

**AMENDMENT TO
THE STATEMENT OF WORK
OF JULY 9, 1998
BETWEEN
THE DEPARTMENT OF ENERGY OF THE UNITED STATES OF AMERICA
AND
THE MINISTRY OF SCIENCE AND TECHNOLOGY OF THE PEOPLE'S REPUBLIC
OF CHINA**

Whereas the Department of Energy of the United States of America (USDOE) and the Ministry of Science and Technology of the People's Republic of China (MOST) (hereinafter referred to as the Participants), signed a Statement of Work on July 9, 1998 (hereinafter referred to as the Statement of Work) which recognized their mutual interest in the development of a joint energy-efficient building demonstration project;

Whereas the Participants have undertaken a preliminary engineering and financial feasibility study, and have identified an energy operating cost savings goal of 35 percent with respect to buildings built to typical Chinese design criteria with comparable features and amenity and design criteria and strategies (energy improvements) to meet that goal including efficient lighting and daylighting controls, efficient windows and walls, passive solar heating and ventilation, efficient heating, cooling, and ventilation systems, building controls, and reflective surfaces to realize that goal, including considerations for operations and maintenance costs;

Whereas joint workshops hosted by the United States in December 1999 and October 2000 and hosted by China in April 2000 explored these energy saving improvements in more detail and identified additional building strategies;

Whereas the Participants have developed an overall project plan and have identified the financial and implementation responsibilities for each Participant as identified herein;

Whereas the budget for this project includes estimated construction costs of approximately US\$7.57 million (approximately RMB 62.6 million yuan) to be provided by China sufficient to complete a building ready for occupancy (construction costs if the building were built without the additional energy improvements);

Whereas the budget for this project includes estimated incremental construction costs associated with the additional energy improvements needed to achieve the 35 percent energy operating cost savings goal and related monitoring, verification, and demonstration activities of US\$4 million (approximately RMB 32 million yuan), to be provided by the U.S. private sector and other project participants in cash and/or in-kind contributions of equipment, materials, and professional services;

Whereas based on this project plan and budget, each Participant has assessed its potential involvement in the construction and operation of the demonstration building and expects to be able to identify and to obtain the funding and resources to carry out this Amendment;

The Participants have reached the following understandings:

- (1) All provisions of the Statement of Work remain unchanged, except for the inclusion of three additional paragraphs, as follows:
 - “3. Provided that China identifies and obtains funding and resources of approximately US\$7.57 million (approximately RMB 62.6 million yuan) for base building construction costs according to the relevant Chinese building cost-estimate guidelines and the United States identifies and obtains funding and resources of approximately \$US 4 million (approximately RMB 32 million yuan) for the additional energy improvements and Technology Demonstration Centre. Funding and resources for the building construction portion will be acquired by the start of the construction of this energy efficient building, but no later than September 30, 2001, Participants will:
 - a. Incorporate additional energy improvements into final building construction specifications that will allow the building to achieve the 35 percent energy operating cost savings goal. China will develop final construction drawings and specifications, while the US will provide further analysis of energy savings and ensure that these are accurate with regard to the energy-saving specifications. Subject to relevant Chinese laws, energy-related aspects of construction documents, including contracts and subcontracts, will be reviewed by the Owner in consultation with the United States, potentially successful contractors and subcontractors will be notified to each other prior to their addition to the project, and any proposed changes that might affect the building's energy performance will be reviewed by Participants.
 - b. Construct a building at 55 Bei Cai Gong Zhuang, Yu Yuan Tan Nan Lu, Beijing 100038, P.R. China based on the construction plans developed in (1) above. The Owner will secure a general contractor to be responsible for the overall building construction. The DOE will secure a representative to be responsible for ensuring that energy-related systems and equipment are properly installed and for performance assurance testing (commissioning) of these elements.
4. In conjunction with the final design and construction of the building provided for in 3 above, Participants will develop plans and annual budgets covering a period

for up to five years, for the following operational components of this demonstration project. Activities to be implemented under this paragraph will be subject to the availability of funding and resources:

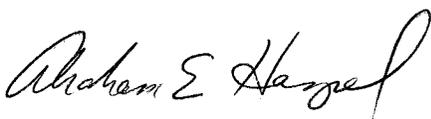
- a. Communicate project developments and results on an on-going basis to Chinese, American, and international audiences likely to benefit from and promote replication of project successes, including the building design and construction industries, government agencies, non-profit organizations, and the general public. Communication of project results should be on both a professional/ technical level and on a level appropriate for lay audiences. Sufficient non-proprietary detail will be provided to allow for accurate interpretation of project results.
- b. Provide necessary training for operators of the building's energy-efficiency components to effectively operate these components consistent with the project energy saving strategies and specifications.
- c. Monitor and report building energy and greenhouse gas performance by a joint U.S.-Chinese team, following appropriate guidelines generally accepted for this purpose.
- d. Develop a demonstration center of about 1,264 square meters with easy public access that will highlight the energy-efficient design features and equipment incorporated in the building and will allow for demonstration of energy-saving building technologies as they become commercially available.

5. Participants concur on the following general terms:

- a. The energy cost savings from the energy improvements to the buildings will accrue to the Owner. The Owner will be responsible for costs associated with normal building operation and maintenance except for items covered by any initial warranty periods, and for any capital purchases, replacements, or upgrades after initial construction, unless otherwise provided for by company to owner agreements under this or subsequent amendments.
- b. Terms associated with U.S. contributions under this project will be addressed under separate contractual arrangements between the donors and the Owner. For the purpose of calculating the U.S. contribution, the cost of energy savings measures will be evaluated as a package, not individually, and will be compared to the cost of a similar package of equipment and materials such as would be used for construction of a building with similar characteristics that used standard Chinese design parameters. The building will include a prominent plaque or other visible means of recognition of the individual

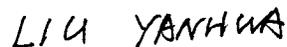
contributors to the building's achieved energy savings and representation in the Technology Demonstration Center.

- c. The customs duties and other related charges associated with the goods that will be purchased from outside P.R. China for the construction of this building are subject to relevant Chinese laws and regulations. The Owner will make every effort to exempt the customs duties and other similar charges for those materials and equipment that will be granted for this demonstration project by overseas companies and institutions.
 - d. Participants will explore the development of a joint Leadership Design Team to facilitate the activities provided for in this Statement of Work, and provide for on-going communication both among governmental and non-governmental entities involved in this project, and with the public.
- (2) As in the Statement of Work to which this Amendment applies, all elements of this Amendment are subject to the provisions of the Protocol for Cooperation in the Fields of Energy Efficiency and Renewable Energy Technology Development and Utilization Between the U.S. Department of Energy of the United States and the Ministry of Science and Technology of the People's Republic of China, as amended.
- (3) Formal cooperation on these activities will commence upon the latter date of signature of this Amendment to the Statement of Work both in duplicate in English and Chinese.



Abraham E. HASPEL
OFFICE OF ENERGY EFFICIENCY AND
RENEWABLE ENERGY
THE DEPARTMENT OF ENERGY
OF THE UNITED STATES OF
AMERICA

Date: 18/07/2001



LIU Yanhua
DEPARTMENT OF RURAL AND
SOCIAL DEVELOPMENT
THE MINISTRY OF SCIENCE AND
TECHNOLOGY OF THE PEOPLE'S
REPUBLIC OF CHINA

Date: 02/07/2001