

Brussels, 21 October 2014,

Dear Head of State or Government, Dear President of the European Council,

In anticipation of the upcoming discussion at the European Council meeting about energy and climate challenges, we would like to share some proposals that address those issues.

We are writing on behalf of GasNaturally, a partnership of six associations representing over 130 natural gas companies and national gas associations from all segments of the gas value chain.

Europe seeks a secure energy supply, a competitive economy and a low-carbon energy system. However, the measures currently under discussion risk missing these objectives or are even counter-productive. With three overlapping targets for the 2030 climate and energy framework, the EU would repeat the mistakes of the 2020 package. Some of the existing proposals concentrate solely on reducing energy imports and, in particular, limiting the share of gas in the EU energy mix, thus decreasing diversity and flexibility. Furthermore, this policy raises questions about the EU's commitment to free trade and sends a negative signal to the gas industry, at a time when the EU is also seeking investment in new gas infrastructure so that all Member States can enjoy an abundant, diverse and reliable gas supply.

The EU needs a consistent 2030 climate and energy policy. For this reason, we recommend the following actions:

1. **Opt for a single legally-binding 2030 greenhouse gas (GHG) emissions reduction target, with a central role for the Emissions Trading System:** A single target is the most cost-effective way of reducing emissions as it would create predictability for long-term investments in all lower carbon technologies. At the same time, the EU should step up its efforts to reach a global climate agreement in Paris in 2015.
2. **Promote a gas + renewables partnership:** This will reduce Europe's emissions by triggering the much needed switch from coal to gas and renewables in power generation. The results would be better air quality (less SO_x, NO_x and particulates) and lower CO₂ emissions. Gas can also reduce emissions cost-effectively in the heating sector: switching to modern gas condensing boilers alone increases efficiency by 20%, compared with the vast majority of boilers in use today. Moreover, it can be used in the transport sector, in particular to help the shipping industry to meet more stringent emissions targets. Last but not least, gas can be renewable itself through the use of biogas injected into our gas networks.
3. **Support efforts to explore and produce more gas in the EU with appropriate environmental regulatory and fiscal policies.** This would boost both conventional and unconventional gas exploration and production and improve the EU's security of supply – which in turn would stimulate industrial development and job creation.
4. **Support R&D to bring promising low-carbon technologies, including carbon capture and storage (CCS), power-to-hydrogen and power-to-gas, to the market.** Phasing out subsidies to coal while exposing mature renewables to the market, would shape a sustainable, cost-effective and market-based approach.

These four proposals would put the EU on track to reaching its long-term energy and climate goals. Moreover, Europe would achieve these targets without compromising on either energy security or the prosperity of EU citizens.

The gas industry remains at your disposal, should you wish any more clarity on our proposals.

Yours sincerely,



François-Régis Mouton
Chairman of **GasNaturally**



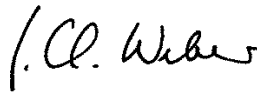
Gertjan Lankhorst
President of **Eurogas**



David Salisbury
President of **European Gas
Research Group (GERG)**



Jean-Claude Depail
President of **Gas Infrastructure
Europe (GIE)**



Jean-Claude Weber
President of **MARCOGAZ**



Gordon Birrell
Chairman of Management
Committee of **OGP**



Jérôme Ferrier
President of
International Gas Union (IGU)



To:

- Werner Faymann, Federal Chancellor of Austria
- Charles Michel, Prime Minister of Belgium
- Georgi Bliznashki, Prime Minister of Bulgaria
- Zoran Milanović, Prime Minister of Croatia
- Nicos Anastasiades, President of the Republic of Cyprus
- Bohuslav Sobotka, Prime Minister of Czech Republic
- Helle Thorning-Schmidt, Prime Minister of Denmark
- Enda Kenny, The Taoiseach of Ireland

- Taavi Rõivas, Prime Minister of Estonia
- Alexander Stubb, Prime Minister of Finland
- François Hollande, President of the Republic of France
- Angela Merkel, Federal Chancellor of Germany
- Antonis Samaras, Prime Minister of Greece
- Viktor Orbán, Prime Minister of Hungary
- Matteo Renzi, Prime Minister of Italy
- Laimdota Straujuma, Prime Minister of Latvia
- Dalia Grybauskaitė, President of the Republic of Lithuania
- Xavier Bettel, Prime Minister of Luxembourg
- Joseph Muscat, Prime Minister of Malta
- Mark Rutte, Prime Minister of The Netherlands
- Ewa Kopacz, Prime Minister of Poland
- Pedro Passos Coelho, Prime Minister of Portugal
- Traian Băsescu, President of Romania
- Robert Fico, Prime Minister of Slovakia
- Miro Cerar, Prime Minister of Slovenia
- Mariano Rajoy, Prime Minister of Spain
- Stefan Löfven, Prime Minister of Sweden
- David Cameron, Prime Minister of the United Kingdom
- Herman Van Rompuy, President of the European Council

Copy:

- Ambassador Walter Grahmmer, Permanent Representative of Austria
- Ambassador Dirk Wouters, Permanent Representative of Belgium
- Ambassador Dimiter Tzantchev, Permanent Representative of Bulgaria
- Ambassador Mato Skrabalo, Permanent Representative of Croatia
- Ambassador Kornelios Korneliou, Permanent Representative of the Republic of Cyprus
- Ambassador Martin Povejšil, Permanent Representative of the Czech Republic
- Ambassador Jeppe Tranholm-Mikkelsen, Permanent Representative of Denmark
- Ambassador Declan Kelleher, Permanent Representative of Ireland
- Ambassador Matti Maasikas, Permanent Representative of Estonia
- Ambassador Pilvi-Sisko Vierros-Villeneuve, Permanent Representative of Finland
- Ambassador Pierre Sellal, Permanent Representative of the Republic of France
- Ambassador Reinhard Silberberg, Permanent Representative of the Federal Republic of Germany
- Ambassador Papadopoulou Alexandra, Permanent Representative of Greece
- Ambassador Péter Gyorkos, Permanent Representative of Hungary
- Ambassador Stefano Sannino, Permanent Representative of Italy
- Ambassador Ilze Juhansone, Permanent Representative of Latvia
- Ambassador Raimundas Karoblis, Permanent Representative of Lithuania
- Ambassador Christian Braun, Permanent Representative of Luxembourg
- Ambassador Marlene Bonnici, Permanent Representative of Malta
- Ambassador Pieter de Gooijer, Permanent Representative of the Netherlands
- Ambassador Marek Prawda, Permanent Representative of Poland
- Ambassador Domingos Fezas Vital, Permanent Representative of Portugal
- Ambassador Mihnea Ioan Motoc, Permanent Representative of Romania
- Ambassador Ivan Korcok, Permanent Representative of Slovakia
- Ambassador Rado Genorio, Permanent Representative of Slovenia
- Ambassador Alfonso Dastis Quecedo, Permanent Representative of Spain
- Ambassador Anders Ahnliid, Permanent Representative of Sweden
- Ambassador Ivan Rogers, Permanent Representative of the United Kingdom