

California-China Climate Institute

China Climate Policy Briefing

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In This Issue

The Chinese government agencies and provinces announced decarbonization targets, strategies, and work plans for 2021, 2025, and 2030. In this issue, we highlight important policies from the State Council, Ministry of Ecology and Environment (MEE), People's Bank of China (PBOC), National Energy Administration (NEA), and the City of Shanghai.

Policy Updates

[State Council releases guideline to boost green, low-carbon circular economic development system](#)

Released on February 22, 2021 by the State Council

The State Council, China's cabinet, has released guidance on how to accelerate the development of a green and low-carbon circular economic development system. The guidelines emphasized the efficient use of resources, strengthened protection of the environment, and the effective control of greenhouse gas emissions. The guidelines provided four basic principles and identified six working aspects.

The four principles of low-carbon circular economic development:

1. Keep making breakthroughs in energy savings, environmental protection, clean production, clean energy, and synergistic development across industries.
2. Lead with innovation in technology, business models, management, and markets.
3. Balance green transition with economic development, technology advancement, production continuity, job stability, and welfare improvement.
4. Adhere to market driven transition forces.

The six priorities are:

- Complete the production system;
- Complete the flow system;
- Complete the consumption system;
- Expedite the green upgrade of infrastructure;
- Construct a market-driven green technology innovation system; and
- Enhance the law and regulation system.

Conferences and Announcements

[People's Bank of China identified green finance as one of its priorities](#)

Released on February 8, 2021 by People's Bank of China

The People's Bank of China, China's central bank, announced that they will develop a package of policies to direct financial resources toward green development. This will be one of the central bank's key focuses.

In an executive report on 2020 Quarter Four monetary policy released by the central bank, the Bank identified green finance's five pillars of work to improve the green financial system:

- Green finance standard;
- Institution regulation and information disclosure;
- Incentivization and restriction mechanism;
- Green finance products and market mechanism; and
- Strengthen international collaboration through G20.

[China's energy regulator aimed at 40% renewable power purchase by 2030](#)

Released on February 10, 2021 by The National Energy Administration

The National Energy Administration (NEA), China's energy regulator, proposed a 40 percent renewable power purchase target by 2030 for regional grids in a document sent to local energy bureaus, development and reform commissions, and grid companies for consultation.

In order to reach the [25% share of non-fossil fuels in primary energy consumption by 2030](#) goal, the Administration set two measurements: the share of power purchased from renewable sources and the share of power purchased from non-hydro renewable sources. The annualized provincial targets will start in 2021 at different levels, but will all reach 40% by 2030. The provincial annual targets shall not be smaller than the previous year unless it is larger than 70%.

[Shanghai published its plan of accelerating the development of New Energy Vehicle Industry \(2021-2025\)](#)

Released February 25, 2021 by the City of Shanghai

As a pilot city advancing China's new energy vehicle (NEV) target, Shanghai published its comprehensive plan of accelerating regional low carbon transport. The plan reflects local implementation of China's New Energy Vehicle Industry plan issued in October 2020 and includes targets and various policy incentives.

Key targets for 2025 in this plan include:

- Battery electric vehicles account for 50% of newly purchased private vehicles;
- 100% NEV for buses, municipal vehicles, postal vehicles, and vehicles transporting goods in central areas;
- More than 70 hydrogen filling stations;

- Electric vehicles account for 30% among independent automakers;

Key policies include:

- No license plate benefits for consumers purchasing plug-in hybrid vehicles after 2023;
- Use fiscal incentives to encourage NEV infrastructure construction;
- Provide “Hukou (residence permit)” for clean transportation talents;
- Promote hydrogen fuel cell vehicles through pilot programmes;
- Provide parking benefits for NEV owners.

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