

Project Summary for Public Disclosure

Project Name	Putian Pinghai Bay Offshore Wind Power Project
Country	The People's Republic of China
Area of Operation	Clean Energy & Energy Efficiency
Board Approval Date	22 November 2016
Total Project Cost	RMB 4.96 Billion
Initial Limit of NDB Financing	RMB 2.00 Billion
Current Limit of NDB Financing	RMB 1.96 Billion
Borrower	The People's Republic of China
Implementing Agency	Fujian Investment and Development Group Co., Ltd
Introduction	<p>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. In 2016, China had 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. Fujian's energy capacity in 2016 was 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 General Strategy focusing on promoting renewable energy development.</p>
Project Description	<p>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 supports 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</p>

	<p>kWh per year, to meet the demand of rising power consumption in Fujian province. The NDB financed project is the second phase of a three-phase project. In phase 1, 10 turbines were constructed with a total power capacity of 50 MW. In phase 2, 41 turbines were added with a capacity of 246 MW. In phase 3, 44 turbines with a capacity of 308 MW were constructed.</p>								
Environmental and Social Aspects	<p>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 NOX, 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 adjusted 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.</p>								
Financing Aspects	<p>The total cost of the project is estimated to be RMB 4.96 billion. The NDB supports the project through a long-term loan of about RMB 2.00 billion. The Loan is repayable in 30 semi-annual equal principal installments, over a period of 15 years starting from 2021.</p> <table border="1"> <thead> <tr> <th>Financier</th><th>Amount (RMB billion)</th></tr> </thead> <tbody> <tr> <td>New Development Bank</td><td>2.00</td></tr> <tr> <td>Fujian Investment and Development Group Co., Ltd</td><td>0.99</td></tr> <tr> <td>Chinese banks</td><td>1.97</td></tr> </tbody> </table>	Financier	Amount (RMB billion)	New Development Bank	2.00	Fujian Investment and Development Group Co., Ltd	0.99	Chinese banks	1.97
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Implementation	<p>The project was implemented from 2017 to 2021, and full capacity was connected to the grid on December 21, 2021. The suppliers for the Project were selected through competitive bidding process, open to all NDB member countries. Procurement proceeded in accordance with the national framework and NDB's Procurement Policy.</p>								