

**MEMORANDUM OF UNDERSTANDING ON
STRENGTHENING ENERGY PRICE
REGULATION COOPERATION**

BETWEEN

**THE FEDERAL ENERGY
REGULATORY COMMISSION
(UNITED STATES OF
AMERICA)**

AND

**THE NATIONAL
DEVELOPMENT AND REFORM
COMMISSION
(PEOPLE'S REPUBLIC OF
CHINA)**

In order to strengthen the United States of America (United States) and the People's Republic of China (China)'s cooperation in the price reform of China's electricity transmission, distribution and generation sector and natural gas pipeline transportation sector. Recognizing the authority that the Federal Energy Regulatory Commission (FERC) and the National Development and Reform Commission (NDRC) receive from each government and the benefits from sharing price regulation experience and practices, the two parties declare their bilateral cooperation intentions by signing this Memorandum of Understanding (MOU).

1. The MOU identifies the two parties' future focus on exchanging information.

2. The MOU relates to the following aspects:

a. Electricity pricing, including:

- i. Regulatory policies and experience on pricing and rate design;**
- ii. Current status and experience on electricity pricing;**
- iii. Regulation policy and market mechanisms for electricity trading;**

b. Natural gas and natural gas pipeline pricing, including:

- i. Regulatory policies on natural gas pipeline transportation pricing and rate design;**
- ii. Current status and experience on natural gas pipeline pricing;**
- iii. Developments and experience on natural gas trading markets.**

c. U.S.'s and China's progress, experience and lessons on power industry reform;

d. Organizational structure and capacity building, including:

- i. Information and data management;**
- ii. Human resources training;**
- iii. Administrative procedures and practice.**

3. Cooperation in the MOU may include, but not be limited to the following aspects:

- a. Information sharing and discussion on electricity pricing policy and regulatory practice;**
- b. Visits that could include participants from FERC and NDRC;**
- c. Forms of communication could include, but are not limited to meetings, video, telephone conferences and email;**
- d. Discussion on pre-agreed subjects with invited government representatives and industry experts;**
- e. Training.**

The two parties may decide to cooperate on other topics of interest to both.

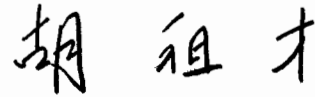
4. The MOU forbids the two parties to take any actions that are not consistent with current applicable or future laws, regulations, and policies. Actions of FERC and NDRC under the MOU are not to detract from the two parties' management scope and interests, and are limited to their resources and business priorities and must not affect the management activities and focus of each agency.

5. Unless otherwise agreed, FERC and NDRC shall undertake its own share of financial expense when carrying out the actions under this MOU. All activities are limited by each respective agency's approval.
6. Unless the two parties terminate or modify this MOU, it remains valid until December 31, 2019. Each party can terminate this MOU for any reason at any time, and shall try to notice the other party in written form sixty (60) days in advance, after which time the MOU will be terminated and any party shall have no further obligation.

This Memorandum of Understanding signed on March 28, 2018 in Washington, D.C., in two copies, each in Chinese and English, and the two texts are equally authentic.



*Kevin McIntyre, Chairman
Federal Energy Regulatory
Commission of the United States
of America*



*Hu Zucui, Vice Chairman
National Development and Reform
Commission of the People's
Republic of China*