Renewable Energy Law of the People’s Republic of China

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Unofficial English translation prepared for reference only. The official Chinese text prevails.

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Chapter I — General Provisions

Article 1 — This Law is enacted for the purposes of promoting the development and utilization of renewable energy, increasing energy supply, improving the energy structure, ensuring energy security, protecting the environment, and achieving sustainable economic and social development.

Article 2 — For purposes of this Law, renewable energy refers to non-fossil energy sources, including wind energy, solar energy, hydropower, biomass energy, geothermal energy, ocean energy, and other such sources. This Law shall not apply to the utilization of crop stalks, firewood, animal dung, and other forms of biomass energy through low-efficiency direct combustion.

Article 3 — This Law shall apply within the territory of the People’s Republic of China and other sea areas under the jurisdiction of the People’s Republic of China.

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Article 4 — The state shall include the development and utilization of renewable energy in the priority areas of energy development and shall promote the establishment and development of the renewable energy market through the formulation of overall renewable energy development objectives and corresponding measures.

Article 5 — The energy authorities under the State Council shall exercise unified management of the development and utilization of renewable energy nationwide. Other relevant departments under the State Council shall, within their respective responsibilities, be responsible for the relevant management work relating to the development and utilization of renewable energy.

Chapter II — Resource Surveys and Development Planning

Article 6 — The energy authorities under the State Council shall be responsible for organizing and coordinating national renewable energy resource surveys and shall, in conjunction with relevant departments, formulate technical specifications for such resource surveys.

Article 7 — The energy authorities under the State Council shall, in accordance with national energy development objectives and the results of renewable energy resource surveys and assessments, formulate national medium-term and long-term targets for the development and utilization of renewable energy.

Article 8 — The energy authorities under the State Council shall, in accordance with the national medium-term and long-term targets for renewable energy, formulate a national renewable energy development and utilization plan in conjunction with relevant departments.

Article 9 — Provincial-level people's governments shall formulate their respective regional renewable energy development and utilization plans in accordance with the national plans, and report them to the energy authorities under the State Council for filing.

Article 10 — The formulation of renewable energy development and utilization plans shall comply with legally prescribed procedures, solicit public opinions, and be subject to scientific evaluation.

Chapter III — Industrial Guidance and Technology Support

Article 11 — The energy authorities under the State Council shall publish a renewable energy industry development guidance catalogue, specifying the key areas and technologies for development.

Article 12 — The state shall include scientific and technological research on renewable energy, applied technology research, and demonstration projects in the national medium-term and long-term science and technology development plan.

Article 13 — The state shall encourage and support grid-connected generation of electricity from renewable energy. Power grid enterprises shall enter into grid connection agreements with renewable energy power generation enterprises and purchase all the electricity generated.

Article 14 — The state shall support the development of renewable energy power generation projects in areas not yet covered by power grids through independent renewable energy power systems.

Article 15 — The state shall support the use of renewable energy in buildings through solar thermal, solar photovoltaic, ground-source heat pump, and other utilization technologies.

Article 16 — The state shall encourage clean and efficient utilization of biomass energy and the development of energy crops.

Chapter IV — Promotion and Application

Article 17 — The state shall encourage the installation and use of solar energy utilization systems, including solar water heating systems, solar heating and cooling systems, and solar photovoltaic systems, in buildings.

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Article 18 — The state shall encourage and support the development and utilization of renewable energy in rural areas, including biogas, household-scale solar, small wind power, and small hydropower.

Article 19 — Power grid enterprises shall connect renewable energy power generation projects to the grid, provide grid connection and other necessary services, and prioritize the dispatch and full purchase of all renewable energy electricity generated.

Article 20 — Natural gas pipeline enterprises and oil distribution enterprises shall, in accordance with state provisions, accept biomass gas and liquid biofuels that meet quality standards into their respective networks.

Chapter V — Pricing, Fees, and Cost Sharing

Article 21 — The price of electricity generated from renewable energy shall be determined by the price authorities under the State Council in accordance with the principles of promoting renewable energy development and utilization and being economically reasonable, and shall be adjusted in a timely manner.

Article 22 — The difference between the cost of renewable energy grid connection and the average on-grid electricity price, as well as other reasonable costs, shall be shared through the national renewable energy electricity price surcharge.

Article 23 — The state shall establish a renewable energy development fund to support: (1) scientific and technological research, standard-setting, and demonstration projects; (2) renewable energy utilization projects in rural and pastoral areas; (3) construction of independent renewable energy power systems in remote areas and islands; (4) renewable energy resource surveys; and (5) localization of renewable energy equipment manufacturing.

Article 24 — Financial institutions may provide preferential loans with interest subsidies for renewable energy development and utilization projects that are included in the national guidance catalogue and meet credit conditions.

Chapter VI — Economic Incentives and Supervisory Measures

Article 25 — The state shall grant tax benefits to projects listed in the renewable energy industry development guidance catalogue. Specific measures shall be formulated by the finance and tax authorities under the State Council.

Article 26 — Power grid enterprises that fail to fully purchase the electricity generated from renewable energy sources shall compensate the relevant renewable energy power generation enterprises for their economic losses.

Article 27 — Energy authorities and other relevant departments shall strengthen supervision and inspection of the development and utilization of renewable energy.

Chapter VII — Legal Liability

Article 28 — Where power grid enterprises fail to purchase all electricity generated from renewable energy sources without justifiable reasons, they shall be ordered to rectify within a specified time limit and compensate the renewable energy power generation enterprises for their economic losses; the directly responsible persons shall be subject to disciplinary sanctions.

Article 29 — Where natural gas pipeline or oil distribution enterprises refuse to accept biomass gas or liquid biofuels that meet national quality standards without justifiable reasons, they shall be subject to penalties.

Article 30 — Where any entity or individual resorts to fraud or other improper means to obtain renewable energy subsidies or tax benefits, such subsidies or benefits shall be recovered and the entity or individual shall be subject to fines.

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Chapter VIII — Supplementary Provisions

Article 31 — For purposes of this Law, biomass energy refers to energy converted from plants, animal waste, urban and rural organic waste, and other biomass materials.

Article 32 — The development and utilization of renewable energy in offshore areas under the jurisdiction of the People's Republic of China shall be governed by this Law.

Article 33 — This Law shall come into effect as of January 1, 2006. The amendment adopted at the Twelfth Meeting of the Standing Committee of the Eleventh National People's Congress on December 26, 2009 shall come into effect as of April 1, 2010.

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