

## BP Quits Wind Power Project in China

11-07 16:56 Caijing Magazine comments( 1 )

**BP has backed out of a wind energy joint venture in Inner Mongolia, citing the need to reassess its strategy in light of the financial turmoil.**

By staff reporter Yu Dawei

BP Alternative Energy, a unit of BP Plc., has called off its partnership in a project with China's largest wind turbine maker, Goldwind Science & Technology Co.

Goldwind (SZSE: 002202) announced November 6 that BP informed them that it halting all its wind energy businesses in Asia. As one piece of that move, BP has pulled out from a joint venture with Beijing Tianrun New Energy Investment Co., a wholly-owned subsidiary of Goldwind.

Earlier in January, BP Alternative Energy and Beijing Tianrun signed a framework agreement to jointly develop a wind farm with planned capacity of 148.5 megawatts (MW) in Inner Mongolia. Beijing Tianrun was to hold 51 percent of the project, while BP would control the remaining 49 percent.

Construction was scheduled to finish in February 2009. With BP's withdrawal, Goldwind said it would seek new partners.

BP integrated its alternative energy businesses in November 2005 to form a renewable energy division. At the same time, the company announced that it would invest US\$ 8 billion in alternative energy over the next 10 years. Since then, BP Alternative Energy has launched various projects in North America, Asia, Europe, Australia and Latin America.

But the recent financial turmoil has affected the the company's ambitions. According to Zhao Yuanheng, a spokesperson for BP China,

BP has adjusted its global development strategy and, for the time being, will focus its wind energy efforts in the U.S. domestic market.

Reyad Fezzani, CEO of BP's renewable energy division, said October 23 that traditional financing options have dried up due to the financial crisis and many companies have decided to shrink their business.

However, China is still on its fast track of developing wind power. According to the Global Wind Energy Council, China's wind energy capacity ranked as the world's fifth-largest in 2007. With a capacity of 6000 megawatts (MW), it accounted for about 6 percent of the global total. China is expected to increase the capacity to 10,000 MW this year and reach 30,000 MW by 2020.

**Story link: [www.caijing.com.cn/English](http://www.caijing.com.cn/English)**

Login for free at [www.caijing.com.cn/english](http://www.caijing.com.cn/english) for more exclusive reports.

Please contact us with any suggestions at [newsroom@caijing.com.cn](mailto:newsroom@caijing.com.cn)

Reproductions in whole or in part without Caijing's permission are prohibited.

Copyright 2007 Caijing Magazine. All Rights Reserved.