

MEMORANDUM OF
UNDERSTANDING

BETWEEN

THE FEDERAL ENERGY
REGULATORY COMMISSION
(UNITED STATES OF AMERICA)

AND

THE NATIONAL ENERGY ADMINISTRATION
(PEOPLE'S REPUBLIC OF CHINA)

1. In recognition of the similar roles that both the Federal Energy Regulatory Commission (FERC) and the National Energy Administration (NEA) perform within their governments and the benefits to both organizations that result from sharing information about regulatory experiences and practices, to facilitate communication and to provide a platform for cooperation by related enterprises from both sides, the FERC and the NEA hereby declare their intent to cooperate in this Memorandum of Understanding (MOU).
2. This MOU identifies topics that the FERC and the NEA intend to focus on in their initial exchange of information.
3. The initial topics under this MOU may relate to the following areas:
 - i. Comparative features and applications of the extra high voltage transmission lines and lower voltage regional grids in both countries;
 - ii. Integration of renewable energy sources into the electric grid and development of distributed energy sources, inclusive of renewable energy sources and the related policies and laws;
 - iii. Smart grid development and grid regulation;
 - iv. Efficient environmental dispatch and economic dispatch of electric power;
 - v. Regulatory process for the approval of electric power projects;
 - vi. Electricity-related energy pricing, electricity markets and market monitoring; and
 - vii. Electric power planning processes and procedures.
4. Cooperation under this MOU may include, but is not limited to, the following:
 - i. Information sharing and discussion of energy issues and topics related to regulatory practices;
 - ii. Meetings, webinars and teleconferences;
 - iii. Research and training;
 - iv. Visits by FERC and NEA officials and staff to each others' facilities; and
 - v. Joint visits that could include the FERC, the NEA, and other regulatory entities from the United States and China.

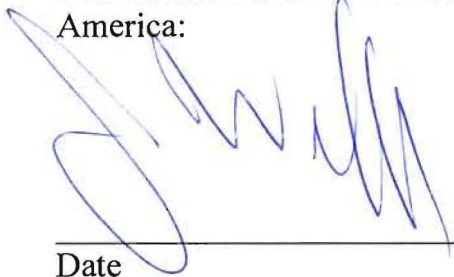
The FERC and the NEA may decide to cooperate in other areas of mutual interest.

5. Nothing contained in this MOU requires either the FERC or the NEA to take any action that would be inconsistent with any existing or future laws, regulations, and policy directives applicable to it. Activities by the FERC and the NEA under this MOU are to be subordinate to their regulatory activities and interests and should be met depending on each agency's resources and priorities.

6. The FERC and the NEA, unless otherwise decided upon, intend to bear their own share of financial costs of participating in the activities under this MOU. All activities are subject to approval of funding by each entity involved.
7. This MOU is to remain in effect until December 31, 2019, unless discontinued or modified prior to that time. Before January 1, 2014, and again before January 1, 2017, the FERC and the NEA will exchange views on any proposed modifications to this MOU. Either the FERC or the NEA may discontinue this MOU at any time for any reason, and should endeavor to give the other participant sixty (60) days written notice, whereupon this MOU should discontinue without further obligation on either party.

Signed at _____, the _____ day of _____ 2011.

For the Federal Energy Regulatory
Commission of the United States of
America:



Date

For the National Energy
Administration of the People's
Republic of China:



Date