly with respect to the near term delivery of oil and gas for heating this winter.

At the same time, it has opened a critical window of opportunity to accelerate Europe's pathway to energy independence. Russia's weaponization of its energy resources has united the U.S. and Europe in a common effort to diversify European sources of energy and it is a wake up call.

There can be no louder signal to underscore the need and the opportunity this moment offers to reduce dependence on the oil and gas resources that have allowed Russia to coerce its neighbors and to finance its war machine.

President Biden has outlined a two-pronged approach to help secure Europe's energy: diversifying energy resources away from Russia and providers and supporting Europe's commitment to move away from fossil fuel dependence altogether.

The U.S. is working to unleash an arsenal of energy resources in service of both, and DFC has a key role to support that in at least three ways.

First, we are working to help Europe to pivot away from Russian sources of energy. DFC is actively advancing discussions to provide insurance for gas replacement contracts that can help small countries completely phaseout of Russian gas.

We are in discussions to finance a gas pricing strategy that would facilitate purchases of U.S. LNG to replace Russian gas.

Second, we are accelerating our work to help Europe deploy the massive amounts of clean energy, energy efficiency, and electrification required to fully move away from fossil fuels.

The untapped savings available through smart thermostats, heat pumps, solar, wind, and storage projects in the near term represent, roughly, a third of all Russia's exports of natural gas to the EU.

As part of this support, we are also exploring ways we can engage in civil nuclear cooperation, such as the recent LOI we signed with NuScale for its Romania SMR project.

Third, we believe Ukraine and Eastern Europe are not just places in need of strategic investment from the West but can become hubs of energy security for the West.

To that end, we are identifying opportunities for East-West cohesion that can connect the energy grids from Ukraine, Bulgaria, and Romania to serve Poland, the Western Balkans, and places to the west.

Europe will invest more than \$200 billion between now and 2027 to phaseout Russian fossil fuel imports, but the total financing costs to achieve energy independence are significantly greater and, therefore, private investment must also be a core component of our strategy.

That is where DFC can come in with critical financing and derisking mechanisms to help crowd in private finance and help Europe secure the investment it needs.

Some of our tools were designed for this precise purpose. DFC's political risk insurance dates to the Marshall Plan, when the United States brought public financing tools to bear in a post-war market hesitant to support Europe.

There is no more urgent challenge in energy security than this one. But in this remarkable time of unity and partnership among our European allies, our determination to defend principles of sovereignty and democracy is stronger than at any time in recent memory and DFC is resolute in its work to help set a trajectory for energy independence and for peace.

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

[The prepared statement of Mr. Levine:]

Testimony of Jake Levine

**Chief Climate Officer, U.S. International Development Finance Corporation
House Committee on Foreign Affairs, Subcommittee on Europe, Energy, the Environment,
and Cyber**

“U.S. Efforts to Support European Energy Security”

June 16, 2022

Chairman Keating, Ranking Member Fitzpatrick, and distinguished Members of the Committee: Thank you for inviting me to testify today on the U.S. International Development Finance Corporation’s (DFC) role in the critical issue of Europe’s energy security.

In line with DFC’s authorities under the European Energy Security and Diversification Act (EESDA)—and DFC’s BUILD Act mandate to invest in transactions that advance development and the strategic interests of the United States—this is a topic of critical importance to DFC. Since the start of Russia’s recent, unprovoked attack against Ukraine, DFC has made several visits to the region and hosted senior delegations from nearly every Eastern European country in Washington. Next week, DFC will lead the senior U.S. delegation to the Three Seas Summit in Riga, Latvia, to reinforce DFC’s readiness to provide much-needed investment for the region.

These productive engagements are helping expand a portfolio of projects that can accelerate Europe’s pathway toward energy security—and, in the case of Ukraine itself, can serve as a bulwark against further Russian aggression. DFC has a current investment portfolio in Ukraine of approximately \$800 million across more than a dozen projects, including in renewable energy and nuclear fuel. We have offered flexibilities to existing project sponsors there to make sure their projects can weather this war. We continue to evaluate new opportunities in Ukraine. When it comes time to rebuild, DFC will be there.

Russia’s unjustified war in Ukraine has permanently changed the energy landscape in Europe in a manner that no doubt creates major challenges, particularly with respect to the near-term delivery of hydrocarbons necessary for heating and industrial energy. At the same time, it has opened a critical window of opportunity to *accelerate* Europe’s pathway to energy independence, and a global transition toward more secure sources of energy. Russia’s weaponization of its energy resources has united Europe and the United States in a common effort to diversify European supplies of energy. And it is a wakeup call. There can be no louder signal to underscore the need and the opportunity the moment offers to reduce dependence on the oil and gas resources that have allowed Russia to coerce its neighbors and finance its war machine.

President Biden has outlined a strategy that accelerates European energy security through a two-pronged approach: first, diversifying Europe’s energy resources away from Russian providers; and second, supporting Europe’s commitment to move away from fossil fuel dependence

altogether. The United States is working to unleash an arsenal of energy resources in service of both pursuits—and DFC can play a key role in several ways to support that.

First, we are working to help Europe to pivot as quickly as possible away from Russian sources of energy. Europe is determined to pivot *without* locking in new fossil fuel infrastructure for decades by utilizing existing infrastructure, purchasing energy, implementing short-term energy efficiency measures, and designing infrastructure that can facilitate the use of zero carbon sources of energy, such as hydrogen, in the long-term.

We are actively advancing discussions along these lines: We are in talks to provide insurance for gas replacement contracts that can help small countries—both particularly dependent on Russian gas but also particularly nimble in their ability to move toward entirely new sources—completely phase out the import of Russian gas; we are in discussions to finance a gas pricing strategy that will stabilize purchases of U.S. LNG; and we are actively engaged in looking for opportunities to provide support to friendly Eastern European nations in need of flexibility during the transition off Russian gas.

Second, we are accelerating our work to help Europe deploy the massive amounts of clean energy required to fully move away from the existing hydrocarbon-based system, and to enhance energy efficiency, which can help reduce demand for fossil fuels. Reducing demand for fossil fuels is one critical way to help ease high prices in the energy markets, which continue to pad Russia's war chest. As part of this support, we are also exploring ways we can engage in civil-nuclear cooperation, as more European countries look to nuclear as a clean alternative to coal, and many with existing nuclear infrastructure seek to ensure it is sufficiently independent of reliance on Russian technology and fuel.

One of the advantages of this plan is speed to deployment. In line with Europe's strategy, we are working to identify investment opportunities in solar, wind, and battery storage that can materially mitigate the need for gas-fired electricity generation in a matter of months and years, not decades. And we are focused on developing opportunities to support basic efficiency and electrification efforts, which have outsized benefits in terms of gas demand reduction. One area we see as poised to take off, for example, is the manufacture and deployment of heat pumps—a market that is expected to more than double to \$13 billion in cold European climates in the next decade.

Third, we believe Ukraine and Eastern Europe are not merely places in need of strategic investment *from* the West, but can in fact become hubs for energy security *for* the West. To that end, we are identifying opportunities for East-West cohesion that can connect places like Ukraine, Bulgaria, and Romania, to Poland, the Western Balkans, and points West of these countries. The fact that Ukraine and the Baltic States have taken major steps in recent months to synchronize their grids with the EU will enable this work to continue faster. And the developmental benefit of better European cohesion, integrating the poorest parts of Europe with the EU, is well-aligned with DFC's core mandate.

We have identified several opportunities inside Ukraine to deliver non-Russian, secure, and carbon-free electricity to the rest of Europe and intend to explore whether we can support such efforts.

The European energy security challenge is complex, and the investment trajectories are long. Europe will invest more than \$200 billion between now and 2027 to phase out Russian fossil fuel imports. The EU intends to fill this investment need by using existing funds available under the Recovery and Resilience Facility, but private investment will also be one component.

That is where DFC can come in with critical financing and de-risking mechanisms to help crowd in private finance and help Europe secure the investment it needs. One of our recently committed transactions is illustrative of this effort—a \$7.5 million guaranty of the Kosovo Credit Guarantee Fund designed ultimately to unlock roughly four times that amount of lending for energy transactions. When I was in Bulgaria a few weeks ago, we learned of several additional projects that would seek to use DFC financing to catalyze multiples more of private finance to build energy efficient heating, electricity production, transmission, storage, and industrial projects.

There is no more urgent challenge in energy security, and we are proud to take on this work with our friends, partners, and allies in the region. This is a remarkable time of unity and partnership among European allies. The resolve to do whatever it takes to defend principles of sovereignty and democracy is stronger than at any time in recent memory, and DFC will capitalize on this moment to set a trajectory for energy independence and peace.

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

Mr. KEATING. Thank you, Mr. Levine.

I think our witnesses really laid out what we can do in the short and the medium and the long term. These issues were in place before. They were worked on and recognized before. But the action on going forward was more deliberate than, I think, even our European allies would recognize.

So this is the prompting—the 5 minutes I recognize myself for some questions.

I'd like to, first, just get back.

Mr. Kamian, you mentioned the fact that the shortages from Russia were premeditated—my word—ahead of time. This was—this shows the premeditation of Putin before February 24th. It was part of a plan to weaponizing and the leveraging of oil.

I wonder if any of our witnesses could comment on the fact that, indeed, Putin's actions before were a precursor to what his plans were in invading Ukraine and continuing to use as weapons the energy supply that's coming out of Russia.

Mr. Light?

Mr. LIGHT. Sure. I couldn't agree more, Chairman, in that statement. I think that if this were a chess game, then this was at least a seven-move play by Vladimir Putin.

I mean, he was setting things up with respect to the reliance of the Europeans on single source, the—a very sort of meticulous—I do not know, charade, of convincing some countries that he was—in fact, he would never turn off supply under any circumstances, and was able to do things like, well, if there was a shortage he would offset it with payments of money or something like that.

But, interestingly enough, the Ukrainians really saw through this because they've been through it, and I was very honored to this day to have been at the—President Zelenskyy called—what we called the Crimea Forum last August. I went there with Secretary Granholm as President Biden's designee for the Presidential delegation.

Europeans were quite clear to the other Europeans who came to the Crimea Forum, which was also the thirtieth anniversary of Ukrainian independence, that they went after us, they're going to go after you next, and if they go after us militarily, you can be sure that anything you want to try to do to try to push back on the Russians you will get retaliated against and that's exactly what we're seeing happen.

So the very high prices that we saw through the fall there was, clearly, manipulation going on there, which created a crisis well before February, and so what we're now trying to do, I think, is to catch up with respect to what we can do to increasingly diversify.

The only good news here is that the Europeans have completely woken up as a community. They are synced up. They're working, clearly, with us to try to respond to diversification and get them out of Russian fossil energy.

Mr. KEATING. Yes, I agree.

I mean, I've visited five European countries just in the last several weeks and energy issues are central to what's going on, and if you're looking at the many miscalculations of Putin, I think his miscalculation on the energy front will prove one of the greatest miscalculations he had.

You know, his actions really lit the fuse of response that wasn't there and I think we're in an era of a Marshall energy plan right now with the U.S. and our allies working together—an historic economic and energy transformation, and we're seeing it and we're seeing it at a pace I never thought might occur.

But as we drill down a little bit more to Ukraine individually and the pressure they're under, one of the countries I visited also in, you know, Putin's target sphere is Moldova, and their energy dependence, as is the case in so many other countries, is extreme with Russia.

One of the things they mentioned was as we give economic aid to Ukraine, a win-win situation might be to allow them to tap into the Ukraine grid, which they have the ability to do.

But also because the price differential between cheaper Russian or energy going through Transnistria and the other price, the U.S. could help maybe bridge that cap, and then have them gain a greater independence from Russia and help Ukraine's economy at the same time.

Do you want to comment on that proposal at all—that idea? Anyone?

Mr. LIGHT. I'm happy to say something about it and also would love to hear any thoughts from my colleague, Harry Kamian, at the State Department.

I've been talking to our Ambassador there in Moldova. I've been talking to my colleagues at the State Department on this. I think you're absolutely right, and my office has been working earnestly to sort of see what we can do to encourage the sale of power from Ukraine to Moldova.

And the trick here is going to be to do it at the same rate that Moldova is getting from Transnistria right now. And so while we wait for really opening up the ability for Ukraine to sell their power to the rest of Europe, which they not yet are able to do—there's an emergency connection with the European grid but it's not yet a full connection.

That's something my office has been working on to stabilize and make sure that that full connection happens so Ukraine can sell to Poland, to, you know, Czech Republic, to other countries in the region.

Moldova is right there. It's in need. It really would help a lot, would help them to get off of—out of a tricky political situation, which is a subset of the larger political situation the entire region is under right now.

Mr. KEATING. Thank you.

I now recognize Representative Ann Wagner, a former European ambassador, for 5 minutes of questioning.

Mrs. WAGNER. I thank you, Mr. Chairman.

This is a very critical and timely hearing, and I want to thank our witnesses for their service.

As the chairman mentioned a few weeks ago, I, too, traveled with a bipartisan group of Foreign Affairs Committee members including our chairman, Chairman Keating, of the subcommittee to Moldova, to Switzerland, to the Czech Republic, and to Austria and at every single opportunity we urged our European allies and partners to end their dangerous dependence on Russian energy.

I was so gratified to learn that shortly after our return the EU reached an agreement to cut 90 percent of Russian oil imports by the end of this year.

This represents important progress, but we, obviously, need to do more. Russia's natural gas market dominance is a critical vulnerability for Europe, and just yesterday Russia further slashed natural gas shipments to Europe, increasing gas prices by more than 25 percent.

In order to deny Russia a key source of revenue and insulate our transatlantic allies once and for all from Russian energy coercion, the Biden Administration must stop discouraging new domestic production here in America and accelerate our efforts to connect Europe with new energy sources.

To delay or hamstring these objectives in the interest of preserving radical climate policies would be misguided and, I believe, extremely risky.

As we discussed during our time in Kishinev, Moldova remains, as we said, overwhelmingly dependent on Russian energy. It receives nearly all its gas supplies from Russian-owned Gazprom and buys 80 percent of its electricity from the Russian-owned MGRES power plant in that breakaway region of Transnistria.

USAID recently awarded \$17 million to reduce core vulnerabilities of Moldova's energy sector.

Deputy Secretary—pardon me, Deputy Assistant Secretary Kamian, can you provide details on what this program aims to achieve and on what time line, please?

Mr. KAMIAN. Congresswoman, thank you very much for the question. At this moment, I do not have details regarding the specific USAID plan but I know the initiative that our colleagues—and I'd be happy to get back to you with more details on that—but I know the initiative that they have launched as part of the Administration's broader effort as part of a \$100 million package to help Moldova strengthen its economy, but also diversify over the long run.

As you and the chairman noted, nearly 100 percent of their energy resources come from Russia. It puts them in a fairly precarious situation.

In light of the recent Russian invasion of Ukraine we know our Moldovan colleagues are genuinely concerned, and as my colleague, Assistant Secretary Light, noted, we are working very closely with the Department of Energy and other colleagues within the Administration to identify ways in which we can help Moldova strengthen its resiliency, protect itself in the short run, but also help it take the steps to connect with the broader European grid that will, hopefully, help—

Mrs. WAGNER. Thank you.

I have limited time here and I really do want to also emphasize what the chairman mentioned, which is helping Moldova with price negotiations, I think, would be very key, too.

Some in Europe have conveyed that the use of chemical—a chemical weapon by Russia would push their governments to support a ban—full on ban on the import of Russian gas.

Deputy Assistant Secretary Kamian, have you had similar conversations, I'm wondering, and why does it make sense to wait for another atrocity to take this step?

Mr. KAMIAN. One of the challenges facing our European allies and partners, as you've noted, based on your recent trip to the region, is that for so long so many of them have been so dependent on Russian energy, and while they've reached a point now where there's broad consensus across the region that they need to reduce the dependence and diversify away from Russia, it's complicated.

It's difficult, and many of their economies still rely on Russian energy to fuel the recovery from the pandemic, to provide their basic heating and necessities and to come out of a difficult era.

And so I think what we're seeing from our European allies is awakening across the region, a steadfast commitment to never returning to the point of being reliant upon Russia.

But it's going to take some time, and this is where the Administration is really committed to doing everything we can, whether it be the short-term surge in supplies of LNG to help them shore up supply, whether it be helping them fill up these gas storage levels that are going to be so critical to get them ready for the winter to ensure that our European allies and friends remain heated during this moment.

But this is why we're really doubling down on the short-term surge at the same time as accelerating the efforts for the clean energy transition.

Mrs. WAGNER. Well, I thank you. My time has expired. I appreciate the indulgence of the chair.

I have some other questions for Secretary—Assistant Secretary Light. I will submit them for the record, and I do hope we will not wait for another atrocity to really ensue upon a full ban of Russian oil, and we can unleash American energy independence that can be helpful, I believe, in the region long term.

So I thank you very much. I yield back.

Mr. KEATING. The chair now recognizes Representative Brad Schneider for 5 minutes.

Mr. SCHNEIDER. Thank you, Mr. Chairman, and thank you to our three witnesses today, not only for joining us today but for the incredible work you and your three agencies are doing.

Mr. Levine, I'd like to talk about the DFC's role specifically in energy security, and I appreciated your mention of Bulgaria in your testimony. I look forward to coordinating on your work in the region.

I recently met with the prime minister of Bulgaria on his visit here to Washington, and we discussed the vital importance of energy independence from Russia in Eastern Europe.

He relayed to me and my team how critical the DSC can be in providing financing to support this mission, not just in Bulgaria but other countries as well, and just yesterday, I met with members of the German Bundestag where we discussed the challenging but necessary steps of cutting off Russian energy from the European economy.

To that end, I appreciate what the DFC is doing to support the Three Seas fund and making full use of the authorities Congress

provided to the DFC through the European Energy Security and Diversification Act.

The situation in Ukraine has made the need for supporting the energy needs of the region so much more urgent.

So with that in mind, can you give us a quick update on the steps DFC has taken and will take in the coming months to fulfill the mission of the European Energy Security and Diversification Act?

Mr. LEVINE. Thank you, Congressman Schneider.

Absolutely, and I appreciate the question. I've myself recently had the opportunity to visit also with the prime minister in Bulgaria, his energy secretary, and much of his team.

I was in Sofia where we were able to help advance some of the projects that we're working on to really help Bulgaria to actually completely switch off of Russian gas.

As you know, Bulgaria uses a relatively small amount of gas resources, 3 bcm of demand. But in a place like Bulgaria where the political coalition can be so fragile, being able to replace that gas when Gazprom has shut the door, and provide an alternative to Russian gas is totally essential to maintaining stability, not just there but in the region.

It's a similar story in Moldova where we have had similarly productive conversations about how we can support that transition.

And so not only does it provide an opportunity for us to fulfill our mandate under the Energy Security and Diversification Act, but I think that it provides a real opportunity to support key strategic allies, friends, and partners.

One of the other things about the Bulgarian conversation that I found to be particularly encouraging was their focus on the transition to clean energy. They are working to implement as part of their allocation of the recovery and resilience fund that they received from the EU, a 6 billion euro energy storage project, which we are eager to support.

We're working with some of our existing trusted American borrowers to accelerate efforts on wind and solar. There are district heating projects that are begging for energy efficiency upgrades that can provide the cheapest and most cost effective form of gas demand reduction, and it's a wealth of opportunities that we are excited to pursue.

You mentioned the Three Seas Fund, and I just want to note that our CEO, Scott Nathan, who was before your full committee just a couple of days ago, will be traveling to head the U.S. delegation in Riga, where we are excited that he'll be able to announce the terms and the scale of our commitment to the Three Seas Fund.

We see this as a critical platform to be able to invest across the region from all the way from the Baltic States down to southern and eastern southeastern Europe, and we really welcome the opportunity to work with you and your colleagues to identify projects that we can support through that fund or individually.

Thank you so much.

Mr. SCHNEIDER. Thank you, and I look forward to it, too.

In that vein, are there other things Congress can do to support DFC's work, broadly, energy security in Eastern Europe but also in particular in the Balkans.

Mr. LEVINE. Well, I really appreciate the question.

As you know, we now have a Fiscal Year 1923 budget request before the Congress. We have made a request for administrative funding in the amount of \$220 million.

One of the biggest bottlenecks that DFC has in terms of getting this funding out the door is our ability to staff projects, not just on the finance side but in terms of legal and policy capacity inside the agency.

We would like to get to get to 700 staffers at DFC to be able to accelerate this work and to expeditiously process it, and we would be very grateful for your support on that budget request.

Mr. SCHNEIDER. Great. Thank you.

And, Mr. Chairman, I'm out of time. We have so many more questions, working to achieve energy dependence from Russia, not just in the context of Ukraine but a long term strategy for Europe is critically important and I am grateful for you having this hearing.

Mr. KEATING. Thank you, Representative.

The chair now recognizes Representative Mast for 5 minutes.

Mr. MAST. Thank you, Chairman.

I just want to start with something that you Stated already, Mr. Light, and that was that Russians were manipulating the market and increasing prices before the invasion, and why I think it's so important that you said that today is because let's all ask ourselves what was President Biden doing while this was going on and ahead of that going on?

Well, he was cutting off U.S. pipelines and creating a difficult regulatory environment for made-in-America oil and gas. You guys are to blame. That is what you were doing and everybody should be pointing their fingers at you, which is exactly what I'm going to do.

I do not have any questions for you. I do want to talk about Development Finance Corporation. I do have your budget request right here.

What you're asking for from we the people, the American people, and I do have the EESDA in front of me right here. I want to go over a few parts of it, as I did with Mr. Nathan a couple of days ago, and want to know your opinion on these.

Part of EESDA specifically says to facilitate international negotiations concerning cross-border infrastructure.

Should I understand cross-border infrastructure as it relates to the energy in EESDA as pipelines?

Mr. LIGHT. Thank you for the question, Congressman.

Mr. MAST. Is it pipelines?

Mr. LIGHT. As I think CEO Nathan mentioned in his testimony, cross-border infrastructure would include infrastructure for energy. That's our mandate under—

Mr. MAST. Cross-border would be a pipeline. That's a pipeline that goes across the border, right?

Mr. LIGHT. Well, for example, in the energies—if you look at that project eligibility guidelines in the Act—

Mr. MAST. Is it a pipeline, among other things?

Mr. LIGHT [continuing]. That is electricity transmissions——

Mr. MAST. Is it a pipeline, among other things?

Mr. LIGHT. Well, I think it could be.

Mr. MAST. Are you against pipelines?

Mr. LIGHT. Well——

Mr. MAST. Are you for pipelines?

Mr. LIGHT. The——

Mr. MAST. Are you for pipelines?

Mr. LIGHT. The Act discusses——

Mr. MAST. Let's go with that one. Are you for pipelines?

Mr. LIGHT. Congressman, I appreciate the question.

Mr. MAST. Yes or no? For pipelines? Yes? No?

Mr. LIGHT. In my personal capacity, I have been really honored to have this opportunity to serve.

Mr. MAST. I'm not worried about how honored you are. Are you for pipelines?

Mr. LIGHT. With respect, Congressman, my personal opinion is——

Mr. MAST. This is what people hate about Washington, DC. It's a simple question. You're asking for money from the U.S. taxpayer to do cross-State infrastructure overseas as related to energy. Are you for pipelines or not?

Mr. LIGHT. I think that the Development Finance Corporation is interested in advancing any project that can deliver energy security for our allies and partners——

Mr. MAST. It does say diversity on here——energy diversity——and it does say renewable and nonrenewable fuels. That's the EESDA. So are you for pipelines?

Mr. LIGHT. In the Act, the project eligibility allows——

Mr. MAST. So you won't say for pipelines. It's yes or no.

Mr. LIGHT. Allows us to work on projects that can deliver electricity generating capacity using fossil or clean energy and we will advance——

Mr. MAST. So you're for fossil fuel use? You are for the DFC——

Mr. LIGHT. The DFC will——

Mr. MAST [continuing]. Creating a friendly regulatory environment——

Mr. KEATING. Please. If I could interject.

Mr. MAST. No, you cannot. It's not your time.

Mr. KEATING. Yes, I can.

Mr. MAST. No, you cannot. It's not your time.

Mr. KEATING. Yes, I can, sir.

Mr. MAST. No, you cannot. You guys messed this all up. It's not your time. It's not your time.

Mr. KEATING. Sir, you'd like an argument, you can let me answer the questions. With all due respect——

Mr. MAST. There is no respect taken.

Mr. KEATING. Evidently, there is no respect given.

Mr. MAST. That's because you guys are marking up energy to our country——

Mr. KEATING. The chair recognizes the witness to answer the question that was posed to him.

Mr. MAST. You guys are making oil and gas ridiculously expensive for Americans and you do not want to be questioned about it.

Mr. KEATING. Are you pleased you're getting the sound bite, sir? I'm not going to participate in it.

Mr. MAST. The Biden Administration created the problem.

Don't participate then. Close your mouth and let me ask my questions. Don't participate. Let me ask——

Mr. KEATING. Close my mouth, sir?

Mr. MAST. Yes, you heard it directly. That's why you sound so offended because you heard what I said. So let's do that and let me finish asking my questions.

Mr. KEATING. Allow them to answer the question.

Mr. MAST. If he wanted to answer the question he could. Let's get back to the questions that you do not want to answer. Do you support pipelines? We know that you do not.

We talked about what Mr. Light said already, that the Russians were working to manipulate these markets ahead of the invasion into the Ukraine, and what was the Biden Administration doing? Absolutely nothing.

They were cutting off pipelines here in the United States of America, creating a difficult regulatory environment for oil and gas exploration. You guys are to blame for this. You're interrupting me because you do not want Democrats to have to answer for what Democrats have been doing in the House of Representatives, what the Administration has been doing as it relates to energy, cutting off 25,000 jobs as it relates to the XL pipeline, 800,000 barrels a day of oil to the United States of America.

You're willing to ask for money for the Development Finance Corporation, money from we the people in the United States of America to develop energy infrastructure overseas, reduce the regulatory environment for energy infrastructure to include fossil fuel usage overseas, but you'll cut it off here for made in America from sea to shining sea, and you guys are absolutely wrong because of it.

Now you can have 2 seconds back.

Mr. LEVINE. If I could, Mr. Chairman.

Mr. KEATING. You did say—did you say not that any alternative would be available in terms of the ANC and you do, given the fact you weren't allowed to answer the question the opportunity to answer the question.

Mr. MAST. He was allowed. I offered him plenty of opportunities to answer. He did not want to answer. Very simple yes or no——

Mr. KEATING. Gentleman's time has expired.

The witness shall give the opportunity to answer a question.

Mr. MAST. I should get that time back that you took when you were interrupting me. Why do not we give that back?

Mr. KEATING. The gentleman will have the opportunity to answer the question.

Mr. MAST. Not interested in that?

All right. I guess that's too democratic.

Mr. LEVINE. Thank you, Mr. Chairman, and thank you, sir, for your question.

Mr. KEATING. I'll ask all the panel members, please, give the decorum with the respect that this committee deserves and the respect that witnesses deserve, the respect that the public deserve. I will allow the gentleman to answer this question.

Mr. LEVINE. Thank you, Mr. Chairman.

I simply would like to just underscore that under the authority that DFC has from European Energy Security and Diversification Act, designed to help provide energy security to our allies, particularly of importance during this war time, we will pursue projects that can deliver energy security to Europe.

In the project eligibility section of the Act—and I would encourage you to consult with that section, Mr. Mast—there is specific delineation of what types of projects may be eligible for DFC financing and there is discussion of electricity transmission infrastructure, there is discussion of energy storage, there is discussion of electricity generating capacity, yes, for both fossil fuels and clean energy.

And I'm not aware of any specific eligibility for pipelines. Thank you.

Mr. KEATING. The chair recognizes Representative Meuser for 5 minutes.

Mr. SCHNEIDER. Mr. Chairman, I'm sorry. Did you call on me?

Mr. KEATING. No, Representative Meuser.

Mr. SCHNEIDER. Sorry.

Mr. KEATING. The chair recognizes Representative Tenney for 5 minutes.

[No response.]

Mr. KEATING. The chair recognizes, and I know he's here, Representative Pfluger for 5 minutes.

Mr. PFLUGER. Assistant Secretary Light, I just returned from Asia. Returned from Europe. Everybody's asking for LNG. And my question for you is why has the Department of Energy not approved the ECA Phase Two on the Vista Pacific LNG permits on the West Coast to ship more American made energy?

Mr. LIGHT. Thanks for the question.

Mr. PFLUGER. I've got about 75 more questions.

Mr. LIGHT. OK. I'll be very brief. Thanks very much for the question.

The department is currently undergoing review of those through our department of fossil energy and carbon management. I cannot speak to that review right now.

We have already approved the majority of the product that would flow through.

Mr. PFLUGER. These two specifically?

Mr. LIGHT. Those two specific ones. Yes, absolutely. I cannot comment on an ongoing process, but it's definitely something that we're working on.

Mr. PFLUGER. OK. Ambassador or Assistant Secretary, did you push for sanctions on the Ukraine on Nord Stream during the buildup to the Ukrainian conflict? Did you push for full sanctions on the Nord Stream project?

Mr. LIGHT. Personally or the department?

Mr. PFLUGER. Yes, you personally.

Mr. LIGHT. So the Department of Energy does not handle sanctions packages.

Mr. PFLUGER. Did you recommend to the president of the United States through your channels to push for further sanctions?

Mr. LIGHT. I am not involved in those discussions on sanctions.

Mr. PFLUGER. OK. As an expert on energy, do you believe that we should have fully sanctioned the Nord Stream project prior to the Ukrainian conflict?

Mr. LIGHT. I believe that's a question for the White House, sir. I'm really not an expert on sanctioning so I cannot—I do not know the dynamics of which sanctions work and which sanctions do not.

I'm happy to discuss them.

Mr. PFLUGER. Does the Department of Energy agree that we need to increase domestic production here in order to meet the demands not only of our domestic requirements but also that of our partners and allies around the world?

Mr. LIGHT. Absolutely. Yes.

Mr. PFLUGER. OK. So will the department approve the massive amounts of permits that are waiting and have been waiting, like ECA Phase Two, to get the production moving in the right direction?

Mr. LIGHT. I'm not aware of any natural—LNG export permits awaiting approval except for the—

Mr. PFLUGER. There are many. We will make your office aware of them. It's disappointing to hear that you're not aware of them.

Do you agree with Envoy Kerry when he said that renewable power does not have the capacity to provide baseload?

Mr. LIGHT. I do not know that Secretary Kerry said that.

Mr. PFLUGER. He said it in this hearing room.

Mr. LIGHT. He said that renewable power cannot provide baseload power. Nuclear power, certainly, can provide baseload power and we are—

Mr. PFLUGER. Do you agree that renewable power cannot provide baseload capacity?

Mr. LIGHT. Renewable power plus battery storage can provide baseload power, and that's really the solutions that we're looking for for Europe specifically.

Mr. PFLUGER. So renewable power can provide baseload capacity?

Mr. LIGHT. With battery storage. With utility scale battery storage, yes.

Mr. PFLUGER. Is it the policy of the Department of Energy to accept the fact that there could be rolling blackouts throughout the United States?

Mr. LIGHT. We would not accept as good rolling blackouts in the United States. The Department of Energy will do everything in our power to make sure that that does not happen.

Mr. PFLUGER. That's good to hear. One thing that I heard you say was with regards to the EU that we are going to help them with a diverse and clean and affordable plan.

You left out reliable. Do you believe in reliability?

Mr. LIGHT. Absolutely. That's one of the reasons that my office was one of the biggest champions of nuclear energy in the region.

Mr. PFLUGER. You know, the thing that strikes me right now is that we're talking about this war on energy, the manipulation by the Russian government.

In fact, the war on energy is right here. It's domestic policy. The assault on domestic energy is real and it's coming from the Biden Administration. Your policies—and I think it was pointed that you left out reliability in your testimony here today.

Mr. Levine, how much additional capacity does the United States have with regards to LNG to actually ship to Europe, Asia, partners and allies that are requesting it right now?

We have committed to 15 bcm to Europe. How much do we actually have?

Mr. LEVINE. I believe that's correct. You know, as you know, DFC is focused on overseas projects. So we're not—we do not focus on U.S. capacity.

Mr. PFLUGER. Right. But you've spoken with great authority on the ability to ship what we need to Europe. So how much additional capacity do we have here domestically?

Mr. LEVINE. When DFC receives a commercially viable application for a project from an allied partner nation in eastern Europe to help provide U.S. LNG, we can support that project.

Mr. PFLUGER. Do you know how much LNG is included in the Three Seas Initiative that will be rolled out and led by your CEO?

Mr. LEVINE. Well, I know that there are several LNG projects that are under consideration by the Three Seas management team.

Mr. PFLUGER. Do you know where they are?

Mr. LEVINE. I know that some of them include projects in the Baltic Seas and I believe that there are some projects for LNG import terminals in southeastern Europe as well.

Mr. PFLUGER. It's good to know.

When I asked the CEO the same question he had no idea how much LNG was part of the DFC. But you said he's going to lead the envoy to Europe and make a big announcement.

So it's very disappointing that the CEO does not know the details. I appreciate the fact that you've just told me that it will be included in the Baltic and in southern Europe.

The war and the assault on American energy is real and it is also a limiting factor to provide energy security for our country as well as our partners and allies, and this pie in the sky plan is not going to work.

If we do not look at the actual reality of what not only our country needs for baseload capacity, like Envoy Kerry said right here in this hearing room about 1 year ago, that renewable power does not yet have the ability to provide baseload capacity.

He was right. He was correct in saying that, and we need to look at the actual reality of what we need because every country will be facing rolling blackouts, and if it's not the policy of the Department of Energy or any other Administration, bureaucratic agency, then let's get to the reality of what we need and let's unleash American energy instead of having these handcuffs and not permitting what we need that I've just mentioned two of the dozens of permits that are out there awaiting either FERC or DOE approval right now.

I yield back.

Mr. KEATING. The chair now recognizes Representative Meuser for 5 minutes.

Mr. MEUSER. Thank you very much, Mr. Chairman.

I appreciate it. Thanks to our witnesses as well.

I, too, accompanied the chairmen, both Meeks and Keating, to a European trip CODEL not too long ago, and the concerns that we heard regularly from our EU allies and partners, many of which was not necessarily in this order—certainly, energy costs going up and capacity and availability, food. Maybe not yet but real concerns.

Of course, refugees. Every country we went to was taking hundreds of thousands of refugees. And they were concerned about actual invasion of their sovereign nation from Russia, of course.

So we're talking energy here. So I'll ask the witnesses and Mr. Levine, Mr. Light, a question that's been asked, but I'd really like to hear what steps are being taken to increase U.S. production of LNG to assist Europe's transition from Russian gas.

Mr. Levine?

Mr. LEVINE. Thank you, Congressman, for the question.

As I previously mentioned, DFC is focused exclusively on overseas transactions. So I do not know that I can speak to domestic production of LNG in the context of my role at DFC.

Mr. MEUSER. OK. DFC recently sent a letter to Scott Nathan that—from Senator Marco Rubio where Marco Rubio outlined what their purpose was to facilitate the participation of private sector capital and skills and the economic development of less developed countries in order to complement the development assistance objectives and advance the foreign policy interests of the United States.

Yet, there's a long list of approvals of \$40 million in equity investments to African private equity firms to improve their environment, those social and governance standards while promoting women's economic empowerment, approved \$100 million partial credit guarantee to fund manager to make loans to local enterprises striving for climate, smart land management, emissions reductions. Another \$80 million approved for climate resilient infrastructure in Africa and the Middle East.

Meanwhile, Africa has as much natural gas probably as the Commonwealth of Pennsylvania.

So can you understand the frustrations when we're—we have these hearings, we're asking these questions, we have \$5 gasoline. We have got the war that Putin created.

We have got the EU on the brink of energy collapse, and you're not answering any of our questions, OK, with any substance. It's more than just frustrating. It's wrong. OK.

Are you hiding something? And I'm sorry, Mr. Chairman, but it's very frustrating. Why cannot we get an answer? Is there anybody on this panel that can answer me what steps are being taken to assist Europe in its loss of LNG or natural gas that it's purchasing from Russia?

What is the U.S. doing to supplement this transition? Is there anyone on this panel, highly distinguished individuals from the U.S. Department of Energy—Assistant Secretary of Energy, senior bureau officials, chief climate officer?

Nobody can answer that?

Mr. LIGHT. Congressman, I'm more than happy to answer your question. It's just that you directed it to my colleague, Jake Levine.

So right now the United States is exporting every molecule of LNG that we possibly can that's being produced. We are at record highs of production. It will increase through the year.

We had a setback with the Freeport fire that just happened. That's something that's concerning and probably impacting prices in Europe right now, in addition to the recent announcement of potential new cutoffs of Gazprom from Germany and Italy as well.

But 70 percent of U.S. LNG exports this year have gone to Europe. That is where the cargoes are going. My colleague at the State Department, Harry Kamian, said earlier in the hearing that this is why President Biden and President von der Leyen signed and created this new U.S. European Commission LNG Task Force, which commits the United States to putting 15 bcm of LNG into Europe this year, and for creating the longer term contracts so there's more stability on the purchaser side, right, and on the production side in the United States so that the Europeans will pull together and create contracts that could go up to 50 bcm per year and increase those in the future.

This is a very complicated market. It's a complicated dynamic. But I do not think that there's any holding back right now of information—

Mr. PFLUGER. We're all aware of how complicated it is and I respect your answer. Understand the seriousness of this, and we cannot be fooling around.

Thank you. Mr. Chairman, I yield back.

Mr. KEATING. Thank you.

The chair recognizes Representative Tenney for 5 minutes.

Ms. TENNEY. Thank you, Mr. Chairman, and thank you to the witnesses and Ranking Member Fitzpatrick for today's meeting.

I want to ask my first question to Mr. Kamian. Can you provide any additional information and details about the use of the secondary sanctions in a way to enforce a possible price cap on Russian oil to cut our Russian energy—to cut Russian energy revenues? Is there anything more that we should know about that?

Mr. KAMIAN. Congresswoman, thank you very much for the question.

Together with our colleagues in the EU and the G-7 the Administration is discussing a wide range of options to try to figure out, on the one hand, how we can continue to reduce the revenue going to Putin and at the same time try to mitigate the possible negative impacts that it could have on the global energy market as well as our partners and allies.

You mentioned one of the items that is currently under discussion that Secretary of Treasury Yellen mentioned last week, and that is one of the items that we're discussing together with our G-7 and other European partners.

Those discussions are underway and I'm not at liberty to go into much detail other than to say that that and other options are worth looking at quite seriously to try to figure out how we might be able to reduce the revenue that's going to Putin, on the one hand, but be sensitive to our allies and partners in the Americas to mitigate the impacts it could have on us.

Ms. TENNEY. Right. So you're looking at—you're alluding to a price gap?

Mr. KAMIAN. We're looking at a variety of options that are on the table in consultation with our G-7 colleagues in the EU. The degree of unanimity and cohesion between the United States and the EU and the G-7 has been fantastic and strong, and we're looking at exploring every possible option that we could take to balance those two competing needs.

Ms. TENNEY. Thank you.

And Mr. Levine, what role can the Development Finance Corporation play in supporting LNG projects in Europe, including Greece, that will help us and the continent overcome some of this dependence on Russian energy?

Are we working on that—those initiatives to make sure that happens? We just recently had meetings with the Prime Minister of the Hellenic parliament. We just want to know what your view is and if we're working on those issues.

Mr. LEVINE. Thank you, Congresswoman.

We are working on those issues. We are excited about the role that Greece can play in the Eastern Med. In fact, I do not know if you saw yesterday news reporting on a recent transaction to provide Israeli gas in partnership with Egypt and European countries, and we believe that Greece can play a similar role in terms of facilitating energy transactions and transmission through Greece and through the region.

We have been similarly looking at projects not only in the LNG and gas space but also in clean energy, working on electricity distribution, network projects, wind projects, solar projects, and also, importantly, exploring our ability under our authorities provided by the European Energy Security and Diversification Act to support port infrastructure projects, which can be critical to energy—

Ms. TENNEY. OK. Let me jump to that because I want to ask you another question about the DFC and moving forward the Trump Administration's \$300 million initial pledge to the Three Seas Initiative Investment Fund, which we are grateful for.

What steps are you taking currently—is the DFC currently to coordinate the review and implementation of this strategic investment with the fund, the State Department, the U.S. embassies and the Three Seas countries involved in this initiative?

Mr. LEVINE. It's—the Three Seas Fund is a top priority, as I previously mentioned. It's something that we're proud to be supporting, obviously, with enormous bipartisan support and support from this Administration.

Our CEO, Scott Nathan, will be in Latvia next week at the Three Seas Summit, where he will be able to announce the terms and the scale of our commitment to that fund.

One of the things that we have been working through, because when—

Ms. TENNEY. OK. Can I just reclaim my time for 1 second? Because I got two critical issues.

I just want to make sure that there are no restrictions placed on this fund and that we are focusing that initiative on being able to use to counter the Russian influence on this region, which is feeling the pressure, obviously, because of the war in Ukraine.

Can you just quickly comment on the fact that there are no restrictions on the use of this fund? We can still use it for LNG and other fossil fuels. It's not going to be restricted.

Is that correct?

Mr. LEVINE. Well, I'm not—I'm not sure what you mean by restrictions. But I was just going to note that——

Ms. TENNEY. OK.

Mr. LEVINE [continuing]. Our eligibility to work on projects that come through the fund are limited to energy sector transactions because of the limitations in the Energy Security and Diversification Act.

So to the extent that there are——

Ms. TENNEY. Right. No restrictions on fossil fuel enhancement to protect these regions in the Three Seas Initiative, right?

Mr. LEVINE. Our support of the fund will extend to any projects that can provide energy security to eastern Europe and the region in this time of war.

Ms. TENNEY. Great. Thank you. I appreciate it.

Thank you. I yield back.

Mr. KEATING. The chair now recognizes the co-chair of the Transatlantic Legislators Dialogue, Representative Costa, for 5 minutes.

Mr. COSTA. Thank you very much, Mr. Chairman, for this timely hearing.

I think we can all agree that in the last three and a half months the world has changed in ways that we could never have anticipated prior to Russia's invasion of Ukraine, this pariah, Putin, and the impacts, and while and we both Democratic and Republican Administrations has for 20 years or more than I know of have been suggesting—not suggesting, telling our European allies that reliance on Russia is not a good idea, I think that it has become a hard reality that, in fact, that's the case.

We just, Mr. Chairman, finished a productive CODEL on the eighty-fourth meeting of the Transatlantic Legislators Dialogue last month.

A number of our colleagues, including Congressman Pfluger—and I want to thank him for his participation—was at that meeting. I think we got a good conversation between our colleagues with the members of the European Parliament on what they're doing to free themselves of the dependence on Russia oil and gas.

Let me ask Dr. Light a question with regards to that efforts. Increasing LNG imports can reduce EU's dependence on natural gas from Russia. What's the appropriate balance and the time lines between short-term and long-term efforts?

I know there's been significant efforts going on in the last month or so with the REPowerEU plans, and could you comment?

Mr. LIGHT. Yes, sir. Thank you, Congressman. And thank you for your leadership on that dialog, which is incredibly valuable for the entire U.S. Government, I think, as we engage with this war, which is an energy war, to be sure, as much as it is any other kind of war.

Just a base check on this. So Europe was importing 155 billion cubic meters of natural gas from Russia last year. We were exporting 22 billion cubic meters of LNG. If Putin goes forward and starts

shutting off more taps to Russia, there is not enough U.S. LNG in the world to fill that gap.

So any kind of move that we make forward with respect to help it, you know, surging more cargos and what we're doing through the U.S. European Commission Task Force on gas is very good, but it has to be complemented fundamentally with work on increasing energy efficiency and getting the Europeans out of fossil energy as their primary source of energy for both consumers and for larger industry.

Mr. COSTA. Irrevocably it's—

[Simultaneous speaking]

Mr. LIGHT. So the longer we—the long-term plan has got to be immediately implemented.

Mr. COSTA. Correct. I agree. I think—my sense in the conversations I've had not only when we were there at the TLD meetings but before and after that they clearly understand that they're behind the curve on this effort.

But what do you estimate their ability and the plan that they are now trying to put in place to relieve themselves of that dependency and what do you think are the best ways?

I mean, we're talking about fast track permitting of LNG facilities and so forth. But as you pointed out, there's not enough natural gas to—and I must say, it's one of the—I call it the energy du jour in California these days.

How do we get our arms around this? Because it's critical that we do so as quickly as possible.

Mr. LIGHT. Right. So the Europeans want to get out of Russian gas by up to two-thirds by next year. If we permit—if there were a dozen permits before us now that we magically sort of, you know, approved overnight, you cannot build the facilities fast enough to get the product out the door to substitute for that.

And so that's why you absolutely need to work on everything on the efficiency side, on helping to transition Europe away from using gas as their primary—

Mr. COSTA. We have got to use all the energy tools in the energy toolbox.

Mr. LIGHT [continuing]. To electrify their heating supply.

Mr. COSTA. Right. Don't you agree?

To what extent do you think the hydrogen goals interact with the other energy goals in terms of renewables and how realistic are they?

Mr. LIGHT. I think the hydrogen goals are extremely important. That's one of the reasons why the Department of Energy has our Earthshot initiative to try to reduce the cost of green hydrogen to \$1 per kilogram of green hydrogen by the end of the decade.

When you get down to those kinds of costs then you really are talking about a viable solution, that you could use existing infrastructure that potentially could be funded by different parts of the U.S. Government to move that around Europe as a viable substitute for gas.

Mr. COSTA. Mr. Kamian, to what extent do you think Russia's ownership and stakes in European energy infrastructure pose a challenge for the EU plans to reduce their dependence?

Mr. LIGHT. Sorry.

Mr. COSTA. I was—is Mr. Kamian on——

Mr. LIGHT. Oh, Mr. Kamian. OK. Sorry.

Mr. COSTA. Yes.

Mr. KAMIAN. Congressman, thank you very much for the question. I think in our recent conversation with our European allies and partners they've acknowledged that Russia partial ownership of some of the energy-related functions in Europe does pose a strategic challenge for them.

We have seen steps, for example, by Germany and others to look at this to find out ways in which they can wrestle legal control back to them.

But I think this is part of the broader awareness in Europe that they need to take every possible step that they can in both the short and medium term to not only reduce the reliance on Russia but, as Dr. Light mentioned, accelerate the clean energy transition.

And part of this is going to be gaining greater control, greater independence, and greater freedom from Russia, including control over those energy facilities where Russia may have partial ownership.

Mr. COSTA. Well, thank you for your answer.

Mr. Chairman, my time is expired. But let me thank you for holding this hearing today, and let me also urge my colleagues, having been around here for a while, that we are in a energy and war crisis, and the world has changed in the last three and a half months and, frankly, the way we solve these issues is by coming together.

It's easy to point fingers and lay blame, but at the end of the day we all have a stake in ensuring that Europe is no longer dependent upon Russia, and that we as a democracy stand together to do the right thing.

And we know there are challenges and we have differences, to be sure, and we can—we need to work through those differences. But at the end of the day, frankly, I think a dialog that has civil nature to its discussion toward solutions is the way we need to solve this effort.

Mr. KEATING. Thank you.

The chair now recognizes Representative Meijer for 5 minutes.

Mr. MEIJER. Thank you, Mr. Chairman.

Dr. Light, what could occur more quickly, the construction of additional LNG export facilities in the U.S. or the full electrification of European home heating?

Mr. LIGHT. The full electrification of all heating in Europe would definitely take a long time, but it's not a zero sum game. I think that we can move forward with both these things at the same time.

We can move forward with helping the Europeans to get out of a form of energy that can, frankly, be weaponized against them in a multiple—a multitude of ways.

Mr. MEIJER. And I appreciate you recognizing that, Dr. Light, because I completely agree that it's not zero sum. It's not either/or. It's both/and, and, Mr. Chairman, I wish to yield the remainder of my time to my colleague from Texas, Mr. Pfluger.

Mr. PFLUGER. Thank you to my colleague, and I agree with Mr. Costa that this does take all of the effort that we have, but it's not a pie in the sky plan.

And let me ask, once again, Assistant Secretary, the—to my knowledge, the applications for the two permits that I mentioned on the west coast were put in 12 days after President Biden was sworn in.

Can you tell me why they have not been approved?

Mr. LIGHT. Sir, this is really—that's an ongoing process through our office of fossil energy and carbon management, and that is not a process of my office overseas. It's an ongoing process.

As I said, of those two facilities the one that's operational we have approved the majority of the product—U.S. product that goes through that.

Mr. PFLUGER. And there's a lot of—there's a lot of—

Mr. LIGHT. It's already been approved. So the question is—

Mr. PFLUGER. Four on the Gulf Coast have been approved. We have two that for 500 days have not been approved, and if we're talking about energy security—that's right. In Mexico.

If we're talking about energy security for our partners, and as the Assistant Secretary for Energy of International Affairs, this should be a priority.

Let me ask you another question.

Mr. LIGHT. Yes, sir. But it involves an ongoing regulatory process that I do not have purview over.

Mr. PFLUGER. Thank you.

Do you agree that refiners are to blame for \$5 gas?

Mr. LIGHT. I think that the global market is at the mercy right now of Vladimir Putin.

Mr. PFLUGER. Is it the refineries—

Mr. LIGHT. I think we need to do everything we possibly can—

Mr. PFLUGER. Assistant Secretary, do you believe—

Mr. LIGHT [continuing]. To make sure that the manipulation of that market and the impact of this war—

Mr. PFLUGER. Do you agree that refineries—

Mr. LIGHT [continuing]. Isn't as sad as it is on the American people.

Mr. PFLUGER. Do you agree that refiners are to blame for \$5 gas? American families going to the pump and in California paying almost \$7, and cases above \$7—do you believe that refiners are to blame?

Mr. LIGHT. I think the fact that the profit margin now is 220 percent or more or what it was last year is disturbing. That's what President Biden's letter tried to address and that's what the convening that's here tried to address.

Mr. PFLUGER. You mentioned—

Mr. LIGHT. But, of course, we would never say—

Mr. PFLUGER. You mentioned earlier today—and thank you for that—you mentioned earlier today that we are at record high production. In fact, in my area, in the Permian Basin, we're almost at 5.3 million barrels a day with one-third less active rigs.

So you're right, we are at record production. Do you agree with President Biden when he said that we're not—that producers are not producing enough?

Mr. LIGHT. I think that by the end—by 2023, we will be at even the highest levels of production—

Mr. PFLUGER. Do you agree that—do you agree with President Biden when he accused producers in a similar fashion that he said to refiners that they're not producing enough?

Mr. LIGHT. Well, I think that what's going on right now is that we have had—as you said, there's been a slowdown in deployable rigs that happened because of COVID and that's one of the biggest hurdles right now for producers to produce more is getting workers on rigs and getting rigs deployed.

Mr. PFLUGER. So do you agree that—

Mr. LIGHT. That is definitely something that needs to—

Mr. PFLUGER. It comes down to—it comes down to the assault. We have talked about the manipulation. Putin is not to blame for American energy prices. We only import 10 percent, historically, from Russia. Putin is not the cause of that.

Now, there is a energy crisis ongoing in Europe and we can be a part of the solution. What is the additional capacity in bcm of LNG that we have right now to ship off our shores?

Mr. LIGHT. Zero additional capacity to ship off our shores.

But the energy crisis like the gas prices, that's subject to the global oil market. Even while we have high production levels in the United States, the global oil market is affected by things like the Ukraine war regardless of what is happening—

Mr. PFLUGER. Should we be competing with malign actors to take the place of them shipping their products, their oil and gas, people like Venezuela, Iran, North Korea? If they have any production? China?

Should we be competing with them?

Mr. LIGHT. We're competing with other countries in terms of the global market?

Mr. PFLUGER. Uh-huh. To provide for—

Mr. LIGHT. We should absolutely compete with other countries in terms of the global market.

Mr. PFLUGER. OK. So it comes down to the permitting. It comes down to the infrastructure here in the United States, as you mentioned.

Do you agree with Envoy Kerry's recent comments saying that natural gas or fossil fuels have a shelf life of about 10 years, that we should be done in about six, eight, maximum 10 years?

Mr. LIGHT. I'm just not aware of what the secretary said in that context.

Mr. PFLUGER. I mean, he's the special envoy for energy and you are an assistant secretary at the Department of Energy and you do not know what he said.

[Simultaneous speaking.]

Mr. LIGHT. I do not know what he said about this or what his comments are.

Mr. PFLUGER. I would invite you to read his comments that are public.

Mr. LIGHT. I am very happy to look at what the comment—what—

Mr. KEATING. The gentleman's time has expired.

The chair recognizes Representative Wild for 5 minutes.

[No response.]

Mr. KEATING. Could you communicate to Representative Wild that she is muted and the video is——

Having gone through the first round and up against the roll call in just a matter of minutes, we will continue with some second round questioning as time permits where the roll call is called.

Mr. PFLUGER. Mr. Chairman?

Mr. KEATING. Representative Pfluger?

Mr. PFLUGER. Did Representative Malliotakis not get called?

Mr. KEATING. We do not have her as being on the list.

OK. Thank you so much.

Mr. PFLUGER. She is still——

Mr. KEATING. Thank you, Representative Pfluger.

Representative Malliotakis is recognized for 5 minutes.

Ms. MALLIOTAKIS. Thank you, Mr. Chairman, and thank you to my colleague, Representative Pfluger.

I agree with the sentiments that my colleagues expressed today, that it is obviously a national security issue, not just for Europe but for our own nation, and I would really advise the Administration to stop looking at our adversaries for energy needs when we can be producing right here in the United States and we have the ability to approve permits and leases and ramp up domestic production today to increase supply.

And with that said, I would like to yield my time to Representative Pfluger so he can continue his questioning on this issue.

Mr. PFLUGER. Thank you to my colleague from New York, who understands national security better than most.

Assistant Secretary, what steps are being taken right here in the United States? Because you mentioned that—in my previous question that there is 0.0 additional capacity. What steps is the U.S. Department of Energy taking to increase domestic production of LNG so that we can assure our partners and allies of their national security?

Mr. LIGHT. So the—you know, as I said before, we've been processing all permits on that and I think that U.S. capacity is high. We have been working with the State Department and others with respect to the critical situation that we're right now in terms of the refilling situation that's going on in Europe. And so——

Mr. PFLUGER. What steps are we taking right here to increase domestic production? It's very simple. You're a senior member of the Department of Energy. Our national security depends on you.

Mr. LIGHT. Right.

Mr. PFLUGER. What steps are being taken?

Mr. LIGHT. Right. So, as I said before, the Biden Administration fully supports all of the LNG that's being put in capacity and is moving out. We have had some permitting and some new trains go online.

Just recently, they've increased our capacity that will, again, give us the highest capacity that the U.S. has ever had.

Mr. PFLUGER. This is the quote, and I'd like to submit this for the record, Mr. Chairman, the article from Bloomberg.

Though natural gas burns cleaner than coal when used to generate electricity, it should not be a long-term climate strategy without emission control technology. And he says, then you've got 6

years, 8 years, no more than 10 years or so which you've got to come up with something else.

OK. That is——

Mr. KEATING. Does the representative—excuse me.

Is the representative moving to unanimous consent that that be part of the record?

Mr. PFLUGER. I'd like to submit this for—yes.

Mr. KEATING. Without objection.

[The information referred to:]

[INFORMATION NOT AVAILABLE AT PRESS TIME]

Mr. LIGHT. The first part of what Secretary Kerry said there is absolutely right, is that—is that natural gas is not an indefinite bridge fuel with respect to the climate problem that we are facing right now because it is a hydrocarbon, and also because of the leaking that occurs throughout the process.

One thing that the Department of Energy is doing right now very intensively is making sure that we can tamp down every leak from the drilling site all the way to the transmissionsite so that all the gas that we do produce and then put through the liquefaction process actually makes its way up to the market——

Mr. PFLUGER. This is why I ask——

Mr. LIGHT [continuing]. And also is the greenest natural gas available on the market, the cleanest natural gas available on the market.

Mr. PFLUGER. Thank you for recognizing that. It's the first time I've heard a very good factual point about what we do here in the United States.

We have the largest secure, stable supply, right, not just LNG but of energy. And you know what? I have the credibility to talk about this because in my district we have renewables.

In Texas, we have 23 to 24 percent of our grid that's serviced by renewables. I have more wind energy in my congressional district than the entire State of California. But I'm very concerned about the misprioritization that the Department of Energy seems to have declared war on the oil and gas industry.

It is clear to most Americans—every American who goes to the pump today and pays over \$5 a gallon for gasoline we'll think about President Biden.

They will think about his policies, about him going to Saudi Arabia and asking the Saudis to produce more, about him asking for Venezuela to import oil when we can do it right here.

They will think back to the summer of 2021 when people like me asked President Biden to fully sanction the Nord Stream pipeline in advance of the impending invasion.

They will realize that when I sat across from President Zelenskyy just 20—18 to 20 days before the invasion, he told me that without Nord Stream there would be no invasion. That's what President Zelenskyy told me.

Yet, now the Administration is trying to blame this on Putin.

Mr. Secretary, what steps is the Department of Energy taking to produce more LNG right here in the United States?

Mr. LIGHT. So I think I've answered that question and I think that—again, we do not want to mix oil and gas.

The oil prices and the gas prices that derive from them are being driven by the war because it is a global market. It's not a market controlled by the United States.

On the gas side, I completely agree with you is that even before this entire war started Russia was not only providing most of the natural gas to Europe, they were also providing the dirtiest natural gas in the world.

It was not a transition fuel away from coal, effectively, because of the life cycle emissions of that.

And so with respect to what we have been doing is we have been tightening up—working to tighten up the reserves——

Mr. PFLUGER. And we—we thank you.

Mr. LIGHT [continuing]. And even the transportation in the United States to make sure that the molecules get out the door——

Mr. PFLUGER. My time has expired. If you'll allow me 10 seconds.

We have got to compete with malign actors around the world. We do it better than anybody else. We shouldn't be paying China for the pieces and parts and critical minerals that are being harvested and mined through slave labor.

We should not be enriching the Chinese. So let's look at a strategy that is all of the above, that is realistic that provides for base-load capacity. If our national security depends on it, that of our partners and allies depends on it, we are in a very complex threat environment right now.

We have to think about this. Please quit declaring war on U.S. domestic production.

And I yield back.

Mr. KEATING. The chair recognizes Representative Wild for 5 minutes, and she could be a little liberal, given the flexibility we have entertained so far.

Ms. WILD. Thank you very much, Mr. Chairman. Sorry I wasn't available earlier.

I'd like to direct my question to Assistant Secretary Light.

Secretary, in addition to its dominance as an energy supplier, Russia's influence also extends to European natural gas infrastructure, including major investments in storage facilities, pipelines, oil refineries, and the like.

I'm wondering if you could comment on what challenges Russia's ownership stakes in European energy infrastructure poses for EU plans to reduce dependence on Russia.

Mr. LIGHT. That's an excellent question, and I think that there the—as I said earlier to Secretary—I'm sorry, Representative Keating, this is a seven move play by Vladimir Putin.

It was basically to make sure that it was not only the product but also the infrastructure, the delivery, the contract system. Everything was set up to create this complete reliance on Russia on that.

And so in that respect, I think that any long term plan, both to diversify supply in Europe as well as to help the Europeans to get off their reliance on fossil energy, for which I think there's just not enough product that can replace what they were getting from Russia, has got to involve major work on infrastructure, and that's something that my colleague from the Development Finance Cor-

poration was speaking to earlier in terms of our authority to work on that.

So what we're really trying to do now is identify projects. We need the help the Congress to identify the projects we can make the most impact with respect to creating an energy infrastructure that is truly resilient and in the face of the weaponization of energy that we're seeing with Putin. We do not want to put them in the same position with anyone else.

Ms. WILD. Well, with that said, I'm curious how the Administration views the role of former high ranking politicians in western European democracies who, after leaving office, serve on the boards of Russian energy companies, including a former German chancellor and until the Ukraine invasion a former prime minister of France.

Even how well known and influential these former politicians are in their own countries, how do you assess their effectiveness in advocating for energy interests in their home countries?

Mr. LIGHT. I think that the effectiveness of using particular individuals in Europe as the emissaries for that product speaks for itself and it, obviously, was a problem that was making it more difficult to have inroads.

All that has changed now because of the war, and in this respect, one of the things the chairman said earlier that Putin may have overplayed his hand on this and we will eventually be able to get to a point where the Europeans are not as reliant on the Russians and so cannot be put—open up an energy flank, whatever else Putin wants to throw at them, is probably better than it's ever been before.

Ms. WILD. Well, this may be, you know, a speculative question, but with the invasion in Ukraine and, you know, what we have seen in terms of energy independence in Europe and so forth, do you think it's a permanent breakaway of these former western European politicians from serving on Russian energy boards or do you think they'll go right back to it when and if this war ends?

Mr. LIGHT. Thank you, ma'am. I think the stakes are so high we must make this a permanent break. I just think that anything else short of that is just not acceptable and that's one of the reasons why we have got to double down on efficiency. We have got to double down on alternative forms of energy, that it not be used there.

If the Europeans just switched wholesale from Russian gas to some other sources of gas around that does not make them, at the end of the day, more secure if they're not able to, for example, to rely on electricity that they can produce at home, including, hopefully, we hope someday in the near future from Ukraine, from clean reliable electricity for their heating as opposed to what they've been doing with respect to gas.

It is a big problem. It's a complicated problem. But, you know, if we were, for example, to take all U.S. LNG and surge it all magically into Europe overnight, we would create overnight huge problems with other parts of the world—I mean, Asian markets as well.

And so this is one of the reasons why the opportunity that we have in Europe despite the terrible reasons for it, we cannot afford not to lose with respect to helping them to become energy independent, renewable.

They already have their own targets that set them in that direction. Now we just need to work with them in order to help them to achieve it.

Ms. WILD. Well, thank you. You answered my next question with your answer already.

So, Mr. Chairman, do I have time for one more question or no?

Mr. KEATING. You have plenty of time. Go ahead.

Ms. WILD. Thank you, Mr. Chairman.

And this is for Mr. Jack Levine, chief climate officer of DFC.

Mr. Levine, under the Biden Administration, DFC has established a target to reach net zero emissions through its investment portfolio by 2040 and to make one-third of its investments climate focused by the start of 2023.

How do these targets intersect or conflict with DFC's efforts to diversify energy sources and support European energy security?

Mr. LEVINE. Thank you, Congresswoman, for that question. It's really important, and I think that my colleague, Assistant Secretary Light's, last response did a lot of work to help highlight why those targets are so critical because even as we work to support the diversification of sources of energy on the oil and gas side in the immediate term to help avoid what will be a very challenging and a very painful winter, maybe two winters, in eastern Europe, we know that we need to immediately be rolling out projects in energy efficiency, in electrification, in the use of heat pumps, surging smart thermostats into homes across Europe so that homeowners can be a part of the solution.

We know that just by reducing the temperature on the thermostat by one degree you could free up 10 bcm of gas, for example. There are solar, wind, battery storage, geothermal nuclear projects.

All of these projects would serve to advance DFC's net-zero target. They would count toward our 33 percent Fiscal Year 1923 renewable energy and clean energy and climate targets.

And then I think from there it's important to acknowledge that as we invest and continue to support some of the energy security projects that will have emissions associated with them, we also need to be working on carbon sequestration, carbon removal, nature-based solutions projects around the world to bring down our emissions on the other side of the ledger, and I'm excited to be able to report that we have increasingly seen very exciting, very robust deal flow in those spaces, in Amazon supporting regenerative agriculture and reforestation—in the Amazon Basin, excuse me—in Southeast Asia, in Indonesia, in Africa projects where investors are now developing real opportunities to capitalize on the value of removing that carbon from the atmosphere and balancing the ledger.

Mr. KEATING. Thank you very—

Ms. WILD. Well, I hope we can—

Mr. KEATING. The gentlelady's time has expired. Thank you very much.

And I would like to just take advantage of having our witnesses here as much as time permits. We are up against a four roll call vote sequence that's coming up.

So what we'll try and do is to the extent that we can do, like, 5 minutes and 5 minutes on each side. I do not anticipate we're going to get through a whole second round but we might be able

to get in, at least I think—by the way, the roll call looks at least one back and forth 5 minute—as I think that’s something that we’ll try to do to try and deal with this.

So I’ll recognize myself for 5 minutes and then we’ll see how far it goes.

Mr. Light, you mentioned that the markets and the price that people pay at the gas pump it’s set by the global market.

So the fact that there’s 10 percent production that we will rely on—we used to be reliant on 10 percent of Russian oil in the U.S.—that’s really—the price is set globally. Is that correct?

Mr. LIGHT. Correct.

Mr. KEATING. So that does not really affect the price, the fact that we’re only relying 10 percent on Russian oil and that’s the fact.

Along that line, you mentioned that there’s been 220 percent profit margin in the last year from the oil-producing companies. That includes, by the way, \$30 billion from Exxon, \$10 billion from Chevron, for instance, that were used on stock buy backs instead of further supply production.

Could you tell us if there’s availability and federally permits right now for production of energy that are unused at this moment?

Mr. LIGHT. There are lots of reasons that are unused and on the—

Mr. KEATING. Do you know how many? I have a figure that is there. But do you know—I had a figure of 9,000. Is that—

Mr. LIGHT. Nine thousand is the same figure—

Mr. KEATING. Does 9,000 currently—there’s 9,000 Federal permits that aren’t being used by the oil companies. At the same time, they’re getting 220 percent profit and the same time they’re doing these stock buy backs?

Mr. LIGHT. It’s 225 percent increase in profits from Q1 2021 to this quarter.

Mr. KEATING. At the same time.

So, usually, historically, when there’s an increase, as we have had this dramatic increase in demand after COVID, usually the companies increased supply. But we’re seeing stock buy backs instead of that and we’re seeing permits that aren’t being used. I just wanted to be clear on that as well.

And the other thing is, is Mr. Putin’s action in the energy front and through the invasion—the illegal invasion of Ukraine—has that affected global prices?

Mr. LIGHT. Completely true it affected global prices, as has the expected response from the Europeans themselves with respect to their announcement of their ban on oil.

I mean, that’s something that’s happening right now.

Mr. KEATING. I just want to be absolutely clear.

Mr. LIGHT. I mean, the—

Mr. KEATING. I mean, Putin’s actions have resulted in an increase in global prices, which increases the price here. That’s what sets the price. Am I correct?

Mr. LIGHT. Putin’s actions, the war itself, the energy war component of it, is increasing the price of oil. It’s driving that. We can see that.

We have tried to mitigate that as much as we could with the two largest—as Harry Kamian said earlier in his testimony, the two largest ever collective releases of oil through the International Energy Agency—through the 31 countries of the International Energy Agency, 120 million barrels there added to the 260 million barrels that President Biden announced unilaterally, which puts a million barrels a day on the market.

So we have done our best to do every tool we can to make sure that the American people do not feel this effect. But they are because the war continues and because it continues to have an impact.

Mr. KEATING. I just want to be clear on that, because there's so many—so much conflation of things that do not line up in reality and in fact, and I want to be clear of that.

There are areas, certainly, that there's great agreement across the aisle here, and one is to do our best at energy independence in Europe in LNG.

Have we been assisting our European allies in terms of LNG-receiving facilities? Is that a limiting factor? There's—you know, it's one thing to be able to supply LNG. The other is do they have places for storage and capacity that we're working on and assisting with them on?

Mr. LIGHT. They have these floating storage and regasification units. The Europeans are already moving forward on those by themselves. Finland and Estonia, for example, leased one just recently after Finland got cutoff from Gazprom.

You're seeing more of that happen around there. The infrastructure problems, I think, in Europe are actually not the biggest drawback right now. The question is really making sure that we decrease demand and that's something that's absolutely essential and that is why the longer term play of decarbonization has to begin immediately and has to do that so all the things that Jake mentioned earlier of heat pumps, of smart metering, of all this thing—every kind of—every single renewable project we can put out there is going to be important because it is an energy system. We're definitely in favor of stable energy systems and they're going to be complemented—

Mr. KEATING. And the government cannot do this alone. I think Mr. Levine mentioned the work we're doing with the private sector to encourage energy independence. Could you expand on that in the few seconds we have left?

Mr. LEVINE. Yes, very quickly. I mean, the entire private sector is—first of all, as you note, even though the EU is going to spend \$200 billion between now and the year 2027 they need to spend \$200 billion every year in order to scale up the resources and the supplies and the demand reduction projects that we need.

So without the private sector, it's not going to happen and that's why the derisking tools, the guarantees, the insurance, the technical assistance actually that we can provide to help create bankability in terms of these projects is absolutely critical.

And there's been enormous private sector interest, which is encouraging and we're excited to be supporting that interest.

Mr. KEATING. Yes. That's why the work of this Congress years ago in establishing your agency and moving it forward is so critical

because there was recognition then as there is now we cannot do it alone, and you're certainly the linchpin in terms of leveraging our ability to do that.

So I will yield back now. Unless there's any objection I hear from other people in the queue that have spoken before, I see that Representative Pfluger is here.

So if there's no objection from anyone else, I'll recognize Representative Pfluger for 5 minutes.

Mr. PFLUGER. No objection.

Assistant Secretary, this is a fascinating conversation about 9,000 permits and, as you know, the assistant secretary for energy and international affairs, 9000 permits—I mean, come on.

We need 90,000 permits. There are thousands of permits that are required to take a molecule out of the ground and get it all the way down to where it needs to go to be refined.

And speaking about the SPR, as you know, that's crude. That's not a refined product. So when will you refill the SPR?

Mr. LIGHT. So the refilling process has started on—

Mr. PFLUGER. Really?

Mr. LIGHT. Yes, it has.

Mr. PFLUGER. OK. How many days will it take?

Mr. LIGHT. The total number of days I do not know off top of my head but I'm happy to get back to you on that—

Mr. PFLUGER. OK.

Mr. LIGHT [continuing]. And get you that information.

Mr. PFLUGER. Did that make a dent on the price here in the United States?

Mr. LIGHT. Well, refilling the SPR itself will not have an effect on the price.

Mr. PFLUGER. No, the release. The release.

Mr. LIGHT. In terms of increasing the prices?

Mr. PFLUGER. No, the release. The release of the SPR.

Mr. LIGHT. The question was how soon we'd want to release—

Mr. PFLUGER. A million barrels per day? Do I have that right?

Mr. LIGHT. But I think that given that we're in the mid—we're about to start hurricane season, it's probably not prudent to immediately rerelease as soon as we have refilled, and also it takes some time to do this.

Mr. PFLUGER. Just very quickly. You're going to refill the SPR?

Mr. LIGHT. There's a refill plan that's been executed. Absolutely.

Mr. PFLUGER. OK.

Mr. LIGHT. I can—I'm happy to get you the schedule for that.

Mr. PFLUGER. Please do. Thank you for that.

Mr. LIGHT. Yes.

Mr. PFLUGER. I'll go back to DFC for just a second, Mr. Levine. Did the Biden Administration change the policy with regards to LNG? DFC policy? With regards to the investment policy, did it change from the last Administration to this Administration?

Mr. LEVINE. I'm not aware of any change in policy relating to LNG.

Mr. PFLUGER. I think you've mentioned one already and that is with regards to the pipelines.

Mr. LEVINE. No. What I was saying with regards to the pipelines was what are our authorities under the European Energy Security and Diversification Act.

Mr. PFLUGER. Will the DFC invest in pipelines in places like Alexandroupolis, in places like the Baltic countries?

Mr. LEVINE. The DFC will invest in any energy infrastructure that can provide energy security and for which we have authority to invest.

Mr. PFLUGER. And that's the authority piece.

Mr. LEVINE. Exactly.

Mr. PFLUGER. Did the Biden Administration change the policy from the previous Administration with regards to LNG?

Mr. LEVINE. No. No. With respect, the authority comes from the statute. It's not a—that's your authority. You're granting the authority to us.

Mr. PFLUGER. We're well aware of that.

Mr. LEVINE. Yes. So, in fact, you could ask—I could ask you does the does the Act provide that authority.

Mr. PFLUGER. Well, the next time I'm sitting down there and you're sitting up here you can ask me that question.

Assistant Secretary, you've mentioned that you do think we need to compete globally. But we have two West Coast permits that increase U.S. jobs, that increase U.S. economic output. Are you committed to the security of our partners and allies in Asia?

Mr. LIGHT. Absolutely. We're committed to our partners——

Mr. PFLUGER. So why are those——

Mr. LIGHT [continuing]. Who we owe a tremendous debt to, given that they helped us to trade some cargos in the early part of this year so that Europe could get some emergency relief.

Mr. PFLUGER. You've also mentioned that we do not have any additional capacity right now to send to Europe. In fact, the Asian countries have been very generous in allowing the movement and the diversion of those molecules of LNG to move to Europe.

So why are we not approving the permits on the West Coast if we're committed to the security of our partners and allies? It's an easy one.

Mr. LIGHT. Sorry for the double negative, but we're not not approving this permit.

Mr. PFLUGER. They've been sitting on——

Mr. LIGHT. We are, in fact——

Mr. PFLUGER. They've been sitting on the secretary's desk for 500 days.

Mr. LIGHT. On the secretary's desk. That process is ongoing now and then we should be able to communicate something on that very soon. If it's of interest, I do have one note on the SPRO if you wanted to——

Mr. PFLUGER. I'll use it for the record. I've got a minute and 13 left.

So imagine us juggling all the priorities. My concern is the fact that when you look at these priorities, and in a previous comment you talked about every priority except for reliability, and when it comes to—and we can say that that was just left out.

But I think it is the policy of the Biden Administration to disregard reliability right now because we all want a better earth.

There is no question about that. We're going to increase the population on this earth in the next 15 to 20 years by almost 50 percent. I'm sorry. We're going to increase the population by another billion and increase demand for electricity by almost 50 percent.

So when it comes to reliability it has to be a priority. You can have price. You can have security. You can also have the climate goals. But you have to have reliability. The Administration is completely ignoring that piece of it.

When it comes to baseload capacity we are ignoring that, and this is the plea from the American people is that they need reliability.

The price has to come down and it's incumbent upon the Department of Energy and agencies like FERC to make sure that we are actually doing the right things here domestically so that other countries like China and Russia do not take advantage of our lack of production, which is exactly what the Administration has done.

Mr. LIGHT. Congressman, with all due respect, this Administration is a thousand percent committed to the reliability of energy systems.

It would be absolutely—it would completely undercut all of our goals in order to see an energy transition—to transition to an unreliable system, and that system will have a number of components including renewables, including nuclear, including decarbonized fossil, as Jake mentioned earlier.

That creates a comprehensive energy system that definitely will be as reliable. We would never imagine to put the American people or the world at large at the risk of an unreliable energy transition to something they couldn't rely on.

Mr. PFLUGER. Well, with all due respect—

Mr. LIGHT. That would be an unsuccessful transition. No one would accept it.

Mr. PFLUGER. With all due respect, I also disagree that reliability is being ignored. We're not in a transition. We're in an expansion, and we need to get our minds around the fact that we are expanding our energy needs, not just in the United States but worldwide.

Mr. LIGHT. Completely agree. Transition, then an expansion.

Mr. PFLUGER. This is not a transition. This is an expansion.

I yield back.

Mr. KEATING. On that moment of agreement, I'm informed that we're just minutes away from a set of four roll calls being called.

I want to thank our witnesses on this important issue. There will be, I'm sure, followup briefings and other opportunities to deal with it, and as I said at the outset, I believe that we are in an historic time in terms of our energy transformation globally and the leaders in this will be the transatlantic alliances dealing with things that should have been dealt with, perhaps, many years ago, but now accelerated by the threat of the unprovoked and illegal actions by Putin in Ukraine and the followup using energy as a weapon through Europe, in particular, but also have an effect globally on worldwide prices.

So I'll inform the committee members they'll have 5 days to submit statements, extraneous material, and questions for the record, subject to the limitations of the rules.

I want to thank the members for their participation in a day when much was happening at the same time, but also at a time when this central issue, an issue so vital to our country's security, so vital to our economic prosperity, at a time when climate change presents an existential threat not only to our own country but to the world.

So I want to thank you for your participation in this very important subject.

And with that, I'll declare the hearing adjourned.

[Whereupon, at 10:54 a.m., the committee was adjourned.]

APPENDIX

SUBCOMMITTEE HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6128

Subcommittee on Europe, Energy, the Environment, and Cyber

William R. Keating (D-MA), Chair

June 16, 2022

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs, to be held by the Subcommittee on Europe, Energy, the Environment, and Cyber in Room 2172 of the Rayburn House Office Building and via Cisco WebEx. The meeting is available via live webcast on the Committee website at <https://foreignaffairs.house.gov/>:

DATE: Thursday, June 16, 2022

TIME: 9:00 a.m., EDT

LOCATION: 2172 Rayburn House Office Building

SUBJECT: U.S. Efforts to Support European Energy Security

WITNESS: The Honorable Andrew Light, Ph.D.
Assistant Secretary of Energy for International Affairs
U.S. Department of Energy

Mr. Harry Kamian
Senior Bureau Official and Principal Deputy Assistant Secretary
Bureau of Energy Resources
U. S. Department of State

Mr. Jake Levine
Chief Climate Officer
U. S. International Development Finance Corporation

By Direction of the Chair

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

To fill out this form online: Either use the tab key to travel through each field or mouse click each line or within blue box. Type in information.

COMMITTEE ON FOREIGN AFFAIRS

Note: Red boxes with red type will NOT print.

MINUTES OF SUBCOMMITTEE ON Europe, Energy, the Environment, & Cyber HEARING

Day Thursday Date 06/16/2022 Room Cisco Webex

Starting Time 9:04am Ending Time 10:54am

Recesses ☐ (____ to ____) (____ to ____) (____ to ____) (____ to ____) (____ to ____) (____ to ____)

Presiding Member(s)

William R. Keating

Check all of the following that apply:

Open Session ☒

Executive (closed) Session ☐

Televised ☒

Electronically Recorded (taped) ☒

Stenographic Record ☒

To select a box, mouse click it, or tab to it and use the enter key to select. Another click on the same box will deselect it.

TITLE OF HEARING:

U.S. Efforts to Support European Energy Security

SUBCOMMITTEE MEMBERS PRESENT:

See Attached

NON-SUBCOMMITTEE MEMBERS PRESENT: (Mark with an * if they are not members of full committee.)

HEARING WITNESSES: Same as meeting notice attached? Yes ☒ No ☐

(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: (List any statements submitted for the record.)

Assistant Secretary Andrew Light's Testimony

Mr. Harry Kamian's Testimony

Mr. Jake Levine's Testimony

Representative Ann Wagner's QFRs for Mr. Harry Kamian

Representative Ann Wagner's QFRs for Mr. Andrew Light

Representative Brian Fitzpatrick's QFRs for Mr. Jake Levine

Representative Brian Fitzpatrick's QFRs for Mr. Harry Kamian

Representative August Pfluger's QFR for Mr. Jake Levine

TIME SCHEDULED TO RECONVENE _____

or

TIME ADJOURNED 10:54

Clear Form

Note: If listing additional witnesses not included on hearing notice, be sure to include title, agency, etc.

Julia Clings
Subcommittee Staff Associate

WHEN COMPLETED: Please print for subcommittee staff director's signature and make at least one copy of the signed form. A signed copy is to be included with the hearing/markup transcript when ready for printing along with a copy of the final meeting notice (both will go into the appendix). The signed original, with a copy of the final meeting notice attached, goes to full committee. An electronic copy of this PDF file may be saved to your hearing folder, if desired.

HOUSE COMMITTEE ON FOREIGN AFFAIRS

EUROPE, ENERGY, THE ENVIRONMENT, AND CYBER SUBCOMMITTEE HEARING

PRESENT	MEMBER
X	William Keating, MA
	Abigail Spanberger, VA
X	Susan Wild, PA
	Albio Sires, NJ
	Theodore E. Deutch, FL
	David Cicilline, RI
	Dina Titus, NV
	Dean Phillips, MN
X	Jim Costa, CA
	Vicente Gonzalez, TX
X	Brad Schneider, IL

PRESENT	MEMBER
X	Brian K. Fitzpatrick, PA
X	Ann Wagner, MO
	Adam Kinzinger, IL
X	Brian Mast, FL
X	Dan Meuser, PA
X	August Pfluger, TX
X	Nicole Malliotakis, NY
X	Peter Meijer, MI
X	Claudia Tenney, NY