

## LAW ON ENERGY CONSERVATION

### CHAPTER ONE

#### GENERAL PROVISIONS

##### **Article 1. The Purpose of the Law**

1.1 The purpose of this Law shall be to regulate relations concerning energy conservation and efficient use of energy.

##### **Article 2. Legislation on Energy Conservation**

2.1 The Legislation on Energy Conservation shall be comprised of the *Energy Law*, the *Renewable Energy Law*, this Law and other laws and legal acts enacted in conformity with them.

2.2 If the rules, laid down in an international treaty of Mongolia, differ from those stipulated by this Law, the rules of the international treaty shall be applied.

##### **Article 3. Definition of legal terminology**

3.1. The following terms used in this law shall have the following meanings:

3.1.1. “energy” means is as defined in Article 3.1.1 of the *Energy Law*;

3.1.2 “energy conservation” means a measured and calculated difference in amounts of energy consumed prior to and after taking action, for the purpose of energy conservation;

3.1.3 “energy efficiency” means the ratio between total energy input and useful energy output that are used during the manufacturing of goods or products, performing works or rendering services.

3.1.4 “energy audit” means independent activities for verification, monitoring and analysis of the use of energy by citizens, business entities and organizations, submission of report, recommendations for improving energy efficiency, and using the conclusion;

3.1.5 “energy auditing agency” means any legal entities which holds a license for auditing and provides services stated in Article 3.1.4 of this Law;

3.1.6 “energy auditor” means any person, who holds a license for energy auditing service;

3.1.7 “energy service company” means any legal company which holds a license for strengthening consultancy services and providing energy services in the field of energy efficiency and its conservation requested by obligated, designated consumers and citizens, legal entities and organizations;

3.1.8 “designated consumers” means any legal entity whose energy usage is above the energy consumption threshold as defined by the government; and

3.1.9 “energy conservation manager” means any employee, who is authorized to work for the designated consumers stated in Article 3.1.8 of this Law.

## **CHAPTER TWO.**

### **MANDATE OF STATE ORGANIZATIONS WITH REGARD TO ENERGY CONSERVATION**

#### **Article 4. Mandate of State Great Khural**

4.1 The State Great Khural shall formulate the state policy on energy conservation.

#### **Article 5. Mandate of the Government**

5.1 The Government shall exercise the following powers with regard to energy conservation:

5.1.1 to ensure and organize implementation of the state policy and legislation on energy conservation;

5.1.2 to approve the national energy conservation program; and

5.1.3 to approve regulations stated in Article 9.1.9 of this Law.

#### **Article 6. Mandate of State Central Administrative Authority**

6.1 The State Central Administrative Authority shall exercise the following powers with regard to energy conservation and efficiency:

6.1.1 to organize and ensure the implementation of legislations and decisions on energy conservation;

6.1.2 to specify and approve the norms and standards for buildings, equipment, appliances, services and materials, and for generation, transmission and distribution of energy regarding energy efficiency and its conservation; and

6.1.3 to develop the implementation plan of the state policy on energy conservation and submit its performance to the Energy Conservation Council.

## **Article 7. Mandate of Governors of Aimags, the Capital City, Soums and Districts**

7.1. Governors of aimags, the capital city, soums and districts shall organize implementation of legislation on energy conservation and decisions issued by the authority in charge, in conformity with this legislation, and develop a policy on energy conservation in their respective territories.

7.2. Governors of aimags, capital city, soums and districts shall determine local policy on energy conservation and implement it in collaboration with related organizations.

7.3. Governors of aimags, capital city, soums and districts shall prepare progress reports of the implementation related to energy conservation in aimags and the Capital city, and forward them to the Energy Conservation Council.

## **Article 8. Energy Conservation Council**

8.1. The Energy Regulatory Commission shall exercise powers of the Energy Conservation Council which has duties of regulating and implementing policies on energy conservation.

8.2. Those structure of the Energy Regulatory Commission shall be compromised of a specialized unit, which is responsible for implementing energy efficiency policies.

## **Article 9. Mandates of the Energy Conservation Council**

9.1. The Energy Conservation Council shall exercise the following authorities:

9.1.1. to facilitate the implementation of the state policy and legislation regarding energy conservation at the national level;

9.1.2 . to formulate national programs regarding energy conservation;

9.1.3. to ensure that annual performance and report of the designated consumers on energy consumption are submitted;

9.1.4. to register designated consumers;

9.1.5. to grant or cancel an accreditation for energy auditing agencies and professional organizations to provide energy efficiency services;

9.1.6. to grant a license for energy auditors and energy managers;

9.1.7. to create a database regarding efficient use of energy and its conservation, advertise it to the public and organize public awareness campaign;

9.1.8. to organize training and specializing programs for energy auditors and energy conservation managers;

9.1.9. the Energy Conservation Council shall formulate the following regulations;

9.1.9.a. regulation for energy auditing activities stated in Articles 13.3 and 13.4 of this Law;

9.1.9.b. regulation for accreditation procedures and requirements of the energy auditing agency and professional energy organizations;

9.1.9.c. regulation for organizing the training for energy auditors and energy conservation managers and granting and revoking accreditation;

9.1.9.d. regulation for classification, grading, labeling and monitoring of the energy powered products, such as machinery, electronic equipment, home appliances regarding their energy consumption;

9.1.9.e. regulation for defining and registering designated consumers and regulation for an annual implementation plan and its reporting procedures regarding energy conservation for the designated consumers and methodology of the formulating and submitting its programs;

9.1.9.f. regulation for support and incentive awards for citizens, legal entities and organizations who construct energy-efficient buildings, or manufacture and import energy-efficient machinery, equipment, products and materials, or improve the energy efficiency and make energy conservation; and

9.1.9.g. other applicable rules and regulations.

9.1.10. to prepare implementation reports of the energy conservation policy and legislation and submit it to the government annually; and

9.1.11. to resolve any dispute regarding professional services of energy conservation in accordance with its jurisdiction.

9.2. The Energy Conservation Council can authorize non-governmental organizations to carry out its functions stated in Articles 9.1.7 and 9.1.8 of this Law.

### **CHAPTER THREE.**

#### **RIGHTS AND OBLIGATIONS OF ENERGY CONSUMERS**

##### **Article 10. Rights and obligations of designated consumers**

10.1. The designated consumers shall have the following rights:

10.1.1. to select an Energy Auditing Agency;

10.1.2. to demand a reasonable explanation regarding conclusions and recommendations of energy auditing;

10.1.3. to select and implement recommendations stated in Article 13.4.2 of this Law; and

10.1.4. to receive incentives for implementing energy conservation measures.

10.2. The designated consumers shall have the following obligations:

10.2.1. to conserve energy and use it efficiently;

10.2.2. to obtain an energy audit on its energy consumption;

10.2.3. to formulate and implement programs regarding energy conservation and its action plan for its own organization;

10.2.4. to submit a report of energy auditing and a report of implementation of the program regarding energy conservation measures to the Energy Conservation Council annually;

10.2.5. to notify in written form within 14 days to the Energy Conservation Council the appointment and dismissal of an Energy Manager; and

10.2.6. to demand the Energy Conservation Council solve issues regarding energy professional services by submitting complaints.

#### **Article 11. Mandates of citizens, legal entities and organizations**

11.1. The citizens, legal entities and organizations shall have the following rights and obligations:

11.1.1. to ask advice regarding energy conservation matters from organizations that provide energy conservation services; and

11.1.2. to obtain an energy audit voluntarily.

#### **Article 12. Incentives**

12.1. The citizens, legal entities and organizations who construct energy-efficient buildings, or manufacture and import energy-efficient machinery, equipment, products and materials, or improve energy efficiency and make energy conservation, shall receive incentives and the incentive award procedure shall be regulated as provided in Article 9.1.9.e of this Law and Articles 6.1.6, 6.1.8, and 6.1.11 of the *Law on Air*.

## **CHAPTER FOUR.**

### **ENERGY CONSERVATION SERVICES**

#### **Article 13. An Energy Auditing Agency, an Energy Auditor**

13.1. An Energy Auditing Agency and an Energy Auditor shall conduct their energy auditing services on the basis of accreditation.

13.2. Energy Auditing Activity shall be regulated as provided in Article 9.1.9.a of this Law.

13.3. An Energy Auditing Agency and an Energy Auditor shall have the following rights:

13.3.1. to obtain necessary explanations and materials from the designated consumers in the course of auditing; and

13.3.2. to audit and provide conclusions on energy consumption upon request of citizens, legal entities and organizations.

13.4. An Energy Auditing Agency and an Energy Auditor shall have the following obligations:

13.4.1. to calculate the efficiency, analyze and conclude the energy consumption of designated consumers;

13.4.2. to provide technical feasibility and economic efficiency recommendations to designated consumers; and

13.4.3. to explain the grounds of a given recommendation and/or conclusion upon request of designated consumers.

#### **Article 14. Professional organizations who conduct energy efficiency services**

14.1. Professional organizations who conduct energy efficiency services shall conduct the activities related to the promotion of efficient energy use on the basis of accreditation.

14.2. Professional organizations who conduct energy efficiency services shall conduct its professional services based on the contract entered into with the designated consumer.

14.3. Professional organizations who conduct energy efficiency services may invest in the process of energy efficiency services and shall take full responsibility for its risk.

#### **Article 15. An Energy Manager**

15.1. An Energy Manager shall be certified.

15.2. An Energy Manager shall have the following rights and obligations:

- 15.2.1. to comply with the Energy Conservation Council's orientations in its operations;
- 15.2.2. to organize and ensure the implementation of the plan of the designated consumer regarding their energy conservation and energy efficiency;
- 15.2.3. to monitor the energy conservation activities of the designated consumer;
- 15.2.4. to submit a report of their activities to the Energy Conservation Council annually;  
and
- 15.2.5. to participate in specialization training organized by the Energy Conservation Council.

## **CHAPTER FIVE.**

### **MISCELLANEOUS**

#### **Article 16. Liabilities for Violation of the Legislation on Energy Conservation**

16.1. If a violation of the legislation on Energy Conservation is not subject to the Criminal Code, the following administrative penalties shall be imposed by judges:

16.1.1. for failure of its obligation as provided in Article 10.2 of this Law, the official shall be subject to a fine of 2-5 times the amount of the official minimum monthly wage and legal entities and organizations shall be subject to a fine of 10-15 times the amount of the official minimum monthly wage.

16.2. An Energy Auditing Agency and professional organizations, and an Energy Auditor, who conduct insufficient services and cause damage to citizens, legal entities and organizations, shall be liable to reimburse the damage and their accreditation will be revoked.

#### **Article 17. Entry into Validity**

17.1. This law shall enter into force on 26<sup>th</sup> November 2015.

CHAIRMAN OF THE STATE IKH KHURAL

Z.ENHKBOLD