

Tianjin ETS

Coverage

<u>GHG:</u>	CO2
<u>Scope:</u>	109 enterprises (2017)
<u>Sectors:</u>	Heat and electricity production, iron and steel, petrochemicals, chemicals, oil and gas exploration
<u>Threshold:</u>	Over 20,000t CO2/year of direct and indirect emissions

Allowance Allocation

Mostly free through grandfathering based on 2009-2012 emissions or emissions intensity and based on benchmarks for new entrants and expanded capacity.

Auctions are possible for market stabilization purposes.

Market Stabilization Instruments

The local government of Tianjin is allowed to auction or sell allowances at a fixed price and to buy back allowances in order to avoid market fluctuation.

Compliance

Timeframe for compliance: Annual

Fine for non-compliance: Companies are disqualified for preferential financial support for three years. There are no financial penalties.

2020 Reduction Target

20.5%

CO2 intensity (vs. 2015)

Emission Coverage

55%

of gross emissions

Compliance Rate

100%

(2016)

Launch Date

**26 December
2013**

Offsets

Only Chinese project-based carbon offsets (CCERs) from CO2 reduction projects generated after January 1, 2013 are eligible. Companies can use them to offset up to 10 % of their emissions. CCERs from hydropower projects are not eligible.

