



# Recent Development of Chinese ETS

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# I、 Policy Background and Engagement

- **GHG emission reduction target**

to reduce carbon intensity ( GHG emission per GDP) 40-45% by 2020 compared to 2005

to reduce carbon intensity 17% from 2010 to 2015 (12<sup>th</sup> Five year plan period)

- **Chinese government is considering the development of ETS as one of key policy tools to meet GHG emission target and to push forward the reform of economy.**

- 1) 12<sup>th</sup> Five Year's Plan on Social and Economics Development (issued)

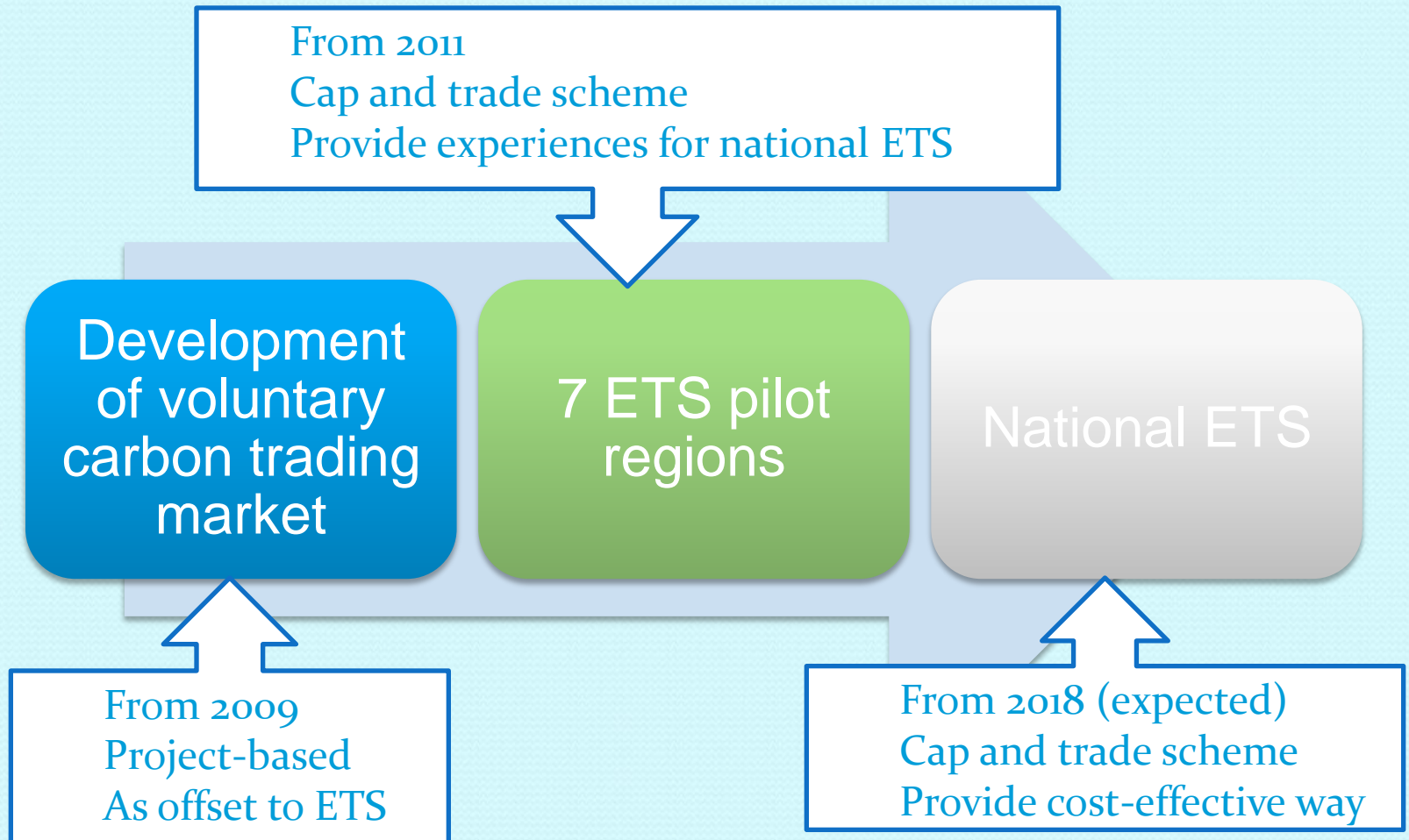
- 2) Working Program on GHG Emission Control During 12 Year's Plan (issued)

- 3) Decision of the Third Plenary Session of the Eighteen Central Committee (issued)

- 4) Decision on Enhancement of Addressing Climate Change by State Council (drafted)

- 5) Law of Climate Change (drafted)

## II、China's Approach on Development of ETS



### III、 Progress on China's Voluntary Carbon Emission Trading

- 2009 • Start to draft regulation
- June 2012 • issued the Provisional Measures
- Sept. 2012 • provided application formats for voluntary projects
- Oct.2 013 • issued the guideline on validation and verification
- Jan. 2013 • endorsed exchanges (until now 7 exchanges)
- March 2013 • endorsed project methodologies (until now 178 methodologies)
- June 2013 • endorsed DOEs (until now 3 DOEs)
- Oct. 2013 • provide online platform for information sharing and publication
- Dec. 2013 • endorsed voluntary projects (until now 2 projects)

## IV、 Progress on Pilot Program on ETS

regions	legislation		MRV guideline	GHG emission verification	Scope and coverage	cap set	Allowance allocation	Launch trading
	Legislation level	Administrative level						
Shenzhen	√	√	√	√	√	√	√	June 2013
Shanghai		√	√	√	√	√	√	Nov. 2013
Beijing		√	√	√	√	√	√	Nov. 2013
Guangdong		√	√	√	√	√	√	Dec. 2013
Tianjin		√	√	√	√	√	√	Dec. 2013
Hubei		√		√	√	√		March 2014 ( estimated)
Chongqing		√		√				March 2014 ( estimated)

## Trading volume (until April, 2014) (money in RMB, emission in tons CO<sub>2</sub>e)

region	Opening price	Closing price	Average price that day	Trading volume that day	Trading value that day	Accumulated Trading volume	Accumulated trading value	Average price in total
Shenzhen	80.5	81	81.46	1,644	133,920	215,524	14,500,215	67.27
Shanghai		37.1		27,300	1,012,700	118,222	4,202,795	35.55
Beijing			52.56	1,150	60,440	16,700	861,090	51.56
Guangdong						120,129	7,227,740	60.16
Tianjin			29.72	100	2,972	79,120	2,133,094	26.96

region	Accumulated trading volume by OTC	Accumulated trading value by OTC	Average price by OTC
Beijing	40,000	2,000,000	50
Tianjin	45,000	1,250,100	28

## Main Experiences and Challenges At This Stage

- **experiences**

- 1) powerful organization and leadership
- 2) elaborative verification on emission data of enterprises
- 3) capacity building activities on different level

- **challenges**

- 1) legislation is to be enhanced
- 2) basic statistics data is not as good as expected
- 3) market trading is not active enough
- 4) lack of professional staff
- 5) no available policies on tax, foreign exchange for ETS





## V. Progress on Development of National ETS

- study on cap-setting for national ETS
- issue guidelines on GHG emission accounting and reporting of enterprises with support from Norway and Australia
- construct National ETS registry with support from Norway
- implement the system of GHG emission reporting of enterprises
- prepare to develop proposal on national ETS with support from PMR
- study the feasibility of trading of carbon future goods and development of carbon finance
- capacity building with cooperation with EU, Germany, USA, etc.



**Thanks for you attention!**

