The End Of Energy Innocence

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When Vladimir Putin sent his troops into Ukraine to go conquer that democracy, all of the abstract concepts about energy ended. While not quite a Pearl Harbor moment in terms of instantaneous ideological shift, Putin's invasion nonetheless has made clear – very clear – the importance of energy independence in a world where bad actors really do exist and they cannot be reached through conventional warfare or other means of world punishment.

Suddenly, the minute the first Russian tank breached the Ukraine border, the most immediate danger to our future stopped being climate change. Certainly, no one can deny that, if we don't still keep paying attention to climate change, life in peace in the future will be very different, and far more difficult for everyone, than it is today. But thanks to a determined, unscrupulous man in Russia with his troops bombarding Ukraine and his finger literally on the nuclear trigger for the first time in decades, somehow the prospect of the planet blowing itself up in a matter of a few seconds seems a lot more real and visceral – scary if we are really being honest with ourselves – than the inexorable but more gradual warming of the planet and all that means to our long term survival as well.

Indeed, not even during the Cold War did any Russian leader dare publicly to threaten the use of nuclear weapons like Putin has done. That appalling fate, too awful for Khrushchev or Brezhnev even to mention, apparently doesn't faze Putin or his Foreign Minister, Sergei Lavrov. It is clear that the rest of the world is dealing with a different kind of Russia in 2022 than many thought we have seen in the past.

It forever will be debatable whether our refusal to more fully develop America's energy resources contributed to Putin's belief that the West was weak, or that it could not hurt him because we are all so dependent on Russian oil and gas, and he could swallow Ukraine without much Western reaction. What is not debatable is that, partly as a result of Putin's actions, energy prices have skyrocketed, and one of the most effective potential sanctions against Russia – undermining the power of its energy exports – has not yet been used.

In weighing his odds, Putin would have had good reason to believe that European dependence on Russian energy would temper their reactions. As a whole, Europe depends on Russia for 40% of its natural gas. That is an enormous percentage, not likely to be replaced by Europe moving to any one replacement supplier, at least not overnight. Despite certain countries like France already relying heavily on nuclear energy, and notwithstanding a determined push to increase renewables, almost half of Europe's energy use is in the form of oil or natural gas. To the extent, then, that there is a link between our Western energy dependence on Russia and the bombs falling on Kyiv and Kharkiv right now, it is not hyperbole to say the cost of energy dependence on Russia has had truly deadly implications.

Lost in the current debate about whether or not to ban American imports of Russian oil and gas is the fact that oil and gas production is not nearly as much of an issue for the United States as is distribution. Despite a year of the Biden Administration placing new restrictions on energy production and limiting new oil and gas leasing, American natural gas production actually increased in 2021 above the 33.5 trillion cubic feet (Tcf) produced in 2020. In fact, the Energy Information Agency anticipates that we will continue to set monthly records of production in 2022.

However, the problem lies in the fact that our national refusal to construct new pipelines results in our inability to transport the oil and gas efficiently from where it is produced to where it needs to go. For those who have wanted to wean the country from reliance on ***any*** fossil fuels and to move toward so-called "green" technology as fast as possible to combat climate change, this policy no doubt has made sense. Why spend any money unnecessarily on improving natural gas infrastructure, the analysis has gone, when, after all, we will be 100% shifted to "green" energy production in a matter of only a few short years? What could possibly go wrong?

But, while the possibility was always out there for a place like Russia to pose an even more existential threat to the world's existence than climate change alone, we are now seeing the consequences of myopically believing that would not happen and thus not including someone like Vladimir Putin in the overall energy calculus. It is a mistake that one can hope we will not eventually come to regret.

Some of the most prolific natural gas wells in the world lie in the Marcellus Shale basin in Northeastern Pennsylvania, only a three hours drive from New York City. As I have written before, the actions by Northeastern state governors over the last few years to block pipelines mean that, instead of the New York area receiving a secure supply of natural gas drilled domestically using American state of the art environmental safeguards and with royalty payments going to American farmers and other property owners, the New York area has had to import other countries who often do not have similar environmental safeguards. In addition, the failure to build out our fossil fuel pipeline infrastructure means we have been importing oil from Russia, which is drilled in the Arctic without those environmental safeguards and with payments in dollars actually feeding Putin's war machine. An even more extreme example is Massachusetts. The Bay State generates 2/3 of its energy from natural gas, and receives 60% of all liquefied natural gas imports that reach the United States from foreign suppliers, including even Russia in the past.

Despite the obvious political and security ramifications of throwing away our energy safety net, there also is an environmental case to be made for developing these resources at home. The more natural gas is used, the more we transition away from coal. Although natural gas is concededly less effective in curbing greenhouse gas emissions than would be the case with full conversion to “green” energy technologies, it still cleans our air and limits our overall emissions because, at bottom, the greenhouse gas emissions associated with coal disproportionately contribute to climate change over everything else.

The fact that this case has not frequently been made in the popular press is partly the fault of an environmental lobby that has historically prioritized ideology over environmental and political practicality, partly the fault of the press itself that too often prefers to engage in short-sited sound bites over asking probing questions and offering deeper analysis, and partly the fault of the energy industry itself, which fails to police its own (see Mariner East 2) and fails to even try to make its own environmental case for American energy production. One of the least publicized aspects of the current energy dilemma is the complete failure of the energy industry to go all-out in pressing how increased domestic oil and gas production through fracking actually can help clean our environment instead of the other way around.

Vladimir Putin now has concentrated our minds on this issue. John Kerry may believe the most important issue now is to make sure Putin understands that his Ukraine war does not impact his commitment to reduce carbon emissions. While it certainly remains appropriate to continue to combat climate change with all of the political will and economic strength that we have got, I would submit the majority of us believe the most important thing right now is to put an end to Putin's brutality and keep the world away from another world war, if not worse. Secretary of State Anthony Blinken may declare that there is no "strategic interest" in banning Russian oil and gas exports to the United States. I would submit most parents of draft age children beg to differ. As of last weekend, even Secretary Blinken has had to rethink that position.

There now is very little time left to have a real, open, and honest discussion about energy, where nothing is taboo to be discussed just because it happens not to comport with someone’s political and policy beliefs over that of someone else. That discussion needs to focus on the realpolitik of the situation, in every detail. Everyone agrees we want a cleaner future that does all we can to fight man-made climate change. However, as Ukraine has shown both Americans and Europeans, not to mention the rest of the world, simply ignoring the problems in moving toward renewable energy can be remarkably dangerous in its own right, climate change benefits aside. The problem with taking an all or nothing approach to energy policy is that, unless the political and economic calculations to achieve success turn out to be 100% correct, or we just get enormously lucky, we very much risk winding up with less, or even nothing, at the end of the day. An increased interim reliance on natural gas would allow us to hedge our bets a bit and for a period of time until we are better able to sustain ourselves and our economy from renewable resources at or close to 100%.

Contrary to what we are constantly told by certain political figures and members of the press, there is a principled position both environmentally and from a national security perspective that is both pro-renewables and pro-shale drilling. It is that position that needs to be more vigorously presented by the energy industry, better explained in the press and among others who are non-doctrinaire, and fully debated in the political arena. Our children's very lives may depend on it. In fact, they probably do.

ATTORNEYS MENTIONED

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