

118TH CONGRESS
1ST SESSION

S. 2673

To ensure European, including Ukrainian, energy security, protect, modernize, and rebuild European energy resources and infrastructure according to accepted principles of international good governance, and support European efforts to reduce the reliance of allied European countries on imported Russian energy resources, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 27, 2023

Mr. MENENDEZ (for himself and Mr. RISCH) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To ensure European, including Ukrainian, energy security, protect, modernize, and rebuild European energy resources and infrastructure according to accepted principles of international good governance, and support European efforts to reduce the reliance of allied European countries on imported Russian energy resources, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Responding to the En-
3 ergy Security Crisis in Ukraine and Europe (RESCUE)
4 Act of 2023”.

5 **SEC. 2. SENSE OF CONGRESS ON ENERGY RESOURCE IM-**
6 **PLICATIONS OF THE RUSSIAN FEDERATION’S**
7 **INVASION OF UKRAINE.**

8 It is the sense of Congress that the United States
9 should support allies and partners’ efforts to reduce de-
10 pendence on imported Russian energy resources and en-
11 hance energy security in a manner that reinforces the sov-
12 ereignty of these democratic countries by diversifying and
13 securing their energy supplies and mobilizing domestic en-
14 ergy resource production by—

15 (1) working to ban all imports of Russian en-
16 ergy resources to the United States;

17 (2) increasing the access of European partners
18 and allies to immediate energy resources neces-
19 sitated by the Russian Federation’s invasion of
20 Ukraine and the resulting global energy crisis;

21 (3) supporting Europe’s development and de-
22 ployment of emerging and advanced energy tech-
23 nologies to ensure countries’ energy security and di-
24 versification away from Russian-controlled energy
25 resources;

1 (4) recognizing that the severity and cost of
2 Russia's damage to Ukraine's energy infrastructure
3 is dynamic and continues to worsen, as explained in
4 the World Bank's second Ukraine Rapid Damage
5 and Needs Assessment for February 2022-February
6 2023, which estimates that—

7 (A) current damage and losses to
8 Ukraine's energy sector is estimated to be
9 \$27,000,000,000, which is more than double
10 the level in the fall of 2022 (\$12,000,000,000);

11 (B) damage to power, gas, and heating in-
12 frastructure and coal mining, as of February
13 24, 2023, was above \$10,000,000,000 as com-
14 pared to an estimated \$2,000,000,000 on June
15 1, 2022;

16 (C) the largest share of damage is in the
17 electricity production and transmission sector
18 and is estimated to be close to \$6,500,000,000
19 in damage; and

20 (D) Ukraine's gas sector has sustained an
21 estimated \$1,200,000,000 in damage, which in-
22 cludes damage to gas distribution infrastruc-
23 ture, as well as damage reported by the gas
24 transmission system operator;

1 (5) supporting Ukraine’s efforts to rebuild and
2 modernize its energy infrastructure, according to
3 internationally accepted standards of transparency
4 and good governance, including promoting long-term
5 energy independence from Russia with reliable en-
6 ergy resources in line with the Government of
7 Ukraine’s efforts to integrate with the energy mar-
8 kets and principles of Europe;

9 (6) supporting Ukraine’s prospective member-
10 ship in and integration with the European Union
11 (EU), including through alignment with policies like
12 the EU’s 20/20/20 objectives and through the syn-
13 chronization and commercial integration of the
14 Ukrainian, Moldovan, and Baltic electric power sys-
15 tems with the central European power system, oper-
16 ated by the member of the European Network of
17 Transmission System Operators for Electricity
18 (ENTSO-E);

19 (7) utilizing the Development Finance Corpora-
20 tion, which has unique capabilities to help finance,
21 convene other countries’ development finance institu-
22 tions, and mobilize private finance in support of ef-
23 forts to restore and reconstruction Ukraine’s energy
24 sector and improve European energy security;

1 (8) condemning attacks and any other efforts
2 by Russian Federation forces, Russian Federation
3 officials, or its proxies to cut off Ukrainian elec-
4 tricity generation units or portions of the Ukrainian
5 electrical grid and annex these assets into the Rus-
6 sian electrical grid system;

7 (9) condemning all efforts by the Russian Fed-
8 eration, its proxies, or other malign actors to inter-
9 fere with Ukraine’s power networks, electricity
10 transmission, and electricity generation units, in-
11 cluding theft, destruction, or acts of sabotage of in-
12 frastructure;

13 (10) providing technical assistance to Ukraine,
14 Moldova, and European allies and partners of the
15 United States to build resilience and incident re-
16 sponse and recovery capacities against cyberattacks
17 on energy infrastructure;

18 (11) supporting Ukrainian efforts to meet Eu-
19 ropean and industry standards on corporate govern-
20 ance, transparency in contracting and procurement,
21 and independence from political pressure;

22 (12) working with the International Atomic En-
23 ergy Agency (IAEA) to implement needed safety and
24 security requirements;

1 (13) providing support to Eastern and Central
2 European countries whose energy import, storage,
3 and generation capacity was negatively affected by
4 the Russian Federation’s invasion of Ukraine, and
5 improving the resilience and safety of nuclear energy
6 infrastructure in the region, including at Ukrainian
7 nuclear facilities;

8 (14) cooperating on activities to support East-
9 ern and Central European countries affected by
10 Russian Federation forces’ invasion of Ukraine, in
11 keeping with the European Commission’s plan “to
12 make Europe independent from Russian fossil fuels
13 well before 2030”, including via measures “to re-
14 spond to rising energy prices” and efforts to “re-
15 plenish gas stocks for next winter”; and

16 (15) encouraging United States private sector
17 investment and public-private partnerships in the
18 Three Seas Initiative to facilitate resilient develop-
19 ment of European energy, transport, and digital sec-
20 tors.

21 **SEC. 3. SUPPORTING UKRAINE’S ENERGY SECTOR RECON-**
22 **STRUCTION, SECURITY, AND MODERNIZA-**
23 **TION.**

24 (a) IN GENERAL.—The Secretary of State, in coordi-
25 nation with the heads of relevant Federal departments and

1 agencies, as defined in section 11, shall conduct activities
2 to increase Ukrainian access to energy resources to meet
3 immediate needs, reconstruct energy infrastructure dam-
4 aged by the Russian Federation forces' attacks, and mod-
5 ernize and reconstruct Ukraine's energy sector overall in
6 accordance with international standards of efficiency,
7 transparency, and good governance. These efforts to assist
8 the modernization of Ukraine's energy sector should begin
9 immediately, where possible.

10 (b) PURPOSES.—The Secretary of State, in consulta-
11 tion with the Administrator of the United States Agency
12 for International Development and heads of other relevant
13 Federal departments and agencies, shall provide assist-
14 ance to the Government of Ukraine for the acquisition of
15 energy resources and equipment to meet critical needs and
16 prevent power disruption resulting from attacks, malevo-
17 lent acts, or other actions perpetrated by the Russian Fed-
18 eration or its proxies.

19 (c) NOTIFICATION.—Congress shall be notified of any
20 provision of assistance over \$500,000 provided under sub-
21 section (b) not less than 14 days prior to the date of in-
22 tended obligation of funds.

23 (d) CERTIFICATION REQUIREMENT.—Of the funds
24 authorized to be appropriated under section 10, not more
25 than half shall be made available until the Secretary sub-

1 mits a certification to the relevant congressional commit-
2 tees that—

3 (1) the Supervisory Boards of UkrEnergo,
4 Naftogaz, and Energoatom remain independent and
5 capable of executing their roles and responsibilities,
6 free from undue political or oligarchic influence;

7 (2) UkrEnergo, Naftogaz, and Energoatom con-
8 tinue to follow international best practices, including
9 applicable IMF standards and conditions, related to
10 board selection, corporate governance, anti-corrup-
11 tion measures, and transparent accounting and pro-
12 curement; and

13 (3) United States assistance is not supporting
14 grants, contracts, or subcontracts to entities owned
15 or controlled by the Government of the People’s Re-
16 public of China.

17 **SEC. 4. EFFORTS TO REDUCE EUROPEAN RELIANCE ON**
18 **RUSSIAN ENERGY.**

19 (a) ESTABLISHMENT.—The Secretary of State, in co-
20 ordination with the heads of the relevant Federal depart-
21 ments and agencies, shall implement and conduct activi-
22 ties to reduce the reliance of qualified Central, Eastern,
23 and Southeastern European countries on energy resources
24 controlled or exported by Russia and diversify energy re-
25 sources, supplies, and routes by—

1 (1) supporting—

2 (A) the identification and coordination of
3 international financial products and technical
4 assistance supporting planning activities for im-
5 proving or restoring energy security, providing
6 operational efficiencies in energy systems, re-
7 covering energy resources, or modernizing en-
8 ergy systems;

9 (B) the procurement of resources, mate-
10 rials, equipment, and services that support the
11 efforts described in subparagraph (A);

12 (C) the construction of infrastructure re-
13 lated to the production of energy, generation,
14 transmission, and distribution of electricity and
15 powering of transportation that does not rely
16 wholly or principally on Russian energy re-
17 sources; and

18 (D) the reconstruction or modernization of
19 energy-related infrastructure damaged or de-
20 stroyed due to the Russian Federation's war
21 against Ukraine, in accordance with inter-
22 nationally accepted norms of transparency and
23 corporate governance;

24 (2) providing qualified Central, Eastern, and
25 Southeastern European countries, in accordance

1 with subsection (b), under such terms and conditions
2 as the Secretary of State determines appropriate,
3 with awards, loans, or loan guarantees to carry out
4 projects to develop or purchase assets, resources,
5 materials, or equipment, that can reduce the reliance
6 of those countries on exported Russian energy re-
7 sources; and

8 (3) providing technical assistance to qualified
9 Central, Eastern, and Southeastern European coun-
10 tries, as defined under section 11 as the Secretary
11 of State, in coordination with the heads of relevant
12 Federal departments and agencies, determines nec-
13 essary to reduce those countries' reliance on Russian
14 energy resources.

15 (b) COUNTRY PRIORITIZATION AND EXCEPTIONS.—
16 The Secretary of State, in consultation with the heads of
17 relevant Federal departments and agencies, shall prioritize
18 the provision of support, including financial support to
19 qualified Central, Eastern, and Southeastern European
20 countries that are determined to be vulnerable to Russian
21 coercive energy practices.

22 (c) PARTNERSHIPS.—The Secretary of State, in co-
23 ordination with the heads of other relevant Federal de-
24 partments and agencies, may carry out the activities es-
25 tablished under subsection (a), including pursuing blended

1 finance opportunities and joint investment projects with
2 other appropriate development finance institutions of
3 other countries.

4 (d) AUTHORITY TO ENTER INTO ARRANGEMENTS.—

5 In carrying out the activities established under subsection
6 (a), the Secretary of State, in coordination with the heads
7 of the relevant Federal departments and agencies, may
8 enter into one or more arrangements directly with quali-
9 fied Central and Eastern European countries and third
10 parties under such terms and conditions as the Secretary
11 of State determines appropriate.

12 (e) DOMESTIC SOURCING CONSIDERATIONS.—

13 (1) IN GENERAL.—Except as provided in para-
14 graph (2), the Secretary of State shall, to the max-
15 imum extent practicable, prioritize support for ac-
16 tivities described in paragraph (1), (2), or (3) of
17 subsection (a) that—

18 (A) promote manufacturing in the United
19 States; or

20 (B) utilize resources, services, materials, or
21 equipment that is sourced in the United States.

22 (2) EXCEPTION.—Paragraph (1) shall not
23 apply with respect to an activity described in para-
24 graph (1), (2), or (3) of subsection (a) if the Sec-
25 retary of State certifies that the activity cannot rea-

1 sonably satisfy the criteria set forth in subpara-
2 graphs (A) and (B) of paragraph (1) of this sub-
3 section.

4 (f) REPORTS.—Not later than 1 year after the date
5 of the enactment of this Act, and annually thereafter for
6 3 years, the Secretary of State shall submit to the Com-
7 mittee on Foreign Relations and the Committee on Energy
8 and Natural Resources of the Senate and the Committee
9 on Foreign Affairs and the Committee on Energy and
10 Commerce of the House of Representatives a report
11 that—

12 (1) identifies any resources, materials, or equip-
13 ment developed, produced, procured, or provided
14 pursuant to the activities described in subsection (a);
15 and

16 (2) provides an analysis of how such activities
17 benefit United States energy resource suppliers and
18 equipment manufacturers.

19 **SEC. 5. UKRAINE AND MOLDOVA INTEGRATION INTO THE**
20 **EUROPEAN POWER GRID.**

21 (a) TECHNICAL ASSISTANCE AND CONSULTATION.—
22 The Administrator of the United States Agency for Inter-
23 national Development, under the direction of the Secretary
24 of State and in coordination with heads of relevant Fed-
25 eral agencies as described in this section, shall—

1 (1) provide technical assistance and expert con-
2 sultation to the Government of Moldova, the Govern-
3 ment of Ukraine, the European Commission, and
4 relevant stakeholders in support of completing the
5 integration of Moldova and Ukraine into the
6 ENTSO–E system in order to bolster the stability of
7 Moldova and Ukraine’s electricity supply;

8 (2) leverage available expertise to support full
9 commercialization of Moldova and Ukraine’s inter-
10 connection with ENTSO–E systems; and

11 (3) engage with European Union counterparts
12 in support of full commercialization of Moldova and
13 Ukraine’s interconnection with the ENTSO–E sys-
14 tem.

15 (b) USE OF TRANSFER AUTHORITIES.—The Sec-
16 retary of Energy shall take full advantage of transfer au-
17 thorities to allow for maximum flexibility in utilizing ex-
18 pertise and resources within the Department’s Offices of
19 Electricity and Cybersecurity, Energy Security, and
20 Emergency Response.

21 (c) CONCURRENCE FOR ACTIVITIES RELATED TO AC-
22 TIVITIES FOR RESPONDING TO THE SITUATION IN
23 UKRAINE.—The Secretary of Energy shall only act with
24 the concurrence of the Secretary and the Administrator
25 when executing activities pursuant to title IV of the

1 Ukraine Supplemental Appropriations Act, 2022 (division
2 N of Public Law 117–103; 136 Stat. 780) and when ap-
3 propriate transfer amounts to the Department of State
4 and the United States Agency for International Develop-
5 ment to carry out such activities.

6 (d) SENSE OF CONGRESS.—It is the Sense of Con-
7 gress that the European Union should work expeditiously
8 to support the synchronization of the Baltic States’ grid
9 with ENTSO–E.

10 **SEC. 6. INITIATIVES FOR TECHNICAL ASSISTANCE FOR**
11 **GRID MODERNIZATION, ENERGY EFFICIENCY,**
12 **AND ENERGY STORAGE IN QUALIFIED CEN-**
13 **TRAL AND EASTERN EUROPEAN COUNTRIES.**

14 (a) IN GENERAL.—The Secretary of State, in con-
15 sultation with the heads of the relevant Federal depart-
16 ments and agencies, shall support new and existing initia-
17 tives, as appropriate, to provide technical assistance and
18 expertise on electrical grids, energy efficiency, and energy
19 storage integration into pre-existing and new power facili-
20 ties improvements in qualified Central and Eastern Euro-
21 pean countries for purposes such as—

22 (1) expanding and improving the reliability,
23 flexibility, and resilience of the electrical grid to
24 reach all regions and populations;

1 (2) developing decentralized power grids and
2 microgrids or distributed energy resources in areas
3 in which connection to the larger electrical grid is
4 challenging;

5 (3) supporting initiatives of qualified Central,
6 Eastern and Southeastern European countries to op-
7 timally integrate renewable and clean energy into
8 their electrical grids;

9 (4) enhancing the interconnectivity of electrical
10 grids across Central and Eastern Europe;

11 (5) developing standards for advanced energy
12 technologies, smart buildings, and data centers;

13 (6) increasing deployment of smart meters, heat
14 pumps, and other energy efficiency technologies;

15 (7) increasing the energy efficiency of buildings,
16 appliances, and the industrial sector;

17 (8) improving pollution controls and the effi-
18 ciency of district heating systems and fossil fuel elec-
19 tric generating units;

20 (9) evaluating the feasibility of retrofitting ex-
21 isting energy production facilities with appropriate
22 energy storage technologies and encouraging and
23 supporting the deployment of energy storage retro-
24 fits when practicable; and

1 (10) providing technical assistance and support
2 for planning, engineering, and deployment of energy
3 storage systems for new and existing power produc-
4 tion facilities, including promoting, to the extent
5 practicable—

6 (A) regulatory reforms and transparency of
7 power production, delivery, and pricing to sup-
8 port long-term market-based energy storage;

9 (B) nondiscriminatory reliable and afford-
10 able energy storage projects to promote eco-
11 nomic growth and job creation;

12 (C) United States exports to support
13 United States private sector entities in contrib-
14 uting to energy and environmental solutions
15 around the world and promote best practices re-
16 garding environmental, safety, corporate gov-
17 ernance, and cyber and physical protection
18 standards; and

19 (D) the facilitation of public-private part-
20 nerships, to make inclusion of energy storage in
21 new and existing power facilities practicable.

22 (b) CONSULTATION.—In carrying out subsection (a),
23 the Secretary of State, in consultation with the heads of
24 the relevant Federal departments and agencies, and with
25 the cooperation of the governments of qualified Central

1 and Eastern European countries and, as appropriate, re-
2 gional authorities in Central and Eastern European coun-
3 tries, shall coordinate with international financial institu-
4 tions and regional economic communities, cooperatives,
5 and the private sector.

6 **SEC. 7. MITIGATING ENVIRONMENTAL HAZARDS IN**
7 **UKRAINE.**

8 (a) SENSE OF CONGRESS.—It is the sense of Con-
9 gress that Russia’s invasion of Ukraine has and will con-
10 tinue to contribute to significant environmental damage,
11 some of which will be irreparable, and will threaten the
12 health and lives of people living in Ukraine for many years
13 to come. This damage includes—

14 (1) contamination of a significant portion of
15 Ukraine with unexploded ordnance;

16 (2) the bombing of factories and industrial com-
17 plexes that used or produced toxic materials; and

18 (3) contamination of the Black Sea and the
19 Azov Sea.

20 (b) ESTABLISHMENT.—The Secretary of State, in
21 consultation with the Administrator of the United States
22 Agency for International Development, the Administrator
23 of the Environmental Protection Agency, the Secretary of
24 Agriculture, and the heads of other relevant Federal agen-

1 cies, shall leverage institutional expertise to aid the Gov-
2 ernment of Ukraine in—

3 (1) environmental remediation and restoration;

4 (2) toxic chemical cleanup, including asbestos,
5 metals, radioactive waste, combustion products, de-
6 bris, and weapons residues;

7 (3) the restoration of utility services that pro-
8 vide—

9 (A) municipal drinking water;

10 (B) wastewater and sewage services;

11 (C) industrial water supplies; and

12 (D) related utility infrastructure;

13 (4) the restoration of forests, parks, natural
14 and pastoral landscapes, and habitats; and

15 (5) remedial work to remove and neutralize
16 toxic effects of war activities on soils, ground and
17 surface water resources, and air.

18 (c) PURPOSES.—Funds authorized for this section
19 under section 10 shall be used for activities of the Sec-
20 retary of State, in consultation, as appropriate, with the
21 United States Agency for International Development, to
22 support the initial planning for rebuilding sustainable, in-
23 clusive, and resilient cities in Ukraine through—

24 (1) evaluating and making assessments on the
25 scope of environmental harms from war actions;

- 1 (2) environmental remediation;
- 2 (3) restoration of environmental services; and
- 3 (4) repair, recovery, and replacement of de-
- 4 stroyed or damaged utility infrastructure.

5 (d) NOTIFICATION.—Congress shall be notified of
6 any provision of assistance over \$500,000 provided under
7 subsection (c) of this section not less than 14 days prior
8 to the date of intended obligation of funds.

9 **SEC. 8. SUPPORTING NUCLEAR SAFETY AND SECURITY IN**
10 **UKRAINE.**

11 (a) PURPOSE.—To ensure the safety and security of
12 Ukraine’s nuclear power plants (NPPs), including the
13 Zaporizhzhya Nuclear Power Plant (ZNPP) in southern
14 Ukraine, and the communities proximate to Ukraine’s 4
15 NPPs, prevent Russia’s theft or sabotage of resources,
16 technology, and energy produced by the NPPs, and facili-
17 tate the continued service of the NPPs to the Ukrainian
18 power grid, the Secretary of State, in coordination with
19 the Secretary of Energy, shall—

- 20 (1) coordinate and support efforts to prevent
- 21 Russia’s—
 - 22 (A) further sabotage of the ZNPP and
 - 23 other Ukrainian NPPs;

1 (B) forced disconnection of the ZNPP or
2 any other Ukrainian NPPs from the Ukrainian
3 power grid;

4 (C) theft and transport of fuel, equipment,
5 or other resources from the ZNPP or any other
6 Ukrainian NPP;

7 (D) unilateral rerouting of generated elec-
8 tricity from the ZNPP and other Ukrainian
9 electricity generation units such as other NPPs
10 to Russia or Russian controlled territories; and

11 (E) theft of United States intellectual
12 property belonging to United States companies
13 who have partnered with Ukrainian NPPs;

14 (2) support the International Atomic Energy
15 Agency's efforts to ensure the 7 indispensable pillars
16 for ensuring nuclear safety and security during
17 armed conflict are adhered to throughout Ukraine;
18 and

19 (3) provide nuclear disaster safety assistance
20 and associated personal protective equipment, in-
21 cluding iodine, to Ukrainian communities most likely
22 to be directly impacted by a potential nuclear dis-
23 aster at ZNPP stemming from Russian authorities'
24 irresponsible management and military activity in
25 and around the ZNPP.

1 **SEC. 9. OVERSIGHT AND INSPECTORS GENERAL.**

2 (a) OVERSIGHT BY INSPECTORS GENERAL.—The In-
3 spector General of the Department of State and the In-
4 spector General of the United States Agency for Inter-
5 national Development, through or in coordination with the
6 Ukraine Oversight Interagency Working Group and any
7 other relevant Inspectors General, shall conduct oversight
8 of the activities authorized by this Act to ensure inde-
9 pendent and effective oversight of such programs and op-
10 erations through joint or individual audits, inspections, in-
11 vestigations, and evaluations, as appropriate.

12 (b) REPORTS.—Not later than one year after the date
13 of the enactment of this Act, and semiannually thereafter
14 for 3 years, the Inspectors General described in subsection
15 (a) shall submit to the Committee on Foreign Relations
16 of the Senate and the Committee on Foreign Affairs of
17 the House of Representatives a report describing the over-
18 sight activities conducted regarding the programs and as-
19 sistance authorized by this Act. The report may be sub-
20 mitted as part of a report by the Ukraine Oversight Inter-
21 agency Working Group, in conjunction with other reports
22 related to Ukraine oversight.

23 **SEC. 10. AUTHORIZED AMOUNTS.**

24 There is authorized to be appropriated
25 \$1,880,000,000 for the Secretary of State and the Admin-
26 istrator of the United States Agency for International De-

1 velopment to carry out the programs and functions of this
2 Act, of which not less than—

3 (1) \$1,100,000,000 shall be authorized for ac-
4 tivities under section 3; and

5 (2) \$500,000,000 shall be authorized for activi-
6 ties under section 4.

7 **SEC. 11. DEFINITIONS.**

8 In this Act:

9 (1) **QUALIFIED CENTRAL, EASTERN, AND**
10 **SOUTHEASTERN EUROPEAN PARTNERS.**—The term
11 “qualified Central, Eastern, and Southeastern Euro-
12 pean partners” means European countries that are
13 eligible for project support pursuant to the Euro-
14 pean Energy Security and Diversification Act of
15 2019 (title XX of division P of Public Law 116–94).
16 This definition shall not be construed as imposing
17 new requirements or restrictions pursuant to the
18 Better Utilization of Investments Leading to Devel-
19 opment Act of 2018 (division F of Public Law 115–
20 254) on Federal agencies.

21 (2) **RELEVANT FEDERAL DEPARTMENTS AND**
22 **AGENCIES.**—The term “relevant Federal depart-
23 ments and agencies” means—

24 (A) the Department of Energy;

1 (B) the United States Trade and Develop-
2 ment Agency;

3 (C) the Millennium Challenge Corporation;
4 and

5 (D) other Federal agencies as considered
6 appropriate by the Secretary or Administrator.

○