Renewable Energy Law of the PRC

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

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Effective: January 1, 2006 (original); April 1, 2010 (amendment)

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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 the supply of energy, improving the energy structure, safeguarding energy security, protecting the environment, and achieving sustainable economic and social development.

Article 2 — "Renewable energy" as used in this Law means wind energy, solar energy, hydro energy, biomass energy, geothermal energy, ocean energy, and other non-fossil energy sources. This Law does not apply to the development and utilization of straw, firewood, animal dung, and other forms of biomass energy through direct burning in low-efficiency stoves.

Article 3 — The state shall incorporate the development and utilization of renewable energy into the priority areas of energy development and shall promote the establishment and development of the renewable energy market through measures such as setting overall targets.

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Chapter II — Resource Survey and Development Planning

Article 4 — The energy department under the State Council shall be responsible for organizing and coordinating the survey and management of renewable energy resources nationwide, and shall, in conjunction with the relevant departments under the State Council, formulate technical specifications for the survey of renewable energy resources.

Article 5 — The energy department under the State Council shall, in accordance with the national energy development plan and the medium- and long-term overall targets for the development and utilization of renewable energy, organize the formulation and implementation of national renewable energy development and utilization plans.

Chapter III — Guidance and Supervision of Industry Development

Article 6 — Grid enterprises shall enter into grid connection agreements with renewable energy power generation enterprises that have obtained administrative licenses or have filed for the record in accordance with the law, and shall fully purchase the on-grid electricity generated by renewable energy power generation projects within the coverage of their grids that meet the technical standards for grid connection.

Article 7 — The state shall encourage the production and use of biological liquid fuels. Petroleum sales enterprises shall, in accordance with the provisions of the energy department under the State Council or the people's governments of provinces, autonomous regions, or municipalities directly under the central government, incorporate biological liquid fuels that meet national standards into their fuel sales systems.

Chapter IV — Price Management and Cost Compensation

Article 8 — The price of on-grid electricity generated by renewable energy power generation projects shall be determined by the price department under the State Council based on the principle of benefiting the development and utilization of renewable energy and being economically reasonable, and shall be adjusted in a timely manner in light of the development of renewable energy utilization technology.

Article 9 — The difference between the expenses incurred by grid enterprises for the purchase of on-grid electricity generated by renewable energy as determined in accordance with the provisions of this Law and the expenses for the purchase of on-grid electricity generated by conventional energy shall be shared through the imposition of a surcharge on the price of electricity sold nationwide.

Chapter V — Legal Liability

Article 10 — Where a grid enterprise fails to fully purchase the on-grid electricity generated by renewable energy in violation of Article 6 of this Law, the national energy regulatory authority shall order it to make correction within a prescribed time limit; where the enterprise refuses to make correction, a fine of not more than the amount of the economic loss to the renewable energy power generation enterprise shall be imposed.

Chapter VI — Supplementary Provisions

Article 11 — This Law shall come into force on January 1, 2006.

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