

To: Heads of State and Government of the European Union, President of the European Council

Brussels, 17 March 2014,

Dear President, Dear Prime Minister, Dear President of the European Council,

In view of the upcoming discussion on the 2030 Energy and Climate Framework at the European Council meeting, GasNaturally – a partnership of six associations representing over 130 natural gas companies from all segments of the gas value chain – would like to share with you some of our proposals for a more competitive Europe.

The 2020 policy framework had unintended consequences: long-lasting subsidies for already mature renewable technologies, and high energy prices which have burdened the EU economy and damaged the purchasing power of EU citizens. Subsequently, cheap coal imports have resulted in higher than expected emissions of CO₂ and other harmful air pollutants (SO_x, NO_x and particulates). **This new ‘coal and renewables paradigm’ has offset the benefits of the expanded renewables capacity at a high cost to both the economy and the environment.**

Now, you have the opportunity to change the situation.

The EU should **first of all opt for a single legally-binding 2030 greenhouse gas emissions reduction target**. This would provide predictability for long-term investments in lower carbon technologies - renewables and gas alike – and reduce emissions in the most cost-effective manner. At the same time, the EU should step up its efforts to reach a global climate agreement in Paris in 2015.

Secondly, the ETS should remain the central EU mechanism for cost-effective CO₂ emissions reductions. We encourage the Council to reach early agreement on creating the right conditions to allow for a **switch from coal to gas in power generation**, as well as proportionate measures in the non-ETS sector.

Thirdly, the power system should be redesigned to allow gas and renewables to better partner in electricity generation, helping the completion of the Internal Energy Market. Subsidies for mature renewables should be phased out, while maintaining R&D support for all promising, non-mature lower-carbon technologies, including CCS and power-to-gas.

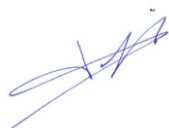
With these three proposals, the EU can achieve the goals of its medium- and long-term energy and climate policy. Otherwise it will drift away from its objective of a prosperous and sustainable Europe.

We hope, dear President/Prime Minister, that these few points will help take forward the upcoming debate.

Yours sincerely,



François-Régis Mouton
Chairman of GasNaturally



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



Beate Raabe
Secretary General
Eurogas



Marc Florette
President of MARCOGAZ



David Salisbury
President of European Gas
Research Group (GERG)



Gordon Birrell
Chairman of Management
Committee of OGP



To:

- Werner Faymann, Federal Chancellor of Austria
- Elio di Rupo, Prime Minister of Belgium
- Plamen Oresharski, 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
- Andrus Ansip, Prime Minister of Estonia
- Jyrki Katainen, 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
- Donald Tusk, Prime Minister of Poland
- Pedro Passos Coelho, Prime Minister of Portugal
- Traian Băsescu, President of Romania
- Robert Fico, Prime Minister of Slovakia
- Alenka Bratušek, Prime Minister of Slovenia
- Mariano Rajoy, Prime Minister of Spain
- Fredrik Reinfeldt, Prime Minister of Sweden
- David Cameron, Prime Minister of the United Kingdom
- Herman Van Rompuy, President of the European Council

Copy:

- Ambassador Walter Grahammer, 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 Philippe Etienne, Permanent Representative of the Republic of France
- Ambassador Peter Tempel, Permanent Representative of the Federal Republic of Germany
- Ambassador Théodoros N. Sotiropoulos, 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 Ahnlid, Permanent Representative of Sweden
- Ambassador Ivan Rogers, Permanent Representative of the United Kingdom