

Dozens Of Chinese Power Plants Nearly Without Coal

Joe McDonald, AP Business Writer

BEIJING (AP) — Dozens of Chinese power plants are running out of coal and might be forced to shut down this week as bitter winter cold boosts demand and snow hampers delivery of new supplies, state media said Tuesday.

Factories have been closed in parts of central China where power demand exceeds supply but analysts said they expected no immediate impact on the economy. No power cuts to homes have been reported.

Among 598 major power plants, 11 percent have less than three days of coal and "would shut production at any time," the Xinhua News Agency said. It gave no details of where they are located but that percentage would be equal to 66 generating stations.

In hard-hit Hubei province, southwest of Shanghai, authorities have cut power demand by about 10 percent by closing small factories and ordering others to operate only three days a week, said an official of the provincial economic commission. He would give only his surname, Liu. Hubei lost part of its generating capacity last week when two plants shut down due to technical problems.

Hubei officials are visiting neighboring regions to buy coal or power, Liu said by phone.

"This coal shortage cannot be solved in one or two days," he said.

Spokespeople for the country's planning agency, the Cabinet's National Development and Reform Commission, referred questions to the government electricity bureau, which referred questions to the NDRC.

Power demand spiked last week after storms dumped snow on China during the coldest winter in decades. Many families, especially in the south, lack central heating and rely on electric space heaters.

Chinese analysts said they foresaw no major economic impact from the power rationing.

"My hunch is that this will have a bigger impact on food and vegetable prices than on industry, because the first quarter is not the peak demand period for factories," said Lu Zhengwei, senior economist for Industrial Bank in Shanghai.

China regularly suffers such power crunches because operators let coal stockpiles run low when fuel costs rise. China relies on coal for 70 percent of its power.

Dozens Of Chinese Power Plants Nearly Without Coal

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

Spot coal prices have risen 40 percent since September, according to Citigroup. Heavy snows have blocked roads and ports, hampering the delivery of new supplies.

Some power plants have cut output in the central provinces of Hebei, Jiangxi and Hunan, in Liaoning in the northeast and in the industrial metropolis of Chongqing in the southwest, Citigroup analysts said in a report.

Temperatures are expected to fall again this week as a cold front moves in, plunging as low as minus 35 degrees Celsius (-31 degrees Fahrenheit) in the far north, according to the government weather agency.

In the northern city of Taiyuan, local leaders ordered lights on billboards and other advertising darkened and turned off every other street light, government-run China National Radio reported on its Web site.

—
Associated Press researcher Bonnie Cao contributed to this report.

Source URL (retrieved on 08/29/2014 - 10:53am):

http://www.impomag.com/news/2010/01/dozens-chinese-power-plants-nearly-without-coal?qt-digital_editions=0