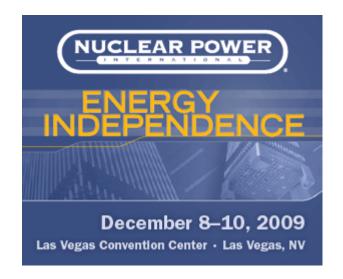
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Weight of renewable energy in China's power capacity drops

Xinhua Economic News (January 22, 2009)

BEIJING, Jan 22, 2009 (Xinhua via COMTEX) -- The weight of renewable energy in China's total installed electric power capacity and total electricity production decreased by 1.37 and 1.23 percentage points respectively in the past two years, according to a report released by the State Electricity Council Wednesday.



The report also showed that power generation capacity of renewable energy accumulated to 154.94 million kilowatts by the end of 2007, accounting for 21.6 percent of the nation's total.

The decreasing weight of renewable energy in the past two years indicates that in spite of strong government support to development of such energy, the sector still has some problems in power generation construction and power distribution.

The on-grid electricity price of some renewable energy power generation projects going into operation before Jan. 1, 2006 is relatively low, and the subsidy for renewable energy generated electricity price and the quota trading scheme stay far behind the development of renewable energy power generation.

Besides, there is no unified industrial standard for biomass generation.

Therefore, the Stated Electricity Council suggested further improving the pricing mechanism and working out fiscal and tax policies in favour

of renewable energy development.

The State Electricity Council will conduct researches on the on-grid electricity pricing mechanism of renewable energy generated power, favourable taxation policy and interest subsidy policy for renewable energy power generation projects.

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