China bets on solar and EVs, but climate goals disappoint

Chongqing | **Jessica Sier** **AFR** *North Asia correspondent* Sep 26, 2025

The stifling heat that settled over Chongqing, a mountainous city in central China last northern summer, shattered temperature records, but the lights stayed on.

Officials credited billions of dollars of new energy infrastructure – from high-voltage power lines importing renewable electricity from western China to expanded gas and storage plants – for avoiding the rolling blackouts that have plagued Chongqing in past years.

President Xi Jinping appeared via video link to announce China's climate goals to the UN

But even as China celebrates the resilience of its grid and boasts about becoming the world's dominant producer of solar panels, wind turbines and EV, its reliance on coal is expanding at a pace that alarms climate experts.

Last year alone, China began building 94.5 GW of new coal-fired power capacity, the highest in a decade.

At the United Nations this week, President Xi Jinping announced China's new climate goals: cutting greenhouse-gas emissions by just 7-10% below peak levels by 2035, raising the share of non-fossil fuels in energy consumption to 30%, and expanding wind and solar to 3600GW. For the first time, Beijing has set an absolute economy-wide cap on emissions, covering all greenhouse gases.

Despite the import of Xi himself making the announcement, the response was swift and largely disappointed.

Climate experts called the targets "too weak" and "conservative", warning they don't match the breakneck growth of clean energy on the ground and fall far short of what's needed to limit global warming to 1.5 degrees.

Indeed, analysts say China would need to slash emissions at least 30% by 2035 to align with that goal and restrict catastrophic climate change.

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— Tim Buckley, Climate Energy Finance director

“These targets reflect constrained ambition. China has opted for promising no more than it is confident it can deliver,” said Kate Logan, director of China Climate Hub and Climate Diplomacy at **ASPI**. “Unfortunately, they are not ambitious enough to meet the Paris Agreement’s temperature goals or to galvanise the international community to accelerate climate progress.”

Uncertain time for energy transition

The setback comes at a precarious moment. Global climate diplomacy is flagging: the United States has pulled out of the Paris Agreement, leaving a vacuum of leadership, and few other major economies offered new pledges in New York this week. Washington didn’t even bother to present new targets and US President Donald Trump called efforts to rein in climate change “the greatest con job ever perpetrated on the world”.

“While the announcement is directionally correct, most were hoping for more ambitious goals out of China,” said Tim Buckley, a director at the think tank Climate Energy Finance. “But despite China’s size, it is unrealistic to expect China to replace the US as a world leader on climate change.”

But China needs the world to mobilise; its economy depends on it. Over the past decade, Beijing has steered its economy towards dominance in the equipment that powers the global energy transition.

China now manufactures more than 80% of the world’s solar panels, controls close to 90% of battery cell production capacity, and leads in electric vehicles, where it is expected to account for more than 60% of global sales this year.

Cities like Chongqing, which is home to 32 million people across its greater area, are touted as “electrified cities” where government plans are rolled out to connect everything from transport to construction to cleaner power. More than 80,000 EV already on the streets are supported by a fast-growing charging network, while the city is piloting a hydrogen corridor linking it with Chengdu.

Local authorities have also rolled out China’s first provincial-level “virtual power plant”, using cloud computing and artificial intelligence to co-ordinate thousands of distributed energy sources – from rooftop solar to industrial storage batteries – into a single controllable grid resource. Backed by $US8.2 billion in grid upgrades during the current five-year plan, the city’s programs are being studied by policymakers as a blueprint for how China’s industrial hubs can electrify without sacrificing reliability.

But without sustained international demand for the solar panels, batteries and electric cars rolling off its production lines, China’s new targets risk looking less like climate leadership and more like a lacklustre set of promises, weak in both ambition and impact.

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