MEMORANDUM OF UNDERSTANDING ON ENHANCING ENERGY REGULATION COLLABORATION

BETWEEN

THE FEDERAL ENERGY REGULATORY COMMISSION (UNITED STATES OF AMERICA)

AND

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

- 1. In further 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, the FERC and the NEA hereby declare their intent to cooperate in this Memorandum of Understanding (MOU).
- This MOU identifies topics that the FERC and the NEA intend to focus on in their exchange of information.
- 3. Topics under this MOU may relate to the following areas:
 - a. Electricity regulation including
 - i. Regulatory policies and practices for power infrastructure investment and market access,
 - ii. Regulatory policies for transmission rate design and tariff setting and nondiscriminatory open access to transmission,
 - iii. Regulatory policies and market mechanisms for power trading and distributed energy development, and
 - iv. Renewable energy integration;
 - b. Gas regulation including
 - i. Regulatory policies for gas storage and peaking facilities,
 - ii. Non-discriminatory open access to gas pipelines, and
 - iii. Rates and tariffs for gas services;
 - c. Oil regulation including
 - i. Establishment of service conditions for shippers to enable access to oil pipeline transportation, and
 - ii. Establishment of reasonable rates for interstate oil pipeline transportation;
 - d. Dam safety and inspections;
 - e. Evolution of energy sector reforms in the U.S., China, and other countries as well as lessons learned in each country; and
 - f. Organizational structure and capacity building including
 - i. Information technology,

- ii. Workforce training, and
- iii. Administrative procedures and practice.
- 4. Cooperation under this MOU may include, but is not limited to, the following:
 - a. Information sharing and discussion of energy issues and topics related to regulatory practices;
 - b. Joint visits that could include the FERC, the NEA, and other regulatory entities from the United States and China;
 - c. Meetings, webinars, workshops, teleconferences and/or email exchanges;
 - d. Studies on agreed-upon topics that could include the participation of experts in the industry; and
 - e. Training activities.

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. On the day of this MOU signing, the 2011 MOU between FERC and NEA will be discontinued. 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 Washington D.C., on the 11th day of July 2013.

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

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