



# CS China Energy Update

*Serving the U.S. Business Community*

June 2009 – Issue 2

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### CS China Energy Update

is a 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.

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### **The U.S. and China: Three Win-Win Programs for Climate Change** *by Peggy Liu, Chairperson, Joint US-China Cooperation on Clean Energy (JUCCE)*

There is no better moment in history for the U.S. and China to work together on clean energy. President Obama's fiscal stimulus package will first and foremost have an economic benefit for the US economy. But from my perspective working on clean energy issues in China, the stimulus package can have a dual hit, helping to reduce China's voracious energy appetite as well as set the stage for expanded business opportunities for the U.S. in China.

Even with China's current economic retrenchment, the energy sector continues to expand. China is the most receptive it's ever been to international resources and collaboration, seeking expertise, training, technology, and policy feedback in its quest to go green. Strategic implementation of the stimulus plan will help U.S. companies leverage this opportunity to reach out and sell into this world's largest energy market.

China today is not the China of yesterday. China's clean energy policy targets are some of the most progressive in the world today. Their 11<sup>th</sup> 5-year plan calls for 20% reduction in energy intensity and 10% reduction in certain emissions between 2006 and 2010. Local leaders are now accountable for reaching these targets. China is also pushing to develop local technologies in areas of electric vehicles and ultra-high voltage transmission lines.

The U.S. can capitalize on red China's new green intent to create U.S. jobs and increase exports of products and services to China. But it needs to do so in a more methodical fashion, coordinating with local bridges such as JUCCE, and acting collectively to appear more accessible to Chinese buyers.

It's time for U.S.-China collaboration to do more than merely talk about the importance of international collaboration and MOUs. We must move beyond philosophical difference in approaches to climate change or managing our citizens. We must strategically concentrate on executing a few marquee programs that will demonstrate near-term, scalable and tangible results. From this success will come many economic, social and political benefits.

There are three key areas where we can simultaneously create near-term jobs and commerce for the U.S., while helping China quickly deploy green solutions.

#### **Smart Grid**

China invested \$35 billion on new power grid construction last year- a largely untapped market for Smart Grid, the backbone of a new clean energy and energy efficient world. As China begins to look at Smart Grid development, U.S. Smart Grid experts should proactively and collectively create a dialogue with China's grid executives to explore what Smart Grid can look like in China, how to roll it out, and what are the best technologies to deploy

China's two grid companies have the opportunity to deploy Smart Grid at a faster rate and larger scale than anywhere in the world- potentially creating jobs and commerce for leading U.S. Smart Grid companies.

U.S. grid companies also stand to benefit by working closely with China from the start. Because of the size of deployment, China can effectively set the world's Smart Grid communication standards. Economies of scale will also lower production costs and drive equipment prices down.

### **Green Urbanization**

China is building two New York Cities in new floor space each year. Over the next 20 years, 350 million rural inhabitants will move to surrounding cities. This unprecedented rate of urbanization is huge market opportunity for US green building expertise and products.

At the hub of all this activity are mayors of about 700 Chinese cities, who are being held accountable for central government energy intensity and emissions reductions targets. A mayoral training program designed to present turnkey city-level green solutions can be a tremendous sales channel for U.S. products and services, while providing valuable resources to Chinese Mayors in their efforts to build green cities.

### **Energy Workforce Job Training**

China is laying down new infrastructure faster than its workforce has the capability to "go green". China needs to train energy auditors, green building consultants, energy master planners, power plant operators, and much more.

The U.S. is traditionally strong in service industries and knowledge workers. By jointly creating green vocational training schools, the U.S. can create job opportunities for green collar workers far beyond the domestic market. China can coordinate job opportunities for U.S. graduates and teach students how to work in a Chinese business environment.

By thinking beyond U.S. borders, the Obama administration can make the new stimulus package go much further. The plan to spend \$4.5 billion on Smart Grid investments and \$500 million to create green jobs can be used to tap into both the U.S. and China energy markets.

True collaboration takes place in the nuts-and-bolts of execution, not at grand conferences with grand rhetoric or through shuttle diplomacy. It's time for the U.S. and China to collaborate in a meaningful way on investments critical to a healthy future.

### **About the Joint US-China Cooperation on Clean Energy (JUCCCE)**

JUCCCE is a non-profit organization whose mission is to accelerate the greening of China through international collaboration on impactful programs. In conjunction with our strategic advisors, JUCCCE has developed a clear roadmap of high-impact programs to change the way China creates and uses energy in the near-term. It is widely recognized as a leading energy non-profit in China.

Key programs include the JUCCCE China Mayoral Training program, JUCCCE China Smart Grid Cooperative, JUCCCE Clean Lights Distribution, and the JUCCCE Energy Blueprint.

Established in 2007, JUCCCE has offices in San Francisco, Shanghai, and Beijing. For more information, please visit [www.juccce.com](http://www.juccce.com) or email [programs@juccce.com](mailto:programs@juccce.com).

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### About Peggy Liu, author

Peggy Liu is the Chairperson of JUCCE. She was honored as a Time Magazine Environmental Hero in 2008, and as a World Economic Forum Young Global Leader in 2009. She served as an advisor to the Clinton Global Initiative, Energy and Climate Change committee in 2008. In her professional career, she has served as a venture capitalist in Shanghai, and early Internet pioneer in Silicon Valley, a management consultant, and a software programmer. She has a degree in computer engineering from MIT.

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## U.S. Government Highlights

### ➤ [FCS Beijing leads U.S. company delegation to linchpin Kunming New Airport](#)

CS Beijing led a group of 15 U.S. companies to participate in a business meeting and tour of the linchpin Kunming New International Airport, being held up as the model for "green" airports in China. Focusing on the significant environmentally friendly aspects of their companies, each representative had a chance to make a presentation to the Commander and Vice Commander of the Kunming New Airport leadership, and representatives from each of the airport sections. The new airport will be the largest airport in land area when it is completed on a typically sped up time frame for Chinese airport construction. Contact: [Gwen.Lyle@mail.doc.gov](mailto:Gwen.Lyle@mail.doc.gov)

### ➤ [USTDA-NDRC Natural Gas Training in Beijing](#)

The Global Natural Gas/LNG Markets, one of the 12 U.S.-China Natural Gas Training Programs for Chinese government officials and business executives in the natural gas/ LNG sector took place in Beijing May 19-21. Over one hundred officials from the local Development and Reform Commissions and business executives from the three oil companies and gas pipeline companies participated in the training.



Mr. Bryan Larson of the U.S. Commercial Service in Beijing said his opening remarks that The United States remains committed to cooperating with China's energy industry. The training comprises a public-private partnership that may include contributions from private-sector firms, industry associations, research institute and relevant government entities from both the U.S. and China.



Ms. Sally Kornfeld, team leader of International Oil and Gas Activities of the U.S. Department of Energy lectured the group on natural gas and LNG market, value chain, and safety and environment. Other lecturers from Bonneville Power Administration, Victoria International LTD, Schiff Hardin LLP, and United States Energy Association discussed different aspects and areas in relation to natural gas and LNG.

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The training program was funded by USTDA. Each trainee received a training certificate after the completion of the training program.

Contact Ms. Xiaolei Wan at email: [xiaolei.wan@mail.doc.gov](mailto:xiaolei.wan@mail.doc.gov)

➤ **[CS Shanghai Supports US Green Building Council](#)**

CS Shanghai developed a market entry orientation program for visiting U.S. Green Building Council (USGBC) executives COO Chris Smith and VP of International Tim McEnergy. CS Shanghai arranged a roundtable marketing discussion for USGBC by inviting 14 executives from 10 U.S. firms in the green building sector. CS Shanghai also organized a discussion with top executives from one of China's major real estate developers, and LEED supporter, Shui On Land, whom thoughtfully shared ideas on how USGBC could best serve the China market. Contact [Gregory.Harris@mail.doc.gov](mailto:Gregory.Harris@mail.doc.gov)

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## Market News and Analysis

➤ **[No Government Subsidies for PV Power Stations](#)**

Liang Zhipeng, Director of the New Energy Division of the New and Renewable Energy Department of China's National Energy Administration (NEA), said that the Chinese government will no longer offer any subsidies to PV power stations. The RMB 20 Yuan/per watt government subsidy for PV power roof is not applicable to PV power stations, according to a report of SolarBe.com on May 14, 2009.

Mr. Liang said that China plans to build a number of PV power stations and the capacity will possibly reach several hundred thousand kilowatts. Instead of subsidies, the government will use price leverage in PV power generation. The known low bid of RMB0.69 Yuan/per kwh for the Donghuang PV power station project may not be the lowest bid as the final result is yet to be announced. However, this price will serve as benchmark in the future. For more information contact Sherry Cai/CS Beijing at email: [hongying.cai@mail.doc.gov](mailto:hongying.cai@mail.doc.gov)

➤ **[NDRC Announces New Fuel Pricing Mechanism](#)**

There have been several reports concerning NDRC's recent announcement on new mechanisms for pricing oil products. Here is some more information on sections 6-8 of the New Pricing Mechanism announcement as they appear to be the most crucial segments of the policy. The following is a rough translation of these sections as well as a summary of the U.S. Embassy in Beijing's current understanding of these sections based on local media reporting.

**Item 6:** *When the average daily international crude price fluctuates more than 4 percent for consecutive 22 days, the government can adjust domestic refined oil prices accordingly.*

What this means:

- Even if the fluctuation rate in either direction is over 4 percent, NDRC may decide not to adjust fuel prices. NDRC has stated that refined oil prices are still controlled by the government, and NDRC will consider other factors when determining price changes. International crude prices refer to crude spot prices (futures are not considered).

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Item 7: *When international crude prices are lower than USD 80 per barrel, domestic refined fuel product prices are to be calculated assuming a normal profit rate for refiners; When international crude prices are higher than USD 80 per barrel, the profit rate for refiners will start to decline until reaching a zero rate of profit; When international crude prices are higher than USD 130 per barrel, the NDRC will adopt proper fiscal and tax policies to ensure production and supply of refined oil products; and gasoline and diesel prices may not be raised in principle or will only be increased a little based on consideration of the interests of both manufactures and consumers, and the stability of the national economy.*

What this means:

- According to one analyst, the historic normal processing profit rate has been about 5 percent. When international crude prices are above USD 80 p/b, the price will be set such that refinery profits will decline incrementally by 1 percent for every USD 10 p/b rise in international crude prices until reaching a level at which refiners make no profit.
- When international crude prices remain at high levels for a sustained period, the government will subsidize consumers. China plans to move toward market-based refined oil pricing gradually. According to the Chinese media, in the long run, refined oil prices will be formed by markets. At the current stage, however, refined oil prices remain managed by the government as competition remains weak, the market system remains imperfect, and the ability of different social groups to bear price fluctuations remains uncertain.
- Subsidies to the refiners (mostly Sinopec and CNPC) are still a big question mark – it's not clear at this point whether refiners will begin to receive subsidies after crude prices reach the USD 80 p/b mark. If retail prices aren't raised in tandem with the costs to refiners, this would provide a disincentive for refiners to produce, which could result in shortages that we have seen in previous years when the government failed to adjust prices to reflect refiners' costs.

Item 8: *NDRC determines retail price caps of gasoline and diesel in provinces and central cities (autonomous regions, municipalities directly under the central government). The maximum retail prices of gasoline and diesel are calculated based on international crude prices, adding domestic average processing costs, taxes, fees incurred in proper distribution channels, and appropriate profits for refiners. NDRC will adjust cost indexes in a timely manner based on the actual situation.*

What this means:

- NDRC will retain primary authority over all finished fuel product pricing decisions, which will be based on their perception of the economy's ability to handle pricing changes. Although international crude prices will be one factor in the decision, other factors will be weighed in making a decision. As has been the case in the past, the government has not stated explicitly which factors will be given the most importance, but social stability will likely remain a top concern.

➤ **China's Infrastructure Investment up 28.8% in the first quarter**

In the first quarter of 2009, China's infrastructure investment reached RMB 2,812.9 trillion Yuan, up 28.8% over that in the same period last year. The investment in railroad transportation leads the growth with an increase rate of 102% to reach RMB54.6 billion Yuan. According to a report by BHI, the investment in coal development and selection was RMB26.1 billion Yuan, increased 47.5%; RMB 135.8 billion went to the electricity and heating production and supply, increased 15.2%, and oil and gas development RMB 30.7 billion Yuan, up 16.6%.

This is a result of the China's 4 trillion stimulus plan as most of the investment was made by Chinese domestic companies. Domestic companies invested over RMB 2.1 trillion in the first quarter, up 32.6% over the same period last year while companies from Hong Kong, Macao and Taiwan was RMB100 billion, up 1.6%, and foreign companies RMB 129.5 billion Yuan, up 0.4%.

For more information contact Michael Wang/CS Beijing at [jianhong.wang@mail.doc.gov](mailto:jianhong.wang@mail.doc.gov)



The expressway, a major infrastructure project linking Tonghua and Wudaojiang, became operational last year.

➤ **Guangdong to Build a Province-wide Natural Gas Pipeline Network by 2015**

At the 2009 Guangzhou Fuel Gas Industry Expo, opened on May 13, 2009, Guangzhou provincial government officials announced the plan to build up a cross province natural gas pipeline network by 2015, covering most of the urban areas in the province. According to a report by China Chemical Industry News on May 18, Guangzhou city government plans to invest RMB1.5 -2.0 billion Yuan in the coming two years to construct gas pipelines in the city in order to receive natural gas from the western region of China.

➤ **China Needs to Import 20 billion cubic meters of Natural Gas in 2010**

It was disclosed at the Urban Fuel Gas Development Forum that China will need 110 billion cubic meters of fuel gas by 2010. At that time, China will only be able to supply 90 billion cubic meters domestically and the remaining 20 billion cubic meters will have to come from importation. According to a report by China Chemical Industry News on May 20, 2008, China's fuel gas supply was around 80 billion cubic meters.

➤ **Chinese Solar Giant, Suntech, Seeks Production Base in the U.S.**

Suntech Power Holdings Co., Ltd. (NYSE: STP), the world's largest crystalline silicon photovoltaic (PV) module manufacturer, announced on May 11 their plans to establish solar energy products manufacturing in the U.S. This announcement indicates that Suntech Power is trying to increase its industry influence in the U.S. The company is currently exploring opportunities in several states that could be optimal, cost-effective locations for a production and distribution center as part of its strategy to create a long-term presence within the U.S.

Suntech Power plans to make a decision within the next six months as to the location of their U.S. facility. The decision will be based on a variety of criteria, including local manufacturing incentives and long-term policy commitments, as to create vibrant local markets for their products.

Dr. Zhengrong Shi, Suntech's Chairman and CEO, explained that the plan is based upon the belief in the outstanding long-term prospects of the solar energy market in the United States, the dramatic growth in utility demand for large-scale wholesale solar projects, the increasing number of states with incentive programs for customer-owned systems, and the federal government's recent stimulus package.



Suntech is already one of the strongest players in China. It's among the top bidders for a 10 MW solar power station in Dunhuang, Gansu province, China. The project, estimated at RMB 500 million (\$73 million), is expected to be 70 percent traditional crystalline silicon solar panels with the remaining 30 percent made up of thin-film panels and concentrated solar PV.

For more information contact Ms. Sherry Cai/CS Beijing at email: [hongying.cai@mail.doc.gov](mailto:hongying.cai@mail.doc.gov)

➤ **China to Quadruple the Utilization of Coal-bed-methane by 2015**

A senior official from China's National Energy Administration (NEA) said that China will increase efforts in exploiting, producing and utilizing coal bed methane in order to reduce coal mine accidents caused by gas explosion, utilize coal bed methane (CBM) effectively for energy production, and reduce air pollution. According to a report on April 30, 2009 by China Chemical Industry News, China plans to build 36 large coal areas with CBM production of over 100 million cubic meters each by 2015.

In 2008, China built 9 large coal mining areas with CBM production of over 100 million cubic meters each. China produced 5.8 billion cubic meters of CBM and utilized 1.8 billion cubic meters in the year. Realizing the low CBM utilization rate, the Chinese government decided to employ an incentive program to encourage the CBM production and utilization. NEA has established a task force to consolidate the efforts in this respect.

For more information contact Michael Wang/ CS Beijing at [jianhong.wang@mail.doc.gov](mailto:jianhong.wang@mail.doc.gov)

➤ **Senior Chinese Energy Official on China's Energy Development Strategies**

China will burn 2 billion tons of coal for power generation each year from now until 2020, said Mr. Fang Junshi, Director-General of the Coal Department of China's National Energy Bureau (NEA) at China International Coal Summit held in Beijing April 20-21, 2009.

The annual demand of about 2 billion tons of power generation is based upon the assumption that the current thermal power capacity is 0.9 billion kilowatts, that the power generation units operate at 5,000 hours annually, and that one kilowatt consumes 320 grams of standard coal. Currently, 50% of China's coal consumption is for power generation.

After reviewing the status of the coal industry and analyzing expected coal demand for the next ten years, Mr. Fang outlined China's energy development strategies.

If you wish obtain the full text of Mr. Fang's presentation (English version), please contact Michael Wang/CS Beijing at [jianhong.wang@mail.doc.gov](mailto:jianhong.wang@mail.doc.gov)

➤ **[Xu Xianping Appointed NDRC Vice Chairman](#)**

Mr. Xu Xianping, Vice Governor of Hunan Province, was appointed Vice Chairman of the National Development and Reform Commission (NDRC) on May 20, 2009, according to an announcement on the homepage of the Central People's Government of China. Chinese press indicated that NDRC Vice Chairman Zhang Guobao will reach his retirement age late this year and that Mr. Xu may pick up the energy portfolio.

**Biography of Xu Xianping**

Vice Chairman of National Development and Reform Commission



Xu Xianping was appointed Vice Chairman of the National Development and Reform Commission (NDRC) on May 20, 2009. Mr. Xu has been the Vice Governor of Hunan Province since 2003. During his tenure, he oversaw transportation, finance, taxation, and urban construction sectors in the province. Between 1991 and 2003, he held several leading positions in a State-owned enterprise and the local government agencies including Vice President of Hunan Provincial Oil Company, Executive Vice Mayor of Changcha and Head of the Planning Department of Hunan Provincial Government. In 1987, Mr. Xu was appointed Vice Secretary of Hunan Provincial Communist Youth League Committee. From 1984 to 1987, he served as Secretary of Yueyang city Communist Youth League Committee and then Director of Personnel Department of Yueyang city. Mr. Xu worked Changling Oil Refinery from 1973 to 1984. He started as a worker in the refinery and became Vice Secretary of the Refinery's Communist Youth League Committee. Mr. Xu joined the Communist Party of China in December 1973. Born in Longhui of Hunan Province, Mr. Xu has lived and worked in Hunan till he was appointed to be NDRC vice chairman. Mr. Xu has a doctorate degree.

➤ **[CNOOC and Datong Coal Joint hands for a coal-to-gas venture](#)**



CNOOC New Energy Investment Co Ltd, a wholly owned subsidiary of China National Offshore Oil Corp, and Datong Coal Mine Group, a leading coal company in Shanxi Province, will jointly invest RMB 30 billion Yuan (about 4.4 billion U.S. dollars) in a coal-to-gas project in Shanxi, China Daily reported on May 5.

The designed capacity of the coal-to-gas plant will be four billion cubic meters of natural gas, according to the report. The project would also include the construction of supporting projects including two coal mines, each with an annual output of 10 million tons, coal washing mills and coal gangue-fired power plants, said a senior CNOOC executive.

Apart from natural gas, the plant will also produce diesel, gasoline and other chemical products.

The project aims to tap Datong's vast coal reserves and increase the supply of clean and reliable energy to Shanxi and regions such as Shandong, Liaoning, Hebei and Tianjin.

➤ **[China-Russian Oil Pipeline Starts Construction](#)**

The China section of China-Russian oil pipeline started construction on May 17, 2009. A ceremony was held in Xing'an Town in the border county of Mohe, northeastern Heilongjiang Province, on Monday morning. Chinese Vice Premier Wang Qishan declared the commencement of construction of the China section, according to the Chinese press. Vice Premier Wang said that the pipeline is a "substantial" step towards a long-term energy cooperation between Russia and China.

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The construction of the 63-km Russia section, from Skovorodino to Mohe, started on April 27. The total length of the pipeline is 1,030-km stretching from Russia's Siberian city of Skovorodino to the Chinese terminal in the northeastern city of Daqing, via Mohe. The line is an extension of Russia's Eastern Siberia Pacific Ocean trunk oil pipeline, which runs from Taishet to the Far East port of Nakhodka.

The branch line into China is expected to become operational by the end of 2010 and would transport 15 million tons of crude oil annually from Russia to China between 2011 and 2030. Talks on the pipeline were initiated shortly after Boris Yeltsin, then President of Russia, visited China and signed agreements on energy cooperation between the two nations in 1996.

➤ **Carbon Tax possible to replace Energy Tax**

Mr. Ming Su, Deputy Director of the Financial Science Research Institute of the Chinese Ministry of Finance said recently at an energy forum that China planned to introduce an environment tax, energy tax, and carbon tax. If the three taxes were levied, the coal, oil and gas industries would be affected. Mr. Su also stated that a panel of experts would publicize their research findings on the carbon tax in June/July timeframe. The experts will propose a timetable for carbon tax collection. If a carbon tax is collected, then the energy tax would be abolished.

*For more information contact Lena Yang/CS Guangzhou at email: [lana.yang@mail.doc.gov](mailto:lana.yang@mail.doc.gov)*

➤ **China's First Offshore Wind Turbine Installed**

China's First offshore wind turbine was at its place on March 20, 2009. The successful installation of the first turbine for Shanghai East Ocean Offshore Wind Farm is an important part of China's ambitious offshore wind power plan.

13 KM away to the metropolitan city's coastline, Shanghai East Ocean Offshore Wind Farm involves 34 turbines, with the total installed producing capacity amounting to 102MW. The project needs 2.365 billion RMB investments and plans to be finished by May 2010 when World Expo Shanghai 2010 opens.



The offshore wind farm's developer is Shanghai East Ocean Wind Power Co., Ltd, a joint venture involving 4 nation's leading electricity investment companies. This project was designed by Shanghai Investigation, Design & Research Institute and installed by CCC Third Harbor Engineering Co., Ltd. The turbines were produced by Sinovel Wind Co., Ltd.

Offshore Wind China 2009, an international conference, is to be held on June 25-26 at Shanghai. All developers, designers, installers and turbine manufacturers of Shanghai East Ocean Offshore Wind Farm are invited to share their experiences.

For more information, please visit: [www.offshorewindchina.com](http://www.offshorewindchina.com)

➤ **China Released Details of the Restructuring and Revitalization Plan for the Petrochemical Industry**

On May 18, China's State Council released details of the Restructuring and Revitalization Plan for Petrochemical Industry. It is an action plan aiming to help the Chinese petrochemical industry seize opportunities during the world economic slowdown, to carry out restructuring, upgrade their

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technologies, improve overall competitiveness, and maintain stable and healthy development of the industry. The plan is set for three years from 2009 to 2011.

In addition to the general policy guidelines such as encouraging innovation, production of more high-end products, environmental production, and exploring business opportunities overseas, the plan added specific goals for 2011 (shown below):

Crude processing volume: 405 million ton  
Volume of oil products: 247.5 million ton  
Ethylene Production: 15.5 million ton  
Fertilizer: 62.5 million tons  
Phosphate fertilizer production: 4 million ton

In order to ease the problem of “transporting oil from the north to the south”, China plans to build 3-4 large refineries with a processing capacity of 20 million tons or above in Yangtze River Delta, Pearl River Delta and Bohai.

The plan requires that the entire production of automobile gasoline in China meet the National III emission standards (equivalent to Euro III) in 2009, and automobile diesel meet China National III emission standards by 2010.

CS China is translating the Restructuring and Revitalization Plan for Petrochemical Industry into English, and will email it out to all the subscribers once completed.

For more information, contact Michael Wang/CS Beijing at email: [jianhong.wang@mail.doc.gov](mailto:jianhong.wang@mail.doc.gov)

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## Project Alerts

- Shenhua Coal-Oil Company and Dow Chemical will jointly develop a coal chemical project in Yulin city of Shaanxi Province. The total investment of the project will be RMB 46.95 billion Yuan and the planned construction period will be from 2009 to 2012. The designed capacity of the project is 3.5 million tons of chemical and plastic products each year. This project is waiting to get approval from the National Development and Reform Commission (NDRC). Also, the project owner is currently preparing the project application report.
- Huadian New Energy Development Company will invest RMB 580 million Yuan to build a wind power farm(phase 1) in Hepu city of Guangxi Zhuang Autonomous Region this year. The National Development and Reform Commission (NDRC) is currently reviewing the project application. The capacity of the wind power farm will be 200,000 kw and will need 25 sets of 2000 kw generators.
- PetroChina will invest RMB 18 billion Yuan to build a refinery with a capacity of 10 million ton/year in Jinxi of Liaoning province. The construction period will be from 2009 to 2011. The project application has been submitted to NDRC for review and approval.

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- Inner Mongolian Bei Lian Dian Energy Development Company is to invest RMB 1.2 billion yuan to develop coal mines with an annual capacity of 3 million tons. The construction period of the project will be from 2009 to 2012. The project is currently at the stage of project design and needs to be reviewed and approved by the Provincial Development and Reform Commission.
- Datang Huayin Power Company will invest RMB 3 billion yuan to build a coal-fired power plant (phase one) in Hunan Province in 2010-2012. The project is currently compiling it's project application and will need to be reviewed and approved by the National Development and Reform Commission (NDRC). This project is designed to have 2 x300,000 KW CFB generators and will consume 3.4 million tons of coal annually.

For more information contact Michael Wang/CS Beijing at email: [jianhong.wang@mail.doc.gov](mailto:jianhong.wang@mail.doc.gov)

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## ✚ Upcoming Events

### ➤ 4<sup>th</sup> Annual Coal Chemical Summit

Dates: June 10 - June 11, 2009

Venue: Shangri-La Hotel, Baotou, Inner Mongolia, China

Website: [http://www.noppen.com.cn/Old\\_Corporate\\_Website/HTML/coalchem4/home.html](http://www.noppen.com.cn/Old_Corporate_Website/HTML/coalchem4/home.html)

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The continuous decrease in the oil price presents unprecedented challenges and opportunities for the coal chemical industry, which is searching for ways to guarantee healthy margins and profits. Coal, now the world's fastest growing fuel, has strongly contributed not only to the world's energy needs, but also to those of China. As an affordable and accessible fuel, coal has become tremendously important to China.



At the 4th China Advanced Coal Chemical Summit, senior directors from China's coal and related state-owned industries will discuss China's newest industrial policies and seek technology solutions for their plants.

Session One: Policy and Market Forecasts

Session Two: Project Focus - Examining the Progress of China Coal Chemical Projects

Session Three: Technologies - How to Guarantee Cost Effective and Pollution Reducing Process While Offering the Most Updated Solutions at the Highest Quality

Session Four: Energy Saving and Emissions Reduction - Water Recycling and Conservation Solutions and Co2 Emissions Reduction Solutions

Session Five: Equipments and Services - Improve China's Coal Chemical Industry through Quality Equipment and Services

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➤ **PV Summit Asia 2009**

Dates: June 17 to June 19, 2009  
Venue: Plaza Royale Oriental Shanghai  
Hosting Organization: Merisis, endorsed by ISES  
Website: [www.merisis-asia.com/pv](http://www.merisis-asia.com/pv)  
Contact: Ms. July Zhu, Marketing Assistant  
Tel: +86-21-62478608 ext 621  
Fax: +86-21-62478838  
Email: [july.zhu@merisis-asia.com](mailto:july.zhu@merisis-asia.com)

The conference, organized by Merisis-Asia and focus on the Asia PV market. It will attract governments, associations, electricity groups, research centers and policy institutes from all

More than 150 industry elites will come to industry's hottest topics, such as PV Projects' Platform, Investment & Financing, Advanced Solar Cells and Materials Technology, Market analysis of Global Solar Photovoltaic Industry, and PV Systems / BIPV.



endorsed by ISES, will officials from investment banks, over the world. Shanghai to discuss the

➤ **Offshore Wind 2009**

Dates: June 25-26, 2009  
Venue: Shanghai, China  
Website: [www.offshorewindchina.com](http://www.offshorewindchina.com)  
Contact: Yu Bin  
Telephone: 21-6279 2828  
Email: [yubin@siec-ccpit.com](mailto:yubin@siec-ccpit.com)

➤ **2009 China (Ningbo) Energy Conservation & Environmental Technology and Products Expo**

Dates: June 19-21, 2009  
Venue: Ningbo, China  
Website: [www.chnece.com.cn](http://www.chnece.com.cn)  
Telephone: (05-74) 8718 6430  
Email: [jwyh88606@yahoo.com.cn](mailto:jwyh88606@yahoo.com.cn), [liul@nbec.gov.cn](mailto:liul@nbec.gov.cn)

➤ **IDEA Annual Conference**

The International District Energy Association and the U.S. Department of Commerce have collaborated together since 2005 through the *Market Development Cooperator Program* (MDCP). The MDCP is an innovative public-private partnership focused on projects that enhance the global competitiveness of U.S. manufacturing and services industries.

The Department of Commerce has worked with IDEA and its member companies to help open up opportunities in the district energy sector in the Middle East. Now, Commerce and IDEA are turning their attention to several new markets with significant potential in Asia – India and China.

In June 2009, at IDEA's 100th Annual Conference and Trade Show in Washington, D.C., staff from the *U.S. Foreign & Commercial Service* will be on hand to provide export counseling and expert market advice to U.S. companies interested in the opportunities in the Indian and Chinese markets. Trade specialists from the U.S. embassies in New Delhi, India and Beijing, China, and the Department of Commerce headquarters in Washington, D.C., will be available for one-on-one meetings during the conference.

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Interested U.S. companies are encouraged to pre-register for this free service by contacting Frank Caliva at [frank.caliva@mail.doc.gov](mailto:frank.caliva@mail.doc.gov).

Please include the following:

- Contact information for your company
- Products and services offered
- Markets of Interest (India, China, Both, or Other)
- Export experience (whether you're new to exporting or are already selling overseas)
- Preference for your meeting time (Monday, June 29 or Tuesday, June 30, between 8:30am-5:00pm)

➤ **[EP Shanghai – USA Pavilion](#)**

Dates: July 8-10, 2009

Location: Shanghai

Contact: Gregory Harris FCS Shanghai at [Gregory.Harris@mail.doc.gov](mailto:Gregory.Harris@mail.doc.gov)

➤ **[Xinjiang 6<sup>th</sup> International Coal, Mining, and Exploration Exhibition](#)**

Dates: July 22-24, 2009

Location: China Xinjiang International Exhibition Center Urumqi, Xinjiang, China

Tel: +86 0991-2196921

Fax: +86 991 2321006 2321606

Email: [wpjalice@163.com](mailto:wpjalice@163.com)

Web: <http://www.zhenweiexpo.com/enzlsk.htm>

Web: <http://www.xjicme.com.cn/en/En-index.htm>

➤ **[The 8<sup>th</sup> Xinjiang International Petroleum & Petrochemical Technology and Equipment Exhibition](#)**

Dates: July 26-27, 2009

Venue: China Xinjiang International Exhibition Center

No. 167 You Hao North Road, Urumqi, China

Contact: Addia Ma

Tel: 86 991 2321006

Email: [addia@zhenweiexpo.com](mailto:addia@zhenweiexpo.com)

Website: [www.xjippe.com.cn](http://www.xjippe.com.cn)

➤ **[2009 Chengdu New Energy Int'l Forum & Solar Energy Fair](#)**

Dates: September 3-5, 2009

Venue: Chengdu Century City New International Convention Center

Sponsor: Chengdu Municipal People's Government

Website: [www.sc-pv.com](http://www.sc-pv.com)

Email: [cdlsnygilt@163.com](mailto:cdlsnygilt@163.com)

Contact: Mr. Cui Shiyang/CS Chengdu

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➤ **China Mining 2009**

Dates: October 20-22, 2009

Location: Tianjin

Venue: Tianjin Binhai International Convention and Exhibition Center

Email: [info@mining-expo.com](mailto:info@mining-expo.com)

Website: [www.china-mining.com](http://www.china-mining.com)

➤ **Shanghai International Congress & Exhibition on Renewable Energy 2009**

Dates: Oct. 22 to Oct. 24, 2009

Venue: Shanghai International Exhibition Center (No. 88 Lou Shan Guan Road, Shanghai, P. R. China)

Hosting Organizations: Shanghai Centre for Scientific and Technological Exchange with Foreign Countries (SSTEC), Chinese Renewable Energy Society (CRES), Shanghai Worldwide Exhibition Service Co., Ltd

Cooperating Partners: Cleantech Group LLC (the United States) and Shanghai Clean Energy Research and Industry Promotion Center (SCEC)

Website: <http://re.sstec.com.cn>

Contact: Mr. Tang Yaohua (SSTEC)

Telephone: (86-21)64712269 64311988

Fax: (86-21)64712001

Email: [yhtang@sstec.com.cn](mailto:yhtang@sstec.com.cn)

Contact: Miss. Sylvia Chen (WES)

Telephone: (86-21)52287055 52287030

Fax: (86-21)52287022

Email: [Sylvia.chen@sh-wes.com](mailto:Sylvia.chen@sh-wes.com)

Shanghai International Congress and Exhibition on Renewable Energy 2009 (RECE) is aimed at realizing sustainable development of the economy through:

-Advancing the exploitation and utilization of renewable energy

-Enhancing energy supply and improving energy structure

-Ensuring energy security and protecting the environment

RECE will be held annually with the distinctive characteristics of internationalization, high level, large-scale system, and commonwealth.

➤ **Beijing Coal and Mining Expo/China – USA Pavilion**

Dates: October 27-30, 2009

Location: Beijing

Contact: FCS Michael Wang at [jianhong.wang@mail.doc.gov](mailto:jianhong.wang@mail.doc.gov)

➤ **2009 China International Sustainable Economy Industrialization Expo**

Dates: Oct. 31 - Nov. 2, 2009

Venue: Hangzhou, China

Contact: Liu Rui

Website: <http://www.ecsef-hz.com/>

Tel: 0086 571 8739 7752

Email: [forum@zjjn.cecic.cn](mailto:forum@zjjn.cecic.cn)

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➤ [Power-Gen International 2009 Expo:\](#)  
[Chinese Buyer Delegation organized by U.S. Embassy, Commercial Section](#)

Dates: December 8-10, 2009

Location: Las Vegas

Contact: CS Beijing/ Mingming Ma at [mingming.ma@mail.doc.gov](mailto:mingming.ma@mail.doc.gov)

Power-Gen International 2009 is the electric power generation industry's largest event in the world, attracting more than 18,000 attendees and 1,200 exhibitors from over 75 countries. Focused on providing the latest updates and information on key generation issues, PGI features a multi-track conference program plus curriculum of pre-conference courses. The world's largest power exhibition is held concurrently with the conference, showcasing thousands of products, technologies and services. For more information on PGI 2009, please check out the show's web site: [www.power-gen.com](http://www.power-gen.com)

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## ✚ Get to Know CS China

➤ [Introduction to the U.S. Commercial Service Energy Team in China](#)

The U.S. Commercial Service in China offers valuable assistance to U.S. businesses exporting goods and services. Our country-wide Energy Team can help you identify trade opportunities and local trading partners. From our [four consulates](#)<sup>1</sup> in Shanghai, Guangzhou, Chengdu and Shenyang and [14 2<sup>nd</sup> tier cities markets](#)<sup>2</sup>, we can help you access all of China!

➤ [Members of CS China Energy Team](#)

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➤ [Featured CS China Services](#)

To help U.S. firms, both in the U.S. and China, learn what services they can expect from CS China and how these services are delivered, we design this column to provide detailed introduction of a series of our services. This edition's featured service is QuickTake China.

## \*QuickTake China\*

### →GET THE EXPERT OPINION←

--Is your company already operating, or represented, in China's energy market and looking for additional regional sales opportunities for your product or service? Or, is your firm not active here yet but interested in exploring one or more of China's regional markets?

China has many different regions and each province may have unique energy needs. **QuickTake China** gives you critical feedback on export potential in regional markets and major cities such as Beijing, Chengdu, Guangzhou, Shanghai and Shenyang. In addition, Hong Kong is a market with its own special characteristics. Need to know whether any second tier cities in our network of 14 American Trading Centers can also offer export or expansion potential?

A **QuickTake** gives you the opinions of our experts. This coordinated counseling service starts with you completing a webform and questionnaire. After we receive them from you, with a pdf copy of a brochure for your product or service, we'll schedule a counseling concall with the Energy Team leader and a Commercial Specialist in one of our posts. We'll then prepare a brief survey report highlighting national issues and opportunities, complemented by survey findings from our specialists in different regional markets. Afterward, we provide additional counseling to help you develop a comprehensive strategy to prioritize your next steps. All this for only \$750 - far less than the cost of an airplane ticket.

A **QuickTake** is appropriate for products and services you want to market direct to enduser organizations or sell through agents or distributors. The survey will provide guidance on the best methods for market expansion or entry. If there are any regulatory or standards issues pertaining to registration of your product before it can be sold in China or Hong Kong, a **QuickTake** survey will highlight them.

If your firm is selling products and services in the energy industry, order a **QuickTake** before you make your next move. Click on <http://www.buyusa.gov/china/en/qtcforexporters.html>

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