

# ENERGY USE RATIONALIZATION ACT

Wholly Amended by Act No. 8800, Dec. 27, 2007

Amended by Act No. 8852, Feb. 29, 2008

Act No. 9236, Dec. 26, 2008

Act No. 9373, Jan. 30, 2009

Act No. 9931, Jan. 13, 2010

Act No. 10954, Jul. 25, 2011

Act No. 11690, Mar. 23, 2013

Act No. 11966, Jul. 30, 2013

Act No. 12298, Jan. 21, 2014

Act No. 13090, Jan. 28, 2015

## Article 1 (Purpose)

The purpose of this Act is to contribute to the sound development of the national economy, the promotion of national welfare and international efforts to minimize global warming by realizing stability in the supply of and demand for energy, increasing the rational and efficient use of energy, and reducing environmental damage caused by the consumption of energy.

## Article 2 (Definitions)

(1) The definitions of the terms used in this Act shall be as follows:

1. The term "energy management system" means a management activity system under which an energy user or energy supplier establishes management objectives for improving the efficiency of energy use, and manages human and physical resources systematically and continuously in accordance with certain procedures and methods to achieve the management objectives;
2. The term "energy control system" means an integrated control system to control energy use, when necessary, through installation of a sensor and measuring gauges, analysis software, etc. and real-time monitoring of the current status of energy use, for efficient control of energy use;
3. The term "energy diagnosis" means all acts of proposing measures to improve the efficiency of energy use by identifying matters such as the actual conditions of energy use and the cause of energy loss concerning facilities using or supplying energy.

(2) The definitions of the terms used in this Act, other than those provided for in paragraph (1), shall be as provided for in each subparagraph of Article 2 of the Energy Act.

### **Article 3 (Responsibility of Government, Energy Users, Energy Suppliers, etc.)**

- (1) The Government shall be responsible for the establishment and enforcement of a fundamental and comprehensive policy aimed at reducing greenhouse gas emissions through the stable demand and supply of energy and the rational and efficient use of energy.
- (2) Local governments shall be responsible for the establishment and enforcement of a local energy policy to efficiently carry out a national energy policy and to aim at the development of the regional economy by taking into account the characteristics of a region under its jurisdiction.
- (3) Energy users and suppliers shall proactively participate and cooperate in a national or local energy policy, and endeavors to maximize efficiency in the production, conversion, transport, storage, use, etc. of energy and to reduce greenhouse gas emissions.
- (4) Manufacturers producing energy-using machinery, equipment or materials and energy supply facilities shall endeavor to develop and introduce the technology to increase the energy efficiency of such machinery, equipment, materials or facilities and to reduce greenhouse gas emissions.
- (5) All citizens shall endeavor to rationally use energy in daily living, thereby reducing greenhouse gas emissions.

### **Article 4 (Master Plans for Rationalization of Energy Use)**

- (1) The Minister of Trade, Industry and Energy shall formulate master plans (hereinafter referred to as "master plans") for the rationalization of energy use to ensure that nationals can use energy in a rational manner. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*
- (2) Master plans shall include the following matters: *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*
  1. Transition to an energy-saving economic structure;
  2. Improving the efficiency of energy use;
  3. Technology development for the rationalization of energy use;
  4. Publicity and education for the rationalization of energy use;
  5. Substitution between energy resources;
  6. Safety management of heat-using machinery, equipment or materials;
  7. Matters concerning the implementation of the system for price indication for the rationalization of energy use;
  8. Measures to reduce greenhouse gas emissions through the rational use of energy;
  9. Other matters necessary for promoting the rationalization of energy use, which are prescribed by Ordinance of the Ministry of Trade, Industry and Energy.
- (3) When the Minister of Trade, Industry and Energy intends to formulate master plans under paragraph (1), he/she shall consult with the heads of the relevant administrative agencies. In such cases, he/she may request the heads of the relevant administrative agencies to submit necessary data. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

## **Article 5 (National Energy-Saving Promotion Committee)**

(1) A National Energy-Saving Promotion Committee (hereinafter referred to as the "Committee") shall be established under the control of the Minister of Trade, Industry and Energy to deliberate on the following matters regarding the establishment and implementation of energy-saving policies: <Amended by Act No. 11690, Mar. 23, 2013>

1. Formulating master plans under Article 4;
2. Compiling and coordinating implementation plans for the rationalization of energy use under Article 6 and inspecting and evaluating the progress of such plans;
3. Measures for efficient use of energy by the State, local governments, and public institutions under Article 8;
4. Other matters regarding establishment and implementation of energy-saving policies that the Chairperson of the Committee include in the deliberation.

(2) The Committee shall be comprised of up to 25 members, including the Chairperson.

(3) The Minister of Trade, Industry and Energy shall be the Chairperson of the Committee, and the members shall be comprised of ex-officio members prescribed by Presidential Decree and commissioned members selected by the Minister of Trade, Industry and Energy, from among persons with much knowledge and experience in the field of energy. <Amended by Act No. 11690, Mar. 23, 2013>

(4) The term of office of commissioned members under paragraph (3) shall be three years.

(5) To facilitate effective evaluation under paragraph (1) 2, the Committee may entrust the evaluation to other relevant research institutes, etc.

(6) Other matters necessary for the composition and operation of the Committee, the entrustment of evaluation, etc. under paragraph (5) shall be prescribed by Presidential Decree.

## **Article 6 (Implementation Plans for Rationalization of Energy Use)**

(1) The heads of the relevant administrative agencies, the Special Metropolitan City Mayor, Metropolitan City Mayor, Do Governor or Special Self-Governing Province Governor (hereinafter referred to as "Mayor/Do Governor") shall formulate and execute implementation plans for the rationalization of energy use, in accordance with master plans.

(2) The heads of the relevant administrative agencies and Mayors/Do Governors shall submit implementation plans under paragraph (1) and the outcomes of execution thereof to the Minister of Trade, Industry and Energy. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

## **Article 7 (Measures for Stabilization of Supply and Demand)**

(1) In order to prepare for supply and demand disruptions of energy due to any change in domestic and foreign energy circumstances, the Minister of Trade, Industry and Energy may impose responsibility to secure energy storage facilities and store energy on major energy users and energy suppliers prescribed by Presidential Decree. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

(2) If it is deemed that any major disruption in the supply of and demand for energy occurs or might occur due to any change in domestic and foreign energy circumstances, the Minister of Trade, Industry and

Energy may adjust the following matters, issue an order to energy users, energy suppliers or owners and managers of energy-using machinery, equipment or materials, or take other necessary measures, to the extent necessary for stabilizing the supply of and demand for energy: <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

1. Allotment of energy by area and by major demander and supplier;
2. Operation of energy supply facilities;
3. Reserve and storage of energy;
4. Introduction, export, import and consignment processing of energy;
5. Exchange or distribution of energy among energy suppliers;
6. Distribution facilities of energy, the use of such facilities and distribution channels;
7. Distribution of energy;
8. Restriction or prohibition of the transfer of energy;
9. Matters prescribed by Presidential Decree, such as times and ways of using energy and the restriction or prohibition on the use of energy-using machinery, equipment or materials;
10. Other matters determined by Presidential Decree to stabilize the supply of and demand for energy.

(3) The Minister of Trade, Industry and Energy may request the heads of the relevant administrative agencies or local governments to provide any cooperation necessary for executing the measures referred to in paragraph (2), and the heads of the administrative agencies or local governments shall comply therewith. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

(4) If it is deemed that the cause for which a measure under paragraph (2) is taken ceases to exist, the Minister of Trade, Industry and Energy shall cancel such measure without delay. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

#### **Article 8 (Measures for Efficient Use of Energy by State and Local Governments)**

(1) Persons falling under any of the following subparagraphs shall promote measures necessary for efficiently using energy in accordance with the purposes of this Act and reducing greenhouse gas emissions:

1. State;
2. Local governments;
3. Public institutions under Article 4 (1) of the Act on the Management of Public Institutions.

(2) Details of measures necessary for efficiently using energy and reducing greenhouse gas emissions, which shall be promoted by the State and local governments under paragraph (1), shall be prescribed by Presidential Decree.

#### **Article 9 (Demand Management Investment Plans of Energy Suppliers)**

(1) Energy suppliers prescribed by Presidential Decree, from among energy suppliers, shall formulate and implement annual demand management investment plans to improve the efficiency of the production, conversion, transport, storage or use of the relevant energy, and promote the reduction of energy demand and greenhouse gas emissions, and submit such plans and outcomes of implementation thereof to the

Minister of Trade, Industry and Energy. The same shall apply to revisions to annual demand management investment plans. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

(2) When changes in energy supply and demand, fluctuations in energy prices, or other grounds prescribed by Presidential Decree occur, the Minister of Trade, Industry and Energy may order energy suppliers to revise or amend demand management investment plans under paragraph (1) and implement such plans. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

(3) Energy suppliers under paragraph (1) may partially subsidize costs for annual demand management investment projects to institutions specializing in demand management prescribed by Presidential Decree.

(4) The Minister of Trade, Industry and Energy may formulate and implement measures to minimize costs and losses incurred by demand management investment to energy suppliers, so as to promote demand management investment by energy suppliers under paragraph (1). *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

#### **Article 10 (Consultation on Energy Use Plans)**

(1) Any person who intends to execute a project or install facilities (hereinafter referred to as "project supervisor") using energy in a specific or larger scale prescribed by Presidential Decree, such as urban development projects and industrial complex development projects, shall assess the impact of executing such project or installing such facilities on the supply of and demand for energy and the greenhouse gas (referring to carbon dioxide only) emissions due to the consumption of energy, and formulate plans to supply required energy and plans on the rational use of energy and the evaluation thereof (hereinafter referred to as "energy use plans"), and submit them to the Minister of Trade, Industry and Energy before such project is executed or such facilities are installed. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

(2) The Minister of Trade, Industry and Energy shall consult with persons falling under any subparagraph of Article 8 (1) (hereinafter referred to as "public project supervisors"), among project supervisors, on energy use plans submitted under paragraph (1), and may seek opinions from persons, other than public project supervisors (hereinafter referred to as "private project supervisors"). *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

(3) Paragraphs (1) and (2) shall also apply to cases where project supervisors intend to alter matters prescribed by Presidential Decree, including the prediction of energy demand or plans for energy supply, from among energy use plans submitted under paragraph (1).

(4) Project supervisors may allow a person who is capable of establishing energy use plans, such as any national or public research institute, Government-contributed research institute, etc., to establish energy use plans on their behalf.

(5) Details of energy use plans, procedures for holding consultations or seeking opinions, requirements for acting institutions under paragraphs (1) through (4), and other necessary matters shall be determined by Presidential Decree.

(6) The Minister of Trade, Industry and Energy shall determine and publicly announce standards for calculating costs incurred in establishing energy use plans by proxy under paragraph (4). *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

#### **Article 11 (Examination on Energy Use Plans)**

(1) When it is deemed that details of energy use plans are unsuitable for the supply of and demand for energy, or insufficient efforts are made to help rationalize energy use and reduce greenhouse gas (referring to carbon dioxide only) emissions, as a result of examining energy use plans, the Minister of Trade, Industry and Energy may, as prescribed by Presidential Decree, request a public project supervisor to adjust or supplement the energy use plans and advise a private project supervisor to adjust or supplement the energy use plans. Where any public project supervisor has received a request for the adjustment and supplementation thereof, he/she shall comply therewith unless there exist any justifiable reasons. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

(2) If deemed necessary for examining energy use plans, the Minister of Trade, Industry and Energy may request a project supervisor to present any related materials. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

(3) The criteria for and methods of examination of energy use plans referred to in paragraph (1) and other necessary matters shall be determined by Ordinance of the Ministry of Trade, Industry and Energy. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

#### **Article 12 (Post Management of Energy Use Plans)**

(1) The Minister of Trade, Industry and Energy may examine or ascertain as to whether a project supervisor implements energy use plans or takes the measures requested or advised under Article 11 (1). *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

(2) The method of an examination or ascertainment under paragraph (1) and other necessary matters shall be determined by Presidential Decree.

#### **Article 13 (Publicity for Rationalization of Energy Use)**

The Government shall take measures to publicize its energy policies, basic plans and methods of efficiently using energy, for the rationalization of energy use.

#### **Article 14 (Financial and Tax Support)**

(1) The Government may provide financial or tax support, economic incentives, subsidies or other necessary support for investments in energy-saving facilities prescribed by Presidential Decree, the manufacture, installation or construction of energy-saving machinery, equipment or materials, other rationalization of energy use and projects for reduction of greenhouse gas emissions through the rationalization of energy use, and excellent energy saving activities and outcomes, in order to rationalize energy use and reduce greenhouse gas emissions through the rationalization of energy use. *<Amended by Act No. 13090, Jan. 28, 2015>*

(2) When the Government provides support under paragraph (1), it may preferentially provide support to small or medium enterprises under Article 2 of the Framework Act on Small and Medium Enterprises.

## **Article 15 (Designation, etc. of Efficiency Management Machinery, Equipment or Materials)**

(1) If deemed necessary for the rationalization of energy use, the Minister of Trade, Industry and Energy may determine and publicly announce the following matters with respect to energy-using machinery, equipment or materials (limited to machinery, equipment or materials which consume a considerable quantity of energy) or energy-related machinery, equipment or materials (referring to machinery, equipment or materials which do not consume energy, but contribute to energy conservation, such as the prevention of heat loss by its structure and quality of material; hereinafter the same shall apply) which are widely distributed, and which are prescribed by Ordinance of the Ministry of Trade, Industry and Energy (hereinafter referred to as "efficiency management machinery, equipment or materials"): Provided, That, in cases of determining to be the machinery, equipment or materials which are installed and used constantly for a building under Article 2 (1) of the Building Act and the efficiency management machinery, equipment or materials with automobile parts under Article 29 (2) of the Motor Vehicle Management Act among the energy-related machinery, equipment or materials, he/she shall jointly determine and publicly announce the following matters through consultation with the Minister of Land, Infrastructure and Transport: *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013; Act No. 11966, Jul. 30, 2013>*

1. Standards for target energy efficiency or target quantity consumed;
2. Standards for minimum energy efficiency or maximum quantity consumed;
3. Indication of energy efficiency or quantity consumed;
4. Indication of energy efficiency rating standards and energy efficiency ratings;
5. Measurement methods of energy efficiency or quantity consumed;
6. Other matters necessary for the management of efficiency management machinery, equipment or materials, which are prescribed by Ordinance of the Ministry of Trade, Industry and Energy.

(2) Testing institutions designated by the Minister of Trade, Industry and Energy (hereinafter referred to as "efficiency management testing institutions") shall measure the amounts of energy used by the relevant efficiency management machinery, equipment or materials and manufacturers or importers of efficiency management machinery, equipment or materials shall indicate energy efficiency rating or energy consumption efficiency on the relevant efficiency management machinery, equipment or materials: Provided, That any manufacturer or importer equipped with testing facilities and specialized human resources determined and publicly announced by the Minister of Trade, Industry and Energy, who has obtained approval from the Minister of Trade, Industry and Energy, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy, may substitute the measurement of efficiency management testing institutions with a self-measurement. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

(3) Any manufacturer or importer of efficiency management machinery, equipment or materials shall report outcomes of measurement under paragraph (2) to the Minister of Trade, Industry and Energy, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

(4) Where a manufacturer, importer or seller of efficiency management machinery, equipment or materials advertises efficiency management machinery, equipment or materials by using advertising media prescribed by Ordinance of the Ministry of Trade, Industry and Energy, he/she shall include energy efficiency ratings or energy efficiency under paragraph (2) in the details of advertisements. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

(5) Efficiency management testing institutions shall be those recognized as testing institutions under Article 23 of the Framework Act on National Standards, falling under any of the following subparagraphs: *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

1. Testing or research institutes established by the State;
2. Specific research institutes under Article 2 of the Support of Specific Research Institutes Act;
3. Institutions recognized by the Minister of Trade, Industry and Energy as having capacities to administer a test, which are equivalent to or better than those of research institutes under subparagraphs 1 and 2.

#### **Article 16 (Post Management of Efficiency Management Machinery, Equipment or Materials)**

(1) If any efficiency management machinery, equipment or materials are incongruent with the details publicly announced under Article 15 (1) 1, 3 or 4, the Minister of Trade, Industry and Energy may order a manufacturer, importer or distributor of the said efficiency management machinery, equipment or materials to correct such incongruity within a prescribed period. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

(2) If any efficiency management machinery, equipment or materials fail to meet the standards for the minimum energy efficiency publicly announced under Article 15 (1) 2, or exceed the standards for the maximum quantity consumed, the Minister of Trade, Industry and Energy may order a manufacturer, importer or distributor of the said efficiency management machinery, equipment or materials to prohibit the production or sale thereof. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

(3) If any efficiency management machinery, equipment or materials fail to meet the details publicly announced under Article 15 (1) 1 through 4, the Minister of Trade, Industry and Energy may publish such facts. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

(4) When it is necessary for taking measures under paragraphs (1) through (3), the Minister of Trade, Industry and Energy may conduct an investigation into whether commercially available efficiency management machinery, equipment or materials meet the details publicly announced under Article 15 (1), as prescribed by Ordinance of the Ministry of Trade, Industry and Energy. *<Newly Inserted by Act No. 9373, Jan. 30, 2009; Act No. 11690, Mar. 23, 2013>*

#### **Article 17 (Systems for Average Energy Efficiency)**

(1) With regard to the average energy efficiency computed by dividing the total sum of energy efficiency of each efficiency management machinery, equipment or materials by the total number of items of relevant machinery, equipment or materials, the Minister of Trade, Industry and Energy shall consult with the head of related administrative agency on, and publicly announce the average energy efficiency to be



observed by the person who manufactures or imports and sells machinery, equipment or materials determined by Ordinance of the Ministry of Trade, Industry and Energy (hereafter in this Article referred to as "average efficiency management machinery, equipment or materials"), for which it is deemed that an improvement of total energy efficiency is specially required, such as automobiles, etc. provided for in Article 3 (1) of the Motor Vehicle Management Act. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

(2) The Minister of Trade, Industry and Energy may order a person who manufactures, or imports and sells any average efficiency management machinery, equipment or materials which fall short of the average energy efficiency publicly announced under paragraph (1) (hereinafter referred to as "standard for average energy efficiency"), to improve his/her average energy efficiency within a fixed period: Provided, That this shall not apply to automobiles prescribed by Ordinance of the Ministry of Trade, Industry and Energy, such as passenger cars, etc. under Article 3 (1) of the Motor Vehicle Management Act. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013; Act No. 11966, Jul. 30, 2013>

(3) With respect to persons who fail to comply with an improvement order under paragraph (2), the Minister of Trade, Industry and Energy may publicly announce the details thereof. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

(4) Any person who manufactures, or imports and sells average efficiency management machinery, equipment or materials shall submit data concerning sales, which are recognized as necessary for computing energy efficiency, and data concerning the measurement of efficiency to the Minister of Trade, Industry and Energy: Provided, That with respect to data concerning sales necessary for computing the average energy efficiency of automobiles, this shall not apply where the Minister of Environment provides the data to the Minister of Trade, Industry and Energy. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013; Act No. 11966, Jul. 30, 2013>

(5) The method of computing average energy efficiency, improvement period, performance procedure of improvement order, method of public announcement and other necessary matters shall be determined by Ordinance of the Ministry of Trade, Industry and Energy. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

#### **Article 17-2 (Imposition of Penalty Surcharges)**

(1) Where a manufacturer or importer of automobiles who is supposed to comply with the standard for the average energy efficiency of automobiles under Article 47 (2) of the Framework Act on Low Carbon, Green Growth fails to achieve the standard for the average energy efficiency with respect to the automobiles determined by Ordinance of the Ministry of Trade, Industry and Energy, such as passenger cars, etc. under Article 3 (1) of the Motor Vehicle Management Act, the Minister of Environment may impose a penalty surcharge not exceeding the amount which is multiplied by 1/100 out of the sales amount prescribed by Presidential Decree depending on its level: Provided, That where a manufacturer or importer of automobiles redeems the shortfall of constituents under Article 76-5 (2) of the Clean Air Conservation Act, this shall not apply.

(2) Matters concerning application and management of the standard for the average energy efficiency of automobiles shall comply with Article 76-5 of the Clean Air Conservation Act.

(3) The method of calculation, amount, timing for collection and other necessary matters regarding penalty surcharges under paragraph (1) shall be prescribed by Presidential Decree. In such cases, the amount of penalty surcharges shall be determined to be the same level as the amount of penalty surcharges imposed for failing to comply with the permissible emission standards for greenhouse gases from automobiles under Article 76-2 of the Clean Air Conservation Act.

(4) If any person who has received the disposition of imposition of a penalty surcharge pursuant to paragraph (1) fails to pay the penalty surcharge, the Minister of Environment shall collect it in the same manner as delinquent national taxes are collected.

(5) Penalty surcharges collected pursuant to paragraph (1) shall be deemed the revenue of the environmental improvement special account under the Framework Act on Environmental Policy.

#### **Article 18 (Designation of Products subject to Reduction of Standby Power)**

The Minister of Trade, Industry and Energy shall determine and publicly announce the following matters, with respect to products prescribed by Ordinance of the Ministry of Trade, Industry and Energy (hereinafter referred to as "products subject to the reduction of standby power"), which are energy-using machinery, equipment or materials deemed requiring the reduction of power (hereinafter referred to as "standby power") consumed, waiting for turn-on signals or failing to performing their main functions, when connected to the outside power supply: <Amended by Act No. 8852, Feb. 29, 2008; Act No. 9373, Jan. 30, 2009; Act No. 11690, Mar. 23, 2013>

1. Scope of application of each product subject to the reduction of standby power;
2. Standards for the reduction of standby power;
3. Methods for the measurement of standby power;
4. Indication of products (hereinafter referred to as "excellent products subject to the reduction of standby power") subject to the reduction of standby power, which show the excellent capacity to reduce standby power;
5. Other matters necessary for the management of products subject to the reduction of standby power, which are prescribed by Ordinance of the Ministry of Trade, Industry and Energy.

#### **Article 19 (Designation of Products subject to Warning Signs of Standby Power)**

(1) The Minister of Trade, Industry and Energy shall determine and publicly announce the following matters, with respect to products determined by Ordinance of the Ministry of Trade, Industry and Energy (hereinafter referred to as "products subject to warning signs of standby power"), which especially must be suitable for standards for the reduction of standby power under subparagraph 2 of Article 18, so as to raise the efficiency of energy use through the reduction of standby power, from among products subject to the reduction of standby power: <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

1. Scope of application of each product subject to warning signs of standby power;

2. Indication of products subject to warning signs of standby power;
  3. Other matters necessary for the management of products subject to warning signs of standby power, which are prescribed by Ordinance of the Ministry of Trade, Industry and Energy.
- (2) Any manufacturer or importer of products subject to warning signs of standby power shall undergo measurement of products subject to warning signs of standby power by a testing institution (hereinafter referred to as "standby power testing institution") designated by the Minister of Trade, Industry and Energy: Provided, That any manufacturer or importer equipped with testing facilities or specialized human resources determined and publicly announced by the Minister of Trade, Industry and Energy, who has obtained approval from the Minister of Trade, Industry and Energy, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy, may replace the measurement of standby power testing institutions by a self-measurement. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*
- (3) Any manufacturer or importer of products subject to warning signs of standby power shall report outcomes of measurement under paragraph (2) to the Minister of Trade, Industry and Energy, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*
- (4) When the outcomes of measurement under paragraph (2) show that the relevant products fall short of standards for the reduction of standby power under subparagraph 2 of Article 18, any manufacturer or importer of products subject to warning signs of standby power shall attach warning signs of standby power to such products.
- (5) Any person who intends to be designated as a standby power testing institution under paragraph (2) shall meet all of the following requirements and apply for designation to the Minister of Trade, Industry and Energy, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy: *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*
1. Any person who intends to be designated as a standby power testing institution must be any of the following subparagraphs:
    - (a) Testing or research institute established by the State;
    - (b) Specific research institute under Article 2 of the Support of Specific Research Institutes Act;
    - (c) Institution recognized as a testing or examination institution under Article 23 of the Framework Act on National Standards;
    - (d) Institutions recognized by the Minister of Trade, Industry and Energy as having capacities to administer a test, which are equivalent to or better than those of research institutes under items (a) and (b);
  2. Any person who intends to be designated as a standby power testing institution shall have testing facilities or specialized human resources, which are determined and publicly announced by the Minister of Trade, Industry and Energy, by product subject to the reduction of standby power.

**Article 20 (Indication of Products Excellent in Reduction of Standby Power)**

(1) When any manufacturer or importer of products subject to the reduction of standby power intends to indicate that relevant products are products excellent in the reduction of standby power, he/she shall be issued with a determination that the relevant products meet standards for the reduction of standby power under subparagraph 2 of Article 18, after standby power testing institutions measure the relevant products: Provided, That any person who has obtained approval from the Minister of Trade, Industry and Energy under the proviso to Article 19 (2) may replace the measurements of standby power testing institutions by a self-measurement. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

(2) Any manufacturer or importer who indicates products excellent in the reduction of standby power, after a determination under paragraph (1) is issued, shall report outcomes of measurement under paragraph (1) to the Minister of Trade, Industry and Energy, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

(3) The Minister of Trade, Industry and Energy may order persons falling under any of the subparagraphs of Article 8 (1) to preferentially purchase products excellent in the reduction of standby power, or encourage factories, places of business or collective housing areas to install or use such products, when it is deemed necessary for promoting the distribution of products excellent in the reduction of standby power. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

#### **Article 21 (Post Management of Products subject to Reduction of Standby Power)**

(1) When products excellent in the reduction of standby power fall short of standards for the reduction of standby power under subparagraph 2 of Article 18, the Minister of Trade, Industry and Energy may order any manufacturer or importer of products subject to the reduction of standby power to make a correction by fixing a specific period, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

(2) When any manufacturer or importer of products subject to the reduction of standby power fails to comply with an order for correction under paragraph (1), the Minister of Trade, Industry and Energy may announce such fact. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

#### **Article 22 (Certification, etc. of High-Efficiency Energy Machinery, Equipment or Materials)**

(1) The Minister of Trade, Industry and Energy shall determine and publicly announce the following matters, with respect to energy-using machinery, equipment or materials or energy-related machinery, equipment or materials prescribed by Ordinance of the Ministry of Trade, Industry and Energy, the distribution of which needs to be promoted due to high efficiency in energy use (hereinafter referred to as "machinery, equipment or materials subject to the certification of high-efficiency energy"): Provided, That, in cases of determining to be the machinery, equipment or materials which are installed and used constantly for a building under Article 2 (1) of the Building Act and the machinery, equipment or materials subject to the certification of high-efficiency energy with automobile parts under Article 29 (2) of the Motor Vehicle Management Act among energy-related machinery, equipment or materials, he/she shall jointly determine and publicly announce the following matters through consultation with the Minister of Land, Infrastructure and Transport: *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

*Act No. 11966, Jul. 30, 2013>*

1. The scope of application by machinery, equipment or material subject to the certification of high-efficiency energy;
  2. Standards, methods and procedures for the certification of machinery, equipment or materials subject to the certification of high-efficiency energy;
  3. Methods for measuring the performance of machinery, equipment or materials subject to the certification of high-efficiency energy;
  4. Indication of the certification of machinery, equipment or materials (hereinafter referred to as "high-efficiency energy machinery, equipment or materials") subject to the certification of high-efficiency energy, which shows excellent efficiency in energy use;
  5. Other matters necessary for the management of machinery, equipment or materials subject to the certification of high-efficiency energy, prescribed by Ordinance of the Ministry of Trade, Industry and Energy.
- (2) When any manufacturer or importer of machinery, equipment or materials subject to the certification of high-efficiency energy intends to indicate that the relevant machinery, equipment or materials are high-efficiency energy machinery, equipment or materials, he/she shall undergo measurement by a testing institution (hereinafter referred to as "high-efficiency testing institution") designated by the Minister of Trade, Industry and Energy, as to whether the relevant energy-using machinery, equipment or materials or energy-related machinery, equipment or materials meet standards for certification under paragraph (1) 2 and obtain certification from the Minister of Trade, Industry and Energy. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013; Act No. 11966, Jul. 30, 2013>*
- (3) Any person who intends to obtain the certification of high-efficiency energy machinery, equipment or materials under paragraph (2) shall apply for certification to the Minister of Trade, Industry and Energy, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*
- (4) When machinery, equipment or materials subject to the certification of high-efficiency energy under paragraph (3) meet standards for certification under paragraph (1) 2, the Minister of Trade, Industry and Energy shall grant certification to such machinery, equipment or materials. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*
- (5) No one, other than persons who have obtained certification under paragraph (4), may indicate that the relevant machinery, equipment or materials subject to the certification of high-efficiency energy are high-efficiency energy machinery, equipment or materials.
- (6) The Minister of Trade, Industry and Energy may order persons falling under any of the subparagraphs of Article 8 (1) to preferentially purchase high-efficiency energy machinery, equipment or materials, or encourage factories, places of business or collective housing areas to install or use such machinery, equipment or materials, when it is deemed necessary for promoting the distribution of high-efficiency energy machinery, equipment or materials. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23,*

2013>

(7) Any person who intends to be designated as a high-efficiency testing institution under paragraph (2) shall meet all of the following requirements and apply for designation to the Minister of Trade, Industry and Energy, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy: <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

1. Any person who intends to be designated as a high-efficiency testing institution must be any of the following subparagraphs:

- (a) Testing or research institute established by the State;
- (b) Specific research institute under Article 2 of the Support of Specific Research Institutes Act;
- (c) Institution recognized as a testing or examination institution under Article 23 of the Framework Act on National Standards;
- (d) Institutions recognized by the Minister of Trade, Industry and Energy as having capacities to administer a test, which are equivalent to or better than those of research institutes under items (a) and (b);

2. Any person who intends to be designated as a high-efficiency testing institution shall have testing facilities or specialized human resources, determined and publicly announced by the Minister of Trade, Industry and Energy, by machinery, equipment or material subject to the certification of high-efficiency energy.

(8) The Minister of Trade, Industry and Energy may exclude machinery, equipment or materials deemed unnecessary for maintaining the machinery, equipment or materials subject to the certification of high-efficiency energy from the machinery, equipment or materials subject to the certification of high-efficiency energy in consideration of the technology level, diffusion level, etc. among the machinery, equipment or materials subject to the certification of high-efficiency energy in accordance with the standard and procedure determined by Ordinance of the Ministry of Trade, Industry and Energy. <Newly Inserted by Act No. 11966, Jul. 30, 2013>

#### **Article 23 (Post Management of High-Efficiency Energy Machinery, Equipment or Materials)**

(1) When high-efficiency energy machinery, equipment or materials fall under subparagraph 1, the Minister of Trade, Industry and Energy shall revoke certification thereof, and when such machinery, equipment or materials fall under subparagraph 2, he/she may revoke certification thereof or issue an order not to use certification for a fixed period not exceeding six months: <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

1. When any manufacturer or importer obtains certification by fraud or other improper means;
2. When high-efficiency energy machinery, equipment or materials fall short of standards for certification under Article 22 (1) 2.

(2) The Minister of Trade, Industry and Energy may choose not to grant certification to high-efficiency energy machinery, equipment or materials, the certification of which has been revoked under paragraph (1), for a period determined by Ordinance of the Ministry of Trade, Industry and Energy within one year

after the date on which such certification has been revoked. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

#### **Article 24 (Cancellation of Designation as Testing Institutions)**

(1) When any efficiency management testing institution, standby power testing institution or high-efficiency testing institution falls under any of the following subparagraphs, the Minister of Trade, Industry and Energy may cancel the designation thereof or order to suspend business thereof by fixing a period not exceeding six months: Provided, That when such institution falls under subparagraph 1 or 2, the designation thereof shall be cancelled: <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

1. When it acquires designation by fraud or other improper means;
2. When it administers a test during the period of business suspension;
3. When it refuses or delays a test without any justifiable ground;
4. When it administers a test, failing to comply with methods for measurement determined and publicly announced by the Minister of Trade, Industry and Energy;
5. When it fails to meet standards for designation as a testing institution under Article 15 (5), 19 (5) or 22 (7).

(2) When any person who has obtained approval of a self-measurement under the proviso to Article 15 (2) or 19 (2) falls under subparagraph 1 or 2, the Minister of Trade, Industry and Energy shall revoke such approval, and when he/she falls under subparagraph 3 or 4, the Minister of Trade, Industry and Energy may revoke such approval or issue an order to suspend a self-measurement by fixing a period within six months: <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

1. When he/she obtains approval by fraud or other improper means;
2. When he/she takes a measurement during the period of business suspension;
3. When he/she takes a measurement, failing to comply with methods for measurements determined and publicly announced by the Minister of Trade, Industry and Energy;
4. When he/she fails to meet standards for testing facilities or specialized human resources determined and publicly announced by the Minister of Trade, Industry and Energy.

#### **Article 25 (Support to Enterprise Specialized in Energy Saving)**

(1) The Government may provide necessary support to energy-saving projects and projects for reducing greenhouse gas emissions by saving energy, which are conducted by any person who operates the following business by entrustment of a third party and has registered with the Minister of Trade, Industry and Energy (hereinafter referred to as "enterprise specialized in energy saving"): <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

1. Management and service projects for energy saving of energy-using facilities;
2. Projects concerning investment in energy-saving facilities prescribed in Article 14 (1);
3. Other energy-saving projects prescribed by Presidential Decree.

(2) Any person who intends to be registered as an enterprise specialized in energy saving shall meet standards for the registration of machinery, equipment or materials, assets or technical human resources and apply for registration to the Minister of Trade, Industry and Energy, as prescribed by Presidential Decree. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

#### **Article 26 (Revoking Registration of Enterprises Specialized in Energy Saving)**

Where an enterprise specialized in energy saving falls under any of the following subparagraphs, the Minister of Trade, Industry and Energy may revoke the registration or suspend the support as prescribed by this Act: Provided, That where such enterprise falls under subparagraph 1, the registration thereof shall be revoked: <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

1. When it obtains registration as prescribed in Article 25 (1) by fraud or other improper means;
2. When it receives support under Article 14 (1) by fraud or other improper means or uses subsidies for purposes other than their original purpose;
3. When any enterprise, which has been registered as an enterprise specialized in energy saving, applies for the revocation of such registration;
4. When it allows another person to operate business falling under any of the subparagraphs of Article 25 (1) by using its name or title, or lends other persons the registration certificate issued by the Minister of Trade, Industry and Energy to enterprises specialized in energy saving;
5. When it falls short of standards for registration under Article 25 (2);
6. When it fails to submit a report under Article 66 (1), or submits a false report, or refuses, interferes with, or evades an inspection prescribed in the said paragraph;
7. Where it fails to commence business within three years after its registration without any justifiable ground, or it has no business performance results for three consecutive years.

#### **Article 27 (Restrictions on Registration of Enterprise Specialized in Energy Saving)**

Any enterprise specialized in energy saving, the registration of which is revoked under Article 26, shall be prohibited from having itself registered again within two years under Article 25 (2) from the date on which its registration is revoked.

#### **Article 27-2 (Joining Mutual Aid Cooperative by Enterprises Specialized in Energy Saving)**

(1) Enterprises specialized in energy saving may join a mutual aid cooperative under Article 34 of Engineering Industry Promotion Act to facilitate projects for saving energy and reducing greenhouse gas emissions.

(2) A mutual aid cooperative under paragraph (1) may conduct the following projects:

1. Performance guarantee needed for performing duties ensuing energy-saving projects;
2. Debt guarantee and financing for energy-saving projects;
3. Guarantee regarding selection of a principal transaction bank for exporting energy-saving projects;
4. Factoring of accounts receivable created de to energy-saving projects;
5. Discount of notes received in return for energy-saving projects;



6. Mutual-aid projects for the welfare of cooperative members and persons employed by cooperative members;
  7. Investment projects for efficient management of money invested by cooperative members.
- (3) Mutual-aid regulations for mutual-aid projects under paragraph (2) 6 and matters governed by mutual-aid regulations shall be prescribed by Presidential Decree.

**Article 28 (Support for Companies which Conclude Voluntary Agreements)**

(1) When any energy user or energy supplier who promises (hereinafter referred to as "voluntary agreements") the Government or local governments to voluntarily establish plans concerning objectives of reducing greenhouse gas emissions by saving energy and using energy in a rational way, and methods for implementation thereof, and to carry out such plans and methods, invests in energy-saving facilities or other facilities prescribed by Presidential Decree, the Government may provide support to such investments.

(2) Necessary matters concerning the objectives of voluntary agreements and standards for or evaluation of methods for implementation thereof shall be prescribed by Ordinance of the Ministry of Trade, Industry and Energy, in consultation with the Minister of Environment. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

**Article 28-2 (Support, etc. for Energy Management System)**

(1) The Minister of Trade, Industry and Energy shall encourage energy users or energy suppliers to introduce company-wide energy management systems for enhancement of energy efficiency, and may provide necessary support to any person who introduces such. *<Amended by Act No. 12298, Jan. 21, 2014>*

(2) Matters necessary for the persons to be encouraged to introduce an energy management system under paragraph (1), and the standards for and methods of providing support shall be prescribed by Ordinance of the Ministry of Trade, Industry and Energy. *<Amended by Act No. 11690, Mar. 23, 2013; Act No. 12298, Jan. 21, 2014; Act No. 13090, Jan. 28, 2015>*

**Article 28-3 (Support for Energy Control System, etc.)**

(1) The Minister of Trade, Industry and Energy may encourage energy users to introduce an energy control system to foster distribution of energy control systems, and may provide necessary support to those who introduce an energy control system.

(2) Matters necessary for the persons to be encouraged to introduce an energy control system under paragraph (1), and the standards for and methods of providing support shall be prescribed by Ordinance of the Ministry of Trade, Industry and Energy.

**Article 29 (Registration and Management of Records of Reduction of Greenhouse Gas Emissions)**

(1) Where any enterprise that has voluntarily entered into agreements or any enterprise specialized in energy saving, etc. files an application for registering its record of reduction in greenhouse gas emissions through the rationalization of energy use, the Government shall have the record of reduction registered and manage such record of reduction.

(2) Necessary matters concerning applications, registration, management, etc. referred to in paragraph (1) shall be prescribed by Presidential Decree.

**Article 30 (Education and Training, Fostering of Human Resources, etc. for Reduction in Greenhouse Gas Emissions)**

(1) The Government may, if it is deemed necessary to reduce greenhouse gas emissions, conduct education and training for persons in charge of the affairs related to reducing greenhouse gas emissions, including industrial workers, etc.

(2) The Government may designate any graduate school or graduate school university which meets the standards prescribed by Presidential Decree, from among graduate schools provided for in Article 29 of the Higher Education Act or graduate school universities provided for in Article 30 of the same Act as a specialized graduate school for climate change, in order to foster professional human resources necessary to reduce greenhouse gas emissions.

(3) The Government may provide support to operate specialized graduate schools for climate change designated pursuant to paragraph (2).

(4) Necessary matters concerning persons eligible for education and training, details of education and training under paragraph (1), procedures for designating specialized graduate schools for climate change under paragraph (2) and details of support, etc. under paragraph (3) shall be prescribed by Presidential Decree.

**Article 31 (Report, etc. of Excessive Energy-Consuming Business Entities)**

(1) Any person for whom the quantity of energy consumed is at least a standard quantity prescribed by Presidential Decree, (hereinafter referred to as "excessive energy-consuming business entity") shall report the following matters to the Mayor/Do Governor having jurisdiction over the area where the relevant energy-using facilities are located, by not later than January 31 each year, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy: <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013; Act No. 12298, Jan. 21, 2014>

1. Quantity of energy consumed and products manufactured on a quarterly basis in the previous year;
2. Estimated quantity of energy to be consumed and products to be manufactured on a quarterly basis in the relevant year;
3. Current status of energy-using machinery, equipment or materials;
4. Outcomes of the rationalization of energy use on a quarterly basis in the previous year, and quarterly plans for the rationalization of energy use in the relevant year;
5. Current status of persons in charge of the affairs referred to in subparagraphs 1 through 4 (hereinafter referred to as "person in charge of energy management").

(2) Upon receipt of a report under paragraph (1), the Mayor/Do Governor shall report thereon to the Minister of Trade, Industry and Energy by not later than the end of February each year. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

(3) The Minister of Trade, Industry and Energy and Mayors/Do Governors may request any of the following persons to submit data on the quantity of energy supplied to an excessive energy-consuming business entity, if necessary to confirm matters of each subparagraph under paragraph (1) that have been reported by an excessive energy-consuming business entity: <Newly Inserted by Act No. 12298, Jan. 21, 2014>

1. Korea Electric Power Corporation under the Korea Electric Power Corporation Act;
2. Korea Gas Corporation under the Korea Gas Corporation Act;
3. Urban gas business entities defined in subparagraph 2 of Article 2 under the Urban Gas Business Act;
4. Business entities defined in subparagraph 3 of Article 2 under the Integrated Energy Supply Act, and Korea District Heating Corporation under Article 29 of the same Act;
5. Other agency specializing in energy supply or management prescribed by Presidential Decree.

### **Article 32 (Energy Diagnosis)**

(1) The Minister of Trade, Industry and Energy shall determine and publicly announce the standards, by section, necessary for the efficient management of energy (hereinafter referred to as "energy management standards") by any excessive energy-consuming business entity, after consulting with the head of the relevant administrative agency. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

(2) An excessive energy-consuming business entity shall undergo energy diagnosis conducted by a specialized energy diagnosis institution (hereinafter referred to as "diagnosis institution") designated by the Minister of Trade, Industry and Energy per period, of at least three years, prescribed by Presidential Decree, for its place of business: Provided, That the foregoing shall not apply to places of business falling under the scope prescribed by Ordinance of the Ministry of Trade, Industry and Energy, such as apartments and power plants, for which it is physically or technically impossible to make an energy diagnosis or the effect of energy diagnosis is small. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013; Act No. 13090, Jan. 28, 2015>

(3) The Minister of Trade, Industry and Energy shall manage and supervise a diagnosis institution, including requiring such institution to submit data concerning energy diagnosis, as prescribed by Presidential Decree. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

(4) The Minister of Trade, Industry and Energy may exempt energy diagnosis or reduce the frequency of energy diagnosis, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy, for any excessive energy-consuming business entity recognized as excellent in reducing energy consumption. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

(5) If it is found as a result of energy diagnosis that an excessive energy-consuming business entity fails to observe energy management standards, the Minister of Trade, Industry and Energy may give such business entity any guidance for implementation of energy management standards (hereinafter referred to as "energy management guidance"). <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

(6) The Minister of Trade, Industry and Energy may fully or partially subsidize expenses incurred by an excessive energy-consuming business entity to undergo energy diagnosis. In such cases, the subject matter, size and procedure of support shall be determined by Presidential Decree. <Amended by Act No.

8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

(7) The designation criteria of a diagnosis institution shall be determined by Presidential Decree, and the designation procedure for a diagnosis institution and other necessary matters shall be determined by Ordinance of the Ministry of Trade, Industry and Energy. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

(8) The scope and methods of energy diagnosis and other necessary matters shall be determined and publicly announced by the Minister of Trade, Industry and Energy. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

### **Article 33 (Cancellation of Designation as Diagnosis Institutions)**

Where any person designated as a diagnosis institution falls under any of the following subparagraphs, the Minister of Trade, Industry and Energy may cancel the designation or order it to suspend business thereof for a period not exceeding two years: Provided, That in cases falling under subparagraph 1, the designation thereof shall be cancelled: <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013; Act No. 12298, Jan. 21, 2014>

1. Where it acquires designation by fraud or other improper means;
2. Where it performs energy diagnosis in a profoundly inappropriate way in view of energy management standards;
3. Where it fails to meet the designation criteria under Article 32 (7);
4. Where it fails to submit a report under Article 66 (1), submits a false report, or refuses, obstructs or evades any inspection under the same paragraph;
5. Where no work performance of energy diagnosis exists for three consecutive years without justifiable grounds.

### **Article 34 (Orders for Improvement)**

(1) If deemed necessary to reduce energy loss factors as a result of energy management guidance, the Minister of Trade, Industry and Energy may order an excessive energy-consuming business entity to improve such factors. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

(2) Requirements and procedures for orders for improvement referred to in paragraph (1) shall be determined by Presidential Decree.

### **Article 35 (Establishment, etc. of Prime Target Unit of Energy)**

(1) If deemed necessary to increase the efficiency of energy use, the Minister of Trade, Industry and Energy shall determine and publicly announce the energy use target quantity by unit of products manufactured by using energy or by unit area of a building (hereinafter referred to as "prime target unit of energy") in consultation with the head of the relevant administrative agency. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

(2) The Minister of Trade, Industry and Energy may provide funds incurred in achieving the prime target unit of energy, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

### **Article 35-2 (Effective Management of Built-in Energy-Using Machinery, Equipment or Materials)**

(1) The Minister of Trade, Industry and Energy shall determine and publicly announce the following matters with the built-in household appliances (excluding products for heating, air-conditioning, hot-water supply, lighting, and ventilation of buildings) which a construction business entity (referring to house builders registered under Article 9 of the Housing Act, or a building owner and a construction builder under Article 2 of the Building Act; hereinafter the same shall apply) installs and supplies tenants to improve energy utilization efficiency of the energy-using machinery, equipment or materials (hereinafter referred to as “built-in energy-using machinery, equipment or materials”) determined by Ordinance of the Ministry of Trade, Industry and Energy through consultation with the Minister of Land, Infrastructure and Transport:

1. Standards for minimum energy efficiency or maximum quantity consumed;
2. Standards for energy efficiency rating or standby power;
3. Other matters determined by Ordinance of the Ministry of Trade, Industry and Energy as necessary for the management of built-in energy-using machinery, equipment or materials.

(2) The Minister of Trade, Industry and Energy may recommend construction business entities to comply with matters publicly announced under paragraph (1).

(3) The Minister of Trade, Industry and Energy may investigate whether to implement recommendations pursuant to paragraph (2), as determined by Ordinance of the Ministry of Trade, Industry and Energy, through consultation with the Minister of Land, Infrastructure and Transport for a construction business entity who has installed built-in energy-using machinery, equipment or materials.

### **Article 36 (Utilization of Waste Heat)**

(1) Each energy user shall endeavor to utilize waste heat produced in the place of business and proactively cooperate with a third person who is to obtain waste heat not used in the place of business of the energy user to utilize such waste heat outside the relevant place of business.

(2) If deemed necessary for promoting the utilization of waste heat, the Minister of Trade, Industry and Energy may recommend energy users producing waste heat to make joint utilization of waste heat or to supply waste heat to any third person: Provided, That where any consultation between the interested parties on the joint utilization of waste heat or its supply to a third party, etc. is not achieved or is impossible, he/she may adjust it. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

(3) Any business entity prescribed by the Integrated Energy Supply Act shall proactively endeavor to utilize waste heat generated from incineration facilities or industrial facilities in the area designated as an area subject to the supply of integrated energy under Article 5 of the same Act.

### **Article 36-2 (Designation, etc. of Heating and Cooling Temperature Restriction Buildings)**

(1) The Minister of Trade, Industry and Energy may designate any of the following buildings as a heating and cooling temperature restriction building by determining restrictions on heating or cooling temperatures or the period of restriction, when it is deemed necessary for saving energy and using energy in a rational way: *<Amended by Act No. 11690, Mar. 23, 2013>*

1. Any building used by a person falling under any of the subparagraphs of Article 8 (1) for his/her business;
2. Any building where the quantity of energy used is at least the standard quantity prescribed by Presidential Decree, from among energy-using facilities of excessive energy-consuming business entities.

(2) The Minister of Trade, Industry and Energy shall, when he/she designates any heating and cooling temperature restriction building by determining restrictions on heating or cooling temperatures or the period of restriction under paragraph (1), give notification according to the following classification and publicly announce such fact: *<Amended by Act No. 11690, Mar. 23, 2013>*

1. Any building falling under paragraph (1) 1: Management institutions (referring to the head of the relevant institution, when no management institution exists; hereinafter the same shall apply) shall be notified;
2. Any building falling under paragraph (1) 2: Excessive energy-consuming business entities shall be notified.

(3) Any management institution of a building designated as a building restricting heating and cooling temperatures under paragraphs (1) and (2) (hereinafter referred to as "heating and cooling temperature restriction building") or any excessive energy-consuming business entity shall maintain and manage heating and cooling temperatures of the relevant building to ensure that such temperatures are suitable for restricted temperatures.

(4) The Minister of Trade, Industry and Energy may check whether the management institution of a heating and cooling temperature restriction building or any excessive energy-consuming business entity maintains or manages the heating and cooling temperatures of the relevant building within the scope of restricted temperatures or ascertain the actual status thereof. *<Amended by Act No. 11690, Mar. 23, 2013>*

(5) Necessary matters concerning standards for determining restrictions on heating and cooling temperatures under paragraph (1), standards for the designation of a heating and cooling temperature restriction building or methods for checking under paragraph (4) shall be prescribed by Ordinance of the Ministry of Trade, Industry and Energy. *<Amended by Act No. 11690, Mar. 23, 2013>*

### **Article 36-3 (Measures for Maintenance and Management of Heating and Cooling Temperatures of Buildings)**

When management institutions of heating and cooling temperature restriction buildings or excessive energy-consuming business entities fail to maintain or manage the heating and cooling temperatures of the relevant building within the scope of restricted temperatures under Article 36-2 (3), the Minister of Trade, Industry and Energy may recommend them to take measures necessary for the suitable maintenance or management of heating and cooling temperatures, such as controlling heating and cooling temperatures, or order them to take corrective measures. *<Amended by Act No. 11690, Mar. 23, 2013>*

### **Article 37 (Specific Heat-Using Machinery, Equipment or Materials)**

Any person who engages in the business (hereinafter referred to as "business of construction execution") of installing, constructing heat-using machinery, equipment or materials prescribed by Ordinance of the Ministry of Trade, Industry and Energy (hereinafter referred to as "specific heat-using machinery, equipment or materials"), which are recognized to especially require safety control, hazard prevention, and efficiency management of energy use in the course of manufacture, installation, construction and utilization, from among heat-using machinery, equipment or materials, or who is in the business of washing a pipe thereof, shall register with the Mayor/Do Governor pursuant to Article 9 (1) of the Framework Act on the Construction Industry. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

#### **Article 38 (Requests for Cancelling Registration of Business of Construction Execution)**

Where any person who has filed registration of the business of construction execution under Article 37 (hereinafter referred to as "constructor") causes serious problems to the safety of facilities or the management of energy efficiency by poorly installing, constructing specific heat-using machinery, equipment or materials, or poorly washing a pipe thereof intentionally or by negligence, the Minister of Trade, Industry and Energy may request the Mayor/Do Governor to cancel such registration or suspend all or part of the relevant business of construction execution. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

#### **Article 39 (Inspection of Machinery and Equipment subject to Inspection)**

(1) Any manufacturer of machinery and equipment subject to inspection (hereinafter referred to as "machinery and equipment subject to inspection"), which are prescribed by Ordinance of the Ministry of Trade, Industry and Energy, among specific heat-using machinery, equipment or materials, shall undergo an inspection by the Mayor/Do Governor on the manufacture of such machinery and equipment subject to inspection. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

(2) Any of the following persons (hereinafter referred to as "installer of machinery and equipment subject to inspection") shall undergo an inspection by the Mayor/Do Governor, as determined by Ordinance of the Ministry of Trade, Industry and Energy: <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

1. A person who intends to install, or to use by reengineering, machinery and equipment subject to inspection;
  2. A person who intends to use machinery and equipment subject to inspection by altering their place of installation;
  3. A person who intends to reuse machinery and equipment subject to inspection after suspending their use.
- (3) Each Mayor/Do Governor shall deliver without delay a certificate specifying the validity term of an inspection to the manufacturer or installer of machinery and equipment subject to inspection, which have passed the inspection under paragraph (1) or (2).

(4) Any person who intends to continue to use machinery and equipment subject to inspection, the validity term of inspection of which expires, shall undergo a reinspection by the Mayor/Do Governor, as determined by Ordinance of the Ministry of Trade, Industry and Energy. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

(5) Machinery and equipment which fail to pass an inspection under paragraph (1), (2) or (4) may not be used: Provided, That a Mayor/Do Governor may permit to continue to use any machinery and equipment subject to inspection which fail to pass an inspection as to items in the details of inspection under paragraph (4) prescribed by Ordinance of the Ministry of Trade, Industry and Energy, within the scope not to undermine the safety control and hazard prevention of such machinery and equipment subject to inspection, on condition that it should pass such inspection within the period prescribed by Ordinance of the Ministry of Trade, Industry and Energy. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

(6) In any inspection under paragraphs (1), (2) and (4), a Mayor/Do Governor may fully or partially exempt an inspection, within the scope not to undermine the safety control and hazard prevention of machinery and equipment subject to inspection, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

(7) In any of the following cases, an installer of machinery and equipment subject to inspection shall report to the Mayor/Do Governor, as determined by Ordinance of the Ministry of Trade, Industry and Energy: <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

1. Where machinery and equipment subject to inspection have been destroyed;
2. Where the utilization of machinery and equipment subject to inspection has been suspended;
3. Where an installer of machinery and equipment subject to inspection has been changed;
4. Where machinery and equipment subject to inspection prescribed by Ordinance of the Ministry of Trade, Industry and Energy, among machinery and equipment subject to inspection, the inspection of which is fully or partially exempted under paragraph (6), have been installed.

(8) The details and standards for the inspection of machinery and equipment subject to inspection and other necessary matters shall be determined by Ordinance of the Ministry of Trade, Industry and Energy. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

#### **Article 40 (Appointment of Operators of Machinery and Equipment subject to Inspection)**

(1) Any installer of machinery and equipment subject to inspection shall appoint an operator of such machinery and equipment (hereinafter referred to as "operator of machinery and equipment subject to inspection") for the safety control, hazard prevention, and efficiency management of energy use of machinery and equipment subject to inspection.

(2) The standards for qualification and appointment of operators of machinery and equipment subject to inspection shall be determined by Ordinance of the Ministry of Trade, Industry and Energy. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>



(3) Where an installer of machinery and equipment subject to inspection appoints or dismisses an operator of machinery and equipment subject to inspection, or the operator retires from office, he/she shall report it to the Mayor/Do Governor, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy.

*<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

(4) Where an installer of machinery and equipment subject to inspection dismisses an operator of machinery and equipment subject to inspection, or the operator retires from office, he/she shall appoint another operator of machinery and equipment subject to inspection, before the dismissal or retirement:

Provided, That if it falls under a cause prescribed by Ordinance of the Ministry of Trade, Industry and Energy, the appointment of another operator of machinery and equipment subject to inspection may be postponed upon approval by the Mayor/Do Governor. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

#### **Article 41 (Establishing Organization of Constructors)**

(1) For the maintenance of dignity, the advancement of technology, the improvement of construction execution systems, and the sound development of construction execution business, constructors may establish the organization of constructors upon authorization by the Minister of Trade, Industry and Energy. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

(2) The organization of constructors shall be a juristic person.

(3) The organization of constructors shall be established by completing registration of incorporation thereof.

(4) Necessary matters concerning the establishment, matters to be entered in the articles of incorporation, and supervision of the organization of constructors shall be prescribed by Presidential Decree.

#### **Article 42 (Membership Qualification of Organizations of Constructors)**

Any constructor may join the organization of constructors.

#### **Article 43 (Proposal and Advice)**

The organization of constructors may make a proposal for matters concerning construction execution business to the Government or provide advice thereon as requested by the Government.

#### **Article 44 (Application Mutatis Mutandis of Civil Act)**

Except as provided by this Act, the provisions of the Civil Act concerning an incorporated association shall be applicable mutatis mutandis to the organization of constructors.

#### **Article 45 (Establishment, etc. of Korea Energy Corporation)**

(1) In order to efficiently promote projects to rationalize energy use, the Korea Energy Corporation (hereinafter referred to as the "Corporation") shall be established. *<Amended by Act No. 13090, Jan. 28, 2015>*

(2) The Government or any person other than the Government may make contribution to appropriate funds incurred in the establishment, operation and projects of the Corporation.

(3) The times and methods of contribution under paragraph (2) and other necessary matters shall be prescribed by Presidential Decree.

#### **Article 46 (Legal Personality)**

The Corporation shall be a corporation.

#### **Article 47 (Office)**

(1) The seat of the principal office of the Corporation shall be determined by the articles of incorporation of the Corporation.

(2) The Corporation may establish any branch offices, training institutes, business offices, or affiliated organizations, at any necessary place, upon approval by the Minister of Trade, Industry and Energy.

*<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

#### **Article 48 (Articles of Incorporation)**

The following matters, other than matters to be entered under Article 16 (1) of the Act on the Management of Public Institutions, shall be included in the articles of incorporation of the Corporation:

1. Matters concerning branch offices, training institutes and business offices;
2. Matters concerning the operation and management of affiliated organizations;
3. Matters concerning property;
4. Matters concerning the enactment, amendment or repeal of rules and provisions.

#### **Article 49 (Registration of Incorporation)**

(1) The Corporation shall come into existence by registration of incorporation at the seat of its principal office.

(2) The registration of incorporation under paragraph (1) shall include the following matters:

1. Objectives;
2. Title;
3. Principal office, branch offices, training institutes and business offices;
4. Names and addresses of executive officers;
5. Methods of notices.

(3) Matters necessary for registration, other than the registration of incorporation, shall be determined by Presidential Decree.

#### **Article 50 (Prohibition of Use of Similar Name)**

No person, other than the Corporation, shall use the name "Korea Energy Corporation" or any name similar thereto. *<Amended by Act No. 13090, Jan. 28, 2015>*

#### **Article 51 (Executive Officer)**

The Corporation shall appoint directors, including a chief director and a vice chief director, and an auditor, and the full number thereof shall be as follows:

1. One chief director;
2. One vice chief director;
3. Nine or less directors, excluding a chief director and a vice chief director (including six or less non-standing directors);

4. One auditor.

**Article 52 Deleted.** <by Act No. 9373, Jan. 30, 2009>

**Article 53 (Duties of Executive Officers)**

- (1) The chief director shall represent the Corporation and have general control over the affairs of the Corporation.
- (2) The vice chief director shall assist the chief director. <Amended by Act No. 9373, Jan. 30, 2009>
- (3) The directors shall take partial charge of the affairs of the Corporation pursuant to the articles of incorporation. <Amended by Act No. 9373, Jan. 30, 2009>
- (4) The auditor shall audit the affairs and accounting of the Corporation.

**Article 54 and 55 Deleted.** <by Act No. 9373, Jan. 30, 2009>

**Article 56 (Appointment or Dismissal of Employees)**

The employees of the Corporation shall be appointed or dismissed by the chief director, in accordance with the articles of incorporation.

**Article 57 (Projects)**

The Corporation shall engage in the following projects: <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013; Act No. 11966, Jul. 30, 2013; Act No. 13090, Jan. 28, 2015>

1. Rationalization of energy use, and projects and international cooperation to reduce greenhouse gas emissions through the rationalization of energy use;
2. Development, introduction, guidance and dissemination of energy technology;
3. Loans and financial support for the rationalization of energy use, development and dissemination of new and renewable energy and collective energy supply projects;
4. Projects falling under each subparagraph of Article 25 (1);
5. Energy diagnosis and energy management guidance;
6. Promotion of new and renewable energy development projects;
7. Investigation, research, education, and public relations for energy control;
8. Acquisition, installation, operation, lease and transfer of land, buildings, facilities, etc. for energy use rationalization projects;
9. Support and management for the promotion of collective energy projects under Article 2 of the Integrated Energy Supply Act;
10. Efficiency management of energy-using machinery, equipment or materials and energy-related machinery, equipment or materials, and safety control of heat-using machinery, equipment or materials;
11. Support for energy use by socially vulnerable groups;
12. Activities incidental to the projects set forth under subparagraphs 1 through 11;
13. In addition to the projects set forth under subparagraphs 1 through 12, projects for the rationalization of energy use and for reduction of greenhouse gas emissions entrusted by the Minister of Trade, Industry and Energy, Mayors/Do Governors, other agencies, etc.

### **Article 58 (Liability for Expenses)**

The Corporation may have any person who benefits from a project bear the expenses incurred in the project, upon approval by the Minister of Trade, Industry and Energy. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

### **Article 59 (Borrowing of Funds)**

If the Corporation conducts a project under subparagraph 4 of Article 57, it may borrow funds from the Government, a Fund established by the Government, a domestic or foreign financial institution, the government of any foreign country or an international organization.

### **Article 60 (Accounting, etc.)**

(1) Deleted. *<by Act No. 9373, Jan. 30, 2009>*

(2) Before each fiscal year commences, the Corporation shall formulate a budget by classifying it into the general provision of a budget, estimated income statement, estimated balance sheet, and fund plans and obtain approval by the Minister of Trade, Industry and Energy, following undergoing a resolution by the board of directors. The same shall also apply where it intends to modify it. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 9373, Jan. 30, 2009; Act No. 11690, Mar. 23, 2013>*

(3) Deleted. *<by Act No. 9373, Jan. 30, 2009>*

### **Article 61 (Appropriation of Earnings)**

If there is any profit as a result of the settlement of accounts in each fiscal year, the Corporation shall appropriate it for making up any loss brought forward, and the remainder shall be reserved, if any, as determined by the Minister of Trade, Industry and Energy. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

### **Article 62 (Guidance and Supervision on Affairs)**

(1) The Minister of Trade, Industry and Energy may guide and supervise the following affairs of the Corporation, and give any direction, disposition or order necessary for carrying out such affairs, to the Corporation: *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

1. Project plans and formulation of a budget;
2. Projects results and the settlement of accounts;
3. Projects conducted by the Corporation under Article 57;
4. Affairs entrusted by the Minister of Trade, Industry and Energy under Article 69 (3).

(2) The Minister of Trade, Industry and Energy may assign the Corporation to report on matters necessary for the affairs, accounts and property of the Corporation, or assign any public official under his/her control to inspect any books, documents and other items of the Corporation. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

(3) Any public official who conducts an inspection under paragraph (2) shall carry a certificate indicating his/her authority with him/her, and produce such certificate to interested persons.

### **Article 63 (Prohibition of Divulging Confidential Information)**

No one who works or has worked as an executive officer or employee of the Corporation shall divulge or misappropriate any confidential information obtained in the course of performing his/her duties.

#### **Article 64 (Application Mutatis Mutandis of Civil Act)**

Except as provided by this Act and the Act on the Management of Public Institutions, the provisions of the Civil Act concerning the incorporated foundation shall be applicable mutatis mutandis to the Corporation.

*<Amended by Act No. 9373, Jan. 30, 2009>*

#### **Article 65 (Education)**

(1) The Minister of Trade, Industry and Energy shall conduct education for persons in charge of energy management, technical human resources of construction execution business, and operators of machinery and equipment subject to inspection in order to efficiently manage energy and to safely manage specific heat-using machinery, equipment or materials. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

(2) Persons in charge of energy management, technical human resources of construction execution business, and operators of machinery and equipment subject to inspection shall undergo education under paragraph (1).

(3) Excessive energy-consuming business entities, constructors, and installers of machinery and equipment subject to inspection shall assign the persons in charge of energy management, technical human resources of construction execution business, and operators of machinery and equipment subject to inspection appointed or employed by them, to undergo education under paragraph (1).

(4) Educational institutions, the period and curricula of education under paragraph (1), and other matters necessary for education, shall be determined by Ordinance of the Ministry of Trade, Industry and Energy.

*<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

#### **Article 66 (Reporting and Inspections)**

(1) The Minister of Trade, Industry and Energy or Mayors/Do Governors may order manufacturers, importers or distributors of efficiency management machinery, equipment or materials, products subject to the reduction of standby power or machinery, equipment or materials subject to the certification of high-efficiency energy, any testing institutions, enterprises specialized in energy saving, excessive energy-consuming business entities, diagnosis institutions and installers of machinery and equipment subject to inspection, to report on the relevant affairs, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy, or assign any public official under his/her control or any employee of the Corporation to enter business offices, places of business, factories, or warehouses of manufacturers of efficiency management machinery, equipment or materials, etc. to inspect books, documents, energy-using machinery, equipment or materials or other items, when it is deemed necessary for the enforcement of this Act. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

(2) Any public official or employee of the Corporation who conducts an inspection under paragraph (1), shall carry a certificate indicating his/her authority with him/her and produce such certificate to interested persons.

## **Article 67 (Fees)**

Any of the following persons shall pay fees, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy: <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

1. Any person who intends to apply for certification of high-efficiency energy machinery, equipment or materials under Article 22 (3);
2. Any person who intends to undergo an energy diagnosis under the main sentence of Article 32 (2);
3. Any person who intends to undergo an inspection of machinery and equipment subject to inspection under Article 39 (1), (2) or (4).

## **Article 68 (Hearings)**

If the Minister of Trade, Industry and Energy intends to issue any of the following dispositions, he/she shall hold a hearing: <Amended by Act No. 8852, Feb. 29, 2008; Act No. 10954, Jul. 25, 2011; Act No. 11690, Mar. 23, 2013>

1. Order to prohibit the production or sale of efficiency management machinery, equipment or materials under Article 16 (2);
2. Cancellation of certification of high-efficiency energy machinery, equipment or materials under Article 23 (1);
3. Cancellation of designation as testing institutions under Article 24 (1);
4. Revocation of approval of persons able to take a self-measurement under Article 24 (2);
5. Revocation of the registration of enterprises specialized in energy saving under Article 26: Provided, That revocation of registration pursuant to subparagraph 3 of the same Article shall be excluded;
6. Cancellation of designation as diagnosis institutions under Article 33.

## **Article 69 (Delegation or Entrustment of Authority)**

(1) The Minister of Trade, Industry and Energy may delegate part of his/her authority under this Act to a Mayor/Do Governor, as prescribed by Presidential Decree. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

(2) A Mayor/Do Governor may re-delegate part of his/her authority delegated under paragraph (1) to the head of a Si/Gun/Gu (limited to the head of autonomous Gu) after obtaining approval therefor from the Minister of Trade, Industry and Energy. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

(3) The Minister of Trade, Industry and Energy or a Mayor/Do Governor may entrust the following affairs to the Corporation, the organization of constructors, or institutions prescribed by Presidential Decree, as prescribed by Presidential Decree: <Amended by Act No. 8852, Feb. 29, 2008; Act No. 9373, Jan. 30, 2009; Act No. 11690, Mar. 23, 2013>

1. Examination of an energy use plan under Article 11;
2. Examination or ascertainment as to whether a project supervisor implements an energy use plan, etc. under Article 12;

3. Receipt of reports on measurement results of efficiency management machinery, equipment or materials under Article 15 (3);
4. Receipt of reports on measurement results of products subject to warning signs of standby power under Article 19 (3);
5. Receipt of reports on measurement results of products subject to the reduction of standby power under Article 20 (2);
6. Receipt of applications for the certification of high-efficiency energy machinery, equipment or materials and the certification thereof under Article 22 (3) and (4);
7. Order to cancel the certification of high-efficiency energy machinery, equipment or materials or suspend the use of such certification under Article 23 (1);
8. Registration of enterprises specialized in energy saving under Article 25 (1);
9. Registration and management of the results of reducing greenhouse gas emissions under Article 29 (1);
10. Receipt of reports of excessive energy-consuming business entities under Article 31 (1);
11. Management and supervision of diagnosis institutions under Article 32 (3);
12. Guidance for energy management under Article 32 (5);
- 12-2. Examination and ascertainment as to whether heating and cooling temperatures are maintained or managed appropriately under Article 36-2 (4);
13. Inspection of machinery and equipment subject to inspection, issuance of certificates, and acceptance of reports on the destruction of machinery and equipment subject to inspection under Articles 39 (1) through (4) and (7);
14. Receipt of reports on the appointment, dismissal or retirement of operators of machinery and equipment subject to inspection, and approval for extensions of appointment periods of said operators, under Article 40 (3) and the proviso to paragraph (4) of the same Article.

#### **Article 70 (Deemed Public Official for Application of Penalty Provisions)**

For the purposes of Articles 129 through 132 of the Criminal Act, executive officers and employees of institutions or organizations engaged in affairs entrusted by the Minister of Trade, Industry and Energy under Article 69 (3) shall be deemed public officials. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

#### **Article 71 (Relations to other Acts)**

(1) Deleted. <by Act No. 9373, Jan. 30, 2009>

(2) Any consultation for feasibility of integrated energy supply under Article 4 of the Integrated Energy Supply Act shall be deemed to be consultation for matters concerning integrated energy supply, among the details of consultation on energy use plans under Article 10.

#### **Article 72 (Penalty Provisions)**

Any person who falls under any of the following subparagraphs shall be punished by imprisonment with labor for not more than two years or by a fine not exceeding 20 million won:

1. Any person who refuses or fails to fulfill liability to secure energy storage facilities or store energy under Article 7 (1) without any justifiable grounds;
2. Any person who violates measures, such as adjustment and orders under Article 7 (2) 1 through 8 or 10;
3. Any person who divulges or misappropriates any confidential information known to him/her in performing his/her duties, in violation of Article 63.

#### **Article 73 (Penalty Provisions)**

Any person who falls under any of the following subparagraphs shall be punished by imprisonment with labor for not more than one year or by a fine not exceeding 10 million won:

1. Any person who fails to undergo an inspection of machinery and equipment subject to inspection, in violation of Article 39 (1), (2) or (4);
2. Any person who uses machinery and equipment subject to inspection, in violation of Article 39 (5).

#### **Article 74 (Penalty Provisions)**

Any person who violates an order to prohibit the production or sale under Article 16 (2) shall be punished by a fine not exceeding 20 million won.

#### **Article 75 (Penalty Provisions)**

Any person who fails to appoint operators of machinery and equipment subject to inspection, in violation of Article 40 (1) or (4) shall be punished by a fine not exceeding 10 million won.

#### **Article 76 (Penalty Provisions)**

Any person who falls under any of the following subparagraphs shall be punished by a fine not exceeding five million won:

1. Deleted; <by Act No. 9373, Jan. 30, 2009>
2. Any person who fails to report the outcomes of measuring the quantity of energy used by the relevant efficiency management machinery, equipment or materials, in violation of Article 15 (3);
3. Deleted; <by Act No. 9373, Jan. 30, 2009>
4. Any person who fails to report measurement results of products subject to warning signs of standby power under Article 19 (3);
5. Any person who fails to attach warning signs of standby power to products under Article 19 (4);
6. Any person who indicates that the relevant products are products excellent in the reduction of standby power, in violation of Article 20 (1), or gives a false indication;
7. Any person who fails to comply with a corrective order under Article 21 (1) without any justifiable grounds;
8. Any person who indicates certification, in violation of Article 22 (5).

#### **Article 77 (Joint Penalty Provisions)**

If the representative of a corporation, or an agent or employee of, or other persons employed by, a corporation or individual, commits any violation prescribed in Articles 72 through 76 in connection with the affairs of the corporation or individual, not only shall the violator be punished, but also the corporation



or the individual shall be punished by a fine under the relevant Article: Provided, That the same shall not apply to cases where the corporation or individual has not been negligent in exercising due care and supervision over the relevant affairs to prevent such violation.

#### **Article 78 (Administrative Fines)**

(1) Any of the following persons shall be punished by an administrative fine not exceeding 20 million won: *<Amended by Act No. 11966, Jul. 30, 2013>*

1. Any person who fails to indicate energy efficiency rating or energy efficiency in the relevant efficiency management machinery, equipment or materials, or gives a false indication, in violation of Article 15 (2);
2. Any excessive energy-consuming business entity who fails to undergo energy diagnosis, in violation of Article 32 (2).

(2) Any of the following persons shall be subject to an administrative fine not exceeding 10 million won: *<Amended by Act No. 9373, Jan. 30, 2009>*

1. Any person who fails to submit energy use plans or altered energy use plans, in violation of Article 10 (1) or (3): Provided, That the project supervisor which is the State or local government shall be excluded;
2. Any person who fails to comply with an improvement order under Article 34 without any justifiable grounds;
3. Any person who refuses, obstructs or evades an inspection under Article 66 (1).

(3) Any person who runs an advertisement which does not include matters under Article 15 (4) shall be punished by an administrative fine not exceeding five million won: *<Newly Inserted by Act No. 9373, Jan. 30, 2009; Act No. 11966, Jul. 30, 2013>*

1. and 2. Deleted; *<by Act No. 11966, Jul. 30, 2013>*

(4) Any of the following persons shall be subject to an administrative fine not exceeding three million won: Provided, That in cases under subparagraphs 1, 4 through 6, 8, 9 and 9-2 through 9-4, the State or local governments shall be excluded: *<Amended by Act No. 9373, Jan. 30, 2009; Act No. 13090, Jan. 28, 2015>*

1. Any person who violates any adjustment, order, or other necessary measure concerning the restriction or prohibition of the use of energy as prescribed in Article 7 (2) 9;
2. Any person who fails to submit a demand management investment plan and the outcomes of implementation thereof without any justifiable grounds, in violation of Article 9 (1);
3. Any person who fails to implement a demand management investment plan after correcting or supplementing such plan, in violation of Article 9 (2);
4. Any public project supervisor who refuses or fails to comply with a request for necessary measures as prescribed in Article 11 (1) without any justifiable grounds;
5. Any project supervisor who refuses a request for presentation of related materials as prescribed in Article 11 (2) without any justifiable grounds;

6. Any project supervisor who refuses, obstructs or evades an examination or ascertainment as to whether he/she implements an energy use plan, etc. as prescribed in Article 12 without any justifiable grounds;
  7. Any person who fails to submit data or submits false data, in violation of Article 17 (4);
  8. Any person who fails to preferentially purchase products excellent in the reduction of standby power or high-efficiency energy machinery, equipment or materials without any justifiable grounds, in violation of Article 20 (3) or 22 (6);
  9. Any person who fails to submit a report under Article 31 (1) or submits a false report;
  - 9-2. Any person who refuses, obstructs or evades an examination or ascertainment as to whether heating and cooling temperatures are maintained or managed under Article 36-2 (4) without any justifiable grounds;
  - 9-3. Any person who fails to comply with a corrective order under Article 36-3 without any justifiable grounds;
  - 9-4. Any person who fails to submit a report under Article 39 (7) or 40 (3) or submits a false report;
  10. Any person who uses the name "Korea Energy Corporation" or any name similar thereto, in violation of Article 50;
  11. Any person who fails to receive education, in violation of Article 65 (2), or fails to have other persons receive education, in violation of Article 65 (3);
  12. Any person who fails to submit a report under Article 66 (1) or submits a false report.
- (5) Administrative fines under paragraphs (1) through (4) shall be imposed and collected by the Minister of Trade, Industry and Energy or Mayors/Do Governors, as prescribed by Presidential Decree. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 9373, Jan. 30, 2009; Act No. 11690, Mar. 23, 2013>*
- (6) through (8) Deleted. *<by Act No. 9373, Jan. 30, 2009>*

## ADDENDA

### **Article 1 (Enforcement Date)**

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

### **Article 2 (Transitional Measures concerning Reports on Installation of Machinery and Equipment Subject to Inspection, Inspection of which is Exempted)**

Reports shall be made on the installation of machinery and equipment subject to inspection, the inspection of which is exempted, established and used under the previous provisions at the time this Act enters into force, under the amended provisions of Article 39 (7) 4 within six months after this Act enters into force.

### **Article 3 Omitted.**

### **Article 4 (Relations to other Acts)**

A citation of a provision of the former Energy Use Rationalization Act by any other statutes in force at the time this Act enters into force shall be deemed a citation of the corresponding provision hereof, if

such a corresponding provision exists herein.

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

**Article 1 (Enforcement Date)**

This Act shall enter into force on the date of its promulgation: Provided, That... <Omitted>...amended part of Acts, which are promulgated before this Act enters into force but the enforcement date has not yet arrived, among Acts amended under Article 6 of the Addenda, shall enter into force from the date on which the relevant Acts enter into force, respectively.

**Articles 2 through 7 Omitted.**

ADDENDUM <Act No. 9236, Dec. 26, 2008>

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

ADDENDA <Act No. 9373, Jan. 30, 2009>

(1) (Enforcement Date) This Act shall enter into force on the date of its promulgation: Provided, That the amended provisions of Articles 5 (2), 16 (4), 36-2, 36-3, 69 (3) 12-2, and 78 (4) and (5) shall enter into force six months after the date of its promulgation.

(2) (Transitional Measures concerning Penalty Provisions) The application of penalty provisions to acts committed before this Act enters into force shall be governed by the previous provisions.

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: Provided, That transitions from environment management system certification into green management system certification under Article 4 (12) and (13) of the Addenda shall enter into force 18 months after the date of its promulgation.

**Articles 2 through 4 Omitted.**

ADDENDUM <Act No. 10954, Jul. 25, 2011>

This Act shall enter into force three months after the date of its promulgation: Provided, That the amended provision of subparagraph 5 of Article 68 shall enter into force on the date of the promulgation.

ADDENDA <Act No. 11690, Mar. 23, 2013>

**Article 1 (Enforcement Date)**

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

(2) Omitted.

**Articles 2 through 7 Omitted.**

ADDENDUM <Act No. 11966, Jul. 30, 2013>

This Act shall enter into force on February 6, 2014.

ADDENDUM <Act No. 12298, Jan. 21, 2014>

This Act shall enter into force on the date of its promulgation: Provided, That the amended provisions of Article 31 (1) and subparagraph 5 of Article 33 shall enter into force three months after the date of its promulgation.

ADDENDA <Act No. 13090, Jan. 28, 2015>

**Article 1 (Enforcement Date)**

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

**Article 2 (Transitional Measures Following Name Change of the Corporation)**

- (1) The Korea Energy Management Corporation established pursuant to the previous provisions at the time this Act enters into force shall be deemed the Korea Energy Corporation under this Act.
- (2) An act of or for the Korea Energy Management Corporation under the previous provisions as at the time this Act enters into force shall be deemed an act of or for the Korea Energy Corporation under this Act.
- (3) The Korea Energy Corporation shall amend its articles of incorporation and obtain approval from the Minister of Trade, Industry and Energy within six months after this Act enters into force.

**Article 3 Omitted.**