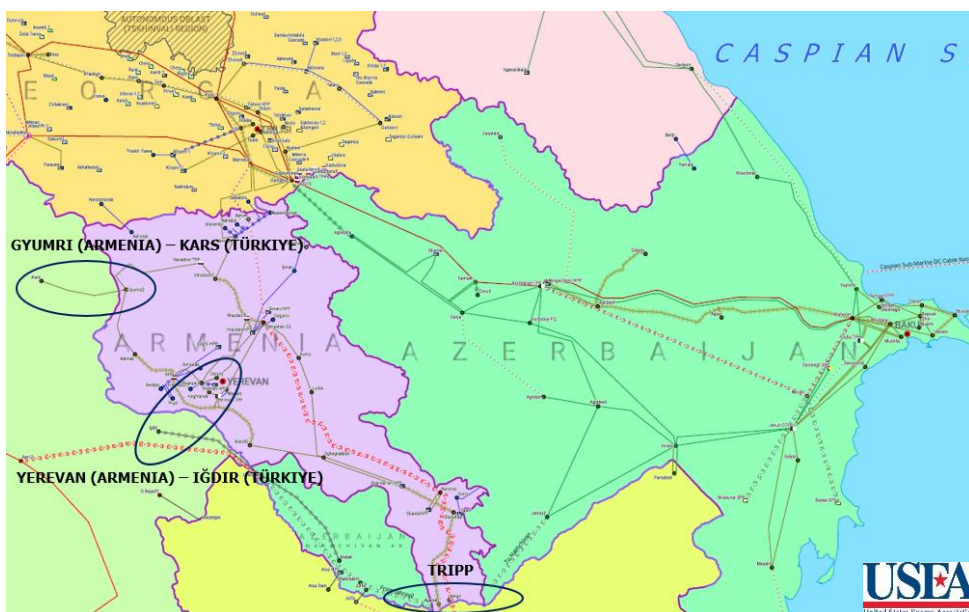


Powering Peace: The United States and Energy Connectivity in the Armenia-Azerbaijan Agreements

OVERVIEW: A NEW PATHWAY FOR PEACE

On August 8, 2025, in Washington, D.C., the Presidents of Armenia and Azerbaijan—under the leadership of U.S. President Donald J. Trump—announced a landmark peace agreement that placed connectivity and energy at the heart of normalizing bilateral relations. Central to the accords is the reopening of transport and energy routes, highlighted by the launch of the “Trump Route for International Peace and Prosperity” (TRIPP), a flagship initiative linking Azerbaijan with its Nakhchivan region across Armenian territory while generating reciprocal benefits for both nations. For the first time, energy interconnections, pipelines, and infrastructure modernization are no longer flashpoints of conflict, but the backbone of peace, prosperity, and long-term stability in the South Caucasus.

The United States is poised to transform these historic commitments into durable technical achievements that anchor peace through energy connectivity and integration. With decades of trusted cooperation in Armenia, Azerbaijan, and across Eurasia, the U.S. can convene ministries, utilities, and regulators; deliver feasibility studies and technical expertise; and build the institutional capacity required to implement cross-border energy projects. By advancing a portfolio of priority initiatives—including TRIPP, the Armenia–Türkiye power interconnection, the Black Sea submarine cable, a power system synchronization strategy, Armenia’s Small Modular Reactor (SMR) Project, and the Baku–Supsa oil pipeline transition—the United States can reinforce its strategic influence, expand commercial opportunities for American companies, and insulate the peace process with tangible, mutually beneficial energy outcomes that make the agreements resilient and lasting.



U.S.–AZERBAIJAN STRATEGIC PARTNERSHIP MOU

At the same summit, the United States and Azerbaijan signed a Memorandum of Understanding (MOU) establishing a Strategic Working Group to draft a Charter on Strategic Partnership within six months. While the agreement covers multiple areas, including trade, digital infrastructure, and security, a key centerpiece is energy. The MOU commits both sides to expand investment in energy projects, strengthen regional connectivity through new infrastructure, and accelerate Azerbaijan’s role as a critical East–West energy route. By prioritizing pipelines, power interconnections, and transit modernization, the MOU creates a framework for embed U.S. leadership into the region’s future energy architecture. Though not legally binding, its flexibility allows rapid progress on flagship projects that demonstrate American commitment to diversifying energy flows, reducing reliance on Russia and Iran, and reinforcing U.S.–Azerbaijan strategic ties through high-impact cooperation.

U.S.–ARMENIA CAPACITY AND INNOVATION MOU

In parallel, the United States and Armenia signed three Memoranda of Understanding (MOUs) that collectively enhance Armenia’s resilience, with energy security at their core. The Energy Security Partnership is the centerpiece, charting a path to diversify Armenia’s energy mix and modernize its system through civil nuclear cooperation, deployment of advanced transmission and distribution infrastructure, integration of battery storage, and strengthened cybersecurity for critical energy assets. These steps directly reduce Armenia’s dependence on external suppliers and align its power sector with Western standards. The Crossroads of Peace Capacity Building Partnership, one of the three MOUs signed, further reinforces this effort by modernizing infrastructure and border systems that are vital for cross-border energy and trade flows. In parallel, the AI and Semiconductor Innovation Partnership builds the technological base necessary to support a secure, digitized energy future, while embedding Armenia into global supply chains. Together, these agreements position energy modernization as the foundation of Armenia’s sovereignty and economic development, firmly linking Armenia’s long-term stability to U.S. partnership and Western integration.

SMALL TECHNICAL ENERGY GAINS TRANSLATE INTO LARGER POLICY WINS

Energy projects, even at a modest scale, can deliver immediate peace dividends and pave the way for deeper political cooperation. With U.S. leadership, Armenia and Azerbaijan can use energy as a bridge to build trust, deliver tangible benefits, and create momentum for regional integration.

- ✓ **Interconnections:** Electricity grid tie-lines between Armenia, Azerbaijan, and Türkiye can stabilize systems, lower costs, and demonstrate the benefits of cooperation. These technical successes build trust for larger market integration.
- ✓ **Gas Pipeline Project:** Even a modest shared pipeline or network extension shows that infrastructure can be managed jointly, reinforcing trust and reducing perceptions of zero-sum competition.
- ✓ **Policy Multiplier Effect:** Once energy officials and engineers cooperate successfully on technical problems, it opens the door for wider political agreements on trade, security, and diplomacy.
- ✓ **International Signaling:** Demonstrating practical progress on U.S.-backed interconnections and pipelines strengthens the credibility of the Washington agreements and reassures European partners of U.S. leadership in the South Caucasus.

USEA: A FACILITATOR OF PEACE & TRADE

Technical Facilitation: With established relationships across the region, USEA is able to convene Armenian and Azerbaijani energy ministries, utilities, and regulators around the design and implementation of cross-border interconnections and pipelines that underpin peace and integration.

Capacity Building: USEA is positioned to deliver training, peer exchanges, and regulatory best practices drawn from U.S. utilities, FERC, DOE laboratories, and private sector partners, building long-term institutional resilience.

Project Development: By supporting feasibility studies, financing frameworks, and regional market integration, USEA helps ensure projects advance from concept to reality.

Stakeholder Confidence: USEA provides a trusted, neutral platform that guarantees equitable benefits for both sides, reducing political risks and reinforcing confidence in cooperation.

Communication & Visibility: USEA highlights technical milestones as visible “peace dividends,” that strengthens public support and reinforces U.S.-brokered agreements.

PRIORITY PROJECTS: REINFORCING PEACE THROUGH ENERGY CONNECTIVITY

To translate the momentum of the Washington agreements into lasting outcomes, the U.S. should advance a suite of priority initiatives that both demonstrate peace dividends and strengthen U.S. strategic influence. The U.S. should convene stakeholders, design interconnection projects, and provide U.S. companies a platform to lead in infrastructure development and regulatory alignment.

The following priority projects illustrate where U.S. leadership can deliver immediate impact and enduring influence:

ARMENIA–TÜRKIYE STRATEGIC POWER INTERCONNECTION

Exploring three potential electricity interconnection routes—Gyumri (Armenia)–Kars (Türkiye), Yerevan (Armenia)–İğdır (Türkiye), or through TRIPP—offers a historic opportunity to bridge decades of isolation between Armenia and Türkiye. Successful implementation would reduce regional vulnerabilities, diversify supply, and unlock reciprocal economic benefits. For the United States, it is a direct channel to project leadership in high-value sectors such as grid modernization, power market design, and regulatory harmonization. The U.S. is uniquely positioned to lead this effort by coordinating feasibility studies, convening technical and regulatory stakeholders, and ensuring equitable outcomes that build trust while advancing U.S. strategic influence in South Caucasus energy integration.

BLACK SEA SUBMARINE CABLE PROJECT

With technical feasibility established, the Black Sea Submarine Cable project has entered a decisive phase requiring seabed surveys, environmental approvals, and legal agreements. Securing Türkiye's engagement is essential to unlock progress. The U.S. can leverage its convening authority to facilitate trilateral negotiations among Türkiye, Georgia, and Romania, integrate Turkish state-owned enterprises into the project framework, and promote U.S. vendor participation in submarine cable manufacturing, cybersecurity, and power trading platforms. By positioning U.S. firms at the heart of this initiative, the United States can reinforce commercial leadership while anchoring a secure East–West data and electricity route that reduces Russian influence and advances NATO-aligned infrastructure resilience.

POWER SYSTEM SYNCHRONIZATION STRATEGY

Today, grid alignments tether Georgia and Azerbaijan to Russia and Armenia to Iran—arrangements that create both systemic vulnerabilities and geopolitical risks. The Armenia–Azerbaijan peace process creates an unprecedented opening to reorient the South Caucasus toward European standards. The U.S. should lead a phased strategy: commissioning technical studies, supporting the deployment of new Back-to-Back converter stations, and convening a regional high-level conference with ENTSO-E, the Energy Community, Türkiye, and other partners to build consensus on synchronization. This realignment would not only secure the region's long-term energy independence but also extend U.S. leadership into the architecture of Europe's future power system.

ARMENIA'S SMALL MODULAR REACTOR (SMR) PROJECT

Armenia's decision to pursue deployment of a U.S. small modular reactor marks a transformative moment for both the country's energy future and U.S. nuclear leadership. The project requires coordinated technical planning, financing mechanisms, and regulatory alignment with international safety standards. Regional grid integration—particularly with Türkiye—will be essential to ensure commercial viability and export potential. The U.S. can advance this agenda by convening Armenian energy authorities with U.S. SMR developers, facilitating regulatory peer exchanges with the Nuclear Regulatory Commission, and engaging Türkiye and Georgia on cross-border power flows. By embedding U.S. industrial standards, supply chains, and financing structures at the foundation of Armenia's new nuclear program, the United States can secure long-term commercial opportunities, strengthen energy security in a geopolitically sensitive region, and reinforce its global leadership in next-generation nuclear technology.

BAKU–SUPSA OIL PIPELINE TRANSITION

The planned transfer of operational control of the Baku–Supsa pipeline to Georgia in 2027 represents a strategic inflection point for Caspian–Black Sea energy transit. This transition creates opportunities to diversify flows, reduce reliance on Russian routes, and expand regional energy independence. The U.S. can provide technical and regulatory support to the Georgian Oil and Gas Corporation, helping build capacity for transparent governance, market-oriented

regulation, and commercial partnerships. In parallel, U.S. technical assistance can explore adaptation of the pipeline for hydrogen or refined product flows, positioning U.S. companies to shape the evolution of next-generation transit infrastructure. This project strengthens Georgia's sovereignty, embeds U.S. influence in regional energy logistics, and reinforces the broader vision of American-led energy dominance.



ENERGY CONNECTIVITY AS A FOUNDATION FOR PEACE

Small, tangible energy projects can serve as powerful catalysts for peace and regional integration. By engaging to guiding these efforts, the United States can effectively reinforce the Washington agreements, securing political commitments with visible, practical successes. Through electricity interconnections and pipeline projects, Armenia and Azerbaijan can build trust, deliver immediate benefits to their citizens, and create momentum for sustained cooperation.

Energy interconnections and pipelines are more than technical assets—they are confidence-building measures that tie the futures of Armenia and Azerbaijan together and with the wider region. Shared infrastructure creates mutual dependencies, reduces the risk of renewed conflict, and generates visible dividends such as jobs, lower energy costs, and improved reliability. These benefits strengthen public support for cooperation, while embedding both nations into U.S.-backed regional frameworks that reduce isolation and incentivize stability. Beyond the bilateral dimension, these connections also advance U.S. strategic priorities by reinforcing energy security, diversification, and integration into transatlantic markets, while simultaneously opening new commercial opportunities for American companies.

By spearheading interconnections, pipelines, and synchronization, a U.S. regional energy presence will not only safeguard the Trump-brokered peace but also cement U.S. energy leadership as the engine of Eurasia's transformation. These projects are far more than infrastructure—they are the building blocks of peace, prosperity, and integration, binding Armenia and Azerbaijan into a cooperative framework that delivers tangible benefits while advancing U.S. commercial and strategic interests.

Anchored in visible success, these projects will lock in peace in the South Caucasus, safeguard U.S. strategic influence, and cement American energy leadership as the engine of Eurasia's transformation.



Beata Bialy
Senior Consultant
United States Energy Association
Contact: bbialy@usea.org | +1 571-442-2937

The United States Energy Association (USEA) is a nonprofit, apolitical, nonlobbying organization founded in 1924. USEA's mission has two pillars of equal importance. USEA serves as a resource, by convening energy stakeholders to share policy, scientific, and technological information to foster the advancement of the entire energy sector. Internationally, USEA promotes energy development by expanding access to safe, affordable, and sustainable energy in partnership with the U.S. Government. Internationally, USEA promotes energy development by expanding global access to safe, affordable, and sustainable energy in ways that strengthen U.S. leadership and competitiveness in the energy sector.

Comprised of more than 100 domestic and international organizations, USEA's members include government agencies, nonprofits, think tanks, educational institutions, and Fortune 500 companies encompassing every type of energy source. As an industry resource, USEA seeks to inform and promote a positive, effective dialogue on a path forward in energy policy and its implementation. USEA presents several flagship events per year and conducts a variety of webinars, briefings, and workshops. The Association provides a nonpartisan, unbiased platform for the expression of ideas, concerns, and solutions regarding all relevant energy issues.

Beata Bialy is a Senior Consultant with the United States Energy Association, where she produces research and publications on energy security, diplomacy and geopolitics, and economic development to advance U.S. strategic engagement across Europe and Eurasia.