

IMPLEMENTATION REGULATIONS RELATED TO THE MONGOLIAN LAW ON ENERGY
CONSERVATION, 2016 – unofficial translation

Resolution of the Government №294

On setting thresholds
to determining designated consumers

Based on Article 3.1.8 and 5.1.1 of the Law on Energy Conservation, the Government of Mongolia hereby RESOLVES

The annual energy consumption threshold of designated consumers' should be established according to the Annex

Hereby the Energy Regulatory Commission /S. Otgonbayar/ will be assigned to register consumers whose annual energy consumption is above the thresholds stated in the Annex as designated consumers, organizing necessary works for the enforcement of relevant laws and regulations and monitoring their implementation

PRIME MINISTER OF MONGOLIA
MINISTER OF ENERGY

Ch. SAIKHANBILEG
D. ZORIGT

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Annex of the Resolution

No 294 issued by the Government in 2016

No	Consumer classification	Measuring unit	Designated consumers' annual energy consumption threshold
A. Heat consumer			
1	State owned or local government owned organization	GCal/year	5,000 and above
2	Industry, service	GCal/year	5,000 and above
B. Electricity consumer			
1	State owned or local government owned organization	kWh/year	2,000,000 and above
2	Industry (heavy, light, small and medium)	kWh/year	3,000,000 and above
3	Mine (mining, processing)	kWh/year	5,000,000 and above
4	Service and others	kWh/year	2,000,000 and above
C. Entity or organization running energy generation, transmission and distribution activities			
1	Generation licensee	Own use (percent/year)	10 and above
2	Electricity transmission licensee	Electricity losses (percent/year)	2 and above
3	Energy distribution licensee	Electricity losses (percent/year)	9 and above*
		Heat losses (percent/year)	7 and above
*Within the losses of an electricity distribution network operator, the amount of sales to direct connected consumers should not be considered.			

Resolution of the Government №295
ON APPROVAL OF REGULATIONS

Based on Article 5.1.3 of the Law
on Energy Conservation, the Government
of Mongolia hereby RESOLVES

Approving the “Regulation on performing energy audit” as per Annex 1, “Regulation on requirements for Energy auditing agency and Energy service company and their accreditation” as per Annex 2, “Regulation on organizing training of energy auditor and energy conservation manager, issuing and revoking certificate” as per Annex 3, “Regulation on determining designated consumers, energy saving program and plan of designated consumers’ and their preparation methodology, and reporting their implementation” as per Annex 4 respectively

Assigning the Chairman of the Energy Regulatory Commission S. Otgonbayar to take relevant actions required for enforcing these Regulations and assigning the Minister of Energy D. Zorigt to put under control their implementation respectively

PRIME MINISTER OF MONGOLIA
MINISTER OF ENERGY

Ch. SAIKHANBILEG
D. ZORIGT

IMPLEMENTATION REGULATIONS RELATED TO THE MONGOLIAN LAW ON ENERGY
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Annex I of Resolution №295 issued by the Government in 2016

REGULATION ON PERFORMING ENERGY AUDIT

One. General Provisions

- 1.1. The purpose of this regulation is to regulate autonomous activities, e.g. analysing energy consumption of a citizen, entity and organization and estimating benefits, drawing a conclusion and providing recommendations on energy savings, in relation to the so-called energy audit (in further it will be referred as “audit”).
- 1.2. Performing an audit must comply with the Law on Energy Conservation, the Law on Energy, the Law on Renewable Energy, other relevant laws, and this regulation.
- 1.3. Accredited auditing agency (further it will be referred as “auditing agency”) and an authorized auditor (in further it will be referred as “auditor”) must perform an audit.
- 1.4. The Energy Conservation Council must approve documents, guidelines, methodologies, and templates that will be utilized in performing an audit.
- 1.5. Performing an audit must comply with the principles of legislations, justice, independence, ethics, and client’s confidentiality.

Two. Definitions

- 2.1. In this regulation, the following terms must have the following meaning:
 - 2.1.1. “client” means a citizen or entity who are undergoing the energy audit based on a contract concluded with an audit agency or an auditor;
 - 2.1.2. “a complete audit” means performing an audit on energy consumption of a client’s entire processing operations, non-processing operations, machine, equipment, facilities, and buildings;
 - 2.1.3. “a partial audit” means performing an audit on energy consumption of a part of a client’s processing operations, non-processing operations, machine, equipment, facilities, and buildings
 - 2.1.4. “an energy audit report” means a signed and stamped report by an auditing agency or auditor based on a performed audit on energy consumption of an individual client;
 - 2.1.5. “audit evidence” of the performance of an audit means minutes of meeting, accounting, estimation, study and information about the energy consumption gathered or obtained from the client during the audit performing process.

Three. Audit contract

- 3.1. The Energy Conservation Council must approve a template of the contract which will conclude between the client and auditing agency or auditor for providing audit service. The contract must be made in a written form.
- 3.2. Rights and responsibilities of the contracting parties, scope of work, calculation methodology, measuring devices and tools, work execution period, fees, handing over of results, contract termination and other relevant issues must be included within the contract.
- 3.3. Depending on the type and level of an audit, an audit agency and auditor can jointly conduct the audit activity based on a contract.
- 3.4. Any issues that are not included in the contract template according to the clause 3.1 of this regulation must be agreed between the contracting parties and included in the contract according to requirements of relevant laws.

Four. Type and level of the audit

- 4.1. The audit activity must have types of complete and partial audit and may have following levels:
 - 4.1.1. The first level or general audit. This level of audit pertain to following activities such as the auditing agency or auditor performs analysis on client’s actual energy consumption, energy

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expense, design of the facilities or building and drawing a general conclusion on energy saving potential and reporting them;

- 4.1.2. The second level or detailed audit. This level of audit pertains following activities such as the making analysis on client's energy consumption, estimating technical and economic benefits, feasibility, drawing a conclusion, issuing recommendations through developing different projects or measures to be implemented and reporting them.
- 4.2. Designated consumers specified in article 3.1.8 of the Law on Energy Conservation are mandatory to have conducted the audit stated in clause 2.1.2 and 4.1.2 of this regulation.
- 4.3. Other clients not specified in clause 4.2 of this regulation may have an audit conducted based on selecting the type and level of audit and mutually agreeing with auditing agency or auditor.

Five. Activity to conduct audit

- 5.1. Auditing agency or auditor must jointly develop a plan for conducting audit with a particular client and the plan must be annex of the contract.
- 5.2. Following stages should be adhered in conducting audit:
 - 5.2.1. Gathering and verifying information through obtaining explanation, clarification, technical passports and quantitative figures from the client, conducting observation on operation and, investigating documents;
 - 5.2.2. Processing of gathered and obtained information;
 - 5.2.3. Making analysis on energy demand and supply balance;
 - 5.2.4. Determining whether the client's operation is complying with relevant norms and standards;
 - 5.2.5. Making calculations and analysis and conducting a study;
 - 5.2.6. Developing a report;
 - 5.2.7. Drawing an audit conclusion;
 - 5.2.8. Issuing a recommendation on energy saving;
 - 5.2.9. Introducing and reporting the results of audit activity
- 5.3. Studies and evidence materials used in conducting the audit must be attached to the audit report.

Six. Power of the parties involving in the audit activity

- 6.1. The client must exercise the following powers except provided in Article 10 and 11 of the Law on Energy Conservation:
 - 6.1.1. Providing with necessary conditions and opportunity for conducting audit in a normal way;
 - 6.1.2. Requiring to provide explanation and comments on audit conclusion and issued recommendation, making a request and compliant;
 - 6.1.3. Organizing the implementation of audit conclusion and recommendation and cooperate with the energy service company which provides energy efficiency service;
 - 6.1.4. Participating in a survey conducting by the Energy Conservation Council on quality of audit service, professional level and skills;
 - 6.1.5. Other rights and obligations provided in legislation.
- 6.2. Auditing agency and auditor must exercise following powers except provided in Article 13.3 and 13.4 of the Law of Energy Conservation:
 - 6.2.1. Visiting at client's factory or office and inspecting conditions of technique, equipment, facility and building;
 - 6.2.2. Obtaining explanations and clarifications from client's relevant employees;
 - 6.2.3. Requiring to provide hand written materials, electronic documents and information needed for

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conducting audit;

- 6.2.4. Adhering internal rules and regulations related to client's work place safety during the audit conducting process;
 - 6.2.5. Use all the documents and information obtained during the auditing in purpose of auditing only
 - 6.2.6. Providing audit's evaluation, conclusion and recommendation of the audit by complying with the legislation.
- 6.3. An auditing agency or auditor may provide required technical and management advice to the client who is implementing energy saving measures in accordance with the audit recommendation.

Seven. Miscellaneous

- 7.1. The Energy Conservation Council must resolve all requests and complaints made by a client regarding illegal activity and ethical standard of the auditing agency or auditor.
- 7.2. The Energy Conservation Council must approve a regulation for resolving requests and compliant provided in clause 7.1 of this regulation through complying with the legislation.
- 7.3. The parties may make a claim to court if they do not accept the decision taken by the Energy Conservation Council according to the clause 7.1 of this regulation.

Annex II of Resolution №295 issued by the Government in 2016

**REGULATION ON REQUIREMENTS FOR ENERGY AUDITING AGENCY AND ENERGY
SERVICE COMPANY AND THEIR ACCREDITATION**

One. General Provisions

- 1.1. The objective of this regulation is to coordinate relations expected to arise in connection with determining requirements for “Energy Auditing Agency” (in further it will be referred as “Auditing agency”) and a professional organization which will provide energy efficiency service (in further it will be referred as “Energy service company”), accreditation of these organizations, extension of accreditation period, revoking of accreditation and establishing a service fee.
- 1.2. The Law on Energy Conservation, the Law of Energy, and the Law on Renewable Energy, other relevant laws and this regulation must be adhered in conducting the activity provided in clause 1.1 of this regulation.

Two. Definitions

- 2.1. Within this regulation, the following terms must have the following meanings:
 - 2.1.1. “accreditation” means a confirming certificate issued to the organization which met with requirements specified in this regulation with a purpose to implement activities provided in Article 13 and 14 of the Law on Energy Conservation;
 - 2.1.2. “energy auditing agency” means an entity authorized to conduct energy auditing activity under the Article 3.1.4 of the Law on Energy Conservation;
 - 2.1.3. “energy service company” means an entity authorized conducting energy saving and energy efficiency improving activities and providing energy efficiency service to designated consumers and citizen or entity made a request under the Article 3.1.7 of the Law on Energy Conservation.

Three. Requirements for auditing agency and energy service company

- 3.1. Auditing agency must comply with the following requirements:
 - 3.1.1. Must be legally registered in Mongolia and operates a business in the energy or construction sector;
 - 3.1.2. Must employs at least than 3 experts namely an energy auditor, engineer and economist;
 - 3.1.3. The auditor must be full time staff of the auditing agency
 - 3.1.4. Must have gathered documents such as norms, standards and methodology related to energy saving in accordance with the list issued by the Energy Conservation Council;
 - 3.1.5. Must have measuring devices, tools, equipment and software required to conduct an energy audit in a normal way.
- 3.2. Energy service company must comply with the following requirements:
 - 3.2.1. Must be legally registered in Mongolia and operates a business in energy or construction sector;
 - 3.2.2. Must possess licenses for doing energy construction activity, line and network installation and construction activity or for conducting a construction activity, developing design drawings;
 - 3.2.3. Must have proven track providing service according clause 3.2.2 of this regulation for the last two years.

Four. Accreditation process

- 4.1. An entity which meets with the requirements under clause 3.1 of this regulation must submit its application for obtaining accreditation certificate to the Energy Conservation Council. The following documents must be attached to the application:
 - 4.1.1. A copy of the State Registration Certificate;

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- 4.1.2. Documents such as norms, standards and methodology related to energy saving in accordance with the list issued by the Energy Conservation Council;
- 4.1.3. A copy of document which proves that the entity complies with the requirements according clause 3.1.2 of this regulation;
- 4.1.4. Information about measuring devices, equipment and software specified within clause 3.1.5 of this regulation and their technical passports and photos.
- 4.1.5. Copies of energy audit report, service confirmation signed by contracted designated consumers and other clients if it has conducted energy auditing activity before.
- 4.2. An entity which complies with the requirements according clause 3.2 of this regulation must submit its application for obtaining accreditation certificate to the Energy Conservation Council. The following documents must be attached to the application:
 - 4.2.1. A copy of the State Registration Certificate;
 - 4.2.2. A copy of license certificate under clause 3.2.2 of this regulation;
 - 4.2.3. introduction about main business of the company;
 - 4.2.4. Copies of diplomas and certificates and engineers and technicians who will work on energy saving and energy efficiency field and documents related to their position;
 - 4.2.5. Copies of audited financial statement of the company for last two years;
 - 4.2.6. List of work done in the frame of the license under clause 3.2.2 of this regulation and copies of documents for sizing up of contracts;
- 4.3. The entity applying for audit accreditation certificate for the first time must gather documents specified under clause 4.1.1 – 4.1.4 of this regulation;
- 4.4. An application does not meet with the requirements on documents required to submit must be returned to the applicant within 3 days since receipt of the application.
- 4.5. In cases except under the clause 4.4 of this regulation, the energy Conservation Council must make a decision whether to issue or not the accreditation certificate within 30 days since the receipt of the application.
- 4.6. In case the Energy Conservation Council has not taken a decision on issuing accreditation certificate within the period specified under clause 4.5 of this regulation, it must be deemed that the accreditation certificate is issued.
- 4.7. The following items must be indicated in the accreditation certificate:
 - 4.7.1. Name of the organization issuing the accreditation certificate;
 - 4.7.2. Name and address of organization holding the accreditation certificate;
 - 4.7.3. Type of accredited activities;
 - 4.7.4. Term of accreditation certificate;
 - 4.7.5. A reference number of accreditation certificate and issuing date;
 - 4.7.6. A signature of authorized officer of the organization issuing the accreditation certificate and its stamp.

Five. Accreditation term and its extension

- 5.1. The accreditation certificate must be issued for 2 years and it should become valid from the day it was issued.
- 5.2. A request for extension of validity of the accreditation certificate must be submitted to the Energy Conservation Council not less than 45 days before the expiration date of the accreditation certificate.
- 5.3. The accreditation certificate may be extended for a period up to 5 years.
- 5.4. An auditing agency and energy service company must attach documents according clause 4.1

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and 4.2 of this regulation respectively to the request for extension of the validity of the accreditation certificate.

5.5. The decision for extension of validity of the accreditation certificate must be based on the following criteria:

- 5.5.1. The auditing agency is required to have performed not less than 2 detailed audits and the energy service company is required to have implemented not less than 1 energy saving project or measure;
- 5.5.2. Auditors, engineers and employed technicians have been attended in refresher training and advanced training;
- 5.5.3. The energy auditing agency or energy service company have required instrumentation, equipment, technique and tools;
- 5.5.4. An evaluation provided by the client that made use of the energy audit or professional service.

Six. Revoking Accreditation certificate

6.1. The accreditation certificate must be revoked in following cases:

- 6.1.1. A requirement made by the Energy Conservation Council on eliminating the breaches occurred in connection with the activities done according to the accreditation certificate has not been fulfilled for several times within the A defined time period.
 - 6.1.2. Determination of the fact that it does not meet with the requirements set under the clause 3.1 and 3.2 of this regulation;
 - 6.1.3. Determination of the fact that the accreditation certificate was obtained illegally or the entity was restructured dissolved or became bankrupt.
- 6.2. If the accreditation certificate is considered to become invalid, the Energy Conservation Council must inform about it through its website within 1 working day to the public.

Seven. Registration of accredited organization and creating a database

- 7.1. The Energy Conservation Council must organize registration of accredited organization, providing information to the public and managing the registration through creating an electronic database.
- 7.2. The information about the accredited organization and its auditors, engineers and technicians should be placed in the electronic database as provided in clause 7.1 of this regulation.
- 7.3. If the proper name, address, organizational structure, the staff consisting of auditor, engineer and technicians have been changed, the organization must inform about this to the Energy Conservation Council within 14 days.
- 7.4. In case of the accreditation certificate has been revoked the electronic database must be changed within 1 working days under clause 7.1 of this regulation and the entity must be omitted from the database.

Eight. Miscellaneous

- 8.1. The Energy Conservation Council must resolve disputes arisen in connection with accreditation activity.
- 8.2. The rule for resolving disputes under clause 8.1 of this regulation must be approved by the Energy Conservation Council through complying with the legislation.
- 8.3. If the decision taken by the Energy Conservation Council according to the clause 8.1 of this regulation is not accepted then it is possible make a claim to Court.

Annex III of Resolution №295 issued by the Government in 2016

**REGULATION ON ORGANIZING TRAINING OF ENERGY AUDITOR AND ENERGY
CONSERVATION MANAGER, ISSUING AND REVOKING CERTIFICATE**

One. General Provisions

- 1.1. The objective of this regulation is to coordinate relations arising in connection with organizing a training for preparation of energy auditor (in further it will be referred as “auditor”) and energy conservation manager (in further it will be referred as “manager”), issuing a certificate and revoking of the issued certificate.
- 1.2. The Law on Energy Conservation, relevant other laws and this regulation must be adhered in activities such as organizing auditor and manager preparation training, issuing certificate and revoking of the issued certificate.
- 1.3. The Energy Conservation Council must organize auditor and manager preparation training based on a contract made with a training organization which meets with the requirements of this regulation.

Two. Definitions

- 2.1. Within this regulation, the following terms must have the following meanings:
 - 2.1.1. “training program” means a documents contains content package and credit hours of auditor and manager preparation training approved by the Energy Conservation Council;
 - 2.1.2. “training organization” means a legal entity organizing auditor and manager preparation training according to this regulation based on a contract;
 - 2.1.3. “training teacher” means a citizen who has got master’s or a degree above this in energy and construction field, has attended in training organized by the Energy Conservation Council and has got qualified and consulting engineer’s rank or has been authorized to work as a teacher;
 - 2.1.4. “training” means auditor and manager preparation training must be conducted in the frame of the training program approved by the Energy Conservation Council;
 - 2.1.5. “exam committee” means a group appointed by the Energy Conservation Council which must take exam from trainees attended in auditor and manager preparation training;
 - 2.1.6. “exam” means an exam which must issue an authority to work as auditor and manager;

Three. Requirements for training organization

- 3.1. An organization which will conduct auditor and manager preparation training must meet with the following requirements:
 - 3.1.1. Must have a schoolroom, technique, training tools and accessories;
 - 3.1.2. Must have testing equipment, measuring devices and tools required for conduct the training in accordance with the training program;
 - 3.1.3. Must have training teachers qualified in the training field;
 - 3.1.4. Must have a curricula for training and practice of trainees;
- 3.2. A legal entity interested to conduct training must submit its application for organizing auditor and manager preparation training to the Energy Conservation Council. The following documents must be attached to the application:
 - 3.2.1. A copy of the State Registration Certificate;
 - 3.2.2. Copies of curriculum vitae of training teachers and documents proving their qualification;
 - 3.2.3. Number of trainees to be attended and a training program;
 - 3.2.4. Introduction about the place where practice of the training will be conducted;
 - 3.2.5. Introduction determining qualification field of the training in the frame of the training program;

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- 3.3. An application does not meet with the requirements on documents required to submit under clause 3.2 of this regulation must be returned to the applicant within 3 days since receipt of the application.
- 3.4. In cases except under the clause 3.3 of this regulation, the Energy Conservation Council must make a decision whether to conclude or not a contract for organization of training within 30 days since the receipt of the application.
- 3.5. The Energy Conservation Council must conclude the contract for conducting training with the legal entity for a period of 1 year and the contract may be extended for a period of 2 years.
- 3.6. The Energy Conservation Council must inform about the organization which concluded training conducting contract through its web site to the public.

Four. Requirements for trainees

- 4.1. A trainee who will attend in auditor and manager preparation training must meet with the following requirements:
 - 4.1.1. Must have an engineer's and engineer-economist's bachelor's degree or degrees above this in energy, construction field;
 - 4.1.2. A trainee going to attend in manager preparation training must have worked not less than 3 years in the professional field;
 - 4.1.3. A trainee going to attend in auditor preparation training must have worked not less than 8 years in the professional field;
- 4.2. A trainee who complies with the requirements according clause 4.1 of this regulation should submit its application within the announced deadline. The following documents must be attached to the application:
 - 4.2.1. A Copy of citizen ID;
 - 4.2.2. A copy of social security book;
 - 4.2.3. 3 copies of photo with size of 3.5 x 4.5 cm
 - 4.2.4. Reference letter issued by the Employer (if presently employed)
 - 4.2.5. A copy of tertiary education diploma;
 - 4.2.6. A copy of certificate of specialized training in professional field;

Five. A training for preparing and specializing auditor and manager

- 5.1. Training organization must conduct training according to the training program approved by the Energy Conservation Council.
- 5.2. Auditor and manager preparation training must have courses in following field:
 - 5.2.1. energy auditor for industry and service sector (electricity, heat and gas)
 - 5.2.2. energy auditor in building and construction field;
 - 5.2.3. energy conservation manager.
- 5.3. Training organization must announce about the training through media and web site of the Energy Conservation Council not less than 1 month before the start of training to the public.
- 5.4. Training organization will register a trainee who complies with the requirements according clause 4.1 of this regulation and submitted all required documents according clause 4.2 of this regulation and participate to the training.
- 5.5. Training organization must submit a training report and a request for accepting to take exam for issuing authorization to work as auditor and manager to the Energy Conservation Council together with documents attached to application of a trainee within 3 working days after the training was completed.
- 5.6. The Energy Conservation Council must organize the exam for issuing authorization to work as

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auditor and manager within working 7 days after the completion of the training and the announce exam schedule through its web site to the public.

- 5.7. The Energy Conservation Council must evaluate the quality of training organized by a training organization through conducting a survey among trainees or employers, considering the trainees' examination result and using other advanced tools.

Six. Process of exam issuing authorization to work as auditor and manager

- 6.1. An exam committee must take the exam issuing authorization to work as auditor and manager
- 6.2. The exam must be taken in 2 stages:
 - 6.2.1. The first stage: A test examining knowledge obtained in the frame of the training program;
 - 6.2.2. The second stage: A practice work report and a pilot project written on energy conservation and efficiency in the frame of the training program.
- 6.3. A trainee is considered to be passed if gets 80 percent of the total score or above this in the professional exam as the first stage and must be allowed to take the second stage of the exam.
- 6.4. A trainee is considered to be passed if gets a score of 70 or above this in the practice work report.
- 6.5. The Energy Conservation Council must inform about the results of the exam issuing authorization to work as auditor and manager through its web site to the public.
- 6.6. A trainee is entitled to enter to the next exam if he or she could not take exam due to an excusable reason.
- 6.7. If trainee could not pass the exam, he or she may take the exam once again.
- 6.8. The exam committee may provide a clarification upon receiving a written request regarding the exam evaluation.

Seven. Certificate of auditor and manager

- 7.1. A certificate must be issued to a citizen who passed the exam issuing authorization to work as auditor based on decision of the Energy Conservation Council. The term of certificate must be for 2 years and in the further it must be extended for 5 years.
- 7.2. A termless certificate must be issued to a citizen who passed the exam issuing to work as manager based on decision of the Energy Conservation Council.
- 7.3. The following information must be included in the certificate:
 - 7.3.1. Name of the organization issued the certificate;
 - 7.3.2. Family name, surname and given name of the certificate holder;
 - 7.3.3. Auditor's activity field;
 - 7.3.4. If stated according clause 7.1 of this regulation, the term of the certificate;
 - 7.3.5. The certificate number, issuing date;
 - 7.3.6. Signature and stamp of the authorized officer of the organization issued the certificate;
- 7.4. An identity card must be given to the auditor together with the certificate.
- 7.5. Auditor must possess a stamp to be used only in auditing activity. The sample of the stamp must be approved by the Energy Conservation Council.
- 7.6. The Energy Conservation Council must register the sample of the stamp, and shape of an authorized signature of auditor.
- 7.7. The Energy Conservation Council must register the auditor and manager who received authorization to work in its database and inform to the public through its web site.
- 7.8. The Energy Conservation Council must decide whether to extend the auditor's certificate by considering the works done in the past 2 years, outcome of the service provided and results of

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the refresher training exam.

7.9. Auditor's certificate must be revoked in the following cases:

- 7.9.1. It was proven that the main principles should be adhered in conducting audit activity such as honouring legislation, respecting justice, working independently and observing ethical conduct and keeping confidentiality were violated.
- 7.9.2. An authorized organization has determined that the auditor had a serious professional breach and had deficiency in its audit activity.

Eight. Miscellaneous

- 8.1. The training organization is prohibited to transfer the training program approved by the Energy Conservation Council to a third party.
- 8.2. Auditors use its stamp for only endorsing the works executed by him or her.
- 8.3. Any disputes arisen in connection with issuing certificate to auditor and manager, extension and revoking the certificate must be resolved by the Energy Conservation Council.
- 8.4. A "Rule for resolving disputes" under the clause 8.3 of this regulation must be approved by the Energy Conservation Council through complying with the legislation.
- 8.5. If the decision taken by the Energy Conservation Council according to the clause 8.3 of this regulation is not accepted then it is possible make a claim to Court.

Annex IV of Resolution №295 issued by the Government in 2016

**REGULATION ON DETERMINING DESIGNATED CONSUMERS, ENERGY SAVING
PROGRAM AND PLAN OF DESIGNATED CONSUMERS' AND THEIR PREPARATION
METHODOLOGY, AND REPORTING THEIR IMPLEMENTATION**

One. General Provisions

- 1.1. The purpose of this regulation is to regulate relations arising in connection with determining obligation of designated consumers, approving methodology for developing energy conservation program and annual plan and reporting implementation of program and the plan.
- 1.2. The Law on Energy Conservation, the Law of Energy, and the Law on Renewable Energy, other relevant laws and this regulation must be adhered in conducting the activity provided in clause 1.1 of this regulation.
- 1.3. Template of documents, guidelines, methodology and forms to be used in energy conservation activity of the designated consumers must be approved by the Energy Conservation Council.

Two. Definitions

- 2.1. Within this regulation, the following terms must have the following meanings:
 - 2.1.1. “energy audit report” means by signature and stamp endorsed report provided by an energy audit agency or an energy auditor based on an accomplished energy audit on energy consumption of a client;
 - 2.1.2. “energy conservation program” means a document developed in accordance with the audit report prepared by conducting an energy audit on designated consumer’s energy consumption and issue recommendations which includes goal objectives, , direction and planning of activities to be implemented for energy saving;

Three. Determination and registration of designated consumers

- 3.1. The Energy Conservation Council must determine the citizen and entity with an energy consumption more than the threshold set by the Government according to the Article 3.1.8 of the Law on Energy Conservation and inform about this to them.
- 3.2. Designated consumers must be classified in following way:
 - 3.2.1. Entities and organization operating energy generation, transmission and distribution businesses;
 - 3.2.2. Entities and organization operating businesses within the mining sector (mining and processing) ;
 - 3.2.3. Entities and organization operating businesses within the industrial sector (heavy, light,small and medium);
 - 3.2.4. An organization financed out of the state or local budget;
 - 3.2.5. A citizen or entity operating businesses in service and other sectors;
- 3.3. Designated consumers’ annual energy consumption must be determined and registered based on the following information:
 - 3.3.1. Quantity and percentage of own consumption (auxiliaries power) of energy generation companies, amount and percentage transmission and distribution losses of transmission and distribution companies stated in the official report submitted to the Energy Regulatory Commission;
 - 3.3.2. Other consumers not stated under clause 3.2.1 of this regulation, the quantity of energy consumption provided by the energy supplying organization upon request of the Energy Conservation Council;
- 3.4. The Government must revise setting the threshold of designated consumers’ energy consumption in every 3 years.

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- 3.5. The Energy Conservation Council must officially notify about registering as a designated consumer to a particular citizen or entity who was registered as a designated consumer.
- 3.6. The Energy Conservation Council must strike off a designated consumer from the registration based on the following reason:
 - 3.6.1. The energy consumption has been reduced below the threshold set by the Government as a result of implementing energy saving measures;
 - 3.6.2. Auditing agency, auditor or a committee appointed by the Energy Conservation Council has concluded that the energy efficiency has reached up to its highest possible level;
 - 3.6.3. A designated consumer was abolished by a decision of an authorized organization or it becomes bankrupted.
- 3.7. A designated consumer must not be strike off from the registration except the case stated under clause 3.6 of this regulation.

Four. Power of Designated consumer

- 4.1. The designated consumers must implement following measures:
 - 4.1.1. Appointing the energy conservation manager who must be responsible working in energy saving field within a period of 3 months;
 - 4.1.2. Installing meters in order to determine energy consumption and energy flow (balance);
 - 4.1.3. Must prepare information about production of goods and energy consumption according to the relevant template and forms and deliver to the Energy Conservation Council within a period of 6 months;
 - 4.1.4. Must be responsible ensuring that its energy conservation manager taking exam for issuing an certificate to work as energy auditor and manager within 3 month since the appointment;
 - 4.1.5. Must inform about appointment and dismiss of the energy conservation manager within 14 days to the Energy Conservation Council;
 - 4.1.6. Must provide a working condition and opportunity to the energy conservation manager;
 - 4.1.7. Must have a complete-detailed energy audit within the first 18 months, thereafter for every 3 years;
 - 4.1.8. Must develop energy conservation program and a annual plan for its implementation according to the template and methodology released by the Energy Conservation Council and report about the results of implementation;
- 4.2. Number of managers may be increased depending on functional feature of the designated consumer and organization and scope of work.
- 4.3. Designated consumers must obtain required instruction and recommendation from the auditing agency or auditor conducted energy audit during the implementation of energy saving measures.
- 4.4. A designated consumer may postpone the period state under clause 4.1.7 of this regulation once for a period up to 12 months in case of arising following circumstances:
 - 4.4.1. Its operation has ceased for a temporary period partially and fully due to natural disaster and force majeure;
 - 4.4.2. Its operation has changed considerably or conducting repair, maintenance or implementing expansion;
 - 4.4.3. Planned to transfer its facility, building and equipment to another location within one year since registered as a designated consumer.

Five. Methodology for developing energy saving program and plan

- 5.1. Energy saving program must be developed based on the followings:
 - 5.1.1. An audit report prepared by conducting energy audit on its energy consumption and recommendation for energy saving issued by the energy auditing agency or auditor;

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- 5.1.2. Business plan and strategic development policy paper of the organization;
- 5.2. Followings should be included in the energy saving program together with implementation time;
 - 5.2.1. Analysis of energy consumption for producing a unit product;
 - 5.2.2. Objectives and goal of the program determined based on the results of the analysis;
 - 5.2.3. Alternatives for achieving the goal and completing the task;
 - 5.2.4. Preliminary assessment made on each alternative stated under the clause 5.2.3 of this regulation;
- 5.3. Followings must be taken into consideration in developing the annual plan for implementing the energy saving program.
 - 5.3.1. Technical and economic feasibility and benefits of measures to be implemented in energy saving field;
 - 5.3.2. Financial viability for implementing the energy saving measures;
- 5.4. It must be included in the energy saving program to conduct a training in order to change habits of employees, increasing awareness of energy saving and value of the energy;

Six. Informing and reporting

- 6.1. Following documents must be endorsed by the designated consumer and submitted to the Energy Conservation Council within the period stated below:
 - 6.1.1. An annual plan for energy saving within December 1st of the previous year;
 - 6.1.2. Annual report of the energy saving program annual plan within March 1st of the next year;
- 6.2. Management and energy conservation managers must endorse in the report stated under clause 6.1 of this regulation by signing on it.
- 6.3. An energy audit report prepared by conducting energy audit on energy consumption of the designated consumer must be submitted to the Energy Conservation Council within 14 days in each case.

Seven. Miscellaneous

- 7.1. Any disputes arisen in connection with determining designated consumers, implementing energy saving program and plan, and reporting its realization must be resolved by the Energy Conservation Council.
- 7.2. A "Rule for resolving disputes" under the clause 7.1 of this regulation must be approved by the Energy Conservation Council through complying with the legislation.
- 7.3. If the decision taken by the Energy Conservation Council according to the clause 6.1 of this regulation is not accepted then it is possible make a claim to Court.