

# Chinese RE Law Management Guidelines

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Chinese RE Law

Management Guidelines

Appendix:

Administrative Provisions for Renewable Energy Power Generation

Chapter 1 General Provisions

Clause 1 The present provisions are made in accordance with the PRC Renewable Energy Law and Electric Power Law to promote the renewable energy power generation industry development.

Clause 2 The renewable energy power generation set forth herein includes hydropower generation, wind power generation, biomass power generation (including power generation through direct combustion and gasification of agricultural and forest wastes, garbage incineration and landfill gas fired power generation and biogas fired power generation), solar power generation, geothermal power generation and oceanic energy power generation etc.

Clause 3 The present provisions are applicable to the renewable energy power generation projects granted administrative licenses according to laws and State Council regulations for connection with power grids and the renewable energy based independent power generation projects in areas beyond the reach of power grids.

Clause 4 Renewable energy power generation projects are subject to the hierarchical administration by local and central government.

The National Development and Reform Commission is responsible for the planning and policy formulation for renewable energy power generation projects across the country as well as the administration of projects subject to state review and approval. The energy regulatory department of provincial government is responsible for the administration of renewable energy power generation projects within the scope of local authority under its jurisdiction.

Renewable energy power generation project planning should be part of the electric power planning of government at the appropriate level.

Chapter 2 Project Management

Clause 5 Renewable energy development and utilization shall observe the principle of construction according to state plan. In formulating the renewable energy power generation plan, it is imperative to adequately consider such factors as resource characteristics, market demand and ecological environmental protection, while focusing on leveraging resource advantages and scale benefits. Project construction should comply with the overall requirements of provincial or above level government for development planning and construction arrangement to ensure the orderly development of resources.

Clause 6 The National Development and Reform Commission is responsible for reviewing or approving hydropower projects along major rivers, hydropower projects with an minimal installed capacity of 250MW, and wind power generation projects with an minimal installed capacity of 50MW. Other projects are subject to review or approval by the investment regulatory department of provincial government with a copy filed to the National Development and

Reform Commission for record. The biomass power generation, geothermal power generation and oceanic energy power generation projects requiring state policy and fund support should be filed to the National Development and Reform Commission for approval.

Clause 7 Grid connection tariffs of renewable energy power generation projects should be set by the price regulatory department of the State Council according to the characteristics of different types of renewable energy power generation and the circumstances of different localities under the principle of promoting renewable energy development and utilization and securing economic rationality. The price is subject to timely adjustment and publication based on the renewable energy development and utilization technology development.

The grid connection tariff of renewable energy power generation projects under the bidding scheme should be the price determined in the bidding process; the extra costs incurred by the power grids in purchasing and selling renewable energy electricity other than hydropower should be allocated to electricity users across the country subject to specific measures to be formulated.

Clause 8 The National Development and Reform Commission is responsible for formulating the statistic administration measures for renewable energy power generation. The energy regulatory department of provincial government is responsible for performing statistic administration and summary for renewable energy power generation, and reporting it to the National Development and Reform Commission prior to February 10 each year.

Clause 9 The State Electricity Regulatory Commission is responsible for regulating the operations of renewable energy power generation enterprises, coordinating the relationship between power generation and power grid enterprises, and supervising renewable energy power generation, connection with power grids and settlement.

### Chapter 3 Power Grid Enterprise Responsibilities

Clause 10 Provincial and above level power grid enterprises should formulate the renewable energy power generation associated power grid facilities construction plan according to the medium and long-term renewable energy power generation plan of provincial and higher level government, and incorporate it into the national and provincial power grid development program. The construction plan should be implemented after approval by the provincial people's government and the National Development and Reform Commission.

Clause 11 Power grid enterprises should vigorously undertake power grid design and research according to the planning requirements, and conduct power grid construction and renovation based on the progresses and needs of renewable energy power generation projects to ensure supply of electricity to power grids at full load.

Clause 12 Power grid enterprises are responsible for the construction and management of connection systems with renewable energy power generation projects. For the medium and large-scale hydropower, wind and biomass power generation projects directly connected to transmission grids, the connection system should be built by the power grid enterprises at their own costs, with the property rights divided at the point of the first pole of the power plant booster station. In principle, the power grid enterprises should be responsible for building the connection systems for small-scale solar power and biogas power generation projects directly connected to power grids. The power generation enterprises (or individuals) can also undertake investment and construction through consultation with power grid enterprises.

Clause 13 The power grid enterprises are responsible for performing measurement and statistics of renewable energy power generation output purchased. The provincial power grid enterprises should summarize and report it to the energy regulatory department of provincial government prior to January 20 each year, with a copy filed to the National Development and Reform Commission.

#### Clause 4 Power Generation Enterprise Responsibilities

Clause 14 Power generation enterprises should vigorously invest in and construct renewable energy power generation projects, and assume the obligation imposed by the state on renewable energy power generation quota. Power generation quotas and administrative measures are subject to separate provisions.

Large-scale power generation enterprises should attach top priority to investment in renewable energy power generation projects.

Clause 15 Renewable energy power generation project construction, operation and management should comply with state and power industry regulations, technical standards and process specifications, with an emphasis on saving land use and meeting requirements for environmental protection and safety etc.

Clause 16 Power generation enterprises should conscientiously perform preparatory work such as design, land use, water resources and environmental protection according to state regulations on renewable energy power generation project management, and lawfully obtain administrative licenses. Construction should not be kicked off without license or permit. The projects granted with administrative licenses should be started and completed in construction within the prescribed period. No projects are subject to transfer, auction or investor change without the consent of the original project approval authority.

Clause 17 Renewable energy power generation projects should strictly follow the national regulations on capital construction project management, implement the measures for environmental protection, ecological construction, water and soil conservation, and strengthen construction management to ensure project quality.

Clause 18 Power generation enterprises should install acceptable power generation metering systems, and report to the energy regulatory department of provincial government the prior year installed capacity, power production and supply to power grids before January 15 each year.

#### Chapter 5 Supplementary Provisions

Clause 19 Any conflict between power grid and power generation enterprises can be submitted to the National Development and Reform Commission or the State Electricity Regulatory Commission for mediation, or subject to civil proceedings in the event of mediation failure.

Clause 20 In case of any losses caused to the state or enterprises in breach of the above provisions, the National Development and Reform Commission or provincial people's government will entrust a CPA firm to verify such losses, and mete out compensation based on the verified amount of losses. The specific measures for penalty will be provided for separately.

Clause 21 The provisions should be implemented from the date of issuance.

Clause 22 The National Development and Reform Commission are responsible for the interpretation of the above provisions