Implementing Regulations
Of the Law of Energy Conservation of the PRC
In Shandong Province

(Adopted by the 28th session of the Standing Committee of the 8th People’s Congress of Zhejiang Province on June 6, 1997)

Chapter I General Provisions

Article 1. The Regulations are developed in accordance with relevant laws and state regulations in a view to promoting social energy conservation, improving the efficiency of energy utilization, protecting the environment and implementing the strategy of sustainable development.

Article 2. The regulations shall strictly apply to energy utilization and related activities within the administrative region of Shandong Province.

The term of “energy” in the text refers to coal, crude oil, natural gas, electricity, coke, coal gas, refined oil, fuel oil, liquefied petroleum gas (LPG), and other energy resources which are identified by the State Council and provincial energy conservation administrative departments.

Article 3. Equal importance shall be attached to conservation and development with respect to energy utilization. Priority shall be granted to energy conservation.

Energy conservation endeavours shall be based on the principle of structural optimization, technical innovation, scientific management, economy and rationalization.

Article 4. Government at all levels shall strengthen the publicity and education of energy conservation, popularize the knowledge of energy conservation, and enhance the public awareness of energy conservation.

Article 5. Economic Commissions (Economic and Trade Commissions) above county level shall be the energy conservation administrative departments of the corresponding levels of government, and shall be responsible for the management of energy conservation in the corresponding regions of administration.

Article 6. Departments of planning, statistics, technical supervision, industrial and commercial administration, finance, taxation and environmental protection
above county level shall, in accordance with the terms of reference thereof, facilitate energy conservation in coordination with energy conservation administrative departments.

The relevant sectoral administrative departments above county level, with the steering of the energy conservation administrative departments of the same level, shall be responsible for energy conservation in corresponding sectors.

Article 7. Every institution and individual shall honour the obligation of energy conservation. Everyone shall be entitled to reporting to the authorities as to the act of waste of energy.

Article 8. Government, energy conservation administrative departments and other departments concerned shall give commendation and awards to institutions and individuals that have made outstanding contributions to the management, scientific research and extension of energy conservation technologies, as well as to checking and informing against the waste of energy.

Chapter II Management of Energy Conservation

Article 9. Government at all levels shall rationalize industrial structure, products mix and energy consumption structure in accordance with national industrial policy and local conditions of energy resources.

Activities of casting, forging, electroplating and heat processing shall be specialized in areas of industrial concentration, in a view to improving energy efficiency.

It shall be prohibited to construct such industrial projects as small smeltery, small coal-based power generation, small electroplating, small casting, small forging or coking with indigenous methods. The list thereof shall be developed and published by provincial energy administrative department jointly with other departments concerned.

The existing aforementioned projects shall be shut down by the government above county level within a definite time.
Article 10. Construction, transformation and expansion of energy-consuming projects of capital construction or technical innovation shall be submitted to departments concerned for approval in accordance with the approval procedures stipulated by the state; The design and construction thereof shall comply with the codes of energy efficient design and rational energy-consuming standards.

Feasibility studies of energy-consuming projects shall include chapters on rationalization of energy consumption. Project approval bodies shall not approve the projects of which the feasibility studies do not include chapters on rationalization of energy consumption or the chapters thereof do not comply with the stipulations concerned.

Projects with overall annual energy consumption exceeding 2,000 tons of standard coal or 2 million kWh of electricity shall be referred to a qualified consulting institution for assessment on the chapters thereof on rational energy consumption.

Article 11. Government above county level shall, in light of the requirement of energy conservation, allocate special fund of energy conservation in the fund of capital construction, technical innovation, scientific research and technology development. The fund of energy conservation shall be channeled to energy conservation projects and the development of energy saving products.

Article 12. Fiscal, taxation and financial departments shall, in accordance with relevant state stipulations, accord preferential policies to energy conservation projects and energy saving products.

Article 13. Provincial technical supervisory department shall, in light of the requirements of energy conservation endeavours, develop local standards of technologies and management of energy conservation.

Article 14. Provincial energy conservation administrative department shall organize sectoral administrative bodies concerned to develop limitations to products which are relatively high in energy consumption during the process of manufacturing.

Energy conservation administrative departments at all levels shall organize departments concerned to develop and issue quotas of energy consumption to corresponding subordinates and check the implementation thereof. Quotas of energy consumption shall be revised once every year.
Article 15. Provincial energy conservation administrative department shall, in light of the provincial economic development, develop and publish the provincial list of energy-consuming products and equipment which shall be sifted out within prescribed time, supplementing the state list of energy-consuming products.

Article 16. The province shall pursue the certification system of energy saving products.

Enterprises may, in the principle of self-willingness, submit application to provincial energy conservation administrative department for quality certification. Provincial energy conservation administrative department shall organize relevant sectoral administrative bodies and experts to review the application and issue Shandong provincial quality certificate of energy conservation and the logo of certification to qualified products.

No institution or individual shall be permitted to infringe quality certificate of energy conservation or the logo thereof on products without being reviewed or unqualified.

Article 17. Manufactures of energy-consuming products shall comply with the mandatory standards of efficiency or energy consumption of products, and shall mark the efficiency or energy consumption on product labels thereof.

Energy conservation administrative departments shall join other departments concerned in checking, testing and verifying energy-consuming products according to the energy efficiency indexes marked on product manuals, labels and advertisement.

Article 18. Energy conservation departments shall, in coordination with other departments concerned, conduct statistical work on the situation of energy consumption and utilization, and shall publish routine reports on energy utilization.

Article 19. Institutions with overall annual energy consumption exceeding 5,000 tons of standard coal or 5 million kWh of electricity shall be regarded as key energy-consuming institutions. The key energy-consuming institutions shall set up the post of energy management.

Provincial government shall develop the management method for key energy-consuming institutions.

Article 20. Provincial energy conservation administrative department shall exercise supervision and inspection over local energy-consuming institutions.

Article 21. Affiliate energy utilization supervisory organizations of provincial and municipal energy conservation administrative departments and other energy utilization supervisory organizations certified by the provincial
energy conservation administrative department shall, in accordance with relevant laws, regulations and standards of energy conservation, exercise testing and monitoring over the situation of energy utilization, energy efficiency or energy consumption indexes of products in energy-consuming institutions.

Provincial government shall develop the testing and monitoring regulations of energy utilization.

Chapter III  Rational Energy Consumption

Article 22. Energy-consuming institutions shall establish mechanisms conducive to energy conservation, reducing energy consumption and improving energy efficiency, promoting scientific management and advanced technologies of energy conservation, improving upon the responsibility system of energy utilization and the system of rewards and penalties, and exercise routine assessment on the performance of energy conservation.

Energy-consuming institutions shall allocate an appropriate amount of fund from the value created by energy conservation as rewards for contributions to energy conservation.

Article 23. Energy-consuming institutions shall implement state and provincial standards of energy conservation, strengthen metrological and statistical management of energy, keep record of energy consumption, establish statistical accounting, improve upon the system of analysis on energy utilization and statistics of energy consumption, and submit statistical reports on energy to the administrative departments of statistics and energy conservation in accordance with relevant stipulations.

Article 24. Energy-consuming institutions shall comply with the limitations and quotas of energy consumption.

Energy conservation administrative departments shall levy a charge upon institutions which exceed the limitations and quotas of energy consumption for the part of energy wasted. Where there are provisions of laws or regulations concerning this matter, the provisions shall apply.

The charge for waste of energy shall be channeled to energy conservation efforts, and the criteria and management thereof shall be developed by the provincial government.

Article 25. Production or marketing of energy-consuming products sifted out by the state and provincial government shall be prohibited.
Energy-consuming equipment sifted out by the state and provincial government must be sifted out within a prescribed time.

Equipment incommensurate with state and provincial standards of energy consumption must be transformed within a prescribed time.

Article 26. Energy-consuming institutions shall refer to energy conservation administrative departments and other departments concerned for review and approval of new installation or renewal of large energy-consuming equipment, or for capacity expansion through transformation of equipment, such as boilers.

Operators of energy-consuming equipment shall have operational skills and knowledge of energy conservation, with licenses issued after passing exams.

Article 27. Design, construction and decoration of buildings shall, in accordance with relevant stipulations and standards provided for laws and regulations, apply energy efficient structures, materials, appliances and equipment, so as to improve insulation and reduce energy consumption for heating, cooling and lighting.

Provincial government shall develop specific management regulations of energy conservation in buildings and municipal utilities.

Article 28. The province shall energetically develop the integrated production of gas, heating and electricity in urban area and centralized heating supply. Newly established residential areas and public buildings shall apply centralized heating supply and heating by hot water. The existing scattered steam heating systems shall be gradually transformed into water heating systems in the principle of economy and rationalization.

Article 29. Energy saving products and technologies shall be applied in institutions, schools, hotels, stores and daily life of urban and rural residents, in a view to reducing energy consumption.

The province shall encourage the development of new and renewable energies such as biogas, solar energy, hydropower and wind energy, and shall encourage the promotion of shaped coal and energy efficient stoves.

Article 30. Residential consumption of electricity, coal gas and natural gas shall be paid for according to metres. Fixed payment for energy consumption or free supply of energy shall be prohibited.

Article 31. Different electricity tariffs shall be applied for low demand hours and peak hours. Electricity consuming institutions shall make full use of the electricity supply during low demand hours by rationalizing the arrangement of operation hours of equipment.
Energy-consuming institutions are encouraged to fully utilize surplus energy such as surplus heat, surplus pressure and fuel of low calorific value.

Article 32. Energy efficient lighting systems shall be promoted for urban and rural lighting; Energy saving control devices shall be installed in lighting systems of public areas.

Article 33. Energy supply institutions shall, in accordance with the provisions of relevant laws, regulations and contracts, ensure the quality of energy supply. Adulteration in energy supply shall be prohibited.

Energy supply institutions must, when supplying energy, provide energy-consuming institutions with quality report of the energy supplied which must comply with the quality described in the report.

Energy conservation administrative departments shall join other departments concerned in supervising the quality of energy supply.

Chapter IV    Technical Innovation

Article 34. Government at all levels shall adopt measures to improve upon the technical service system of energy conservation, nurturing and standardizing the market of energy conservation technologies.

Article 35. Energy conservation administrative departments shall enhance the administration over institutions dedicated in technical service of energy conservation, and shall join other departments concerned in reviewing the qualifications thereof.

Article 36. Energy-consuming institutions, research institutions, colleges and universities shall be encouraged to conduct energy conservation research on the improvement of energy efficiency and application of alternative materials.

Article 37. Energy conservation administrative departments shall, in coordination with other departments concerned, identify and organize the implementation of demonstration projects of energy conservation, develop and promote new technologies, new products, new processes and new materials of energy conservation.

Article 38. Energy-consuming equipment and production processes introduced from abroad shall comply with the relevant state indexes of energy consumption.
Chapter V Legal Liabilities

Article 39. Government above county level shall order to close, within a prescribed time, highly energy-consuming industrial projects such as small smelters which violate Paragraph 3 of Article 9. In respect to the projects illegally approved by departments concerned, the personnel directly in charge of the departments concerned and other personnel directly involved shall assume the liabilities according to law.

Article 40. Energy conservation administrative departments shall order to halt and compose a fine of RMB5,000-100,000 to the illegal practice of infringing the Shandong provincial logo of energy conservation on uncertified or unqualified products, violating Article 16 of the Regulations.

Article 41. Technical supervisory departments shall compose a penalty on the failure of marking energy efficiency or energy-consuming indexes in product manuals and labels, and on energy efficiency or energy-consuming indexes marked in product manuals, labels and advertisement which do not comply with those in practice, violating Article 9 of the Regulations.

Article 42. Energy conservation administrative departments shall, with a prescribed time, order to reverse the violation of Paragraph 1 of Article 24 by exceeding the energy consumption limitation, and shall compose a fine of RMB10,000-100,000; Government above county level shall order to close up the institutions which fail to reverse within the prescribed time or the reversal thereof fails to meet the relevant requirements.

Article 43. Penalties shall be given to the enterprises of which energy-consuming products fail to comply with the mandatory standards of energy consumption in accordance with the Standardization Law of the people’s Republic of China.

Article 44. Penalties shall be given to the production and marketing, in violation of Paragraph 1 of Article 25, of energy-consuming products sifted out by the state as per Law of Product Quality of the People’s Republic of China.

Article 45. Energy conservation administrative departments shall halt the use of energy-consuming equipment sifted out by the state, which violates Paragraph 2 of Article 25, and shall compose a fine which does not exceed 50% of the original value of the equipment.

Article 46. Energy conservation administrative departments shall, with a prescribed time, order to reverse the violation of Paragraph 3 of Article 25 which continues using untransformed energy-consuming equipment.
incommensurate with the state and provincial standards of energy consumption, and shall compose a fine of RMB1,000-20,000.

Article 47. Energy conservation administrative departments shall, with a prescribed time, order to complete the approval procedures for new installation, renewal and capacity expansion of large energy-consuming equipment such as boilers without approval, which violates Paragraph 1 of Article 26, and shall compose a fine of RMB10,000-100,000.

Article 48. Energy conservation administrative departments shall, with a prescribed time, order to reverse the fixed payment for residential energy consumption or free supply of electricity, coal gas and natural gas, which violates Article 30, and shall compose a fine of RMB5,000-20,000.

Article 49. Energy supplying institutions which adulterate in energy supply, in violation of Article 33, shall bear a penalty composed by technical supervisory departments according to law, in addition to the liabilities stipulated in relevant contracts. Where a loss occurs, energy supplying institutions shall make compensation. Where a crime is committed, criminal liabilities shall be referred to energy supplying institutions concerned.

Article 50. The party concerned challenging specific administrative action may, within 15 days since receiving the penalty notice, submit an application to the higher level of the administrative department which composes the penalty for review, or bring a suit in the people’s court against the penalty within 15 days since receiving the penalty notice.

The review body shall work out the review decision within 60 days since receiving the application for review. The party concerned challenging the review decision may bring a suit in the people’s court within 15 days since receiving the review decision. In case of failure on the part of the review body to make the review decision within the prescribed time, the party concerned may bring a suit in the people’s court within 15 days since the end of the prescribed time.

In case that the party concerned fail, within subscribed time, to submit an application for review, or bring an action in the people’s court, or implement the penalty decision, the administrative department which composes the penalty may submit an application to the people’s court for a mandatory enforcement.

Article 51. Departments which exercise administrative penalty shall issue penalty notice when executing. Unified receipt issued by municipal financial department shall be presented for a fine and confiscation.

The fine and confiscated illegal income shall be submitted to national treasury.
Article 52. The party that refuses or impedes the performance of the mission of energy conservation management personnel, in violation of the Regulation of Security and Penalty of the People’s Republic of China, shall be referred to the public securities departments. If a crime is committed, criminal liabilities shall be investigated according to law.

Article 53. If the staff of energy conservation management abuse the duty and power, practice favoritism for personal gains or neglect the duty of office, which constitutes a crime, criminal responsibility shall be investigated according to law; if no crime is constituted, administrative penalty shall be given.

Chapter VI    Supplementary Provision

Article 54. The Regulations shall be effective as of September 1st, 1997.