

National Development and Reform Commission

of the People's Republic of China

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Circular of National Development and Reform Commission on the Publication of “Relevant Regulations on the Administration of Power Generation from Renewable Energy”

Development & Reform Commissions, Economic Relations and Trade Commissions, Pricing Bureaus on the provincial, autonomous region, municipalities directly under the Central Government, Separate Planning Cities, State Grid Corporation, China Southern Power Grid, State Electricity Regulatory Commission, China Huaneng Group, China Datang (Group) Corporation, China Huadian Corporation, China Guodian (Group) Corporation, China Power Investment Corporation, China Yangtze Three Gorges Project Development Corporation, Shenhua Group, State Development & Investment Corporation, The People's Bank of China, The Industrial & Commercial Bank of China, China Construction Bank, Bank of China, The Agricultural Bank of China, State Development Bank, China Minsheng Banking Corp.:

In order to implement the Renewable Energy Law of the People's Republic of China, standardize the administration of renewable energy power generation projects, promote the rapid development of renewable energy power generation industry, “Relevant Regulations on the Administration of Power Generation from Renewable Energy” is promulgated for perusal implementation.

Appendix: “Relevant Regulations on the Administration of Power Generation from Renewable Energy”

National Development and Reform Commission
of the People's Republic of China
(Official Seal)
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Key Words: Renewable Energy, Power Generation, Regulations, Circular

CC: Committee of Population, Resources and Environment, CPPCC; Ministry of Finance, Ministry of Commerce, the Ministry of Land & Resources, State Environmental Protection Administration, The Ministry of Science and Technology,

the Ministry of Water Resources, the Ministry of Agriculture, State Forestry Bureau, China Meteorological Bureau.

Appendix:

Relevant Regulations on the Administration of Power Generation from Renewable Energy

General Principles

Article 1. Basis

In order to promote the development of renewable energy industry, the Regulations are formulated in accordance with the Renewable Energy Law of People's Republic of China and the Electric Power Law of the People's Republic of China.

Article 2. Category of Application

Renewable energy referred to in the Regulations include power generation from hydro, wind, biomass (including power generation from forest and agricultural waste through direct combustion and gasification, solid waste incineration, landfill gas, biogas), solar, geothermal and ocean power generation.

Article 3. Scope of Application

The Regulations applies to grid-connected renewable energy power projects and independent power generation projects from renewable energy in areas where power grid doesn't cover, both with administrative permission acquired in accordance with the Chinese laws and regulations of the State Council.

Article 4. Administration by level

The renewable energy power generation projects are regulated by level: Central and local governments. NDRC will take charge of the planning of renewable energy power generation projects, policy formulation and administration of renewable energy projects requiring state approval. Department in charge of energy under the provincial governments is responsible for the administration of renewable energy projects falling within the limits of powers for examination and approval under its jurisdiction.

Renewable energy power generation planning should be incorporated into the power planning at the same level.

Chapter 1. Project Management

Article 5. Project Management. The development and utilization of renewable energy should stick to the principle of construction according to the planning. Full consideration of factors such as characteristics of the resources, market demand and ecological & environmental protection must be given when conducting the renewable

energy planning, giving play to the advantage of resources and economies of scale. Project construction should conform to the overall requirements of development planning and construction layout at and above provincial level and ensure reasonable and organized development.

Article 6. Investment Approval. NDRC will approve hydro projects built on the main river streams, hydro projects with a construction scale of 250MW or above, wind power projects of 50MW or above. The department in charge of investment under the provincial people's governments will approval other projects with filing with NDRC. Biomass, geothermal, ocean and solar power projects requiring state policy and capital support need to be submitted to NDRC for approval.

Article 7. Price Administration. Feed-in tariff for renewable energy power generation projects should be set by the pricing department of the State Council according to the characteristics of different types of renewable energy and specific local conditions in the principle of promoting the development and utilization of renewable energy and economy & rationality, which can be adjusted and publicized in due course with the development of renewable energy utilization technology.

The feed-in tariff for renewable energy power generation projects through bidding will follow the tariff of the bid-winner; The incremental costs from purchasing and selling non-hydro renewable energy power by the grid enterprises will be amortized among all power end-users in China and the detailed methods will be formulated separately.

Article 8. Statistics Administration. NDRC will be responsible for formulating the methodology for statistics administration. Departments in charge of energy at the provincial level will be responsible for the statistics administration and consolidation which will be submitted to NDRC before February 10 every year.

Article 9. Operation Monitoring

NDRC will be responsible for the operation monitoring of renewable energy power generation enterprises, coordinating the relations between the generating enterprise and the grid enterprise and monitoring the renewable energy power generation, grid connection and financial settlement.

Chapter 2. Responsibilities of the Grid Enterprise

Article 10. Planning requirements. Grid enterprises above the provincial level (included) will formulate the construction plan for supporting grid infrastructure according to the medium-long term renewable energy development plan at and above

the provincial level, which will be incorporated into the state and provincial power grid development plan and submitted to the provincial people's government and NDRC for approval before implementation.

Article 11. Grid construction.

Grid enterprises should take an initiative to conduct grid design, research and substantiation according to the planning requirements; Conduct grid construction and upgrading according to the needs and project schedule of the renewable energy power generation project to ensure full uptake of power generated onto the grid.

Article 12. Construction of interconnection system. The interconnection system for renewable energy grid-connected projects will be built and regulated by the grid enterprise.

For medium or large scale hydro, wind and biomass power generation projects directly connected to the transmission grid, the interconnection system will be invested by the grid enterprise and the boundary of property title is the first pole (pylon) outside the substation of the power station (farm).

For small scale solar and biogas power generation projects directly connected to the distribution network, the interconnection system will be invested in principle by the grid enterprises. Power generation enterprises (individuals) can also invest in the construction through consultation with the grid enterprises.

Article 13. Purchase Metering. Grid enterprises will be responsible for the metering and statistics of power purchased from the renewable energy and the provincial grid enterprises should consolidate data and submit to the department in charge of energy of the provincial governments cc NDRC before January 20 every year.

Chapter 3. Responsibilities of the Power Generating Enterprise

Article 14. Power generating enterprises should actively invest and construct renewable energy power generation projects and undertake the obligation of mandatory quota generated from renewable energy in the energy mix as specified by the state. Power generation quota and management method will be formulated separately.

Large power generating enterprises should take a priority in investing in renewable energy projects.

Article 15. Technical requirements. Construction, operation and management of renewable energy power generation projects should conform with the relevant laws and regulations, technical standards and regulations and codes of the power sector in the P.R.C.. Pay attention to saving on land and meeting the requirements for environmental protection and safety etc.

Article 16. Administrative permission. According to the relevant state regulations on project management of renewable energy projects, power generating enterprises should cautiously conduct relevant preliminary preparation work, such as design, land use, water resources, environmental protection, obtain the administrative permission legally, not commencing the construction work without prior permission.

Start construction and generate power within the specified time limit for projects with the administrative permission and without the consent of the original department granting permission, transfer, auction and change of investing parties are not permitted.

Article 17. Construction. For the renewable energy power generation projects, strictly execute the relevant regulations on the administration of state capital construction projects, implement measures for environmental protection, ecological construction and water and soil conservation, strengthen construction management, ensure project quality.

Article 18. Power metering. Power generating enterprises should install qualified power metering system and submit the installed capacity, power yield and power transmitted onto the grid to the energy department at the provincial level.

Chapter 4. Appendix

Article 19. Dispute & Arbitration

Disputes between grid enterprises and power generating enterprise can be submitted to NDRC or the State Electricity Regulatory Commission for mediation and in case mediation is rejected, the disputes can be settled via civil litigation.

Article 20. Violation & Penalty. Failure to abide by this Regulation resulting in loss of the enterprise or the state, audit firm entrusted by NDRC or provincial people's government will quantify the loss through examination and claim accordingly. Penalty regulations will be formulated separately.

Article 21. Effectiveness. This regulations will take effect upon promulgation.

Article 22. Interpretation. This regulations is subject to the interpretation of NDRC.