

## Give China credit for green initiatives

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REUTERS

**GROWTH:** China will build 50,000 new skyscrapers in the next 50 years.

From the balcony of her 29th-floor apartment, Peggy Liu gestures across a small corner of Shanghai. "That area over there has been just rebuilt, and this area here is next. It just seems to change all the time."

It is no understatement. When we settle in a nearby coffee shop to talk about China's phenomenal growth, and what that means for global climate change, Liu provides the

perspective.

"We've only really been building for the last 20 years because of the history of China. The next 20 years we'll continue to build at the same pace. McKinsey estimates that 50,000 new skyscrapers will be built during this time - that's 10 Manhattans of new floorspace.

"Every year China is building two New York cities of new floor space across the entire country. We're going to build 170 mass transport systems, that's more than all of Europe in history." Little wonder, then, that Liu - who by birth and upbringing bridges the two key cultures of this century, the Western and the Chinese - is here in Shanghai.

"The reason why we focus on China is because of the scale and pace of growth here. We believe that if the world is going to go green, the future of the greening of the world really lies in the hands of China.

"If you don't get China on the right path it doesn't matter what you do in Wellington or San Francisco for that matter, or even New York, it's just like a steamroller." Liu is the chair of JUCCE, the Joint US-China Collaboration on Clean Energy. Born in Michigan to Chinese parents, she is a graduate of MIT, is married to a Caucasian American with whom she has two boys, and moved to Shanghai six years ago from a job at consulting firm McKinsey to found a venture capital firm.

As a non-government organisation, JUCCE (pronounced Juice) is striving to mitigate that impact. "JUCCE's strategy is to focus on four key drivers of energy use.

"One is urbanisation, that trend, two is industry use, which is 70 per cent of all energy use in China, the third one is the electricity grid, which is the backbone of all energy use. By the way, a lot of people don't realise that two-thirds of all energy is lost between generation and use, two-thirds.

"And then the last one is consumer behaviour, because you have to realise that China for the first time is growing a middle class and this middle class is becoming millionaires and billionaires very quickly and these people all want Louis Vuitton bags, they all want houses, and a lot of them want cars." For all that China's scale and pace of growth may seem overwhelming, Liu is remarkably sanguine. You get nowhere without starting.

"JUCCE's strategy is to strike at the heart of the decision-makers in these four areas and in China, unlike other countries like America, it's actually easier to identify a handful of those key decision-makers. Urbanisation is mayors, industry is the SOEs, consumers, we're really focused on students and the press, the reporters that are creating these green stories, and the grid, there's really only one major utility."

To take the mayors, within China they wield huge influence. "They're the ones approving the local developments. We actually train mayors, upwards of 50 at a time, through the central government. They

bring the mayors in bulk to Beijing and we train them in how to build an energy smart city. So far we've trained 135 mayors that oversee a population of 135 million.

"What people should know is that cities have extreme pressure from central Government, so we now have this goal of 40 to 45 per cent reduction in carbon dioxide emissions, for example. If you want to be promoted you have to reach these targets." It is her experience of China's will to change that leaves Liu frustrated at the Western world's view.

"What a lot of people don't realise is that China already has a lot of world-leading, progressive targets, and so the lack of PR that China does outside of China is really hurting them." She views last year's Copenhagen conference as a failure of protocol, and understanding how the Chinese approach such negotiations.

"There were just so many things working against the Copenhagen Accord. It's not that China didn't want to have an accord, because if you really understood what policies China has in place already you'd understand that China has not only set really aggressive targets, they've actually exceeded a lot of their targets.

"It's like the wind- generation capacity targets, they've blown through their original estimates to the point where last year they had to stop approving wind-farm development. They have over 26 different cities that are experimenting with electric vehicle pilots right now.

"They have, at my last count, over 38 cities that are saying they are doing some sort of green city. There are over four cities that are official smart-grid pilot cities, so on and so forth.

"The amount of money they're spending on clean energy is blowing people out of the water. I think if people really understood what was going on in China and appreciated the fact of where they were starting, the baseline of where China was starting from, to how much has changed in such a short period of time, they would cut a lot more slack for China." In contrast, Liu fears for America's ability to change. "I, as an American, as someone born in America, have become very frustrated, and I spent a month in February touring the country, doing speeches, and I've never come back so depressed about our ability, in America, to move forward.

"Even the current administration, the Department of Energy, I know some of them very well and they're really smart and they really know what's going on and where we need to be going, but all of these people, it's like they're facing some sort of massive roadblock. "I think it's that part of America doesn't believe in climate change and that part of America, I don't care how big it is, it's very influential in politics."

Liu's visit to New Zealand this month is her second - she and her husband came here for their honeymoon 10 years ago, to tour the South Island. She sees this country, despite its small size, as having one key advantage. "Tim Groser [Minister Responsible for International Climate Change Negotiation] told me you could get to 90 per cent renewable energy. I told him you've bottled the fountain of youth for clean energy! That is phenomenal.

"I actually think if New Zealanders were to think like Chinese people, or a Chinese mayor asking how am I going to brand my city, that's how I would brand New Zealand.

"In the not so distant future, like 20 years from now, it will be one of the few countries where you can really not worry about climate change adaptation. Whereas cities that I will not name but should be obvious are going to be in real trouble and some of them are at the heart of the financial system in America."

\*Peggy Liu has been chosen by the Hillary Institute as its 2010 Leadership Laureate on Climate Change Solutions. Liu is the second Hillary Laureate, after the UK's Jeremy Leggett. She is speaking at the Institute's one-day symposium on climate change in Christchurch tomorrow. See [www.hillaryinstitute.com](http://www.hillaryinstitute.com) for more information on the Laureate programme.

**\*\*Andrew Holden travelled to Shanghai with the assistance of New Zealand Trade and Enterprise.**

The Hillary Institute's Mark Prain emphasises 80 per cent (not 8 per cent as quoted yesterday) of the world's largest 500 corporations now proactively disclose information on their greenhouse emissions to the Carbon Disclosure Project ([www.cdproject.net](http://www.cdproject.net)).