

03/11/2007 China's wind power could be booming for wrong reasons - expert

Text of report by Hong Kong newspaper South China Morning Post website on 3 November

[Report by Zhuang Pinghui: "Wind Power Could Be Booming for Wrong Reasons, Expert Warns"; headline as provided by source]

Wind power is booming on the mainland, but industry analysts fear an investment frenzy being driven by political factors rather than economic returns might undermine the green energy cause.

The mainland, the world's biggest energy consumer after the United States, has seen rapid growth in wind power generation, with installed capacity increasing at an average rate of 46 per cent a year over the past 10 years, according to a report by the China Renewable Energy Industries Association, the Global Wind Energy Council and Greenpeace.

The installed capacity of wind power generators is expected to reach five gigawatts by the end of the year, three years ahead of the government's 2010 target.

It could reach 50 gigawatts by 2020, accounting for 4 per cent of total power generation, or even 80 gigawatts if more policies favouring the industry are issued, the report said.

But Shi Pengfei, secretary general of the China Wind Energy Association, said most investments were politically motivated and had a high risk of backfiring.

He said most recent wind power projects he had seen were prompted by the Olympic Games or the World Expo, to be held in Shanghai in 2010, and officials in charge of the projects were more interested in having wind power facilities than in their output.

Beijing passed a Renewable Energy Law last year requiring state-owned power companies to meet environmental targets by increasing the proportion of renewable energy they produced.

The central government wants to have 16 per cent of primary energy coming from renewable sources by 2020 and has spent 1.5 trillion yuan to encourage renewable energy and cut reliance on coal and oil.

"Some officials are only concerned about showing their willingness to answer the central government's call to use renewable energy. They don't calculate how much it costs, what the output is or whether it is worthwhile," Mr Shi said.

In an interview with China Business News, he said power generated by wind turbines accounted for only 0.1 per cent of total power output, but it helped the power plants establish a good image.

"It does not matter to them whether it makes money," he said. "What worries me is later people will calculate the cost and come to the misleading conclusion that wind power is an expensive way to get energy. It will be detrimental."

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