

**Framework Agreement on Strategic Cooperation of Energy & Environment between the
People’s Government of Jiangsu Province of China and the
State of California of the United States of America**

The People’s Government of Jiangsu Province of China (hereinafter referred to as the “Jiangsu Government”) and the State of California (hereinafter referred to as the “California Government”) (referred to collectively as the “Parties”), in order to jointly promote the sustainable development of renewable energy, energy efficiency and environmental protection, through friendly consultations, and under the “Memorandum of Understanding to Enhance Cooperation on Climate Change, Energy and Environment” signed by the Government of the United States of America and the Government of the People’s Republic of China, hereby establish a cooperative partnership and Framework Agreement as follows:

I. Background

Jiangsu has rigorously promoted the establishment of new energy industries and the protection of the environment and has begun to establish effective supervision systems on its ecological environment. Eighteen cities in the province have attained the title of “National Environmental Protection Model City,” accounting for one-quarter of the total in China. The Jiangsu Government has issued plans and supporting policies for the invigoration of new energy industry development, and has developed the largest new energy industry of any province in China.

California maintains the leading position in the fields of green technology and renewable energy development and utilization, and is also a world-renowned center for high-tech industry. California also leads the U.S. in green plans, policies, codes, and standards, market incentives, financing, and jobs.

Over the past several years, both parties have successfully cooperated in the areas of energy efficiency, renewable energy development, and environmental protection. With further social and economic development, both parties face increasing and common challenges in the areas of climate change, energy security, and environmental protection.

On the principle that “cooperation between the United States and China is critical to enhancing energy security, combating climate change, and protecting the environment and natural resources through pollution control and other measures,” through cooperation in policy making, technological exchange and communication, market application and development, and standards establishment, both parties will promote renewable energy development and environmental protection and cultivate new economic growth and thus set an example and reference for further cooperation between states and provinces (or regions) in the United States and China.

II. Scope of Cooperation

1. Reduction of greenhouse gas emissions. Both parties will cooperate to improve and develop energy efficiency, energy conservation, and renewable energy through the sharing of best

practices, standards, policies, and technological experiences in order to reduce greenhouse gas emissions.

2. Strengthening government support for renewable energy, energy efficiency, and environmental protection. Both parties will work cooperatively and share best practices for strengthening government support through standards and policies, incentive- and market-based programs, institutions, governance structure, energy and environmental compliance and enforcement, technology applications, information communications, and guidance to industry associations and public-private partnerships.

3. Strengthening technological cooperation. Both parties will encourage cooperation among government agencies, enterprises, research institutes, and other stakeholders, focusing on research, development, and deployment activities for energy efficiency and renewable energy technologies, zero- and low-carbon electricity generation and fuels, as well as improved mobility through better planning and transportation infrastructure.

4. Development of codes and standards. Both parties will work actively to foster development of new markets for green and renewable energy technologies, including but not limited to exploring joint certification, inspection and licensing systems for renewable energy technologies, harmonizing technical standards, and facilitating market linkages. The standards will cover such areas as green buildings, cooling and heating, electrical appliances, lighting, and solar photovoltaics (PV).

5. Capacity building and fostering innovation. Both parties will promote communication and exchange among research personnel, academic institutions such as Nanjing University, nongovernmental organizations, and students from both countries, and work jointly to support the establishment of research platforms to improve the technological research and development capabilities, policy development, and implementation in the areas of energy efficiency and renewable energy.

6. Expanding the market for renewable energy and energy efficient technologies, especially photovoltaic. Both Parties will provide support to enterprises in both countries to further accelerate investment and market development and promote bilateral trade.

7. Developing new cooperation modes in ecological environment. Both parties will implement specific training programs on planning, policies, technologies, government support, and data management, tracking and reporting in the areas of renewable energy, energy efficiency, and environment protection. Jiangsu Province will actively adjust its industry structure to promote the application of energy conservation and renewable energy (especially photovoltaic) technologies in energy-intensive sectors, including cement, transportation, and power, and gradually build up new energy conservation and emission reduction mechanisms corresponding to its development stage and adaptive to market mechanisms.

8. Organization and Action. The California Government has instructed the California Environmental Protection Agency to take the lead in implementing this Framework Agreement with the Air Resources Board, the Energy Commission, the Public Utilities Commission, and

other state agencies providing coordination as appropriate. The Jiangsu Government has instructed the Provincial Development and Reform Commission to take the lead in implementing this Framework Agreement, in coordination with the Department of Commerce and the Environment Protection Bureau. A Steering Committee will be established to assist the Parties in managing cooperation under this Framework Agreement. The Steering Committee shall include representatives from government, nongovernmental organizations, private sector, research institutes, and academia. Both parties will consult on a regular basis, and senior officials from each side will meet each year to review progress under the Framework Agreement and approve an action plan developed by the Parties with the advice of the Steering Committee. In addition, the Parties will carry out study tours, conferences, workshops, exchanges, and enterprise communication throughout the year to carry out cooperation under this Framework Agreement.

III. Supplementary Provisions

The Parties acknowledge that this Memorandum of Understanding is only intended to provide for cooperation between the Parties and does not create any legally binding rights or obligations. To the extent any other provision of this Memorandum of Understanding is inconsistent with this paragraph, this paragraph shall control. The Parties commit themselves in good will to implement this Memorandum of Understanding to the fullest extent practicable, subject to any changes in environmental policy that they may adopt.

This Agreement is made in sextuplicate, three for each party. This Agreement shall become effective as of the date of signature. Upon both parties' written permission, the Agreement may be revised and improved.