SEOUL METROPOLITAN GOVERNMENT ORDINANCE ON ESTABLISHMENT AND OPERATION OF CLIMATE CHANGE FUND

Enactment No. 2865, Jan. 14, 1992
Partial Amendment No. 3672, Sep. 30, 1999
Partial Amendment No. 3701, Jan. 15, 2000
Partial Amendment No. 3923, Nov. 10, 2001
Partial Amendment No. 3948, Jan. 05, 2002
Amendment of Other Laws No. 4050, Jan. 10, 2003
Partial Amendment No. 4149, Nov. 15, 2003
Partial Amendment No. 4432, Oct. 04, 2006
Whole Amendment No. 4561, Oct. 01, 2007
Amendment of Other Laws No. 4908, Jan. 07, 2010
Partial Amendment No. 5404, Dec. 31, 2012
Partial Amendment No. 5586, Oct. 04, 2013
Partial Amendment No. 5635, Jan. 09, 2014
Partial Amendment No. 5747, Oct. 20, 2014
Amendment of Other Laws No. 5930, May. 14, 2015
Amendment of Other Laws No. 6016, Oct. 08, 2015
Amendment of Other Laws No. 6386, Jan. 05, 2017
Partial Amendment No. 6588, Jul. 13, 2017
Partial Amendment No. 6745, Jan. 04, 2018
Partial Amendment No. 6990, Jan. 03, 2019
Amendment of Other Laws No. 7217, Jul. 18, 2019
Amendment of Other Laws No. 7423, Dec. 31, 2019
Partial Amendment No. 7516, Mar. 26, 2020
Amendment of Other Laws No. 7782, Dec. 31, 2020
Amendment of Other Laws No. 7784, Dec. 31, 2020
Partial Amendment No. 7949, Mar. 25, 2021
Amendment of Other Laws No. 8127, Sep. 30, 2021

CHAPTER I GENERAL PROVISIONS

Article 1 (Purpose)

CHAPTER I GENERAL PROVISIONSThe purpose of this Ordinance is to establish the Climate Change Fund of the Seoul Metropolitan Government in accordance with Article 142 of the Local Autonomy Act to promote reduction of greenhouse gases, the development and diffusion of new and renewable energy, efficiency in the use of energy and supply of city gas, etc., and to prescribe matters necessary for the operation and management thereof. <Amended by Ordinance No. 5404, Dec. 31, 2012; Ordinance No. 6588, Jul. 13, 2017>

Article 2 (Definitions)

The definitions of terms used in this Ordinance shall be as follows: <Amended by Ordinance No. 5586, Oct. 4, 2013; Ordinance No. 6386, Jan. 5, 2017; Ordinance No. 6588, Jul. 13, 2017>

1. The term "climate change" means change under subparagraph 7 of Article 2 of the Weather Act;
2. The term "new and renewable energy" means energy under subparagraphs 1 and 2 of Article 2 of the Act on the Promotion of the Development, Use and Diffusion of New and Renewable Energy;
3. The term "greenhouse gas" means carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbon (HFCs), perfluorocarbon (PFCs), sulfur hexafluoride (SF6), and other substances specified in the Enforcement Decree of the Framework Act on Low Carbon, Green Growth which are in the form of gas in the atmosphere and absorb or reemit infrared radiant heat to cause a greenhouse effect;
4. The term "emission of greenhouse gases" means both direct emission of greenhouse gases, which emits, discharges, or leaks greenhouse gases generated as a consequence of human activities, and indirect emission of greenhouse gases, which discharges greenhouse gases by using electricity or heat (limited to those from a heat source generated with a fuel or electricity) supplied by another person;
5. The term "greenhouse gas emission permits" means an amount of greenhouse gas emission allowances allocated to an individual business entity producing greenhouse gases within the scope of the total amount of greenhouse gas emission allowances established pursuant to Article 5 (1) 1 the Act on the Allocation and Trading of Greenhouse-Gas Emission Permits in order to achieve the targets for the reduction of greenhouse gases under Article 42 (1) 1 of the Framework Act on Low Carbon, Green Growth;
6. The term "purchase of emission permits" means purchasing from outside the Seoul Metropolitan Government (hereinafter

referred to as the "Seoul Government") emission permits equivalent to the amount of greenhouse gases in excess of the allocated greenhouse gas emission allowances where the Seoul Government emits greenhouse gases in excess of such allocated allowances;
7. The term "sale of emission permits" means selling to outside the City the whole or part of the emission permits equivalent to the reduced amount below the allocated greenhouse gas emission allowances where the Seoul Government emits greenhouse gases below such allocated allowances.

CHAPTER II ESTABLISHMENT AND OPERATION OF THE SEOUL METROPOLITAN CLIMATE CHANGE FUND

Article 3 (Establishment of Fund)

CHAPTER II ESTABLISHMENT AND OPERATION OF THE SEOUL METROPOLITAN CLIMATE CHANGE FUND(1) The Mayor of Seoul Metropolitan Government (hereinafter referred to as the "Mayor") shall establish the Seoul Metropolitan Climate Change Fund (hereinafter referred to as the "Fund") to secure funds necessary for the attainment of the objectives of this Ordinance.

Article 3-2 (Period of Existence of Fund)

The existence period of the Fund shall be until December 31, 2022: Provided, That where there is a need to maintain the Fund after the expiration of its existence period, its existence period may be extended by amending the Ordinance. <Amended by Ordinance No. 6588, Jul. 13, 2017>
[This Article Newly Inserted by Ordinance No. 5404, Dec. 31, 2012]

Article 4 (Creation of Fund)

The Fund shall be created with the following financial resources: <Amended by Ordinance No. 6016, Oct. 8, 2015; Ordinance No. 6588, Jul. 13, 2017>
1. Contributions of general accounts of the Seoul Government
2. Proceeds from the operation of the Fund;
3. Loans from the State and a bank (hereinafter referred to as "bank") under Article 2 (1) 2 of the Banking Act;
4. Dividends on investment in the Korea District Heating Corporation;
5. Dividends on stocks of the Korea Gas Corporation;
6. Proceeds from sale of greenhouse gases emission permits;
7. Other proceeds.

Article 5 (Purposes of Fund)

The Fund shall be used for any of the following purposes: <Amended by Ordinance No. 5586, Oct. 4, 2013; Ordinance No. 5635, Jan. 9, 2014; Ordinance No. 5747, Oct. 20, 2014; Ordinance No. 6588, Jul. 13, 2017>
1. The rationalization of energy use in accordance with the Energy Use Rationalization Act and researches, investigation, technical development and related projects for the reduction of the emission of greenhouse gases through the rationalization of the use of energy;
1-2. Financing of or support for the cost of a project for the management and disposal of refrigerants of air conditioners under Article 9-3 of the Clean Air Conservation Act;
1-3. Renovation or new construction of integrated energy facilities under the Integrated Energy Supply Act;
2. Projects replacing high efficiency energy equipment and materials in accordance with the Energy Use Rationalization Act;
3. Projects for the promotion of the development, use and diffusion of new and renewable energy in accordance with the Energy Act;
4. Projects providing energy to the poor in accordance with the Energy Act;
5. Financing of expenses necessary for the installation of gas supply facilities under subparagraph 5 of Article 2 of the Urban Gas Business Act to supply city gas to houses, public facilities and social welfare facilities which are not supplied with city gas;
6. Financing of expenses for replacement of old city gas piping and constant pressure equipment;
7. Financing of expenses for the installation of piping supplying to a public bathhouse which has changed its fuel;
8. Financing of expenses for the installation of a compressed natural gas city bus filling station and piping appurtenant thereto;
9. Lending of funds for the nurturing of recycling business operators;
10. Expenses for purchasing greenhouse gases emission permits;
11. Matters necessary for the operation and management of the Fund;
11. Other projects deemed by the Mayor especially necessary.

Article 6 (Persons Eligible for Loan or Subsidy and Procedures Therefor)

(1) A person who may be financed or subsidized from the Fund in accordance with the provisions of subparagraphs 1 through 4 of Article 5 shall be as follows: <Amended by Ordinance No. 5635, Jan. 9, 2014; Ordinance No. 6588, Jul. 13, 2017>

1. Projects referred to in subparagraph 1 of Article 5: A person who performs projects for research, investigation, technical development concerning the rationalization of energy use and the reduction of greenhouse gases, and for the reduction of the emission of greenhouse gases;
1-2. Projects referred to in subparagraph 1-2 of Article 5:A person who performs projects for installing facilities recognized to have an effect of reducing at least 5% of the direction emission of refrigerant gas from air conditioners;
1-3. Projects referred to in subparagraph 1-3 of Article 5: A person who performs projects for installing integrated energy facilities by gaining a business license under the Integrated Energy Supply Act;
2. Projects referred to in subparagraph 2 of Article 5: A person who performs projects for manufacturing or installing high efficiency energy equipment and materials recognized to have an effect on energy conservation by not less than 10 percent;
3. Projects referred to in subparagraph 3 of Article 5: A person who performs projects falling under any of the following items:
(a) Investigations into resources and technical demand, and preparation of statistics of new and renewable energy;
(b) Research, development and technical assessment of new and renewable energy;
(c) Collection, analysis and provision of technical information on new and renewable energy;
(d) Technical guidance, education and public relations in the field of new and renewable energy;
(e) A pilot project and diffusion project for new and renewable energy;
(f) Assistance in compulsory use of new and renewable energy;
(g) International cooperation related to new and renewable energy;
(h) Assistance in the international standardization of new and renewable energy technology;
(i) Assistance in scientific activities concerning the technical development, use and diffusion of new and renewable energy.
4. Projects referred to in subparagraph 4 of Article 5: A person who performs a project supporting energy to the poor.
(2) A person who may be financed from the Fund in accordance with the provisions of subparagraphs 5 through 8 of Article 5 shall be an ordinary urban gas business operator among the urban gas business operators in accordance with the provisions of subparagraph 2 of Article 2 of the Urban Gas Business Act. <Amended by Ordinance No. 6588, Jul. 13, 2017>
(3)A person who may be financed from the Fund in accordance with subparagraph 9 of Article 5 shall be a recycling business operator who contributes to the efficient treatment of recyclable resources emitted in Seoul. <Amended by Ordinance No. 5747, Oct. 20, 2014; Ordinance No. 6588, Jul. 13, 2017>
(4) Other necessary matters concerning procedures for, the limit on, and conditions, etc. of financing or subsidizing shall be prescribed by rule. <Amended by Ordinance No. 5404, Dec. 31, 2012>

Article 7 (Operation and Management of Fund)

(1) The Mayor shall deposit and manage the Fund in the Seoul Government treasury and may deposit funds from the Fund with the Financial Investment and Financing Fund of the Seoul Government.
(2) The Mayor shall handle idle money that does not hinder the attainment of the objectives of the establishment of the Fund as revenue in general accounts of the Seoul Government.
(3) The director of an office or bureau, or director general of headquarters in charge shall be the officer operating the Fund, the manager in charge shall be the officer operating the Fund for an allotted task and a Grade V official in charge shall be the accounting official of the Fund: Provided, That the Mayor shall appoint a public official related to accounting of the Seoul Government offices prescribed by Seoul Metropolitan Government Rule on Financial Accounting as a public official in charge of management of the Fund and have him/her conduct business incurring expenditure (including contract business) and ordering payment from among the business of the public official in charge of management of the Fund to strengthen transparency of procedures for the execution of working expenses of the Fund. <Amended by Ordinance No. 4908, Jan. 7, 2010>
(4) The provisions on responsibilities of accounting officers in the Local Finance Act relating to accounting officials and collection officers shall apply mutatis mutandis to the officer operating the Fund, and the provisions on responsibilities of accounting officers in the Local Finance Act relating to public officials in charge of expenditures and treasurers shall apply mutatis mutandis to the accounting official of the Fund.
(5) Where the Mayor deems it necessary, he/she may entrust the operation and management of parts of the Funds to a bank, corporation, organization, etc. as prescribed by rule. <Amended by Ordinance No. 5586, Oct. 4, 2013; Ordinance No.6016, Oct. 8, 2015>
(6) Necessary matters concerning entrustment shall be prescribed by rule.

CHAPTER III ESTABLISHMENT AND FORMATION OF SEOUL METROPOLITAN CLIMATE CHANGE FUND OPERATION AND DELIBERATIVE COMMITTEE

Article 8 (Establishment of Fund Operation and Deliberative Committee)

CHAPTER III ESTABLISHMENT AND FORMATION OF SEOUL METROPOLITAN CLIMATE CHANGE FUND OPERATION AND DELIBERATIVE COMMITTEEThe Mayor shall establish the Seoul Metropolitan Government Climate Change Fund Operation and Deliberative Committee (hereinafter referred to as the "Committee") under his/her control to deliberate on the following matters

concerning the operation and management of the Fund: <Amended by Ordinance No. 6588, Jul. 13, 2017>
1. Matters concerning a plan for operation of the Fund;
2. Matters concerning a statement of accounts of the Fund;
3. Matters concerning analysis of the results of operation of the Fund;
4. Other matters the Mayor deems necessary for the efficient operation and management of the Fund.

Article 9 (Formation of Committee)

(1) The Committee shall be comprised of not more than 15 members including one chairperson.
(2) The director of an office or bureau, or director general of headquarters in charge of climate change in the Seoul Government shall be the chairperson, and the Mayor shall appoint or commission members from among persons falling under any of the following subparagraphs: <Amended by Ordinance No. 5747, Oct. 20, 2014>
1. The manager of a department in charge of or department directly related to affairs of climate change in the Seoul Government;
2. Members of the Seoul Metropolitan Council;
3. Persons who have knowledge and experience in business coping with climate change, new and renewable energy business, energy efficiency business and city gas business;
4. Experts in the private sector having professional knowledge in the operation of funds.
(3) The term of office of a commissioned member shall be two years, and he/she may be recommissioned: Provided, That the term of office of a member filling a vacancy shall be the remaining period of his/her predecessor.

Article 10 (Duties of Chairperson)

(1) The chairperson shall represent the Committee and preside over its affairs.
(2) Where the chairperson is unable to perform his/her duties owing to unavoidable circumstances, a member elected by the Committee from among its members present at a meeting of the Committee shall perform duties of the chairperson for him/her.

Article 11 (Operation of Committee)

(1) Where the chairperson deems it necessary, he/she shall call a meeting of the Committee and preside over the meeting.
(2) A meeting shall be held by attendance of the majority of incumbent members, and its resolution shall be made with the consent of the majority of members present at the meeting: Provided, That a documentary deliberation may be allowed in cases falling under any of the following subparagraphs: <Amended by Ordinance No. 6745, Jan. 4, 2018>
1. Where a case needs urgent settlement or is minor;
2. Where the members can not attend to conduct a deliberation due to an act of God or any other unavoidable reason.
(3) One administrative secretary shall be assigned to the Committee to conduct business of the Committee, and a Grade V official in charge of operation and management of the Fund in the department in charge of climate change affairs in the Seoul Government shall be the administrative secretary.
(4) The Mayor may pay an allowance and travelling expenses to members present at a meeting, etc. of the Committee within the budget: Provided, That this shall not apply to cases where a member who is a public official attends a meeting of the Committee in direct connection with his/her business.
(5) The Committee may organize and operate an advisory group comprised of the relevant experts to ask advice on specialized matters such as timing of trading (sale and purchase) of greenhouse gases emission permits. <Newly Inserted by Ordinance No. 6588, Jul. 13, 2017>

Article 11-2 (Exclusion, Challenge and Recusal of Members)

(1) In order to ensure the fairness of the deliberation by the Committee, any member of the Committee who falls under any of the following shall be excluded from the deliberation of a relevant matter:
1. When a member has provided or is providing services, consultation, research etc. in relation to a matter to be deliberated by the Committee;
2. When a member has a direct stake in a matter to be deliberated by the Committee.
(2) Where there is any special reason which makes it difficult for a person interested in the deliberation of the Committee to expect fairness from a member, he/she may make a request for challenge to the chairperson.
(3) Where any member falls under paragraph (1) or (2), the member may recuse himself/herself from the deliberation of a relevant matter, and when a request for recusal is made by such member, he/she shall be excluded from the relevant agenda.
[This Article Newly Inserted by Ordinance No. 5747, Oct. 20, 2014]

Article 12 (Detailed Operating Rule)

Except for matters prescribed by this Ordinance, the chairperson shall determine necessary matters concerning the formation and operation of the Committee through resolutions of the Committee.

CHAPTER IV SUPPLEMENTARY PROVISIONS

Article 13 (Report and Inspection)

CHAPTER IV SUPPLEMENTARY PROVISIONS(1) Where the Mayor entrusts a financial institution with management of the Fund in accordance with Article 7 (5), he/she may have the financial institution submit necessary materials concerning the entrusted affairs or have a public official under his/her control inspect matters concerning the entrusted affairs. <Amended by Ordinance No. 6016, Oct. 8, 2015; Ordinance No. 6588, Jul. 13, 2017>

(2) The Mayor may have a person who is financed or subsidized from the Fund submit necessary materials to ascertain whether a loan or subsidy has been used appropriately for the purpose under Article 5. <Amended by Ordinance No. 6588, Jul. 13, 2017>

Article 14 (Collection of Loans or Subsidies)

Where the Mayor deems that a person who has been financed or subsidized from the Fund uses money contrary to a purpose under Article 5, the Mayor may cancel to pay a loan or subsidy and collect the same. In such cases, the interest rate prescribed by rule may apply retroactively. <Amended by Ordinance No. 6588, Jul. 13, 2017>

Article 15 (Provisions Applicable Mutatis Mutandis)

(1) The Seoul Metropolitan Government Ordinance on Financial Operation and the Seoul Metropolitan Government Ordinance on Management of Local Subsidies shall apply to matters not prescribed by this Ordinance with respect to the operation of the Fund. <Amended by Ordinance No. 5404, Dec. 31, 2012; Ordinance No. 5930, May 14, 2015>

(2) The Seoul Metropolitan Government Rule on Financial Accounting shall apply mutatis mutandis to management of accounting of the Fund. <Amended by Ordinance No. 5404, Dec. 31, 2012>

Article 16 (Enforcement Rule)

Necessary matters concerning the enforcement of this Ordinance shall be prescribed by rule. <Amended by Ordinance No. 5404, Dec. 31, 2012>