

Taichung City Declaration of Intention to Join the PPCA

Coal-fired power generation seriously pollutes the environment. However, in cooperation with national economic development needs, the Taichung Power Plant—the world's fourth-largest coal-fired power plant—was built in Taichung City, which for decades shouldered this long-term responsibility and burden. Over the years, the pressures of an over-reliance on this plant for national energy needs as well as a radical central government energy policies have meant that these nearly 30-year-old coal generation units could not be phased out, resulting in serious air pollution issues for Taichung City.

To reduce air pollution caused by coal burning, the Taichung City Government has legislated autonomous regulations. These, together with controls on the issuance of operating permits, have meant that the use of bituminous coal has been reduced from a peak of 18.39 million metric tons in 2014 to 11.04 million metric tons in 2020. The city government has also tightened control standards for boilers, only allowing new boilers with emissions on par with gas boilers to be installed. Consequently, no new coal boilers have been installed in Taichung since 2016 and existing industrial coal boilers in its jurisdiction will be phased out by 2023.

The central government is in charge of Taiwan's energy policy but local governments are held responsible for the environment. It is our understanding that the Powering Past Coal Alliance (PPCA) is committed to phasing out unabated coal power stations, which is in line with our air pollution control efforts. For that reason, Taichung City is a strong supporter of PPCA's mandate of coal reduction.

Taiwan is gradually undergoing an energy transformation. On the dual premise of energy stability and pollution reduction, Taichung City hopes to join the PPCA as a local government and sign the declaration of coal reduction, in order to encourage the central government and Taiwan Power Company to pay greater attention to our determination and commitment to these goals.

In order to establish a long-term partnership with the PPCA, Taichung City would like to apply for membership as a local government and pledge its commitment to the following:

1. Realize the goal of reducing the use of bituminous coal in Taichung Power Plant to 11.04 million metric tons by 2020 through autonomous regulations

in combination with controls on the issuance of operating permits.

2. Continue to support clean energy power generation through policies and investments.

Signatory:

A handwritten signature in black ink, reading "Lu, Shiow-Yen". The signature is written in a cursive, flowing style with a large initial 'L' and a distinct 'Y' at the end.

Shiow-Yen Lu

Taichung City Mayor

Coal Reduction Efforts and Outcomes in Taichung City

1. Making best efforts to reduce 40% of bituminous coal use in Taichung Power Plant by 2020.

The Taichung City Government enacted its Autonomous Regulations on Bituminous Coal and Petroleum Coke Restrictions in Public and Private Places on January 26, 2016. This stipulated that Taichung Power Plant should decrease the use of bituminous coal by 40% within four years of the date of promulgation, and that new bituminous coal licenses will no longer be issued.

The operating license renewal for 10 coal-fired generation units at Taichung Power Plant will be submitted by the end of 2019. The city government will take this opportunity to adopt more stringent usage standards according to the autonomous regulations in order to realize the goal of coal reduction. It will continue to communicate with the central government to request that Taichung Power Plant decommission old generation units earlier to mitigate air pollution.

2. Boiler Transformation Policy

In order to encourage the industry to replace oil-fired boilers, the city government in September 2015 formulated a policy for subsidizing enterprises to shift to natural gas for heating devices in Taichung City. Furthermore, in June 2017 Taichung City Boiler Air Pollutant Emission Standards were promulgated. With the two-pronged approach of subsidies and tightening standards, clean energy is promoted and the replacement of boilers is accelerated by only allowing new boilers with the emission levels of gas boilers to be installed. As a result, no new coal boilers have been installed in Taichung since 2016.

The 2022 Policy on Terminating Coal-Fired Industrial Boilers in Taichung City was introduced in 2019. Given a three-year grace period, operators' conversion to clean energy is facilitated through the Air Pollution Prevention Plan and tightened boiler standards. All of these measures aim to transform Taichung into a low-carbon, coal-free city.

3. Doubling Solar Installed Capacity

To encourage solar power generation and lower a dependency on traditional

high-polluting power generation, Taichung City Government's 2019 subsidy plan for setting up solar photovoltaic power generation systems was announced on April 24 this year. A NT\$5.7 million budget was allocated to encourage the public to participate in solar power generation. Because the public is more interested in parallel solar panels, besides continuing to offer subsidies to those who generate electricity for self-use, individual citizens and privately-operated power plants of a parallel type below 50 kilowatts are also included under this plan.

In accordance with the Autonomous Regulations of Low-Carbon City Development in Taichung City, the city government is also promoting a renewable energy program for heavy electricity consumers. A total of 448 companies with a contract capacity of over 800 kilowatts per month are required to install a renewable energy system for 10% of contract capacity within three years of regulation enactment by the city's Economic Development Bureau (EDB). The EDB will also continue to track the production of solar energy. Compared to 108 megawatts generated by panels installed over the past four years, the goal is to double this amount by the end of 2022.