The Role of Natural Gas in China’s Energy Transition

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West to East Pipeline

Year 2000
A Rapid Growing Economy

GDP (RMB) 2000 10 Trillion 2015 68 Trillion

CAGR: 14%
Continuous Rise in Living Standard

Disposable income of urban resident (Per Capita, RMB/year)

2000: 6,280
2015: 31,195

Source: National Bureau of Statistics of China
Urbanization

2000: 36%  1% p.a.  2015: 56%
Smog Issue
China committed a 60~65% reduction of CO$_2$ intensity below 2005 level by 2030
Natural Gas
Limited Inter-Province Pipeline

2000

Shaanxi-Beijing Pipeline
Well Developed National Grid

2015

- Existing LNG Terminals
- Commissioned Pipelines
- Planned Pipelines
NG Storage

Peak Shaving Facilities

Underground Storage
Unconventional Gas

Coalbed Methane

Biomass to NG
Commercial & Industrial Applications

NG Power Generation/Combined Heat & Power

NG Boiler

NG Furnace

Commercial Catering
NG for Transportation

LNG Vehicles

CNG Vehicles

LNG Vessels
Residential Applications

Water Heating

Space Heating

Cooking

Clothes Drying
Ensuring Safety & Improving Customer Services
Challenges

• Economically competitive
• Infrastructure expansion
• Reach to competing sources
• Clean energy policies
Natural gas will take lead in China’s clean energy initiative.
Thank You!