水电水利规划设计总院
China Renewable Energy Engineering Institute

RENEWABLE INVESTMENT IN CHINA

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1. Brief of CREEI

CREEI is still a government-belonged research body, which was born in the 1950s. The main responsibilities are as following:

•Provide the unique central government level technical advices on renewable energy;

•Organize the technical standard committee in renewables;

•Operate the General Centre for Renewable Cost Norm;

•Operate the National Renewable Energy Management Information Centre (which covers 100% renewable projects' data including performance, feasibility report, availability, subsidy received, etc), and

•Provide the Country-Specific Strategy Analysis for renewable energy internationalization with in the NEA's scheme.

2. The key figures of renewable achievements and plan :

•Majority Share is still large Hydro;

•Wind installation 100GW, PV installation 50GW; Annual increase 40GW for next 5 years ;

• Needs even higher annual increase to achieve 20% of non-fossil energy penetration in 2020.

• Only 10MW commercialized CSP, others are smaller demos.

3.The main policy scheme in China and the market environment:

•Fixed Feed-In-Tariff for wind and PV, depends on the geographic distribution;

•National Renewable Fund System: now 1.5 RMB cents/kWh consumed and to form a national fund pool, which to subsidize the gap between fixed renewable FIT and the conventional power FIT;

• PPA (20-25 years) and subsidy transfer: the utility is forced to purchase all the renewable energy by law, and they are also be required to transfer the subsidy from the government to the renewable projects owners.

• Unified approval requirements for projects: now need only 4 support documents to get approval for wind, and no specified support document for solar project. But the project need to satisfy the

4. Value of investment:

• Now FIT is almost the only source of revenue for renewables;

• The FIT reflects the typical cost, typical resource and typical IRR;

• The cost’ s definition: according the the Norm and technical specifications ;

•The advantage of low variable cost for renewables may bring more profit than now.

5. The thing may concerns :

- Lower GDP grows and its impact to renewables ;
- The electrical power reform and its impacts ;
- The relation of investment management simplification and national level subsidy balance.

6. Challenge and prospects :

- Diversified project quality ;
- More flexible method for development, including how to confirm developer, how to stimulate advanced technology, etc ;
- Reliable and Enjoyable revenue for good projects .

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THANKS