

ENERGY ACT

Act No. 7860, Mar. 3, 2006
Amended by Act No. 8852, Feb.29, 2008
Act No. 9372, Jan.30, 2009
Act No. 9931, Jan.13, 2010
Act No. 10352, Jun. 8, 2010
Act No. 10445, Mar. 9, 2011
Act No. 10911, Jul. 25, 2011

Article 1 (Purpose)

The purpose of this Act is to contribute to the sustainable development of the national economy and enhancement of the welfare of citizens by providing for basic matters concerning the formulation and implementation of energy policies and energy-related plans to realize a stable, efficient and environment-friendly energy demand and supply structure.

[This Article Wholly Amended by Act No. 10352, Jun. 8, 2010]

Article 2 (Definitions)

The terms used in this Act shall be defined as follows:

1. The term “energy” means fuel, heat and electricity;
2. The term “fuel” means petroleum, gas, coal and other heat sources generating heat:
Provided, That those used as raw materials of products shall be excluded herefrom;
3. The term “new and renewable energy” means the energy under subparagraph 1 of Article 2 of the Act on the Promotion of the Development, Use and Diffusion of New and Renewable Energy;
4. The term “energy-using facility” means facilities using energy in factories, business sites, etc. or facilities using converted energy;
5. The term “energy user” means the owners or managers of energy-using facilities;
6. The term “energy-supplying facility” means facilities installed to produce, convert, transport or store energy;
7. The term “energy supplier” means business operators who produce, import, convert, transport, store or sell energy;

8. The term “energy-using apparatus and material” means heat-using apparatuses and materials and other energy-using apparatuses and materials;
9. The term “heat-using apparatus and material” means fuel and heat-using equipment, thermal storage type electric equipment and insulation materials, which are prescribed by Ordinance of the Ministry of Knowledge Economy;
10. The term “greenhouse gas” means green gas as stipulated in subparagraph 9 of Article 2 of the Framework Act on Low Carbon, Green Growth.
[This Article Wholly Amended by Act No. 10352, Jun. 8, 2010]

Article 3 Deleted. <by Act No. 9931, Jan. 13, 2010>

Article 4 (Responsibilities and Duties of State, etc.)

- (1) The State shall formulate and implement comprehensive measures to realize the purposes of this Act.
- (2) Each local government shall formulate and implement regional energy measures, taking into account the purposes of this Act, national energy policies and measures, and regional characteristics. In such cases, necessary matters concerning the formulation and implementation of regional energy measures may be prescribed by municipal ordinance of the relevant local government.
- (3) Energy suppliers and energy users shall actively participate in and cooperate with the energy policies of the State and local governments and endeavor to maximize safety, efficiency and environment-friendliness in the production, conversion, transportation, storage, use, etc. of energy.
- (4) All citizens shall actively participate in and cooperate with the energy measures of the State and local governments and endeavor to use energy in a rational and environment-friendly manner in their daily lives.
- (5) The State, local governments and energy suppliers shall contribute to the universal supply of energy to the citizens, including the poor, etc.
[This Article Wholly Amended by Act No. 10352, Jun. 8, 2010]

Article 5 (Scope of Application)

The enactment or amendments of Acts or subordinate statutes on energy shall comply with the purposes of this Act and the basic principles under Article 39 of the Framework Act on Low Carbon, Green Growth: Provided, That the research, development, production, use and safety control of atomic energy shall be governed by the Nuclear Energy Act, the Nuclear

Safety Act, and other relevant Acts. <Amended by Act No. 10911, Jul. 25, 2011>
[This Article Wholly Amended by Act No. 10352, Jun. 8, 2010]

Article 6 Deleted. <by Act No. 9931, Jan. 13, 2010>

Article 7 (Formulation of Local Plans)

- (1) In order to ensure the efficient achievement of the objectives of the basic energy plan under Article 41 of the Framework Act on Low Carbon, Green Growth (hereinafter referred to as “basic plan”) and development of the regional economy, each Special Metropolitan City Mayor, Metropolitan City Mayor, Do Governor, or the Governor of a Special Self-Governing Province (hereinafter referred to as “Mayor/Do Governor”) shall formulate and implement a local energy plan (hereinafter referred to as “local plan”) with a plan period of not less than five years every five years, taking into account the regional characteristics of his/her jurisdiction.
- (2) The local plan shall include the following matters on the relevant area:
 1. Matters concerning trends and prospects of energy demand and supply;
 2. Matters concerning measures for the stable supply of energy;
 3. Matters concerning measures for the use of environment-friendly energy, such as new and renewable energy;
 4. Matters concerning measures for the rationalization of energy use and reduction of greenhouse gas emissions thereby;
 5. In cases of districts designated as those subject to the integrated energy supply pursuant to Article 5 (1) of the Integrated Energy Supply Act, matters concerning measures for the integrated energy supply to the districts concerned;
 6. Matters concerning measures for the development and use of energy sources that have yet to be exploited;
 7. Other matters deemed necessary by a Mayor/Do Governor for energy measures and related projects.
- (3) A Mayor/Do Governor who has formulated a local plan shall submit it to the Minister of Knowledge Economy. The same shall also apply to changes to already-formulated local plans.
- (4) The Government may devise supporting measures necessary to facilitate the energy measures and related projects of local governments.

[This Article Wholly Amended by Act No. 10352, Jun. 8, 2010]

Article 8 (Formulation, etc. of Contingency Energy Supply Plans)

- (1) The Minister of Knowledge Economy shall formulate a contingency energy supply plan (hereinafter referred to as “contingency plan”) in case a serious failure in energy supply were to occur.
- (2) The contingency plan shall be finalized following deliberation by the Energy Committee under Article 9. The same shall also apply to changes to already-formulated contingency plans.
- (3) The contingency plan shall include each of the following matters:
 1. Matters concerning trends and prospects of domestic and overseas energy demand and supply;
 2. Matters concerning measures for the reduction of energy consumption in an emergency;
 3. Matters concerning measures for the utilization of energy in reserve in an emergency;
 4. Matters concerning measures for the adjustment of demand and supply, such as the allocation, rationing, etc. of energy in an emergency;
 5. Matters concerning measures for international cooperation for the stabilization of energy demand and supply in an emergency;
 6. Matters concerning administrative plans for the efficient implementation of the contingency plan.
- (4) The Minister of Knowledge Economy may take necessary measures, as prescribed by relevant Acts and subordinate statutes, such as imposing restrictions on energy use, in order to prepare for any failure in energy demand and supply resulting from any change to the domestic or overseas energy market.

[This Article Wholly Amended by Act No. 10352, Jun. 8, 2010]

Article 9 (Organization and Operation of Energy Committee)

- (1) The Government shall establish the Energy Committee (hereinafter referred to as the “Committee”) under the control of the Minister of Knowledge Economy to deliberate on matters concerning major energy policies and energy-related plans.
- (2) The Committee shall be comprised of not more than 25 members, including one chairperson, and its members shall be comprised of ex officio members and commissioned members.
- (3) The Minister of Knowledge Economy shall chair the Committee.
- (4) A senior public official who belongs to the Senior Civil Service of relevant central administrative agencies and who is determined by Presidential Decree shall become ex

officio members of the Committee.

- (5) Persons with abundant knowledge and experience in the area of energy who are commissioned by the Minister of Knowledge Economy shall become commissioned members of the Committee. In such cases, not less than five persons recommended by energy-related civil organizations shall be included in commissioned members, as prescribed by Presidential Decree.
- (6) The term of office of commissioned members shall be two years, and they may be reappointed.
- (7) Specialized committees by area may be established to examine agenda to be referred to the Committee, or to investigate and study agenda delegated by the Committee.
- (8) Necessary matters concerning the organization, operation, etc. of the Committee and specialized committees by area shall be prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 10352, Jun. 8, 2010]

Article 10 (Functions of Committee)

The Committee shall deliberate on each of the following matters:

1. Matters concerning prior deliberations on the formulation and alteration of the basic energy plan under Article 41 (2) of the Framework Act on Low Carbon, Green Growth;
2. Matters concerning the contingency plan;
3. Matters concerning domestic and overseas energy development;
4. Matters concerning plans related to energy-related transportation or logistics;
5. Matters concerning the adjustment of major energy policies and energy projects;
6. Matters concerning the prevention of social conflicts concerning energy and the settlements thereof;
7. Matters concerning the efficient use, etc. of energy-related budgets;
8. Matters concerning atomic energy development policies;
9. Matters concerning energy from among measures for the United Nations Framework Convention on Climate Change;
10. Matters determined to undergo deliberation by the Committee pursuant to other Acts;
11. Other major policy matters concerning energy, referred to by the chairperson.

[This Article Wholly Amended by Act No. 10352, Jun. 8, 2010]

Article 11 (Energy Technology Development Plans)

- (1) The Government shall formulate an energy technology development plan with a plan period of not less than ten years (hereinafter referred to as “energy technology

development plan”) every five years to facilitate the development and dissemination of energy-related technologies, and formulate and implement annual action plans accordingly.

- (2) The energy technology development plan shall be formulated, following consultation with the heads of relevant central administrative agencies and deliberation of the National Science and Technology Council under Article 9 of the Framework Act on Science and Technology, as prescribed by Presidential Decree. In such cases, the energy technology development plan shall be deemed to have been deliberated by the Committee.
- (3) The energy technology development plan shall include each of the following matters:
 1. Matters concerning technological development for the efficient use of energy;
 2. Matters concerning technological development related to environment- friendly energy, such as new and renewable energy;
 3. Matters concerning technological development for the reduction of environmental pollution caused by energy use;
 4. Matters concerning technological development for the reduction of greenhouse gas emissions;
 5. Matters concerning the facilitation to put developed energy technologies to practical use;
 6. Matters concerning the facilitation of international cooperation for energy technologies;
 7. Matters concerning the expansion and efficient use of technological development resources, such as energy technology-related human resources, information, facilities, etc.

[This Article Wholly Amended by Act No. 10352, Jun. 8, 2010]

Article 12 (Development of Energy Technology)

- (1) The head of each central administrative agency concerned may, to efficiently promote energy technology development, have a person falling under any of the following subparagraphs conduct energy technology development activities as prescribed by Presidential Decree: <Amended by Act No. 10445, Mar. 9, 2011>
 1. A public institution under Article 4 of the Act on the Management of Public Institutions;
 2. A national and public research institution;
 3. A specific research institute governed by the Support of Specific Research Institutes

- Act;
4. A specialized manufacturing technology research institute under Article 42 of the Industrial Technology Innovation Promotion Act;
 5. An enterprise specialized in technological development of components and materials under the Act on Special Measures for the Promotion of Specialized Enterprises, etc. for Components and Materials;
 6. A Government-funded research institution under the Act on the Establishment, Operation and Fostering of Government-Funded Research Institutions;
 7. A Government-funded science and technology research institution under the Act on the Establishment, Operation and Fostering of Government-Funded Science and Technology Research Institutions;
 8. An enterprise specialized in R&D business under the Special Act on Support of Scientists and Engineers for Strengthening National Science and Technology Competitiveness;
 9. A university or college, industrial university and junior college under the Higher Education Act;
 10. An industrial technology research cooperative under the Act on the Support of Industrial Technology Research Cooperatives;
 11. A research institute annexed to an enterprise under Article 14 (1) 2 of the Basic Research Promotion and Technology Development Support Act;
 12. Other research institutions or organizations in the areas of science and technology, prescribed by Presidential Decree.
- (2) The heads of relevant central administrative agencies may contribute all or part of expenses incurred in supporting technological development under paragraph (1).
- [This Article Wholly Amended by Act No. 10352, Jun. 8, 2010]

Article 13 (Establishment of Korea Institute of Energy Technology Evaluation and Planning)

- (1) The Korea Institute of Energy Technology Evaluation and Planning (hereinafter referred to as the “Institute”) shall be established to efficiently support the planning, evaluation, management, etc. of the energy technology development-related projects under Article 12 (1) (hereinafter referred to as “energy technology development-related projects”).
- (2) The Institute shall be a juristic person.
- (3) The Institute shall be incorporated by completing registration of incorporation at the seat of its principal office.

- (4) The Institute shall conduct each of the following projects:
1. Planning, evaluation and management of energy technology development-related projects;
 2. Support for projects to train experts in the area of energy technology;
 3. Support for international cooperation and international joint research projects in the area of energy technology;
 4. Other projects prescribed by Presidential Decree in connection with energy technology development.
- (5) The Government may contribute expenses incurred in establishing and operating the Institute within budgetary limits.
- (6) The heads of relevant central administrative agencies and the heads of local governments may require the Institute to conduct the project stipulated in each subparagraph of paragraph (4) and may contribute all or part of expenses incurred therein, as prescribed by Presidential Decree.
- (7) The Institute may conduct profit-making projects, as prescribed by Presidential Decree, to cover the expenses incurred in achieving its objectives under paragraph (1).
- (8) Necessary matters concerning the operation, supervision, etc. of the Institute shall be prescribed by Presidential Decree.
- (9) Executives and employees of the Institute shall be deemed public officials in the application of Articles 129 through 132 of the Criminal Act.
- (10) The provisions of the Civil Act which pertain to incorporated foundations shall apply *mutatis mutandis* to matters concerning the Institute except for those provided for in this Act.
- [This Article Wholly Amended by Act No. 10352, Jun. 8, 2010]

Article 14 (Energy Technology Development Project Fund)

- (1) The heads of relevant central administrative agencies may raise an energy technology development project fund necessary for the implementation of the annual action plans under Article 11 (1) to comprehensively and efficiently promote energy technology development projects.
- (2) The energy technology development project fund under paragraph (1) shall be raised with contributions and loans from the Government, energy-related project operators, etc. and other financial resources prescribed by Presidential Decree.
- (3) The heads of relevant central administrative agencies may have the Institute take charge of affairs concerning the raising and management of the energy technology development

project fund.

- (4) The energy technology development project fund shall be used to support the following projects:
1. Matters concerning the research and development of energy technologies;
 2. Matters concerning surveys on the demand of energy technology;
 3. Matters concerning technological development for energy-using apparatuses and materials, energy supply facilities, and the components thereof;
 4. Matters concerning the dissemination and publicity of the outcomes of energy technology development;
 5. Matters concerning international cooperation in energy technology;
 6. Matters concerning the training of researchers in energy;
 7. Matters concerning technological development for the reduction of air pollution caused by energy use;
 8. Matters concerning technological development for the reduction of greenhouse gas emissions;
 9. Matters concerning the collection, analysis and provision of information on energy technology and academic activities related thereto;
 10. Matters concerning the management of the Institute's energy technology development projects.
- (5) Necessary matters concerning the management and use of the energy technology development project fund under paragraphs (1) through (4) shall be prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 10352, Jun. 8, 2010]

Article 15 (Recommendation of Investment, etc. in Energy Technology Development)

The heads of relevant central administrative agencies may recommend that energy-related project operators invest in or contribute to energy technology development projects, if necessary for facilitating the development of energy technologies.

[This Article Wholly Amended by Act No. 10352, Jun. 8, 2010]

Article 16 (Training of Experts in Energy and Energy Resource Technology)

- (1) The Minister of Knowledge Economy may conduct necessary projects for the training of experts in the areas of energy and energy resource technology.
- (2) The Minister of Knowledge Economy may provide necessary support, including financial

support, for the conduct of the projects under paragraph (1). In such cases, necessary matters concerning objects of, procedures for, etc. of such support shall be determined by Ordinance of the Ministry of Knowledge Economy.

[This Article Wholly Amended by Act No. 10352, Jun. 8, 2010]

Article 17 (Administrative and Financial Measures)

The State and local governments may take administrative and financial measures necessary for academic research and survey, technological development, etc. to achieve the purposes of this Act.

[This Article Wholly Amended by Act No. 10352, Jun. 8, 2010]

Article 18 (Support to Civil Activities)

The State and local governments may provide necessary data or financial support to the private sector to facilitate energy-related activities for the public interest.

Article 19 (Management and Announcement of Energy-Related Statistics)

- (1) The Minister of Knowledge Economy shall compile, analyze and manage statistics on domestic and overseas energy demand and supply for the efficient formulation and implementation of the basic plan and energy-related measures, and announce them to the extent not contravening relevant Acts and subordinate statutes. <Amended by Act No. 10352, Jun. 8, 2010>
- (2) The Minister of Knowledge Economy shall compile and analyze statistics on greenhouse gas emissions generated in the use of energy and in industrial process each year and may announce the results thereof. <Amended by Act No. 10352, Jun. 8, 2010>
- (3) Deleted. <by Act No. 9931, Jan. 13, 2010>
- (4) Where the Minister of Knowledge Economy deems necessary for the compilation of statistics under paragraphs (1) and (2), he/she may request energy-related institutions or energy users determined by Ordinance of the Ministry of Knowledge Economy to present data thereon. <Amended by Act No. 10352, Jun. 8, 2010>
- (5) The Minister of Knowledge Economy may, if deemed necessary, conduct an energy census, as prescribed by Presidential Decree. <Amended by Act No. 10352, Jun. 8, 2010>
- (6) The Minister of Knowledge Economy may designate a specialized institution to have it conduct all or part of affairs concerning the compilation, analysis and management of statistics under paragraphs (1) and (2) and the energy census under paragraph (5).

<Amended by Act No. 10352, Jun. 8, 2010>

Article 20 (Reporting to National Assembly)

- (1) The Government shall report the implementation progress of major energy policies and the results thereof to the National Assembly each year.
- (2) Reporting under paragraph (1) shall include the following matters:
 1. Matters concerning trends and prospects of domestic and overseas energy demand and supply;
 2. Matters concerning the progress of measures for the security, introduction, supply and management of energy and resources and the plans therefor;
 3. Matters concerning the progress of energy demand management and the plans therefor;
 4. Matters concerning the progress of measures for the supply and use of environment-friendly energy and the plans therefor;
 5. Matters concerning the status of greenhouse gas emissions, progress of measures for the reduction of greenhouse gas emissions and the plans therefor;
 6. Matters concerning the progress of matters concerning international cooperation in energy policies, etc. and the plans therefor;
 7. Other matters concerning the implementation of major energy policies.
- (3) Necessary matters concerning reporting under paragraph (1) shall be prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 10352, Jun. 8, 2010]

ADDENDA <Act No. 7860, Mar. 3, 2006>

Article 1 (Enforcement Date)

This Act shall enter into force six months after its promulgation.

Article 2 (Transitional Measures concerning National Energy Master Plan, etc.)

- (1) The national energy master plan formulated under Article 4 of the former Energy Use Rationalization Act as at the time this Act enters into force shall be deemed the master plan under Article 6 of this Act.
- (2) The regional energy plan formulated under Article 5 of the former Energy Use Rationalization Act as at the time this Act enters into force shall be deemed the regional energy plan under Article 7 of this Act.

- (3) The contingency plan for energy supply formulated under Article 6 of the former Energy Use Rationalization Act as at the time this Act enters into force shall be deemed the contingency plan under Article 8 of this Act.
- (4) The energy technology development plan formulated under Article 37 of the former Energy Use Rationalization Act as at the time this Act enters into force shall be deemed the energy technology development plan under Article 11 of this Act.

Article 3 (Transitional Measures concerning Institutions Taking Full Charge of Energy Technology Development Business)

The institution taking full charge of energy technology development business designated under Article 39 of the former Energy Use Rationalization Act at the time this Act enters into force shall be deemed the institution taking full charge of energy technology development business under Article 13 of this Act.

Article 4 (Transitional Measures concerning Energy Technology Development Business Fund)

The energy technology development business fund under Article 40 of the former Energy Use Rationalization Act as at the time this Act enters into force shall be deemed the energy technology development project fund under Article 14 of this Act.

Article 5 Omitted.

Article 6 (Relations with other Acts)

A citation of the former Energy Use Rationalization Act or any provision thereof by any other Act or subordinate statute in force at the time this Act enters into force shall be deemed a citation of this Act or the corresponding provision hereof in lieu of the former provision, if such a corresponding provision exists in this Act.

ADDENDA <Act No. 8852, Feb. 29, 2008>

Article 1 (Enforcement Date)

This act shall enter into force on the date of its promulgation. (Proviso Omitted.)

Articles 2 through 7 Omitted.

Article 1 (Enforcement Date)

This Act shall enter into force three months after its promulgation.

Article 2 (Preparations for Establishment of Institute)

- (1) The Minister of Knowledge Economy shall commission not more than five founding members to handle affairs concerning the establishment of the Institute before this Act enters into force.
- (2) The founding members shall prepare each of the following matters and obtain authorization from the Minister of Knowledge Economy therefor:
 1. Articles of association of the Institute;
 2. Plan for succeeding employees belonging to the institution taking full charge of energy technology development business, designated pursuant to former Article 13 (1).
- (3) The founding members shall recommend the first officials to be appointed to the Institute to the Minister of Knowledge Economy under joint signature, and the Minister of Knowledge Economy shall appoint the officials of the Institute from among the recommended persons.
- (4) The founding members shall, when officials are appointed pursuant to paragraph (3), complete registration of incorporation of the Institute under joint signature without delay.
- (5) The founding members shall transfer affairs to the president of the Institute without delay after completing registration of incorporation of the Institute.
- (6) The commissioning of founding members shall be deemed to have terminated as at the time the transfer of affairs under paragraph (4) terminates.

Article 3 (Transitional Measures concerning Korea Institute of Energy and Resources Technology Evaluation and Planning, etc.)

- (1) The Korea Institute of Energy and Resources Technology Evaluation and Planning (hereinafter referred to as “incorporated foundation”) an incorporated foundation established under Article 32 of the Civil Act as at the time this Act enters into force may apply for approval from the Minister of Knowledge Economy to have the Institute established pursuant to the amended provisions of Article 13 succeed all its property, rights and obligations by the resolution of the board of directors.
- (2) The incorporated foundation approved pursuant to paragraph (1) shall be deemed to have

been dissolved concurrently with the establishment of the Institute under this Act, notwithstanding the provisions of the Civil Act, which pertain to the dissolution and liquidation of juristic persons.

- (3) All the property, rights and obligations of the incorporated foundation dissolved pursuant to paragraph (2) shall be succeeded by the Institute by a universal title. In such cases, the value of the property subject to succession shall be the book value on the date immediately preceding the date of registration of incorporation.
- (4) The name of the incorporated foundation, entered in registers concerning its property, rights and obligations and other official books as at the time this Act enters into force shall be deemed the name of the Institute.
- (5) With respect to the acts and other legal relations of the incorporated, which were conducted and established before this Act enters into force, the incorporated foundation shall be deemed the Institute.
- (6) Any agreement concluded between the institution taking full charge of the energy technology development business conducted pursuant to Article 12 (1) and the institution taking full charge of energy technology development business designated pursuant to former Article 13 (1) (excluding the incorporated foundation; hereafter referred to as “institution in full charge” in this Article) before this Act enters into force shall be deemed an agreement concluded with the Institute under the amended provisions of Article 13.
- (7) The employees of the incorporated foundation dissolved pursuant to paragraph (2) and employees conducting the duty of energy technology development business management at the institution in full charge as at the time this Act enters into force shall be deemed the employees of the Institute pursuant to the planned matters under Article 2 (2) 2 of the Addenda.

Article 4 (Transitional Measures concerning Designation of Public Institutions)

The designation of the incorporated foundation by the Minister of Knowledge Economy as a public institution under the Act on the Management of Public Institutions as at the time this Act enters into force shall be the designation of the Institute under this Act as a public institution under the Act on the Management of Public Institutions.

Article 5 Omitted.

ADDENDA <Act No. 9931, Jan. 13, 2010>

Article 1 (Enforcement Date)

This Act shall enter into force three months after its promulgation. (Proviso Omitted.)

Articles 2 through 4 Omitted.

ADDENDUM <Act No. 10352, Jun. 8, 2010>

This Act shall enter into force on the date of its promulgation.

ADDENDA <Act No. 10445, Mar. 9, 2011>

Article 1 (Enforcement Date)

This Act shall enter into force three months after its promulgation.

Articles 2 through 4 Omitted.

ADDENDA <Act No. 10911, Jul. 25, 2011>

Article 1 (Enforcement Date)

This Act shall enter into force three months after its promulgation.

Articles 2 through 5 Omitted.