

**DECREE No.102/2003/ND-CP OF SEPTEMBER 3, 2003 ON THRIFTY AND EFFICIENT USE OF ENERGY**

THE GOVERNMENT

Pursuant to December 25, 2001 Law on Organization of the Government;

In order to boost the thrifty and efficient use of energy, meeting the higher and higher energy use demands of the national economy and at the same time well protecting the environment, rationally exploiting the energy resources and achieving sustainable socio-economic development;

At the proposal of the Industry Minister,

DECREES:

Chapter I

GENERAL PROVISIONS

**Article 1.-** Regulation scope

This Decree prescribes the thrifty and efficient use of energy in industrial production, in buildings, for energy-consuming equipment and means and in daily-life of people.

**Article 2.-** Application subjects

This Decree applies to all organizations and individuals that operate, live and work on the Vietnamese territory, except otherwise provided for by international treaties which the Socialist Republic of Vietnam has signed or acceded to.

**Article 3.-** Term interpretation

In this Decree, the terms and phrases below shall be construed as follows:

1. Energy is a type of matters capable of generating force, which includes sources of primary energy: coal, oil, fuel gas and source of secondary energy being thermal energy, electric energy generated through the process of conversion of primary energies.
2. Thrifty and efficient use of energy means using energy rationally so as to reduce the energy consumption levels, reduce energy expenses for operation of means and equipment which consume energy while still ensuring essential demand of energy for the process of production, service and daily-life activities.
3. Key energy-using establishments are those which annually consume the total fuel and thermal energy volume equivalent to 1,000 TOE or more or the average electric output of 500 KW or more, or annually consume the electric energy volume of 3,000,000 KWh or more.
4. Buildings are high-rises used as department stores, hotels, offices, agencies' headquarters and/or residences.
5. Selected building(s) means one or many buildings at one address, satisfying one of the following conditions:
  - Being supplied with electric energy from transformer stations with a total installed capacity of 750 KVA or higher.
  - Using commercial energy including electric energy and thermal energy in a year with a total of from 10 million MJ (Megajule) or 2,800,000 KWh of equivalent electric energy or more.
6. Energy-saving products are equipment and means achieving high efficiency with low energy consumption levels and assorted insulating materials having high insulation coefficients, which are designed, manufactured, produced and experimented in compatibility with Vietnamese standards on energy consuming limits and energy loss limits.

Chapter II

USING ENERGY IN PRODUCTION ESTABLISHMENTS

**Article 4.-** Technological measures

Production establishments shall practice the thrifty and efficient use of energy through the following principal measures:

1. Improving and rationalizing the fuel burning process.
2. Improving and rationalizing the process of heat generation, refrigeration and conversion of thermal energy into mechanical energy.
3. Minimizing heat loss due to heat transmission.
4. Reusing discharged heat.
5. Improving, rationalizing the process of converting thermal energy into electric energy.
6. Reducing electric energy loss in transmission, distribution and use of electric energy.
7. Improving, rationalizing the process of converting electric energy into mechanical energy, thermal energy.
8. Selecting, rationally replacing the energy sources in use in order to achieve higher energy efficiency.
9. Developing and using recycled energy sources in order to save the sources of energy which cannot be recycled such as pit coal, oil products,

fuel gas.

#### **Article 5.-** Responsibilities of production establishments

1. Production establishments operating in the following domains shall have to apply measures for thrifty and efficient use of energy:

- a) Processing, making on order or producing commercial products; machinery and equipment-repair;
- b) Mining;
- c) Electric energy production and/or supply;
- d) Thermal energy production and/or supply.

2. Annually, the production establishments defined in Clause 1 of this Article must register their energy saving norms, keep statistics on energy use, energy consumption norms on a product unit, report thereon to the provincial/municipal Industry Services or both the provincial/municipal Industry Services and the Industry Ministry, for key establishments.

#### **Article 6.-** Responsibilities of key energy-using establishments

1. Annually, the key energy-using establishments must report to the provincial/municipal Industry Services and the Industry Ministry on the situation, conditions and efficiency of the use of fuel, thermal energy, electricity; the situation of dismantling, modifying, replacing and/or installing machinery and/or equipment using fuel, thermal energy, electricity; machinery and equipment installed for the purpose of using energy economically and efficiently.

2. Working out the regime of responsibility for each relevant collective, each individual in the thrifty and efficient use of energy; the regime of commending and/or rewarding collectives and individuals with achievements and disciplining collectives and/or individuals that commit violations in implementing the provisions on thrifty and efficient use of energy.

3. Having full-timers to assist the directors in energy management. The energy management full-timers must have university degree and be trained in energy major.

4. The energy management full-timers shall have to assist the directors in managing and supervising means using energy and the implementation of measures for thrifty and efficient use of energy, strictly according to regulations of the Industry Ministry.

5. In cases where key energy-using establishments fail to fully observe the regulations and criteria on the promulgated energy-using limits according to the provisions at Point b, Clause 3, Article 20 of this Decree, the Industry Ministry shall notify them of things to be done and request the establishments to elaborate and submit for approval plans on thrifty and efficient use of energy.

### Chapter III

#### USING ENERGY IN BUILDINGS

#### **Article 7.-** Responsibilities in investment in the construction of buildings

Organizations and individuals providing designing consultancy, investing in, constructing and/or owning buildings shall have to implement the following solutions to the thrifty and efficient use of energy:

- 1. Making full use of natural conditions or appropriate architectural structure solutions in order to reduce energy for lighting, ventilation, cooling and warming.
- 2. Using heat-insulation materials manufactured according to the energy-saving standards in order to restrict the heat transmission through walls, doors and windows.
- 3. Using equipment manufactured according to the energy-saving standards for installation in buildings.
- 4. Rationally arranging equipment and facilities so as to achieve high efficiency along the direction of saving energy.

#### **Article 8.-** Selected buildings

1. The designing and construction of buildings, construction items of selected buildings must comply with the promulgated designing criteria, standards and regulations on thrifty and efficient energy use according to the provisions at Point c, Clause 3, Article 20 of this Decree.

2. The dossiers of application for permits to construct selected buildings must include documents explaining measures for thrifty and efficient use of energy.

3. The Construction Ministry shall have to guide and request the application of necessary measures to use energy economically and efficiently in cases where organizations and/or individuals providing designing consultancy, investing in, constructing and/or owning the buildings have not yet applied measures on thrifty and efficient use of energy.

#### **Article 9.-** Agencies' headquarters

1. The construction of new headquarters of agencies with the State budget capital source must comply the promulgated design criteria and regulations on thrifty and efficient use of energy according to the provisions at Point c, Clause 3, Article 20 of this Decree.

2. Annually, in combination with the repair and maintenance of equipment and facilities in offices, the State bodies shall work out specific plans in the annual funding sources for the gradual replacement of old and obsolete equipment and facilities consuming great volume of energy with new equipment and facilities determined as energy-saving products with advanced energy consumption criteria in lighting, ventilation, air-conditioning, water pumping as well as other daily-life equipment and facilities, aiming to reduce energy consumption in working offices.

### Chapter IV

#### ENERGY-CONSUMING EQUIPMENT AND MEANS

#### **Article 10.-** Responsibilities of manufacturers, exporters and importers

Organizations and individuals being manufacturers, traders, exporters or importers of energy-consuming equipment and means shall have to apply scientific and technological solutions in order to manufacture equipment and means consuming energy thriftily and provide customers with necessary information on the efficiency and energy consumption levels of the equipment and means.

#### **Article 11.-** Selected equipment

1. Equipment and means subject to strict control over energy consumption include: assorted equipment and means widely used at home which consume great volume of energy according to the lists prescribed by competent State management bodies.
2. The Industry Ministry shall recommend or work out solutions to support manufacturers in modifying the energy-consuming characteristics of selected equipment with a view to raising the selected equipment's advance in energy consumption criteria.

#### **Article 12.-** Energy saving quality stamps

1. Organizations and individuals manufacturing, importing and/or trading in products being energy-consuming equipment and means must clearly inscribe the energy consumption norms in the use instruction papers or on goods labels.
2. On the basis of the national standards on energy consumption norms promulgated under the provisions at Point b, Clause 3, Article 20 of this Decree and law provisions on product quality according to the energy economy norms, organizations and individuals engaged in activities of manufacturing or importing products being energy-consuming equipment and means shall themselves promulgate and take responsibility for the energy economy criteria of the products.

On the basis of the products meeting the prescribed standards, organizations and individuals may register to apply for certificates and have their products fixed with stamps certifying the product quality being up to the energy-saving criteria.

### Chapter V

#### USING ENERGY IN DAILY-LIFE ACTIVITIES

#### **Article 13.-** Responsibility to save energy in daily-life activities

Organizations and individuals have the responsibility to use lighting, ventilating, air-conditioning equipment, water pumps and other equipment as well as facilities in service of daily-life activities with advanced energy consumption criteria in replacement of equipment and facilities with obsolete energy consumption criteria, with a view to reducing energy expenditure and contributing to the materialization of the State's policy on energy saving.

#### **Article 14.-** Solutions to thrifty and efficient use of energy in daily-life activities

1. Applying policies on reasonable daily-life energy prices in order to promote the thrifty and efficient use of energy.
2. Applying the Construction Ministry's instructions promulgated under the provisions at Point c, Clause 3, Article 20 of this Decree when using assorted construction materials and equipment consuming large volume of energy such as air conditioners, mechanical equipment used for air ventilation, lighting equipment, water-heaters, elevators installed in dwelling houses to achieve the target of thrifty and efficient energy use.
3. Minimizing the use of equipment with big outputs at peak hours of the electric system's load diagram.

### Chapter VI

#### MEASURES TO ENCOURAGE, PROMOTE THE THRIFTY AND EFFICIENT USE OF ENERGY

#### **Article 15.-** Policies to support and encourage the thrifty and efficient use of energy

1. Equipment, facilities, supplies and technological chains imported for the purpose of energy saving, products on the list of energy-saving products, of which the production or import is encouraged, shall enjoy tax preferences under the provisions of law.
2. State enterprises applying energy-saving measures shall be rewarded for energy saving under the law provisions on financial management and business accounting applicable to State enterprises.
3. Enterprises with investment projects on the manufacture of energy-saving products, the import of new technological chains or intensive investment with a view to saving energy shall be considered for medium- or long-term loans from the Development Assistance Fund, the Scientific and Technological Development Assistance Fund.

#### **Article 16.-** Measures to boost scientific and technological development in service of the target of thrifty and efficient energy use.

1. Annually, the ministries, the ministerial-level agencies, the Government-attached agencies and the People's Committees of the provinces and centrally-run cities shall have to draw up programs and projects to promote the thrifty and efficient use of energy, arrange fundings for scientific, technological and environment research and development with appropriate portions for scientific research and technological development in service of the target of thrifty and efficient use of energy.
2. The contents of programs and projects to promote the thrifty and efficient energy use include:
  - a) Developing the technologies with thrifty and efficient use of energy, which suit various industries and play important role in the national economy;
  - b) Supporting the research into, development and application of common-use techniques regarding energy saving, which are confirmed as having practical efficiency;
  - c) Introducing and applying technologies, widely supplying information related to technologies with the thrifty and efficient use of energy.

#### **Article 17.-** Raising the awareness of the thrifty and efficient use of energy

1. The ministries, the ministerial-level agencies, the Government-attached agencies and the People's Committees of the provinces and centrally-run cities shall organize the dissemination and propagation thereof on the mass media and other activities to raise the people's awareness and encourage them to participate in the thrifty and efficient use of energy.

2. Measures to raise awareness of the thrifty and efficient use of energy include:

- a) Training, building and developing the contingent of full-time managerial officials on energy saving and efficient energy use for establishments, branches and localities;
- b) Universalizing the energy-saving contents through communications programs on the mass media;
- c) Incorporating the contents of promoting the energy saving into activities of Scientific and Technical Associations, mass organizations. Organizing contests on creativity for energy saving, implementing programs on campaigning the energy saving.

**Article 18.-** National target program on thrifty and efficient use of energy

Basing itself on the socio-economic development objectives, the Industry Ministry shall assume the prime responsibility and coordinate with the concerned ministries and branches in elaborating and submitting to the Prime Minister the national target program on thrifty and efficient use of energy with the following contents:

- 1. Researching into and developing projects on thrifty and efficient use of energy, promoting the environmental protection and redressing environmental problems arising from energy production and use.
- 2. Drawing up plans on thrifty and efficient use of energy.
- 3. Conducting education, training, information dissemination, community propagation in the field of developing and promoting the thrifty and efficient use of energy as well as environmental protection.

Chapter VII

STATE MANAGEMENT OVER THE THRIFTY AND EFFICIENT USE OF ENERGY

**Article 19.-** Contents of State management over thrifty and efficient use of energy

- 1. Promulgating legal documents on thrifty and efficient use of energy; guiding and inspecting the implementation thereof.
- 2. Promulgating regulations and provisions on work of energy saving consultancy, energy auditing, expertise for granting of quality standard certificates and affixing quality stamps on energy-saving products.
- 3. Formulating policies on import of equipment and facilities, on technological transfer, organizing research into and application of scientific and technological advances in the field of thrifty energy use.
- 4. Propagating and disseminating information on and education in knowledge about thrifty and efficient use of energy.
- 5. Organizing and managing international cooperation activities in the field of thrifty use of energy.
- 6. Training human resources in the field of thrifty and efficient use of energy.
- 7. Examining and inspecting activities of thrifty and efficient use of energy.

**Article 20.-** Agencies performing the State management over the thrifty and efficient use of energy

- 1. The Government performs the unified State management over thrifty and efficient use of energy.

The Industry Ministry is responsible to the Government for performing the State management over thrifty and efficient use of energy, having the following tasks:

- a) To coordinate with the concerned ministries and branches in drawing up and submitting to the Prime Minister for approval the national target program on thrifty and efficient use of energy and managing the implementation of such program;
- b) Formulating and submitting to the Prime Minister the policies and measures to implement the policies on thrifty and efficient use of energy.
- c) Drawing up and submitting to the Prime Minister energy saving plans according to the five-year plans and deploy the annual plans;
- d) Making lists of selected equipment and facilities, energy-saving products, products which must not be transferred or must be discarded and submitting them to the Prime Minister for decision and annual promulgation;
- e) Coordinating activities of State management over the thrifty and efficient use of energy among the ministries, branches and localities;
- f) Guiding the practice of thrifty and efficient use of energy for production establishments, which includes the elaboration and submission for approval of plans on thrifty and efficient use of energy, report on situation of energy use, energy auditing;
- g) Promulgating regulations on manufacturers' responsibility to meet the requirements on the operation properties and energy consumption for each type of selected equipment and supply information on the efficiency of energy consumption by selected equipment for inclusion into the contents of goods labels;
- h) Stipulating the procedures for affixing stamps of certification of energy-saving products;
- i) Prescribing consultancy organizations fully capable of operating in the domains of energy saving consultancy, energy auditing, expertise before granting certificates of energy saving quality or permitting the affixture of stamps for certification of energy-saving products.

3. Tasks and powers of the ministries, ministerial-level agencies and Government-attached agencies in managing activities related to the thrifty and efficient use of energy:

- a) The ministries, the ministerial-level agencies and the Government-attached agencies shall, according to their respective functions, tasks and powers, have to coordinate with the Industry Ministry in performing the tasks of State management over the thrifty and efficient use of energy by each branch, each locality;
- b) The Ministry of Science and Technology:

- To promulgate national standards on energy using norms for assorted energy-consuming equipment and means being in common use;
- To promulgate the Regulation on expertise of equipment and products meeting the standards or compatible with the national standards on energy-using norms.

c) The Ministry of Construction:

- To promulgate the standards and criteria on thrifty and efficient use of energy in the construction of high-rises;
- To prescribe the quality and heat-insulation properties of assorted construction materials. To guide organizations and individuals in producing, supplying and/or using appropriate construction materials of various kinds with a view to reducing heat transmission;
- To guide investors, high-rise owners, household masters in implementing assorted measures to economically and efficiently use energy for air conditioners and other mechanical equipment for air ventilation, lighting equipment, water heaters, elevators.

d) The Ministry of Communications and Transport:

To coordinate with the Industry Ministry in guiding the manufacturers to observe the regulations on thrifty and efficient use of energy for energy-consuming means in domains related to communications and transport.

e) The Finance Ministry:

To guide the implementation of financial measures and policies to encourage and support the thrifty and efficient use of energy as prescribed in Article 15 of this Decree.

4. Tasks and powers of the provincial-level People's Committees in managing activities related to the thrifty and efficient use of energy:

- a) The provincial-level People's Committees shall perform the function of State management over the thrifty and efficient use of energy in their respective localities under the guidance of the Industry Ministry as well as concerned ministries and branches;
- b) The provincial-level People's Committees shall prescribe the functions, tasks and organization and operation of the local Industry Services and Construction Services in the domain of thrifty and efficient use of energy.

Chapter VIII

EXAMINATION, INSPECTION AND HANDLING OF VIOLATIONS

**Article 21.-** Reporting, inspection

1. Key energy-using establishments shall have to periodically report to the provincial/municipal Industry Services and the Industry Ministry on the contents relating to the conditions and situation of energy use and operation of equipment in production establishments according to the provisions in Clause 1, Article 6 of this Decree. In case of necessity, the Industry Ministry may conduct the on-spot examination of energy-consuming equipment as well as relevant dossiers and documents.
2. In cases where key energy-using establishments fail to fully satisfy the requirements set in their plans for thrifty and efficient use of energy, the Industry Ministry shall send official dispatches reminding them to strictly implement the approved plans on thrifty and efficient use of energy.
3. To fulfill the tasks prescribed in Clause 3, Article 8 of this Decree, in case of necessity, the Industry Ministry are entitled to request organizations and individuals providing design consultancy, investing in, constructing and/or owning the buildings to report on matters concerning designs and/or construction, or conduct field inspection at the buildings and examine relevant dossiers and documents.
4. To fulfill the tasks prescribed in Clause 2, Article 11 of this Decree, in case of necessity, the Industry Ministry shall be entitled to request the manufacturers of selected equipment to report on matters relating to the operation properties of equipment or conduct field inspection at factories, warehouses and examine the relevant dossiers and documents.
5. The on-spot examination prescribed in Clauses 1, 2, 3 and 4 of this Article must comply with the law provisions on inspection and examination.

**Article 22.-** Acts of violation, sanctioning levels

1. A fine of between VND 1 million and 3 million for acts of failing to clearly inscribe the energy consumption norms in the written explanation or goods labels by organizations or individuals.
2. A fine of between VND 1 million and 5 million for one of the following acts:
  - a) Manufacturing technically obsolete energy-consuming equipment and/or means subject to production suspension according to the promulgated stipulations;
  - b) Importing technically obsolete energy-consuming equipment and/or means which are banned from import according to the promulgated stipulations;
  - c) Transferring energy-consuming equipment and/or means, which must be abandoned;
  - d) Using fake or blank (unregistered) stamps of certification of energy-saving products;
  - e) Using certificates of energy-saving quality for counterfeit products.
3. A fine of between VND 5 million and 10 million for the following acts:
  - a) Failing to implement the plans on thrifty and efficient use of energy by key energy-using establishments without plausible reasons;
  - b) Repeating the transfer of energy-consuming equipment, facilities and/or means by organizations or individuals, which are subject to abandonment according to the promulgated stipulations.
4. Depending on the nature and seriousness of their violations, individuals and organizations committing administrative violations may also be subject to one or several of the following additional sanctioning forms:

a) Deprivation of the right to use stamps of certification of energy-saving products, certificates of energy-saving quality;

b) Confiscation of material evidences and/or means used for the administrative violations.

5. Apart from the principal and additional sanctioning forms prescribed in Clauses 1, 2, 3 and 4 of this Article, individuals or organizations committing administrative violations shall also be subject to one or several of the following remedial measures:

a) Forced taking out of the Vietnamese territory or forced re-export of technically obsolete energy-consuming equipment and means, which are banned from import according to the promulgated stipulations;

b) Forced abandonment of energy-consuming equipment and means which are subject to abandonment.

**Article 23.-** Competence to sanction violations

1. The provincial-level People's Committees and specialized inspectorates are competent to sanction acts of violation prescribed in this Decree according to the provisions of the Ordinance on Handling of Administrative Violations.

2. Where a violation act falls under the sanctioning competence of many agencies, the sanctioning shall be effected by the agency which receives the case first.

**Article 24.-** Commendation, discipline

1. Organizations and individuals recording achievements in activities of thrifty and efficient use of energy shall be considered for commendation and/or reward according to law provisions.

2. In case of abusing position and power, self-seeking, irresponsibility, depending on the seriousness thereof, the violators shall be disciplined or examined for penal liability, and, if causing damage, must pay compensation therefor according to law provisions.

Chapter IX

IMPLEMENTATION PROVISIONS

**Article 25.-** Effect of the Decree

This Decree takes effect 15 days after its publication in the Official Gazette.

**Article 26.-** Implementation organization

The Industry Minister, the other ministers and heads of the concerned agencies prescribed in Chapter VII shall base themselves on their respective functions and tasks to guide the implementation of this Decree.

**Article 27.-** Implementation responsibility

The ministers, the heads of the ministerial-level agencies, the heads of the Government-attached agencies and the presidents of the People's Committees of the provinces and centrally-run cities shall have to implement this Decree.

On behalf of the Government

Prime Minister

PHAN VAN KHAI

**THE GOVERNMENT**

**PRIME MINISTER**

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**Phan Van Khai**