

## **VII. Energy Conservation Law**

### **Order of the President of the People's Republic of China No.77**

The Energy Conservation Law of the People's Republic of China amended and adopted at the 30th Session of the Standing Committee of the Tenth National People's Congress of the People's Republic of China on October 28, 2007 is hereby promulgated for implementation as of April 1, 2008.

Hu Jintao, President of the People's Republic of China

October 28, 2007

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

(Adopted at the 28th Session of the Standing Committee of the 8th National People's Congress on November 1, 1997 and amended at the 30th Session of the Standing Committee of the 10th National People's Congress on October 28, 2007)

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## Chapter I General Provisions

**Article 1** The Energy Conservation Law of the People’s Republic of China (the “Law”) is formulated for the purposes of promoting energy conservation in the whole society, improving energy utilization efficiency, protecting and ameliorating the environment, and striving for all-round, balanced and sustainable development of the economy and the society.

**Article 2** For the purposes of the Law, the term “energy resources” refer to coal, petroleum, natural gas, biomass energy and electricity, thermal power and all other kinds of resources where usable energy may be obtained directly or through processing or transformation.

**Article 3** For the purposes of the Law, the term “energy conservation” refers to stepping up energy utilization management, and taking measures that are technologically feasible, economically viable and environmentally and socially affordable for purposes of lowering consump-



tion, reducing losses and pollutant discharge, and of stopping wastefulness in all phases from energy production to its consumption, so as to realize an efficient and rational utilization of energy resources.

**Article 4** Conserving resources is a fundamental state policy of China. The state enforces an energy development strategy of simultaneous conservation and development, while placing priority on conservation.

**Article 5** The State Council and the local people's governments at/above the county level shall incorporate energy conservation in national economic and social development plans and related annual plans, in addition to organizing the formulation and implementation of medium- and long-term special plans on energy conservation and annual energy conservation plans.

The State Council and the local people's governments at/above the county level shall report their work in energy conservation to the people's congresses or their standing committees at corresponding levels every year.

**Article 6** The State adopts a target responsibility system and an examination and evaluation system in energy conservation. The actual performance in attaining the target shall be incorporated in the examination and evaluation of the performance of local people's governments and heads thereof.

The people's governments of the provinces, autonomous regions and municipalities directly under the central government shall report the progress they achieve in fulfilling the energy conservation target to the State Council.

**Article 7** The state adopts industrial policies that are conducive to energy conservation and environment protection, and shall limit the development of industries that consumes more energy and cause pollution,



while develop industries that conserve energy and are environmentally friendly.

The state Council and the people’s governments of the provinces, autonomous regions and municipalities directly under the central government shall step up efforts in energy conservation; rationally adjust the industrial, enterprise, product and energy-consumption structures; encourage the enterprises to reduce energy consumption per unit of GDP and energy consumption per-unit product; eliminate backward production capability; improve energy development, processing, transformation, transport, storage and supply; and increase the efficiency of energy utilization.

The state encourages and supports the development and utilization of new energy resources and renewable energy resources.

**Article 8** The state encourages and supports the R/D, and demonstration and dissemination of energy conservation science and technology, and promotes innovation and progress in energy conservation technology.

The state makes publicity and conducts education programs in energy conservation, includes knowledge of energy conservation in its national education and training systems, popularizes the scientific knowledge of energy conservation among the public, enhances the awareness of energy conservation in the population, and advocates energy-saving patterns of consumption.

**Article 9** Any unit and individual shall fulfill the obligation of energy conservation, and shall have the right to report any act of wasting energy resources.

The news media shall publicize laws, regulations and policies in relation to energy conservation, and give play to the supervisory and monitoring functions of the press.



**Article 10** The department in charge of energy conservation under the State Council is responsible for the supervision and administration of energy conservation nationwide. The various other departments under the State Council shall be responsible for energy conservation supervision and administration within their respective limits of authority, while being subject to guidance by the department in charge energy conservation under the State Council.

The departments in charge of energy conservation under the people's governments at/above the county level shall be responsible for energy conservation supervision and administration in the areas under their respective jurisdictions, while the other departments of the local people's governments at/above the county level shall take responsibility for energy conservation supervision and administration within their respective limits of authority, while being subject to guidance by the departments in charge of energy conservation at the corresponding levels.

## Chapter II Administration of Energy Conservation

**Article 11** The State Council and the people's governments above the county level shall strengthen leadership over energy conservation by way of making arrangements for, coordinating, supervising, inspecting and promoting energy conservation work.

**Article 12** The department in charge of energy conservation and other competent departments of a people's government above the county level shall step up supervision over and inspection in the implementation of energy conservation laws, regulations and standards within their respective limits of authority, in addition to investigating and prosecuting any unlawful act of energy consumption in accordance with the law.

In performing their duties in energy conservation supervision and



administration, the relevant departments shall not collect any fees from any entity on individual they supervise.

**Article 13** The department in charge of standardization and other competent departments under the State Council shall organize, in accordance with the law and in good time, the enactment and amendment of state and industrial standards related to energy conservation, and establish and improve a system of energy conservation standards.

The department in charge of standardization shall join efforts with the department in charge of energy conservation and other departments concerned under the State Council to establish compulsory energy efficiency standards for energy-consuming products and equipment, and compulsory per-unit product energy consumption limits for products that consume great amounts of energy during production.

The state encourages enterprises to establish energy conservation standards that are stricter than the state and industrial standards.

Except where otherwise stipulated in the Law, the regional energy conservation standards stricter than the compulsory state and industrial ones established by the provinces, autonomous regions and municipalities directly under the central government shall be submitted by the people’s governments of the provinces, autonomous regions and municipalities directly under the central government to the State Council for approval.

**Article 14** The state and industrial standards for building energy conservation shall be formulated by the competent department in charge of construction under the State Council, and published in accordance with legal procedures.

The competent departments in charge of construction of the people’s governments of provinces, autonomous regions and municipalities directly under the central government may formulate regional building



energy conservation standards that are stricter than the state or industrial standards in view of their local actual conditions, and submit them to the departments in charge of standardization and construction under the State Council for the record.

**Article 15** The state implements the system of energy conservation assessment and audit for investment projects in fixed assets. The authorities performing the examination and giving the approval shall not give approval or authorize the construction of the projects that fail to meet the compulsory standards for energy conservation, the construction entities shall not start the construction; and those projects the construction of which has been completed shall not be put into production or use. The specific measures shall be formulated by the department in charge of energy conservation together with other departments concerned under the State Council.

**Article 16** The state shall implement a system of elimination for energy-consuming products, equipment and production techniques that are outdated and consume more energy. The catalogues of such products, equipment and production techniques as well as the provisions of implementation shall be formulated and published by the department in charge of energy conservation together with other departments concerned under the State Council.

Producers turning out goods that consumes more energy during production shall comply to per-product energy consumption limits. Producers that exceed the limits shall be ordered to make correction within a prescribed deadline the departments in charge of energy conservation within their limits of authorities as prescribed by the State Council.

For special equipment that consumes more energy, review and supervision shall be enforced in line with relevant stipulations of the State Council.



**Article 17** Production, import and marketing shall be banned of energy-consuming products and equipment that are to be eliminated as clearly ordered by the State or that fail to comply to the compulsory standards in terms of energy efficiency; also banned shall be the use of energy-consuming equipment and production techniques that are to be eliminated as ordered by the state.

**Article 18** The state shall implement energy-efficiency labeling administration for widely used and high-energy-consuming products such as household appliances. The catalogues of and implementation measures for such products, equipment and production techniques shall be formulated and published by the department in charge of energy conservation together with the department in charge of product quality supervision under the State Council.

**Article 19** The producers and importers of energy-consuming products that are included in the catalogues of products under state energy-efficiency labeling administration shall attach energy-efficiency labels, explain the labels on product packaging or product manuals, and shall file such information with the institutions jointly authorized by the product quality supervision department and the department in charge of energy conservation under the State Council for the record pursuant to relevant regulations.

Producers and importers shall be responsible for the accuracy of the energy-efficiency labels they place and the relevant information. Sales of unlabeled products that should have energy-efficiency labels attached are prohibited.

It is prohibited to forge or illegally use energy-efficiency labels, or to use energy-efficiency labels for false and misleading publicity.

**Article 20** Producers and sellers of energy-consuming products



may, on a voluntary basis and in accordance with relevant state on energy-saving product authentication, submit applications for energy-saving product authentication to energy-saving product authentication institutions approved by the authentication ratification and supervision authorities under the State Council; those who pass the authentication may, after obtaining energy-saving product authentication certificates, attach energy-saving product authentication labels to energy-consuming products or their packaging.

It is prohibited to use forged energy-saving product authentication labels or use illegally such labels.

**Article 21** The statistics departments of the people's governments above the county level shall formulate and improve, in cooperation with other departments concerned at corresponding levels, an energy statistics system, improve the system of indicators for energy statistics, and ameliorate and standardize energy statistical methods, so as to ensure the accuracy and completeness of energy statistical data.

The statistics department under the State Council shall, in concert with the department in charge of energy conservation thereunder, make public at regular intervals information on energy consumption and conservation in various provinces, autonomous regions and municipalities directly under the central government as well as major energy-consuming industries.

**Article 22** The state encourages the development of energy-conservation service agencies, and supports such agencies in the provision of consultancy, design, evaluation, inspection, auditing and authentication services in energy conservation.

The state supports energy-conservation service agencies to publicize energy-conservation knowledge, hold training in energy-saving tech-



nology, and provide energy-saving information, demonstration and other energy conservation services of the public welfare nature.

**Article 23** The state encourages industrial associations to play a due role in energy conservation planning, energy-conservation standard enactment and implementation, energy conservation technology dissemination, energy consumption statistics, energy conservation publicity and training as well as information and consultation in this regard.

## Chapter III Rational Utilization of Energy and Energy Conservation

### Section 1 General Rules

**Article 24** Energy consumption units shall strengthen energy conservation management, formulate and implement energy conservation plans and technical measures of energy conservation to reduce energy consumption in line with the principle of rational utilization of energy.

**Article 25** Energy consumption units shall establish an energy conservation target responsibility system, and shall reward those individuals and entities who have made achievements in energy conservation.

**Article 26** Energy consumption units shall regularly conduct energy conservation education and on-the-job training.

**Article 27** Energy consumption units shall strengthen energy measuring management by installing and utilizing, in accordance with relevant regulations, energy measuring instruments that are standardized in accordance to law.

Energy consumption units shall establish a system of energy consumption statistics and energy utilization analysis to carry out categorized measurement and statistics for consumption of energy of all kinds, and



ensure the statistical data of energy consumption is accurate and complete.

**Article 28** Energy production and operation units shall not provide their own employees with energy resources free of charge. No units shall practice any contractual lump-sum fee system for energy consumption.

## Section 2 Industrial Energy Conservation

**Article 29** The State Council and the people's governments of provinces, autonomous regions and municipalities directly under the central government shall promote optimal exploitation and utilization as well as rational deployment of energy resources, press forward with adjustment of the industrial structure in favor of energy conservation, and optimize the structure of energy consumption and the distribution of enterprises.

**Article 30** The department in charge of energy conservation, in conjunction with other relevant departments under the State Council, shall formulate energy conservation technology policies for major energy-consuming industries such as electric power, steel, nonferrous metal, building materials, petroleum processing, chemical engineering and coal industries, and push forward energy-conservation technological upgrading of enterprises.

**Article 31** The state encourages industrial enterprises to use such equipment as highly efficient energy-saving electric motors, boilers, furnaces, turbines and pumps, and to adopt such technologies as combined generation of heat and power, utilization of afterheat and excess pressure, clean coal, and advanced monitoring and control of energy consumption.

**Article 32** Power grid enterprises shall practice, in accordance with provisions on energy-saving generation and dispatching control estab-



lished by the relevant department under the State Council, parallel operation of power grids together with clean and highly efficient combined generation of heat and power, generation units powered by afterheat or residual pressure or generation units based on comprehensive utilization of other resources in compliance with the regulations. Relevant regulations of the state shall apply to the pricing of grid electricity.

**Article 33** Construction of new coal-fired generating units, oil-fired generating units or coal-based thermal generating units failing to meet the relevant requirements of the state shall be banned.

### **Section 3 Construction Energy Conservation**

**Article 34** The competent in charge of construction under the State Council is responsible for supervision and administration of building energy conservation nationwide.

The competent authorities in charge of construction under the people’s governments above the county level are responsible for supervision and administration of building energy conservation in regions under their respective jurisdictions.

The competent authorities in charge of construction shall work together with the departments in charge of energy conservation under the people’s governments above the county level to formulate plans for building energy conservation in regions under their respective jurisdictions. Building energy conservation planning shall include plans for energy conservation transformation of existing buildings.

**Article 35** The construction, designing, engineering and supervisory entities of construction engineering projects shall observe the standards of building energy conservation.

For construction engineering projects that fail to meet the requirements of building energy conservation, the competent construction



authorities shall not approve the start of their new construction; those under construction shall be suspended and ordered to make correction within a prescribed deadline; and those completed shall not be sold or put into use.

The construction authorities in charge shall strengthen supervision and check-ups of the implementation of energy conservation standards by construction engineering projects under construction.

**Article 36** In house sales, housing development companies shall expressly show to possible buyers such information as energy conservation measures of the houses or warranty period for thermal insulation, record such information in the property purchase contracts, quality guarantees and instruction manuals, and shall be responsible for the truthfulness and accuracy of the information.

**Article 37** Indoor temperature control shall be applied to public buildings that use air-conditioning for heating and cooling. The specific measures shall be formulated by the competent authorities in charge of construction under the State Council.

**Article 38** The state shall take measures to apply the system of household-based heat metering and heat-usage-based fee collection to buildings with centralized heat supplies in several steps. In buildings newly constructed or existing buildings to be transformed, heat metering appliances, indoor temperature controls and heat supply control devices shall be installed in accordance with established regulations. The specific measures shall be formulated by the competent authorities in charge of construction together with other departments concerned under the State Council.

**Article 39** Departments concerned of the people's governments above the county level shall strengthen electricity conservation manage-



ment in urban areas, and strictly control energy consumption by public facilities and decorative skyline lighting of large buildings.

**Article 40** The state encourages the adoption of energy-saving building materials, like new walling materials, and energy-saving equipment in the construction of new buildings and the transformation of existing buildings, and the installation and utilization of systems of renewable energy, such as solar energy.

#### **Section 4 Transport Energy Conservation**

**Article 41** The departments in charge of communication and transport under the State Council are, in accordance with their respective functions and duties, responsible for energy conservation supervision and administration in their respective sectors nationwide.

The relevant departments in charge of communication and transport shall join efforts with the department in charge of energy conservation under the State Council in formulating energy conservation plans for their respective sectors.

**Article 42** The State Council and its relevant departments shall direct and promote the coordinated development and efficient connectivity of all transport modes, optimize the transport structure, and build an energy-saving integrated transport system.

**Article 43** The people’s governments above the county level shall give priority to the development of public transport, increasing investment in public transport, improving public transport services and encouraging the utilization of public transport; and encourage the use of non-motorized vehicles.

**Article 44** The relevant transport departments under the State Council shall strengthen organization and management of the transport and communication sector, and guide road, water and air transport en-



terprises to enhance their organizational structure and intensive level to improve energy utilization efficiency.

**Article 45** The state encourages the development, production and use of energy-saving and environment-friendly automobiles, motorcycles, railway locomotives, boats and ships and other transport vehicles, and implements a system of scrapping and upgrading old and obsolete transport vehicles.

The state encourages to develop and promote the use of clean fuels and alternative fuels of oil.

**Article 46** The relevant departments under the State Council shall formulate limits for fuel consumption by commercial transport vehicles and vessels; those that fail to meet the requirements shall not be put into operation.

The relevant departments in charge of transport and communication under the State Council shall strengthen supervision and administration over fuel consumption monitoring of commercial transport vehicles and vessels.

### **Section 5 Public Institution Energy Conservation**

**Article 47** Public institutions shall practice strict economy, curb waste, and take lead in using energy-saving products and equipment, so as to improve energy utilization efficiency.

For the purposes of the Law, the term “public institutions” refers to state organs, institutions and social organizations that are wholly or partially funded by fiscal revenues.

**Article 48** The State Council and the departments in charge of general affairs of the people’s governments above the county level shall, in cooperation with other relevant departments at corresponding levels,



formulate and organize the implementation of energy conservation plans for the public institutions at corresponding levels. Energy conservation planning for public institutions shall include plans for energy conservation transformation of their buildings.

**Article 49** Public institutions shall develop annual energy conservation targets and implementation plans, strengthen energy consumption measurement and monitoring, and report to the departments in charge of general affairs of the people’s governments at corresponding levels on energy consumption of the prior year.

The State Council and the departments in charge of general affairs of the people’s governments above the county level shall, together with other relevant departments at corresponding levels, establish energy consumption quotas for public institutions at corresponding levels in accordance with their limits of authority. The financial departments shall establish the standards of expenses on energy consumption based on these quotas.

**Article 50** Public institutions shall strengthen management of their own systems of energy consumption, and ensure that the operation of their systems of energy consumption comply with relevant state standards.

Public institutions shall undergo energy auditing in accordance with established regulations, and take measures to improve energy utilization efficiency in view of the energy auditing results.

**Article 51** In procuring energy-consuming products and equipment, public institutions shall give priority to those products and equipment listed in the catalogues of energy-saving products and equipment for government procurement. The procurement of products and equipment that are to be eliminated as clearly ordered by the state shall be banned.



The government procurement catalogues of energy-saving products and equipment shall be formulated and published by the departments in charge of government procurement of the people's governments at/above the provincial level together with other relevant departments at corresponding levels.

### **Section 6 Energy Conservation of Key Energy Consumption Units**

**Article 52** The State shall strengthen energy conservation management of key energy consumption units.

The following are key energy consumption units:

1. Energy consumption units whose aggregate annual energy consumption exceeds over 10,000 tons of standard coal; and
2. Units whose annual energy consumption as designated by the relevant departments under the State Council or the departments in charge of energy conservation under the people's governments of the provinces, autonomous regions and municipalities directly under the central government exceeds 5,000 tons but below 10,000 tons of standard coal.

The measures of energy conservation management for key energy consumption units shall be formulated by the department in charge of energy conservation together with other departments concerned under the State Council.

**Article 53** Key energy consumption units shall report annually to the departments in charge of energy conservation on their energy utilization in the prior year. The report on energy utilization shall cover such issues as energy consumption, efficiency of energy utilization, progress made in fulfilling the established energy conservation targets, analysis of the benefits of energy conservation and energy-saving measures.



**Article 54** The departments in charge of energy conservation shall review the reports submitted by the key energy consumption units on their energy utilization. For those key energy consumption units whose energy conservation management systems are not well established, or whose energy conservation measures are not effectively implemented, or whose energy utilization efficiency is low, the departments in charge of energy conservation shall make on-site investigations, organize and carry out tests of the energy efficiency of their energy-consuming equipment, and order them to undergo energy audit and come out with a written request for rectification and improvement within a prescribed deadline.

**Article 55** Key energy consumption units shall establish posts for energy management, employ persons responsible for energy management from staff members who have professional knowledge and practical experience in energy conservation, and technical titles above the intermediate level, and file their information with the departments in charge of energy conservation and other relevant departments for the record.

Those at the helm in energy management shall be responsible for analyzing and evaluating the energy utilization in the units, organize the drafting of the units’ reports on energy utilization, and come up with and implement the measures of improvement for energy conservation thereof.

The persons responsible for energy management shall receive training in energy conservation.

## Chapter IV Energy Conservation Technology Advancement

**Article 56** The department in charge of energy conservation shall join efforts with the department in charge of science and technology un-



der the State Council issue policy outlines for energy-saving technology, and guide research in, development and application and dissemination of energy conservation technologies.

**Article 57** The people's governments above the county level shall make research and development of energy conservation technology a priority of government investment in technological development, support scientific research institutions and enterprises to conduct applied research in energy conservation technology, formulate energy conservation standards, and develop general and key energy conservation technology, and promote innovation and transfer of energy conservation technology.

**Article 58** The department in charge of energy conservation shall join other departments concerned under the State Council in formulating and publishing catalogues for energy conservation technologies and products to be promoted, and guide energy consumption units and individuals to utilize advanced energy conservation technology and products.

The department in charge of energy conservation shall join other departments concerned under the State Council in organizing major scientific research programs, demonstration programs and key projects of energy conservation.

**Article 59** The people's governments above the county level shall, pursuant to the principles of adapting to local conditions, complementarity of multiple energy resources, integrated utilization and prioritize on benefits, strengthen energy conservation in agriculture and in rural areas, and increase capital investment in the application and promotion of energy conservation technology and products in agriculture and in rural areas.

Departments in charge of agriculture and science and technology, etc., shall support and promote the application of energy conservation



technology and products in agricultural production and in agricultural product processing, storage and transport, and encourage to upgrade or eliminate agricultural machinery and fishing vessels that consume more energy.

The state encourages and supports vigorous development of methane use in rural areas, promote the utilization of renewable energy resources such as biomass and solar energy and wind power, develop small hydropower based on the principles of scientific planning and orderly development, promote energy-saving rural housing and furnaces, encourage using non-cultivated land for energy plants, and energetically develop energy forests such as firewood forests.

## Chapter V Incentive Measures

**Article 60** The financial departments of the central government and local governments at the provincial level shall earmark special funds for energy conservation to support the R&D in energy conservation technology, demonstration and promotion of energy conservation technology and products, undertaking of key energy conservation projects, publicity and training in energy conservation, information services and for commendations and rewards in this regard.

**Article 61** The state shall implement supportive policies, such as preferential tax policy, for the production and utilization of energy conservation technology and products included in the catalogues for promotion that calls for support as prescribed in Article 58.

The state shall support, in the form of financial subsidies, the promotion and utilization of energy conservation products such as lighting fixtures.

**Article 62** The state implements tax polices conducive to the con-



servation of energy resources, improve the system of compensated utilization of energy and mineral resources, and promote the conservation of energy resources and the improvement of resource exploitation and utilization.

**Article 63** The state shall encourage import of advanced energy conservation technology using the tax policy, etc., and control export of products that consume more energy and cause serious pollution in production.

**Article 64** The department supervising government procurement shall join other departments concerned in formulating catalogues of energy conservation products and equipment for government procurement, which shall give priority to products and equipment that have obtained energy conservation authentication certificates.

**Article 65** The state shall guide financial institutions to increase credit support to energy conservation projects in the form of preferential loans to qualified projects in such areas as research and development of energy conservation technology, manufacturing of energy conservation products and energy conservation technological transformation.

The state encourages and guides various sectors of the society to increase capital investment in energy conservation to accelerate energy conservation technological transformation.

**Article 66** The state implements price policies conducive to energy conservation in order to guide energy consumption units and individuals to conserve energy.

The state utilizes fiscal, tax and price policies to support and promote such energy conservation measures as power demand side management, contractual energy management and voluntary agreements for energy conservation.



The state shall adopt such grid pricing systems as time-of-use pricing, season-of-use pricing and Interruptible electricity charge in order to encourage power users to adjust their power consumption; the state applies differential grid pricing policies for the steel, non-ferrous metal, building materials, chemical engineering and other major energy consumption industries, with such policies divided into one aimed at elimination, restriction, permission and encouragement, as the case may be.

**Article 67** The people’s governments at all levels shall commend and reward those units and individuals that have made significant achievements in energy conservation management and in research, promotion and application of energy conservation technology, and those that have reported acts of severe wastefulness of energy resources.

## Chapter VI Legal Liabilities

**Article 68** In case an agency in charge of reviewing and approving or authoring fixed asset investment projects violates the Law by approving or authorizing the building of projects that fail to meet the compulsory standards for energy conservation, the person in direct charge or other persons held directly liable shall be punished in accordance with law.

Where construction companies of fixed asset investment projects start construction of projects that fail to meet the compulsory standards of energy conservation or put such projects into production or use, the departments in charge of energy conservation shall order them to stop construction or to halt production and use and make correction within a prescribed deadline. Where production-oriented projects cannot be transformed or are not transformed within the period prescribed, the departments in charge of energy conservation shall refer the manner to the



people's governments at corresponding levels, appealing them to order the projects to shut down within their limits of authority as empowered by the State Council.

**Article 69** Punishments shall, in accordance with the Product Quality Law of the People's Republic of China, be meted out to production, import and marketing of energy consumption products and equipment that shall be eliminated as clearly ruled by the state, and use of forged where energy conservation product certification labels and illegal use of energy conservation product certification labels.

**Article 70** For products and equipment that fail to meet the compulsory standards of energy efficiency produced, imported and marketed, the departments in charge of product quality supervision shall order a stop of the production, imports and sales, confiscate the energy consumption products and equipment illegally produced, imported and sold as well as the illegal gains, in addition to imposing a fine of over one and below five times the amount of the illegal gains. Where the circumstances are serious, the administrative departments for industry and commerce shall revoke the business licenses.

**Article 71** Where energy consumption equipment or production techniques clearly ruled to be eliminated by the state are used, the departments in charge of energy conservation shall order a stop of use, and confiscate the equipment. Where the circumstances are serious, the departments in charge of energy conservation shall come up with suggestions and submit them to the people's governments at corresponding levels, which shall order a suspension of operation for rectification or order a shutdown within the limits of authority as empowered by the State Council.

**Article 72** Producers consuming energy exceeding their per-unit product energy consumption limits, if the circumstances are serious and



the producers have not made any rectification in the prescribed period of rectification or fail to reach the established requirements after rectification, the departments in charge of energy conservation may come up with suggestions and submit them to the people’s governments at corresponding levels, which shall order the said producers to suspend operation for rectification or a shutdown within the limits of authority as empowered by the State Council.

**Article 73** In case that energy efficiency labels are not attached where they should in violation of the Law, the departments in charge of product quality supervision shall order a correction and impose a fine of over RMB30,000 but below RMB50,000.

In case that energy efficiency labels are not filed for the record or the energy efficiency labels used fail to meet the established requirements in violation of the Law, the departments in charge of product quality supervision shall order a correction within a specified time limit; where the correction fails, a fine of over RMB10,000 and below RMB30,000 shall be imposed.

In case that energy efficiency labels are forged or illegally used, or energy efficiency labels are used in misleading publicity, the departments in charge of product quality supervision shall order a correction, and shall impose a fine of over RMB50,000 and below RMB100,000. Where the circumstances are serious, the administrative department for industry and commerce shall revoke the business licenses.

**Article 74** Where energy consumption units fail to install and use energy measurement instruments, the departments in charge of product quality supervision shall order a correction within a specified time limit. Where the correction fails, a fine of over RMB10,000 but below RMB50,000 shall be imposed.



**Article 75** Where energy statistical information is concealed, forged or altered, or where statistical data are falsified, punishment will be imposed in accordance with the Statistics Law of the People's Republic of China.

**Article 76** Where false or misleading information is provided by service agencies in consultancy, design, evaluation, inspection, auditing and authentication services in relation to energy conservation, the departments in charge of energy conservation shall order a correction within a specified time limit, confiscate any illegal gains, and impose a fine of over RMB50,000 but below RMB100,000.

**Article 77** Where a unit provides, in violation of this Law to supply energy free of charge to its employees or implements a contractual lump-sum fee system on energy consumption, the departments in charge of energy conservation shall order a correction within a specified time limit. Where the correction fails, a fine of over RMB50,000 and below RMB200,000 shall be imposed.

**Article 78** Where power grid enterprises fail to practice, as required by the Law, parallel operations of power grids together with combined generation of heat and power or with power generation units using after-heat and excess pressure, or where power grid enterprises fail to implement relevant state regulations with respect to on-grid pricing, the state electricity regulatory agencies shall order a correction; where economic losses are caused to the power-generation enterprises, the power grid enterprises shall be liable for compensation in accordance with the law.

**Article 79** Where construction companies violate building energy conservation standards, the competent authorities in charge of construction shall order a correction, and impose a fine of over RMB200,000 and below RMB500,000.



Where design, construction or supervision companies violate the standards of building energy conservation, the authorities in charge of construction shall order a correction, and impose a fine of over RMB100,000 but below RMB500,000. Where the circumstances are serious, the departments issuing the qualification certificates shall demote the qualification grade or revoke the qualification certificates; and where any loss is incurred, the companies concerned shall be liable to make compensation in accordance with the law.

**Article 80** In case that a housing development company fails, in violation of provisions of the Law, to expressly show to the buyers in house sales such information as energy conservation measures of the house or warranty period for thermal insulation, the competent construction authorities shall order a correction within a specified time limit. Where the correction fails, a fine of over RMB30,000 but below RMB50,000 shall be imposed; and where false or fake publicity is made, the competent construction authorities shall order a correction, and impose a fine of over RMB50,000 and below RMB200,000.

**Article 81** In case public institutions, in procuring energy-consuming products and equipment, fail to give priority to the products and equipment listed in the catalogues of energy conservation products and equipment for government procurement, or in case public institutions procure energy-consuming products and equipment that shall be eliminated as clearly ruled by the state, the departments supervising government procurements shall issue a warning and may impose a fine at the same time; the person in direct charge and other persons directly responsible shall be punished in accordance with the Law and criticized in public notices.

**Article 82** In case that key energy consumption units fail to make reports on their energy utilization as required by the Law, or in case that



such units fake the information, the departments in charge of energy conservation shall order a correction within a specified time limit. Where the correction fails, a fine of over RMB10,000 and below RMB50,000 shall be imposed.

**Article 83** In case that key energy consumption units refuse to effectively implement the correction requirements prescribed in Article 54 herein without any justifiable grounds, or in case that the correction requirements are not met, the departments in charge of energy conservation shall impose a fine of over RMB100,000 and below RMB300,000.

**Article 84** In case that key energy consumption units fail, as required by the Law, to set up energy management posts, employ energy management personnel, and file the information with the departments in charge of energy conservation and other relevant departments for the record, the departments in charge of energy conservation shall order a correction. Where the correction is rejected, a fine of over RMB10,000 but below RMB30,000 shall be imposed.

**Article 85** Where the Law is violated and any crime is constituted, criminal liabilities shall be pursued in accordance with law.

**Article 86** In case that any civil servant abuses power, commits dereliction of duty, and play favoritism for personal gains in the course of energy conservation administration, where the case constitutes a crime, criminal liabilities shall be pursued against the said individual; where the case does not constitute a crime, the said individual shall be given sanctions in accordance with the law.

## Chapter VII Supplementary Provision

**Article 87** The Law will come into force as of April 1, 2008.