

Wholly amended By	1997· 12· 13	Act No. 5446
Amended By	2002· 3· 25	Act No. 6672
Amended By	2003· 5· 27	Act No. 6885

Article 1 (Purpose)

The purpose of this Act is to contribute to the preservation of environment, the sound and sustainable development of national economy, and the promotion of national welfare by diversifying energy resources through promoting the technological development, use and diffusion of alternative energy, and reducing the discharge of gases harmful to human bodies or environment by activating alternative energy industry. <Amended by Act No. 6672, Mar. 25, 2002; Act No. 6885, May 27, 2003>

Article 2 (Definition)

The definition of terms used in this Act shall be as follows:

1. The term "alternative energy" means other energy resources than petroleum, coal, atomic energy, or natural gas, which fall under one of the following subparagraphs:

- (a) Solar energy;
- (b) Bio energy;
- (c) Wind force;
- (d) Small hydraulic power;
- (e) Fuel cells;
- (f) Energy from liquefied or gasified coal, and from gasified heavy residual oil;
- (g) Energy from the ocean;
- (h) Energy from waste treatment;
- (i) Geothermal energy;
- (j) Hydrogenous energy; and
- (k) Other sources of energy prescribed by the Presidential Decree;

2. The term "heavy residual oil" means such final residuals after a refining of crude oil, as the reduced pressure residual oil and asphalt generated from a vacuum distillation and the cokes, tar, pitch, etc. generated from the process of thermal cracking;

3. The term "alternative energy facilities" means the facilities producing or utilizing the alternative energy, which are determined by the Ordinance of the Ministry of Commerce, Industry and Energy;

4. The term "authentication" means verifying that the alternative energy facilities satisfy the international or domestic performance and standard;

5.The term "alternative energy power generation" means the generation of electricity by utilizing the alternative energy; and

6.The term "operator of alternative energy power generation business" means a business operator to carry on the alternative energy power generation business, who is an operator of the electric generation business under subparagraph 4 of [Article 2 of the Electric Utility Act](#), or an installer of the electric installations for private use under subparagraph 17 of the same Article and same paragraph.

[This Article Wholly Amended by Act No. 6672, Mar. 25, 2002]

Article 3 (Policy and Encouragement, etc.)

The Government shall devise a policy for the promotion of the technological development and use or diffusion of alternative energy, and encourage, protect and foster the voluntary technological development and use or diffusion of alternative energy by local governments, government-invested institutions under the [Framework Act on the Management of Government-Invested Institutions](#) (hereinafter referred to as "government-invested institutions"), public agencies, or enterprises, etc.

Article 4 (Basic Plan on Technological Development and Use or Diffusion of Alternative Energy)

(1) The Minister of Commerce, Industry and Energy shall establish a basic plan for the promotion of technological development and use or diffusion of alternative energy (hereinafter referred to as the "basic plan") through deliberation of the Alternative Energy Policy Council referred to in [Article 7](#). <Amended by Act No. 6672, Mar. 25, 2002>

(2) The basic plan shall have a duration of ten years or more, and include the following matters: <Amended by Act No. 6672, Mar. 25, 2002>

1.Objective and duration of the basic plan;

2.Objective of the technological development and use or diffusion of alternative energy by resource;

2-2.Objective of the ratio occupied by the quantity of alternative energy power generation in the gross quantity of power generation;

3.Method of promoting the basic plan;

4.Assessment of technological level, prospect of diffusion, and prospective effect of alternative energy;

5.Support schemes on the technological development and use or diffusion of alternative energy; and

6.Other matters deemed necessary by the Minister of Commerce, Industry and Energy for the achievement of objectives of the basic plan.

(3) The Minister of Commerce, Industry and Energy may modify the basic plan, if deemed necessary in light of technological development trends in alternative energy, changes in the supply and demand of energy, or other circumstances. <Amended by Act No. 6672, Mar. 25,

2002>

Article 5 (Yearly Execution Program)

(1) The Minister of Commerce, Industry and Energy shall, in order to achieve objectives specified in the basic plan, devise and perform an execution program on the technological development and use or diffusion of alternative energy for each year (hereinafter referred to as an "execution program"), and a power supply by the alternative energy power generation for each type of alternative energy technologies. <Amended by Act No. 6672, Mar. 25, 2002>

(2) Where the Minister of Commerce, Industry and Energy intends to formulate and implement an execution program, he shall consult in advance the head of related central administrative agency. <Amended by Act No. 6672, Mar. 25, 2002>

(3) Where the Minister of Commerce, Industry and Energy has worked out an execution program, he shall make public notice thereof. <Amended by Act No. 6672, Mar. 25, 2002>

Article 6 (Prior Consultations on Plans for Technological Development, etc. of Alternative Energy)

Where a State agency, local government, government-invested institution, public agency, or other person prescribed by the Presidential Decree intends to formulate and implement a plan for the technological development and use or diffusion of alternative energy, he shall in advance consult with the Minister of Commerce, Industry and Energy, under the conditions as prescribed by the Presidential Decree. <Amended by Act No. 6672, Mar. 25, 2002>

Article 7 (Alternative Energy Policy Council)

(1) For the purpose of deliberating on important matters concerning the technological development and use or diffusion of alternative energy, the Alternative Energy Policy Council (hereinafter referred to as the "Council") shall be established in the Ministry of Commerce, Industry and Energy. <Amended by Act No. 6672, Mar. 25, 2002>

(2) The Council shall deliberate on the following matters: <Amended by Act No. 6672, Mar. 25, 2002>

1. Matters on the formulation and alteration of the basic plan: Provided, That any alteration in the matters as prescribed in the Presidential Decree, from among the details of the basic plan, shall be excluded;

2. Important matters concerning the technological development and use or diffusion of alternative energy;

2-2. Matters on the standard price for electricity supplied by the alternative energy power generation, and its alterations; and

3. Other matters deemed necessary by the Minister of Commerce, Industry and Energy.

(3) The composition and operation of the Council and other necessary matters shall be prescribed by the Presidential Decree.

Article 8 (Creation of Project Expenses for Technological Development and Use or Diffusion of Alternative Energy)

The Government shall appropriate in its expenditure budget for each fiscal year the project expenses needed to implement an execution program.

Article 9 (Use of Created Project Expenses)

The Minister of Commerce, Industry and Energy shall use the project expenses created pursuant to [Article 8](#) for the projects falling under any of the following subparagraphs: <Amended by Act No. 6672, Mar. 25, 2002>

1. Survey of resources of alternative energy, and demand for its technology, and compilation of statistics thereon;
2. Research and development of alternative energy;
3. Technological assessment and post-management of alternative energy;
4. Collection, analysis, and provision of technological information on alternative energy;
5. Guidance, education, and publicity of technology related to alternative energy;
6. Use and diffusion of alternative energy, and model project;
7. International cooperation related to alternative energy; and
8. Other projects necessary for the technological development and use or diffusion of alternative energy, which are prescribed by the Presidential Decree.

Article 10 (Execution of Projects)

(1) The Minister of Commerce, Industry and Energy may, where he deems it necessary for efficiently promoting the projects under subparagraphs of [Article 9](#), enter into an agreement with a person falling under any of the following subparagraphs, and have him undertake such projects: <Amended by Act No. 6672, Mar. 25, 2002>

1. Specific research institutions under the Support of Specific Research Institutions Act;
2. Research institutes attached to the enterprises under the [Technology Development Promotion Act](#);
3. Industrial technology research cooperatives under the Act on the Support of the Industrial Technology Research Cooperatives;
4. Universities or junior colleges under the [Higher Education Act](#);

5.State or public research institutions;

6.State agencies, local governments, government-invested institutions, and public agencies; or

7.Other persons recognized by the Minister of Commerce, Industry and Energy as competent to perform technological developments.

(2) The Minister of Commerce, Industry and Energy may contribute all or part of the expenses required for technological development, or projects for use or diffusion under paragraph (1). <Amended by Act No. 6672, Mar. 25, 2002>

(3) Matters necessary for the payment, use and management of the contribution under paragraph (2) shall be prescribed by the Presidential Decree.

Article 11 (Investment Recommendation and Making Liable for Use of Alternative Energy, etc.)

(1) Where the Minister of Commerce, Industry and Energy deems it necessary to promote the technological development and use or diffusion of alternative energy, he may recommend a person carrying on the energy-related industry to operate the business under each subparagraph of [Article 9](#), or invest therein or contribute thereto. <Amended by Act No. 6672, Mar. 25, 2002>

(2) Where the Minister of Commerce, Industry and Energy deems it necessary for promoting the use or diffusion of alternative energy, he may make persons use the alternative energy obligatorily with regard to the structures newly built by a State agency, a local government, a government-invested institution, and other persons as prescribed by the Presidential Decree under the conditions as prescribed by the Presidential Decree. <Amended by Act No. 6672, Mar. 25, 2002>

(3) The Minister of Commerce, Industry and Energy may recommend the factory, business place, or collective housing complex, etc., for which it is adequate to use alternative energy, to use alternative energy as designated by him, or to install the facilities to use it. <Amended by Act No. 6672, Mar. 25, 2002>

Article 11-2 (Authentication, etc. of Alternative Energy Facilities)

(1) Any person who intends to manufacture or import and sell the alternative energy facilities may obtain an authentication for the alternative energy facilities from an agency as determined by the Minister of Commerce, Industry and Energy (hereinafter referred to as the "authentication institute").

(2) Any person who intends to obtain an authentication for the alternative energy facilities under paragraph (1) shall file an application for an authentication for the relevant alternative energy facilities with the authentication institute.

(3) When any person applies for an authentication under paragraph (2), he shall undergo a performance test and inspection performed by the performance examination agency as determined by the Minister of Commerce, Industry and Energy (hereinafter referred to as the "performance examination agency"), and submit to the authentication institute a record of test results and a written inspection results issued by the performance examination agency.

(4) The Minister of Commerce, Industry and Energy shall designate, as the authentication institute, the center for development and diffusion of alternative energy under [Article 16](#), and a person deemed to be adequate for an authentication, from among other persons carrying on the promotional business of technical development and use or diffusion of alternative energy.

(5) The authentication institute shall, upon receipt of an application for authentication for the alternative energy facilities under paragraph (2), examine it pursuant to the criteria for authentication examination as determined by the Ordinance of the Ministry of Commerce, Industry and Energy based upon a record of test results and a written inspection results issued by the performance examination agency, and thereafter, shall grant an authentication to the alternative energy facilities satisfying the relevant criteria.

(6) The scope of duties, authentication procedures, post management of authentication of the authentication institute, the designation procedures for the performance examination agency, and other matters necessary for authentication shall be prescribed by the Ordinance of the Ministry of Commerce, Industry and Energy.

[This Article Newly Inserted by Act No. 6672, Mar. 25, 2002]

Article 11-3 (Indication, etc. of Authentication of Alternative Energy Facilities)

(1) Any person who has obtained an authentication for alternative energy facilities under [Article 11-2](#) may either indicate an authentication on the relevant alternative energy facilities, or give publicity to a receipt of authentication.

(2) Any person who has failed to obtain an authentication for alternative energy facilities shall not make an indication of authentication under paragraph (1) or any indication similar thereto, or give any publicity to the effect as if he has received an authentication.

[This Article Newly Inserted by Act No. 6672, Mar. 25, 2002]

Article 11-4 (Cancellation of Authentication and Designation as Performance Examination Agency)

(1) The authentication institute shall, when any person has obtained an authentication by falsity and other illegal means, cancel such authentication, and if it has discovered that any alternative energy facilities, which have been manufactured, or imported and sold after obtaining an authentication, failed to satisfy the authentication examination criteria under [Article 11-2](#) (5), it may cancel such authentication.

(2) The Minister of Commerce, Industry and Energy may, when the performance examination agency falls under any of the following subparagraphs, either cancel such designation under the conditions as prescribed by the Presidential Decree, or order to suspend the whole or part of business, with fixing a period not exceeding one year: Provided, That when falling under subparagraph 1, he shall cancel such designation:

1. When having obtained the designation by falsity and other illegal means;

2. When having failed to commence the inspection business for not less than one year from the date of obtaining the designation without any justifiable reasons, or suspended the inspection business for not less than one consecutive year; or

3. When coming not to satisfy the designation criteria.

(3) The Minister of Commerce, Industry and Energy shall hold a hearing when he intends to cancel the designation of a performance examination agency under paragraph (2).

[This Article Newly Inserted by Act No. 6672, Mar. 25, 2002]

Article 11-5 (Fees)

The authentication institute or the performance examination agency may charge a fee to a person who applies for an authentication or performance examination.

[This Article Newly Inserted by Act No. 6672, Mar. 25, 2002]

Article 11-6 (Public Notification of Price for Alternative Energy Power Generation and Support for Differences)

(1) The Minister of Commerce, Industry and Energy shall notify publicly the standard price by source of power generation which is supplied by the alternative energy power generation.

(2) The Minister of Commerce, Industry and Energy shall, where the power trade price for the electricity supplied by the alternative energy power generation (referring to the power trade price under [Article 33 of the Electric Utility Act](#)) is lower than the standard price notified publicly under paragraph (1), make a preferential support from the Electrical Industry Foundation Fund under [Article 48 of the Electric Utility Act](#) for the difference between the standard price and the power trade prices, to the alternative energy power generation businessman who has supplied the relevant electricity.

[This Article Newly Inserted by Act No. 6672, Mar. 25, 2002]

Article 11-7 (Application for Ruling)

An alternative energy power generation businessman may apply for a ruling to the Electrical Affairs Commission under [Article 53 of the Electric Utility Act](#) in case where a consultation with an operator of the electric transmission business under subparagraph 6 of [Article 2 of the same Act](#) or an operator of the electric distribution business under subparagraph 8 of the same Article is not achieved or is impossible, in supplying the electricity generated by alternative energy power generation through the facilities of transmission or distribution to the Korea Power Exchange under [Article 35 of the same Act](#) or the electricity users.

[This Article Newly Inserted by Act No. 6672, Mar. 25, 2002]

Article 12 (Sale, etc. of State or Public Property)

(1) The State or a local government may, where deemed necessary for the projects related to the technological development and use or diffusion of alternative energy, sell or lease, under a private contract, the State or public property to the person operating the project related to the technological development and use or diffusion of alternative energy, notwithstanding the provisions of the [State Properties Act](#) or the [Local Finance Act](#).

(2) When the person who has purchased or leased the land from the State or a local government under paragraph (1) fails to carry out the project for technological development and use or diffusion of alternative energy within two years from the date of such purchase or

lease, the State or local government may repurchase it or revoke the lease contract.

Article 13 (Model Project)

The Minister of Commerce, Industry and Energy may, where deemed necessary for promoting the use or diffusion of alternative energy for which a technology has been developed, operate a model project such as a model supply project, a model housing complex creation project, etc., under the conditions as prescribed by the Presidential Decree. <Amended by Act No. 6672, Mar. 25, 2002>

Article 14 (Financial Measures, etc.)

Where it is deemed appropriate, the Government shall take necessary measures, such as financial or tax support, to a person who is recommended pursuant to [Article 11](#) or has to comply with liabilities, a person conducting the technological development and use or diffusion of alternative energy, or a person who has obtained an authentication for alternative energy facilities under [Article 11-2](#). <Amended by Act No. 6672, Mar. 25, 2002>

Article 15 (Education and Publicity on Alternative Energy)

The Government shall endeavor to seek the understanding and cooperation from the people with regard to the technological development and use or diffusion of alternative energy, through education and publicity.

Article 16 (Alternative Energy Development and Diffusion Center)

(1) The Minister of Commerce, Industry and Energy may establish the alternative energy development and diffusion center (hereinafter referred to as the "center") in the institute as prescribed by the Presidential Decree in order to professionally and efficiently promote the technical development and use or diffusion of alternative energy, and have it perform the projects falling under each of the following subparagraphs:

1. Support and management of the executors of the technological development and use or diffusion of alternative energy under [Article 10](#) (1);
2. Support and management of the model project of alternative energy under [Article 13](#);
3. Education and publicity of alternative energy under [Article 15](#);
4. Projects for foreign and domestic investigation and research and international cooperation for alternative energy; and
5. Other projects required for the promotion of technological development and use or diffusion of alternative energy, which are entrusted by the Minister of Commerce, Industry and Energy.

(2) The Minister of Commerce, Industry and Energy may render the fund contribution and other necessary supports in the execution of projects under paragraph (1) by the center.

(3) Matters concerning the organization, manpower, budget and operation of the center shall be determined by the Ordinance of the Ministry of Commerce, Industry and Energy.

[This Article Wholly Amended by Act No. 6672, Mar. 25, 2002]

Article 17 (Delegation of Authority)

Part of the authority of the Minister of Commerce, Industry and Energy under this Act may be delegated to the Special Metropolitan City Mayor, Metropolitan City Mayor, or Do governor, under the conditions as prescribed by the Presidential Decree. <Amended by Act No. 6672, Mar. 25, 2002>

Article 18 (Legal Fiction as Public Official in Applying Penal Provisions)

Any officers or employees of the authentication institute and performance examination agency engaged in the duties of authentication and performance examination shall be deemed to be public officials in applying [Articles 129](#) through [132 of the Criminal Act](#).

[This Article Newly Inserted by Act No. 6672, Mar. 25, 2002]

Article 19 (Fine for Negligence)

(1) Any person falling under any of the following subparagraphs shall be punished by the fine for negligence not exceeding 10 million won:

1. A person who has obtained an authentication by falsity and other illegal means; and

2. A person who has made an indication of authentication or that similar thereto or a publicity as if he obtained an authentication, without obtaining any authentication from the authentication institute in violation of [Article 11-3 \(2\)](#).

(2) Fine for negligence under paragraph (1) shall be imposed and collected by the Minister of Commerce, Industry and Energy under the conditions as prescribed by the Presidential Decree.

(3) Any person who is dissatisfied with a disposition of fine for negligence under paragraph (2) may raise an objection to the Minister of Commerce, Industry and Energy within 30 days from the date of receiving a notice of such disposition.

(4) Where any person subjected to a disposition of a fine for negligence pursuant to paragraph (2) makes objections pursuant to paragraph (3) the Minister of Commerce, Industry and Energy shall notify the competent court thereof without delay, and the court in receipt of such a notice shall bring the case to trial under the [Non-Contentious Case Litigation Procedure Act](#).

(5) If neither an objection is raised nor is a fine for negligence paid within the period as prescribed in paragraph (3), it shall be collected by referring to the practices of dispositions on default of national taxes.

[This Article Newly Inserted by Act No. 6672, Mar. 25, 2002]

ADDENDA

(1) (Enforcement Date) This Act shall enter into force six months after the date of its promulgation.

(2) (Transitional Measures concerning Policy Deliberation Commission on Technological Development of Alternative Energy) The Policy Deliberation Commission on the Technological Development of Alternative Energy pursuant to the previous provisions at the time this Act enters into force shall be considered as the Council referred to in this Act.

(3) Omitted.

ADDENDUM <Act No. 6672, Mar. 25, 2002>

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

ADDENDUM <Act No. 6885, May 27, 2003>

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