

Green energy projects increase

The nation must keep pace with the world's economies in new energy adoption or the country will lag behind the world within a decade, said China's top energy official.

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Speaking on the sidelines of the recently concluded annual session of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), Zhang Guobao, head of the National Energy Administration (NEA), quoted US president Barack Obama's statement that "the country that harnesses the power of clean, renewable energy will lead the 21st century".

"We should keep a close watch on the development of cutting-edge (new energy) technologies the world over and invest more to improve research and development capabilities," he

said.

China is already taking steps to ramp up its green energy industry. The country's top economic planning body, the National Development and Reform Commission (NDRC) said on its website two weeks ago that it has approved construction of two hydropower stations and two wind farms with a total capacity of 20 gW.

The Luding Hydropower Station in Sichuan will consist of four units, each with a 230-megawatt capacity and the Dongjing Hydropower plant in Guizhou province will also consist of four units, each with a 220-megawatt capacity. The two wind farms, the Rudong wind farm in Jiangsu province and Guyuan wind power station in Hebei province, will both have a 100.5-megawatt capacity.

China is also reportedly revising its energy development plans to nearly double its nuclear power capacity in the next decade, official sources said earlier.

The authorities will also start building eight more nuclear power plants in the next three years, with 16 reactors whose total installed capacity will surpass 10 gW, according to NEA.

There are currently 11 nuclear reactors in operation in the country with a combined capacity of about 9 gW, supplying around 1 percent of the country's energy needs.

NEA head Zhang last year said the country would raise the share of nuclear power in the national energy mix from 4 percent in 2006 to 5 percent by 2020, with a total nuclear power of 40 gW by that year. The revised energy development plan ups the targeted capacity to 70 gW by 2020.

The country also set a higher goal for its wind power industry. Starting this year, China will build several large wind farms over the next 10 years, each with a generating capacity in excess of 10gW, in Gansu, Hebei and Jiangsu provinces, and Inner Mongolia autonomous region, said Shi Lishan, deputy director of the Renewable Energy Department of NEA.

"The country's wind power capacity will reach 100 gW by 2020," Shi said. Under the previous plan China's wind power was set to hit 30 gW by 2020.

Zhang said at a meeting on the nation's energy strategy in February that the country's current oversupply of electricity offers a good opportunity to solve chronic problems in the energy sector, such as reliance on thermal power and high environmental costs.

"China should speed up its effort to improve energy mix," Zhang said.

China currently relies on coal-fired plants for about 80 percent of its total energy needs.

In its power industry investment forecast published on Feb 14, the China Electricity Council (CEC), a government-backed industry association, said more of this year's investment in power generation would go to the renewable energy sectors. Investment in the power sector may total 650 billion yuan this year,



Zhang Guobao

with 46 percent of it used in power generation and the rest assigned to build and upgrade power grids.

Statistics released by the China Electricity Council (CEC) early last month showed that investment in wind power and nuclear power infrastructure last year rose 88 percent and 72 percent, respectively, from 2007, the CEC said. In contrast, the country's investment for the construction of thermal power plants declined by 22 percent year-on-year.

As a result the amount of energy used for each unit of GDP fell by 4.5 percent last year, said Liu Gang, deputy head of NEA.

But some industry analysts are pessimistic about alternative energy's prospects in a slowing global economy.

"People might still have some interest in renewable energy, but they are no longer crazy about it. The economic crisis will cause a decline in green energy projects in 2009," said Zhou Tao, an analyst with Great Wall Securities.

Dramatically dropping crude oil and coal prices could also take some shine off the clean energy industry.

"Such projects will also have a hard time raising funds from the lackluster stock market or getting them from banks, which are tightening lending rules," Zhou said.

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