

**Implementing Regulations
Of the Law on Energy Conservation of PRC
In Shanghai Municipality**

*(Adopted by the 5th session of the Standing Committee of the 11th People's Congress of
Shanghai Municipality on September 22, 1998)*

Chapter I General Provisions

Article 1. The Regulations are formulated in accordance with the Law of Energy Conservation of the People's Republic of China in a view to facilitating energy conservation in the whole society, improving energy efficiency, protecting environment and implementing sustainable development strategy on the basis of specific conditions of the Municipality.

Article 2. The term of "energy" in the text refers to coal, crude oil, natural gas, electricity, coke, coal gas, heating power, refined oil, liquefied petroleum gas (LPG), bio-mass energy and other various resources which directly produce usable energy, or indirectly through processing or conversion.

The term of "energy conservation" in the text refers to the reduction of the loss and waste of energy in the process linking energy production and consumption, more effective and rational utilization of energy by means of strengthening the management of energy utilization, adopting technically feasible, economically rational, environmentally and socially endurable measures.

Article 3. The Regulations shall be applicable to the management activities of energy conservation in Shanghai Municipality.

Article 4. Energy conservation practices in the Municipality shall be conducted in observation of the principle of macro-adjustment, managing as per law, technical innovation, reducing consumption while increasing efficiency, widespread involvement, and effective supervision.

Article 5. Municipal, district and county government shall, in accordance with the targets of municipal economic and social development, formulate energy conservation plan, rationalizing industrial structure, enterprise structure, product mix and the structure of energy consumption, promoting technical innovation of energy conservation, reducing energy consumption of per unit output and product, improving energy development, processing, conversion,

transmission and supply, so as to gradually enhance the efficiency of energy utilization and facilitate the development of energy efficient economy.

Article 6. The Municipality encourages the development and utilization of new and renewable energy, establishment and perfection of the service system of energy conservation technology, nourishment and standardization of the market of energy conservation technology, and the industrialization of hi-tech energy saving products.

Article 7. All sectors shall strengthen the publicity and education of energy conservation, popularize the knowledge of energy conservation, enhance the public awareness of energy conservation, in a view to facilitating energy conservation from links of energy production to energy consumption.

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. Shanghai Municipal Economic Commission (hereinafter “SEC”) shall be the municipal administrative body responsible for supervision and management of energy conservation in the Municipality.

District and county administrative bodies of energy conservation under the leadership of SEC in business shall be responsible for supervision and management of energy conservation in areas thereof.

Shanghai Energy Conservation Supervisory Centre (hereinafter “ECSC”) under the control of SEC shall be responsible for day-to-day supervisory exercises in relation to energy conservation, and shall exercise administrative penalties as per the authorization of the Regulations.

Article 9. The municipal departments of planning, science and technology, construction, environment protection, technology supervision, statistics and finance shall, in accordance with the terms of reference thereof, facilitate energy conservation in coordination.

Chapter II Management of Energy Conservation

Article 10. Municipal, district and county government shall enhance the leadership over energy conservation by conducting routine assignment, coordination, supervision and inspection, in a view to facilitating the exercise of energy conservation and efficiency.

Article 11. The Municipality encourages the development of industries of high value added with low energy consumption. With respect to highly energy-consuming industries, adjustment shall be conducted in a planned and step by step manner, or technical innovation shall be expedited, with a view to reducing energy consumption.

Article 12. Feasibility studies of fixed asset investment projects shall include special proof of rational energy utilization or chapters on energy conservation. Highly energy-consuming projects shall be referred to consulting agencies with qualification assessment. The criteria of high energy consumption shall be developed by SEC.

Design and construction of fixed asset investment projects shall comply with the criteria of rational energy utilization and the codes of energy efficient design.

The relevant authorities shall not approve the projects incommensurate with the criteria of energy rational utilization and the codes of energy efficient design; Completed projects incommensurate with the criteria of rational energy utilization and the codes of energy efficient design shall not be accepted.

Article 13. SEC shall, in accordance with the principle of science and rationality, develop energy consumption limitations of per unit product which highly consumes energy during production, in conjunction with other departments concerned.

With respect to the matters uncovered by the state or sectoral standards, municipal technical supervision department may organize the development of local standards, and constantly revise and improve upon these standards in light of advanced technology and economic rationality.

Article 14. Enterprises producing highly energy-consuming products shall comply with the energy consumption limitations of per unit product.

Article 15. Energy production, operating and consuming institutions shall, in accordance with the Law of Metrology of the People's Republic of China, strengthen metrological management and shall be equipped with energy metrological devices in light of the situation of energy consumption.

Article 16. Statistical departments shall collaborate with other departments concerned in properly carrying out statistical work of energy consumption and situation of

energy utilization, and shall release routine bulletins on the energy consumption situation of per unit major energy-consuming products.

Energy production, operation and consuming institutions shall improve upon statistical and analytical systems of energy consumption and utilization.

Article 17. The Municipality encourages the promotion of centralized heating and cooling supply in newly developed areas and transformed area of the old city.

Article 18. The Municipality encourages the utilization of clean energy. Installation of coal-based boilers shall be prohibited. Existing coal-based boilers shall be transformed or sifted out within a prescribed time.

Article 19. Institutions with annual energy consumption exceeding 5,000 tons of standard coal are regarded as key energy-consuming institutions.

SEC shall organize departments concerned to supervise and check the situation of energy utilization of key energy-consuming institutions.

Key energy-consuming institutions shall, in accordance with relevant state stipulations, submit routine reports to energy conservation administrative departments on the situation of energy utilization.

Article 20. Key energy-consuming institutions shall establish the management post of energy and recruit management personnel from professionals with energy conservation expertise, practical experience and mid-level or high-level professional titles, and shall be put on the record of energy conservation administrative departments.

Energy management personnel shall be responsible for supervising and checking the situation of energy utilization of their own institutions.

Article 21. Energy production and operation institutions shall, in accordance with the provisions of relevant laws, regulations and contracts, provide energy-consuming institutions with energy supply.

Energy production and operation institutions may encourage energy-consuming institutions and individuals, by economic means, to rationalize energy consumption, in a view to reducing the aggregate energy consumption and ensuring a balanced energy supply.

Article 22. Enterprises may, on the principle of self-willingness, submit application to statutory certification agencies for quality certificates of energy-consuming products. Upon certification, the enterprise shall obtain the quality certificate of energy conservation and the right to the logo of certification.

No institution or individual shall be permitted to use fake logo of quality certificate of energy conservation or to infringe the logo of quality certification of energy conservation belonging to others.

Article 23. The establishment of or embarking upon energy conservation test and verification services shall be subject to application to SEC. SEC shall make the decision within 30 days since it receives the application. SEC shall approve the applications commensurate with conditions concerned and issue the qualification certificate of energy test and verification; SEC shall reject the application incommensurate with conditions concerned with appropriate illustration.

No forging, altering, lending or transfer shall be done to the qualification certificates of energy conservation test and verification.

Chapter III Innovation of Energy Conservation Technology

Article 24. Municipal, district and county governments shall, in accordance with the local priority and orientation of energy conservation, incorporate energy conservation related scientific research, technology development, introduction and absorption of advanced energy efficient technology equipment and material into the governmental development plan of science, technology and hi-tech industrialization.

Article 25. The Municipality encourages and supports research institutes, colleges and universities, institutions and individuals in researching and developing new technology of energy conservation, conducting multi-channeled international and domestic exchanges of energy conservation information and technology, expanding new technology of energy conservation, and extending demonstration projects and new products of energy conservation.

Article 26. Energy production and consuming institutions shall, in a view to enhancing energy efficiency, actively adopt general and specialized technologies of energy conservation, such as computerized control, remote sensing, remote survey, electrical machinery governor, centralized heating and cooling supply, integrated supply of heating-power-cooling, energy efficient lighting, and thorough-utilization of thermal energy①, which are matured technologically with obvious effect.

Article 27. Industrial enterprises shall adopt up-to-date technology and processes, and shall sift out highly energy-consuming equipment. New installation or transformation of boilers, kilns, transformation or maintenance of pumps,

refrigeration equipment and other machinery devices should be in compliance with relevant technical standards.

The Municipality encourages specialized production of casting, forging, electroplating and heat processing, etc..

Article 28. Service sector shall, with the prerequisite of ensuring the functions of services, choose energy efficient products, equipment, service items and methods, and strengthen the management of the use and maintenance of energy-consuming equipment.

Article 29. Institutions and individuals using automobiles and ships shall, in accordance with relevant stipulations, transform or renew their highly energy-consuming vehicles. Automobiles and ships must comply with the state indexes of energy consumption.

Article 30. Design and construction of buildings shall, in accordance with the provisions of relevant laws and regulations, apply energy efficient structures, materials, equipment and products, in a view to enhancing insulation and reducing energy consumption of equipment of heating, cooling, lighting, power and cooking.

Article 31. The Municipality shall strengthen the development of rural energy and comprehensive utilization of resources by actively developing and utilizing new and renewables such as biogas, solar energy and wind energy, so as to safeguard the bio-environment.

Article 32. Enterprises which manufacture energy-consuming products shall enhance the design and development of products by applying up-to-date technologies, processes and energy efficient materials with a view to reducing energy consumption of products, improving the quality of energy efficient products and developing the market of such products.

Energy-consuming product manufacturers shall, in honesty, illustrate energy consumption indexes of product in product manuals and labels.

Article 33. Design institutions must not apply those energy-consuming products which are already sifted out by the state in projects or other product design.

Institutions or individuals that manufacture, market or use energy-consuming products must, within the definite time set forth by the state, cease the manufacturing or marketing of energy-consuming products sifted out by the state, stop using equipment sifted out by the state, and must not transfer such equipment to others.

Chapter IV Measures of Guarantee for Energy Conservation

Article 34. The municipal government shall arrange energy conservation funding in the budget of capital construction and technical innovation, which shall be channeled to supporting rational utilization of energy and the development of new and renewable energies.

District and county government shall, in accordance to actual conditions, arrange energy conservation funding to be channeled to supporting rational utilization of energy and the development of new and renewable energies.

Energy conservation administrative departments shall formulate regulations ensuring rational and effective allocation of energy conservation fund.

Article 35. The Municipality encourages the investment in the development of energy efficient products by institutions and individuals. Preferential policies shall, in accordance with relevant provisions, be accorded to the investment in projects of qualified hi-tech conversion for energy conservation, and to the development of new energy-saving products which are included by the Municipal Economic Commission and Municipal Science and Technology Commission in the list of pilot manufacturing projects.

Article 36. Key energy-consuming enterprises shall allocate appropriate amount of funding, from the equipment devaluation fund, for technology transformation of energy conservation.

Article 37. Municipal, district and county government shall give commendation and awards to institutions and individuals that have made outstanding contributions to energy conservation, research or extension of energy conservation technologies.

Energy production, operation and consuming institutions shall give awards to collectives and individuals that have achieved progress in energy conservation.

Article 38. Energy conservation test and verification service organizations shall observe professional ethics by providing, in a just, objective and responsible manner, information of advanced energy conservation technology and services in relation to test and verification of energy consumption, and submitting to government bodies data concerned and analytical reports on energy consumption of energy-consuming institutions.

Enterprises may make their own choices of energy conservation test and verification organizations and services. Energy conservation test and verification organizations shall not force to provide or expand services.

Article 39. Sectoral associations and related social organizations shall provide energy production, operation and consuming institutions with such services as information of energy conservation, put forward proposals to energy conservation administrative departments, and safeguard the legitimate rights and interests of members.

Article 40. The press shall conduct supervision over energy conservation exercises, popularize laws and regulations of energy conservation, criticize the phenomenon of waste of energy, and reveal any illegal practices in the management of energy conservation.

Chapter V Legal Liabilities

Article 41. The Municipal Energy Conservation Supervisory Centre shall order, with a definite time limitation, to reverse the failure in design and construction of projects of fixed asset investment which do not comply with rational energy consumption standards and energy efficient codes in violation of Paragraph 2 of Article 12 of the Regulations.

The Municipal Energy Conservation Supervisory Centre shall order, with a definite time limitation, to reverse the failure in design and construction of completed projects of fixed asset investment which do not comply with rational energy consumption standards and energy efficient codes in violation of Paragraph 3 of Article 12 of the regulations; Those which severely violate this provision shall be referred to departments concerned which will look in to the liabilities to be born by the construction and design institutions.

Article 42. In respect of enterprises manufacturing highly energy-consuming products and exceeding the limitations of energy consumption for per unit product, in severe violation of Article 14, fail to reverse the failure within definite time limitation or fail to comply with relevant requirements after the reversal, municipal, district or county energy conservation administrative departments may propose the government at corresponding levels to halt or close up the businesses in accordance with the terms of reference thereof accorded to by the State Council.

Article 43. The Municipal Energy Conservation Supervisory Centre shall issue an order to halt the construction or operation of any newly installed boilers inside the “Inner Ring Road” of the city, in violation of Article 18, and shall impose a fine of RMB5,000 for every ton of capacity thereof.

Article 44. In respect of energy production and operation institutions which violate Paragraph 1 of Article 21 by arbitrarily suspending or reducing energy supply or fail to supply energy commensurate with relevant standards, the Municipal Energy Conservation Supervisory Centre shall order these institutions to reverse the failure with a definite time limitation; Those which have caused losses to energy-consuming institutions shall bear corresponding civil liabilities; Acts violating contract provisions of energy supply shall be dealt with in accordance with relevant laws, regulations or the provisions of liabilities of the contract.

Article 45. In respect of violation of Paragraph 2 of Article 22 by using fake logo of energy conservation quality or infringing the logo belonging to others, the municipal technical supervisory department shall order to openly reverse the act, and shall confiscate the illegal income thereof with a fine of 1-5 folds of the amount of the illegal income.

Article 46. In respect of new installation or transformation of boilers and kilns, transformation or maintenance of such machinery devices as pumps and refrigeration equipment which fail to comply with stipulated technical standards in violation of Paragraph 1 of Article 27 of the Regulations, the municipal technical supervisory department shall, in accordance with relevant law, order to reverse with a definite time limitation and may impose a fine of RMB 5,000-50,000.

Article 47. In respect of violation of Paragraph 2 of Article 32 which fails to mark energy consumption indexes in product manuals and labels, the municipal technical supervisory department shall order to reverse the failure with a definite time limitation and may impose a fine of RMB 5,000-50,000.

Energy-consuming product manufacturers which fail to illustrate energy consumption indexes in product manuals and labels in compliance with actual indexes of products, in violation of Paragraph 2 of Article 32, shall bear corresponding civil liabilities in accordance with relevant laws, in addition to the fine aforementioned.

Article 48. In respect of design institutions which, in violation of Paragraph 1 of Article 33, apply energy-consuming products sifted out by the state in design, the Municipal Energy Conservation Supervisory Centre shall order to reverse the fault. Those design institutions which create adverse results by so doing shall be dealt with in accordance relevant state stipulations.

Article 49. In respect of producing and marketing energy-consuming products sifted out by the state, in violation of Paragraph 2 of Article 33, the technical supervisory department shall order to halt so doing, confiscate the illegal

income thereof and impose a fine of 1-5 folds of the amount of the illegal income. Municipal, district or county industrial and commercial administrative organs may withdraw the licenses of corresponding enterprises.

Article 50. In respect of the violation of Paragraph 2 of Article 33 by using energy-consuming products sifted out by the state, municipal, district or county energy conservation administrative departments shall order to halt the act and confiscate the state-sifted equipment. In respect of severe violation of this provision, municipal, district or county energy conservation administrative departments may propose the government at corresponding levels to halt or close up the businesses in accordance with the terms of reference accorded to by the State Council.

Article 51. In respect of the violation of Paragraph 2 of Article 33 by transferring energy-consuming products sifted out by the state, municipal, district or county technical supervisory departments shall confiscate the illegal income thereof and impose a fine of 1-5 folds of the amount of the illegal income.

Article 52. In respect of energy conservation test and verification services violating Article 28 and Article 38 by any of the acts listed below, the Municipal Energy Conservation Supervisory Centre shall issue a warning, confiscate the illegal income thereof and compose a fine of RMB5,000-50,000:

1. Act which goes beyond the business scope of energy conservation or arbitrarily alters the business scope;
2. Act of forcing to provide services or forcing to expand the scope of services;
3. Act of forging, altering, lending or transferring the qualification certificates of energy conservation test and verification;
4. Act of providing false test and verification documents.

In respect of the 3rd act aforementioned, the Municipal Energy Conservation Supervisory Centre shall also confiscate the forged, altered, lent or transferred qualification certificates of energy conservation test and verification

In respect of test and verification services without the qualification certificate, the Municipal Energy Conservation Supervisory Centre shall issue a warning, confiscate the illegal income thereof and compose a fine of RMB10,000-50,000.

Article 53. Departments which exercise administrative penalties 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 54. The party concerned challenging specific administrative action may submit an application for review or take legal proceedings against the action in accordance with the Regulations of Administrative Review or the Administrative Procedure Law of the People's Republic of China.

If the party concerned fails, within the definite time, to submit the application for review, take legal proceedings against it or comply with it, the department which takes the administrative action may submit an application to the people's court for mandatory enforcement.

Article 55. The party that refuses or impedes the performance of the mission of energy conservation management personnel, in violation of the Regulations 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 liability shall be investigated according to law.

Article 56. If the staff of energy conservation management abuse the duty and power, practise 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 57. The Regulations shall be effective as of October 15th, 1998. The Temporary Regulations of Energy Conservation of Industrial Enterprises of Shanghai approved by the 14th session of the Standing Committee of the 8th People's Congress of Shanghai Municipality on April 18, 1985 shall expire concurrently.

NOTE:

① **“thorough-utilization technology of thermal energy”** :

This is a very Chinese expression in the original Chinese text. I have consulted some energy experts and found that it means, “efficiently utilize thermal energy in consecutive steps with the lowering of temperatures.” Experts believe there is no English term equivalent to this expression.

--Timothy