

Energy

China and Russia sign power-grid agreement

By Wan Zhihong (China Daily)
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State Grid Corp workers inspect power lines in Henan province. [Cai Zengle / For China Daily]

Companies to cooperate on 500 kV cross-border project in Amur region

BEIJING - The State Grid Corp of China has signed a framework agreement with the Russian national grid operator to extend their collaboration on grid technology, cooperation and management, the company said on Wednesday.

The cooperation will cover "technology and experience exchange, power grid construction and management, equipment supply, and technology consulting", State Grid said on its website.

According to Rusnews.cn, a Russian news portal, both companies will build a 500 kV, cross-border power line in the Amur region of Russia.

The project is scheduled to start in 2011. The investment value of the project was not disclosed.

The cooperation is in line with growing power cooperation between China and Russia, said analysts. In order to meet rising demand, China may increase power imports from Russia in the next few years.

The move is also in line with State Grid's strategy of going abroad, they said. The company has accelerated its overseas development in recent years.

Imported electricity from Russia surged in 2009, up more than 316 times over 2008 figures to reach 738 million kilowatt-hours (kWh), according to statistics from northeastern China's Harbin Customs. The power link cost China around \$29 million, according to the provincial capital's customs.

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Around 1 billion kWh of electricity will be imported by the end of 2010, with a total value of over \$40 million, according to

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Heilongjiang Electric Power Co.

As the world's two major energy consumers and producers, China and Russia are planning to build several power transmission lines across their borders. This would involve "multi billion yuan" investments, said an official familiar with the project who asked not to be named.

Currently, there is no technology barrier in building such projects. And domestic companies are cooperating with foreign power giants such as Areva SA in feasibility studies on some electricity lines, said Hu Xuehao, an expert with the China Electric Power Research Institute.

Buying more electricity from Russia now is a reasonable way for China to meet its surging power demand, he said.

China may face temporary power shortages in some regions this summer due to the rapid increase in consumption, the State Grid said earlier.

Power shortages will occur in central, eastern and northern parts of the country during peak summer hours, as uncertainties still exist over demand and supply, the company said. The operator is responsible for supplying power to 26 provinces, municipalities and autonomous regions.