

Notice on matters relevant to PV power generation in 2018

Published on: May 31, 2018

Original title: 关于2018年光伏发电有关事项的通知(发改能源[2018]823号)

Links: Source document (in Chinese) ([link](#)). Document with previously applicable Feed-in Tariffs for solar PV ([link](#)).

National Development and Reform Commission

Ministry of Finance

National Energy Administration

Notice on matters relevant to PV power generation in 2018

NDRC Energy[2018]No. 823

To the Development and Reform Commissions, Departments of Finance, Energy Bureaus, and Pricing Bureaus of provinces, autonomous regions, directly-controlled municipalities and the Xinjiang Production and Construction Corps :

In recent years, with the continuous expansion of construction of photovoltaic power generation in China, technological advances and cost reductions have significantly accelerated。 In order to promote the healthy and sustainable development of the photovoltaic industry, to improve the quality of its development, and to accelerate the withdrawal of subsidies, you are hereby notified on matters relevant to PV power generation in 2018 as follows。

1. Reasonably control the pace of development, and optimize the scale of construction of new photovoltaic power generation capacity

(i) On the basis of actual development of the industry, no construction quota will be allocated in 2018 for the construction of ordinary solar power plants。 Prior to the issuance of a document from the central government on the start of construction of ordinary PV power stations, local governments may not, in any way, plan the construction of ordinary PV power stations that require subsidies from the central government。

(ii) Regulating the development of distributed PV。 This year, a quota of 10 GW of distributed photovoltaic projects is planned to receive support。 Considering the amount of distributed PV that has already been built this year, it is clarified here that distributed PV power generation projects that were connected to the grid prior to (or on) May 31 are included in the scope of nationally recognized quota. Those projects that are not included in the scope of nationally recognized quota, shall be given support through local regulations。

(iii) Support PV for poverty alleviation。 Implement requirements for precision poverty

alleviation and poverty reduction, firmly promote work on PV for poverty alleviation, and under the premise of strict auditing and having the conditions for implementation in place in the various localities, timely publish the second batch of PV Poverty Alleviation Projects for the Thirteenth Five-Year Plan period。

(iv) Promote, in an orderly manner, the construction of PV leader bases。 The situation regarding restrictions on the quota for PV power generation will be studied again this year。

(v) All local governments are encouraged to support the development of the photovoltaic industry on the basis of their respective policies. On the basis of meeting conditions for grid connection, power absorption and other relevant conditions, these local governments may unilaterally plan various types of PV power generation projects if these do not require state subsidies。

2. Accelerate the withdrawal of subsidies for PV power generation, and reduce the level of subsidies

Improve the pricing mechanism for PV power generation, and accelerate the withdrawal of PV feed-in tariffs。

(i) From the moment of publication of this notice, the benchmark feed-in tariff for PV power stations that are newly put into operation will be uniformly lowered by 0.05 RMB/kWh. The benchmark feed-in tariff for areas with category I, II and III solar resources are adjusted to 0.5 RMB/kWh, 0.6 RMB/kWh, and 0.7 RMB/kWh (including tax), respectively。

(ii) From the moment of publication of this notice, for projects newly put into operation using a "consume what is produced, and put the remainder on the grid" model, the standard subsidy is reduced by 0.05 RMB/kWh, that is, the standard subsidy will be adjusted to 0.32 RMB/kWh (tax included)。 Distributed photovoltaic power generation projects operating a "all generated electricity is put onto the grid" model shall receive the feed-in tariff applicable to PV power plants in the respective resource category area where the project is located。 The share of electricity from distributed photovoltaic power generation projects used for own consumption is exempt from charges on electricity, including the charges for various government funds and surcharges, system reserve capacity fees and other fees related to grid connection services。

(iii) The benchmark feed-in tariff for village-level PV for poverty alleviation power stations (0.5 MW and below) that are in line with national policies, remains unchanged。

3. Bring into play the decisive role of the market in allocation of resources, and further increase the strength of market-based allocation projects

(i) The project developer must be determined through competitive tendering for all

ordinary PV power plants。 The price determined in the bidding shall not be higher than the benchmark feed-in tariff (inclusive of the tariff reduction described above)。

(i) Actively promote the market-based allocation of resources for distributed PV. Local governments are encouraged to issue competitive tendering methods for the allocation of distributed PV power generation projects (other than household PV), and to increase the market-based trading of distributed power generation。

(iii) When local governments and different types of projects carry out competitive allocation, the feed-in tariff shall be considered an important condition in competitive selection. Unfair competition and limit pricing competition are strictly prohibited, to ensure full competition and construction quality。 Provincial-level energy authorities shall promptly provide a copy of lists of projects determined in competitive manners, as well as their feed-in tariff or per kWh subsidy level to provincial-level pricing bureaus, finance departments, and local branch organizations of the National Energy Administration。

National Development and Reform Commission

Ministry of Finance

National Energy Administration

May 31, 2018