

TRUMP'S FIRST STEPS IN ENERGY POLICIES

Oğuzhan AKYENER
(TESPAM President)

Sezayî TOPRAK
(TESPAM New York Coordinator)

Contrary to the predictions made by many experts, Trump, who was also supported by large oil cartels, was elected as the new US president. This election's was not only limited to the US, but also like a reflection in the US of different changes happening simultaneously in Europe and globally. In other words, it was already on the verge of a significant change in the world (Brexit was one of those markers.). The US also needed an appropriate president for this process; therefore, it chose a change. After the US (especially under the management of many European countries, such as France and Germany), various changes in the world could be expected in turn.

The results of the election, along with the old enemies that the US handed over during the Obama era, many governments, especially those who are notable members of the EU, followed with concern. Though, this anxiety reflected in the international public (as it can be perceived as a sign of significant changes in global politics), it was also important that the perceptions of the entrenched perceptions should not be at the level of generating resources to inconsistent conspiracy theories.

How This Change In The Us Would Affect Energy Politics As Well As Global Policies

There are some main goals which affect Trump's energy policies:

- Producing cheap energy by lowering cost and maximizing the use of national resources by focusing on fossil resources. In this way, the US can reduce their dependency on foreign oil.
- Eliminating "burdensome regulations" and "harmful and unnecessary policies" on energy industry to produce energy abundantly and less costly.

Given the clarifications made by Trump or its advisers at this point, the post-election international energy policies would be affected in two ways in general. First; the consequences of the steps the US has taken towards its internal markets will be affected. Second, some balance of energy will change as a result of changes in the US's international political initiatives.

Expected changes in US national energy policies and their international effects

Some inferences made in this context are examined in terms of their materiality.

US domestic energy resources will be developed. Import will be reduced most: Thereby: Prevention of environmental pollution and clean energy will be put on the back burner

- The sanctions for the development of coal resources will be removed and support on them will be provided
- Restrictions and sanctions in the area of oil and gas exploration will be removed and new incentive regulations will be introduced.
- The production of unconventional resource will increase.
- Nuclear power plants will be supported.
- Trends and support for technologies with low productivity and long turnaround times, such as solar and wind, will decrease.

Potential impacts of changes in US international policies:

- While international policies are being set, commercial action of steps taken and four initiatives will be kept in the foreground.
- Relations with Russia will be improved compared to the Obama era.
- The deal with Iran will be revised and or canceled.
- Good and close relations with European countries will continue but relations with them will be reviewed again on some issues.

Impacts of the Policies on Energy Sources

The above statements, which are expected to influence global energy policies, are briefly evaluated in terms of their effectiveness and applicability. It is an expected and feasible step for the US to make moves into areas such as coal, unconventional, oil and gas, and sea exploration. It is understandable that an administration that naturally leads to fossil resources and makes incentives to this area and environmentalist approaches and developments in clean energy fields will be put on the back burner. It should also not be forgotten that oil cartels are the ones who are behind the new administration.

From the coal perspective:

- As production and consumption are almost equal, this will not affect international coal markets very much.
- With the development of domestic coal resources and the encouragement of coal conversion plants, it will be possible to increase the electricity production from coal.
- In addition to these options, it is also possible to export more carp products to be produced with incentives.
- Nonetheless, coal is one of the weakest elements to influence international energy policies, although it attracts much attention.

In terms of oil and natural gas:

- The US is the largest oil importer in the world and also one of the biggest producers. The excess of domestic consumption makes it the largest importer; however, the US also has a considerable amount of oil reserves.
- When these reserves and potentially containing regions are analyzed, the search and development of domestic oil resources is very important in terms of reducing the current account deficit. Stretching at this point in environmental legislation and incentives to be provided at the current low oil price levels will speed up the investment steps and make investments attractive.
- Potential domestic petroleum and gas supplies will partly reduce oil imports by the US. The reason for the reduction is that the oil used in the refineries where the petroleum is processed has certain characteristics. Thereby, if the US produces much more oil than its total consumption 50 years from now, some refiners may have to continue importing to continue to work. Or it will be necessary to revise the relevant refiners. The decline in imports and possible additional production and supply in global markets will also have a negative effect on oil prices.
- The development and production of gas and unconventional gas resources will support the goal of becoming one of the major medium and long-term gas exporters of the US, which is already a self-sufficient country for gas.
- Stretching environmental legislation and sanctions, particularly in the development of anchor resources, will further accelerate sector development.
- Though, as low oil prices in general are not affecting gas markets, it will be one of the key point the US government should be careful about to intervene to make the projects economical, so as to ensure that global oil prices are minimized and national sectors are least affected.

From environmental perspectives:

It will become impossible for the EU-centered, environmentally friendly and clean energy policy to be imposed on the whole world.

- The fact that China and India, the biggest consumers of this future, will not pay much attention to reality in this matter will affect other countries with fossil resources, lukewarm though nevertheless tending to be clean and environmentalist.
- In addition, countries that initiate this movement in the EU and make investments and incentives in this area are generally those that do not have fossil resources and sustain their energy import and development.

Thus, it can be concluded that EU-centered clean energy policy cannot be applicable within even Europe. The EU, which is already weak and tends to fragment, will not be able to influence the international public game in these matters. The development of green and clean energy policies will slow down. Nevertheless, with developing technology, renewable investments and energy efficiency will continue. Nonetheless, decisions made in joint declarations such as the Paris climate summit will not be implemented.

Trump management; will not listen to such so called environmental sanctions because

climate change and environmental considerations are believed to be ineffective at the forefront of measures taken to limit the development of countries.

Solar & Wind

It is considered that the trend towards renewable energy in Obama era will be ceased in Trump period. Investments to solar energy became the leader among the new energy sources by increasing 95 % in 2016. It is the first time that solar panel set up exceeds oil and wind investments. According to Solar Energy Industries Association (SEIA), it was set a record by adding 14.6 Gwatt solar panels in 2016. It is argued that solar power makes a significant contribution to the energy source diversity in the US. Moreover, it is claimed that this clean energy source has an important economic impact by regarding 260,000 people work in this sector. On the other hand, this number is just 2 % of new job in US's total employment. High set up costs and low operation expenses make solar power less contributor to employment than oil sector.

Compared to fossil fuels such as oil, the cost per unit of energy produced by solar and wind power plants is high; therefore, they are not preferred because oil has both long-lasting returns and low-productivity investments. In addition, low-cost new technologies should be developed to produce and set up solar and wind power plants regarding the low-price trend in oil.

Bloomberg New Energy Finance anticipates that US growth of solar energy industry will continue and total capacity will reach 105 Gwatt till 2021. SEIA does not expect a record growth like in 2016 but a low-rate and stable growth.

In terms of nuclear energy:

Trump and his administration stated that thanks to high technology, they will spread nuclear energy safely. In other words, the inclination of the US in this field will change the estimates of nuclear energy use in the world energy equation.

Mainstay of Trump's Policy

This view is valid and in place for all countries with fossil resources.

Significant changes are expected when the expected trends in US national energy policies and their possible international impacts are briefly assessed as above. The US has returned to logical, consistent and clear discourse from changes in the (political) rhetoric of the Rockefeller group, in the face of Obama's (inconsistent) clean and environmentally friendly energy policies. (See: <http://www.tespam.org/petrolun-devri-kapaniyor-mu/>)

Projections and estimates show that, although renewable energy is important, oil and natural gas will continue to be the most important energy resources of the world in the next 50 years. Hence, these approaches of the Trump administration are realistic and in place, even in the case of excess capitalist perception.

Also, it should be noted that, long before the Trump administration, Turkey, except for oil exploration and production, was also aimed at domestic politics by foreseeing renewable energy support. It continues to take steps at this point. The missing direction is oil

and gas resources. Which, in turn, has solutions and steps that can be taken. TESPAM continues to work on these issues.

Energy Policy's Effect on International Policy

There are possible issues that can be deduced from the Trump administration's foreign policy discourse and effect on international energy policies. When international policies are set, commercial interests of steps and initiatives taken in the forefront are kept.

At this point Trump rhetoric has given an example of Obama's operation in Libya, which cost US \$ 1 billion. In this case, he mentioned that such an operation can only be carried out for Libya's taking of at least half of its oil resources for 25 years.

Hence in this case; the dirty petrol cards will continue to grow and become ugly, increasingly bloody games (only for the purpose of funding and earning money) that they play in the present and past centuries, which will in turn lead the world's strongest state.

This rhetoric is a taboo that the whole world should worry about the weak states and oppressed societies that have oil and gas resources. Even when evaluated from an angle; with the Arab Spring Project, the US is supposed to be intelligent (which is likely to be the dirty oil cartel that holds Trump in power) and some western powers have made the wider Islamic geography, which has significant reserves of oil and natural gas, uneasy and desperate. Now it is the time of sharper and harder steps to share the cake.

At this point, the Sunni-Shiite conflict trying to fuel the Middle East and the political changes on the Saudi Arabia are very thought provoking. The only state that has the potential to make moves and defend oppressed against such a game is Turkey. For this reason, the world needs a strong Turkey. The President of Turkey in 2011 related to Libya said that: "Look at Libya, not from the point of petroleum, from the point of conscience!" The discourse clearly reveals the difference between the painting and the reality. In summary, it may be possible that the US will have military intervention in some oil-rich countries in the coming periods, such as Saudi Arabia. Of course, for this, the Islamic world needs to be brought to the desired degree of confusion, and such an intervention may need to take Egypt and perhaps Iran. It should also be forgotten that such an intervention would increase the US domestic market and accelerate exploration activities to increase oil prices.

The relations expressed with Russia to heal:

The EU's attitude to prevent Russia's gas export policies will weaken since at this point the greatest impact and support for the EU is provided by the US. But it also shows that recent developments in Ukraine and Nord Stream II have also failed to address US policy.

With regard to the nuclear deal, which is likely to be revoked with Iran:

Although Iran is perceived as a preferred ally in the Middle East by Obama to encourage the Sunni-Shi conflict, the fact of the active Turkey in the region has also raised the thoughts that some plans should be revised.

Relations with the EU:

In the post-Brexit period, it may be possible that the US, which has given cooling signals from the EU with a German influence, could reduce the political and military support provided by the post-Trump EU. It may also be expected in the EU member countries that an increasing nationalist movement, anti-immigrantism, a deterrent in the EU and a deterrent to weakening. In this case, the US will be expected to prefer not to support only the politically close members of the EU, instead of the entire EU, which cannot implement common strategies, instead of supporting the EU, on energy politics and energy supply security issues. Within this expectation, it is known that some gas (LNG) sales agreements between the US and Great Britain were also made.

Impacts on Turkey:

- The possibility of oil and gas prices continuing at a low level,
- The weaknesses of the administrations that support and are behind FETO (the Obama administration in the US and others in the EU)
- Question marks emerging about Iran as a regional competitor

They lead to a positive picture for Turkey in general. On the other hand, in the direction of the dirty games of the US petroleum cards mentioned above, only countries that have oil and gas resources for income and resource purposes, the likelihood of being found in military intervention is upsetting all positive scenarios.

As a result, along with Trump management, the petroleum cartels that are thought to be the support of the new president and whose share value in the stock market has increased after the election, can influence the future and international politics will be the most important issue. Together with that, we can only talk about the future of oil and gas resources which will become devalued but not clean and renewable resources, as it is expected.