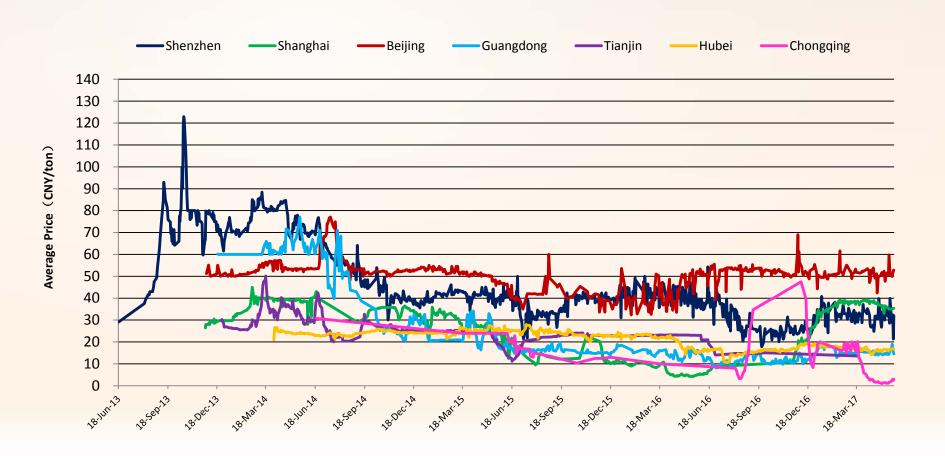


# ETS in China: From Pilot to Nationwide

Guo Wei SinoCarbon June,2017



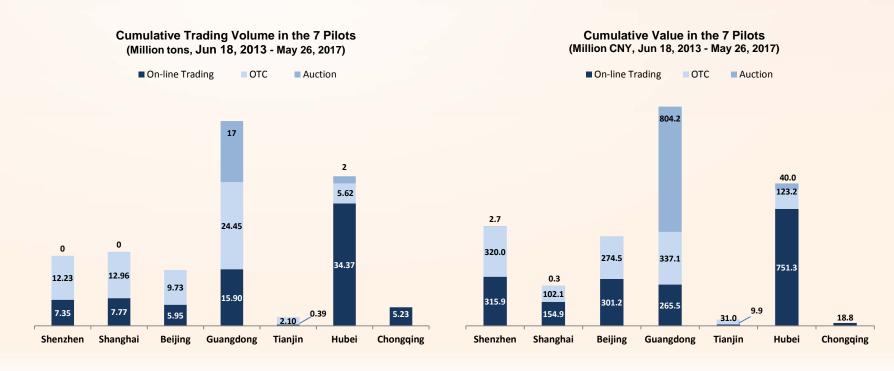
## Daily Average Price of Online Trading in 7 Pilot ETS(CNY/ton) (June 18, 2013 - May 26, 2017)





### Trading volume and value in 7 Pilot ETS until May 26, 2017

Until May 26, 2017, 163 million tons of allowance have been traded in allowance spot market (primary and secondary market), representing trading value of 3.85 billion CNY





#### **Market Analysis**

At the first year, most transitions happened one month before compliance deadline (May to July). At the second and third year, covered entities started trading earlier.

Monthly Trading Volume





#### What we have learned from Pilot ETS?

MRV is the corner stone of the ETS.

Learning by doing is very important, No rules in ETS could be applicable everywhere.

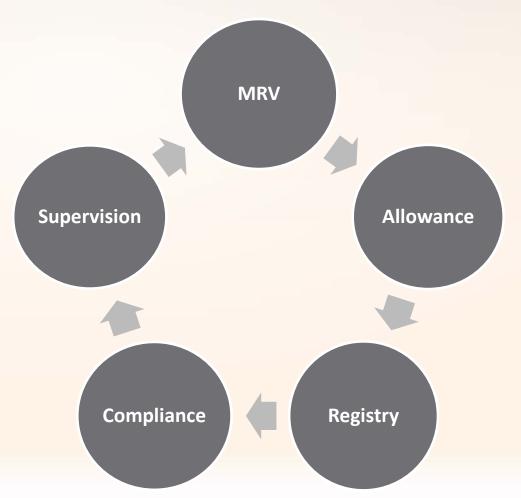
Infrastructure
such as
Registry,
Report and
Trade system,
is essential

Practice is
Important,
instead of
Spending long
time on
Only argument

The Smooth
Operation of pilots
Gives confidence
For Establishing
the National
ETS



#### The core principal of National ETS: Harmonization in MARCS





#### Roadmap of National ETS

**After 2020** 2014 2016 2017-2020 • Phase I: •Phase II: promote history data release National FTS draft proposal of National expand coverage **National ETS Regulation** reporting and verification • improve ETS Regulations release MRV guidelines research linkage to launch of National strengthen infrastructure international ETS ETS\_implementation building- organize capacity building annual allocate allowance Local annual reporting ,verification and compliance • identify key enterprise list and organize history emission reporting and verification • involve in national ETS improvement and allocate allowance based on national rule innovation based on local situation participate in capacity building fulfill emission reporting and compliance

**Enterprise** 

- develop internal carbon emission accounting and reporting system
- fulfill reporting obligation and cooperate on verification
- Non-covered enterprises could also get involved in carbon market through CCER trading

- obligation
- improve carbon assets investment and management
- voluntarily participate in carbon market trading and decrease emission reduction costs
- involve in ETS improvement and innovation



#### Key Message

Learning by doing is very important, No rules in ETS could be applicable everywhere, we need more practice rather than long time of only argument.

Harmonization in MARCS(MRV, Allocation, Registry, Compliance, Supervision) are five main characteristics of our national ETS.

After 2020, the linkage of different ETS may be put on the agenda (at least Feasibility Study), the regional East Asia ETS linking by China, South Korean and Japan are worthy of the expectation.



## THANK YOU

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