
UN carbon funding is key for clean coal developers in China

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Reuters reported that developers of clean coal power plants in China fear for the viability of their projects after a UN carbon credit scheme denied funding for a similar plant in India at the end of July.

They said ultrasupercritical power stations would struggle without funds earned through the UN backed Clean Development Mechanism that lets rich countries invest in clean energy projects in developing countries.

In return investors earn tradeable carbon offsets known as certified emission reductions or CERs CERESO.

One developer said nine Chinese projects up for UN accreditation are on a much smaller scale but the proceeds from carbon trading will still be essential.

Mr Hua Huang a manager at the Anhui Wenergy Tongling Ultra-Supercritical Coal-Fired Power Project, which has a capacity of 1,000 megawatts said "The Indian plant was too big at 4,000 megawatts no wonder it couldn't get approved."

A UN spokeswoman said though the project violates the principle of additionally which aims to ensure that carbon funding is directed to projects most in need of it and other supercritical plants would be judged on a case by case basis.

An official at a USC plant now being built in China eastern province of Jiangsu by a joint venture involving state owned utility Guodian said "I think it will be very difficult for such projects to survive without the CDM."

The official said "There are a few companies in China that have made it without carbon funding, but they have had government subsidy."

(Sourced from Reuters)

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