

# Turning the Tide Against Coal: China Coal Cap and Energy Structure Reform

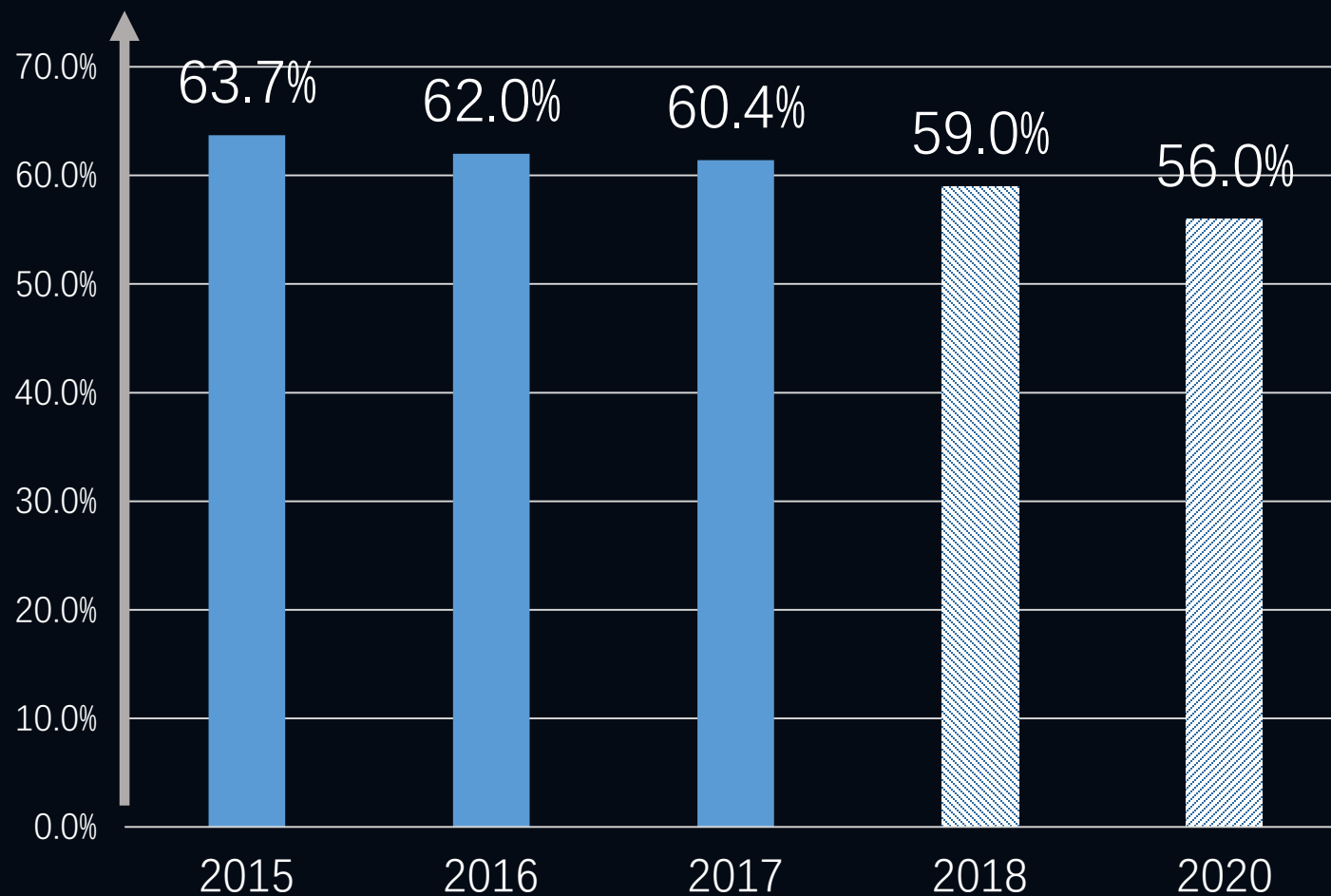
Ping Zheng  
Project Manager, NRDC

Kuching Malaysia, November 15, 2018

# Key Points

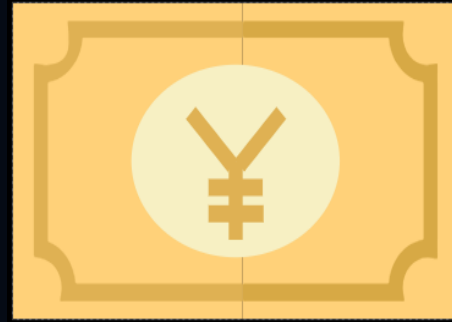
- Why a Coal Cap?
- What has been Achieved & How?
- Current Challenges

# Heavy Reliance on Coal (Coal Share in Energy Mix)



Data Source: China Energy Statistical Yearbook 2017; 《China 13<sup>th</sup> Five Year Plan Coal Consumption Cap Planning Research Report (2016-2020)》

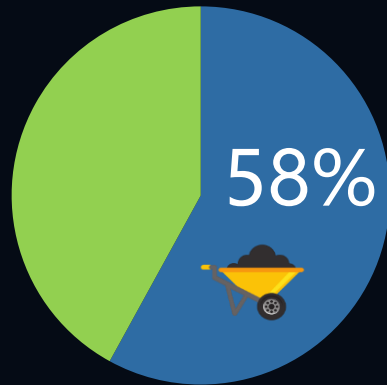
# The True Cost of Coal



**US\$ 74 / t (Year 2012)**

**3.7% of GDP**

# China Sets First Ever Mandatory Targets for Coal Consumption Cap and Coal Efficiency (2020)

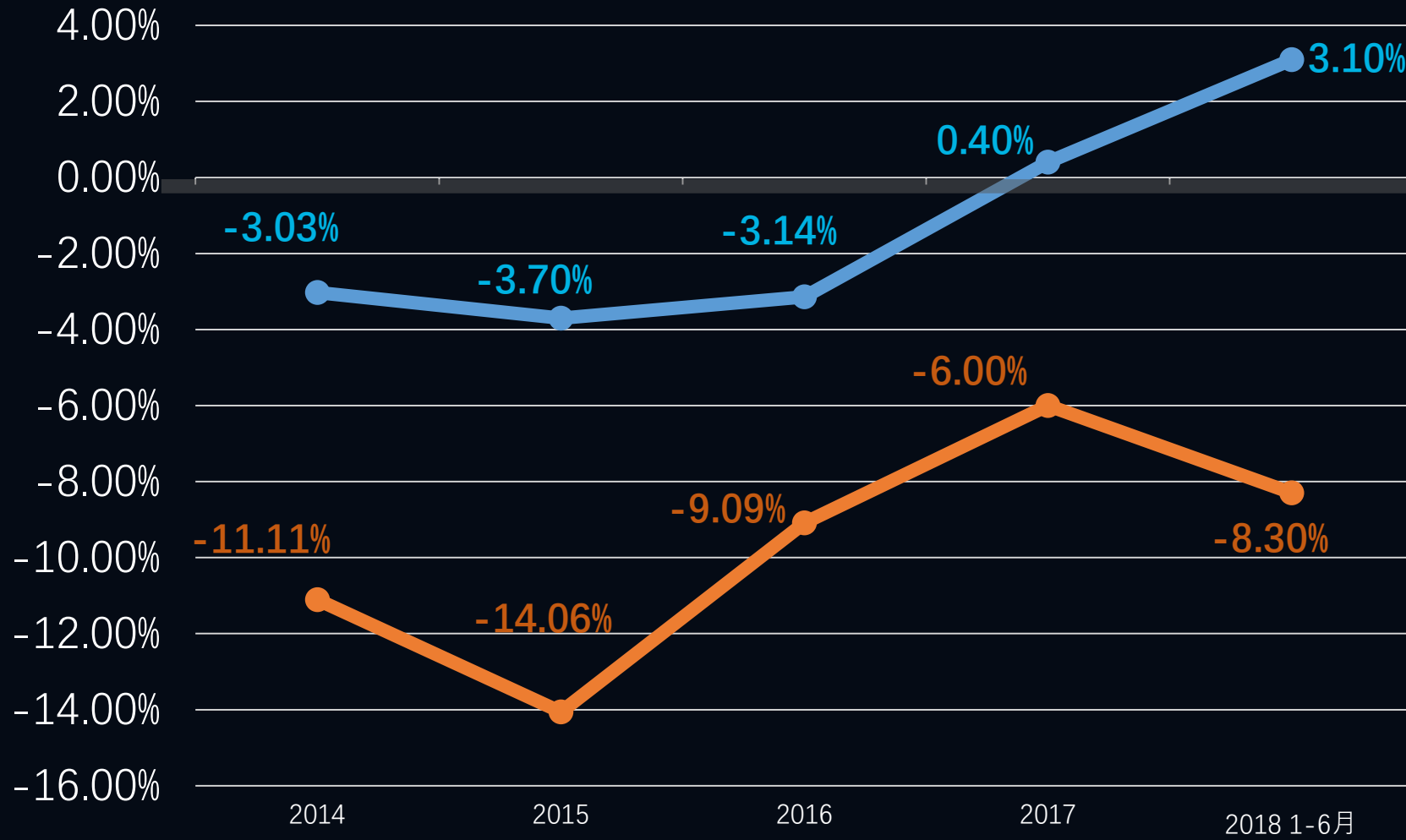


(Coal Cap Target: 55%)



(Coal Cap Target: <310 gce/KWH)

# Capping Coal Consumption has Helped to Reduce National Average PM2.5 Concentrations

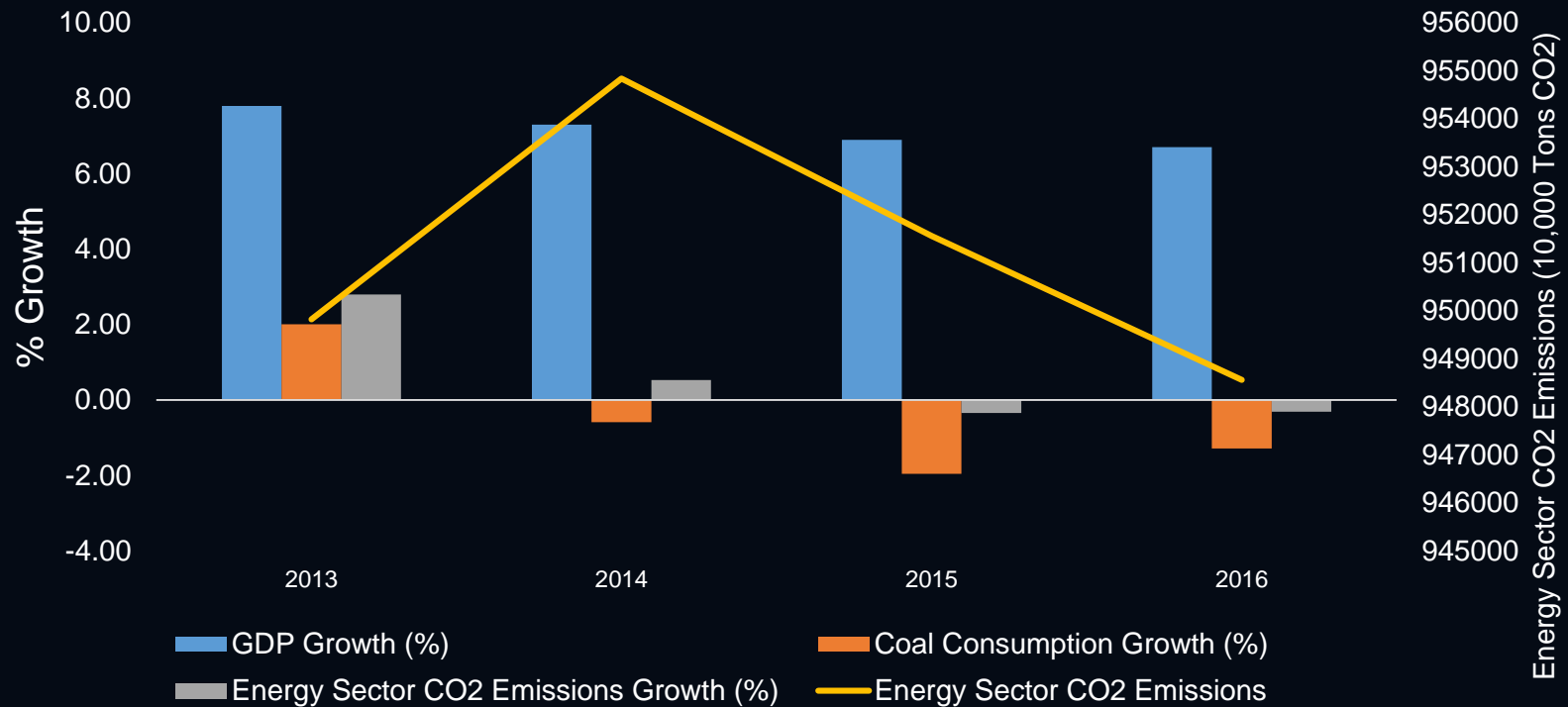


Coal Consumption Growth Rate

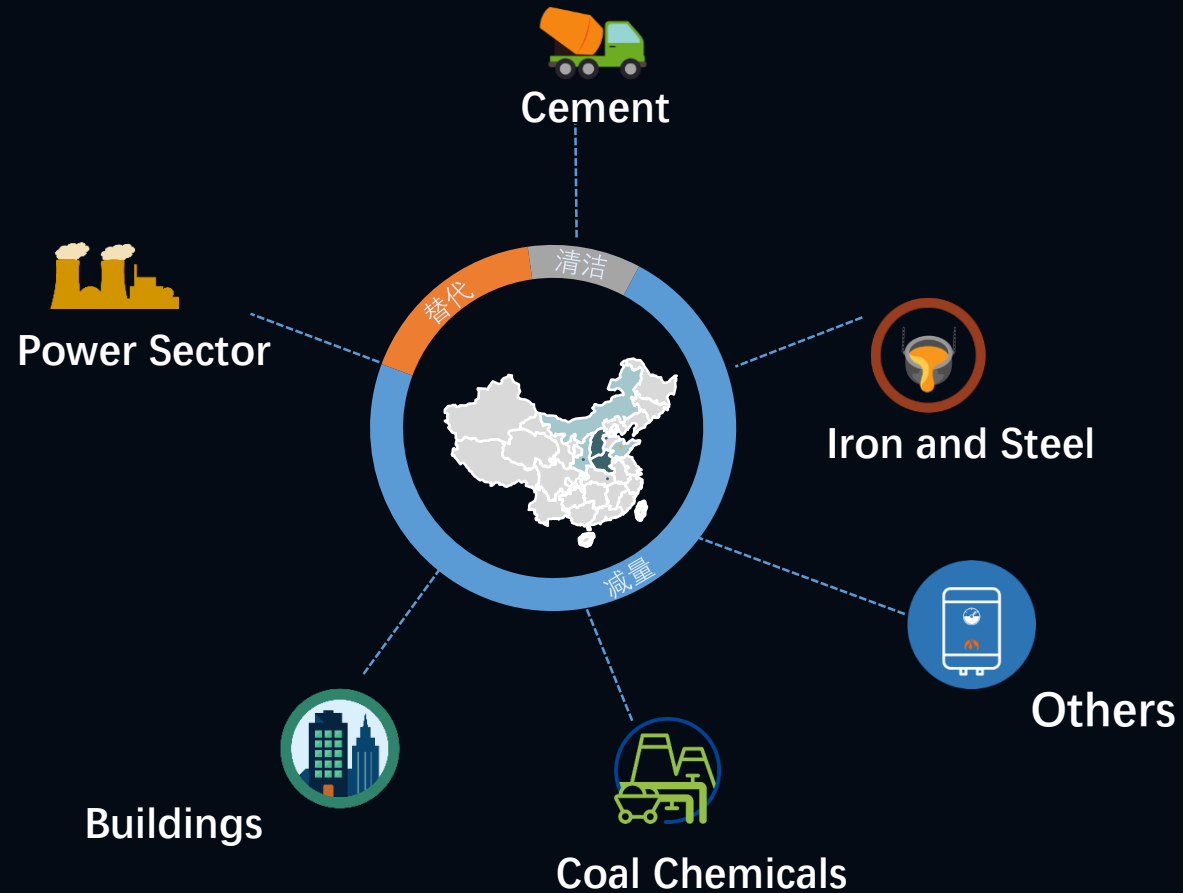
PM2.5 Growth Rate

**Data Source:** China Statistical Yearbook 2017;  
National Bureau of Statistics Website, 2018;  
State of Environment Report (2013-2016)

# Economic Development is Decoupled from CO2 Emissions



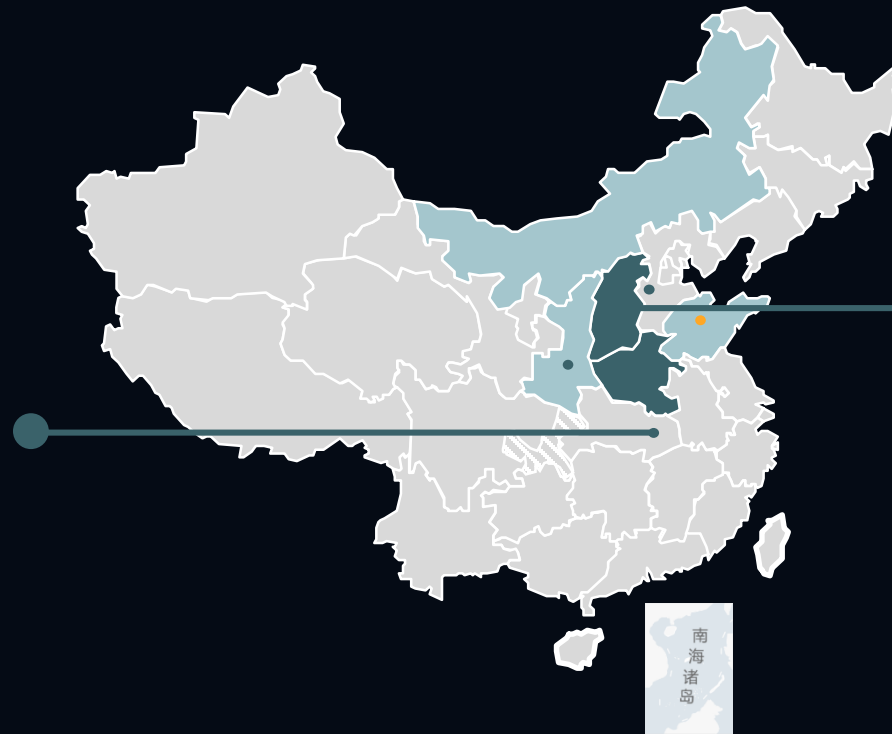
# Industry Sector Coal Consumption to Decrease by 300 Million TCE by 2020 (420 Million Raw Tons)





# China Coal Cap Project is Working with Local Partners: Provinces and Cities

Four Cities:  
Xi'an, Wuhan,  
Shijiazhuang,  
Zibo



Five Provinces:  
Inner Mongolia,  
Shandong, Shaanxi,  
Shanxi, Henan

# Dispersed Coal Management



200 million tons reduction by 2020

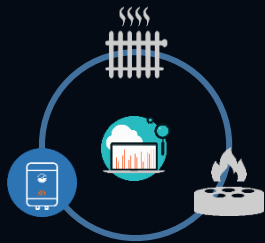
# Challenges and Solutions: Managing Consumption Rebounding in 2017 & 2018



Coal power



Iron and steel, cement, and  
buildings sectors



Dispersed coal management



Coal chemicals

Coal Age



Oil Age



Age of Clean Energy



# Thank You!

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