

● APRIL 2026

CHINA ENERGY POLICY NEWSLETTER

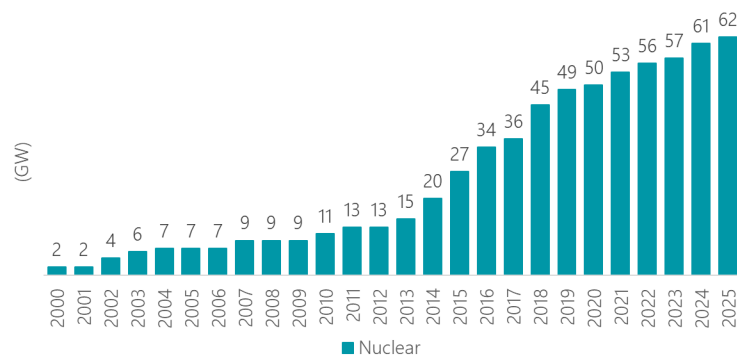
China Energy Transformation Programme

1. China energy transition updates

China joined the *Declaration to Triple Nuclear Energy* proposed at COP28

On March 10, 2026, China announced its accession to the *Declaration to Triple Nuclear Energy*. In November 2023, France and 22 other countries launched the *Declaration* at COP28 to triple global nuclear power capacity from 2020 levels - approximately 174 GW - by 2050. This effort aims to support global net-zero emissions by mid-century and to meet the temperature-control targets of the *Paris Agreement*. The *Declaration* outlines 11 collaborative actions, including enhancing nuclear power plant safety, managing spent fuel, financing nuclear projects, diversifying nuclear energy applications, strengthening the nuclear industry and supply chains, and extending the lifespans of existing nuclear units. By March 2026, 38 countries worldwide had joined the *Declaration*.¹

2000-2025 China's total installed nuclear power capacity



Source: China Electricity Council (CEC), accessed in April 2026

¹“中国加入《三倍核能宣言》助力全球绿色低碳转型,” State Administration of Science Technology and Industry for National Defence, 17 March 2026, accessed at https://nnsa.mee.gov.cn/ywdt/hyzz/202603/t20260317_1146750.html.

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Danish Energy Agency



The *Ecological and Environmental Code* is officially approved

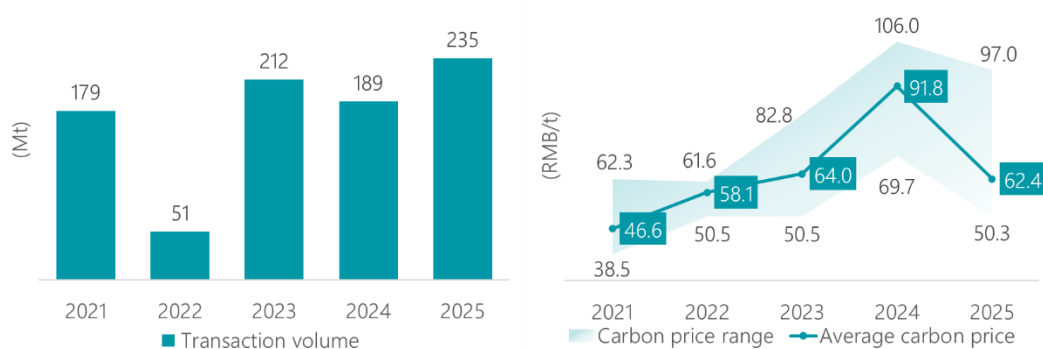
On March 12, 2026, the Chinese central government approved the *Ecological and Environmental Code*, which will take effect on August 15, 2026.² This is China's second law to be named a code, after the *Civil Code*, and the first specifically focused on ecological and environmental protection. The *Code* consolidates and repeals 10 existing laws, including the *Environmental Protection Law*, the *Environmental Impact Assessment Law*, and the *Law on the Promotion of Clean Production*, while also incorporating key provisions from more than 20 other laws, such as the *Forest Law*, the *Grassland Law*, and the *Yangtze River Protection Law*. It introduces forward-looking measures on green and low-carbon development for the first time, broadening its focus from pollution control and ecological protection to fostering a comprehensive green transformation of economic and social growth through legal means. The *Code* has five parts and 1,242 articles: General Provisions, Pollution Prevention and Control, Ecological Protection, Green and Low-Carbon Development, Legal Liability, and Supplementary Provisions. The implementation of this *Code* marks a major reform of China's ecological and environmental legal and regulatory system.

China's carbon market covers 65% of national carbon emissions

In 2025, China's national carbon market (ETS) broadened its scope from the power sector to include steel, cement, and smelting industries, covering approximately 65% of the country's total CO₂ emissions. Throughout 2025, the total volume of carbon allowances traded in the national ETS reached 235 million tons, a 24% year-on-year increase and accounting for 27.2% of the total trading volume from 2021 to 2025. The total transaction value amounted to 14.63 billion RMB, making up 25.4% of the cumulative transaction value, with trading scale consistently growing. Prices stayed within reasonable limits, with an average annual price of 62.36 RMB/ton and a year-end closing price of 74.63 RMB/ton, the same as in 2024.³

Going forward, the government plans to expand industry coverage further. The Ministry of Ecology and Environment (MEE) has instructed provincial-level ecological and environmental authorities to prepare a list of key emitting entities for 2027, including units with annual direct emissions of 26,000 tCO_{2eq} or more, to be included in national ETS management. Sectors such as petrochemicals, chemicals, flat glass, copper smelting, papermaking, and civil aviation that meet the emission thresholds shall submit emission reports in preparation for their market inclusion.⁴ Additionally, the government will continue to refine the allocation system for carbon allowances, gradually tighten the allowance levels, and carefully balance free and paid allocations.

2021-2025 China's national ETS trading volume (left), annual average, highest and lowest transaction prices (right)



Source: Ministry of Ecology and Environment (MEE) and Shanghai Environment and Energy Exchange, accessed in April 2026

² “中华人民共和国生态环境法典,” National People's Congress, 13 March, accessed at https://www.mee.gov.cn/ywgz/fgbz/fl/202603/t20260313_1146496.shtml.

³ “全国碳排放权交易市场覆盖全国约65%二氧化碳排放量,” Legal Daily, 10 February 2026, accessed at https://www.thepaper.cn/newsDetail_forward_32573742.

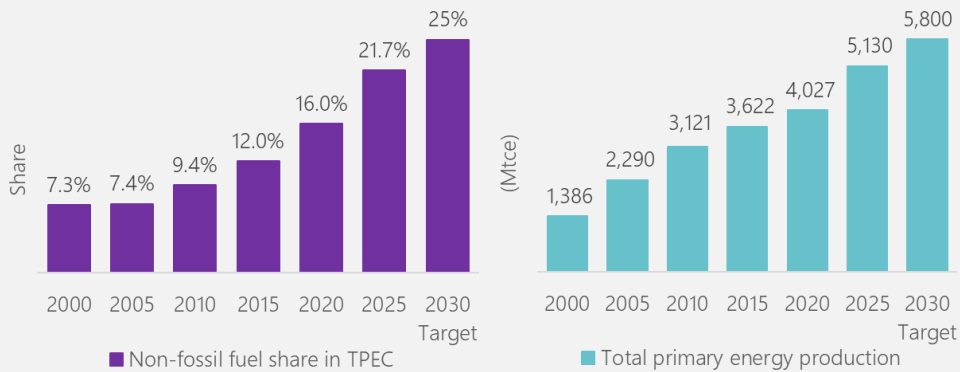
⁴ “关于做好2026年全国碳排放权交易市场有关工作的通知,” Ministry of Ecology and Environment, 9 February 2026, accessed at https://www.mee.gov.cn/xxgk2018/xxgk/xxgk06/202602/t20260209_1143900.html.



China releases the *Outline of the 15th Five-Year Plan for Economic and Social Development*

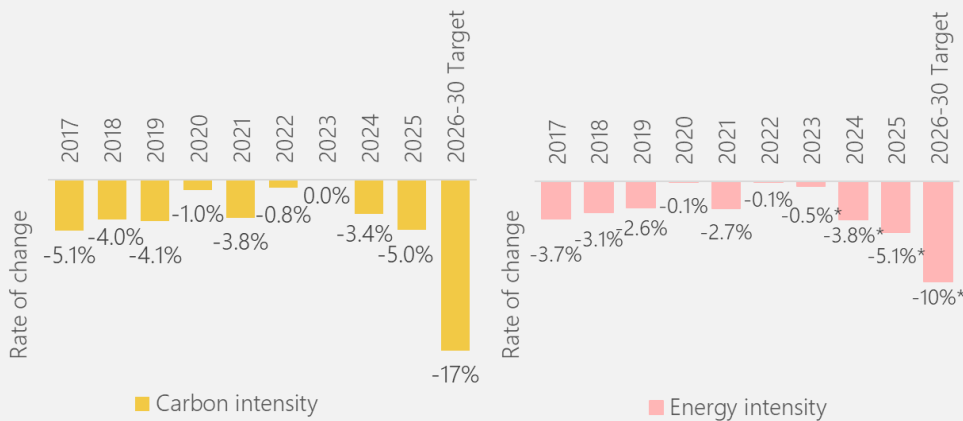
In March 2026, the central government released the *Outline of the 15th Five-Year Plan (2026-2030) for China's National Economic and Social Development*.⁵ The *Outline* states that, during the *15th Five-Year Plan* period (2026-2030), national GDP growth will remain within a reasonable range (the average annual GDP growth rate during the *14th Five-Year Plan* period (2021-2025) was 5.4%). This will set the stage for doubling per capita GDP from 2020 levels by 2035 (i.e. over 20,000 USD/capita) and for reaching the level of moderately developed countries. In the energy sector, China aims to accelerate a comprehensive green transformation of its economic and social systems, with a focus on carbon peaking and neutrality goals. The plan emphasises coordinated efforts to reduce carbon emissions, control pollution, expand green initiatives, and foster growth, all to strengthen momentum for greener development.

2000-2025 Non-fossil energy consumption share (left) and total primary energy production (right), along with their 2030 development targets



Notes: TPEC refers to total primary energy consumption calculated using the coal substitution method. Source: National Bureau of Statistics (NBS) and the Chinese government, accessed in April 2026

2017-2025 Rate of change in carbon intensity (left) and energy intensity (right), and their 2026-2030 cumulative rate-of-change targets



Notes: Carbon intensity refers to CO₂ emission per RMB 10,000 of GDP. Energy intensity refers to primary energy consumption per RMB 10,000 of GDP (*since 2023, primary energy consumption excluding feedstock and non-fossil energy consumption). Source: NBS, accessed in April 2026

⁵ “十五五”规划中的能源要点全梳理!,” National Energy Administration, 13 March 2026, accessed at <https://baijiahao.baidu.com/s?id=1859613460942689896&wfr=spider&for=pc>; 【图解】一图读懂 | “十五五”规划《纲要》(之六),” National Development and Reform Commission, 18 March 2026, https://drc.gd.gov.cn/zqjd5635/content/post_4871590.html.





By 2030, green modes of production and lifestyles will be largely in place, with the carbon-peaking target met on schedule. The share of non-fossil energy in total primary energy consumption is targeted at 25%. Between 2026 and 2030, carbon emissions per 10,000 RMB of GDP will fall by 17%. Efforts will focus on advancing **energy-saving and carbon-reduction retrofits, controlling coal consumption**, and using incremental clean power generation to meet additional electricity demand, while also promoting the peaking of coal and oil consumption. From 2026 to 2030, primary energy consumption per RMB 10,000 of GDP will be reduced by approximately 10%. The **ecological environment** will be comprehensively improved, and emissions of major pollutants will continue to decline. **Energy security** will be strengthened through medium- and long-term measures, such as increasing oil and gas reserves and production, with primary energy production capacity reaching 5,800 Mtce. Progress will be made in core **technological breakthroughs** in priority areas, fostering the integration of scientific and industrial innovation. The development of a **unified national power market** will be further promoted, showcasing the advantages of a super-large-scale market.

During the *15th Five-Year Plan* period, the government will fully implement a **dual-control system for total carbon emissions and carbon intensity**. The targets for 2030 will still be intensity based. It will also establish the five-carbon policy framework, which includes local carbon assessments, sector-specific carbon controls, enterprise carbon management, project carbon evaluations, and product carbon footprint. Additionally, the initiative will expand the scope of the national carbon emissions trading market.

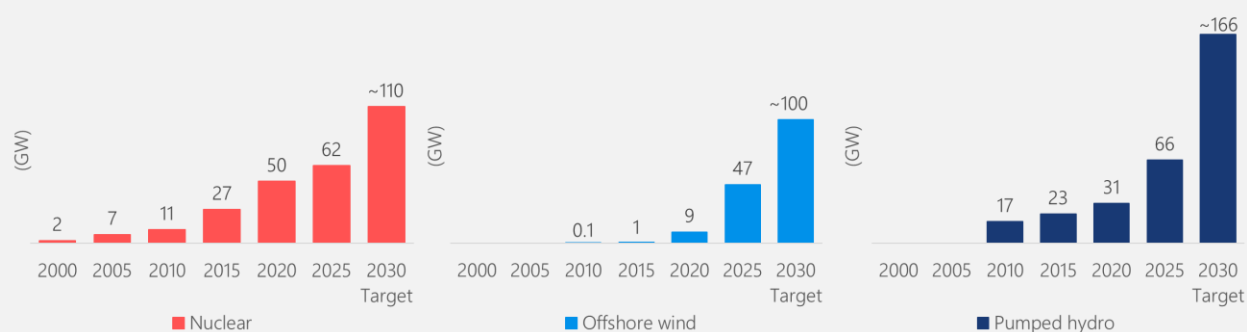
- **Local carbon assessment:** Establish a comprehensive evaluation and assessment system at the local level, scientifically and reasonably break down dual carbon control targets, and consolidate responsibilities for achieving carbon emission targets;
- **Sectoral carbon control:** Establish carbon-emission control mechanisms for industries, clarify carbon-management requirements for key sectors, and coordinate capacity governance with dual carbon control;
- **Enterprise carbon management:** Improve the management system for key energy-consuming and carbon-emitting entities;
- **Project carbon evaluation:** Enhance energy-saving reviews and carbon emission evaluations for fixed-asset investment projects, ensuring that newly constructed and expanded energy-intensive and emission-intensive industrial projects are replaced with alternatives that have equal or lower carbon emissions;
- **Product carbon footprint:** Formulate standards for carbon footprint accounting, issue carbon emission limits for key products, and establish a product carbon labelling and certification system.

The government will also **intensify the construction of new-type energy infrastructure**. The goal is to double non-fossil energy in about 10 years by promoting an orderly transition away from fossil fuels and fostering coordinated growth in wind, solar, hydro, and nuclear energy. During China's *15th Five-Year Plan* period, efforts will focus on expanding large-scale wind and solar bases in the Three-North regions, developing integrated hydro-wind-solar projects in the southwest, and establishing nuclear power and offshore wind bases along the coast. The plan also emphasises enhancing local development and use of distributed energy sources, advancing green hydrogen, ammonia, and methanol projects, and actively promoting CSP and geothermal energy.

Efforts will focus on strengthening the **power system's mutual support and regulation capabilities**. This includes scientifically planning pumped storage, actively developing new-type energy storage technologies, optimising inter-regional transmission channels, and accelerating smart grid construction. Additionally, urban and rural distribution grids will be upgraded. The goal is to increase end-use energy electrification, establish a unified national power market, and enhance the operation and dispatch mechanisms of a nationwide integrated oil and gas network.



2000-2025 Total installed capacity of nuclear power, offshore wind power and pumped storage and their 2030 targets



Source: National Energy Administration (NEA) and CEC, accessed in April 2026

Major achievements of the energy sector during the 14th Five-Year Plan period and key targets during the 15th Five-Year Plan period

	Indicator	2025	2030
Green and low-carbon	Reduction in CO ₂ emissions per RMB 10,000 of GDP	17.7% (cumulative 2021-2025)	17% (cumulative 2026-2030)
	Share of non-fossil energy in total primary energy consumption	21.7%	25%
Ecological environment	Fine particulate matter (PM2.5) concentration in cities at prefecture level and above	28 µg/m ³	<27 µg/m ³
	Proportion of good-quality water bodies	80%	85%
	Forest coverage rate	25.1% (2024)	25.8%
Energy security	Total primary energy production	5,130 Mtce	5,800 Mtce
Energy saving and carbon reduction	Reduction in energy consumption per 10,000 of GDP	Expected >13% (cumulative 2021-2025)	10% (cumulative 2026-2030)
Energy infrastructure	On-grid nuclear power capacity	62 GW	~110 GW
	On-grid offshore wind power capacity	47 GW	~100 GW
	Newly installed pumped hydro capacity	34 GW (cumulative 2021-2025)	~100 GW (cumulative 2026-2030)
	West-Power-to-East transmission capacity	340 GW	>420 GW

Source: The Chinese government, NBS and CEC, accessed in April 2026

China Wind and Solar Energy Resource Bulletin 2025 released

The China Meteorological Administration (CMA) has published the *China Wind and Solar Energy Resource Annual Bulletin* for 12 consecutive years, providing ongoing assessments of the country's wind and solar energy resources and sharing the findings publicly. The *Bulletin (2025)* examines changes in average resource levels over the past decade (2015-2024) and thirty years (1995-2024). To better reflect current industry trends, the *Bulletin (2025)* adds quarterly resource analysis, highlighting seasonal variations in wind and solar energy. Additionally, to support larger wind turbines and deep-sea offshore wind development, the *Bulletin (2025)* introduces onshore wind resource analysis at 140 metres and offshore wind resource analysis in select regions.⁶

- In 2025, the **national average wind speed** at 100 meters on land was 4.8 m/s, a 0.65% decrease from the previous 10-year average, indicating a typical wind resource year. At 140 meters, the annual average wind speed was 5.1 m/s, with a mean wind power density of 202.3 W/m². The central and eastern regions of the North, Northeast, and Northwest of China, and most of the Qinghai-Tibet Plateau experienced average wind speeds above 6 m/s, which are favourable for developing wind energy projects. Some offshore zones saw average wind speeds of 7.8 m/s at 100 meters and 8.0 m/s at 140 meters.
- In 2025, the **national average total horizontal irradiance** on land was 1,495.7 kWh/m², 21.2 kWh/m² below the 10-year average and 25.1 kWh/m² below the 30-year average, indicating a year with relatively lower solar resources. Most areas of the Qinghai-Tibet Plateau, western Inner Mongolia, and eastern Xinjiang recorded total horizontal irradiance above 1,750 kWh/m², making these regions the most abundant in solar energy resources in China and the most suitable for solar energy projects.

The largest single-unit capacity gas power plant in China put into operation

In early 2026, the Zhejiang Ji'an 1,686 MW gas power plant was fully operational. It is the largest single-unit capacity gas-fired plant in China with the highest efficiency. Built in 1972, it was once Zhejiang Province's largest coal power plant. In 2021, China Energy Investment Corporation began a "coal-to-gas" retrofit project. The plant now has two 9H-class, 8,430 MW steam combined-cycle (CCGT) units, with a generation efficiency of 64.15%. Post-commissioning, it can produce 7 TWh annually, supplying electricity for 6 million residents. Using advanced combustion and control technologies, the plant reaches a combustion temperature of 1,600°C. Compared to similar coal units, efficiency improves by 17%, carbon emissions per kWh of electricity generation drop by 60%, and nitrogen oxide emissions are 50% below the national standard (22 mg/Nm³). The plant expects to save 680,000 tce/year and cut CO₂ emissions by 1.86 Mt/year. It also features excellent power regulation capability, achieving full load in 90 minutes from a hot start. Additionally, the plant developed a hydrogen-blending test platform and plans to support hybrid generation using hydrogen, ammonia, and methanol.⁷



Source: China Energy Investment Corporation, January 2026

⁶ 2025年中国风能太阳能资源年景公报, China Meteorological Administration, 12 February 2026, accessed at https://www.cma.gov.cn/zfxgk/gknr/qxbg/202602/t20260212_7605357.html.

⁷ "国内单机容量最大效率最高燃气电厂全面投产," Science and Technology Daily, 20 January 2026, accessed at https://www.stdaily.com/web/gdxw/2026-01/20/content_464245.html.

2. Policy monitoring

2026-03-09

http://nssd.mwr.gov.cn/xyw/202603/t20260319_2105111.html

MWR clarifies development direction for small hydropower by 2035

Guiding Opinions on Accelerating the Green Transformation and High-Quality Development of Small Hydropower

Small hydropower (<50 MW) has been among China's earliest clean energy projects, contributing significantly to rural electrification since the 1950s. By 2025, China's small hydropower installed capacity reached approximately 120 GW, representing 25% of the nation's total hydropower capacity, with an effective generation capacity of about 80-90 GW. Moving forward, China plans to cease constructing new small hydropower stations and instead focus on upgrading existing ones. The goal is to achieve intelligent, clustering and standardised retrofit of these facilities by 2035. The government promotes integrating small hydropower with wind, solar, and storage into multi-energy systems, encourages participation in spot power and ancillary services markets, and supports virtual power plants. This strategy leverages small hydropower as a distributed energy resource to improve rural power reliability and emergency support.

2025-03-06

https://www.gov.cn/zhengce/zhengceku/202603/content_7063704.htm

MIIT to launch pilot program for hydrogen energy application

Notice on Launching Pilot Work for Comprehensive Hydrogen Energy Application, MIIT Joint Saving [2026] No.59

Pilot applications will focus on city clusters as core entities, prioritising scenarios including fuel cell vehicles, green ammonia and methanol, hydrogen substitution for chemical raw materials, hydrogen metallurgy, and hydrogen-blended combustion. These efforts aim to establish a comprehensive hydrogen energy ecosystem comprising "one general fuel cell vehicle scenario + N industrial applications + X innovative uses", fostering synchronised growth across the entire hydrogen industry chain. By 2030, hydrogen energy in city clusters is expected to see large-scale deployment across multiple sectors, with the average end-use hydrogen price falling below 25 RMB/kg, potentially around 15 RMB/kg in some advantageous regions. The national stock of fuel cell vehicles is expected to double from 2025 levels, reaching 100,000 units.

2026-02-11

https://www.gov.cn/zhengce/zhengceku/202602/content_7057745.htm

State council further improves power market rules

Implementation Opinions on Improving the Unified National Electricity Market System, State Council General Office [2026] No.4

By 2030, China aims to have a largely unified national power market system in which all power sources and most electricity users - excluding the residential and agricultural sectors - participate directly in the market. About 70% of national electricity consumption is expected to be traded through market-based mechanisms, up from 64% in 2025. Trading activities will extend across and within provinces. The spot power market will be fully operational, with market rules and technical standards standardised nationwide. The pricing mechanism will be mostly established. By 2035, the national power market will be fully unified, accurately reflecting the value of electricity, power regulation, environmental premium, and capacity reserves.



2026-02-10

<https://www.nea.gov.cn/20260226/1f4744c9c2b44eb493f82a17f4603290/c.htm>
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NEA launches pilot program for enhancing new-type power system capabilities

Notice on Publishing the List of Pilot Projects for Enhancing New-Type Power System Construction Capacity (First Batch), NEA Development of Electricity [2026] No.16

The first batch of pilot programs comprises 43 projects across 10 cities and seven technical areas. Geographically, 60% of these projects are in the southeastern coastal provinces, with a tendency to focus on load-side regions and areas with higher levels of marketisation. Technologically, 30% are virtual power plants aimed at addressing critical issues such as high pressure on power regulation demand and imperfect market mechanisms. Additionally, 19% involve next-generation coal-fired power projects, highlighting coal's role as the baseline energy source during the transition period. Another 19% focuses on grid-forming technologies, such as inverter-based control systems, which are vital for mitigating the decline in grid inertia and maintaining frequency stability.

2026-01-30

https://www.ndrc.gov.cn/xgk/zcfb/tz/202601/t20260130_1403524.html

NDRC sets a capacity price for new-type energy storage for the first time

Notice on Improving the Capacity Pricing Mechanism on the Power Generation Side, NDRC Pricing [2026] No.114

The document clarifies the standards for pricing and cost-sharing of capacity prices for coal, gas, and pumped hydro power. It introduces, for the first time, a capacity price for grid-side independent new-type energy storage systems, mainly batteries. For coal- and gas-fired power, prices are set based on the proportion of fixed costs recovered. The minimum recovery for coal power is 50% and may increase with market development. Pumped hydro capacity prices are reviewed every 3-5 years to reflect average costs. Revenues from active participation in spot power and ancillary services markets are shared among pumped hydro plants in a specified proportion, while the remainder, after deducting system operating costs, is shared among users. The new-type energy storage capacity price applies to independent, grid-side battery stations not tied to renewable projects. It is based on the local coal power capacity price and adjusted according to peak-shaving capacity, with a maximum factor of 1.

2026-01-14

https://www.gov.cn/zhengce/zhengceku/202601/content_7055277.htm

MIIT announces zero-carbon factory initiative

Notice on Issuing the Guiding Opinions on Carrying Out the Construction of Zero-Carbon Factories, MIIT Joint Saving [2026] No.13

The government will implement a phased plan to develop "zero-carbon factories." Between 2026 and 2027, the focus will be on seven industries: automobiles, lithium batteries, solar PV, electronic appliances, light industry, machinery, and computing infrastructure. These sectors face export carbon tariffs and are primarily electricity-intensive, with relatively lower decarbonisation challenges but pressing needs. From 2028 to 2030, the plan will expand to include energy-intensive industries such as steel, non-ferrous metals, petrochemicals, chemicals, building materials, and textiles. These industries are major sources of industrial carbon emissions and are essential for meeting the dual carbon targets. The government will follow a three-step strategy: first, develop a comprehensive digital carbon-emissions accounting system; second, reduce emissions at the source and via processing stages through green electricity, renewable energy, low-carbon hydrogen, and mandatory energy consumption limits; third, offset any remaining emissions through carbon removal measures.



2026-01-06

<https://www.cma.gov.cn/zfxxgk/gknr/wjgk/gfxwj/202601/P020260109625572654897.pdf>

China to strengthen the development of the energy meteorological system

Guiding Opinions on Promoting the Development of the Energy Meteorological Service System, CMA Development [2026] No.3

The China Meteorological Administration (CMA) and the National Energy Administration (NEA) aim to enhance meteorological services across the entire energy sector. By 2027, they plan to develop a comprehensive energy meteorological service system that covers scenarios including energy planning, site selection, supply security, resource monitoring, forecasting, disaster prevention, climate impact assessment, and power market transactions. This system will span short-term to yearly time frames, including monthly, seasonal, and annual scales. By 2030, key meteorological technologies for hydropower, wind, solar, and energy storage are expected to reach globally advanced levels. The government emphasises creating high-resolution wind and solar resource maps, implementing dynamic monitoring and assessment, and improving forecasting accuracy for power generation, basin-level hydropower, and energy-related disaster early warning services.

