

**“EU-China Higher Efficiency Power and Distribution Transformers
Promotion Project” Upgrades Efficiency of Green Power Grid**

Low-carbon Strategy Promotes Sustainable Economic Development in China

March 12, 2010, Beijing – Sustainable development in China took a further step forward today with the launch of the “EU-China Higher Efficiency Power and Distribution Transformers Promotion Project”. The project involves close partnership between the International Copper Association China (ICA), the China National Institute of Standardization (CNIS), China Electrical Equipment Industrial Association, China Electricity Council, and Action Sustainable Development (ASD-France).

With China taking a leading role, the project will promote a pragmatic approach to the sustainable development of environmentally responsible electric power. The focus will be on maximizing energy conservation and emissions reductions through use of energy efficient transformers - key electrical equipment involved in the transmission and distribution of power.

In China, annual electricity loss remains above 20 billion kWh, with power transmission and distribution currently accounting for between 30-40% of the grid's total electricity loss. Power loss as a consequence of inefficiencies associated with transformers themselves amounts to more than 3% of the total installed capacity of the national grid.

In response to energy inefficiencies inherent in transmission, the overarching objective of the “EU-China Higher Efficiency Power and Distribution Transformers Promotion Project” is to enhance the operational efficiency of the transformers, answer the call of the *Energy Conservation Law of the People's Republic of China*, and reduce the unit GDP energy consumption by 20% by the “Eleventh Five”.

To achieve its goals, the transformers promotion project will advance the amendment and implementation of the Energy Efficiency Standards and Life Cycle Assessments for Transformers over the next three years. In terms of outcome, the project is anticipated to achieve savings of as much as 887million kWh of annual electricity and reductions of Carbon Dioxide emissions by up to 840,000 tons.

Mr. Zhao Yue Jin, Senior Engineer of CNIS stated that, “With the adoption of higher efficiency transformers, an estimated 3.8 billion kWh of electricity will be saved annually. Over 20 years, implementation of the efficient transformers will see cumulative savings of 70 billion kWh, which is equivalent to 32 million tce. Mr. Zhao went on to note that additional environmental benefits will include 69 million tons of carbon emission and 3.9 million tons of sulfur dioxide being reduced.”

With progress already in motion, the public announcement for “Minimum Allowable Values of Energy Efficiency and the Energy Efficiency Grades for Power Transformers (GB24790-2009)” held jointly by CNIS and ICA. TBEA has seen the first group of 5 enterprises announced as the initial certified manufacturers of higher efficiency transformers.

According to Mr. Zhao, “The implementation of higher efficiency transformers in addition to enabling environmental benefits will also facilitate advancements in manufacturers’ energy-saving technology while enhancing their productivity and competitiveness in the international electric transformer market.”

In addition to progress within the industrial sector, upgrading transformer efficiency will be closely aligned with Chinese policy.

In this year alone, China Southern Power Grid will introduce more efficient transformers to the whole urban distribution system, reducing the general line loss rate to 6.3%, down by 1.08% compared with 2005. In addition, RMB 230 million has been invested in Beijing to replace energy intensive equipment in 166 major energy units with more efficient electrical motors and transformers, saving 25.07 million kWh annually.

Mr. Victor Zhou, Director of ICA Central Asia (China & South East Asia) stated that, “Copper, an essential metal with highly efficient conductivity, is playing a significant role in the development of a low carbon economy, with one key example being the production of more efficient transformers. The International Copper Association Sustainable Electrical Energy Initiative has long been committed to optimizing the effective use of copper to enhance the electricity system. By promoting the use of higher efficiency transformers within the national energy industry, we will be able to expedite industrial upgrades that conserve energy and, reduce emissions. In this way copper will continue to play a key role in helping to make a substantial and positive impact on the environment

About Higher Efficiency Power and Distribution Transformers Promotion Project

China’s demand for energy remains high, as high-energy consuming industries are leading the way in China’s economic development. The project “Higher Efficiency Power and Distribution Transformers Promotion Project” works towards energy efficiency by increasing the market penetration of higher efficiency transformers. Within three years the project plans to reduce electricity losses of power transmission and distribution utilities and of energy-intensive industries. It aims to reduce utilization of fossil fuels in China and the emissions of greenhouse gases. All these measure will improve air quality in China.

About SWITCH-Asia Program

SWITCH-Asia Program is the regional environment program established by EU-SWITCH in line with the EC Regional Strategy Paper for assistance to Asia. Concerning the major challenges of increasing energy consumption leading to rising greenhouse gas emissions encounters Asia, SWITCH-Asia Program is committed to promote the adoption of

Sustainable Consumption and Production (SCP) among Small and Medium sized Enterprises and consumer groups in the region by working closely with the two on both the production and the consumption sides, in an effort to improve energy efficiency in the life-cycle of our products preventing Climate Change. Besides, SWITCH-Asia Program also contributes to poverty alleviation, employment and income increase in the region.

About ICA Sustainable Electrical Energy Initiative

Copper is the essential building material of tomorrow's energy, enabling the move towards a low-carbon economy. The Sustainable Electrical Energy (SEE) Initiative aims to endorse and promote the adoption of viable sustainable energy solutions for future development. To promote the sustainable development of society, SEE Initiative supports the formulation and execution of regulations, accelerates the introduction and implementation of the latest energy efficient technologies, and assists customers in the wise selection of viable cost-effective and low carbon energy products and solutions.

The International Copper Association (ICA) is a global organization serving as a focal point of the international copper industry. With a mandate to inform and promote copper worldwide, ICA works with its constituent members to develop global copper markets, research and implement new applications, handle strategic industry issues and improve awareness of the manifold benefits and value of copper and copper-based products.

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