



THE PRIME MINISTER

Oslo, 19 March 2014

Dear Mr. Van Rompuy,

In view of the European Council meeting on 20-21 March and the discussion on a future policy framework for climate and energy policies in the EU, I would like to convey to you some comments by the Norwegian Government.

We welcome the proposal for ambitious emissions reductions by the European Commission. We need a strong and ambitious framework in Europe in line with the two-degree target. An ambitious commitment to reduce greenhouse gas emissions in line with the 2050 roadmap sends an important early signal that builds political momentum for a new legally binding agreement to combat climate change, to be finalised in 2015.

We encourage the EU to finalise its decisions on the 2030 climate and energy package before the UN summit in September. We also take note of the joint statement by the Green Growth Group Ministers. Norway has started its preparations for an emissions reduction target, which will be presented to the UNFCCC by the first quarter of 2015.

From a 2030 perspective, it is important that the EU ETS cap is ambitious enough to stimulate a fast and efficient transition to a low-emission future. We therefore welcome the proposal to increase the annual linear reduction factor in line with the long-term goal. While finding the proposed market stability reserve interesting, we believe further assessment of its market effects is required. We are concerned that such measures will not sufficiently reduce the surplus of allowances until well into the next trading period. Our view is therefore that there is still a need for immediate action. We are of the view that more rapid implementation of the linear reduction factor should be considered.

HE Herman Van Rompuy
President of the European Council
European Council
Brussels, Belgium

The Commission emphasises the need to complete the internal energy market and further develop energy infrastructure. We fully agree with this. The further integration of markets will allow us to make better use of our different resources and improve security of supply. It could also facilitate emissions reductions. It will lower the total costs in the energy system and contribute to increased competitiveness in the long run.

Increasing the share of intermittent renewable energy in the power market poses challenges due to the large and rapid fluctuations in power supply that we must be able to manage as a result. Further plans for interconnectors between countries and regions in Europe, as well as investments in national grids, smart grids and new solutions for storage are important for managing the increasing share of intermittent power. There is also a need for flexible generation capacity that can easily respond to fluctuations in supply and demand.

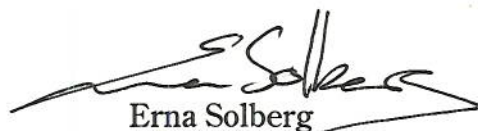
In the run-up to 2030, natural gas could play an important role both as a replacement for coal and as support for the intermittent renewable energy supply. Norway is a stable, reliable and long-term supplier of natural gas to Europe. In 2013, more than 20% of the natural gas consumed in the EU was imported from Norway. Based on the resources and infrastructure available, Norway is in a position to provide considerable supplies of natural gas to Europe for many years to come. This could be an important contribution to achieving the emissions reduction target.

We are pleased to see that the Communication underlines the critical role of R&D efforts and commercial demonstration of carbon capture and storage (CCS) technology if we are to reduce CO₂ emissions in line with the two-degree target.

Norway will support and contribute to reaching our common goal of a low-emission economy. We recommend that this is done through investment in knowledge, innovation, research, environmental technology and infrastructure.

As a major energy supplier to the EU and part of the internal energy market under the EEA Agreement, we intend to work closely with the EU on policy formulation and the development of the 2030 framework.

Yours sincerely



Erna Solberg