

U.S. Deputy Secretary of Energy Daniel Poneman
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“Meeting the Energy Needs of Tomorrow: How the United States and Poland Can Work Together”

Thank you, Ambassador Feinstein, for the introduction. And thank you to demosEUROPA and President Pawel Swieboda for hosting today’s event. We are here today to talk about the future – our collective future – and how we can work together to achieve our shared energy goals.

I am reminded of the dramatic moments when the whole world was watching the Gdańsk shipyards. Now, we can look back at those events with the patina of historical inevitability, but at the time, the outcome was much less evident. As a global community, we watched this battle for freedom unfold with collective pride.

The tremendous shift that we witnessed there led to further advancements as Poland moved from strength to strength. The country has developed into a vibrant democracy and a vibrant economy, and has ushered in a new era of political freedoms, private enterprise, and a new way of life for Polish citizens throughout the country.

Following that initial transformation, we have also continued to work with Poland as the country has become an active participant in critical regional security and economic organizations by joining NATO in 1999 and then by becoming a member of the European Union in 2004.

Since then, we have seen Poland once again move from strength to strength, continuing on that trajectory and developing into a major regional player. In fact, Poland’s economy in the past few years has been one of the strongest in Europe. Last year, the Polish economy grew at 3.8 percent, and Poland was the only member country in the EU to have avoided a decline in GDP during the recent recession.

Over this same period, we have seen the bilateral relationship between the United States and Poland continue to widen and deepen, and we now see a renewed momentum on both sides of the Atlantic for further collaboration on a broad range of issues.

President Obama’s visit here in May was just the latest demonstration of the breadth and depth of our alliance, which spans the full spectrum of strategic issues: from defense and national security to trade and the economy, from clean energy to support for democratic movements around the world.

And while our government-to-government interactions are critical, in many ways, our broader strategic partnership is driven by individual, people-to-people contacts and shared values. For instance, many of you know that in many cities across the United States, there are vibrant Polish-

American communities, including in my hometown of Toledo, Ohio, that remain in close contact with friends and families here in Poland.

All of us value hard work and innovation, and it is this type of deep personal connection that has linked our countries for more than two centuries and has long served as the foundation of the U.S.-Polish alliance.

U.S.-Poland Energy Cooperation

Today, I will be speaking specifically about our cooperation in the energy sector, which has become a central element in our bilateral relationship, in both the public and the private sector.

The United States and Poland share a broad set of strategic energy interests.

First, we seek to strengthen our energy security by diversifying our energy portfolios and decreasing our dependence on energy imports. Second, we aim to grow our economies and to create new jobs and new industries in the clean energy sector. And third, we are working to protect the environment by transitioning to cleaner energy sources that reduce carbon pollution.

But along with shared energy interests, the United States also shares many energy attributes with Poland.

We, like Poland, are a major coal country and we generate a significant share of our electricity – about 45 percent – from coal-fired power plants. We, like Poland, have tremendous shale gas reserves that we are in the process of developing. We, like Poland, are looking to invest in clean energy alternatives like energy efficiency, renewables, and advanced transportation technologies. And we, like Poland, are looking to expand the use of safe and secure nuclear energy, while working to minimize the threats from nuclear weapons proliferation and nuclear terrorism.

This natural alignment of our strategic energy interests and the similarities in our energy profiles offers a tremendous opportunity to deepen the energy collaboration between our two nations. By working together, we can help one another to achieve our shared energy goals.

I want to take a moment now to describe each of these areas in more detail and lay out some of the ways that the United States and Poland are partnering together to strengthen our economic prosperity, to promote energy independence, and to protect the environment.

Carbon Capture and Storage Technologies

In both the United States and Poland, coal will continue to play a significant role in our economies for the foreseeable future. That is why we are working together to advance clean coal technologies, like carbon, capture and storage, also known as CCS.

We have to be realistic. It's important to acknowledge, though, that successfully and cost-effectively deploying CCS technologies remains a major challenge, both on the technology front and the financing front. It will take the ingenuity and the support of all of us with interests in

reducing carbon emissions from coal-fired power plants to achieve our ambitious goals in this sector.

In that spirit, the Department of Energy's National Energy Technology Laboratory signed an agreement with Poland's Central Mining Institute and the Polish Institute for Chemical Processing of Coal in 2008 to deepen our bilateral R&D cooperation on CCS. The partnership includes mutually beneficial information exchanges, along with mechanisms to share data, materials, and instruments. And through this agreement, our scientists and engineers are working side-by-side with one another to provide technical assistance on specific projects and to undertake jointly funded research and development.

In multilateral fora as well, we are partnering together to advance CCS technologies.

Just last week, Secretary of Energy Steven Chu was at the Ministerial Meeting for the Carbon Sequestration Leadership Forum – also known as CSLF – in Beijing, China. The CSLF is an international organization comprised of 25 nations that is committed to investing in research, development, and demonstration projects to commercialize clean coal technologies.

We greatly appreciate Poland's leadership in the CSLF, and with the support of the CSLF, last year, the country launched a large-scale, collaborative CCS R&D project in Belchatów. The project aims to accelerate the commercialization process for large-scale carbon capture and storage technologies by demonstrating the full CCS value chain, including capture, transport, and safe geological storage of up to 1.8 million tonnes of carbon dioxide per year.

Shale Gas Development

While we make progress developing and deploying these clean coal technologies, both of our countries are also looking to take advantage of our significant natural gas resources to diversify our energy portfolios and to reduce carbon emissions.

The United States and Poland are both fortunate to possess vast shale gas reserves. The development of these resources has the potential to spur economic growth in our respective nations, to significantly reduce carbon emissions, and to strengthen our energy security.

As we think about shale gas, it's important that we keep each of these benefits in mind. Shale gas is not just an economic play. It's not just an environmental play. And it's not just an energy security play. It truly cuts across each of these dimensions.

It's essential, however, that as we look to realize these benefits that we do so in a way that is safe and environmentally responsible, and that preserves public confidence in this promising technology.

As I understand it, Poland is not quite as far along in the development of its shale gas resources as the United States, but initial estimates here are very promising. The United States Energy Information Administration, for instance, estimates that Poland has 187 trillion cubic feet – or

about 5.3 trillion cubic meters – of recoverable natural gas resources, making those the largest recoverable reserves in Europe.

Given the early stage in the development of these resources, the potential benefits of shale gas cooperation are particularly significant. Collaborating effectively in this sector could yield important gains for both of our countries, as well as for the global community.

Sharing lessons learned and best practices with one another will help assure that we continue to improve the safety and environmental performance of shale gas drilling. And as we achieve successes domestically, we can serve as models for other nations around the world, demonstrating that these resources can be developed safely and responsibly.

In the United States, we've recently had a report from a very distinguished panel appointed by Secretary Chu. This subcommittee of the Secretary of Energy's Advisory Board concluded a 90-day review of America's domestic shale gas industry and released a set of recommendations regarding the safe and environmentally sound development of shale gas resources.

The report called for greater transparency and disclosure in the industry regarding the fracturing fluids used in drilling. It urged immediate and longer-term actions to reduce environmental and safety risks, including implementing measurement systems for emissions and water data. It proposed the creation of an industry organization committed to continuous improvement and information sharing. And it laid out a role for modest government support for R&D efforts related to safety and environmental performance.

It's very possible, and even likely, that these findings will be applicable beyond the four corners of our own borders and could provide important lessons learned for the broader international community. This is something we embrace. We want to both share our experiences and learn from others.

And that's why international programs like the U.S. Global Shale Gas Initiative, led by the U.S. State Department, are so important. Poland has consistently been one of our leading partners through this initiative. It is something we greatly appreciate, and it demonstrates the pivotal role Poland can play as an example for other nations to follow. Even as I speak to you today, Polish officials in Washington are organizing an event with their EU colleagues and the State Department to better understand shale gas development.

A final note on shale gas: certainly government-to-government cooperation has an important role to play in advancing the safe and responsible development of shale gas. But equally important is the tremendous private sector cooperation that exists in this area and across the energy sector.

Even in these early stages of Poland's shale gas development, we have already seen partnerships develop between U.S. and Polish companies. For example, a number of major U.S. oil and gas companies, including Exxon Mobil, Chevron, and ConocoPhillips have been granted licenses to explore for shale gas in Poland. And we expect this kind of foreign investment to continue to play an important role in effectively developing these tremendous energy resources.

Clean Energy Investments

While these traditional oil and gas resources are a significant part of the United States' and Poland's efforts to diversify our energy portfolios, we are also working closely with Poland and the broader EU community to advance innovation in clean energy technologies. This includes renewable energy resources like wind and solar, building efficiency, modernized smart grids, advanced biorefineries, and more.

Earlier this year, the U.S. and Polish governments joined together to sign an agreement to expand our cooperation on clean and efficient energy. Through high-level meetings during this visit and moving forward, we will be able to work together to identify specific next steps under the cooperation.

The U.S.-EU Energy Council is also serving as a critical venue for deepening America's R&D cooperation with countries across Europe. Last year I had the opportunity to travel to Lisbon last with Secretary of State Clinton to co-chair the Energy Council and see first-hand the ongoing progress.

For example, through the Energy Council's Technology Research, Development, and Deployment Working Group, the U.S. and our European counterparts are working together closely to leverage our energy research budgets and laboratory expertise to advance our shared energy goals. Between 2010 and May 2011, over 13,000 researchers from EU member countries visited or conducted researcher exchanges with DOE national laboratories.

This kind of close, individual collaboration between scientists is one of the most effective ways expertise that can lead to new innovations in the clean energy industry. And as a leader in the EU, Poland is certainly in a strong position to take full advantage of this regional collaboration.

Nuclear Energy and Nuclear Security

Finally, I'd like to discuss how the U.S. and Poland are collaborating to expand the safe, secure, and peaceful use of nuclear energy resources, and some of the steps we have taken together to strengthen global nuclear security.

As President Obama has made clear, the United States continues to believe that nuclear energy is an important element of a diverse clean energy portfolio for our country and that it can play a significant role globally in meeting the international energy and climate challenges.

We welcome decisions by countries around the world to responsibly pursue nuclear energy, of course taking into account the important safety lessons learned from the accident at Fukushima.

Poland has been a global leader in this area as well. We have worked together closely to make sure that as nuclear energy developments are pursued, that they are pursued safely and responsibly.

Our cooperation has included an agreement I signed last year with Commissioner Trojanowska and U.S. Under Secretary for Commerce Sanchez to facilitate commercial cooperation in the civil nuclear sector between the U.S. and Poland. It also includes partnerships between our respective nuclear regulator to encourage information sharing and continuous improvements in nuclear safety.

It is very important that as we think about nuclear power that we also make sure that we are appropriately thinking about nuclear security. This has a couple of dimensions.

It means assuring that countries can reliably access fuel services. Any nation that lives up to its international nonproliferation commitments and obligations should know that it can continue to enjoy access to carbon-free nuclear electricity and that they will have the fuel services they need to continue to safely and securely operate their reactors.

But in that context, it is always critical that we remember to do this in a way that minimizes the threat of the spread of nuclear weapons.

This context is, in fact, the driving force behind the International Framework for Nuclear Energy Cooperation – or IFNEC – who’s Executive Committee Meeting is being hosted tomorrow here in Warsaw.

Through IFNEC, nations around the world are coming together to address the range of issues facing the global nuclear energy community, including financing, nuclear safety, human resource development, regulations, training, and more.

Commercial cooperation as well is essential for the safe and secure of expansion of nuclear energy resources worldwide.

As Poland looks to build its first nuclear power plants, U.S. companies, who number among them some of the best in the world, have been working closely with their Polish partners to offer competitive, quality proposals for these new reactors.

I also want to take a moment to acknowledge the strong leadership role Poland has had in the global fight against nuclear terrorism and nuclear weapons proliferation.

Last year, the United States and Poland were able to celebrate a very significant nuclear security milestone. Working together, our experts were able to complete the removal of more than 450 kilograms of Russian-origin highly enriched uranium spent fuel from Poland, enough to make more than 18 nuclear weapons. The shipments, which were completed over a 12-month period, represented the largest spent fuel shipment campaign in DOE’s history.

Poland and the U.S. are also working together to expand capabilities to detect, deter, and intercept illicit trafficking in nuclear and other radioactive materials. Through the Second Line of Defense Program, we are working together to install additional radiation detection equipment, provide training and technical support, and installing new radiation monitors at sites across the country.

I hope that what has been clear today is that given the shared values and shared energy interests between our two nations, that there is much to be gained by working together. Whether it's in clean coal or shale gas, renewable energy or nuclear security, our deepened cooperation will help us to grow our economies, to improve our energy security; and to protect the environment.

We will only succeed, however, with the support and engagement of the thought leaders and commercial leaders who are represented here today.

So, for the sake of our future prosperity, for the sake of our future security, for the sake of the environment, and most importantly, for the sake of our children and our children's children, I urge you all to join with us to find new and innovative ways to deepen our energy cooperation.

Thank you and now I'd be happy to take some questions.

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