

ACT ON THE PROMOTION OF THE DEVELOPMENT, USE AND DIFFUSION OF NEW AND RENEWABLE ENERGY

Wholly Amended by Act No. 7284, Dec. 31, 2004
Amended by Act No. 7998, Sep. 27, 2006
Act No. 8852, Feb. 29, 2008
Act No. 8899, Mar. 14, 2008
Act No. 9233, Dec. 26, 2008
Act No. 9372, Jan. 30, 2009
Act No. 9680, May 21, 2009
Act No. 9931, Jan. 13, 2010
Act No. 10253, Apr. 12, 2010
Act No. 10445, Mar. 9, 2011

Article 1 (Purpose)

The purpose of this Act is to contribute to the preservation of the environment, the sound and sustainable development of the national economy, and the promotion of national welfare by diversifying energy sources through the promotion of technological development, use and distribution of new energy and renewable energy, and the activation of the new energy industry and the renewable energy industry, and by promoting the stable supply of energy, environment-friendly conversion of the energy structure, and the reduction of greenhouse gas emissions.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 2 (Definitions)

The definitions of terms used in this Act shall be as follows:

1. The term “new energy and renewable energy” (hereinafter referred to as “new and renewable energy”) means energy converted from existing fossil fuels, or renewable energy, including sunlight, water, geothermal, precipitation, bio-organisms, etc., which falls under any of the following items:
 - (a) Solar energy;
 - (b) Bio energy converted from biological resources which fall within the criteria and scope

prescribed by Presidential Decree;

- (c) Wind power;
 - (d) Water power;
 - (e) Fuel cells;
 - (f) Energy from liquefied or gasified coal, and from gasified heavy residual oil which falls within the criteria and scope prescribed by Presidential Decree;
 - (g) Marine energy;
 - (h) Energy from waste which falls within the criteria and scope prescribed by Presidential Decree;
 - (i) Geothermal energy;
 - (j) Hydrogen energy;
 - (k) Energy prescribed by Presidential Decree, other than petroleum, coal, nuclear power or natural gas.
2. The term “new and renewable energy facilities” means facilities which produce or utilize new and renewable energy, and which are determined by Ordinance of the Ministry of Knowledge Economy;
 3. The term “new and renewable energy power generation” means the generation of electricity by utilizing new and renewable energy;
 4. The term “operator of a new and renewable energy power generation business” means a business operator who carries on the new and renewable energy power generation business as an operator of an electric generation business under subparagraph 4 of Article 2 of the Electric Utility Act, or an installer of the electric installations for private use under subparagraph 19 of Article 2 of the same Act.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 3 Deleted. <by Act No. 10253, Apr. 12, 2010>

Article 4 (Policies and Encouragement, etc.)

- (1) The Government shall develop policies concerning the promotion of the technological development, use and distribution of new and renewable energy.
- (2) The Government shall encourage, protect and foster the voluntary technological development, use and distribution of new and renewable energy by local governments, public institutions under Article 4 of the Act on the Management of Public Institutions (hereinafter referred to as “public institutions”), or enterprises.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 5 (Establishment of Basic Plan)

- (1) The Minister of Knowledge Economy shall establish a basic plan for the promotion of technological development, use and distribution of new and renewable energy (hereinafter referred to as “basic plan”), following deliberation by the New and Renewable Energy Policy Council under Article 8 after consulting with the heads of related central administrative agencies.
- (2) The duration for the basic plan shall be at least ten years, and include the following matters:
 1. Objectives and duration of the basic plan;
 2. Objectives of the technological development, use and distribution by new and renewable energy source;
 3. The target ratio of the quantity of new and renewable energy power generation to the total quantity of power generation;
 4. The reduction target of greenhouse gas emissions under subparagraph 10 of Article 2 of the Energy Act;
 5. Methods of implementing the basic plan;
 6. Assessment of technological level, the prospects for distribution, and the expected effects of new and renewable energy;
 7. Supporting schemes for the technological development, use and distribution of new and renewable energy;
 8. Training plans of experts in the fields of new and renewable energy;
 9. Other matters deemed necessary by the Minister of Knowledge Economy for the achievement of the objectives of the basic plan.
- (3) Where the Minister of Knowledge Economy deems it necessary to modify the basic plan established, in light of trends in the technological development of new and renewable energy, changes in the supply and demand conditions of energy, or other circumstances, he/she may do so following deliberation by the New and Renewable Energy Policy Council under Article 8 after consulting with the heads of related central administrative agencies.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 6 (Annual Implementation Plans)

- (1) For the purposes of achieving the objectives stipulated in the basic plan, the Minister of Knowledge Economy shall annually develop and perform an implementation plan concerning the technological development, use and distribution of new and renewable

energy, and the supply of new and renewable energy-generated electricity (hereinafter referred to as “implementation plan”) for each type of new and renewable energy.

- (2) Where the Minister of Knowledge Economy intends to develop and perform the implementation plan, he/she shall consult in advance with the heads of related central administrative agencies.
- (3) Where the Minister of Knowledge Economy has developed the implementation plan, he/she shall give public notice thereof.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 7 (Prior Consultations on Plans concerning Technological Development, etc. of New and Renewable Energy)

Where a State agency, local government, public institution, or any other person prescribed by Presidential Decree intends to develop and implement a plan for the technological development, use and distribution of new and renewable energy, he/she shall consult in advance with the Minister of Knowledge Economy, as prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 8 (New and Renewable Energy Policy Council)

- (1) The New and Renewable Energy Policy Council (hereinafter referred to as the “Council”) shall be established in the Ministry of Knowledge Economy in order to deliberate on important matters concerning the technological development, use and distribution of new and renewable energy.
- (2) The Council shall deliberate on the following matters:
 1. Matters on the development and modification of the basic plan: Provided, That any modification in insignificant matters prescribed by Presidential Decree, of the basic plan shall be excluded;
 2. Important matters concerning the technological development, use and distribution of new and renewable energy;
 3. Matters concerning the standard price of electricity generated from new and renewable energy, and the change thereof;
 4. Other matters deemed necessary by the Minister of Knowledge Economy.
- (3) The composition and operation of the Council, and other necessary matters shall be prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 9 (Project Funding for Technological Development, Use and Distribution of New and Renewable Energy)

The Government shall appropriate project funds for performing implementation plans in its expenditure budget for each fiscal year.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 10 (Use of Created Project Funds)

The Minister of Knowledge Economy shall use the project funds created pursuant to Article 9 for the following projects:

1. Survey of new and renewable energy resources, and demand for its technology, and compilation of statistics thereon;
2. Research, development and technological assessment of new and renewable energy;
3. Certification and follow-up management of buildings using new and renewable energy;
4. Support for the mandatory supply of new and renewable energy; <<Enforcement Date: Jan. 1, 2012>>
5. Performance assessment, certification and follow-up management of new and renewable energy facilities;
6. Collection, analysis, and provision of technological information on new and renewable energy;
7. Instruction, education, and publicity on technologies related to new and renewable energy;
8. Fostering of a specialized college and a research center for core technology in the fields of new and renewable energy;
9. Training of experts in the fields of new and renewable energy;
10. Support for companies specialized in installing new and renewable energy facilities;
11. Pilot projects and distribution projects of new and renewable energy;
12. Support for the mandatory use of new and renewable energy;
13. International cooperation related to new and renewable energy;
14. Support for international standardization of new and renewable energy technology;
15. Support for commonization of new and renewable energy facilities and components;
16. Other projects necessary for the technological development, use and distribution of new and renewable energy, prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 11 (Execution of Projects)

- (1) Where the Minister of Knowledge Economy deems it necessary to efficiently carry out a project under any subparagraph of Article 10, he/she may enter into an agreement with any of the following persons, and require such person to carry out such project:
<Amended by Act No. 10445, Mar. 9, 2011>
1. Specific research institutes under the Support of Specific Research Institutes Act;
 2. Corporate research institutes under Article 14 (1) 2 of Basic Research Promotion and Technology Development Support Act;
 3. Industrial technology research cooperatives under the Act on the Support of the Industrial Technology Research Cooperatives;
 4. Universities or junior colleges under the Higher Education Act;
 5. State or public research institutes;
 6. State agencies, local governments, and public institutions;
 7. Other persons recognized by the Minister of Knowledge Economy as competent to instigate technological development.
- (2) The Minister of Knowledge Economy may contribute all or part of the expenses incurred in carrying out projects for technological development, use or distribution by a person under any subparagraph of paragraph (1).
- (3) Necessary matters concerning the payment, use, management, etc. of contributions under paragraph (2) shall be prescribed by Presidential Decree.
- [This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 12 (Investment Recommendation and Mandatory Use, etc. of New and Renewable Energy)

- (1) Where the Minister of Knowledge Economy deems it necessary to promote the technological development, use and distribution of new and renewable energy, he/she may recommend a person carrying on energy-related business to conduct, invest in or contribute to the projects under each subparagraph of Article 10.
- (2) Where the Minister of Knowledge Economy deems it necessary to facilitate the use or distribution of new and renewable energy, and to activate the new and renewable energy industry, he/she may require any of the following persons to mandatorily install new and renewable energy facilities in a building newly built, extended, or remodelled by such person in order to use energy supplied utilizing new or renewable energy over a certain percentage of the estimated volume of energy use computed as at the time of its design, as prescribed by Presidential Decree:

1. The State and a local government;
 2. A public corporation under Article 5 of the Act on the Management of Public Institutions (hereinafter referred to as “public corporation”);
 3. A government-contributed institution to which the Government has contributed an amount equivalent to or more than that prescribed by Presidential Decree;
 4. A government-invested corporation under subparagraph 6 of Article 2 of the State Property Act;
 5. A corporation to which a local government, or public corporation, government-contributed institution or government-invested corporation under subparagraphs 2 through 4 has invested at a ratio or amount equivalent to or more than that prescribed by Presidential Decree;
 6. A corporation established pursuant to special Acts.
- (3) The Minister of Knowledge Economy may recommend any factory, place of business, collective housing complex, etc., deemed appropriate to use new and renewable energy as designated by him/her to use such energy or to install facilities for the use of such energy.
- [This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 12-2 (Certification, etc. on Building Using New and Renewable Energy)

- (1) An owner of a building, the scale of which is equivalent to or greater than that prescribed by Presidential Decree may obtain certification on a building using new and renewable energy (hereinafter referred to as “building certification”) certifying that the building uses new or renewable energy not less than a certain percentage of the total volume of energy use from an institution designated by the Minister of Knowledge Economy (hereinafter referred to as “building certification institution”).
- (2) A person who intends to obtain building certification pursuant to paragraph (1) shall apply to a building certification institution for building certification of the relevant building.
- (3) The Minister of Knowledge Economy may designate a new and renewable energy center under Article 31, or any other person who carries on a project facilitating the technological development, use and distribution of new and renewable energy and is deemed appropriate for building certification affairs as a building certification institution.
- (4) A building certification institution, in receipt of an application for building certification pursuant to paragraph (2), shall evaluate the application according to the evaluation

standards for building certification prescribed by Joint Ordinance of the Ministry of Knowledge Economy and the Ministry of Land, Transport and Maritime Affairs, and then certify a building satisfying such standards.

- (5) The Minister of Knowledge Economy may provide preferential support to a person who has obtained building certification in promoting distribution projects pursuant to Article 27 (1).
- (6) The scope of affairs of a building certification institution, procedures for building certification, follow-up management of building certification, and other necessary matters concerning building certification shall be prescribed by Joint Ordinance of the Ministry of Knowledge Economy and the Ministry of Land, Transport and Maritime Affairs.

[This Article Newly Inserted by Act No. 10253, Apr. 12, 2010]

Article 12-3 (Indications, etc. of Building Certification)

- (1) A person who has obtained building certification pursuant to Article 12-2 may either display any indication of such building certification on the relevant building, or publicize that he/she has obtained building certification.
- (2) No person who fails to obtain building certification shall display any indication of building certification under paragraph (1) or any indication similar thereto, or publicize as if he/she has obtained such building certification.

[This Article Newly Inserted by Act No. 10253, Apr. 12, 2010]

Article 12-4 (Revocation of Building Certification)

Where a person who has obtained building certification falls under any of the following cases, a building certification institution may revoke the certification thereof: Provided, That where a case under subparagraph 1 occurs, the certification thereof shall be revoked:

- 1. Where a building is certified by false or other illegal means;
- 2. Where a person who has obtained building certification returns the certificate to a building certification institution;
- 3. Where approval for use of a building which has been certified is revoked;
- 4. Where a building which has been certified is found to be unfit for the evaluation standards of building certification under Article 12-2 (4).

[This Article Newly Inserted by Act No. 10253, Apr. 12, 2010]

Article 12-5 (Mandatory Supply, etc. of New and Renewable Energy)

- (1) Where the Minister of Knowledge Economy deems it necessary to facilitate the use and distribution of new and renewable energy, and to activate the new and renewable energy industry, he/she may require a person prescribed by Presidential Decree (hereinafter referred to as “mandatory supplier”), among the following persons, to mandatorily supply not less than a certain percentage of the volume of electricity generation by using new and renewable energy:
 1. An operator of an electric generation business under Article 2 of the Electric Utility Act;
 2. A person deemed to have obtained a license for an electric generation business under Article 7 (1) of the Electric Utility Act pursuant to Articles 9 and 48 of the Integrated Energy Supply Act;
 3. A public institution.
- (2) The total volume of power generation (hereinafter referred to as “volume of mandatory supply”) to be supplied by a mandatory supplier through the mandatory use of new and renewable energy pursuant to paragraph (1) shall be prescribed by Presidential Decree on a yearly basis within ten percent of the total volume of electricity generation. In such cases, with respect to new and renewable energy which requires balanced use and distribution, it is allowed to supply part of the total volume of mandatory supply using such new and renewable energy, as prescribed by Presidential Decree.
- (3) The Minister of Knowledge Economy shall determine the volume of mandatory supply by respective mandatory suppliers after hearing the opinions from such mandatory suppliers and give public notice thereof. In such cases, the Minister of Knowledge Economy shall consider total volume of electricity generation, source of electricity generation, etc. of the mandatory suppliers.
- (4) A mandatory supplier may defer the performance of a duty to supply part of the volume of mandatory supply to the following year, as prescribed by Presidential Decree. In such cases, the deferred volume of mandatory supply shall be preferentially supplied in the following year.
- (5) A mandatory supplier may purchase a new and renewable energy supply certificate referred to in Article 12-7, and then appropriate it for the volume of mandatory supply.
- (6) For the purposes of verifying whether a duty to supply referred to in paragraph (1) is performed, the Minister of Knowledge Economy may request a mandatory supplier to submit necessary data or a new and renewable energy supply certificate purchased and

appropriated for the volume of mandatory supply pursuant to paragraph (5), or issued pursuant to Article 12-7 (1), as prescribed by Presidential Decree.

[This Article Newly Inserted by Act No. 10253, Apr. 12, 2010] <<Enforcement Date: Jan. 1, 2012>>

Article 12-6 (Penalty Surcharges on Failure to Perform Duty to Supply New and Renewable Energy)

- (1) Where a mandatory supplier supplies new and renewable energy short of the volume of mandatory supply, the Minister of Knowledge Economy may impose a penalty surcharge up to an amount obtained by multiplying 150/100 of the average transaction price of a new and renewable energy supply certificate referred to in Article 12-7 in the relevant year by such shortage, as prescribed by Presidential Decree.
- (2) A mandatory supplier who has paid a penalty surcharge under paragraph (1) is deemed to have supplied the volume of mandatory supply corresponding to the imposition period of the penalty surcharge.
- (3) Where a person liable to pay a penalty surcharge referred to in paragraph (1) fails to pay it by the payment deadline, the Minister of Knowledge Economy shall collect it in the same manner as delinquent national taxes are collected.
- (4) Penalty surcharges collected pursuant to paragraphs (1) and (3) shall revert to financial resources of the Electrical Industry Foundation Fund under the Electric Utility Act.

[This Article Newly Inserted by Act No. 10253, Apr. 12, 2010] <<Enforcement Date: Jan. 1, 2012>>

Article 12-7 (New and Renewable Supply Certificates, etc.)

- (1) A supplier of new and renewable energy (hereinafter referred to as “new and renewable energy supplier”) may obtain a certificate certifying the fact of supply (including a certificate in an electronic document; hereafter referred to as “supply certificate”) issued by an institution designated by the Minister of Knowledge Economy in order to certify energy supply using new and renewable energy (hereinafter referred to as “supply certification institution”): Provided, That where the power generation price difference is subsidized pursuant to Article 17, or governmental support prescribed by Presidential Decree, such as support for new and renewable energy facilities, etc. is provided, the issuance of a supply certificate may be restricted, as prescribed by Presidential Decree.
- (2) A person who intends to obtain a supply certificate shall apply for the issuance of the supply certificate to a supply certification institution, as prescribed by Presidential

Decree.

- (3) Where a supply certification institution has received an application referred to in paragraph (2), it shall issue a supply certificate stating the following matters after verifying the volume of supply, period of supply, etc. by each kind of new and renewable energy. In such cases, with respect to new and renewable energy which requires the facilitation, etc. of balanced use, distribution and technological development, a supply certificate which specifies the volume of supply obtained by multiplying the weighted value by the actual volume of supply may be issued, as prescribed by Presidential Decree:
1. A new and renewable energy supplier;
 2. Volume and period of supply by each kind of new and renewable energy;
 3. Term of validity.
- (4) The term of validity of a supply certificate shall be three years from the date of issuance, but the supply certificate that a mandatory supplier has purchased and appropriated for the volume of mandatory supply, or a mandatory supplier has submitted to the Minister of Knowledge Economy pursuant to Article 12-6 (5) and (6) shall become invalid. In such cases, the relevant supply certificate, the term of validity of which has expired, or which becomes invalid shall be destroyed.
- (5) Where a person who has obtained a supply certificate intends to trade the supply certificate, he/she shall trade it in a trading market established by the supply certification institution (hereinafter referred to as “trading market”), as stipulated by the Regulations on the Issuance of Supply Certificates and Operation of the Trading Market referred to in Article 12-9 (2).
- (6) Where a supply certificate is issued after supplying energy using not less than a certain scale of hydrogen power or any other ground prescribed by Ordinance of the Ministry of Knowledge Economy occurs, the Minister of Knowledge Economy may ban the relevant supply certificate from being traded in a trading market, considering balance with any other new and renewable energy.

[This Article Newly Inserted by Act No. 10253, Apr. 12, 2010] <<Enforcement Date: Jan. 1, 2012>>

Article 12-8 (Designation, etc. of Supply Certification Institution)

- (1) The Minister of Knowledge Economy may designate any of the following institutions as a supply certification institution in order to carry out affairs concerning supply certification in a specialized and efficient manner, and to ensure the fair transaction of

supply certificates:

1. A new and renewable energy center referred to in Article 31;
 2. The Korea Power Exchange under Article 35 of the Electric Utility Act;
 3. A person who meets the standards prescribed by Presidential Decree, in terms of human resources, technical capabilities, facilities, equipment, etc. required for the affairs of the supply certification institution under Article 12-9.
- (2) A person who intends to be designated as a supply certification institution pursuant to paragraph (1) shall apply to the Minister of Knowledge Economy for designation.
- (3) Methods of and procedures for designating a supply certification institution, and other necessary matters for the designation of the supply certification institution shall be prescribed by Ordinance of the Ministry of Knowledge Economy.
- [This Article Newly Inserted by Act No. 10253, Apr. 12, 2010] <<Enforcement Date: Jan. 1, 2012>>

Article 12-9 (Affairs, etc. of Supply Certification Institution)

- (1) A supply certification institution designated pursuant to Article 12-8 shall carry out the following affairs:
1. Issuance, registration, management and destruction of supply certificates;
 2. Establishment of a trading market;
 3. Provision of information on supply certificates;
 4. Other affairs incidental to the issuance and transaction of supply certificates.
- (2) A supply certification institution shall establish the regulations on the issuance of supply certificates and operation of the trading market (hereinafter referred to as “operation regulations”), as prescribed by Ordinance of the Ministry of Knowledge Economy, and obtain approval thereof from the Minister of Knowledge Economy before commencing its affairs. This shall also apply to amendments or repeal of the operation regulations (excluding amendments of insignificant matters prescribed by Ordinance of the Ministry of Knowledge Economy).
- (3) The Minister of Knowledge Economy may order a supply certification institution to report a plan for and actual results of affairs under paragraph (1), or request it to present the relevant data.
- (4) Where any of the following cases occurs, the Minister of Knowledge Economy may order a supply certification institution to take corrective measures by specifying the period of correction:
1. Where a supply certification institution fails to comply with the operation regulations;

2. Where a supply certification institution fails to report pursuant to paragraph (3), or provides a false report;
3. Where a supply certification institution fails to comply with a request for presentation of data pursuant to paragraph (3), or presents false data.

[This Article Newly Inserted by Act No. 10253, Apr. 12, 2010] <<Enforcement Date: Jan. 1, 2012>>

Article 12-10 (Revocation, etc. of Designation of Supply Certification Institution)

- (1) Where a supply certification institution falls under any of the following subparagraphs, the Minister of Knowledge Economy may revoke the designation thereof, or order the suspension of all or part of its affairs specifying a period of up to one year, as prescribed by Ordinance of the Ministry of Knowledge Economy: Provided, That in cases under subparagraph 1 or 2, the designation thereof shall be revoked:
 1. Where a supply certification institution is designated by false or other fraudulent means;
 2. Where a supply certification institution continues carrying out its affairs during the period of business suspension after having received a disposition of business suspension;
 3. Where a supply certification institution fails to meet designation standards under Article 12-8 (1) 3;
 4. Where a supply certification institution fails to perform a corrective order under Article 12-9 (4) during the period for correction.
- (2) Where the Minister of Knowledge Economy needs to order the suspension of business of a supply certification institution as it falls under paragraph (1) 3 or 4, but the suspension of its affairs might cause serious inconvenience to its users, or might harm other public interest, he/she may impose penalty surcharges not exceeding 50 million won in lieu of a disposition of business suspension.
- (3) The amount of penalty surcharges based on type, severity, etc. of violations subject to imposition of penalty surcharges under paragraph (2), and other necessary matters shall be prescribed by Presidential Decree.
- (4) Where a person liable to pay a penalty surcharge referred to in paragraph (2) fails to pay it by the payment deadline, the Minister of Knowledge Economy shall collect it in the same manner as delinquent national taxes are collected.

[This Article Newly Inserted by Act No. 10253, Apr. 12, 2010] <<Enforcement Date: Jan. 1, 2012>>

Article 13 (Certification, etc. of New and Renewable Energy Facilities)

- (1) A person who intends to sell new and renewable energy facilities by manufacturing or importing them may obtain certification for such new and renewable energy facilities (hereinafter referred to as “facility certification”) from an institution designated by the Minister of Knowledge Economy (hereinafter referred to as “facility certification institution”).
- (2) A person who intends to obtain certification for new and renewable energy facilities under paragraph (1) shall apply for facility certification to a facility certification institution.
- (3) Where a person applies for facility certification under paragraph (2), he/she shall undergo a performance inspection by the performance examination agency designated by the Minister of Knowledge Economy according to the designation standards prescribed by Presidential Decree (hereinafter referred to as “performance examination agency”), and submit the written performance examination results issued by the performance examination agency to the facility certification institution.
- (4) The Minister of Knowledge Economy shall designate a new and renewable energy center referred to in Article 31, or a person deemed appropriate to perform facility certification affairs among those who carry on projects of facilitating the technological development, use and distribution of new and renewable energy as the facility certification institution.
- (5) The facility certification institution shall, upon receipt of an application for facility certification under paragraph (2), examine it pursuant to the criteria for certification examination prescribed by Ordinance of the Ministry of Knowledge Economy, based upon the written performance examination results issued by the performance examination agency, and thereafter, shall certify new and renewable energy facilities satisfying the relevant criteria.
- (6) The scope of duties, procedures for certification, follow-up management of facility certification by a facility certification institution, the procedures for designation of a performance examination agency, and other necessary matters concerning facility certification shall be prescribed by Ordinance of the Ministry of Knowledge Economy.
- (7) The Minister of Knowledge Economy may partially subsidize expenses incurred in the performance examination under paragraph (3) or provide the facility certification institution designated under paragraph (4) with administrative support, etc. to the extent necessary to achieve the objective of designation, as prescribed by Ordinance of the Ministry of Knowledge Economy.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 14 (Indications, etc. of Certification of New and Renewable Energy Facilities)

- (1) A person who has obtained facility certification under Article 13 may either display the indication of such certification on the relevant new and renewable energy facilities, or publicize that he/she has obtained such certification.
- (2) No person who has failed to obtain facility certification shall display the indication of facility certification under paragraph (1), or any other indication similar thereto, or publicize as if he/she has received such certification.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 15 (Revocation of Facility Certification and Revocation of Designation of Performance Examination Agencies)

- (1) Where a person who has obtained facility certification by false or other fraudulent means, a facility certification institution shall revoke such certification, and where it is found that any new and renewable energy facilities manufactured, imported and sold after having been certified fail to satisfy the criteria for certification examination under Article 13 (5), it may revoke such certification.
- (2) Where a performance examination agency falls under any of the following subparagraphs, the Minister of Knowledge Economy may either revoke the designation thereof, or may order the suspension of all or part of its business, specifying a period of up to one year, as prescribed by Presidential Decree: Provided, That in cases under subparagraph 1, he/she shall revoke the designation thereof:
 1. When it has obtained the designation by false or other fraudulent means;
 2. When it fails to commence performance examination affairs for not less than one year from the date of designation without any justifiable grounds, or has suspended performance examination affairs for not less than one consecutive year;
 3. When it fails to meet the designation criteria referred to in Article 13 (3).

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 16 (Fees)

- (1) A building certification institution, facility certification institution, or performance examination agency may charge a fee to any person who applies for building certification, facility certification or performance examination, as prescribed by Ordinance of the Ministry of Knowledge Economy.
- (2) A supply certification institution may charge a fee to any person who applies for the

issuance of a supply certificate, or trades a supply certificate, as prescribed by Ordinance of the Ministry of Knowledge Economy.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 17 (Public Notification of Standard Price for New and Renewable Energy Power Generation and Subsidization of Differences)

- (1) Where the Minister of Knowledge Economy determines the standard price of electricity generated from new and renewable energy by source of electricity generation, he/she shall give public notice of such price. In such cases, the calculation criteria for the standard price shall be prescribed by Presidential Decree.
- (2) Where the transaction price of electricity generated from new and renewable energy (referring to the transaction price of electricity under Article 33 of the Electric Utility Act) is lower than the standard price publicly notified under paragraph (1), the Minister of Knowledge Economy shall preferentially subsidize the difference between the standard price and the transaction price of electricity (hereinafter referred to as “power generation price difference”) from the Electrical Industry Foundation Fund under Article 48 of the Electric Utility Act to an operator of a new and renewable energy power generation business who has supplied such electricity.
- (3) Where the Minister of Knowledge Economy gives public notice of the standard price pursuant to paragraph (1), he/she may also give public notice of the period of subsidization for the power generation price difference.
- (4) The Minister of Knowledge Economy may request an operator of a new and renewable energy power generation business who receives the subsidization of the power generation price difference to submit data necessary to set the standard price, such as financial statements.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 18 (Suspension of Subsidization, etc.)

- (1) Where an operator of a new and renewable energy power generation business who receives the subsidization of the power generation price difference falls under any of the following subparagraphs, the Minister of Knowledge Economy may issue a warning or corrective order, as prescribed by Ordinance of the Ministry of Knowledge Economy, and suspend the subsidization of the power generation price difference to a person who fails to comply with the corrective order:
 1. When he/she has obtained subsidization of the power generation price difference by

false or other fraudulent means;

2. When he/she has failed to comply with a request for the presentation of data pursuant to Article 17 (4), or has submitted false data.

(2) Where an operator of a new and renewable energy power generation business who obtains subsidization of the power generation price difference falls under paragraph (1) 1, the Minister of Knowledge Economy may recover the power generation price difference, as prescribed by Ordinance of the Ministry of Knowledge Economy. In such cases, if a person liable to repay the subsidization of the power generation price difference fails to repay it within 30 days, the Minister of Knowledge Economy may collect it in the same manner as delinquent national taxes are collected.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 19 (Application for Ruling)

An operator of a new and renewable energy power generation business may apply for a ruling to the Electrical Affairs Commission under Article 53 of the Electric Utility Act where he/she fails, or finds it difficult, to reach agreement with an operator of an electric transmission business under subparagraph 6 of Article 2 of the same Act or an operator of an electric distribution business under subparagraph 8 of Article 2 of the same Act in supplying electricity generated from new and renewable energy through transmission or distribution facilities to the Korea Power Exchange under Article 35 of the same Act or electricity users.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 20 (Support for International Standardization of New and Renewable Energy Technologies)

(1) The Minister of Knowledge Economy may provide facility certification institutions with necessary support, such as establishing the foundation for standardization or international activities in order to bring new and renewable energy technologies already developed or being developed domestically in conformity with the international standards under subparagraph 2 of Article 3 of the Framework Act on National Standards.

(2) Necessary matters regarding the scope of support, etc. under paragraph (1) shall be prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 21 (Commonization of New and Renewable Energy Facilities and their Components)

- (1) The Minister of Knowledge Economy may designate and operate new and renewable energy facilities and their components as commonized items in order to improve their compatibility, as prescribed and announced by the Minister of Knowledge Economy.
- (2) Any of the following persons may request the Minister of Knowledge Economy to designate items requiring commonization, among new and renewable energy facilities and their components, as commonized items:
 1. A new and renewable energy center under Article 31;
 2. Other institutions or organizations designated by Ordinance of the Ministry of Knowledge Economy.
- (3) The Minister of Knowledge Economy may provide necessary support for efficient commonization of new and renewable energy facilities and their components.
- (4) Necessary matters regarding the designation and operation of new and renewable energy facilities and their components as commonized items, request for designation, criteria for support, etc. under paragraphs (1) through (3) shall be prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 22 (Reporting, etc. by Enterprises Specialized in Installing New and Renewable Energy Facilities)

- (1) A person who intends to specialize in installing new and renewable energy facilities may report to the Minister of Knowledge Economy pursuant to the reporting standards and procedures prescribed by Presidential Decree, in terms of capital, technical human resources, etc.
- (2) The Minister of Knowledge Economy shall promptly issue a reporting certificate to an enterprise specialized in installing new and renewable energy facilities (hereinafter referred to as “specialized new and renewable energy enterprise”) which has reported pursuant to paragraph (1), as prescribed by Ordinance of the Ministry of Knowledge Economy.
- (3) Where the Minister of Knowledge Economy deems it necessary for distribution projects under Article 27, he/she may provide necessary support to a specialized new and renewable energy enterprise, such as partially subsidizing expenses incurred in installation and maintenance of new and renewable energy facilities, as prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 23 Deleted. <by Act No. 10253, Apr. 12, 2010>

Article 24 (Hearings)

The Minister of Knowledge Economy shall hold a hearing when he/she intends to take any of the following dispositions:

1. Revocation of the designation of a supply certification institution under Article 12-10 (1);
<<Enforcement Date: Jan. 1, 2012>>
2. Revocation of the designation of a performance examination agency under Article 15 (2).

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 25 (Compilation, etc. of Related Statistics)

- (1) The Minister of Knowledge Economy may research, compile, analyze and manage statistical data on the local or overseas supply and demand of new and renewable energy necessary for efficient development and implementation of the policies related to new and renewable energy, including the basic plans, implementation plans, etc., and may request the agencies under Article 11 (1) or producers, installers and users of new and renewable energy facilities to submit data and information necessary therefor.
- (2) The Minister of Knowledge Economy may designate a specialized institution to perform all or part of affairs concerning the research, compilation, analysis and management of statistics under paragraph (1), as prescribed by Ordinance of the Ministry of Knowledge Economy.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 26 (Leases, etc. of State or Public Property)

- (1) Where the State or a local government deems it necessary for projects related to the technological development, use and distribution of new and renewable energy, it may enter into a private lease contract of the State or public property with, grant a use permit thereof to (hereinafter referred to as "lease"), or dispose of it to a person who carries on projects related to the technological development, use and distribution of new and renewable energy, notwithstanding the provisions of the State Property Act or the Public Property and Commodity Management Act.
- (2) Where the State or a local government leases State or public property pursuant to paragraph (1), it may permit persons to construct permanent facilities on condition of

voluntary removal or deposit of removal costs, notwithstanding the provisions of the State Property Act or the Public Property and Commodity Management Act: Provided, That the construction of permanent facilities within public property requires the consent of the relevant local council, as stipulated by relevant municipal ordinance.

- (3) The lease period of State or public property under paragraph (1) shall be not more than ten years. The lease period of State property may be renewed by up to a period not exceeding the previous lease period and that of public property may be extended by up to ten year only once, if deemed necessary by the head of the relevant local government.
- (4) Where a person who has leased or acquired State or public property under paragraph (1) fails to carry out a project related to the technological development, use and distribution of new and renewable energy in the relevant property within two years from the date of lease or acquisition, the State or local government may revoke the lease contract or use permit, or repurchase such property.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 27 (Distribution Projects)

- (1) Where the Minister of Knowledge Economy deems it necessary to facilitate the use or distribution of new and renewable energy, he/she may carry out any of the following distribution projects, as prescribed by Presidential Decree:
 - 1. Application projects and pilot projects of new technology;
 - 2. Projects for creating environmentally-friendly new and renewable energy clusters and model housing complexes;
 - 3. Distribution projects carried out in collaboration with local governments;
 - 4. Projects supporting the distribution of commercialized new and renewable energy facilities;
 - 5. Other projects prescribed by the Minister of Knowledge Economy necessary for the promotion of use and distribution of new and renewable energy technologies.
- (2) The Minister of Knowledge Economy may preferentially implement a distribution project under paragraph (1) where the developed new and renewable energy facilities have been certified, new and renewable energy technologies are internationally standardized or new and renewable energy facilities and their components are commonized.
- (3) The heads of related central administrative agencies may provide cooperation necessary for improving the environment and facilitating the distribution of new and renewable

energy.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 28 (Commercialization of New and Renewable Energy Technology)

- (1) The Minister of Knowledge Economy may provide any of the following support projects, if deemed necessary for promoting the commercialization of technology developed independently or through the subsidization of project funds under Article 10:
 1. Providing the funds required for producing prototypes and investment in facilities;
 2. The gratuitous transfer of industrial property rights acquired by the Government through development projects for new and renewable energy technology;
 3. Education and publicity on the developed new and renewable energy technology;
 4. Other support projects deemed necessary for the commercialization of new and renewable energy technology and prescribed by the Minister of Knowledge Economy.
- (2) Subject matters, scope, conditions and procedures for support under paragraph (1) and other necessary matters shall be prescribed by Ordinance of the Ministry of Knowledge Economy.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 29 (Financial Measures, etc.)

The Government shall devise financial or taxation support, or other necessary supporting measures if necessary for a person who has received a recommendation or must comply with duties pursuant to Article 12, a person engaged in the technological development, use and distribution of new and renewable energy, or a person whose facilities have been certified under Article 13.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 30 (Education and Publicity on New and Renewable Energy, and Fostering of Experts)

- (1) The Government shall endeavor to seek understanding and cooperation from the people with regard to technological development, use and distribution of new and renewable energy, through education and publicity.
- (2) The Minister of Knowledge Economy may designate, foster and support a specialized college and a research center for core technology in the field of new and renewable energy for the purpose of nurturing experts in the field of new and renewable energy.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 31 (New and Renewable Energy Center)

- (1) For the purpose of facilitating the use and distribution of new and renewable energy in a specialized and efficient manner, the Minister of Knowledge Economy may establish a new and renewable energy center (hereinafter referred to as “center”) in any energy-related institute prescribed by Presidential Decree, and may require the center to perform any of the following projects:
1. Support for and management of those engaged in the use and distribution of new and renewable energy under Article 11 (1);
 2. Support for and management of building certification under Article 12-2;
 3. Support for and management of affairs of a supply certification institution under Article 12-9; <<Enforcement Date: Jan. 1, 2012>>
 4. Support for and management of facility certification under Article 13;
 5. Technological support for new and renewable energy facilities already distributed;
 6. Support for and management of the international standardization of new and renewable energy technology under Article 20;
 7. Support for and management of the commonization of new and renewable energy facilities and their components under Article 21;
 8. Support for and management of a specialized new and renewable energy enterprise under Article 22;
 9. Statistics management under Article 25;
 10. Support for and management of the distribution projects for new and renewable energy under Article 27;
 11. Support for and management of the commercialization of new and renewable energy technology under Article 28;
 12. Support for and management of education and publicity, and fostering of experts under Article 30 (1);
 13. Domestic/overseas investigation and research projects, and international cooperation projects;
 14. Projects incidental to subparagraphs 1 through 6;
 15. Other projects necessary for the facilitation of use and distribution of new and renewable energy which are entrusted by the Minister of Knowledge Economy.
- (2) When the center executes a project under paragraph (1), the Minister of Knowledge Economy may contribute funds and provide other necessary support.

- (3) Necessary matters concerning the organization, staffing, budget and operation of the center shall be prescribed by Ordinance of the Ministry of Knowledge Economy.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 32 (Delegation and Entrustment of Authority)

- (1) Part of the authority of the Minister of Knowledge Economy under this Act may be delegated to the head of any institution under his/her control, or the Special Metropolitan City Mayor, Metropolitan City Mayor, or Do Governor (hereinafter referred to as a “Mayor/Do Governor”), as prescribed by Presidential Decree.
- (2) Part of the duties of the Minister of Knowledge Economy or Mayor/Do Governor under this Act may be delegated to the center or the Korea Institute of Energy Technology Evaluation and Planning under Article 13 of the Energy Act, as prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 33 (Legal Fiction as Public Officials in Applying Penal Provisions)

For the purposes of Articles 129 through 132 of the Criminal Act, any of the following persons is deemed a public official:

1. An executive or employee of a building certification institution engaged in the affairs of building certification;
2. An executive or employee of a supply certification institution engaged in the issuance and trading affairs of supply certificates; <<Enforcement Date: Jan. 1, 2012>>
3. An executive or employee of a facility certification institution engaged in the affairs of facility certification;
4. An executive or employee of a performance examination agency engaged in the affairs of performance examination.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 34 (Penal Provisions)

- (1) A person who has received subsidization of the power generation price difference under Article 17 by false or other fraudulent means, or who knowingly provides it in spite of his/her knowledge of such fact shall be sentenced to imprisonment for not more than three years, or to a fine not exceeding three times the amount of subsidy.
- (2) A person who has obtained a supply certificate by false or other fraudulent means, or who knowingly issues it in spite of his/her knowledge of such fact shall be sentenced to

imprisonment for not more than three years, or to a fine not exceeding 30 million won.
<<Enforcement Date: Jan. 1, 2012>>

- (3) A person who has traded a supply certificate in a trading market other than that established by a supply certification institution, in violation of Article 12-7 (5) shall be sentenced to imprisonment for not more than two years, or to a fine not exceeding 20 million won. <<Enforcement Date: Jan. 1, 2012>>
- (4) Where a representative of a corporation, or an agent, employee or other servant of a corporation or individual commits a violation under paragraphs (1) through (3) in connection with the business of the corporation or individual, in addition to the punishment of such violator, the corporation or individual shall be punished by a fine under the relevant provisions: Provided, That where such corporation or individual has not been negligent in giving due attention and supervision concerning the relevant duties to prevent such violation, this shall not apply.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

Article 35 (Fines for Negligence)

- (1) A person under any of the following subparagraphs shall be punished by a fine for negligence not exceeding ten million won:
1. A person whose facilities are certified by false or other fraudulent means;
 2. A person who displays the indication of building certification, any other indications similar thereto, or publicize as if he/she obtained building certification, without obtaining building certification from a building certification institution;
 3. A person who displays the indication of facility certification, any other indications similar thereto, or publicize as if he/she obtained facility certification, without obtaining facility certification from a facility certification institution.
- (2) Fines for negligence under paragraph (1) shall be imposed and collected by the Minister of Knowledge Economy, as prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 10253, Apr. 12, 2010]

ADDENDA

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation.

Article 2 (Transitional Measures concerning Basic Plan, etc.)

- (1) The basic plan under Article 4 of the Act on the Promotion of the Development and Use of Alternative Energy as at the time this Act enters into force shall be deemed the basic plan under Article 5 of this Act until the basic plan is established under Article 5 of this Act.
- (2) An implementation plan under Article 5 of the Act on the Promotion of the Development and Use of Alternative Energy as at the time this Act enters into force shall be deemed an implementation plan under Article 6 of this Act.
- (3) The New and Renewable Energy Policy Council under Article 7 of the Act on the Promotion of the Development and Use of Alternative Energy as at the time this Act enters into force shall be deemed the New and Renewable Energy Policy Council under Article 8 of this Act.
- (4) Project funds appropriated in the Government expenditure budget under Article 8 of the Act on the Promotion of the Development and Use of Alternative Energy as at the time this Act enters into force shall be deemed project funds under Article 9 of this Act.
- (5) The certification institution and the performance examination agency designated under Article 11-2 of the Act on the Promotion of the Development and Use of Alternative Energy as at the time this Act enters into force shall be deemed the certification institution and the performance examination agency, respectively under Article 13 of this Act.
- (6) Certification for alternative energy facilities by institutions designated by the Minister of Commerce, Industry and Energy under Article 11-2 of the Act on the Promotion of the Development and Use of Alternative Energy as at the time this Act enters into force shall be deemed facility certification under Article 13 of this Act.
- (7) The Alternative Energy Development and Diffusion Center under Article 16 of the Act on the Promotion of the Development and Use of Alternative Energy as at the time this Act enters into force shall be deemed the new and renewable energy center under Article 31 of this Act.

Article 3 (Transitional Measures concerning Disposition, etc.)

Designation, announcement and other acts to and by the administrative agency, under the Act on the Promotion of the Development and Use of Alternative Energy as at the time this Act enters into force shall be deemed corresponding acts to and by the administrative agency under this Act.

Article 4 Omitted.

Article 5 (Relation with other Acts)

A reference in other Acts to the provisions of the Act on the Promotion of the Development and Use of Alternative Energy as at the time this Act enters into force shall be deemed a reference to the corresponding provisions of this Act if such corresponding provisions exist.

ADDENDUM <Act No. 7998, Sep. 27, 2006>

This Act shall enter into force on the date of its promulgation.

ADDENDA <Act No. 8852, Feb. 29, 2008>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation. (Proviso Omitted.)

Articles 2 through 7 Omitted.

ADDENDA <Act No. 8899, Mar. 14, 2008>

- (1) (Enforcement Date) This Act shall enter into force one year after the date of its promulgation.
- (2) (Applicability) The amended provisions of Article 12 (2) shall start applying to the first approval of a project plan or building permission after this Act enters into force.

ADDENDUM <Act No. 9233, Dec. 26, 2008>

This Act shall enter into force on the date of its promulgation.

ADDENDA <Act No. 9372, Jan. 30, 2009>

Article 1 (Enforcement Date)

This Act shall enter into force three months after the date of its promulgation.

Articles 2 through 5 Omitted.

ADDENDA <Act No. 9680, May 21, 2009>

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation.

Articles 2 through 5 Omitted.

ADDENDA <Act No. 9931, Jan. 13, 2010>

Article 1 (Enforcement Date)

This Act shall enter into force three months after the date of its promulgation. (Proviso Omitted.)

Articles 2 through 4 Omitted.

ADDENDA <Act No. 10253, Apr. 12, 2010>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation: Provided, That the amended provisions of Articles 5 (2) and 32 (2) shall enter into force on April 14, 2210, the amended provisions of Articles 22 and 23 shall enter into force three months after the date of its promulgation. The amended provisions of subparagraph 3 of Article 10, the head sentence of Article 12 (2), Articles 12-2 through 12-4, Articles 13, 15 (1), 16 (1), 20 (1), 31 (1) 2, and subparagraphs 1, 3 and 4 of Article 33 shall enter into force one year after the date of its promulgation while the amended provisions of subparagraph 4 of Article 10, Articles 12-5 through 12-10, Article 16 (2), subparagraph 1 of Article 24, Article 31 (1) 3, subparagraph 2 of Article 33, Article 34 (2) and (3), and Article 5 of the Addenda shall enter into force on January 1, 2012.

Article 2 (Term of Validity, etc. concerning Subsidization of Power Generation Price Difference)

(1) Article 17 remains valid until December 31, 2011.

(2) An operator of a new and renewable energy power generation business who receives the subsidization of the power generation price difference pursuant to the former Article 17 as at the time the term of validity under paragraph (1) expires shall continue receiving the subsidization of the power generation price difference for the period of subsidization publicly announced under paragraph (3) of the same Article, pursuant to the former provisions.

Article 3 (Applicability)

The amended provisions of the head sentence of Article 12 (2) shall apply to buildings newly-built, extended or remodelled upon obtaining approval of a project plan, a construction permit, etc. on or after the date when the amended provisions of the head sentence of Article 12 (2) enter into force pursuant to the proviso to the Article 1 of the Addenda.

Article 4 (Transitional Measures concerning Specialized Enterprises in New and Renewable Energy)

A person who has registered his/her business as a specialized new and renewable energy enterprise under the former provisions of Article 22 (1) and (2) as at the time the amended provisions of Article 22 enter into force pursuant to the proviso to the Article 1 of the Addenda shall be deemed a person who has reported a specialized new and renewable energy enterprise pursuant to the amended provisions of Article 22 (1) and (2).

Article 5 Omitted.

ADDENDA <Act No. 10445, Mar. 9, 2011>

Article 1 (Enforcement Date)

This Act shall enter into force three months after the date of its promulgation. (Proviso Omitted.)

Articles 2 through 4 Omitted.