

立法會
Legislative Council

LC Paper No. CB(1) 970/06-07
(These minutes have been seen
by the Administration)

Ref : CB1/PL/EA/1

Panel on Environmental Affairs

Minutes of meeting
held on Monday, 22 January 2007, at 2:30 pm
in Conference Room A of the Legislative Council Building

- Members present** : Hon Audrey EU Yuet-mee, SC, JP (Chairman)
Hon Emily LAU Wai-hing, JP (Deputy Chairman)
Hon SIN Chung-kai, JP
Hon WONG Yung-kan, JP
Hon LAU Kong-wah, JP
Hon Miriam LAU Kin-yee, GBS, JP
Hon LEE Wing-tat
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon TAM Heung-man
- Members attending** : Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon Tommy CHEUNG Yu-yan, JP
- Members absent** : Hon Martin LEE Chu-ming, SC, JP
Hon CHOY So-yuk, JP
- Public officers attending** : **For item IV**
Environment, Transport and Works Bureau

Ms Anissa WONG
Permanent Secretary (Environment)

Environmental Protection Department

Mr Raymond FAN
Deputy Director of Environmental Protection (2)

Dr Malcolm James BROOM
Assistant Director (Water Policy)

Drainage Services Department

Mr CHUI Wing-wah
Acting Assistant Director of Drainage Services (Sewage Services)

For Item V

Environmental Protection Department

Mr Roy TANG
Deputy Director of Environmental Protection (3)

Mr Esmond LEE
Deputy Director of Environmental Protection (4)

Mr TSE Chin-wan
Assistant Director (Air Policy)

**Attendance by
invitation**

: For Item IV

WWF Hong Kong

Mr Markus SHAW
Chairman

Hong Kong Marine Conservation Society

Dr John WONG
Chairman

The Hong Kong Institution of Engineers

Ir Dr Greg WONG
Immediate Past President

Association of Engineering Professionals in Society

Ir YIM Kin-ping
Senior Vice Chairman

Association of Restaurant Managers

Mr LO Ho-wan
Vice-chairman

Hong Kong Catering Industry Association

Mr WOO Chu
Vice Chairman

Factory Canteen Chamber of Commerce

Mr CHONG Yam-ming
Chairman

The Association for Hong Kong Catering Services
Management Ltd

Mr YEUNG Wai-sing
Chairman

Hong Kong Federation of Restaurants and Related Trades

Mr CHENG Chit-ming
Vice-chairman

Civic Party

Mr Albert LAI
Vice-chairman

Clerk in attendance : Miss Becky YU
Chief Council Secretary (1)1

Staff in attendance : Mrs Mary TANG
Senior Council Secretary (1)2

Miss Mandy POON
Legislative Assistant (1)4

Action

I. Confirmation of minutes

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| (LC Paper No. CB(1) 733/06-07 | — Minutes of the meeting held on
27 November 2006 |
| LC Paper No. CB(1) 734/06-07 | — Minutes of the meeting held on
20 December 2006) |

The minutes of the meetings held on 27 November 2006 and 20 December 2006 were confirmed.

II. Information paper issued since last meeting

(LC Paper No. CB(1)546/06-07 — Letters from members of the delegation from Germany on the Exchange on Waste Management Strategies)

2. The Chairman said that following the informal meeting with the delegation on 8 December 2006, she had received letters from two delegates seeking possible collaboration in setting the future course of waste management in Hong Kong. The letters had been referred to the Administration for consideration and necessary action. The Chairman suggested and members agreed that the delegation be placed on the list of consultees of the Panel so that their valuable views could be sought if necessary when the subject of waste management was discussed.

III. Items for discussion at the next meeting

(LC Paper No. CB(1) 742/06-07(01) — List of follow-up actions
LC Paper No. CB(1) 742/06-07(02) — List of outstanding items for discussion)

3. Members agreed that the following subjects would be discussed at the next regular meeting scheduled for Monday, 26 February 2007, at 2:30 pm -

- (a) 764TH, 765TH & 776TH - Retrofitting of noise barriers on Tsing Tsuen Bridge at Tsing Yi Island and Tsuen Wan Approaches, Tseung Kwan O Road and Yuen Shin Road;
- (b) PWP Item 5168DR – Refurbishment and modification of the Island East Transfer Station; and
- (c) Conservation of energy.

(Post-meeting note: At the request of the Administration and with the concurrence of the Chairman, item (c) was subsequently replaced by “Emissions Trading Pilot Scheme for Thermal Power Plants in the Pearl River Delta Region”.)

IV. Progress update on Harbour Area Treatment Scheme Stage 2A and the proposal for applying the polluter-pays principle in the provision of sewage services

Meeting with WWF Hong Kong (WWF)

4. Mr Marcus SHAW said that WWF unequivocally agreed to the application of polluter-pays principle in the setting of sewage charges (SC). In order to provide sewage treatment in a strategic manner, clearly defined effluent discharge standards for

all sewage flows should be introduced into Hong Kong. WWF held the view that the Government should commit to secondary treatment for all sewage and provide a clear timetable for secondary treatment at the Stonecutters Island Sewage Treatment Works (SCISTW), with land identified and set aside for the purpose.

5. Mr SHAW added that WWF was resolutely opposed to the adoption of chlorination for disinfection under the Harbour Area Treatment Scheme (HATS) Stage 2A, which aimed at re-opening the seven Tsuen Wan beaches. While the Government had proposed that chlorination would be followed by dechlorination to minimize the harmful effects which the by-products would have on human health and the environment, the success of the process would require accurate monitoring and control of dosage of the large amounts of chemicals involved. As recent information showed that the water quality of the seven Tsuen Wan beaches would not be good enough for swimming even after HATS Stage 2A became fully operational, the Government would be wasting millions of public money to build the world's largest chlorine disinfection facility which would become largely redundant upon the completion of HATS Stage 2B. WWF therefore urged the Legislature to closely examine the true financial value of the chlorination facility. It would be more preferable to abandon chlorination for disinfection as a part of HATS Stage 2A, irrespective of whether secondary treatment would be provided for or not. He also questioned why HATS Stage 2B was linked to population and not to public aspiration for cleaner water.

Meeting with Hong Kong Marine Conservation Society (HKMCS)
(LC Paper No. CB(1) 742/06-07(03))

6. Dr John WONG said that while HKMCS was all along supportive of the polluters-pays principle, it was concerned about the impact of the proposed chlorination of sewage effluent on the marine environment. Similar view was also raised by some academics and professionals of the Advisory Council on the Environment (ACE) at its special meeting on 6 September 2004. Given the self-cleansing ability of sea water, the adoption of the chlorination process was not supported. Besides, the commissioning of HATS Stage 1 had already brought about significant improvement to water quality in most parts of the Victoria Harbour, as evidenced by the reappearance of marine lives such as corals, sea horses and squids. Therefore, it would not be desirable to interfere with the recovery of the marine ecology by adding harmful chemicals to the marine water body. He further said that if the purpose of chlorination was meant to re-open the beaches in Tsuen Wan, it would be more cost-effective to build a sea water swimming pool for the residents of Tsuen Wan.

Meeting with the Hong Kong Institution of Engineers (HKIE)
(LC Paper No. CB(1) 742/06-07(04))

7. Ir Dr Greg WONG said that HKIE was in support of HATS and firmly believed that the project should not be further delayed. It was the Government's responsibility to protect the water quality of Victoria Harbour and it must carry out

necessary measures in the most cost-effective manner. As regards the proposed use of chlorination for disinfection under HATS Stage 2A, HKIE considered it necessary for the Administration to minimize the impact of the release of pathogens on both the community and the environment. Subject to the results of the Environmental Impact Assessment (EIA), the use of chlorination followed by dechlorination should only be taken as an interim measure or when necessary. While agreeing that HATS Stages 2 should be implemented in two separate engineering phases, HKIE maintained the view that HATS Stage 2B was necessary, and that the Government should make a commitment to building the biological treatment plant in a timely manner for the proper protection of the Harbour. HKIE also supported the centralization of treatment at SCISTW which was considered to be most cost-effective.

Meeting with the Association of Engineering Professionals in Society Ltd (AEPS)
(LC Paper No. CB(1) 742/06-07(05))

8. While appreciating the significant improvement to water quality in most parts of Victoria Harbour as a result of the commissioning of HATS Stage 1, Ir YIM Kin-ping said that AEPS would urge the Government to proceed with the HATS Stage 2A without delay to treat the remaining 25% of sewage generated in the HATS catchment. AEPS considered that the proposed chlorination followed by dechlorination of the treated effluent before discharge was striking a reasonable balance among protection of public health, impact on the marine environment and cost-effectiveness. This disinfection method could be taken as an interim measure, subject to the results of the EIA process and the implementation of HATS Stage 2B. Meanwhile, the centralization process and the risk mitigation measures recommended by the Government consultants were considered viable and acceptable. AEPS would support that the capital cost of providing sewage services should be met by the Government while the operating cost should be recovered in accordance with the polluter-pays principle. The proposed level of SC was considered reasonable, affordable and acceptable. APES also held the view that the proposed Design-Build and Design-Build-Operate approaches were appropriate for the construction of the deep tunnels and the sewage treatment works of the HATS project respectively. As HATS would create many construction-related job opportunities, AEPS would request the authorities to formulate a procurement strategy which was favourable to the local construction workforce.

Meeting with the Association of Restaurant Managers Ltd (ARM)

9. Mr LO Ho-wan said that ARM was disappointed at the outcome of the review of the Trade Effluent Surcharge (TES) element of the Sewage Charging Scheme, which had failed to take into account the trade's concerns. He said that it was most unfair for the Drainage Services Department to continue to apply TES rates based on the generic value of Chemical Oxygen Demand (COD) derived in 1995, which were worked out in a non-transparent manner using the test results of 31 restaurants only. ARM would urge for a more comprehensive review of the TES Scheme.

Meeting with the Hong Kong Catering Industry Association (HKCIA)
(LC Paper No. CB(1) 777/06-07(01))

10. Mr WOO Chu expressed concern that despite the catering industry's efforts in reducing the pollution load, the Government was planning to increase SC over a 10-year period. He said that the trades were strongly opposed to the proposed increase to raise the recovery rate from 54% at present to 80% in 10 years' time, thereby increasing the financial burden of the industry. HKCIA was concerned that the Government had not taken efforts to remove the unfairness associated with the TES Scheme. It also failed to explain whether TES charges could be reduced following the improvement to the water quality of the Harbour. HKCIA would urge the Administration to review the TES Scheme and its charging mechanism. The Legislature should also ensure that the subsidiary legislation on SC increases would not be passed in haste.

Meeting with the Factory Canteen Chamber of Commerce (FCCC)

11. Mr CHONG Yam-ming said that the catering industry was very disappointed at the outcome of the review of the Sewage Services Charging Scheme. The proposed increase of SC over a 10-year period would increase the already heavy financial burden of the catering industry which had contributed to almost 86% of the total TES collected under the Scheme. With the rising operating costs, SC and TES had accounted for 4% of the operating costs of the catering industry while utility charges for about 12%. He urged members to take into account the difficulties of the catering industry in reviewing the charging mechanism of TES Scheme.

Meeting with the Association for Hong Kong Catering Services Management Ltd (AHKCSM)

12. Mr YEUNG Wai-sing said that while AHKCSM was supportive of the polluter-pays principle, it did not consider that this was fairly applied to the catering industry. He pointed out that instead of charging the catering industry by volume of effluent discharged, TES was charged by volume of water supplied regardless of the fact that some of the water had been consumed, used in cooking or lost through evaporation. He urged members to take into account the financial difficulties of the catering industry and negate the legislation on SC increases.

Meeting with the Hong Kong Federation of Restaurants and Related Trades (HKFRRT)

13. Mr CHENG Chit-ming said that although the validity period of COD reassessment would be extended from one year to two years, very few restaurants would make use of the reassessment mechanism given the high cost of appeal. In fact, the high successful appeal rate of 85% had reflected that most restaurants had been overcharged under the TES Scheme. Given that the studies conducted by restaurant trades had almost concluded that the use of ozone could effectively disinfect effluent and reduce its strength, the Environmental Protection Department

was welcomed to share these findings so that more researches could be carried out in this respect. He added that as the restaurants trades had already been paying very high SC and TES, they were concerned about the introduction of SC increases over a 10-year period before a review of the TES Scheme.

Meeting with the Civic Party

(LC Paper No. CB(1) 742/06-07(06))

14. Mr Albert LAI said that the Civic Party held the view that the investment on HATS should not be pegged to SC increase, and that the Administration should commit to adopting biological treatment under HATS Stage 2B on top of the chemically enhanced primary treatment under HATS Stage 2A. It should also review the necessity, feasibility and cost-effectiveness of chlorination for disinfection taking into account the concerns of professional bodies and community groups.

Meeting with the Administration

(LC Paper No. CB(1) 572/06-07(01) — Hon Audrey EU Yuet-mee's letter dated 8 December 2006 to the Administration (English version only)

LC Paper No. CB(1) 572/06-07(02) — Information paper provided by the Administration in response to CB(1) 572/06-07(01) (English version only)

LC Paper No. CB(1) 742/06-07(08) — Submission from Hon Tommy CHEUNG (Chinese version only)

LC Paper No. CB(1) 742/06-07(09) — Updated background brief on Harbour Area Treatment Scheme prepared by the Legislative Council Secretariat

LC Paper No. CB(1) 742/06-07(10) — Paper provided by the Administration

LC Paper No. CB(1) 782/06-07(01) — Administration's response to the submission from Hon Tommy CHEUNG)

Implementation of HATS Stage 2A and 2B

15. Miss TAM Heung-man noted that while there was a clear implementation time frame for HATS Stage 2A, plans had yet to be worked out for HATS Stage 2B. She sought green groups' views on the need for a more definite time frame for HATS Stage 2B. Mr Marcus SHAW/WWF said that green groups would prefer the Government to proceed direct to HATS Stage 2B which was considered the best option. However, if that was not possible, the Government should have a clear commitment on when HATS Stage 2B should be implemented. There was also a need to identify and set aside land for the biological treatment plant under HATS Stage 2B. Mr Albert LAI/Civic Party said that from an environmental perspective, it was necessary that HATS Stages 2A and 2B should proceed in tandem, as otherwise the water quality objectives of the Harbour could not be achieved by 2013. However, the Government had made no undertaking on the adoption of biological treatment. Dr John WONG/HKMCS agreed to the need to proceed with HATS Stage 2B as soon

as possible. Ir YIM Kin-ping/AEPS said that the engineering sector would support the early commissioning of HATS Stages 2A and 2B which should be proceeded with in a cost-effective manner.

16. Through the Chair, the Permanent Secretary for the Environment, Transport and Works (Environment) (PSETW(E)) said that the Administration was well aware of the request of the environmental groups and the engineering sector on the need to undertake preparatory works for HATS Stage 2B and to provide an implementation schedule for the project. It was the Administration's plan to complete HATS Stage 2A by 2014 to collect the remaining 450 000 tonnes of untreated sewage from Hong Kong Island. In preparation for the implementation of HATS Stage 2B, the Administration would monitor trends in the overall water quality in the Harbour, especially around the area of the outfall. The timing for implementation of HATS Stage 2B, i.e. the addition of biological treatment, would be reviewed in 2010-2011 taking into account population changes, sewage flow build-up and the aforesaid water quality trends.

17. While welcoming the improvement to water quality made under HATS Stage 1, Ir Dr Raymond HO said that there would still be a need to proceed with HATS Stages 2A and 2B, albeit tertiary treatment of sewage might not be necessary. In response, PSETW(E) affirmed that the Government was committed to providing HATS Stage 2B. To this end, additional land next to SCISTW had already been identified for HATS Stage 2B. However, there were uncertainties on the likely growth of future population and sewage flow build-up. The use of a phased approach would enable the Government to review the timing for implementation of HATS Stage 2B in 2010-2011, with a view to possible commencement after completion of HATS Stage 2A in 2014.

Chlorination/dechlorination

18. Referring to the submission from AEPS which stated that chlorination should only be regarded as an interim measure, the Chairman sought clarification on the length of such an interim period given that the implementation of HATS Stage 2B would be reviewed in 2010-2011. Ir YIM Kin-ping/AEPS said that the acceptability of chlorination would depend on the outcome of EIA study being conducted. It was hoped that the interim measure would not last for too long but only for a few years. Through the Chair, PSETW(E) said that extensive research and discussion had been held on technologies for advanced disinfection and an EIA Study on HATS Stage 2A had commenced in 2005 to assess, among other aspects, the environmental impact of the proposed use of chlorination/dechlorination for advanced disinfection for Stage 2. The EIA report would be subject to public inspection and consultation process in accordance with the EIA Ordinance (Cap. 499). Chlorination/dechlorination would not be adopted if the assessment indicated that the environmental impact was not acceptable. In view of the divergent views held on the application of chlorination/dechlorination, Ms Emily LAU stressed that the public should be apprised of the outcome of the EIA studies.

19. Dr John Wong pointed out that at the ACE meeting on 6 September 2004, some academics and professionals of ACE were opposed to the use of chlorination for sewage effluent given the adverse impact on the marine environment. He failed to understand why the Administration had to spend another 12 months to undertake EIA studies on the use of chlorination/dechlorination for disinfection, the cost of which would form part of SC. The Chairman was concerned that the outcome of the EIA studies would not be made available before the planned introduction of the legislation on SC increases in the first quarter of 2007. PSETW(E) explained that the use of chlorination/dechlorination for disinfection was meant to address the concern about the closure of the Tsuen Wan beaches raised by the Director of Audit, and respond to the request from the Public Accounts Committee for the provision of disinfection to be brought forward. At present, there were only two reliable disinfecting methods, i.e. ultraviolet light and chlorination. While the capital cost of ultraviolet installations would be significantly higher than chlorination/dechlorination facilities, the operating costs of both options were more-or-less the same when applied to HATS. Hence, the outcome of the EIA studies on chlorination/dechlorination would have little impact on the proposed SC increases.

20. Ir Dr Raymond HO enquired whether the investment made in the provision of pumps and chlorination/dechlorination facilities under HATS Stage 2A would become redundant after the commissioning of HATS Stage 2B. ADEP(WP) said that as disinfection would still be required for HATS Stage 2B, nearly all the disinfection facilities put in place for HATS Stage 2A would continue to be used for HATS Stage 2B.

Admin 21. At members' request, the Administration agreed to provide an information paper addressing the following -

- (a) Land issues in relation to HATS Stage 2B;
- (b) Rationale for reviewing the timing for implementation of HATS Stage 2B in 2010-2011;
- (c) Need for chlorination/dechlorination if the Administration decided to proceed with HATS Stage 2B.

SC and TES

22. On the application of the polluter-pays principle in the provision of sewage services, PSETW(E) said that it had all along been the Government's policy to recover the operating cost for sewage services. Through the modest and gradual 10-year SC increments, the Administration anticipated that about 80% of the operating cost attributable to SC would be recovered. The proposed arrangement would provide transparency in respect of the scale of SC increases for all sectors to facilitate forward planning on the one hand, and to provide the Government with stability and certainty of funding for sewerage infrastructure on the other. As HATS had gone through extensive consultation over the years and was generally supported by the public, it

was hoped that the timely implementation of sewage treatment projects would further improve the water quality of the Harbour.

23. Mr SIN Chung-kai was concerned that the proposed legislation on SC increases over the next 10 years might give excessive authorization to the Administration. He sought the green groups' views in this respect. Expressing similar view, Ms Emily LAU asked whether green groups would support the Civic Party's suggestion of delinking SC increases from the investment in HATS. Dr John WONG/HKMCS said that he would support the polluter-pays principle and would not object to the proposed SC increases to be spread over a period of 10 years. Mr Marcus SHAW/WWF said that as HATS was a large-scale and time-consuming project, it was legitimate for the Government to seek a long-term financial arrangement. From the figures provided by the Government, the SC in Hong Kong was low. This might be attributed to the relatively low sewage treatment standards in Hong Kong as a result of under-investment in sewerage infrastructure over a number of years. Being a wealthy and advanced society, there was an urgent need for Hong Kong to catch up with the world in the treatment of sewage. Ir YIM Kin-ping/AEPS said that he considered the modest and gradual SC increases acceptable, particularly when the Government would be financing the capital cost of sewerage infrastructure and SC would only be used to recover the operating costs. Mr Albert LAI/Civic Party said that while the Legislative Council could approve SC increases, it could not demand the Government to invest in biological treatment under HATS Stage 2B. In response to Mr SIN's further question as to whether the catering industry would transfer the SC increases to consumers, Mr WOO CHU/HKCIA said that the restaurant trades were not able to transfer the rising operating cost to consumers due to keen competition. In fact, many of them had ceased operation in view of the difficult business environment. He therefore urged for the early review of the TES Scheme.

24. Mr Tommy CHEUNG said that the efforts of the catering industry in reducing pollution loads had not been recognized by the Administration. According to his understanding, over 90% of the appeals against the generic COD values were successful. These had not included those restaurateurs who chose not to lodge appeals because of the high cost of over \$30,000 per case. He pointed out that unlike some European countries where effluents were discharged into fresh water courses which needed to be protected, the situation in Hong Kong was quite different as effluents were discharged into sea water which had a high assimilation capacity. He doubted the cost-effectiveness of the sewage treatment methods since the water quality had not been significantly improved to the extent that cross-harbour swimming could be allowed, despite the huge investments in cleaning the Harbour over the years. He enquired if SC could be reduced through the joint efforts of the trades to reduce pollution, coupled with the provision of more cost-effective sewage services.

25. PSETW(E) said that the proposed SC increases aimed at recovering 80% of the operating costs of sewage services and the increments would be mild as these were spread over a 10-year period. There would be much transparency in the funding for sewage services to facilitate public monitoring. As regards TES, PSETW(E) advised that trade-specific effluent surveys would be conducted within the next 12 months

with a view to adjusting the generic COD values. The Administration would then bring forward proposals for adjusting the TES rates to achieve the target recovery rate. Meanwhile, the validity period of reassessment of COD values would be extended from one year to two years whereas and the sampling requirement for small TES accounts would be reduced from three to two days. She assured members that the trades' efforts in reducing the effluent strength would be taken into account in the review of the generic COD values, which was expected to be completed within the next 12 months. The Chairman queried why it would take another 12 months to review the generic COD values of the TES trades. PSETW(E) said that apart from the catering industry, there were 29 TES trades whose generic COD values had to be reassessed, more time was needed in order to complete an objective and scientific reassessment.

26. Noting that the Administration had yet to review the charging of TES which would have significant impact on the trades and industries, Mr Jeffrey LAM queried the basis upon which the Administration could work out the SC increases over the next 10 years. PSETW(E) clarified that the proposed 10-year increases were meant for SC and not TES. Subject to the outcome of the trade specific surveys, a review of the generic COD values of all TES trades would be carried out before deciding the need to adjust TES.

27. Given the high successful rate of over 80% of the appeals against COD assessments, Ms Emily LAU considered that there was a need for the Administration to resolve the trades' concerns about the TES Scheme. Mr WOO CHU/HKCIA said that the catering industry alone had shouldered over 85% of TES. He said that the Administration would need to accurately assess the cost-effectiveness of its sewage treatment schemes taking into account the pollution loads from the Pearl River Delta (PRD) Region.

28. On the effluent discharge standards, the Assistant Director of Environmental Protection (Water Policy) (ADEP(WP)) said that there were standards for smaller discharges for planning purposes, but the standards for major discharges, including Government discharges, would have to be worked out on a case-by-case basis. The latter approach, which was also applied under the Mainland's functional use system, was considered more cost-effective as it would allow for adjustment to the level of treatment for effluents taking into account the assimilation capacity of the receiving waters. Regarding the trades' concern about the sewage charging by volume of water supplied, the Acting Assistant Director of Drainage Services (Sewage Services) (ADDS) responded that the approach was reasonable given that all account holders were equipped with water meters. Nevertheless, where appropriate an allowance for the portion of water consumed but not discharged as wastewater was made. For example the restaurant trade, beverage production trade, and bleaching and dyeing trades were charged for only 70% of their water consumption.

29. The Chairman noted that the Administration would submit subsidiary legislation to effect the proposal in the coming months. She advised the Administration to take into account the views expressed by Members and the deputations in taking this forward..

V. Progress of measures to improve air quality, including those taken by the two power companies to meet the Government's emissions reduction targets by 2010

(LC Paper No. CB(1) 742/06-07(11) — Updated background brief on renewable energy prepared by the Legislative Council Secretariat

LC Paper No. CB(1) 742/06-07(12) — Updated background brief on air pollution control prepared by the Legislative Council Secretariat

LC Paper No. CB(1) 742/06-07(13) — Paper provided by the Administration)

30. The Deputy Director of Environmental Protection (3) (DDEP(3)) briefed members on the latest progress of measures to improve air quality, including those taken by the two power companies, to meet the Government's emission reduction targets by 2010. As regards the progress of the Emissions Trading Pilot (ETP) Scheme for Thermal Power Plants in the PRD region, DDEP(4) said that the Hong Kong-Guangdong Joint Working Group on Sustainable Development and Environmental Protection had endorsed the Implementation Framework of the ETP Scheme on 18 December 2006. The Implementation Framework would be announced as soon as the relevant procedures had been completed. DDEP(3) added that preparation was underway for the introduction of legislation to facilitate emissions trading. The Chairman reminded the Administration that sufficient time should be allowed for public consultation and discussion by the Panel.

Local air quality

31. Noting that power generation was the major source of pollution, Mr Jeffrey LAM enquired how far the installation of flue gas desulphurization (FGD) system and the selective catalytic reduction retrofit projects by the China Light & Power Company (CLP) in November 2006 could improve the air quality. DDEP(3) said that CLP's FGD system comprised four units and had a sulphur dioxide removal efficiency of over 90%. The system was essential in achieving the 2010 emission reduction targets for sulphur dioxide. The emission reduction systems to be installed by CLP would also reduce emissions of respirable suspended particulates (RSP) and nitrogen oxides (NO_x). With the installation of the emission reduction systems and the wider use of liquefied natural gas (LNG) for generating electricity by both CLP and the Hong Kong Electric Company, it was expected that the emission reduction targets agreed with Guangdong could be reached by 2010.

32. Regarding the proposed provision of the LNG receiving terminal at the South Sokos Island, Ms Emily LAU questioned the need for the project which was contingent upon the LNG reserves in Hainan. Besides, the installation of additional reception terminal would increase the capital investment of CLP, the cost of which would subsequently be transferred to consumers. She also noted with concern that the relevant EIA was conducted by CLP and not by independent consultants. DDEP(3) explained that the LNG receptive terminal was a designated project under

the EIA Ordinance (Cap. 499) and the project proponent was required to submit an EIA report to the Advisory Council on the Environment for consideration and to consult the public on the project. Even if the EIA report was endorsed, this could not be proceeded without the approval from the Town Planning Board and the Economic Development and Labour Bureau (EDLB), the latter of which would consider whether the project was justified under the Scheme of Control Agreement taking into account the availability of gas reserves. He undertook to revert to members once a decision was reached by EDLB. Ms Emily LAU said that she was frustrated over the present situation whereby the interrelated issues of air pollution and power generation had to be dealt with by two separate bureaux and discussed by the Panel on Environmental Affairs and Panel on Economic Services respectively.

33. The Chairman enquired about the extent to which the air quality had been improved following the increase in the fixed penalty on smoky vehicles in December 2000. She considered that more stringent control measures should be taken against vehicular emissions of RSP and NO_x. DDEP(3) said that there had been a 80% drop in the number of smoky vehicles following the increase in the fixed penalty on smoky vehicles. While there were yet no established testing methods for RSP and NO_x emissions, the Administration planned to consult the public on the use of a new technology for the detection of RSP and NO_x emissions from petrol vehicles which had been tested also in Taiwan, Korea and some cities in the United States.

Regional air quality

34. Mr Jeffrey LAM was concerned that the enhanced emission control measures adopted by the Guangdong Provincial Government (GPG) might have the effect of reducing power generation in the PRD Region. To satisfy its high demand of electricity, GPG might need to purchase electricity from power companies in Hong Kong in order, thereby shifting the pollution problem to Hong Kong. DDEP(4) said that according to available information, there would be a number of new power generating facilities in the PRD Economic Zone coming on stream within the year, some of which would be using LNG. An EIA was also being conducted on the LNG reception facility in Zhuhai which was expected to be commissioned in 2010. The problem of power shortage in GPG could be relieved and the smaller and more polluting power generating facilities in the PRD were expected to be closed down following the commissioning of major power plants. He assured members that both Governments were committed to implementing the various control measures under the PRD Regional Air Quality Management Plan, including improving the energy supply structure and expediting the installation of FGD systems to thermal power plants. With these efforts in place, it was expected that GPG would be able to meet the emission reduction targets by 2010. At Ms Emily LAU's request, the Administration undertook to provide a breakdown on the number of small and medium power generation facilities which had already been closed down and were currently in operation in the PRD Economic Zone.

VI. Any other business

35. There being no other business, the meeting ended at 4:30 pm.

Council Business Division 1
Legislative Council Secretariat
23 February 2007