



CS China Energy Update

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CS China Energy Update

is a monthly electronic publication produced by the U.S. Commercial Service in China. The Update provides U.S. companies with information and analysis on China's energy market, project alerts, highlights from the U.S. Mission in China and U.S. Department of Commerce and U.S. Government activities in the sector, and a listing of upcoming events.

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Guest Contributions

The U.S. Commercial Service in China welcomes contributions from guest authors and other organizations. The views and opinions of guest contributions do not necessarily represent those of the Commercial Service or U.S. Government. Inclusion does not represent or imply endorsement of the individual or organization. If you are interested in contributing, please contact Michael Wang at Jianhong.Wang@mail.doc.gov.

U.S. Government Highlights

➤ [U.S. Commerce Secretary Gary Locke and Energy Secretary Steven Chu Visit China](#)

During a four-day visit to Beijing and Shanghai (July 14-17), the Secretary of Commerce and Secretary of Energy stressed the importance of cooperation between China and the United States in slowing global warming and promoting clean energy. They met with Chinese leaders, including Premier Wen Jiabao, Vice Premier Li Keqiang, Vice Premier Wang Qishan, and other leading officials from the National Development and



Reform Commission (NDRC), the Ministry of Science and Technology (MOST), the Ministry of Commerce (MOFCOM), the Ministry of Industry and Information Technology Ministry (MIIT), and the National Energy Administration (NEA). Secretary Locke also spoke to the U.S. business communities at events hosted by the American Chamber of Commerce and U.S. China Business Council.

➤ [China & U.S. Launch Joint Research Center](#)

U.S. Energy Secretary Steven Chu, Chinese Minister of Science Wan Gang, and Administrator of National Energy Administration Zhang Guo Bao today announced plans to develop a U.S.-China Clean Energy Research Center. The Center would facilitate joint research and development on clean energy by teams of scientists and engineers from the U.S. and China, as well as serve as a clearinghouse to help researchers in each country. Priority topics to be addressed will initially include building energy efficiency, clean coal including carbon capture and storage, and clean vehicles. The U.S. and China together pledged \$15 million to support initial activities.

“The U.S. and China are two great nations, and clean energy is one of the great opportunities of our time,” said U.S. Energy Secretary Steven Chu. “Working together, we can accomplish more than acting alone.”

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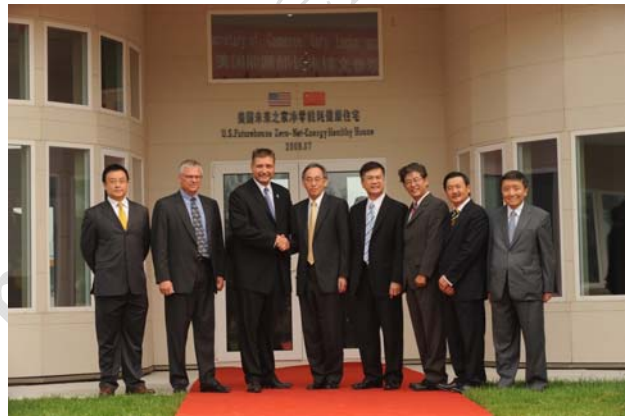
The Center will have one headquarters in each country, at locations to be determined. U.S. and Chinese officials will discuss elements of the Center in the months ahead, with the objective of launching initial operations by year end.

Science and technology have long been a cornerstone of U.S.-China cooperation. The first agreement signed between the two nations after normalization of relations in the late 1970s was on science and technology. Today, opportunities abound for U.S.-China cooperation on clean energy technologies. In particular, working together can help to more rapidly drive down the cost of the critical clean energy and carbon capture and storage (CCS) technologies needed to avoid the worst consequences of climate change.

Contact: Geoff Lyon, U.S. DOE China Office, lyongeo@state.gov

➤ [Department of Energy Secretary Chu in China Promoting Energy Cooperation](#)

U.S. Commerce Secretary Gary Locke and Energy Secretary Steven Chu visited the Future House USA in the Changping District of Beijing, July 16, 2009. During the visit, the Secretaries expressed their strong will for such projects of green cooperation between nations.



The Future House USA, or the America House, has received support from the Ministry of Housing and Urban-Rural Development, as well as the Ministry of Science and Technology. Designed in 2006, it was financed by Tao Yongxin, a professor with the College of Engineering and Computing at Florida International University, and George Bialecki, founder of Chicago-based Alternative Energy Living Foundation (now Learn Green Foundation). Future House USA demonstrates U.S. building energy efficiency ideas to Chinese builders and government officials.

Locke believes the joint measures China and the U.S. are taking will help the two countries to lead the world to a greener future. "We really appreciate such green cooperation with China. America should act as a leader to save energy, so should China and every country in the world. And of course, we can," he said.

➤ [Locke Urges Level Playing Field for U.S. Firms](#)

U.S. companies need to be treated fairly in China, U.S. Commerce Secretary Gary Locke said today in an exclusive interview with China Daily. He pointed to occasions where the distribution of Chinese stimulus money was limited to Chinese companies making goods in China. While the central government's policy does not actually include those restrictions, Locke said that local government officials often interpret the rules this way, which hurts U.S. companies and the Chinese workers they employ. While it is natural that most countries will favor domestic production in a recession, Locke said, "We just want to make sure there is a level playing field for the U.S. companies to compete." Locke said this includes stronger intellectual property protection, which would help encourage innovation both within and outside

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China's borders. He also said that it was important to help U.S. companies better share their technology, products, and services with Chinese companies to help them develop more modern, environmentally friendly policies and goods.

➤ [Secretary Locke Highlights Energy Efficiency on Four Site Visits](#)



Besides the Future House which he visited with Secretary Chu, Secretary Locke visited Wal-mart Wangjing Green Store, a co-generation power plant powered by a Pratt & Whitney engine, and the manufacturing facility of Cummins Emission Solutions.

Wal-mart's Wangjing Green store boasts a 23.28% energy savings, and 16.85% water savings compared with comparable stores built at the same time. They have achieved this through the employment of efficient power, lighting, HVAC, and water systems manufactured by such U.S. firms as Honeywell, OTIS, and Danfoss.

The co-gen plant offers 80% thermal efficiency, and supplies 50% of the development zone's electricity and 30% of its thermal energy (steam) needs. The Cummins plant was built to supply China with catalytic exhaust systems designed to enable China's buses and trucks to meet the Euro IV emissions standard, a stated goal of the Chinese government by 2011.



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➤ [U.S. Commerce Secretary Gary Locke Energy Breakfast Focuses on Energy Cooperation Program](#)

On July 15, AmCham China brought together a group of U.S. energy companies to discuss the industry and market opportunities and barriers with Secretary Locke and other USG representatives, including USTDA's Geoffrey Jackson. Representatives from the following companies attended: AES China, Applied Materials, Bechtel China, Beijing Fuel Tech, Cummins Environmental Technologies Co., Johnson Controls, Black & Veatch, Caterpillar, Chevron Texaco, ConocoPhillips, ExxonMobil, Ford, GE, GM, Honeywell, Intel, LP Amina, Oshkosh, Peabody Energy, Rockwell Automation, Shaw International, United Solar, United Technologies, Westinghouse, and US - Pacific Rim International.

Among the primary topics of discussion was the establishment of the U.S.-China Energy Cooperation Program (ECP). The ECP is a new public-private partnership whose primary objective is to leverage private sector resources to help China achieve its energy goals, while advancing U.S. commercial interests in China. Modeled after the already successful Aviation Cooperation Program (ACP), which brings together U.S. companies and government in the Chinese aviation sector, the ECP will establish a secretariat at the AmCham.

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➤ [U.S. DOE and China's Ministry of Housing, Urban and Rural Development Signed an Agreement on Buildings and Community Energy Efficiency](#)

The U.S. Department of Energy and China's Ministry of Housing, Urban and Rural Development (MOHURD) concluded a Memorandum of Understanding to strengthen cooperative efforts in the field of building and community energy efficiency. The agreement covers a range of technology and policy measures to reduce energy use in the built environment, including heating and air conditioning systems as well as training for local Chinese officials in energy efficiency economics. Partners on the Chinese side include the Ministry of Science and Technology (MOST) and Tsinghua University, while from the United States the U.S. Green Building Council, National Renewable Energy Laboratory and the Lawrence Berkeley National Laboratory will be involved. The agreement stipulates that both sides should aim at diffusing energy efficiency technologies and policies in China through joint visits, information exchanges, and conferences over the next five years.

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➤ [Secretary Locke Spoke at AmCham and USCBC in Beijing](#)

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Wednesday, July 15, 2009

**Secretary of Commerce Gary Locke
Remarks at the American Chamber of Commerce-Beijing
U.S.-China Business Council
Beijing, China**

Thank you for having me here today.

It is great to be back in China for the first time since January, when I was here to celebrate the 30th anniversary of U.S.-China relations.

And it's great to see so many familiar faces in the audience.

I have arrived in China this week, along with Energy Secretary Steven Chu, to advance what can be one of the most beneficial areas of cooperation in the history of U.S.-China relations: The development, production and deployment of clean energy and energy efficiency technologies.

Clean energy may be the greatest economic opportunity of the 21st century. As two of the world's most productive and innovative economies, the United States and China are uniquely positioned to create the solar, wind, biofuel and other renewable technologies that the world wants and needs.

Widespread deployment of energy efficiency and clean energy technologies is also the only way our economies can continue to grow while preventing the catastrophic effects of climate change.

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And as the two biggest emitters of carbon dioxide, the United States and China have a special responsibility to take action.



I am proud to say that President Obama has already done more to spur the development of energy efficient and renewable energy technologies than any president in the history of the United States. The stimulus package America deployed earlier this year contained \$112 billion to advance green priorities, such as the development of a national smart grid, improved efficiency and advanced battery research.

The president's 2010 budget proposes spending \$15 billion every year for the next 10 years in renewable energy research and development. It also calls for the creation of a national cap and trade system for carbon emissions, which will not only mitigate climate change—but will, for the first time, provide a clear market signal to entrepreneurs across America and the world that clean energy can be profitable over the long term.

It has been said that it's unjust to ask China and other developing nations to drastically reduce their carbon emissions, when countries like the United States have spent 150 years using coal, oil and other dirty fuels to grow their economies.

That's an understandable point, but one of no concern to Mother Nature. She doesn't discriminate between carbon that comes from the United States or China, Europe or India.

And she will ignore attempts to explain the sins of the future by pointing out sins others made in the past.

We all share the same atmosphere and if we do not act, we'll all suffer from the coastal flooding, unpredictable weather, and agricultural damage that is undoubtedly in store if we don't change the way we use energy. As inhabitants of this planet, we will rise or fall together.

I think it's important here to remember the remarkable contributions the Chinese have made to civilization over thousands of years.

There are countless inventions and innovations, including the abacus and the seismograph, silk and cast iron, the compass and the clock, gunpowder and fireworks, paper and the printing press, acupuncture and herbal medicine.

There is so much to be proud of, and I believe that pride will ultimately guide China's decisions on climate change. Fifty years from now, it does not want the world community to lay blame for environmental catastrophe at its feet.

There's still much to be done to avoid that fate, but China's leaders have begun making important progress confronting the causes of climate change. They should rightly be lauded for taking actions that are commensurate with the energy challenges we face.

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Almost 40 percent of China's domestic economic stimulus is going towards green projects. China has already adopted the most aggressive energy efficiency program in the entire world, and they are on track to exceed many of their renewable energy adoption goals.

But it's a sign of just how far we have to go, that China and the United States still get about three-quarters of their energy from fossil fuels.

As we take steps together to transition towards a clean energy future, we will also spur the world's next great growth industry.

But meeting this challenge will require more than just concerted governmental action.

We need to empower U.S. and Chinese entrepreneurs and innovators to create and collaborate free from artificial trade barriers. U.S. companies have considerable advanced technology that could assist China in its clean energy transition—and I am committed to doing whatever it takes to make it easier for American companies to operate here.

In these tough economic times—and concerned as we are about the people we serve—it is tempting to seek refuge in trade and investment protectionism. But history has taught us that such measures are self-defeating and ultimately have a negative impact on long-term economic growth.

Especially in an area like clean energy—where the need for innovation is so great and where ideas are just as likely to be discovered in San Francisco as Shanghai—we can't afford to close off markets, making it difficult for Chinese or American companies to compete.

Our leaders, President Obama and President Hu, together with leaders of other major economies of the world, reminded us of the need to maintain fair and open markets at the G-20 Summit in London.

And I'd like to briefly discuss a few areas where I think China and the United States can continue striving towards this goal for the mutual benefit of our people.

Because for all our areas of agreement, the United States and China's trade relationship has to evolve. There are concerns and deep structural issues to be addressed.

Chief among them is a bilateral trade imbalance that simply can't be sustained. Growth predicated on ever increasing Chinese exports being consumed by debt-laden Americans provided years of prosperity—but it also sowed some of the seeds for our current economic problems.

Last year, the U.S. trade deficit with China reached almost \$270 billion. In the months and years ahead, President Obama will seek to restore balance to that relationship.

By reforming the way we use energy, curbing looming fiscal deficits and dedicating billions of dollars to short-term stimulus and long-term investments, President Obama is laying the groundwork for more stable and widespread economic growth that will benefit American and Chinese citizens alike.

And the U.S. is encouraged by the reciprocal actions from our Chinese partners, such as the unprecedented stimulus package they implemented to jolt domestic demand.

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More, however, can be done.

If China allowed for greater flexibility in its exchange rate and further opened up its domestic markets for imports and foreign direct investment, it would accelerate the world's return to growth. Foreign investment can create jobs for Chinese workers and it can do the same for Americans, which is why the American government welcomes Chinese direct investment in our country.

A freer trade environment should also be accompanied by a recommitment to enforcing international trade laws and agreements. The line between advancing important domestic priorities and protectionism can be blurry, and we should work to avoid crossing it. Unfairly subsidizing domestic companies or denying multinational companies access to local markets and government procurement contracts has the potential to be a serious threat to trade cooperation.

And with knowledge and services being such critical parts of both our economies—and as an absolutely essential component of clean energy innovation—we must also pay special attention to protecting intellectual property rights.

In the past few years, China has made tremendous strides in protecting the IP of American companies operating within its borders. In particular, I would point to China's marked increase in IP-related criminal prosecutions as evidence of the commitment of its leaders. However, American companies in fields as diverse as energy, technology, entertainment and pharmaceuticals still lose billions of dollars every year in China from IP theft. The U.S. Department of Commerce is eager to continue work with our Chinese counterparts to improve these IP enforcement efforts.

This is not just a concern for American companies. As Chinese firms move up the economic value chain in clean energy and energy efficiency development, as well as other areas like financial services, IT and biotech, they too will increasingly count on the protection of their ideas.

These are significant issues—and yet I am confident that the United States and China have enough mutual trust to honestly and forthrightly exchange our concerns.

Later this month, the Departments of the Treasury and State will co-chair the first meeting of the US China Strategic & Economic Dialogue, where we'll seek to address various areas of immediate and long-term strategic interest.

In October, Ambassador Ron Kirk and I will be co-chairing the U.S.-China Joint Commission on Commerce and Trade. Later in this trip, I'll be having my first meeting as secretary with my Chinese counterpart in the JCCT, Vice Premier Wang QiShan.

At last year's meeting, we agreed on a range of issues, from China's elimination of redundant testing requirements for medical devices, to progress on China's joining the WTO Government Procurement Agreement, to further cooperation on intellectual property rights protection. This year, I am looking forward to building on these successes and continuing the momentum we've created on this trip to expand our clean energy cooperation.

When you are dealing with issues as complex and difficult as those that we are discussing today, you can't expect that progress will be easy or immediate.

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The United States and China will continue to have our differences. But I believe they can be bridged both by the common values that unite our people and a recognition of the obvious – that our fates are entwined.

When my grandfather came to the United States from China a century ago, he did not know the language or the culture. But he raised my father and my father raised me with a set of beliefs that would be immediately familiar to any child growing up in Boston or Beijing: Hard work, family, a sense of pride in where you come from, and a belief in the possibility of great nations to bend the arc of history.

Today, in 2009, the United States and China have the power and the obligation to alter history for the betterment of all the people on this planet. And they can do it by making clean energy the prime engine of economic growth in the 21st century. I'm looking forward to working with all of you to make our small contribution to this great cause.

Thank you.

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Market News and Analysis

➤ [China's oil production down by 1% in the first half of this year](#)

Chinese Statistical Bureau announced on July 17 that China produced 93.492 million tons of crude oil in the first six months of this year, down by 1% comparing to that in the same period last year. In the same period, China imported 90.77 million tons of crude oil, up by 0.3% while exported 2.58 million tons, up 41.8%. *Contact: Michael Wang, FCS Beijing at Jianhong.wang@mail.doc.gov*

➤ [China's coal production up by 8.7% in the first of this year](#)

On July 17, Chinese Statistical Bureau said that Chinese coal mines produced 1.36 billion tons of coal in the first 6 months, increased 8.7% over that of the same period last year. China exported 11.67 million tons of coal in the same period, down by 54.2%.

China's electric power generation in the first half of the year stood at 1.644 trillion Kwh, down by 1.7%.

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➤ [CNOOC awarded license for refined oil wholesale](#)

On July 23, the Ministry of Commerce (MOFCOM) released on its website that nine companies including China National Offshore Oil Corp. (CNOOC) have obtained wholesale licenses for refined oil products.

CNOOC, China's leading offshore crude and natural gas producer, has an annual crude processing capability of 17 million tons. China processed 342 million tons in 2008. CNOOC has advantages of rich upstream oil and gas resources, therefore it has no resources shortage problem, as said by an officer of CNOOC, but, market expansion is a big challenge for CNOOC to enter into the oil distribution market.

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With CNOOC's admittance, China's oil product market would be more competitive, commented by Lin Boqiang, Director of China Center for Energy Economic Research of Xiamen University. The current market has been dominated by CNPC and SINOPEC. There are about 2,760 companies which have obtained oil products wholesale qualification, over 60 percent of them are the subsidiary companies of the two oil giants.

CNOOC is still weak in oil product retail business. Its impact on the market is limited in the short term, but in a long run, the market will be more competitive with more competitors, and consumers will get better price in the competition. SINOPEC has over 29,000 gas stations all over China, PetroChina has over 19,000 gas stations, and CNOOC only owns 187 gas stations.

Wang Huan, Economic Section of the U.S. Embassy in Beijing at wanghj@state.gov

➤ [China to subsidize 500 MW of new PV power projects in 2009-2011 period](#)

The Chinese government will subsidize about 500 megawatts (MW) of new photovoltaic (PV) power projects in the next two to three years through a program called "Golden Sun," announced the Press Office of the Ministry of Finance (MOF) on July 21.

This announcement was made after a joint circular issued on July 16 by the MOF, the Ministry of Science and Technology (MOST), and the National Energy Administration (NEA) on implementing "Golden Sun" Demo Projects. According to the Circular, government subsidies will go to PV power projects that connect to the power grid and the subsidies can be as much as 50 percent of development costs for PV power generating system and transmission facilities. It can go up to 70% of the development costs if the project is a stand-alone one in the remote and mountainous areas.

The Circular said that each province can only enjoy subsidies for not more than 20 MW of PV power projects. Project application should be submitted for review by Aug. 31, 2009.

Solar roof projects and those projects that enjoy renewable energy source subsidies will not be eligible to subsidies under the "Golden Sun" Program.

Contact: Michael Wang, FCS Beijing at jianhong.wang@mail.doc.gov

➤ [China Sets on-grid wind power price](#)

In order to standardize on-grid wind power pricing, and to promote healthy and sustainable development of wind power generation industry, China's National Development and Reform Commission (NDRC) issued a notice on July 20, 2009 outlining Chinese government's policy on on-Grid Wind Power Price.

According to the Notice, there are two categories of wind power resources---onshore and offshore resources. The July 20 Notice only deals with the onshore resources. Prices for offshore wind power will be determined later. NDRC divides the onshore wind resource into four regions based on wind resource conditions and project construction conditions. The onshore benchmark on-grid prices are set, at 0.51, 0.54, 0.58, and 0.61 yuan per kilowatt-hour respectively. Being effective on August 1, 2009, the

benchmark prices will be applicable for all the newly-built onshore wind power projects. See the table below.

The benchmark tariff provides investors with clear investment expectations in the wind power sector, commented by NDRC. The Chinese government encourages development of high quality resources and limits development of poor resources.

China has set a wind power capacity target of 100 GW by 2020, which is about eight times of the existing capacity. Chinese power companies, including Guodian, Huaneng, China Power Investment, are all increasing their investments in wind power sector to diversify away from coal-fired operations.

On-grid Wind Power Price

Regions	On-grid Benchmark Price (Yuan/kWh)	Coverage by Regions
Class One Region	0.51	All but Chifeng city, Tongliao city, Xian'Anmeng, Hulunbel in Inner-Mongolia; Urumqi city, Yi Li, Changji, Klamyi, Shihezi in Xinjiang;
Class Two Resource Region	0.54	Zhang Jia Kou City, Chengde City of Hebei Province; Chifeng city, Tongliao city, Xian'Anmeng, Hulunbel of Inner-Mongolia; Zhang Ye city, Jiayuguan city and Jiuquan city of Gansu Province
Class Three Resource Region	0.58	Baicheng City, Suyuan City of Jilin Province; Jixi city, Shuang Ya City, Qi Tai He City, Sui Hua City, Yi Chun City, Da Xing An Ling of Heilongjiang Province; All but Zhang Ye City, Jia Yu Guan City, Jiuquan City in Guangsu Province; All but Urumqi city, Yi Li, Changji, Klamyi, Shihezi in Xinjiang; Ningxia
Class Four Resource Region	0.61	Areas not covered by Class One, Class Two and Class Three

Contact: Wang Huan, Economic Section of the U.S. Embassy at wanghj@state.gov or Michael Wang, FCS Beijing at jianhong.wang@mail.doc.gov

➤ [RMB 1.6 billion to be pumped into new wind power projects in Lianzhou of Guangdong](#)

Guangzhou Daily reported on July 25 that Huarun Electric (Wind Power) signed an agreement with Lianzhou City Government to develop wind farms in Lianzhou city. Huarun plans to invest about RMB 1.6 billion Yuan in these projects. The estimated installed capacity will amount to 200,000 kw, according to an executive from Huarun. Contact: Lena Yang, FCS Guangzhou at Lena.yang@mail.doc.gov

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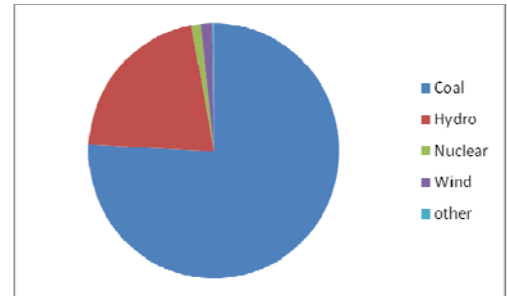
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➤ [China Power Generation Status](#)

2008 Total installation capacity: 792.53 GW (73% of U.S.A.'s 1087.79 GW)

- Coal fired: 601 GW -- 75.8%
- Hydro: 170GW – 21.4%
- Nuclear: 9.1 GW – 1.1%
- Wind : 12 GW – 1.5%
- Other: 1.6 GW -- 0.2%

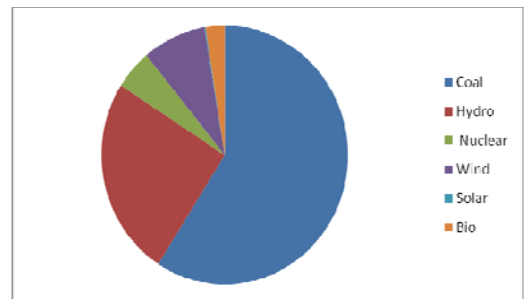
中国投资咨询网 <http://www.ocn.com.cn/market/200902/huodianshuyaoeweizhi111341.htm>



2020 Goal

Total installation capacity: 1200 GW*

- Coal fired: 710 GW- 59.2%
- Hydro: 300 GW – 25%
- Nuclear: 60 GW – 5% **
- Wind: 100 GW -- 8.3%
- Solar: 1.8 GW – 0.15%
- Bio: 30 GW – 2.5%



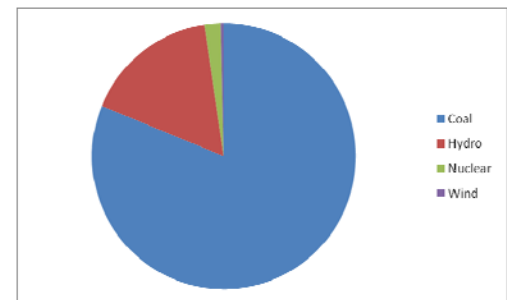
Source: “Renewable Energy Source Medium-and Long-term Development Plan” <http://www.ccchina.gov.cn/WebSite/CCChina/UpFile/2007/20079583745145.pdf>

*According to USDOE’s forecast, it is 1186 GW. <http://www.zikoo.com/news/45bg78hhy.html>

2008 Total power generation: 343.34 billion kWh

- Coal fired: 277.93 billion kWh -- 80.95%
- Hydro: 56.33 billion kWh -- 16.41%
- Nuclear: 6.84 billion kWh -- 1.99%
- Wind: 1.28 billion kWh -- 0.37%

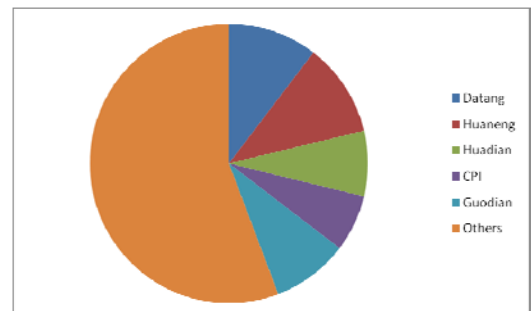
Source: <http://www.chinaore.cn/fx-shownews-47118.html>



2008 Installation Capacity of Five Big Power Groups:

- Datang: 82.42 GW, 10.4%
- Huaneng: 85.86 GW, 10.5%
- Huadian: 60.02 GW, 7.6%
- China Power Investment (CPI): 51.99 GW, 6.6%
- Guodian: 70.24 GW, 8.9%
- Others: 442 GW, 55.8%

Source: Five big’s official websites.



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➤ [China Plans to Develop National Smart Grid by 2020](#)

The State Grid Corp. of China (SGCC) recently announced an ambitious plan to complete a smart grid across most of China by 2020. The company will continue building its UHV power grid, and will gradually implementing smart grid through the digitization of the entire power transmission chain (including power generation, transmission, distribution, consumption and dispatch). Smarter grids and the construction of high voltage current lines are essential to the development of China's clean energy sector, as wind power will be generated in regions as diverse as Liaoning, Inner Mongolia, Gansu, Xinjiang, and Jiangsu, while solar power bases will be constructed in the northwest, nuclear power plants in mid and east China, and large hydropower facilities in the West.

The smart grid project will begin this year with the development of technical standards, and while questions remain about financial and technical details, the project could provide an opening greater US-China cooperation on technological improvements. Bloomberg reports have suggested capital costs for the project of \$10 billion annually from 2011 to 2020, and a total project cost of \$590 billion. *Contact: U.S. DOE China Office at NarusJJX@state.gov*

➤ [China to Start Construction of Myanmar Energy Pipelines in September](#)

China plans to begin construction of oil and gas pipelines that will link with Myanmar in September in order to reduce the distance and costs of importing crude oil and natural gas. The two pipelines, which are expected to be operational in three years, will be constructed from western Myanmar to southern China's Yunnan Province. The 1,100 km crude pipeline will transport crude oil supplied from the Middle East and Africa, and will have a transmission capacity of 20 million tons. The 2,806-km natural gas pipeline will have an annual gas transmission capacity of 12 billion cubic meters and will be supplied by the offshore gas fields in Myanmar's western seas. The Myanmar oil and gas pipelines will be the fourth set on energy pipelines linking China with other countries, with the others being Kazakhstan. *Contact: U.S. DOE China Office at NarusJJX@state.gov*

➤ [Shenzhen to Offer Car Subsidies to Alternative Energy Automobiles](#)

The city of Shenzhen plans to offer cash subsidies to individuals who purchase alternative energy cars, according to reports. Although the subsidy amount is still being discussed, representatives say that the government will subsidize cars as long as they are bought and driven within the city. Such a subsidy program would be China's first. In late February, China's central government started a pilot program in 13 Chinese cities to promote the use of alternative energy vehicles by promoting the purchase of such vehicles used in public transportation and taxi services. *Contact: U.S. DOE China Office at NarusJJX@state.gov*

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- [Shenhua to Invest RMB 14 billion Yuan in a Large Coal-to-Natural Gas Project](#)
China Shenhua Coal-to-Oil Chemical Company, a wholly owned subsidiary of China Shenhua Group, the largest coal producer in both China and the world, plan to invest RMB 14 billion Yuan to build a coal-to-natural gas project in Erdos of Inner-Mongolia in 2009 to 2012. The designed capacity of the project is 2 billion cubic meters of gas annually. The project needs to get approval from the National Development and Reform Commission (NDRC). At present, the engineering design of the project is pending for NDRC's review and approval.
- [10 MW PV Power Station to Be Built in Shaanxi Province](#)
Shandong Linuo Paradigma Co., Ltd, joint venture between Shandong Linuo Group and German company Paradigma, plans to invest RMB 450 million Yuan to build a 10 MW PV Power Station in Huanglong County of Shaanxi Province. The project is pending for review and approval by Shaanxi Provincial Development and Reform Commission.
- [Zhejiang to Invest RMB 1.2 Billion Yuan for Hydro Power Station](#)
Qingtian Sanxikou Hydro Power Company will invest RMB 1.2 billion Yuan to build a hydro power station in Qingtian County of Zhejiang Province. The design capacity is 100,000 KW and the construction period will be from November 2009 to April 2013. The project owner is applying for land-use license.
- [CNNC to Invest RMB 16 Billion Yuan to Build Two Nuclear Power Reactors in Hainan](#)
Hainan Nuclear Power Company, a subsidiary of China National Nuclear Corporation (CNNC) will invest RMB 16 billion Yuan to build two units of nuclear power reactors with an installed capacity of 650,000 KW in Changjiang. The construction period will be from October 2009 to 2015. At present, the project owner is preparing the site while waiting for approval from the National Development and Reform Commission.
- [Chongqing to Invest RMB 1.49 Billion Yuan in a Water-plus-hydro Power Project](#)
Chongqing City Water Conservancy Investment Company will invest RMB 1.49 billion Yuan to construct water conservancy facilities and two hydro power stations with installed capacities of 1,200 KW and 1,400 KW respectively in Nanchuan District of the city. This project requires approval by the National Development and Reform Commission (NDRC). At present, the feasibility study has been submitted to the Chinese Central Government for review and approval.

For more information contact Michael Wang/FCS Beijing at email: jianhong.wang@mail.doc.gov

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Upcoming Events

- [2009 Chengdu New Energy Int'l Forum & Solar Energy Fair](#)
Dates: September 3-5, 2009
Venue: Chengdu Century City New International Convention Center

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Email: cclsnygilt@163.com
Contact: Mr. Cui Shiyang/CS Chengdu
Telephone: (86-28) 85802930, 85881822
Email: shiyang.cui@mail.doc.gov

➤ **China Mining 2009**

Dates: October 20-22, 2009
Location: Tianjin
Venue: Tianjin Binhai International Convention and Exhibition Center
Email: info@mining-expo.com
Website: www.china-mining.com

➤ **Shanghai International Congress & Exhibition on Renewable Energy 2009**

Dates: Oct. 22 to Oct. 24, 2009
Venue: Shanghai International Exhibition Center (No. 88 Lou Shan Guan Road, Shanghai, P. R. China)
Hosting Organizations: Shanghai Centre for Scientific and Technological Exchange with Foreign Countries (SSTEC), Chinese Renewable Energy Society (CRES), Shanghai Worldwide Exhibition Service Co., Ltd
Cooperating Partners: Cleantech Group LLC (the United States) and Shanghai Clean Energy Research and Industry Promotion Center (SCEC)
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Shanghai International Congress and Exhibition on Renewable Energy 2009 (RECE) is aimed at realizing sustainable development of the economy through:

- Advancing the exploitation and utilization of renewable energy
- Enhancing energy supply and improving energy structure
- Ensuring energy security and protecting the environment

RECE will be held annually with the distinctive characteristics of internationalization, high level, large-scale system, and commonwealth.

➤ **Beijing Coal and Mining Expo/China – USA Pavilion**

Dates: October 27-30, 2009
Location: Beijing
Contact: FCS Michael Wang at jianhong.wang@mail.doc.gov

➤ **2009 China International Sustainable Economy Industrialization Expo**

Dates: Oct. 31 - Nov. 2, 2009
Venue: Hangzhou, China
Contact: Liu Rui

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Website: <http://www.ecsef-hz.com/>
Tel: 0086 571 8739 7752
Email: forum@zjzn.cecic.cn

➤ [Asia Gas Congress 2009](#)

Dates: Oct. 29-30

Location: Beijing

Hosted by China Decision Makers Consultancy, will focus one day to “new dynamics of gas supply and demand and operational excellence in terminal construction” and the second to CBM/CMM value chain.

Beijing Contact: DOE NarusJJX@state.gov

➤ [Power-Gen International 2009 Expo:](#)

[Chinese Buyer Delegation organized by U.S. Embassy, Commercial Section](#)

Dates: December 8-10, 2009

Location: Las Vegas

Contact: CS Beijing/ Mingming Ma at mingming.ma@mail.doc.gov

Power-Gen International 2009 is the electric power generation industry's largest event in the world, attracting more than 18,000 attendees and 1,200 exhibitors from over 75 countries. Focused on providing the latest updates and information on key generation issues, PGI features a multi-track conference program plus curriculum of pre-conference courses. The world's largest power exhibition is held concurrently with the conference, showcasing thousands of products, technologies and services. For more information on PGI 2009, please check out the show's web site: www.power-gen.com

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✚ Get to Know CS China

➤ [Introduction to the U.S. Commercial Service Energy Team in China](#)

The U.S. Commercial Service in China offers valuable assistance to U.S. businesses exporting goods and services. Our country-wide Energy Team can help you identify trade opportunities and local trading partners. From [our four consulates](#)¹ in Shanghai, Guangzhou, Chengdu and Shenyang and [14 2nd tier cities markets](#)², we can help you access all of China!

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➤ [Members of CS China Energy Team](#)

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