

U.S. Leadership Needed on East Med Energy

Jonathan Ruhe
Director of Foreign Policy

Samuel Millner
Policy Analyst

Last week's EU-Israel-Egypt natural gas agreement shows how the Eastern Mediterranean offers valuable opportunities to help reduce the dependence of America's European allies on Russian energy. However, the peaceful development and transportation of these resources by Greece, Cyprus, Egypt and Israel also faces growing challenges from Turkey, Hezbollah and potentially others. To fully realize the region's potential to advance Europe's energy security in the face of Moscow's aggression, the United States must reverse its hands-off approach and support its partners' proactive heavy lifting to bring Eastern Mediterranean energy online – including by appointing a Special Envoy for the region and backing the expansion of natural gas infrastructure regionwide.

What Happened?

- This month, several U.S. partners in the Eastern Mediterranean have accelerated their long-standing efforts to boost energy cooperation and grow their natural gas exports:
 - » On June 6, Israel began [operating](#) a floating production storage and offloading (FPSO) unit at its Karish offshore field, from which natural gas [subsequently](#) can be exported.
 - » That same day, Greek and Israeli energy officials discussed [accelerating](#) construction of the EuroAsia Interconnector which would link the power grids of Greece, Cyprus and Israel, currently set to be completed next year.
 - » On June 15, the European Union (EU) finalized a [deal](#) with Israel and Egypt whereby increased Israeli natural gas deliveries to Egypt will be converted to liquefied natural gas (LNG) for transport to European terminals.
- At the same time, regional tensions remain high and could jeopardize the development of these and other energy resources, while also heightening risks of conflict more generally:
 - » Lebanon [insists](#) Israel's FPSO is operating in waters that are disputed between the two countries, and Hezbollah has [threatened](#) to retaliate forcefully.
 - » Meanwhile Turkey [announced](#) it would begin exploring for energy in Greece's exclusive economic zone (EEZ) in the Aegean Sea, while also explicitly [threatening](#) to challenge Greek sovereignty there.

Why Is It Important?

- By working assiduously to help create a “southern gas corridor” for Europe, America’s partners in the Eastern Mediterranean are advancing the U.S. national security interest of reducing Europe’s heavy dependence on Russian energy.
 - » The EU, which relied on Russia for 40 percent of its natural gas consumption before Russia invaded Ukraine in February, seeks to cut this dependence by as much as two-thirds by early next year – half of which it intends to [accomplish](#) through heightened LNG imports.
 - » Unsubtly, on June 16 Russia cut natural gas [deliveries](#) to Germany and Italy while the latter two countries’ leaders visited Kyiv, after completely halting natural gas flows to Poland and Bulgaria in April.
 - That same day, Russia’s deputy prime minister [warned](#) such cuts “are not the limit in our opinion. Everything can be much more critical.”
- Though home to some of the world’s largest offshore natural gas discoveries in recent years, Israel, Cyprus and Egypt have struggled to develop export infrastructure for these supplies.
 - » Since 2009, roughly two trillion cubic meters of offshore natural gas have been [discovered](#) in the Eastern Mediterranean, and the region is estimated to hold an additional two trillion cubic meters of undiscovered reserves; by comparison, the EU imported 155 billion cubic meters of natural gas in 2021.
 - » Egypt boasts significant offshore natural gas reserves, two large LNG export facilities and pipelines bringing natural gas from Israel – yet its ability to export natural gas is severely [constrained](#) by high domestic demand and limited spare capacity in its pipelines and LNG terminals.
 - Israel recorded its highest-ever natural gas [flows](#) to Egypt in the first quarter of 2022, but exporting its own rising production via Egypt – in line with the EU’s recent deal with both countries – requires greater pipeline flows from Israel to Egypt, as was agreed in the recent EU deal with both countries.
 - » An EastMed Pipeline to bring Cypriot and Israeli natural gas to the EU via Greece faces financial and technical hurdles as well as political opposition after the Biden administration peremptorily [dropped](#) U.S. support for the project in January 2022.
 - Nevertheless, the EU and Israel have repeatedly [re-endorsed](#) the pipeline in the wake of Russia’s invasion of Ukraine.
 - » Since at least 2018, Turkey’s efforts to obstruct or deter peaceful Greek and Cypriot energy exploration through [bellicose](#) rhetoric, gunboat diplomacy and other military harassment has threatened the viability of future energy exploration in the region, as well as projects like the EastMed Pipeline and EuroAsia Interconnector which would cross Ankara’s expansive (unrecognized) maritime claims in the Eastern Mediterranean.
 - As Turkey held large military [exercises](#) along the Aegean earlier in June, President Erdogan threatened to use force if Greece does not [demilitarize](#) the Dodecanese islands, and he suggested the growing U.S. military presence in Greece directly threatens Turkey.

- › In response, Greece [published](#) 16 maps [detailing](#) Ankara’s revisionist and illegitimate claims to Aegean islands and surrounding offshore waters.
- Its latest threat to explore for energy in Greece’s EEZ and [escalating](#) armed military overflights of Greek Aegean islands echoes how Turkey almost triggered a naval conflict in 2020 by sending drill-ships and warships into Greek and Cypriot EEZs.
- Unlike Greece, Cyprus, Egypt and Israel, which have agreed many of their maritime boundaries in keeping with the UN Convention on the Law of the Sea, Turkey’s [self-declared](#) “Blue Homeland” directly contravenes these boundaries and encompasses much of the region by claiming the entire continental shelf.
- » Similarly, as Hezbollah’s recent threats indicate, the contested Israeli-Lebanese maritime boundary inhibits peaceful energy exploration and raises the risk of broader conflict.
- » Throughout, even as its regional partners have worked together more concertedly and frequently on diplomatic and energy cooperation, the United States has largely and conspicuously [avoided](#) playing any sustained roles in promoting development or addressing simmering regional tensions, creating opportunities for Russia, China and Iran to move into the ensuing vacuum.
- Meanwhile, Greece is positioning itself as an energy import and transit hub between the Eastern Mediterranean and southeastern Europe, which currently depends nearly-exclusively on Russia for natural gas.
 - » In addition to the EastMed pipeline and electricity interconnectors with Cyprus, Egypt and Israel, Athens is [building](#) a regasification unit at Alexandroupoli with U.S. assistance to import LNG from Egypt and elsewhere.
 - » Greece also is [building](#) the Interconnector Greece-Bulgaria (IGB) pipeline to send natural gas from Alexandroupoli to much of the Balkans and possibly as far as Ukraine.

What Should the United States Do Next?

- As part of its larger effort to impose costs on Russian aggression and reduce Europe’s vulnerabilities to Moscow, the Biden administration should harness the significant efforts of its partners to date and actively embrace an all-of-the-above approach to peaceful Eastern Mediterranean energy development, including by:
 - » Aligning U.S. policy with its EU partners by supporting peaceful development of natural gas as a critical piece of the continent’s energy security – a “bridge” – while it reduces dependence on Russia and transitions to more renewable energy sources. The current lack of natural gas alternatives to Russia is, counterproductively, [compelling](#) much of Europe to increase much less environmentally-friendly coal consumption.
 - This entails reversing the administration’s current opposition to the EastMed pipeline and supporting the EU and Israel as they make their own financial and technical decisions about the project’s future;

- This also entails backing the development of additional natural gas transit capacity, including LNG capacity in Egypt and Greece, as well as additional pipeline throughput from Israel to Egypt and from Greece to the Balkans.
 - › This also could benefit the United States strategically and economically, given its rising status as one of the world’s [leading](#) LNG exporters.
- » Appointing a Special Envoy for the Eastern Mediterranean, to build on ongoing efforts to [mediate](#) maritime disputes (e.g., Israel-Lebanon, Greece-Turkey) and to work with regional frameworks promoting peaceful energy development:
 - S/he could revive the “3+1” format of active, regular U.S. involvement in the Greece-Cyprus-Israel “trilateral” forum on diplomatic, energy and strategic ties, and should consider initiating a similar U.S role in the Greece-Cyprus-Egypt trilateral;
 - A special envoy also should explore the United States officially joining the East Mediterranean Gas Forum (currently it is a permanent observer) to better coordinate regional natural gas development with its European and Middle Eastern partners.
- The Biden administration also should [avoid](#) approving the sale of advanced F-16 fighter aircraft and modernization kits to Turkey until and unless Ankara begins displaying more cooperative behavior – foremost, by concretely de-escalating its overflights of Greek islands, many of which employ F-16s.

This brief was made possible by the support of the Gettler Family Foundation and a portion of the research was conducted on the [Benjamin Gettler International Policy Trip](#).