

Developing Interconnection of Nationwide Electricity Network and Improving Energy Efficiency in China

The Challenge

In 2005, China's electricity output reached 2475 billion kwh, of which 2018 billion kwh or 82% of the total produced from coal-fired electricity plants. The power companies are facing challenges to promote energy efficiency and reduce emissions to contribute to achieving energy conservation objective of 20 percent energy consumption reduction per unit of GDP in the 11th Five Year Plan.

The Chinese government has initiated electricity sector reforms to overhaul an antiquated system and attain new energy security and environmental objectives. How China proceeds with these reforms will have lasting consequences, both locally and globally. Assessing the current state of electricity regulation in China, the challenges exist on how to moderate growth in demand through increased efficiency, how to integrate environmental goals into planning and operation, how to ensure sufficient supply when and where it is needed, and how to handle institutional and governance challenges. In this respect, electricity sector reform in other countries offers valuable lessons as to how China might proceed.

The Response

The project is designed to help reduce coal and water consumption for power generation, promote renewable and nuclear energy-use, reduce air pollutants by adopting international best practices, regulations, policies and technologies from other countries.

It will also build managerial and technical capacity of participating power generation companies and their affiliates on energy efficiency practices while linking them to national policy development and capacity building frameworks to influence future economic development of the power sector.

Partners with UNDP on this project include China International Centre for Economic and Technical Exchange (CICETE) and China Power Investment Corporation (CPIC).

Expected Achievements

- Strategy and roadmap for achieving the energy conservation objectives of the "11th Five-year Plan" developed. The roadmap should give details of the expected relative proportion of energy savings to be achieved by the power sector;
- Assessment and Roadmap on the New Technologies for Emissions Reduction in Power Sector prepared;
- Strategic Policy Framework and Action Plan of the Power Sector for Wind Power Development in China formulated.

At A Glance

Start Date: May 2007

End Date: June 2010

Implementing Partner(s): China International Centre for Economic and Technical Exchange (CICETE)

Project ID: 00036898

UNDAF Goal: Outcome 3 – More efficient management of natural resources and development of environmentally-friendly behavior to ensure environmental sustainability
MDG: Target 9, Goal 7 – Ensure environmental sustainability

CPAP Outcome 6 – End-use energy efficiency and application of new and renewable energy technologies improved

Website: N/A

Total Budget: US\$ 24,254,913

UNDP: US\$ 1,034,774

Government: US\$ 23,220,139

Project location(s): Shanghai, Jiangsu and Henan

To contribute to this initiative, or to find out more about the programme, please visit our website or contact us at (86-10) 8532 0800 or registry.cn@undp.org

Last update: Aug 2007

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