

Chapter 2

Strategy: Accelerating the Full Transition from Dual-Control of Energy Consumption to Dual-Control of Carbon Emissions

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(1) Background and Significance of the Issuance of the “Plan”

To implement the decisions and plans of the Communist Party of China Central Committee and the State Council, establish a new mechanism to shift comprehensively from dual energy consumption control to dual control of carbon emissions, accelerate the construction of a dual control system for total carbon emissions and intensity (hereinafter referred to as the “dual carbon control” system), actively and steadily advance the peaking and carbon neutrality goals, and accelerate the green transformation of development modes, the General Office of the State Council issued the “Work Plan for Accelerating the Construction of a Dual Carbon Control System” on July 30, 2024, hereinafter referred to as the “Plan.”

On the afternoon of July 11, 2023, General Secretary Xi Jinping presided over the second meeting of the 20th Central Committee for Comprehensively Deepening Reform, which reviewed and approved the “Opinions on Promoting the Gradual Transition from Dual Control of Energy Consumption to Dual Control of Carbon Emissions.”

The meeting emphasized that since the 18th National Congress of the Communist Party of China, green and low-carbon development, along with energy conservation and emissions reduction, have

been prioritized. The establishment and implementation of the dual control system for total energy consumption and intensity have significantly improved China's energy efficiency and contributed to a continuous decline in carbon dioxide emission intensity.

The transition from dual control of energy consumption to dual control of carbon emissions must adhere to the principle of “establishing the new before abolishing the old.” Efforts should focus on improving the dual energy consumption control system, optimizing regulatory approaches, strengthening foundational capacity building for dual carbon emission control, and refining supporting policies to create enabling conditions for establishing and implementing the dual carbon emission control system.

The principle of prioritizing energy conservation must be consistently upheld, ensuring that energy-saving efforts are carried out at a higher level and with greater efficiency to achieve maximum benefits at minimal cost. Progress should be advanced in a steady and orderly manner, balancing the relationship between development and emissions reduction, while adjusting and optimizing policies in a practical, feasible, and science-based manner.



要立足我国生态文明建设已进入以降碳为重点战略方向的关键时期，完善能源消耗总量和强度调控，逐步转向碳排放总量和强度双控制度。

——习近平



“Given that China's ecological civilization development has entered a critical phase with carbon reduction as the strategic priority, we will improve the dual-control system for both total energy consumption and intensity, and progressively shift toward a dual-control system for total carbon emissions and intensity.” Quote from President Xi Jinping

General Secretary Xi Jinping has repeatedly issued important instructions on advancing the transition from energy consumption control to carbon emission control, urging the creation of conditions for an early shift from dual energy consumption control to dual control of both carbon emission volume and intensity, while accelerating the establishment of incentive and restraint mechanisms for pollution and carbon reduction.

The report to the 20th CPC National Congress called for improving the regulation of total energy consumption and intensity, with a focus on controlling fossil fuel

consumption, and gradually transitioning to a dual control system for both carbon emission volume and intensity. The Third Plenary Session of the 20th CPC Central Committee further required the establishment of a new mechanism for the full transition from energy consumption control to carbon emission control.

This comprehensive transition mechanism will:

Enable more scientific and precise evaluation and assessment, fostering a clear policy direction that encourages renewable energy development while strictly controlling fossil fuel consumption; Promote the R&D and application of advanced green and low-carbon technologies, facilitating the cultivation of new quality productive forces tailored to local conditions; Help fulfill China's Nationally Determined Contributions (NDCs), demonstrating its responsible approach as a major country in actively addressing global climate change.

(2) Working Objectives for Establishing the Dual Carbon Control System

Building a dual carbon control system is both a systematic project and long-term undertaking that requires coordinated, phased implementation of key tasks in accordance with different stage objectives. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we must thoroughly implement the spirit of the 20th CPC National Congress and the Second and Third Plenums of the 20th CPC Central Committee, fully apply Xi Jinping Thought on the Economy and Xi Jinping Thought on Eco-Civilization, and accurately implement the new development philosophy. By accelerating the establishment of a new development paradigm and promoting high-quality development, we will incorporate carbon emission indicators into national planning while establishing comprehensive policy systems and management mechanisms for regional carbon assessment, industrial carbon regulation, corporate carbon management, project carbon evaluation, and product carbon footprint tracking. These will be effectively integrated with the national carbon emission trading market. This will create a complete institutional framework to strongly support China's carbon peaking and neutrality goals. Based on the general requirements, the “Plan” has been divided into three stages.

(a) The first stage is from now until

2025.

By 2025, the carbon emission statistics and accounting system will be further improved. A number of industry and enterprise carbon emission accounting-related standards and product carbon footprint standards will be developed and implemented. The national greenhouse gas emission factor database will be basically established and regularly updated. The focus will be on consolidating the foundation and building platforms, and on improving the carbon emission statistics and accounting systems for localities, industries, enterprises, and products. The related capabilities in measurement, statistics, and monitoring will be enhanced, and a solid foundation will be laid for the implementation of dual control of carbon emissions across the country during the 15th Five-Year Plan period.

(b) The second stage is the “15th Five-Year Plan” period

During the “15th Five-Year Plan” period, a dual control system for carbon emissions will be implemented, with intensity control as the main focus and total control as a secondary measure. A comprehensive evaluation and assessment system for carbon peak and carbon neutrality will be established. The capacity for carbon emission accounting in key areas

and industries will be strengthened. The management system for key energy-consuming and carbon-emitting units will be improved. Carbon emission assessments for fixed asset investment projects will be conducted. A product carbon footprint management system and a product carbon label certification system, in line with China's national conditions, will be constructed to ensure the timely achievement of the carbon peak target.

(c)The third stage is after carbon peak is reached

After the carbon peak is reached, the dual control system for carbon emissions

will be adjusted and optimized. A dual control system for carbon emissions will be implemented, with total control as the main focus and intensity control as a secondary measure. An evaluation and assessment system for the carbon neutrality target will be established. The requirements for carbon emission control over various regions and key areas, industries, and enterprises will be further strengthened. The product carbon footprint management system will be improved, and the product carbon label certification system will be promoted to ensure a stable and gradual reduction in total carbon emissions.

(3) Key Tasks for Building the Dual-Control Carbon Emission System

(a) National Level – Improving Carbon Emission Planning Systems

1. Incorporating Carbon Emission Targets into National Planning

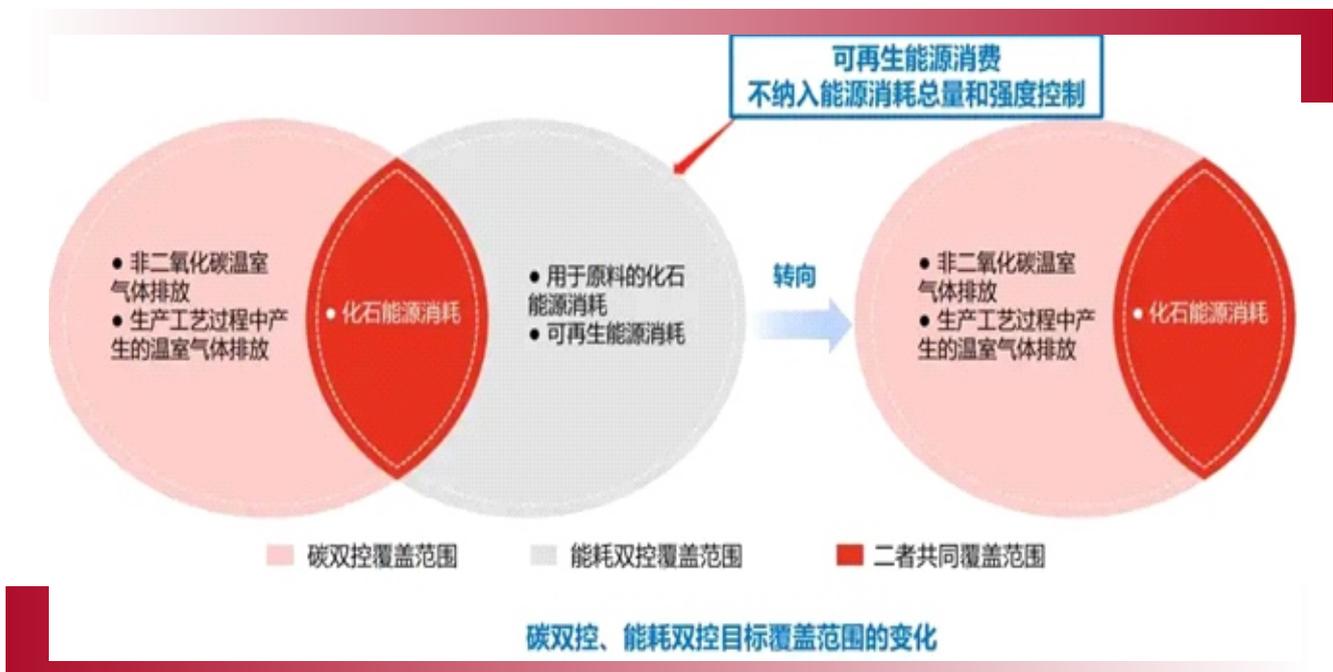
Integrate carbon emission indicators into national economic and social development plans, with due consideration given to economic growth, energy security, public welfare, and nationally determined contribution (NDC) targets. Scientifically establish five-year carbon emission objectives and coordinate key tasks and major projects accordingly.

During the 15th Five-Year Plan period (2026–2030): Elevate carbon intensity reduction as a binding target in national economic and social development planning.

Initiate comprehensive accounting of total carbon emissions. Eliminate energy intensity as a mandatory indicator from national planning frameworks

2. Formulating Carbon Peaking and Carbon Neutrality Action Plans

Aligned with the Five-Year Plan for National Economic and Social Development, research and develop action plans for carbon peaking and carbon neutrality, detailing specific measures, key tasks, and supporting policies to achieve carbon emission control targets. During the 15th Five-Year Plan period (2026–2030), refine and implement the Carbon Peaking Action Plan Before 2030 to ensure carbon peaking is achieved by 2030.



Source: China Environment Network | Central Deepening Reform Commission: The Opinion on Promoting the Transition from Dual Control of Energy Consumption to Dual Control of Carbon Emissions has been reviewed and approved.

URL: <https://baijiahao.baidu.com/s?id=1771718077294822909&wfr=spider&for=pc>

3. Improving Legal and Regulatory Frameworks for Dual Carbon Control

Conduct a comprehensive review of existing laws and policies to identify and amend provisions inconsistent with dual carbon control (carbon intensity and total volume control) requirements. Expedite revisions to regulations such as the Energy Review Measures for Fixed Asset Investment Projects and the *Energy Management Measures for Key Energy-Consuming Units*, incorporating dual carbon control provisions.

(b) Local Level – Establishing a Local Carbon Emission Target Evaluation and Assessment System

1. Rational Allocation of Dual-Control Carbon Emission Targets

At the beginning of each Five-Year Plan period, dual-control carbon emission targets shall be allocated to provinces based on comprehensive considerations such as economic and social development levels, regional and functional positioning, and industrial and energy structures. Provinces may further refine and allocate these targets to cities and key enterprises, clarifying their emission control and reduction responsibilities.

2. Establishing a Comprehensive Evaluation and Assessment System for Carbon Peaking and Carbon Neutrality

Formulate and implement a comprehensive evaluation and assessment framework for carbon peaking and carbon neutrality, specifying procedures and

methods for utilizing evaluation results. Conduct evaluations and assessments for each province, integrating key indicators such as total carbon emissions and carbon intensity, alongside energy structure, energy consumption intensity, resource utilization efficiency, ecosystem carbon sinks, and green transformation in key sectors.

3. Promoting the Establishment of Carbon Emission Budget Management Systems at Provincial and Municipal Levels

Encourage regions to conduct carbon emission accounting based on local conditions, and guide provinces and cities in establishing carbon emission budget management systems. Annual analyses of carbon emissions and target projections shall be conducted, with coordination strengthened between local efforts and the national carbon emission trading market. By the end of 2025: Guide regions in piloting carbon emission budget planning. During the 15th Five-Year Plan period (2026–2030): Assist regions in formulating and dynamically adjusting carbon emission budgets based on carbon intensity reduction targets. From the 16th Five-Year Plan period (2031 onward): Establish a mandatory total carbon emission control mechanism, implementing full-cycle management of carbon emission budgets aligned with Five-Year Plan periods and annual targets.

(c) Key Industries – Exploring Carbon Emission Early Warning and Control Mechanisms

1. Improving Carbon Emission Accounting Mechanisms in Key Industries

Leveraging the roles of industry regulators and associations, focus on sectors such as power, steel, non-ferrous metals, building materials, petrochemicals, and chemicals, as well as urban construction and transportation, to reasonably define the scope of carbon emission accounting. Utilizing data from energy and industrial statistics, carbon emission accounting from energy activities and industrial production processes, and the national carbon emission trading market, conduct carbon emission accounting for key industries.

2. Establishing an Industry Carbon Emission Monitoring and Early Warning Mechanism

Clarify the baseline emissions and reduction potential of key industries, and regularly monitor and analyze carbon emission trends. Issue warnings for sectors with rapidly increasing emissions and, as appropriate, implement stricter controls on new projects, tighter management in the national carbon emission trading market, and enhanced oversight of key energy-consuming and carbon-emitting entities. When conditions are mature, integrate carbon emission control requirements for key industries into the comprehensive evaluation and assessment system for carbon peaking and carbon neutrality goals.

(d) Enterprises – Improving Energy Conservation and Carbon Reduction

Management Systems

1. Strengthen Management Systems for Key Energy-Consuming and Carbon-Emitting Entities

Develop and revise carbon accounting standards for enterprises in key industries such as power, steel, non-ferrous metals, building materials, petrochemicals, and chemicals. Formulate and implement energy conservation and carbon reduction management measures for major energy-consuming and carbon-emitting entities, integrating carbon emission control requirements into existing energy management systems. Promote compliance with energy-saving and carbon reduction mandates, and enhance the deployment and calibration of energy and carbon emission measurement instruments.

2. Leveraging Market-based Regulatory Mechanisms

Enhance the regulatory framework of the national carbon emission trading market by progressively expanding sectoral coverage and piloting a paid quota allocation mechanism. Strengthen emissions reporting and verification protocols to drive compliance and emission reductions among regulated entities. Improve the national voluntary greenhouse gas reduction trading program, gradually broadening eligible sectors to facilitate more extensive emission cuts. Accelerate the development of a robust green certificate trading system to stimulate renewable

energy consumption.

(e) Projects – Implementing Carbon Emission Assessments for Fixed Asset Investment Projects

1. Enhancing the Energy Review System for Fixed Asset Investment Projects

Integrate carbon emission assessment requirements into the energy review process for fixed asset investment projects. Conduct comprehensive evaluations of project energy consumption and carbon emissions, and utilize the review findings as critical references for project initiation, completion acceptance, and operational management.

2. Improving the Environmental Impact Assessment (EIA) System for Construction Projects

Incorporate greenhouse gas (GHG) emission control into environmental impact assessments. Forecast and evaluate the GHG emissions and emission intensity of construction projects, with a focus on key industries such as power generation, steel, building materials, non-ferrous metals, petrochemicals, and chemicals to strengthen coordinated pollution and carbon reduction control. Develop technical guidelines for GHG emission impact assessments of construction projects in key industries, and enhance the technical framework for environmental impact evaluations.

(f) Products – Accelerate the Establishment of a Carbon Footprint Management System

1. Develop Carbon Footprint Calculation

Rules and Standards

Formulate and release national standards such as the General Principles for Carbon Footprint Quantification, establishing unified requirements for carbon footprint calculation principles, methodologies, and data quality. Prioritizing urgent needs, focus on key products including electricity, fuels, steel, electrolytic aluminum, cement, fertilizers, hydrogen, lime, glass, ethylene, synthetic ammonia, calcium carbide, methanol, coal chemicals, power batteries, photovoltaics, new energy vehicles, and electronic appliances. Organize relevant industry associations, enterprises, and research institutions to develop and publish industry or group standards for product carbon footprint calculation.

2. Strengthening the Development of Carbon Footprint Background Databases

Accelerate the establishment of a national greenhouse gas emission factor database and implement a regular update and release mechanism to provide benchmark data for local governments and enterprises in conducting carbon footprint accounting. Competent industry authorities and regions with adequate resources may develop carbon footprint background databases for key industries as needed. Relevant industry associations, enterprises, and research institutions are encouraged to explore the development of specialized carbon footprint background databases for specific industry sectors.

3. Establishing a Carbon Labeling Certification System

Formulate administrative measures for carbon labeling certification and develop relevant national standards. Designated

cities with adequate capacity will pilot the program focusing on key products, while enterprises are encouraged to adopt carbon labeling certification following market-oriented principles.

(4) Organization and Implementation of the Plan

The Plan requires all regions and relevant departments to thoroughly implement the decisions and arrangements of the Communist Party of China Central Committee and the State Council, accelerate the establishment of a dual-control system for carbon emissions, refine and implement the plan based on local conditions, and solidly advance key tasks in accordance with their respective responsibilities, continuously strengthening the foundational work.

The National Development and Reform Commission (NDRC) must effectively fulfill its coordination duties related to the “dual-carbon” goals, enhance task scheduling and oversight, conduct forward-looking policy research, promptly optimize relevant task measures, address institutional gaps as soon as possible, and report major issues in a timely manner. It should collaborate with relevant departments to formulate action plans for carbon peaking and carbon neutrality, establish a comprehensive evaluation and assessment system, improve corporate energy-saving and carbon

reduction management systems as well as energy efficiency review requirements for projects, and strengthen publicity, interpretation, education, and training.

At the local level, efforts should be made to expedite the establishment and improvement of supporting systems for dual carbon emission control, enhance the foundation for carbon emission statistical accounting, and establish provincial and municipal carbon emission budget management systems based on local conditions. Regions should also conduct analyses of carbon emission trends and target assessments.

At the departmental level, relevant sectors and industries must urgently address gaps in supporting systems, establish and improve carbon emission accounting mechanisms for key industries, clarify baseline carbon emissions and reduction potential, and carry out monitoring, analysis, and early warning of carbon emission trends.

At the enterprise level, key energy-

Sources:

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Ministry of Ecology and Environment | Notice of the General Office of the State Council on Issuing the “Work Plan for Accelerating the Establishment of a Dual Carbon Emission Control System” (2024-08-06)

https://www.mee.gov.cn/zcwj/gwywj/202408/t20240806_1083433.shtml

consuming and carbon-emitting units must comply with energy-saving and carbon reduction management requirements. Companies may voluntarily conduct product carbon footprint accounting and carbon

labeling certification. Construction projects are required to conduct comprehensive evaluations of their own energy use and carbon emissions in accordance with regulations.

The State Council of the People's Republic of China | NDRC Official Responds to Media Questions on the “Work Plan for Accelerating the Establishment of a Dual Carbon Emission Control System” (2024-08-03)

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The State Council of the People's Republic of China | State Council Issues Policy Document to Accelerate the Establishment of a Dual Carbon Emission Control System (2024-08-02)

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