

China Seeks to Export Power Amid Signs It Built Too Many Plants



China is seeking to build up export markets for its power amid signs the nation has invested too much in new generation plants.

State Grid Corp. of China, which runs the majority of the nation's electricity distribution network, is considering how to build links to India, South Korea, Japan and Southeast Asia, a move that would require billions of dollars of investment in long-distance, high-voltage power lines.

Interconnections would allow grid managers throughout the region to more flexibly use variable supplies coming from wind and solar farms cropping up from Vietnam to Mongolia. For China, the links would provide customers for power from hundreds of power plants finished in the past few years as demand in its domestic market stagnates.

"We can export to India and Southeast Asia where the power supply is inadequate," Zhang Qiping, chief engineer of State Grid, said Tuesday at a conference hosted by Bloomberg New Energy Finance in Shanghai.

China, which is the world's biggest investor in fossil-fuel generation, started more than 70 gigawatts of new coal projects last year and had 200 gigawatts under construction at the end of April, the Paris-based International Energy Agency said in September. At the same time, most plants are sitting idle more than half the time, and low-carbon sources of electricity including nuclear and renewables are covering additional demand.

That report added weight to concerns voiced by environmental groups such as Greenpeace that China is apt to waste 1 trillion yuan (\$148 billion) on excess power capacity by 2020.

Source: International Energy Agency

At the BNEF conference in Shanghai, energy policymakers from China, Thailand and Mongolia spoke about the merits of building a regional network of power interconnections, which would help reduce the cost of electricity and make grids more flexible in dealing with renewables. The issue is biggest for China, which has the largest power network in the region.

"Asia will be an important part in the global energy interconnection," Wang Min, vice general manager at State Grid, said at the BNEF meeting. The region, he said, "has the biggest potential in energy economic growth and is a region with the most and fast-growing energy demand."

Source:

<http://www.bloomberg.com/news/articles/2016-11-01/china-seeks-to-export-power-amid-signs-it-built-too-many-plants>