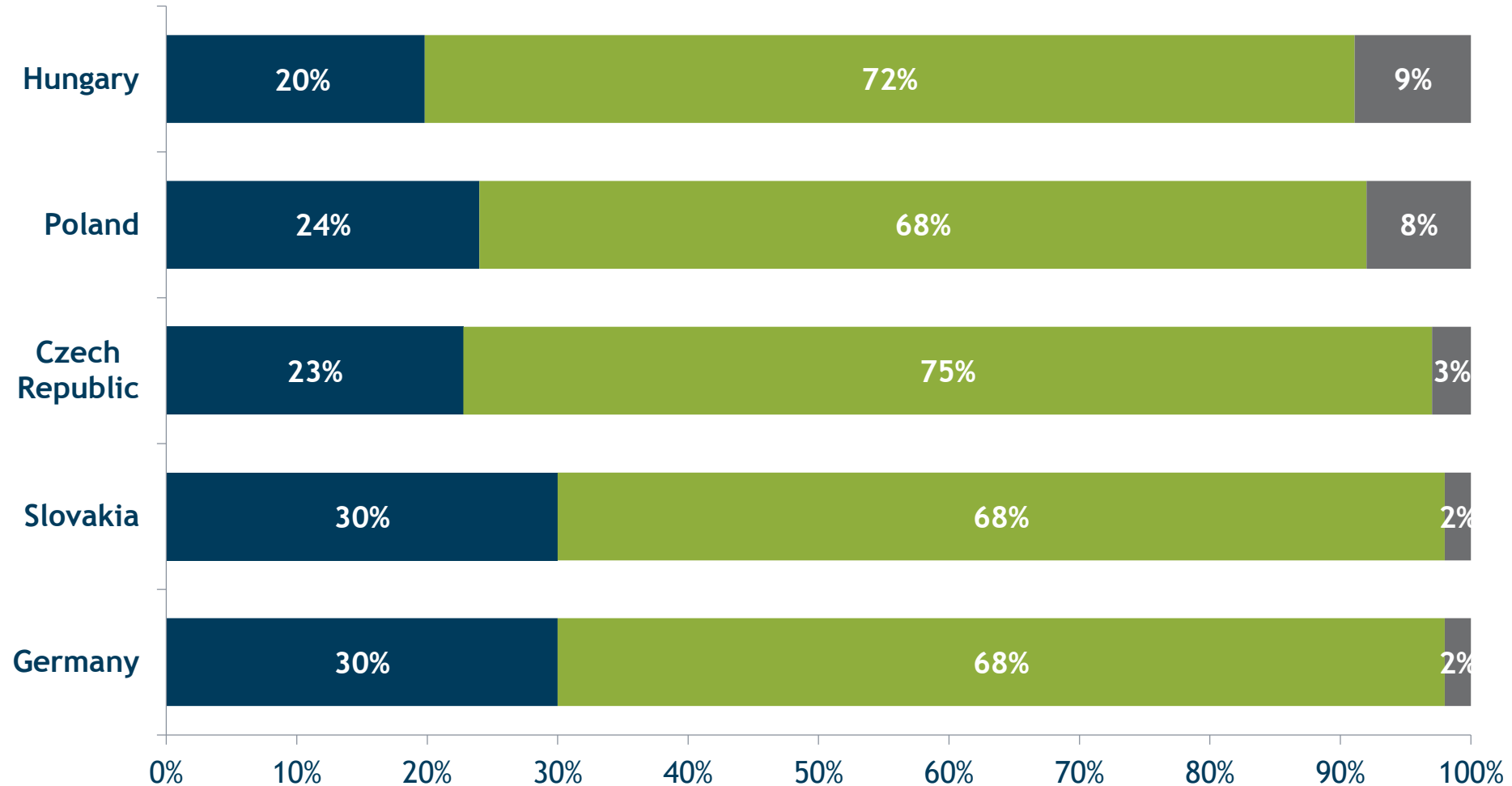


# Security and Energy

Paul Prosocki, International Republican  
Institute consultant

- RECENT POLLING FROM  
CENTRAL EUROPE
- NORTH AMERICAN ENERGY  
REVOLUTION

## Opinions on peace of Europe: Which statement is closer to your opinion?

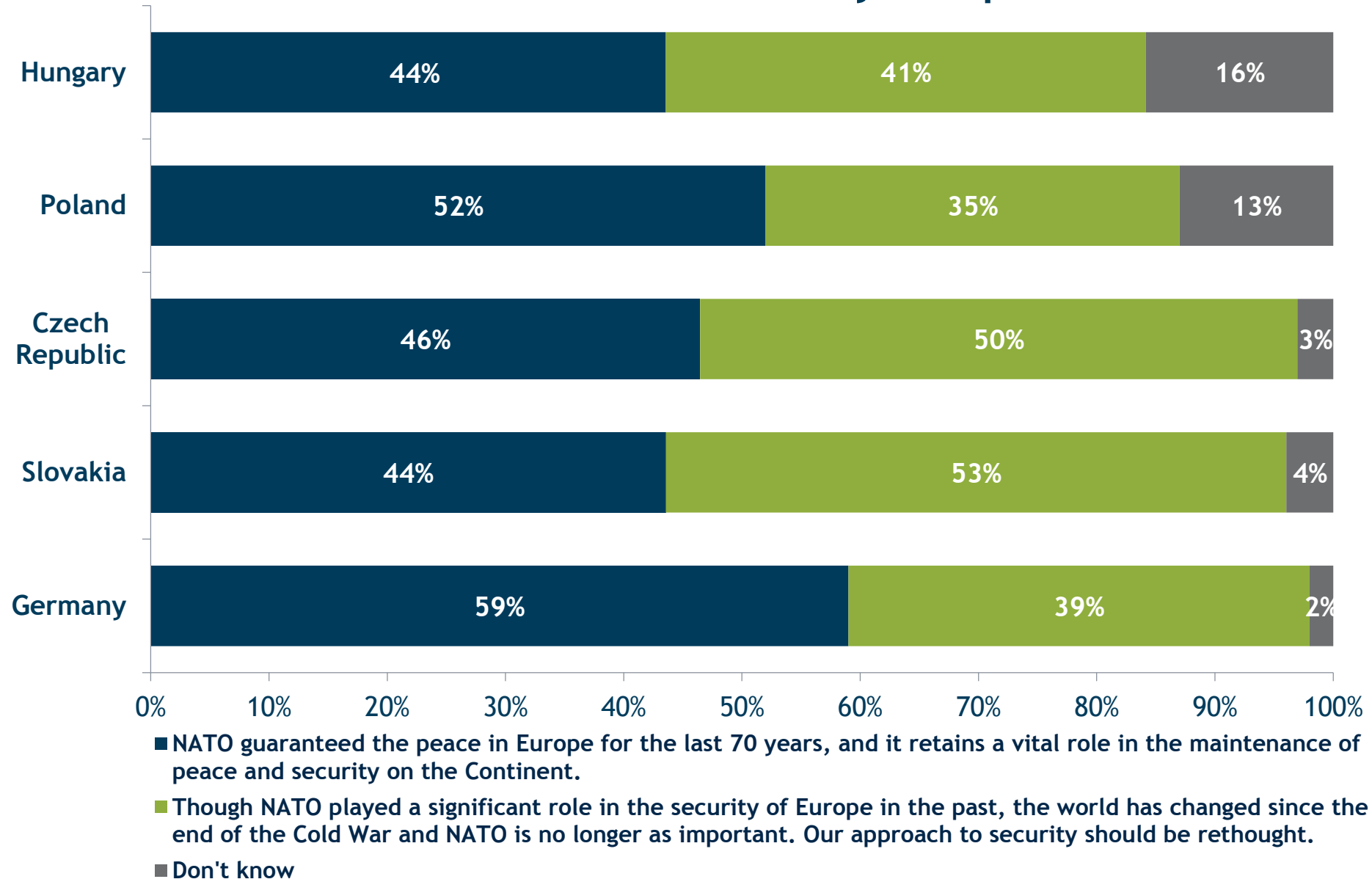


■ Europe is at peace, and there are no significant threats to peace on the horizon.

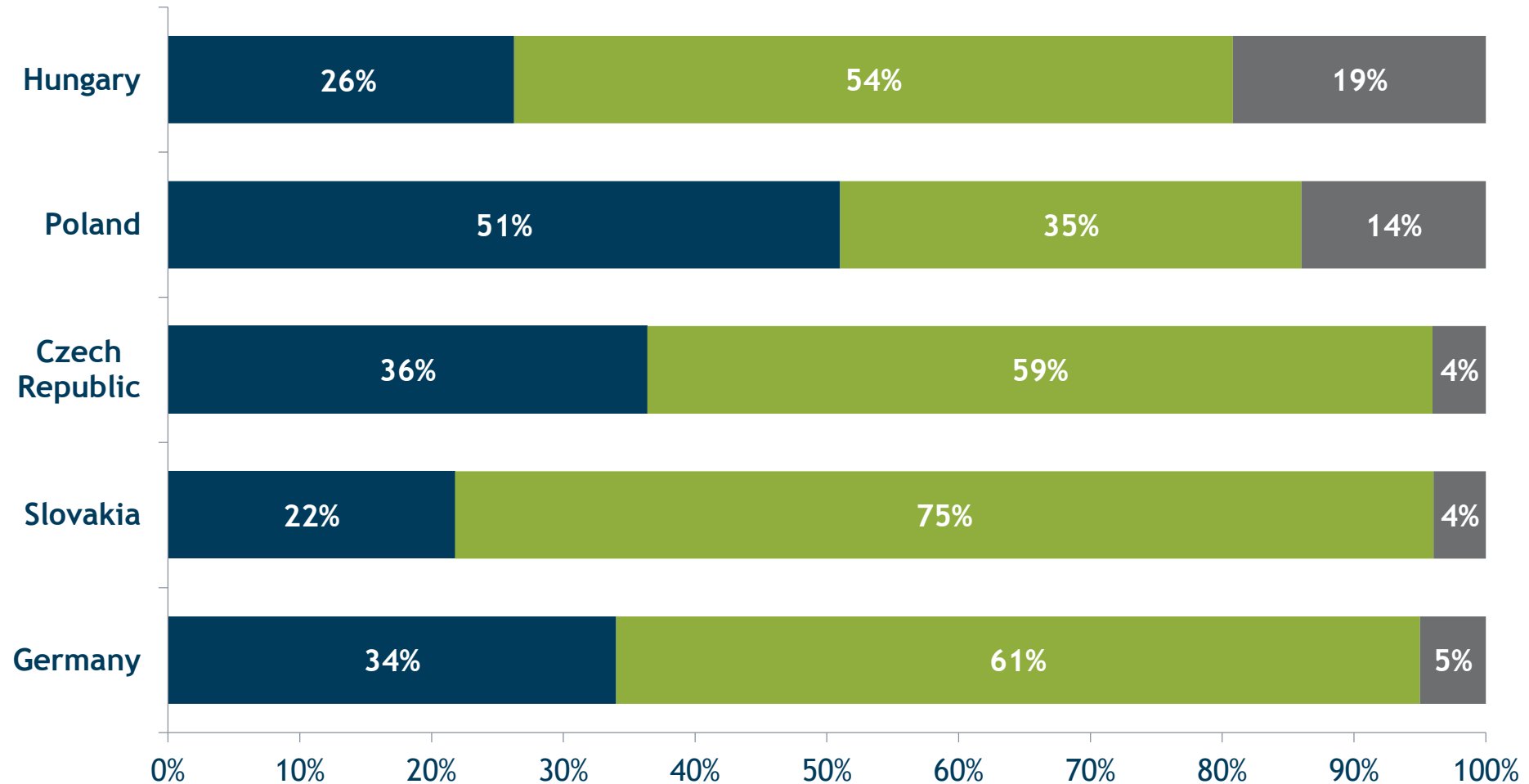
■ The peace of Europe is threatened on multiple fronts, such as terrorism, a resurgent Russia, and increased migration.

■ Don't know

## Opinions on NATO: Which statement is closer to your opinion?

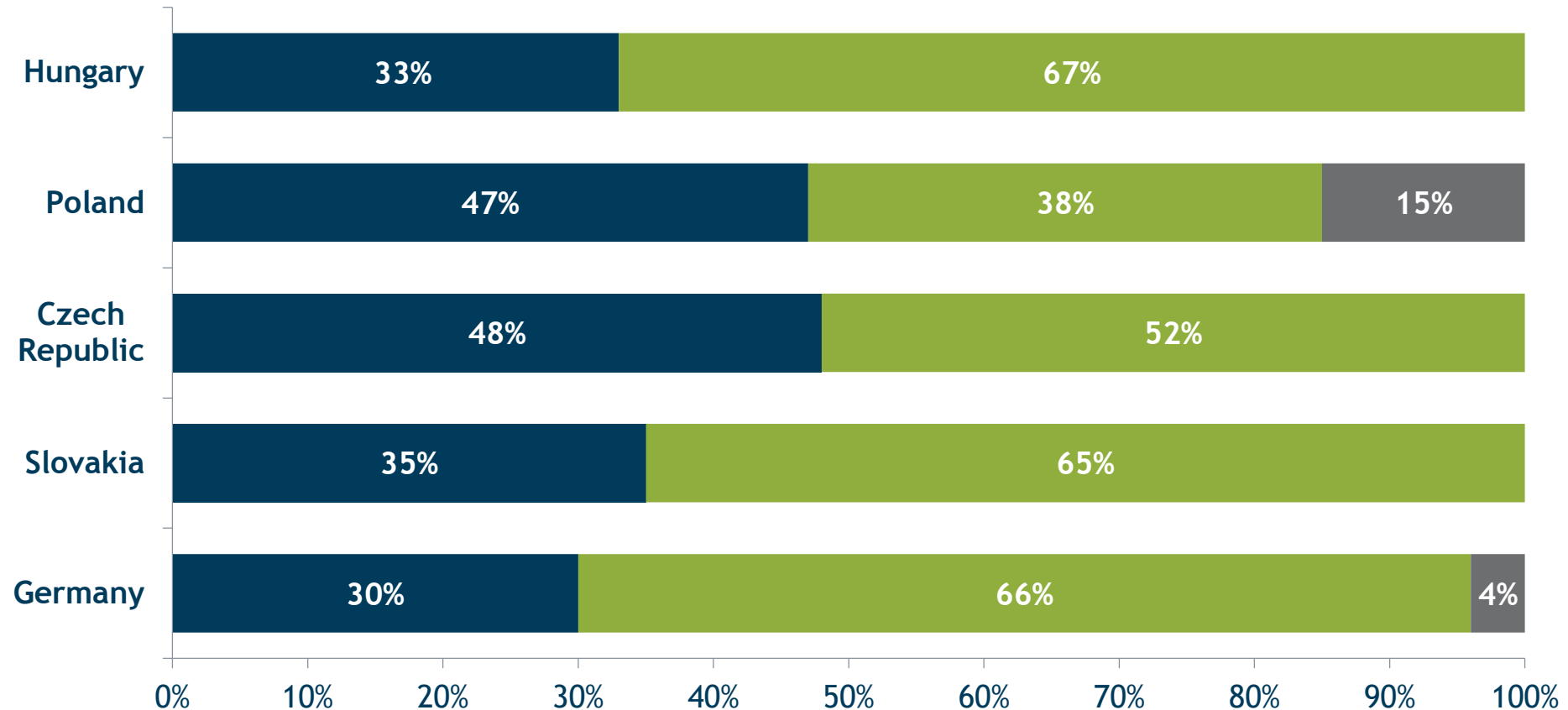


## Opinions on Russia's role in Europe: Which statement is closer to your opinion?



- Russia is a continuous, external threat to Europe, and must be countered by a strong security alliance.
- Russia should be considered a partner in European security, and brought into European security structures. Keeping Russia out makes us less secure.
- Don't know

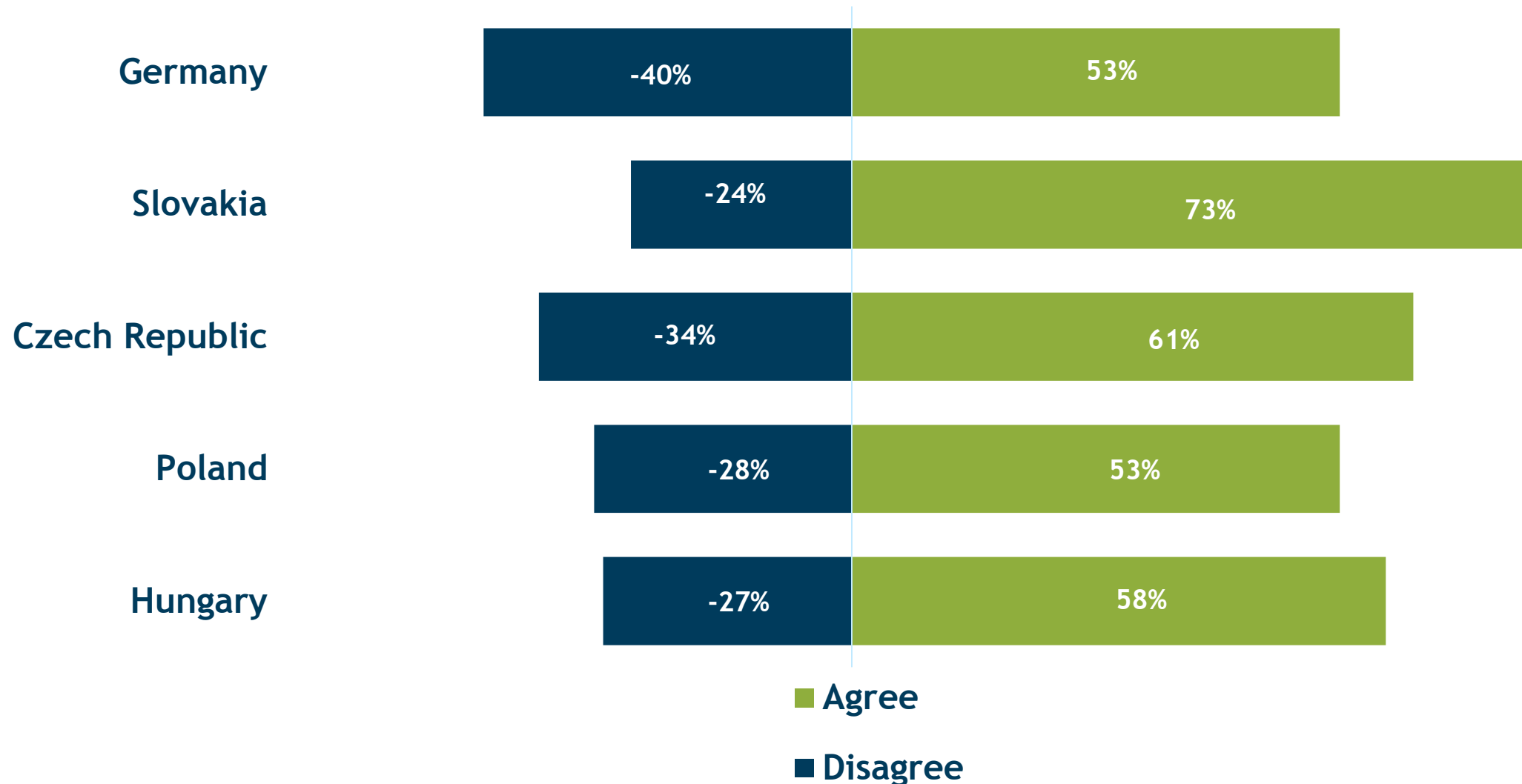
## Opinions on investing in security: Which statement is closer to your opinion?



- Current security threats mean [country] should invest more money in defense and security, even if this means having less money available for other things like pensions, healthcare, and education.
- The current security threats are not serious enough to justify increased defense spending. The resources should instead be used for other things like pensions, healthcare, and education.
- Don't know

\* For Poland "Don't know" outlier response, see Poland - Detailed Methodology, Slide 3.

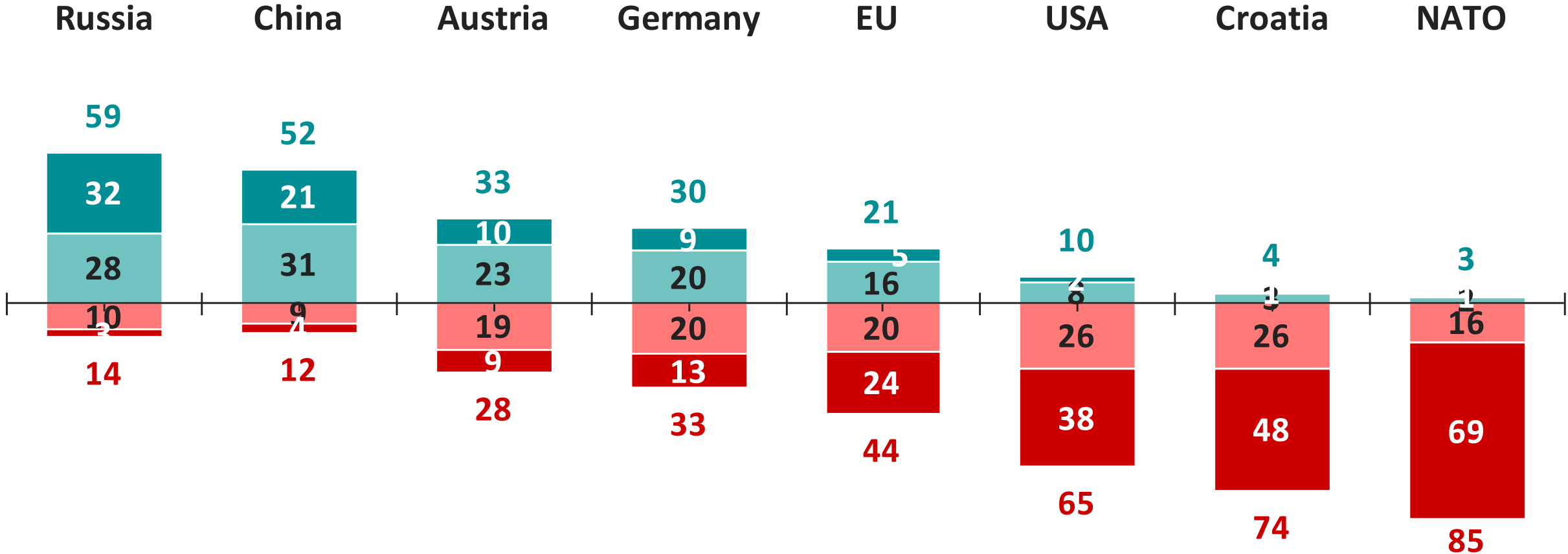
To what extent do you agree or disagree with the following statement? The security of your country would be better protected by remaining neutral, rather than being forced to choose sides between NATO and Russia.



# Public opinion toward foreign countries and institutions

• Five point scale, 1 to 5 grades.

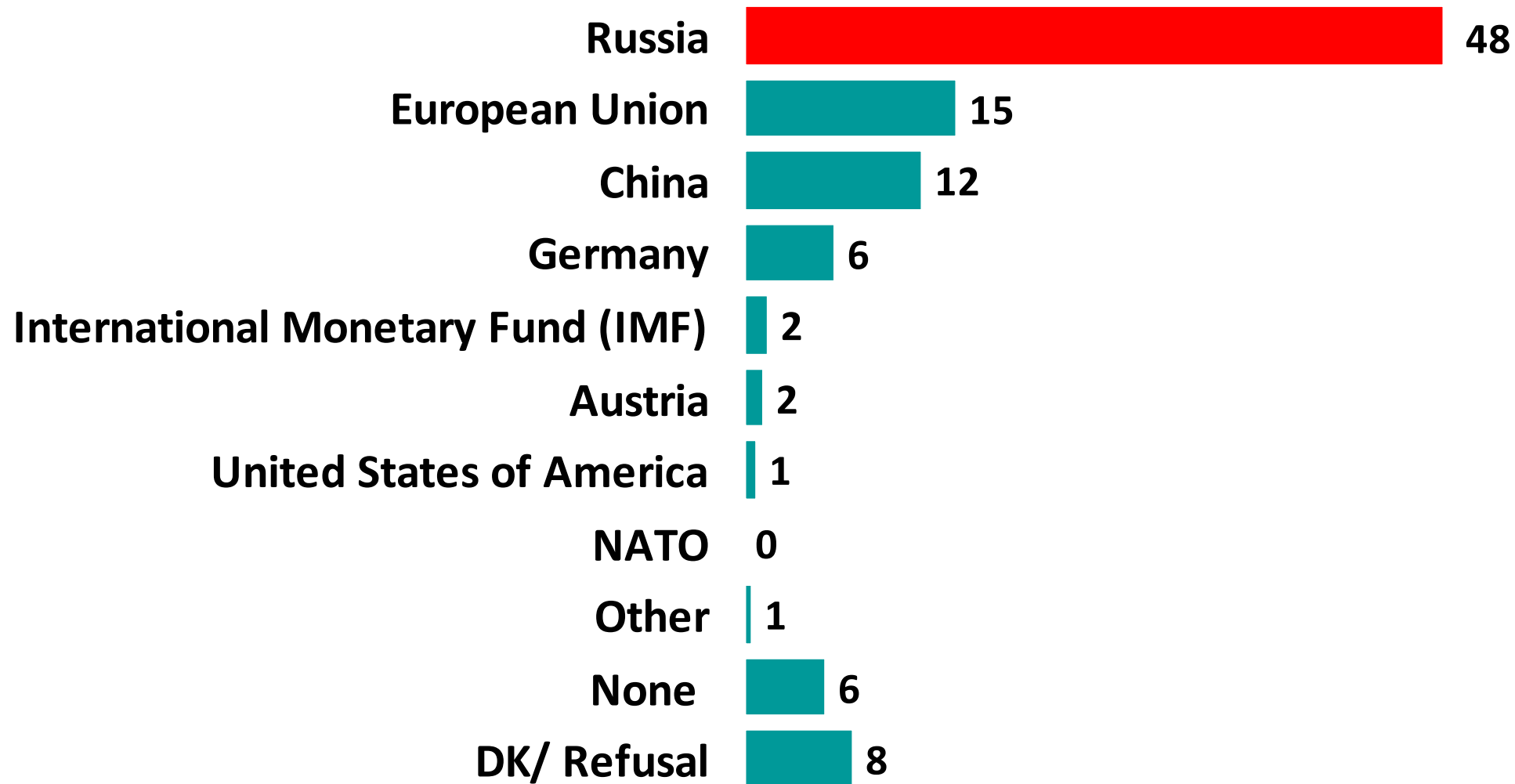
■ Mostly unfavorable      ■ Very unfavorable      **Unfavorable (1+2)**  
■ Mostly favorable      ■ Very favorable      **Favorable (4+5)**



• Base: Total population

# Countries and institutions that support Serbia and have the best partnership relations with Serbia

- In your opinion which state or international institution supports Serbia the most and with which Serbia has the best partnership relations?*

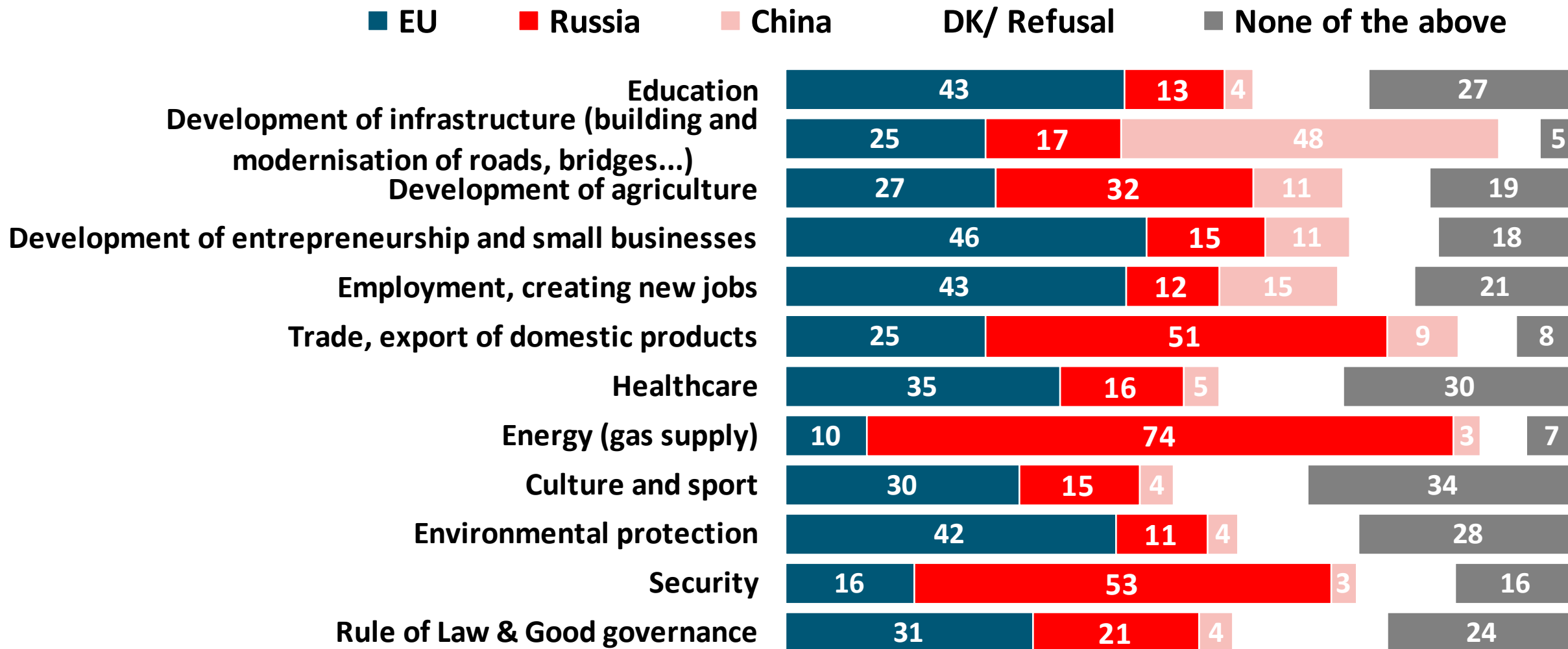


*Base: Total target population*



# Who helps and invests into Serbia most of all to develop these areas?

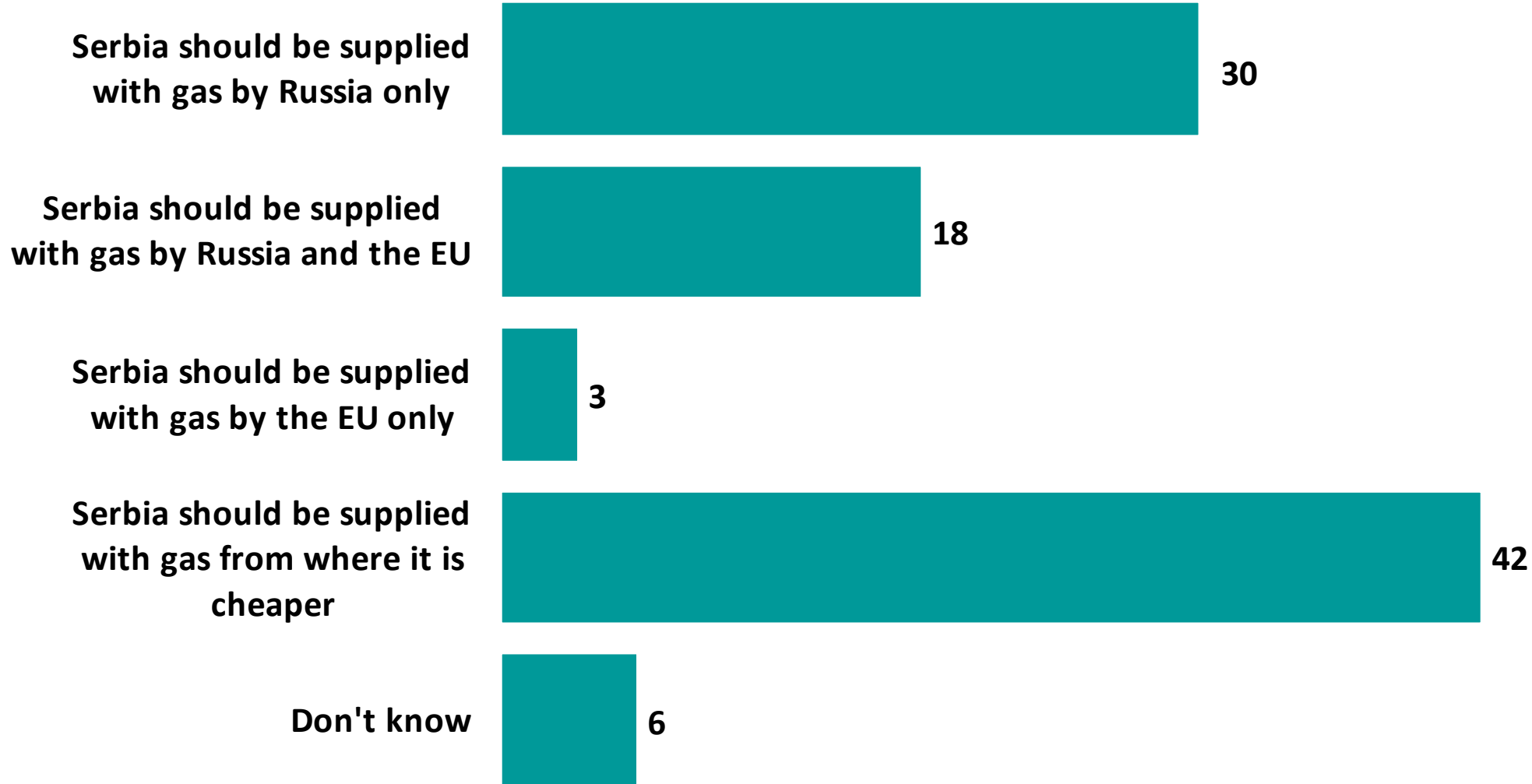
- *Who helps and invests into Serbia most of all to develop these areas?*



• *Base: Total target population*

# The most acceptable option for supplying Serbia with gas?

- *As you probably know, Serbia is one of the countries whose main gas supplier is Russia and the agreement was signed with Russia about supplying Serbia with gas till 2021. However, the European Energy Community keeps claiming that this agreement violates the rule of competition, or that it prevents other stakeholders to enter the Serbian market. What would you consider the most acceptable option for supplying Serbia with gas?*



• *Base: Total target population*

# North American Energy

WHAT (MIGHT) BE IN STORE  
FROM NEW ADMINISTRATION

# Washington perspective

- ▶ North American Energy Platform
  - ▶ New “swing” producer, provide stability and predictability to the market
- ▶ Trump Administration – “Energy Dominance”
  - ▶ Not just fracking
  - ▶ Assist allies and penalize adversaries
- ▶ “All of the above...”
  - ▶ Exploit all types of energy to achieve goals

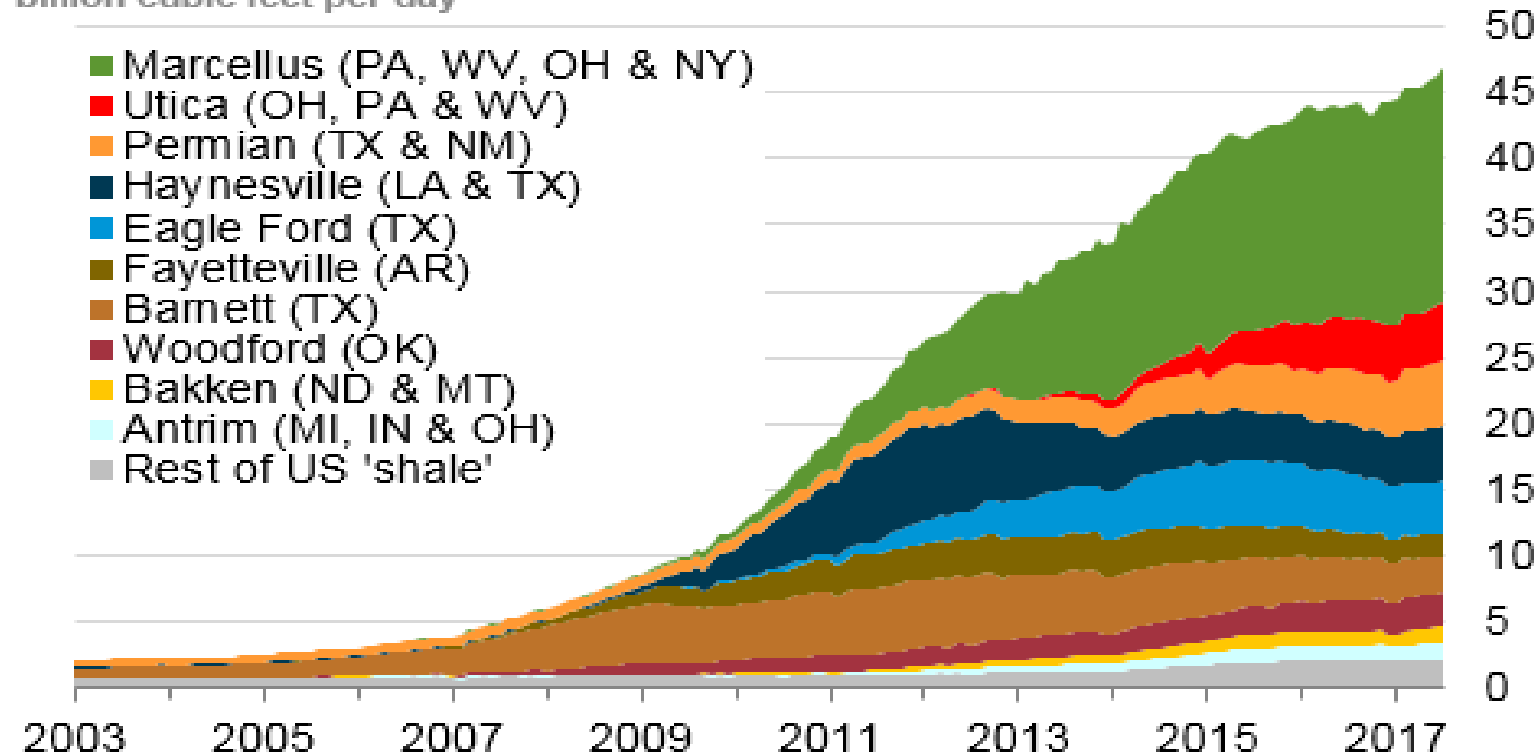
# North American Energy Platform

- ▶ \$100 billion in trade between Canada, United States, and Mexico
- ▶ Huge expansion of infrastructure
  - ▶ Three new pipelines to Mexico, three new to Canada, Plus Keystone XL
- ▶ Exports rising, and net imports dropping rapidly
- ▶ New “swing” producer
  - ▶ Production prices dropping
  - ▶ Easy to stop and start – well life cycle, etc.
  - ▶ Large, diversified market in politically stable region will be able to provide low-cost, marginal supply to keep prices low and steady

# Growth in Shale Production

## Monthly dry shale gas production

billion cubic feet per day



Sources: EIA derived from state administrative data collected by DrillingInfo Inc. Data are through July 2017 and represent EIA's official shale gas estimates, but are not survey data. State abbreviations indicate primary state(s).

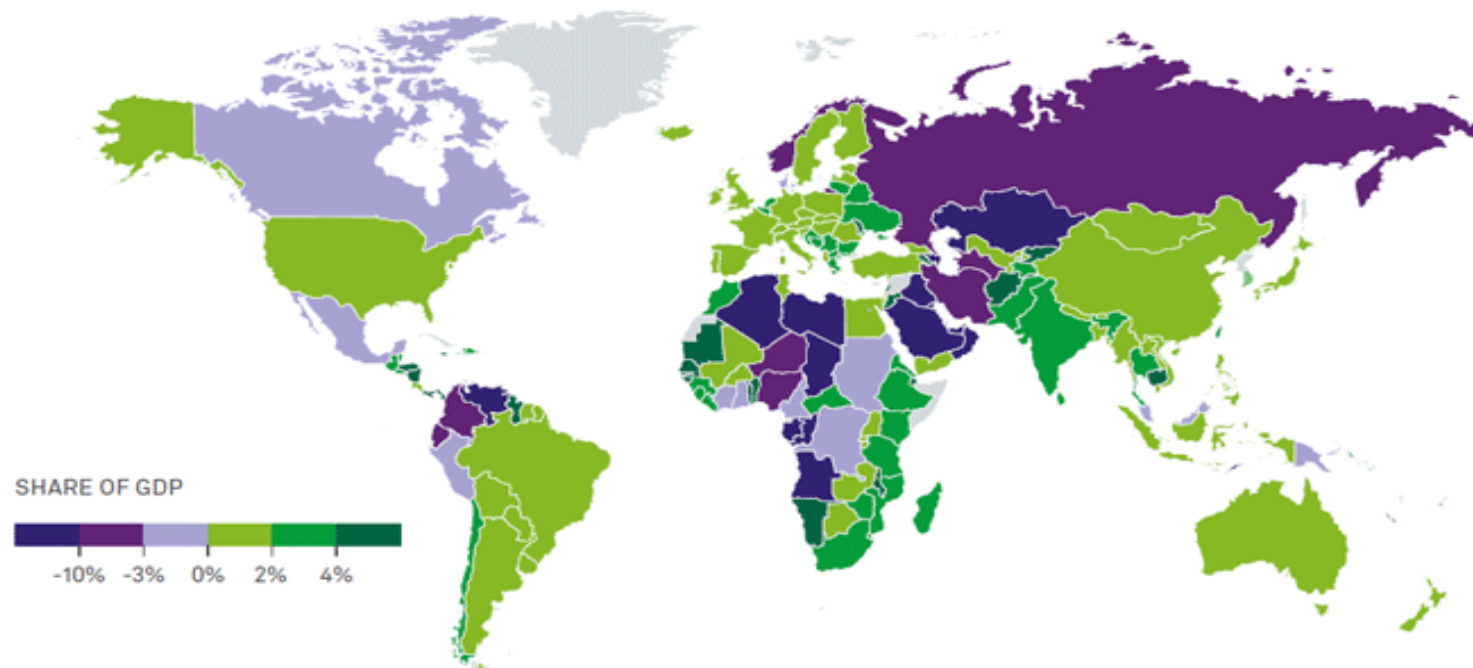
# Trump Administration – Energy Dominance

- ▶ May sound silly, but it is not just Trump speaking this way
  - ▶ Interior Secretary Zinke speaking at Heritage tomorrow: “A Vision for American Energy Dominance”
- ▶ “Reduce barriers, promote exports, provide energy security to allies”
- ▶ Production, permitting were curtailed under Obama Administration
  - ▶ Offshore royalties: \$18 billion in 2008, \$2.6 billion in 2016
  - ▶ On-shore leases first 7 months 2016: \$11.5 million; 2017 \$146 million
  - ▶ New FERC Chairman Chatterjee – legal certainty, ending state energy plans, politicization of pipelines (3 times the time and cost)
- ▶ \$1.1 trillion in private investment in infrastructure in US
- ▶ All energy sources, grid reliability, cyber security, legal certainty
- ▶ Assist allies, penalize adversaries – China/North Korea

# Penalizing adversaries

## OIL SPILLOVER

Revenue impact of \$50 oil price fall, 2015



Sources: BlackRock Investment Institute, EIA and IMF, January 2015. Notes: the map shows estimated revenues gained or lost from a \$50 fall in the price of oil as a share of GDP. The impact is calculated by taking each country's 2013 net imports of oil, multiplying this by \$50 and then translating the total into a share of 2014 GDP.



# “All of the above...” – Not Just Fracking

- ▶ Research continuing into advanced batteries, solar, and other new projects
- ▶ Wind is Huge – Texas and Rick Perry
- ▶ Clean coal
  - ▶ Gasification
  - ▶ Advanced Combustion
- ▶ Carbon Capture
  - ▶ New \$36 million research grants approved September 22
- ▶ Transitional – China, India and others
- ▶ Politically potent
  - ▶ Center-right groups
  - ▶ Voters in West Virginia, Ohio, Pennsylvania, others

# Clean Coal – Gasification

- ▶ Breaks down coal and other feedstocks (biomass, municipal waste) into various gasses
  - ▶ Reduces  $\text{So}_x$  and  $\text{No}_x$  to near zero
  - ▶ Increases thermal efficiency by 50%, with potential increases of 100% or more
  - ▶ 40% reduction in  $\text{CO}_2$  emissions
  - ▶ Also produces other useful industrial chemicals
- ▶ Tampa Electric's Polk Power Station – 313 megawatts, 98% reduction in sulfur, 90% reduction in  $\text{No}_x$
- ▶ Wabash River Repower Project – 292 megawatts, combined cycle