

Four SOEs awarded wind power projects in China

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Four state-owned enterprises have been awarded four wind power projects in north China with a total power generation capacity of 1,000MW after the tendering process was concluded in mid-September.

Longyuan Electric Power, North United Power and China Guangdong Nuclear Energy Development (CGNEDC) won the right to build wind farms in the Inner Mongolia Autonomous Region and China Energy Conservation Investment Corporation (CECIC) is to build a farm in Hebei province. The projects will be completed within four years.

Early this year China's Renewable Energy Law came into force. The new regulations ruled that the amount of electricity to be converted into wind power would be decided by tendering. The measure received severe criticism from industry figures, who feared that the practice would result in low prices and therefore meagre profits.

The winning price for one of the projects was the lowest offer of all the bids submitted for the project. The second lowest prices were selected for the other three projects.

The latest state tendering received 26 bids, all from state-owned enterprises. A foreign company was said to have prepared to tender but refrained from doing so at the last minute. Longyuan, CECIC and CGNEDC each cast bids in alliance with an overseas-registered company of their own. This allows the developer the status of a joint venture, which assists with the import of equipment and reduces custom duties, an observer said.

Three previous rounds of wind concession tendering have awarded nine wind farm projects totaling 1,350MW in power-generating capacity. By the end of 2005 China had 61 wind farms in operation with a combined capacity of 1,260MW.

Source:Xinhuanet