

The new version of the Energy Security Concept: Diversification is no longer necessary

On April 2, the Council of Ministers adopted a resolution amending the Energy Security Concept, which was adopted by Resolution No.1084 of the Council of Ministers of the Republic of Belarus on December 23, 2015.

We have analyzed the new version, and although the changes may seem minor, they are likely to lead to fundamental shifts in Belarus's energy security policy. Let's compare the content of the old and new versions of the Concept chapter by chapter.

Comparison of the contents of the two versions

Chapter 3, "Threats and Principles of Energy Security," was divided into two chapters: "Chapter 3. The Goal, Principles, and Objectives of Energy Security" and "Chapter 4. Threats and Risks to Energy Security."

The principles of energy security have been shortened to a single paragraph, and some of its provisions are not principles at all (for example, tax stability, energy efficiency, or staffing). The principles that were in the previous version have become objectives, even without any editing. Whereas cooperation with other countries was previously a guiding principle for strengthening energy security, it is now an objective, even though it does not in itself lead to the achievement of the Concept's goal.

The national interests previously listed in the old version of the Concept have also been designated as objectives and were simply moved to a different chapter.

Chapter 4, "Threats and Risks to Energy Security," has been significantly revised, making a direct comparison impossible. The structure of the threat classification has changed. Previously, threats were categorized by sector (production, processing, consumption, etc.), but now they are divided into external and internal threats, and each of these categories contains subcategories. The wording of the threats has become more vague. The old version explicitly listed threats such as supply restrictions by other states or companies, including those resulting from delayed contract signing, whereas the new version simply refers to this as "insufficient diversification," even though since 2015 such a threat has materialized at least once and threatened to trigger a full-blown energy crisis.

The revised version includes threats related to cyberattacks, environmental and climate impacts, as well as cross-subsidization. The list of threats includes specific values for metrics and indicators (high energy intensity, physical and moral depreciation). These are metrics that are influenced by government decisions; they cannot be considered threats.

A list of energy security risks has also been added, which are even divided into internal and external risks, although the content of the relevant sections of the Concept does not, in fact, include any risks. A risk should include the probability of a threat materializing and an assessment of the consequences for the economy and society. However, this section lists rephrased threats and even some internal characteristics of the system (insufficient efficiency, inaccurate decisions).

Chapter 4 of the previous version, “Key Areas for Ensuring Energy Security,” has been removed. This makes sense, as it contained only references to the appendices.

Chapter 5, “Key Areas for Ensuring Long-Term Energy Security,” contains several sections. Their structure has been left unchanged.

Energy independence

The content has been fully transferred to the new version. The main semantic change from the old text is the replacement of the phrase “primarily renewable energy sources” with “...primarily peat fuel and renewable energy sources,” which once again emphasizes the Ministry of Energy’s focus on the peat industry, despite all the shortcomings of this fuel and global trends in shifting the energy balance. Similar replacements were made throughout the text of the new version. This also shows that new threats, including environmental threats associated with greenhouse gas emissions and other pollutants, already contradict the areas of activity outlined in the Concept.

New text has been added to the old version, in which the author returns to the topic of energy security in general and begins to list its priorities, including energy independence. It seems as though this text should be in a different chapter and was mistakenly placed in the section on energy independence. Overall, this section reads more like a draft than an approved regulatory act.

Diversification of suppliers and types of energy resources

That was precisely the title of the next section in the previous version of the Concept, but it is absent from the new version. It has not been moved to another section of the document but has simply been removed. This is of fundamental importance, since, given the high dependence on imports, diversification must be the primary focus of efforts and yield the greatest impact in strengthening energy security. The long-term goal of diversifying energy resource imports was defined as achieving a level that would allow for uninterrupted operation even if supplies from the dominant supplier were restricted for each type of energy resource. It appears that this goal is no longer being pursued.

This section provided for a number of specific actions, such as:

- to develop economically viable options for supplying hydrocarbon feedstock to the Republic of Belarus;
- to import fuel and energy resources from countries that are not dominant suppliers in an economically sound manner;
- to increase the volume of energy transit, etc.

In the section “Reliability of Supply, Stockpiling, Refining, and Distribution of Fuel and Energy Resources,” the standard for oil reserves required for refinery operations has been changed from 10 days to 30 days. This is a positive change. However, currently, Gomeltransneft Druzhba OJSC alone has a storage capacity of approximately 0.5 million tons. If this volume is consumed within a month, it is equivalent to approximately 6 million

tons of consumption per year, which is sufficient to cover virtually all domestic demand. However, there are also oil depots at refineries and, likely, at other organizations. Thus, the stated targets have most likely already been met and will not require additional efforts.

Measures related to the construction of energy-efficient homes and the implementation of energy management have been added to the section “Energy Efficiency of Final Fuel and Energy Consumption.”

In the section “Integration into the Global Energy Sector, Development of Cooperation with Key Trade and Economic Partners, and Expansion of Exports,” the wording “resolving the issue of electricity exports from the Republic of Belarus to European Union countries...” has been shortened to “resolving the issue of electricity exports from the Republic of Belarus.”

The sections “Economic and Energy Efficiency in Energy Production and Distribution” and “Improving the Energy Sector’s Management System and Organizational Structure” remain unchanged.

A new section titled “Digitalization of the Energy Sector” has been added, but it appears as though the author simply wanted to mention the currently trendy topic of digitalization. The section includes a general description of the current state of affairs and the growing impact of digitalization on the energy sector, but does not include a single action plan for enhancing energy security through the use of digital technologies.

Research on hydrogen, batteries, and small modular reactors has been added to the “Scientific and Technical Support” section. A new section titled “Human Resource Development” has also been introduced. This section outlines areas of activity and appears well-developed. However, for some reason, two paragraphs from the removed Chapter 4 have been added at the end, but they are so out of place that it seems as though they were simply forgotten to be deleted. The first paragraph contains references to indicators and the methodology for their calculation (Appendices 1 and 2 in both versions), while the second describes the procedure for revising the electricity balance, which was in Appendix 3 in the old version but is missing entirely in the new version.

Energy security indicators

A key element of the Concept (in both versions) is the energy security indicators. Some of the indicators have remained unchanged or have undergone minor revisions, but even this seems odd for some of them. For example, the projected share of renewable energy sources has actually decreased compared to the old Concept and is planned to reach 8.5% in 2040, even though it had already reached 8.3% in 2022, after which it was administratively reduced. In other words, the authorities do not actually plan to develop renewable energy in Belarus, despite statements in the Concept’s text about striving for greater energy independence. At the same time, energy independence itself (the share of domestic fuels) is projected to increase by only 1.9% over the next 15 years.

Interestingly, the indicators also do not anticipate the commissioning of a third nuclear power plant unit before 2040 – at least, its impact is not reflected in the indicator system.

The target level of investment in the energy sector has been reduced by nearly half – from 6.5% of the value of fixed production assets to 3.8% by 2035 – but the target level of accumulated depreciation remains unchanged. In other words, either the relationship between the indicators was not calculated at all, or there are plans to extend the standard service life of equipment.

The share of natural gas in heat and electricity production was previously planned to reach 50% by 2035. Now, however, the target has been set at 65% by 2040 – which is essentially the same level as today. Apparently, they have also decided to abandon plans to reduce dependence on gas. At the same time, as with other indicators, the impact of the planned third nuclear power plant unit is not reflected in the figures.

A new indicator has been added – “Share of electricity in final energy consumption, %” – which demonstrates the Ministry of Energy’s willingness to continue artificially increasing electricity consumption despite economic considerations. This indicator has no impact on energy security unless the growth in electricity consumption is supported by local energy sources, which is not provided for in the Concept.

Despite the emphasis on environmental and human resources risks, there are no indicators for these areas either.

And crucially, all indicators related to diversification have been removed. This means that this is not a case of an editorial error (which could be assumed given the quality of the other changes), but rather a deliberate effort to exclude energy supply diversification from the objectives of state policy. The new version lacks targets for reducing the share of a dominant supplier (country) or fuel type, even though the values of these indicators in the old version were at critical or subcritical levels, and dependence on a single supplier is considered a key form of energy vulnerability for modern Belarus.

Conclusions

For Belarus, which is critically dependent on energy imports, diversifying fuel sources and suppliers has been and remains a key priority capable of fundamentally strengthening energy security. The fact that the new version provides for neither action plans in the area of diversification nor corresponding indicators suggests that the state plans to cease addressing its own energy security. The absence of plans to develop renewable energy sources and increase energy self-sufficiency indicates that the state is satisfied with the current state of energy dependence on energy suppliers and likely does not plan to make further efforts in this direction.

And judging by the changes to the indicators (as the sole quantitative measures of energy security), it was precisely the removal of the diversification objective that was the main purpose of these amendments to the Concept. The other changes were made primarily to ensure that the main objective would not be so conspicuous.

Policy documents such as the Energy Security Concept should be adopted as a law (by parliament) or, within the existing system, by presidential decree, so that the government and the Ministry of Energy are legally obligated to fulfill the tasks assigned to them. In reality, however, the Concept is adopted by the Council of Ministers, and the Ministry of Energy likely plays the leading role in its development. As a result, the Ministry sets its own goals and then reports on their implementation. Consequently, the indicators have been adjusted to make them easier to achieve. In some areas, it is possible to do absolutely nothing. Most of the indicators for 2040 are already being met today.

The concept outlined in the document that established the requirements for government policy has evolved into a document that supports existing policy, even if it does not serve the national interest.

We should also note the level of development of the document: it appears well-developed only in the sections that were carried over unchanged from the previous version. Some of the new sections read more like drafts, in which the author loses track of the logic of the current section, reverts to a general description of the system, or forgets to remove fragments left over from other sections after they were removed.