Research on the Function and Orientation of State-owned Power Grid Enterprises Serving the Modernization of National Governance

Jiaxu Cheng1, *, Wening Li2, Haolan Li3

1, 3 Management Consulting Institute, State Grid Energy Research Institute, No.18 BinHe Ave, Future Science Park, Changping District, Beijing.
2 State Grid Shanghai Electric Power Research Institute, Shanghai.

Abstract. The modernization of national governance system requires State-owned power grid enterprises to fully fulfil the three major responsibilities of politics, economy and society. This paper discusses the specific roles that the power grid enterprises should play in the modernization of national governance. It is to help build a modern economic system, promote the construction of a clean, low-carbon, safe and efficient energy system, ensure and improve people's livelihood, and support government governance.

1 Introduction

Since the 18th National Congress of the Communist Party of China, the central government has made a series of major plans to modernize China's national governance system and capacity. The Outline of the 14th Five-Year Plan for National Economic and Social Development and the Long-term Goals for 2035 of the People's Republic of China further highlights the goals for modernizing China's national governance system and capacity. In the new stage of development, it puts forward higher requirements for state-owned power grid enterprises to improve internal governance and give full play to their strategic supportive role. Therefore, this study aims to clarify the role and function of the state-owned power grid enterprises in the process of national governance modernization, which is necessary to support the national governance system.

2 The connotation and characteristics of the modernization of national governance

Modernization of national governance includes modernization of national governance system and modernization of national governance capacity. The system of national governance is an institutional system for managing the country under the leadership of the CPC [1]. It includes institutions, mechanisms, laws and regulations in the economy, politics, culture, society, ecological progress, party building and other fields. It is a set of closely linked and coordinated national systems. National governance capability refers to the ability to apply national systems to manage all aspects of social affairs, including reform, development and stability, domestic and foreign affairs and national defense, and the governance of the Party, state and army. National governance system and governance capacity is an organic whole and complements each other. Only with a good national governance system can governance capacity be enhanced, and only by enhancing national governance capacity can the effectiveness of the national governance system be fully brought into play.

The basic characteristics of the modernization of Chinese national governance include always adhere to the leadership of the party and the socialist road with Chinese characteristics, paying more attention to system construction, the plural orderly participation, the more important role of systematic, integrated and coordinated reform, high quality development, staying people-centered all the time, improving governance capabilities, and ultimately to serve the needs of socialist modernization and a better life of the people. The core of the modernization of national governance is to transfer the remarkable advantages of the system of socialism with Chinese characteristics into governance effectiveness through the completeness and improvement of institutions.

3 The role and function of the power grid enterprises in the process of national governance modernization

State-owned enterprise is an important material and political foundation of socialism with Chinese characteristics, an important pillar and strength for the Party to govern and rejuvenate the country, and an important part of the state governance system led by the Party [2].

In the modernization of national governance, the
power grid enterprises should take on the five roles of "loyal supporter, service guarantor, reform promoter, innovation leader, and people's livelihood guardian". The modernization of the national governance system requires the power grid enterprises to adhere to the overall leadership of the Party, adhere to the rule of law, adhere to comprehensively deepening reform, and adhere to improving the modern enterprise system with Chinese characteristics. The requirements of the modernization of national governance capabilities for the power grid enterprises can be summed up in the full fulfillment of the responsibilities of politics, economy and society. On the one hand, the power grid enterprises should practice new development concepts, comprehensively improve safety, quality, efficiency and efficiency and service level, strengthen, optimize and enlarge state-owned capital, and continuously enhance competitiveness, innovation, control, influence and anti-risk ability. On the other hand, the power grid enterprises are required to actively and efficiently support major national strategies, and continuously enhance operation capabilities.

In general, with more than ten years of unremitting efforts, state-owned power grid enterprises in China have realized the transformation of power grids from weak to strong, from extensive to high-quality, from following to leading in technology, from traditional to modern in management, and from domestic to global in operation. In the process of being stronger, better and bigger, the power grid enterprises actively fulfill the political, economic and social responsibilities. Remarkable achievements have been made in terms of ensuring power supply, serving the national economy and people's livelihood, promoting energy transformation, building enterprises under the rule of law, promoting scientific and technological innovation, strengthening party building, and establishing a modern enterprise system, which have effectively supported and served the modernization process of national governance.

The power grid enterprises are large-scale public utility enterprises and key central enterprises related to the lifeline of the national economy and people's livelihood. Therefore, they have significant advantages in ten aspects, including scale strength, power grid development, service network, talent team, power data, scientific and technological innovation, party building, group operation, industrial chain location, and international operation. In the future, the power grid enterprises can further play an important role in the modernization process of national governance.

Based on the new stage of development, the power grid enterprises should devote themselves to building a model for building a modern enterprise system with Chinese characteristics and a model for the new development pattern supported by high-level services of central enterprises in the process of national governance modernization. The power grid enterprises should adhere to the leadership of the Party, insist on governing the enterprise by law, promoting the market-oriented reform, accelerating the transformation of the power grid to the Energy Internet, and building a customer-centric modern service system. In one word, the power grid enterprises should maintain the four ‘main positions’ of supporting the construction of a modern economic system, promoting the efficient implementation of the new energy security strategy, ensuring and improving social and people's livelihood, and serving government governance.

4 How can the power grid enterprises stay to the "four main positions" in serving the modernization of national governance

In order to stay to the "four main positions" in serving the modernization of national governance, the power grid enterprises should contribute to the construction of a modern economic system, promote the construction of a clean, low-carbon, safe and efficient energy system, serve and improve people's livelihood, and serve and support government governance (see Fig. 1).

4.1 Contribute to the construction of a modern economic system

Strengthen the effectiveness of service support for the construction of a modern economic system from six aspects: continuously deepen and improve the construction of modern enterprise system with Chinese characteristics, continue to advance the improvement of quality and efficiency, boost social demand, reduce the basic cost, optimize the market environment, and drive industry transformation and upgrading. 

Continuous deepen and improve the construction of modern enterprise system with Chinese characteristics. Promote the deep integration of the Party leadership and corporate governance to ensure large power grid enterprises develop in the right direction. Implement the functions and powers of the board of directors, promote standardized operation, and ensure the efficient operation of the enterprise. Promote management normalization and continuously improves the development vitality and operation efficiency of the company at all levels.

Continue to advance the improvement of quality and efficiency. Further improve investment efficiency and operational efficiency. Vigorously promote innovation in technology and business models, and accelerate the cultivation of Energy Internet ecosystem. Vigorously promote competitive businesses, especially expand external market-share [3].

Boost social demand. By expanding investment in power grids and strengthening investment in new infrastructure, the investment-pulling effect will be exerted. Enhance the service pull effect and stimulate the investment and consumption demand of electricity customers.

Reduce the basic cost. Reduce the cost of energy consumption, and promote accurate and market-oriented reduction of electricity prices, to reflect the effective release of social dividends by the power grid enterprises. Promote energy-saving and smart energy use services, and promote electricity customers to save energy costs.
Reduce social credit costs, and promote big data credit services. Provide credit guarantees for enterprises to help them reduce financing costs.

**Optimize the market environment.** Increase the level of access to electricity by providing low-cost and convenient electric services [4]. Adhere to the principle of fairness, impartiality and openness when participating in the market. Give full play to the role of price signals, and standardize business activities according to law.

**Drive industry transformation and upgrading.** Lead the transformation and development of the industry through major power technology innovation. Strengthen strategic cooperation with upstream and downstream enterprises. More efforts need be made to promote mixed ownership reform.

### 4.2 Promote the construction of a clean, low-carbon, safe and efficient energy system

Strengthen the effectiveness of service support for the energy system from three aspects: guarantee national energy security, promote green energy transition, and improve energy efficiency.

**Guarantee national energy security.** By replacing into using electricity, the dependence of oil and gas on foreign countries can be reduced. Continue to consolidate the security of the power system and earnestly guard the lifeline of power grid security. Strengthen international cooperation to ensure energy security under open conditions.

**Promote green energy transition.** Accelerate the construction of UHV power grids and improve the ability of clean energy to send out. Deepen the application of new energy cloud platform and fully serve the development of new energy. Promote the flexibility transformation of thermal power units, and strengthen the construction and utilization of pumped storage power stations. Deepen the demand-side response, and improve the market mechanism, and the level of new energy consumption.

**Improve energy efficiency.** Vigorously develop comprehensive energy services. Promote the construction of a unified national electricity market, and stimulate the effect of market adjustment. Guide users to improve energy efficiency through differentiated electricity prices and energy-saving incentive policies. Actively promote energy-saving concepts and energy-saving knowledge.

### 4.3 Serve and improve people's livelihood

Strengthen the effectiveness of service support for the people's livelihood from three aspects: improve the level of equalization of power supply services, improve the convenience level of power supply services, and improve the transparency of power supply services.

**Improve the level of equalization of power supply services.** Coordinate the construction and development of urban and rural power grids. Strengthen cooperation and assistance between the East and the West. Solidly promote the implementation of the rural revitalization strategy.

**Improve the convenience level of power supply services.** Optimize the service organization system and improve service efficiency. Promote advanced tools such as "Online State Grid" and Internet of Vehicles service platform to improve customer experience. Carry out big data mining and utilization of power customers in compliance with laws and regulations, and provide active and intelligent services.

**Improve the transparency of power supply services.** Strengthen the active disclosure of information to protect users' right to know and choose. Strengthen internal supervision and standardize service behavior. Strengthen monitoring and analysis, and improve the transparency normally.

### 4.4 Serve and support government governance

Strengthen the effectiveness of service support for government governance from three aspects: serving the construction of major local projects, serving government decision-making with the help of electricity big data, and assisting the improvement of grass-roots governance.

**Serve the construction of major government projects.** Promote the incorporation of power grid construction plans into local development plans and quickly respond to local governments' needs. Promote the establishment of a normalized communication mechanism with local governments.

**Serve government's decision-making.** Create ‘shelf-type’ electricity big data products to support the government's economic and social decision-making. Take the construction of energy big data center as an important opportunity to help the construction of smart city and digital government [5].

**Serve grassroots governance.** Promote power services to sink into communities, aiming at building consensus and resolving conflicts. Actively cooperate with the grass-roots administrative units, which is a precious practice of "Fengqiao Experience".
Fig. 1. How can the power grid enterprises serve the modernization of national governance

5 Conclusions

Modernization of national governance includes modernization of national governance system and modernization of national governance capacity. The system of national governance is an institutional system for managing the country under the leadership of the CPC, which is a set of closely linked and coordinated national systems. National governance capability refers to the ability to apply national systems to manage all aspects of social affairs. The core of the modernization of national governance is to transfer the remarkable advantages of the system of socialism with Chinese characteristics into governance effectiveness through the completeness and improvement of institutions. In the new stage of development, it is important to clarify the role and function of the state-owned power grid enterprises in the process of national governance modernization. As large-scale public utility enterprises and key central enterprises related to the lifeline of the national economy and people's livelihood, the power grid enterprises should take on the five roles of "loyal supporter, service guarantor, reform promoter, innovation leader, and people's livelihood guardian". The requirements of the modernization of national governance capacities for the power grid enterprises can be summed up in the full fulfillment of the responsibilities of politics, economy and society. For serving the modernization of national governance, State-owned power grid enterprises should contribute to the construction of a modern economic system, promote the construction of a clean, low-carbon, safe and efficient energy system, improve people's livelihood, and support government governance. This paper deepens the understanding of the role and function of the power grid enterprises in the process of national governance modernization, and how state-owned power enterprises contribute to the national governance system. Further studies can focus on specific areas for more detailed exploration.

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References

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