

# Tsinghua-Harvard Workshop on China's Carbon Pricing System

## An Update on China's National Carbon Market Development

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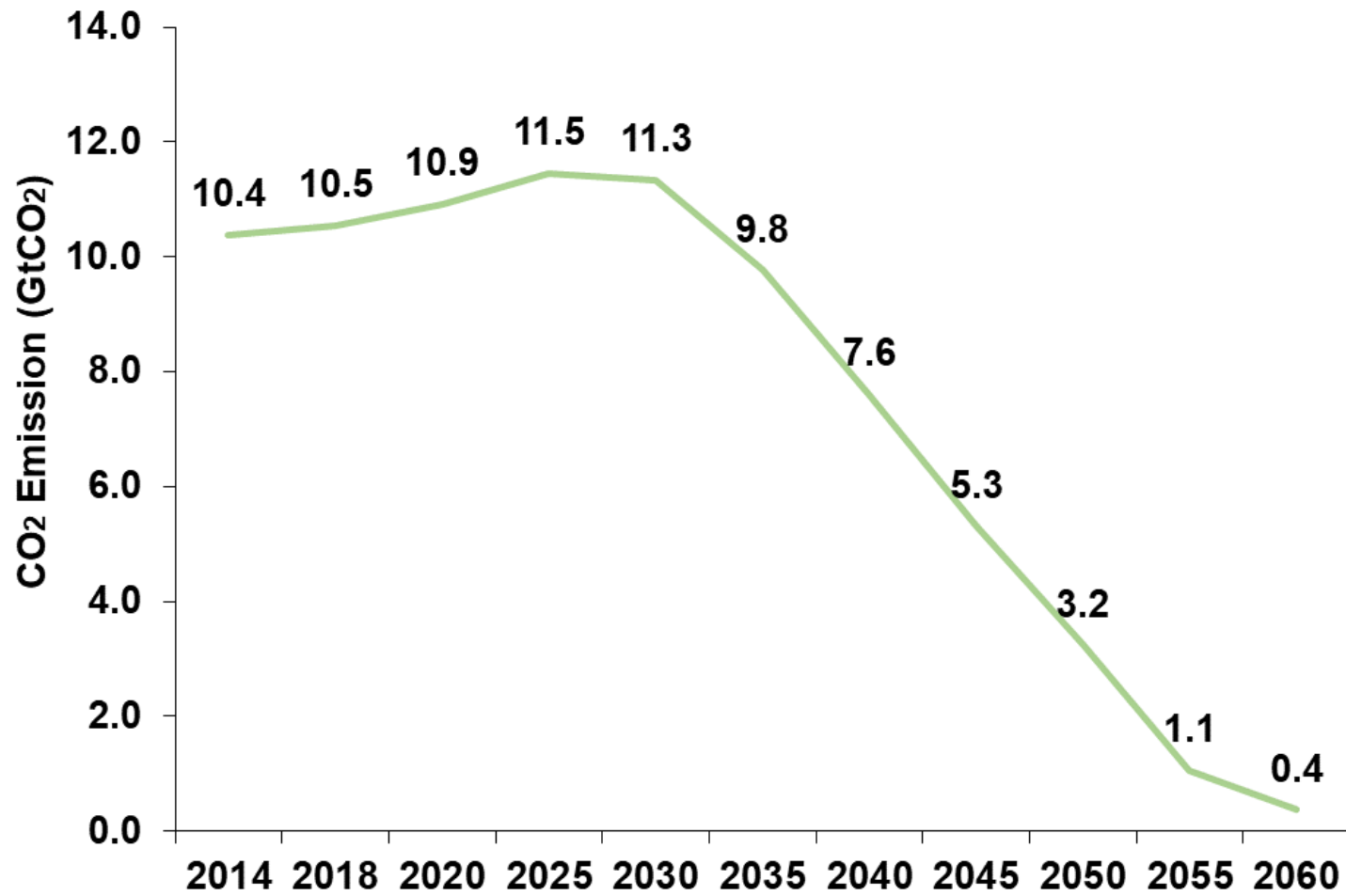


# President Xi's speech on China's new climate pledge at UN on September 22

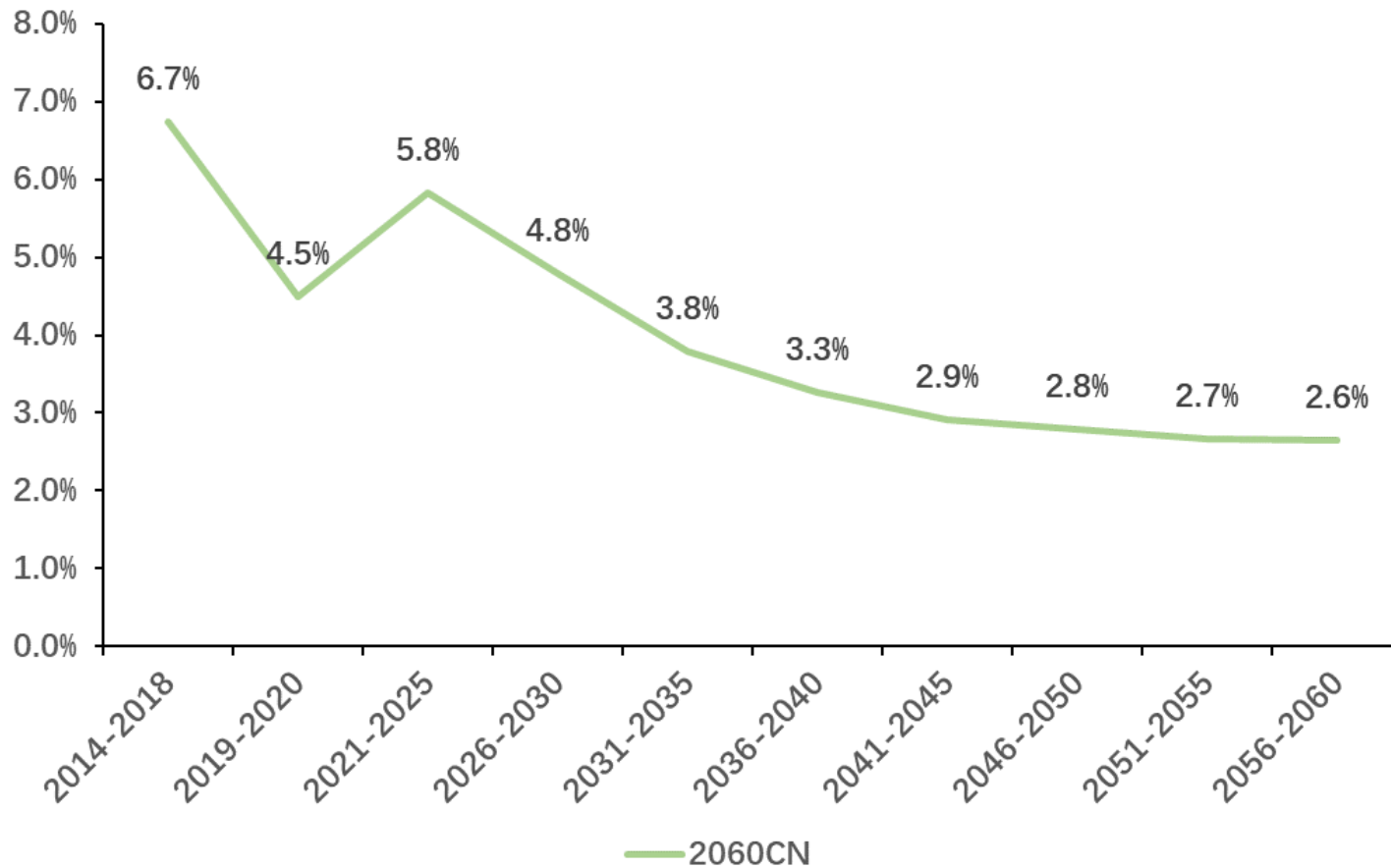
- **New CO2 emissions peaking goal:** Peaking CO2 emissions **before 2030**
- **A version for carbon neutrality:** reaching carbon neutrality **before 2060**



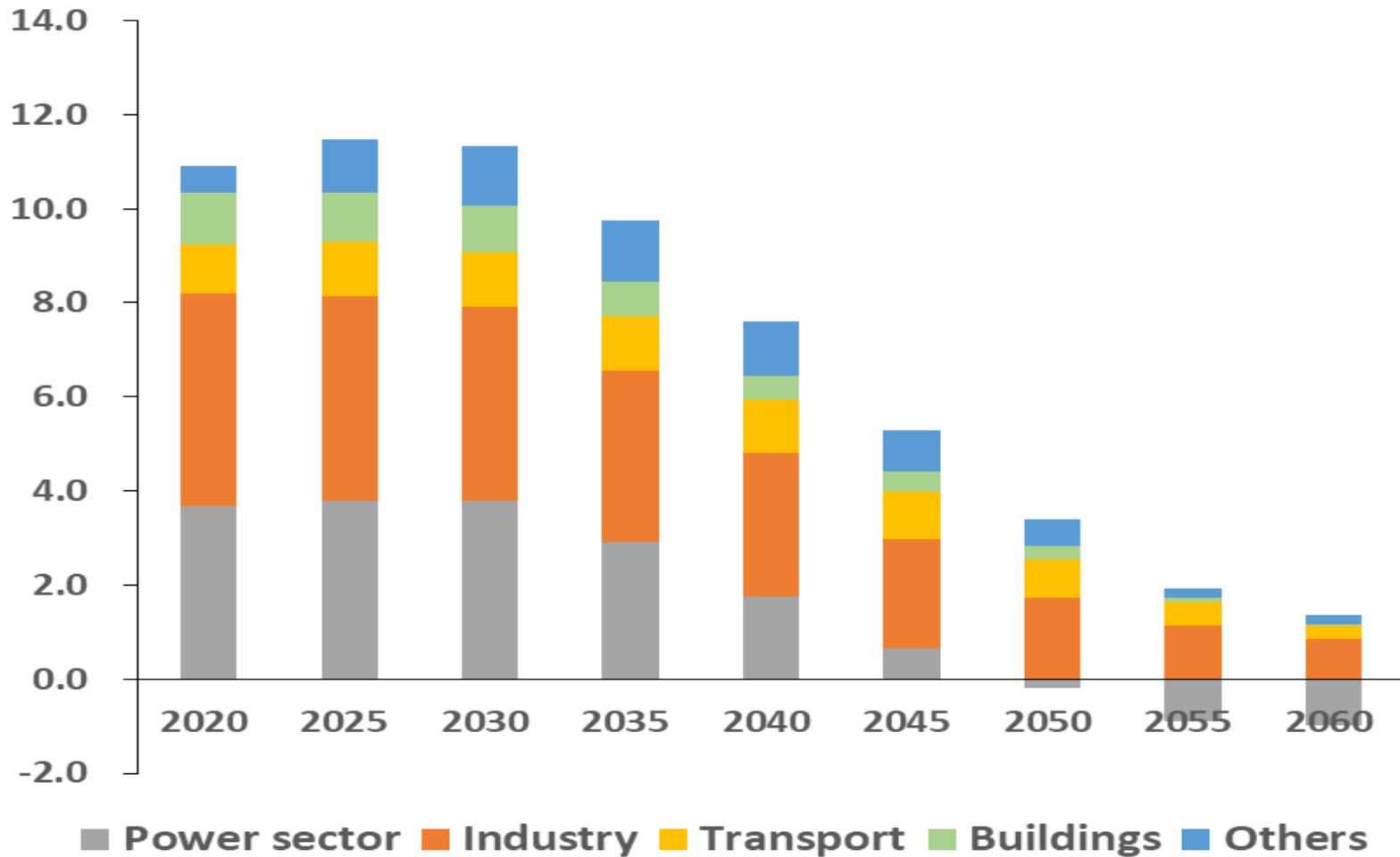
# A trajectory of energy and industry process related CO<sub>2</sub> emissions to achieve 2060 carbon neutrality goal from CGEM



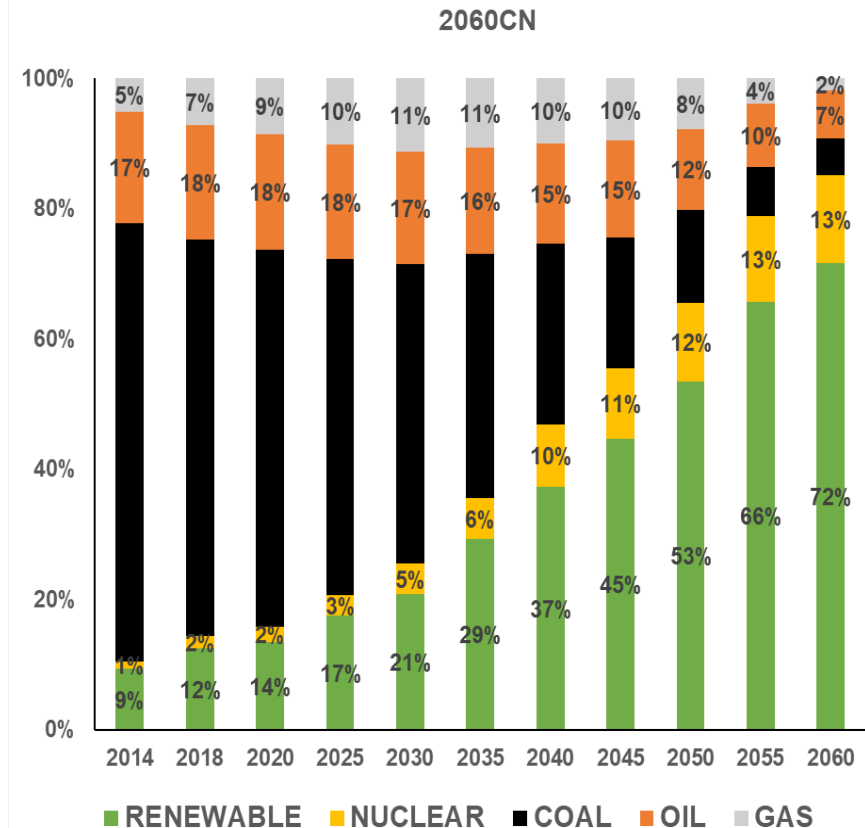
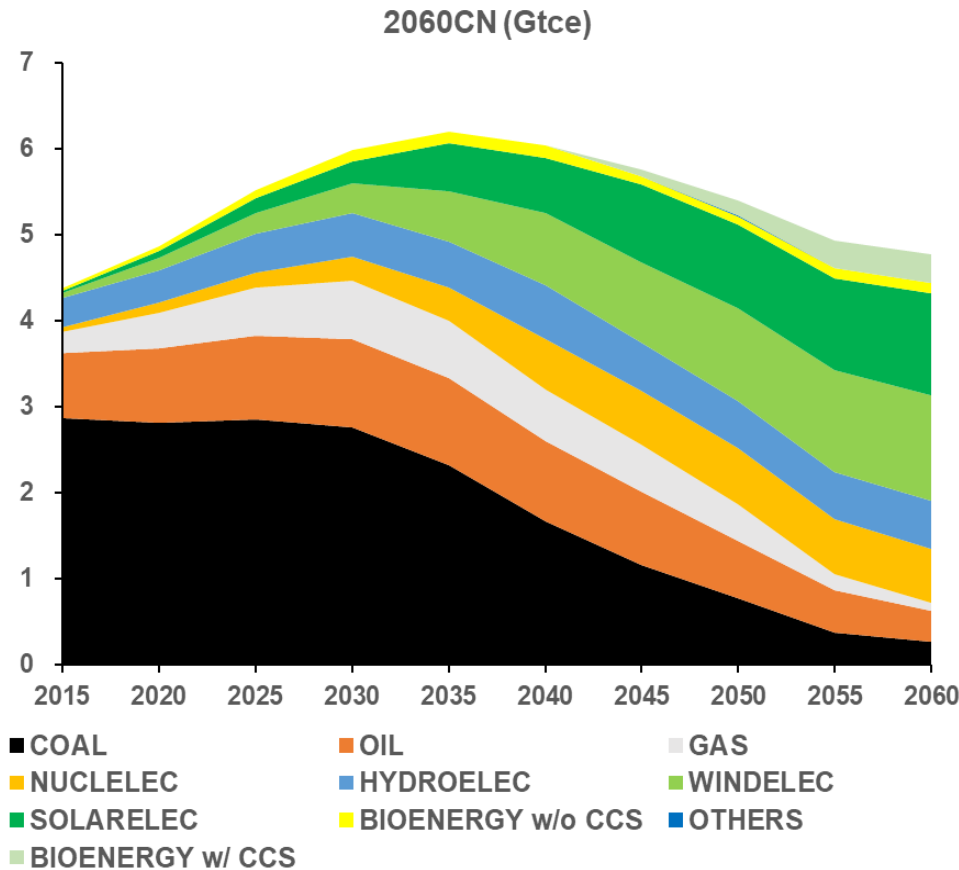
# GDP growth rate



# Sectoral CO<sub>2</sub> Emissions (GtCO<sub>2</sub>)



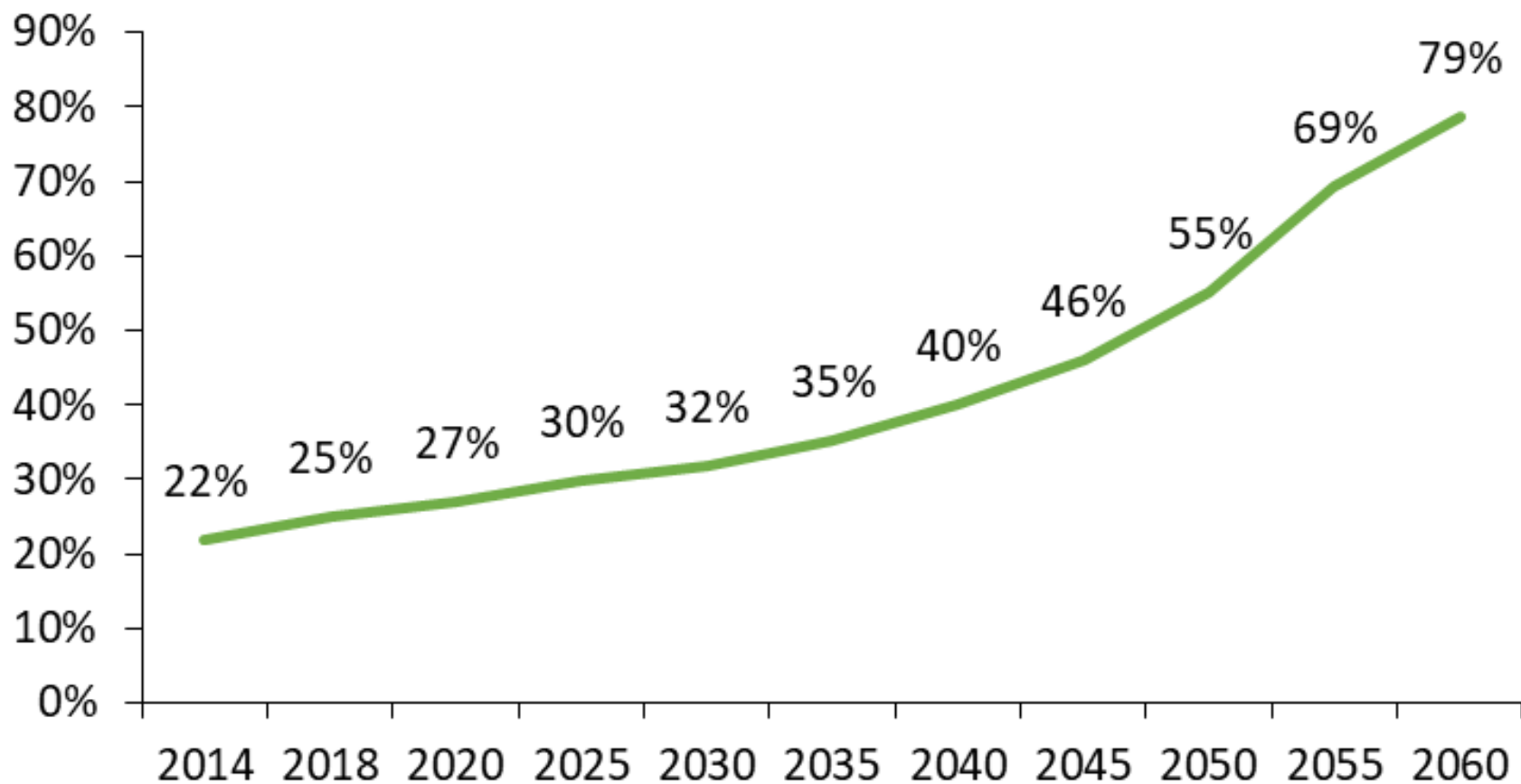
# Primary Energy Supply



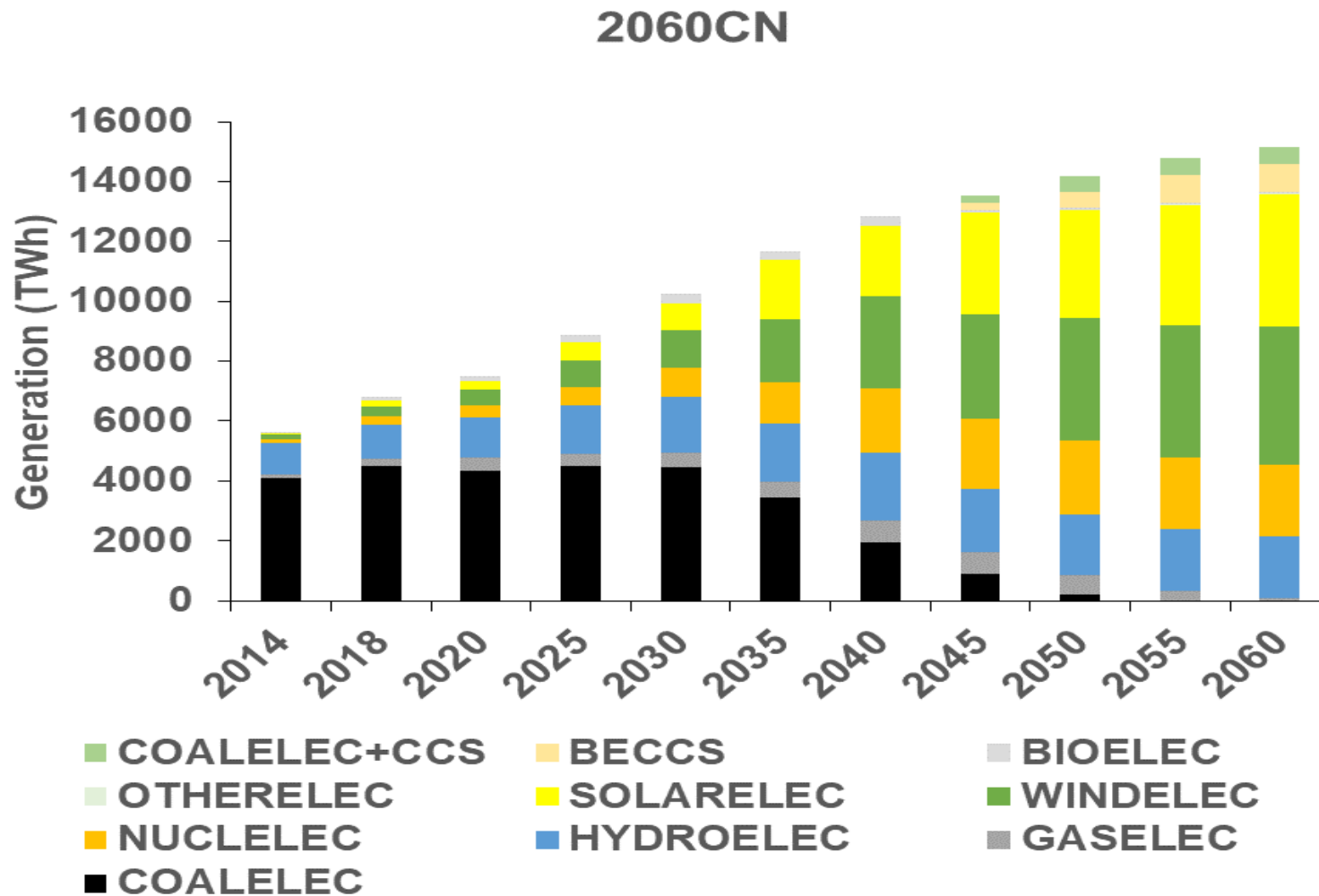
**Note: It is largely a renewable energy-nuclear-CCS dominated transformation pathway without considering DAC.**



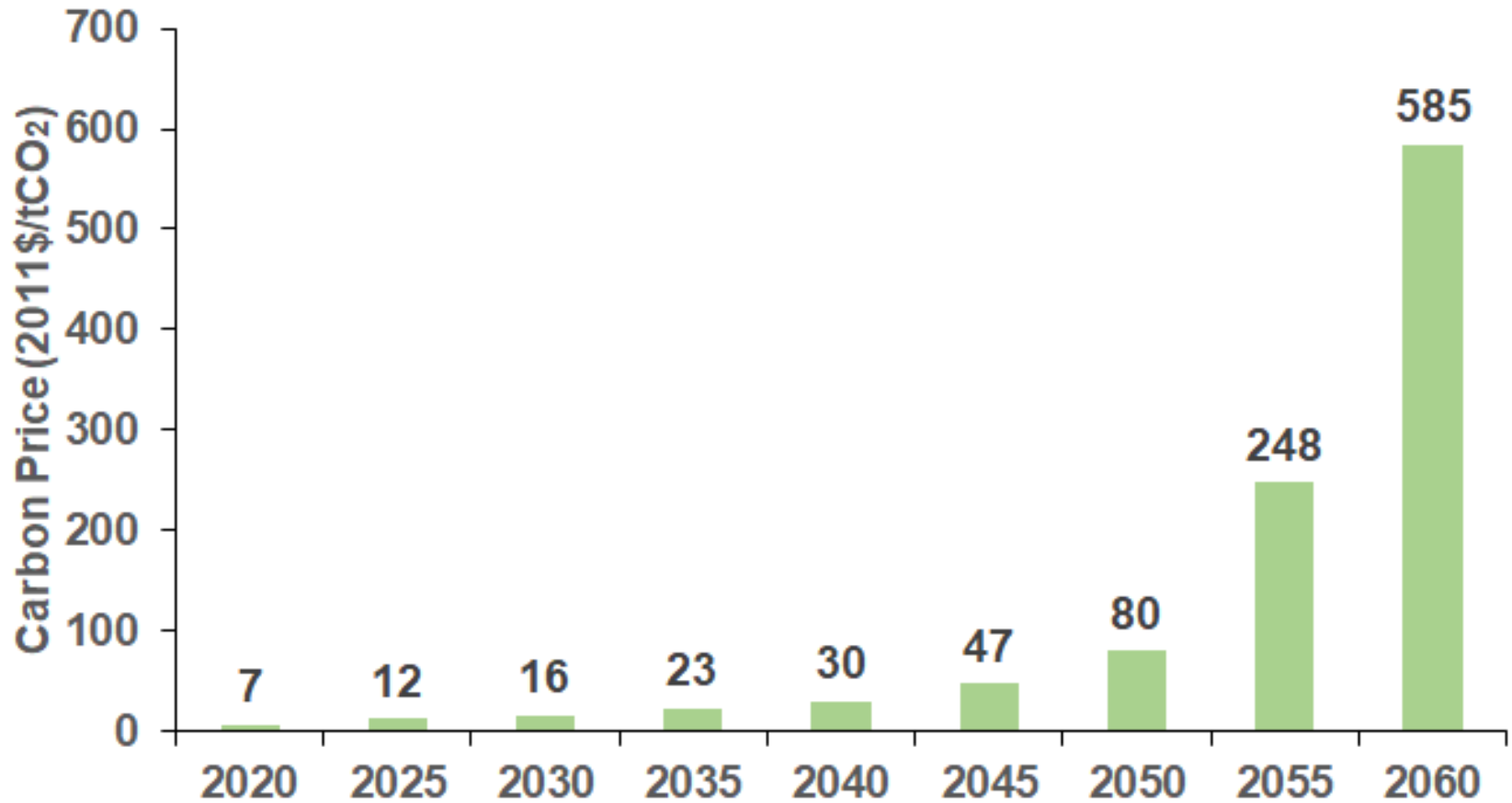
# Share of electricity in final energy uses



# Electricity Generation Structure



# Carbon Price



# The Sectoral Coverage of China's ETS

|             | Sector                                       | Total Emission | Emission covered by ETS | Ratio      |
|-------------|----------------------------------------------|----------------|-------------------------|------------|
| Electricity | Thermal power                                | 3643           | 3643                    | 100%       |
| Industry    | Paper and paper products                     | 31             | 26                      | 85%        |
|             | Processing of petroleum                      | 534            | 534                     | 100%       |
|             | Raw chemical materials and chemical products | 1191           | 1072                    | 90%        |
|             | Non-metallic mineral products                | 585            | 293                     | 50%        |
|             | Smelting and pressing of ferrous metals      | 1486           | 1159                    | 78%        |
|             | Smelting and pressing of non-ferrous metals  | 77             | 8                       | 10%        |
|             | Total                                        | 3904           | 3092                    | 79%        |
| China       |                                              | 9411           | 6734                    | <b>72%</b> |



# Highlights of National ETS Construction Work in 2020

- Directive on cap-setting and allowance allocation
- Emissions data reporting and verification
- Construction of registration system and trading system
- Legislation - State council's regulation on national ETS

***“Accelerate the construction of national ETS.”*** Vice Premier Han Zheng said yesterday at MEE.



# Thank you for your attention!

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