

Energy Law of the People's Republic of China

[Draft for Public Comments]

Chapter 1: General Provisions	5
Article 1: Purpose	5
Article 2: Scope of Application	5
Article 3: Give Priority to Conservation	5
Article 4: Safeguard Energy Security	5
Article 5: Energy in Coordination with the Environment.....	5
Article 6: Resources Allocation by the Market.....	6
Article 7: Universal Service.....	6
Article 8: Technological Innovation	6
Article 9: International Cooperation	6
Article 10: Unified Management of Energy	6
Article 11: Validity	6
Chapter 2: Integrated energy management	6
Article 12: Energy Management System	7
Article 13: Energy Administrative Department.....	7
Article 14: Industrial Associations.....	7
Article 15: Public Participation in Decision-Making.....	7
Article 16: Energy Resources investment property right system.....	7
Article 17: Management of Energy Imports and Exports.....	8
Article 18: Energy Statistics and Forecast	8
Article 19 [Energy Standardized Management]	8
Chapter 3: Energy Strategy and Planning.....	8
Article 20: Role and Content of Energy Strategy	8
Article 21: Basis of Energy Strategy	8
Article 22: Establishment, Evaluation and Revision of Energy Strategy	9
Article 23: Connotation, constitution and types of state energy plan.....	9
Article 24: Basis for Formulating State Energy Plan.....	9
Article 25: Consistency of All Types of Energy Plans	9
Article 26 [Formulation of National Energy Plan]	9
Article 27: Evaluation and Amendment of the National Energy Plan.....	10
Article 28: Implementation and Supervision of State Energy Plan	10
Article 29: Local Energy Plan.....	10
Chapter 4: Energy Development and Transformation	10
Article 30: Basic Principles	10
Article 31: Energy Resource Ownership	10
Article 32: Access to the Energy Mining Projects.....	11
Article 33: Access to Renewable Energy Resource.....	11
Article 34: Reasonable Exploitation of Energy Resources.....	12

Article 35: Comprehensive and Highly Efficient Exploitation and Utilization of Energy Comprehensive High-Efficiency development and utilization of energy	12
Article 36: Development of Clean Energy.....	12
Article 37: Development of Alternative Energy	12
Article 38: Development and Protection of Civil Nuclear Energy Plants	12
Article 39: Development of Energy Bases.....	12
Article 40: Energy Transformation Projects	13
Article 41: Enterprises’s Obligations to Safety and Environmental Protection	13
Article 42: Compensation for the Ecology	13
Article 43: Nuclear Waste Treatment	13
Chapter 5: Energy Supply and Services.....	13
Article 44: Principles of energy supply	14
Article 45: The Market Role in the Energy Supply	14
Article 46: Energy Supply Business Access.....	14
Article 47: Trans-Regional Energy Infrastructure Development.....	14
Article 48: Opening Up the Energy Pipeline Network	14
Article 49: Protection of Energy Infrastructure	15
Article 50: Universal Energy Services.....	15
Article 51: Examination and Approval for the Suspension and Closure of Businesses	15
Article 52: Obligations of Energy Users.....	15
Article 53: Regulation of Inherent Monopolies	15
Chapter 6: Energy Conservation.....	15
Article 54: Implementing the Strategy of Giving Priority to Conservation.....	16
Article 55: Optimizing the Industrial Structure to Save Energy	16
Article 56 [Optimizing the Consumption Structure to Save Energy]	16
Article 57: Energy-Saving through Technology.....	16
Article 58: Administration of Energy Saving	16
Article 59: Energy-Saving in Key Fields.....	17
Article 60: Support Measures in Energy-Saving by the Government	17
Article 61: Energy-Saving Market Mechanisms.....	17
Chapter 7: Energy Reserves.....	17
Article 62: The Management of Energy Reserves	18
Article 63: The Classification and Management of Energy Reserves	18
Article 64: Energy Products Reserves	18
Article 65: Development and Management of Oil Reserves	18
Article 66: Energy Resource Reserves	19
Article 67: Drawing on the National Energy Reserve	19
Article 68: Local Energy Products Reserves	19
Chapter 8: Energy Emergency Response.....	19
Article 69: The Scope and the Stage of Emergency Response.....	19
Article 70: Emergency Response Plans	19
Article 71: Classification of Emergencies	20
Article 72: Determination of the Emergency.....	20
Article 73: Principles of Emergency Response	20

Article 74: Conditions and Restrictions of Authorized Emergency Response Measures	21
Article 75: Priorities in Emergency Response	21
Article 76: Responsibilities and Obligations of Subjects Concerned	21
Article 77: Properly Handling the Aftermath	21
Chapter 9: Rural Energy	21
Article 78: Principles of Rural Energy Development	22
Article 79: The Implementation of Rural Energy Planning	22
Article 80: Preferential Policies	22
Article 81: Guarantee Rural Energy	22
Article 82: Optimization of Rural Energy Consumption Structure	22
Article 83: Support Electricity Development in the Remote Areas	23
Article 84: Development of Biomass Energy in Rural Areas	23
Article 85: Energy-Saving in Rural Areas	23
Article 86: Rural Area Energy Technology Promotion and Service	23
Chapter 10: Energy Pricing and Taxation	23
Article 87: The Price Formation Mechanism	23
Article 88: Market Pricing	24
Article 89: Inherent Monopolized Business and Prices of Key Energy]	24
Article 90: [Incentive and Binding Prices]	24
Article 91: Basic Principles of Energy Tax Policy	24
Article 92: Energy Expenditure Budget	24
Article 93: Special Funds for Energy Development	25
Article 94: The Government Investment in the Energy Field	25
Article 95: Government Procurement in Energy Saving]	25
Article 96: Energy Tax Incentives	25
Article 97: Restrictive on Energy Taxation	25
Article 98: Taxes and Fees on Energy Resources	26
Article 99: Taxes on Energy Consumption	26
Article 100: The Application of Fiscal Taxation Policies	26
Chapter 11 Energy Science and Technology	26
Article 101: Energy Technology Development Policy	26
Article 102: Energy Technology Investment	27
Article 103: Energy Technology Development Mechanism	27
Article 104: Key area of Energy Technology	27
Article 105: Extension and Application of Energy technical results	27
Article 106: Award to Energy Technology	28
Article 107: Energy Education and Personnel Training	28
Article 108: Popularization of Energy Science	28
Chapter 12: International Energy Cooperation	28
Article 109: Policy and Method of International Cooperation	28
Article 110: Overseas Energy Cooperation	28
Article 111: Domestic Energy Cooperation	29
Article 112: Energy Trade Cooperation	29
Article 113: Energy transportation cooperation	29
Article 114: Energy Technology and Education Cooperation	30

Article 115: Energy Security Cooperation.....	30
Chapter 13: Supervision and Inspection	30
Article 116: Supervision of People’s Congress	30
Article 117: Executive Supervision	30
Article 118: Social Supervision	31
Article 119: Access to Documents and Information.....	31
Article 120: On-Site Inspection	31
Article 121: Compulsory measures.....	31
Article 122: Compulsory Information Disclosures of High Energy Consuming Enterprises]	32
Article 123: Regulation of Key Energy-Consuming Enterprises	32
Chapter 14: Legal Responsibilities	32
Article 124: [Government Liabilities: Administrative Liability].....	32
Article 125: Government Officials’ Liability: Criminal Liability	33
Article 126: Government Liabilities: State Compensation Liability].....	33
Article 127: Liability of Special Energy Enterprises: Guarantee to Open the Pipeline and Network]	33
Article 128: Liability of Special Energy Enterprises: Universal Service Obligation	33
Article 129: Liability of Special Energy Enterprises: Punishment of Illegal Reconstruction or Acquisition	34
Article 130: Liability of Ordinary Energy Enterprise: Obligation to Report] ..	34
Article 131: Liability of Ordinary Energy Enterprise: Obligation to Cooperate with the Law Enforcement Procedures	34
Article 132: General Energy Enterprises Responsibilities: Substantial Duty...	35
Article 133: Obligation of Energy Users: Obligation of Key Energy Users	35
Article 134: Obligation of Energy Users: Making Compulsory public of performing obligation	35
Article 135: Obligation of Social Entity: Penalty for Illegal Practice	36
136: Civil Liabilities].....	36
Article 137: Priority of Civil Compensation]	36
Article 138: Administrative remedy	37
Chapter 15: Appendix	37
Article 139: Interpretation of Legal Terms	37
Article 140: Time When This Law Will Take Effect	38

Chapter 1: General Provisions

Article 1: Purpose

The purpose of this law is to standardize energy development, utilization and management; construct a stable, economic, clean, and sustainable energy supply and service system; enhance energy efficiency; ensure energy safety; accelerate the development of a resource-conserving and eco-friendly society; and promote coordination between energy, the economy, and society.

Article 2: Scope of Application

This law applies to energy-related activities, including development, utilization, and administration, within the People's Republic of China and its territorial waters..

“Energy” herein refers to various resources from which people directly or indirectly obtain energy, including primary energy, such as coal, oil, natural gas, coal-bed methane, hydro, nuclear, wind, solar, biomass, and geothermal energies, etc; secondary energy, such as power, heat and refined products, etc; and other new energies and renewables.

Article 3: Give Priority to Conservation

The State implements a basic policy of resource conservation when exploiting and utilizing energy, and applies a basic guideline of considering energy conservation and development simultaneously, placing a top priority on energy saving.

The whole society shall practice energy conservation and enhance energy efficiency.

Article 4: Safeguard Energy Security

The State should rely on domestic resources and diversify its energy resources, in order to enhance the energy supply and guarantee its security.

Article 5: Energy in Coordination with the Environment

The state should optimize the energy infrastructure, encourage the development of new energy and renewables, support the development and utilization of clean, low carbon energy, promote energy substitution and clean application of energy, and effectively

address climate change, so as to promote coordinated development of energy and the environment.

Article 6: Resources Allocation by the Market

The state cultivates and standardizes the energy market, allow the market force to allocate resources, and encourage various kinds of ownerships to engage in energy exploitation and utilization, according to law.

Article 7: Universal Service

The state should establish and improve the mechanisms of universal service, and safeguard citizens' right to energy.

Article 8: Technological Innovation

The state should promote energy development based on science and technology progress; strengthen research, development and application of energy science and technology; and support indigenous innovations.

Article 9: International Cooperation

The state should actively promote international cooperation in energy, based on equality, mutual benefit, win-win cooperation, and security.

Article 10: Unified Management of Energy

The state strengthens and standardizes energy management, based on the principle of integrated management, level-by-level responsibility, and consistency between power and responsibility.

Article 11: Validity

This law, as the fundamental law in the energy field, guides and coordinates separate laws.

Chapter 2: Integrated energy management

Article 12: Energy Management System

The energy authority of the State Council is responsible for national energy management. Other related departments under the State Council should execute energy administration tasks within their responsibilities.

Government energy departments at the county level and above are responsible for energy administration within their executive areas. Local governments shall regulate the creation and authorization of specific functions of local competent energy departments.

Article 13: Energy Administrative Department

The authority of the State Council shall organize and implement national energy strategy and policies, manage energy industries nationwide, and take responsibility for overall development and reform. The State Council shall formulate the specific duties and responsibilities of the competent energy department.

Government energy departments at the county level and above are responsible for energy administration within their executive areas. Local governments shall regulate the creation and authorization of specific functions of local competent energy departments.

Article 14: Industrial Associations

Social intermediary organizations such as energy industry associations shall play an active role in energy management.

Relevant energy industry associations shall reflect the demands of the whole industry, provide services to enterprises regarding industry statistics, industry standards, technical service, market development and information consulting, and provide advice for the government to make decisions.

Article 15: Public Participation in Decision-Making

Government at various levels and departments shall listen to the opinions of industry associations, enterprises and the public before making significant decisions on energy concerning the public interest and security, so as to make the decision-making process more democratic, scientific and transparent.

Article 16: Energy Resources investment property right system

A diversified investment property rights system shall be implemented in the energy field.

The state should adopt a property rights system in which state-owned capital occupies a leading position in key areas that are closely related to national security and the foundation of the national economy. The specific method will be worked out by the energy authority of the State Council.

The reconstruction and M&A of the enterprises, which engage in energy exploitation and utilization within the energy field regulated above, shall be reported to, and approved by, the competent energy department under the State Council.

Article 17: Management of Energy Imports and Exports

The energy authority under the State Council shall, together with the import and export authority, formulate policies governing import and export of energy, encourage import of clean and high quality energy and advanced energy technology, and strengthen the supervision and administration of energy-intensive exports.

Article 18: Energy Statistics and Forecast

Statistic departments at all levels should, together with energy authority, establish and improve the energy statistics system, and publicize energy statistics and information pursuant to law.

Energy departments at all levels shall establish an energy forecast and warning system.

Article 19 [Energy Standardized Management]

The standardization department under the State Council shall, together with the energy department, formulate national standards for key energy products, energy-intensive products and equipments. Where there are other provisions in any law or regulation, such provisions shall prevail.

Chapter 3: Energy Strategy and Planning

Article 20: Role and Content of Energy Strategy

National energy strategy is an overall strategy that guides sustainable development and safeguards energy security. National energy strategy will be the foundation for formulating energy plans and policies.

National energy strategy shall consist of ideas, goals, arrangements, key focuses and measures, etc.

Article 21: Basis of Energy Strategy

The government formulates national energy strategy based on national policy, development strategies, the need for economic and social development, as well as domestic and foreign energy trends in energy development.

Article 22: Establishment, Evaluation and Revision of Energy Strategy

The State Council shall take charge of the formulation and publication of the national energy strategy.

The State Council entrusts relevant developments or agencies to take responsibility of evaluating national energy strategy.

The timeframe of the national energy strategy is 20 to 30 years, with a reevaluation and revision every five years, and amendments can be made when necessary.

Article 23: Connotation, constitution and types of state energy plan

The national energy plan is the periodic action plan of the national energy strategy.

The national energy plan should stipulate the guidelines, basic principles, goals for development, phased tasks, industrial layout, key projects, policy measures and other key terms within the plan period.

The national energy plan includes the state energy comprehensive plan and special plans.

National energy special plans include the developing plans of industries, such as coal, oil, natural gas, coal-bed methane, power, nuclear, new energy and renewable energy, as well as special plans, such as energy-saving, energy substitution, storage, energy science and technology, rural energy, etc.

Article 24: Basis for Formulating State Energy Plan

The national energy plan is formulated according to the national economic and social development plan and the national energy strategy compilation, in coordination with other relevant plans such as land uses, water resources, mineral resources, and environment protection, etc.

Article 25: Consistency of All Types of Energy Plans

Overall considerations shall be given to the needs of all industries and regions when formulating the comprehensive energy plan.

National specific energy plans shall comply with the comprehensive plan.

Article 26 [Formulation of National Energy Plan]

National energy plan shall be formulated by the energy authority under the State Council, and shall be subject to review and approved by the State Council.

The national energy plan covers five years.

The national energy plan shall be publicized within one year and in the same time period as the publication of the concurrent National Economic and Social Development Plan.

Article 27: Evaluation and Amendment of the National Energy Plan

The State Council entrusts the department concerned or agencies to take responsibility of evaluating the national energy plan.

The energy authority under the State Council carries out amendments to the national energy plan based on demand or evaluation. It will be implemented subject to the State Council's review and approval.

Article 28: Implementation and Supervision of State Energy Plan

The relevant department under the State Council and various government levels shall implement national energy plans, and shall not approve energy projects which are not in accordance with national energy plans.

The State Council and provincial governments shall establish a system to supervise the implementation of national energy plans.

Article 29: Local Energy Plan

Provincial governments may establish local energy plans compatible with the national energy plan, and shall report to the energy authority under the State Council for archival filing.

Chapter 4: Energy Development and Transformation

Article 30: Basic Principles

Energy development, processing, and conversion should follow the principles of rational design, optimal structure, resource conservation, energy efficiency, and environmental protection.

The state encourages institutes and individuals to invest in energy development, processing, transformation projects, and equally protects investors' legal rights and interests.

Article 31: Energy Resource Ownership

All energy mines, hydroelectricity, and ocean energy belongs to the state. The State Council executes the property rights of the above-mentioned energy resources on behalf

of the state. The State Council authorizes relevant departments or provincial governments to take responsibility for the management.

The State Council may authorize relevant departments or the people's governments at provincial level to be in charge of specific administration of executing ownership. Institutes and individuals may, according to law, enjoy the right to possess, utilize and obtain profits without harming the interests of the State, unless otherwise stipulated in any other law.

The state-owned energy resources regulated in the above provision must not be owned by any institute or individual.

Article 32: Access to the Energy Mining Projects

The energy department under the State Council shall, together with the land and resources administration departments, formulate the conditions of access and administrative measures of energy mining according to law.

Enterprises that apply for exploration and exploitation projects of resources such as petroleum, natural gas, and nuclear energy, etc., concerning State security and the lifeline of national economy, shall be in accordance with the access conditions of development projects of energy mine resources, and shall apply for exploration or exploitation licenses from the State Council land and resources administration departments after approval from the energy department.

Enterprises that apply for exploration or exploitation of coal shall comply with conditions of access, and shall apply for exploration or exploitation licenses from the State Council land and resources administration department or its authorized energy department at provincial level, subject to approval of the energy department under the State Council or its authorized energy department at the provincial level.

Enterprises that transfer resource exploitation rights and mining rights must apply for approval from the department that approved the original project.

Article 33: Access to Renewable Energy Resource

The competent energy department under the State Council shall, jointly with relevant departments, formulate the conditions of access and administration of renewable energy projects according to national energy strategy, and the national energy plan and policies.

Enterprises that apply for the exploitation of hydro energy and ocean energy shall comply with the conditions of access. The competent energy department under the State Council or the authorized department at the provincial level are entitled to grant energy exploitation rights.

Projects that develop of wind energy, solar energy and biomass energy at a certain scale shall apply for approval from the competent energy department at the provincial level, and shall report to the competent energy department under the State Council for archival filing.

Enterprises that exploit hydro energy and ocean energy, when transferring energy development rights or undergoing a change in control, shall apply for approval from the department that approved the original project.

Article 34: Reasonable Exploitation of Energy Resources

The energy authority under the State Council shall, jointly with the relevant energy administration departments, supervise and administrate the exploitation of energy resources, in order to enhance efficiency.

Article 35: Comprehensive and Highly Efficient Exploitation and Utilization of Energy Comprehensive High-Efficiency development and utilization of energy

The State encourages efficient exploitation and utilization of energy, supports co-generation of fuel, electricity, chemical products, with coal, and encourages co-generation of cooling and heat, in order to develop an energy distribution suited to local conditions.

Article 36: Development of Clean Energy

The state encourages the development of clean, low carbon energy such as hydro, nuclear, natural gas, coal bed gas, wind, biomass, solar, geothermal and ocean energy, etc, and increases the ratio of clean energy in the energy mix.

Article 37: Development of Alternative Energy

The state encourages the substitution of new energy for traditional energy, renewable energy for fossil energy, and low carbon energy for high carbon energy.

The state gives priority to developing new fuels to replace oil.

Article 38: Development and Protection of Civil Nuclear Energy Plants

Civil nuclear energy projects are subject to approval by the State Council.

Civil nuclear energy sites are to be determined by the energy department authorized by the State Council, together with relevant departments according to related laws, regulations, and energy plans. Local government shall strengthen administration and protection, and prohibit destruction and illegal occupation. The energy department authorized by the State Council, jointly with relevant departments, shall formulate specific measures.

Article 39: Development of Energy Bases

The State constructs energy bases in the places that are rich in energy resources, fit for large-scale development, and play a strategic role in national energy distribution.

Construction of energy bases shall be integrated into the national energy plan. Governments at all levels shall take actions to support the construction of energy bases.

The State Council shall formulate the administration measures for the construction of energy base.

Article 40: Energy Transformation Projects

The executive branch in charge of energy under the State Council, in conjunction with relevant departments, shall formulate conditions and administrative approaches for energy transformation projects in accordance with the national energy strategy, national energy plan, and policies.

Enterprises engaged in energy transformation projects must meet the requirements of access. The executive branch in charge of energy under the State Council and those under the provincial governments or authorized departments shall examine, approve and maintain records in accordance with the relevant provisions.

Article 41: Enterprises's Obligations to Safety and Environmental Protection

Enterprises engaged in energy development and transformation shall keep frugal, clean, and safe production; reduce resource consumption; control and prevent pollution; and protect the environment in accordance with relevant laws and regulations.

Enterprises that run energy development, processing and conversion shall be in accordance with legal conditions for safe production and environment protection. Facilities for the safety and environment protection of the energy construction program shall be designed, constructed and put into use simultaneously with construction of the main parts of the project.

Article 42: Compensation for the Ecology

The State shall establish a compensation system for the ecology. Local governments, where the energy development and transformation is located, shall make plans for pollution prevention and control and ecological recovery. Enterprises that run energy development, processing and conversion shall undertake the responsibilities of pollution prevention and control and ecological protection.

Article 43: Nuclear Waste Treatment

The State shall establish a policy of closed circulation of nuclear fuel.

Civil nuclear production and research institutes shall be responsible for disposing the nuclear waste they produce.

Chapter 5: Energy Supply and Services

Article 44: Principles of energy supply

Governments at all levels shall take measures to promote the development of an energy infrastructure and transport system, establish diversified supply channels, and strengthen the organization and coordination of the energy supply to ensure a sustained, stable, safe, and orderly energy supply.

Article 45: The Market Role in the Energy Supply

The state encourages the companies of all kinds to go into the energy supply business in accordance with the law, to promote fair and orderly competition in the energy supply market and improve the quality and efficiency of service.

Article 46: Energy Supply Business Access

Energy supply businesses--whether wholesale, retail, import or export--which are related to the public interest and national security, shall enforce the access system.

The conditions and administrative approaches of energy supply business access are enacted by the executive branch in charge of energy under the State Council, in conjunction with relative departments.

Article 47: Trans-Regional Energy Infrastructure Development

The energy department under the State Council shall, jointly with relevant departments, make general plans to organize and construct the energy infrastructure, such as the transmission pipelines and the network of electricity, oil and natural gas that crosses provinces, autonomous regions, and municipalities. The local government shall preserve land for the energy infrastructure and integrate it into land-use planning.

Article 48: Opening Up the Energy Pipeline Network

Energy pipeline facilities shall be open to qualified energy users and businesses, while the enterprises operating the pipeline and access facilities shall provide fair and non-discriminatory services.

Facilities connected with the pipeline network shall comply with the national and industrial standards.

Article 49: Protection of Energy Infrastructure

The state shall protect energy infrastructure, safeguard public security and prohibit any behaviors like theft, robbery, vandalism and illegal occupation.

Governments at all levels shall protect the security of the energy infrastructure under their jurisdiction.

Article 50: Universal Energy Services

Enterprises in the businesses of supplying civil gas, heat and electricity shall carry out their universal service obligations, ensure citizens have access to non-discriminatory and reasonably priced basic energy supply and receive supervision by the executive branch in charge of energy, relevant departments, and the public.

The State shall establish a compensation system for universal energy services, providing reasonable compensation or preferential policies to enterprises that suffer loss from undertaking the obligation of universal service. The State Council shall formulate specific measures.

Article 51: Examination and Approval for the Suspension and Closure of Businesses

When the enterprise undertaking the obligation of universal service closes down, suspends, or cannot fulfill its obligation, it shall report to government body that originally granted it access, for approval or archival filing. The energy department under the State Council shall enact specific measures.

Article 52: Obligations of Energy Users

Energy users shall use energy safely, frugally, and efficiently.

Energy consumers shall cooperate with energy supplying enterprises according to law, comply with technical administrative rules, and pay fees pursuant to the relevant provisions of the State and the contract among parties so as to maintain the regular order of the energy supply.

Article 53: Regulation of Inherent Monopolies

The executive branch of energy under the State Council, in conjunction with relevant departments, implements professional regulation for fair access, universal service, and protection of consumer rights to electricity, oil, gas and other energy in a network that has characteristics of a monopoly. Specific measures will be enacted by the State Council.

Chapter 6: Energy Conservation

Article 54: Implementing the Strategy of Giving Priority to Conservation

Governments at all levels shall give priorities to energy conservation in economic and social development, formulate and implement energy-saving policies and measures, foster an energy-saving market, and promote an energy-saving society.

Governments at all levels and units shall establish incentives and restrictions to implement an energy-saving reward and penalty system.

Article 55: Optimizing the Industrial Structure to Save Energy

The government at all levels shall promote optimization of the economic structure and industrial upgrading, give priority to development of low-power and high-value-added industries, and enhance the frugal development of society and theeconomy.

Article 56 [Optimizing the Consumption Structure to Save Energy]

The government at all levels shall take measures to popularize energy-saving styles of production, living and consumption, improve the energy consumption structure, and promote efficiency of final energy.

Energy-consuming institutes and individuals shall use energy frugally, reasonably and scientifically, and shall give priority to energy-saving products.

Article 57: Energy-Saving through Technology

Governments at all levels shall establish a technical support system to increase brainstorming and development of energy-saving and recycling technology.

Energy-using units shall promote energy-saving technological progress, deploy new energy-saving technologies, new process, new equipment and new materials, strengthen the comprehensive utilization of resources, and improve the level of energy conservation and utilization.

Energy-consuming institutes shall promote the progress of energy saving technology, adopt new energy saving technology, techniques, equipment and material, strengthen the comprehensive utilization of energy and improve the frugal use of energy.

Article 58: Administration of Energy Saving

The government shall establish an accountability system for energy conservation targets. Governments at all levels shall integrate energy conservation into overall national economic and social development planning, and establish a scientific energy-saving indicator system, monitoring system, and evaluation and examination system.

Key energy-consuming units shall strengthen energy-saving management, establish energy-saving organizations, set up energy-saving professional posts, make clear their energy-saving objectives and energy-saving duties of organizations at all levels.

Article 59: Energy-Saving in Key Fields

The executive branch in charge of energy in governments at all levels shall strengthen energy-saving management and supervision of the energy-using fields; audit, supervise, and inspect them in accordance with the law; and actively promote energy-saving in industry, construction, transportation, commerce and trade. Government and other public bodies shall play a demonstrative and pilot role in energy-saving.

Article 60: Support Measures in Energy-Saving by the Government

The executive branch in charge of energy under the State Council and provincial governments and relevant departments shall innovate an energy-saving management system, develop energy-saving standards, and improve upon the energy-saving assessment system, promotion system of energy-saving products; production access and exit system of energy-intensive products for those fixed-asset investment projects.

The executive branch in charge of energy under the State Council and provincial governments, in conjunction with relevant departments, shall make comprehensive use of economic instruments to promote energy-conservation and efficiency.

Article 61: Energy-Saving Market Mechanisms

Governments at all levels shall establish and improve energy-saving market mechanisms, cultivate an energy-saving consultation and service system, and implement measures like energy efficiency labeling, contracting energy management, voluntary energy-saving agreements and energy demand-side management, etc.

The people's governments at all levels shall establish and improve energy saving market mechanisms, foster an energy saving consultation and service system, advocate energy efficiency labeling, energy management through contracts, voluntary energy saving agreements, and demand-side energy management, etc.

Chapter 7: Energy Reserves

Article 62: The Management of Energy Reserves

The government shall establish an energy reserves system, regulate the development and management of energy reserves, improve its capacity to deal with emergencies, and guarantee the security of energy supply.

The executive branch in charge of energy under the State Council in conjunction with the relevant departments shall be responsible for the management of the energy reserves.

Article 63: The Classification and Management of Energy Reserves

Energy reserves include energy product reserves and energy resource reserves. The energy product reserves include oil products, natural gas products, and natural uranium products, etc. The energy resources reserves include oil, natural gas, natural uranium, special and scarce coal resources, etc. Specific management methods are enacted by the State Council.

Article 64: Energy Products Reserves

The national energy reserves are classified into government reserves and enterprises' compulsory reserves.

Enterprises bearing obligation to maintain energy reserves must meet the quantity stipulated by the government, report data in accordance with the regulations, and accept supervision and inspection by the executive branch in charge of energy. Enterprises' compulsory reserves do not include the regular stock turnover used for production and operation.

The government reserves are established by state funding, while enterprises' compulsory reserves are funded by the enterprises.

Article 65: Development and Management of Oil Reserves

The energy department under the State Council is responsible for organizing, constructing and administrating the government reserve of oil. Enterprise's compulsory oil reserves are under the jurisdiction of enterprises engaged in import, processing, marketing, and operation of crude oil, and the import and wholesale of refined oil.

The competent energy department under the State Council shall establish the supervision and inspection system of oil reserves, so as to supervise and administrate the construction, reserve and rotation of government reserves and enterprise compulsory reserves.

Article 66: Energy Resource Reserves

National energy resource reserves are stipulated by the executive branch in charge of energy under the State Council, in conjunction with the executive branch in charge of land and resources, in accordance with the needs of the national energy strategy and the capacity of energy resources in the planned area of the energy mine, large-scale equipped mine mine and energy base.

When the energy resource is determined, the State gives reasonable compensation to the owners of mineral exploitation rights and mining rights.

Article 67: Drawing on the National Energy Reserve

When the national energy reserve needs to be put to use, the State Council must approve the proposal, recommended by the executive energy department under the State Council, jointly with the executive finance department.

In drawing on the national energy resource reserves, the executive branch in charge of energy under the State Council in conjunction with the executive branch in charge of land and resources shall propose the scheme and get approval from the State Council before implementation.

Article 68: Local Energy Products Reserves

Local governments may establish local energy product reserve in the s according to their needs.

Chapter 8: Energy Emergency Response

Article 69: The Scope and the Stage of Emergency Response

The State shall establish a national emergency response system, in order to deal with the energy emergencies such as serious shortages in the energy supply, energy supply disruption, severe fluctuations in price, etc. to maintain the order of

Article 70: Emergency Response Plans

The executive branch in charge of energy under the State Council shall organize and prepare the overall national energy emergency plans and special energy emergency plans schemes for major categories and report to the State Council for approval.

Local governments above the county level shall prepare the energy emergency plans within their administrative regions in accordance with the national energy emergency plan and report to the provincial governments for approval.

Energy-using enterprises and key energy-using units shall prepare the corresponding energy emergency plans.

The construction of the energy emergency response capacity shall be incorporated into the energy emergency plan.

Article 71: Classification of Emergencies

Energy emergencies shall be classified for administration. They shall be divided into four levels:extraordinarily serious, serious, above average and average, according to such factors as actual or reasonably predictable ability to control it, degree of seriousness, extent of effects and the time it lasts. The State Council or the department delegated by the State Council shall formulate specific standards of classification and relevant warning levels.

Article 72: Determination of the Emergency

Energy emergencies at the level of “extraordinary serious” and relevant warnings are determined by the State Council. Energy emergencies at the level of ”serious” are determined by the competent energy department under the State Council, jointly with relevant department, and shall apply for approval from the State Council. Energy emergencies at the level of “above average” are determined by the provincial governments, and shall report to the competent energy department under the State Council for archival filing. Energy emergencies at the level of “average” are determined by governments at or above the county level, and shall apply for approval from the provincial governments. Where there are other provisions in any law, such provisions shall prevail.

Article 73: Principles of Emergency Response

Emergency response follows the principle of centralized leadership, level-to-level responsibility, categorized implementation and coordinated cooperation. After determination and approval of the energy emergency, the government concerned should promptly launch the energy emergency plan.

Article 74: Conditions and Restrictions of Authorized Emergency Response

Measures

During the energy emergency, governments at all levels, on the basis of the need to maintain order of the energy supply and the protection of the public interest, shall implement emergency dispatch of energy production, transport and supply; drawing on reserves; price interventions and other measures stipulated by law. The implementation of emergency measures shall be announced to the public. After the threats or harm of the emergency incidents are under control or eliminated, energy emergency measures shall be promptly suspended or canceled, and announced to the public.

Article 75: Priorities in Emergency Response

While governments at all levels take energy emergency response measures, they shall keep the basic energy supply in order, maintain the operation of such important departments as national government institutions, national defense facilities, emergency command agencies, transportation and communication hubs, medical emergency facilities, and guarantee energy for residents' lives and production.

Article 76: Responsibilities and Obligations of Subjects Concerned

Any institute or individual shall carry out energy emergency response plan and government directives, and undertake relevant emergency response tasks.

Article 77: Properly Handling the Aftermath

The government shall promptly refund the materials, equipment and facilities lawfully expropriated due to the energy supply emergency; compensate for the spoiled part and the expenditure part; and give appropriate incentives or compensations to institutes and individuals who have shouldered the task of energy emergency.

Relevant reasonable cost to the government at all levels during the energy emergency response is to be assumed by the government itself according to the relevant provisions of the State.

Chapter 9: Rural Energy

Article 78: Principles of Rural Energy Development

The State encourages and supports rural area energy development, promotes the construction of a new socialist countryside and pushes forward the harmonious development of urban and rural area according to the principle of overall planning, suitability to local conditions, multiple forms of energy to complement each other, resources saving, comprehensive utilization and environment protection.

Article 79: The Implementation of Rural Energy Planning

The competent energy department under the State Council shall, jointly with the relevant departments, take charge of the administration of rural area energy issues and unified organization and implementation of the National Rural Area Energy Plan.

Each government at or above the county level shall incorporate rural area energy into the National Economic and Social Development Plan at its level, and handle the relationship between rural area energy development and such infrastructures as land use, transportation, water and communication.

Article 80: Preferential Policies

The people's governments at all levels shall enact preferential policies of fiscal taxing, financing and prices to support, guide and encourage institutes and individuals to enlarge the investment in rural energy.

Article 81: Guarantee Rural Energy

The State makes overall plans for the construction of energy infrastructures in urban and rural area, pushes forward the extension of urban energy infrastructures and public services to rural area, encourages multiple forms of energy, and increases the capacity of rural energy commodity supply, so as to guarantee regular supply of rural area energy.

When there is an energy supply shortage in rural areas, governments at all levels shall take measures to give priority to basic energy use in daily life and agricultural production of the rural people.

Article 82: Optimization of Rural Energy Consumption Structure

Governments at all levels and relevant departments shall take advantage of rural resources, promote the use of small hydropower, biomass, wind, solar and other new and

renewable sources, adjust measures to different conditions, gradually improve the level of rural electrification and increase the share of high-quality and clean energy.

Article 83: Support Electricity Development in the Remote Areas

The state shall give focused support to electricity development of the national minority areas, remote areas and poor rural areas. Electricity supply enterprises shall take measures to improve the coverage of rural electricity grids.

The State encourages the establishment of off-grid energy stations in those areas in which it is not feasible to extend the grid to supply.

Article 84: Development of Biomass Energy in Rural Areas

To protect the ecology, the state shall encourage reasonable use of lands such as barren hills and hillocks, shoals and saline-alkali land, which are not suitable for the cultivation of grain crops, to instead plant energy crops, and prohibit breaking into primary farmland to cultivate biomass energy.

Article 85: Energy-Saving in Rural Areas

Governments at all levels shall provide funds, technologies and services to improve the efficiency of rural energy production and daily consumption.

Article 86: Rural Area Energy Technology Promotion and Service

Governments at all levels shall integrate the rural energy technology promotion into agricultural technology promotion system, establish a network of rural energy technologies, and strengthen services for the public good like rural energy technical guidance and training.

Chapter 10: Energy Pricing and Taxation

Article 87: The Price Formation Mechanism

The State establishes the energy price formation mechanism that combines market regulation and government control but is led by market regulation, according to a formula that best indicates the supply-and-demand situation, the scarcity of resources, and the cost of environment damage.

Article 88: Market Pricing

The price of energy products and services that possess the conditions of competition in the market implements market-regulated pricing mechanism.

Energy products and services that are qualified to compete in the market shall be priced by the market.

Article 89: Inherent Monopolized Business and Prices of Key Energy]

Transmission prices of the inherently monopolized pipeline and network and the price of key energy products and services concerning the public interest shall be determined or guided by the government, and shall gradually implement a price control system that is good for lowering costs, improving efficiency, saving resources and decreasing damage to the environment.

Article 90: [Incentive and Binding Prices]

The State encourages development of new energies and renewable energy such as wind energy, solar energy and biomass energy, and implements price incentives according to law.

A binding price policy shall be implemented according to law in high-energy consumption and high-pollution enterprises that are restricted by the State.

Article 91: Basic Principles of Energy Tax Policy

The state shall make use of fiscal incentives and restrictive policies to promote the rational development and use of energy, in accordance with the needs of the national energy strategy and plan and the requirements of public finance.

Article 92: Energy Expenditure Budget

The state shall establish a energy expenditure budget of the central finance and the provincial finance and the local treasury. The local treasury that meets the conditions below the provincial level can establish an energy expenditure budget system and arrange local energy expenditure budget funds according to different local conditions.

Article 93: Special Funds for Energy Development

According to the requirements of national energy strategy and energy planning and the needs of energy development, the government shall establish special funds for energy-saving, new energy and renewables, rural energy and other energy development. Specific measures are formulated by the executive branches in charge of finance under the State Council in conjunction with relevant energy departments.

Article 94: The Government Investment in the Energy Field

Government investment in the energy field are used in the following items:

- (1) Protect and improve the ecological environment of energy mines;
- (2) Develop energy in rural and remote areas;
- (3) Research energy technology and development as well as the industrialization of high-tech;
- (4) Develop energy-saving, new and renewable;
- (5) Develop and utilize alternative energy;
- (6) Other provisions stipulated by law or by the State Council.

Article 95: Government Procurement in Energy Saving]

The State implements government procurement policy which is good for saving energy.

In accordance with the relevant laws and regulations of government purchase, the purchaser, who uses funds for government procurement, shall give priority to new energy and renewables and energy-efficient products and services during the purchase.

Article 96: Energy Tax Incentives

With the tax policy, the state shall encourage the development and utilization of new energy and renewable energy; support the clean utilization of energy, the development of alternative energy sources, production and utilization and technology promotion of those energy-saving products and equipment; and encourage the import of energy products of high-quality and the advanced equipment and technology that are necessary for energy development and utilization.

Article 97: Restrictive on Energy Taxation

The state enforces restrictive tax policy on energy products that are restricted to export and produce, and on energy-intensive products and technologies according to the law.

Article 98: Taxes and Fees on Energy Resources

The government shall establish and improve the system of taxation and fees on energy resources, to guarantee the benefits to the nation as owner of energy resources and promote the rational development of energy resources and the sustainable use.

Incomes from the energy resources taxes and fees are reasonably distributed according to the principle of a balance of interests between the central and local governments.

Article 99: Taxes on Energy Consumption

The state shall expand the applicable scope of consumption taxes in the energy field, set reasonable rates, make rational adjustments, guide the consumption of energy products and promote energy-saving.

Article 100: The Application of Fiscal Taxation Policies

The executive branch in charge of energy under the State Council, in conjunction with the other departments in charge of finance and taxes, formulate the Encouraged, Restricted and Prohibited Catalog for national energy development.

The executive branch in charge of finance under the State Council performs the corresponding tax preferential policies or restrictive policies on the energy projects whose catalog is prescribed in the article above.

Chapter 11 Energy Science and Technology

Article 101: Energy Technology Development Policy

The state actively promotes innovation of technology and relies on scientific and technological progress to implement the national energy strategy.

Technological development should help to enhance energy efficiency, save energy, optimize the energy structure, enhance the energy supply and safe transmission capacity, as well as protect the environment.

The state has adopted measures to improve the comprehensive technical strength of the energy enterprises and to encourage the energy companies to promote technological innovation.

Article 102: Energy Technology Investment

Governments at all levels should develop and improve the taxation, prices and financial policies that encourage enterprises to invest in energy and technology.

Governments at all levels and enterprises should gradually increase energy technology investment. The state's financial input is mainly used for basic research in the energy field, cutting-edge technology research, social welfare research, as well as key technologies, common technology research, development and demonstration.

Article 103: Energy Technology Development Mechanism

The State actively constitutes government-guided, market-oriented energy technical innovation system that comprises energy enterprises as the main body, and combines the production, study and university research.

The competent energy department under the State Council shall, jointly with the competent science and technology department, establish and perfect the National Energy Lab, National Energy Project Center and Enterprise Technology Center, so as to focus on key technology development in the energy field based on key energy projects and energy science and research programs.

Article 104: Key area of Energy Technology

The State encourages and supports technologies to reconnoiter and exploit energy resources, technologies to process, convert and transmit energy, technologies to clean and comprehensively utilize energy, technologies to save energy and reduce emission, and innovation and application of energy safety production technologies.

Article 105: Extension and Application of Energy technical results

The state takes measures to promote the demonstration and application of innovative energy technology achievements and to support standard-setting of energy products and technological innovation.

Article 106: Award to Energy Technology

Governments at all levels and relevant departments should praise and award the units and scientific and technological personnel who have made great innovations and integrated innovations, and the outstanding outcomes in the field of energy technology.

Article 107: Energy Education and Personnel Training

The state brings energy education into the national academic system, encourages the cooperation of the scientific research institutions, educational institutions and enterprises in cultivating the energy technology professionals, and supports practical training of rural energy technology professionals..

Article 108: Popularization of Energy Science

Governments at all levels and other relevant departments of energy, science and technology should help popularize of energy technology, support social intermediary organizations and individuals who engage in the service the energy technology, and raise the people's knowledge of energy technology and the level of scientific use of energy.

Chapter 12: International Energy Cooperation

Article 109: Policy and Method of International Cooperation

By participating in international treaties and international organizations, coordinating energy policy, and exchanging energy information, the state carries out mutually beneficial cooperation in energy resources.

The state establishes and improves an open energy system characterized by internal and external interaction, mutual benefit and win-win, and safety as well as efficiency.

Article 110: Overseas Energy Cooperation

The State encourages overseas energy investment and innovation of forms of cooperation, establishing management and coordination mechanism of overseas energy cooperation. The competent energy department under the State Council shall, jointly with relevant department, coordinate overseas energy cooperation affairs.

The State protects legitimate rights of Chinese citizens, legal persons and other organizations that engage in overseas energy exploitation and utilization, also protects the safety of the bodies or properties of Chinese citizen.

The State takes action to response such political risks as nationalization, requisition, war, civil strife, government breach, and limitation on remittance and exchange of foreign currency, etc. which Chinese citizens, legal persons and other organizations suffer from oversea energy investment project.

Article 111: Domestic Energy Cooperation

The State protects legitimate rights of foreign citizens, legal persons and other organizations when engaging in energy exploitation and utilization in China.

Foreign citizens, legal persons and other organizations must comply with Chinese laws and regulations when engaging in energy exploitation and utilization in China.

The relevant department under the State Council shall regulate the catalog of industrial guidelines and related policies for foreign investment on energy development.

Article 112: Energy Trade Cooperation

The State strengthens bilateral and multilateral trade cooperation in energy field, and takes comprehensive actions to prevent and respond to risks from the international energy market.

The competent foreign trade department under the State Council, the competent energy department and other relevant departments shall take actions to promote energy products, technology and service trade.

The relevant department under the State Council shall establish and perfect energy trade supervision and administration mechanism, which can conduct effective supervision and administration of enterprises and related personnel doing foreign energy trade and related transactions.

Article 113: Energy transportation cooperation

The competent energy department under the State Council shall, jointly with relevant department, plan to establish a transnational pipeline and network, shipping channels and supporting facilities, so as to guarantee safety, efficiency and credibility of cross border energy transmission.

Investment, development, establishment and operation of the pipeline and network, energy transportation channel and supporting facilities regulated in above item shall comply with national energy strategy and planning, and shall be administrated, coordinated and supervised under the competent energy department under the State Council and relevant department.

Article 114: Energy Technology and Education Cooperation

The State takes action to promote energy technology, international education and talent cultivation, to encourage talent in the domestic energy field with other countries, and to improve the capacity to absorb, convert foreign advanced energy technology and the capacity of independent innovation.

Article 115: Energy Security Cooperation

The State improves communication, coordination and cooperation with other countries and related international organizations, promotes international cooperation on energy forecast, pre-warning and emergency response, and pushes to establish and improve global and regional energy safety coordination and protection mechanism.

Chapter 13: Supervision and Inspection

Article 116: Supervision of People's Congress

People's Congress at all levels above the county level and its standing committee may request the governments to carry out a special report on the issues of the implementation of this law, raise the question, and organize the inspection of law enforcement and investigation of the specific issues.

Article 117: Executive Supervision

Governments above the county level should be in accordance with this law and related energy laws to monitor and inspect the performance of the duties of the lower-level governments, same-level of authority in charge of energy and relevant departments, and assess and examine the implementation of the energy planning as well as the energy policy.

The higher level of authority in charge of energy should strengthen the supervision and inspection of the duty performance at lower level departments in charge of energy, and promptly correct the activities that violate this law and related energy laws.

Energy authority at all levels should establish and improve the internal supervision system and supervise the situation that the staff execute their duties and exercise their functions and powers.

Article 118: Social Supervision

Any unit or individual can comment and recommend on the performance of the energy authority and relevant departments. Energy authority and departments should promptly reply to the observations and recommendations concerning the important administrative matters and relating to public interests.

The competent energy department shall take necessary measures to keep secret any documents and material mentioned above which related to state or business secrets.

Article 119: Access to Documents and Information

Energy authorities in order to perform their functions have the right to request energy enterprises and energy consuming units to submit documents and information such as financial statements, statistical statements, audit reports and the like.

The energy authority should take necessary security measures to protect the documents and information provided in the preceding articles which relate to the state secrets and commercial secrets.

Article 120: On-Site Inspection

In order to perform legal responsibilities, the competent energy department may enter the production and operation premise of the energy enterprise and energy consuming institute to make onsite inspections, read and copy documents and materials relating to affairs under inspection, and keep and seal relevant documents and materials which may be transferred, hidden or damaged.

When making on-site inspections, inspectors shall produce their certificates, and comply with relevant legal procedures. Institutes being investigated shall cooperate and truly report the situations and provide necessary documents and materials. Inspectors shall keep secret the technical secrets and business secrets belonging to the institute being investigated.

Article 121: Compulsory measures

During the inspection, if the competent department finds that the energy enterprise or energy consuming enterprise is unlawfully using products, technology or equipment that it has been publicly ordered to eliminate by the State, the department may seal up and confiscate them. If the energy enterprise or energy consuming enterprise is suspected to transfer, hide or damage property, the department may apply to people's court to freeze them.

Article 122: Compulsory Information Disclosures of High Energy Consuming Enterprises]

The competent energy department shall publicize the name list of high energy consuming enterprises in accordance with relevant energy policies and technical and economic criteria, and shall require these enterprises to report their energy consuming information to the public, except where otherwise provided in laws.

Article 123: Regulation of Key Energy-Consuming Enterprises

Those enterprises which are engaging in development and utilization of energy concerning state security and the lifelines of national economy, shall take public responsibility, and shall not abuse their monopoly position or dominance to damage the state and public interest.

The competent energy department under the State Council and relevant departments shall supervise, administrate and control the business operations of enterprises mentioned above according to laws and regulations.

Chapter 14: Legal Responsibilities

Article 124: [Government Liabilities: Administrative Liability]

If the competent energy department and its officials violate this law in any of the following situations, it shall be ordered to correct itself by higher administrative departments or supervisory departments. Where the circumstances are serious, the directly liable persons in charge and other directly responsible persons shall be subject to administrative sanctions according to law.

1. Failure to formulate, evaluate or implement energy strategy and energy plan according to laws and regulations.
2. Failure to publicize energy statistics according to laws and regulations.
3. Approval of an energy project which doesn't meet the requirements of laws and regulations.
4. Failure to perform the responsibility of management of energy reserves.
5. Failure to formulate an energy emergency plan.
6. Failure to establish the responsibility system of energy saving.

7. Failure to take responsibility for energy supervision and inspection.
8. Other situations in which it doesn't perform its legal duty.

Article 125: Government Officials' Liability: Criminal Liability

The government official who abuses his power, neglects his duty or practices irregularities for personal gain when exercising his function in administration of energy, and commits a crime, shall be subjected to criminal responsibility according to law.

Article 126: Government Liabilities: State Compensation Liability]

If the legal rights and interests of citizens, legal person and other institutes are infringed upon by state organs and their staff unlawfully exercising their functions and powers in administration of energy, the aggrieved individuals or institutes have the right to obtain state compensation in accordance with the law.

When exercising its functions and powers, if the energy department confiscates, expropriates or disposes property owned by institutes or individuals, or cancels or changes the issued administrative approval, it shall make compensation in accordance with law.

Article 127: Liability of Special Energy Enterprises: Guarantee to Open the Pipeline and Network]

If the enterprise in charge of operating the pipeline and network for energy transmission, violates the law, fails to perform its duty to open the pipeline and network, it shall be ordered to correct itself by the competent energy department, and shall be imposed a fine of more than twice but less than five times the amount that the party involved has lost; and if the enterprise constitutes a crime, it shall be subjected to criminal liability according to law.

Article 128: Liability of Special Energy Enterprises: Universal Service Obligation

If the enterprise, taking the responsibility of providing universal services, closes down or suspends without approval, or doesn't perform the duty according to law, it shall be ordered to correct itself by the competent energy department and shall be imposed a fine of more than twice but less than five times the amount of their turnover; and if the enterprise constitutes a crime, it shall be subjected to criminal liability according to law.

Article 129: Liability of Special Energy Enterprises: Punishment of Illegal Reconstruction or Acquisition

Any enterprise, engaging in development and utilization of energy in the field in relation with state security and national economy, illegally carrying out reconstruction or capital acquisition according to this law, shall be ordered to correct by relevant energy department under the State Council and may be imposed a fine of no more than 5 million yuan.

Article 130: Liability of Ordinary Energy Enterprise: Obligation to Report]

An energy enterprise that doesn't provide reports or statement and other documents and materials required, shall be corrected by the relevant energy department under the State Council; and if it fails to make correction within the time limit, the enterprise shall be imposed a fine of more than 100,000 yuan but less than 200,000 yuan.

Article 131: Liability of Ordinary Energy Enterprise: Obligation to Cooperate with the Law Enforcement Procedures

In any of following situations, the energy enterprise shall be ordered to correct by the competent energy department or other relevant administrative department, and shall be imposed a fine of more than 100,000 yuan but less than 500,000 yuan; where the circumstances are extraordinarily serious, or if it fails to make the correction within the time limit, the enterprise may be ordered to suspend business for rectification, or shall have its production and operation license revoked; and if the enterprise constitutes a crime, it shall be subjected to criminal liability according to law:

1. Hindering or not cooperating with administrative departments to perform its legal function to supervise and inspect.
2. Hindering or not cooperating with administrative department to take emergency measures.
3. Providing an untrue report or statement or hindering key facts of the report or statement and other documents and materials.
4. Not disclosing information according to laws and regulations.
5. Other situation against duties according to laws and regulations.

Article 132: General Energy Enterprises Responsibilities: Substantial Duty

In any of following situations, the enterprise shall be ordered to correct by the competent energy department, and shall be confiscated of all the property, and fined for the amount of more than one time and less than five times of its illegal gain; if there is no illegal gains, or the amount of illegal gains is less than 500,000 yuan, the enterprise shall be imposed a fine of more than 500,000 yuan but less than 2 million yuan; where circumstances are serious, the enterprise may be ordered to suspend business for rectification or shall be revoked of production and operation license; and if the enterprise constitutes a crime, it shall be subjected to criminal liability according to law:1. Ruinous exploration of energy resources.

2. Unlawful disposal of nuclear waste.
3. Illegal engagement in exploration of energy, or processing, transfer, provision and services without approval.
4. Unlawful import and export of energy products, technology, or equipment against laws and regulations.
5. Unlawful occupation of basic farm fields to develop biomass energy industry.
6. Failure to perform its duty of energy reserves and emergency response against law.
7. Destruction of the competition order of energy market.
8. Other situations against laws and regulations.

Article 133: Obligation of Energy Users: Obligation of Key Energy Users

The key energy consuming units who had failed to achieve the goal of saving energy would be ordered by the authority in charge of energy to correct; if the case was serious or the deadline had been missed, they would be compulsorily ordered to reduce their energy consuming quota, implement the energy audit or suspend their business .

Article 134: Obligation of Energy Users: Making Compulsory public of performing obligation

Energy-intensive enterprises that violate this law and have not truthfully reported their energy consumption to the authority in charge of energy or failed to release it to the public would be ordered by the energy authority to pay a fine of RMB 10,000 yuan to RMB 50,000 yuan.

Article 135: Obligation of Social Entity: Penalty for Illegal Practice

The units and individuals guilty of the following acts will be ordered by the executive authority to stop, ban, and confiscate the illegal income and would be fined between one and five times the illegal income; those who have not obtained illegal profits or whose illegal income was less than RMB 100,000 yuan will be fined from RMB 100,000 yuan to RMB 300,000 yuan; those who have violated the public security will be given a security administration punishment according to law; those who have committed a crime will be prosecuted for their criminal liability:

1. Steal, rob, damage or illegally occupy energy resources, products or energy infrastructure.
 2. Produce, sell and use energy consuming products and technology, that are forbidden according to laws and regulations.
 3. Damage or occupy the premises of nuclear plants.
 4. Cause hidden energy security dangers due to failure to make emergency plans in advance or take prevention measures.
 5. During emergency, failure to carry out energy emergency plan and emergency orders and tasks given by government.
 6. Other behaviors against laws and regulations.
- Article

136: Civil Liabilities]

If an institute or an individual infringes the legal rights and interests of other individuals, the institute or individual shall bear liability of compensation in accordance with the law.

Article 137: Priority of Civil Compensation]

If an institute or an individual violates the law, the institute or individual shall bear relevant civil liability of compensation, and shall pay the fines coming from administrative liability or criminal liability; and if their property is not enough to pay all the payment required by the above liability at the same time, then civil liability of compensation shall be assumed first.

Article 138: Administrative remedy

If the party concerned believes that the administrative actions of the competent energy department or other administrative department infringe his legal rights and interests according to this law, then the party may apply for administrative reconsideration or directly take an administrative suit to court.

Chapter 15: Appendix

Article 139: Interpretation of Legal Terms

The meanings of the terms in this law are:

- (1) Oil refers to crude oil and refined products.
- (2) Energy enterprises refer to the enterprises in which the main business is energy development, transformation, warehousing, transportation, transmission, trade and service.
- (3) New energy refers to the development and application of non-conventional energies based on new technology, including wind, solar, ocean, geothermal, biomass, hydrogen, fusion, and gas hydrate, etc.
- (4) Renewable energy is defined as the continuous and non-fossil renewable energy such as wind, solar, hydro, biomass, geothermal and ocean energy.
- (5) Clean energy refers to energy without or with less greenhouse gas emission, including natural gas, nuclear power, hydropower and other new and renewable energy.
- (6) Low-carbon energy is defined as the energy product with less greenhouse gas emission, including nuclear energy and renewable energy.
- (7) High-carbon energy refers to energy products with high greenhouse gas emissions, primarily fossil fuels such as coal and oil.
- (8) Natural uranium products refer to basic raw materials for processing and producing nuclear fuel, including the conversion of uranium and low enriched uranium.
- (9) Closed cycle of nuclear fuel refers to the process by which spent fuel produced by the nuclear reactor is not treated as waste but recycled.
- (10) Energy infrastructure refers to facilities at the foundation of the public energy service, including the transmission and distribution network, petroleum and natural gas pipelines, energy reserves, and energy terminals, receiving stations for liquefied natural gas, and specialized railway lines.
- (11) **Voluntary Energy Saving Agreement** refers to a kind of agreement that trade associations or enterprises and the government enter into, stipulating that if the trade association or enterprise achieves the energy saving target fixed by the contract, the government shall provide support.

12. **Energy Audit** refers to an audit and evaluation of the rationality and efficiency of energy use, made by qualified energy audit institutes in accordance with laws and regulations and relevant criteria.

13. **Energy Management through Contract** refers to a kind of energy saving contract that energy-conservation institutes with consumers, stipulating that institutes invest in or finance the energy-saving project of the consumers, and services such as energy-efficiency analysis, project design, procurement and construction, and are entitled to share the profits from the energy saving project.

14. **Side Management of Energy Demand and Supply** refers to management of energy consumption by the government or public institutes, through incentives for the purpose of instructing energy consumers to change their ways, enhance energy efficiency, and ultimately minimize energy costs..

(15) Rural energy refers to the energy used in agricultural production, rural business and industry, and the life of rural residents.

Article 140: Time When This Law Will Take Effect

On this date this law will take effect.