

30. Juni 2009

Are the Chinese Working To Curb Their Emissions?

by [Lou Schwartz, China Strategies LLC](#)

Beijing's formulation of the {Alternative Energy Revitalization Plan} is yet another concrete illustration of the determination of the Chinese government to develop a low-carbon economy. It is also a reminder to critics of China's efforts to tackle climate change that Beijing is taking significant steps in realizing that goal. To be responsible in their criticism, those who care about climate change need to get under the hood and examine in detail the renewable energy engine that China is building and avoid the oversimplification that obscures a real convergence of interests.

The draft {Alternative Energy Revitalization Plan} that is working its way through the government is a case in point. Though the complete plan has yet to be released to the public, enough important details have filtered out to confirm that China continues to vigorously remake its energy infrastructure.

Significant funds are earmarked in the plan to further catalyze renewable energy development over the next ten years: the Chinese will spend in excess of 3 trillion Yuan RMB [approx. US \$462 billion] on renewable energy through 2020. Among other concrete goals, the plan calls for non-hydropower renewable energy to increase to at least 6% of non-renewable energy production in China by 2020. (At present non-hydropower renewable energy accounts for just 1.5% of non-renewable energy output in China.)

Wind power development is one of the key aspects of the plan and once again the Chinese have set a higher target for installed wind power capacity: 100,000 MW of installed wind power capacity by 2020. This new goal alone is remarkable. As recently as September 2007, the {Mid- to Long-Term Development Plan for Renewable Energy} set a goal of 5000 MW of total installed wind power generating capacity as of 2010 and 30,000 MW by 2020.

As of the end of 2008, installed wind capacity already had surpassed 12,000 MW and recently Shi Lishan, the deputy chief of the Alternative and Renewable Energy Department of the State Energy Administration revealed that China likely will achieve an installed base of wind power totaling 30,000 MW by the end of 2010, ten years ahead of the plan that was adopted less than two years ago.

Though the benefits flowing from the realization of the first goal (spurring economic recovery from the effects of the financial crisis) are significant, the Chinese have made it clear that using renewable energy development as a mere utilitarian tool to pull China's economy through the current economic crisis is insufficient; rather, the development of renewable energy must be viewed as a long-term measure to ensure energy security and create a low-carbon era of sustained economic growth in China.

It is not possible to overstate the importance of renewable energy development to China, say its leaders, because Beijing takes it as a truism that in the near future, the strength of any country will be derived in large measure from how successfully it creates a new energy infrastructure. Just as first generation energy (coal) enabled Great Britain to launch the Industrial Revolution and second generation energy (oil) gave rise to a second Industrial Revolution led by the United States and Germany, the adoption of renewable energy will be crucial for emerging countries like China, India and Brazil to assume their (expected) place among the most vibrant (and powerful) countries in the world and be necessary for those countries already at the pinnacle to remain there.

In addition to a convergence of goals, China and the West share a confluence of challenges to reach those goals. The implementation of the {Alternative Energy Revitalization Plan} will require overcoming a host of obstacles, many of which the Chinese share with countries throughout the world that also are pursuing renewable energy development strategies.

One such challenge is how to maintain continuity of investment and avoid a speculative fervor. China's facility with using industrial policy to smooth out the rough edges of markets (e.g., when the price of oil is high, interest in renewable energy development grows, but as soon as the price of oil declines, interest flags) may be a competitive advantage for the Chinese. Likewise, the Chinese recognize that the high cost of renewable energy currently hinders its widespread adoption and understand that the price of renewable energy will decline in relation to the maturity of technologies and how widespread their use becomes.

Yet another challenge, which the Chinese share with other countries pursuing a renewable energy strategy, is how to balance traditional and alternative energy resources, as well as creating the appropriate mix of investment in various categories of renewable energy. Related to this challenge is the complexity of regulating markets and resolving conflicts between traditional and alternative energy sources as well as the demands of different industries on the same natural resources; an example of the latter challenge is the competition for arable land between food and fuel crops.

While there are some challenges that are more unique to the Chinese (such as how the Chinese spur greater investment by private capital in industries where the state-owned sector dominates, and the need for Beijing to remain vigilant in avoiding the recurring “illness” of local governments fostering low quality, redundant and “blind” investment to bring about economic development and employment opportunities in their localities), the path that China is on is more convergent than antagonistic to the interests of those who want to solve the climate crisis.

If we are to make rapid progress worldwide in solving the significant energy and climate change issues that confront us, we must focus on the significant commonalities of purpose and avoid over-heated rhetoric, which the Chinese often respond to with a reflexive defensiveness that belies the fact that we largely are traveling along the same path.

There is no question that the U.S. and China share considerable responsibility for the environmental and ecological pickle we find ourselves in, but at the same time we share a determination to solve these formidable issues. A sophisticated understanding of the efforts the Chinese are making to realize this common goal will open up opportunities for collaboration and hasten achievement of these shared goals. A healthy competition among countries in the quest to build a new energy infrastructure will yield benefits for us all.

null

Copyright © 1999-2009 RenewableEnergyWorld.com
All rights reserved.

RENEWABLE
ENERGY
WORLD.COM