

Overview of the 2022 Government Work Report with focus of energy

On March 5, 2022, the Fifth Session of the 13th National People's Congress was held in Beijing. Premier Li Keqiang of the State Council read out the *2022 Government Work Report*.¹⁴ The Report outlooks on the overall economic work of this year. The national GDP growth target in 2022 is about 5.5%, which will continue to maintain a medium-to-high speed growth trend. The importance of fiscal policy has increased significantly, and the *Report* fully reflects the three major starting points of expanding infrastructure investment, reducing taxes and fees, and increasing transfer payments.¹⁵ For example, the *Report* has made more detailed plans for infrastructure deployment in the fields of railways, roads, water transport, and hydropower; the budget for transfer payments has increased by 18%, the largest increase in many years.

In the field of energy, China continued to actively respond to climate change in 2021, the government has issued the *2030 Carbon Peaking Action Plan*, launched the national carbon market, and the installed capacity of renewable power generation has exceeded 1,000 GW. In 2022, the government will focus on key tasks such as energy security, carbon peaking and carbon neutrality, and dual control of energy consumption.¹⁶



Energy Security

The Report reiterates to ensure energy security, but compared with the 2021 version, the 2022 version emphasizes more on the production guarantee capability of domestic resources, requires to accelerate the exploration and development of resources such as oil, gas and minerals, and to improve the national strategic material reserve system.



Carbon Peaking and Carbon Neutrality

Coal

To strengthen the efficient utilization of coal with low emissions, and the *Report* has put forward this task continuously for three years; however, the 2022 version adds the contents of orderly reduction and substitution of coal consumption capacity, and promotes energy-saving and carbon-reducing retrofit, flexibility retrofit and the retrofit from condensing units to combined heat and power (CHP) units, refining the main technical path of the task landing.

Renewable Energy

The *Report* specifically points to promoting the planning and construction of large-scale wind and solar power generation bases and supporting flexible power sources, and improving the grid's ability to consume renewable power; compared with the term of "strive to develop new energy" proposed in the 2021 version, the 2022 version further emphasizes the importance of matching the installed scale of renewable energy with the consumption capacity.

Energy saving and carbon emissions

Resolutely curb the blind development of energy-intensive and emission-intensive projects, and promote energy saving and carbon reduction measures in industries such as steel, nonferrous metals, petrochemicals, chemicals, and building materials.

Pollutants

The quality of the ecological environment continues to improve, and the discharge of major pollutants continues to decline.



Dual Control of Energy Consumption

Incremental renewable power consumption is not included in the total energy consumption control, and raw material energy consumption is not included in the dual energy consumption control¹⁹; the assessment on energy intensity (energy consumption per unit of GDP) during the 14th Five-Year Plan period will be flexible, in order to avoid affecting the normal energy consumption of enterprises; to promote the transition from dual control of energy consumption to dual control of carbon emissions.

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15 "中金：一文读懂2022年《政府工作报告》," China International Capital Corporation, 6 March 2022, accessed at <https://hk.eastmoney.com/a/202203062298068142.html>.

16 "最全！一图读懂2022年《政府工作报告》," Xinhua News Agency, 5 March 2022, accessed at <https://baijiahao.baidu.com/s?id=1726427097386503951&wfr=spider&for=pc>; "细读！2022政府工作报告能源热词透露的新变化," Energy Observer, 6 March 2022, accessed at https://www.sohu.com/a/527656369_121134460.

17 "国务院关于印发“十四五”节能减排综合工作方案的通知.国发〔2021〕33号," State Council, 28 December 2021, accessed at http://www.gov.cn/zhengce/content/2022-01/24/content_5670202.htm.