

On the Grid: What The Ukrainian Invasion Means for Americans 3/11/22

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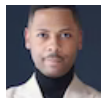
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Over the past week, Russian dictator Vladimir Putin has continued to use Ukrainian civilians as pawns in his imperialistic chess game. While the Kremlin distorts (*and invents*) reality to justify its' aggression, residential areas, schools, and hospitals are being decimated by Russian bombs, and millions of refugees are forced to flee their homes. But even state propaganda can't put a positive spin on the fleet of sanctions that the West continues to impose, slowly deteriorating the economy that Putin has used as a crutch in his frenzied climb for power on the world stage.

However, the economic fallout of Western sanctions is not isolated to the East. We're seeing gas and oil prices skyrocket to record-breaking heights and Americans in every region of the country are feeling the sting. With that in mind, today's On The Grid will focus on the newly imposed sanctions on Russian energy and the implications for Americans everywhere.

1. Us Bans Russian Oil And Gas Exports



On Tuesday, President Biden formally banned all oil and gas imports from Russia. The White House also announced that Americans will be prohibited from financing or enabling foreign companies that are making investments in Russia's energy industry.

This ban, when working in tandem with other sanctions, will hamper the ability of the Russian economy to operate and grow over a long period of time, forcing President Putin to the negotiating table to end the Russian bombardment of Ukraine. Russia was already forced to sell its' oil at a huge discount to India before sanctions were ever imposed. We expect to see more of this as demand plummets.

In the US, President Biden warned this move would drive up gas prices, which Americans have already seen this week at the pump. Gas prices broke \$4.25 on Wednesday. US households are also seeing a surge in their electricity bills.

While Russia only accounts for about 8% of US oil and petroleum imports, the ban puts more pressure on a market that was already struggling to produce enough oil to meet surging post-pandemic demand. When COVID-19 struck, oil demand practically collapsed overnight and oil production dried up. Now, as the world recovers, suppliers are struggling to meet output targets. Geopolitical tensions and the invasion of Ukraine have only exacerbated the already fragile market.

How are we combating rising prices in the US?

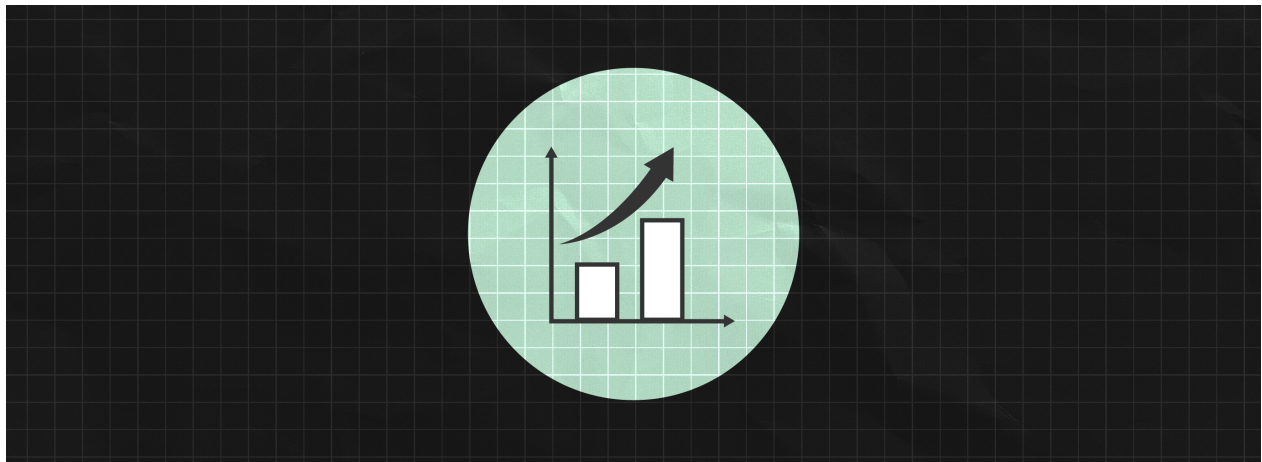
February 24 changed everything. The free world faces an emergency caused by Russia's invasion. The Biden Administration has already released more than 90 million barrels of oil from the

Strategic Petroleum Reserve since December. This is one of the fastest ways to get more oil in the market and help relieve the price at the pump.

US oil production rose by 1.6 million barrels a day over the last year and is expected to rise at least by 1 million barrels a day through 2022. Ramping up liquefied natural gas (LNG) capacity through added investment can also alleviate some of the pain associated with the oil and gas ban by accelerating domestic output.

In the short to medium-term, the US and Europe will have to produce more oil and natural gas to meet current demand and help reduce prices. We'll have more on that in the coming days. It is important to remember that there is **no amount of oil and gas that any country can produce to stop volatile swings in global energy prices**. Countries must provide short-term relief for skyrocketing oil prices *and* continue to scale clean energy. Only once we've weaned our economy off of dirty fossil fuels can we truly secure Americans from the volatility of global oil markets. This is how we can reliably lower prices and permanently free ourselves from being held hostage by authoritarian petrocrats like Vladimir Putin.

2. Fact-Checking Gop Claims About Us Oil And Gas Production



American workers and families are being hit hard by this crisis – and it's critical we move to enact the short-, medium-, and long-term solutions that will ease the burden on American households. There is bipartisan support in Congress to strictly punish Russia for its invasion of Ukraine and impose economic sanctions in an effort to cripple its oil and gas industry.

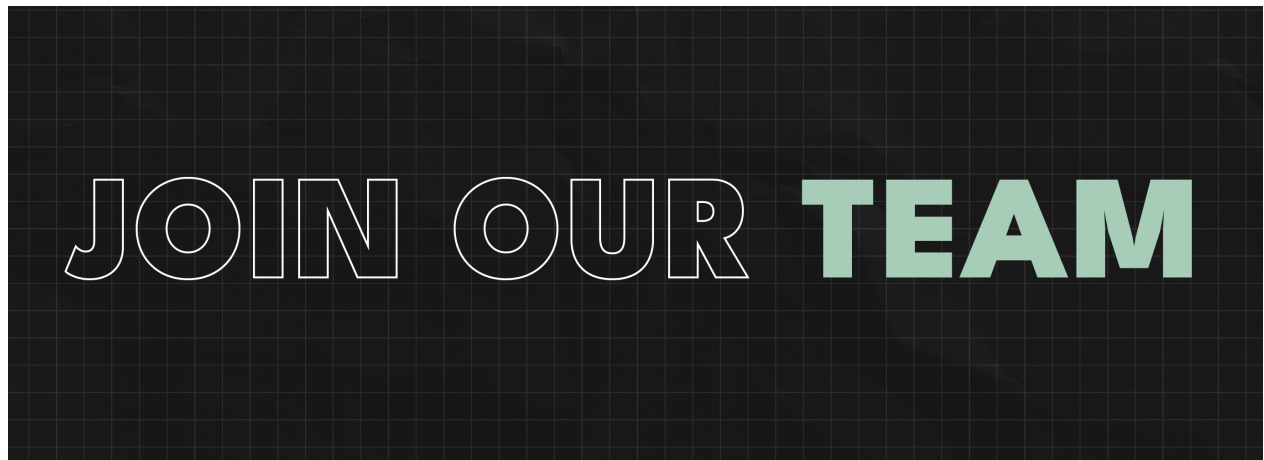
But at the same time, Republicans are peddling their own misinformation about our energy economy and the reasons why Americans are currently facing cripplingly high prices at the pump. In this global emergency, we hope that there can be bipartisan unity on energy, as there was with the Energy Act of 2020 and the Infrastructure Investment and Jobs Act, rather than a political blame game. We put together a [fact sheet](#) on actions the Administration is taking to reduce oil prices to correct the record. Rather than seeking the solutions that will protect our economy from future

volatility in the market, Republicans are more concerned with falsely blaming Democrats for rising energy prices.

Here are some common Republican claims, debunked.

Again, oil is a global commodity. It doesn't matter how much oil we produce here in the US; we'll still be subject to volatile price swings because of bad actors like Russia, Saudi Arabia, Iran, and Venezuela who produce a significant percentage of the world's oil supply. The long-term solution we should pursue is investing in clean energy production and supporting other countries around the world as they look to expand their clean energy capacity.

3. We're Hiring



The clean energy policy conversation is expanding...and so are we! The Climate and Energy Program is looking for people with talent and a passion for climate solutions to fill two new roles on our team. If you've got anyone in your mental rolodex who you think might be a fit, please send them our way. And if you wanted to circulate these job postings more broadly with your networks, we wouldn't mind that either!

Communications Coordinator: This person will craft and implement communications rollout strategies for clean energy products and research, pitch to and manage relationships with climate and energy press, manage our social media strategy, and support the email and marketing needs of the climate and energy program. You'll also get to work on this very newsletter! (*1 year of experience in communications or clean energy work preferred*)

Deputy Director for Innovation and Industry: This person will help set policy, advocacy, and product strategy and supervise multiple team members working on issues surrounding energy innovation, carbon management, and industrial decarbonization. (*5+ years of experience in clean energy policy*)

4. What We're Reading



- Marisa Iati and Brittany Shammass at the *Washington Post* has a succinct and helpful explainer on why gas prices have increased and what it means for the US economy moving forward.
- Lisa Whalen at *Morning Consult* released a deep dive on how rising gas prices are impacting consumer behavior and weighing heavily on their vehicle purchase decisions. This moment could lead to a potential boom for EV makers.
- Laura Davidson at *Bloomberg* reports a new proposed tax by Senators Sheldon Whitehouse and Elizabeth Warren on oil companies' growing profits in the face of increasing crude oil prices and ongoing geopolitical tensions.

A final note from Josh Freed, our Senior Vice President for Climate and Energy, and Jared DeWese, our Deputy Director for Communications: This is the last week you'll see Carly Berke's name in On the Grid. She's moving to a new position and organization, which you'll hear more about soon. Carly has been an absolute star on our team, focused on elevating everyone else's work and profile while doing a lot of the hard work behind the scenes. We are grateful for her time here, and very excited to see Carly thrive in her new job. Congratulations and we'll miss you, Carly!