

# Six energy companies call for carbon pricing

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Six leading oil and gas companies Monday called on governments to put into place a carbon pricing system, saying this would be the most effective way of cutting the emission of greenhouse gases.

"We firmly believe that [carbon pricing](#) will discourage high [carbon](#) options and reduce uncertainty that will help stimulate investments in the right low carbon technologies and the right resources at the right pace," said the chief executives of BG Group, BP, Eni, Royal Dutch Shell,

Statoil and Total in a joint letter.

The call by companies comes as France tries to breathe life into talks aimed at reaching a deal on a UN climate pact ahead of a crucial conference in Paris in December.

In the letter to the head of the UN Framework Convention on Climate Change (UNFCCC) and the Paris Conference, the energy companies acknowledged the current trend of [greenhouse gas emissions](#) exceeds the target of limiting global warming to no more than two degrees Celsius (3.6 degrees Fahrenheit) over pre-industrial levels to save Earth's climate from potentially catastrophic damage.

The companies said they are willing to do their part, but that governments need to provide a clear, stable, and long-term policy framework.

"Pricing carbon obviously adds a cost to our production and our products," they said, but added it would set a level playing field for all energy sources across geographies and a clear role in securing a more sustainable future.

A number of countries have introduced carbon pricing systems, where companies are charged for their [carbon dioxide emissions](#).

Europe's system has been seen as a failure as the carbon price plunged after too many carbon credits were distributed for free.

Total chief Patrick Pouyanne told a news conference that to replace coal-fired power stations, which produce twice as much [carbon dioxide](#) as those which use natural gas, a carbon price of around \$40 is needed. The current [carbon price](#) is about 7 euros (\$7.50).

A price of \$80-\$100 is needed, he said, to justify the investment in carbon capture and storage systems that can capture most of the carbon dioxide emissions produced from the use of fossil fuels in electricity generation and industrial processes.

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