

Tradeoffs in Addressing Transatlantic Energy Security Problems

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What is “energy security,” and what steps should the transatlantic community take to achieve it? Unfortunately, present discussions on the topic are hampered by the persistence of misunderstandings about energy and how it relates to the security needs and goals of states.¹ Perhaps the most common definition of energy security, “the availability of sufficient supplies at affordable prices,”² is not helpful because it ignores the climate problem and draws no distinction between purely economic interests and “true” security interests. “Reasonable” prices, while economically desirable in the short run, arguably threaten security in the long run, insofar as they encourage continued reliance on fossil fuels whose consumption has devastating effects on the planet’s climate. Meanwhile, interest groups are strongly incentivized to pitch their causes in “security” terms because security-related topics, as “high politics,” get more attention and better funding than mundane political issues.³ Consequently, from the point of view of the national interest at large, the “true” security interests related to energy are far narrower than the “energy security” crowd commonly maintains.

This paper presents a framework for understanding how energy affects security in the context of U.S. relations with its European allies. “Security” is used in the traditional sense to mean the preservation of a country’s survival as a politically sovereign, territorial unit.⁴ There are only two fundamental ways in which energy production, consumption, and trade can threaten states’ political sovereignty and territorial integrity: through political

coercion, which endangers a country’s autonomy to make decisions on areas of vital interest; and through climate change, which threatens domestic and international political stability in unpredictable, and potentially unprecedented, ways. Boiling “energy security” down into these two irreducible issues is necessary because addressing them involves serious policy tensions and tradeoffs. In particular, some proposed solutions to the coercion problem would likely exacerbate the climate problem. Yet, climate change, by far, poses a much greater threat to the United States and Europe than political coercion does. Thus, policymakers should reject proposals that decrease coercive threat at the expense of worsening climate change.

The coercion problem, despite the significant attention it receives, is largely overblown. The worry is that states that depend on others for energy resources could, in theory, be coerced into granting concessions on vital issues by cutoffs or threats of cutoffs – a strategic ploy sometimes referred to as using the “energy weapon.” In practice, however, the “energy weapon” is only dangerous under a very narrow range of circumstances⁵ – and those circumstances are largely absent in the case of the United States and Western Europe. Oil, for instance, can only effectively be cut off with military force; embargos simply do not work given the global nature of the market.⁶ With the most powerful military in the world, the United States and its NATO allies face no realistic fear of military cutoff.⁷ (In fact, it is U.S. military preponderance – particularly in the naval realm – that poses the greatest cutoff threat to other countries,

most notably China.⁸) From a transatlantic perspective, therefore, there is no “oil weapon” threat.

Although some observers worry that Russia could use its domination of the regional natural gas market to coerce European countries with a “natural gas weapon,”⁹ the degree of threat is debatable and likely exaggerated. Unlike oil, natural gas markets remain highly regional and rely upon specialized infrastructure investments such as pipelines and liquified natural gas (LNG) terminals that limit the ability of buyers to switch suppliers in response to trade interruptions. As a result, some fear that if Russia chose to turn off natural gas exports for political reasons, a country dependent on Russian natural gas for significant portions of its heating fuel or electricity generation would suffer with no easy way to replace supply – and might have to forfeit vital political interests as a result.

Several factors mitigate the Russian gas weapon threat, however. First, natural gas interdependence cuts both ways because the same infrastructural constraints limit Russia’s ability to turn around and export gas to alternate customers to compensate for lost sales. Because natural gas revenue matters greatly to the Russian economy and government budget, Russia has financial incentives to steadily maintain supply. Second, use of the “natural gas weapon” weakens its effectiveness over time as countries respond by diversifying their sources of supply. Price disputes leading to cutoffs to Ukraine in 2006, for instance, spurred European efforts build new pipelines to North Africa and Central Asia to avoid reliance on Russian natural gas and transit infrastructure. Third, and perhaps related to the reasons just given,

Russia has shown little inclination to use natural gas as a political weapon. The 2014 Russia-Ukraine crisis over Crimea did not devolve into a “gas war,” nor have any other Russia-Europe political disputes in the past decade.¹⁰ Meanwhile, the extent to which earlier cases, including the 2006 Ukraine shutoff, were motivated by political coercion is ambiguous; similar to other utility providers whose customers are in arrears, Russia demanded payment at higher prices – not political concessions – as a condition of restoring supply.

Unfortunately, despite limited nature of the threat, some policy experts have advocated increasing the sale of U.S. LNG to European countries as a counterweight to Russian supply.¹¹ Doing so, however, would only somewhat lessen an already-small threat of coercion at the expense of worsening the climate change threat. This is true for two reasons. First, U.S. natural gas production relies on “fracking” (hydraulic fracturing), which is much more energy-intensive than the production of conventional natural gas exported by Russia. That means that the extraction of U.S. natural gas results in greater greenhouse gas emissions. Substituting “dirtier” U.S. gas for conventional Russian gas is not climatically wise. Second, although natural gas is the cleanest of the three main fossil fuels (natural gas, oil, and coal), it nevertheless releases significant greenhouse gas emissions – emissions that must be greatly reduced if not eliminated to mitigate the severity of climate change. This raises the question: does it make sense to pursue policies that encourage the continued use of fossil fuels, even in the short term, when the ultimate goal must be to move beyond them?

By contrast, policies designed to reduce

fossil fuels consumption have no such tradeoff: by lowering European reliance on natural gas writ large, governments could reduce the severity of the climate change problem while also decreasing the threat of natural gas coercion from Russia. As the negative effects of climate change are increasingly felt (such as wildfires, extreme weather events, and coastal flooding), and the warnings of scientists grow direr, the United States and its European allies must shift their policies to prioritize the climate change problem over the coercion problem.

Endnotes

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2. Daniel Yergin, "Ensuring Energy Security," *Foreign Affairs* 85, no. 2 (March/April 2006): 70-71.
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