



# Beijing ETS

### Coverage

<u>GHG:</u>	CO2
<u>Scope:</u>	943 enterprises (2017)
<u>Sectors:</u>	Electricity, heating, cement, petrochemicals, other industrial enterprises, manufacturers, service sector and public transport
<u>Threshold:</u>	Over 5,000t CO2/year of direct and indirect emissions

### Allowance Allocation

Allocations are mostly free, based on historical emissions or carbon intensity for existing firms and on benchmarks for electricity generators and new entrants.

Auctions are possible for market stabilization purposes.

### Market Stabilization Instruments

The auctioning of additional allowances is permitted if the weighted average price exceeds CNY150/tCO<sub>2</sub> for ten consecutive days.

Repurchase of allowances is feasible if the price is below CNY20/tCO<sub>2</sub>.

### Compliance

Timeframe for compliance: Annual

Fine for non-compliance: 3 to 5 times the average price (over the last six months) of the excessive amount of emissions in the commitment period.

Other fines: Up to CNY 50,000 if emissions or verification reports are not submitted on time.

### 2020 Reduction Target

# 20.5%

CO2 intensity (vs. 2015)

### Emission Coverage

# >45%

of gross emissions

### Compliance Rate

# 97.7%

(2017)

### Launch Date

# 28 November 2013

### Offsets

Only China Certified Emission Reduction (CCER) credits are eligible, with a limit of 5% of annual allowances.

At least 50% must come from projects within the city of Beijing. Some sources of credits are not permitted and reductions have to be achieved after after January 1<sup>st</sup> of 2013 or after February 16<sup>th</sup> of 2005 for forestry carbon sequestration projects. Verified carbon emission reductions from energy saving projects are also allowed.

