

# Subsidy for wind power grid-connected power generation

How did canceling subsidies affect wind power and PV companies?

Fig. 7. Analysis of the impact of canceling subsidies on power generation companies. 3. Impact on wind power and PV companies After the subsidies were canceled, the most obvious changes for wind power and PV power generation companies were FIT and transaction methods. These changes affected the revenue and development strategy of these companies.

Did grid companies give priority to wind power and PV power generation?

After the release of the policy on the cancellation of subsidies for wind power and PV power generation, grid companies gave priority to wind power and PV power, and renewable energy power generation was guaranteed. Therefore, we got the following hypothesis:

Who are China's two state-owned power grid companies?

The two state-owned power grid companies, State Grid Corporation of China (SGCC, A+/Stable) and China Southern Power Grid Co., Ltd (CSG, A+/Stable), will be responsible for setting up the new entities, but their operations will stay separate.

How did subsidy cancellation affect power generation?

Background of subsidy cancellation Subsidies for wind power and PV power generation led to improvements in power generation technology and a huge increase in installed capacity. However, the subsidy gap was broadened, and the financial pressure was increased.

How does the subsidy affect coal-fired power companies?

According to the above analysis, wind and PV power generation hours will increase after the subsidy is canceled. So, the impact on coal-fired power companies is primarily reflected in the power generation hours, which in turn affects the electricity generation and the unit cost of coal-fired power units.

Will China's special-purpose entities Finance and settle renewable-power subsidies?

Fitch Ratings-Hong Kong/Shanghai-24 August 2022: Fitch Rating believes China's proposed special-purpose entities to finance and settle renewable-power subsidies will improve the timeliness of subsidy payments due to renewable power generators, enhancing their credit metrics.



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