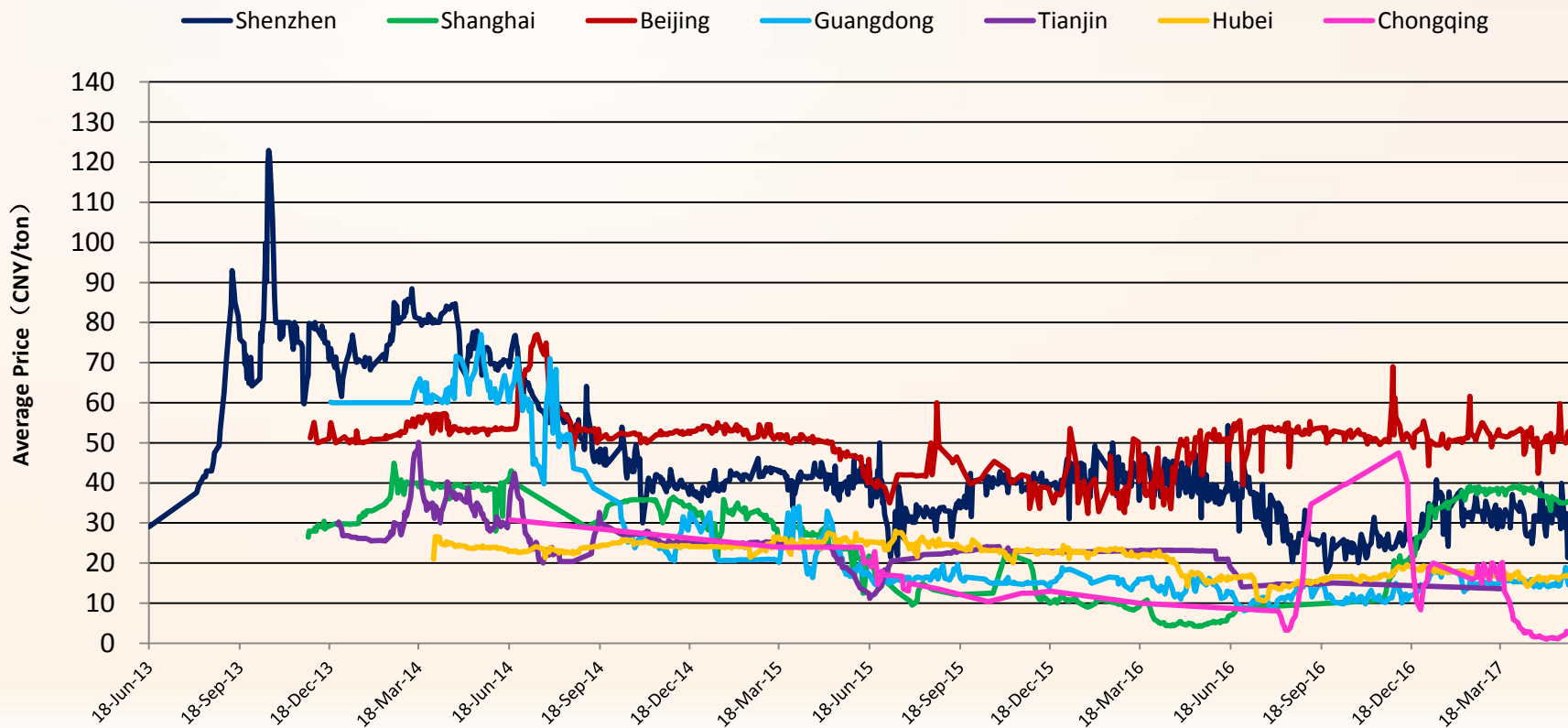


ETS in China: From Pilot to Nationwide

Guo Wei
SinoCarbon
June, 2017

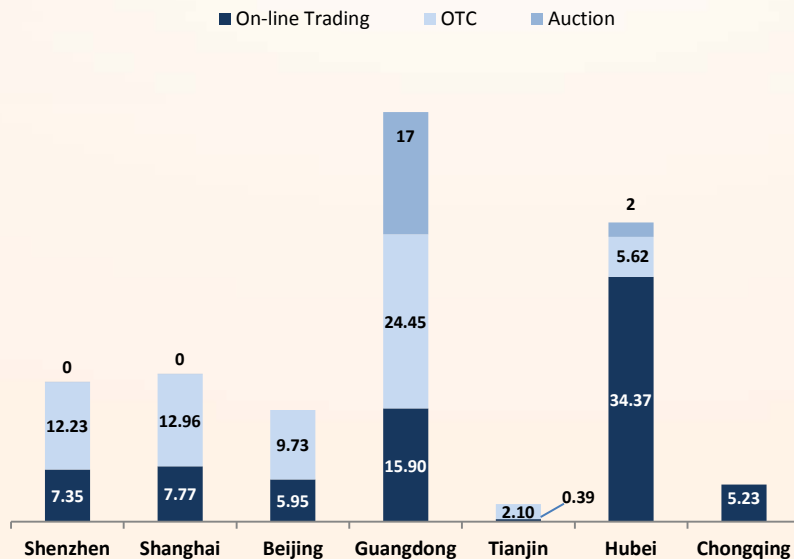
Daily Average Price of Online Trading in 7 Pilot ETS(CNY/ton) (June 18, 2013 -May 26, 2017)



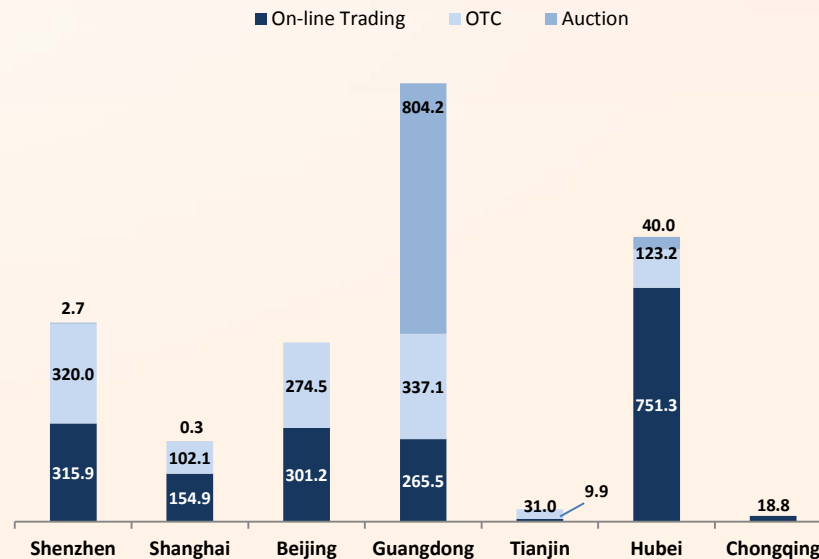
Trading volume and value in 7 Pilot ETS until May 26, 2017

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

Cumulative Trading Volume in the 7 Pilots
(Million tons, Jun 18, 2013 - May 26, 2017)

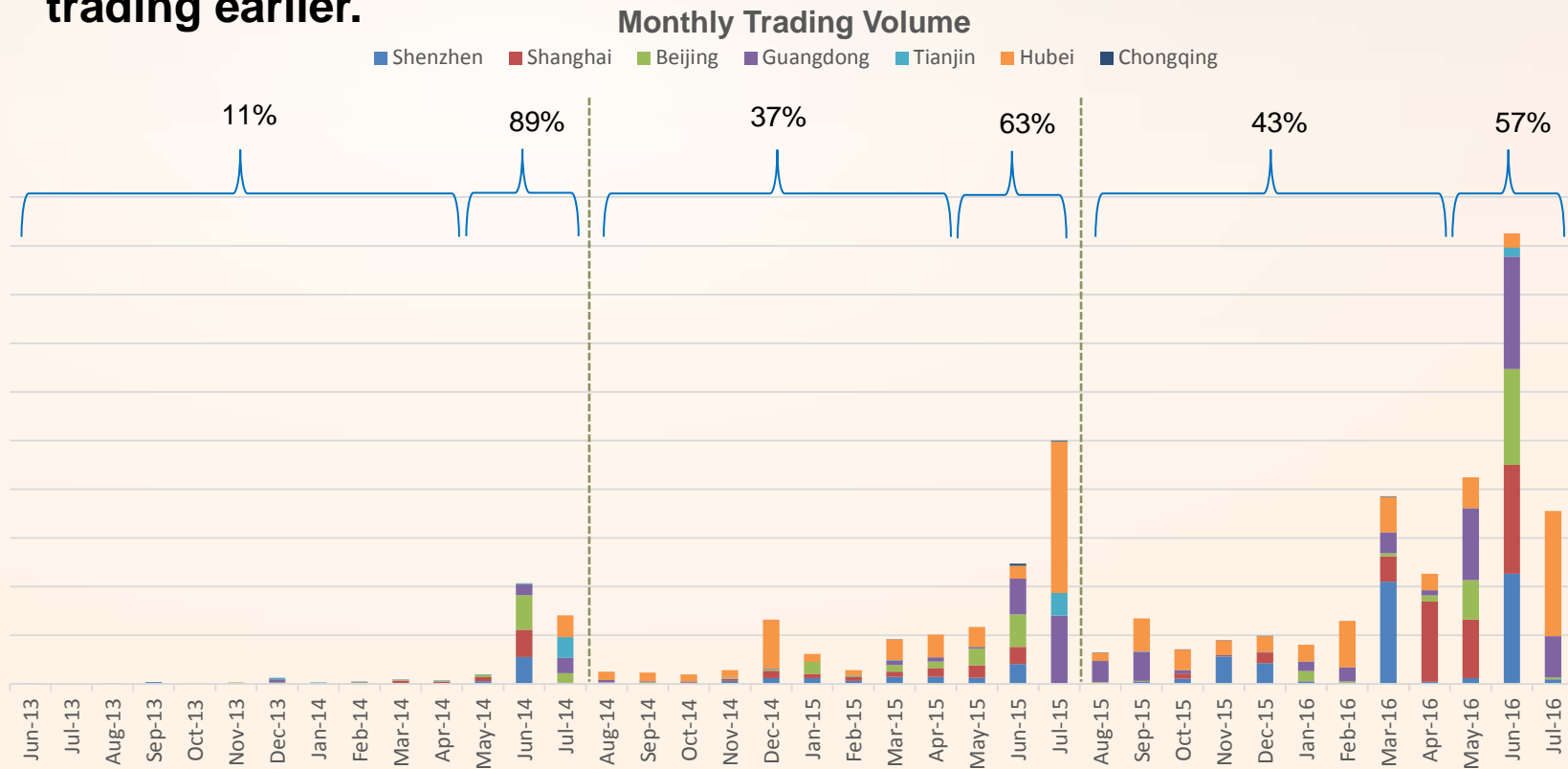


Cumulative Value in the 7 Pilots
(Million CNY, Jun 18, 2013 - May 26, 2017)



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.



What we have learned from Pilot ETS?

MRV is the corner stone of the ETS.

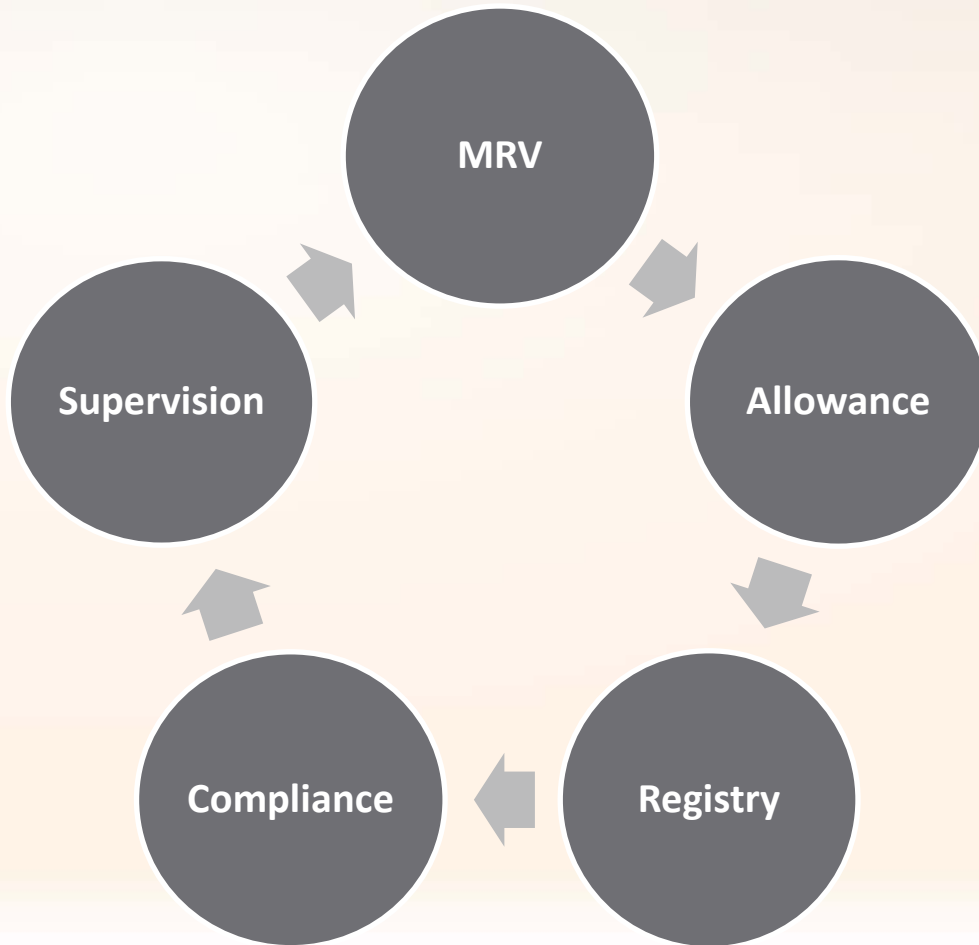
Learning by doing is very important, No rules in ETS could be applicable everywhere .

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

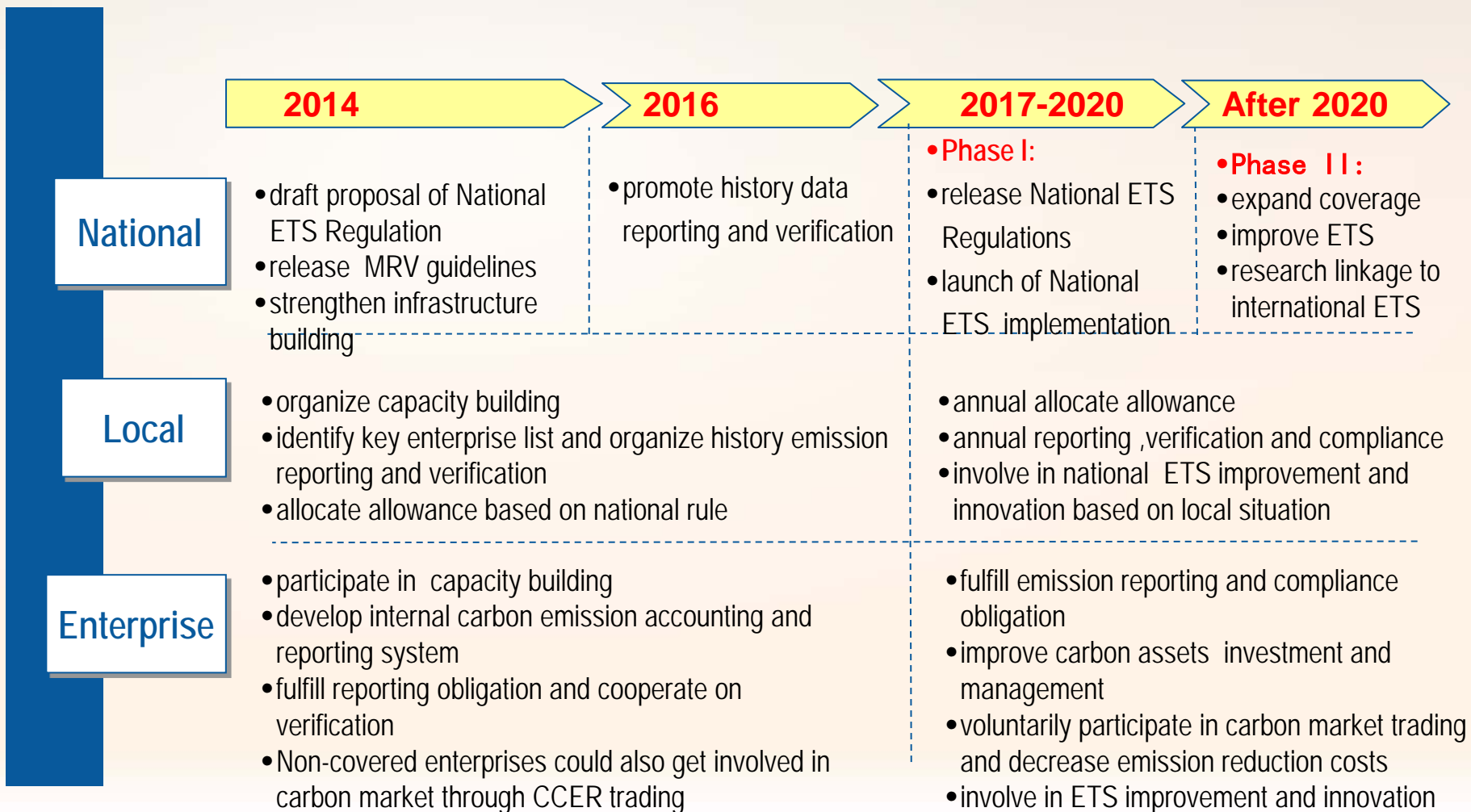
Practice is Important, instead of Spending long time on Only argument

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



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

SinoCarbon



Guo Wei

[Email : guowei@sino-carbon.cn](mailto:guowei@sino-carbon.cn)

Tel: 010-84186621