

Beijing Calls for \$265B Investment in Renewable Energy

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by Andrea Quong

Shares in renewable energy companies edged up on China's stock exchanges Wednesday following the release of a national plan for reducing fossil fuel-based energy consumption, according to the country's official Xinhua News Agency.

China's energy czar, Chen Deming, said on Tuesday that China needs \$265 billion in investments to meet its renewable energy goals by 2020, according to the English-language China Daily.

The private sector, including state-owned companies, will likely foot most of the bill to reach China's goal of generating 15 percent of its energy needs from renewable sources within 13 years, according to the National Development and Reform Commission's (NRDC) plan. Beijing and local governments will contribute only about one-fifth of that total investment, Mr. Chen said.

Mr. Chen promised tax incentives and subsidies to help companies switch to more sustainable forms of energy, the China Daily said. But Mr. Chen also sketched out specific requirements, such as renewable energy investment quotas for large, state-owned enterprises and the installation of solar power equipment in real estate development projects, according to the China Daily.

China is roughly halfway to its renewable energy goal, official sources said. It currently generates eight percent of its energy from renewable sources, which include hydropower. Critics, however, charge that large-scale hydropower projects are likely to make up a good proportion of China's long-term renewable mix, despite their damaging impacts on the environment.

In the near future, China expects its hydropower capacity to dwarf that of wind, biomass, or solar power. By 2020, China aims to build 300 million kilowatts of installed hydropower capacity, compared with 30 million kilowatts capacity for wind and 1.8 million kilowatts capacity for solar, Xinhua News Agency reported.

The NRDC plan also calls for developing biogas as a main fuel source for China's 300 million farmers and using renewable energy to connect remote regions to the grid.

On Wednesday Wuhan-based solar thermal equipment maker Linuo Solar Energy Company's stock jumped 10 percent while Ronghua Industrial Group and Xiangtan Electric Manufacturing Group rose about five percent and two percent respectively, Xinhua reported.

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