

Statement on European Energy Security and Siemens Turbines

[The International Working Group on Russian Sanctions](#) disagrees with the recent decision taken by the Government of Canada to [return six Siemens turbines to Russia](#) via Germany, by granting an exemption to existing export controls regimes limiting the transfer of certain energy technologies to the Russian Federation.

The export controls waiver sets an unacceptable precedent that will only embolden the Putin regime to continue to weaponize its energy leverage over the European continent by exercising energy blackmail under the guise of dubious technical justifications. Moreover, the decision undermines existing technology export controls restrictions in place against the Russian Federation, telegraphing to the Kremlin that using energy pressure against Europe is an effective strategy to yield sanctions relief.

The Putin regime's proclivity to use energy resources as an implement of geopolitical pressure against European democracies has been ongoing for decades, reaching fever pitch over the past year. In 2021, the [Kremlin created EU-wide gas scarcity](#) by intentionally limiting natural gas volumes exported to European storage facilities, many of which were owned by Russian state-controlled Gazprom. Furthermore, since the onset of hostilities in February, Russia has continued to pressure the European Union via politically motivated energy restrictions, including [the partial or total natural gas cutoff of a dozen EU member states](#).

In early June 2022, Kremlin-controlled Gazprom announced a 60% reduction in gas volumes from the Russian Federation to Germany via the Nord Stream 1 pipeline, citing technical issues that it claimed, [according to the Financial Times](#), were associated with the lack of Nord Stream 1 gas turbines that had been undergoing "maintenance and repairs in Montreal but could not be returned to Russia because of Canadian sanctions against Gazprom."

In response to this claim, the German Federal Energy Regulator ([Bundesnetzagentur](#)) [stated](#) that it could not "identify any causal connection between the missing gas compressor on the Russian side and the big reduction in supplies." [On 15 June](#), Germany's Minister of Economic Affairs and Climate Action, Robert Habeck, furthermore undermined Gazprom's claim of technical issues justifying the reduction in gas flows via Nord Stream 1, stating that "Russia's reason [for reducing gas supplies] is just a pretext...their strategy is obviously to unsettle [people] and drive up prices," characterizing Russia's gas cuts as "political."

Despite this assessment, [reported German government pressure](#) ultimately resulted in a [decision by the Government of Canada](#) that "Canada [would] grant a time-limited and revocable permit for Siemens Canada to allow the return of repaired Nord Stream 1 turbines to Germany." Moreover, a statement [issued on 11 July by the U.S. Department of State](#) offered "support" for

the decision, stating that “in the short term, the turbine will allow Germany and other European countries to replenish their gas reserves, increasing their energy security and resiliency and countering Russia’s efforts to weaponize energy.”

In the wake of the decision, [Reuters reported that on 18 July](#), Germany’s economy ministry “said that the turbine was a replacement part that was meant to be used only from September, meaning its absence could not be the real reason for the fall-off in gas flows prior to maintenance.”

Also on 18 July, Reuters reported the [text of a letter](#) issued by Gazprom to customers in Europe on 14 July that “it cannot guarantee gas supplies because of ‘extraordinary’ circumstances” saying that “it was retroactively declaring force majeure on supplies dating from 14 June.”

The statements before and after Ottawa’s decision provide significant doubt that even with the return of the allegedly technically necessary Siemens turbine, Russia will resume full gas flows to Europe via Nord Stream 1.

In light of Russia’s long history of explaining previous gas cutoffs to the European continent with false technical justifications, along with statements by German government officials and technical offices characterizing the current cutoffs in this same manner, the simultaneous decision by Berlin to pressure Ottawa to undermine its own export controls policies against the Putin regime is particularly baffling.

Rather than “countering Russia’s efforts to weaponize energy,” the turbine transfer decision in fact sets a troubling precedent that Russian energy pressure can coerce Western leaders to accede to unjustified demands of the Putin regime.

Even if Gazprom’s dubious technical justification were merited, the Kremlin could easily restore gas deliveries to Europe right now via the other routes where it is currently limiting exports, such as the Ukrainian gas transmission system where ample spare capacity exists. Therefore, Moscow’s decision not to do so illustrates clearly that its true motivation is to simply use energy to pressure Europe.

The decision also gives Moscow a playbook on how to weaponize energy and other natural resource dependencies to weaken Western technology sanctions against Russia. This is particularly concerning as technology export controls are reportedly having a significant impact on a wide range of Russian sectors, [including limiting the supply](#) of components and subsystems vital for Moscow’s ability to wage war against Ukraine.

Now more than ever, the Transatlantic community needs to remain united in maintaining uniform and increasing energy sanctions to slash funding to Putin's war machine, while taking a war time level of effort to advance urgent energy diversification projects. Doing so will eliminate the Kremlin's ability to limit Europe's foreign policy latitude when it comes to supporting Ukraine. Berlin's pressure on Ottawa to undermine Western unity on Russia export controls restrictions through the Siemens turbine waiver only degrades the Transatlantic sanctions consensus.

In light of the above, we call on the Government of Canada, backed by political endorsements from the German and United States' governments, to reverse this sanctions waiver decision. Furthermore, we call on Germany to block the transfer to Russia of the first of the Siemens turbines already [delivered from Canada to Germany this week](#).

Doing so will send a strong message to the Putin regime that its pattern of linking political demands to energy pressure will not result in concessions by European democracies, and that Russia's hybrid threats won't erode Western support for Ukrainian sovereignty.

Since the onset of Russia's full-fledged invasion of Ukraine on 24 February 2022, [The International Working Group on Russian Sanctions](#) has worked to advance analysis aimed at addressing two strategic objectives with respect to Russia's role in the global energy system.

First, given the significant role that Russian hydrocarbon revenues – particularly oil and gas sales – play in funding Putin's war-making capability, the Group has focused on proposals to increase sanctions on Russian energy resources, as well as those technical and financial industries that support Russian energy exports worldwide.

Second, given the strategic vulnerability that many regions of Europe face given an over-reliance on Russian energy resources, the Group has also published proposals to increase the independence and resilience of the European energy sector. These include measures that would help Europe identify global suppliers and increase infrastructure throughput capacity to support the import of non-Russian hydrocarbon resources in the shortest possible term. Importantly, proposals also include steps for future reductions in reliance on Russian energy through the deployment of renewable energy technologies, as well as ending ownership of European critical energy infrastructure by Russian state-owned-enterprises as soon as possible.

More details regarding these energy security and sanctions policy proposals can be found throughout our work, especially our [Action Plan on Strengthening Sanctions](#), our [Energy Sanctions Roadmap](#), and our [Statement on the Sixth EU Russia Sanctions Package](#).

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