SEOUL METROPOLITAN GOVERNMENT ORDINANCE ON ENERGY

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CHAPTER I GENERAL PROVISIONS

Article 1 (Purpose)

CHAPTER I GENERAL PROVISIONSThe purpose of this Ordinance is to contribute to improving citizens' quality of life and the sustainable development of the Seoul Metropolitan Government by preventing climate change and environmental problems through the management of energy demand and the development, use, diffusion, etc. of new and renewable energy and by formulating comprehensive and systematic energy policies.

Article 2 (Fundamental Concepts)

(1) The Seoul Metropolitan Government (hereinafter referred to as the "Seoul Government") shall endeavor to reflect the following matters in the formulation of policies related to energy:

1. Establishment of a sustainable energy system;
2. Reduction of greenhouse gas emissions and fine dust emissions;
3. Guaranteeing citizens' fundamental energy rights and realizing the energy justice;
4. Realization of a high-efficiency energy society;
5. Strengthening energy independence by developing, utilizing, and disseminating new and renewable energy (hereinafter referred to as "new and renewable energy") and unused energy;
6. Expansion of new energy industries and creation of jobs;
7. Creating an energy system for participation, communication, and decentralization, and guaranteeing the safe life of citizens.

Article 3 (Definitions)

(1) The terms used in this Ordinance are defined as follows:

1. The term "sustainable energy system" means an actual, policy-oriented, and technical system that provides citizens with energy necessary for their living at the optimal economic, social, and environmental costs;
2. The term "energy justice" means any social value, the right to enjoy basic energy services and the responsibility for social environmental expenses incurred thereby, to lead a sustainable society in which convenience and benefits of energy services are distributed fairly and equitably to the present and future generations, and to guarantee the fairness of the energy decision-making process;
3. The term "civic organization" means a non-profit non-governmental organization under the Assistance for Non-Profit, Non-Governmental Organizations Act, among organizations that conduct research, surveys, and citizen participation campaigns in relation to energy saving and the promotion of the use and diffusion of new and renewable energy and organizations that conduct joint activities relating to energy;
4. The term "business entities" means energy users under subparagraph 5 of Article 2 of the Energy Act and energy suppliers under subparagraph 7 of the same Article;
5. The term "voluntary agreement" means a promise that a business entity makes to the Mayor of the Seoul Metropolitan Government (hereinafter referred to as the "Mayor") to voluntarily formulate and implement a plan as to the reduction goals for

greenhouse gas emissions and methods for achieving goals, through energy saving and the rational use of energy pursuant to Article 28 of the Energy Use Rationalization Act;
6. The term "model district for new or renewable energy" means a district designated by the Mayor to facilitate the development, use, and diffusion of new, renewable, and unused energy and efficiently use energy;
7. The term "energy-poor classes" means eligible recipients of the basic livelihood security and second-lowest income bracket under the National Basic Living Security Act;
8. The term "energy welfare" means welfare provided to ensure that energy-poor classes to whom the universal use of energy is limited because of economic reasons, etc. are guaranteed to use the minimum amount of energy they need to survive.
9. The term "energy community" means an energy community under subparagraph 11 of Article 2 of the Seoul Metropolitan Government Ordinance on Support for Citizen Participatory Energy Conversion.
(2) Except as provided in the subparagraphs of paragraph (1), the terms used in this Ordinance shall be as defined in the Energy Act; the Act on the Promotion of the Development, Use and Diffusion of New and Renewable Energy; and the Framework Act on Low Carbon, Green Growth.

Article 4 (Responsibilities of Seoul Government)

(1) The Seoul Government shall promote reasonable and comprehensive policies on energy.
(2) When the Seoul Government promotes energy policies under paragraph (1), it shall endeavor to guarantee citizens' participation, share information related to energy, strengthen education and publicity, and expand research, development and surveys.
(3) The Seoul Government shall endeavor to support the universal supply of energy to all citizens and to realize energy welfare, in cooperation with autonomous Gus and energy suppliers.
(4) The Seoul Government shall proactively cooperate with autonomous Gus in formulating energy plans based upon the characteristics of the areas under their jurisdiction.

Article 5 (Responsibilities of Business Entities)

(1) Each business entity shall endeavor actively to improve energy saving and energy efficiency, facilitate the development, use, and diffusion of new and renewable energy, and to reduce greenhouse gas emissions.
(2) Each business entity shall cooperate actively in the energy plans and policies implemented by the Seoul Government, autonomous Gus, etc.

Article 6 (Citizens' Rights)

(1) Every citizen has a right to be supplied with energy in a stable and equitable manner essential for living.
(2) Every citizen shall have a right to participate in the Seoul Government's energy plans and the formulation and execution of policies.
(3) Every citizen has a right to know about energy information and a right to participate in activities of an energy community.
(4) Every citizen shall have the right to sell electricity produced by installing new and renewable energy or to participate in small-scale electricity brokerage business.

Article 7 (Responsibilities of Citizens)

(1) Every citizen shall actively endeavor to minimize the impact of energy production and consumption on the environment, including climate change.
(2) Every citizen shall participate and cooperate actively in policies implemented by the Seoul Government or each autonomous Gu, such as the efficient use of energy, expansion of use of new and renewable energy, reduction of greenhouse gas emissions, and energy conversion.

CHAPTER II FORMULATION OF ENERGY PLANS

Article 8 (Energy Plans)

CHAPTER II FORMULATION OF ENERGY PLANS(1) The Mayor shall formulate and implement an energy plan of the Seoul Metropolitan Government (hereinafter referred to as "energy plan") every five years, which covers the period of at least five years, pursuant to Article 7 of the Energy Act for energy saving and the facilitation of the development, use, and diffusion of new and renewable energy.
(2) An energy plan shall include the following matters:
1. Matters concerning the trends and prospects of energy supply and demand and the stable supply of energy;
2. Matters concerning the reduction of greenhouse gas emissions through energy saving and the efficient use of energy;
3. Matters concerning the use of environment-friendly energy, such as new and renewable energy;
4. Matters concerning support for energy-poor classes;
5. Matters concerning technical development, training of human resources, education and public relations, and domestic and

international exchanges and cooperation related to energy;
6. Matters concerning the development and use of unused energy sources;
7. In case of an area designated as an area for integrated energy supply pursuant to Article 5 (1) of the Integrated Energy Supply Act, matters concerning integrated energy supply to the relevant area;
8. Other matters that the Mayor considers necessary for energy policies and related programs.
(3) The Mayor may make a specialized research institute formulate an energy plan on his or her behalf.

Article 9 (Implementation Plan for Energy Use Rationalization)

(1) The Mayor shall formulate and implement an implementation plan for the energy use rationalization of the Seoul Metropolitan Government (hereinafter referred to as "implementation plan for energy use rationalization") every year pursuant to Article 6 of the Energy Use Rationalization Act.
(2) An implementation plan for energy use rationalization under paragraph (1) shall include the following matters:
1. Energy-saving initiatives in the public and private sectors for the transition to an energy-saving economic structure;
2. Matters concerning technical development and public relations and education for energy use rationalization;
3. Matters concerning reduction of greenhouse gas emissions through rational energy use;
4. Matters that the Mayor considers necessary to promote energy use rationalization.

Article 10 (Composition and Operation of the Committee)

(1) The Mayor may establish an Energy Policy Committee (hereinafter referred to as the "Committee") to provide advice on the following matters concerning energy plans and the implementation thereof, including energy conservation and production, and energy efficiency in the use of buildings:
1. Matters concerning the formulation and revision of an energy business plan;
2. Matters concerning the implementation of an energy business plan;
3. Matters concerning evaluations relating to the results of the promotion of energy business;
4. Matters concerning the participation of citizens, such as gathering the opinions of citizens;
5. Matters concerning the use and calculation of loan rates;
6. Matters concerning energy diagnosis for energy rationalization.
(2) The Committee shall be comprised of not more than 50 members, including two chairpersons; the Mayor and one person elected by and from among members who are not public officials shall serve as the chairpersons, and members shall be appointed or commissioned by the Mayor from among the following persons:
1. The Deputy Mayor of Climate and Environment Headquarters, and Deputy Mayors and Director-Generals engaged in energy-related tasks;
2. Members of the Seoul Metropolitan Council;
3. Persons who have knowledge and expertise in the fields of environment and energy.
(3) The term of a commissioned member shall be two years and may be consecutively renewed only twice: Provided, That the term of office of a replacement member shall be the remainder of his or her predecessor's term of office.
(4) The Chairperson shall convene meetings of the Committee, and a majority of the Committee members shall constitute a quorum.
(5) The Committee may establish and operate subcommittees in order to efficiently perform tasks of the Committee.
(6) The Mayor may provide allowances and travel expenses to the members attending the committee meeting within budgetary limits.

CHAPTER III MANAGEMENT OF ENERGY DEMAND

Article 11 (Management of Energy Demand in Industrial Sectors)

CHAPTER III MANAGEMENT OF ENERGY DEMAND(1) The Mayor may provide necessary assistance to a business entity who has entered into a voluntary agreement.
(2) The Mayor shall actively encourage the utilization of unused energy, such as the use of waste heat generated in places of business under Article 36 of the Energy Use Rationalization Act.
(3) The Mayor shall actively encourage industrial entities to use new and renewable energy for sustainable energy systems.

Article 12 (Management of Energy Demand in Building Sectors)

(1) The Mayor shall endeavor to formulate policies for the establishment and management of total energy consumption, incentives, etc. so as to expand energy-efficient buildings.
(2) The Mayor may formulate and promote the following programs in order to increase the number of highly energy-efficient buildings under paragraph (1):
1. Assistance in providing loans for investments in improvement projects for highly energy-efficient buildings;
2. Assistance in programs for encouraging the energy diagnosis of existing buildings;

3. Surveys, etc. on the current status of energy use for establishing guidelines for annual energy consumption in existing buildings.
(3) The Mayor may recommend that energy diagnosis be carried out according to the Energy Use Rationalization Act for buildings that are deemed necessary for energy saving through the expansion of energy-efficient buildings.
(4) The Mayor may recommend the use of products certified as high-efficiency energy apparatus and machinery, and new and renewable energy systems, such as solar heat and solar energy systems, in order to guarantee the energy performance of buildings when he or she grants a building permit pursuant to Article 11 (1) of the Building Act.
(5) Where the Mayor deems it necessary for the management of energy demand, the Mayor may designate a building controlling heating and cooling temperatures, and standards for the management of temperatures, methods of inspection, etc. shall be pursuant to Article 36-2 of the Energy Use Rationalization Act.
(6) The Mayor may recommend the owners of buildings subject to temperature control under paragraph (5) to designate an energy manager, indicate heating and air conditioning temperature and energy consumption in the buildings, and recommend them to voluntarily control energy consumption at the time energy consumption is concentrated.
(7) The Mayor may disclose the results of inspections conducted on as well as the energy consumption of a heating and cooling temperature control building under paragraph (5).

Article 13 (Management of Energy Demand in Transportation Sector)

The Mayor shall promote the following policies for energy saving and efficient energy use:
1. All policies relating to the expansion of special measure areas for the promotion of green transport and the management of traffic demand under Article 41 of the Sustainable Transportation Logistics Development Act and Article 12 (1) 3 of the Enforcement Rule of the same Act;
2. Environment-friendly motor vehicles pursuant to subparagraph 2 of Article 2 of the Act on Promotion of Development and Distribution of Environment-Friendly Motor Vehicles;
3. Implementing systems to encourage a reduction in the use of passenger vehicles and offering incentives to vehicles participating in such programs;
4. Increasing the establishment of convenience facilities and available facilities for the promotion of use of bicycles;
5. Other transportation measures to reduce energy demand.

Article 14 (Management of Energy Demand in Public Sector)

(1) The Mayor shall take the following actions in order to reduce energy costs, to lead energy-saving efforts in the private sectors, and to prepare a sustainable energy system by means of energy saving and efficient energy use in the public sectors:
1. Establishing and managing goals for energy saving based on the total energy consumption control system;
2. Purchasing and using green products under the Seoul Metropolitan Government Ordinance on the Promotion of Purchase of Green Products when constructing public buildings or renovating or repairing public facilities;
3. Promotion of energy-saving projects by an energy-saving specialized company considering the characteristics of each institution;
4. Conducting an energy diagnosis and promoting energy improvement projects to enhance energy efficiency of public buildings.
(2) The Mayor may install energy-saving equipment (LED lighting, etc.), etc., in the public sector pursuant to Article 7 (1) of the Act on Contracts to Which a Local Government Is a Party and Article 6 (2) of the Enforcement Decree of the same Act, utilizing private funds procured by an outside business entity for the facilitation of energy-saving programs; and may promote energy-saving programs in which the energy cost saved by installing such equipment is repaid in installments to the outside business entity.
(3) In cases of promoting energy-saving programs under paragraph (2), LED products shall be used for interior lighting devices; and products certified under the Regulations on the Promotion of the High Energy-Efficiency Equipment Supply shall be used for street lamps, security lights, and tunnel lights (including underpass lights).
(4) The Mayor may prepare and implement further detailed standards for the Regulations on the Promotion of Energy Use Rationalization by Public Institutions publicly notified by the Minister of Trade, Industry and Energy for the energy diagnosis of buildings of affiliated institutions.

Article 15 (Establishment of Unit of Energy Sources)

(1) The Mayor may determine and recommend energy consumption targets for each unit of a product made using energy and annual energy consumption targets for each unit area for each specific use of buildings (including new and existing buildings) in order to improve energy efficiency.
(2) Standards for unit of energy sources for products and buildings under paragraph (1) shall conform to Article 35 (1) of the Energy Use Rationalization Act.

Article 16 (Restrictions on Use of Energy)

Where the Mayor deems that significant disruption is occurring or is likely to occur in the supply and demand of energy due to changes in the domestic or international use of energy, he or she may request the Minister of Trade, Industry and Energy to take the following measures on business entities or the owners and managers of apparatus and machinery using energy to the extent necessary to stabilize the demand and supply of energy:
1. Restrictions on the use of energy in hospitality businesses and other facilities using energy;

2. Restrictions on the use of apparatus and machinery using energy, including vehicles;
3. Restrictions on when and how to use energy;
4. Other matters particularly necessary for the stabilization of the demand and supply of energy.

CHAPTER IV EXPANSION OF DEVELOPMENT, USE, AND DIFFUSION OF NEW, RENEWABLE, AND UNUSED ENERGY

Article 17 (Development, Use, and Diffusion of New, Renewable, and Unused Energy)

CHAPTER IV EXPANSION OF DEVELOPMENT, USE, AND DIFFUSION OF NEW, RENEWABLE, AND UNUSED ENERGY(1) The Mayor shall set goals for the diffusion of new, renewable, or unused energy under the Act on the Promotion of the Development, Use and Diffusion of New and Renewable Energy and shall formulate and promote policy programs in order to achieve the goals.
(2) The Mayor may organize and operate a separate conference composed of energy-related experts in order to actively promote mid-and long-term policies for the development, use, and diffusion of new, renewable or unused energy meeting the characteristics of the Seoul Government.
(3) The Mayor may establish and provide public notice as to standards for the support, etc. of new and renewal energy facilities suitable for each region.

Article 18 (Model Districts for New and Renewable Energy)

(1) The Mayor may formulate and administer a basic plan for the designation of model districts for new or renewable energy in order to facilitate the development, use, and diffusion of new and renewable energy.
(2) New and renewable energy subject to the designation of a model district under paragraph (1) shall be as follows:
1. New energy prescribed in subparagraph 1 of Article 2 of the Act on the Promotion of the Development, Use and Diffusion of New and Renewable Energy as well as renewable energy prescribed in subparagraph 2 of Article 2 of the same Act;
2. Other unused energy meeting the characteristics of the Seoul Government as deemed necessary by the Mayor.
(3) Requirements and procedures for the designation of model districts for new or renewable energy shall be separately prescribed and publicly notified.

Article 19 (Rent of Public Property)

(1) The Mayor may use, permit profit-making from, or lend administrative and general properties to expand the supply of new and renewable energy, and the usage and loan rate shall be at least 10/1000 of the appraised value of the relevant property.
(2) Notwithstanding paragraph (1), the usage and loan rate in cases of installing solar-emitting facilities on the rooftop of public property shall be at least 10/1000 of the appraised value of the relevant property pursuant to the Operation Standards for Public Property of Local Governments, and the usage and loan rate in cases of installing solar-emitting facilities other than rooftop shall be calculated and publicly announced every year based on the capacity of power plant.

Article 20 (Hearing of Opinions)

Where calculating and publicly announcing the usage and loan rate under Article 19 (2), the Mayor shall hear opinions of the Seoul Metropolitan Council (hereinafter referred to as the "Council"): Provided, That the forgoing shall not apply where the usage and loan rates are lowered or frozen, or increase within the consumer price increase rates of the preceding year (referring to the year immediately preceding the year in which the loan rate is applied).

Article 21 (Consent of Council)

(1) The construction of permanent facilities on public property under Article 26 (2) of the Act on the Promotion of the Development, Use and Diffusion of New and Renewable Energy shall require the consent of the Council.
(2) A person who intends to build a permanent facility under paragraph (1) shall submit a statement of commitment to bear the cost of demolition in the name of the Mayor to the property manager or deposit the cost of demolition with a depository.

CHAPTER V INCREASING ENERGY INDUSTRY, CITIZEN PARTICIPATION AND EXCREEMPTION, AND SUPPORT

Article 22 (Expansion of New Energy Industries and Creation of Green Jobs)

CHAPTER V INCREASING ENERGY INDUSTRY, CITIZEN PARTICIPATION AND EXCREEMPTION, AND SUPPORT(1) The Mayor may promote the following projects in order to expand new energy industries and create green jobs:
1. Discovery and fostering of convergence green technologies linked to the Fourth Industrial Revolution;
2. Discovery and fostering of core technologies for new energy industries;
3. Creation of new industries in the field of energy service;
4. Other projects necessary for expanding the new energy industry and creating green jobs.

(2) The Major may subsidize a company, organization, etc. which promotes projects pursuant to paragraph (1) with necessary expenses within budgetary limits:
1. Support for business start-ups and education for strengthening capacity, such as discovery and fostering of social enterprises in the field of green industries;
2. Support for advisory services for green management of small and medium enterprises in the field of green industries;
3. Establishing and operating excellent enterprises, products, and job information networks in the field of green industries;
4. Commercialization of new green technology and cooperation among industry, academia, and research institutes.

Article 23 (Strengthening Citizen Participation and Communications)

(1) The Mayor shall endeavor to increase participation of citizens as energy demand and suppliers in the process of formulating energy policies and implementing projects.
(2) The Mayor shall invigorate types of projects based on the participation of residents and the sharing of profits, and create an environment where the participation of the projects serves the benefit of citizens.
(3) The Mayor shall promote energy policies that can be widely respected by citizens to strengthen communications with autonomous Gus, citizens, etc. and shall prevent conflicts in advance.
(4) The Mayor shall endeavor to transparently disclose energy-related information to citizens, civic groups, etc. and revitalize energy community activities.

Article 24 (Energy Education, Public Relations, and Awards)

(1) The Mayor may conduct education or perform public relations as to matters necessary for the diffusion and promotion of environment-friendly energy for citizens, business entities, etc.
(2) The Mayor may award a prize to a person who has rendered distinguished service in promoting policies for energy saving, efficient energy use, the facilitation of the development, use, and diffusion of new and renewable energy, and reduction of greenhouse gas emissions.

Article 25 (Energy White Paper)

(1) The Mayor may prepare and publish an Energy White Paper every year in order to inform citizens of the main points of energy policies and the current status of the promotion thereof.
(2) An Energy White Paper under paragraph (1) shall include the following matters:
1. Trends and prospects regarding the demand and supply of energy;
2. The current status of the promotion of energy-saving policies through the efficient use of energy;
3. The current status of the development, use, and diffusion of new and renewable energy;
4. The current status and prospects of the promotion of energy policies, including assistance to energy-poor classes.

Article 26-2 (Implementation of Energy Welfare Projects)

(1) The Mayor may promote the following projects to improve energy welfare:
1. Projects supporting the energy supply;
2. Projects to install new and renewable energy, including solar energy;
3. Projects to improve energy efficiency through housing improvement, etc.;
4. Discovery and fostering of energy welfare projects to solve social problems;
5. Research and survey for the improvement of energy welfare;
6. Other projects necessary to improve energy welfare.
(2) The Major may fully or partially subsidize a company, organization, etc. which promotes projects pursuant to paragraph (1) for necessary expenses, within budgetary limits.
(3) The Mayor may conduct fact-finding surveys on the residential environment, energy demand, etc. of the energy-poor classes, and if deemed necessary, may request necessary cooperation, such as provision of data, from related administrative agencies and related institutions, organizations, etc.
(4) The Mayor can conduct housing energy diagnosis and energy-saving counseling for the energy-poor classes.

Article 27 (Safety Control of Energy Facilities)

(1) The Mayor shall actively cooperate in the following Government's policies for strengthening the safety control of energy facilities:
1. Safety management of electric railways by facility, including heat pipelines;
2. Petroleum and gas storage facilities and electricity safety management;
3. Safety management of high pressure, wave gas, and urban gas.
(2) The Mayor may support institutions in charge of energy facilities falling under each subparagraph of paragraph (1) to ensure a timely investment in the diagnosis, management, and replacement of long-term use facilities.

Article 28 (Administrative and Financial Measures)

(1) The Mayor shall devise administrative and financial measures necessary to promote policies for the efficient use of energy and

the development, use, and diffusion of new and renewable energy.
(2) The Mayor may provide information, technologies, or financial support necessary for surveys and research conducted by a citizen, business entity, civic organization, or research institute, in order to efficiently use energy and expand the development, use, and diffusion of new and renewable energy.
(3) The Mayor may provide financial support for the following activities in order to expand the use of new and renewable energy:
1. Solar-power facilities for balconies;
2. Solar-power facilities for houses;
3. Solar-power facilities for buildings;
4. Other facilities the Mayor deems necessary to expand the diffusion of new and renewable energy.
(4) The Mayor may provide financial support necessary for expanding integrated energy so as to supply high-efficiency energy.
(5) The Mayor shall develop the earnings generated from the diffusion of new and renewable energy into the climate change fund under the Seoul Metropolitan Government Ordinance on Establishment and Operation of Climate Change Fund and use such earnings only for the diffusion of new and renewable energy.
(6) Where the Mayor has provided financial support, etc. for the diffusion of new and renewable energy, the Mayor may secure the greenhouse gas emission rights from the relevant facilities.