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State Grid Corporation of China

The **State Grid Corporation of China** (**SGCC**; Chinese: 国家电网公司; pinyin: *Guójiā Diànwǎng Gōngsī*), commonly known as the **State Grid**, is the state-owned electric utility monopoly of China.^[2] It is the largest utility company in the world, and as of 2018, the world's second largest company overall by revenue. In 2016/17 it was reported as having 927,839 employees, 1.1 billion customers and revenue equivalent to US\$363.125 billion.^{[2][3]}

After the electricity "Plant-Grid Separation" reform in early 2002, the assets of State Electric Power Corporation (国家电力公司) were divided into the five "power generation groups" that retained the power plants and five regional subsidiaries belonging to the State Grid Corporation of China in Beijing.^[3]

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History

China began an initiative to reform the country's power sector in a three-stage process in 1986.^[4] In the third and final stage in March 2002 the State Council of the People's Republic of China put into effect a plan to restructure the country's electric power system in order to create competition and separate generation and transmission functions.^[5] The State Grid Corporation of China was founded on December 29, 2002, when the restructuring divided the former State Power Corporation of China into two grid companies, five generation groups and four accessorial business companies.^[6] The two grid companies created were the State Grid Corporation of China and a smaller China Southern Power Grid Company.^[7] At its creation, the company had a generation capacity of 6.47 gigawatts.^[5]

In 2003 and progressively so through the early 2000s, electrical shortages caused the government to institute rolling blackouts. The State Grid Corporation estimated there were 1 trillion yuan in losses from 2002 to 2005.^[5] The State Grid Corporation of China ran the first 1,000-kilovolt alternating current power line between Northern Shanxi and center Hubei in January 2009. In 2012 it began operation of an 800-kilovolt direct current line that sends hydropower from western Sichuan to Shanghai. It also has an alternating current loop line in the Yangtze river delta, and three longitudinal alternating current lines that bring power to Southern China from the Northern region.^[8]

The State Grid Corporation was involved in a multi-phase smart-grid project for China's electrical grid planned for 2011-2015.^[9] China's smart grid efforts are different from those in the US in that its plans heavily use ultra high voltage (UHV) lines. Several UHV construction projects began in 2012 to bring UHV power lines across Huainan, Wannan, and Shanghai and another from Xilingol League to Nanjing. By 2015, the company plans to have three more horizontal UHV lines through West Inner Mongolia to Weifang, from Central Shanxi-Xuzhou to Yaan-southern Anhui and 11 other lines by 2015.^[8]

State Grid Corporation of China 国家电网公司

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Trade name	SGCC State Grid
Type	State-owned enterprise
Industry	Electric utility
Founded	2002
Headquarters	Beijing Xicheng District, China
Area served	China Philippines (through National Grid Corporation of the Philippines) Australia Brazil Italy Portugal Greece
Key people	Shu Yinbiao (Chairman)
Products	Electrical grid, Electric power transmission
Services	Nuclear power transmission
Revenue	▲ US\$ 363.125 billion (2017) ^[1]
Net income	▲ US\$ 10.201 billion (2015) ^[2]
Total assets	US\$ 585.278 billion (2017) ^[2]
Total equity	US\$ 207.345 billion (2015) ^[2]
Number of employees	913,546 (2017) ^[2]
Parent	State-owned Assets Supervision and Administration Commission
Website	<div>www.sgcc.com.cn/ywlm/index.shtml</div> <div>(http://www.sgcc.com.cn/ywlm/index.shtml)</div>

In 2012 the company invested in [CDP Reti](#).

Controversy

On October 29, 2014, The Central Commission for Discipline Inspection declared that the general manager of State Grid Shanghai Municipal Electric Power, Feng Jun, was detained in an anti-graft operation overseen by the commission.^[10] In 2017, his assets (worth 53 million yuan) were seized, and he was sentenced to life in prison.^[11]

Overseas investments

On December 12, 2007, 2 consortia bid for a 25-year license to run the Philippines power grid - privatization of the management of the [National Transmission Corporation](#) (TransCo), the [consortium](#) of Monte Oro Grid Resources Corp., led by businessman Enrique Razon, comprising the [State Grid Corporation of China](#), and Calaca High Power Corp., won an [auction](#) conducted by the Power Sector Assets and Liabilities Management (PSALM) Corp. as it submitted the highest offer of \$3.95 billion, for the right to operate TransCo for 25 years, outbidding San Miguel Energy, a unit of [San Miguel Corporation](#) (bid of \$3.905 billion), Dutch firm TPG Aurora BV and Malaysia's TNB Prai Sdn Bhd.^{[12][13][14]}

The resulting consortium became the [National Grid Corporation of the Philippines](#) (NGCP) which started its operations, management, and maintenance on TransCo's transmission facilities and assets on January 15, 2009 and the franchise will end on December 1, 2058.

In Portugal, State Grid has a 25% stake in [REN](#) since the second stage of its privatization (occurred in 2012-14).^[15]

In Australia, State Grid owns a 41% stake in [ElectraNet](#), a 19.9% stake in [AusNet Services](#), and 60% stake in [Jemena](#).^[16]

In Brazil, State Grid acquired the control of [CPFL Energia](#) S.A. for the equivalent of USD 3.4 billion in 2017.^[17]

Subsidiaries

- State Grid Yingda Group
 - [Yingda International Trust](#) (89.76%)

See also

- [China Southern Power Grid Company](#)
- [China Datang Corporation](#)
- [List of companies of China](#)

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External links

- [Official website](http://www.sgcc.com.cn/ywlm/default.shtml) (<http://www.sgcc.com.cn/ywlm/default.shtml>)
 - [Official website](http://www.sgcc.com.cn/) (<http://www.sgcc.com.cn/>) (in Chinese)
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Major Shareholder

Jinchuan Group, the ultimate holding company of Jinchuan International, is a state-owned Chinese enterprise, founded in 1958, with its majority equity interest held by the People's Government of Gansu Province.

Boasting some of the world's best-known mines of nickel sulfides associated with cobalt sulfides, Jinchuan Group is a leading nickel and cobalt producer in the world, as well as one of the main producers of copper and platinum group metals in the PRC. The Jinchuan Group was the third largest nickel manufacturer and the fourth largest cobalt manufacturer in the world, and the third largest copper manufacturer in China as well as the largest platinum group metal manufacturer in Asia. For more information about Jinchuan Group, please visit the company website at www.jnmc.com.