Opportunities for Sustainable Energy Technology and CDM Development in China

About SETatWork

SETatWork assists European industries to gain access to the carbon markets through energy performance improvement by offering an information platform and a wide range of activities within training, promotion and matchmaking for industry, technology suppliers and actors in the global Carbon Market. Learn more on www.SETatWork.eu

Country Profile

In 2006, Chinese government set up the target of energy conservation by 2010 --- to reduce energy consumption intensity per GDP by 20%. During the latest years, innovative energy-efficient technology and various incentive and financing mechanisms have been playing significant roles to reach the target, with focus in energy intensive enterprises in metallurgical, cement, power, chemical, petroleum, textile and paper making sectors. Meanwhile more attention has been paying to building and transport sectors which account for increasing shares in Chinese energy consumption mix.

Ten key energy saving projects have been implementing around China, i.e. renovation of coal-fired boilers/furnaces, district cogeneration, recovery of waste heat and pressure, saving and substitution of crude oil, energy efficient motor systems, integrated optimization of energy system, energy efficient buildings, energy saving in governmental institutions, monitor & test and technical consultation.

CDM

Accompanied with rapid development of society and economy, Chinese total primary energy consumption has increased to 2655.83 million tce (i.e.1859 million toe) in 2007, at annual average growth rate of 5.44% during period of 1979-2007. The coal dominant energy mix results in major CO_2 emission come from energy activities in China.

In June 2007, "The China's National Climate Change Program" was publicized, in which it was explicitly declared that "energy efficiency and energy saving should be encouraged" and "further international cooperation with respect to climate change should be strengthened, and cooperation in CDM and technology transfer should be promoted, China will face the challenges of climate change hand in hand with the international society".

In October 2008, Chinese Government issued "The White Paper - Climate Change Policies and Actions", it is clear that energy saving is one of actions to mitigate climate change, and great importance is attached to the role of CDM in sustainable development of China.

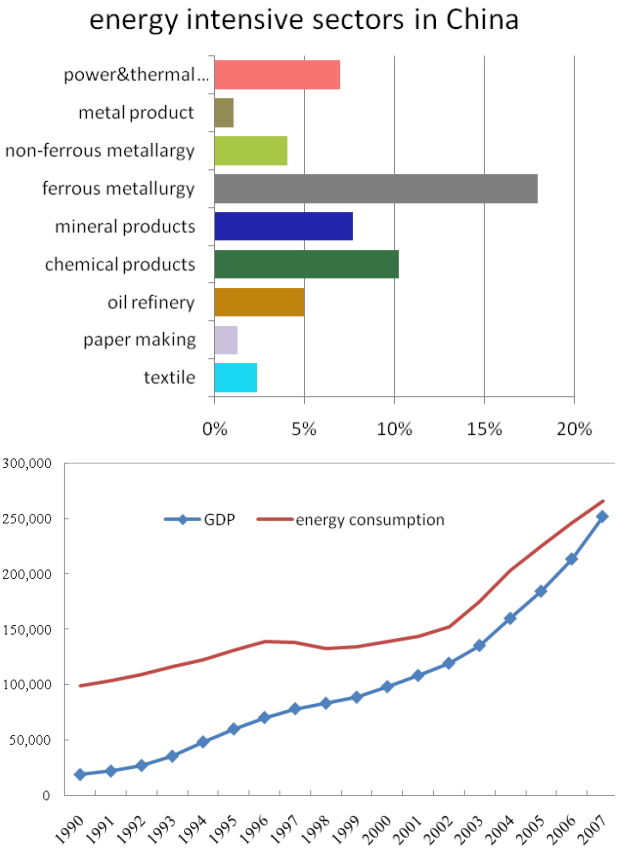
In November 25 of 2009, Chinese government issued the target on reduction of CO_2 emission intensity per GDP by 40-45% by 2020, which implies corresponding reduction of energy consumption intensity per GDP. It is foreseeable that there are great challenges and opportunities on energy efficient and renewable energy technology transfer that can be promoted through carbon market.

The Chinese government also promulgated and publicized "The Measures for Operation and Management of CDM Projects".

State of the Carbon Market

Up to August14 2009, the CDM projects approved by Chinese government are 2147, of which energy efficiency projects accounted for 19.7%, and renewable projects 70.9%.

At present, most of energy efficiency CDM projects in China are of waste heat recovery for power generation in cement sector, some in steel and iron sector.



Tentative Events in China

SETatWork Matchmaking Event China

to be held in spring of 2010 in Hangzhou & Guangzhou

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