

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE ENERGY COMMISSION, MALAYSIA

AND

**THE CALIFORNIA ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT
COMMISSION**

ON

COOPERATION IN ENERGY POLICIES AND PROGRAMS

This Memorandum of Understanding is entered into between **THE ENERGY COMMISSION, MALAYSIA** (hereinafter referred to as "EC") **AND THE CALIFORNIA ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION** (hereinafter referred to as the "Energy Commission") (the EC and the Energy Commission are hereinafter referred to singularly as "the Party" and collectively as "the Parties"),

WISHING to foster a favorable relationship of partnership and cooperation between the two Parties;

ACKNOWLEDGING the importance of the principles of equality and mutual benefits;

RECOGNIZING that the EC regulates the electricity sector in Peninsular Malaysia and State of Sabah; and that the Energy Commission regulates the energy sector in California, which is one of the most progressive states in the United States;

NOTING that well established demand-side management and energy efficiency programs have proven to be cost-effective means in the United States to promote environmentally sensitive energy resources while satisfying the growing consumer demand for electric power, enhancing air quality, and reducing the need for new generation;

ALSO ACKNOWLEDGING that the United States has significant experience in formulating policies related to electricity markets development and regulation and appropriate policies on these issues are in the public interest;

ALSO RECOGNIZING the leadership of the EC in promoting energy efficiency, demand-side management, integrated resource planning, and effective electricity regulation in Malaysia;

CONCURRING that collaboration in research and information exchange on policies and programs related to energy efficiency, procurement planning, and electricity markets and regulation are in the common interest of the Parties; and,

CONSISTENT with the governing laws of their respective countries;

HAVE REACHED AN UNDERSTANDING as follows:

ARTICLE 1 OBJECTIVE

The Parties, subject to the terms of this Memorandum of Understanding and the laws, rules, regulations and national policies from time to time in force in each Party's country, will endeavor to explore potential future collaborations on energy policies and programs between the Parties on the basis of equality and mutual benefit.

ARTICLE 2 AREAS OF COOPERATION

1. Each Party will, subject to the laws, rules, regulations and national policies from time to time in force governing the subject matter in their respective countries, endeavor to promote information exchanges and future joint research activities in the following areas:

- (a) energy efficiency and demand-side management policies and programs;
- (b) regulatory policies for renewable energy development;
- (c) integrated resource planning;
- (d) electricity regulation and governance;
- (e) transmission pricing framework;
- (f) balancing market framework in Peninsular Malaysia and State of Sabah; and,
- (g) market development through open access and consumer choice.

2. Such activities and cooperation will be developed by:

- (a) exchanging information, primarily through data and publications;
- (b) scheduling the exchange of researchers and experts;
- (c) convening joint seminars, conferences, workshops on energy issues which are of common interest to the Parties; and,
- (d) implementing future collaborative research projects.

3. Notwithstanding paragraphs 1 and 2 above, the areas of activities and cooperation may be replaced or extended to other areas within the scope and objective of this Memorandum of Understanding by mutual written agreement of the Parties.

ARTICLE 3 IMPLEMENTATION

1. The implementation of the activities under the areas of cooperation as specified in this Memorandum of Understanding will be subject to specific arrangements to be mutually decided upon by the Parties in writing on the basis of, and within the framework of, this Memorandum of Understanding.
2. Proposals for cooperative activities, including future joint projects, may be initiated by either Party and are subject to subsequent approval and finalization in written agreements signed by the Parties.
3. The objective, content, form, duration, cost sharing and other conditions of each activity shall be determined on a case-by-case basis through mutual consultation and agreement.

ARTICLE 4 FINANCIAL ARRANGEMENTS

1. This Memorandum of Understanding does not involve the exchange of funds nor does it establish any express or implied obligation on the part of the Parties to incur any costs or make any payments now or in the future.
2. If either Party decides to bear any costs relating to the cooperative activities under this Memorandum of Understanding, such decision is subject to the availability of its own funds or resources.
3. The Parties acknowledge that this Memorandum of Understanding does not authorize the Energy Commission to incur costs in support of the cooperative activities contemplated by this Memorandum of Understanding, and that the Energy Commission's decision to bear such costs would be subject to subsequent formal approval by the Energy Commission.
4. Nothing in this Memorandum of Understanding prevents the Parties from sharing or assigning the costs of specific activities between the Parties pursuant to future written agreements.

ARTICLE 5 PARTICIPATION OF THIRD PARTY

1. Either Party may invite the participation of a third party in the joint activities being carried out under this Memorandum of Understanding upon the agreement of the other Party. In carrying out such joint activities, the Parties will ensure that the third party will comply with the provisions of this Memorandum of Understanding.

2. For the avoidance of doubt, the Parties understand and agree that this Memorandum of Understanding does not restrict either Party from participating in any other activity outside the areas of cooperation stipulated under ARTICLE 2 of this Memorandum of Understanding with other public or private agencies, organizations, or individuals.

ARTICLE 6 OTHER RIGHTS AND INTERESTS

Notwithstanding anything contained in this Memorandum of Understanding, where the implementation of this Memorandum of Understanding affects:

- (a) any Party's rights and interests with respect to its protection of intellectual property rights of documents, information and data; and/or the rights and interest of either Party's country with respect to its national security, national interest, public interest or public order, the Party concerned may undertake appropriate steps or consultations, including but not limited to further written agreements on mutually agreed terms as necessary, to ensure that its rights and interests are protected and safeguarded; and,
- (b) any requirement on confidentiality and secrecy of documents, information and data under any laws and regulations of either Party's country, the Parties will enter into further written agreements on mutually agreed terms to ensure compliance with such requirement.

ARTICLE 7 EFFECT OF MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding serves only as a record of the Parties' intentions and does not constitute or create, and is not intended to constitute or create obligations under domestic or international law and will not give rise to any legal process and will not be deemed to constitute or create any legally binding or enforceable rights or obligations, express or implied.

ARTICLE 8 REVISION, MODIFICATION AND AMENDMENT

- 1. Either Party may request in writing a revision, modification or amendment of all or any part of this Memorandum of Understanding.
- 2. Any revision, modification or amendment agreed to by the Parties will be reduced into writing and will form part of this Memorandum of Understanding.

3. Such revision, modification or amendment will enter into force on such date as may be determined by the Parties.

4. Any revision, modification or amendment will not prejudice the rights and obligations arising from or based on this Memorandum of Understanding before or up to the date of such revision, modification or amendment.

ARTICLE 9 NOTICES

1. Any notice, approval, consent, request or other communication required or permitted to be given or made under this Memorandum of Understanding will be in writing in the English language and delivered to the address or facsimile numbers or e-mail address of the Parties, as the case may be, shown below or to such other address or facsimile numbers or e-mail address as either Party may have notified the sender and will, unless otherwise provided herein, be deemed to be duly given or made, in the case of delivery in person or by facsimile transmission or by e-mail, when delivered to the recipient at such address or facsimile numbers or e-mail address which is duly acknowledged:

To the Energy Commission, Malaysia (EC):

Address: No. 12, Jalan Tun Hussein, Precinct 2, 62100, Putrajaya, Malaysia

Telephone: +603-8870 8599

Fax: +603-8888 8633

E-mail: fauzih@st.gov.my

To the California Energy Resources Conservation and Development Commission (Energy Commission)

Address: 1516 Ninth Street, MS-31, Sacramento, California, 95814

Telephone: (916) 654-4001

Fax: (916) 653-3478

E-mail: kldougla@energy.ca.gov

2. It will be the duty of the Parties to notify the other Party if there is a change of address or entity by giving a written notice within fourteen (14) days.

**ARTICLE 10
ENTRY INTO FORCE, DURATION AND TERMINATION**

1. This Memorandum of Understanding will enter into force on the date of signing and will remain in force for a period of four (4) years.

2. Notwithstanding anything in this Article, either Party may terminate this Memorandum of Understanding by notifying the other Party of its intention to terminate this Memorandum of Understanding by a notice in writing, at least two (2) months prior to its intention to do so.

3. The termination of this Memorandum of Understanding will not affect the implementation of any on-going activities which have been agreed to before the date of the termination of this Memorandum of Understanding subject to written agreements entered into by the Parties pursuant to paragraph 4 of ARTICLE 4 of this Memorandum of Understanding.

The foregoing record represents the understandings reached between the EC and the Energy Commission upon matters referred to therein.

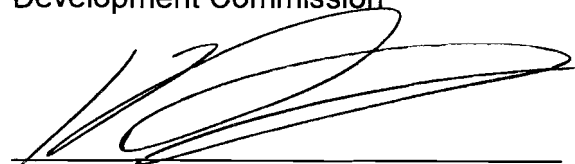
SIGNED in the City of Sacramento, California, United States of America, on this 17th day of May in the year 2012 in two (2) original texts in the English language.

For and Behalf of the
Energy Commission, Malaysia



DATUK Ir. AHMAD FAUZI BIN HASAN
Chief Executive Officer
Energy Commission, Malaysia

For and Behalf of the California
Energy Resource Conservation and
Development Commission



KAREN DOUGLAS
Commissioner
California Energy Resources
Conservation and Development
Commission