

# **Qatar will stand in solidarity with Europe, won't divert gas contracts to other customers: Minister of State for Energy Affairs**



Doha: Minister of State for Energy Affairs HE Saad bin Sherida Al Kaabi stressed that Qatar will stand “in solidarity with Europe” and will not divert gas contracts to other customers, even if it means losing on possible financial gains.

The Minister told CNN that even though Qatar’s LNG contracts with Europe and the UK were divertible ones, Qatar’s commitment to Europe means “we’re not going to divert contracts and will keep them in Europe, even if there is financial gain for us to divert away, we would not do that,” before adding “that’s in solidarity with what’s going on in Europe.”

On the possibility for Europe to replace Russian gas, Al Kaabi said that replacing Russian gas is “not practically possible.” He highlighted that Russia supplies 30 to 40 percent of Europe’s gas needs, something the continent cannot replace.

The Minister of State rejected imposing sanctions on Russia’s energy sector, adding that Qatar was not choosing sides in the Ukrainian crisis. He added that it was to keep the energy sector out of politics, due to the negative ramifications doing so would have on development. He added that doing so could affect prices the way it did and cause a lot of volatility.

He noted that the Ukrainian crisis had a negative impact on energy transition, highlighting that the use of coal has reached its highest levels ever, as all parties involved are prioritizing their energy security ahead of any long-term gains they are trying to reach. HE the Minister maintained however that the energy sector could do that in a responsible manner.

Commenting on the role the US could play in the future of energy production, he said that the US is certainly one of the biggest suppliers, given the abundance of LNG the country has.

On the prospects of Europe buying fuel jointly from large suppliers, the Minister said that he is yet to see a decision regarding that, noting that this never happened in the past. His Excellency added that many parties in Europe were speaking with Qatar and other large LNG producers because they want to diversify their supply.

On whether Qatar could turn its back on its Asian partners, the Minister of State for Energy Affairs said that QatarEnergy was the biggest company in terms of signing long-term contracts with partners in Asia, with many of those agreements signed over the past three years.

He also told CNN that there is a desire to diversify the

buyers of Qatari gas, revealing that the plan is to have half of the customers of the Qatari gas be located to the East of the Suez Canal, with the other half to its West. Currently, 80-85% of Qatar gas buyers are in Asia, with 15-20% of customers located to the West of the Suez Canal.

---

## **‘Qatar, US recognise urgency climate change challenge’**



Doha

The State of Qatar and the United States of America recognise the urgency of the challenge posed by climate change and the importance of accelerating global efforts on all aspects of the climate change agenda.

Qatar and the US also agree on the need to provide energy security and tackle the climate crisis together in light of current events and on the road to COP27 in Sharm el Sheikh. Rapidly reducing methane emissions is the most effective strategy to limit global warming in the near term and keep 1.5

degrees Celsius within reach.

Qatar's endorsement of the Global Methane Pledge provides critical momentum to global efforts to urgently reduce methane emissions. There are now 111 country endorsements of the Global Methane Pledge, representing 70% of the global economy and nearly half of global anthropogenic methane emissions.

Countries endorsing the Global Methane Pledge commit to take national-level, voluntary actions to support the collective pledge target of 30% reduction in anthropogenic methane emissions by 2030 from 2020 levels.

Qatar is a global leader in tackling methane emissions as it has achieved example-setting progress reducing methane intensity in the energy sector over the past decade. Qatar has an impressive track record of actions and commitments to monitor, report, verify, and reduce methane, including through reducing flaring and methane emissions in the energy sector.

QatarEnergy was the first national oil company in the Middle East to sign the Methane Guiding Principles, which support voluntary corporate efforts to reduce methane emissions across the natural gas supply chain.

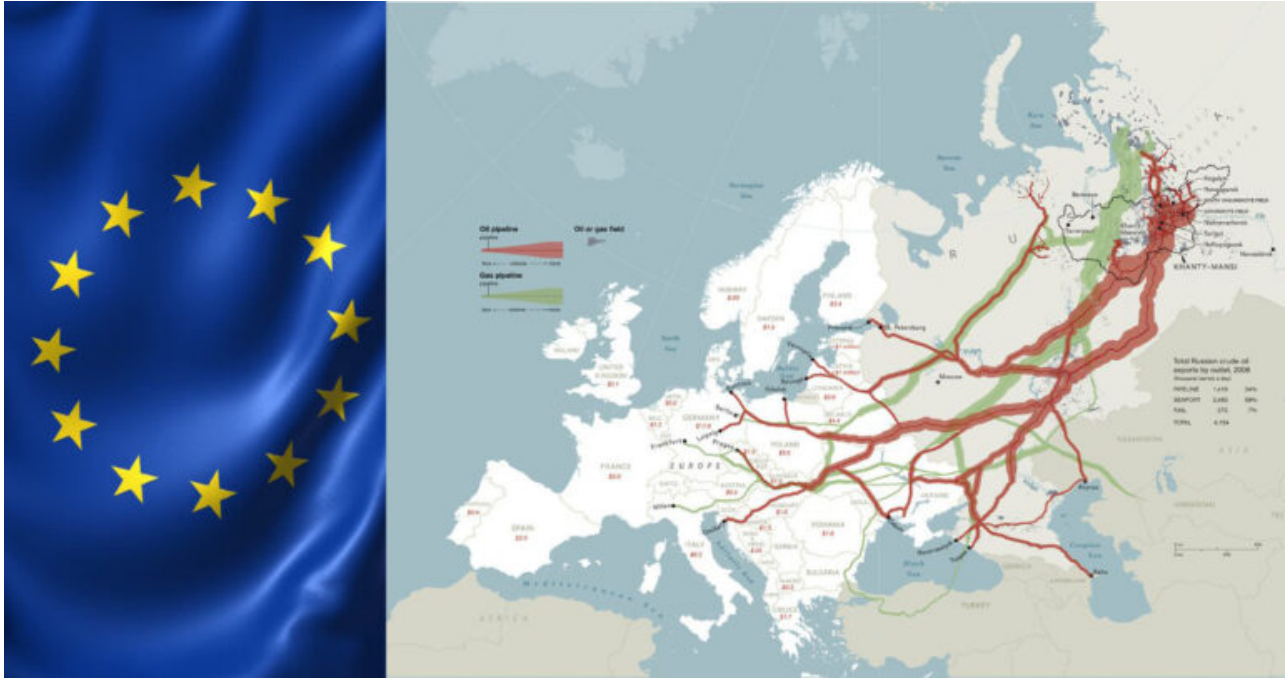
QatarEnergy is also an active member of the Global Gas Flaring Reduction Partnership (GGFR) with a firm commitment to end routine flaring by 2030 and has joined the second phase of the Oil and Gas Methane Partnership (OGMP 2.0), which enables systematic and credible reporting on oil and gas methane emissions.

The Global Methane Pledge builds on Qatar's status as a founding member of the Net-Zero Producers Forum, and its ongoing strong performance, and provides an exciting new platform for Qatar and the US to deepen cooperation on methane reduction efforts, including with third countries.

---

# الحرب بين روسيا وأوكرانيا

# وسعي أوروبا الخاطئ إلى أمنها في مجال الطاقة



بقلم: رودى بارودي

لقد كشف تردد أوروبا في استهداف قطاع الطاقة الروسية لمعاينة موسكو على غزوها لأوكرانيا مدى هشاشة إمدادات الطاقة للقارة، حيث تتطلب أفضل الحلول، فهماً أعمق لكيفية وصول الوضع الأوروبي إلى ما هو عليه اليوم.

التفسير البسيط هو أن ألمانيا والعديد من الدول الأوروبية الأخرى أصبحت تعتمد بشكل مفرط على واردات الغاز الطبيعي الروسي. لكن هذا ليس صحيحاً تماماً، لأن العديد من العوامل الأخرى تزيد من ضعف أوروبا، وبينما يلعب سوء التوقيت دوراً في بعضها، فإن البعض الآخر ينبع من إخفاقات كبيرة على مستوى صناعة القرار الاستراتيجي.

قررت حكومات أوروبية عدة إغلاق محطات الطاقة النووية والفحم في السنوات الأخيرة، الأمر الذي لم يؤد سوى إلى زيادة حاجة أوروبا للطاقة - وبالتالي الاعتماد على - الغاز الروسي. هذا لا يعني أنه لم تكن هناك أسباب مقنعة لهذه القرارات، وأن تزامن فترة ما بعد الاعتماد على الطاقة النووية مع الأزمة الروسية الأوكرانية يعد سوء طالع إلى حد ما، ومع ذلك لا يمكن إنكار حقيقة أن التخلي عن هذا

الكم الهائل من مولدات الطاقة النووية قد ترك لأوروبا عددًا قليلًا من البدائل العملية والقابلة للتطبيق. لكن المشكلة الحقيقية لم تكن بالإغلاق التدريجي لوحدات التوليد النووية؛ بل الفشل المتمثل في عدم الاستعداد بشكل مناسب للعواقب من خلال تجهيز مصادر طاقة بديلة جديدة كافية، وخاصة مصادر الطاقة المتجددة.

في ألمانيا أيضًا، وإلى جانب سياسة التخلي عن الطاقة النووية نسبيًا، تم تأجيل إنشاء محطتين جديدتين لاستقبال شحنات الغاز الطبيعي المسال المنقولة بحراً لأكثر من عقد. وهذا يعني أنه، حتى لو تمكنت أوروبا من تأمين ما يكفي من الغاز الطبيعي المسال لاستبدال الغاز الذي يُضخ إليها من روسيا عبر الأنابيب، فإنها تفتقر إلى القدرة الكافية على إعادة تحويل الغاز المسال إلى غاز جاهز للاستهلاك يمكن الاستفادة منه بالكامل.

وفي منحى مماثل، فإن خط أنابيب نابوكو المقترح - الذي كان سينقل الغاز الأذربيجاني والمصري والعراقي و / أو التركماني من تركيا إلى النمسا - تعرض أيضًا لعراقيل متكررة وإلغاء نهائي في عام 2013، مما زاد من أهمية اعتماد أوروبا على الغاز الروسي وخطوط الأنابيب الروسية.

وبالرغم من ضياع هذه الفرص وغيرها على أوروبا والتي كانت ستؤمن لها المرونة في الاستفادة من مصادر طاقة متعددة من خلال تنوع مصادرها ووسائلها وطرق إمدادها، فإنه لا يزال أمام أوروبا الوقت لتحسين وضعها بشكل كبير، لا سيما على المدى المتوسط الطويل. أحد الخيارات الواعدة هو ربط فرنسا وإسبانيا بالجزائر والمغرب بوسائط نقل الغاز بأنابيب تحت البحر مع إمكانية كبيرة لإعادة تكرير الغاز المسال إلى غاز قابل للاستهلاك، حيث يمكن بعد ذلك توزيع الإمداد بالغاز إلى دول أوروبية أخرى. إلا أن مسائل سياسية وعراقيل مختلفة قد أدت إلى إبطاء هذا الاقتراح أيضًا، لذلك لا يسعنا إلا أن نأمل أن تساعد الأزمة الأوكرانية في تسليط الضوء مجددًا في مدريد وباريس على هذا المقترح.

هناك خطوات أخرى يمكن أن تتخذها أوروبا أيضًا، بعضها مباشر وتتطلب تسهيل التعاون عبر الحدود وتجاوز تطبيق بنود الاتفاقيات التي يمكن أن تستغرق وقتًا طويلًا لتحقيق. يتمثل أحدها في تعزيز قدرة القارة على تحمل حالات انقطاع واردات الغاز من خلال زيادة

قدرتها التخزينية، سواء للغاز التقليدي في كهوف الملح تحت الأرض أو للغاز المسال في مستودعات الغاز الطبيعي الجديدة أو الموسعة.

وهناك خطوة ثانية تتمثل في تأجيل الألمان والبلجيكيين وغيرهم إغلاق المحطات النووية المقرر إيقاف تشغيلها. والثالثة هو أن يقوم الهولنديون بتوسيع موانئهم الحالية لاستقبال الغاز الطبيعي المسال، أما الخطوة الرابعة فقد بدأت في الأيام القليلة الماضية حيث استهل الألمان العمل في مرافق الاستيراد الخاصة بهم. وقد تكون الخطوة الخامسة هي العمل فوراً على ربط حقل غاز شرق البحر الأبيض المتوسط عبر خط أنابيب إلى تركيا ومن بعدها إلى أوروبا.

يمكن أيضاً تحسين الوضع من خارج القارة. فقد ضاعفت الولايات المتحدة، على سبيل المثال، صادراتها من الغاز الطبيعي المسال إلى أوروبا، وينبغي أن تكون قطر - التي أوفت بكل التزام من التزامات التسليم على الرغم من الحصار غير القانوني لمدة عامين ونصف العام الذي فرضه عليها بعض جيرانها - قادرة على زيادة شحناتها أيضاً، الأمر الذي من شأنه أن يعيد الثقة بأسواق التوريد. أما إسبانيا فإلى جانب تلقيها الغاز عبر الأنابيب فهي أيضاً تتزود بالكهرباء المولدة من مزارع الطاقة الشمسية في شمال إفريقيا، بالإضافة إلى نطاق شبكات تعاون المشتركة الهائل على امتداد المنطقة الأورو متوسطة.

أخيراً وبالتأكيد ليس آخرًا، يمكن لأوروبا أن تخدم مصالحها على أفضل وجه - بكل ما للكلمة من معنى - من خلال الموافقة على دعمها المالي لمشاريع النفط والغاز المستقبلية للسنوات القليلة المقبلة، وأن تصبح أكثر جدية بشأن مصادر الطاقة المتجددة. تمتلك دول الأورو متوسطاً وحدها إمكانات كافية من طاقة الرياح البحرية لتحل محل الصناعة النووية العالمية بأكملها، بالإضافة إلى تقنيات أخرى، بما في ذلك الطاقة الشمسية والأمواج والمد والجزر والطاقة الحرارية الأرضية تحت سطح البحر.

كل هذا يجب أن يوفر الاستقلالية عن الغاز الروسي وأن يعبد الطريق نحو السلام وليس الحرب.

---

# Ο πόλεμος και η προβληματική αναζήτηση της Ευρώπης για ενεργειακή ασφάλεια



## ΗΜΕΡΗΣΙΑ

OPINIONS – 25.03.22 17:42

Roudi Baroudi

Τι πρέπει να γίνει για να υπάρχει απεξάρτηση από το ρωσικό αέριο και να κινούνται τα αγαθά για την ειρήνη, όχι για τον πόλεμο



Οι επιφυλάξεις της Ευρώπης να βάλει στο στόχαστρο τη ρωσική ενεργειακή βιομηχανία για να τιμωρήσει τη Μόσχα για την εισβολή της στην Ουκρανία έχει αποκαλύψει ότι **οι ενεργειακές προμήθειες της ηπείρου δεν είναι επαρκείς**, με τις καλύτερες λύσεις να απαιτούν βαθύτερη κατανόηση του πώς η ευρωπαϊκή κατάσταση έφτασε στο σημείο που είναι σήμερα.

**Η απλή εξήγηση είναι** ότι η Γερμανία και πολλές άλλες ευρωπαϊκές χώρες έχουν γίνει υπερβολικά εξαρτημένες από τις εισαγωγές ρωσικού φυσικού αερίου. Αλλά αυτό είναι μόνο εν μέρει αλήθεια, καθώς πολλοί άλλοι παράγοντες τονίζουν την αδυναμία της Ευρώπης, άλλοι το αποδίδουν σε ατυχή συγκυρία, άλλοι το ερμηνεύουν ως **αποτυχία στο επίπεδο λήψης στρατηγικών αποφάσεων**.

Πρώτον, **πολλές κυβερνήσεις αποφάσισαν να κλείσουν τους πυρηνικούς σταθμούς** και τους σταθμούς ηλεκτροπαραγωγής με άνθρακα τα τελευταία χρόνια, γεγονός που απλώς αύξησε την ανάγκη της Ευρώπης και συνεπώς την εξάρτησή της από το ρωσικό αέριο. Αυτό δεν σημαίνει ότι δεν υπήρχαν επιτακτικοί λόγοι για αυτές τις αποφάσεις, και η σύμπτωση αυτής της μεταπυρηνικής περιόδου με την κρίση Ρωσίας-Ουκρανίας είναι τουλάχιστον εν μέρει κακή τύχη.

Ωστόσο δεν μπορεί να αμφισβητηθεί το γεγονός ότι η αδράνεια ή η ανικανότητα σε μεγάλες παραγωγές **έχει αφήσει την Ευρώπη με λίγες πρακτικές και βιώσιμες εναλλακτικές λύσεις**.

Το πραγματικό πρόβλημα, ωστόσο, δεν ήταν οι πυρηνικές διακοπές λειτουργίας των ίδιων των τοπικών μονάδων παραγωγής, αλλά μάλλον μια **αποτυχία επαρκούς προετοιμασίας για τις συνέπειες** προσθέτοντας άλλες εναλλακτικές όπως τις ανανεώσιμες πηγές ενέργειας.

Επίσης στη Γερμανία, και εν μέρει παράλληλα με τις διαδικασίες αποπυρηνικοποίησης, δύο νέοι τερματικοί σταθμοί για την παραλαβή υγροποιημένου φυσικού αερίου (LNG) έχουν καθυστερήσει για περισσότερο από μια δεκαετία.

Αυτό σημαίνει ότι **ακόμη κι αν η Ευρώπη μπορούσε να εξασφαλίσει αρκετό LNG** για να αντικαταστήσει το φυσικό αέριο που λαμβάνει από τη Ρωσία, **δεν έχει επαρκή ικανότητα επαναεριοποίησης** για να το χρησιμοποιήσει πλήρως.

Ομοίως, ο προτεινόμενος **αγωγός Nabucco** -ο οποίος θα μετέφερε αέριο από το Αζερμπαϊτζάν, την Αίγυπτο, το Ιράκ ή και το Τουρκμενιστάν από την Τουρκία στην Αυστρία- σημείωσε επίσης επανειλημμένες καθυστερήσεις και τελικά ακυρώθηκε το 2013, επιβάλλοντας περαιτέρω τη σημασία του ρωσικού φυσικού αερίου και των ρωσικών αγωγών.

Παρά το γεγονός ότι η Ευρώπη έχασε αυτές και άλλες ευκαιρίες να γίνει πιο ευέλικτη και πιο ανθεκτική διαφοροποιώντας τις πηγές, τα μέσα και τις οδούς εφοδιασμού της, **έχει ακόμη χρόνο να βελτιώσει ουσιαστικά τη θέση της**, ιδίως μεσοπρόθεσμα και μακροπρόθεσμα.

Μια πολλά υποσχόμενη επιλογή είναι μια **διασύνδεση φυσικού αερίου** που θα επεκτείνει ριζικά τη χωρητικότητα του αγωγού **μεταξύ της Ισπανίας**, με υποθαλάσσιους αγωγούς προς την Αλγερία και το Μαρόκο και μια σημαντική αχρησιμοποίητη ικανότητα επαναεριοποίησης, **και της Γαλλίας**, από όπου οι εν λόγω προμήθειες θα μπορούσαν στη συνέχεια να διανεμηθούν σε άλλα σημεία της Ευρώπης.

Πολιτικές και άλλες ανησυχίες έχουν επιβραδύνει και αυτή την πρόταση, επομένως μπορούμε μόνο να ελπίζουμε ότι το επεισόδιο της Ουκρανίας θα βοηθήσει να ανανεωθεί η εστίαση στη Μαδρίτη και το Παρίσι.

Υπάρχουν και άλλα βήματα που θα μπορούσε να κάνει η Ευρώπη, μερικά από αυτά αρκετά απλά και απαιτούν λιγότερα από τη διακρατική συμφωνία και συνεργασία που **μπορεί να πάρουν τόσο πολύ χρόνο για να επιτευχθούν και να ενεργοποιηθούν**.

Το ένα είναι να ενισχύσουμε την ικανότητα της ηπείρου να αντέχει τις διακοπές παράδοσης αυξάνοντας την ικανότητα αποθήκευσης, είτε για συμβατικό αέριο σε υπόγεια σπήλαια

αλατιού είτε για την υγροποιημένη έκδοση σε νέες ή διευρυμένες αποθήκες LNG. Ένα άλλο είναι **να καθυστερήσουν οι Γερμανοί, οι Βέλγοι και άλλοι το κλείσιμο των πυρηνικών σταθμών** που επί του παρόντος προγραμματίζονται για παροπλισμό.

Ένα τρίτο είναι **να επεκτείνουν οι Ολλανδοί τα υπάρχοντα λιμάνια λήψης LNG** και ένα τέταρτο ξεκίνησε τις τελευταίες ημέρες, καθώς οι Γερμανοί άρχισαν να εργάζονται για τις δικές τους εγκαταστάσεις παραλαβής. Ένα πέμπτο είναι να εργαστεί άμεσα **στο κοίτασμα φυσικού αερίου East Med Leviathan** για σύνδεση μέσω αγωγού με την Τουρκία και μετά με την Ευρώπη.

Η κατάσταση μπορεί επίσης να βελτιωθεί από χώρες εκτός Ευρώπης. Οι **Ηνωμένες Πολιτείες**, για παράδειγμα, έχουν διπλασιάσει τις εξαγωγές LNG στην Ευρώπη, και το **Κατάρ** -το οποίο τήρησε κάθε μία από τις δεσμεύσεις του για παράδοση παρά τον παράνομο αποκλεισμό δυόμισι ετών που του επέβαλαν ορισμένοι από τους γείτονές του- θα πρέπει να είναι σε θέση να αυξήσει και τις αποστολές του, κάτι που θα αποκαθιστούσε την εμπιστοσύνη στις αγορές εφοδιασμού.

Εκτός από το φυσικό αέριο που διοχετεύεται με αγωγούς, η Ισπανία λαμβάνει επίσης ηλεκτρική ενέργεια που παράγεται από **ηλιακά πάρκα στη Βόρεια Αφρική** και τα περιθώρια για παρόμοια κοινά δίκτυα στην ευρωμεσογειακή περιοχή είναι τεράστια.

Τελευταίο, αλλά σίγουρα εξίσου σημαντικό, η Ευρώπη μπορεί να εξυπηρετήσει καλύτερα τα δικά της συμφέροντα -με όλη τη σημασία της λέξης- **εγκρίνοντας τη χρηματοδοτική της υποστήριξη σε μελλοντικά έργα πετρελαίου και φυσικού αερίου** για τα επόμενα χρόνια και λαμβάνοντας ακόμη πιο σοβαρά τις ανανεώσιμες πηγές ενέργειας.

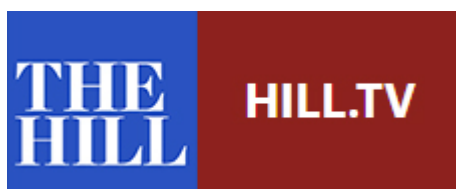
Οι ευρωμεσογειακές χώρες από μόνες τους έχουν αρκετό **υπεράκτιο δυναμικό αιολικής ενέργειας** για να αντικαταστήσουν ολόκληρη την παγκόσμια πυρηνική βιομηχανία, και άλλες τεχνολογίες καλούν επίσης, όπως ηλιακή, κυματική, παλιρροιακή και

υποθαλάσσια γεωθερμία.

Όλα αυτά για να υπάρχει απεξάρτηση από το ρωσικό αέριο και να κινούνται τα αγαθά για την ειρήνη, όχι για τον πόλεμο.

---

## The Russia-Ukraine war and Europe's flawed quest for energy security



BY ROUDI BAROUDI, OPINION CONTRIBUTOR – 03/25/22 02:30 PM EDT  
THE VIEWS EXPRESSED BY CONTRIBUTORS ARE THEIR OWN AND NOT THE  
VIEW OF THE HILL

Europe's hesitance over targeting Russia's energy industry to

punish Moscow for its invasion of Ukraine has exposed the precariousness of the continent's energy supplies, with best solutions demanding a deeper understanding as to how the European situation got to where it is today.

The simple explanation is that Germany and several other European countries have become over-reliant on imports of Russian natural gas. But this is only partly true; numerous other factors accentuate Europe's vulnerability, and while some amount to unfortunate timing, others stem from significant failings at the strategic decision-making level.

For one thing, several governments have decided to close their nuclear and coal power plants in recent years, which has only increased Europe's need for – and therefore dependence on – Russian gas. This is not to say that there were no compelling reasons for these decisions, and the coincidence of this post-nuclear period with the Russia-Ukraine crisis is at least partly bad luck, yet there is no denying the fact that the idling of so much output capacity has left Europe with few practical and viable alternatives. The real problem, though, was not the nuclear shutdowns phasing out local generating units themselves; rather, it was a failure to adequately prepare for the consequences by adding enough new capacity, especially renewables.

Also in Germany, and partly alongside the denuclearization process, two new terminals for receiving seaborne shipments of liquefied natural gas (LNG) have been delayed for more than a decade. This means that even if Europe were able to secure enough LNG to replace the piped gas it gets from Russia, it lacks sufficient regasification capacity to make full use of it.

Similarly, the proposed Nabucco pipeline – which would have carried Azerbaijani, Egyptian, Iraqi, and/or Turkmen gas from Turkey to Austria – was also subjected to repeated delays and eventual cancellation in 2013, further entrenching the

importance of Russian gas and Russian pipelines.

Despite having missed these and other opportunities to make itself more flexible and more resilient by diversifying its sources, means, and routes of supply, Europe still has time to substantially improve its position, especially in the medium and long terms.

One promising option is a gas interconnector which would radically expand the pipeline capacity between Spain, with both undersea pipelines to Algeria and Morocco and a considerable unused regasification capacity, and France, from where the supplies in question could then be distributed to other points in Europe. Political and other concerns have slowed this proposal as well, so we can only hope that the crisis in Ukraine will help renew the focus in Madrid and Paris.

There are other steps Europe could take as well, some of them quite straightforward and requiring less of the cross-border agreement and cooperation that can take so long to reach and activate. One is to bolster the continent's ability to withstand delivery interruptions by increasing its storage capacity, whether for conventional gas in underground salt caverns or for the liquefied version in new or expanded LNG depots. Another is for the Germans, Belgians, and others to delay the closure of nuclear plants currently slated for decommissioning. A third is for the Dutch to expand their existing LNG receiving ports, and a fourth has got under way in the last few days as the Germans have started work on their own receiving facilities. A fifth is to work immediately on the East Med Leviathan gas field to connect via pipeline to Turkey and onward to Europe.

The situation can also be ameliorated from the outside. The United States, for example, has doubled its LNG exports to Europe, and Qatar – which met every single one of its delivery commitments despite the illegal two-and-half-year blockade

imposed on it by some of its neighbors – should be able to increase its shipments, too, something that would restore confidence in supply markets. In addition to pipelined gas, Spain also receives electricity generated by solar farms in North Africa, and the scope for similar shared grids across the Euro-Mediterranean region is enormous.

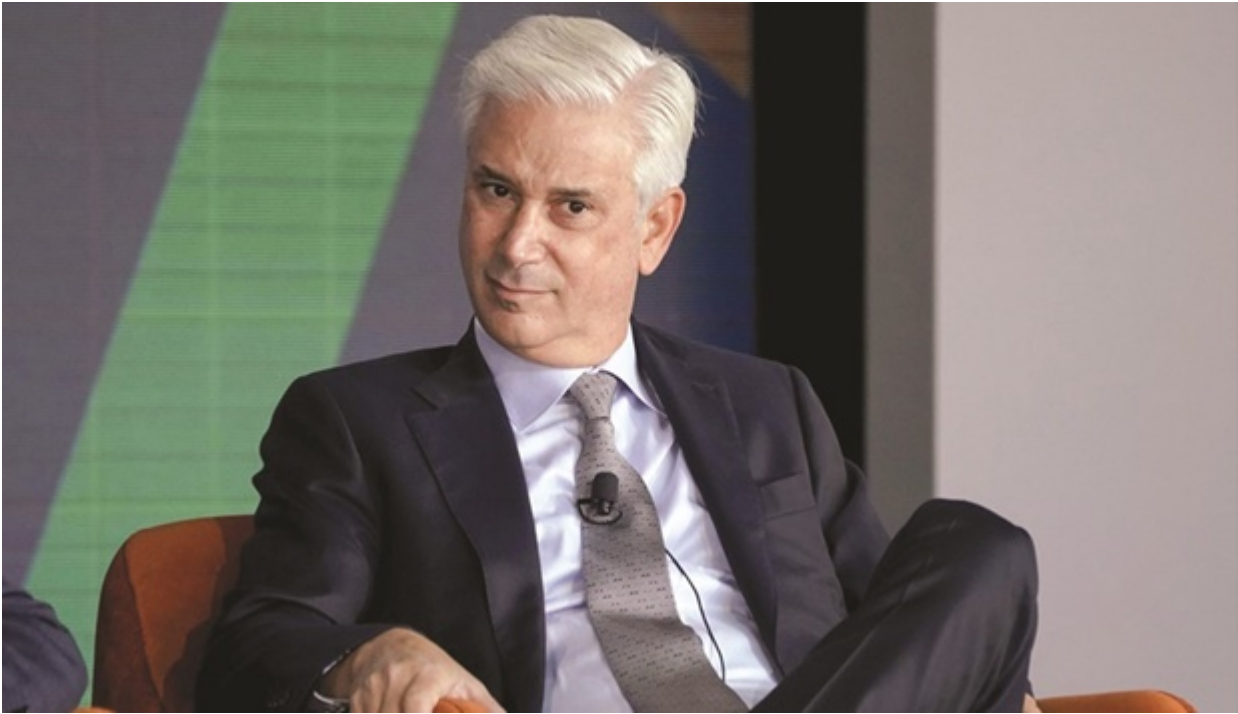
Last, but certainly not least, Europe can best serve its own interests – in every sense of the word – by approving its financial support on future oil and gas projects for the next few years and getting even more serious about renewables. The Euro-Med countries alone have enough offshore wind power potential to replace the entire global nuclear industry, and other technologies beckon as well – including solar, wave, tidal, and undersea geothermal.

All this to become independent of Russian gas and to move for peace, not war.

Roudi Baroudi is a senior fellow at the Transatlantic Leadership Network and the author of “Maritime Disputes in the Mediterranean: The Way Forward” a book distributed by the Brookings Institution Press. With more than 40 years of experience in fields including oil and gas, electricity, infrastructure and public policy, he currently serves as CEO of Energy and Environment Holding, an independent consultancy based in Doha, Qatar.

---

**Wells Fargo's \$28bn oil  
lenders ready for boom**



One year after Wells Fargo & Co became one of the last big US banks to make a net-zero promise, essentially marking its enormous oil and gas loan business for extinction, the bankers who dole out billions of dollars to fossil fuel aren't panicking.

The specialists in oil and gas have worked through a streak of money-burning years capped by a brutal pandemic. Now the hydrocarbon business is roaring back, and Wells Fargo's lenders sit right at the top. No one in the world put together more fossil fuel loans last year as book runner, according to data Bloomberg compiled: The bank's 2021 tally in the sector topped \$28bn; it's racked up more than \$188bn in oil and gas loans since late 2015, when the landmark Paris Agreement was adopted. That sum is more than the market capitalisation of BP, Marathon Petroleum, and Valero Energy – combined.

There are good reasons for the leaders in fossil finance to be anxious. Start with the bank's net-zero goal: Wells has joined more than 100 financial institutions with midcentury deadlines for axing greenhouse gas. Few bankers like to be in a line of work practically marked for elimination. Even if you happen to distrust corporate pledges, the explosion of environmental, social, and governance considerations into a multi-trillion dollar industry puts pressure on those in the business of



funding oil, gas, and coal.

But Wells bankers are playing the long game. "There's this idea or dynamic that it's a light switch," says Scott Warrender, who runs the energy and power team. The green revolution? "Our view – and in reality – it will play out over a much longer time frame."

Wells executives won't stop making hydrocarbon loans when the rest of us are consuming so much of it, according to interviews with 10 current and former people there. Few veterans of this business are quite sure where it goes from here. Their attitude toward the crisis of climate change veers between pragmatism and, in the case of one former executive, disdain.

It all adds up to a high-stakes moment for the energy industry, the warming world, and Wall Street, especially for a bank that chief executive officer Charlie Scharf is trying to turn around after years of scandals. Since access to capital is so important to the fossil fuel industry, which ploughs through money, the moral and financial calculations of bankers like those at Wells will play a key role in the future of the climate.

Until the economy and society both evolve, Warrender says, "our view is we need to bank the broad energy sector in all of its forms." Over decades as an energy banker, he's watched the hydrocarbon industry dive into busts and then climb back into big-money booms. He's survived the tumult and learned to stick it out through the endgame, he told a journalist over a decade ago, back when he likened his job as an energy banker to his pastime of amateur boxing. Today, he says, his hobby has switched to cycling, but his focus on energy is unchanged.

"That's going to be what's interesting," says Derek Detring, who had a stint eight years ago as a Wells energy banker before he started a firm advising the energy industry. "Now that we're making money again, will investors stay away?" As the long-suffering industry returns to being lucrative, he says, "it will be harder for them to leave."

Indeed, oil prices soared after the invasion of Ukraine and

moves by the US and UK to ban Russian oil. Energy executives and their bankers are used to volatility. Wells Fargo's fossil fuel lending has stayed at the top of the industry even as annual totals bounced around – from \$23bn in 2016, up to \$48.3bn in 2018, and then back down to \$28.7bn last year.

Historically, bankers haven't been under much pressure from shareholders to move faster on climate. But that could change. Last year, ahead of the United Nations climate conference, Wells joined the Glasgow Financial Alliance for Net Zero, a group of banks and fund managers representing \$130tn in assets. (Michael Bloomberg, the owner and founder of Bloomberg LP, is co-chair of the alliance.) The big banks, in addition to pledging to zero out emissions, have agreed to eventually begin accounting for the carbon in their vast portfolios. Coming up with measurements for "financed emissions" will be hotly contested, and activists will be watching. In December the investor group Interfaith Center on Corporate Responsibility asked Wells and other banks to adopt a policy by the end of 2022 to ensure that lending and underwriting don't contribute to new fossil fuel development.

For now, though, a Wall Street giant can go green and underwrite the clean-energy future while also doing deals on gas pipelines and oil fields. Wells was just ahead of JPMorgan Chase & Co last year as the book runner on syndicated loans, which means being the bank in charge when several are involved. Looking at loans gives a good sense of how fossil fuel companies finance themselves, but they also work with Wall Street to issue bonds. Wells wasn't the biggest in that space last year – the \$7.7bn it managed was about half of JPMorgan's \$15.8bn.

"We've been a leading financial partner to traditional energy companies, such as oil and gas producers and electric utilities, as well as the emerging renewables business, for many years," said a Wells spokesperson. "We will continue to support our clients in this industry as they provide the fuel that powers society today, and as they respond to the evolving market."

None of the bank's recent oil and gas lending deals have been bigger than the \$5bn revolving loan it led in 2018 for Energy Transfer LP, whose Dakota Access Pipeline is at the heart of the battle between the oil industry and the Standing Rock Sioux Tribe. Billionaire Kelcy Warren, the chairman of the Dallas-based pipeline operator, has a relationship with Wells that stretches back decades. Not long before the loan, advisory group Institutional Shareholder Services Inc recommended that Wells investors support a resolution requiring policies to help protect Indigenous groups. Protesters made their way in 2017 to the California home of Tim Sloan, then the boss of the bank, and set up an inflatable pipeline.

That didn't scare Wells out of the business. Its most significant syndicated fossil fuel loan last year was a \$3bn deal with Enterprise Products Partners LP. The Houston pipeline owner agreed in January to buy Navitas Midstream Partners and its 1,750 miles of pipeline in the Permian Basin for \$3.25bn in cash.

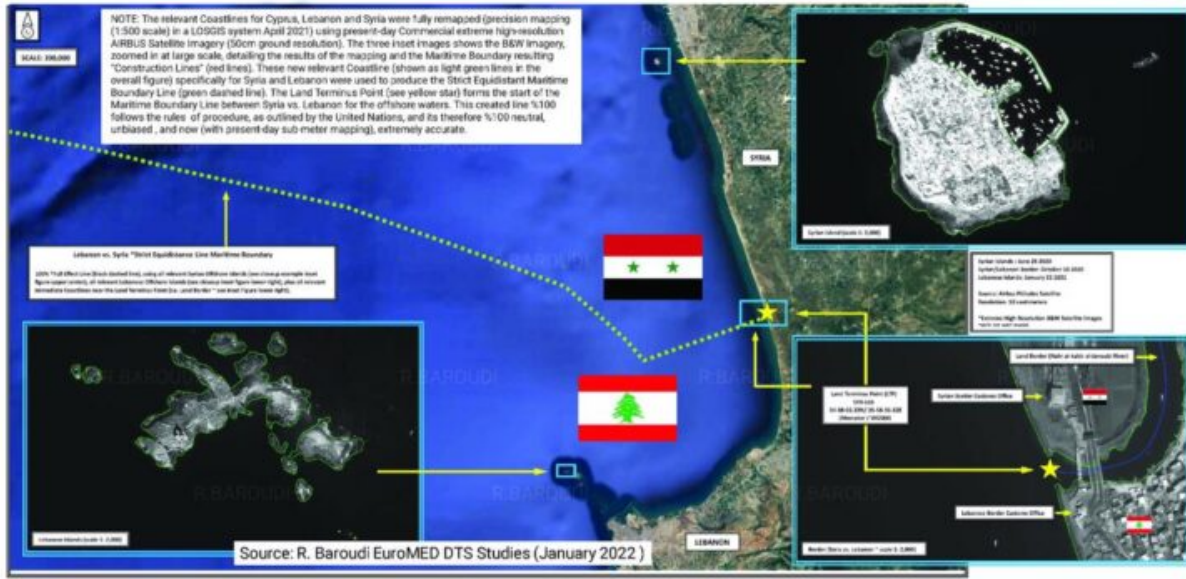
The story of energy lending isn't just about the future of climate – it's also about consolidation turning dozens of banks into just a few. Wells ended up a giant in fossil loans after a string of acquisitions.

---

**ترسيم الحدود البحرية شمالاً...  
بارودي: لاجتماع ثلاثي للتوصل  
إلى نقطة تقاطع**



## Lebanon – Syria Maritime Boundaries Strict Equidistance Line with Islands Effects



يَجْمَع قصر بعدا اليوم رئيس الجمهورية العماد ميشال عون ورئيسي مجلس النواب نبيه بري والوزراء نجيب ميقاتي، لبحث موقف لبنان الرسمي من عرض الوسيط الاميركي آموس هوكشتاين لترسيم الحدود البحرية.

في انتظار معلومات قد ترشح عن الاجتماع، يُجْمَع الخبراء على أن موضوع ترسيم الحدود البحرية للبنان شمالاً وجنوباً، يجب أن يكون ضمن سلة واحدة، في حين أن لبنان لم يرسم حدوده لا مع سوريا ولا مع قبرص ولا مع إسرائيل علماً أن المفاوضات الأصبغ مع الأخيرة بفعل العداء بين البلدين.

وفيما الساحة الإقليمية عموماً والداخلية خصوصاً تترقب مآل المفاوضات غير المباشرة مع إسرائيل على وقع الدرس الرسمي اللبناني لاقتراح الوسيط الأميركي آموس هوكشتاين، تتوجّه الأنظار إلى الحدود البحرية الشمالية للبنان للسؤال عن مصير المفاوضات مع...سوريا لترسيم تلك الحدود

الخبير الدولي في شؤون الطاقة رودي بارودي يرى رداً على سؤال لـ"المركزية"، أن "ملف الحدود البحرية الشمالية بين لبنان وسوريا، يحتاج إلى حل في إطار من المفاوضات الودية"، كاشفاً أن "في الوقت الحاضر لا يزال الملف مجمّداً، ولم تتم معالجة الحدود البحرية حتى الآن".

ويُلفت إلى أن "متابعة الموضوع تتطلب أيضًا عقد اجتماع ثلاثي الأطراف يضمّ لبنان وسوريا وقبرص من أجل حل مسألة الحدود البحرية". والتوصل بالتالي إلى نقطة تقاطع ثلاثية.

ويذكر بارودي بأن "لبنان سبق أن أعلن من جانب واحد عن خط الحدود البحري الخاص به، ونشر إحداثياته الجغرافية بالإضافة إلى الوثائق كافة مع "وحدة شؤون المحيطات" ووفق "معاهدة الأمم المتحدة لقانون البحار" (وهي اتفاقية دولية توفر إطاراً قانونياً متكاملًا لآلية الانتفاع من مياه البحار والمحيطات في العالم، وهي تضمن الحفاظ على الموارد البيئية والبحرية وكذلك الانتفاع العادل لتلك الموارد).

ويُضيف: استُخدم هذا الخط كخط الأساس الطبيعي الافتراضي لسوريا، وخط الأساس الطبيعي الافتراضي مع لبنان. ومع ذلك، لا يتطابق هذا الخط مع ذلك المتساوي الأبعاد الموجود في الخرائط المنشورة أدناه. وربما استخدم لبنان خرائط أساسية قديمة للتوصل إلى خطوطه المقترحة.

وفي المقلب الآخر، تطرّق بارودي إلى البلوكات الموجودة بين لبنان وسوريا، ولبنان وقبرص، ويقول: من المهم أن نعرف وفقًا للدراسة التي أجريتها مؤخرًا عن "قانون البحار"، أن بلوكات البلدان الثلاثة تتداخل ببعضها البعض. البلوك السوري يتداخل مع البلوك اللبناني بـ 15383 مترًا، بينما البلوك اللبناني فيمتد على البلوك السوري بـ 1707 أمتار تقريبًا. بينما البلوك اللبناني يتداخل مع حدود قبرص بـ 5 أمتار تقريبًا، فيما البلوك القبرصي يمتد إلى البلوك اللبناني بـ 233 مترًا تقريبًا.

في ظل هذه الصورة، هل يحرك لبنان ملف الترسيم شمالاً بالتوازي مع الترسيم جنوباً؟ أم سيكون مصير الأول كمصير الثاني وهو التخبّط وإضاعة الوقت؟!

---

# Column: Hedge funds slash oil positions amid extreme volatility



By John Kemp

LONDON, March 14 (Reuters) – Investors cut bullish bets on oil last week as prices surged to multi-year highs, the economic outlook deteriorated, and extreme volatility made derivatives positions more expensive to maintain.

Hedge funds and other money managers sold the equivalent of 142 million barrels in the six most important petroleum-related futures and options contracts in the week to March 8.

Last week's sales were the 11th largest out of 469 weeks since March 2013, records published by ICE Futures Europe and the U.S. Commodity Futures Trading Commission showed.

Portfolio managers sold Brent (-97 million barrels), European gas oil (-23 million), U.S. gasoline (-13 million) and U.S. diesel (-11 million) and were buyers only of NYMEX and ICE WTI (+2 million).

The selling was dominated by closure of existing bullish long positions (-114 million barrels) rather than the initiation of new bearish short ones (+28 million), consistent with a risk-reducing strategy.

Funds ended up with a net position in the six contracts of just 588 million barrels (45th percentile for all weeks since 2013) down from a peak of 761 million barrels (70th percentile) on Jan. 18.

Bullish long positions outnumbered bearish short ones by a ratio of 4.76:1 (61st percentile) down from 6.24 (80th percentile) in mid-January (Link).

In recent weeks, the record backwardation in futures prices, accelerating rise in spot prices, and increasing day-to-day volatility have been signs of a market under extreme stress and likely to reverse course.

Soaring oil prices have been part of a broader increase in the price of raw materials, manufactured items and freight charges which has raised the probability of a recession within the next 12 months.

Reflecting the deteriorating economic outlook and volatility costs, distillate positions were cut to 85 million barrels (67th percentile) last week down from a recent peak of 144 million barrels (85th percentile) five weeks earlier.

Rising volatility is also a symptom of a market becoming less liquid, with both bullish and bearish investors less willing to take on new risk exposures and instead reducing positions until trading becomes calmer.

Heightened volatility has fed through into more demands for margin from brokers and clearing houses and makes futures and options positions increasingly expensive to maintain, encouraging fund managers to trim positions.

Extreme volatility and rapidly diminishing liquidity is reminiscent of trading conditions in the second quarter of 2008 as oil prices climbed towards a record high in the first half of July before plunging.

Oil prices are caught between rising supply risks as a result of Russia's invasion of Ukraine and the consequent sanctions on the country's output, and growing demand risks stemming from inflation and a possible recession.

In this increasingly unstable and chaotic situation, many hedge fund managers have decided it is prudent to realise profits from previous long positions and reduce risk exposure until the balance of risks becomes clearer.

Related columns:

- Global diesel shortage raises risk of oil price spike (Reuters, March 11)
- Western economies on brink of recession as Russia sanctions escalate (Reuters, March 8)
- Hedge funds anticipate oil price spike, possible recession (Reuters, March 7)
- Global recession risks rise after Russia invades Ukraine (Reuters, March 4)

John Kemp is a Reuters market analyst. The views expressed are his own

*Editing by Barbara Lewis*



---

# Faced with energy turmoil, China turns to its old reliable: Coal



Bloomberg

Anyone who's ever tried to make a lifestyle change knows that it's easy to start a new habit when times are good. It's sticking with it when times are tough that's the hard part.

That's what's made the past few months in China, capped off by this month's National People's Congress in Beijing, so difficult for people who want to see the nation succeed in helping stave off the worst impacts of climate change.

Gone are the heady days of late 2020, when think tanks, newspapers and state-run enterprises issued a flurry of optimistic outlooks and officials talked about completing the largest energy transition in mankind's history by zeroing out emissions in the world's biggest polluter by 2060. Now, with

fears of energy shortages growing around the world and concerns that rising coronavirus cases could hinder economic growth at home, the country's leaders are doubling down on fossil fuels.

Faced with energy turmoil, China is returning to its old habit of coal, no matter what damage it does to climate momentum.

"To a country where coal has been dominant for so long, one of the biggest challenges to get to net-zero is a mindset shift," said Qin Yan, a carbon analyst at Refinitiv. "Giving the power back to coal now only makes the shift, which had only just begun to slowly take off, harder to complete."

The shift has been months in the making. Ever since a shortage of coal sparked widespread power curtailments in September and October, leaders have drummed home the message that the dirtiest fossil fuel is also the most important to ensuring continued growth. China has approved mining expansions that's pushed output to record levels and started construction on new generators powered by the fuel, even as such efforts are shunned in most other parts of the world.

Recent comments from top officials have made clear this isn't a temporary shift. In a high-level climate meeting this month, Han Zheng, China's vice-premier, called coal the country's "last barrier" to energy security. In the same week, President Xi Jinping told a group of lawmakers from China's coal hub of Inner Mongolia that "we can't toss away what's feeding us now while what will feed us next is not yet in our pocket."

The National Development and Reform Commission, the nation's top economic planner, told officials from major mining regions at a meeting late last week that it wants to boost domestic production capacity by about 300mn tonnes, according to people familiar with the matter, Bloomberg reported on Monday. It also plans to build a 620mn-tonne stockpile of the fuel.

"The risks China faces now are at a high level unseen for years, and the uncertainties they bring to China's climate work are still growing," said Li Shuo, a climate analyst at Greenpeace East Asia, "In the short term, it's obvious a preference for coal is swinging back."

That doesn't mean the country is turning its back on renewables, a sector dominated by Chinese manufacturers. Officials confirmed this month that a massive desert wind and solar power program will grow to at least 450 gigawatts in size, larger than most countries' total power fleets. And China's main solar industry group has already projected a record amount of new panels this year.

But pushing both coal and renewables to grow at the same time carries added risks. Investments in new coal facilities could take decades to be paid off, and a growing renewable sector could make them obsolete before that's done. The government needs a long-term plan to write those coal projects off when renewables are ready to take over, which would involve another round of struggling among different interest groups.

And in the near-term, Xi's plans to secure a third term at the 20th Party Congress this November mean stability and economic growth will be prioritised at any cost, including the climate. The government set a gross domestic product growth target of 5.5% for this year, higher than most estimates. That means a likely return to Beijing's old doctrine of massive infrastructure spending, which means more energy required to produce steel and concrete and move goods and materials around the country.

"Looking forward at China's climate work in 2022, it would mark a 'success' if there isn't a big regression," said Li Shuo.

---

## **UN climate report reignites global fight for compensation**



With this week's UN climate science report laying bare the staggering economic costs and losses already faced from climate change, an inevitable question arises: who should pay? Within UN climate negotiations, "loss and damage" refers to the costs countries are incurring from climate-related impacts and disasters – costs that disproportionately hit the world's poor and vulnerable who did least to cause global warming. Drawing on more than 34,000 references from the latest scientific papers, the report released on Monday by the UN Intergovernmental Panel on Climate Change (IPCC) confirmed that economic sectors from agriculture and fishing to tourism were already being damaged.

Extreme heat has fuelled crop losses. Rising seas have turbo-charged cyclones that have razed homes and infrastructure, slashing economic growth.

And as the bills mount up, poorer countries are left with even less to spend on health, education and infrastructure – compounding suffering.

"It's an unending situation," said Anjal Prakash, a lead IPCC author and research director at the Indian School of Business. The report is likely to intensify a years-long political fight over funding to pay for climate-linked losses, ahead of the next UN climate summit, COP27, in Egypt in November.

Vulnerable countries for years have sought funding to help them shoulder these costs. So far, it hasn't arrived, and rich nations have resisted steps that could legally assign liability or lead to compensation.

The mention of "loss and damage" in the 2015 Paris Agreement came with the caveat that it "does not involve or provide a basis for any liability or compensation".

Last November at the COP26 climate summit in Glasgow, poor countries called for a special "loss and damage" fund to be established, but the United States and other rich nations resisted. The delegates agreed to set up a UN body to help countries address loss and damage, and to continue discussions towards making "arrangements" for funding.

But there is no clarity on where the money would come from.

"We can't just create more talk shops when people are dying," said Harjeet Singh, senior adviser at Climate Action Network. He said COP27 needed to establish the funding facility that developing countries, including China, had called for at COP26.

Singh and other campaigners said the IPCC report – which has been approved by nearly 200 governments – could intensify pressure on the world's most powerful nations.

"It will help us to say that science is clear, the impacts are clearer now. So you are accountable for this, and you have to pay for this," said Nushrat Chowdhury, a policy advisor at NGO Christian Aid.

The report's discussion of climate losses is bolstered by recent improvements in "attribution science", which allows scientists to confirm when climate change caused or worsened a specific extreme weather event.

Still, putting a number on the resulting losses remains contentious. For example, can climate-linked losses from a weather event be separated from losses caused by poor disaster planning? Can costs be counted for losses outside our economic systems, such as when nature is degraded or a community burial site is destroyed?

"We are still debating that in the scientific community," said

another IPCC lead author Emily Boyd, a professor at Sweden's Lund University.

As climate disaster costs mount and UN negotiations remain stuck, some are considering other options.

"Liability and compensation have other avenues to be taken forward, which are courts," said Saleemul Huq, an adviser to the Climate Vulnerable Forum group of 55 countries.

Sophie Marjanac, lawyer at environmental law firm ClientEarth, said the IPCC report "will generally support litigation" to address climate change.

The legal avenue faces other obstacles, however.

Last year a federal appeals court rejected New York City's attempt to use state law to hold five oil companies liable to help compensate harm caused by global warming. The court said the regulation of greenhouse gas emissions should instead be addressed under federal law and international treaties.

"Challenges in climate change litigation are related to the law, not to do with the science," Marjanac said. "The science has been clear, very clear for years."