China’s national ETS and PMR project updates

PMR PA20
May, 2019 Brussels
Three phases

Phase I: Lay the foundation (about 1 year)
- Rules formulation
- Supporting system construction
- Capacity building

Phase II: Testing (about 1 year)
- Systematical test in power sector
- Risk assessment and management
- Improve governance & supporting systems

Phase III: Improvement
- Spot trading in power sector
  -- Involve more sectors, trading products, and trading types
  -- CCER will also be considered
National ETS Regulation

- Public consultation (March – May, 2019)

Related rules, guidelines and standards

- Allocation
- Reporting and verification
- Trading
- ......
Progress - supporting system construction

Reporting system

• Promoting

Registry and trading system

• Constructing
Progress - data reporting

Reporting
( ab. 26,000 tones CO\textsubscript{2}e per year)

• 2013-2015
• 2016-2017
• 2018 (ministerial notice, Jan. 2019)

Methodology

• Under the framework of environmental monitoring system, improve the GHG emission methodologies
Progress - capacity building

Capacity building

- Key emission entities
- Government officers
- Supporting teams
Next steps

- Rules formulation
- Supporting system construction
- Reporting and allocation
- Capacity building
New Outputs (since PA 19)

- National ETS Regulation (public consultation in March 2019)
  http://fgs.mee.gov.cn/yfxzyfzzfjs/201904/t20190403_698483.shtml

- Monitoring plan, Reporting and verification technical guidelines
  (Updates, Ministry notice in January 2019)
  http://qhs.mee.gov.cn/tscjs/201904/t20190419_700400.shtml
Additional activities (Closure in February 2020)

- Refine Allocation Mechanisms
  - Extended study on sectoral emissions benchmarks for allowance allocation
- Further Develop Regulatory Framework and Systems
  - Study on monitoring and evaluation of construction and maintaining the Registry & Exchange platform as well as linking study between pilot and national ETS
- Prepare for a Liquid Market
  - Study of the interaction between the carbon market and climate financing policies
  - Study of national ETS productions developing road map
- Good practice Research
Thank you for your attention!

Email: Wenbo Liu    liu.wenbo@mee.gov.cn
      Minsi Zhang   zhangms@ncsc.org.cn