THE NEW GEOPOLITICS OF NATURAL GAS IN RUSSIA & EURASIA

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Washington DC
October 24, 2018
The New Geopolitics of Natural Gas

The Transformation of Natural Gas Markets

Transformed Relations between Gas Importing & Exporting States
Markets Driving Change

- The Transformation of the Natural Gas Market
  - Growing LNG Trade
  - Shale Boom
  - Buildup of Inter-connective Gas Infrastructure
  - Climate Change Concerns
US: The New Energy Superpower

- US largest natural gas producer since 2011
- US emerges as an LNG exporter in 2016
- US rising as 3rd leading LNG exporter by 2020
- Energy security potential for its energy poor allies
US: LNG exporter

Operating Terminals:
- Kenai, Alaska (1969)
- Cheniere, Louisiana (2016)
- Dominion Cove Point, Maryland (2018)
The Business of Gas

US changing gas trade disproportionately to its role as a supplier
- Short & spot trade vs. long term contracts
- Hub-based pricing vs. oil-linked gas pricing
- Growth of LNG vs. piped gas
- No destination clauses

... A Buyers Market?
Russian Natural Gas: Export of Commodity, Influence, Alliances, or Corruption?

- Cutting transit states (2000s)
- Political pricing
- Interest groups
- Exporting corruption
Friendships & Gas Deals
Declining Russian Energy Power?

- Russia monopolist position & political leverage in Europe challenged?
- Ambitious LNG plans
- New pipelines
Russia’s Fight for European Markets

- Nord Stream II (Germany)
  - Against EU energy security policy
  - Concentration of supplies via a single route
  - Export of corruption
Competition in Southeast Europe: Turk Stream
Energy Diversification in Europe

- Success cases:
  - Lithuania,
  - Poland,
  - Croatia?
China will leverage its power of gas demand

- Power of Siberia by Dec 2019 (30 yrs, 38 bcm)
- Power of Altai tabled
India’s Demand & Challenges

- Gail renegotiates LNG contract with Gazprom
- Russia to build pipeline from Iran to India
- TAPI pipeline (late 2019) (33 BCM)
The New Geopolitics of Natural Gas

- US new commercial interests & US long-term positions on EU’s diversification are consistent!
- Trade Wars?
Hybrid Warfare in Integrated Energy Markets?

- Ports, sea routes, terminals (not just pipeline infrastructure) need to be assessed
- Cybersecurity: cybercrime, malfunctions, hostile foreign actors
- Role of propaganda in energy policy
- Foreign-state supported lobbies and interest groups
- Influence on local, state, regional and institutional decision-making
Thank you!

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