



CS China Energy Update

Serving the U.S. Business Community

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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 and activities. To subscribe, send an e-mail to CSChina.Subscribe@mail.doc.gov

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Global Financial Crisis to Help Reshape China's Energy Industry

by Raymond Kou, the Energy Industry Group of Beijing JunZeJun Law Office

For more information, please contact Mr. Kou at Kou@junzejun.com

China's energy industry is facing the challenges and opportunities simultaneously under the global financial crisis. The demands for coal, electricity and petroleum decreased, which led to a drop in price, while on the other hand, it offers China a great opportunity to restructure and upgrade its energy industry.

Mr. Zhang Guobao, Vice Chairman of China's National Development and Reform Commission (NDRC) and Administrator of China's National Energy Administration (NEA), published an article in the *People's Daily* on December 29, 2008, signifying the financial crisis has provided China with an important opportunity to solve the deep-level crisis in its energy industry. Mr. Zhang outlined China's plan to develop the energy industry in the years to come by building up energy infrastructure, accelerating the adjustment of energy structure, expanding the use of overseas energy resources, and promoting the progress of energy technologies and equipment. These details are clear indicators for the vast amount of opportunity available for foreign companies to participate in the development of China's energy industry. In conjunction with the *Catalogue for the Guidance of Foreign Investment Industries*¹ (hereinafter referred to as the "Catalogue"), this article will analyze the market opportunities in China's energy industry.

Energy infrastructure Buildup

According to the RMB four trillion stimulus package, China plans to invest more than RMB1.8 trillion in the infrastructure buildup including the energy. In the fourth quarter of 2008, the Chinese central government allocated an additional RMB 2 billion to improve the rural power grid, and another RMB 2 billion to the construction of the urban power grid, and RMB 800 million to support domestic development and manufacturing of nuclear-power and wind-power terminals.

The Chinese government plans to inject billions of dollars in the coming three years to build up the country's energy infrastructure. The National Development and Reform Commission (NDRC) will speed up the project approval process and start construction of a number of large and influential energy projects in the fields of nuclear power, coal, electricity transmission and gas pipelines.

China will build 8 nuclear-power plants in 3 years. Among them, the construction of four nuclear-power plants in Zhejiang (Sanmen), Shandong (Haiyang), Guangdong (Yaogu) and Shangdong (Rongcheng) will start in 2009, three in Hunan, Hubei, and Jiangxi have been approved to commence preliminary work, and one is in the process of selecting location.

¹ This Catalog is jointly issued by the NDRC and MOFCOM. According to this catalog, government authorities at national and province level may have the power to examine and permit the foreign investment.

In addition, the Chinese government has approved the construction of the east section of the West-East gas pipeline II and pumped storage power station in Jiangsu (Liyang). The construction of Ningdong coal-electricity base started on December 15, 2008 together with eight other coal, power generation and coal chemical projects. These include a coal project with a designed capacity of 22 million tons, a pithead power plant with a capacity of 4400 MW, a 1,335 km-long (±660KV) Direct Current Power transmission line from Ningdong to Shandong, and China's largest POM plant. All these large projects require large investment. For example, the estimated cost of the 10,000 mw generating units to be installed in three nuclear power plants could be RMB120 billion; the 5,300 km-long pipeline of the east section of the West-East gas pipeline II requires an investment of RMB93 billion.

The Chinese government expects these projects and investments to stimulate domestic demand. We believe that it will offer business opportunities for U.S. energy and technology companies. According to the Catalogue and other Chinese laws and regulations, China encourages foreign investments and participation in the construction and management of nuclear-power plants, hydropower stations, oil (gas) pipelines, oil (gas) depots and petroleum wharf, facilities of coal delivery pipelines. However, it is worthwhile to note the following:

1. In terms of nuclear power plants, foreign participation is limited to establishing a joint venture with a Chinese partner or partners and Chinese party shall hold the majority of the shares in a nuclear-power plant;
2. The construction and management of the power grid belong to the catalogue of restricted foreign investment industries, the Chinese party shall hold the majority of the shares;
3. Foreign participation in MOP projects falls under the catalogue of permission; and,
4. Foreign participation in the production of nuclear-power and fire-power equipment as well as the power transmitting and transforming equipment is encouraged by the Chinese government.

Speed up adjustment of energy structure

The global financial crisis has caused tremendous decrease of energy prices in China, which put significant pressure on the survival of those small, high-cost, high-polluted and lower-efficiency power plants. This provides the Chinese government an excellent opportunity to adjust the country's energy structure by shutting down those small thermal power units with a capacity under 100 Mw and speeding up the construction of large-scale, high efficiency, clean coal-fired units.

Integrate coal production Specifically, China will promote the integration of coal resources and encourage the mergers and acquisitions of coal enterprises. China will speed up the construction of the 13 national coal bases. These major coal production bases including Shendong, Shanbei, Huanglong, Jinbei, Jinzhong, Jindong, Luxi, Lianghuai, Jizhong, Henan, Yungui, Mengdong(North East) and Liaodong regions. There are altogether 98 coal production areas in these coal bases. At the same time, measures will be taken to improve coal production safety.

Actively develop nuclear-power

Nuclear power generation is one of the key clean energy China will develop in the coming five years as stated in Chinese Premier Wen Jiabao's report to the National People's Congress (NPC) in March. As nuclear power only makes a very small portion of China's total energy consumption in mainland China (0.7% in 2007), there leaves huge room for the development of nuclear power. Development of nuclear power is a part in China efforts to adjust the country's energy industry. Mid-term and long-term development plans to be generated to develop the nuclear power industry.

Strengthen the development of renewable energy

Efforts will also be made to develop other clean energy such as hydropower, wind power and solar power. Major hydro power plants will be developed in southwest China where there exists rich water resource. With 4,000 Mw newly installed wind power capacity in 2008, China's total installed wind power capacity reached 10,000 Mw in the end of the year. China plans to use ten-year-time to build

several wind power bases with the capacity of more than 10,000 Mw in Gansu, Inner Mongolia, Hebei, and Jiangsu provinces to have a total installed wind power capacity of 1 Gw by the year 2020.

Foreign companies need to note the following as stated in the *Catalogue*.

1. China encourages foreign participation in the construction and operation of electricity powered by employing clean fuel technology of integral gasification combined circulation (IGCC), circulating fluidized bed more than 300 Mw, pressurized fluidized bed combustion combined cycle (PFBC) of more than 100 Mw.
2. The construction and management of the conventional coal-fired power of condensing steam plants whose unit installed capacity is less than 300 Mw, within the small power grid in Xizang, Xinjiang, Hainan province, and the coal-fired power of condensing–extraction steam plants with dual use unit cogeneration belong to the catalogue of restricted investment industries.
3. China encourages foreign participation in the development of new energy power plants including solar, wind, magnetic, geothermal, tide and biological mass, etc...

Introduction of advanced energy technologies and equipment

The global economic recession and the lower demands for energy create more favorable conditions for importing technology and equipment required by energy industries. China will take advantage and import more advanced technology and equipment as well as recruit more talent related to the energy industry. In addition, the government intends to cooperate with relevant countries in major technology fields concerning the use of clean coal, renewable, nuclear, and hydrogen energy facilities.

Strengthen the international cooperation, and expand the use of overseas energy resources

First, China will strengthen the communication among countries with respect to energy. The government will actively take part in the bilateral energy dialogues with the United States, Russia, Japan, EU, and the multilateral dialogues such as energy forums of APEC, ASEAN and China-Japan-Korea (10+3). Secondly, the government intends to expand overseas oil and gas resources. The recently issued revitalization planning of the top ten industries illustrated Chinese government's support of large and powerful petrochemical enterprises to explore international business opportunities and energy resources.

Deepen restructuring of energy system

The main purpose of the reform is to establish a market mechanism in setting the price of coal, electricity, and oil. This restructuring mainly involves the establishment of the price system for coal market and the reform of the Dual-Track System in the price of the coal and electricity.

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U.S. Government Highlights

➤ [Secretary of State Highlights Climate Change and U.S. Job Creation at Low-Emissions Power Plant in Beijing](#)

Secretary of State Hillary Clinton and Special Envoy for Climate Change Todd Stern placed particular focus on climate change and green job creation during their first official trip to China. FCS and State Department worked together to organize a tour of the low-emission Taiyang Gong gas-fired power plant in Beijing followed by a speech on clean energy and U.S.-China cooperation. The tour highlighted U.S.-manufactured GE gas turbines. The



speech was to approximately 60 students and experts. The event was open to the media and extensively reported in international and Chinese press. *Contact: PAS Beijing LarsonID@state.gov and FCS Beijing Bryan.Larson@mail.doc.gov*

➤ [U.S. Senate Confirms Gary Locke as Commerce Secretary](#)

The United States Senate on March 24th evening confirmed Gary Locke as the nation's 36th Commerce Secretary by unanimous consent. Secretary Locke will be a key member of President Obama's economic team and will work to foster and promote American economic development at home, and will be an influential ambassador for American business and industry abroad. Locke is the first Chinese American to serve as Commerce Secretary.

"I'm honored to take on this challenge and will work every day to make the Commerce Department an engine for improving our competitiveness, encouraging innovation and creating jobs," Locke said.

Locke will oversee a department that, under the American Recovery and Reinvestment Act, is charged with expanding the country's broadband infrastructure, bringing economic development to communities hardest hit by the recession and putting Americans to work under programs run by the Census, NOAA and the National Institute of Standards and Technology.

➤ [Full biography of Secretary Gary Locke](#)

Former Washington Gov. Gary Locke is a tireless and successful champion of American products, services and jobs. As the popular two-term governor of the nation's most trade-dependent state, Locke broke down trade barriers around the world to advance American products. Locke has worked closely with business, labor and government at all levels to successfully negotiate complex issues.



For the past four years, Locke has been a successful business advocate and adviser, helping U.S. companies break into international markets, particularly in Asia, and expand their international business. A partner in the Seattle office of the international law firm of Davis Wright Tremaine LLP, Locke co-chairs the firm's China practice and is active in its governmental relations practice.

Locke was elected Washington's 21st governor in 1996, making him the first Chinese American governor in U.S. history and the first Asian American governor on the mainland. In 2000, Locke was overwhelmingly re-elected to a second term. He served as chair of the Democratic Governors Association and gave the Democratic response to the State of the Union address in 2003.

To open doors for Washington State businesses, Locke led 10 productive trade missions to Asia, Mexico and Europe, significantly expanding the sales of Washington products and services. He successfully fostered economic relations between China and Washington State. His visits are credited with introducing Washington companies to China and helping more than double the state's exports to China to over \$5 billion per year. He also opened a Washington State trade office in Germany to advance trade relations with European countries.

Locke is widely praised in Washington State for winning a nationwide competition to win production of Boeing's newest jetliner, the 787, which created thousands of jobs in the state. Locke successfully aligned leaders from state, county and local government, businesses and unions, communities and tribes in this comprehensive, successful effort.

As part of his considerable trade and economic development efforts, Locke launched Washington's Competitiveness Council with business and labor leaders working together to effectively position Wash-

ington State for success at home and around the world. During the eight years of the Locke Administration, the state gained 280,000 jobs.

Locke personally negotiated and signed a Washington State-Canada salmon treaty after negotiations between the U.S. State Department and Canada reached an impasse on protecting wild salmon runs. He also conceived and launched the West Coast Governors' Initiative on Climate Change and successfully launched public and private initiatives to reduce dependence on fossil fuels and increase energy conservation.

Locke earned a bachelor's degree in political science from Yale University and a law degree from Boston University.

➤ [President Obama Announces More Key Administration Posts](#)

President Barack Obama announced his intent to nominate the following individuals for key administration posts: Daniel B. Poneman, Deputy Secretary, Department of Energy; Fred P. Hochberg, President and Chairman of the Export-Import Bank of the United States; **Francisco "Frank" J. Sánchez, Under Secretary for International Trade, Department of Commerce**; Miriam E. Sapiro, Deputy Trade Representative; Judith A. McHale, Under Secretary for Public Diplomacy and Public Affairs, Department of State; Philip J. "P.J." Crowley, Assistant Secretary of State for Public Affairs, Department of State; Bonnie D. Jenkins, Coordinator for Threat Reduction Programs (with the Rank of Ambassador), Department of State; Thomasina Rogers, Chairman, Occupational Safety and Health Review Commission; Lorelei Boylan, Administrator of the Wage and Hour Division, Department of Labor; David F. Heyman, Assistant Secretary for Policy, Department of Homeland Security; Andrew C. Weber, Assistant to the Secretary of Defense (Nuclear, Chemical and Biological Defense Programs), Department of Defense; Stephen W. Preston, General Counsel, Central Intelligence Agency; and Laurie Mikva, Board Member, Legal Services Corporation.

Francisco "Frank" J. Sánchez, Nominee for Under Secretary for International Trade, Department of Commerce

Francisco J. Sánchez served as a Policy Advisor on Latin America to the Obama For America Campaign. He was also the Chairman of the National Hispanic Leadership Council for the Obama Campaign. In 1999, Sanchez became a Special Assistant to the President of the United States working in the Office of the Special Envoy for the Americas. While at the White House, Sanchez worked with the National Security Council, the State Department and the U.S. Trade Representative. President Clinton later appointed Sánchez as U.S. Assistant Secretary of Transportation where he developed aviation policy and oversaw international negotiations. Prior to his work in the federal government, Sánchez practiced corporate and administrative law with the firm of Steel, Hector and Davis in Miami, Florida. Before practicing law, he served in the administration of former Florida Governor (now U.S. Senator) Bob Graham, as the first director of the state's Caribbean Basin Initiative Program. For the last fifteen years, Sanchez has worked with several consulting companies on projects involving complex transactions, labor-management negotiations, litigation settlement, negotiation strategy, alliance management, facilitation and training, most recently as a partner with CM Partners. Among his public-sector engagements, Sánchez headed a team in Medellín, Colombia as part of a "Teaching Tolerance" program. He also advised the president of Ecuador in negotiations to settle the 56-year-old border dispute with Peru. He is a contributing author to *Negociación 2000*, a collection of essays on negotiation published by McGraw-Hill. A Florida native, Mr. Sánchez attended the University of Florida, received his undergraduate and law degrees from Florida State University and holds a master's degree in public administration from the Kennedy School of Government at Harvard University.

➤ [DOE Announces More Key Administration Posts](#)

WASHINGTON, DC (March 27) Today, President Barack Obama announced his intent to nominate the following individuals to key administration posts: Ray Mabus, Secretary of the Navy, Department of Defense; Donald Remy, General Counsel of the Army, Department of Defense; J. Randolph Babbitt, Administrator, Federal Aviation Administration; Jose D. Riojas, Assistant Secretary for Operations, Security and Preparedness, Department of Veterans Affairs; John Trasviña, Assistant Secretary for Fair Housing and Equal Opportunity, Department of Housing and Urban Development; Lawrence E. Strickling, Assistant Secretary for Communications and Information, Department of Commerce; and Cathy Zoi, Assistant Secretary for Energy Efficiency and Renewable Energy, Department of Energy. Please click the following link for their bios. <http://www.energy.gov/news2009/7153.htm>

➤ [U.S. Greenbuilding Technologies Seminar](#)

On March 28, FCS and DOE are co-organizing a seminar focusing on U.S. strengths in greenbuilding technologies. Technologies covered include the building envelope (roof, windows, doors, insulation); heating, ventilation, air-conditioning; lighting; and planning and design services. The seminar is being delivered the same afternoon as the DOE signs an agreement with the Vice Minister of the Ministry of Housing and Urban - Rural Development to cooperate in the area of energy efficient buildings. The seminar also occurs two days after a consortium of U.S. greenbuilding-related business associations present a training program to a group of Mayors from around China. *Contact: FCS Beijing Elizabeth.Shieh@mail.doc.gov*

➤ [China International Environmental Protection Exhibition and Conference \(CIEPEC\)](#)

June will mark the fourth time that FCS Beijing will host a US Pavilion at this biennial exhibition in Beijing. The expo covers air and water pollution remediation as well as solid waste disposal. It is hosted by the China Association of Environmental Protection Industry, under the Ministry of Environmental Protection. *Contact: FCS Beijing Elizabeth.Shieh@mail.doc.gov*

➤ [CS Beijing Organized U.S. Pavilion at CIPPE 2009](#)

The 9th China International Petroleum and Petrochemical Technology and Equipment Exhibition (CIPPE 2009), the largest trade show in China's petroleum industry, took place in Beijing March 19-21, 2009. CS China organized a U.S. Pavilion at the show to help U.S. exporters gain exposure and develop clients and business partners in China.



The U.S. Pavilion hosted 31 U.S. companies who displayed a wide array of products and services, including industry software, test and certification services, instruments, security devices, pumps & valves, filters, clutches & brakes, oil spill recovery equipment, power solution, data transmission, fluid handling systems, toxic gas and fire detection devices, compressors, equipment rental service, marine cranes, power solutions, combustion, nitrogen, oxygen and water treatment, equipment washers, metal plates, research and consulting services, thermal monitoring and analysis systems, pipe maintenance, and wire rope. etc.

Prior to the show, CS China produced a U.S. Pavilion Directory with brief introduction of the Pavilion exhibitors in both English and Chinese languages. The directory was posted on CS China's website and sent to Chinese companies to attract them to U.S. exhibitors. Throughout the 3-day show, CS China staff promoted U.S. companies by distributing the U.S. Pavilion Directory to Chinese visitors and briefed them on ways to source U.S. products.



In addition, CS China sponsored a welcome reception on March 20 evening for U.S. Pavilion exhibitors, which offered U.S. company executives an

opportunity to network with Chinese petroleum industry community. Mr. William Brekke Minister-counselor for Commercial Affairs of the U.S. Embassy in Beijing attended the reception.

Please contact Michael Wang/CS Beijing at email: jianhong.wang@mail.doc.gov if you are interested in joining the U.S. Pavilion at CIPPE 2010

➤ [U.S. Greenbuilding Technologies Seminar](#)

On March 28, FCS and DOE are co-organizing a seminar focusing on U.S. strengths in greenbuilding technologies. Technologies covered include the building envelope (roof, windows, doors, insulation); heating, ventilation, air-conditioning; lighting; and planning and design services. The seminar is being delivered the same afternoon as the DOE signs an agreement with the Vice Minister of the Ministry of Housing and Urban - Rural Development to cooperate in the area of energy efficient buildings. The seminar also occurs two days after a consortium of U.S. greenbuilding-related business associations present a training program to a group of Mayors from around China. Contact Merry Cao at Shujuan.Cao@mail.doc.gov

➤ [China Greentech Initiative - Clean Energy and Environment Research Project](#)

The China Greentech Initiative is a commercial collaboration of approximately 40 of the world's leading green technology companies, entrepreneurs, investors, NGOs and policy advisors. The initiative aims to uncover, create and promote greentech market opportunities that contribute to a sustainable China and world, by accelerating success in areas like renewable energy, alternative transportation, clean industry, green buildings, clean conventional energy, and water quality. The Initiative's first, tangible deliverable will be the publication of *The China Greentech Report* in Fall 2009. The aim for *The China Greentech Report* is to become the most comprehensive and actionable market roadmap for commercializing greentech opportunities in China. The Report will be distributed free of charge, published under a Creative Commons license which encourages free distribution and derivative works. Contact Bryan Larson at Bryan.Larson@mail.doc.gov

➤ [TDA Orientation Visit for Power Plants Emission Monitoring](#)

In February/March, FCS Beijing led a Chinese delegation on a USTDA-funded Orientation Visit to the U.S. to study technologies for power plants emission monitoring and control. The delegation is composed of representatives from two major government agencies: the Ministry of Environmental Protection and the State Electricity Regulatory Commission. The delegation met with a variety of public and private entities and obtained a thorough understanding of emission monitoring and control technologies in the United States, USTDA hosted a business briefing followed by one-on-one meetings. Contact Xiaolei Wan at Xiaolei.Wan@mail.doc.gov

➤ [TDA Funds US-China Smart Grid Standards and Technology Workshop](#)

On March 26, 2009, FCS delivered opening remarks to a standing-room only audience of 210 people at the US-China Smart Electrical Grid Standards & Technology Workshop in Beijing. The workshop included presentations on integrating ICT into China's grid; standards harmonization with regard to intelligent electrical devices; and technology transfer and deployment. USTDA funded the workshop under the U.S.-China Standards and Conformity Assessment Cooperation Program (SCACP). Organizers included the National Electrical Manufacturers Association (NEMA), China Electricity Council (CEC), and China Electrical Equipment Industrial Association (CEEIA). Contact Mark Lewis at Mark.Lewis@mail.doc.gov

➤ [USTDA Concludes Energy Efficiency Definitional Mission to China](#)

USTDA concluded in February an Energy Efficiency Definitional Mission to China, including stops in Beijing and Shanghai as well as Shanxi and Hubei Provinces. USTDA's contractor and China Country Manager met with NDRC, China Export-Import Bank, the Ministry of Industry and Information Technology, energy conservation centers, industry associations, and numerous U.S. companies. MIIT has identified many technologies that it would like to learn about for a future energy efficiency training program. USTDA's contractor identified coke oven gasification and CHP as technologies that could benefit U.S. exporters. USTDA's contractor will soon send USTDA the final report with recommendations on where the

agency should focus its energy efficiency trade efforts. The definitional mission was an outcome of an Energy Efficiency MOU signed during the December 2008 Strategic Economic Dialogue by USTDA, US Exim Bank, NDRC, and China Export-Import Bank. *Contact Xiaolei Wan at Xiaolei.Wan@mail.doc.gov*

- [USTDA's China Water Quality Technical Assistance Program](#)
USTDA has selected a contractor to perform a Water Quality Technical Assistance Program, which includes 12 training workshops over 2 years in the water sector. The training workshops will focus on water quality improvement for Chinese government officials and industry representatives in three areas: water supply, wastewater treatment, and drinking water. USTDA developed the program in cooperation with the U.S. EPA and industry, and it will provide \$450,000 in support. *Contact: USTDA Beijing at Xiaolei.Wan@mail.doc.gov*
- [Embassy/FCS Launches Energy Efficiency Steering Group](#)
Embassy Beijing's FCS has launched an Energy Efficiency Steering Group that includes U.S. companies as well as other Embassy sections. Two meetings have been held to date with over 50 participants. The immediate objective has been to discuss TDA funding to implement an Energy Efficiency MOU under the SED's 10-year Framework for Environment and Clean Energy. Energy efficiency has become what promising areas where the USG can have a sizable impact on energy use and pollution in China to benefit of U.S. Commercial interests. *Contact Bryan Larson at Bryan.Larson@mail.doc.gov*
- [CS Shanghai Hosts Webinar on China's Photovoltaic Industry](#)
On March 4, CS Shanghai held a Webinar on Export Opportunities to China for U.S. Photovoltaic Equipment and Materials Suppliers. Over 25 participants joined the event that was co-hosted by the SEMI Association. The focus of the Webinar was on developments and trends influencing the rapidly developing China solar market that now manufactures over 28% of the world's solar cell production. CO Francis Peters and CS Lisa Tang worked closing with Kellie Holloway of the China Business Information Center to promote and arrange the Webinar. Presenters from SEMI China, Air Products, and Suntech shared their insights into the opportunities and challenges facing this dynamic industry. *Contact Chip Peters at Francis.Peters@mail.doc.gov*

Those who missed the live Webinar, can still the recording. The fee is \$25 and Webinar can be viewed at this link <http://www.buyusa.gov/asianow/chinasolarmar09arch.html>

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Market News and Analysis

- [NDRC Chairman Zhang Ping Outlined 4 Trillion Stimulus Package](#)
At a press conference on March 6, NDRC Chairman Zhang Ping outlined the sources of the 4 trillion RMB stimulus package the Chinese government announced earlier and how China will allocate the investment.

Mr. Zhang said that the funding sources of the RMB 4 trillion would mainly come from three sectors: the central government, local governments and others such as private sector. He said that the Chinese central government would place down RMB 1.18 trillion in the basket. The rest will have to rely on contribution from local governments and investments by private sector. The table below illustrates the structure of the investment:

Fields of investment	Planned Investment (RMB trillion)	Subsectors
Livelihood Projects	0.40	Residential buildings, low-cost apartment buildings, living quarters in forestry, agricultural, mining regions
Rural infrastructure	0.37	Water, electricity, roads, cooking gas supply, housing projects, etc.
Infrastructure	1.50	Railroads, highways, airports, and water conservation
Social welfare	0.15	Education, healthcare, culture, and family planning projects
Energy-saving, emission reduction and ecological projects	0.21	No specifics
Industry restructuring and technology upgrade	0.37	No specifics (development plans for 10 industry sectors)
Post-earthquake reconstruction	1.00	No specifics
Total	4.00	

➤ [Stimulus Package: Investment in Energy Sector](#)

Less energy demand because of economic slowdown offers the Chinese government an opportunity to enforce its plan to restructure the country's energy industry. China's National Energy Administration (NEA) vowed to reform the coal industry by shutting down or merging smaller coal mines with large ones, improve the efficiency of power generation, and develop clean energy. Although energy is not one of the ten industry revitalization plan the Chinese government announced earlier, China will invest RMB650 billion in power generation and power grid upgrading in 2009. According to the report Chinese Premier Wen Jiabao presented to the National People's Congress in March, the Chinese government will promote the development of clean energy such as nuclear power generation, hydropower, wind power, and solar.

➤ [China to "Adjust" 5 Year Energy Plan – Clean Energy Focus](#)

Mr. Guobao Zhang, Administrator of China's National Energy Administration (NEA) published an article in the 2009 April Edition of the Qushi Journal entitled "Scientific Development of Electric Power Industry is the Basic Way to Win the Challenge." According to the article, NDRC is expected to adjust "the Twelfth Five Year Energy Plan" and to give priorities to development of clean energy and nuclear power.

Wind power installed capacity will reach 100 million kw by 2020, much higher than the 30 million kw plan stipulated in the 2007 version of the "Renewable Energy Mid and Long Term Development Plan," to increase renewable energy (hydropower excluded) capacity proportion of the overall energy mix from the current 1.5% to 6% by 2020. Mr. Zhang also wrote that hydropower installed capacity by 2020 will reach 300 million kw.

Great importance will also be attached to the nuclear power development. By 2020, the total nuclear power installed capacity will come up to 70 million kw, accounting for 5% (currently 2%) of the nation's total installed capacity.

➤ [China Announces New Solar Subsidy](#)

On March 23, China's Ministry of Finance (MOF) and Ministry of Housing, Urban & Rural Development (MOHURD) announced a new subsidy for solar photovoltaic building applications that is expected to reduce costs by half. The subsidy amounts to 20 RMB/Wp and is reportedly meant to stimulate the solar use in rural and urban construction. However, the primary target is construction of large buildings in medium- to large-sized cities with a more substantial industrial and economic base.

Projects must meet a 50 kW threshold. In addition, the PV systems need to be 16% efficient for mono-crystalline products, 14% efficiency for multi-crystalline products, and 6% efficiency for amorphous silicon products. First-tier project approval rests with municipal and provincial authorities, which in turn submit to a central authority twice per year. MOHURD and MOF will ultimately evaluate and select projects to receive the subsidy.

The subsidy is directed toward the cost of construction in contrast to NDRC's previously enacted wind subsidy, which was directed at grid connectivity and equipment purchases. While certainly an important objective of the subsidy is to encourage adoption of clean energy, it is clear that the timing of the announcement is meant to stimulate domestic green job creation and grow the domestic market for primarily Chinese manufacturers. It is still uncertain whether and how foreign manufacturers will benefit.

For more information contact Sherry Cai at Hongying.Cai@mail.doc.gov

➤ [NEA--Chinese Government Regulator in Energy Sector](#)

As the result of the Chinese government restructuring in March 2008, the National Energy Administration (NEA) was established by spinning off the former Energy Bureau of the National Development and Reform Commission (NDRC). NEA has become China's key government regulator in the energy industry. We present here a full introduction of this regulator to help our readers understand the functions and responsibilities of NEA and its structure.

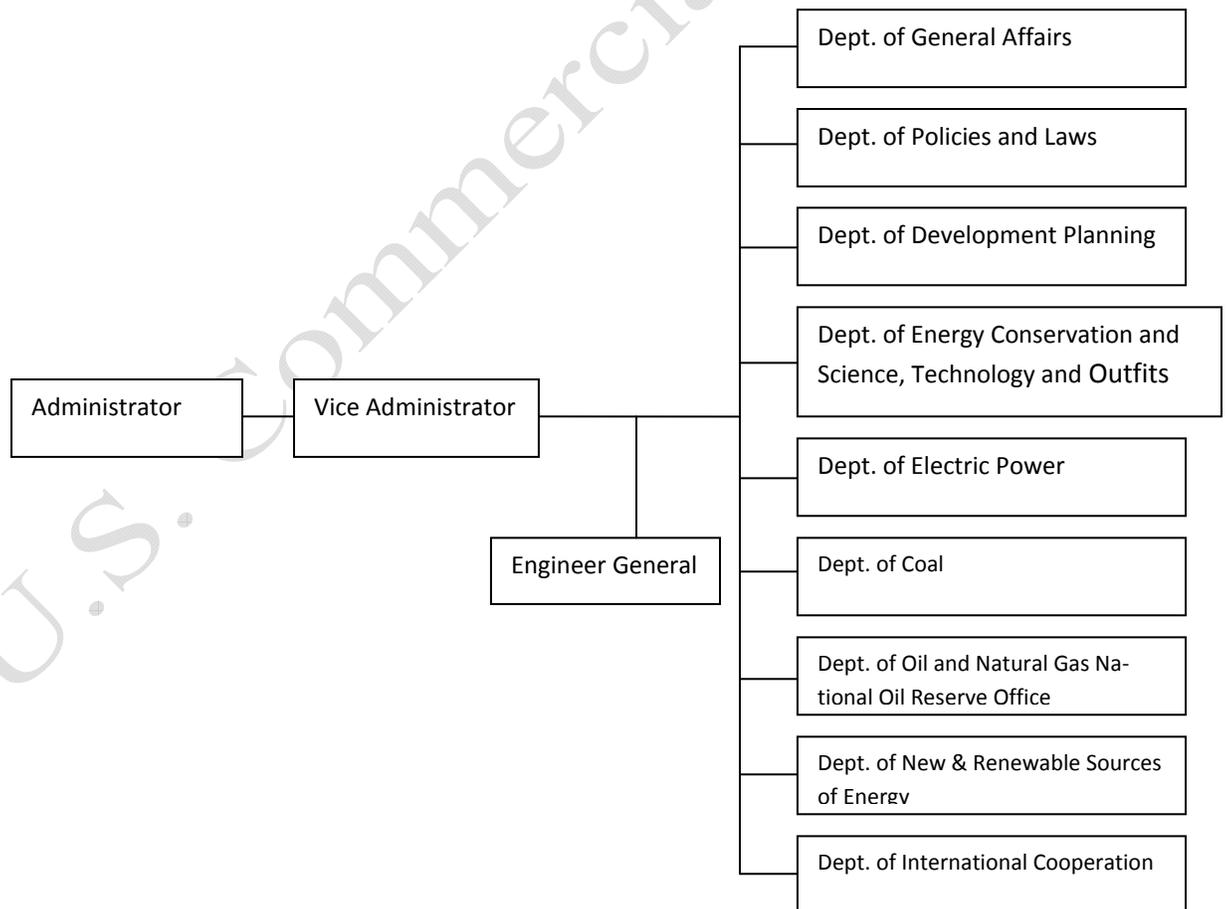
Profile of National Energy Administration (NEA)

Major Functions and Responsibilities of NEA

1. To put forward proposals of energy development strategies, formulate and implement development plans and industrial policies in the energy sector; to draft energy-related laws, administrative regulations and rules.; to promote system reform in the energy sector and formulate relevant reform plans; to coordinate the solution of major issues of energy development and reform.
2. To administer the energy sectors including coal, oil, natural gas, power including nuclear power, new and renewable sources of energy (NRSE) etc.; to organize the formulation of standards in the energy sector; to monitor the performance of energy development, coordinate energy production and construction, balance energy supply and demand; to guide and coordinate the development of rural energy.
3. To guide energy conservation and comprehensive use of resources, organize and carry out the R & D of important equipment in the energy sector; to guide scientific and technological progress in the energy sector and the assimilation of imported complete sets of major equipment, organize and coordinate key energy-related demonstration projects and popularize new products, new technologies, and new equipment.
4. To approve, or authorize, or review fixed assets investment projects of the energy sector within national energy plans and the scale of annual plans in accordance with the authority stipulated by the State Council.
5. To conduct energy forecasting and early warning, release energy information, participate in coordinating energy operation and ensuring emergency preparedness.

6. To administer nuclear power; to formulate and implement development plans, access requirements and technical standards of nuclear power; to make comments on the layout of nuclear power stations and review key projects of nuclear power; to organize the coordination of scientific research work related to nuclear power; to organize the administration of nuclear accident emergency preparedness in nuclear power stations.
7. To administer national oil reserve and formulate its plans and policies, monitor the change of supply and demand on domestic and international oil markets, put forward recommendations and organize the implementation of the advice on order placement, rotation and use of national oil reserve; to approve or review oil reserve facility projects according to the stipulated authority; to monitor and manage commercial oil reserve.
8. To take the lead in launching international cooperation in the field of energy, organize agreements negotiations and signing with foreign energy authorities or international energy organizations, coordinate overseas energy development and utilization activities, authorize or review key overseas energy investment projects including coal, oil, natural gas, power, natural uranium, etc.
9. To participate in the formulation of policies related to energy such as resources, finance and taxation, environment protection, and climate change tackling; to make recommendations on energy price adjustment and the total volumes of imports and exports.
10. To undertake the day-to-day work of the national Energy Commission.
11. To undertake other tasks assigned by the State Council and the National Development and Reform Commission.

NEA Organizational Chart



Main Functions of Departments within the NEA

NEA is a national administration administered by NDRC. NEA has nine functional departments with a staff size of 112 civil servants.

Department of General Affairs

- Daily administrative affairs, personnel management, party and masses affairs, inspection, budget and finance, assets management, retiree-related affairs;
- Undertaking energy statistics, energy forecast and early warning; and
- Public affairs and information release.

Department of Policies and Laws

- Studying major issues of energy
- Drafting relevant laws, administrative regulations and rules concerning the energy sector
- Undertaking the work for reviewing the validity of standard documents; and
- Handling administrative reconsideration and responding to energy-related administrative lawsuits

Department of Development and Planning

- Studying and recommending strategies for energy development;
- Formulating development plans annual plans and industry policies in the energy sector;
- Undertaking general affairs concerning energy; and
- Handling the work of energy system reform

Department of Energy Conservation and Science Technology and Outfits

- Guiding energy conservation and comprehensive use of resources in the energy sector;
- Undertaking the relevant work of scientific and technological progress and outfits; and
- Organizing the formation of standards in the energy sector

Department of Electric Power

- Formulating and implementing relevant development plans, annual plans and policies of thermal power, nuclear power and power grid
- Conducting system reform in the power sector; and
- Organizing the administration of nuclear accident emergency preparedness in nuclear power stations.

Department of Coal

- Administration of the coal sector
- Formulating and implementing development plans, annual plans and policies of coal exploration, coal-bed methane, clean energy products from coal processing and transformation
- Handling the work of system reform in the coal sector
- Coordinating coal-bed methane development, replacement of outdated coal production capacity, and coal mine gas prevention and utilization

Department of Oil and Natural Gas (National Oil Reserve Office)

- Administration of the oil and natural gas sectors
- Formulating and implementing development plans, annual plans and industry policies of oil and natural gas exploration and oil refining
- Handling the work of system reform in the oil and natural gas sector
- Undertaking the administration of national oil reserve; and
- Supervising commercial oil reserve

Department of New and Renewable Sources of Energy (NRSE)

- Guiding and coordinating the development of NRSE and rural energy
- Formulating and implementing development plans, annual plans and policies of new energy, hydraulic energy, biomass energy and other forms of renewable energy

Department of International Cooperation

- International energy cooperation
- Formulating strategies, plans, and policies of opening the energy sector to the outside world
- Coordinating overseas energy exploration and utilization; and

- Undertaking foreign affairs in NEA

Source: National Energy Administration

- [China's Power Output in 2008](#)

Chinese power plants produced 3.4 trillion kwh in 2008, increased by 5.5%. Among which, thermal power output was 2.78 trillion kwh, up 3% and hydropower output was 525.7 billion kwh, up 17.7%.

- [Coal Production in 2008](#)

China's coal output reached 2.62 billion ton, increased by 12.8%; China exported 45.43 million tons of coal in 2008, down by 14.6% while coal import was 40.4 million ton, down by 20.8%.

- [Investment in the Energy Sector in 2009](#)

Although the investment in energy sector is not included into the RMB4 trillion stimulus package, China's investment in this sector in 2009 is large. According to BHI, a well-informed investment consulting firm in Beijing, the forecasting investment in power industry in 2009 will be RMB650 billion. Among which, RMB 300 billion will go to power generation (thermal power: 50%, hydropower 30% and others 20%) while RMB350 billion will be used for upgrading the power grid. Please click the link below for further information. <http://www.bhi.com.cn/2007zixun/>

- [China's Oil & Gas Industry in 2008](#)

Consumption: According to Chinese Statistic Bureau, China consumed crude oil of 360 million ton in 2008, increased by 5.1% over that in 2007. The consumption of natural gas was 80.7 billion cubic meters, increased by 10.1% over that in 2007.

Production: Statistics released by the Chinese government shows that China's crude oil output in 2008 reached 189.73 million ton, increased by 2.3%. The output of natural gas in the year was 76.1 billion cubic meter, increased by 12.3% over last year.

Importation: In 2008, China's importation of crude oil reached 178 million tons, increased by 9.6% against last year. China spent USD129.3 billion, 62% more than that in 2007 for crude oil importation. At the same time,

China imported 38.85 million tons of finished oil products, increased by 15% against that last year. China spent USD 30 billion, 82.7% more than that in 2007 for such products.

- [Oil & Gas Development/Investment Plans in 2009](#)

As the global hits China's the energy sector, all the three oil giants in China, PetroChina, SinoPec, and CNOOC have expressed that they are financially healthy and will continue to invest in oil projects in 2009. However, they will put on hold those projects with high marginal costs.

There are different opinions among the Chinese industry analysts whether Chinese oil companies should put more efforts in crude oil production. One argument made by some National People's Congress delegates is that China should decrease the production of crude oil when the world oil price is at the current low level. They advised the Chinese government to import more crude oil in order to increase the country's oil reserve. China is constructing four oil reserve tanks in Zhejiang and other regions now and more will be built in the future.

BHI Investment Consulting estimated that China's total investment in oil and gas industry would be around RMB 500 billion. One of the big projects is east section of the West-East gas pipeline II. The total length of the section is 5,300 km and the project requires an investment of RMB93 billion. The investment in petroleum and petrochemical sector will be around RMB 1 trillion in 2009.

➤ [China to Build 6 Large Wind Power Bases](#)

China's National Energy Administration (NEA) takes the development of wind energy as one of the major tasks in restructuring the country's energy industry. China plans to build several huge wind power bases in the coming ten years. In 2008, China undertook planning and construction of six huge wind power projects with each plant having a 10,000 Mw capacity in inner-Mongolia, Gansu, Xinjiang, Hebei, Jiangshu, where there exist ample wind resources.

The completion of these wind power bases, said Pengfei Shi, Vice Chairman of Chinese Wind Energy Association on February 16th, 2009, would ensure that the total wind power output to reach 1 Gw by 2020, which is one of the goals set in China's mid-term and long-term renewable energy development plan.

Jiuquan Wind Power Base: Located in Gansu Province, the project planning of Jiuquan Wind Power Base has completed. The bidding for supplying equipment for the 3800 Mw generating capacity closed in August 2008. The current capacity of Jiuquan Wind Power Base stands at 5000 Mw if including the projects that have been completed earlier and those under construction. By 2015, the installed capacity of Jiuquan will be 1,200 Mw.

On October 16th 2008, NEA reviewed the plan of building a 10,000 Mw grade wind energy base in Hami of Xinjiang autonomous region. According to the plan, the total installed capacity of Hami wind field will be 2,000 Mw.

The development plans of other wind power plants are under drafting. Inner Mongolia will build two wind power plants, one with a capacity of 20,000 Mw in the west region and the other 30,000 Mw in the east region. Hebei province plans to build wind power plants in coastal region and northern region with a combined capacity of 10,000 Mw. Jiangsu Province plans to build wind power plants of 10,000 Mw.

For more information, please contact Michael Wang/CS Beijing at jianhong.wang@mail.doc.gov

➤ [CGNPC to Inject RMB30 Billion in Nuclear Power Projects](#)

As an effort of the China's stimulus package, China Guangdong Nuclear Power Corporation (CGNPC), the only nuclear power generator in China, will inject RMB30 billion into its own projects in the nuclear power sector after RMB580 billion was allotted to the nuclear and wind power projects, according to a report on the website of People's Daily on March 11, 2009.

China's current nuclear power installed capacity stands at 9000 mw, accounting for 1.3% of the country's total installed power generating capacity. In 2008, nuclear power sector contributed merely 1.99% of the country's total electricity output.

According to the national electric power investment plan, in 2009, China will kick off construction of three new nuclear power projects in Zhejiang (Sanmen Nuclear Power Project), Shangdong (Haiyang Nuclear Power Project), and Guangdong (Taishan Nuclear Power Project), to add another 8400 mw installed capacity to the power generation industry; by 2020, the nuclear power installed capacity will increase to 70000 mw.

**Chinese Nuclear Power Plants in Operation, Under Construction,
& NDRC Approved (Feb.6, 2009)**

I. Nuclear power plants in operation

	Power plants	Capacity	Location of provinces	Completion year	Technology suppliers
1	Qinshan 1 st Phase	300 mw	Zhejiang	1991	China
2	Qinshan 2 nd Phase	2x650 mw	Zhejiang	2002	Canadian Atomic Energy Co. Ltd.

3	Daya Bay	2x984 mw	Guangdong	1994	Areva, France
4	Ling Ao 1 st Phase	2x990 mw	Guangdong	2003	Areva, France
5	Qinshan 3 rd phase	2x700 mw	Zhejiang	2003	Canadian Atomic Energy Co. Ltd.
6	Tianwan 1 st phase	1060 mw	Jiangsu	2006	Rostam, Russia
7	Tianwan 2 nd Phase	1060 mw	Jiangsu	2007	Rostam, Russia
	Total	9068 mw			

II. Nuclear power plants under construction

	Power plants	Capacity	Location of provinces	Completion year	Technology suppliers
1	Qinshan 2 nd phase	2x650	Zhejiang	2011	Canadian Atomic Energy Co. Ltd.
2	Ling Ao 1 st phase	2x1080 mw	Guangdong	2010/11	Areva, France
3	Hongyanhe	4x1000 mw	Liaoning	2012/14	China
4	Ningde	4x1000 mw	Fujian	2012/15	China
5	Fuqing	6x1000 mw	Fujian	2013-	China
6	Yangjiang	6x1000 mw	Guangdong	2013/17	China

III. NDRC approved nuclear power plant projects:

	Power plants	Capacity	Location of provinces	Completion year	Technology suppliers
1	Haiyang	2x1000 mw	Shandong	2013	Westinghouse, USA
2	Sanmen	2x1000 mw	Zhejiang	2013	Westinghouse, USA
3	Qinshan	2x1000 mw	Zhejiang	2013/14	China
4	Taishan	2x1600 mw	Guangdong		Avera, France

For more information, please contact Lena Yang/CS Guangzhou at lana.yang@mail.doc.gov

➤ [Sichuan - Solar Gateway to the West](#)

Sichuan is pushing solar as its next pillar industry. The governments of Chengdu and Shuangliu have established the Chengdu/Shuangliu Photovoltaic Industrial Park. The goal is to turn the region into a “Western Solar Valley” (“西部光谷”) and achieve RMB 100 billion in annual output.

China has abundant solar resources, with solar irradiation comparable to areas of corresponding latitudes in the US, and comparing favorably over areas of corresponding latitudes in Japan and Europe (click [here](#) for Greenpeace’s China Solar PV Report 2007). Tibet, in particular, boasts the best solar irradiance of all of China, in part due to its elevated altitude, which greatly reduces irradiance diffusion. The development of a vibrant solar industry in the western regions is also consistent with the national “Go West” policy of developing China’s interior western and remote regions that have traditionally lagged behind the coastal economies. These remote western regions are homes to a significant portion of the estimated 15 million people in 2006 with no access to electricity. Distributed energy solutions such as solar PV, among others, can be the

most cost-effective sources of power in these regions. As alluded to earlier, these regions are not where the PV panels are being deployed.

In terms of solar PV manufacturing, Sichuan, and Chengdu/Shuangliu in particular, boasts certain strategic advantages, such as favorable investment policies, an abundance of hydroelectric power and affordable electric power in general, and the availability of skilled labor from surrounding universities. It also has a relatively well-developed logistics supply chain given the pioneering work of the aviation industry, around which Chengdu/Shuangliu has built its economic base. However, take a read at [this post](#) for a devil's advocate point of view on shifting supply chains to the western regions.



Some anchor companies at the industrial park include Tianwei New Energy Resources and Apollo Solar, both of which are taking vertically integrated approaches in developing their operations in Sichuan. Tianwei New Energy Resources Southwest Industry Park, a subsidiary of [Tianwei Group](#), will channel some RMB 3 billion into building solar production facilities with a capacity of producing 200 MW of silicon ingots, 50 MW of solar modules and 100 MW of solar cells and a solar research center.

Another recurring theme of the conference was thin-film PV technologies. The recent explosion of solar demand has caused a short to medium term bottle neck on silicon feedstock supplies, providing a boon to so-called “thin-film” technologies that use little to no silicon. [Apollo Solar](#) is striving to be the foremost vertically integrated thin-film PV module manufacturer. The competitive advantage of Apollo is that it has mining rights to certain quarries such as Dashuigou (大水沟) and Majiagou (马家沟) within Sichuan province that gives them access to key precious metals such as telluride, bismuth, indium, selenium and others that go into making thin-film modules.

For more information contact Sunny Cui at Cui.Shiyang@mail.doc.gov

- [Iran announces USD 3.3 billion gas deal with Chinese consortium](#)
Iranian media reported on March 14 that a USD 3.3 billion deal to produce liquefied natural gas (LNG) in the South Pars gas field had been signed with a consortium of three Chinese companies.
- [Gasoline and Diesel Prices May Fall Again Soon](#)
Chinese media has reported widely on price wars at gas stations across China's major cities as demand for refined oil products slides amid the economic crisis. Some analysts have suggested that the Chinese government could announce a drop in retail gasoline and diesel prices as early as the end of March.
- [China Filling Oil Reserves](#)
Chinese media reported that China has filled its first 100 million barrels of onshore emergency crude oil tanks. China Shipping Group Corporation President Li Shaode told the media March 9 that he had proposed the government use some of its foreign exchange reserves to construct floating oil storage because onshore tanks were full. Other media sources report that the NEA

recently released a plan to build eight new strategic petroleum reserves (SPR) bases by 2011 in undetermined locations, which would increase China's strategic crude reserve capacity to 281 million barrels.

- [Chinese Premier Reaffirms Commitment to Energy Savings, Environmental Protection at NPC](#)
Wen Jiabao reaffirmed China's commitment to energy conservation, clean energy, and environmental protection in his annual work report address to the National People's Congress on March 5. On climate change, Wen stated that "China will implement the national plan for addressing climate change and become better able to respond to it."
- [Yet Another West-East Pipeline?](#)
During the Peoples' Congress, Communist Party secretary for the Xinjian region Wang Lequan stated that construction of a third "West-East" gas pipeline is "under immediate preparation." However, despite much ink spilled over this news, almost no details are available about two key issues - which gas (western Chinese or Central Asian) would flow through this pipeline, and where exactly the pipeline would run.
- [Another Boost for Renewables](#)
Zhang Guobao, on the margins of the CPPCC conference that it is "time to restructure the nation's energy mix" by exploring renewable energy alternatives and boosting clean energy consumption. If China failed to develop new energy, he warned, China "will find itself lagging behind the world within a decade." Meanwhile, on March 12, NDRC announced the approval of two hydropower stations and two wind farms totaling 2,000 megawatts of capacity.
- [International Spending Spree Continues](#)
In addition to the well-covered stories about loans-for-oil with Russia, Brazil, and Venezuela, Chinese energy firms are making additional news regarding international acquisitions of a smaller scale. CNPC agreed to buy Canada's Verenergy for about \$400 million to boost its presence in Africa (specifically Libya). Sinopec is in talks to acquire 20% of Spanish oil major Repsol currently held by Sacyr Vallehermoso, a Spanish construction firm. Sinopec is also racing to acquire Urals Energy in Russia, and has gained approval to purchase Canada's Tanganyika Oil Co. China Datang Corporation, China's second largest electricity producer also admitted recently that his company is looking to conduct mergers and acquisition abroad as well as in China.
- [Bringing Coal to Newcastle](#)
China has the among the largest coal reserves in the world. In fact, geologists just announced a 3 billion-ton coalfield in eastern Shandong Province. Yet China Datang Corporation's Chairman, Zhai Ruoyu, told reporters during the CPPCC that his firm is negotiating with Australia, Vietnam, and other countries to import coal into China. Even considering shipping costs, he observed, overseas coal is cheaper than China's own coal.

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Project Alerts

- ❖ Guodian Qingshan Thermal Power Plant plans to invest RMB 3 billion in a project that will enable the plant to supply both heating and power. The planned construction period will be from 2009 to 2011. The project is now at National Development and Reform Commission (NDRC) for review and approval. Major equipment will include two 350 Mw generators, boilers, fans, valves, pumps, and filters, etc.
- ❖ Hebei will build the second phase of Gu Yuan Wu Hua Ping Wind Power Plant in 2009-2010. The installed capacity will be 49.50 Mw. The total investment will be RMB641.79 million. The project is under review by Hebei Provincial Development and Reform Commission.
- ❖ Datang plans to build a coal-to-gas project in Liaoning Province in 2009-2011. The designed capacity will be 12 million cubic meters daily. The total investment will be RMB 22 billion. The project has been submitted to NDRC for review and approval.
- ❖ Datang International Power plans to invest RMB 23 billion in coal-to-gas project in Inner Mongolia. The project is in the phase of engineering design. The annual output of gas will be 4 billion cubic meters once the project is completed and put into operation.
- ❖ Chongqing-based company plans to invest RMB 598 million to build a 46.6 mw hydropower station in Wushan county in 2009-2013. The project is current under review by the local Development and Reform Commission.
- ❖ A Hong Kong based company plans to invest RMB 8 billion for oil development in Panjin city of Liaoning Province in 2009-2012. The peak year oil output will be 1.87 million ton. The company is compile project application report to be submitted to NDRC for review and approval.

For more information, please contact

Michael Wang at CS Beijing, Email: jianhong.wang@mail.doc.gov Or

Ms. Ma Mingming at CS Beijing, email: mingming.ma@mail.doc.gov

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Upcoming Events

- [USTDA Funded NATURAL GAS/LNG Training to be Held in Beijing in May](#)
Dates: May 18-21, 2009
Venue: GRAND GONGDA JIANGUO HOTEL” in Beijing,
Address : 100 Pingleyuan Street, Chaoyang District, Beijing, China
Tel: 8610-59102222

The Global Natural Gas/LNG Markets, one of the 12 U.S.-China Natural Gas Training Programs for Chinese government officials and business executives in the natural gas/ LNG sector will be held in Beijing May 18-21. Over one hundred officials from the local Development and Reform Commissions and business executives from the three oil companies and gas pipeline companies will participate in the training.

The 3-day training program, funded by U.S. Trade and Development Agency (USTDA), present Chinese natural gas executives with specific U.S. equipment, technologies, services, and best practices. Below are the training subjects:

- Fundamentals of Natural Gas/LNG Markets and Pricing
- Physical and Operational Aspects of Natural Gas/LNG
- The Role of Regulation in the Natural Gas/LNG Markets
- Contractual Arrangements for Natural Gas/LNG Markets
- Safety and Environmental Issues

U.S. companies who are interested in presenting their technologies, services and best practices to this group, *please contact USTDA's contractor: USEA, Marjorie Jean-Pierre, tel: 202-312-1230; fax: 202-682-1682, email: mjean-pierre@usea.org; or Ms. Xiaolei Wan/CS Beijing at email: xiaolei.wan@mail.doc.gov*

➤ [US-China Build Roadshow](#)

Dates: May 11-15, 2009

Contact: eric.wolf@mail.doc.gov

➤ [China Smart Grid Cooperative Workshop](#)

Dates: May 26-27, 2009

Contact: Bryan Larson/CS Beijing at bryan.larson@mail.doc.gov

➤ [Joint U.S.-China Cooperation on Clean Energy](#)

The Joint US-China Cooperation on Clean Energy (JUCCCE) is a non-profit organization whose mission is to accelerate the greening of China through international collaboration on impactful programs. JUCCCE's programs are focused on Smart Grid, renewable energy, cleaner coal, transportation and green building. FCS Beijing recently met with JUCCCE staff to discuss progress on the NGO's major initiatives and is exploring ways in which the Embassy can provide meaningful assistance in furthering the NGO's objectives. Highlights include:



- JUCCCE will host Mayoral Training Courses on Energy Smart Cities with China's Ministry of Housing and Urban-Rural Development (MOHURD). The first course is May 6, 2009 and the expanded seven-day course is May 18-24, 2009, in Beijing. Over 680 Chinese Mayors and Deputy Mayors will attend.

- JUCCCE and three Chinese government agencies will host the second China Smart Grid Cooperative Workshop in Shanghai, May 26-27, 2009.
- JUCCCE will distribute 10 million free compact fluorescent light bulbs in China by the end of 2009.

Contact: FCS Beijing Bryan.Larson@mail.doc.gov

➤ **The Fourth U.S.-Mongolia Business Forum**

Date and Time: Tuesday, June 9, 2009, 8:15 AM – 5:30 PM

Location: U.S. Department of Commerce (Auditorium)
1401 Constitution Ave., NW, Washington, DC

The U.S. Department of Commerce, in conjunction with the Ministry of Foreign Affairs and Trade of Mongolia; the Ministry of Mineral Resources and Energy of Mongolia; the Foreign Investment and Foreign Trade Agency of Mongolia; and the Mongolian Embassy will host the Fourth U.S.-Mongolia Business Forum on June 9, 2009. The Forum will provide valuable information about commercial opportunities in Mongolia, and give companies a chance to meet potential business partners. The focus of this Forum will be the energy sector, with highlights on coal mining, coal and methane power production, oil extraction and processing, renewable energy, and nuclear energy.

Invited speakers include the Gary Locke, U.S. Secretary of Commerce; S. Batbold, Mongolian Minister of Foreign Affairs and Trade; Kh. Bekhbat, Mongolian Ambassador to the United States; and other senior U.S. and Mongolian government officials, as well as representatives from the U.S. and Mongolian business communities.

Energy is one of the key sectors of Mongolia's social-economic development. In 2001, the Mongolian government approved the "Mongolia Sustainable Energy Sector Development Strategy" for 2002-2010 that outlined short- and long-term policy guidelines for the sector, thus underscoring the importance of energy development as a priority for the Mongolian Government.

Mongolia is in critical need of new energy infrastructure development and new energy sources. In recent years, Mongolia's demand for energy has risen rapidly and is projected to increase substantially in the regions featuring large-scale mining developments like Southern Gobi. In addition, China and Russia present huge potential markets for Mongolia's energy exports. Mongolia has abundant coal deposits, which is the country's major source of energy as well as a cause of severe pollution problems. Introducing clean coal technology is critical in addressing this issue. The Mongolian Government is encouraging the development of renewable energy, such as hydro, solar, and wind energy, and has an ambitious goal for broad-based renewable energy development. Mongolia also has substantial oil reserves and is one of the richest countries in terms of uranium deposits, making it an attractive locale for the development of nuclear energy.

For more information, please contact Zhen Gong Cross by phone (202-482-2910) or e-mail (zhen_gong_cross@ita.doc.gov)

- [EP Shanghai – USA Pavilion Shanghai](#)
Dates: July 8-10, 2009
Location: Shanghai, China
Contact: Gregory Harris FCS Shanghai at Gregory.Harris@mail.doc.gov
- [Xinjiang International Coal, Mining and Exploration Exhibition - 6th](#)
Dates: July 22-24, 2009
Location: China Xinjiang International Exhibition Center
Urumqi, Xinjiang, China
Tel: +86 0991-2196921
Fax: +86 991 2321006 2321606
Email: wpjalice@163.com
Web: <http://www.zhenweiexpo.com/enzlsk.htm>
Web: <http://www.xjicme.com.cn/en/En-index.htm>
- [The 8th Xinjiang International Petroleum & Petrochemical Technology and Equipment Exhibition](#)
Dates: July 26-27, 2009
Venue: China Xinjiang International Exhibition Center
No. 167 You Hao North Road, Urumqi, China
Contact: Addia Ma
Tel: 86 991 2321006
Email; addia@zhenweiexpo.com
Website: www.xjippe.com.cn
- [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
- [Beijing Coal and Mining Expo/China](#)
Dates: October 27-30, 2009
Location: Beijing
Contact: FCS Michael Wang at jianhong.wang@mail.doc.gov

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➤ [Introduction of U.S. Commercial Service in China](#)

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

Homepage: www.buyusa.gov/china/en

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

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➤ [Featured CS China Services](#)

To help U.S. firms, both in the U.S. and China, learn what services they can expect from CS China and how these services are delivered, we design this column to provide detailed introduction of a series of our services. This edition’s featured service is GKS.

Gold Key Service (GKS)

Visiting China? The Gold Key Service identifies and arranges appointments with the key players you need to meet to break into the China market.

Appointments: Knowledgeable Commercial Service trade specialists set up appointments with fundamental contacts such as potential agents and distributors, major end-users, and key government officials. With access to a broad cross-section of contacts you will be sure to meet the right people at the right levels. To request this Gold Key Service, fill out this [questionnaire](#)¹ and return it to our [FCS Beijing office](#)².

The Gold Key Service is tailored to your needs, we help you:

- Find sales representation
- Gauge the market
- Assess the business environment
- Explore a joint venture
- Gauge regulatory requirements
- Assess the competition

We help you get in touch with whom you would like to meet. Just tell us who:

- Agents & distributors
- End users/potential customers
- Producers, trade associations
- Government officials
- Bankers, consultants, lawyers
- US business people/joint ventures

Embassy Briefing: To take full advantage of your trip to China, the Commercial Service provides a special briefing on tips to doing business in China, the local business environment and the US-China relationship. We will also introduce you to a wide variety of services, provide you with research reports and other resources to help you obtain timely, relevant information on the China market. Please note, Embassy and Consulate staff will not normally accompany you to your meetings.

Visa application: Please note that CS China does not assist in the visa application process. A visa can be obtained conveniently at any Chinese Embassy or Consulate in the U.S.

The U.S. Commercial Service will supply you with the Gold Key application package and step-by-step instructions. We request six weeks lead time from the when we receive all materials. Each post is solely responsible for its own specific Gold Key Service.

Cost-effective: For more fee information, please [click here](#)³.

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