

ANNEX 1

TO THE PROTOCOL FOR COOPERATION  
IN THE FIELD OF ENERGY EFFICIENCY AND RENEWABLE ENERGY

BETWEEN  
THE DEPARTMENT OF ENERGY OF THE UNITED STATES OF AMERICA  
AND  
THE STATE SCIENCE AND TECHNOLOGY COMMISSION  
OF THE PEOPLE'S REPUBLIC OF CHINA

FOR DEVELOPING COOPERATIVE ACTIVITIES  
IN THE AREA OF RENEWABLE ENERGY  
UNDER THE HUNDRED COUNTIES INTEGRATED RURAL ENERGY  
DEVELOPMENT PROGRAM IN CHINA

BETWEEN  
THE DEPARTMENT OF ENERGY OF THE UNITED STATES OF AMERICA  
AND  
THE MINISTRY OF AGRICULTURE OF THE PEOPLE'S REPUBLIC OF CHINA

The Department of Energy of the United States of America (USDOE) and the Ministry of Agriculture (MOA) of the People's Republic of China, hereinafter referred to **as** the Parties:

**Recognizing** the Agreement between the Government of the United States of America and the Government of the People's Republic of China on Cooperation in Science and Technology signed at Washington, on January 31, 1979, as amended and extended, -hereinafter referred to **as** the Umbrella Agreement;

**Recognizing** that the USDOE and the State Science and Technology Commission of the People's Republic of China (SSTC) signed a Protocol for Cooperation in the Fields of Energy Efficiency and Renewable Energy Technology Development and Utilization under the Umbrella Agreement on February 23, 1995, hereinafter referred to as the Protocol;

**Noting** that Article 2 of the Protocol identifies a number of areas for potential cooperation in the field of renewable energy and that Article 6 of the Protocol 'provides that the USDOE and the SSTC may invite other organizations to participate in annexes under the Protocol;

**Noting** that the Parties signed a Letter of Intent on February 23, 1995, to develop an annex under the Protocol on cooperation in renewable energy development for rural areas in People's Republic of China;

Desiring' to demonstrate and evaluate the effects of renewable energy applications under the Hundred Counties Integrated Rural Energy Development Program of the People's Republic of China, hereinafter referred to **as** the Hundred Counties Program;

Have agreed as follows:

#### ARTICLE I - OBJECTIVES

The objectives of this Annex are to promote sustainable development in rural areas in the People's Republic of China by accelerating the deployment of renewable energy in China with the support of the U.S. renewable energy industry, and to demonstrate the technical and economic feasibility of renewable energy technologies for the rural inhabitants of the People's Republic of China.

## ARTICLE II - SCOPE OF COOPERATION

The scope for cooperation may include, but is not limited to, testing and demonstrating the following:

- A. Biomass gasification/electricity generation technologies at village level and medium and large-scale biogas plants;
- B. Photovoltaic and solar water-heater;
- C. Small wind mill; and
- D. Small hydropower and micro hydropower.

## ARTICLE III - PARTICIPATING ORGANIZATIONS

- A. Cooperation under this Annex shall be conducted according to the plans and programs of the following principal establishments and organizations:

In the United States of America:

- the Department of Energy, including the National Renewable Energy Laboratory;

In the People's Republic of China:

- the State Science and Technology Commission;
- the Ministry of Agriculture, Department of International Cooperation and the Department of Environmental Protection and Energy;
- the State Council, Office of Poverty Alleviation and Development; and
- local (provincial, county) rural energy offices.

- B. Each Party may invite other governmental agencies and institutions and public and private organizations in their countries to participate in cooperative activities under this Agreement, at their own expense, and subject to such terms and conditions as the Parties may specify. Such organizations may include, but are not limited to, the United States Environmental Protection Agency, the Chinese Academy of Sciences, and the State Planning Commission and the Ministry of Electric Power of the People's Republic of China.

#### ARTICLE IV - RESPONSIBILITIES OF THE PARTIES

##### A. Demonstrations under the Hundred Counties Program

The Parties shall test and demonstrate renewable energy technologies under the Hundred Counties Program in the scope of cooperation set out in Article II of this Annex. The responsibilities of the Parties are as follows:

1. The Parties and other participants shall conduct such activities in ten counties in three to five provinces of the People's Republic of China under the Hundred Counties Program. During the pilot phase of the program, the Parties shall cooperate in assisting the participants in obtaining financing for expanding the activities to other counties participating in the Hundred Counties Program or to other counties in the People's Republic of China.
2. The Parties shall coordinate with the participants on preparations for the planning, design, financing, construction and operation of the demonstration projects. The Parties shall facilitate the establishment of credit accounts in China for the participants to fund activities directly related to the demonstration projects.
3. The USDOE shall provide technical hardware for the projects and shall encourage cooperation between the private sector participants for the production of equipment in the People's Republic of China. For a period of three years following the installation of the equipment, the USDOE will monitor the technical and financial aspects of the projects.
4. The Parties shall undertake joint development and deployment of a clean biomass gasification system that meets the needs of rural and farming communities for heating, light, industrial development and electricity.
5. The Parties shall provide for technical training for staff of the Parties in the areas of project management, financial management, engineering and technical matters, business management and marketing.
6. The cost of activities, equipment costs, transportation, installation, etc., related to the Hundred Counties Program shall be equally shared by the Parties up to 10 million U.S. dollars or RMB 84 million yuan, whichever is less. The Parties agree that up to 80% of the U.S. contributed funds are to be used to purchase materials and equipment.

B. Exchange of Technical Information and Experiences and Collaborative Visits

The Parties shall exchange technical information and experiences and arrange collaborative visits in organizing and implementing projects under this Annex. Such exchanges and visits between the Parties shall address technological and economic evaluation, operational procedure, budget estimation, and commercialization in the area of renewable energy.

C. Economic and Policy Studies

The Parties shall conduct specific economic and policy studies in order to enhance joint understanding of appropriate mechanisms and policies to promote sustainable and rapid implementation of renewable energy technologies in an environmentally acceptable manner.

D. The Parties shall explore, develop and implement a rapid environmental evaluation.

E. Other Forms of Cooperation

The Parties may conduct other forms of cooperation as mutually agreed in writing.

ARTICLE V - MANAGEMENT

A. Project Coordinators

Each Party shall designate one or more Project Coordinators for this Annex. The Project Coordinators shall jointly plan the technical approach for accomplishing the objectives of this Annex, shall be responsible for the program and schedule coordination, and shall co-chair joint meetings.

B. Joint Meetings

The Project Coordinators shall hold joint meetings, approximately once a year in China and the United States alternately, to report and assess the progress of activities and to plan for continuation of cooperation under this Annex. The host Party shall bear the costs for arrangements associated with the joint meetings, and representatives from each Party attending the joint meetings shall be responsible for their own travel and lodging expenses. The first joint meeting shall be held in China.

C. Reports

The Project Coordinators shall jointly prepare a report in English approximately once a year describing the work performed and detailing results achieved under this Annex. Each Party shall have the right to disseminate the joint report without prior notification to the other Party.

D. Advisors

The Project Coordinators may invite representatives from public or private organizations within each Party to attend joint meetings and to serve as advisors to assist the Parties in planning and evaluating the progress of cooperative activities under this Annex.

ARTICLE VI - COSTS AND LEGAL PROVISIONS

Except when otherwise specifically agreed, all costs resulting from cooperation under this Agreement shall be borne by the Party that incurs them. The implementation of this Agreement is subject to the availability of appropriated funds and personnel, and subject to applicable laws and regulations of the countries of the Parties.

ARTICLE VII - INTELLECTUAL PROPERTY

Pursuant to Article 8 of the Protocol, the dissemination, use and protection of information used or generated in the activities conducted pursuant to this Annex, and the allocation of rights in intellectual property arising in the course of such activities shall be governed by the provisions set forth in Annex I to the Umbrella Agreement which are incorporated into, and form a part of, the Protocol.

ARTICLE VIII - ENTRY INTO FORCE AND TERMINATION

- A. This Annex shall enter into force upon signature by the Parties and remain in force for five (5) years or until termination of the Protocol, whichever occurs first. This Annex may be amended or extended by mutual written agreement of the Parties.
- B. At the discretion of either Party, this Annex may be terminated upon six (6) months advance notice in writing to the other Party.

SIGNED at *Beijing* this *27* day of *June*, 199*5*, in duplicate, in the Chinese and English languages, each text being equally authentic.

FOR THE DEPARTMENT OF ENERGY  
OF THE UNITED STATES OF  
AMERICA:

  
\_\_\_\_\_  
J. CONNAUGHTON

FOR THE MINISTRY OF AGRICULTURE  
OF THE PEOPLE'S REPUBLIC OF  
CHINA:



AGREEMENT TO EXTEND AND AMEND

ANNEX I

TO THE PROTOCOL FOR COOPERATION  
IN THE FIELDS OF ENERGY EFFICIENCY AND RENEWABLE  
ENERGY TECHNOLOGY DEVELOPMENT AND UTILIZATION  
BETWEEN

THE DEPARTMENT OF ENERGY OF THE UNITED STATES OF AMERICA  
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FOR DEVELOPING COOPERATIVE ACTIVITIES  
IN THE AREA OF RENEWABLE ENERGY  
UNDER THE HUNDRED COUNTIES INTEGRATED RURAL ENERGY  
DEVELOPMENT PROGRAM

BETWEEN

THE DEPARTMENT OF ENERGY OF THE UNITED STATES OF AMERICA  
AND  
THE MINISTRY OF AGRICULTURE OF THE PEOPLE' S REPUBLIC OF CHINA

The Department of Energy of the United States of America (USDOE) and the Ministry of Agriculture (MOA) of the People' s Republic of China (PRC) (hereinafter referred to as "the Parties" );

Noting that the Protocol for Cooperation in the Fields of Energy Efficiency and Renewable Energy Technology Development and Utilization (hereinafter referred to as the Protocol) between the Department of Energy of the United States of America and the State Science and Technology Commission of the People' s Republic of China, was amended on February 2, 1999, to reflect the transfer of functions from the State Science and Technology Commission to the Ministry of Science and Technology of the PRC;

Noting that there has also been a transfer of functions from: 1) the Department of Environmental Protection and Energy to the Department of Research, Education and Rural Environment; 2) the State Planning Commission to the State Development Planning Commission; and 3) the Ministry of Electric Power to the State Power Corporation of China;

Recognizing that Annex I for Developing Cooperative Activities in the Area of Renewable Energy under the Hundred Counties Integrated Rural Energy Development Program in China (hereinafter referred to as "Annex I," entered into force on June 27, 1995;

Noting that the Parties have a strong desire to continue to cooperate in the field of renewable

energy for their mutual benefit; and

Acting pursuant to Article VIII, Paragraph A, of Annex I;

HAVE AGREED AS FOLLOWS:

1. References to “State Science and Technology Commission” or to “SSTC” in Annex I are hereby changed to read “Ministry of Science and Technology” or to “MOST” wherever they appear.
2. The reference to the “Department of Environmental Protection and Energy” in Annex I, Article III, paragraph A, is hereby changed to read “Department of Research, Education and Rural Environment” .
3. The reference to the “State Planning Commission” in Annex I, Article III, paragraph B, is hereby changed to read the “State Development Planning Commission” .
4. The reference to the “Ministry of Electric Power” in Annex I, Article III, paragraph B, is hereby changed to read the “State Power Corporation of China” .
5. Annex I is hereby extended for a five year period, effective from June 27, 2000 and shall remain in force for five years or until termination of the Protocol, whichever occurs first. This Annex may be further amended or extended by mutual written agreement of the Parties.
6. At the discretion of either Party, this Annex may be terminated upon six (6) months advance notice in writing to the other.

Signed in duplicate at Washington, D.C., this 20<sup>th</sup> day of April, 2000.

FOR THE DEPARTMENT OF ENERGY  
OF THE UNITED STATES OF AMERICA:



FOR THE MINISTRY OF AGRICULTURE  
OF THE PEOPLE'S REPUBLIC CHINA:



2000.4.20