

117TH CONGRESS
1ST SESSION

S. 2845

To provide support for energy infrastructure projects in the Indo-Pacific region, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 23, 2021

Mr. SULLIVAN introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To provide support for energy infrastructure projects in the Indo-Pacific region, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Indo-Pacific Strategic
5 Energy Initiative Act”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

8 (1) The United States currently has an approxi-
9 mately 100-year supply of natural gas.

1 (2) Natural gas will see increasing global de-
2 mand and use beyond 2050.

3 (3) United States natural gas production in-
4 creased by 54 percent from 2005 to 2017. At the
5 same time, total United States carbon dioxide emis-
6 sions decreased by 14 percent. The natural gas
7 share of electricity production increased from 19
8 percent in 2005 to 32 percent in 2017.

9 (4) Between 2005 and 2019, carbon dioxide
10 emissions from the United States power sector de-
11 clined by 33 percent, with fuel switching to natural
12 gas, accounting for more than half of those reduc-
13 tions. During that period, the United States econ-
14 omy grew by 20 percent, United States energy con-
15 sumption fell by 2 percent, and per capita emissions
16 dropped to their lowest levels since 1950.

17 (5) Between 1990 and 2018, the natural gas
18 and oil industry reduced methane emissions by 23.6
19 percent through voluntary actions, while expanding
20 production by 70 percent.

21 (6) Demand in the United States and globally
22 for clean-burning natural gas and liquefied natural
23 gas will continue to increase over the next several
24 decades, even as renewable energy resources in-
25 crease.

1 (7) Demand for natural gas is rising in the
2 Indo-Pacific region, particularly as countries look to
3 make emissions cuts and transition from higher
4 emissions fuel sources.

5 (8) The expanding number of infrastructure
6 projects in the Indo-Pacific region, carried out under
7 the Belt and Road Initiative, is leading to higher
8 emissions in the region.

9 (9) According to the International Energy
10 Agency, “The number of countries and territories
11 with [liquefied natural gas] import terminals has
12 grown from nine in 2000 to 42 in 2020.”. Further,
13 the International Energy Agency has found that
14 “transition[s] in Asian gas markets [are] even more
15 important in the wider context of global clean energy
16 transitions, where natural gas will be required to
17 make a more flexible contribution as the share of
18 variable renewable energy sources grows and coal
19 use progressively declines”.

20 (10) The United States saw a 66.3-percent in-
21 crease in liquefied natural gas exports and an 11.2-
22 percent increase in oil production in 2019.

23 (11) As a result of the natural gas revolution,
24 the United States petroleum trade deficit in dollars

1 fell from about \$320,000,000,000 in 2007 to about
2 \$3,000,000,000 in 2020, as net imports declined.

3 (12) Australia and the United States are both
4 important global energy exporters and thus have a
5 shared interest in supplying the growing energy de-
6 mand in the Indo-Pacific region.

7 (13) Japanese companies have long invested in
8 United States liquefied natural gas projects, includ-
9 ing the Government of Japan shifting from relying
10 on liquefied natural gas from the Middle East to liq-
11 uefied natural gas from the United States.

12 (14) The People’s Republic of China currently
13 is one of the largest financiers of overseas energy
14 and greenhouse gas intensive projects. The People’s
15 Republic of China also uses those investments to
16 project its influence and secure critical minerals sup-
17 ply chains and infrastructure.

18 **SEC. 3. SENSE OF CONGRESS.**

19 It is the sense of Congress that—

20 (1) the United States reaffirms its commitment
21 to quadrilateral cooperation with Japan, India, and
22 Australia (collectively, with the United States,
23 known as the “Quad”), and that United States
24 should continue to pursue strengthening cooperation

1 in the energy sector in light of the global threats
2 and challenges facing all 4 countries;

3 (2) the Association of Southeast Asian Nations
4 (commonly referred to as “ASEAN”) and its 10
5 members (Brunei, Cambodia, Indonesia, Laos, Ma-
6 laysia, Myanmar, the Philippines, Singapore, Thai-
7 land, and Vietnam) have worked with the United
8 States toward stability, prosperity, and peace in
9 Southeast Asia, and ASEAN will continue to remain
10 a strong, reliable, and active economic and strategic
11 partner in the Indo-Pacific region;

12 (3) the United States and the Republic of
13 Korea enjoy a comprehensive alliance partnership,
14 founded in shared strategic interests and cemented
15 by a commitment to democratic values, which in-
16 cludes recognizing the important role of energy co-
17 operation through the United States-Republic of
18 Korea Energy Security Dialogue; and

19 (4) the United States has economic, national
20 security, and domestic interests in assisting allies
21 and partners in Indo-Pacific countries to reduce
22 greenhouse gas emissions and achieve energy secu-
23 rity through diversification of their energy sources
24 and supply routes.

1 **SEC. 4. STATEMENT OF POLICY.**

2 It is the policy of the United States—

3 (1) to engage and lead on international emis-
4 sions reductions and adaptation, including assisting
5 allies and partners in reducing higher emissions fuel
6 sources through exports of cleaner-burning United
7 States-produced fuels and emission-reduction tech-
8 nologies;

9 (2) to advance United States foreign policy and
10 development goals by assisting allies and partners of
11 the United States in the Indo-Pacific region to de-
12 crease their dependence on energy resources from
13 countries that use energy dependence to coerce, in-
14 timidate, and influence other countries;

15 (3) to develop strategies to counter competition
16 from the Russian Federation and the People's Re-
17 public of China to protect the energy and national
18 security of the United States and the energy and na-
19 tional security of allies and partners of the United
20 States in the Indo-Pacific region;

21 (4) to support free and open trade in clean-
22 burning energy products and promote the continued
23 development of lower-emissions energy fuels and
24 technologies in the Indo-Pacific region;

1 (5) to improve free, fair, and reciprocal energy
2 trading relationships with allies and partners of the
3 United States in the Indo-Pacific region;

4 (6) to promote the energy security of allies and
5 partners of the United States in the Indo-Pacific re-
6 gion by encouraging the development of energy in-
7 frastructure and accessible, transparent, and com-
8 petitive energy markets that provide diversified
9 sources, types, and routes of energy;

10 (7) to encourage public and private sector in-
11 vestment in lower-emissions energy infrastructure
12 projects in the Indo-Pacific region;

13 (8) to supply countries that rely on higher emit-
14 ting fuel sources with cleaner burning and abundant
15 alternatives; and

16 (9) to help facilitate the export of United States
17 energy resources, technology, and expertise to global
18 markets in a way that benefits the energy security
19 of allies and partners of the United States in the
20 Indo-Pacific region.

21 **SEC. 5. ENERGY INFRASTRUCTURE PROJECT SUPPORT.**

22 (a) IN GENERAL.—The Secretary of State, in con-
23 sultation with the Secretary of Energy, the heads of other
24 relevant United States agencies, and energy-importing al-
25 lies and partners of the United States, shall, as appro-

1 priate, prioritize and expedite the efforts of the Depart-
2 ment of State, the Department of Energy, and such other
3 agencies in supporting the governments of Japan, India,
4 Australia, and other like-minded Indo-Pacific countries
5 (including member countries of ASEAN and the Republic
6 of Korea) to increase their energy security and reduce en-
7 ergy emissions, including through—

8 (1) providing diplomatic and political support to
9 those governments, as necessary—

10 (A) to facilitate international negotiations
11 concerning cross-border infrastructure;

12 (B) to enhance the regulatory environment
13 with respect to energy projects in the Indo-Pa-
14 cific region; and

15 (C) to develop accessible, transparent, and
16 competitive energy markets supplied by diverse
17 sources, types, and routes of energy; and

18 (2) providing support—

19 (A) to improve energy markets in the Indo-
20 Pacific region, including early-stage project sup-
21 port and late-stage project support for the con-
22 struction or improvement of energy projects and
23 related infrastructure pertaining to emissions
24 reduction;

1 (B) to diversify the energy sources and
2 supply routes of Indo-Pacific countries; and

3 (C) to enhance energy market integration
4 across the region.

5 (b) PROJECT SELECTION.—

6 (1) IDENTIFICATION.—The Secretary of State,
7 the Secretary of Commerce, and the Secretary of
8 Energy shall identify energy infrastructure projects
9 that would be appropriate for United States assist-
10 ance under this section.

11 (2) ELIGIBILITY.—A project is eligible for
12 United States assistance under this section if the
13 project—

14 (A) has been identified by the Secretary of
15 State, the Secretary of Commerce, and the Sec-
16 retary of Energy as promoting energy security
17 in the Indo-Pacific region or the country in
18 which the project is located;

19 (B) promotes the reduction of greenhouse
20 gas and carbon dioxide emissions; and

21 (C) is located in an Indo-Pacific country.

22 (3) PREFERENCE.—In selecting projects for
23 United States assistance under this section, the Sec-
24 retary of State, the Secretary of Commerce, and the

1 Secretary of Energy shall give preference to projects
2 that—

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

5 (B) have the potential to use goods and
6 services of the United States, another Quad
7 country, a member country of ASEAN, or the
8 Republic of Korea, during project implementa-
9 tion.

10 (c) DIPLOMATIC AND POLITICAL SUPPORT.—The
11 Secretary of State shall provide diplomatic and political
12 support to the governments of Japan, India, Australia,
13 and other like-minded Indo-Pacific countries (including
14 member countries of ASEAN and the Republic of Korea),
15 as necessary, including by using the diplomatic and polit-
16 ical influence and expertise of the Department of State
17 to build the capacity of those countries to resolve any im-
18 pediments to the development of projects selected under
19 subsection (b).

20 (d) PROJECT SUPPORT.—The Director of the Trade
21 and Development Agency shall provide early-stage project
22 support with respect to projects selected under subsection
23 (b).

1 **SEC. 6. INFRASTRUCTURE FUNDING.**

2 (a) ESTABLISHMENT OF STRATEGIC ENERGY PORT-
3 FOLIO OF THE UNITED STATES INTERNATIONAL DEVEL-
4 OPMENT FINANCE CORPORATION.—Title V of the Better
5 Utilization of Investments Leading to Development Act of
6 2018 (22 U.S.C. 9671 et seq.) is amended by adding at
7 the end the following:

8 **“SEC. 1455. STRATEGIC ENERGY PORTFOLIO.**

9 “The Corporation—

10 “(1) may provide support under title II for
11 projects related to importation of liquefied natural
12 gas and generation of low emission electricity and
13 other energy, including for such projects of entities
14 owned or controlled by the government of a foreign
15 country;

16 “(2) may not prohibit, restrict, or otherwise im-
17 pede the provision of support on the basis of the
18 type of energy involved in a project; and

19 “(3) should, in providing support authorized by
20 paragraph (1), coordinate with the Japan Bank for
21 International Cooperation and the Government of
22 Australia pursuant to the trilateral memorandum of
23 understanding on development finance signed on No-
24 vember 12, 2018.”.

25 (b) PROMOTION OF ENERGY EXPORTS BY EXPORT-
26 IMPORT BANK OF THE UNITED STATES.—The Export-

1 Import Bank Act of 1945 (12 U.S.C. 635 et seq.) is
 2 amended by adding at the end the following:

3 **“SEC. 16. STRATEGIC ENERGY PORTFOLIO.**

4 “(a) IN GENERAL.—The Bank shall establish a stra-
 5 tegic energy portfolio focused on providing financing (in-
 6 cluding loans, guarantees, and insurance) for projects de-
 7 scribed in subsection (b) that may facilitate—

8 “(1) increases in exports of United States en-
 9 ergy commodities; or

10 “(2) the export of United States equipment,
 11 materials, and technology.

12 “(b) PROJECTS DESCRIBED.—A project described in
 13 this subsection is a project related to—

14 “(1) construction of liquefied natural gas im-
 15 port terminals;

16 “(2) commercialization of carbon capture, utili-
 17 zation, and storage;

18 “(3) development of blue hydrogen infrastruc-
 19 ture; or

20 “(4) other low emission energy infrastructure.”.

21 (c) PRIVATE AND FOREIGN PUBLIC SECTOR INVEST-
 22 MENT.—

23 (1) PRIVATE SECTOR INVESTMENT.—The Sec-
 24 retary of Commerce and the Secretary of State shall
 25 promote the funding of projects selected under sec-

1 tion 5 among United States energy producers and
2 exporters.

3 (2) FOREIGN PUBLIC SECTOR INVESTMENT.—

4 The heads of the agencies described in section 5(a)
5 may, for the purposes of this Act, partner and co-
6 ordinate with public and multilateral financial insti-
7 tutions and export credit agencies of Japan, India,
8 Australia, and other Indo-Pacific countries (includ-
9 ing member countries of ASEAN and the Republic
10 of Korea), such as the Japan Bank for International
11 Cooperation.

12 **SEC. 7. REPORTING.**

13 (a) IN GENERAL.—Not later than one year after the
14 date of the enactment of this Act, and annually thereafter,
15 the President shall submit to the appropriate congres-
16 sional committees a report on progress made in providing
17 assistance for projects under this Act that includes—

18 (1) a description of the energy infrastructure
19 projects the United States has identified for such as-
20 sistance; and

21 (2) for each such project—

22 (A) a description of the role of the United
23 States in the project, including in early-stage
24 project support and late-stage project support;

1 (B) the amount and form of any debt fi-
 2 nancing and insurance provided by the United
 3 States Government for the project as well as
 4 any coordination with foreign public financial
 5 institutions or export credit agencies;

6 (C) the amount and form of any debt fi-
 7 nancing and insurance provided by foreign pub-
 8 lic financial institutions or export credit agen-
 9 cies;

10 (D) the amount and form of any early-
 11 stage project support; and

12 (E) an update on the progress made on the
 13 project as of the date of the report.

14 (b) APPROPRIATE CONGRESSIONAL COMMITTEES
 15 DEFINED.—In this section, the term “appropriate con-
 16 gressional committees” means—

17 (1) the Committee on Foreign Relations, the
 18 Committee on Energy and Natural Resources, and
 19 the Committee on Environment and Public Works of
 20 the Senate; and

21 (2) the Committee on Foreign Affairs, the
 22 Committee on Energy and Commerce, and the Com-
 23 mittee on Natural Resources of the House of Rep-
 24 resentatives.

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