EFFECTS OF VARIOUS POLICES OVER INVESTMENT VALUE OF DISTRIBUTED PHOTOVOLTAIC SOLAR SYSTEM IN CHINA

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Abstract
Chinese government puts a lot effort on flourishing domestic distributed photovoltaic system's application market.Concerning government departments introduce various policies like tax reduction initial investment support, feed-in tariff subsidy, and loan interest favor to get PV solar system investment more economic available to the investors. Different subsidy policies might have different effect on PV system's investment value. The detailed study on the effect of these policies can give government more constructive suggestions on the relative policy adjustment to promote the wide use of distributed PV solar system.
Under current supporting policies, investment value of distributed photovoltaic system in China is amiable. In east China, one 30MW distributed PV system canget an internal rate of return of 14.16%. With more subsidies over initial investment and feed-in tariff, we may obtain a better promotion effect than tax reduction and loan interest favor. Thus, initial investment subsidy and flexible feed-in tariff can be used to promote distributed PV system application in China.
Keywords: Distributed photovoltaic, China, Economic analysis, Sensitivity coefficient