

ANNEX I
TO THE PROTOCOL ON COOPERATION IN THE FIELD OF FOSSIL ENERGY
TECHNOLOGY DEVELOPMENT AND UTILIZATION
BETWEEN
THE DEPARTMENT OF ENERGY OF THE UNITED STATES OF AMERICA
AND
THE MINISTRY OF SCIENCE AND TECHNOLOGY
OF THE PEOPLE'S REPUBLIC OF CHINA

FOR COOPERATION IN THE AREA OF
POWER SYSTEMS

The Department of Energy (DOE) of the United States of America, and the Ministry of Science and Technology (MOST) of the People's Republic of China, hereinafter referred to as the "Parties"

Noting the Agreement between the Government of the United States of America and the Government of the People's Republic of China on Cooperation in Science and Technology signed January 31, 1979, as amended and extended, hereinafter referred to as the "Umbrella Agreement"

Noting that under the Umbrella Agreement the USDOE and MOST signed a Protocol for Cooperation in the Field of Fossil Energy Technology Development and Utilization on April 20, 2000, hereinafter referred to as the "Protocol,"

Noting that Article 2 of the Protocol identifies a number of areas for potential cooperation in the field of fossil energy technology development and utilization, and noting that Article 7 of the Protocol provides that the US DOE and the MOST may invite other organizations to participate in cooperative activities under the Protocol,

Desiring to establish cooperation between agencies in the United States and in the People's Republic of China (PRC) for Power Systems,

Have agreed as follows:

ARTICLE I
OBJECTIVES

1. This Annex is subject to the terms and conditions of the Umbrella Agreement and the Protocol. In the event of any conflict between the terms and conditions of the Umbrella Agreement or the Protocol and this Annex, the Umbrella Agreement and the Protocol shall govern.
2. The objectives of this Annex are to promote cooperation and exchange in the area of clean fossil power systems to the mutual benefits of each Party; share operating and test experience of advanced fossil power systems to demonstrate the capability and feasibility

of clean, efficient, and economic use of these fossil power technologies; and to exchange information on power technologies both for central and distributed generation systems with the intent of exploring options for addressing growing demand and mitigating environmental impacts

ARTICLE 2 AREAS OF COOPERATION

Cooperation under this Annex may include, but is not limited to, the following areas:

1. Clean Coal Technologies
2. Integrated Gasification Combined Cycle (IGCC) systems
3. Modeling, analysis, and information exchange in areas of power plant improvements, and electricity grid enhancements for stability, reliability and growth planning.
4. Fuel cells and turbine/fuel cell hybrid systems and concepts.
5. System studies on integration of power plants with carbon sequestration.

Other areas may be added by written agreement of the Parties.

ARTICLE 3 PARTICIPATING ORGANIZATIONS

1. The principal organization in the United States responsible for conducting the cooperative activities under this Annex shall be the DOE.
2. The principal organizations in the PRC responsible for conducting the cooperative activities under this Annex shall be State Power Corporation of China (SPC).
3. By written agreement of DOE and SPC, other government agencies and organizations may be invited to participate in this Annex and sign the cooperative agreement that shall be attached to this Annex as an amendment. The date of signature shall be the effective date of eligibility for participating in cooperative activities under the Annex.

ARTICLE 4 FORMS OF COOPERATION

Cooperative activities undertaken pursuant to this Annex may include any of those forms listed in Article 3 of the Protocol. DOE and MOST shall agree, in advance, in writing, to any new areas of cooperation not identified in the Protocol.

ARTICLE 5 MANAGEMENT

Each Party to the Annex shall designate an Annex Coordinator to oversee all activities under the Annex. In addition to overseeing all activities, the Annex Coordinators shall be responsible for proposing to the Permanent Coordinating Group under the Protocol, future program opportunities with a view to maximizing the mutual benefits of cooperation. An Annex Coordination Meeting shall be held at a mutually agreed site, preferably annually. Individual Tasks under the Annex shall have a Task Coordinator from each of the signatory organizations participating in the Task, to manage specific cooperative activities initiated under it, and to establish and maintain working contacts at the staff level.

ARTICLE 6 COSTS AND TECHNICAL SCOPE

Except when otherwise specifically agreed by the Parties in writing in each joint Task, all costs, including travel and lodging expenses, resulting from cooperation under this Annex shall be borne by the Party that incurs them. The implementation of this Annex by way of joint Tasks is subject to the availability of appropriated funds and personnel, and subject to applicable laws and regulations of the countries of the Parties. Joint Tasks shall, as appropriate, cover such things as exchange of proprietary information, management, total costs, cost sharing, and schedule, and any undertakings, obligations or conditions necessary to the proposed Task.

ARTICLE 7 ENTRY INTO FORCE, AMENDMENT, AND TERMINATION

1. This Annex shall enter into force upon signature by all Parties and remain in force for five (5) years or until termination of the Protocol, whichever occurs first. This Annex may be amended or extended by written agreement of the Parties, so long as the Protocol remains in force.
2. At the discretion of each Party, its participation in this Annex may be terminated upon six (6) months advance notice in writing to the other Parties.

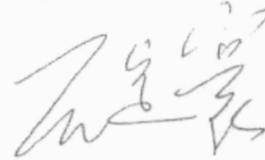
SIGNED in duplicate in the English and Chinese languages, both texts being equally authentic.

PERMANENT COORDINATING GROUP CO-CHAIRMEN

FOR THE DEPARTMENT OF ENERGY OF THE UNITED STATES OF AMERICA: FOR THE MINISTRY OF SCIENCE AND TECHNOLOGY OF THE PEOPLE'S REPUBLIC OF CHINA:



DATE: 12/07/00



DATE: 2000.12.7.

ANNEX 1 COORDINATORS:

FOR THE DEPARTMENT OF ENERGY OF THE UNITED STATES OF AMERICA: FOR THE STATE POWER CORPORATION OF THE PEOPLE'S REPUBLIC OF CHINA:



DATE: 12/07/00



DATE: 2000.12.5