

Response on How an ETS can interact with the electricity market

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□ The position of national carbon emission trading system

➤ ETS is a part of China's emission reduction policy system

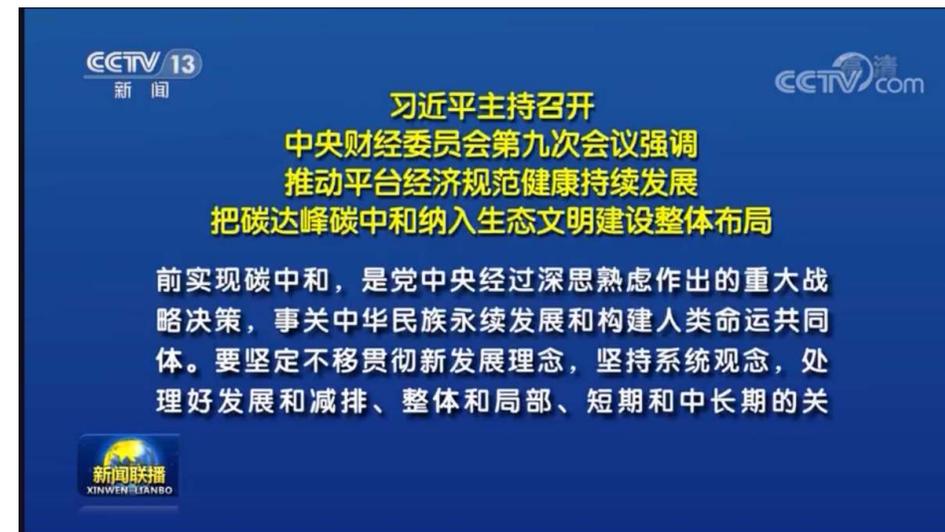
□ Three principles:

Coordinating development and emission reduction;
Coordinating whole system and part;
Coordinate short-term and long-term

□ China's carbon reduction policy system:

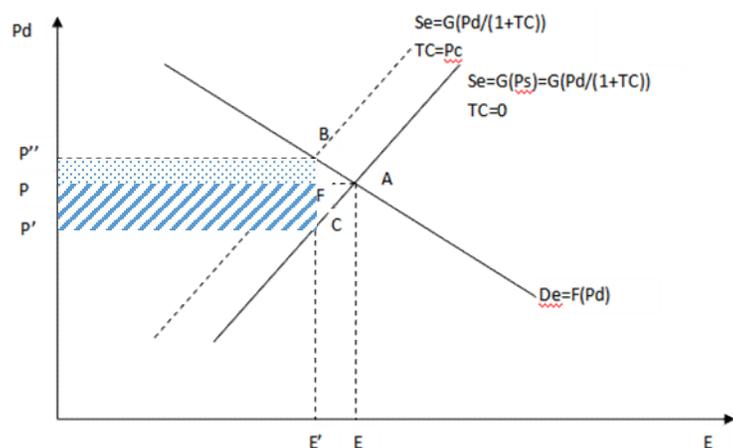
Administration + market oriented policies

“energy amount and energy intensity double regulation”
policy issued by the NDRC will also take important action in
the future



□ Different degrees of power price pass-through have an important impact on the effectiveness of ETS

- effectiveness of carbon market is mainly promoted by the allocation of carbon cost between upstream and downstream



Short-term impact of ETS with/without fixed power price(%)

	S1	S2	S3	S4	S5	S6
GDP	-1.10	-0.56	-1.64	-0.92	-0.88	-0.87
Investment	-1.52	-0.26	-2.57	-1.27	-1.21	-1.03
Consumption	-1.13	-0.57	-1.67	-0.73	-0.68	-0.72
CO2	-11.16	-6.75	-14.80	-10.12	-9.86	-9.27
Power price (with carbon cost)	10.4	-	21	12.9	13.6	15.2
Pass through rate	49	-	100	61	65	72

Total market, ETS cap -5%, Six scenarios:

S1: ETS+ market-oriented power price;

S2: ETS+ fixed power price;

S3: ETS+ 100% percent pass through;

S4-S6: ETS+ different of power with pass through.

China's ETS is still in its infancy, and its future development faces multiple pressures

- Since the commissioning in July, the national carbon market is still in its infancy
- Internal pressure of self-improvement
- External pressure to coordinate other policies

国内碳市场成交行情 (20211018)

市场	产品	挂牌成交量(吨)	挂牌成交均价(元)	2021年至今涨跌幅	大宗成交量(吨)	大宗成交均价(元)
全国	CEA*	4688	43.44	-9.5%	520000	
上海	SHEA	0	39.51*	1.3%	0	
湖北	HBEA	1450	41.74	49.1%	0	
广东	GDEA	2646	42.91	51.0%	0	
北京	BEA	2824	91.86	23.1%	205	
深圳	SZA	1202	19.78	97.4%	0	
重庆	CQEA	0	37.34*	56.9%	0	
天津	TJEA	4050	26.72	11.3%	0	
福建	FJEA	550	18.68	-1.8%	0	
合计		17410	44.76		520205	

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全国碳排放权交易

2021年9月1日-2021年9月30日

全国碳市场每月成交数据

交易品种	最高价(元/吨)	最低价(元/吨)	收盘价(元/吨)			成交量(吨)	成交额(元)	交易方式
			8月31日	9月30日	涨跌幅			
CEA	50.18	41.00	45.35	42.21	-6.92%	225,207	9,602,629.76	挂牌协议交易
						8,983,359	374,989,740.56	大宗协议交易
						9,208,566	384,592,370.32	小计
截至2021年09月30日累计						5,630,780	289,949,250.70	挂牌协议交易
						12,018,215	510,779,434.28	大宗协议交易
						17,648,995	800,728,684.98	合计

□ Conclusions

- China has put forward the 2060 target and will continue to introduce policies for emission reduction. Works must be done and actions must be carried out
- The carbon market has high hopes, great opportunities and great challenges
- In the future, the carbon market will eventually be one of the contents of international global climate governance.

- Thanks a lot!