



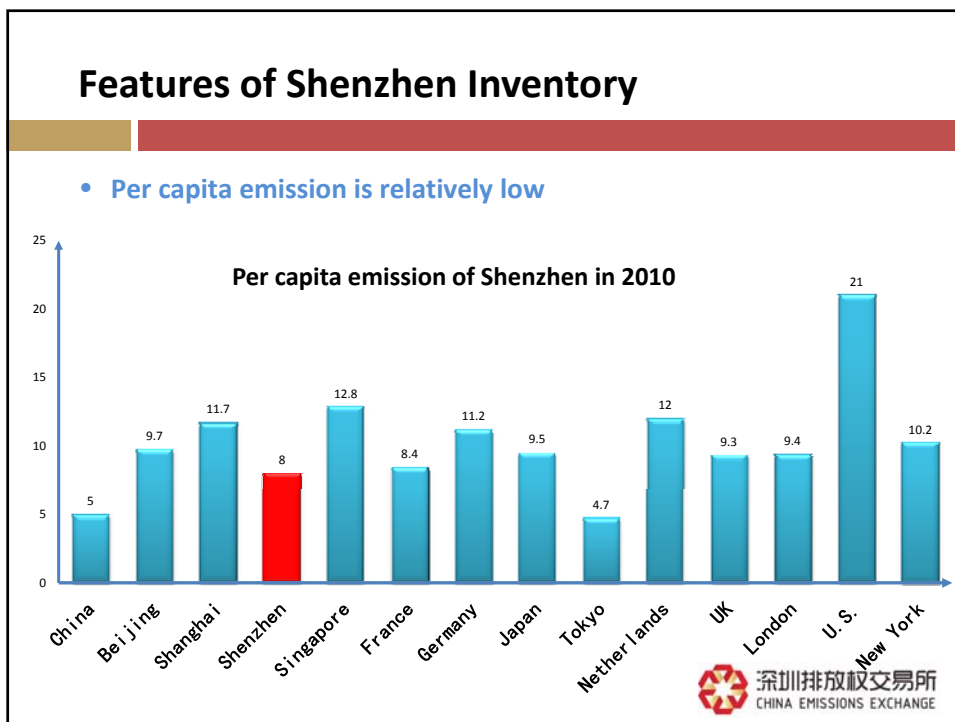
**CEEX**  
CHINA EMISSIONS EXCHANGE  
深圳排放权交易所

Exchange Matters More for Carbon

## Allocation in Shenzhen's Emissions Trading Scheme

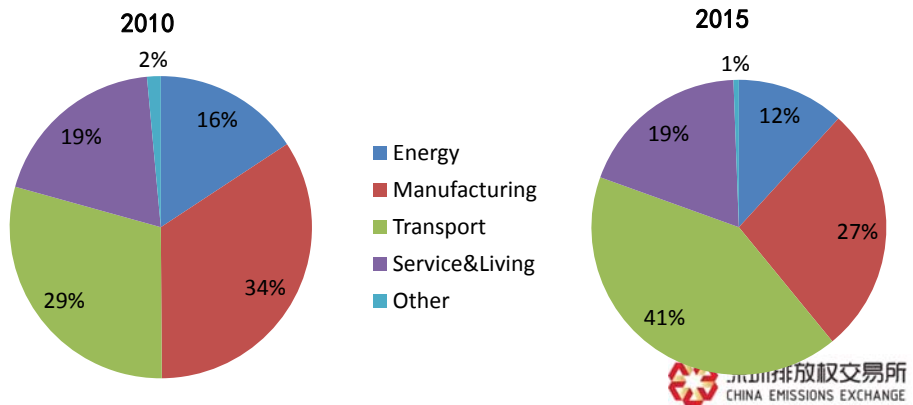
10/2013

**Peggy CHEN**  
President of CEEX

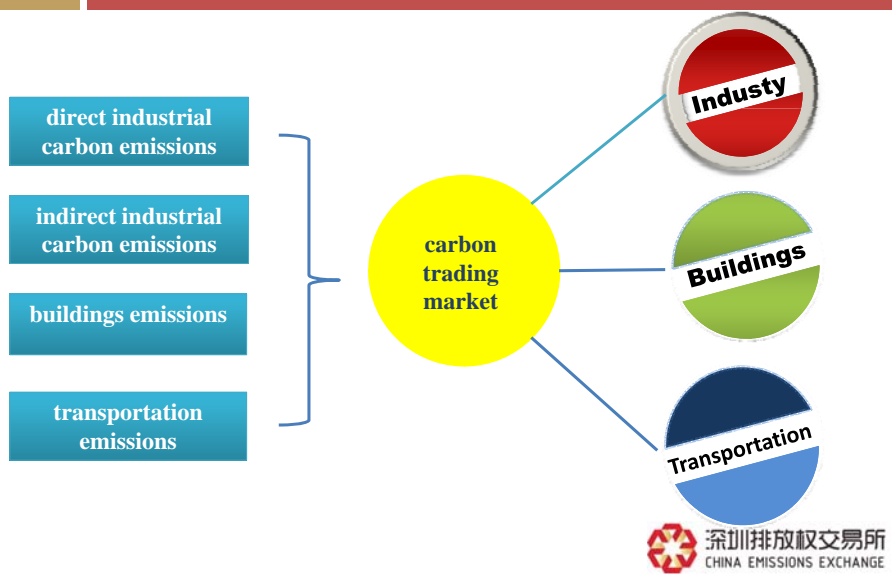


## Features of Shenzhen Inventory

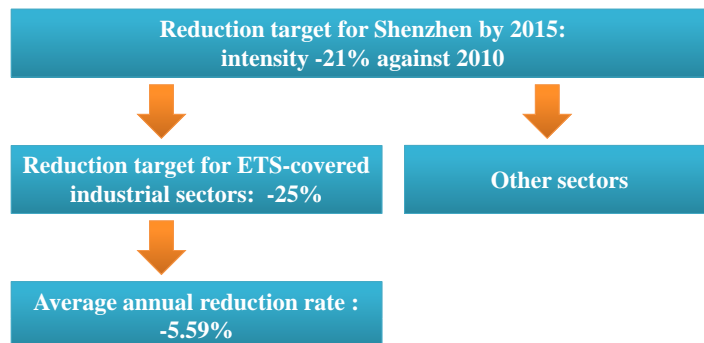
- Ratio of emissions from industries is high
- Ratio of emissions from manufacturing industry is high
- Emissions from transportation sector grows fast



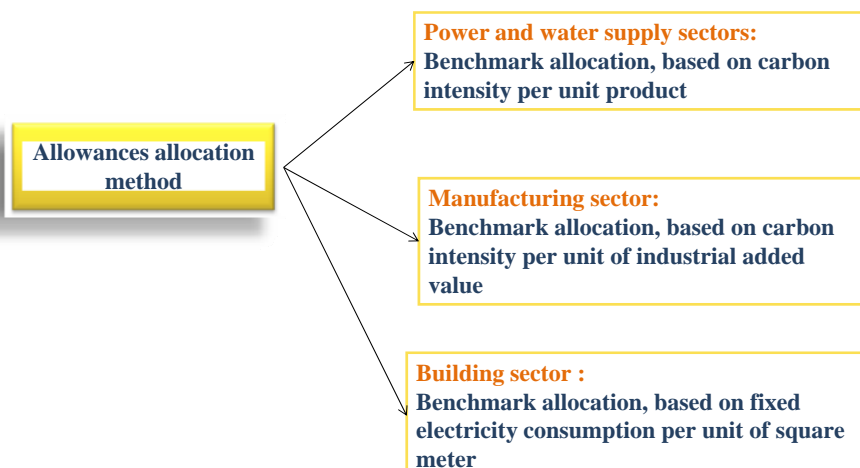
## Coverage of Shenzhen ETS



## Step 1: Intensity Cap Setting



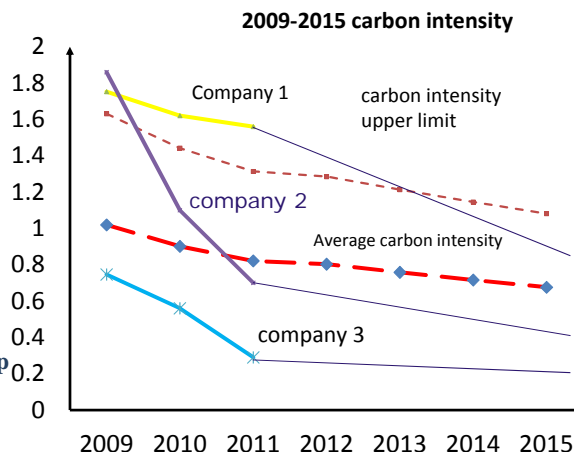
## Step 2: Allowance Allocation Method



### Step 3: Group Competitive Allowances Allocation

Allocation procedure for manufacturing companies:

- categorizes companies into different groups based on historical carbon intensity and financial scales
- defines carbon intensity baseline for each group
- setting up the reduction target for each group
- companies in same group compete with each other to apply the allowances



### Step 4: On-site Allowances Allocation

- Define allocation rules and procedures
- Develop allowance distribution software to improve efficiency and fairness
- On-site allowances allocation



## Group Competitive Allocation Result

The allocation result shows that the manufacturing companies could reduce their carbon intensity by 31.56% by 2015, far beyond the expected intensity target 25%.

Year	2013	2014	2015
Amount ( 10,000 ton )	3320	3378	3478
Carbon intensity ( ton/10,000 RMB )	0.811	0.754	0.707

Reduction by 2015 against 2010	
Absolute amount	7.8%
Carbon intensity	-31.56%



**谢谢 !**

**Thank you !**