

U.S. policymaking in the era of “energy dominance” — cause for celebration or concern?

—— トランプ政権によるエネルギー戦略「エネルギー支配 (energy dominance)」をどう捉えるべきか ——



Jane Nakano

Senior Fellow, Energy and National Security Program, CSIS

米国戦略国際問題研究所 (CSIS) エネルギー・国家安全保障部シニアフェロー Jane Nakano氏による連載第5回のテーマは、トランプ政権によるエネルギー戦略「エネルギー支配 (energy dominance)」。トランプ政権が「エネルギー自立 (energy independence)」に替わり掲げる「エネルギー支配 (energy dominance)」の意味するところや各国での捉えられ方、政策の実現性などについて、米国のエネルギー情勢を踏まえつつ、考察する。

As the Trump Administration’s energy team takes charge, the notion of “energy dominance” has become the self-prescribed overarching terminology of their energy policy agenda moving forward. The buzzword raises a few important questions. What does the term mean? How viable is it? And what are the implications of U.S. policymaking under the mantra of energy dominance?

According to Energy Secretary Perry, Interior Secretary Zinke and EPA Administrator Pruitt:

“An energy-dominant America means a self-reliant and secure nation, free from the geopolitical turmoil of other nations that seek to use energy as an economic weapon... An energy-dominant America will export to markets around the world, increasing our global leadership and influence.” (Washington Times, June 26, 2017)

While the statement signifies a healthy recognition on the part of policymakers that the nation’s energy security footing has transformed since the onset of unconventional oil and gas boom, the term at the same time has caused confusion and some consternation abroad. These concerns from overseas stem from the presupposition that the notion of “dominance” involves at least two parties: one to

dominate and the other to be dominated. Such a notion has caused concern for countries which are dependent on energy imports from the United States, as to whether the United States would use its energy wealth as a diplomatic weapon to impose its will upon them.

Becoming sensitive to such a concern, the Administration adopted softer tone in the President’s July speech in Poland, a country which received its first cargo of U.S. gas in June: “The United States will never use energy to coerce your nations, and we cannot allow others to do so.” In Europe, liquefied natural gas (LNG) from the United States can help achieve diversification in supply and reduce high levels of dependency on Russian gas. In August, Lithuania also received its first U.S. LNG. The optionality of U.S. supply can not only enhance their sense of energy security, but also help preserve or increase latitude in their bilateral dealings with Moscow.

Another emphasis by the Administration has been on coal exports. The President has consistently campaigned to reverse the fortune of the U.S. coal industry, whose demise is attributed by the Administration to regulatory burden than the structural change in U.S. energy system. For example, in late July, the U.S. Department of Treasury appears to have

reversed the Obama administration's 2013 ban on public financing for coal power projects. That same month, the Administration announced a commercial agreement to supply U.S. coal to Ukraine, to alleviate supply shortages induced by the armed conflict in regions like Donetsk where much of its reserves are located.

The viability of “energy dominance”, however, faces one inconvenient reality. While U.S. sellers resoundingly outline various benefits of U.S. energy exports, the United States will always sell into the world at the best price that the commodity can command. In other words, the sellers would not lower export prices to match the prevailing price in a destination market—be it the National Balancing Point in Europe or the Qatari price in Asia—just to help the government deliver on diplomatic commitment. Moreover, the United States is still a net importer of oil, and is yet to become a net exporter of gas today.

As for coal exports, lifting the financing ban may be a politically expeditious measure, but it is uncertain as to whether the measure would have a material effect on U.S. coal exports. The outlook for U.S. coal exports depends significantly on the availability of coal export terminals on the west coast, if the United States seeks to take advantage of continued demand growth in Asia. Today, the majority of U.S. coal exports find markets abroad via Atlantic and Gulf coast ports, and most of the planned coal export projects elsewhere in the United States—namely in the Pacific Northwest—have stalled, either for economic reasons or due to strong local opposition. Even a west coast export terminal would not guarantee U.S. dominance of the Asian coal market, as distance does not stand in the favor of U.S. supply, with coal hungry Asian economies already surrounded by several major coal exporting countries.

Notwithstanding the questionable viability of “energy dominance”, some have noted that the rhetorical shift from “independence” to “dominance” is a positive development as captives crave independence while competitors strive to dominate.

Even for those who are more cautious to embrace the new rhetoric, the abandonment of “energy independence” as an organizing framework should be welcoming as it reflects the sense of liberation from the perennial anxiety over resource constraints that had driven U.S. energy policymaking since the oil embargos of the 1970s. The notion of “energy independence” also over-valued self-sufficiency and ignored the global nature of energy markets.

Meanwhile, the implications of promoting “energy dominance” to a national goal are much less academic and a cause for concern. In his speech at a petroleum conference in May 2016, then republican presidential candidate Trump said, “American energy dominance will be declared a strategic, economic and foreign policy goal of the United States.” Putting “energy dominance” at the forefront of U.S. foreign policy can be tricky. The centrality of “energy dominance” through exports renders U.S. action to become prone to accusation for economic self-aggrandizement even if it were untrue.

Now that the United States has discarded the sense of energy insecurity, it is not a time to become preoccupied with a vision of leadership that is measured against the volume of fossil fuel exports. Leadership aspiration can and should encompass continued effort to capture the economic benefits arising from energy industries like solar, wind and energy storage. Such aspiration in turn would accord the United States greater influence in setting the course of the global economy and the energy system that enables stability and prosperity.

※著者略歴：Jane Nakano is a senior fellow at the Center for Strategic and International Studies. Her areas of expertise include U.S. energy policy, energy security issues in Asia, global gas market dynamics, and global nuclear energy trends. She frequently writes and speaks on these issues at conferences and to the media. Also, she has testified before Congress on energy issues in Asia. Prior to joining CSIS in 2010, Ms. Nakano was with the U.S. Department of Energy and served as the lead staff on energy engagements with China and Japan.

