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ENERGY NEWS FROM CHINA

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The CIA estimated that in 2013 China generated 69.1% of its power from fossil fuels, 1.2% from nuclear fuel, 22.5% from hydro-electric plants, and 7.2% from other renewable sources. Although China is the world's largest user and producer of coal and the world's largest emitter of CO₂ and other greenhouse gases, in 2013 China led the world in renewable energy production. Today that lead has increased.

Since 2009 the Chinese leadership has declared its intention to reduce its carbon emissions by 45% from 2005 levels. The common assumption is that the expansion of renewable energy generation is driven by concern over climate change. This is only partly true.

Perhaps a more important consideration is China's goal of energy security, and reducing its reliance on imported oil and coal. China has developed the largest high speed electric rail network and is working hard to secure a viable future for electric vehicles. The need to import oil and coal are a strategic weakness which is regarded internally as incompatible with China's status as the new superpower.

A third factor is the appalling levels of airborne pollution in the major cities. China's official sensors measure pollution on a scale up to 500, which is known, in classic doublespeak, as the Air Quality Index. The WHO advises 25 as the safe limit, but Beijing regularly deals with levels over 400. People wear masks and schools close. Beijing is now regarded as a hardship posting for expats. Many runners dropped out of the 2014 Beijing marathon when their face masks turned grey. In January this year the readings hit 500, and the US embassy in Beijing even recorded 545. The US government <http://www.stateair.net/web/post/1/1.html> advises that when the levels are between 301 and 500 "Everyone should avoid all outdoor exertion."

For the Asia-Pacific Economic Cooperation meeting in Beijing last year, factories were closed within a 125 mile radius, banks and schools were closed, public sector employees were sent home, half the cars in the city were banned from the roads, bodies were not

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cremated, no weddings were licensed, no passports issued, and no fresh produce was delivered to the city. The skies became blue, which the locals called 'APEC blue'.

In March this year Chinese journalist Chai Jing published an online documentary in China which went from viral internet sensation to being banned in three weeks. Called 'Under the Dome', the documentary is a brilliant analysis of the scale of China's problem with pollution and a clear indication of the depth of anger the new middle class feel about the damage to their health. When questioned about the documentary by a reporter from the Huffington Post, Premier Li Keqiang did not challenge the documentary, and replied:

"I want to tell you that the Chinese government is determined to tackle environmental pollution, and tremendous efforts have been made in this regard. The progress we have made still falls far short of the expectation of our people. Last year I said that the Chinese government would declare a war against environmental pollution. We are determined to carry forward our efforts until we achieve our goal.

We must get the focus of our efforts right. This year our focus will be to ensure the full implementation of the newly revised environmental protection law. All illegal producers and emitters will be brought to justice and held accountable. We need to make the cost for pollution too high to bear. More support, including capacity building, needs to be given to these environmental law enforcement departments."

China's energy policies will be crucial in tackling the massive pollution problem. We can expect China's global lead in all forms of renewable and clean energy use to increase for the foreseeable future.

This is the first of a series of articles on China's energy sector.

Introduction to Prospect Law and Prospect Energy

Prospect Law is an energy specialist law firm which is based in London and the Midlands of the UK. It is a sister company of Prospect Energy which is a technical consultancy company. The two firms provide advice on energy development projects and energy related litigation concerning onshore oil and gas, nuclear and renewable energy schemes for clients in the UK and internationally.

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