

China's National Carbon Market and the Roadmap Ahead

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The launch of national ETS



December 19th 2017, the official launch of China's national ETS

the release of the Work Plan for Construction of the National Emissions Trading System (Power Sector) , approved by the State Council

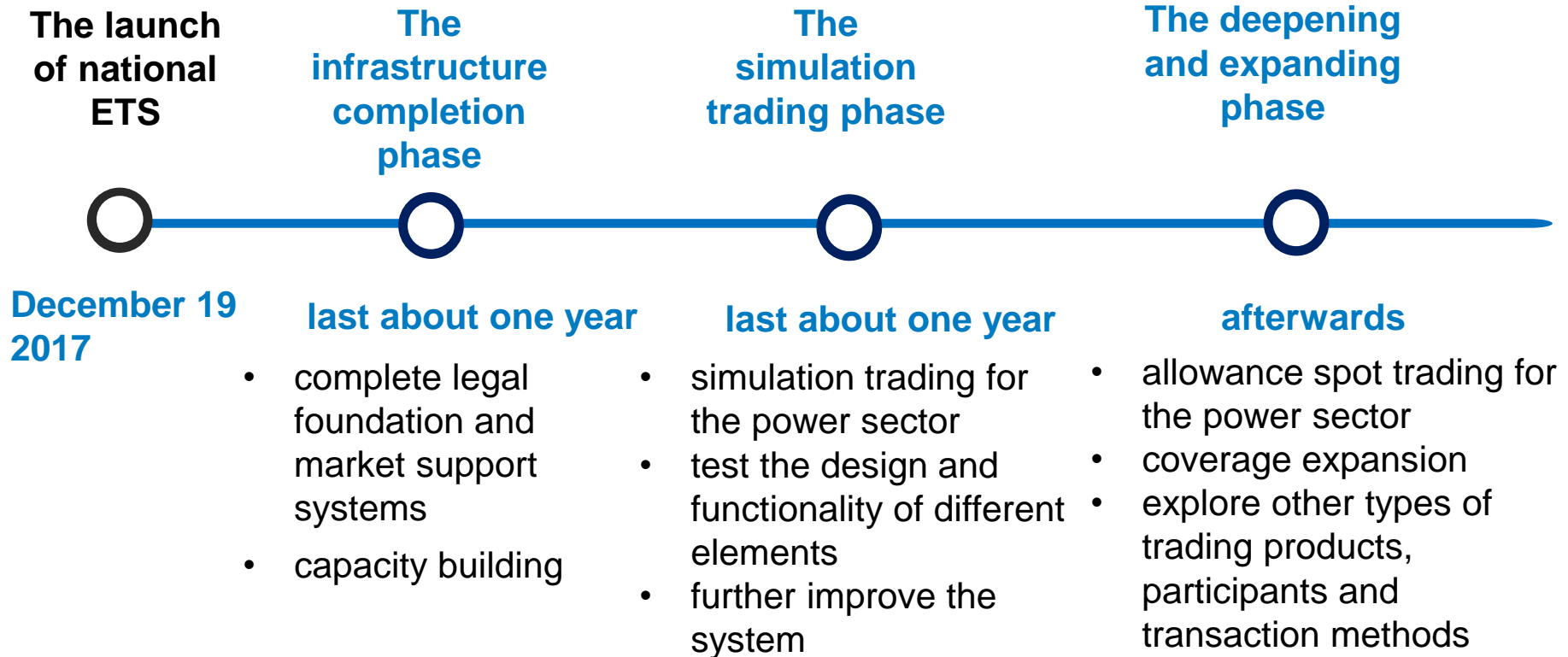
The power sector as the starting point

National ETS initial coverage

- Power sector , including combined heat and power as well as captive power plants in other sectors
- Enterprises in power sector that exceed the annual threshold of 26,000 tons of CO₂
- more than 1700 enterprises with combined emissions of over 3.3 billion tons of CO₂

National ETS will be expanded to cover the seven other sectors on a step-by-step basis

A Three-Phase Roadmap



Work to be completed in 2018



A “1 plus 3” legal framework will be completed. (Data report, verification entity accreditation, trading)



The development of two main electronic systems will be finished. (the national registry and trading system)



Reporting and verification of 2016 and 2017 historical data for the eight sectors is to be completed.



The allowance allocation plan for the power sector will be further improved.

Some key uncertainties remain

1

when power companies will be requested to surrender allowances for the first compliance

2

specific timeline for introducing other sectors

3

the role of CCERs in the national ETS

4

when national ETS will open to investors

5

when and how exactly China's regional carbon markets would be integrated into the national ETS

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Thank You !