

# Renewable energy legislation and its impacts in China

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# Agenda of the renewable energy law

- June of 2003, renewable energy law to be listed on the NPS agenda for legislation
- National and international investigation for renewable energy law, several trips for USA and EU countries
- International workshop for the comments for the renewable energy law in may of 2004
- NDRC delivered a draft of the law for comment in the June of 2004
- NPS developed a draft version of the law for comments with the governments agencies and other stakeholders
- The law got approval by NPC in February 28,2005
- The law was effective in January 1, 2006

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# The key point of the law

- Feed in tariff system for renewable energy power
- Set up a national target for renewable energy development
- Set up a national fund for supporting renewable energy development
- Develop a favorite taxation and banking measures for renewable energy

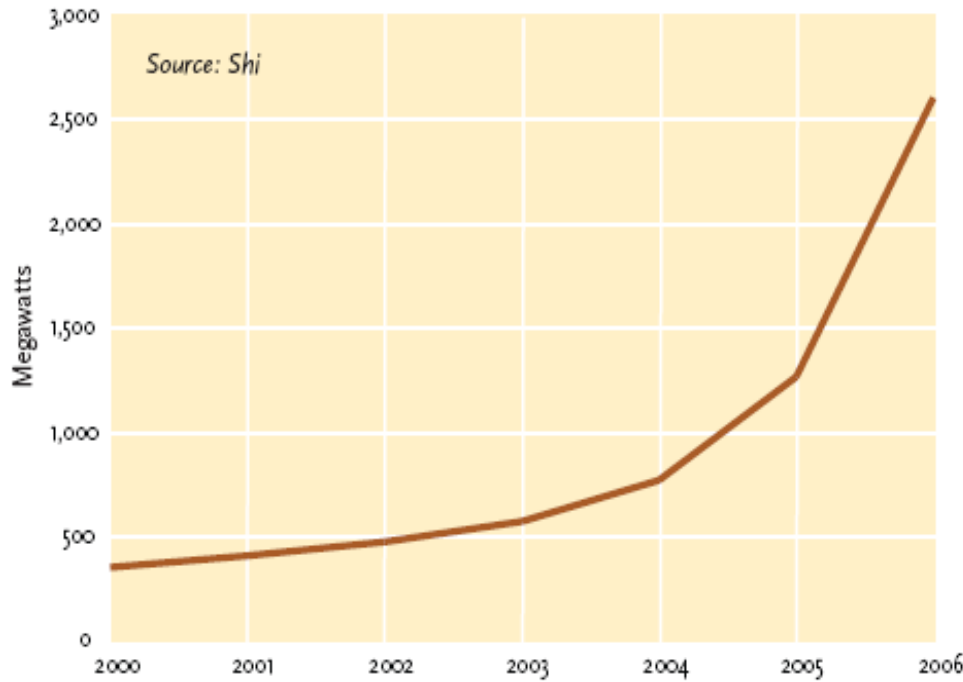
# Major regulations for RE Law implementation

- National renewable energy planning and target
  - 10% by 2010, 15% by 2020
- Mandate target for Power Monopoly by 2010 and 2020
  - 1% and 3% of non Hydro electricity for grid companies
  - 3% and 8% of non hydro power for larger power producers
- Power price and cost sharing
  - Bidding for wind
  - 0.25 Yuan/kWh for biomass
  - Approval price for others
- National fund for support RETs
  - Wind
  - RETs for building
  - Biomass, especially for liquid fuels

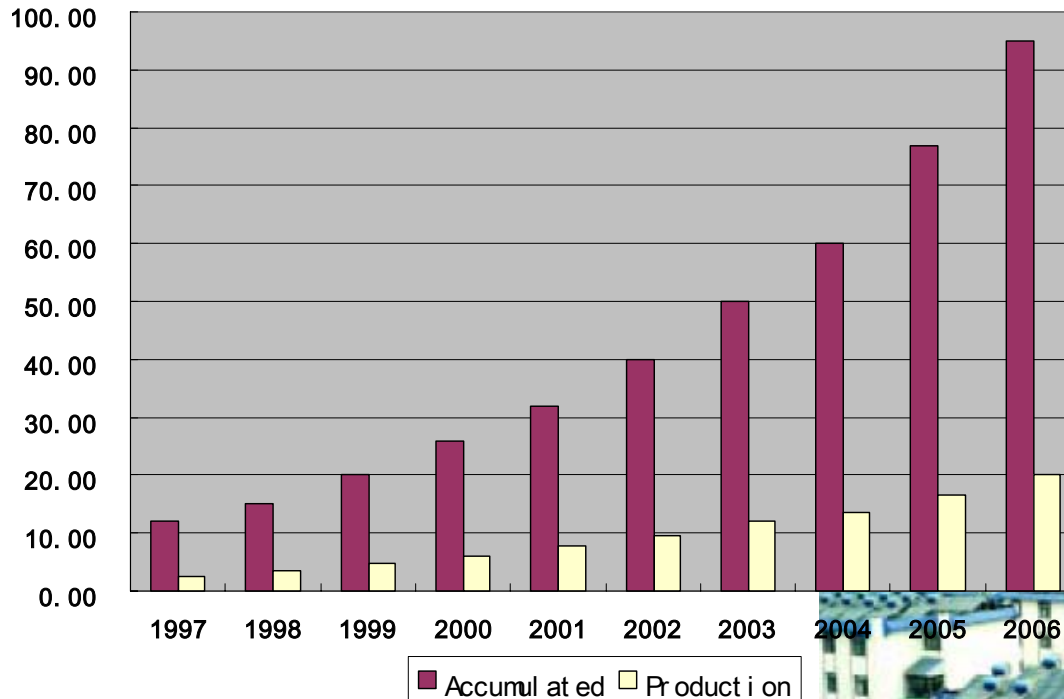
# Impacts of the law fast growth (2004 to date)

- installation
  - Wind power from 760 MW to 2307 MW, with 150% growth rate in 2006 and it hopes to be 5000 MW by end of 2007;
  - Solar collector from 60 million to 100 million square meters
  - Biomass power from 0 to 500 MW;
- Manufactures
  - Wind, 40 manufactures, local production rise to 50% by 2007
  - Solar PV, production from less than 15 MW to 300 MW, 20 times more and 400 companies, 10 listed in stock market
  - More than 10 bio-diesel factories have been set up
- Investors
  - Largest state own enterprises for wind
  - Private sector for solar
  - Biomass is not very clear yet

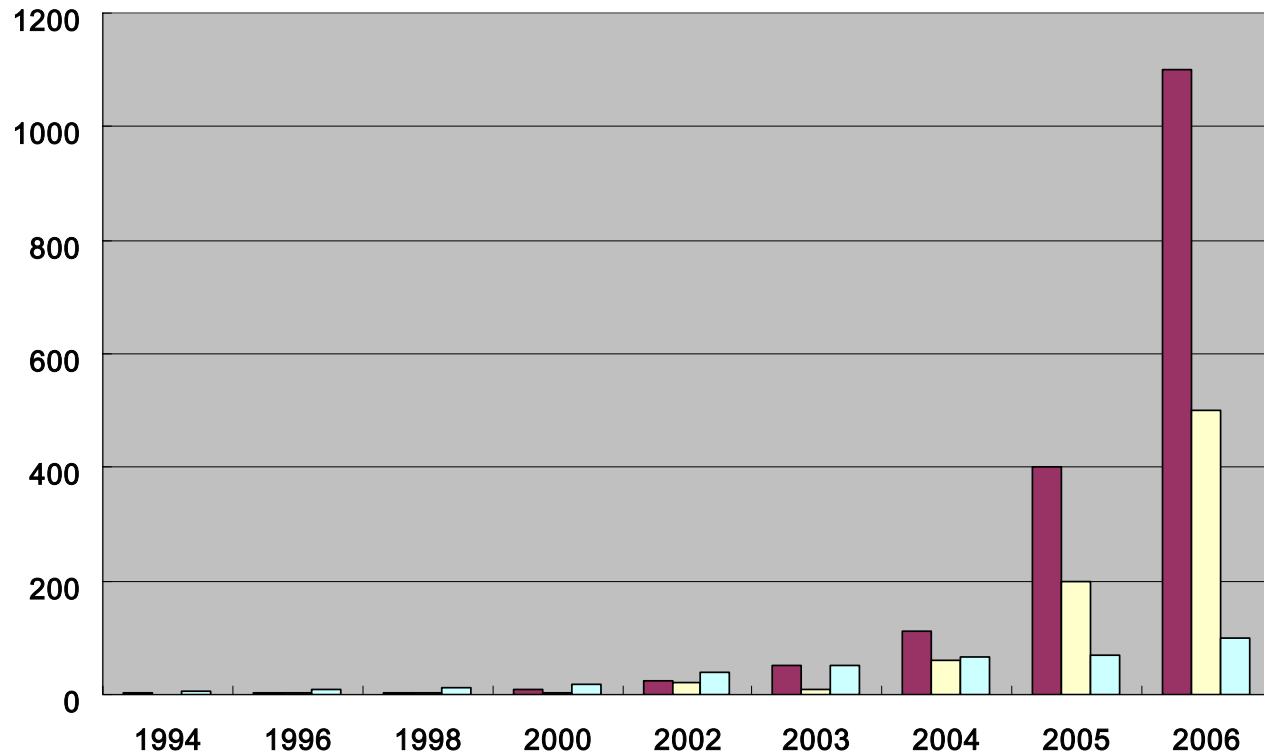
# Current development status of wind in China



# Current development status of solar thermal



# Current development status of solar PV



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# Next step

- Wind
  - Pricing system reform
  - Target modification? 30 to 50 to 80 or more by 2020
- Solar thermal
  - Mediate installation for building is under discussion
- Solar PV
  - Start roof-top
  - Large power from desert area
- Biomass
  - 30 GW power by 2020
  - 10 million tons liquid fuels

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# Thanks

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