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中国能源研究会可再生能源专业委员会
Chinese Renewable Energy Industries Association

China Distributed PV Power Generation Policy and Business Model

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Chinese Renewable Energy Industries Association

Ouarzazate, Morocco. 2019.2.4

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Top-level Design—— Renewable Energy Law

Incentive Policy

Subsidy Mechanism

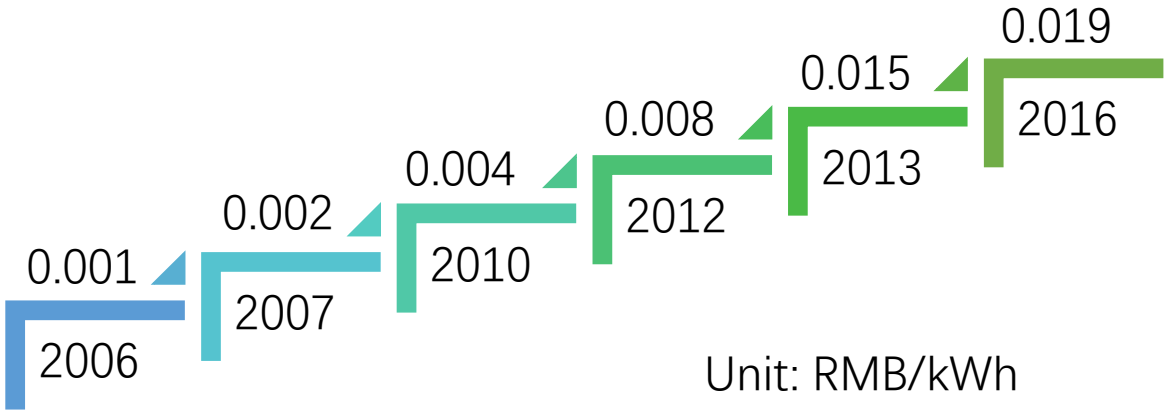
Indemnificatory Policy

Guaranteeing the purchasing of electricity generated by using renewable energy resources in full amount.

China Distributed PV Policy

Subsidy Mechanism

Capital Source: Renewable energy price surcharge



Subsidy Model

2009 — **Initial Investment Subsidy**

50% of total investment in PV power generation system and its supporting power transmission projects

70% of total investment in independent PV system in Remote area

2013 — **Electricity Price subsidy**

Parts of Income	
Self-use Electricity	Avoided Retail Price
Excess generation	Local Desulphurization Coal-fired Electricity Price
Subsidy	0.42RMB/kWh(2013-2017) 0.37RMB/kWh(2018.1.1-)

China Distributed PV Policy

Indemnificatory Policy

Feed-in Law

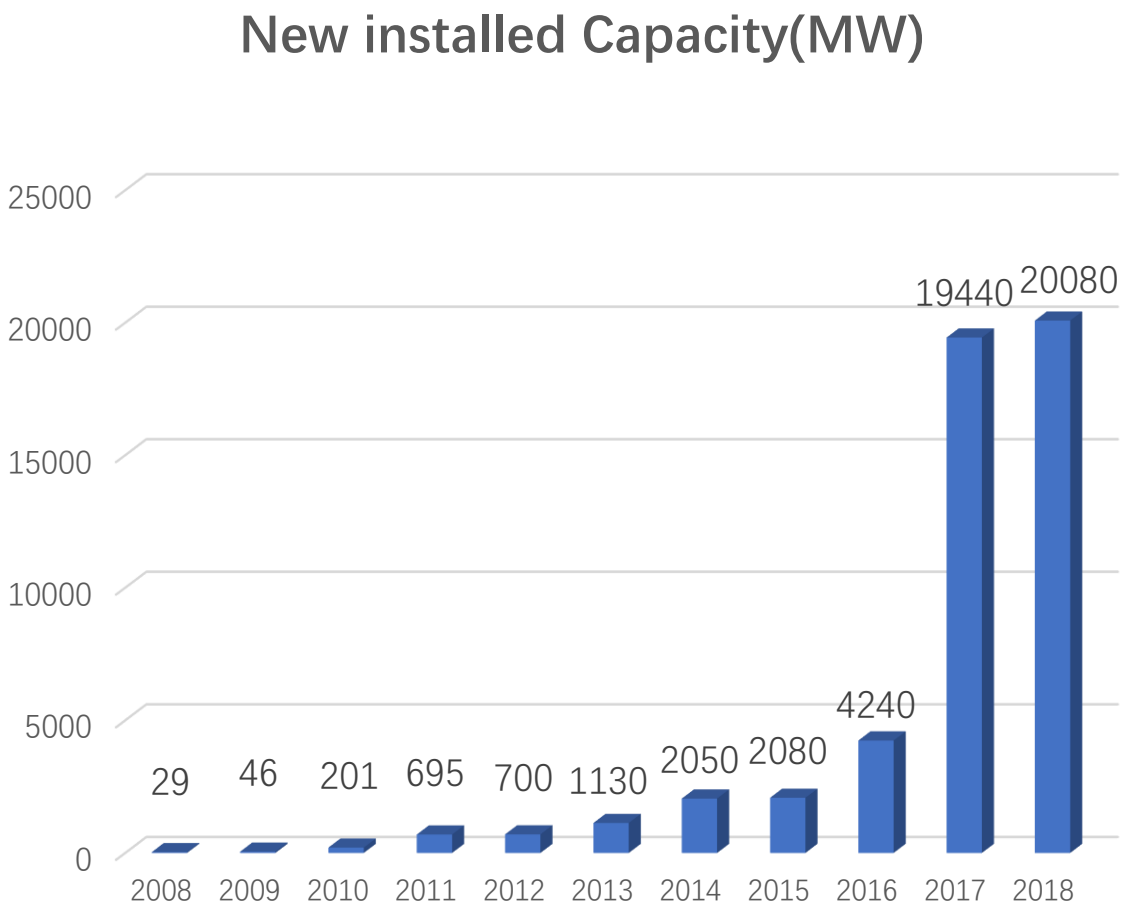
- Implement the system of guaranteeing the purchasing of electricity generated by using renewable energy in full amount
- Introduce scheduling methods for energy-saving generation

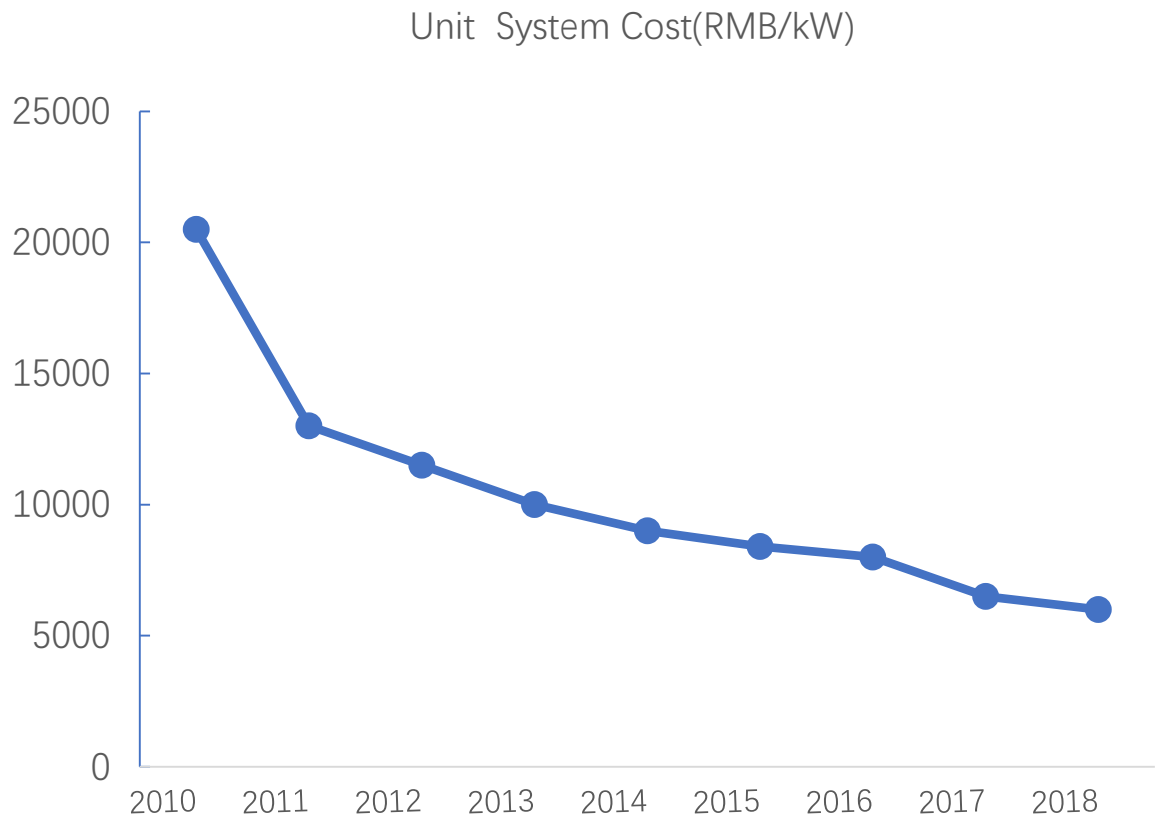
Settlement

		Payer	Settlement Interval
Self-use Electricity	Retail Price	Power Consumer	According to contract
To-grid Electricity	Local Desulphurization Coal-fired Electricity Price	Grid	Monthly
Subsidy	0.42RMB/kWh(2013-2017) 0.37RMB/kWh(2018.1.1-)	Special Funds (Advance by Grid)	Monthly

China Distributed PV Policy

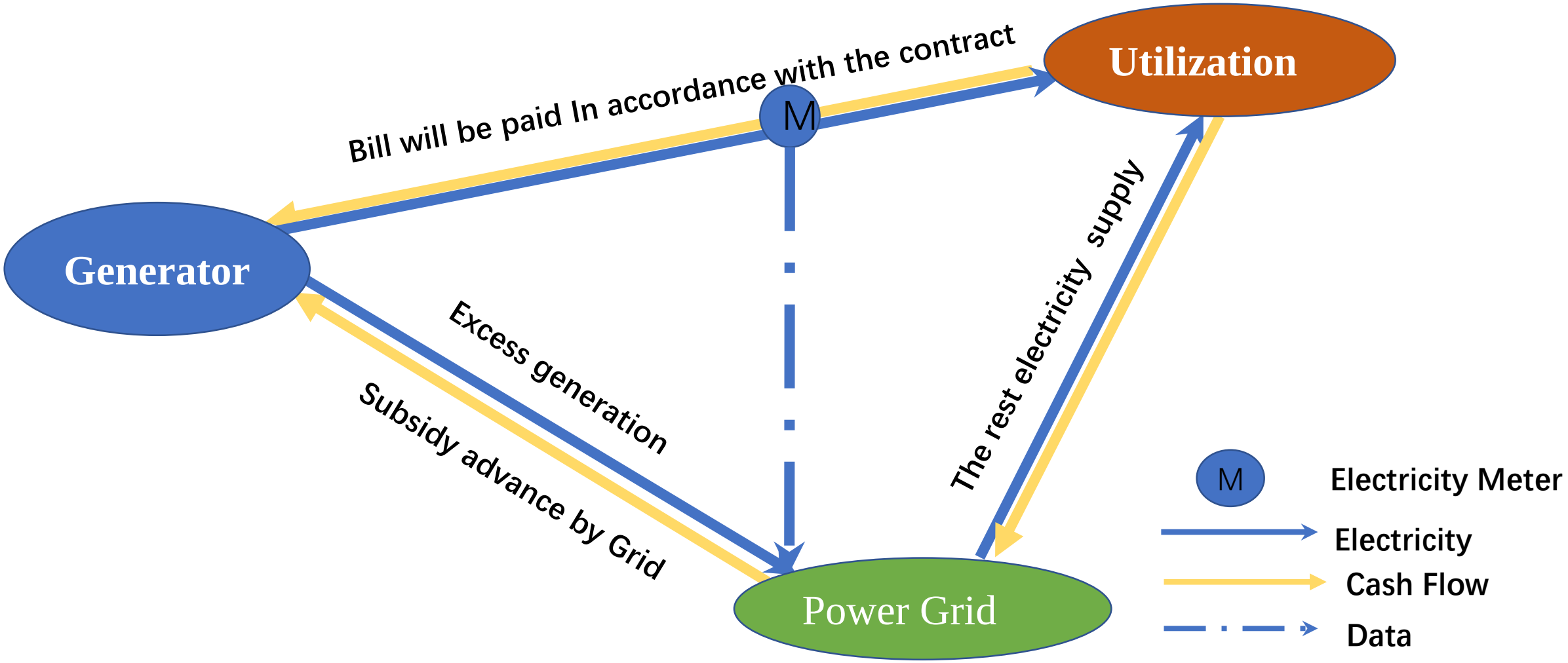
Achievement of Policy



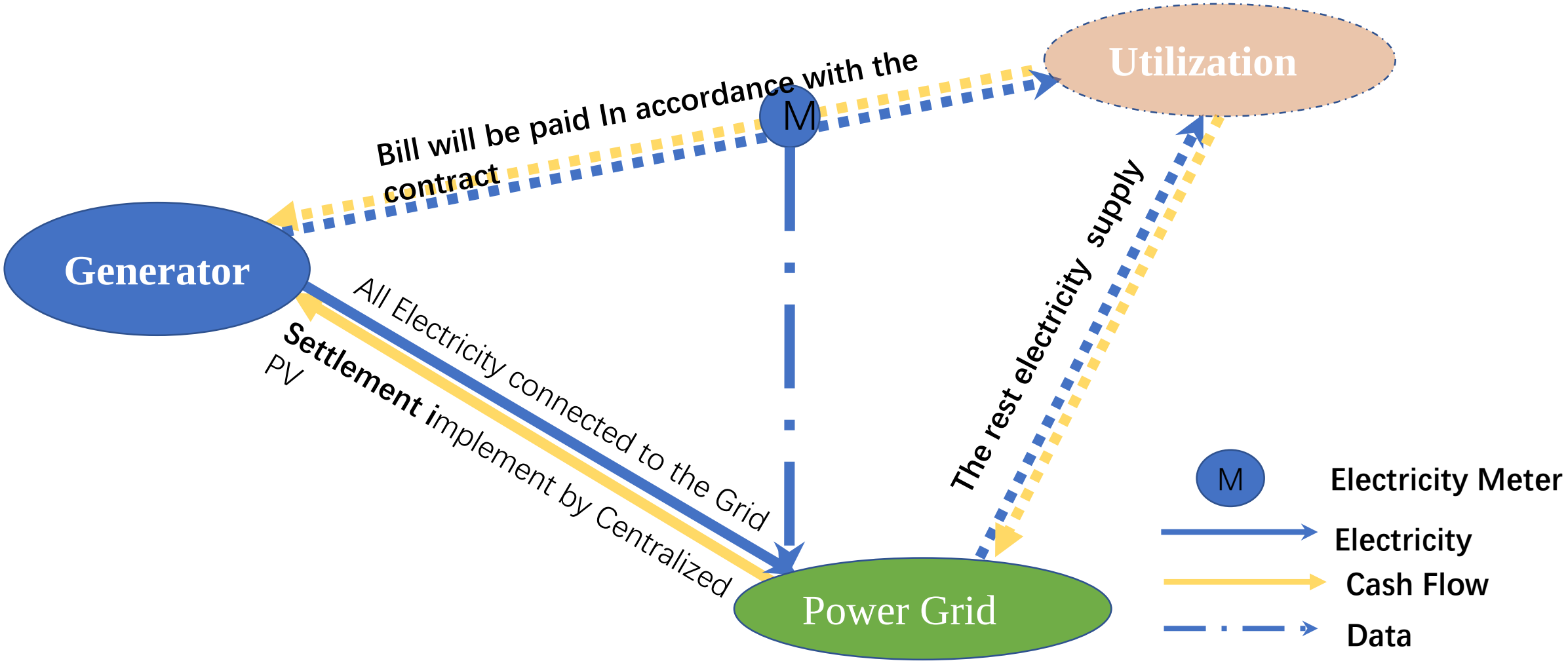


PV Unit System Cost in China 2010-

China Distributed PV Business Model

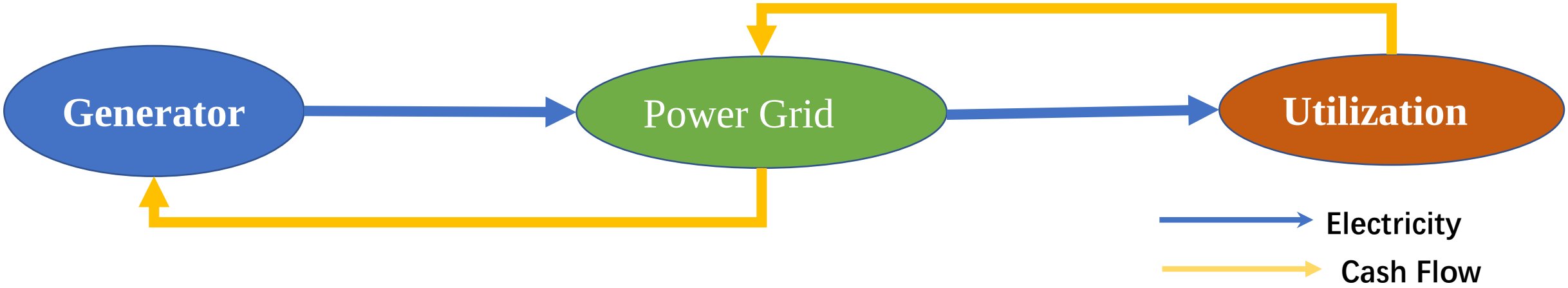


China Distributed PV Business Model



Distributed Generation Market Transaction

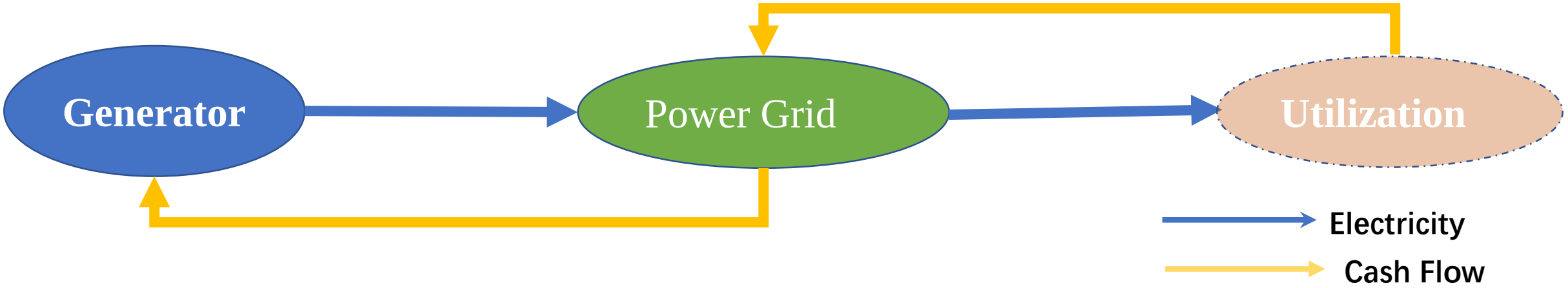
M1：Direct dealing with Utilization



- Tripartite contract
- The Power Grid provides power transmission related services.
- The Power Grid is responsible for settling accounts with the other two parties and advancing the subsidy.
- The Power Grid charges the wheeling cost

Distributed Generation Market Transaction

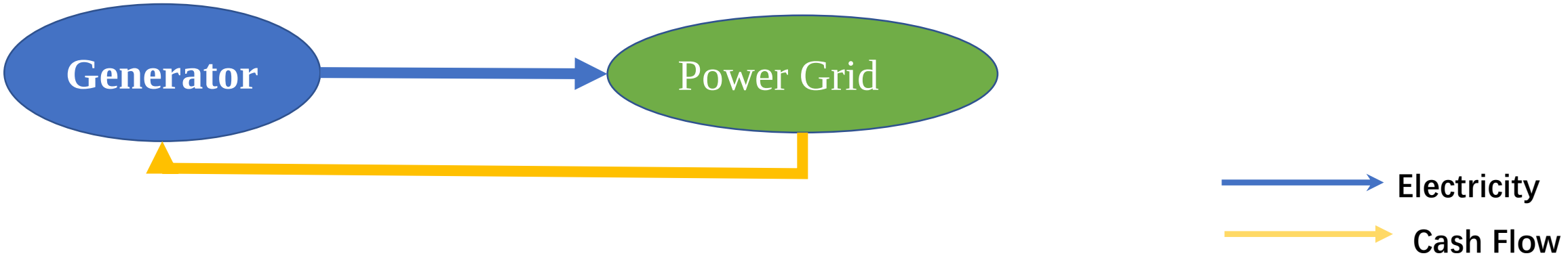
M2：Entrust the power grid to sell electricity



- Utilization is uncertain
- Generator and Utilization sign contracts with the power grid respectively.
- The Power Grid provides power transmission related services and matchmaking trading
- The Power Grid is responsible for settling accounts with the other two parties and advancing the subsidy.
- The Power Grid charges the wheeling cost

Distributed Generation Market Transaction

M3：Power Grid Acquisition



◆ Implement by the project with all Electricity connected to the Grid

Distributed Generation Market Transaction

Other provisions for the PV project participate the distributed generation market transaction

- Subsidy reduce at least 10% with the capacity less than 20MW, reduce at least 20% with the capacity between 20MW to 50MW
- No subsidy demand, no annual scale index limit
- Grid-connected voltage level

Distributed Power Generation

Lower than 35kV	Capacity Less than 20MW per Project
Higher than 35kV	Capacity between 20MW to 50MW

Thank you!

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