

EU energy

US vows to 'stand up' to alleged gas market manipulation in Europe

Increase in prices raises 'serious concerns' on supply and security, says energy secretary Jennifer Granholm



Jennifer Granholm: 'We are united with our European allies in making sure you get adequate, affordable gas supply this winter' © Joe Klamar/AFP via Getty Images

Henry Foy in Brussels and **Max Seddon** in Moscow YESTERDAY

The US has vowed to support European countries hit by an energy supply crunch blamed by some officials and traders on Russia, and said it would “stand up” to suppliers accused of manipulating prices.

Surging gas costs due to tight supply and low reserves have forced European governments to draw up plans to [provide emergency aid](#) to households and utilities. Energy market participants said moves by Kremlin-controlled energy giant Gazprom to restrict supply have contributed to fears of a crippling energy crisis this winter.

US energy secretary Jennifer Granholm said the rise in prices had “raised serious concerns and questions on the reliability of the existing supply and security in Europe”.

“We and our partners have to be prepared to continue to stand up where there are players who may be manipulating supply in order to benefit themselves,” she added.

Russia is Europe's biggest supplier of gas and accounts for about 40 per cent of imports. Gazprom has fulfilled its long-term contracts to European customers but has restricted additional top-up sales, while allowing its own storage facilities in Europe to fall to low levels.

"Clearly we want to all have our eye on the issue of any manipulation of gas prices by hoarding or the failure to produce adequate supply," Granholm told reporters during a visit to Warsaw. "We are looking at this very seriously and we are united with our European allies in making sure you get adequate, affordable gas supply this winter."

Granholm's comments follow a call from the International Energy Agency for Russia to [increase supply to Europe](#), and a demand by members of the European parliament for Brussels to launch an investigation into Gazprom's actions. Granholm did not directly name Gazprom or Russia.

Energy supplies have become a hugely sensitive geopolitical issue between Europe, the US and Russia, given Europe's historic reliance on Moscow and the collapse in relations over the past decade. The US has long called for European countries to diversify their gas imports and warned that it leaves the continent vulnerable to Kremlin leverage. It is unclear what the US could do to increase pressure on Russian suppliers.

Washington has vehemently opposed the [Nord Stream 2 pipeline](#) recently completed from Russia to Germany, saying it will only deepen dependence on Moscow. The pipeline bypasses Ukraine, depriving it of transit fees, and contractors on Nord Stream 2 were previously subject to US sanctions.

Gazprom and Kremlin officials have said Russia could boost gas sales once Germany and the EU approve the start-up of the pipeline, adding to suspicions that it has restricted sales in order to try to accelerate the decision.

The Kremlin has suggested that the current supply crunch proves the need for more pipelines. Dmitry Peskov, spokesperson of President Vladimir Putin, said on Wednesday that Europe needed to buy more gas from Russia if it wanted to increase transit flows via Ukraine.

"There's a very simple truth: first you sell gas, then you extract it, and only after that do you transit it. You can't transit gas without selling it," Peskov said, according to Interfax.

Gazprom is already supplying close to a record amount of gas to Europe and fulfilling its contractual obligations “at 100 per cent and even more”, Peskov added. He blamed the surging prices on the [spot market](#), which Russia says is more expensive than concluding long-term pipeline deals.

“They [the EU] prefer to make a lot of emphasis on the spot market. But it’s the spot market that leads to this abrupt, galloping rise in prices,” Peskov said.

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