

# Energy Transition and Carbon Pricing Newsletter

First Issue (Jan-Feb 2019)

## FOREWORD

### Introduction to the Project

Environmental conflicts are often trans-boundary in Asia, such as China's air pollution affecting other East Asian neighbors, and climate change has considerable impacts on major environmental conflicts. Climate change mitigation and adaptation could bring a series of co-benefits in economic, environmental, social and technological aspects; hence those co-benefits should be one of critical focuses for climate and energy policy in Asia. This Project aims to maximize the co-benefits of promoting more ambitious climate and energy policy in Asia by considering economics, social issues, health and sustainability, thereby reducing environmental conflicts in the region. We envisage to establish a regional platform for a deeper discussion on these issues in Asia, exchanging experiences and lessons on energy transition and carbon pricing among different countries, bridging the knowledge gaps among media, advocacy groups and research institutions including think tanks.

Co-operating with CANGO (China Association for NGO Cooperation) under the support of BftW (Bread for the World), REEI will publish this bi-monthly newsletter for 2019 and make it monthly since 2020. We hope this newsletter will serve as a communication tool for you to know the recent information and progress of energy transition and carbon pricing.

## HIGHLIGHTS

### • Latest News

#### ***Energy Transition:***

- Germany decided to phase out coal-fired generation by 2038;
- China's solar diplomacy could help it deliver a sustainable transition in Belt and Road countries.

#### ***Carbon Pricing:***

- Chinese government collects 2018 GHG data of eight major carbon-intensive sectors to prepare for its national ETS;
- First auction for allowance was successfully held under South Korea's national ETS.

### • Publications

- Coal Power Sector in China, Japan, and South Korea: Current Status and the Way Forward for a Cleaner Energy System, REEI
- Northeast Asia Carbon Markets and Trade Connections, Asia Society Policy Institute and the International Centre for Trade and Sustainable Development.

### • Upcoming Events

- Civil 20 (C20) Summit, 21-23 April, Japan

## LASTEST NEWS

### Germany decided to phase out coal-fired power generation by 2038

On 26 Jan 2019, the final report of Germany's coal exit commission on national coal phase-out roadmap was released. After more than six months of intensive discussions and deliberations, delegations from country's industry sector, environmental NGOs, citizen initiatives and policymakers have agreed that should end coal-fired power generation by 2038, with an option to end it by 2035, and the government would implement the coal phase-out plan after assessing it and preparing the legal framework.

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### Chinese government collects 2018 GHG data of eight major carbon-intensive sectors to prepare for its national ETS

On 24 Jan 2019, the Ministry of Ecology and Environment (MEE) published a notice requiring all regional ecology and environment bureaus to organize the work on reporting and verifying 2018 emissions data from eight sectors of the economy-power, petrochemical, chemical, building materials, steel, nonferrous metals, paper and domestic aviation. China is currently in the first phase of its national ETS implementation: the infrastructure completion phase. A major part of this is the monitoring, reporting and verification (MRV) of emissions.

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### China's solar diplomacy could help it deliver a sustainable transition in Belt and Road countries

Through the Belt and Road Initiative (BRI), China has provided huge investments in "sustainable" projects to fill the global infrastructure development gap, but almost all investments went to fossil-fuel energy projects and hydropower projects. China's solar sector has been developing rapidly in recent years, therefore experience from China's own solar sector should be exported to rapidly developing BRI countries where a transition to renewable energy is pressingly required.

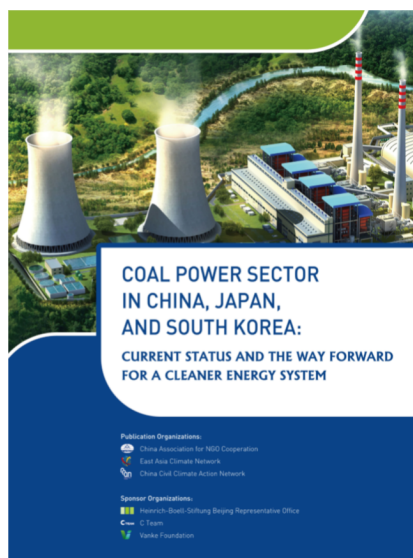
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### First auction for allowance was successfully held under South Korea's national ETS.

The Republic of Korea held its first auction for allowances under its national ETS on 23 Jan 2019. Seven companies participated with the bidding price ranging from USD 20.41 to USD 24.30. Four companies successfully bid for all available allowance (550,000 KAUs) for a settlement price of USD 22.53 – two percent higher than the secondary market price closed earlier in the day. The total bid volume was 1.7 million tonnes, with a 194.55% bid rate, showing an overall demand for allowances.

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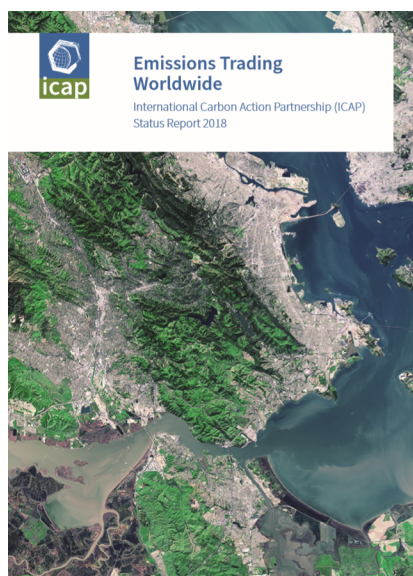
## PUBLICATIONS



### **Coal Power Sector in China, Japan, and South Korea: Current Status and the Way Forward for a Cleaner Energy System, REEI**

The report introduces recent trends and future prospects of coal-fired power plants in various countries, elaborates on the ways in which East Asian countries, including China, Japan and South Korea, deal with the environmental impacts of coal-fired power generation, and further demonstrates the attitudes of governments and civil society to environmental governance and climate change.

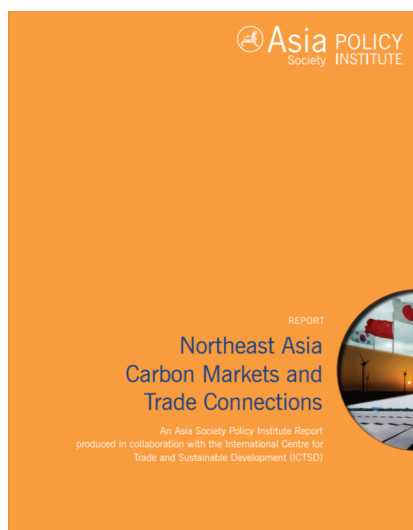
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### **Emissions Trading Worldwide: Status Report 2018, International Carbon Action Partnership (ICAP)**

This annual report reviews cap-and-trade systems (e.g. the EU ETS, RGGI, NZ ETS, and etc.) around the world. Additionally, it also demonstrates the development and reforms as well as ongoing progress in detail of Emission Trading Systems worldwide, such as the launch of the world's largest carbon market in China, and the progress of the link between the EU ETS and Switzerland.

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### **Northeast Asia Carbon Markets and Trade Connections, Asia Society Policy Institute and the International Centre for Trade and Sustainable Development**

This report focuses on carbon pricing and the linking of carbon pricing systems as a potential catalyst for increased trade relationships, and explores how the benefits from linking can be heavily impacted by trade relationships and competitiveness concerns within the economics of China, Japan and Korea.

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## UPCOMING EVENTS

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### Central Asia Workshop on Long-Term Capacity Expansion Planning with a High Share of Renewables

14 March 2019 | Astana, Kazakhstan

### 102nd Meeting of the CDM Executive Board (EB102)

25-28 March 2019 | Bonn, Germany

### Training: Energy Efficiency in Emerging Economies Training Week – Southeast Asia

1 April 2019 | Bangkok, Thailand

### Multi-stakeholder consultation workshop on the energy transition strategy

18 March 2019 | Zhangjiakou, China

### Six Asia-Pacific Forum on Sustainable Development (APFSD)

27-29 March 2019 | Bangkok, Thailand

### ASEAN Wind Energy 2019

1-2 April 2019 | Ho Chi Minh, Vietnam

### Civil 20 (C20) Summit

21-23 April 2019 | Tokyo, Japan



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