

Mr José Manuel Barroso
President
European Commission
200 rue de la Loi
B - 1049 Brussels

9th January 2014

Dear President Barroso

The Institutional Investors Group on Climate Change (IIGCC) represents over 85 European pension funds, insurance companies and asset managers, with approximately €7.5 trillion of assets under management. Our holdings include all the major industrial companies in Europe.

The EU has set out a compelling vision for the single European energy market. In order to make this vision investable, investors need a stable, reliable and cost-effective long-term energy and climate policy framework. Our key issues in relation to the upcoming 2030 framework for climate and energy are as follows:

1. We support a 40% greenhouse gas emission reduction target by 2030. We believe this target is implementable and are optimistic about the transition to a low carbon economy.
2. We have a strong preference for this target to be met through a stable, reliable and economically meaningful carbon price and are supportive of the introduction of a reserve mechanism in the EU Emissions Trading Scheme.
3. As shareowners in energy intensive companies, we have discussed with them the competitiveness risks of the EU ETS for their European operations and they have reported that this is not an issue.
4. We encourage you to continue to strengthen the regulatory framework for energy efficiency especially in the built environment.

We urge the Commission to set out an ambitious 2030 climate and energy framework and would be happy to provide you with additional data or meet with you to ensure that the full range of business interests is heard.

Yours sincerely



Donald MacDonald
Chairman, IIGCC, Trustee Director of BT Pension Scheme

IIGCC Membership January 2014

Aberdeen Asset Management	Hermes GPE LLP
Amundi	HgCapital
AP1 (First Swedish National Pension Fund)	HSBC Investments
AP2 (Second Swedish National Pension Fund)	Impax Asset Management
AP3 (Third Swedish National Pension Fund)	Insight Investment
AP4 (Fourth Swedish National Pension Fund)	Joseph Rowntree Charitable Trust
APG Asset Management	Kent County Council Pension Fund
ATP	Kleinwort Benson Investors
Aviva Investors	Legal & General Investment Management
AXA Real Estate	London Borough of Hounslow Pension Fund
Baptist Union of Great Britain	London Borough of Islington Pension Fund
BBC Pension Trust	London Borough of Newham Pension Fund
Bedfordshire Pension Fund	London Pensions Fund Authority
BlackRock	Mayfair Capital Investment Management
BMS World Mission	Merseyside Pension Fund
BNP Paribas Investment Partners	Mercer Global Investments Europe Limited
BT Pension Scheme	Mn Services
CB Richard Ellis	Nordea Investment Funds
CCLA Investment Management	Panahpur
Central Finance Board of the Methodist Church	PensionDanmark
CF Partners (UK) LLP	The Pensions Trust
Church Commissioners for England	PGGM Investments
Church Investors Group South Africa	Pictet Asset Management SA
The Church of England Pensions Board	PKA
Church of Scotland Investors Trust	Platina Partners
Church of Sweden	PRUPIM
Climate Change Capital	Railpen Investments
Co-operative Asset Management	Representative Body of the Church in Wales
Corporation of London Pension Fund	Robeco
Dragon Capital Group Ltd.	Sampension
Earth Capital Partners	Sarasin & Partners LLP
Environment Agency Pension Fund	Scottish Widows Investment Partnership
Environmental Technologies Fund	Servite Friars
ERAFF	South Yorkshire Pensions Authority
Ethos Foundation	Temporis Capital
F&C Management Ltd	The Roman Catholic Diocese of Plymouth
Ferrostaal Capital	The Roman Catholic Diocese of Portsmouth
First State Investments	United Reformed Trust Ltd.
Five Oceans Asset Management	Universities Superannuation Scheme
Generation Investment Management LLP	West Midlands Metropolitan Authorities Pension Fund
Greater Manchester Pension Fund	West Yorkshire Pension Fund
Grosvenor Fund Management	WHEB Group
Henderson Global Investors	The William Leech Foundation
Hermes	