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, development and diffusion of new and renewable energy, efficiency in the use of energy and supply of urban gas, etc., and to prescribe matters necessary for the operation and management thereof. <Amended on Dec. 31, 2012; Jul. 13, 2017>

Article 2 (Definitions)

The terms used in this Ordinance are defined as follows: <Amended on Oct. 4, 2013; Jan. 5, 2017; Jul. 13, 2017>

1. The term "climate change" means change defined in subparagraph 7 of Article 2 of the Weather Act;
2. The term "new and renewable energy" means energy defined in 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 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 other entities 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 GOVERNMENT CLIMATE CHANGE FUND

Article 3 (Establishment of Fund)

CHAPTER II ESTABLISHMENT AND OPERATION OF THE SEOUL METROPOLITAN GOVERNMENT CLIMATE CHANGE FUNDThe Mayor of the Seoul Metropolitan Government (hereinafter referred to as the "Mayor") shall establish the Climate Change Fund of the Seoul Metropolitan Government (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 Fund shall exist until December 31, 2022: Provided, That where there is a need to maintain the Fund after the expiration of its existence period, such period may be extended by amending the Ordinance. <Amended on Jul. 13, 2017>
[This Article Newly Inserted on Dec. 31, 2012]

Article 4 (Creation of Fund)

The Fund shall be created with the following financial resources: <Amended on Oct. 8, 2015; Jul. 13, 2017; Mar. 26, 2020>
1. Transferred money from general accounts of the Seoul Government;
2. Proceeds from the operation of the Fund;
3. Loans from the State and a bank defined in Article 2 (1) 2 of the Banking Act (hereinafter referred to as "bank");
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 on Oct. 4, 2013; Jan. 9, 2014; Oct. 20, 2014; Jul. 13, 2017; Jul. 18, 2019; Mar. 25, 2021>
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 greenhouse gas emissions 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 refrigerant-using equipment under Article 76-9 of the Clean Air Conservation Act;
1-3. Renovation or new construction of integrated energy facilities under the Integrated Energy Supply Act;
2. Projects for the transition to 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 for providing energy to the poor in accordance with the Energy Act;
5. Financing of expenses necessary for the installation of gas supply facilities defined in 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 the replacement of old city gas piping and constant pressure equipment;
7. Financing of expenses for the installation of piping supplied 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 entities;
10. Expenses for purchasing greenhouse gases emission permits;
11. Matters necessary for the operation and management of the Fund;
12. Compensation of interest difference on loans from financial institutions entrusted with the operation and management of the fund;
13. Other projects deemed by the Mayor to be especially necessary.

Article 6 (Persons Eligible for Loans or Subsidies and Procedures Therefor)

(1) A person eligible for a loan or subsidy from the Fund in accordance with subparagraphs 1 through 4 of Article 5 shall be as follows: <Amended on Jan. 9, 2014; Jul. 13, 2017; Jan. 3, 2019>
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 at least 10 percent;
3. Projects referred to in subparagraph 3 of Article 5: A person who performs any of the following projects: Provided, That persons who fall under item (e) shall include citizens, civic groups, and research institutes that install and operate new and renewable energy facilities:
(a) Investigations into resources and technical demand, and preparation of statistics relating to 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 mandatory 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) An ordinary urban gas business entity among the urban gas business entities defined in subparagraph 2 of Article 2 of the Urban Gas Business Act shall be eligible for a loan or subsidy from the Fund under subparagraphs 5 through 8 of Article 5. <Amended on Jul. 13, 2017>
(3)A recycling business entity that contributes to the efficient treatment of recyclable resources emitted in Seoul shall be eligible for a loan or subsidy from the Fund under subparagraph 9 of Article 5. <Amended on Oct. 20, 2014; Jul. 13, 2017>
(4) A person entitled to reimbursement of the interest difference pursuant to subparagraph 12 of Article 5 shall be a financial institution entrusted with the operation and management of the fund. <Newly Inserted on Mar. 25, 2021>
(5) Other matters regarding procedures for, the limit on, and conditions, etc. of a loan or subsidy shall be prescribed by rule of the Seoul Government. <Amended on Dec. 31, 2012; Mar. 25, 2021>

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 Integrated Fiscal Stabilization Fund Consolidated Account of the Seoul Metropolitan Government. <Amended on Dec. 31, 2020>
(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 head of an office, bureau, or headquarters in charge shall be the officer operating the Fund, the director in charge shall be the officer operating the Fund for an allotted task, and a public official of Grade V 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 Budget and Fund Accounting as a public official in charge of management of the Fund and have him or her conduct business incurring expenditure (including contract business) and ordering payment 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 on Jan. 7, 2010; Mar. 26, 2020; Dec. 31, 2020>
(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 financiers in the Local Accounting Act relating to public officials in charge of expenditures and treasurers shall apply mutatis mutandis to the accounting official of the Fund. <Amended on Mar. 26, 2020>
(5) Where the Mayor deems it necessary, he or she may entrust the operation and management of parts of the Fund to a bank, corporation, organization, etc. as prescribed by rule of the Seoul Government. <Amended on Oct. 4, 2013; Oct. 8, 2015>
(6) Matters necessary for entrustment shall be prescribed by rule of the Seoul Government.

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

Article 8 (Establishment of Fund Operation Deliberation Committee)

CHAPTER III ESTABLISHMENT AND FORMATION OF SEOUL METROPOLITAN GOVERNMENT CLIMATE CHANGE FUND OPERATION DELIBERATION COMMITTEEThe Mayor shall establish the Seoul Metropolitan Government Climate Change Fund Operation Deliberation Committee (hereinafter referred to as the "Committee") under his or her control to deliberate on the

following matters concerning the operation and management of the Fund: <Amended on Jul. 13, 2017>
1. Matters concerning a plan for operating the Fund;
2. Matters concerning a statement of accounts of the Fund;
3. Matters concerning analysis of performance in 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 head of an office, bureau, or headquarters in charge of climate change in the Seoul Government shall serve as the chairperson, and the Mayor shall appoint or commission members from among any of the following persons: <Amended on Oct. 20, 2014>
1. The director of a division in charge of, or directly related to, affairs regarding climate change in the Seoul Government;
2. Members of the Seoul Metropolitan Council;
3. Persons who have knowledge of and experience in the business of 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 of the operation of funds.
(3) The term of office of a commissioned member shall be two years, and he or she may be recommissioned: Provided, That the term of office of a member filling a vacancy shall be the remaining period of his or her predecessor's term of office.

Article 10 (Duties of Chairperson)

(1) The chairperson shall represent the Committee and exercise general control over its affairs.
(2) Where the chairperson is unable to perform his or 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 the duties of the chairperson on his or her behalf.

Article 11 (Operation of Committee)

(1) Where the chairperson deems it necessary, he or she shall call a meeting of the Committee and preside over the meeting.
(2) A majority of the members shall constitute a quorum and any decision thereof shall require the concurring vote of a majority of those present: Provided, That a documentary deliberation may be allowed in any of the following cases: <Amended on Jan. 4, 2018>
1. Where a case requires urgent settlement or is minor;
2. Where the members cannot attend a meeting to conduct deliberation due to an act of God or any other unavoidable circumstances.
(3) One executive secretary shall be assigned to the Committee to conduct businesses of the Committee, and such position shall be filled by a public official of Grade V in charge of operation and management of the Fund at the division in charge of climate change affairs in the Seoul Government.
(4) The Mayor may pay allowances or reimburse travelling expenses to members present at a meeting, etc. of the Committee within the budget: Provided, That this shall not apply where a member who is a public official attends a meeting of the Committee in direct connection with his or her duty.
(5) The Committee may organize and operate an advisory group comprised of the relevant experts to seek advice on specialized matters such as timing of trading (sale and purchase) of greenhouse gas emission permits. <Newly Inserted on Jul. 13, 2017>

Article 11-2 (Exclusion from, Challenge to, and Refrainment by Members)

(1) In order to ensure fairness in deliberation by the Committee, any member of the Committee who falls under any of the following cases shall be excluded from the deliberation on an agenda item at issue:
1. Where a member provided or provides services, consultation, research etc. in relation to the agenda item subject to deliberation by the Committee;
2. Where a member has a direct interest in the agenda item subject to deliberation by the Committee.
(2) Where there is any special reason which makes it difficult for a person interested in the deliberation by the Committee to expect fairness from a member, he or she may make a request for challenge to the chairperson.
(3) Where any member falls under paragraph (1) or (2), the member may refrain himself or herself from deliberation on the relevant matter, and when a request for recusal is made by such member, he or she shall be excluded from the relevant agenda item. <Amended on Dec. 31, 2019>
[This Article Newly Inserted on Oct. 20, 2014]

Article 12 (Operating Rules)

Except as provided in this Ordinance, matters necessary for the formation and operation of the Committee shall be determined by the chairperson 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 or she may have the financial institution submit materials concerning the entrusted affairs or have a public official under his or her control inspect matters concerning the entrusted affairs. <Amended on Oct. 8, 2015; Jul. 13, 2017>

(2) The Mayor may have a person who has received a loan or subsidy from the Fund submit necessary materials to ascertain whether such loan or subsidy has been used appropriately for the agreed-upon purpose under Article 5. <Amended on Jul. 13, 2017>

Article 14 (Collection of Loans or Subsidies)

Where the Mayor deems that a person who has received a loan or subsidy from the Fund uses money not for the agreed-upon purpose under Article 5, the Mayor may cancel payment and collect the same. In such cases, the interest rate prescribed by rule of the Seoul Government may apply retroactively. <Amended on 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 on Dec. 31, 2012; May 14, 2015; Jan. 3, 2019>

(2) The Seoul Metropolitan Government Rule on Budget and Fund Accounting shall apply mutatis mutandis to management of accounting of the Fund. <Amended on Dec. 31, 2012; Jan. 3, 2019; Dec. 31, 2020>

Article 16 (Enforcement Rule)

Matters necessary for enforcing this Ordinance shall be prescribed by rule of the Seoul Government. <Amended on Dec. 31, 2012>