

Summary

- ### Detail

The EU said both sides had shared interests: cooperating on energy was essential to security and job creation. Both sides should continue to promote open, flexible, liquid, transparent and non-politicised global energy markets. The EU's priority was to have a reliable and diverse energy supply and to eliminate dependency on a single supplier. The EU would have to import more gas as domestic supplies declined. It supported the completion of the Southern Gas Corridor and continued to explore new sources, noting the Eastern Mediterranean had considerable potential. LNG imports were vital for diversification and the EU hoped to cooperate much more with the US on this. The EU called on the US to remove the licencing restrictions on LNG to close partners like the EU. The EU noted that infrastructure investments were needed on both sides and that the EU was continuing to invest in the interconnectors needed to complete the Energy Union.

Joint EU-US support for Ukraine was vital given the shared commitment to Ukraine's sovereignty and territorial integrity and the full implementation of the Minsk Agreements. EU MS all recognised that transit through Ukraine needs to continue post-2019. Ukraine should also be encouraged to undertake the necessary economic and energy sector reforms to make it more resilient to external pressure.

The EU stressed the importance of global rules to achieve open, flexible, liquid, transparent and non-politicised global energy markets and welcomed the continued engagement of the US in multilateral fora such as the Clean Energy Ministerial initiative. Cooperation by both sides on global energy market rules and standards for the emerging energy technologies could shape the global agenda. If the EU and US did not lead such efforts, others would be only too happy to. Despite the different EU and US positions on the Paris Agreement, there were strong economic arguments to support clean and innovative energy sources. Governments, industry and research communities in the EU and US should deepen their cooperation. Promoting renewable energy and energy efficiency was essential and major changes were underway in global energy markets with cheaper renewables and new technologies coming on stream. The EU was at the forefront of such innovation and research and would welcome more collaboration with the US.

The US

[REDACTED]

2. Energy Security

2.1 Energy Policy and Markets

The EU said it wanted open and competitive markets, recognising that the EU would need to continue to import significant quantities of gas every year. Russia would remain a major EU energy supplier, but the EU would continue to diversify its energy suppliers, sources and routes. Significant progress on the security of energy supply had been achieved under the Energy Union and there was now a legal obligation on MS to show solidarity. New and bi-directional interconnections and underground storage facilities meant that EU energy security was now more robust. Greater transparency was now assured and markets were becoming more liquid.

There were no restrictions or non-market barriers to US LNG coming to EU and this would improve the EU's energy security. [REDACTED]

[REDACTED] It was important that gas from the Caspian made it all the way to the EU.

[REDACTED] It was important that the remaining obstacles to the completion of the Southern Gas Corridor were resolved as rapidly as possible. [REDACTED]

[REDACTED]

The US [REDACTED]

2.2 Ukraine

The US [REDACTED]

The EU said it was committed to supporting gas transit through Ukraine as well as supporting the government and people of Ukraine. The Commission had called a trilateral meeting for 17 July with Russia and Ukraine to ensure that gas would still transit through Ukraine post-2019. [REDACTED]

[REDACTED] The EU recalled the positive EU-US-Canada cooperation on Ukraine's energy contingency planning in 2014 and was keen to continue to work with the US and Canada on Ukraine's energy resilience. The EU said Nord Stream 2 was neither an EU

project nor an EU-supported project but if realised, it should comply with EU Law. Discussions were continuing on the Commission's proposals for a mandate to negotiate with Russia and on amending the Gas Directive.

2.3 Cooperation in Energy Vulnerable Regions

The EU said both sides had a responsibility to support regions with a high dependence on limited energy sources, or whose energy infrastructures were regularly battered by natural catastrophes. The EU was ready to step up such cooperation for example in the Caribbean and sub-Saharan Africa and the next Energy Council should discuss opportunities for EU-US cooperation on energy security in third countries in more detail.

3. Energy Infrastructure, Innovation and Transitions

3.1 Infrastructure Modernisation, Development and Resilience

The EU said the completion of pipelines and interconnectors, and ensuring reverse flows would enhance energy security, especially in Central and Eastern Europe. Continued US support for the KrK LNG project was welcome. The Commission's LNG Strategy was to ensure that all MS had access to LNG, noting existing LNG infrastructure was under-utilised. Baltic synchronisation with the continental European network was an important project to integrate the Baltic states into the EU's energy market. The EU was supporting the connection of Poland and Denmark to Norway's gas field (i.e. Baltic Pipe).

3.2 Clean Energy Innovation and other Technology Cooperation

The EU welcomed continued US engagement in Mission Innovation and the Clean Energy Ministerial. The EU supported the industry-led EU battery Alliance as it was essential the EU did not simply swap gas dependency for battery dependency. The Commission had called for 10-20 lithium-cell gigafactories to be built, which could create a market worth €250 billion per year. The EU and US needed to cooperate on setting the quality standards for clean mobility and the car industry would also need to be closely involved. While there were tremendous opportunities for the energy system through increased digitalisation, it also meant increased vulnerability to cyberattacks. The Energy Council could be a forum for exchanging EU and US expertise in this area. On ITER, significant progress had been achieved, with the project was now respecting its new milestones [REDACTED].

The US [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

3.3 Engagement with Industry

The EU called for the voices of business and industry to feed into the next Energy Council, possibly via a stakeholder event just before the next meeting. The US [REDACTED]
[REDACTED]

4. Closing Remarks

The EU said it had been a pleasure to host the first Energy Council since the 2016 US elections and the discussion had shown it was a rich area for EU-US cooperation. In addition to the points raised in the discussion, it was agreed that the Energy Council should: 1) task officials on both sides to reactivate/reenergise the working groups after the summer so they could report to the next Energy Council; and 2) aim to have yearly meetings of the Energy Council, with the next one in the US.

The US [REDACTED]
[REDACTED]
[REDACTED].