Country Update China

Policy framework

- **The Energy Development Strategy Action Plan (2014-2020)**

On November 19,2014, the State Council issued **The Energy Development Strategy Action Plan (2014-2020)**. It included a cap set on annual primary energy consumption set at 4.8 billion tons of the standard coal equivalent until 2020, and the share of non-fossil fuels in the total primary energy mix will rise to 15 percent by 2020.

In the plan, **hydrogen and fuel cells** has been explicitly included in the 20 key innovation directions of energy technology.

（五）推进能源科技创新。 *Advancing energy technology innovation*

…

1.明确能源科技创新战略方向和重点。 *Identify energy technology innovation strategic directions and priorities*

…明确页岩气、煤层气、页岩油、深海油气、煤炭深加工、高参数节能环保燃煤发电、整体煤气化联合循环发电、燃气轮机、现代电网、先进核电、光伏、太阳能热发电、风电、生物燃料、地热能利用、海洋能发电、天然气水合物、大容量储能、**氢能与燃料电池**、能源基础材料等20个重点创新方向，…

Hydrogen and fuel cells

Country Update China

- **New-energy vehicles subsidies extended to 2020**

  On December 30, 2014, the Ministry of Finance (MOF) unveiled a draft financial support policy for new-energy vehicles 2016 – 2020 on its website for seeking public opinion.

  On April 29, 2015, 《**The financial support policy for new-energy vehicles 2016 – 2020**》 was jointly issued by MOF, MOST, MIIT (the Ministry of Industry and Information Technology) and NDRC (the National Development and Reform Commission).

  According to the new policy, subsidies for pure electric vehicles and plug-in hybrid vehicles will be reduced by 20 percent in 2017 to 2018 from that in 2016, and 40 percent in 2019 to 2020 from that in 2016. **Subsidy standards for fuel cell electric vehicles remain unchanged.**

Subsidy standards for FCEV

Type of Fuel cell vehicle	Subsidy standards (unit: RMB/unit)
passenger cars	200,000
light passenger vehicles, vans	300,000
large and medium bus, medium and heavy trucks	500,000

Country Update China

- **Tax-exemption policy for new-energy vehicles renewed**

  On May 18, 2015, a new tax-exemption policy was jointly issued by MOF, MIIT and the State Administration of Taxation. It is an updated version of the policy introduced in 2012. According to this policy, new-energy vehicles and ships will be exempted from vehicle and vessel tax, vehicles exempted include pure electric vehicles, plug-in hybrid vehicles and fuel-cell vehicles.

  In a separate measure to put more electric buses on city streets, the MOF, MIIT and MOT (Ministry of Transport) jointly issued an updated policy on fuel subsidies for public buses. The ministries, which currently pay the cost of fuel for public buses in China's cities, will reduce fuel subsidies every year through 2019.

Country Update China

RD&D programs

- **New R&D program of new-energy vehicles (2015-2020)**

  The Ministry of Science and Technology issued a draft of the government's plan to support research and development of new energy vehicles to gain public opinion on Feb 16,2015.

  According to this draft plan, the aim of R&D of FCEV is achieving industrialization requirements, realize "thousands" market scale in 2020.

- **Wind-to-hydrogen demonstration projects**

  On March 23, 2015, China's National Energy Administration releases a notice on promoting the grid integration and dissolving of wind power in 2015.

  According to this notice, the implementation of two wind-to-hydrogen demonstration projects in Hebei and Jilin provinces will be speeded up.

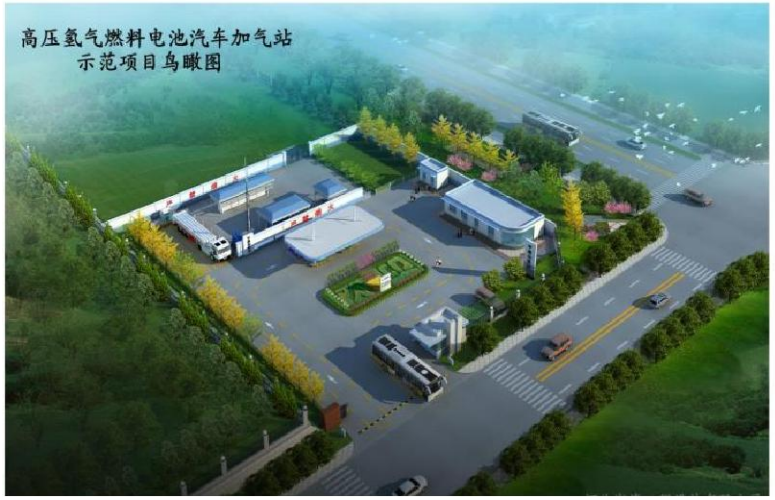
- **GEF/UNDP/MOST "China Fuel Cell Vehicle Joint Demonstration Project"**

  The proposal documents are ready for reviewing; 4 cities join the project: Beijing, Shanghai, Zhengzhou (Henan province), Foshan (Guangdong province).

Country Update China

Industry activities

- New HRS opened in Zhengzhou, Henan Province.



✓Built by Zhengzhou Yutong Group Co., Ltd.;

✓Start operation in March 2015;

✓35MPa, trucked-in type, 210kg/day capacity;

Country Update China

- A prototype tram powered by hydrogen fuel cells was unveiled at the CSR Sifang factory in Qingdao on March 19, 2015.

✓A three-car tram capable of carrying as many as 380 passengers; Run for 100 km at speeds up to 70 km/h;

✓Additional testing is being completed at CSR Sifang's facility in Qingdao;

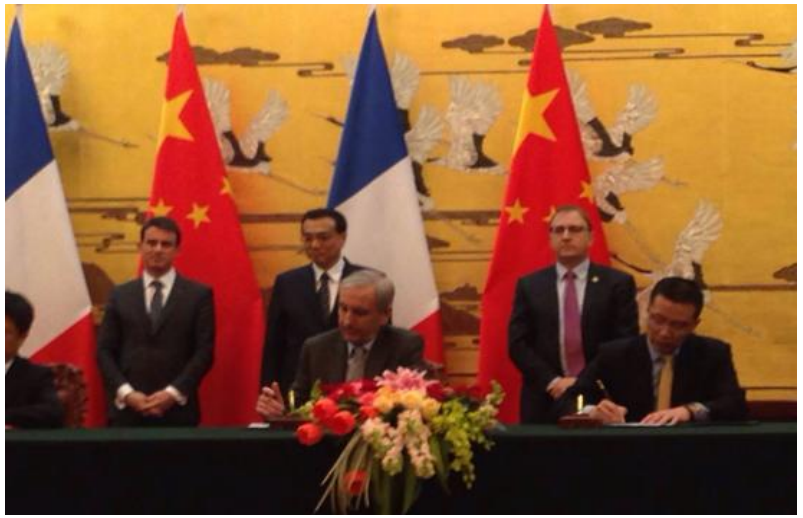
✓Foshan city is going to be the first customer, a fuel cell tram line and hydrogen refueling stations are in design.

Country Update China

- **SAIC and Air Liquide sign Memorandum of Understanding**

SAIC Motor Corp. and Air Liquide signed a Memorandum of Understanding (MOU) on January 29, 2015 at the Great Hall of the People in Beijing in the presence of Chinese Premier Minister Li Keqiang and French Premier Minister Manuel Valls.

According to the MOU, SAIC and Air Liquide will join forces to convince major Chinese cities to adopt hydrogen fuel cell cars and develop the hydrogen refueling station infrastructure in China.



Thank you!

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