



## Understanding/Context

Energy security is the reliable, stable and sustainable supply of energy at affordable prices and social costs. Exploring and implementing long-term sustainable solutions in this complex field are vital to promote peace and economic growth. Currently, one of the most important examples in this global landscape is China. Chinese energy demand continues to grow, with coal accounting for 70% of the primary energy mix and 80% of electricity production. The Chinese market has traditionally been heavily controlled by the state, with prices often not reflecting costs of production and with a disconnect between fuel and generation prices. Moreover, environmental sustainability has suffered, as meeting demand has taken precedence over other concerns. China is taking steps to reform the pricing of electricity, coal and natural gas by limiting further growth of demand and tackling pollution, which is now a source of serious public concern.

## Shaping the Agenda

Conscious of the importance of China on the global energy map, the Chair of the Global Agenda Council on Energy Security, Lin Boqiang, was recently asked by the Chinese government to provide recommendations for the Chinese energy sector. The Council proposed potential solutions, described their possible effects and shared experiences from other countries. These recommendations also included comments from the Energy Industry Community.

On a global level, the Council has continued discussions on energy security and climate change. The group found that existing policies aimed at facilitating the development of environmentally sustainable energy technologies are neither efficient in advancing technology, nor economically sustainable. For example, the renewable equipment industry

occasionally suffers bankruptcy on a spectacular scale, public cuts in subsidies hinder retrofitting efforts, and project developers face challenges integrating production capacity with the grid. At the same time, investments and subsidies flow towards the deployment of mature technologies, rather than into innovation and research and development.

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Over the next 12 months, the Council on Energy Security plans to create and examine case studies to assist in developing a broader set of policy recommendations for energy technology innovation. The creation and transfer of new energy technologies between countries is an area of great interest and importance in evolving the energy map. The Council plans to examine where these developments are happening and how they might be facilitated.

## Contact Information

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