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Special Analysis

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Economic Intelligence Brief: China's Ambitious Alternative Energy Policies Likely To Fall Short [redacted]

(b)(3)

OFFICE OF ASIAN PACIFIC, LATIN AMERICAN, AND AFRICAN ANALYSIS

China's abundant coal supply and its difficulties developing alternative energy sources mean coal will remain the country's primary source of energy through 2020.

Chinese leaders publicly say they recognize that coal use damages the environment but must balance sustained economic growth—a cornerstone of Communist Party legitimacy—with public demand to clean up the environment, according to Chinese media. [redacted]

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[redacted] Nationwide but unconnected demonstrations in 2004-05 heightened Chinese leaders' anxiety that polluted water and air ultimately could destabilize China despite economic gains, [redacted] and growing oil imports leave it vulnerable to supply disruptions. (b)(3) (b)(1)

China is the world's largest coal user—it produced 2.7 billion metric tons of coal in 2008, about 40 percent of the world total, to meet 70 percent of its total energy needs. In 2007, it surpassed the US to become the largest emitter of greenhouse gases. [redacted]

— Beijing has announced targets for specific types of alternative energy sources, such as increasing wind capacity to 100 gigawatts (GW) and solar capacity to 1.8 GW by 2020, which combined would account for 12 percent of China's current capacity. Wind capacity was about 16 GW last year, and solar capacity was negligible. (b)(3) (b)(3)

— Premier Wen Jiabao last month told the UN Climate Change Conference that China's renewable energy use increased by an annual average of about 15 percent between 2005 and 2008, according to Chinese media. [redacted] (b)(1) (b)(3)

Ambitious Targets for Alternative Energy

[redacted]

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[redacted] **China has adopted regulations and policies to encourage alternative energy use.** Beijing is supporting these policies with money from its economic stimulus and sector-specific support packages, as well as new financing initiatives. (b)(1)

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Alternative Approach to Dealing With Climate Change

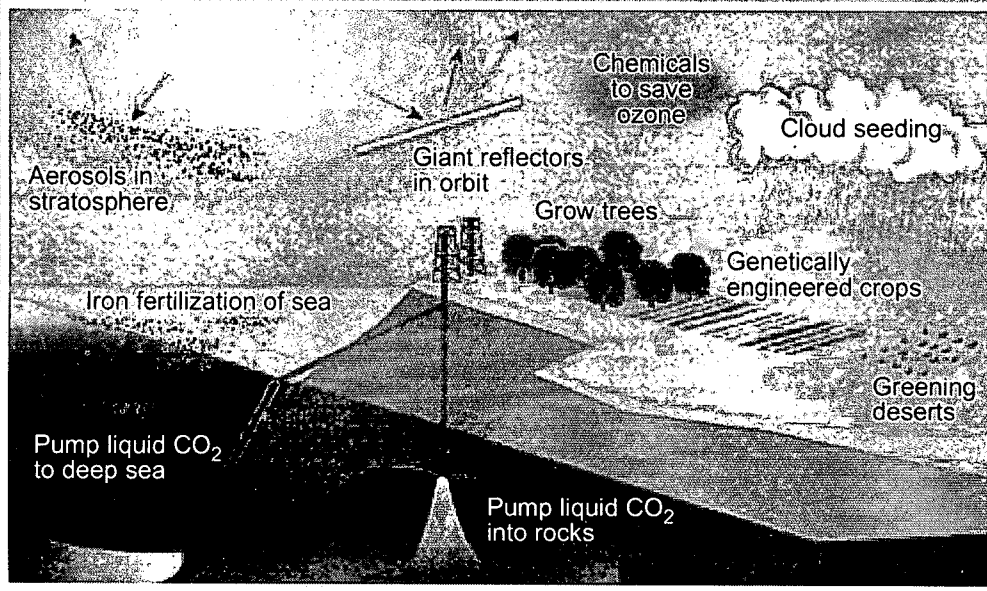
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A key wildcard in China's approach to alternative energy is that Beijing may choose to focus on mitigating climate change rather than its causes if it deems its current efforts are falling short. We cannot rule out that China could seek a unilateral geoengineering solution to climate change, such as shooting sulfur particles into the upper stratosphere to deflect incoming sunlight, mimicking a large volcanic eruption. Chinese leaders have tried to manipulate the environment before and often devise ambitious plans that may seem radical to Western observers.

- China since 1958 has researched weather modification and now has the world's largest program. Beijing plans to have a national command center and experimental base later this year to better protect the country from extreme weather, according to official Chinese media.
- China's weather modification program as of 2007 included the use of 7,113 anti-aircraft guns and 4,991 special rocket launchers to deploy particles into the atmosphere and employed more than 32,300 personnel, according to the same media account.
- In December 2002, faced with growing water shortages in the densely populated north, Beijing launched the \$59 billion, 50-year North/South Water Diversion Project to redirect water from southern rivers.

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(b)(3)



Source: Nature

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