

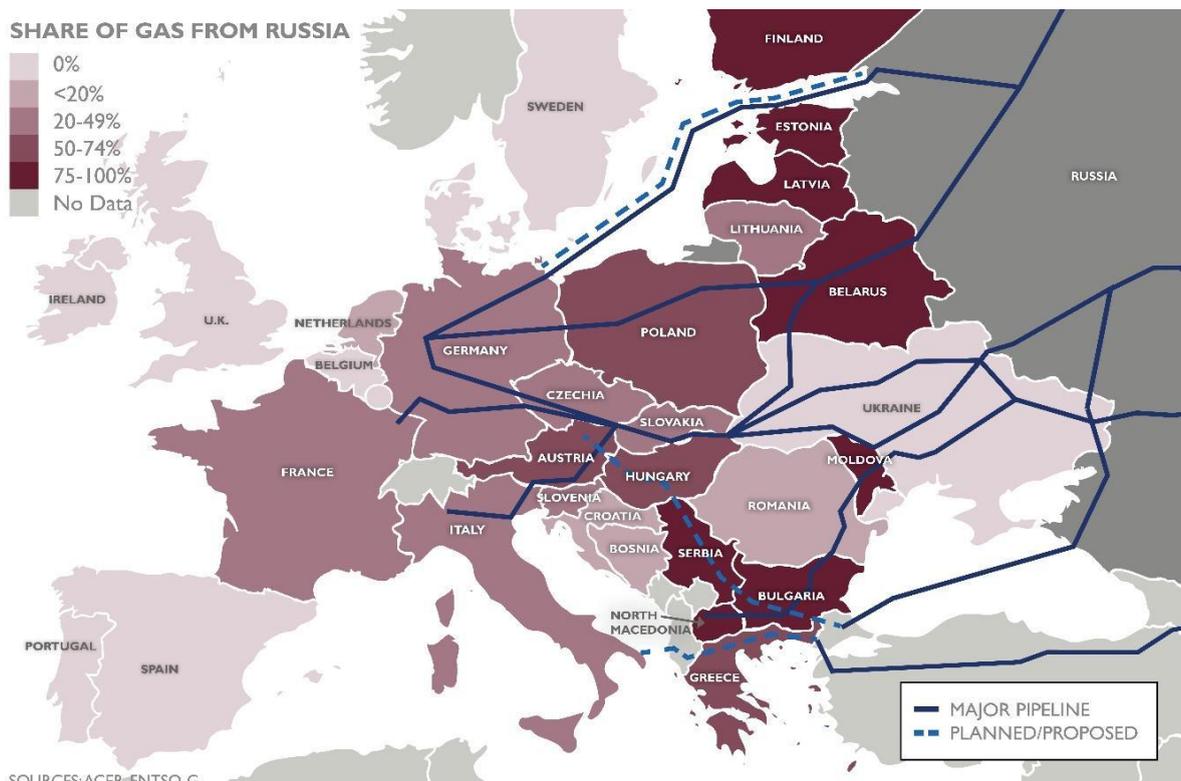
NATURAL GAS SUPPLY DIVERSIFICATION

ADVANCING EUROPEAN SECURITY BY ENABLING U.S. LNG IMPORTS

USAID is strengthening the energy security of Europe and Eurasia by promoting the infrastructure development and regional natural gas markets necessary to attract further investment and diversify supply.

Serving as a natural gas supply route, Eastern Europe is critical to the continent's security. Challenges in this region continue to place Europe at risk. Aging infrastructure leaves few options for diversified supply, and there is limited investor interest in financing new infrastructure due to a lack of market transparency, combined with a history of embedded corruption.

USAID helps our allies in Eastern Europe **identify and prioritize the infrastructure investment** needed **to promote U.S. and other natural gas imports**, while simultaneously establishing transparent market standards that root out corruption.

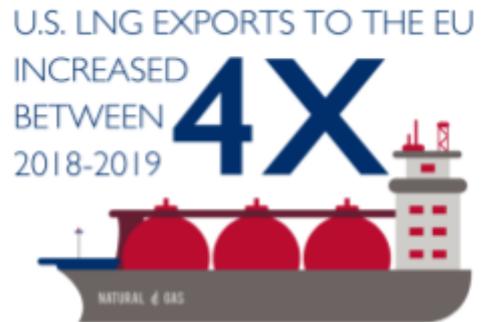


Europe heavily depends on Russian natural gas, leaving the continent vulnerable to politically motivated shutoffs and/or disruptions in transit countries. Completion of Russian-funded supply routes through the Black and Baltic Seas will further isolate Eastern Europe without diversifying regional supply, leaving Europe more vulnerable to Kremlin manipulation.

PROMOTING NATURAL GAS NETWORK DEVELOPMENT

USAID promotes regional cooperation to identify and facilitate investments necessary for the development of a regionally integrated natural gas pipeline network with diverse supply sources.

Through the Eastern Europe Natural Gas Partnership (EE-NGP), **USAID collaborated with the United States Energy Association (USEA) and regional system operators to develop Eastern Europe's first regional pipeline planning model.** Ministries and gas transmission system operators across the region are using the model to forecast the financial viability and technical requirements of proposed network expansions, including pipeline diameters, compressor station capacities, storage requirements, and location of LNG terminals. By providing a common platform, EE-NGP is moving the region from divergent national development planning efforts to a regionally coordinated and lower cost natural gas system.



Between 2018-2019, U.S. LNG exports to the European Union roughly quadrupled from 3.3 to 13.6 bcm. New and anticipated LNG facilities in Eastern Europe offer the potential for U.S. LNG to diversify supply across the continent.

The EE-NGP completed the first-ever multi-national diversity of natural gas supply study in Southeast Europe. Led by U.S. experts, countries in the region joined together to identify the most cost-effective infrastructure upgrades necessary to expand natural gas supply options, focused on U.S. LNG and pipeline gas delivered from the Caspian Sea. **The effort uncovered unanticipated supply routes that have the potential to accelerate introduction of U.S. natural gas to the region.**

BUILDING REGIONAL NATURAL GAS MARKETS

USAID builds transparent natural gas markets to incentivize additional suppliers and limit the potential for corrupt practices in the region. Through a collaboration with the National Association of Regulatory Utility Commissioners (NARUC), **USAID supports regulators in establishing rules to ensure fair competition and open markets for U.S. products.** NARUC and other USAID partner institutions supported adoption of technical standards in natural gas grid codes, trained regulators to evaluate proposed investments, and drafted market rules that will attract increased participation from the private sector and encourage investment in critical infrastructure.



Natural gas market formation is a decades-long process. There are several milestones countries must achieve, each requiring significant engagement of multiple stakeholders, such as national ministries and legislatures to draft and pass laws; regulatory agencies to draft market rules and ensure compliance with standards; and technical agencies to operate trading platforms.

Since 2015, USAID regional energy sector assistance programs in Europe & Eurasia have supplied over 250,000 hours of U.S. expertise, trained nearly 4,000 stakeholders, and supported the drafting of more than 200 energy sector laws and regulations.

FOR MORE INFORMATION

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