

U.S.-China Cooperation on Climate Change

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The Big Picture

- China and the U.S. are the world's largest emitters of greenhouse gases – together responsible for ~35% of the world's net total.
- Successful, long-term, global climate mitigation hinges in large part on what our two countries do.
- Climate change cooperation is a high priority and a bright spot in the U.S.-China bilateral relationship.

November 2014 Joint Announcement



- Historic joint announcement last month by President Obama and President Xi of our respective post-2020 climate targets:
 - U.S.: reduce net GHGs 26-28% below 2005 levels by 2025
 - China: peak CO2 emissions around 2030 and make best efforts to peak earlier; increase non-fossil energy share to around 20% by 2030
- Announcement builds momentum for ambitious global deal and even stronger, expanded bilateral cooperation.

What is China doing?

- Major climate targets/actions:
 - Reduce carbon intensity of the economy 40-45% from 2005 levels by 2020 (achieved to date: 28.6%)
 - Increase share of non-fossil energy to 15% by 2020 (achieved to date: 9.8%) **and to around 20% by 2030**
 - Massive investments in renewable energy – China is #1 in the world
 - 7 carbon trading pilots with plans for national market
 - **Peak CO2 around 2030 and make best efforts to peak earlier**
- Contributing factors:
 - Economic restructuring away from heavy industry and towards services
 - “Natural” improvements in energy intensity/carbon intensity
 - Air pollution control efforts

Four Elements of U.S.-China Climate Cooperation

CCWG

1. Dialogue on post-2020 plans to limit GHG emissions
2. Cooperation to phase-down HFCs
3. Sectoral, project-based initiatives
4. Existing, broader energy/environment cooperation and dialogues

U.S.-China Climate Change Working Group

- Launched by Secretary Kerry in April 2013
- Designed to reinvigorate and refocus our climate cooperation
- Three broad areas:
 1. “Enhanced Policy Dialogue” to “share information regarding respective post-2020 plans to limit greenhouse gas emissions”
 2. Implementation of President Obama and President Xi’s June 2013 agreement to work together to phase down the production and consumption of hydrofluorocarbons, a potent greenhouse gas.
 3. Sectoral, project-based initiatives

CCWG Sectoral Initiatives

- Goal is to achieve concrete outcomes
- Working-level, agency-to-agency dialogues, exchanges, experience transfer, pilot projects, etc.
- Current initiatives:
 1. Heavy-Duty and Other Vehicles
 2. Smart Grids
 3. Carbon Capture, Utilization, and Storage
 4. Energy Efficiency in Buildings and Industry
 5. GHG Data Management
 6. Climate Change and Forests
 - 7. Climate-Smart / Low-Carbon Cities**
 - (8.) Joint Study on Boiler Efficiency and Fuel Switching
 - 9., 10., 11.... Future initiatives?

Other Cooperation

- CCWG doesn't claim to cover or represent all U.S.-China climate cooperation
- Critical other dialogues and platforms:
 - U.S.-China Energy Policy Dialogue
 - U.S.-China Clean Energy Research Center (CERC) - **Renewed and expanded November 2014**
 - U.S.-China Ten Year Framework for Energy and Environment Cooperation (TYF), including EcoPartnerships program
 - U.S.-China Energy Efficiency Action Plan (including the Energy Efficiency Forum), U.S.-China Renewable Energy Partnership, Fossil Energy Protocol, Oil and Gas Industry Forum, joint peer review of inefficient fossil fuel subsidies under the G-20, joint projects in multilateral fora such as the Clean Energy Ministerial and APEC
 - **Trade missions, including April 2015 DOC-DOE trade mission on Promoting Trade in Green Goods**
 - EPA-MEP air quality and climate work
 - **Major new CCS projects announced November 2014**
 - **USTDA projects**
 - Etc.!

Summary

- Comprehensive web of collaboration covers all sectors, all gases, short-term and long-term
- Core, project-based cooperation:
 - Proves “win-win” rhetoric is not just rhetoric
 - Creates strong foundation of trust
 - Achieves real technological / regulatory progress
- Strong foundation of working constructively together enables stronger post-2020 dialogue – including on the road to Paris – and more ambitious targets



11/12/14: “As the world’s two largest economies, energy consumers and emitters of greenhouse gases, we [the U.S. and China] have a special responsibility to lead the global effort against climate change...

This is a major milestone in the U.S.-China relationship, and it shows what’s possible when we work together on an urgent global challenge.”