

ESCOs for Green Recovery in China

Energy efficiency in time of COVID-19-supporting the
economic recovery in emerging Asia

13th Oct. 2020, Paris

9:00-12:30 CEST

Contents



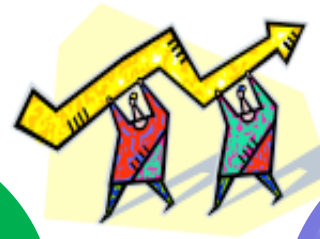
ESCO development with policy support

Benefits ESCOs for economic growth and clean energy transition

Opportunities and challenges

Drivers for ESCO Development

**Government
leading**



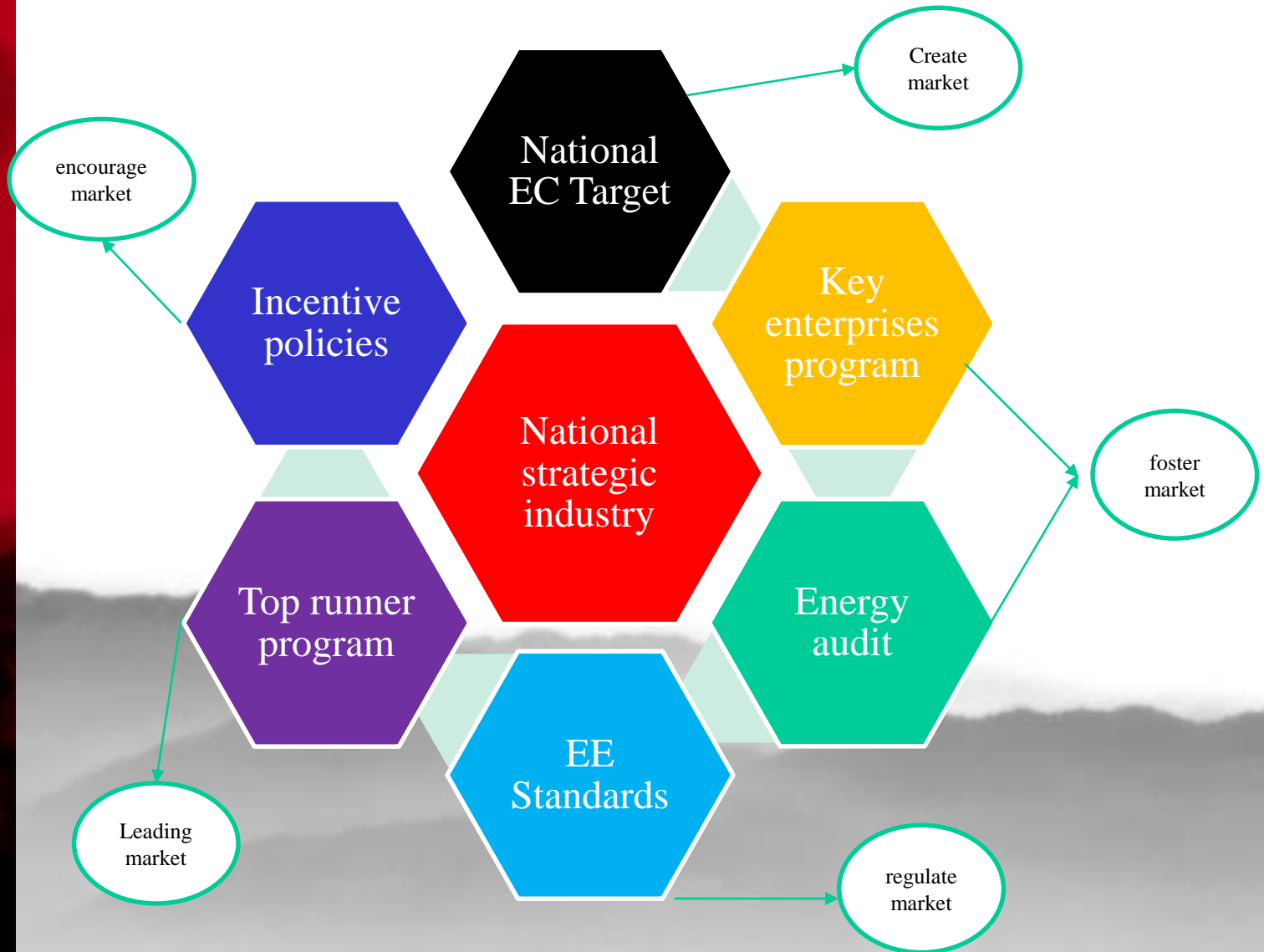
**Market
demanding**

**Economy
driving**

提升节能意识

增强契约精神

Roles of government



National supportive policies

1

Direct financial award

2

Tax incentives

3

Public accounting system

4

Green financing policy

Government roles to promote EE and ESCOs

❁ Create the market

- ❁ Energy consumption target
- ❁ Energy efficiency limit
- ❁ 10thousands enterprises program
- ❁ National key EE programs
- ❁ Top-runner program



❁ Foster the market

- ❁ Incentive tax
- ❁ EE projects award
- ❁ Encouraging EPC in government buildings
- ❁ Green financing guidance
- ❁ Energy efficiency investment guidance

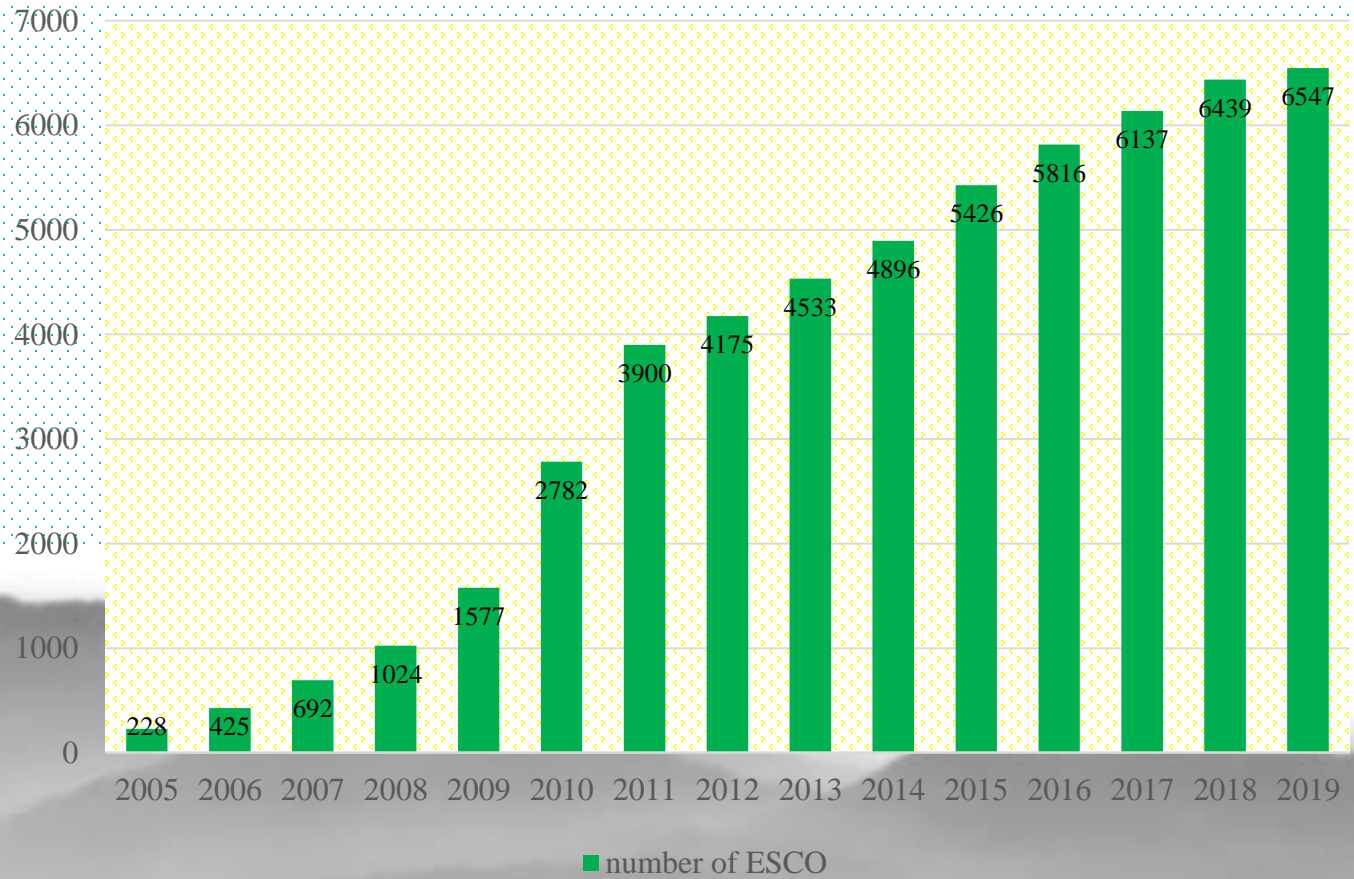


Green financing to EE financing

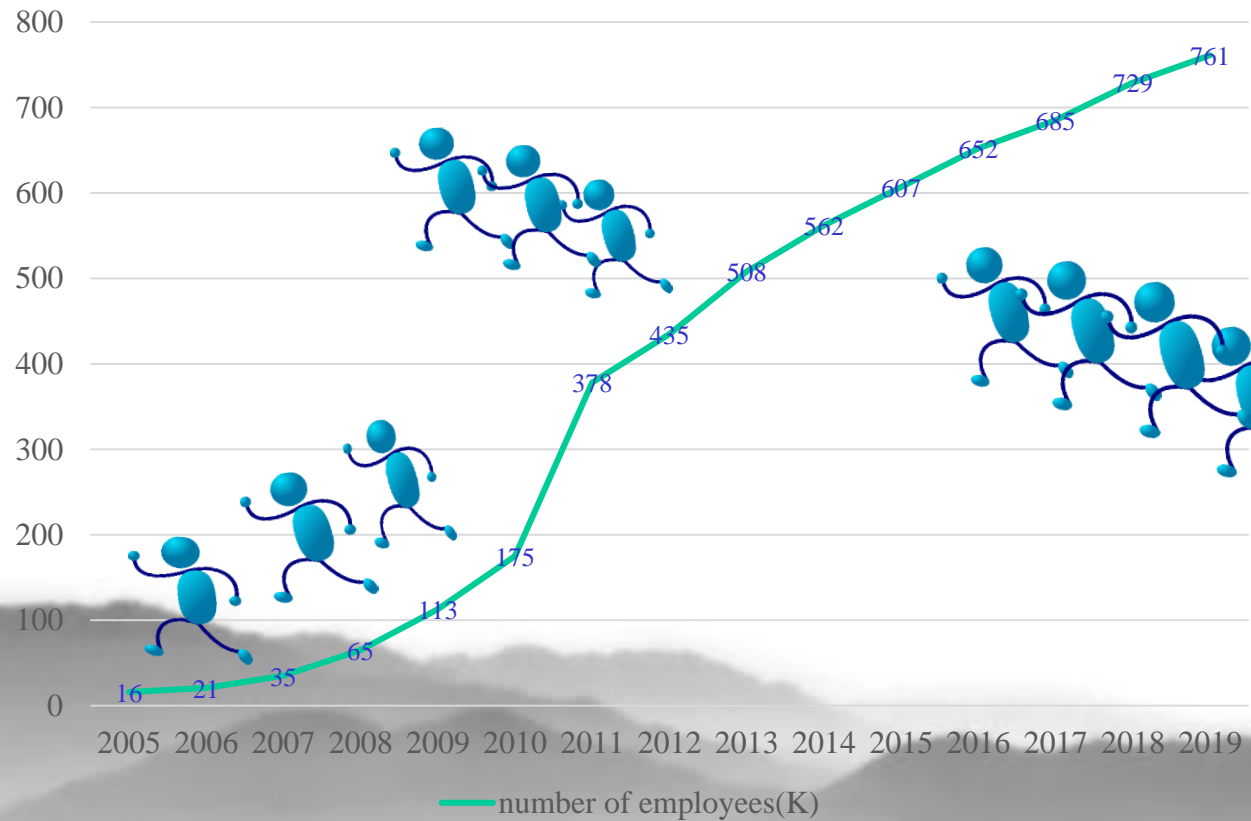
EMCA



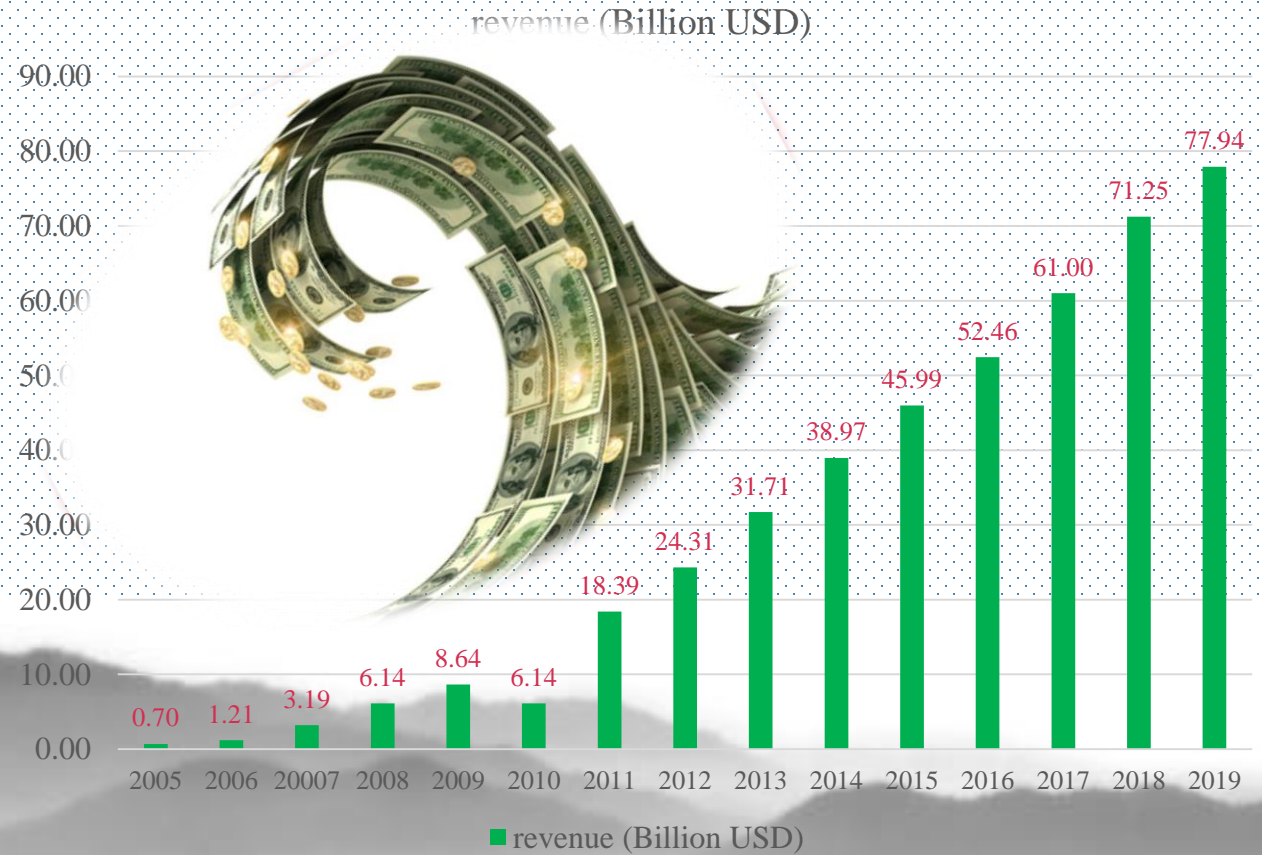
ESCO in China-number of ESCOs



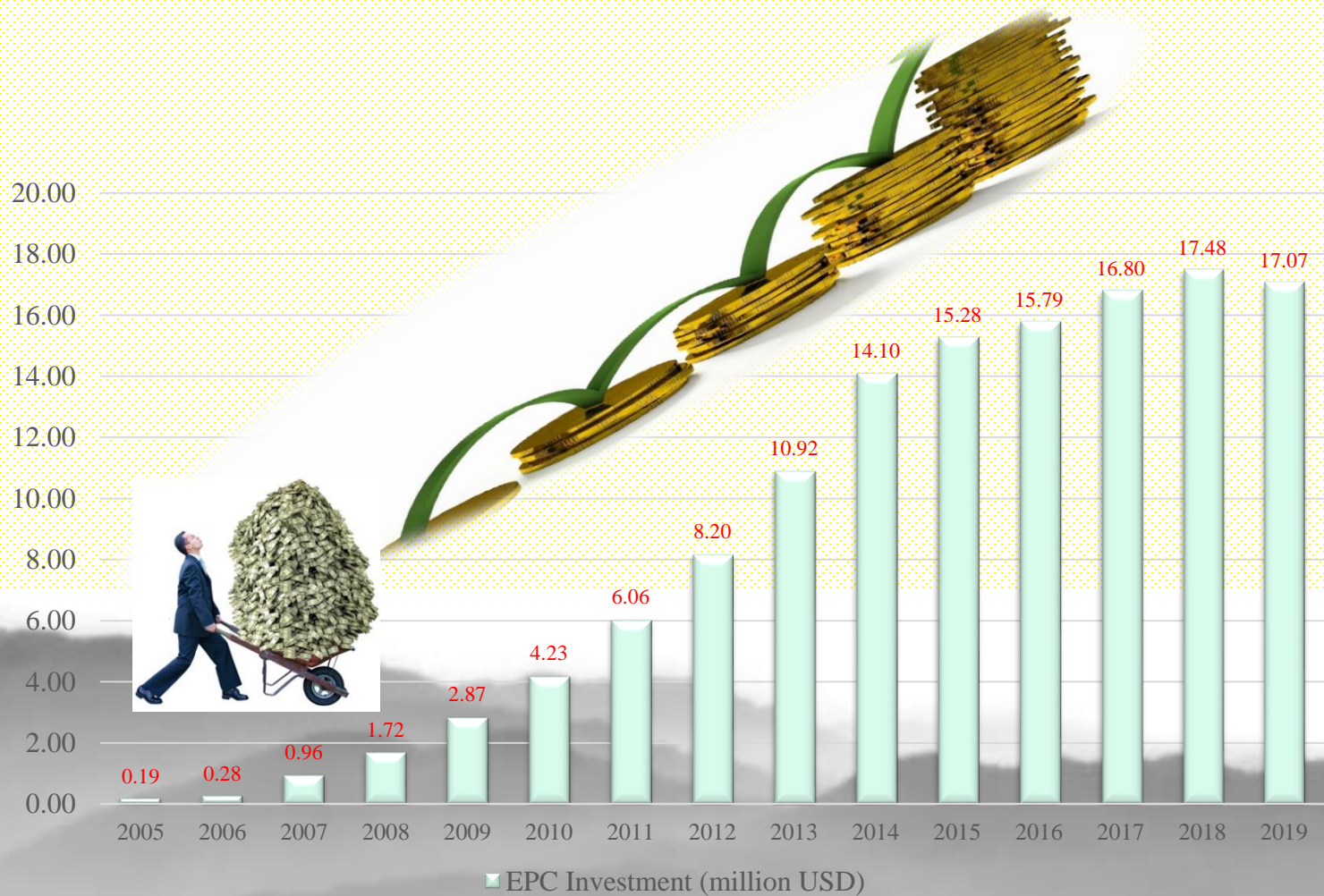
ESCO in China-number of employees



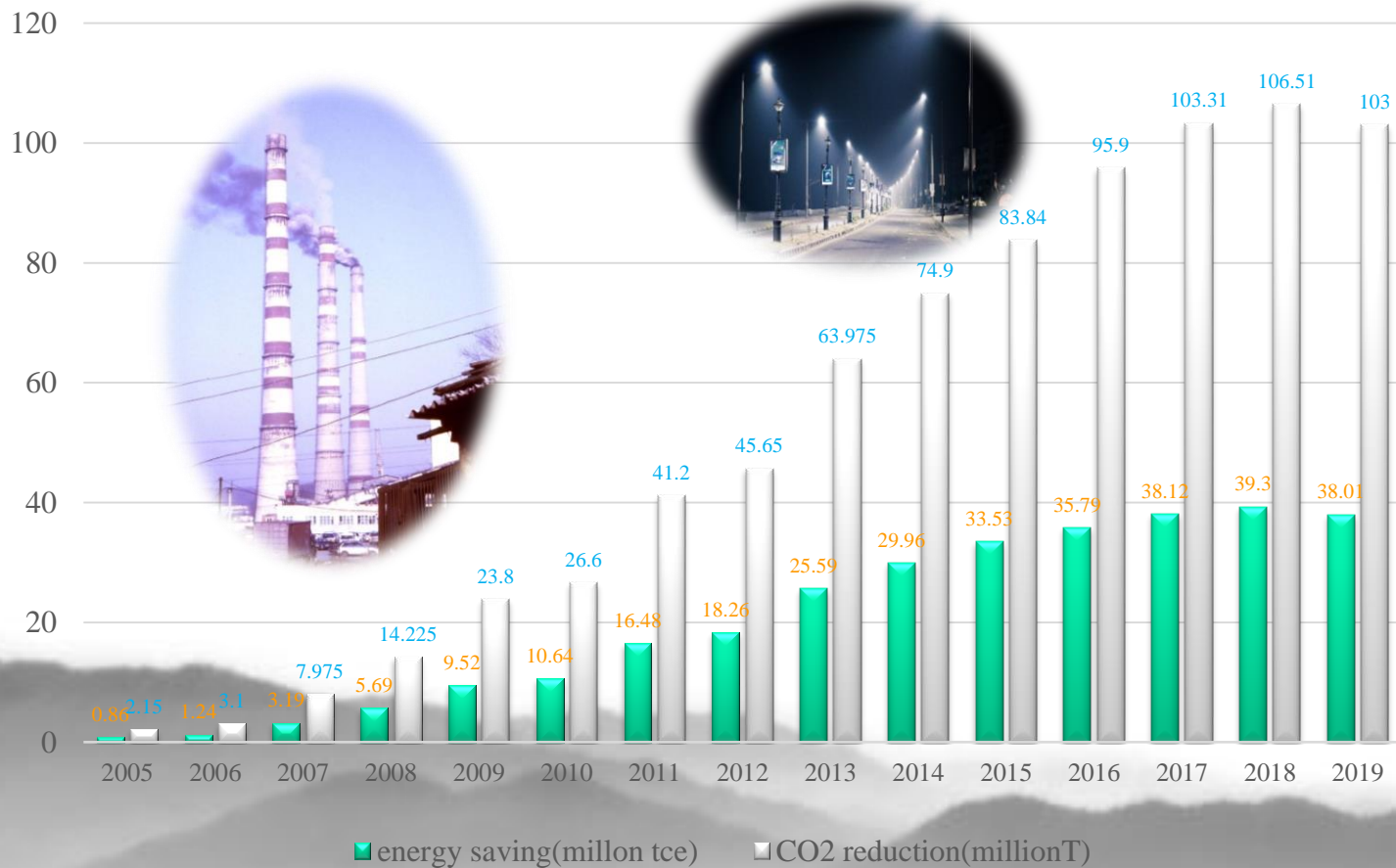
ESCO in China – revenue



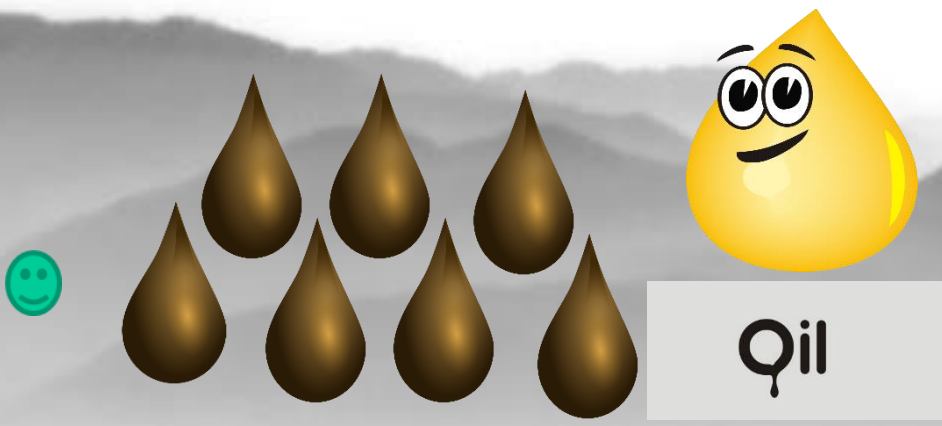
ESCO in China – EPC investment



ESCO in China-energy saving and CO₂ emission reduction



Contribution of ESCOs



ESCO Development in China

M S C

- ❁ M : Mayor to Market
- ❁ S : Simple to Solution
- ❁ C : Commercial banks to compound resources

Job creation

- ❁ Energy user side: energy management team
- ❁ Energy efficiency service provider: energy management professional
- ❁ 3rd party: M&V, green investors, auditors, legal specialist
- ❁ Universities: energy efficiency and energy management special, professors and student, graduates and interns
- ❁ COVID-19 impact: expanding business with more job opportunities due to business scope expansion

Opportunities and challenges

- ❁ Carbon emission peak time: 2030
- ❁ Carbon nutrition time: 2060
- ❁ Energy efficiency is regarded as the most important and most economic measure to achieve the national goal of carbon emission
- ❁ 14th five-year plan: put the energy conservation and environment protection as national strategy for green recovery and economic stimulus

Opportunities



Opportunities

- ❁ 8 5-years before 2060
- ❁ De-carbonization & digitalization
 - ❁ New and Renewable energy
 - ❁ Energy storage
 - ❁ Energy efficiency
 - ❁ Energy management system
 - ❁ Data & internet technology application
 - ❁ COVID-19 makes people caring more about quality instead of quantity, so environment sustainable is the key which is closely related to energy consumption

Opportunities-national signal

- ❁ **4th Dec. 2019, national congress together the central party committee issued the important document: to improve the social environment for private economy development**

Opportunities

- ❁ **To build up national green development system including price, tax, finance, investment etc.**
- ❁ **More national standard and guidelines for energy efficiency .**
- ❁ **Tax reduction policies**

National key EE program

- ❁ Promote EE in the following key sectors
 - ❁ Industry
 - ❁ **Buildings**
 - ❁ **Public facilities**
 - ❁ **Transportation**
 - ❁ Clean heating
 - ❁ Efficient cooling
 - ❁ Green data centers

opportunities and challenges



Q&A

- ❁ How ESCO business has been hit by COVID19 impact and implication for ESCO strategy
- ❁ What kind of government support/economic recovery plan is essential for sustainable ESCO growth of ESCO? Fiscal support, strengthen EE target?
- ❁ How to reduce transaction cost of smaller EE loans? eg. SMEs

Thank you

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