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(Original Signature of Member)

116TH CONGRESS
1ST SESSION

H. R. _____

To prioritize the efforts of and enhance coordination among United States agencies to encourage countries in Central and Eastern Europe to diversify their energy sources and supply routes, increase Europe's energy security, and help the United States reach its global energy security goals, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. KINZINGER (for himself and Mr. KEATING) introduced the following bill; which was referred to the Committee on _____

A BILL

To prioritize the efforts of and enhance coordination among United States agencies to encourage countries in Central and Eastern Europe to diversify their energy sources and supply routes, increase Europe's energy security, and help the United States reach its global energy security goals, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “European Energy Se-
3 curity and Diversification Act of 2019”.

4 **SEC. 2. DEFINITIONS.**

5 In this Act:

6 (1) CENTRAL OR EASTERN EUROPEAN COUN-
7 TRY.—The term “Central or Eastern European
8 country” includes—

- 9 (A) Albania;
- 10 (B) Bosnia and Herzegovina;
- 11 (C) Bulgaria;
- 12 (D) Croatia;
- 13 (E) Cyprus;
- 14 (F) the Czech Republic;
- 15 (G) Estonia;
- 16 (H) Greece;
- 17 (I) Hungary;
- 18 (J) Kosovo;
- 19 (K) Latvia;
- 20 (L) Lithuania;
- 21 (M) Macedonia;
- 22 (N) Moldova;
- 23 (O) Montenegro;
- 24 (P) Poland;
- 25 (Q) Romania;
- 26 (R) Serbia;

1 (S) Slovakia;

2 (T) Slovenia; and

3 (U) Ukraine.

4 (2) EARLY-STAGE PROJECT SUPPORT.—The
5 term “early-stage project support” includes—

6 (A) feasibility studies;

7 (B) resource evaluations;

8 (C) project appraisal and costing;

9 (D) pilot projects;

10 (E) commercial support, such as trade
11 missions, reverse trade missions, technical
12 workshops, international buyer programs, and
13 international partner searchers to link suppliers
14 to projects;

15 (F) technical assistance and other guid-
16 ance to improve the local regulatory environ-
17 ment and market frameworks to encourage
18 transparent competition and enhance energy se-
19 curity; and

20 (G) long-term energy sector planning.

21 (3) LATE-STAGE PROJECT SUPPORT.—The term
22 “late-stage project support” includes debt financing,
23 insurance, and transaction advisory services.

1 **SEC. 3. STATEMENT OF POLICY.**

2 (a) SENSE OF CONGRESS.—It is the sense of Con-
3 gress that the United States has economic and national
4 security interests in assisting Central and Eastern Euro-
5 pean countries achieve energy security through diversifica-
6 tion of their energy sources and supply routes.

7 (b) STATEMENT OF POLICY.—It is the policy of the
8 United States—

9 (1) to advance United States foreign policy and
10 development goals by assisting Central and Eastern
11 European countries to reduce their dependence on
12 energy resources from countries that use energy de-
13 pendence for undue political influence, such as the
14 Russian Federation, which has used natural gas to
15 coerce, intimidate, and influence other countries;

16 (2) to promote the energy security of allies and
17 partners of the United States by encouraging the de-
18 velopment of accessible, transparent, and competitive
19 energy markets that provide diversified sources,
20 types, and routes of energy;

21 (3) to encourage United States public and pri-
22 vate sector investment in European energy infra-
23 structure projects to bridge the gap between energy
24 security requirements and commercial demand in a
25 way that is consistent with the region's absorptive
26 capacity; and

1 (4) to help facilitate the export of United States
2 energy resources, technology, and expertise to global
3 markets in a way that benefits the energy security
4 of allies and partners of the United States, including
5 in Central and Eastern Europe.

6 **SEC. 4. PRIORITIZATION OF EFFORTS AND ASSISTANCE**
7 **FOR ENERGY INFRASTRUCTURE PROJECTS**
8 **IN CENTRAL AND EASTERN EUROPE.**

9 (a) IN GENERAL.—In pursuing the policy described
10 in section 3, the Secretary of State, in coordination with
11 the heads of United States agencies that operate under
12 the policy guidance of the Secretary, shall, as appropriate,
13 prioritize and expedite the efforts of the Department of
14 State and those agencies in supporting the efforts of the
15 European Commission and the governments of Central
16 and Eastern European countries to increase their energy
17 security, including through—

18 (1) providing diplomatic and political support to
19 the European Commission and those governments,
20 as necessary—

21 (A) to facilitate international negotiations
22 concerning cross-border infrastructure;

23 (B) to enhance Europe’s regulatory envi-
24 ronment with respect to energy; and

1 (C) to develop accessible, transparent, and
2 competitive energy markets supplied by diverse
3 sources, types, and routes of energy; and

4 (2) providing support to improve European en-
5 ergy markets, including early-stage project support
6 and late-stage project support for the construction
7 or improvement of energy infrastructure, as nec-
8 essary—

9 (A) to diversify the energy sources and
10 supply routes of Central and Eastern European
11 countries;

12 (B) to enhance energy market integration
13 across the region; and

14 (C) to increase competition within energy
15 markets.

16 (b) PROJECT SELECTION.—

17 (1) IN GENERAL.—The agencies described in
18 subsection (a) shall identify energy infrastructure
19 projects that would be appropriate for United States
20 assistance under this section.

21 (2) PROJECT ELIGIBILITY.—A project is eligible
22 for United States assistance under this section if the
23 project is—

24 (A) related to—

1 (i) natural gas infrastructure, such as
2 interconnectors, storage facilities, liquefied
3 natural gas import facilities, or reverse
4 flow capacity;

5 (ii) electricity transmission infrastruc-
6 ture, electricity storage projects, or smart
7 grid projects;

8 (iii) renewable energy projects in
9 wind, solar, tidal, or other forms; or

10 (iv) the improvement, rehabilitation,
11 or construction of natural gas, coal, or
12 other electricity generation facilities to in-
13 crease the efficiency and reliability of elec-
14 tricity production; and

15 (B) located in a Central or Eastern Euro-
16 pean country.

17 (3) PREFERENCE.—In selecting among projects
18 that are eligible under paragraph (2), the agencies
19 described in subsection (a) shall give preference to
20 projects that—

21 (A) link the energy systems of two or more
22 Central and Eastern European countries;

23 (B) have already been identified by the
24 European Commission as being integral for the

1 energy security of Central and Eastern Euro-
2 pean countries;

3 (C) are expected to enhance energy market
4 integration;

5 (D) can attract funding from the private
6 sector, an international financial institution, the
7 government of the country in which the project
8 will be carried out, or the European Commis-
9 sion; or

10 (E) have the potential to use United States
11 goods and services during project implementa-
12 tion.

13 (c) TYPES OF ASSISTANCE.—

14 (1) DIPLOMATIC AND POLITICAL SUPPORT.—

15 The Secretary of State shall provide diplomatic and
16 political support to the European Commission and
17 the governments of Central and Eastern European
18 countries, as necessary, including by using the diplo-
19 matic and political influence and expertise of the De-
20 partment of State to build the capacity of those
21 countries to resolve any impediments to the develop-
22 ment of projects selected under subsection (b).

23 (2) EARLY-STAGE PROJECT SUPPORT.—The Di-
24 rector of the Trade and Development Agency shall

1 provide early-stage project support with respect to
2 projects selected under subsection (b), as necessary.

3 (3) LATE-STAGE PROJECT SUPPORT.—Agencies
4 described in subsection (a) that provide late-stage
5 project support shall do so with respect to projects
6 selected under subsection (b), as necessary.

7 (d) FUNDING.—

8 (1) PRIVATE SECTOR INVESTMENT.—The agen-
9 cies described in subsection (a)—

10 (A) are authorized to provide financing of
11 not more than \$1,000,000,000 to support pri-
12 vate sector investment in projects that diversify
13 the energy sources and energy transport capa-
14 bilities of Central and Eastern European coun-
15 tries and to improve energy market integration
16 in those countries; and

17 (B) shall ensure that amounts from such
18 investments are available for fiscal years 2020
19 through 2024 for debt financing and insurance
20 for projects under this section.

21 (2) AUTHORIZATION OF APPROPRIATIONS FOR
22 TRADE AND DEVELOPMENT AGENCY.—There are au-
23 thorized to be appropriated to the Director of the
24 Trade and Development Agency for each of fiscal
25 years 2020 through 2024—

1 (A) \$5,000,000 to provide assistance under
2 this section; and

3 (B) such sums as may be necessary for the
4 Agency to employ additional personnel to pro-
5 vide such assistance.

6 (3) COUNTERING RUSSIAN INFLUENCE FUND.—
7 Section 254(b) of the Countering Russian Influence
8 in Europe and Eurasia Act of 2017 (22 U.S.C.
9 9543(b)) is amended by adding at the end the fol-
10 lowing:

11 “(7) To assist United States agencies in pro-
12 viding assistance under section 4 of the European
13 Energy Security and Diversification Act of 2019.”.

14 **SEC. 5. PROGRESS REPORTS.**

15 Not later than one year after the date of the enact-
16 ment of this Act, and annually thereafter, the President
17 shall submit to the Committee on Foreign Relations of the
18 Senate and the Committee on Foreign Affairs of the
19 House of Representatives a report on progress made in
20 providing assistance for projects under section 4 that in-
21 cludes—

22 (1) a description of the energy infrastructure
23 projects the United States has identified for such as-
24 sistance; and

25 (2) for each such project—

- 1 (A) a description of the role of the United
2 States in the project, including in early-stage
3 project support and late-stage project support;
- 4 (B) the amount and form of any debt fi-
5 nancing and insurance provided by the United
6 States Government for the project;
- 7 (C) the amount and form of any early-
8 stage project support; and
- 9 (D) an update on the progress made on
10 the project as of the date of the report.