

Title : Energy Administration Act
Amended Date : 2016-11-30
Category : Ministry of Economic Affairs

Chapter 1: General Principles

Article 1

This Act is hereby promulgated to serve the purpose of strengthening energy administration and achieving rational and efficient utilization of energy.

In order to ensure the stable and safe supply of energy, as well as taking into consideration environmental impact and economic development, the central competent authority shall draft the Energy Development Guidelines, subject to approval by the Executive Yuan for implementation.

Article 2

The term "energy" as used in this Law shall include:

1. Petroleum and its products.
2. Coal and its products.
3. Natural gas.
4. Nuclear fuel.
5. Electrical energy.
6. Other items designated by the central competent authority as a form of energy.

Article 3

The term "competent authority" as used in this Law shall denote the Ministry of Economic Affairs at the central level; the respective municipal governments at the municipal level; and the respective county/city governments at the county/city level.

Article 4

The term "energy supply enterprise" as used in this Law shall denote enterprises involved in the importation, exportation, production, transportation, storage, and sale of energy.

Article 5

The central competent authority may, in accordance with the Budget Act, establish a special fund for the research and development of energy together with a project plan for enhancing such research and development work.

The aforementioned special fund shall serve the following purposes:

1. Research and development of technology relevant to exploitation of energy resources and alternative energy sources.

2. Research and development relevant to technology and methods for the rational and efficient use of energy, as well as energy conservation.
3. Economic analysis and collection of information on energy.
4. Training of experts in energy planning and technology.
5. Other approved uses.

Incentives or subsidies may be granted to legal persons or individuals whose research under subparagraphs¹ and 2 of the preceding paragraph proves to be of practical value.

The central competent authority shall submit an annual report to the Legislative Yuan on the results of implementing the energy research and development plan and the use of the special fund.

Article 5-1

The sources of the Energy Research and Development Fund shall be as follows:

1. Contributions from vertically integrated utilities, oil refineries, and oil importers at a percentage of their income generated from the energy business.
2. Interest income on the Fund.
3. Energy Technical service fees, royalties, remuneration, and other associated income.

The contribution specified in subparagraph¹ of the preceding paragraph shall be collected at a rate not exceeding half of one percent (0.5%) of the income of the vertically integrated utilities, oil refineries, and oil importers generated from their energy business as determined by the central competent authority.

Enterprises described in subparagraph¹ of paragraph 1 hereof that are already paying into the Electrical Energy or Petroleum Funds as provided by other laws are exempted from contributing to the Energy Research and Development Fund.

Chapter 2: Energy Supply

Article 6

The operation of energy businesses by energy supply enterprises shall comply with the regulations governing energy adjustment, restrictions, and prohibitions stipulated by the central competent authority.

The importation, exportation, production and sale of energy products designated by the central competent authority shall not be conducted without approval.

Regulations governing approvals specified in the preceding paragraph shall be formulated by the central competent authority and further submitted to the Legislative Yuan for enactment.

Article 7

When the operation of energy businesses by an energy supply enterprise reaches a threshold determined by the central competent authority, said enterprise shall proceed with the following matters in accordance with the regulations of the central competent authority:

1. Submission of business data.
2. Establishment of energy storage facilities.
3. Storage of security stockpile.

An enterprise which has established energy storage facilities in conformity with subparagraph 2 of the preceding paragraph shall be entitled to an incentive of 2-year accelerated depreciation for the purpose of imposing the Profit-seeking Enterprise Income Tax. If the storage facilities have not been completely depreciated in 2 years, further depreciation may be recognized over one year or multiple years in accordance with the service life specified in Income Tax Law until full depreciation has been made.

Chapter 3: Utilization and Audit of Energy

Article 8

The utilization and efficiency of lighting, power, electric heating, air conditioning, refrigerating, or other energy-consuming facilities used by existing energy users designated by central competent authority shall comply with energy conservation regulations promulgated by the central competent authority.

Regulations on the designation of energy users, types of energy consuming facilities, energy conservation requirements, and energy efficiency requirements as mentioned in the preceding paragraph shall be announced by the central competent authority.

Article 9

Energy users whose energy consumption meets the level stipulated by the central competent authority shall establish their own energy audit systems and set objectives and implementation plans for energy conservation, which shall be carried out upon approval by the central competent authority.

Article 10

Energy users whose steam generation meets the level stipulated by the central competent authority shall install cogeneration facilities.

Where the effective thermal ratio and total thermal efficiency of the cogeneration facilities installed by the energy user meet the levels stipulated by the central competent authority, the energy user may request the local vertically integrated

utility to purchase its excess electricity and supply backup electricity needed during system maintenance or breakdown. Except with justified reasons and approval of the central competent authority, the local vertically integrated utility shall not refuse such requests.

Measures regarding rates for the purchase of excess electricity, standards and verification methods for effective thermal ratio and total thermal efficiency of the aforementioned cogeneration facilities, as well as measures regarding matters such as connections between the energy users with cogeneration facilities and vertically integrated utilities, methods of purchasing electrical energy, purchasing rates for electrical energy and backup electrical energy, as well as the duration of the obligation to purchase excess electricity, shall be formulated by the central competent authority.

Article 11

Energy users whose energy consumption meets the level stipulated by the central competent authority, shall employ or commission a certain number of technicians or qualified energy administrators based on their energy consumption bracket to implement the requirements stipulated by the central competent authority in accordance with Articles 8, 9 and 12.

Regulations on energy consumption brackets; number, qualifications, and training of the technicians and qualified energy administrators; obtainment procedures, qualifications, withdrawal, revocation, verification, and administration of the qualification certificates; and other compliance matters for the preceding paragraph, shall be formulated by the central competent authority.

Article 12

Energy users whose energy consumption meets the level stipulated by the central competent authority shall report their energy consumption data to the central competent authority.

The energy consumption categories, quantities, items, and efficiency data to be reported, as well as submission periods and methods for energy users described in the preceding paragraph, shall be announced by the central competent authority.

Article 13

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Article 14

Enterprises that manufacture or import for domestic use energy-consuming equipment or tools designated by the central competent authority shall ensure that

said equipment or tools comply with the standards of permissible energy consumption stipulated by the central competent authority, and shall provide a nameplate for each piece of equipment or tool indicating energy consumption and efficiency.

Energy-consuming equipment or tools failing to comply with the standards of permissible energy consumption described in the preceding paragraph shall not be imported or sold in the domestic market.

Energy-consuming equipment or tools failing to comply with the nameplate requirements described in paragraph 1 shall not be exhibited or sold in the domestic market.

Regulations on the types of energy-consuming equipment and tools described in paragraph 1, the standards of permissible energy consumption and inspection procedures, and the data requirements of the standard of energy consumption and efficiency, indication methods, and inspection procedures of energy consumption and efficiency nameplates described in paragraph 1 shall be announced by the central competent authority.

Article 15

Enterprises that manufacture or import vehicles for domestic use designated by the central competent authority shall ensure that the energy efficiency of said vehicles comply with the standards of permissible energy consumption stipulated by the central competent authority, and shall provide a nameplate for each vehicle indicating energy consumption and efficiency.

Vehicles failing to comply with the standards of permissible energy consumption described in the preceding paragraph shall not be imported or sold in the domestic market.

Vehicles failing to comply with the nameplate requirements described in paragraph 1 shall not be exhibited or sold in the domestic market.

Regulations on the standards of permissible energy consumption and efficiency, indication methods, and inspection procedures of energy consumption and efficiency, and the granting, withdrawal, revocation, administration of certificates and other matters for vehicles described in paragraph 1 shall be promulgated by the central competent authority in conjunction with the central competent authority for transportation.

Article 15-1

The central competent authority shall promulgate regulations governing the

assessment of energy development and utilization in view of national energy supply volume and efficiency requirements across different periods and regions, in accordance with the energy development guidelines described in paragraph 2 of Article 1, on the basis of which domestic energy development and utilization may be reviewed.

Article 16

Energy users that establish or expand the energy-consuming facilities due to large-scale investment and production projects, whose energy consumption significantly impact total national energy supply and demand, overall energy system, or regional energy balance shall, prior to establishment or expansion of such energy-consuming facilities, provide an energy use report to the authority which received their investment project application, which shall forward the report to the central competent authority for approval.

Prior to granting approval, the central competent authority shall review the consumption volume, category, efficiency, and location of the energy user in accordance with the regulations governing the assessment of energy development and utilization specified in the preceding article.

The energy user shall implement its plan on energy consumption volume, category, efficiency and facility location in accordance with the conclusions of the review described in the preceding paragraph; and the central competent authority shall periodically follow upon the implementation process.

The energy users to which paragraph 1 applies and the format and required elements of the energy use report described shall be announced by the central competent authority.

Article 17

Energy conservation standards for the design and construction of new buildings shall be promulgated by the competent authorities for building construction in conjunction with the central competent authority.

Article 18

Energy users with central air conditioning systems installed, whose refrigerating units exceed the capacity level stipulated by the central competent authority, shall be equipped with independent electric meters and circuits for such systems.

To facilitate the power consumption load management for central air conditioning systems, a vertically integrated utility may adopt differentiated pricing rates, subject to the approval of the central competent authority.

Regulations governing the electric meter, submeters, circuit layout, types of cable used, and metering specifications for air conditioning systems installed by the energy user shall be stipulated by the central competent authority.

Article 19

During energy supply shortfalls, the central competent authority may prescribe regulations governing energy control, restriction, and distribution subject to approval by the Executive Yuan for implementation.

Article 19-1

The central competent authority may send staff or commission professional organizations or technicians to inspect energy users, energy consumption equipment, tools, and manufacturers, importers, or sellers of vehicles designated in accordance with this Act, and request relevant information. The energy user, manufacturer, importer and seller shall not evade, impede, or refuse such inspections or requests.

When conducting inspections described in the preceding paragraph, the inspector shall take the initiative in showing relevant certification or sufficient identification logos representing their authorized duty.

Regulations governing application, granting, withdrawal, revocation, fees charged, and other compliance matters regarding certification of professional organizations or technicians described in paragraph 1 shall be formulated by the central competent authority.

Chapter 4: Penalties

Article 20

Where any energy supply enterprise violates regulations stipulated by the central competent authority under paragraph 1 of Article 6, the competent authority shall notify said enterprise to implement remedies within a specific deadline. If the enterprise fails to remedy its violations within said deadline, the enterprise shall be fined NT\$15,000 to NT\$150,000, and ordered once again to implement remedies within a specific deadline. If the enterprise still fails to remedy its violations by the second notified deadline, the fine shall be doubled and the enterprise may be suspended from business activities or ordered to close. Where the enterprise still fails to remedy its violations after the competent authority has doubled the fine, the responsible person of the enterprise shall be sentenced to no more than one year imprisonment, short-term imprisonment and/or a penalty of no more than NT\$300,000.

Article 20-1

The responsible person of an enterprise engaged in import, export, production, and sale of energy products designated by the central competent authority without approval shall be sentenced to no more than one year imprisonment, short-term imprisonment and/or a fine of no more than NT\$300,000.

Article 21

For the following violations, the competent authority shall notify the enterprise to implement remedies within a specific deadline. An enterprise that fails to remedy its violations within said deadline shall be fined NT\$20,000 to NT\$100,000 and ordered once again to implement remedies within a specific deadline. If the enterprise still fails to remedy its violations by the second notified deadline the penalty shall be doubled per violation:

1. Failure to report, or reporting false operation data pursuant to subparagraph1, paragraph 1 of Article 7.
2. Failure to employ or commission technicians or qualified energy administrators for the required operations stipulated by the central competent authority pursuant to paragraph 1 of Article 11.
3. Failure to report, or reporting false data on energy consumption pursuant to paragraph 1 of Article 12.
4. Failure to indicate, or falsely indicating energy consumption or efficiency pursuant to paragraph 1 of Article 14 or paragraph 1 of Article 15.
5. Exhibiting or selling of energy consuming equipment, tools, or vehicles not complying with nameplate requirements specified in paragraph 3 of Article 14 or paragraph 3 of Article 15.

Article 22

Where an energy supply enterprise violates subparagraph2 or 3, paragraph 1, Article 7 by failing to establish energy storage facilities or maintain its security stockpile, the competent authority shall notify said enterprise to implement remedies within a specific deadline. If the enterprise fails to remedy its violations within said deadline, the enterprise shall be fined NT\$150,000 to NT\$600,000 and ordered to implement remedies once again within a specific deadline. If the enterprise still fails to remedy its violations by the second specified deadline, the fine may be doubled.

Article 23

Where an energy user fails to observe regulations for energy utilization and efficiency stipulated by the central competent authority pursuant to Article 8, the central competent authority shall notify the user to improve or renew its facilities within a

specific deadline. Users who fail to comply with such notices shall be fined NT\$20,000 to NT\$100,000 and ordered to make such improvements or renewals once again within a specific deadline. If the user still fails to improve or renew its facilities within the second specified deadline, the fine shall be doubled per violation.

Article 24

For the following violations, the competent authority shall notify said enterprise to implement remedies within a specific deadline. If the enterprise fails to remedy its violations by said deadline, the enterprise shall be fined NT\$30,000 to NT\$150,000 and ordered once again to implement remedies by a specific deadline. Where the enterprise still fails to remedy its violations within the second specified deadline, the fine shall be doubled per violation:

1. Failure to establish an energy audit system or set up or implement energy conservation objectives and plans pursuant to Article 9.
2. Failure to install cogeneration facilities pursuant to paragraph 1 of Article 10.
3. Violation of the prohibition on importation or sale in domestic market pursuant to paragraph 2 of Article 14 or paragraph 2 of Article 15.
4. Violation of paragraph 3 of Article 16 by exceeding energy consumption limits or failing to meet energy category and efficiency requirements.
5. Violation of paragraph 1 of Article 19-1 by evading, impeding, or refusing inspections or information requests by the central competent authority.
6. Violation of regulations stipulated pursuant to paragraph 3 of Article 19-1.

Article 25

Where an energy user violates paragraph 1 of Article 16 by establishing or expanding facilities without the approval of the competent authority, the central competent authority may order the violator to stop energy imports or order the energy supply enterprise to suspend energy supply.

Article 26

Where an energy user fails to comply with energy conservation standards pursuant to Article 17, the competent authority may suspend energy supply to said user.

Article 27

Where any enterprise violates provisions governing energy control, restriction, and distribution stipulated by the central competent authority pursuant to Article 19, the competent authority shall notify said enterprise to implement remedies within a specific deadline. If the enterprise fails to remedy its violations within the said deadline, the enterprise shall be fined NT\$15,000 to NT\$150,000 and its energy supply suspended.

Article 28

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Chapter 5: Supplementary Provisions

Article 29

The enforcement rule of this Act shall be formulated by the central competent authority and subject to approval by the Executive Yuan.

Article 30

This Act shall enter into force as of the date of promulgation.