

# State Grid Shanghai Municipal Electric Power Company Document

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## State Grid Shanghai Municipal Electric Power Company Action Plans of Continuously Optimizing "Getting Electricity" Business Environment by Promoting a Series of New Initiatives "Five New & Five Excellent"

To all relevant units:

Since 2018, SMEPC has comprehensively implemented the work deployment of the Party Central Committee, the State Council, Shanghai Municipal Party Committee, Shanghai Municipal Government and State Grid Corporation of China, benchmarked international advanced ideas and practices and fully promoted reforms for customers to conveniently get electricity. Based on the experience and achievements of previous reforms, the company further expands the new connotation of the "FREE" power service brand, continues creating an efficient, fair and high-quality "Getting Electricity" business environment, strives to improve the ranking of the "Getting Electricity", and formulates the FREE 3.0 Reform Measures, i.e. the *Action Plans of Continuously Optimizing "Getting Electricity" Business Environment by Promoting a Series of New Initiatives "Five New & Five Excellent"*. It is hereby printed and distributed, please comply with the implementation.

The State Grid Shanghai Municipal Electric Power Company

19<sup>th</sup> November, 2019

(The announcement shall be delivered to the headquarters and their subsidiaries of the receiving  
companies)

## **Action Plans of Continuously Optimizing "Getting Electricity"**

### **Business Environment by Promoting a Series of**

### **New Initiatives "Five New & Five Excellent"**

Since 2018, SMEPC has comprehensively implemented the work deployment of the Party Central Committee, the State Council, Shanghai Municipal Party Committee, Shanghai Municipal Government and State Grid Corporation of China, benchmarked international advanced ideas and practices and fully promoted reforms for customers to conveniently get electricity, which helps "Getting Electricity" Index of China jump from 98<sup>th</sup> to 12<sup>th</sup> and makes great efforts to the significant improvement of China's overall business environment. On 8<sup>th</sup> October, 2019, the executive meeting of the State Council deliberated and passed *the Regulations on Optimizing Business environment*, which provided system guarantees for investment and business operations of various market entities in the means of government legislation, taking an important step forward in building a law-governed business environment. "Improvement of the business environment is an on-going process, and there is always room for things to become better", SMEPC adheres to the enterprise tenet of "People's Electricity Industry for People", adheres to the service concept of "Your Power, Our Care", further strengthens the reform, and continuously creates an efficient, fair and high-quality electricity business environment, hereby formulates FREE 3.0 reform measures of optimizing getting electricity business environment, specific content are as followed:

#### **1. General Guidelines**

To thoroughly implement the decisions and arrangements made by the CPC Central Committee and the State Council for further optimizing the business environment, focus on customer need, benchmark international highest standard, continuously optimizing getting electricity business environment; To vigorously promote the construction of "Three-type, Two-network, World-class" urban energy interconnection enterprises, better serve Shanghai to build an outstanding global city; To deepen the construction and application of the ubiquitous power Internet of Things on the customer side, and to promote the optimal allocation of energy and efficient connection between supply and demand. On the basis of existing reforms, SMEPC further enriches the connotation of service brand "**FREE**", and implements the new reform measures of "**5 New & 5 Excellent**": "**NEW service experience, EXCELLENT set of application procedures; NEW approval platform, EXCELLENT length of connection time; NEW eco-energy system, EXCELLENT comprehensive efficiency in energy; NEW investment mode, EXCELLENT low electricity costs; NEW guarantee mechanism, EXCELLENT quality of power supply**", making it more convenient, efficient and economical to apply for connection,

and as well, more effective, superior and reliable to use electricity.

## **2. Working goals**

On the basis of "*5 Saves & 5 Rises*" (*FREE 1.0*) and "*5 Decreases & 5 Reduces*" (*FREE 2.0*), benchmarking international highest standard, self-innovating and breaking out innovations, the new reforms of "*5 New & 5 Excellent*" (*Free 3.0*) are carried out. Expand experience of micro and small businesses to 10kV projects to reduce connection procedures and time continuously, so as to further reduce getting electricity cost for customers. Increase the breadth and depth of comprehensive energy value-added services to enhance customers comprehensive energy efficiency, so as to further reduce customers' cost of power consumption. Continuously improve power supply reliability by increasing investment, optimizing equipment and strengthening maintenance. With the introduction of a new financial deterrents mechanism on power interruptions, it makes contribution to create a world-class "Getting Electricity" business environment that is based on market principles, governed by law, and up to international standards

## **3. Reform measures "FREE 3.0" New Mode**

### **3.1 NEW service experience, EXCELLENT set of application procedures**

SMEPC widely promotes "**SGCC online**" APP, effectively connects power service to "GovPortals" website, enhancing cooperation and data-sharing with the government, achieving "**Zero Counter Visit**" from micro and small enterprises. High quality connection service measures for micro and small enterprises shall be extended to 10kV projects gradually, reducing customers' visit to counters, and optimizing procedures of "submit application, conduct site inspection and reply for power supply scheme", along with "construct external works, sign contract for connection and finish meter installation", consequently, cutting down number of procedures for 10kV project to 2.

### **3.2 NEW approval platform, EXCELLENT length of connection time**

By connecting with the government's "joint approval platform for construction engineering", it realizes "One-window application, parallel review, and timely approval". SMEPC shall continue to optimize management process of power connection projects, and cooperate with the government in gradually transforming the administrative approval of micro and small enterprises into a record system (licenses of qualified micro and small enterprises issued on the spot), reducing the 10 kV administrative approval time to less than 15 days. The average connection time of micro and small enterprises shall be reduced to 10 days, and the average connection time of customers using 10kV, 35kV or above shall decrease by more than 20%.

### **3.3 NEW eco-energy system, EXCELLENT comprehensive efficiency in energy**

SMEPC launched the "Energy Housekeeper" brand, to help customers improve their energy efficiency, and exploit new development in comprehensive energy business. SMEPC shall try hard to find adjustable load resources from customer-side, make a

creative design of "Urban Electric Warehouses", and establish a virtual power plant operating system, to satisfy the requirement of customers for high-quality energy consumption, and to achieve friendly communication between the grid and the customers. SMEPC shall promote the construction of the Ubiquitous Electric Internet of Things on the customer-side, provide customized comprehensive energy solutions, and achieve multi-energy complementary of energy varieties which contain "electricity, heat, cold, gas and water", and high efficient coordination of energy links which contain "source, grid, load, storage and consumption", thus realize a new comprehensive energy ecology covering "point, line, area, and body".

### **3.4 NEW investment mode, EXCELLENT low electricity costs**

SMEPC launched pilot package of leasing service for temporary power usage of high- and low-voltage customers. In consideration of non-permanent power consumption such as temporary sites of infrastructure and, municipal construction, farmland water conservancy, etc., customers can rely on a qualified electric energy service provider to complete the application procedures, then lease high- and low-voltage electrical equipment (e.g. transformers). Thus SMEPC achieved one-stop transaction of temporary power usage and multi-dimensional recycling of power supply equipment, promoted the efficiency and intensification of social resources, and effectively reduced customer investment.

### **3.5 NEW guarantee mechanism, EXCELLENT quality of power supply**

SMEPC shall continuously increase investment in the power grid, building "Diamond" distribution networks, speeding up the construction of "Three Types and Two Networks", promoting the overall improvement of power grid equipment as well as management and the level of operation and maintenance, achieving the breakthrough of "Four Nines" (i.e. over 99.99%) in the overall power supply reliability. On the other hand, SMEPC shall strictly implement the policy of informing price adjustment in advance, improving the transparency of price. Besides, SMEPC is exploring and studying guarantee mechanism for power interruptions that meet the evaluation standards of the World Bank and the national condition of China. In order to achieve that, SMEPC is cooperating with the government to formulate relevant rules for administrative law enforcement of power supply reliability index, protecting the rights and interests of customers effectively.

## **4.Relevant Requirements**

Through the implementation of new reform measures of "*5 New & 5 Excellent*" (*Free 3.0*), SMEPC accomplishes more efficient internal cooperation and more standardized management, explores the construction of a new modern marketing service, and continuously improves the value and achievement on "Getting Electricity" of customers.

**Unifying thoughts, placing high importance.** All departments and subsidiaries should identify the optimization of electricity business environment as the current

priority and carry out full mobilization. With higher political consciousness, higher sense of duty, more realistic measures and better long-term mechanism, thoughts are unified further and more measures are put into action.

**Taking the initiative to contact, striving for support.** In order to achieve a seamless and efficient administrative approval process related to electricity, SMEPC shall actively cooperate with the government's "One website, all services" platform as well as the Shanghai Construction Joint-Audit and Sharing Platform and promote the optimization of the approval process. The cooperation with the government shall help introduce a new mechanism to ensure the protection in case of power interruption.

**Taking on responsibility, fulfilling great job.** All power supply companies and relevant subsidiaries should resolutely implement SMEPC's assignments and stick to high standards, high quality and high requirements to ensure every measure to be executed thoroughly with goals cleared and responsibility fulfilled.