

China's New Regional Air Quality Management Rule Will Reduce Local Air Pollution and Greenhouse Gas Emissions

On May 13, 2010, EPA took a long-awaited step toward asserting its authority over climate change pollution when it issued permitting requirements for major industrial emitters of greenhouse gases. But Congress and/or the courts may well challenge that authority and thwart EPA before it even begins to take action.

Two days earlier, China released a major new regulation on air pollution, little noted by the world. The new rule carves out a broad, aggressive approach to improving air quality in three key population and economic regions along China's eastern seaboard: roughly the multi-provincial areas around the cities of Beijing, Shanghai and Guangzhou.

This new rule is groundbreaking for how it integrates pollution control options from the environmental and energy sectors; on the one hand requiring stringent air quality standards and emissions controls on polluting facilities, while also mandating measures for energy efficiency and clean energy. If implemented effectively, the rule can help drive the structural shifts in industrial production and energy-use that will improve air quality *and* mitigate greenhouse gas emissions at the same time.

Energy and environment are inextricably linked, yet energy and environmental regulators rarely consider cross-sectoral interactions and regulatory strategies. Coordinated approaches to environmental and energy regulation, such as what the Chinese have now put in place, are needed to transition toward a low-carbon economy. These coordinated approaches especially hold promise for developing countries seeking to leapfrog the antiquated policy-making and institutional divisions that handicap us in the West.

Background

On May 11, China's State Council issued a "Guidance Document to Advance the Joint Prevention and Control of Atmospheric Pollution for Improving Regional Air Quality," also known as the regional air quality management (RAQM) regulation. It was developed by the Ministry of Environment Protection (MEP) and passed through seven other related ministries before being approved by the State Council.

The new regulation designates three key regions along China's east coast for targeted air quality management. They are: Beijing-Hebei-Tianjin, Shanghai-Jiangsu-Zhejiang, and the Pearl River Delta region. These three regions represent major industrial and residential load centers,

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contributing considerably to China's climate change emissions. Though consisting of only about six percent of the country's land area, they collectively account for 40 percent of China's coal consumption and 50 percent of iron and steel production.

RAQM Highlights

The regulation requires these three key regions to take the following actions to improve air quality:

1. Set air pollution emissions standards for energy-intensive industries, including coal-fired power generation, iron & steel, petrochemicals, and cement among others, that are significantly more stringent than the national standards;
2. Strictly limit the construction of new and expanding coal-fired power plants and other heavy industrial facilities;
3. Advance deployment of clean energy resources, including natural gas, renewable electricity, and energy efficiency in urban areas;
4. Phase out small coal-fired boilers;
5. Pilot a regional cap on coal-consumption;
6. Set up an NO_x emissions cap for each region, ahead of 12th Five Year Plan;
7. Upgrade air quality standards, and add fine particulates (PM_{2.5}) and ozone to the list of pollutants measured (this is the first high-level government directive to require a standard for fine particulates);
8. Cooperate across jurisdictions, including provinces and municipalities within a designated region, to develop regional air quality management plans. Implementation will be evaluated annually by MEP and the results will be made public.

The RAQM rule also puts forward requirements that will affect areas beyond the three key regions, and some apply nationwide. It requires cities failing to meet China's national Grade II air quality standards to develop air quality action plans. If the city belongs to a group of 113 major cities, it is required to submit the plan to MEP for approval. Local implementation has been a significant barrier to China's environmental protection efforts. This new reporting and air quality management approval process will help address those barriers by firmly establishing MEP's oversight at the city and regional level.

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