

Project Summary

Project Overview	
Project Name	Putian Pinghai Bay Offshore Wind Power Project
Country	The People’s Republic of China
Sector	Renewable Energy; Sustainable Development
Approval Date (by the Board)	22 November 2016
Closing Date	3 September 2020
Total Project Cost	RMB 4.96 Billion
Loan Amount	RMB 2.00 Billion
Borrower	The People’s Republic of China
Implementation Agency	Fujian Investment and Development Group Co., Ltd

I. Introduction

In China, the policy environment is very favorable for renewable energy development. The country aims to be the global leader to tackle climate change and explore green technologies. Currently, China has the largest capacity in the world for installed wind energy, with around 145 GW, a figure higher than the aggregate capacity of the EU. Offshore wind sites are explored for their capacity to provide vast wind source at sea, without the constraint of lands onshore. Due to the large scale and intensity in cost and technical aspects, offshore wind projects are most likely to succeed with the government’s engagement.

Fujian, a province on the southeast coast of China, is one of the more developed provinces that has the geographic advantage and the fiscal capacity to support offshore wind energy projects. Current energy capacity in Fujian is falling short of the province’s demand, with an estimated power deficit in the coming years. In this context, Putian Pinghai Bay Offshore Wind Power Project is designed to help Fujian province cope with the power challenge and to support the development of wind power energy in China. The project is in alignment with New Development Bank’s (NDB) focus on promoting renewable energy development.

II. Project Description

The objective of the project is to increase offshore wind power capacity in Putian Pinghai Bay to provide adequate electricity supply to Fujian province and to catalyze

offshore wind energy development with technological advances. The NDB will support the project through providing financing to the cost of equipment and civil works. The project is estimated to have a capacity of 3,490 hours of effective electricity generation per year. This capacity will provide electricity of 873 million kWh per year, to meet the demand of rising power consumption in Fujian province.

The project is the second phase of a three-phase project. All three projects combined have a total targeted capacity of 700 MW offshore wind power. In phase one, 10 turbines were constructed with a total power capacity of 50 MW. In phase 2, a capacity of 250 MW will be added over a period of 3 years, building on the existing turbines. In phase 3, a feasibility study is being conducted for an additional targeted capacity of 400 MW.

III. Environmental and Social Aspects

The project contributes to a lower carbon environment. It aligns with NDB's focus to support projects that aim at developing renewable energy sources. Increased share of offshore wind power in China's energy mix will help build a greener environment, with reduced carbon emissions. The project will have a positive impact of avoiding 869,900 tons of carbon emissions per year. It is further estimated that the project will avoid emissions of 13,090 tons of NO_x, 26,175 tons of SO₂ and 237,300 tons of flue gas. It will avoid consumption of coal by 314,100 tons. For the socio-economic aspect, a new industrial cluster will develop, as an effect of this project, creating employment opportunities and helping the local economy to grow.

The project is assigned as a category "B" project. Strict compliance with NDB's policy and China's country system of safeguards is ensured. The implementing company will adjust its work schedules to minimize the impact on the underwater ecosystem from construction noise. Comprehensive assessments have been conducted with the objective to protect the marine ecological environment throughout the implementation of the project.

IV. Financials

The total cost of the project is estimated to be RMB 4.96 billion. The NDB will support the project through a long-term loan of RMB 2.00 billion. The Loan will be repayable in 30 semi-annual equal principal installments, over a period of 15 years starting from 2020, with a grace period of 3 years.

Financier	Amount (¥ billion)
New Development Bank	2.00
Fujian Investment and Development Group Co., Ltd	0.99
Chinese banks	1.97

V. Implementation

The project is estimated to be implemented over 3 years by Fujian Investment and Development Group Co., Ltd. The suppliers for the project will be selected through a competitive bidding process, open to all NDB member countries. Procurement will proceed in accordance with the national framework and NDB's Procurement Policy.

VI. Contact

New Development Bank: projects@ndb.int