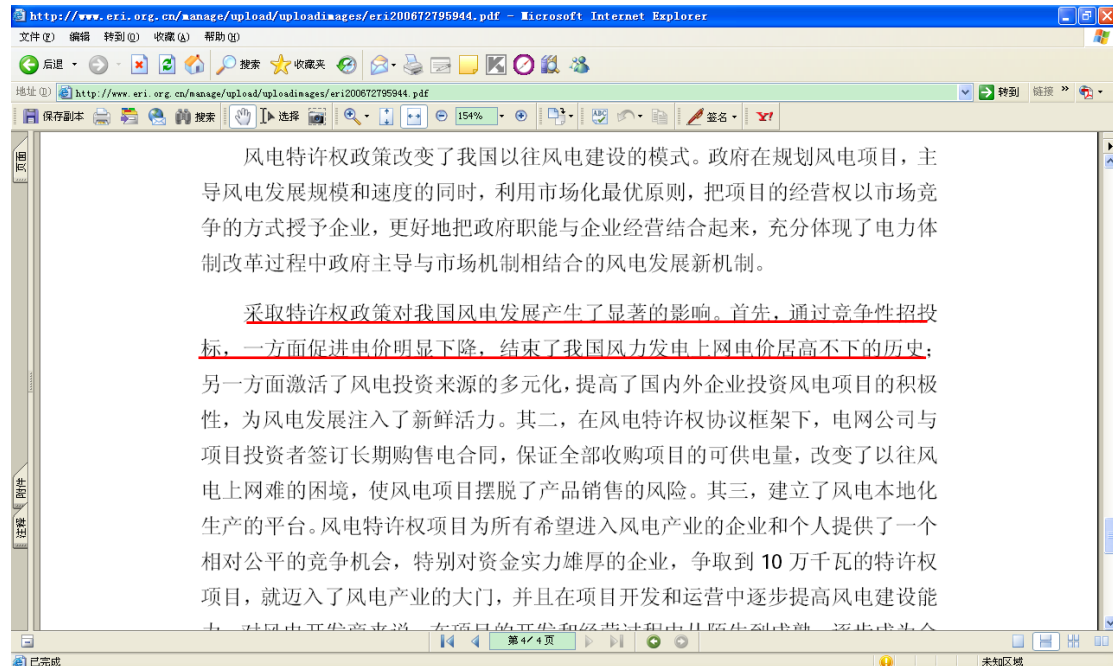


Footer2

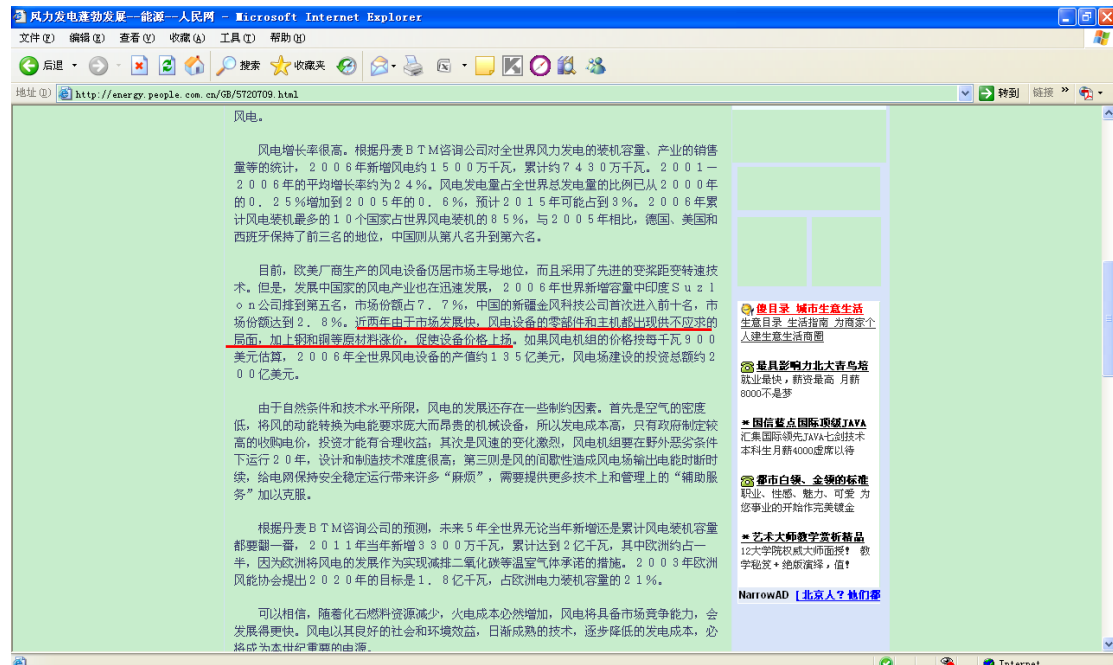
<http://www.eri.org.cn/manage/upload/uploadimages/eri200672795944.pdf>



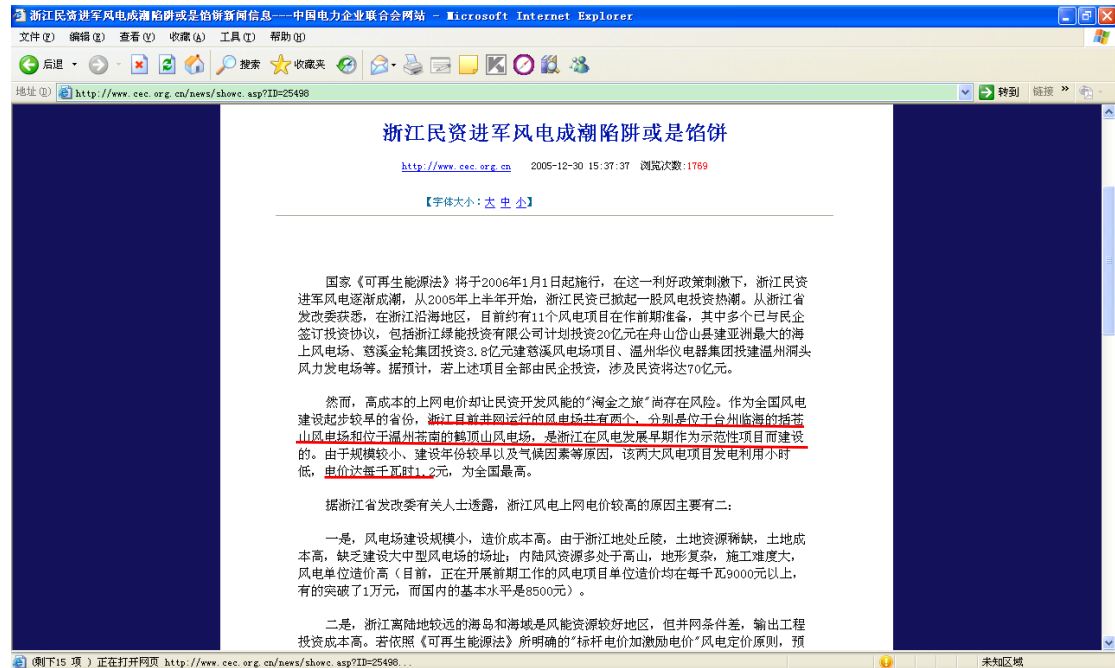
Concession program had a significant infection on the wind power development in China. First, through the competitive bidding, the on-grid tariff that was in high level before had been decreased.

Footer3

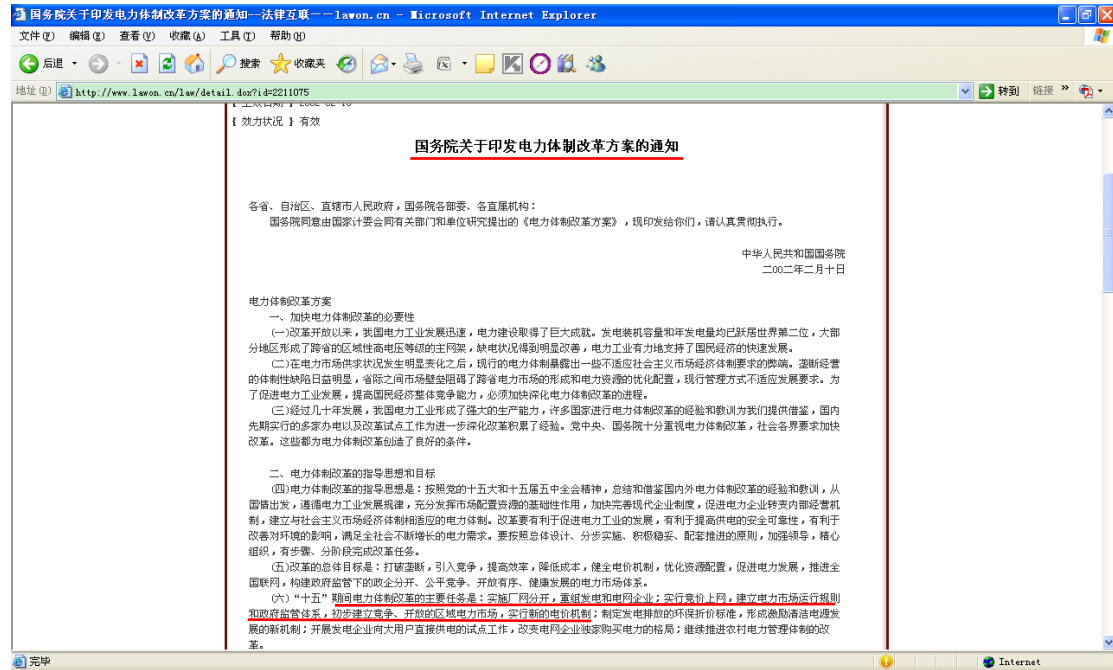
<http://energy.people.com.cn/GB/5720709.html>



In the last 2 years, the demands for the turbines and its accessories exceeded the supply. Moreover the price of the raw material such as steel and cooper is increasing, which results in the price of wind turbines and equipments increasing.

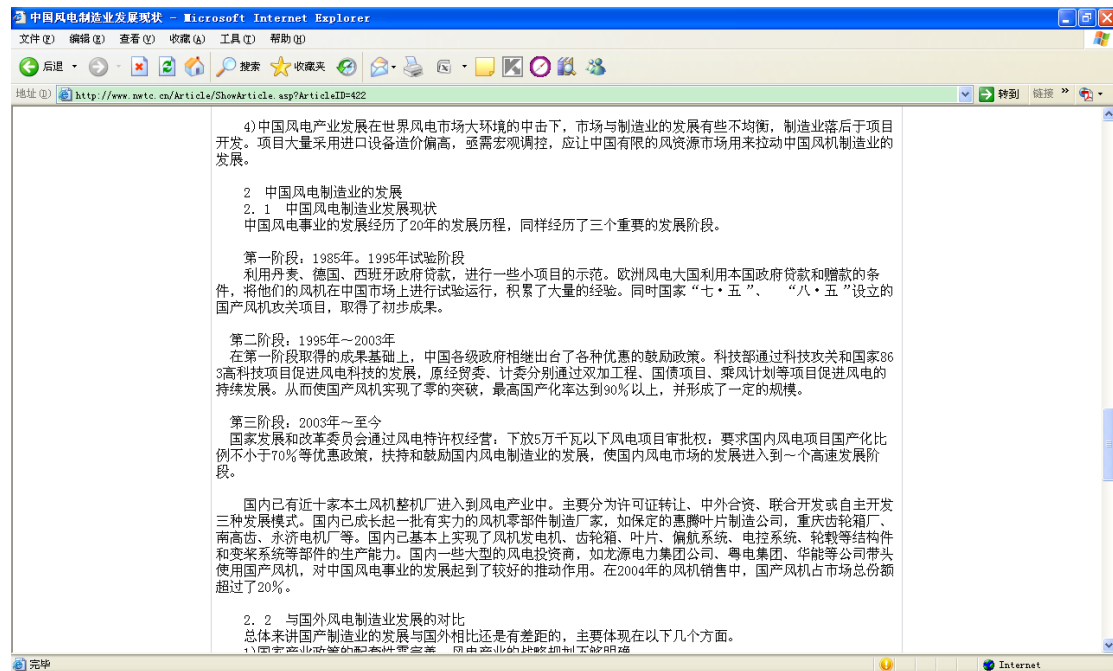


At present, there are only two wind farms in Zhejiang province, one is Zhejiang Linhai wind farm and the other is Cangnan wind farm. These two projects were all constructed in early stage as demonstration projects and granted with the tariff of 1.2 RMB/kWh.



Notice of Electric Power Sector Reform Programme issued by the State Council

The main mission of the Electric power sector reform is to: separate the power plants and power grids, re-constitute the power generation company and Grid Company; implement the electricity price bidding, establish the operating rule for the electric market and the governmental regulation system, build the competitive regional open electric market; introduce a new tariff scheme.....



In the initial period (1985-1995), the main activity was to build small-scale testing demonstration wind farms by utilising grants from foreign donor countries and loans. Some European countries put their turbines into test in Chinese wind farms and accumulated a lot of experience in this period.

In the second period (1995-2003), on the basis of the initial period, the china government took some supporting measures to stimulate the wind farm development, such as “Bi- Emphasis”, “national debt supporting”, “Chengfeng plan”.

In the third period (2003-now), the National Development & Reform Commission aimed to boost the wind industry by initiating a wind power concession program. As a result the wind industry in China has move into a rapid growth phase.



Linhai wind farm project: this project was Bi-emphasis project. The total capacity was 19.8MW, 33 sets of 600kW turbines was installed.