

## INTEGRATED ENERGY SUPPLY ACT

### 1. Purpose

- The purpose of this Act is to actively cope with the United Nations Framework Convention on Climate Change and to contribute to energy conservation and enhancement of the convenience in the life of the people by expanding the integrated energy supply, operating the integrated energy supply reasonably, and prescribing the matters concerning the construction, operation and safety of integrated energy facilities

### 2. Definitions

- The term "integrated energy" means heat or heat and electricity supplied to a large number of users
- The term "business" means a business which supplies integrated energy and meets the standards prescribed by Presidential Decree
- The term "business operator" means any person who has obtained a business license under Article 9
- The term "user" means any person who uses integrated energy supplied by a business operator (including any person who intends to be supplied with integrated energy)
- The term "integrated energy facilities" means facilities for the production, transportation, distribution, or use of integrated energy, including facilities for supply and facilities for use
- The term "facilities for supply" means facilities for the production, transportation, or distribution of integrated energy under the control of a business operator
- The term "facilities for use" means facilities for the use of integrated energy under the control of a user
- The term "heat producer" means any person who produces or generates heat

### 3. Permit for New Establishment of Heat Production Facilities

- Any person who intends to newly establish, re-establish, or extend heat production facilities, such as boilers, at standards higher than those prescribed by Presidential Decree in an area to be supplied shall obtain a permit from the Minister of Trade, Industry and Energy

- Where any person who has obtained a permit pursuant to paragraph (1) changes the matters permitted, he/she shall obtain an amended permit from the Minister of Trade, Industry and Energy: Provided, That this shall not apply to any change in minor matters prescribed by Presidential Decree
- Where an application for new construction, etc. of heat production facilities pursuant to paragraph (1) or an application for amended permit pursuant to paragraph (2) is made, if such application falls under any of the following subparagraphs, the Minister of Trade, Industry and Energy shall grant a permit
  - Where the demand for integrated energy in an area to be supplied exceeds the supply volume
  - Where separate air conditioning facilities or steam generating facilities (limited to the relevant facilities) are required due to the nature of uses of buildings other than housing in an area to be supplied where a district air conditioning and heating project is implemented
  - Where an applicant for a permit or an amended permit is not stably supplied with integrated energy by a business operator
- The Minister of Trade, Industry and Energy may order any person who has newly constructed, reconstructed, or extended heat production facilities in an area to be supplied without obtaining a permit or an amended permit pursuant to paragraph (1) or (2) to reinstate them

#### 4. Business License

- Any person who intends to conduct business shall obtain a license from the Minister of Trade, Industry and Energy for each supplied district. The same shall also apply to cases where he/she changes permitted matters prescribed by Ordinance of the Ministry of Trade, Industry and Energy
- The criteria for licensing pursuant to paragraph (1) shall be as follows
  - The commencement of business shall meet the general demand and contribute to the public good, such as energy conservation, or environmental improvements
  - The supplied volume shall meet the demand in a supplied district
  - An applicant shall have financial resources and technical ability necessary for conducting business
  - A supplied district shall not overlap with a supplied district of another business operator
- Procedures for licensing pursuant to paragraph (1) and other necessary matters shall be prescribed by Ordinance of the Ministry of Trade, Industry and Energy

## 5. Grounds for Disqualification

- A person who falls under any of the following subparagraphs may not obtain a business license
  - An incompetent or quasi-incompetent
  - A person who has been declared bankrupt and has not been reinstated
  - A person in whose case two years have not passed since his/her license was cancelled pursuant to Article 15
  - A person in whose case two years have not passed since his/her sentence of imprisonment for a violation of this Act, the Energy Use Rationalization Act, or the Electric Utility Act was completely executed (including cases where the execution thereof is deemed to have been completed) or exempted
  - A person who is under the suspension of the execution of sentence of imprisonment for a violation of this Act, the Energy Use Rationalization Act, or the Electric Utility Act
  - A corporation which has an executive falling under any of the subparagraphs 1 through 5

Source: Ministry of Environment ([www.me.go.kr](http://www.me.go.kr))