Electricity Law of the PRC

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Chapter I — General Provisions

Article 1 — This Law is enacted for the purposes of safeguarding and promoting the development of the electric power industry, protecting the lawful rights and interests of investors, operators, and users of electric power, and ensuring the safe operation of electric power.

Article 2 — This Law shall apply to electric power construction, production, supply, and consumption activities within the territory of the People's Republic of China.

Article 3 — The electric power industry shall adapt to the needs of national economic and social development and shall appropriately develop in advance. The state encourages and guides domestic and foreign economic organizations and individuals to invest in the construction of power sources and grids in accordance with the law.

Article 4 — The protection of electric power facilities shall be ensured by law. It is prohibited for any entity or individual to endanger the safety of electric power facilities or to illegally seize or use electric power.

Article 5 — The construction, production, supply, and consumption of electric power shall protect the environment in accordance with the law, adopt new technologies, reduce the emission of harmful substances, and prevent and control pollution and other public hazards.

Article 6 — The electric power administrative department of the State Council shall be responsible for the supervision and administration of the electric power industry nationwide. The relevant departments of the State Council shall be responsible for the supervision and administration of the electric power industry within the scope of their respective duties.

Article 7 — Enterprises engaged in electric power construction, production, supply, and consumption shall operate and manage independently and be responsible for their own profits and losses, and shall accept the supervision of the electric power administrative departments.

Chapter II — Electric Power Construction

Article 8 — The development plan for the electric power industry shall be prepared in accordance with the needs of national economic and social development and shall be incorporated into the national economic and social development plan.

Article 9 — Electric power construction projects shall comply with the electric power development plan and shall be subject to the state industrial policies.

Electric power construction projects shall not use equipment and technology that are explicitly eliminated by the state.

Article 10 — Power transmission and transformation projects, distribution network projects, and electricity construction projects shall be simultaneously planned, environmentally assessed, constructed, and put into operation in accordance with the relevant provisions.

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Article 11 — Urban power grid construction and transformation plans shall be incorporated into urban master plans. Urban people's governments shall plan for substation sites, line corridors, and cable passages in accordance with the plan.

Article 12 — The state supports the development of clean and renewable energy sources for power generation, including hydropower, wind power, solar power, nuclear power, and biomass.

Article 13 — The construction of electric power projects shall comply with the provisions of laws and administrative regulations on land use, water resources utilization, and environmental protection.

Article 14 — Enterprises undertaking the construction of electric power projects shall lawfully obtain the required permits and qualifications before commencing construction activities.

Chapter III — Electric Power Production and Grid Management

Article 15 — Electric power production and grid operation shall follow the principle of safety, high quality, and economy. Grid enterprises shall operate in a scientific and unified manner with reasonable dispatching.

Article 16 — Power generation enterprises and grid enterprises shall ensure the safe operation of power generation and supply in accordance with the law and technical standards.

Article 17 — Grid enterprises shall provide fair access to power generation enterprises that meet grid connection conditions.

Grid enterprises shall sign grid connection agreements with power generation enterprises, specifying the rights and obligations of both parties.

Article 18 — Electric power production enterprises and grid enterprises shall strengthen safe production management, establish and improve safe production responsibility systems, and prevent and reduce accidents.

Article 19 — Grid enterprises shall ensure the quality of electricity supply. Electricity quality standards shall be formulated by the electric power administrative department of the State Council.

Article 20 — In the course of power generation and supply, enterprises shall protect the environment in accordance with the law and accept the supervision and inspection of environmental protection departments.

Article 21 — Grid enterprises shall, upon verification by the electric power administrative department, lawfully obtain a power supply business permit before engaging in power supply business activities.

Chapter IV — Electricity Supply and Consumption

Article 22 — The state shall implement a safe, economical, and planned management system for electricity supply and consumption.

Electricity supply enterprises and electricity users shall, in accordance with the provisions of the state, sign electricity supply and consumption contracts specifying the rights and obligations of both parties.

Article 23 — Electricity supply enterprises shall guarantee the quality of electricity supplied to users and shall assume liability in accordance with the law if quality problems cause losses to users.

Article 24 — The electricity supply business area of an electricity supply enterprise shall be verified and approved by the electric power administrative department. An electricity supply enterprise shall not operate across approved supply business areas.

Article 25 — Electricity supply enterprises shall supply electricity to users in accordance with the electricity price approved by the state and the metered electricity consumption of users.

Article 26 — Where an electricity supply enterprise needs to suspend electricity supply due to inspection and repair of electricity supply facilities, lawfully limiting electricity consumption, or the illegal consumption of electricity by users, it shall notify users in advance in accordance with the relevant provisions of the state.

Article 27 — Where a user needs to increase electricity capacity, change the category of electricity consumption, relocate the metering device, or temporarily replace electricity, it shall apply to the electricity supply enterprise in advance.

Article 28 — Electricity supply enterprises shall install qualified electricity meters for users at the users' or electricity supply enterprises' expense and shall carry out unified inspection and maintenance of the meters.

Article 29 — Users shall pay electricity charges on time and shall assume liability for breach of contract in accordance with the law for overdue payment.

Article 30 — Electricity supply enterprises shall guarantee continuous electricity supply and shall not suspend electricity supply without cause; where electricity supply must be suspended, the user shall be notified in advance.

Article 31 — No entity or individual may endanger the safety of electricity supply facilities or illegally occupy or damage electricity supply facilities.

Article 32 — Users shall not endanger the safety of electricity supply and consumption or disturb the order of electricity supply and consumption through the following acts:

(1) stealing electricity;

(2) exceeding authorized capacity;

(3) illegally transferring electricity;

(4) damaging electricity metering devices.

Chapter V — Electricity Pricing and Fees

Article 33 — The state shall implement a unified policy on electricity pricing and shall manage electricity pricing by categories and levels. Electricity pricing shall be reasonably set following the principle of compensating costs, reasonable earnings, inclusion of tax in the price, and fair burden-sharing.

Article 34 — The electricity prices for grid connection, transmission and distribution, and sales shall be formulated under the principles of centralized management by the state and level-based administration.

Article 35 — On-grid electricity prices shall be set through negotiation between power generation enterprises and grid enterprises on the basis of market-oriented principles.

Article 36 — The electricity prices for residential living shall be based on the principle of cost compensation and appropriate profit, subject to approval by the relevant pricing department.

Article 37 — For agricultural production electricity, the price shall be determined based on the principle of guaranteed capital with a small profit.

Article 38 — Electricity supply enterprises shall collect electricity charges in accordance with the electricity price approved by the state and shall not change the electricity price without authorization.

Article 39 — No entity or individual may impose surcharges beyond the electricity price; where the state has provisions providing otherwise, such provisions shall prevail.

Article 40 — Users shall install qualified electricity metering devices and shall pay electricity charges on the basis of the actual metered consumption at the approved electricity price.

Chapter VI — Electric Power Protection in Rural Areas and Agriculture

Article 41 — The state shall implement preferential policies for rural electrification and give support and preferential treatment to electricity consumption in agriculture and for rural economic development.

Article 42 — The state shall support the development of small-scale hydropower and other renewable energy sources in rural areas and promote the construction and transformation of rural power grids.

Article 43 — Electricity supply enterprises shall guarantee the electricity demand for key agricultural production seasons such as irrigation, drainage, and harvesting.

Article 44 — The state shall encourage the adoption of advanced technology and scientific management methods in the construction and management of rural power grids.

Article 45 — Rural electricity users shall install electricity metering devices and pay electricity charges in accordance with the provisions of the state.

Chapter VII — Protection of Electric Power Facilities

Article 46 — Electric power facilities shall be protected by law. It is prohibited for any entity or individual to endanger the safety of electric power facilities.

Article 47 — Safety protection zones shall be established for electric power facilities in accordance with the law. Within the safety protection zones of electric power facilities, the following acts are prohibited:

(1) stacking objects, taking soil, excavating foundations, or constructing buildings or structures that may endanger the safety of electric power facilities;

(2) operating cranes, erecting pipelines, or planting tall plants that may endanger the safety of electric power facilities.

Article 48 — When carrying out activities that may endanger the safety of electric power facilities, approval from the electric power administrative department shall be obtained and safety measures shall be taken.

Article 49 — Damage to, theft of, or damage to electric power facilities is prohibited. No person shall dismantle or damage electric power facilities without authorization.

Article 50 — The state shall protect power lines and cables, and it is prohibited to engage in activities that endanger the safety of power lines and cables within the protection zones of power lines.

Article 51 — Electric power enterprises shall inspect and maintain electric power facilities and shall establish signboards for the protection of electric power facilities as required.

Chapter VIII — Supervision and Inspection

Article 52 — Electric power administrative departments shall strengthen supervision and inspection of the construction, production, and supply of electric power.

Article 53 — Electric power administrative departments shall have the authority to enter electric power enterprises or users' premises to conduct inspections and to access relevant information and data.

Article 54 — When performing supervision and inspection duties, staff members of electric power administrative departments shall produce their identification documents and shall keep confidential the commercial secrets learned in the course of inspection.

Article 55 — Electric power enterprises and users shall cooperate with the supervision and inspection conducted by electric power administrative departments and shall provide truthful information and data.

Article 56 — Electric power administrative departments shall establish a reporting system, accept reports, and handle such reports in a timely manner, and shall keep the reporter's information confidential.

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Chapter IX — Legal Liability

Article 57 — Where an electric power enterprise violates this Law by failing to ensure the quality of power supply, the electric power administrative department shall order it to make corrections; where losses are caused to users, it shall bear liability for compensation in accordance with the law.

Article 58 — Where an electricity supply enterprise violates this Law by changing the electricity price without authorization, the price administrative department shall give a warning and confiscate the illegal gains and may impose a fine.

Article 59 — Where an electricity user violates this Law by stealing electricity, the electric power administrative department shall order the cessation of the illegal act, recover the electricity charges, and impose a fine of not more than five times the electricity charges payable.

Article 60 — Where an electric power enterprise or user endangers the safety of electric power facilities or disturbs the order of electricity supply and consumption, causing losses, it shall bear liability for compensation in accordance with the law.

Article 61 — Where damage is caused to electric power facilities in violation of this Law, the electric power administrative department shall order the cessation of the illegal act and restoration of the original condition; where losses are caused, compensation shall be made in accordance with the law.

Article 62 — Where an electric power construction project fails to comply with relevant state provisions, the electric power administrative department shall order the cessation of construction and may impose a fine.

Article 63 — Where an electric power enterprise violates the provisions of this Law and causes a major liability accident, the directly responsible persons in charge and other directly responsible persons shall be subject to sanctions in accordance with the law; where a crime is constituted, criminal liability shall be pursued in accordance with the law.

Article 64 — Where staff members of electric power administrative departments neglect their duties, abuse their authority, or engage in malpractices for personal gain, they shall be subject to sanctions in accordance with the law; where a crime is constituted, criminal liability shall be pursued in accordance with the law.

Chapter X — Supplementary Provisions

Article 65 — This Law shall enter into force on April 1, 1996.

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