

China ETS Starts Compliance

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Scope: start with power generation

- ◆ Only CO₂ covered, no other gases.
- ◆ Both direct and indirect emission covered.
- ◆ Threshold: Enterprises whose annual CO₂ emissions exceeds 26,000 tons,

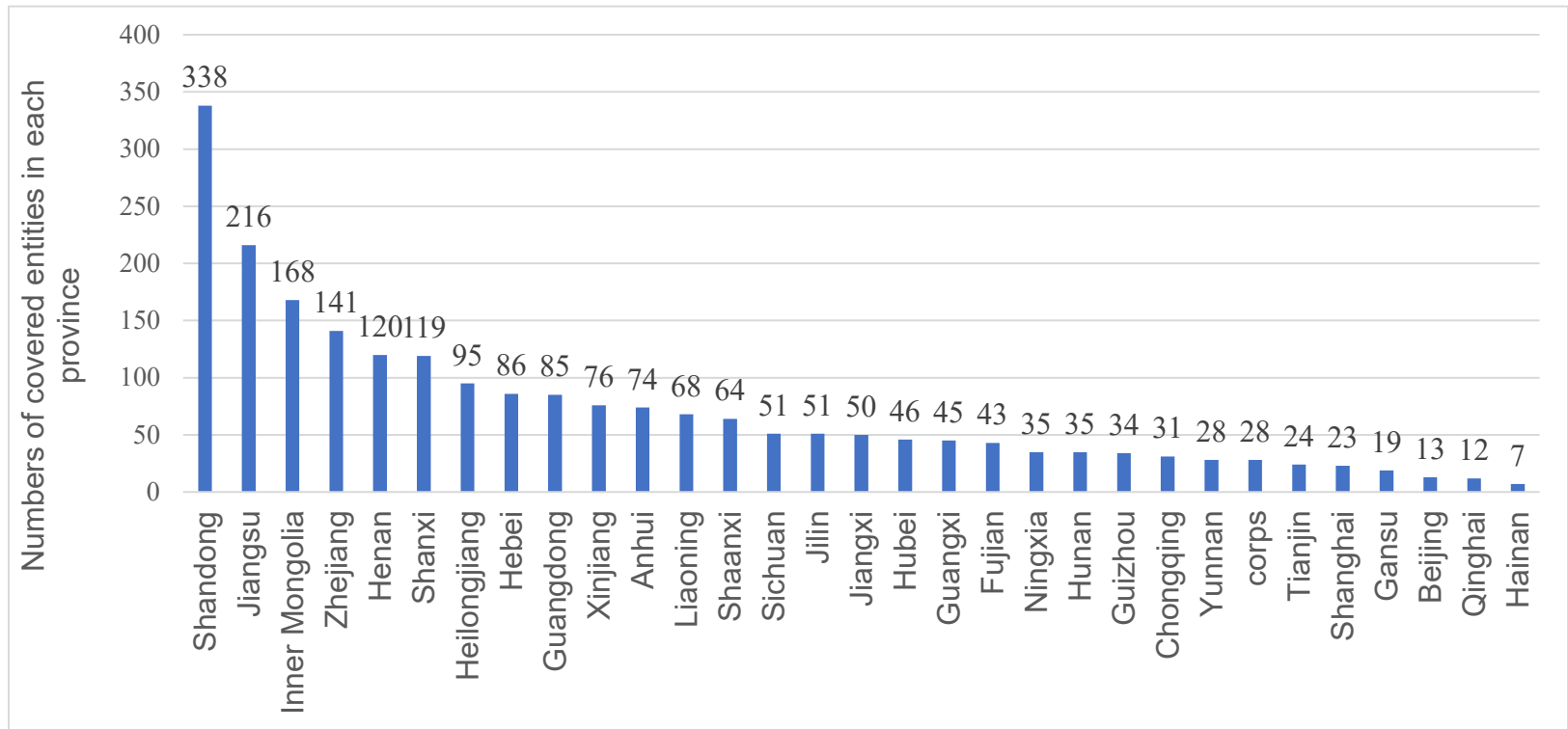
Sectors	Sub-sectors
Power	Generation /Cogeneration /Grid
Petrochemical	Crude processing /Ethylene production
Chemical	Chemical raw material /Fertilizer/ Pesticide Production /Synthetic material
Building Material	Cement clinker production /Plate glass production
Iron and Steel	Crude steel production /Steel rolling
Nonferrous Metal	Electrolytic aluminum /Copper smelting
Paper making	Pulp production /Paper making
Aviation	Passenger air transport /Air cargo transport /Airports



Scope: start with power generation

2245 covered entities in power sector:

Around 4 billion MtCO₂ accounts for 40% of national CO₂ emissions.



Numbers of covered entities in each province

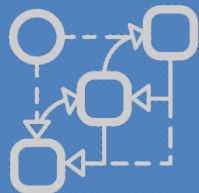


What is the first compliance obligation?



Compliance for Year
2019 and 2020

Verified Data and Allocation



Registry and Exchange
systems

Limited Liability





Timeline in 2021

- ◆ Reporting: April 30 for power sector and September 30 for others
- ◆ Verification: June 30 for power sector and December 31 for others
- ◆ Confirmation of Covered Entities: June 30 provinces submit list of covered entities to national authority
- ◆ Allocation: September 30 only for power sector
- ◆ Compliance deadline: December 31



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Thank You !

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