

Energy Transition and Green Development

An Interview with Cheng Mengrong, President, State Grid U.S. Representative Office

EDITORS' NOTE Cheng Mengrong started her career in 1991 in the Department of International Cooperation of China Electricity Council. Since then, she has been intensively involved in international cooperation in major projects and events between the Chinese power sector and international community. She worked in the Ministry of Power Industry beginning in 1993, and later held major positions in charge of international affairs in China State Power Corporation (1996-2003) and State Grid Corporation of China (2003 to present). She is also a director of the Board of REN, a national energy network company of Portugal. She received a master of business management degree from Tsinghua University.



Cheng Mengrong

COMPANY BRIEF State Grid Corporation of China (sgcc.com.cn) is a state-owned enterprise established on December 29, 2002 under the Company Law of the People's Republic of China. As a super large-scale SOE crucial to China's energy security and economic lifeline, State Grid takes the investment, construction and operation of power grids as its core business, with a registered capital of RMB 829.5 billion.

Will you provide an overview of State Grid Corporation of China and highlight the global strength and leadership of the company?

State Grid Corporation of China (State Grid) transmits and distributes electricity to over 1.1 billion people in 26 provinces, autonomous regions and municipalities in China. The service area covers 88 percent of the Chinese geographic region. The investment in construction and operation of power grids is its core business with total assets of more than \$600 billion. For eight consecutive years, State Grid has achieved China's sovereign level credit rating, assessed by three international rating agencies (Standard & Poor's, Moody's, and Fitch). In 2020, the company ranks third on the Fortune Global 500.

State Grid has advanced in UHV technology, smart grid and connecting bulk renewable energy. Thanks to the full coverage experiences, State Grid has operated and maintained a reliable mega-power system with an outstanding record of no major blackout in the past years.

By June 2020, State Grid had successfully invested and operated projects in nine

countries and regions, including Brazil, the Philippines, Portugal, Australia, Italy, Greece, Oman, Chile and Hong Kong. The total overseas investments is \$23.2 billion, and overseas total assets is approximately \$65 billion. The company has also been actively investing in overseas greenfield power transmission projects such as Matiari-Lahore ±660 kV DC Power Transmission and Transformation Project in Pakistan.

State Grid keeps a vision of sustainable development and performs seamless cooperation with local teams. It is the mission of State Grid to encourage local employment for the local economy and communities.

As the Paris Agreement's goals become increasingly urgent, State Grid has stepped in and taken the initiative in the Chinese energy industry. State Grid has incorporated the concept of energy transition and green development into its company development strategy. State Grid owns the world's largest EV smart Internet, with over 920,000 charging piles and more than 4.9 million registered users. The recently operational Qinghai-Henan UHV DC project transmits 400TWh of clean power annually from West China to the load center in the East, and reduces carbon dioxide emission by 28,800,000 tons. State Grid will continue to reinforce its policy support and promote technical exchange and cooperation to accelerate energy transition and green development.

“State Grid keeps a vision of sustainable development and performs seamless cooperation with local teams.”

Will you highlight State Grid's presence in the U.S. market?

State Grid maintains close relationships with U.S. enterprises, institutes, professional associations and organizations. There are many possibilities to work together and State Grid looks forward to more cooperation and partnership with U.S. counterparts.

How do you focus your efforts as Chief Representative of the State Grid U.S. Representative Office?

Our office focuses primarily on policy research and analysis in the local market. We also actively maintain communication with local power companies, industry associations, and financial institutions.

You also serve as Vice Chairman of the China General Chamber of Commerce – USA (CGCC). What makes CGCC so effective and how do you define its purpose and mission?

The China General Chamber of Commerce – USA is one of the largest and most influential nonprofit organizations representing Chinese enterprises in the U.S. It has more than 1,500 Chinese and U.S. company members. CGCC's mission is to create value, generate economic growth, and enhance cooperation between American and Chinese business communities. CGCC provides an excellent platform for members to communicate with local governments and industry leaders. In this special year, CGCC has also played a unique role in providing crucial support to members and local governments in combating COVID-19.

There is much concern about the state of U.S./China relations. How important is it that this relationship is positive and strong for the future success and benefit of both countries?

The Sino-American relationship is among the most important bilateral relationships in the world. The relationship between the two countries has developed significantly over the past three decades. A secure and stable Sino-American relationship will bring profound benefits for both countries' development. We believe the two countries will reach constructive agreements through pragmatic and sincere negotiations.

Tackling climate change and reducing greenhouse gas emissions are the responsibility of all the countries in the world. China's carbon emissions will peak by 2030 and China will try to be carbon neutral by 2060. We look forward to strengthening cooperation with U.S. counterparts to jointly promote energy transition and renewable energy adaptation, and carry out more decarbonization cooperation. ●