

# **The Chinese Renewable Energy Law**

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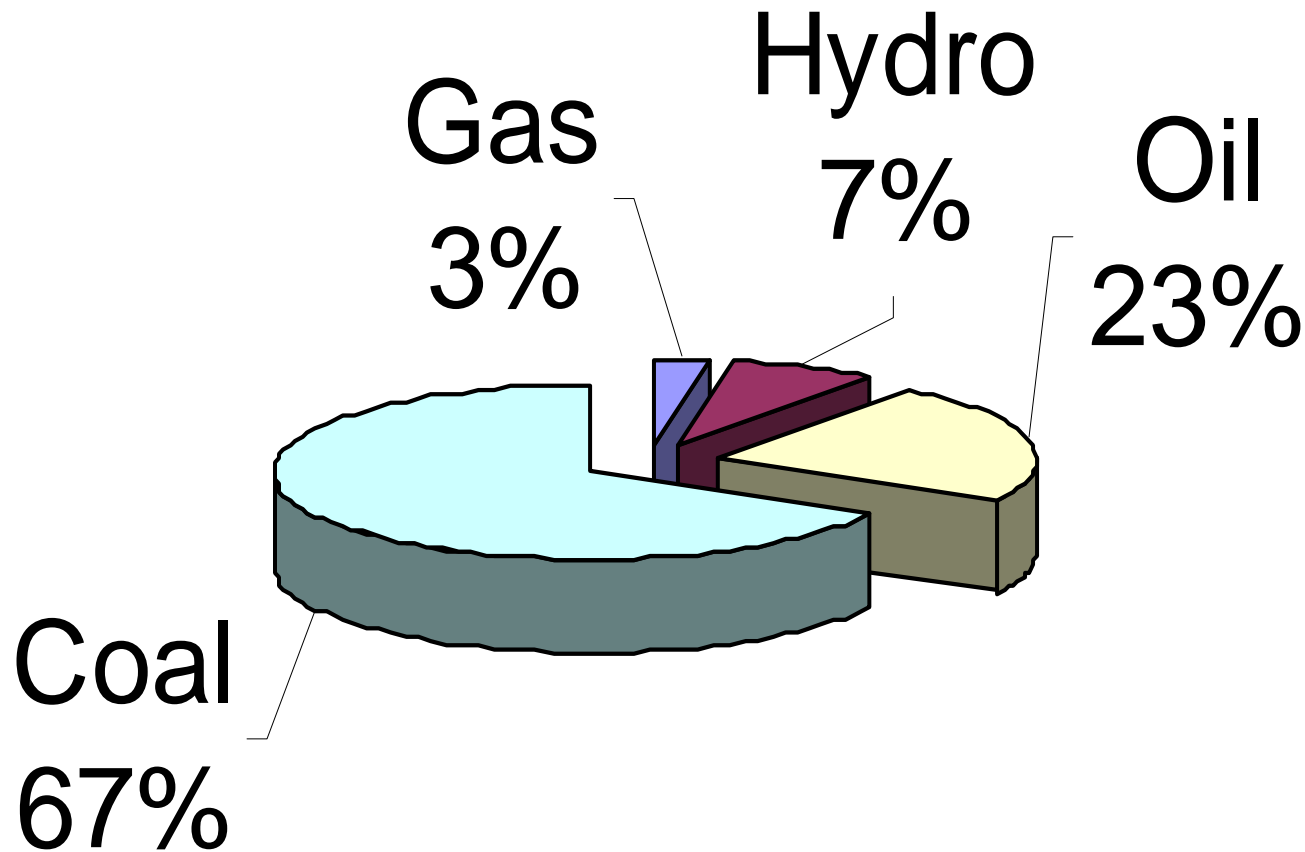


# Outline of Presentation

- China's Energy Consumption / Energy Scenarios
- Main problems to promote RE
- The Objectives of the Law
- Principal Chapters of the Law
- Major Shortcomings of the Law

# China's Energy Consumption

Total primary energy consumption 1.6 bill tce



# China's Energy Scenarios

## By 2020

- Total primary energy consumption 2.5-2.9 billion tce
- 1000 GW power generation capacity

## By 2050

- Total primary energy consumption 3-4.5 billion tce
- 1500 – 2000 GW power generation capacity

## Concerns

- To achieve a reliable long-term energy supply
- Increasing dependency on energy imports
- Environmental degradation on an unprecedented scale, e.g. air pollution, increase of GHG
- Attain a sustainable development – feasible ?

# Main Problems to promote RE

- Lack of legislative framework conditions
- Lack of sufficient incentive policies
- No effective investment & financing mechanism
- Limited awareness on all levels

# Objectives of the Law

- Determine the significant role of RE in the national energy supply strategy
- Remove the existing market barriers which hampers the development / utilization of RE
- Establish a sound financing system
- Raise the awareness

# Objectives of the Law

## Short-term

- Supply sufficient energy to rural areas
- Ensure western development

## Long-term

- Diversity of energy supply
- Ensure energy supply security
- Alleviate environmental pollution
- Maintain a sustainable development

# Principal Chapters of the Law

- General Principles
- Resource Management / Dev. Planning
- Industry Guidance
- Promoting and Application
- Price Management / Cost Sharing
- Financial Incentives
- Legal Liabilities
- Others



# Timeframe of the Law

- Nov. 2003** Official announcement
- May 2004** First Intl. Seminar in Beijing
- July 2004** Joint draft version available
- Dec. 2004** First Reading
- March 2005** National People's Congress
- Jan. 2006** Law shall come into effect

# Major Shortcomings of the Law

- **Countless rather „vague“ definitions**

Lots of room for interpretation and provides no security for interested parties

- **No clear incentive policy**

Feed-in-tariff / RE portfolio standard

- **So far no specific figures mentioned**

expected to be in the regulations

**Thank you for your attention !**

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