

Order of the President of the People's Republic of China

No.90

The Energy Conservation Law of the People's Republic of China which has been adopted at the 28th Meeting of the Standing Committee of the Eighth National People's Congress on November 1, 1997 is promulgated now, and shall enter into force as of November 1, 1997.

President of the People's Republic of China: Jiang Zemin
November 1, 1997

Energy Conservation Law of the People's Republic of China

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Chapter I General Provisions

Article 1 This Law is enacted with a view to promoting energy conservation in the whole society, improving energy utilization and economic performance, protecting the environment, ensuring national socio-economic development and satisfying the requirements of people's livelihood.

Article 2 The energy resources referred to in this Law mean coal, crude oil, natural gas, electricity, coke, coal gas, thermal power, finished petroleum products, liquefied petroleum gas, biological energy and all other resources from which useful energy is obtained directly or through processing or transformation.

Article 3 The energy conservation referred to in this Law means the strengthening of energy utilization administration, adoption of measures which are technologically feasible, economically rational and bearable to the environment and society, reduction in losses and waste in all links from energy production to consumption and more efficient and rational utilization of energy resources.

Article 4 Energy conservation constitutes a long-term strategic policy in the nation's economic development.

The State Council and people's governments of provinces, autonomous regions and municipalities directly under the Central Government should step up the energy conservation work, rationally adjust industrial structures, enterprise structures, product structures and energy consumption structure, promote technological progress in energy conservation, reduce energy consumption per unit of output value and energy consumption per unit of product, improve development, processing and transformation, transportation or transmission and supply of energy, gradually improve energy utilization and promote the energy-saving type development of the national economy.

The State encourages development and utilization of new energy resources and renewable energy resources.

Article 5 The State formulates the energy conservation policy, compiles the energy conservation plan and integrates it into the national socio-economic development plan, ensures rational utilization of energy resources and coordinates it with economic development and environmental protection.

Article 6 The State encourages and supports the research and dissemination of energy conservation science and technology, steps up publicity and education in energy conservation, popularizes the scientific knowledge of energy conservation and enhances the awareness of the whole people in energy conservation.

Article 7 All units and individuals shall fulfil the obligations of energy conservation and have the right to report the acts of wastefulness in energy resources.

People's governments at all levels shall reward units and individuals having scored prominent achievements in energy conservation or research and dissemination of energy conservation science and technology.

Article 8 The department regulating energy conservation work under the State Council takes charge of the work of energy conservation supervision and administration nationwide. The departments concerned under the State Council shall be responsible for the work of energy conservation supervision and administration within the scope of their respective functions and responsibilities.

The departments regulating energy conservation work of local people's governments at or above the county level shall take charge of the work of energy conservation supervision and administration within their respective administrative areas. The departments concerned of local people's governments at or above the county level shall be responsible for the work of energy conservation supervision and administration within the scope of their respective functions and responsibilities.

Chapter II Energy Conservation Administration

Article 9 The State Council and local people's governments at all levels shall strengthen the leadership on the energy conservation work and go in for disposition, coordination, supervision, inspection and promotion of the energy conservation work every year.

Article 10 The State Council and people's governments of provinces, autonomous regions and municipalities directly under the Central Government shall, pursuant to the policy of putting equal stress on economy of energy and development of energy resources and giving top priority to energy conservation, and on the basis of comparative authentication of technology, economy and the environment of energy conservation and development of energy resources, select investment projects in energy conservation and development of energy resources on merit and formulate the energy investment plan.

Article 11 The State Council and people's governments of provinces, autonomous regions and municipalities directly under the Central Government shall arrange energy conservation funds in the funds for capital construction and technological transformation to be used in support of rational utilization of energy and development of new energy resources and renewable energy resources.

Municipal and county people's governments shall arrange energy conservation funds in the light of actual conditions to be used in support of rational utilization of energy and development of new energy resources and renewable energy resources.

Article 12 The feasibility study of an investment project with fixed assets shall include a specific authentication on rational energy utilization.

The design and construction of the investment project with fixed assets shall comply with standards for rational energy utilization and energy-saving design standards.

The examination and approval organ shall not approve the construction in accordance with law of a project which fails to meet the standards for rational energy utilization and energy-saving design standards; no acceptance checks of the project failing to meet the standards for rational energy utilization and energy-saving design standards shall be conducted.

Article 13 New construction of energy-guzzling industrial projects with obsolete technologies and heavy waste of energy resources shall be prohibited. The catalogue and specific measures for the banning of new construction of energy-guzzling industrial projects shall be worked out by the department of energy conservation administration under the State Council in conjunction with the departments concerned under the State Council.

Article 14 The competent administrative department of standardization under the State Council shall formulate the state standards for energy conservation.

In the case of no state standards as prescribed in the preceding paragraph, the departments concerned under the State Council may formulate relevant trade energy-saving standards and submit them to the competent administrative department of standardization under the State Council for the record.

The energy-saving standards to be formulated shall be technologically state-of-the-art and economically rational which shall be constantly perfected and improved.

Article 15 The department of energy conservation administration under the State Council shall, in conjunction with the departments concerned under the State Council, step up supervision over the trades producing wide-ranging massive energy-consuming products, urge them to take energy-saving measures and make efforts to upgrade product design and manufacturing technology and gradually reduce the energy consumption per unit of product of the respective trades.

Article 16 The departments of energy conservation administration of people's governments at or above the provincial level shall, in conjunction with the departments concerned at the corresponding level, formulate ceilings for energy consumption per unit of product for products guzzling energy in the process of production.

Formulation of ceilings for energy consumption per unit of product should be scientific and rational.

Article 17 The State practises the elimination system of outmoded energy guzzling products and equipment.

The catalogue of energy-guzzling products and equipment to be phased out shall be determined and published by the department of energy conservation administration under the State Council in conjunction with the departments concerned under the State Council. Specific measures for implementation shall be formulated by the department of energy conservation administration under the State Council in conjunction with the departments concerned under the State Council.

Article 18 Enterprises may, in accordance with the principle of voluntarism and in pursuance of the state provisions relating to product quality authentication, apply to the authentication agencies acknowledged by the department of product quality supervision and administration under the State Council or the departments authorized by the department of product quality supervision and administration under the State Council for energy-consuming product energy-saving quality authentication; the enterprises which pass the authentication shall obtain a energy-saving quality authentication certificate and use the energy-saving quality authentication mark on the energy-consuming products or their packages.

Article 19 Statistical offices of all people's governments at or above the county level shall, in conjunction with the departments concerned at the corresponding level, do a good job in statistics of the state of energy consumption and utilization and publish a bulletin at regular intervals making public the state of energy consumption per unit of product of major energy-consuming products etc.

Article 20 The State shall step up energy conservation administration over major energy-consuming units.

The following energy-consuming units shall be the major energy-consuming units:

(1) energy-consuming units with aggregate annual energy consumption over 10,000 tons of standard coal;

(2) energy-consuming units with aggregate annual energy consumption more than 5,000 tons and less than 10,000 tons of standard coal designated by the departments concerned under the State Council or the departments of energy conservation administration of people's governments of provinces, autonomous regions and municipalities directly under the Central Government.

The departments of energy conservation administration of all people's governments at or above the county level shall organize the departments concerned in conducting supervision and inspection of the state of energy utilization of major energy-consuming units, and may entrust units with testing and measuring technical qualifications to conduct energy conservation testing and measuring in accordance with law.

The energy-saving requirements, energy-saving measures and control measures for major energy-consuming units shall be formulated by the department of energy conservation administration under the State Council in conjunction with the departments concerned under the State Council.

Chapter III Rational Energy Utilization

Article 21 An energy-consuming unit shall, in accordance with the principle of rational energy

utilization, enhance energy conservation management, formulate and organize the implementation of energy-saving technical measures of the unit to reduce energy consumption.

Energy-consuming units shall conduct energy conservation education and organize related personnel to participate in energy conservation training.

No personnel without undergoing energy conservation education and training shall work in posts operating energy-consuming equipment.

Article 22 Energy-consuming units shall strengthen quantification management and perfect the system of energy consumption statistics and analysis of the state of energy utilization.

Article 23 Energy-consuming units shall set up the energy conservation responsibility system and give reward to collectives and individuals having made achievements in energy conservation.

Article 24 units making products with high energy consumption shall abide by the energy consumption ceilings per unit of product formulated in accordance with law.

Where the circumstances are serious in energy consumption exceeding the ceilings for energy consumption per unit of product, treatment shall be effected within a specified period. Treatment within a specified period shall be decided upon by the departments of energy conservation administration of people's governments at or above the county level pursuant to the terms of reference prescribed by the State Council.

Article 25 Units and individuals making and selling energy-consuming products and using energy-consuming equipment must, within the time period specified by the department of energy conservation administration under the State Council in conjunction with the departments concerned under the State Council, stop the production and sale of energy-consuming products phased out by express state order, stop the use of energy-consuming equipment phased out by express state order, and shall not transfer the phased-out equipment to others for use.

Article 26 Units and individuals making energy-consuming products shall truthfully annotate the energy consumption index on product descriptions and product marks.

Article 27 Units and individuals making energy-consuming products shall not use forged energy-saving quality authentication marks or imitate energy-saving quality authentication marks.

Article 28 Major energy-consuming units shall, pursuant to the relevant state provisions, submit reports on the state of energy utilization at regular intervals. The state of energy utilization includes such contents as information on energy consumption, analyses of energy utilization efficiency and energy conservation benefits and energy-saving measures.

Article 29 Major energy-consuming units shall set up energy management posts, employ energy management personnel from among staff members with knowledge of the energy conservation specialty and practical experience and the technical title above engineer and report to the energy conservation administrative departments of people's governments at or above the county level and the departments concerned for the record.

Energy management personnel shall be responsible for the supervision and inspection of the state of energy utilization of the respective units.

Article 30 Workers and staff members of units and other urban and rural inhabitants shall, pursuant to the state provisions, take measurements and pay fees in the use of such energy resources as electricity, coal gas, natural gas and coal produced by enterprises and shall not use them without charge or practise the contractual lump-sum fee system.

Article 31 Energy production and management units shall, pursuant to the provisions of laws and regulations and agreement in contracts, supply energy to the energy-consuming units.

Chapter IV Technological Progress in Energy Conservation

Article 32 The State encourages and supports the development of state-of-the-art energy-saving technologies, determines the priorities and direction in the development of state-of-the-art energy-saving technologies, establishes and perfects the energy-saving technology service system and fosters and standardizes the energy-saving technology market.

Article 33 The State organizes the implementation of major energy conservation scientific research projects, energy conservation demonstration projects, comes up with energy-saving extension projects and guides enterprises, institutions and individuals in adopting state-of-the-art energy-

saving techniques, technologies, equipment and materials.

The State formulates preferential policies in support of the energy conservation demonstration projects and energy-saving extension projects.

Article 34 The State encourages the introduction of foreign state-of-the-art energy-saving technologies and equipment and prohibits the introduction of obsolete foreign energy-consuming technologies, equipment and materials.

Article 35 Energy conservation funds shall be arranged in the scientific research funds arranged by the State Council and people's governments of provinces, autonomous regions and municipalities directly under the Central Government to be used in state-of-the-art energy-saving technology research.

Article 36 All people's governments at or above the county level shall organize the departments concerned in the promotion of scientific and rational specialized production in conformity with energy conservation requirements in accordance with the state industrial policies and energy conservation technology policy.

Article 37 Design and construction of buildings shall, pursuant to the provisions of relevant laws and administrative regulations, adopt energy-saving type building structures, materials, apparatuses and products, improve insulation characteristics and reduce energy consumption in heating, cooling and lighting.

Article 38 People's governments at all levels shall, pursuant to the policy of adapting to the local conditions, multi-energy complementarity, integrated utilization and seeking benefits, strengthen energy construction in the rural areas, develop and exploit such renewable energy and new energy resources as methane, solar energy, wind energy, hydro-energy and underground thermal power, etc.

Article 39 The State encourages the development of the following general-purpose energy-saving technologies:

(1) extension of joint production of heat and electricity and central heating, improvement in thermal power generation unit utilization, development of thermal power ladder-type utilization technology, joint production technology of heat, electricity and cooling and triple supply technology of heat, electricity and coal gas and improvement in integrated utilization of thermal power;

(2) gradual realization of economic operations of electric motors, blast motors, pumping equipment and systems, development of electric motor speed regulation electricity-saving technology and electricity electronic electricity-saving technology, development, production and popularization of fine-quality low-price energy-saving apparatuses and improvement of electric power utilization;

(3) development and extension of such clean coal technologies as the flow bed burning, smokeless burning, gasification, liquefaction suitable to the types of coal in the country and improvement of coal utilization;

(4) development and extension of other general-purpose energy-saving technologies which have been proved in energy conservation work to be technologically mature and with marked benefits.

Article 40 All trades shall formulate trade energy conservation technology policies, develop and extend new energy-saving technologies, new techniques, new equipment and new materials, restrict or phase out obsolete energy-guzzling technologies, techniques, equipment and materials.

Article 41 The department of energy conservation administration under the State Council shall, in conjunction with the departments concerned under the State Council, lay down general-purpose and trade-wise specific energy-saving technical targets, requirements and measures, and make timely revisions in the light of the development of the economy and energy conservation technologies, improve energy utilization, reduce energy consumption so as to enable energy utilization in China to gradually catch up with the advanced international levels.

Chapter V Legal Liability

Article 42 With respect to new construction of an energy-guzzling industrial project expressly prohibited by state order in violation of the provisions of Article 13 of this Law, the department of energy conservation administration of the people's government at or above the county level shall come up with suggestions which shall be submitted to the people's government at the corresponding

level pursuant to the terms of reference prescribed by the State Council to order the said unit to stop going into production or stop its use.

Article 43 With respect to a unit making heavy energy-consuming products exceeding ceilings for energy consumption per unit of product in violation of the provisions of Article 24 of this law where the circumstances are serious which does not carry out treatment as directed for treatment within the specified time period or fails to meet the requirements for treatment, the department of energy conservation administration of the people's government at or above the county level may come up with suggestions which shall be submitted to the people's government at the corresponding level pursuant to the terms of reference prescribed by the State Council to order the said unit to suspend operations for consolidation or close down.

Article 44 With respect to any unit making and selling energy-consuming products phased out by express state order in violation of the provisions of Article 25 of this Law, the department of product quality supervision administration of the people's government at or above the county level shall order the said unit to stop the production and sale of the energy-consuming products phased out by express state order, confiscate the illegally produced and sold energy-consuming products phased out by express state order and the illegal gains, and concurrently impose a fine more than 100% less than five times of the amount of the illegal gains; the department of industry and commerce administration of the people's government at or above the county level may revoke its business licence.

Article 45 With respect to any unit using energy-consuming equipment phased out by express state order in violation of the provisions of Article 25 of this Law, the department of energy conservation administration of the people's government at or above the county level shall order the said unit to stop its use thereof and confiscate the energy-consuming equipment phased out by express state order; where the circumstances are serious, the department of energy conservation administration of the people's government at or above the county level may come up with suggestions which shall be submitted to the people's government at the corresponding level pursuant to the terms of reference prescribed by the State Council to order it to suspend operations for consolidation or close down.

Article 46 With respect to anyone who transfers phased-out energy-consuming equipment to others for use in violation of the provisions of Article 25 of this Law, the department of product quality supervision administration of the people's government at or above the county level shall confiscate the illegal gains and concurrently impose a fine more than 100% less than five times of the amount of the illegal gains.

Article 47 With respect to any unit that does not annotate the energy consumption index in the product descriptions and on the product mark in violation of the provisions of Article 26 of this Law, the department of product quality supervision administration of the people's government at or above the county level shall order it to make a rectification within the specified time period and may impose a fine of less than RMB 50,000 Yuan.

With respect to any unit whose annotation of the energy consumption index in the product descriptions and on the product mark is not in conformity with the actual conditions of the product in violation of the provisions of Article 26 of this Law, the violator shall bear civil liability pursuant to the provisions of relevant laws in addition to the penalty in accordance with the provisions of the preceding paragraph.

Article 48 With respect to any unit using forged energy-saving quality authentication mark or imitating energy-saving quality authentication mark in violation of the provisions of Article 27 of this Law, the department of product quality supervision administration of the people's government at or above the county level shall order it to make a rectification openly, confiscate the illegal gains and may concurrently impose a fine more than 100% less than five times the amount of the illegal gains.

Article 49 State functionaries who abuse power, neglect their duties, indulge in self-seeking misconduct in energy conservation work shall, if a crime has been constituted, be investigated for criminal liability; where a crime has not been constituted, administrative sanctions shall be imposed.

Chapter VI Supplementary Provision

Article 50 This Law shall enter into force as of January 1,1998.

