China’s Legislation and Policies on Energy Conservation and Energy Efficiency

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# Basic Legislative Framework

## (1) Basic Law

### Energy Conservation Law of the People's Republic of China

- **Date Issued:** Nov. 1\(^{st}\), 1997  
  **Date Revised:** Oct. 28\(^{th}\), 2007

- **Article 4(1):** Energy conservation is a basic national policy in China.

- **Article 24:** An energy consuming entity shall, in accordance with the principle of rational use of energy, strengthen its management of energy conservation, formulate and implement energy conservation plans and technological measures, and reduce energy consumption.

### Renewable Energy Law of the People's Republic of China

- **Date Issued:** Feb. 28, 2005

- **Article 14(1):** The state applies the system of guaranteeing the purchasing of electricity generated by using renewable energy resources in full amount.
### Electric Power Law of the People’s Republic of China

- **Date Issued:** Dec. 28th, 1995  
  **Date Revised:** Aug. 27th, 2009

- **Article 24:** The State applies the administrative principles of safe, economical and planned supply and use of electric power.

### Coal Industry Law of the People’s Republic of China

- **Date Issued:** Aug. 29th, 1996  
  **Date Revised:** June 29th, 2013

- **Article 9(2):** Coal mining enterprises shall strengthen and improve their operation and management and increase their productivity and economic results.

- **Article 24(1):** In the exploitation of coal resources, coal mining regulations must be complied with, the rational mining sequence followed and the rate of extraction set for exploiting coal resources achieved.
# (2) Basic National Plan

## The Eleventh Five-Year Plan For National Economic and Social Development

- Date Issued: Mar. 14th, 2006

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We will strengthen the policy orientation on energy conservation and efficient utilization, and devote greater effort to energy conservation. We will optimize the industrial structure, especially reduce the proportion of energy-intensive industries, to realize the *structural energy conservation*; develop and generalize energy-conserving technologies to *realize technical energy conservation*; strengthen the institutional improvement and regulation on energy production, transportation, construction and consumption to realize *managing energy conservation*. We will highlight the energy conservation of industries and major energy consumers such as steel, nonferrous metals, coal, electric power, chemical engineering and construction materials... We will set standard for alternative liquid fuel, and actively develop petroleum alternatives. We will encourage the production and use of highly efficient and energy conserving products.
Part VI  Pursue Green Development: Develop a Resource-Conserving and Environmentally Friendly Society

Chapter 22  Strengthen Resource Conservation and Management- Section 1
Save Energy and Reduce Resource consumption

We will check the excessive growth of energy-intensive industries... and strengthen conservation management of key energy consumers. We will strengthen evaluations of those responsible for meeting energy conservation quotas and improve the system of punishments and rewards. We will improve energy conservation laws, regulations, and standards; formulate and strictly enforce energy consumption restrictions for major energy-consuming products and product efficiency standards; and strengthen assessment of energy savings in fixed-asset investment projects. We will improve energy conservation market mechanisms; accelerate the introduction of energy performance contracting and demand side management of power; and improve energy efficiency labeling, energy-saving product certification, and the system for mandatory government procurement of energy-efficient products...
## (3) Administrative Regulation and Departmental rules

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(1) The Energy Conservation Target Responsibility System and the Energy Conservation Examination System

• Article 6, Energy Conservation Law:

  “The State implements the energy conservation target responsibility system and the energy conservation examination system, and takes the completion of energy conservation targets as an item to assess and evaluate the performance of the local people’s government and the persons in charge thereof. The people’s government of each province, autonomous region or municipality directly under the Central Government shall report its fulfillment of energy conservation target responsibility to the State Council every year. ”

• Taking into consideration the completion of energy-conserving target in the examination of governmental achievement, it requires local government to attach greater importance to energy conservation. It is also beneficial to the effective implement of national energy-conserving plan.
(2) Energy Conservation by Key Energy Consuming Entities

• Article 52(2), Energy Conservation Law of the People’s Republic of China:

“ The following entities shall be key energy consuming entities:

1. energy consuming entities whose annual energy consumption are more than 10,000 tons of standard coal; and

2. energy consuming entities designated by the related department under the State Council or the energy conservation administrative departments under the people’s governments of provinces, autonomous regions and municipalities directly under the Central Government, whose annual energy consumption are between 5,000 and 10,000 tons of standard coal. “
• It also provides that a key energy consuming entity shall submit reports on energy utilization of the previous year to the energy conservation administrative department every year. The department shall examine the reports submitted. With respect to those whose energy conservation management rules are unsound, energy conservation measures are not implemented or energy utilization efficiency is low, the department shall carry out on-site investigation, organize energy efficiency detection of energy consuming equipment, order to implement energy audit, put forward written rectification requirements, and order them to make rectification within a time limit.

• Accordingly, It further clarifies the energy-conserving duty of key energy consuming entities and strengthen the regulation and supervision of the government.
(3) Energy Conservation Standard System

• It is provided in Chapter 2 “administration of energy conservation” of Energy Conservation Law. It makes for the source control of energy depletion and the containment of waste of energy.

• To establish and improve the energy conservation standard system:
  a) formulating compulsory standards for energy consuming product’s and equipment’s energy efficiency standards, and the energy consumption quota (Article 13);
  b) improving national standards and industrial standards for construction energy conservation (Article 14).
(4) Energy Efficiency Label System

• Energy Efficiency Label System is provided in Article 18 and Article 19 of Energy Conservation Law. It is designed to provide consumers with necessary information, lead consumers to choose high energy-efficient products and promote the high energy efficiency in the market of energy-using products.

• To implement the energy efficiency label management: aim at household appliances and other energy consuming products that are widely used and consume much energy (Article 18).

• The obligations of manufacturers and importers (Article 19):

a) To affix energy efficiency labels to the energy consuming products that have been incorporated into the national catalogue of products, and give instructions on the packages of manuals of products;

b) To be responsible for the accuracy of relevant information in the energy efficiency label;
(1) The long-term vacancy of the Basic Law of Energy

- The function of energy administration is decentralized and exercised by National Development and Reform Commission, National Energy Administration, Commerce Department, Ministry of Land and Resources and other departments under the State Council. Departmental policy and legislation have become the arena of benefits for these departments.

- There are several slip energy laws in China, all of which are in the same legal hierarchy and are different in issued date, legislative purpose, and even in enforcement agencies.

- There is no higher-level law to coordinate the relationship among those slip energy laws, so it is impossible to form the resultant forces in energy conservation. This has placed the enforcement of energy law in an awkward position.

- To better establish the legal system of energy and to synthetically promote the development of energy in China, the Basic Law of Energy is essential. The draft of Energy Law was started in 2006 and is still in progress.
(2) The integration of legislations on energy conservation and climate change

- Legislations on energy conservation, such as Energy Conservation Law and Renewable Energy Law, are closely related to the response to climate change.

- These energy legislations provide some mitigation measures to respond to climate change, such as developing low carbon economy and reduce the consumption of fossil energy.

- Compared to the climate change legislation, energy conservation and energy efficiency are the specific means to control the GHG emission, the result of them could promote the green update in economy, in order to forming a comprehensive green development legal framework, we need to integrate these two areas into climate change legislation.
Thanks for your attention!

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