

Carbon Registries: Leading the Way toward GHG Emission Reduction in China

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Energy and Transportation
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About iCET

- Located in Beijing, China, iCET is a leading, independent, non-profit policy center dedicated to promoting clean, sustainable, low carbon fuels and vehicles and advancing climate change mitigation policies in China.
- Project Areas:
 - Low Carbon Transportation
 - Clean Energy and Energy Efficiency
 - Climate Change
 - Conferences and Outreach
- Supported by Hewlett Foundation, Rockefeller Brothers Fund, Energy Foundation and United Kingdom SPF.

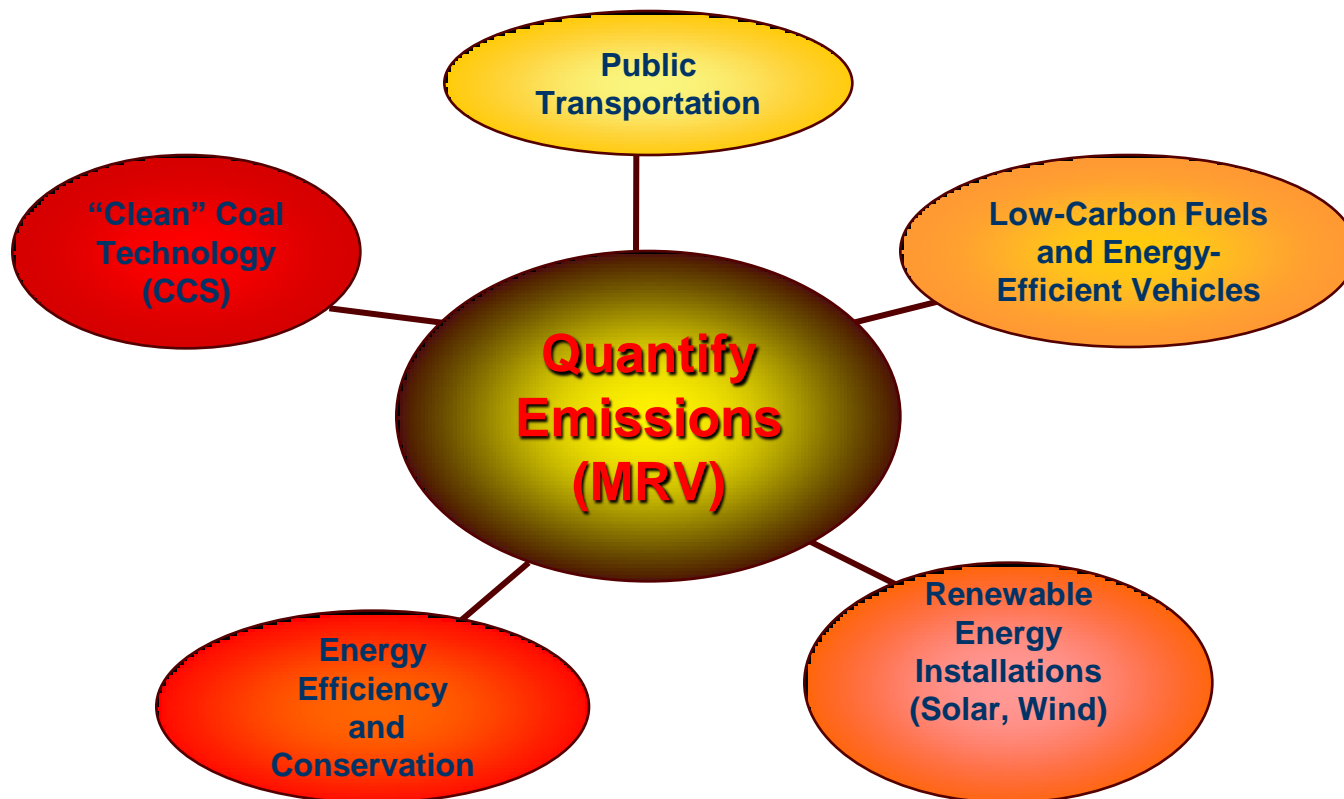


China's Role in Manufacturing

- **China's Economy: Carbon Intensive and Growing Fast!**
- **#1 Exporter, #1 Car Market, # 1 GHG Emitter.**
- **BUT China is a much smaller emitter on an historic basis and on a per capita basis.**
- **Nearly one-quarter of China's emissions are sourced from products made for export markets.**
- **"Carbon Leakage"**
- **Side note: Carbon-Intensive nature of green technology.**



China Target: 40-45% reduction in energy intensity by 2020 from 2005 levels.



Initiatives are already underway but need better tools for accurate accounting.

The Energy and Climate Registry (ECR)

- An on-line voluntary registry for **Energy Intensity and Carbon Emission** reporting in China.
- Based on successful models in California and USA, and especially tailored for Chinese application.
- A tool that produces **reliable, transparent and verifiable data** for multinational and state owned enterprises, as well as governmental and local entities.
- A tool to create a common standard for measuring and managing supply chain carbon emissions and energy usage, inline with **international standards**.



How is the ECR different from The Climate Registry?

- **Reporting Requirements**
 - Energy Intensity *and* GHG Emission data
 - Reduction Commitments
- **Membership Levels**
 - Graduated Commitment, Same Methodology
- **Business Incentive**
- **Verification**



Multi-track Inclusive Tier-System to Encourage Participation

	Stone Members (Base Reporters)	Marble Members (Transitional Reporters)	Jade Members (Complete Reporters)
GHG Reported	Energy Intensity Data Only	CO2 is required, Energy Intensity Data is optional	CO2, CH4, N2O, HFC, PFC, SF6; other GHG's are optional; energy consumption and intensity
Geographic Boundaries	Facility-based, entity-based or provincial	Facility-based, entity-based or provincial	National (Taiwan/Hong Kong and Macau)
Organizational Boundaries	No Requirements	Control Approach (financial or operational)	Equity Share AND Control Approach; Control Approach
Operational Boundaries	Scope 1 and 2	Scope 1 and 2	Scope 1 and 2
Third-Party Verification	Optional	Optional	Required
Public Emission			Facility-level facility-level

China-specific Challenges

➤ Data Quality

- Solution: Develop sound verification program, case by case approach. Cross reference where possible.

➤ Political Sensitivity re: Verification

- Solution: Engage Standardization Administration of China (SAC) to accredit domestic verifiers, CDM precedent (DOEs).

➤ Regulatory environment is changing too fast!

- Solution: Keep protocol flexible and relevant for a wide range of climate policies.

➤ Lack of Business Incentive:

- Solution: MNC set an example, Regulations may change this.

➤ No Culture of Disclosure

- Solution: Localize methodology and all aspects of the program. Maintain that main implementers are a LOCAL Chinese NGO.



China-specific Benefits

- Chinese government signaling that it will reduce emissions in verifiable way and that it will participate in international agreements
- Green technology and sustainable infrastructure
- NDRC/EPA MOC
- Local reporting on provincial level, but not public
- CNIS research on the GHG Protocol
- Environmental Transparency Law and Job Performance Rating
- 3 Regional Exchanges



International Support for ECR



Linda S. Adams
Secretary for
Environmental Protection

Air Resources Board

Robert F. Sawyer, Ph.D., Chair
1001 I Street • P.O. Box 2815
Sacramento, California 95812 • www.arb.ca.gov



Arnold Schwarzenegger
Governor



BSR



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The Climate Registry

Conclusion and Discussion

You can't manage carbon if you can't measure it (The Climate Registry).

Transparent and accurate carbon accounting mechanisms are the first step toward any climate change solution in China.

Both the business community and the government in China are motivated and have signaled that there is a desire to move toward transparency and GHG reduction.

Localization of an essentially Western program.

Greatest Challenges: Data Quality, Third-Party Verification, Making the Business Case.



Thank You!

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