

# ESCO development in China ---drivers and barriers

China ESCO Industry Association (EMCA)

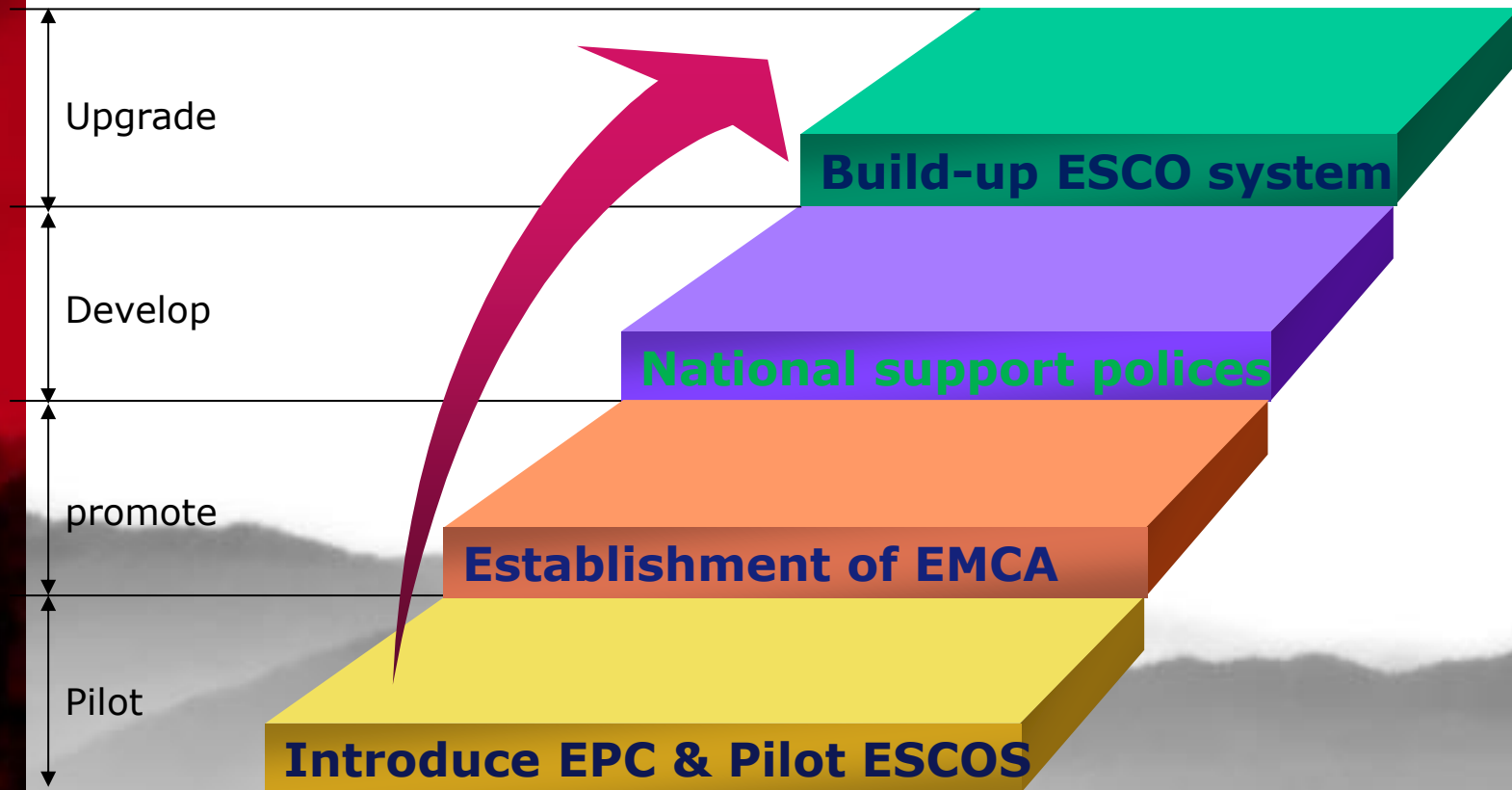
12<sup>th</sup> Nov. 2015, IEA, Paris

# Contents

- 1. ESCO development in China**
- 2. Main drivers and barriers**

# China ESCO development

EMCA



# China ESCO development



EMCA会员

2004年 59家  
2013年 950家

增长 **16** 倍

节能服务产业  
总产值

2003年 17.67亿元  
2013年 2155.62亿元

增长 **122** 倍

全国从事节能  
服务业务的企业

2005年底 228家  
2013年底 4852家

增长 **21** 倍

合同能源管理  
投资

2003年 8.51亿元  
2013年 742.32亿元

增长 **87** 倍



行业从业人员

2005年 1.6万人  
2013年 50.8万人

增长 **32** 倍

合同能源管理  
项目节能量

2003年 55.99万tce  
2013年 2559.72万tce

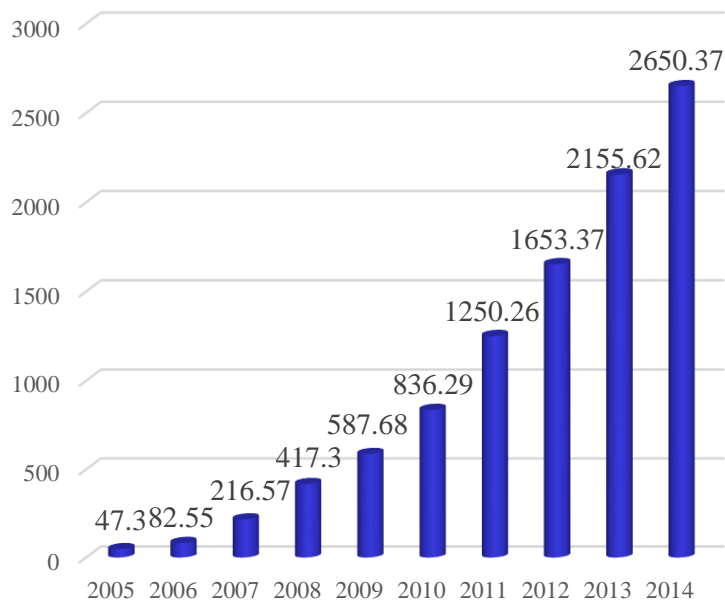
增长 **46** 倍

数说·

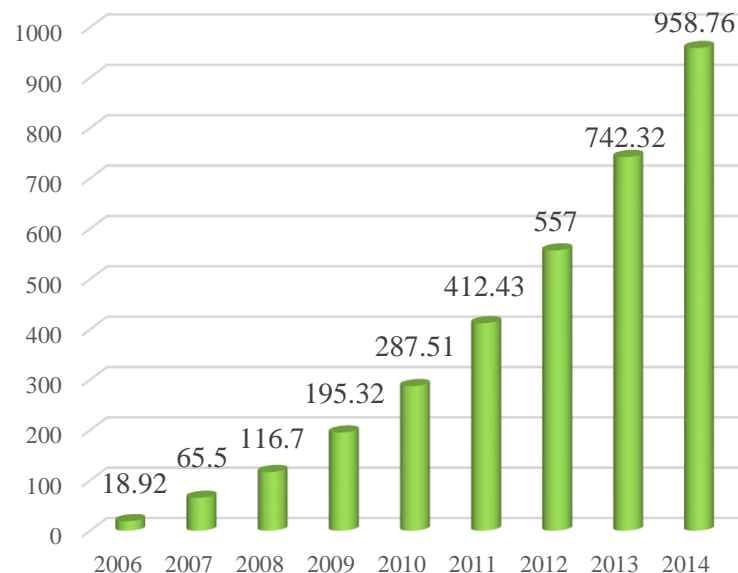
The **NUMBERS**

# China ESCO development

EMCA



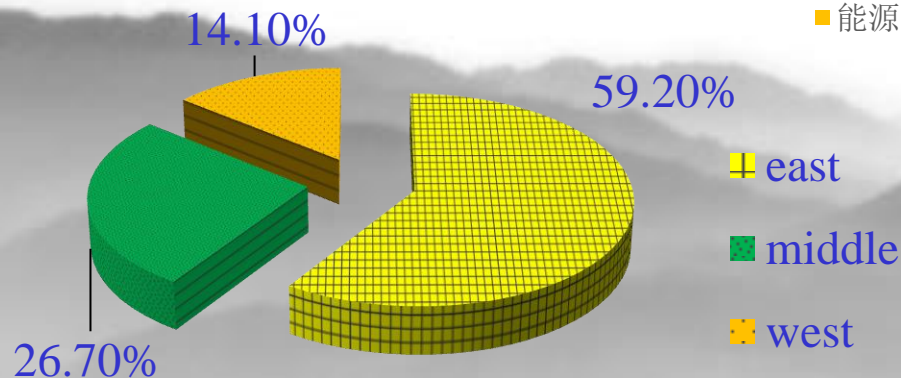
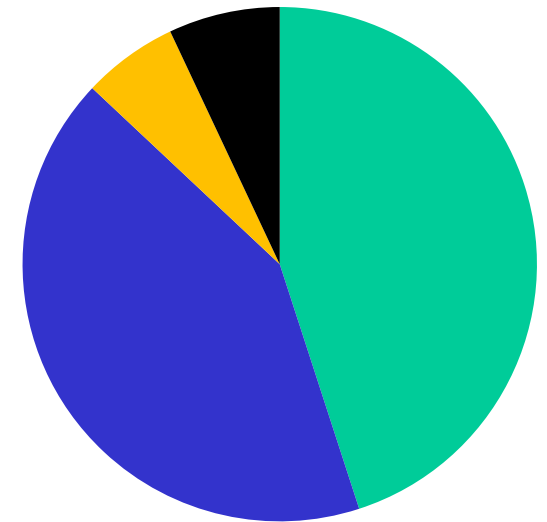
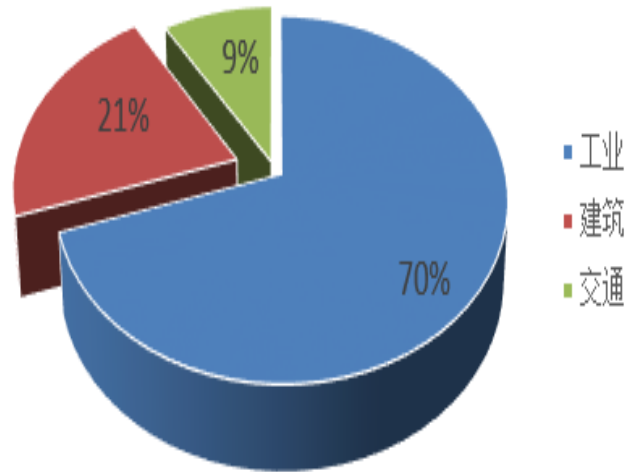
ESCO annual turnover



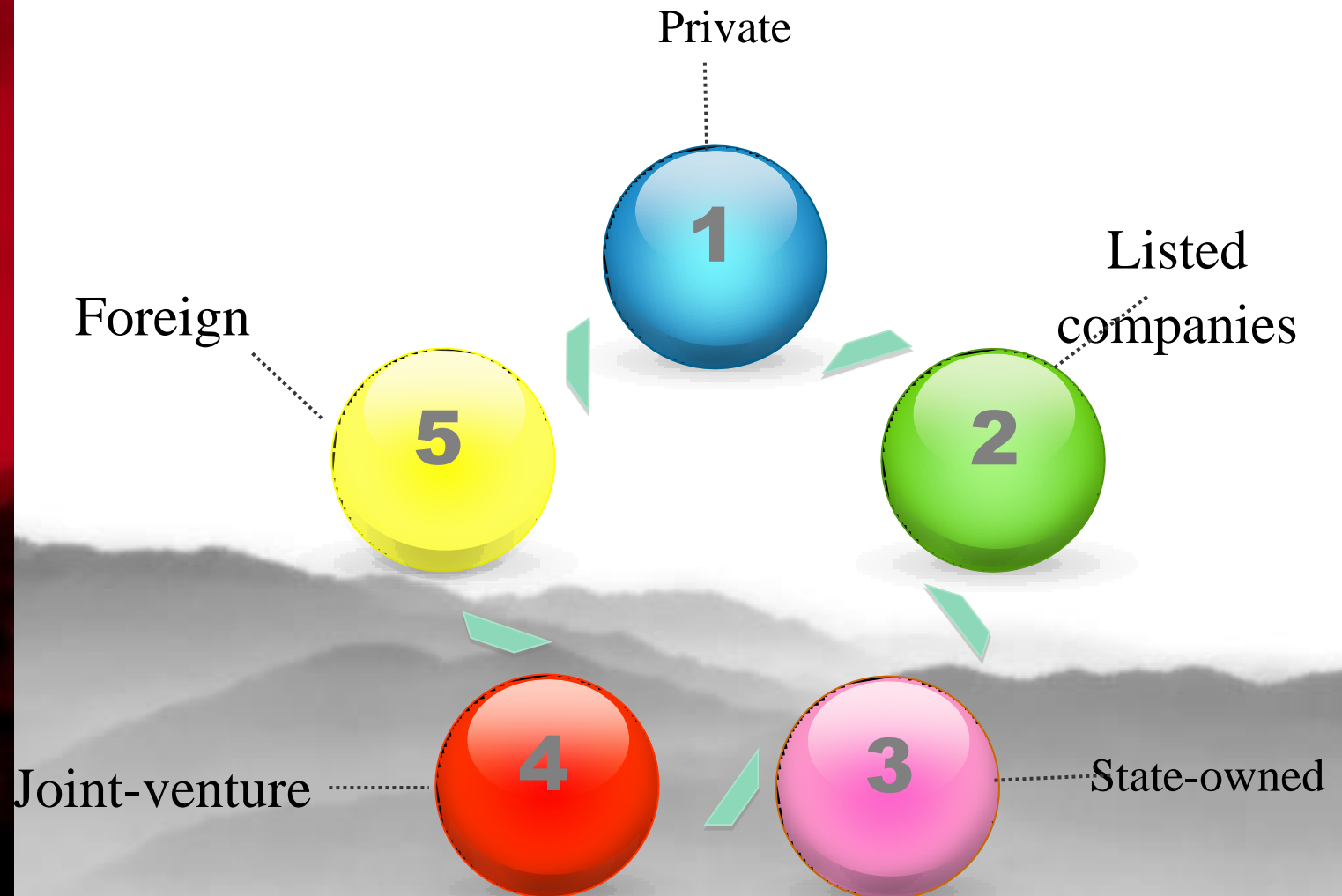
EPC investment  
100 million RMB

注：数据来源于EMCA2014年度节能服务产业发展报告

# China ESCO development



# China ESCO development





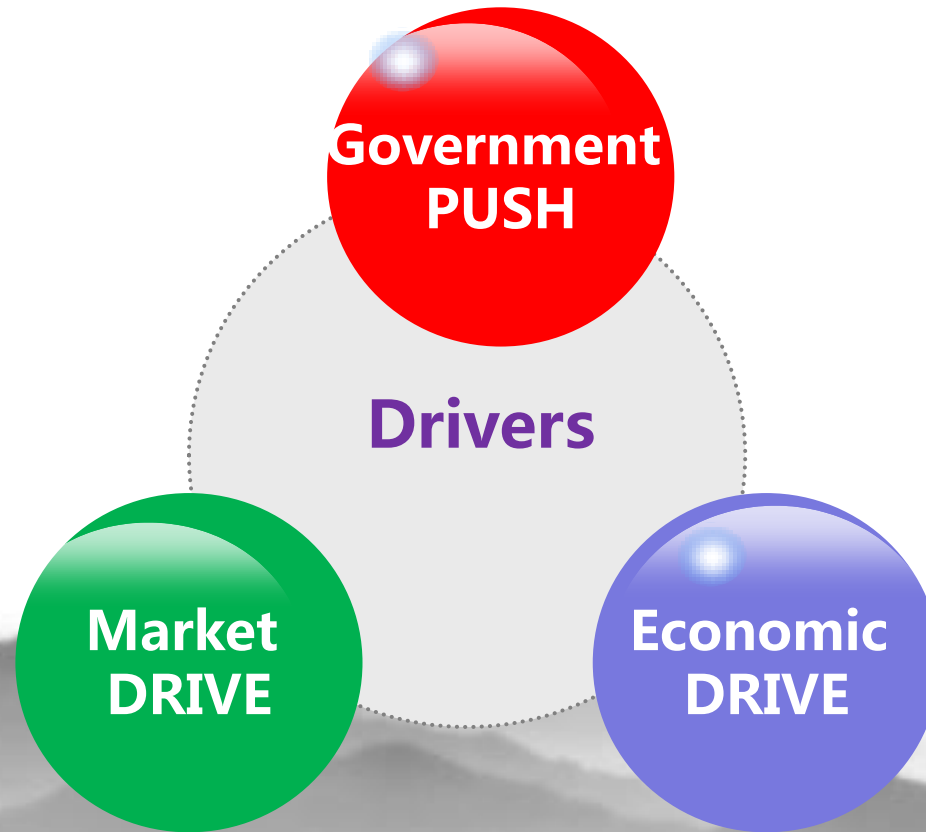
# China ESCO development

- 90% Small-medium private enterprises → state-owned enterprises and multi-international enterprises
- Energy consumer funded ESCOs
- Public-listed company founded ESCOs
- Market-oriented ESCOs with Chinese features-Guanxi





# Drivers and barriers



提升节能意识

增强契约精神

# National supportive policies

**1**

**Direct financial award**

**2**

**Tax incentives**

**3**

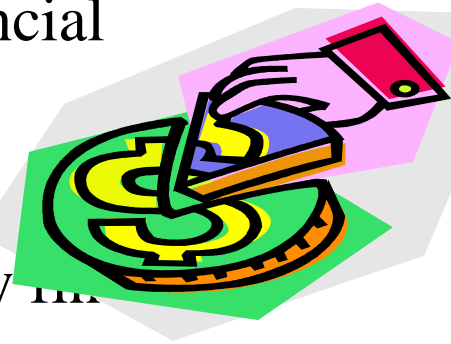
**Public accounting system**

**4**

**Green financing policy**

# A: financial award

- ❁ Financial support : national + local financial reward
  - ⌘ RMB240 per tce saving from central government
  - ⌘ RMB60 + per tec saving from provincial government
- ❁ Registered ESCOs are qualified to apply for financial reward with completed EPC projects



❁ 2billion budget ---2014

# B: Tax- reduction & exemption



- ❁ Operational tax: exemption
- ❁ Corporate income tax: 0 for the first 3 years with profit and 50% for the next year
- ❁ VAT: exemption when fixed assets are transferred to customer

❁ 500 ESCOs enjoyed 1 billion RMB tax exemption-2014

# C: green financing to EE financing

EMCA



# Market drivers

- ❁ National 5-year plan: EE target
- ❁ National program: thousands enterprises EE program, mandatory EE standard for buildings etc.
- ❁ Energy pricing: time & quantity of energy consumption
- ❁ Economic drive: ESCO industry as new strategic economic growth

# Customer demand

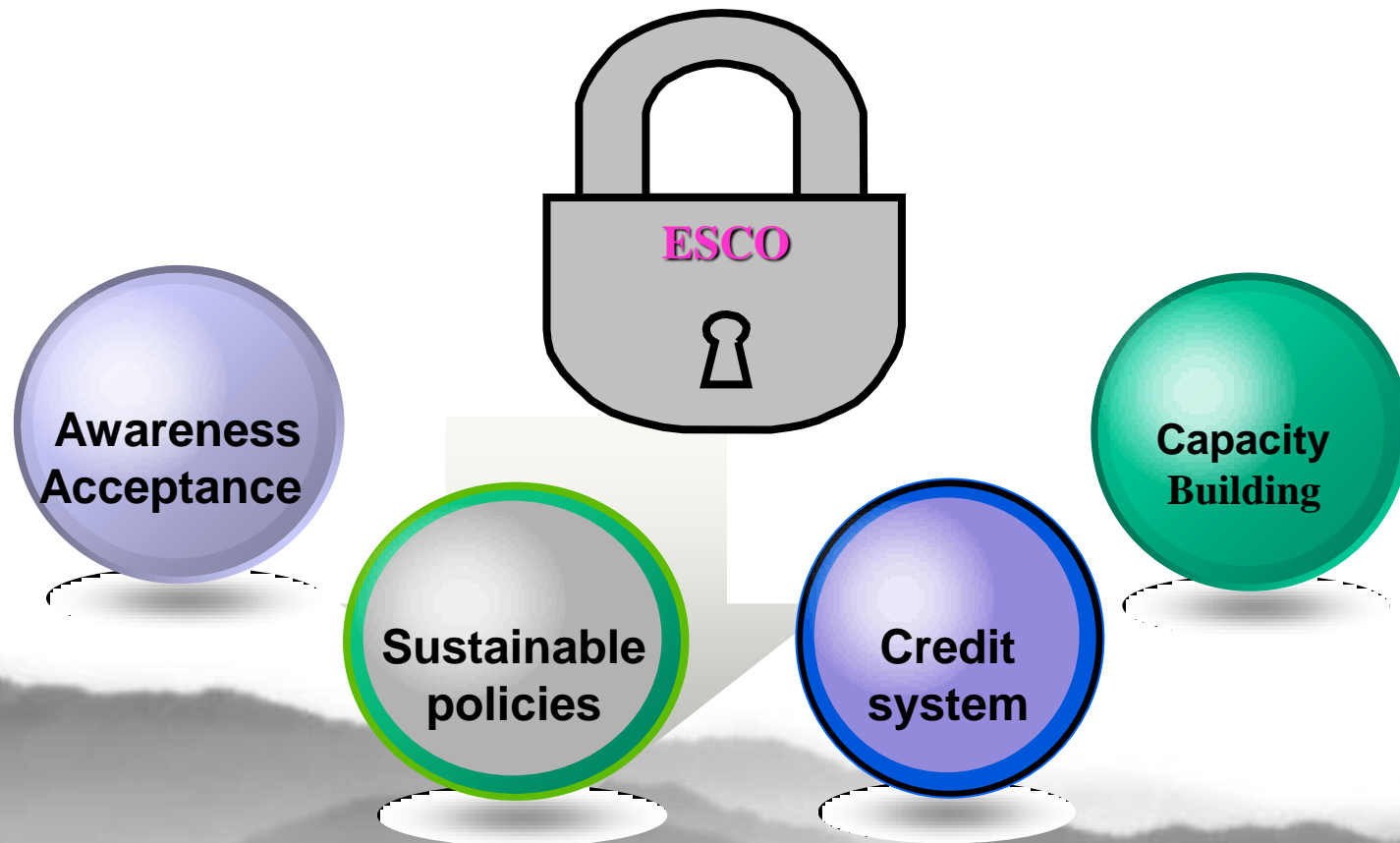
- ❁ State-owned enterprises – practice social responsibility and keep key competitive advantages in the slowed economic growth
- ❁ Private enterprise – reduce cost and energy consumption to avoid close-down
- ❁ Public buildings-municipal regulation



# Drivers for ESCO business

- ❁ *EE products/technology*- new business models
- ❁ *Capital market*- new green market with great and sustainable potentials
- ❁ *Energy consumers* – less consumption more efficient
- ❁ *Public facilities* – professional energy management resource

# Main barriers



# Thank you

**ESCO Committee of China Energy Conservation Association**

---

Tel : 010-63600181 63600015

Fax: 010-63600459

E-mail: [emca@emca.cn](mailto:emca@emca.cn)

website: [www.emca.cn](http://www.emca.cn)