



CS China Energy Update

www.buyusa.gov/china/en/energy.html

Serving the U.S. Business Community

April 2010

Inside this Issue:

Guest Contributions	1
U.S Government Highlights	7
News & Analysis	11
Upcoming Events	13

Editorial Staff

Cai Hongying
Cao Yue
Della Fok
Bryan Larson
Brad Zomick

Guest Contributions & Columns

The US-China Energy Cooperation Program (ECP)

By Sabina Brady, Executive Director of ECP



Established in September 2009, the U.S.-China Energy Cooperation Program (ECP), a private-sector initiated and financed NGO, focuses on U.S.-China business development in the clean energy sector.

ECP's members represent some of the most important U.S. companies in the clean energy sector with a diverse mix of technological and engineering expertise. ECP's unique model -- involving the creation of a public-private platform through close partnership with and formal bi-lateral recognition by the U.S. and Chinese governments --

ensures that it is well-positioned to leverage its private sector resources to promote commercially viable projects in clean energy and energy efficiency, and support the sustainable development of the energy sectors in both countries. ECP's formal bilateral government recognition has included the signing in 4Q 2009 of two MOUs by five different government agencies and the issuing of a joint communiqué signed by Presidents Barack Obama and Hu Jintao.

ECP's business development efforts are defined and directed by its eight Working Groups in the areas of:

CS China Energy Update

is a bi-monthly electronic publication produced by the U.S. Commercial Service in China. The Update provides U.S. companies with information and analysis on China's energy market, project alerts, highlights from the U.S. Mission in China and U.S. Department of Commerce and U.S. Government activities in the sector, and a listing of upcoming events and activities.

To subscribe, send an e-mail to: CSChina.Subscribe@mail.doc.gov

The U.S. Commercial Service is part of the global trade promotion network of the U.S. Department of Commerce. Our primary goal is to help U.S. firms export their products and services. Over the years, we have developed a wide array of services to meet the needs of U.S. exporters. To learn about what we can do for you, please visit our website at: www.buyusa.gov/china/en

U.S. Embassy, FCS

No.55 An Jia Lou Road
Chaoyang District
Beijing 100600, P.R. China
Tel: 8610 8531-3000
Fax: 8610 8531-4343

Clean Coal, Clean Transportation, Non-Intermittent Renewables, Intermittent Renewables, Industrial Energy Efficiency, Smart Grid, and Energy Efficient Building and Design. This last, made up of 13 different member companies, targets the commercial application of energy

efficient building materials and systems, on site renewables, and sustainable planning and design. Member companies in this Working Group include: Oshkosh, United Solar Ovonic, UTC, AECOM, Dow, DuPont, First Solar, GE, Honeywell, Ingersoll Rand, Intel,

Owens Corning, and Solatube.

For further information about ECP, please contact ECP Deputy Director, Mei Zheng (mzheng@amchamchina.org)

First ECP Workshop Well Received

By Sabina Brady, Executive Director of ECP



On March 30, 2010, the ECP's Energy Efficient Building and Design Working Group (EEBD WG) hosted a U.S.-China Joint Workshop on Green Building Standards in Beijing in partnership with the Foreign Commercial Service of the U.S. Embassy in China, the U.S. Department of Energy, the U.S. Green Building Council (USGBC), the China Green Building Council

(CGBC), and the Department of Science & Technology of the Ministry of Housing and Urban Rural Development (MOHURD). The Workshop was funded in part by the U.S. Trade & Development Agency. The day-long workshop was staged in conjunction with the Sixth International Conference on Intelligent, Green & Energy Efficient Building & New Technologies and Prod-

ucts Expo that was held from March 29-31 in Beijing.

The Green Building Workshop was the culmination of a three year effort to bring together key stakeholders to present the best possible program for U.S. businesses during this annual green and efficient building conference – which was attended by high-level representatives of commercial, government and research entities from all over China involved in the nation's building and construction industries. Combined, the full-day, standing-room only workshop and the 2010 Conference, including a large U.S. pavilion, successfully brought together the U.S. Ambassador to

China and other high-level U.S. government officials; the President, CEO and Founding Chairman of the USGBC; the Executive Director and other top officials of the China GBC; and the (vice-minister level) Chief Economist from the MOHURD. It was a fantastic success.

The EEBD WG's full day workshop focused on policy trends and harmonization of the U.S. GBC LEED and China GBC 3-Star Green Building standards and applicable technologies and solutions to support and achieve standards certification. The seminar opened with presentations by the U.S. Ambassador and other high level officials from both the U.S. and Chinese governments (including U.S. DOE, U.S. DOC, USTDA and MOHURD), as well as the China and U.S. Green

Building Councils. This was followed by panel discussions moderated by well known experts in the green building and energy efficient building and design fields, including experts from the Asian Development Bank (ADB), and industry experts from the EEBD WG's member companies such as Oshkosh/JLG, United Solar Ovonic, UTC/EMSI, AECOM, DuPont, GE, Honeywell, Ingersoll Rand / TRANE, Owens Corning and Solatube.

The workshop was attended by a standing-room only crowd made up of critical representatives of a wide range of key stakeholders in the sector. During 2010, the EEBD WG is looking forward to hosting two other workshops, participating in and helping to define two critical orientation visits to the

U.S. by key Chinese mayors and officials in green standards development, as well as identifying and promoting a suitable green building demonstration project in a select region in China.

For further information about the ECP Energy Efficient Building & Design Working Group, please contact the Working Group co-chairs: Jim Finn, Managing Director, Uni-Solar China (jfynn@uni-solar.com) and Haiming Liu, Director, Government Relation, United Technologies (haiming.liu@utc.com).

Guest contributions do not necessarily reflect the views of the U.S. Government. Please contact us if you are interested in contributing.

Wind Power: Outlook for 2010

By Qin Yan, Senior Analyst for China Clean Energy Network



The development of China's wind power industry in 2010 is largely expected to pick up on progress gained the previous year. Because China's wind power industry showed strong economic growth despite the

world financial crisis, its wind power generating capacity jumped nearly 9 million kilowatts last year to reach an installed capacity of nearly 21.18 million kilowatts, a 76% increase over 2008.

In late December, an amendment of China's 2006 "Renewable Energy Law" was passed by the government, requiring the country's power grid companies to buy renewable energy generated from wind farms and solar power sources. This added clause will strengthen power grid construction, expand the scope of renewable energy configuration, improve the grid's absorption capacity and provide online services for power producers.

This is expected to do much for the difficult problem of grid connectivity that has thus far

plagued China's wind power industry. According to research, more than 400 major wind power construction projects will be launched in 2010, with a total investment of around RMB 300 billion. However, the wind power industry is facing two major problems that cannot be ignored. One is the problem of linking core technologies, the other is grid connectivity. China's domestic wind equipment manufacturers have indeed grabbed a greater market share over the past four years, but this simple statistical judgment is the result of a higher proportion of Chinese-made spare parts and does not account for whether or not technologies were adopted from abroad or

developed domestically. Therefore, the so-called localization rate of wind turbine parts does not reflect the reality of China's wind power manufacturing prowess. Technological development is still the most valuable facet of production.

Since the Chinese government's decision to cancel the 70% local components policy for foreign wind turbine manufacturers late last year, this will have a direct impact on all enterprises' competitiveness in China. Chinese wind turbine manufacturers that neglect technological R&D or lack a core competitiveness will be eliminated from the market. With this change, Chinese manufacturers will likely con-

centrate on improving their core technology capability of independent innovation. Overall, pressure in the industry will build as more and more wind power projects come online.

All in all, 2010 promises to be a key year in China's wind power development.

For further information on this article contact: editor@21ce.cc

Guest contributions do not necessarily reflect the views of the U.S. Government. Please contact us if you are interested in contributing.

Energy Saving: Breaking Through the Bottleneck

By Qin Yan, Senior Analyst for China Clean Energy Network

Following December's Climate Change Conference in Copenhagen, the pace of the climate change movement worldwide is quickening. One of the best and most easily implementable ways to stem CO2 emissions is in the realm of ramping up the use of existing energy-saving technologies. In China, if we are to deliver on our promise to cut energy intensity 40-45% by 2020, we must vigorously develop and deploy energy-saving technologies. We must consider energy-saving a "battlefield."

Urban public lighting systems are still evolving. According to statistics, urban street lighting electricity consumption in China accounted for more than

30% of China's total lighting, more than one-and-a-half times the annual power generating capacity of the Three Gorges Dam. The number of city streetlights along China's roads is also increasing by 10-20% per year. The energy-saving potential is vast. However, the issue of how to maintain a city's image and also achieve energy efficiency remains a thorny one.

In recent years, the emergence of LED lights provides a practical solution. In terms of technology, white LED lamps are energy saving, protect the environment and are long-lasting. They consume only 10% of the energy of incandescent bulbs and 50% of the energy of fluo-

rescent bulbs to produce the same quantity of light. LED lights also do not produce mercury as a byproduct.

From a policy perspective, the country is gradually turning its focus to energy savings when designing public lighting systems. In 2008, the National Science and Technology and Ministry of Finance jointly launched the "10 City 10,000 Lamps" semiconductor lighting program to promote energy-saving emissions reductions and boost semiconductor diode development.

However, as with any emerging industry, there are still some problems that cannot be ignored. First, the manufacturing

costs for LED lights are still high. There has not yet been a major breakthrough in core technology that allows manufacturing costs to decrease. Domestic production of LED lights still rely on foreign importation of high-performance chips, which introduces the bulk of the cost in producing LED lights.

For the time being, this price disadvantage has been a serious impediment to the development of the LED light industry domestically. How to integrate the strengths of businesses, colleges and universities, research institutes that form the technological core of semiconductor lighting that form a competitive LED industry is an urgent concern. Other

technical issues must also be resolved. For example, there are thermal issues unique to semiconductor lighting that must be addressed. Currently LED lights produce considerable heat which greatly reduces luminescence of LED lights over time and shortens their product lifespan. Currently, most domestically produced LED products use aluminum as a cooling material, which can be a good balance between performance and weight but also greatly increases costs.

A lack of uniform standards in the LED industry is another critical challenge. Currently, each manufacturer produces LED lights according to its own standards and uses its own as-

sembly method. Appliances and LED lights themselves are bundled together and any maintenance must be performed by the original LED producer. This has seriously affected costs in the industry and influenced the decision making of potential customers. Hopefully, a technological breakthrough will help standardize the production line and resolve the high-price bottleneck in one fell swoop.

For further information on this article contact: editor@21ce.cc

Guest contributions do not necessarily reflect the views of the U.S. Government. Please contact us if you are interested in contributing.

Market Insights. Partner Collaboration. Opportunity Acceleration

By Ellen Carberry, Founder of China Greentech Initiative



The China Greentech Initiative is the leading international network of commercial, government and non-profit organizations focused on identifying, developing and promoting greentech solutions in China. Produced by Greentech Networks Limited, the China Greentech Initiative enables organizations through its Partner Program, Multi-Partner Studies and Advisory Services:

2010 Partner Program

Open platform of approximately 100 leading China greentech organizations collaborating to develop continuous market insights, meaningful industry relationships and market acceleration.

Multi-Partner Studies

In-depth strategic research studies commissioned by multiple participants designed to answer critical questions around specific market opportunities.

Advisory Services

Professional advice to support the identification and facilitation of successful business partnerships, including raising capital, making investments,

developing cross-border relationships and identifying M&A opportunities.

If you are interested in participating in the China Greentech Initiative, contact: Caitlin.Rhodes@china-greentech.com

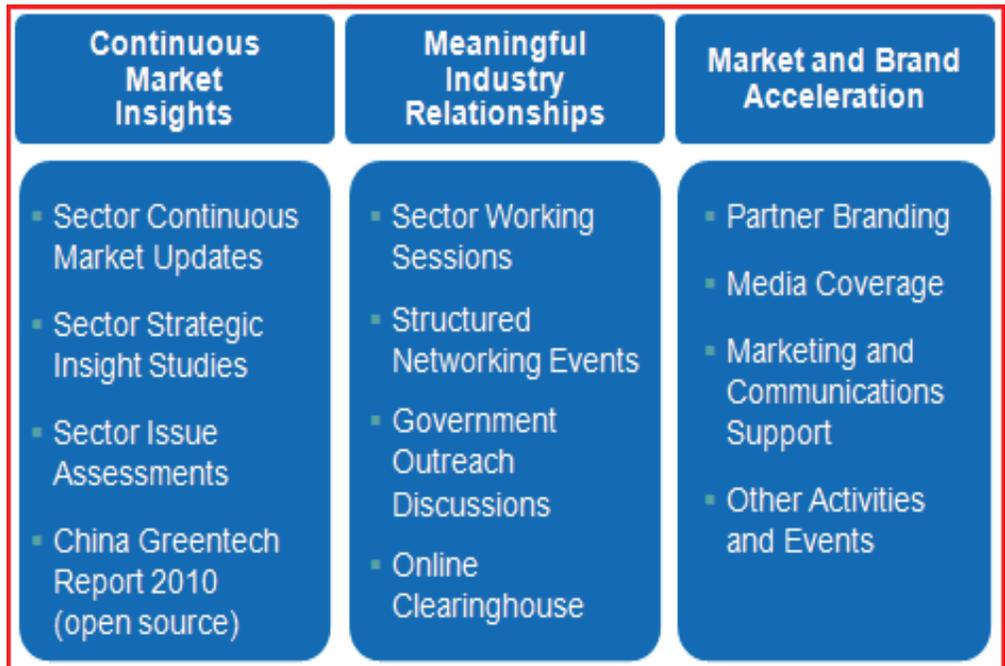
To download The China Greentech Report 2009, visit: www.china-greentech.com

Guest contributions do not necessarily reflect the views of the U.S. Government. Please contact us if you are interested in contributing.

China Greentech Initiative 2010 Partner Program

The China Greentech Initiative's 2010 Partner Program is an open, collaborative platform of greentech leaders united in identifying, developing and promoting greentech opportunities in China.

The 2010 Partner Program is designed to provide participants with continuous market insights, meaningful industry relationships and market acceleration.



Partners join teams collaborating across up to seven distinct sectors: Cleaner Conventional Energy, Renewable Energy, Electric Power Infrastructure, Cleaner Transportation, Green Building, Cleaner Industry and Clean Water.



U.S. Government Highlights

Francisco J. Sánchez sworn in as Under Secretary of Commerce For International Trade

On March 29, 2010, Francisco J. Sánchez was sworn in as Under Secretary of Commerce for International Trade after receiving a recess appointment from President Obama. Deputy Secretary of Commerce Dennis F. Hightower administered the oath of office to Sánchez who will direct the Department of Commerce's International Trade Administration (ITA), the premier resource for American companies competing in the global marketplace.

"I'm pleased to have Francisco leading the International Trade Administration, said Hightower. "As head of the International Trade Administration, Francisco will be on the front line as the Commerce Department spearheads the implementation of the President's National Export Initiative, and works to expand exports of American-made goods and services, creating new jobs."

As Under Secretary, Sánchez leads an organization that supports efforts to strengthen the competitiveness of U.S. industry, promotes trade and investment, and ensures compliance with trade laws and agreements. ITA's mission to help create jobs through trade has been enhanced by President

Obama's National Export Initiative.

"I am honored and humbled by the confidence that President Obama and Commerce Secretary Gary Locke have in my ability to lead this great organization," Sánchez said. "More trade creates more new jobs, and more exports create new demand for workers. The thrust of the National Export Initiative is to create jobs. With millions of Americans unemployed and looking for work, helping find the new jobs of the future is the International Trade Administration's top priority."

Sánchez's major priorities for ITA include targeting opportunities for American business expansion in emerging international markets; increasing the export capacities of all U.S. businesses, especially small and medium-sized enterprises; capitalizing on U.S. advances in emerging technologies; and vigorously enforcing trade laws that will allow U.S. businesses to compete fairly in global markets.

Sánchez most recently served as a senior advisor to Secretary Locke on international trade issues. As a senior policy

advisor to President Obama during the 2008 campaign, Sánchez served as the Chairman of the National Hispanic Leadership Council and also provided policy support on issues pertaining to Latin America. Sánchez now brings his wide-range of experience in both the federal and state government, as well as the private-sector, to his leadership position at ITA.

A Florida native, Sánchez obtained his B.A. and J.D. from Florida State University. He also received a Masters in Public Administration from the Kennedy School of Government at Harvard University. Sánchez has published articles and taught negotiation and conflict resolution at Harvard Law School's Program of Instruction for Lawyers, as well as at other institutions.

Suresh Kumar Confirmed as Assistant Commerce Secretary

On February 12, 2010, the U.S. Senate confirmed Suresh Kumar by unanimous consent to serve as Assistant Secretary of Commerce and Director General of the U.S. and Foreign Commercial Service (CS). As part of the International Trade Administration, the Commercial Service helps American firms and workers navigate the often complicated and unpredictable waters of foreign trade so that U.S. firms' sales abroad help to support jobs here in the United States.

"Promoting exports of U.S. manufactured goods and services that will lead to the creation of good-paying jobs has never been more important to our economy than it is today," Commerce Secretary Gary Locke said. "Suresh Kumar has the knowledge and experience to lead the Commercial Service and increase efforts to help U.S. companies looking to sell their products abroad."

In fiscal year 2009, U.S. firms reported 12,335 export successes that were assisted by

the Commercial Service; 832 of these successes were from companies that had never exported before, and 2,876 were from firms that exported to a new market. Nearly 85 percent of these successes were reported by small and medium-sized enterprises.

"Ninety-five percent of the world's consumers live outside the United States. We must encourage and support U.S. companies, especially small businesses, to export goods and services," Kumar said. "International trade is a proven path to global prosperity. The current economic climate makes it even more compelling to prioritize and pursue this course."

Kumar most recently was president and managing partner of KaiZen Innovation, a management advisory firm dedicated to improving local communities and global markets. He served as special advisor to the Clinton Foundation where he worked with governments in Sub-Saharan Africa and corporate CEOs to estab-

lish private-public partnerships to stimulate economic development in the region. Kumar led Johnson and Johnson's Worldwide Consumer Pharmaceuticals business and served on the corporation's Group Operating Committee, and was vice president of consumer products for Latin America & Asia at Warner Lambert/Pfizer.

Educated and experienced globally, Kumar has published on global management. Kumar's business leadership and contributions to management education and consulting were recognized by Thunderbird School of Global Management which named him Distinguished Executive in Residence. Kumar has served as adjunct faculty member at the Schulich School of Business at Toronto's York University, Bombay University, India, and has been appointed Professor of International Business at Rutgers University EMBA program. Between 1970 and 1985, Kumar was an anchor on national television in India.

National Export Initiative Highlights

On February 4, Secretary Locke spoke about the National Export Initiative (NEI) at the National Press Club in Washington, D.C. The NEI will double exports over the next 5 years and support 2 million

U.S. jobs. As part of the NEI, the President's 2011 budget is requesting a 20 percent increase for the International Trade Administration (ITA) – totaling \$78 million.

[Watch the video](#) or [read the full speech](#).

Solarcon Shanghai 2010 – Pavilion, Platinum Key Service & Catalogue Show

FCS Shanghai organized a USA Exhibitor Pavilion and a series of services in cooperation with SEMI at the 2010 Solarcon Exhibition. As part of the trade activities, FCS organized a Platinum Key Service for Adept Robotics focused on market development and access for their robotic products into China's rapidly expanding solar manufacturing industry. FCS supported the company

through a Single Company Promotion and a follow-on multi-day Gold Key Matchmaking Service delivered by CS Lisa Tang. CO Andrew Billard acted as master of ceremony in Chinese for the event which generated 44 targeted leads for the client. Head of Asian operations for Adept, Mr. Hai Zhang, said that he was extremely pleased with FCS services and planned to expand

cooperation with us into additional industries and other countries throughout Asia. A catalog show in the USA Pavilion also helped increase US company interest in the China market and resulted in ongoing market evaluations and follow on services for five other companies.

For more information, contact:
lisa.tang@mail.doc.gov

Secretary Chu Announces \$37.5 Million Available for Joint U.S.-Chinese Clean Energy Research

U.S. Energy Secretary Steven Chu announced the availability of \$37.5 million in U.S. funding over the next five years to support the U.S.-China Clean Energy Research Center. Funding from the Department of Energy will be matched by the grantees to support \$75 million in total U.S. research that will focus on advancing technologies for building energy efficiency, clean coal including carbon capture and storage, and clean vehicles. The Clean Energy Research Center (CERC) will be located in existing facilities in both the U.S. and China and will include an additional \$75 million in Chinese funding.

"Cooperation between China and the United States on clean energy is crucial to confronting the global climate crisis and presents an important opportunity to create American jobs and build U.S. leadership in a growing global industry," said Secretary Chu. "By jointly developing new technologies and learning from China's experi-

ences, we can create new export opportunities for American companies and ensure that we remain on the cutting edge of innovation. This partnership will also be a foundation for broader partnerships with China on cutting carbon pollution."

President Obama and President Hu Jintao formally announced the establishment of the CERC during the President's trip to Beijing last November. At the time, Secretary Chu joined with Chinese Minister of Science and Technology Wan Gang and Chinese National Energy Administrator Zhang Guobao to sign the protocol launching the Center. The CERC will facilitate joint research and development of clean energy technologies by teams of scientists and engineers from both the U.S. and China, as well as serve as a clearinghouse to help researchers in each country. Funding from the U.S. Government will be used to support work conducted by U.S. institutions and individuals only.

The U.S. and China are the world's top energy consumers, energy producers and greenhouse gas emitters. They will play central roles in the world's transition to a clean energy economy in the years ahead. Technology will play an important role in this transition, and the U.S. and China have a strong shared interest in advances in key technologies. The initial research areas under the CERC – building efficiency, clean coal and clean vehicles – are areas where the U.S. and China have complementary strengths, so that each country can benefit from internationally collaborative research.

DOE will provide one award for each of the CERC's initial work areas – building efficiency, clean coal and clean vehicles. Universities, national labs, private companies and other relevant entities are eligible to apply through www.grants.gov. Applications are due by Friday, May 14

DOC, STATE, DOE Address Nuclear Liability Issues

Department of Commerce Acting Assistant Secretary Mary Saunders led a DOE/State Dept./private-sector delegation that visited China on January 15 to discuss nuclear liability issues with China's National Energy Administration (NEA) and the China Atomic Energy Authority (CAEA).

The delegation urged Chinese nuclear authorities to ratify the International Atomic Energy Agency (IAEA) Convention on Supplementary Compensation (CSC) for Nuclear Damage, noting its potential positive impact on growing nuclear-energy related commerce between the United States and China.

While Chinese officials reacted favorably to the proposition, it may take some time to implement the proper legal framework before the CSC could be ratified by the National People's Congress.

For more information, contact:
Yue.Cao@mail.doc.gov

Biofuels Annual Published

The USDA Foreign Agricultural Service recently released its China Biofuels Annual Report. China's ethanol fuel production increased 8% to 1.7 million metric tons. However, the government maintains its policy

that biofuel development should not compete with crops intended for human consumption and will not to approve any further development of plants used to process corn or other grains

For more information, contact:
Chanda.Beckman@fas.usda.gov

Clean Energy Delegation Visits Hainan

On December 16-18, 2009, Consul General Brian L. Goldbeck led a green business delegation organized by CS Guangzhou, AmCham South China, and the ESTH officer in Guangzhou to Haikou, Hainan.

The delegation of 9 U.S. companies met with local govern-

ment and business leaders to promote U.S. exports of clean energy and environmental protection equipment. During a matchmaking session, the delegation met with representatives from over 30 local projects, including the Huaneng Wenchang Wind Power Plant, the Hongqi Village Biogas Utili-

zation Project, the Xindazhou Avenue Wind and Solar Street-light System, and the Jatropha Curcas Fuel Project. Hainan's specific needs in the renewable energy include technologies for creating cellulosic ethanol, tapping geothermal energy, and generating wind power.

News & Analysis

NEA Assigns New Vice Administrator

During early April, Mr. Qian Zhimin, the Chairman and Party Group Secretary of China Guangdong Nuclear Power Holding Corporation (CGNPC), was appointed the Vice Administrator of the National Energy Administration of P.R.C. (NEA), to fill the vacancy left by the former Vice Administrator Sun Qin after Sun's transfer to be the General Manager of China National Nuclear Corporation (CNNC).

In 2009, NEA had a staff reshuffling, assigning Liu Qi, Sun Qin, and Wu Yin as Vice Administrators. These three Vice Ministers have experience and background in the petrochemical, nuclear and coal indus-

tries, respectively. In August 2009, Sun Qin was commissioned as General Manager of CNNC at a critical moment when CNNC's GM Kang Rixin received disciplinary dismissal.

Qian Zhimin was born in November 1960. He has served as Office Deputy Director of Engineering Department and Director of Public Relations Department in Guangdong Nuclear Power Joint Venture Corporation (GNPJVC), Deputy Director of the General Office in CGNPC, Deputy Director of Preparation Office for Guangdong Second Nuclear Power Plant, Deputy Manager and Manager of the Engineering Department in Ling Ao Nuclear

Power Corporation (LANPC), Deputy General Manager of LANPC, Deputy Director of Preparation Office for Guangdong Third Nuclear Power Plant, Party Group member, the Deputy General Manager and General Manager of CGNPC.

Currently, only three corporations are authorized to exploit and develop nuclear power resources in China. In addition to CGNPC, the other two are CNNC and China Power Investment Corporation (CPI). CGNPC and CNNC are the two traditional nuclear "Magnates", while CPI is by comparison new.

Wind: Offshore is Online, While Onshore is offline

Shanghai announced the opening of a 100 MW offshore wind farm in late February, consisting of 34 wind turbines in approximately 10 meters of water 13 kilometers off the coast.

The consortium that built it is reportedly made up of Datang, CPI, China Guangdong Nuclear Power, and Shanghai Green Energy and Environment Protection Corp. Estimates of the

amount of onshore wind capacity not connected to the grid are at around 30%, although some think the figure may be significantly higher.

NEA to Release Ten Year Plan on Renewable Energy

In a press interview on March 1, NEA Administrator Zhang Guobao said the government would release a ten-year clean energy plan detailing how China expects to meet its tar-

get of supplying 15% of its total energy from renewable or nuclear sources by 2020.

According to Zhang, China will invest billions in the construc-

tion of nuclear power stations, wind farms, solar power plants, and R&D for renewable energy technologies.

China Energy Reduction To Fall Short of Target

Reviewing the government's progress last year on energy and environmental matters, Premier Wen Jiabao said the government had closed down small, inefficient thermal power plants that accounted for 26.17 million kw, while increasing overall installed power-generating capacity by 89.7 million kw. Energy consumption per unit of GDP fell by 14.38 percent over the first four years of the 11th Five Year Plan. (Note: The target for the 11th Five-Year Plan is

for a 20 percent reduction in energy intensity by the end of 2010.)

For 2010, Wen said China would continue efforts to address global climate change and develop a low-carbon economy. China would secure energy savings of 80 million tons of coal, an increase over last year's target of 75 million tons. The 80 million ton target would represent more than a two percent reduction in China's overall energy con-

sumption. Wen said China would pursue low-carbon strategies and also expand forest coverage this year by at least 5.92 million hectares. He also declared China would coordinate in the international effort to address climate change. The Premier pledged to improve environmental clean-up by increasing urban waste water treatment by 15 million cubic meters and daily garbage disposal capacity by 60,000 tons.

China Announces New State Council Energy Body

On January 27, China's State Council announced the creation of a 21-member National Energy Commission (NEC) to strengthen China's energy policy coordination, oversee China's energy development

strategy, examine energy security issues, and synchronize overall planning for large-scale domestic and international energy projects. A review of the NEC's members indicates China remains focused on energy

supply and energy security issues, with less weight placed on energy efficiency, conservation or climate change. It is not yet clear how this new body will affect Chinese energy policymaking.

CNPC Begins Shale Gas Drilling in China

CNPC is drilling China's first-ever shale gas well in Sichuan province, with two more to follow shortly. It has entered deals with BP and Shell to develop shale gas, and purports to hold shale gas as an arena

more open to foreign investment than has traditionally been the case in oil and gas in China. Guangdong province has begun construction of a trunk line network of pipelines for natural gas that will begin

operation in 2011 delivering 16 billion cubic meters of gas and grow to 60 billion meters by 2020 at the cost of about \$7 billion, feeding gas to 21 cities in the province.

The Price of On-Grid PV Power Policy May not be Announced

The Deputy Director General of New Energy and Renewable Energy Department of NEA, Mr. Shi Lishan, recently expressed that the cost of PV power generation is still too high. It is difficult for government to subsidize, and the on-grid price for PV power generation is hard to

determine in the short-term. All indications are that the government may not issue PV grid-pricing policy this year. Xu Jian-Ying Li Energy's deputy general manager said that this means that the domestic PV market will be flat in China for the next two years. Industry

will continue to rely on exports. However, the domestic photovoltaic industry development will inevitably face the risk of international economic fluctuations due to the fact that the China PV industry relies too much on exports for revenue.

The current investment cost of PV installed capacity is about 18,000 yuan per kilowatt, while the investment cost of conventional thermal power is about 3000-4000 yuan per kilowatt. The Solar PV power price is more than triple that of conventional electricity. The biggest impediment to solar PV scale development is the high cost.

2009 data show that exports of China's solar PV was 15.44 billion U.S. dollars, up by 147.75%, of which exports to the European market was about 8.79 billion U.S. dollars, up 489%.

Sun Guangbin, the head of photovoltaic products at the China Chamber of Commerce for Import & Export of Machinery & Electronic products

(CCCME) said that because of the improved economic situation and recovery of the international PV market, export growth of China's PV industry should exceed 15% this year. CCCME predicts that global solar energy demand will grow by more than 25%.

(Source: <http://money.163.com/10/0330/10/6311E5AA002524SO.html>)

Calendar of Events

China Green Companies Summit

Dates: April 22-23, 2010

Location: Chengdu

Website: www.snec.org.cn/indexe.asp

The theme of this year's event is "Green Evolution: Government and Enterprises," and seeks to bring together China's decision-makers and business leaders and encourage partnerships with counterparts in every country to confront the new challenges of our times, to drive the sustainable transition of our economy and to promote the prosperity, liberty and security of the human race.

SNEC PV Power Expo

Dates: May 5-7, 2010

Location: Shanghai New International Expo Center, Shanghai

Website: www.snec.org.cn/indexe.asp

This event is hosted by Shanghai New Energy Industry Association (SNEIA), and co-

organized by 15 other international organizations. The theme "Develop New Energy, Benefit All Mankind" highlights the conference's aim to increase international collaboration between experts and academics in the PV industry to accelerate technological improvements and speed to market to develop a low-carbon economy and society.

5th Renewable Energy Finance Forum - China

Dates: May 11-12, 2010

Location: Sofitel Wanda, Beijing

Website:

www.euromoneyenergy.com/EventDetails/0/1028/5th-Renewable-Energy-Finance-Forum-China.html

Celebrating its 5th Anniversary, REFF China is the most established event tracking the financing dynamics of the renewable energy markets in China. With dedicated discussion forums and networking time, the conference will assemble all the

leading stakeholders: regulators; financiers; developers and manufacturers to address these pivotal issues and form new business partnerships.

Secretary of Commerce Clean Energy Trade Mission to China & Indonesia

Dates: May 16-21, 2010

Location: Hong Kong, Shanghai, Beijing, and Jakarta

Website: www.export.gov/cleanenergymission/

Contact:

Bryan.Larson@mail.doc.gov

U.S. Commerce Secretary Gary Locke will lead the Administration's first cabinet-level trade mission when he travels to China and Indonesia this May. The clean energy business development missions will promote exports of leading U.S. technologies related to clean energy, energy efficiency, and electric energy storage, transmission, and distribution.

**Cleantech Focus Boston:
Cleantech Opportunities in
China and India.**

Dates: June 10, 2010

Location: Back Bay Events
Center, Boston

Website:

events.cleantech.com/boston/

The inaugural "Cleantech Focus," is a one-day event focused on introducing opportunities in China and India to the New England cleantech community. The "Cleantech Focus" will convene global cleantech innovators interested in investment opportunities, mature companies looking for new markets and corporations exploring efficiencies in the supply chain.

The 3rd US-China Green Energy Conference

Dates: June 19-23, 2010

Location: Shanghai Expo

Website: ucgef.org/en/events/china2010

The US-China Green Energy Council (UCGEC) in conjunction with the China Ministry of Science and Technology (MOST) will be hosting the third US-China Green Energy Conference in Shanghai during World Expo, the largest international event after the Olympics and the World Cup this year.

**China International
Petroleum & Petrochemical
Technology Exhibition**

Dates: October 18-21, 2010

Location: Huanghe International Exhibition Center,
Dongying

CIPEE is China's premier oil & gas show held on China's core oilfield, Shengli Oilfield. The event is supported by the leading petroleum associations and presents a unique opportunity to truly experience China's oil & gas market.

EP China/Electrical China

Dates: October 19-21, 2010

Location: China International Exhibition Centre in Beijing

Website: www.2456.com/ep

Contact:

Yue.Cao@mail.doc.gov

EP China 2010/ Electrical China 2010, organized and supported by the China Electricity Council and State Grid Corp. of China, will take place from October 19-21, 2010 at the China International Exhibition Centre in Beijing, PR China. It is the only power exhibition that enjoys support from the major power corporations and grid companies in China. EP China/Electrical China 2010 is an excellent vehicle for U.S. firms interested in exporting to China.