

THE ENERGY CONSERVATION LAW OF MONGOLIA

CHAPTER ONE./GENERAL PROVISIONS/

Article 1. The Purpose of the Law

- 1.1. This Law to provide for efficient use of energy and its conservation and for matters connected therewith or incidental thereto

Article 2. Legislation on Energy Conservation

- 2.1. Legislation on energy conservation shall consist of Energy Law of Mongolia, Renewable Energy Law and other legal acts adopted in conformity therewith.
- 2.2. If an international treaty to which Mongolia is a party is inconsistent with this law, then the provisions of the international treaty shall prevail.

Article 3. Definitions

- 3.1. In this law, the following terms shall have the following meanings:
 - 3.1.1. “**Energy**” means the energy definition under Clause 3.1.1 of the Energy Law;
 - 3.1.2. “**Energy conservation**” means the measured or calculated reduction in the positive amount of energy consumed prior to and following all actions implemented for the purpose of the energy conservation;
 - 3.1.3. “**Energy efficiency**” means the ratio of the useful energy output over the required energy input for manufacturing a good or product or carrying out a task or service;
 - 3.1.4. “**Energy audit**” means the independent activities for verification, monitoring and analysis of use of energy by citizens, business entities and organizations; submission of report; recommendations for improving energy efficiency; and issuing conclusions;
 - 3.1.5. “**Energy auditing agency**” means any legal entities which holds a license for auditing and provides services under Clause 3.1.4;
 - 3.1.6. “**Energy auditor**” means any legal person, who holds a license for auditing and works for legal entity;
 - 3.1.7. “**Energy service company**” means any legal company which holds a license for strengthening consultancy services and providing energy services in the field of energy efficiency and its conservation requested by designated consumers and obligations as citizens, companies and organizations;
 - 3.1.8. “**Designated consumers**” means any legal entity, whose energy usage is above the energy consumption threshold as defined by Government;
 - 3.1.9. “**Energy conservation manager**” means any employee, who is authorized to work for the designated consumers;

CHAPTER TWO./FULL POWERS OF STATE AUTHORITIES WITH REGARD TO ENERGY CONSERVATION/

Article 4. Full Powers of the State Ikh Khural

- 4.1. The State Ikh Khural shall formulate the state policy on energy conservation.³

Article 5. Full Powers of the Cabinet

- 5.1. The Cabinet shall exercise the following full powers with regard to energy conservation:
 - 5.1.1. Organize implementation of the state policy and legislation on energy conservation;
 - 5.1.2. Approve the national energy conservation program.

5.1.3. Approve regulations under Clause 9.1.9

5.1.4. Approve the list of the energy-saving equipment to import.

Article 6. Full Powers of the State Central Administrative Authority

- 6.1. The State Central Administrative Authority in charge of energy shall exercise the following full powers:
- 6.1.1. Organize and ensure the implementation of the legislations and decisions on energy conservation;
 - 6.1.2. Specify and approve the norms and standards for buildings, equipment, appliances, services and materials, and for generation, transmission and distribution of energy regarding energy efficiency and its conservation;
 - 6.1.3. Develop the implementation plan of the state policy on energy conservation and submit its performance to the Energy Conservation Council;

Article 7. Full Powers of Governors of Aimags, the Capital City, Soums and Districts

- 7.1. Governors of aimags, the capital city, soums and districts shall organize implementation of legislation on energy conservation and decisions issued by the authority in charge, in conformity with this legislation, develop a policy on energy conservation in their respective territories;
- 7.2. Determine local policy on energy conservation and implement it in collaboration with related organizations;
- 7.3. Prepare progress reports of the implementation related to energy conservation in Aimags and the Capital city, and forward them to the Energy Conservation Council;

Article 8. Energy Conservation Council

- 8.1. Duties of the Energy Conservation Council shall be to regulate and implement policies on energy conservation statewide (hereinafter referred to as “Conservation Council”) under the direction of Energy Regulatory Commission;
- 8.2. On the structure of the Energy Regulatory Commission, there is a specialized units, who is responsible for implementing energy efficiency policies;

Article 9. Full Powers of the Energy Conservation Council

- 9.1. The Energy Conservation Council shall exercise the following full powers:
- 9.1.1. Facilitate the implementation of the state policy and legislation on energy conservation at the national level;
 - 9.1.2. Formulate national program related with energy conservation;
 - 9.1.3. Responsible for obtaining annual performance and report of the designated consumers on energy consumption;
 - 9.1.4. Register designated consumers;
 - 9.1.5. Issue, suspend and cancel an accreditation for energy auditing agencies and energy service companies;
 - 9.1.6. Issue a license for energy auditors and energy managers;
 - 9.1.7. Take all measures necessary to create database and awareness, and disseminate information for efficient use of energy and its conservation, and advertise the same
 - 9.1.8. Organize training and specializing energy auditors and energy conservation managers;
 - 9.1.9. Conservation Council shall organize to formulate following regulations;
 - 9.1.9.a. Regulations related to energy auditing activities under Clause 13.3. and Clause 13.4
 - 9.1.9.b. Regulations for accreditation procedures and requirements of the energy service company and energy auditing agency

- 9.1.9.c. Regulations for training energy auditors and managers; regulations relating to the issuing, amending and revoking an accreditation;
- 9.1.9.d. Regulations for classification, grading, labeling and monitoring of the energy powered goods, such as machinery, electronic equipment, home appliances, by their energy usage;
- 9.1.9.e. Regulations for specifying and registering designated consumers, regulations for methodology of the formulating and submitting its programs; for annual implementation plan and its reporting procedures related with energy conservation for the designated consumers;
- 9.1.9.f. Other applicable rules and regulations;
- 9.1.10. Prepare annual report of the implementation of the energy conservation policy, and submit a copy thereof to the Cabinet;
- 9.1.11. Resolve any dispute related with energy professional services in accordance with their jurisdiction;
- 9.2. Energy Conservation Council can be carried out its full powers specified in Clause 9.1.7, 9.1.8 by non-governmental organizations.

CHAPTER THREE./RIGHTS AND OBLIGATIONS OF ENERGY CONSUMERS/

Article 10. Rights and obligations of designated consumers

- 10.1. The designated consumers shall have the following rights:
 - 10.1.1. Select an energy auditing agency;
 - 10.1.2. Claim a reasonable explanation of energy auditing conclusion and recommendation;
 - 10.1.3. Select and implement the recommendations under Clause 13.4.2;
 - 10.1.4. Incentives for implementing energy-saving measures;
- 10.2. The designated consumers shall have the following obligations:
 - 10.2.1. Conserve energy and use it efficiently;
 - 10.2.2. Any designated consumer shall get an energy audit report prepared by a certified energy auditor;
 - 10.2.3. Formulate and approve programs related to energy conservation and its efficient use, and prepare an implementation action plan thereof;
 - 10.2.4. Submit a report of implementation of the energy conservation measures under Clause 10.2.2-10.2.3 to the Conservation Council annually;
 - 10.2.5. Report within 14 days in written form to the Conservation Council the appointment and discharging of a certified energy manager for the purposes of this Law;
 - 10.2.6. Submit the complaints related with energy professional services to resolve so the Conservation Council.

Article 11. Rights and obligations of citizens, companies and organizations

- 11.1. The citizens, companies and organizations shall have the following rights and obligations:
 - 11.1.1. Ask advice from energy auditing agency relating to energy conservation;
 - 11.1.2. Get an energy audit report prepared by a certified energy auditor voluntary.

Article 12. Incentives

- 12.1. Those designated consumers, citizens and entities shall have incentives, who are constructed energy-efficient building, or planned energy-efficient design, or manufactured or imported energy-efficient machinery, equipment, products and materials, or implemented energy efficient measures

CHAPTER FOUR./ENERGY CONSERVATION SERVICES/

Article 13. Energy auditing agency, energy auditor

- 13.1. Energy auditing agency and energy auditor shall operate their activities on bases of accreditation.
- 13.2. Energy auditing is regulated by regulation under Clause 9.1.9.a.
- 13.3. Energy auditing agency and energy auditor shall have the following rights:
 - 13.3.1. Obtain necessary explanations and materials related with auditing from the designated consumers;
 - 13.3.2. Make recommendations and conclusions on energy auditing requested by citizens, companies and organizations;
- 13.4. Energy auditing agency and energy auditor shall have the following obligations:
 - 13.1.1. Calculate, analyze and conclude energy consumption of the designated consumers;
 - 13.1.2. Make economic efficiency and technical feasibility proposals to the designated consumers;
 - 13.1.3. Explain the grounds for a given recommendation and/or conclusion upon request by designated consumers;

Article 14. Energy Service Company

- 14.1. Energy Service Company shall operate the following activities related with promotion of efficient use of energy on bases of accreditation.
- 14.2. Energy service company shall provide professional services to the designated consumers by a contract;
- 14.3. Energy service company shall invest and take the full responsibility of the risk during providing energy efficient services;

Article 15. Energy manager

- 15.1. Energy manager is certified to ensure their rights;
- 15.2. Energy manager shall have the following rights and obligations:
 - 15.2.1. Comply with the priorities identified by the Conservation Council;
 - 15.2.2. Responsible for organizing and implementing the plan of the designated consumers related with their energy conservation and efficient use of energy;
 - 15.2.3. Responsible for monitoring the energy conservation activities of the designated consumers;
 - 15.2.4. Report on their activities to the Conservation Council annually;
 - 15.2.5. Participate in specialization trainings organized by the Conservation Council;

CHAPTER FIVE./MISCELLANEOUS/

Article 16. Penalties and adjudication

- 16.1. If a breach of legislation on energy conservation does not constitute a criminal offense, the state energy inspector shall impose the following penalties:
 - 16.1.1. If any designated legal entities under clause (10.2) fail to comply with obligations, the official shall be liable to a penalty of 2-5 times of minimum wage and the company and organization shall be liable to a penalty of 10-15 times of minimum;
- 16.2. If any energy auditing agency and energy service company fail to comply with their operation of the energy audit due to damage anyway the consumer and designated legal entities, the energy auditing agency shall be liable to repay the amage and their accreditation will be suspended or revoked;

Article 17. Effectiveness

- 17.1. This Act shall come into force on November 26, 2015.