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## **China: Renewable Energy Law Amended**

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(Dec 31, 2009) On December 26, 2009, the Standing Committee of the National People's Congress of the People's Republic of China (PRC) adopted an amendment to the Renewable Energy Law, which was first passed on February 28, 2005, and took effect on January 1, 2006 (2005 Law). The revised Law will enter into effect on April 1, 2010. (Full text of revised Law [in Chinese], The Central Government of the PRC official website, Dec. 26, 2009, available at <a href="http://www.gov.cn/flfg/2009-12/26/content\_1497462.htm">http://www.gov.cn/flfg/2009-12/26/content\_1497462.htm</a>.)

The amendment aims to support the country's emerging renewable energy sector, according to the government-affiliated Xinhua News Agency. (*China Amends Law to Boost Renewable Energy Law*, XINHUA, Dec. 26, 2009, available at <a href="http://news.xinhuanet.com/english/2009-12/26/content">http://news.xinhuanet.com/english/2009-12/26/content</a> 12706612.htm.) The revised Law states that a "protective full-amount acquisition system" is to be launched under the law. Although the 2005 Law contains similar requirements for state power grid enterprises to buy the total amount of power produced by renewable energy sources, it is said to be lacking in details and therefore difficult to implement. (*Ke Zaisheng Nengyuan Fa Xiuzheng An Caoan: Ni Queli Quan'E Baozhangxing Shougou [Draft Renewable Energy Law May Establish a Protective Full Acquisition System*] [in Chinese], <a href="http://www.china.com.cn/economic/txt/2009-08/24/content">http://www.china.com.cn/economic/txt/2009-08/24/content</a> 18389886.htm (last visited Dec. 29, 2009).)

Under the new "protective full-amount acquisition system," the State Council energy administration will, in conjunction with the state power regulatory authority and the State Council finance administrative department, determine the proportion of renewable energy power generation in relation to the overall generating capacity during a planned period of time. The State Council energy administration in conjunction with the state power regulatory authority and the State Council financial department will also formulate the implementing measures for the purchase of the full amount of electricity generated from renewable energies by electricity grid enterprises. Electricity grid enterprises are required to reach agreements with renewable energy power-generation enterprises that have obtained administrative permits or made a filing with the government, to purchase all the renewable energy power they produce that satisfies the technical standards for grid synchronization (Renewable Energy Law text, *supra*, art. 14).

A minor change in the penalty section of the 2005 Law is noteworthy. The 2005 Law stipulates that power grid enterprises are liable to provide compensation for failure to "buy in the full amount" the electricity generated from renewable energies. The revised Law finds them liable for failure to "complete the required purchase" of such electric power (*id.*, art. 29).

Renewable energy as specified by the law refers to non-fossil types of energy, such as wind, solar, hydro, biomass, geothermal, and ocean energy (art. 2).

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