

# Energy Transition and Carbon Pricing Newsletter

Issue No.5 (Sep - Oct 2019)

Dear colleagues,

We would like to welcome you to the fifth issue of the Energy Transition and Carbon Pricing (ETCP) Project Newsletter, aiming to provide you with ongoing activities and the progress of our Project. For more detailed information about project progress, please browse our newly launched Project webpage: <http://en.reei.org.cn/ETCP>.

Rock Environment and Energy Institute  
China Association for NGO Cooperation

## Project Progress

On October 22, 2019, the representative team of the [Mongolian Renewables Industries Association \(MRIA\)](#) visited the Rock Environment and Energy Institute (REEI). The two sides exchanged views on Mongolia's energy transition, renewables development and air pollution issues. Lin Jiaqiao, Co-director of REEI, signed a Memorandum of Understanding (MoU) with Mr. Osgonbaatar Jambaljamts, President of MRIA.



## HIGHLIGHTS

### • Latest News

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

- Analysis: UK renewables generate more electricity than fossil fuels for first time;
- Belt and Road countries will make or break the Paris Agreement;
- Chinese cities can produce solar power below grid-supplied price, report finds

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

- China releases trial plan for national ETS allocation;
- United and EDF launch partnership to measure, manage and reduce aviation emissions;
- New Zealand reaches agreement with agricultural sector to price emissions from 2025

### • Publications

- Fiscal Monitor: How to Mitigate Climate Change, IMF;
- BP Energy Outlook 2019,

## • Upcoming Events

- COP25, 02-13 December, Madrid, Spain

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### LATEST NEWS

#### **Analysis: UK renewables generate more electricity than fossil fuels for first time**

During the three months of July, August and September, renewables generated an estimated total of 29.5 terawatt hours (TWh), compared with just 29.1 TWh from fossil fuels, the analysis shows. This is the first-ever quarter where renewables outpaced fossil fuels since the UK's first public electricity generating station opened in 1882.

>> [Read more](#)



#### **Belt and Road countries will make or break the Paris Agreement**

Developing countries are forecast to emit more carbon dioxide than developed ones by mid-century. Chinese investment is projected to speed up that process in key countries linked to the Belt and Road Initiative (BRI), China's global infrastructure plan, according to a [new report](#) authored by researchers at Tsinghua University, Vivid Economics, and ClimateWorks Foundation.

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#### **Chinese cities can produce solar power below grid-supplied price, report finds**

Researchers have found the costs of solar power to be lower than local grid power in all 344 Chinese cities they studied, even without subsidies. And in 76 of those cities, the price



#### **China releases trial plan for national ETS allocation**

On 30 September 2019 the Chinese Ministry of Ecology and Environment (MEE) released a trial plan for allocating emissions allowances to the power sector. This plan is expected to be the basis for further refinement of the allocation plan for the upcoming simulation phase of the Chinese national ETS. The trial plan includes two allocation schemes which are identical in most respects but differ in their benchmarks.

>> [Read more](#)

#### **New Zealand reaches agreement with agricultural sector to price emissions from 2025**

The New Zealand government has reached consensus with the agriculture sector to foster on-farm emissions reductions and work towards implementing farm-level pricing by 2025. Agricultural emissions were originally planned to be included in the NZ ETS from 2008 but were excluded indefinitely by the previous government.

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#### **United and EDF launch partnership to measure, manage and reduce aviation emissions**

United Airlines and Environmental Defense Fund (EDF) today announce a new partnership to measure and accelerate

of solar power is equal to or below coal-fired power. The competitiveness of solar varies from city to city mostly because of differences in sunlight, coal prices, power market prices and solar investment costs.

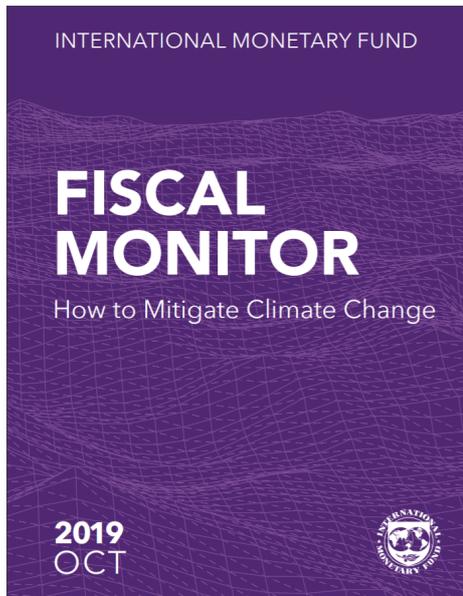
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greenhouse gas reductions across United's operations and help the company meet its goal of cutting emissions 50% by 2050. As part of their joint work, United and EDF will evaluate how to meet, with high integrity, the ambitious targets laid out in the CORSIA.

>> [Read more](#)

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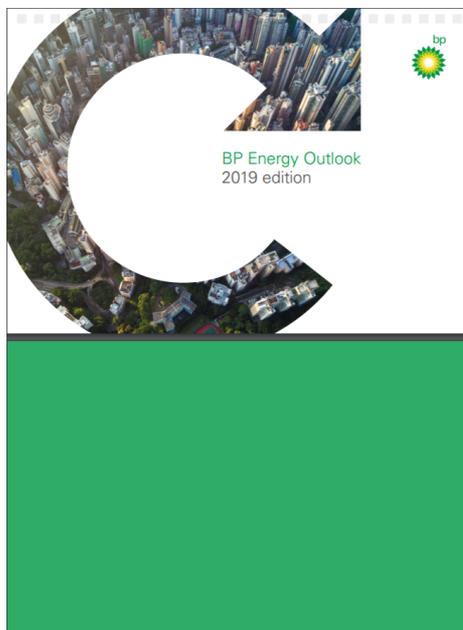
## PUBLICATIONS



### **Fiscal Monitor: How to Mitigate Climate Change, International Monetary Fund**

This report emphasizes the environmental, fiscal, economic, and administrative case for using carbon taxes, or similar pricing schemes such as emission trading systems, to implement climate mitigation strategies. It provides a quantitative framework for understanding their effects and trade-offs with other instruments and applies it to the largest advanced and emerging economies. At the international level, the report calls for a carbon price floor arrangement among large emitters.

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### **BP Energy Outlook 2019, BP**

The Energy Outlook explores the forces shaping the global energy transition out to 2040 and the key uncertainties surrounding that transition. It shows how rising prosperity drives an increase in global energy demand and how that demand will be met over the coming decades through a diverse range of supplies including oil, gas, coal and renewables. The Energy Outlook considers different aspects of the energy transition and the key issues and uncertainties these raise.

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### **Moving Towards Next Generation Carbon Markets - Observations from Article 6 Pilots**

This report has been updated to reflect the dynamic process made in operationalizing Article 6. It contains additional information and highlights ongoing developments in Article 6 pilot activities supported through bilateral



channels, regional organizations and multilateral development banks. The authors analyse emerging trends and early experience with Article 6 implementation and look particularly at how the pilots are responding to the new challenges posed by the Paris Agreement.

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## UPCOMING EVENTS

### CPLC Asia-Pacific Working Group Call - Carbon Pricing

6:00 AM-7:30 AM, 18 November

### Future Electricity Markets Summit

18-20 November | Sydney, Australia

### Intersolar India

27-29 November | Bangalore, India

### COP25

02-13 December | Madrid, Spain

### IEEE International Conference on Power electronics, smart grid and renewable energy

02-04 January 2020 | Kochi, India

### The Region's Leading Future Energy and Sustainability Event

13-16 January 2020 | ADNEC, Abu Dhabi



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