



Letter on the role of gas and carbon pricing to media

As we gather in Paris for the World Gas Conference, just months ahead of crucial UN talks on climate change in this same city, we write to highlight the major role natural gas can play in addressing climate change. We believe the pragmatic step of implementing a widespread and effective pricing of carbon emissions is critical to realising the full and positive impact natural gas can have.

As a group of business people, we are united in our concern about the challenge – and the threat – posed by climate change. We urge governments to take decisive action at the UN climate change summit in December. We are also united in believing such action should recognize the vital roles of natural gas and carbon pricing in helping to meet the world's demand for energy more sustainably.

Renewable energy has an increasing role to play – and our companies have significant investments in renewable energy too. However, the need to cut emissions is so essential that we have to pursue all options to lower carbon while providing the energy the world needs to meet demand from a growing population seeking better living standards. Natural gas can help deliver this.

For natural gas, the case is simple: when burned to make electricity, it typically generates around half the carbon emissions of coal. In addition, gas can provide the electricity base load that is required and can be a flexible partner to renewable as efforts continue to improve the storage of electricity produced by intermittent solar or wind. This benefit is enhanced when natural gas emissions all along the value chain are controlled and reduced, a matter we are actively addressing with peers.

However, our request to policy-makers as they prepare for the UN talks is not to ask for special treatment for any resource, including natural gas, or any single route to a lower- carbon future. It is rather to ensure that the outcome of these talks leads to widespread carbon pricing in all countries.

Carbon pricing policies in every country will stimulate all forms of low-carbon technologies. It will drive energy efficiency as rapid urbanisation increases demand from our cities. It will benefit all sectors including power, mobility, heating and energy-intensive industries along with renewable energy and natural gas, the cleanest-burning fossil fuel. Market forces will operate to favour the least expensive and most efficient ways of reducing carbon in each country or region. Pricing carbon obviously adds a cost to our production and our products – but a stable, long-term, global carbon pricing framework would provide our businesses and their many stakeholders with a clear roadmap for future investments, and a clear role in securing a more sustainable future.

We have detailed our view on carbon pricing in a letter sent to the UNFCCC Executive Secretary and the COP21 President.

We owe it to future generations to seek realistic, workable solutions to the challenge of providing more energy while tackling climate change. We urge governments to create the incentives that will encourage all potential contributors to a more sustainable future.

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Signed by: Helge Lund, BG Group plc; Bob Dudley, BP plc; Claudio Descalzi, Eni S.p.A.; Ben van Beurden, Royal Dutch Shell plc; Eldar Sætre, Statoil ASA; Patrick Pouyanné, Total S.A.