

NON OFFICIAL VERSION

ONLY ORIGINAL SPANISH VERSION SHOULD BE CONSIDERED LEGALLY VALID FOR INTERPRETATION

NATIONAL PROGRAM FOR THE RATIONAL AND EFFICIENT USE OF ENERGY

Decree 140/2007

To declare the rational and efficient use of energy a matter of national interest and a priority. To pass the guidelines of such Program.

Buenos Aires, December 21st, 2007

HAVING REVIEWED File N° S01:0497740/2007 under the Record of the MINISTRY OF FEDERAL PLANNING, PUBLIC INVESTMENT AND SERVICES, and

WHEREAS:

The purpose of the National Government is to promote the efficient use of energy, taking into consideration that the energy mainly derives from non-renewable natural resources.

Fostering energy efficiency is not a temporary but a long-term permanent policy.

Energy efficiency, defined as the adequacy of the generation, transport, distribution, storage, and consumption of energy aimed at achieving the greater sustainable development possible through the available technological means, while reducing the negative impact on the environment and optimizing energy conservation and costs reduction is key in terms of energy policy and environment preservation in the ARGENTINE REPUBLIC. In 1994, by virtue of Law N° 24 295, the ARGENTINE REPUBLIC passed the UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE, and in 2001, by virtue of Law N° 25 438, it passed the KYOTO PROTOCOL to that Convention.

The KYOTO PROTOCOL, pursuant to Section 2°, item 1.a, paragraph i) states that the signing countries need to guarantee the promotion of the energy efficiency in the performance of the relevant business activities of the national economy.

The international experience has proved that the efficient use of energy is the most effective action, on a short- and medium-term basis, to achieve a significant reduction of carbon dioxide (CO²) emissions and other greenhouse effect gases.

The implementation of energy efficiency policies within a framework of environmental requirements, natural resources protection and commitments to mitigating greenhouse gas emissions which lead to global climate change shall contribute to setting the conditions that promote the sustainable development of the nation, the job creation, and the productivity increase.

The experience shows that the success of energy efficiency policies requires, apart from the acquisition of high efficiency technologies, structural deep changes based on individual behaviour change through programs and plans that shall be conducted by highly specialized institutions and which shall consider a cultural and educational strategy which ultimate aim is the transition towards an efficient energy use culture.

It is necessary and convenient that the public sector assumes to be the role model for the rest of society, by implementing measures in order to optimize the energy performance in the public administration facilities.

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In this sense, the SECRETARIAT OF ENERGY, pursuant to the objectives set forth by Decree N° 27 passed on May 27th 2003, has been developing initiatives to promote energy efficiency, such as the efficient use of energy in PUBLIC BUILDINGS of the NATIONAL PUBLIC ADMINISTRATION.

The outcomes and the studies carried out in public buildings by the SECRETARIAT OF ENERGY are an important background to argue the need to implement energy efficiency measures in all PUBLIC BUILDINGS of the NATIONAL PUBLIC ADMINISTRATION.

The projects performed in different industrial activities allowed for the identification of key opportunities to improve energy efficiency.

On the grounds of these outcomes, and considering that the industry share in the total final energy consumption accounts for THIRTY PER CENT (30 %) of the country's total energy consumption, it is considered a priority to extend the scope of the actions taken in the industry regarding energy efficiency through a medium- and long-term specific subprogram.

Within the framework of Resolution N° 319/1999 passed by the former SECRETARIAT OF INDUSTRY, TRADE AND MINING, the SECRETARIAT OF ENERGY, in cooperation with other departments of the NATIONAL EXECUTIVE BRANCH has implemented the mandatory energy efficiency labelling regulations only for refrigerators and lamps.

Energy efficiency labelling allows consumers to have access to relevant additional information when deciding to purchase electrical appliances.

It is necessary to accelerate and optimize the energy efficiency labelling process for electrical appliances, by implementing a national labelling scheme that identifies minimum energy efficiency standards.

It is necessary to set a PROGRAM FOR THE RATIONAL AND EFFICIENT USE OF ENERGY in public buildings of the NATIONAL PUBLIC ADMINISTRATION which shall be jointly designed and coordinated with the technical support of the SECRETARIAT OF ENERGY under the MINISTRY OF FEDERAL PLANNING, PUBLIC INVESTMENT AND SERVICES.

The involvement of public and private entities and the public in general, within the framework of proper public and private involvement schemes for the achievement of outcomes as regards efficient energy use which is considered necessary.

Without prejudice of the direct implementation of the provisions set forth by this Decree by the NATIONAL PUBLIC ADMINISTRATION and public entities under the NATIONAL EXECUTIVE BRANCH, it is convenient, according to the experience that may be acquired within the jurisdiction, to implement this measure in other governmental and private institutions.

It is necessary to allocate the resources that allow for the implementation and dissemination of the Plans and Programs on Energy Efficiency that may be designed; then, the corresponding budgetary assignment shall be allocated for such purpose.

It is necessary and convenient that the National State encourages and coordinates, together with the member and partner countries of the MERCOSUR, the development of policies and strategies

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to promote the implementation of common criteria and standards on energy efficiency in the respective countries.

Pursuant to Decree N° 27 passed on May 27th 2003, the SECRETARIAT OF ENERGY under the MINISTRY OF FEDERAL PLANNING, PUBLIC INVESTMENT AND SERVICES has competence to design, suggest and implement the plans and programs aimed at promoting and setting energy efficiency conditions within the framework of the national policy on energy and in coordination with the provincial jurisdictions.

The GENERAL OFFICE OF LEGAL AFFAIRS under the UNDER SECRETARIAT OF LEGAL AFFAIRS of the MINISTRY OF FEDERAL PLANNING, PUBLIC INVESTMENT AND SERVICES has acted within its competence.

This measure is set forth according to the powers conferred by Section 99, Subsection 1 of the NATIONAL CONSTITUTION.

Therefore,

THE PRESIDENT OF THE ARGENTINE NATION.

DECREES:

Section 1º — To declare the rational and efficient use of energy a matter of national interest and a priority.

Section 2º — To pass the guidelines of the NATIONAL PROGRAM FOR THE RATIONAL AND EFFICIENT USE OF ENERGY (PRONUREE, as per its acronym in Spanish) aimed at contributing and improving the energy efficiency of the different energy consumer sectors, which are included in Annex I of this Decree.

Section 3º — To instruct the SECRETARIAT OF ENERGY under the MINISTRY OF FEDERAL PLANNING, PUBLIC INVESTMENT AND SERVICES to implement such Program based on the guidelines approved by this Decree; such Program shall include, among other actions, the promotion of the rational and efficient use of energy through the awareness of the population and the development of media campaigns.

Section 4º — To instruct the CHIEF OF STAFF OFFICE to implement the PROGRAM FOR THE RATIONAL AND EFFICIENT USE OF ENERGY (PRONUREE) in public buildings of all the entities of the NATIONAL EXECUTIVE BRANCH, which is included in Annex II of this Decree, and to provide actions as regards energy efficiency in coordination with and with the technical support of the SECRETARIAT OF ENERGY under the MINISTRY OF FEDERAL PLANNING, PUBLIC INVESTMENT AND SERVICES.

Section 5º — To instruct the CHIEF OF STAFF OFFICE to provide the re-allocation of the budgetary assignment needed to implement the plans set forth by this Decree in the jurisdiction.

Section 6º — To encourage the public and private entities, particularly those interested in and working on energy efficient use to join forces with the SECRETARIAT OF ENERGY under the MINISTRY OF FEDERAL PLANNING, PUBLIC INVESTMENT AND SERVICES in order to boost the outcomes.

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Section 7º — To create the Committee for the Support, Follow-Up and Supervision of Compliance with the measures of the Program under the MINISTRY OF FEDERAL PLANNING, PUBLIC INVESTMENT AND SERVICES. Such Committee shall consist of a representative from the SECRETARIAT OF ENERGY under the MINISTRY OF FEDERAL PLANNING, PUBLIC INVESTMENT AND SERVICES, a representative of the UNIÓN INDUSTRIAL ARGENTINA [ARGENTINE'S INDUSTRIAL UNION], a representative from the ASOCIACIÓN EMPRESARIA ARGENTINA [ARGENTINE'S BUSINESS ASSOCIATION], a representative from the ASOCIACIÓN DE DISTRIBUIDORES DE ENERGÍA ELÉCTRICA de la REPÚBLICA ARGENTINA [ELECTRICITY DISTRIBUTORS ASSOCIATION of the ARGENTINE REPUBLIC]; a representative from the users and consumers associations, and an academic representative.

Section 8º — To empower the MINISTRY OF FEDERAL PLANNING, PUBLIC INVESTMENT AND SERVICES to issue and disseminate the measures and the clarifying and complementary regulation needed for the achievement of the objectives set forth by this Decree.

Section 9º — To encourage the LEGISLATIVE BRANCH, the JUDICIARY, the PROVINCES, the AUTONOMOUS CITY OF BUENOS AIRES, AND THE TOWN HALLS to accede to this Decree.

Section 10. — To inform this Decree to the MERCOSUR and the LATIN-AMERICAN ENERGY ORGANIZATION (OLADE, as per its acronym in Spanish).

Section 11. — To inform, publish and submit this Decree to the National Office of Official Records, and then file it. — FERNANDEZ DE KIRCHNER. — Alberto A. Fernández. — Julio M. de Vido.

ANNEX I

NATIONAL PROGRAM FOR THE RATIONAL AND EFFICIENT USE OF ENERGY

ACTIONS TO BE TAKEN

1. ON A SHORT-TERM BASIS

Within the framework of Section 2º of this Decree, to implement the following measures within the following THIRTY (30) days after its publishing:

1.1 To take the necessary actions for the design of a massive campaign on Education, Awareness and Information targeted at the population in general and at school-aged children in particular, in order to teach them the nature of energy, its impact on the daily life, and the need to adopt wise energy consumption standards.

1.2 To take the necessary actions for the massive replacement of incandescent light bulbs with energy efficient light bulbs in all households in the country.

1.3 To take the necessary actions for the setting of an energy efficiency labelling scheme aimed at the development and implementation of minimum energy efficiency standards to be applied in the manufacturing, import and/or trade of electrical appliances.

1.4 To promote the signature of agreements with banking associations, industrial and large stores associations, supermarkets, etc. in order to extend the scope of the measures on rationality and

energy efficiency to be implemented on a short-term basis in the NATIONAL PUBLIC ADMINISTRATION.

1.5 To foster the signature of agreements between electricity distribution companies, national universities, technological entities and business associations which goal is to improve the companies' energy efficiency. The companies which prove the implementation of such improvements shall obtain an Energy Efficiency Certificate which shall facilitate their access to promotional financing aimed at the technological improvement.

1.6 To promote the signature of agreements with member and partner countries of the MERCOSUR, in order to foster the design of policies and strategies to encourage the adoption of common criteria and energy efficiency standards in the respective countries.

2. ON A MEDIUM- AND LONG-TERM BASIS

Within the framework of Section 2º of this Decree, to implement the measures mentioned below within the following NINETY (90) days after its publishing:

2.1 INDUSTRY

- To design a Program on Energy Efficiency for the Industry which goal shall be to contribute to increasing its competitiveness by including management tools which allow for costs reduction through the efficient use of energy and productive resources.
- To take the necessary actions to achieve the adherence to this program by those business associations which represent the industrial priority activities, according to their consumption levels, through the signature of voluntary agreements in order to record the commitment to participating in such program.
- Jointly design actions with the participating companies in order to set consumption profiles, make assessments to know the current energy performance of the productive processes, identify opportunities to make improvements, implement such opportunities and launch energy management programs which allow for the development of energy indicators and set their improvement goals.
- To design actions for disseminating, replicating and supervising the actions taken, in order to follow up their progress and make the outcomes available to those companies which comprise the targeted industrial activities.
- To design and develop cross-technology programs which comprise the different industrial activities and contribute to the deployment of an energy efficiency market. These programs shall refer, among other issues, to the development of Energy Services Supplier Companies and the promotion of efficient technological uses.
- To take the necessary actions to implement a financing scheme aimed at facilitating investments in energy efficiency projects in Small and Medium Enterprises (SME).
- To foster the adherence to the Program of the different provincial jurisdictions and the Autonomous City of Buenos Aires, by offering the necessary technical assistance and promoting local commitments that may guarantee sustainable actions.

2.2 BUSINESS AND SERVICES SECTOR

- To design a Program on Energy Efficiency specifically targeted at the business and services sector in order to explore improvement opportunities, such as the consideration of energy efficiency measures through technological adjustments and consumption behaviour change. This program shall focus on energy demand from stores, offices, hotels, restaurants, supermarkets, banks, sport centers, etc.

Standards which shall serve as a guide on issues related to efficient lighting, heating and air conditioning systems, food conservation, water use, etc. shall be designed.

- To cooperate in the design and review of the building construction regulation with different implementing rules within the service sector, by boosting the development of building codes including energy efficiency aspects as regards building design as well as the use of specific materials.

2.3 EDUCATION

- To take the necessary actions, together with the relevant jurisdictions, to include basic notions on energy, energy efficiency, renewable energy, and environment in the educational curricula of the different educational levels.
- To take the necessary actions to implement posgraduate courses on energy efficiency in national universities in order to train the professionals required to offer technical assistance in this issue.

2.4 CO-GENERATION

- To design a plan for taking full advantage, on a medium-term basis, of the potential offered by electricity co-generation in the ARGENTINE REPUBLIC, as a way to improve the electricity supply, save fuel, reduce transmission losses and reduce emissions that are harmful to the environment.
- To implement a suitable legal framework to foster the development of electricity co-generation projects in the country.
- To encourage the provinces, the Autonomous City of Buenos Aires, as well as the industrial and financial sectors to join efforts with the National State, so as to expand the electricity offer in the most efficient way possible.
- To also encourage the generation and distribution companies to develop co-generation projects, whether such projects are owned by that companies or developed in association with the industrial, business, or services sectors.
- To foster the creation and the development of new Energy Services Supplier Companies in the country, aiming at developing co-generation projects and offering the necessary services for such purpose, by widely involving the scientific and technological infrastructure available in the country, as well as the national engineering.

2.5 ENERGY EFFICIENCY LABELLING

- To set maximum levels of specific energy consumption, or minimum levels of energy efficiency for electrical machines and/or appliances manufactured and/or marketed in the country, based on the proper technical indicators.

- To suggest a schedule for the prohibition of production, import and trade of incandescent light bulbs.

2.6 ENERGY EFFICIENCY REGULATION

- To assess different regulatory and tariff schemes in order to set permanent mechanisms for the promotion of energy efficiency within electricity and natural gas distribution companies subject to federal regulation.

2.7 STREET LIGHTING AND TRAFFIC LIGHT SYSTEMS

- To contribute to making the Street Lighting and Traffic Light Systems in the whole country more efficient.
- To foster the development and implementation of survey methodologies of the Street Lighting and Traffic Light Systems and a database which shows the main features of such systems, in coordination with the corresponding jurisdictions.
- To take the necessary actions for the development and implementation of regulation aimed at the improvement of energy efficiency in Street Lighting and Traffic Light Systems, in coordination with the corresponding jurisdictions.
- To assess the convenience of the implementation of energy saving appliances and systems in the Street Lighting and Traffic Light Systems.

2.8 TRANSPORT

- To boost energy savings in the transport sector through the expansion and improvement of the public transport management and its suitable implementation, taking into consideration the demographic distribution and the mobility in the region.
- To design a National Program on Energy-Efficient Driving aimed at short-, medium- and long-distance public automotive transport, and freight transport drivers, including urban and long - distance merchandise distribution transport drivers.
- To participate, together with the authorities from the sector, in the design of an automobile labelling program which evaluates the vehicle fleet current consumption standards with the purpose of agreeing with the automobile industry companies on minimum standards to be adopted according to a progressive implementation program for new automobiles to be sold in the market. These consumption standards shall be based on the emissions standards of the different fuels used by automobiles.
- To assess the design of a maintenance program for vehicles used for public transport (taxis, 'remises', buses, freight transport, etc.) in order to avoid the decline of the fuel use efficiency.
- To design an awareness campaign on the environmental and energy impacts caused by the intensive use of vehicles.

2.9 HOUSEHOLDS

New Households

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- To take the necessary actions for the design of an energy certification system for households. To set maximum consumption indexes, both for electricity and thermal energy.
- To sign cooperation agreements with building associations, architects and engineers' associations, and universities.
- To consider energy efficiency for buildings as a household quality criterion in engineering and architecture schools.
- To take the necessary actions for the regulation of thermal conditioning in households, to set requirements for thermal insulation of roofs, coverings, windows, and ventilated floors according to the different thermal zones in the country.
- To include the optimal use of solar energy in the architectonic design phase and in the planning of buildings (both for heating and lighting).
- To carry out actions together with the MINISTRY OF SCIENCE, TECHNOLOGY AND PRODUCTIVE INNOVATION to promote the technological development and innovation in the building materials and methods.

Households in Use

- To design an incentives system for the decrease of energy consumption which includes, for example, preferential financing for measures aimed at reducing the consumption.
- To design a strategy for the massive implementation of water heating systems based on solar energy, particularly in peripheral population.
- To implement a national program on household insulation which includes roofs, coverings, and openings.

2.10 CLIMATE CHANGE – CLEAN DEVELOPMENT MECHANISM

- To assess the significant role of the CLEAN DEVELOPMENT MECHANISM, apart from the international carbon market, to support the execution of energy efficiency projects, particularly under the scheme of the programmatic CLEAN DEVELOPMENT MECHANISM.
- To develop a plan for the exploitation of the potential of this source of financing and international technical cooperation.
- To promote the implementation of the CLEAN DEVELOPMENT MECHANISM, particularly the programmatic CLEAN DEVELOPMENT MECHANISM, among public and private entities which may play a role in the identification, development and implementation of new projects in the energy efficiency field.

ANNEX II

PROGRAM FOR THE RATIONAL AND EFFICIENT USE OF ENERGY IN PUBLIC BUILDINGS

ACTIONS TO BE TAKEN

1. ON A SHORT-TERM BASIS

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Within the framework of Section 4º of this Decree, to implement the following measures within the following THIRTY (30) days after its publishing:

1.1 To set the refrigeration temperature of the air conditioning appliances at TWENTY-FOUR DEGREES CELSIUS (24°C) in all the buildings of the National Public Administration, and to adopt, for each case, the necessary measures to avoid energy losses caused by the heat exchange with the outdoor air.

1.2 To turn off ornamental lights at TWELVE (12.00) a.m. in all the buildings of the National Public Administration.

1.3 To end workdays at the National Public Administration at SIX (6) p.m., except for the provisions set forth in Section 6º of Decree Nº 2476 passed on November 26th 1990, and turn off the lights, the air conditioning appliances and the stand by mode of the computers, so as to clean the buildings with natural light.

1.4 To set a program on the energy efficiency improvement of the lighting systems of the National Public Administration buildings to be executed within the following TWELVE (12) months after the publishing of this Decree.

1.5 To train the NATIONAL PUBLIC ADMINISTRATION staff on good practices for the efficient energy use.

2 ON A MEDIUM- AND LONG-TERM BASIS

Within the framework of Section 4º of this Decree, to implement the Program for the Rational and Efficient Use of Energy (PROUREE, as per its acronym in Spanish) in Public Buildings within the following NINETY (90) days after the publishing of this Decree, taking into consideration the following guidelines:

2.1 Each entity of the NATIONAL PUBLIC ADMINISTRATION shall be responsible for the compliance with and the implementation of the Program for the Rational and Efficient Use of Energy (PROUREE) in those Public Buildings within its jurisdiction.

2.2 To create, for each entity, the role of Energy Manager and Assistants to the Energy Manager.

2.3 To include energy efficiency criteria in the purchase systems of the National State for the purchase of goods and services.

2.4 All the entities under the NATIONAL PUBLIC ADMINISTRATION shall offer the necessary information for the development of the Program for the Rational and Efficient Use of Energy (PROUREE) in Public Buildings.

2.5 It shall be carried out a detailed and updated inventory of all the electricity and gas installations, air conditioning appliances, bathroom and running water equipment available in all the Public Buildings of the NATIONAL PUBLIC ADMINISTRATION for the purpose of unifying the information.

2.6 The SECRETARIAT OF ENERGY under the MINISTRY OF FEDERAL PLANNING, PUBLIC INVESTMENT AND SERVICES shall assist the Energy Managers with all the technical issues that such Secretariat may consider necessary.

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2.7 The Program for the Rational and Efficient Use of Enrgy (PROUREE) in Public Buildings shall not avoid the normal performance of the activities carried out in the buildings.