Appendix 2
Evidences
for
Sichuan Miaopu Hydropower Project

Evidence 5: Bank notification to open loan to Miaopu project
Evidence 5 shows that the Agriculture Bank of China first rejected to provide loan for this project considering the actual inflation and the expected investment increase compared to Complementary Preliminary Design Report (CPDR), then it opened the loan after considering CDM supports.

Evidence 6: Feed-in tariff adjustment in Ganzi from October 2007
Evidence 6 shows the feed-in tariff in Ganzi Tibetan Autonomous Prefecture.

Evidence 7: Economic Evaluation Code for Small Hydropower Projects (SL16-95)
Evidence 7 shows the bases that using fixed input values in the investment analysis.

Evidence 5: Bank notification to open loan to Miaopu project

通　知

甘孜州康定华龙水利电力投资开发有限公司：

贵公司苗圃水电站项目向我行申请贷款，该项目《补充初步设计报告》中投资概算采用的是 1997 年水利概算定额，考虑到近年来原材料、工资等要素的实际上涨幅度，并依据甘孜州康定华龙苗圃电站工程指挥部文件《关于请求增加工程投资的报告》，我行认为该项目的收益水平将无法达到初步设计报告中的预计数值，并直接影响到项目的还贷能力。

在此情况下，贵公司提出本项目可以通过申请 CDM（清洁发展机制）项目出售碳减排指标获得资金支持，并提供了详细的建议。经详细审核，我行认为，项目在得到 CDM 项目的资金支持后，可以提高经济效益，从而达到我行对贷款项目偿还能力的要求。因此，我行愿意在借款人将 CDM 收益纳入结算账户前提条件下考虑给予苗圃水电站项目信贷支持。

中国农业银行甘孜州分行

二00五年九月六日

Evidence 5: Bank notification to open loan to Miaopu project

Notification

To Ganzi Kangding Hualong Water Resources & Electric Power Investment Co., Ltd.:

Your company intended to apply for loan from our bank for Miaopu Hydropower Project. The Complementary Preliminary Design Report (CPDA) of this project adopted the budgetary estimate quota for hydraulic engineering issued by the former Ministry of Power Industry in 1997, whereas there's a dramatic inflation of material, labor and etc during recent years. Meanwhile, considering the "Request for project investment increase" by the Engineering Headquarters of Miaopu Hydropower Project, we thought that the estimated project return ability in CPDA can not be achieved which directly influenced its repayment ability.

In this situation, your company put forward a solution that you can gain the financial supports from emission reductions sale through applying CDM (Clean Development Mechanism) and provided us the proposals. After a careful review and verification, we thought that the economic returns can be improved after CDM supports which can meet our requirements on repayment ability. Therefore, we are willing to continue the collaboration with your company to provide loan supports for Miaopu Hydropower Project on the premise of putting the CDM incomes into the balance account.

Agricultural Bank of China- Ganzi Branch

06/09/2005

Evidence 6: Feed-in tariff adjustment in Ganzi from October 2007

甘孜州电价十月调整

来源:四川新闻网-甘孜日报　　时间:2007-09-24

四川新闻网-甘孜日报讯

编者按：电力是国民经济的基础产业，关系到国计民生和广大人民群众生活的重要特殊商品。为促进创建节约型社会和电力产业发展，促进甘孜州电源点建设和水能资源的开发利用，保障电力企业的正常经营和发展，根据国家“改革资源产品价格，促进创建节约型社会”的政策要求，甘孜州在广泛调查研究和认真召开价格听证，充分听取社会各界代表意见的基础上，切实开展电力价格形成机制改革。《甘孜州新电价形成机制实施方案》已经今年4月30日州政府第40次常务会议研究同意，并将从10月起执行。电价改革和新电价形成机制的实施是甘孜州经济生活中的一件大事，我们一定要扎实深入地抓好此次电价调整的宣传解释工作，教育和引导广大干部群众进一步增强大局意识和发展观念，努力确保甘孜州电价调整政策的顺利实施，为促进全州经济社会又好又快发展和富民安康工程卓有成效的实施提供优质、安全、可靠的电力保障。

甘孜州电价到底咋调?

电，是助推甘孜州经济社会又好又快发展的强大动力；电，是甘孜州城乡居民生产生活不可或缺的重要商品。因此每一次电价调整，都会引起全州上下的极大关注。新电价形成机制改革的原则是：电价水平的制定要按照合理补偿成本、合理确定收益、依法计入税金、促进电力建设、考虑社会承受能力和继续实行“以电代燃料”的生态保护政策，招商引资和缩小与内地电价差距的总体原则进行。同时，实行电厂、电网分开和丰枯、峰谷电价制度。

早在今年4月30日，州政府第40次常务会议研究同意了《甘孜州新电价形成机制实施方案》。该方案将从今年10月起执行，州、县电力企业将严格按此方案收取用户实际使用的电费。敬请广大用户支持、配合和监督。

调整之 上网电价

为解决康定、泸定等改制分离电厂和社会电厂的上网电价水平，以及为今后全州电力企业厂、网分开的体制改革打下基础，鼓励社会各方资金开发利用甘孜州生态水能资源，在综合考虑发电、供电经营者的正常利益和用电户承受能力的基础上，将全州上网电价水平每千瓦时(含税)安排为：一价区康定、泸定、海螺沟、丹巴、九龙、雅江、理塘、道孚、炉霍、甘孜（下同）0.16元；二价区巴塘、乡城、稻城、得荣、色达、新龙、白玉、德格、石渠（下同）0.17元。

州物价局和水利部门可根据州县各电网的供求状况、实际销售电价水平、新老电厂投资差异和上网电压等级等具体实际，在不超过8%的基础上，上、下浮动确定具体上网执行价格。

Evidence 6: Feed-in tariff adjustment in Ganzi from October 2007

实行厂、网分离后的电网经营企业，要建立科学的上网电量调配制度，做到电厂企业之间上网电量的公平和合理；在电力供过于求的情况下，要以枯水期电站发电量来分配和调节上网电量。

调整之 销售电价

由于甘孜州受高海拔气候影响，没有比电力更方便、更合理的燃料替代城乡居民煮饭和取暖，城乡居民生活用电量相对比州外大，电费成为生活费开支中的重要部分，电价的高低对城乡居民来说，比州外其它地区更为敏感。我们按照小步调整城乡居民生活电价、适当提高非生活销售电价的原则改革甘孜州销售电价，改革后的销售电价为：

一价区每千瓦时销售电价城乡居民生活用电 0.33 元，非居民生活用电 0.4835 元，商业用电 0.7035 元，工业用电 0.5035 元，高耗能工业用电 0.2535 元，城市公共设施用电 0.3035 元，农业生产用电 0.20 元。

二价区每千瓦时销售电价城乡居民生活用电 0.35 元，非居民生活用电 0.5035 元，商业用电 0.7235 元，工业用电 0.5235 元，高耗能工业用电 0.2735 元，城市公用设施用电 0.3235 元，农业生产用电 0.22 元。

以上销售电价均含农网还贷基金 0.02 元；除农村村民生活和农业生产用电外，其余销售电价含大中型水库后期扶持基金 0.0035 元。为更好地调节电力企业与高耗能企业之间的利益，州物价局和水利部门可根据上网电价具体价格水平、电网的供求状况、州外高耗能电价水平和高耗能企业产品销售价格等实际，在不超过 8%的基础上，上、下浮动确定具体高耗能销售电价水平。

电力企业之间相互调剂和转供的趸售含税电价每千瓦时 0.23 元。

州、县属电力企业的销售电价改革后，凡进行农网改造并由州、县属电力企业直接供电和纳入州、县属电力企业统一管理、核算的小水电，要严格执行城乡用电同价政策；其余各县区乡孤立小水电和转变、供地区的销售电价，在不高于州、县属电力企业同类销售电价的原则下，由各县价格主管部门进行制定和管理。

调整之 优惠措施

为减少甘孜州居民生活销售电价调整对困难群众生活的影响，在执行中要对困难群众的生活用电实行优惠政策。即城镇居民最低生活保障户，由其现居住地供电企业每户每月优惠 50 千瓦时的免费电量，超过优惠免费电量的按调整后的居民生活用电价格执行。

甘孜州电价为何上调？

水能资源是甘孜州的优势资源，水电是甘孜州城乡居民生产生活不可或缺的重要商品。随着经济社会的发展，特别是运行成本的不断增加，电力企业步入了严重亏损的窘境。为合理补偿成本，上调电价已势在必行。

中华人民共和国行业标准

小水电建设项目经济评价规程

Economic Evaluation Code for Small Hydropower Projects

SL16-95

主编单位：水利部农村电气化研究所
批准部门：中华在民共和国水利部
网页制作：中国水利科技信息网

19995-06-02 发布　　19995-07-01 实施

中华人民共和国水利部

关于发布《小水电建设项目经济评价规程》(SL16—95)修订版的通知

水电［1995]186 号

由水利部杭州农村电气化研究所修订的《小水电建设项目经济评价规程》(SL16—95)修订版，经审查，现予以颁布。

该标准修订版从 1995 年 7 月 1 日起实施。实施过程中如发现问题，请及时反映给主编单位。该标准由水利部水电及农村电气化司负责解释。

由中国水利水电出版社出版发行。

一九九五年六月二日

目次

1 总则
2 费用计算
3 效益计算
4 财务评价
5 国民经济评价
6 不确定性分析
7 方案比较方法
8 改建、扩建、复建、更新改造项目与农村电气化规划经济评价
9 小水电联合企业项目的经济评价
附录 A 经济评价的简化方法(补充件)
附录 B 小水电设计成本、利润及还贷资金计算(补充

件)
附录 C 小水电的社会效益与环境效益(补充件)
附录 D 国民经济评价中的电价调整(补充件)
附录 E 经济评价的风险(概率)分析(参考件)
附加说明
条文说明

1 总则

1.1 为实现小水电建设项目决策的科学化、民主化，促进小水电事业的发展，根据国家计委《建设项目经济评价方法与参数》中的规定，结合小水电特点，特制定本规程。

1.2 小水电建设项目的经济评价，是指装机容量25000kW以下电站和其配套电网的新建、改建、扩建、复建、更新改造项目，以及主要由中小水电站网供电的县级农村电气化规划的经济评价。农村水电地区 50000kW 及以下容量的中型电站可参照执行。

1.3 本规程适用于小水电建设项目(以下简称建设项目)的可行性研究、初步设计及相应县级农村电气化规划等文件和报告中的经济评价。

经济评价是建设项目规划、设计文件的重要组成部分，没有进行经济评价的规划、设计文件，主管部门(单位)不予审批。

装机容量较小的水电站和规划(达标)期较短的农村电气化规划项目，允许采用适当的简化方法进行经济评价，简化方法见附录 A。

1.4 建设项目的经济评价分财务评价与国民经济评价。

1.4.1 财务评价的目的是在国家现行财税制度和价格的条件下，考察建设项目的财务可行性。

1.4.2 国民经济评价的目的是从综合平衡角度，分析评价建设项目对国民经济发展的贡献，以判别建设项目的经济合理性。

1.5 建设项目经济评价的判别条件如下。

1.5.1 财务评价和国民经济评价的成果均可行，则建设项目经济评价可行。

1.5.2 财务评价和国民经济评价均不可行或财务评价可行而国民经济评价不合理时，则建设项目经济评价不可行。

1.5.3 国民经济评价合理而财务评价不可行时，可向国家和主管部门提出采取优惠政策的建议，如通过反推可行的电价，提出调整电价的方案或给以低息贷款的建议等，使建设项目符合财务可行性条件。

1.6 建设项目经济评价应严格遵守费用与效益(投入与产出)计算口径对应的原则。

财务评价时投入与产出均用现行价格体系为基础的预测价格，即要考虑工程筹备期和建设期物价上涨因素。

国民经济评价时其投入产出均用影子价格。

小水电建设项目经济评价应以动态分析为主，辅以某些静态指标。

1.7 小水电建设项目经济评价的计算期包括建设期、投产期和生产期。

1.7.1 建设期：自建设项目动工兴建到开始生产前为止。

1.7.2 投产期：自建设项目开始生产到形成全部生产能力前为止。

1.7.3 生产期：自建设项目形成全部生产能力开始算起，一般采用 20 年计算。

1.7.4 计算期的时间基准点定在建设期的第一年初。

1.8 利用外资的项目，按国家计委颁发的《建设项目经济评价方法与参数》的要求和原则，参照本规程的计算方法和参数进行评价。

1.9 小水电建设项目经济评价中的主要参数(影子价格、社会折现率等)，应采用国家计委同期颁发的参数，当国家计委调整参数时，本规程应作相应调整。

Back

2 费用计算

2.1 建设项目的投资是指达到设计效益时所需要的全部支出费用，应包括以下各项：

(1)主体工程、附属工程和临建工程的投资。

(2)配套工程(含输变电配套和水源配套工程)的投资。

(3)开发性移民工程投资和淹没、浸没、挖压占地、移民迁建所需费用。

(4)处理工程的不利影响，保护或改善生态环境的费用。

(5)勘测、规划、设计、试验等前期工作费用。

(6)预备费。

(7)其他费用。

主编单位：水利部农村电气化研究所

参编单位：河北省水利厅

主要编写人员：李荧 罗高荣 荣丰涛、蒋水心 辛在森 朱小华 缪秋波

Back

中华人民共和国行业标准

小水电建设项目经济评价规程

SL16-95

条文说明

目次

1 总则
2 费用计算
3 效益计算
4 财务评价
5 国民经济评价
6 不确定性分析
7 方案比较方法
8 改建、扩建、复建、更新改造项目与农村电气化
9 小水电联合企业项目的经济评价

1 总则

1.1 本条阐述了制订《水电建设项目经济评价规程》(下称《规程》)的目的。其主要依据是：

本规程以 1985 年原水利电力部农电司颁布的《小水电经济评价暂行条例》为基础，以国家计委颁布的《建设项目经济评价方法与参数》(第二版)以及国家计委和建设部 1990 年调整发布的《建设项目经济评价参数》和 1993 年发布的影子电价为依据，结合我国小水电行业的发展趋势而制定。旨在促进小水电建设项目决策的民主化、科学化；促进电源结构的合理化，对小水电产业政策起导向作用；从而达到维护国家和人民利益，促进小水电事业不断发展的目的。

本《规程》可作为《小型水力发电站设计规范》(GBJ71—84)有关经济评价的内容，与其配套使用，使小水电建设项目的设计标准化进一步完善。

1.2 本条规定了《规程》的应用对象是小水电建设项目。

按有关规定：小水电是指装机容量 25000kW 以下水电站及其配套电网的统称。农村电气化规划系指主要由中、小水电站供电的县级农村电气化规划。根据国家计委计农经[1992]138 号《关于将小水电“以电养电”政策扩大到装机 50000kW 问题的复函》精神，以及农村水电地区目前已在开发 25000～50000kW 电站的实际情况，农村水电地区 50000kW 及以下容量电站可参照执行。

1.3 本条规定了《规程》的使用范围。

由于小水电范围较广，装机容量及相应的技术要求相差较大，因此《规程》对容量较小的电站允许使用适当的简化方法。使用《规程》时，可分三种情况：

(1)不允许采用简化方法评价的建设项目为装机容量 6000kW 以上至 25000kW 的小水电站。由于此类电站多数是县级电网的骨干电站，投资较多，因此，应按《规程》的规定进行经济评价；对施工期超过三年的 6000kW 以下电站，由于资金投入时间较长，也不宜简化；施工期长于三年的农村电气化规划项目亦不宜简化。

(2)允许采用适当简化方法评价的建设项目为 1000～6000kW 的电站和施工期不长于三年的农村电气化规划项目。此类项目的简化内容是：施工期的投入简化为均匀投入；假定投产后立即达到设计生产能力；将生产期的年费用及年收益简化为常数；按折旧费和利润的固定比率折算还贷折旧费和还贷利润等。经上述简化之后，一般可用公式计算，而省略基本报表。

若项目审批单位或贷款发放单位要求评估逐年偿还能力时，可以同时作出借款还本付息表。经济评价简化方法的公式见附录 A。

(3)允许简化的建设项目。主要是装机容量小于 1000kW 的水电站，因此可以简化为采用图表或简易公式计算评价指标。评价中有效电量采用折减系数，固定资产形成率、年运行费率、折旧费率等采用概化综合指标。

1.4 本条规定经济评价分为财务评价和国民经济评价，任何小水电建设项目的经济评价都应进行这两种评价。两种评价的主要区别是：

(1)评价角度不同。财务评价是从财务角度考察货币的收支盈利情况及还贷能力；国民经济评价是从整个国民经济发展的角度，考察国家付出的代价和对整个国民经济的效益。

(2)效益与费用的含义及划分范围不同。财务评价只计算项目直接发生的效益与费用，因此税金及附加、利息应计入费用；国民经济评价对项目引起的间接效益与费用，即外部效果也要分析；税金及附加、利息等属国民经济内部转移，因此不计入费用。

(3)采用的价格不同。财务评价中投入、产出均用现行价格。国民经济评价则采用影子价格。

1.5 本条规定了判别建设项目经济评价可行的条件。

经济评价可行是建设项目可行的必要条件。经济评价以国民经济评价为主，国民经济评价可行而财务评价不可行或不满足还贷要求时，则应在满足财务评价可行或还贷要求下，反算其售电价，称反推电价，并由此提出调整电价的具体建议，或报请上级部门给予能使项目具有财务生存能力的优惠政策，如增加拨款，降低贷款利率等。

财务评价与国民经济评价的关系见表 1.5。

表 1.5 财务评价与国民经济评价的关系

	财务评价	国民经济评价
角度	项目本身直接的	从国民经济整体考虑的
收支划分	项目实际收支，包括利息、保险费等	不计社会内部转移，如保险费等
价格	用现行价格	用影子价格
参数	基准收益率 I_c=10%	社会折现率 I_s=12%

1.6 本条规定了经济评价必须遵循的原则，即费用与收益(投入与产出)口径对应的原则，《规程》中的收益是指可以用货币定量表示的效益。效益则是项目产生各种有利影响的总称，包括经济效益、社会效益、生态、环境效益等。

在财务评价计算中投入产出均用现行价格体系为基础的预测价格，因为在经济改革中，价格在年度之间有调整变化。为了保证计算的准确性，不影响其评价结果，投入产出均用同年统一水平的价格，计入工程筹备期和工程建设期物价变化的影响。

1.7 本条对经济评价的计算期作了规定。

建设项目的计算期分为：建设期、投产期(两者之和称为施工期)和生产期。建设期和投产期应根据规划设计文件确定。

为了和国家计委颁发的《建设项目经济评价方法与参数》(第二版)的规定相一致，规定生产期为 20 年。小水电工程主要设备和输电线路的折旧年限一般为 20 年，可作一次性投入，其他折旧年限大于 20 年的，可在计算期末回收其余值，余值回收按静态法计算。

按国家计委的统一规定，基准年选为项目开始兴建第一年初。为便于折旧计算，假定投入与产出都在全年末发生。

1.8 本条是对利用外资兴建的小水电建设项目经济评价的原则规定。鉴于利用外资的项目不多，因此本《规程》未作具体规定，在经济评价时，可按国家计委关于《建设项目经济评价方法与参数》(第二版)所规定的原则，采用《规程》的计算公式和参数进行经济评价计算。

Back

2 费用计算

2.1 本条所规定的项目投资中，包括达到设计效益时国家、集体、企业、个体以各种方式投入的全部费用。

Economic Evaluation Code for Small Hydropower Projects

（Page 2-3）

1 General Principle

1.2 “Economic Evaluation Code for Small Hydropower Projects”, is defined as the economic evaluation to small hydropower projects with installed capacity below 25000kw and the new-built, reconstruction, expanding or retrofit project of its accessing power grid. It is also applicable to economic evaluation to rural electrification programs whose electricity is supplied by small and medium scale hydropower grid. Medium scale hydropower stations with installed capacity equal and below 50000kw in rural area can take this code as reference.

1.3 The code is applicable to the economic evaluation in feasibility study report, preliminary design report and rural electrification program documents of small hydropower projects.

Economic evaluation is the main part of project design reports, and any design documents without economic evaluation can’t be approved by related authorities.

1.4.1 The aim of the financial analysis is to assess the financial feasibility of the project under the current effective financial and tax regulations and price level.

1.6 The calculation of cost and benefit (input and output) must be in parallelism during the economic evaluation of the construction projects.

During the financial assessment, all input and output should adopt the expected price which is based on the active price system, viz. considering the price fluctuation in the preparation period and construction period.

Economic Evaluation Code for Small Hydropower Projects

（Page 33-35）

1. General Principal

1.1 This clause states the target to regulate <Economic Evaluation Code for Hydropower Projects> (following as “Regulation”). The main basis is as following:

The basis for the Regulation are the <Economic Evaluation Interim Regulation for Small Scale Hydropower Station>, issued by the former Ministry of Water Conservancy and Electric Power in 1985, the <Economic Evaluation Method and Parameters for Construction Projects> (2^{nd} Version) and <Economic Evaluation Parameters for Construction Projects> issued by National Planning Commission and Construction Ministry in 1990, and the shadow price issued in 1993, comprehending with the developing trend for small scale hydropower industry in China. The target for the Regulation is to accelerate the democratization, scientific process for project decision making of small scale hydropower industry, and guiding the policy in this industry, so as to maintain the profit of the country and people, and accelerate the instant development for small scale hydropower industry.

The Regulation shall be used together with <Design Regulation for Small Scale Hydropower Station>(GBJ71-84), which could improve the design standard for small scale hydropower project further.

1.2 This clause regulate that the applicable object for the Regulation is the small scale hydropower projects.

Based on the relevant regulation, small scale hydropower station means the hydropower station with the installed capacity under 25,000kw together with the matching grid. The Rural Electrification Planning means the rural electrification planning in county which electricity is provided by middle and small scale hydropower station. Based on the spirit in the document (Nongjing [1992] No.138) as<The Response Letter for Implementing the “Self-Support of Electricity” Policy up to 50,000kW Hydropower Projects>, comprehending with the practical situation for the project already under developing with installed capacity between 25,000-50,000kW in rural areas, the hydropower stations in rural area with installed capacity under 50,000kW shall apply the Regulation.

1.3 This clause regulates the applicable scale for the Regulation.

Since the small hydropower scale is broadly, the installed capacity scale and relevant technical requirements is quite different, thus, the Regulation permit the simplified method[1] for small scale hydropower station. When using this regulation, three situations could be applied:

(1) It is not permissible to employ simplified method for the small scale stations with the installed capacity between 6,000kW and 25,000kW. Since most of these

[1] the simplified method means the appendix A of the Regulation

stations are the backbone stations in the county grid, and the investment is large. Therefore, the economic evaluation shall be carried out based on the Regulation; referring to the hydropower stations with the installed capacity under 6,000kW and the construction period has exceeded 3 years, the investment period is long, and method shall not simplified; for the Rural Electrification Planning Project which the construction period is over 3 years, the method shall not be simplified.

(2) It is permissible to employ proper simplified method for the rural electrification project with the installed capacity between 1,000-6,000kW and the construction period is within 3 years. The simplified contents for this project is as following: the investment in construction period is invested averagely; assumed that the project could reach the designed manufacture capability once after its operation; Simplify the annual fees and costs and annual profit as constants; use the fixed rate to calculate the depreciation fee and loan profit. After the simplifying methods mentioned above, the formula could be used for calculation, and the basic sheet could be omitted.

If the project approval authority or the bank requires evaluating the annual repaying ability, the repayment of principle and interest sheet could also be produced. The formula for economic evaluation simplified method could be found in Annex A.

(3) The project that is permissible for simplification. The projects that are permissible for simplification is with the installed capacity under 1,000kW, therefore, graphs or the simple formula could be used to calculate the evaluating parameters. In this evaluation, to calculate the effective electricity, the reduction factor could be used; when to calculate fixed asset formation rate, annual operational ratio, depreciation fee etc, the generalization comprehensive parameters could be used.

1.4 This clause regulates that the economic evaluation consists of financial evaluation and national economy evaluation, the economic evaluation for each small scale hydropower station shall carry out this two kinds of evaluation. The main difference for this two kinds of evaluation are as following:

(1) The evaluating view is different: The financial evaluation is to evaluate the budget profit situation and repaying back ability; the national economic evaluation is to evaluate the cost paid and the profit for national economy on the view of whole national economy development.

(2) The contents and scope for profit and fees is different. The financial evaluation is only to calculate the profit and fee that directly caused by the project, therefore, the tax and addition, interest shall be treated as fees; When for national economy evaluation, the indirect profit and fee that caused by the project should also be analysis, the tax and addition, interest is listed in the national economy internal transfer, so as to not treat as the fees.

(3) In the financial evaluation, when calculating input and output, the current price shall be used; when doing the national economy evaluation, the

shadow price will be used.

1.5 This clause regulates the condition for judging economic evaluation feasibility. The economic evaluation feasibility is the necessary condition for construction project. The national economy evaluation is more important in the economic evaluation, when the national economy is feasible while the financial evaluation is not feasible or could not satisfy the loan requirements, thus, we shall inverse calculate the grid price provided based on the fact that the financial evaluation feasibility or loan requirements could be satisfied, also present practical suggestion to adjust grid price, or requires authority department to provide preferential policy for the project that enable the project could be financial feasible, such as increase the loan and reduce the loan interest.

The relationship between the financial evaluation and national economy evaluation is in the following table:

	Financial Evaluation	National Economy Evaluation
View	Directly caused by project	Consider from whole national economy
Budget	The actual budget for this project includes interest and insurance	The social internal transfer will not accounted in, such as insurance fee
Price	Current price	Shadow price
Parameters	Benchmark rate: l_c=10%	Social depreciation ratio: l_s=12%

1.6 This clause regulates the principal that must be followed in the economic evaluation, which is the cost and benefit (input and output) are matching with each other, the revenue in the Regulation is the profit that could be instructed in current, the profit is the summary of all the positive influence caused by the project, including economic profit, social profit, ecological profit and environment profit.

During the financial evaluation, the calculation of input and output shall use the predicted price based on the current price system, since during the economic reform process the price will change. In order to guarantee the accuracy and does not impose any influence on evaluating result, the calculation on input and output shall use the uniform price level in the same year, and the influence caused by the material price change during the preparing period and construction period shall be accounted in.

1.7 This clause regulate the calculating period for economic evaluation.

The calculating period for project shall be clarified as: construction period, put into operation (the sum of two periods is construction period) and operation period. The construction period and operation period shall be divided based on the design document.

In order to march with the <Economic Evaluation Method and Parameters for Construction Projects> (2nd Version) issued by National Planning Commission,

it is regulated that the construction period is 20 years. The depreciation year for main equipments and transmission electricity line of small scale hydropower station is generally 20 years, which could be treated as one investment; for the other project which the depreciation year is over 20 years, its residue value could be reclaimed at the end of calculating year. The reclaim of residue value is calculated as static method.

According to the uniform regulation issued by National Planning Commission, the benchmark year employ the beginning of the first year since the project has been started. In order to facilitate the depreciation calculation, it is assumed that the input and output are all happened at the end of the year.

1.8 This clause is to regulate the principal for small scale hydropower project that use foreign investment. Since that the projects that use foreign investment is not too much, that the Regulation has not regulated the practical and detailed regulation. When doing the economic evaluation, the principal that in <Economic Evaluation Method and Parameters for Construction Projects> (2nd Version) shall be applied, and carry out the economic evaluation calculation using formula and parameters regulated in the Regulation.