United States –Russia Bilateral Presidential Commission
ENERGY WORKING GROUP
Joint Statement

The First Plenary Session of the -U.S.-Russia Bilateral Presidential Commission's Energy Working Group was held on July 21, 2010, co-chaired by the Secretary of Energy of the United States Steven Chu and the Minister of Energy of the Russian Federation Sergey Shmatko. The co-chairs affirm the commitment of President Medvedev of the Russian Federation and President Obama of the United States to strengthen cooperation between the two countries in the energy sector. This commitment was noted in the Joint Statement of President Medvedev of the Russian Federation and President Obama of the United States issued during their summit in June 2010 in Washington, in which both sides expressed their intent to advance the goals of promoting energy efficiency and clean energy technologies in each country.

In the Plenary Session of the Energy Working Group, the co-chairs set forth multifaceted initiatives aimed at advancing energy efficiency, developing cutting-edge energy technologies, and enhancing energy security. As a result of the meeting, the co-chairs have developed a Joint Action Plan that defines a roadmap to implement innovative ideas for addressing common energy challenges in the 21st Century. Specifically, the Joint Action Plan identifies cooperation in three areas: (i) energy efficiency and renewable energy promotion, (ii) clean energy technology development and (iii) energy security.

Energy Efficiency and Renewable Energy

The co-chairs have identified the need for development of specific projects in each country using cutting-edge technologies to highlight the importance of energy efficiency to both countries' national strategies to promote innovation, rationalize energy management, and reduce energy utilization and harmful emissions. The blueprint focuses upon 4 key areas: (1) deployment of Smart Grid technologies through city-to-city and company-to-company cooperation; (2) development of funding mechanisms for energy efficiency projects; (3) design of a federal energy management program; and (4) extraction of methane from coal beds.

Next Steps

Pilot Project to Deploy Smart Grid Technologies

- The U. S. Department of Energy (DOE) and the Ministry of Energy of the Russian Federation (MOE) plan to design a pilot project that would match a U.S. and Russian municipality, which are each implementing a smart grid upgrade to its grid system. This peer link would encourage each partner to exchange information on best practices, perspectives on project management and experiential data.

- DOE and MOE plan to facilitate the design and implementation of a pilot company-to-company project in the Russian Federation, which envisions the application of state of the

art technology to provide advanced energy management solutions and reduce systemic losses

- The U.S. Agency for International Development, the Russian Energy Agency and MOE plan to support a complementary utility partnership program that will focus on priority issues in smart grid technology application to electricity transmission and distribution.

Financing Mechanisms for Energy Efficiency Projects

- DOE and MOE intend to implement an expert exchange program with the goal of assisting organizations and companies from both countries to access financing needed to deploy innovative energy efficient and clean technology solutions. The centerpiece of this exchange program is to be trade missions with participation by U.S. and Russian companies interested in developing new energy strategies and adopting energy efficient solutions in their business models. The exchange program should include site visits, training workshops, and peer-to-peer consultations.

Federal Energy Management Program

- DOE and MOE plan to design an exchange program for specialists and officials of Russian federal and regional executive bodies to identify candidate regions in the Russian Federation. DOE and MOE should jointly form a Project Assessment Study team to be sent to selected regions to identify specific public sector sites, prioritize candidates for project implementation, and design a comprehensive technical strategy for project implementation.

- The Project Assessment Team, in collaboration with Russian federal officials, non-governmental organizations, and financial institutions, is to develop public-private partnership templates to create financial incentives (i.e., to encourage contracts with energy service companies) to implement the project.

Coal Bed Methane

- DOE, the U.S. Environmental Protection Agency (EPA), and MOE plan to explore the possibility of conducting technical workshops, the agenda of which would include such topics as mine methane drainage technologies, drilling practices, and best practices for mining methane recovery/utilization.

- DOE, MOE, and EPA are to collaborate with on-the-ground organizations to identify the coal mining companies that would be the most suitable candidates for coal bed methane pre-feasibility and/or full feasibility studies.

Clean Energy Technologies

The co-chairs note the importance of U.S.-Russia cooperation in fundamental and technical energy research and development that may eventually lead to innovations that could alter how energy is produced in both countries. The co-chairs intend to showcase and promote existing scientific collaborations and foster the development of new basic and applied projects, drawing upon the extensive resources and scientific expertise of each country to support research and development on clean energy technologies. The co-chairs developed the following common goals.

- In the area of New Materials Research, DOE and MOE plan to share information on materials science for high temperature and radiation resistant materials for eventual use in reactors and accelerators.

- In the area of Smart Grids, DOE and MOE plan to collaborate on advancing innovation for use in smart grid implementation.

- In the area of Hydrogen energy, DOE and MOE plan to cooperate on the development of hydrogen and fuel cell technologies for stationary use.

- In the area of fuels from Sunlight, DOE and MOE plan to continue informational exchanges to promote scientific advances in converting solar energy to other usable forms of energy.

- In the area of Biofuels, DOE and MOE plan to explore collaborative partnerships in the conversion of algae biomass to liquid fuels.

Energy Security

The co-chairs are determined to build upon the long and productive strategic partnership between the United States and the Russian Federation in the energy sector. The co-chairs note that the reliability of data on global energy resources, and security of supply and demand are crucial for well-functioning global markets and contribute significantly to growth and prosperity in each country The co-chairs note that having open discussions and sharing information on national energy strategies and world energy markets should enhance understanding of each other's energy policy goals and lead to further cooperation. To this end, the co-chairs have identified the following common goals and steps to implement such cooperation:

- In the area of global energy markets, DOE's Energy Information Agency and the MOE are to continue to share their analyses of global energy market trends.

- In the area of strategic energy projects, the U.S. Department of State, DOE and MOE should identify problems and bottlenecks in the global energy market infrastructure and discuss common positions for the assurance of global energy security

- In the area of investment, the U.S. Department of State, DOE, other relevant U.S. Government agencies, and MOE should continue to discuss ways to increase bilateral energy investments, including holding an investment conference in Moscow to highlight investment opportunities in the United States and Russia.

The co-chairs express their firm belief that an enhanced and strategic energy partnership between the United States of America and the Russian Federation will promote global prosperity and security. The co-chairs have determined to convene further meetings of this Energy Working Group.

Signed at Washington, this 21st day of July 2010, in duplicate, in the English and Russian languages,

FOR THE DEPARTMENT OF ENERGY OF THE UNITED STATES OF AMERICA:

FOR THE MINISTRY OF ENERGY OF THE RUSSIAN FEDERATION: