

立法會
Legislative Council

LC Paper No. CB(1) 2300/06-07
(These minutes have been seen
by the Administration)

Ref : CB1/PL/EA/1

Panel on Environmental Affairs

**Minutes of special meeting
held on Monday, 20 July 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 CHOY So-yuk, 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 Albert CHAN Wai-yip
- Member absent** : Hon Martin LEE Chu-ming, SC, JP
Hon Miriam LAU Kin-ye, GBS, JP
- Public officers attending** : **For item II**

Mr Edward YAU Tang-wah, JP
Secretary for the Environment

Ms Anissa WONG Sean-ye, JP
Permanent Secretary for the Environment / Director of
Environmental Protection

Mr Carlson K S CHAN
Deputy Director of Environmental Protection (3)
Environmental Protection Department

Mr Eric CHAN
Administrative Assistant to Secretary for the Environment

For item III

Environmental Protection Department

Dr Mike CHIU
Deputy Director of Environmental Protection (1)

Mr WONG Hon-meng
Principal Environmental Protection Officer (Strategic Assessment)

Environment Bureau

Ms Brenda CHENG
Principal Assistant Secretary for the Environment
(Financial Monitoring)

Agriculture, Fisheries and Conservation Department

Dr WONG Fook-yee
Assistant Director (Country and Marine Parks)

Dr Albert LEUNG
Senior Fisheries Officer

Attendance by Invitation : **For Item III**

CLP Power Hong Kong Ltd

Mr Richard LANCASTER
Commercial Director

Ms Rhonda LAM
Public Affairs Manager - Environmental Communications

Advisory Council on the Environment

Dr NG Cho-nam, BBS
Chairman of the Environmental Impact Assessment Subcommittee

Living Islands Movement

Mr Robert BUNKER
Chairman

British Chamber of Commerce

Mr Timothy J. PEIRSON-SMITH
Chair of Business Policy Unit

Green Lantau Association

Mr Clive NOFFKE
Representative

Civic Exchange

Dr Bill BARRON
Associate Fellow

Designing Hong Kong Harbour District

Mr Paul ZIMMERMAN
Executive Director

Association of Engineering Professionals in Society Ltd

Ir Patrick YUEN
Hon Secretary-General

Greenpeace China

Mr Kevin LI
Campaigner

Clear The Air

Mr Christian MASSET
Chairman

Hong Kong Environmental Protection Association

Mr FAN Hai-tai
Chairman

Civic Party

Miss Christine HUNG
Convenor of Air Quality Group

Green Sense

Ms HO Ka-po
Project Officer

Save Our Shorelines

Mr CHU Tak-chuen
Member

WWF Hong Kong

Mr Eric BOHM
Chief Executive Officer

The Conservancy Association

Mr Peter LI
Campaign Manager

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

I. Confirmation of minutes

(LC Paper No. CB(1) 2133/06-07 — Minutes of the meeting held on
25 June 2007)

The minutes of the meeting held on 25 June 2007 were confirmed.

II. Briefing by the Secretary for the Environment

(LC Paper No. CB(1) 2134/06-07(01) — Paper provided by the
Administration)

2. The Secretary for the Environment (SEN) briefed members on the Government's major challenges, strategic directions and policy initiatives in environmental protection. He said that the setting up of the Environment Bureau (ENB) would enable more dedication to the protection of the environment. Apart from environmental protection, the new Bureau also took charge of policies on energy and sustainable development. The inclusion of the energy portfolio within the ENB would enable more coordination between energy policy and environmental protection, particularly in terms of emission reduction. The Chief Executive had placed much importance on environmental protection which was one of the core objectives of the Chief Executive's Election Manifesto. The Administration would set clear targets and

milestones, taking into full consideration of the need to strike a balance between protecting the environment and sustaining economic and social development, while harnessing technological advancement and economic incentives to accelerate their attainment. It would strive to adopt the "polluter pays" principle to internalize social costs and seek to raise public awareness through community participation and education. Improving air quality would be high on the action agenda. The Administration was monitoring the results of the scheme to replace pre-Euro and Euro I diesel commercial vehicles with Euro IV models. It would follow closely the Euro standards and use the latest fuels and technologies to reduce vehicle emissions. Emission caps had been imposed on power plants and would be progressively tightened to meet the 2010 emission reduction targets. The need for protection of the environment would be one of the focuses of negotiations with power companies over their new Scheme of Control Agreements (SCAs). He also highlighted other policy initiatives to be applied in waste management, cross-boundary cooperation, energy and nature conservation and sustainable development as set out in the Administration's paper.

Air quality

3. Miss TAM Heung-man enquired if the Administration had encountered any difficulties in liaising with the Guangdong authorities on emission reduction. SEN said that mutual cooperation was required from both sides to meet the emission reduction targets agreed in 2002 to reduce the regional emissions of sulphur dioxides, nitrous oxides, respirable suspended particulates and volatile organic compounds by 40%, 20%, 55% and 55% respectively by 2010 on a best endeavour basis, using 1997 as the base year. Challenges arose as a result of the different levels of economic developments in both sides. Since Guangdong had become highly industrialized, particularly after the relocation of most of Hong Kong's industrial activities across the boundary, more strenuous efforts had to be made by the Guangdong authorities in order to meet the emission reduction targets. According to the Guangdong authorities, the situation would be much improved by 2008 with the full commissioning of the planned flue gas desulphurization (FGD) facilities. On the Hong Kong side, emission caps were imposed on the two local power companies and it was expected that the air quality would be much improved by 2009.

4. Miss CHOY So-yuk opined that the environmental measures undertaken by the Administration had not been very effective and more efforts were needed. She said that members and the public would have high aspirations for the new ENB to take on new challenges in environmental protection. On cross-boundary cooperation, she considered that a mid-term review of the progress in meeting the 2010 emission reduction targets should be conducted, as there might be a need for remedial measures if the targets could not be achieved as scheduled. She also enquired if an independent working group would be set up to oversee the implementation of the new Liquefied Natural Gas (LNG) Terminal at the South Soko Island. SEN advised that an Environmental Impact Assessment (EIA) of the project had been submitted and processed under the established mechanism which involved the assessment of all relevant Government Departments.

5. Ms Emily LAU hoped that SEN would endeavour to attend meetings of the Panel on Environmental Affairs as far as possible. She was disappointed that the issue of global warming had not been set out in the Administration's paper. She opined that more efforts should be made to reduce greenhouse gas (GHG) emissions to show the Administration's determination in tackling the problem of global warming. Consideration should be given to including GHG in the 2010 emission reduction targets. Expressing similar concerns, Miss CHOY So-yuk considered that emission reduction targets should be set beyond 2010, and that GHG, particularly carbon dioxide, should be included as one of the parameters of the new targets. SEN said that the Administration would discuss with the Guangdong authorities on how best it should develop the arrangements for reducing emissions in the region in due course. As power generation was the major source of emissions in Hong Kong, emission caps were imposed on the two power companies with a view to achieving the 2010 emission reduction targets. Similar efforts would be made by the Guangdong authorities. As regards GHG emissions, SEN said that Hong Kong Special Administrative Region (HKSAR)'s international obligation in this area was governed by the Kyoto Protocol. He would bear in mind Members' views when formulating Government's policy on climate change. As regards his attendance at Panel meetings, SEN said that EPD staff worked together as a team and officers who were experts in the field would be assigned to attend Panel meetings to answer members' queries. Notwithstanding, he would endeavour to attend Panel meetings as far as possible.

6. Mr Albert CHAN opined that professionals should be designated to take forward environmental policies, and that there should not be any hidden agenda. He said that environmental protection had not been accorded the needed attention until the media revealed that international corporations were unwilling to set up branch offices in Hong Kong due to its poor air quality. With the reorganization of the Government structure whereby ENB would take on both the environment and energy portfolios, it was hoped that a right balance between economic and environmental interest could be achieved such that environmental interest would not be compromised by economic interest. There was also a need for coordination with other relevant bureaux to ensure compatibility of developments with the environment. SEN said that one of the core objectives of the new term of the HKSAR Government was to raise the quality of life of Hong Kong people and improve the environment. In taking charge of the energy portfolio, ENB would not only focus on electricity supply and tariffs, but also attach great importance to the environmental performance of power companies. As environmental protection was closely related to daily life, the environmental initiatives formulated by professionals in the field would be taken forward after extensive public consultation.

7. Noting that the Administration had been reviewing the SCAs of the two power companies, Mr LEE Wing-tat stressed that this was a very crucial role of SEN and any failings on his part might result in his stepping down. He recalled that the former Secretary for Economic Development and Labour had spoken in public several times that the permitted rate of return of the two power companies under the post-2008 regulatory arrangements was expected to be a single-digit figure. If it turned out that the permitted rate of return after negotiation was a two-digit figure, the public would be very disappointed at the Administration and might request SEN to step down. SEN replied that negotiation on SCAs had commenced and that two rounds of public

consultation on issues such as the permitted rate of return, duration of the next SCAs, environmental performances, and the further opening up of the electricity market had been conducted. As SCA was a bilateral agreement, consensus had to be reached between the Administration and the power companies, taking into account stability of electricity supply. As regards Miss CHOY So-yuk's enquiry on the timetable for the review of SCAs, SEN said that the review would be completed before the expiry of the existing SCAs in the third and fourth quarter of 2008.

8. Mr LEE Wing-tat noted that according to some green groups, the emission caps imposed on the two power companies upon renewal of their licences were less stringent than that imposed in 2007. SEN advised that the emission caps would be progressively tightened with a view to meeting the 2010 emission reduction targets. FGD facilities would be installed by the power companies and these would be able to further reduce their emissions.

9. Mr SIN Chung-kai said that the Administration's performance in environmental protection, particularly in respect of emission control and waste management, had not been entirely satisfactory over the past five years. The former Secretary for the Environment, Transport and Works had not been able to deliver her various undertakings to improve the environment during her tenure of service. He hoped that the new SEN could bring more improvements expeditiously, such as in encouraging the development of solar energy to make use of the many sunny days in Hong Kong. Consideration should be given to including in the review of SCAs the requirement for power companies to offer grid connection and buy-back option for renewable energy (RE). With the buy-back option in place, households equipped with RE generators would be able to sell their surplus electricity to the power companies, similar to the practice in Japan. SEN said that the development of RE was indeed one of the topics included in the second consultation paper on SCAs. While agreeing that the development of RE should be encouraged, SEN pointed out that RE, particularly wind power, could not be implemented on a large scale in Hong Kong at the present stage given the difficulties in identifying suitable sites for the purpose.

10. Ir Dr Raymond HO considered it necessary that guidelines on fuel mix, i.e., the proportions of coal, natural gas and nuclear energy to be used in power generation, should be provided by the Administration. SEN said that it would be inappropriate to unilaterally impose a requirement on fuel mix as other relevant factors such as energy efficiency, environmental performance and electricity tariff, would need to be taken into consideration. Instead of stipulating a fuel mix requirement, the Administration would prefer to impose caps on emissions. Judging from the latest developments, the two power companies were moving towards the use of cleaner fuels for electricity generation.

11. Mr LEE Wing-tat said that Members of the Democratic Party supported the full implementation of control on idling engines. He was however concerned if the Administration was able to convince the transport trades to do the same. To this end, measures to control idling engines should be simple and administratively easy to implement. As a start, consideration could be given to lifting the control during the hot summer months from June to September, while applying it for the rest of the year. SEN thanked Mr LEE for his support for the control on idling engines. He was

pleased to inform members that the air quality in Hong Kong during the months from May to July 2007 had improved judging from the readings of the roadside air quality monitoring stations, which had recorded air pollution indices of less than 51 for 21 days out of 71 days, or 40% of the time. This had shown that the efforts made to improve air quality had paid off. The Administration was drawing up the details for implementing control on idling engines. Consultation would be conducted with the public and transport trades.

Waste management

12. Mr SIN Chung-kai was concerned that the depletion of landfill space might result in the need for extension of the existing landfills. He opined that more efforts should be made in waste recycling. Expressing similar concerns, Ir Dr Raymond HO enquired about the way forward for waste management. He noted from the Administration's paper that thermal treatment would be adopted as the core technology, while biological treatment would be used for source-separated biodegradable waste for bulk reduction before final disposal. SEN acknowledged that the general public would not welcome the installation of incinerators in their vicinity. It was however worth noting that with the latest technological advancement, the use of thermal treatment technologies, such as gasification, for waste treatment would have very high environmental performance. The integrated waste treatment facilities would provide not only thermal treatment technologies but other waste treatment methods as well. More efforts were needed in the promotion of waste recycling and reuse so as to reduce the amount of waste to be deposited of in landfills. With the depletion of landfill space, planning for the integrated waste treatment facilities would need to proceed ahead of time.

13. As regards the environmental levy on plastic bags, Miss TAM Heung-man suggested that this should not form part of the public revenue but should be used to set up an environmental fund for the protection of the environment. SEN explained that the purpose of the environmental levy was not meant to increase public revenue. Instead of using the levy to set up an environmental fund, ENB would seek to bid more resources for the protection of the environment.

Sewage treatment

14. Miss TAM Heung-man enquired whether and when secondary treatment would be applied for treating sewage given that the use of Chemically Enhanced Primary Treatment under the Harbour Area Treatment Scheme (HATS) Stage 1 had not been able to keep the bacteria levels down. SEN advised that planning for secondary treatment under HATS Stage 2 was underway and more resources would be earmarked for the provision of secondary treatment facilities.

Noise

15. Ir Dr Raymond HO said that the use of noise barriers would not be required if there was proper land planning. Noise barriers were not only expensive to build, they were not effective nor aesthetical, and would affect air circulation. He considered it necessary that relevant bureaux should work together so that noise

barriers could be provided at the early stage of planning rather than as a remedial measure. SEN agreed to take Ir Dr HO's views into consideration.

III. Environmental impacts arising from the proposed construction of a Liquefied Natural Gas Receiving Terminal at South Soko Island

Meeting with CLP Power Hong Kong Ltd (CLP) (LC Paper No. CB(1) 2134/06-07(02))

16. Mr Richard LANCASTER, Commercial Director, said that CLP and the Castle Peak Power Company limited (CAPCo) had concluded that a Hong Kong-based LNG Receiving Terminal would provide security of energy supply and help improve the air quality in Hong Kong. LNG currently contributed 25% of Hong Kong's electricity supply, meeting the electricity needs of around two million people. LNG had been instrumental in reducing emissions from power generation in Hong Kong since the early 1990's. However, there was a reversal of the trend in recent years due to the depleting LNG source from the Yacheng field. To enable CLP/CAPCo to continue sourcing clean fuel for power plants to meet the 2010 emission reduction targets, a sustainable gas supply had to be explored to meet future power generation needs. CLP/CAPCo had been planning for the provision of a LNG Terminal since 2003 with a view to bringing in LNG to Hong Kong as early as possible. A comprehensive site selection and an Environmental Impact Assessment (EIA) had been conducted on the two possible sites. Discussions were also held with gas suppliers and a comprehensive supply chain development had been progressing in parallel. Extensive discussions with stakeholders were held and an enhancement plan was worked out. In April 2007, an Environmental Permit (EP) for the construction and operation of the LNG Terminal at South Soko Island had been awarded by the Environmental Protection Department. CLP/CAPCo recognized the concerns of the community over the perceived environmental impacts on marine ecology in the surrounding areas and would be implementing a stringent package of mitigation and monitoring measures to minimize environmental impacts.

Meeting with Advisory Council on the Environment (ACE) (LC Paper No. CB(1) 2134/06-07(03))

17. Dr NG Cho-nam, Chairman of the EIA Subcommittee, said that the Subcommittee examined the EIA report on LNG Terminal and Associated Facilities in great detail at its meeting on 19 January 2007. A wide range of environmental and related issues were looked into, including the background of the project, site selection, risk assessment, ecological impacts, water quality impacts, landscape and visual impacts, waste management, construction and operational impacts, archeological and cultural heritage, environmental monitoring and environmental enhancement plan. After careful consideration and lengthy discussion, the Subcommittee was of the view that the environmental impacts arising from the project were acceptable subject to certain conditions being met. These conditions would include, among others, the setting up of an Environmental Monitoring Committee to oversee the environmental performance of the LNG terminal project and the provision of a landscape master plan. The full Council considered the report of the Subcommittee and the EIA report in

great detail on 12 February 2007. It agreed that the Council's role was to consider whether the EIA report was environmentally acceptable within the framework of the EIA Ordinance (Cap. 499). Issues falling outside the remit of the EIA Ordinance, including the need and justifications for the project, alternatives sources of energy supply outside Hong Kong and land use interface, had to be dealt with by relevant bureaux and boards. The Council endorsed the EIA report insofar as the environmental impacts of the project was concerned, subject to a number of conditions.

Meeting with Living Islands Movement
(LC Paper No. CB(1) 2134/06-07(04))

18. Mr Robert BUNKER, Chairman, said that the proposed LNG Receiving Terminal to be built by CAPCo was designed to increase the asset base CLP so as to increase their financial return under SoC. CLP had misled the general public that the LNG Receiving Terminal was the only means through which they could achieve the 2010 emission reduction targets. There were many alternative sources of both gas and electricity, particularly in the Mainland. For example, the Hong Kong Electric Company had just linked up with the Guangdong-Dapeng LNG Terminal. The construction of the proposed LNG Receiving Terminal at South Soko Island would destroy part of Hong Kong's natural heritage.

Meeting with British Chamber of Commerce
(LC Paper No. CB(1) 2173/06-07(01))

19. Mr Timothy J. PEIRSON-SMITH, Chair of Business Policy Unit, said that the proposed LNG Receiving Terminal would provide a significant contribution to the reduction of local emissions as LNG was the cleanest form of fossil fuel available today. The related EIA had considered not one but two sites for environmental and risk assessment which was unprecedented. He opined that the project should be given an immediate go-ahead, and that discussions on SoC should be expedited without further delay to allow future operational clarity for both power companies and to facilitate environmental improvements, such as flue gas desulphurization (FGD) and removal of nitrogen from residual coal emissions, for the benefits of Hong Kong.

Meeting with Green Lantau Association
(LC Paper No. CB(1) 2134/06-07(05))

20. Mr Clive NOFFKE said that given the marine, ecological, heritage and visual conservation value of the Sokos, it was completely inappropriate to provide for a LNG Receiving Terminal there. Therefore, CLP should continue to source LNG through Chinese terminals or opt for the Black Point option. Consideration should be given to awarding the construction of LNG Receiving Terminal through open tender if it was deemed necessary. There was a need to explain the rationale for shelving the proposal of demarcating the Sokos as marine park and to release the study conducted in 1998 which identified the Sokos as the best option.

Meeting with Civic Exchange

(LC Paper No. CB(1) 2134/06-07(06))

21. Dr Bill BARRON, Associate Fellow, said that the supply of LNG in Guangdong was very tight and the provision of a LNG Receiving Terminal was the only economical means to reduce emissions from burning coal for power generation within a reasonable short time frame. There was a need for a compromise between emission reduction and impacts on the marine environment at the South Soko Island. The Black Point option would require much larger scale of reclamation. To compensate for any impacts from the LNG Receiving Terminal in the South Soko Island, the Administration should enhance protection of marine waters elsewhere, in particular around and near Lantau Island

Meeting with Designing Hong Kong Harbour District

(LC Paper No. CB(1) 2134/06-07(15))

22. Mr Paul ZIMMERMAN, Executive Director, said that the proposed provision of LNG Receiving Terminal should be awarded through open tender. There was a need to rationalize the number of LNG terminals to be provided along China's coast. He questioned whether it was justifiable to destroy the untouched Soko Islands when a number of nearby islands with some forms of development were already available. There was an urgent need for local power companies to install FGD facilities to reduce emissions.

Meeting with Association of Engineering Professionals in Society Ltd

(LC Paper No. CB(1) 2134/06-07(07))

23. Ir Patrick YUEN, Hon Secretary-General, said that the issue of EP for the proposed provision of LNG Receiving Terminal at the South Soko Island meant that the proposal had met all the statutory requirements and had public support. CAPCo should proceed with the project as soon as possible since Hong Kong needed a stable supply of LNG for power generation which would help reduce emissions, thereby improving air quality and global warming.

Meeting with Greenpeace

(LC Paper No. CB(1) 2134/06-07(08))

24. Mr Kevin LI, Campaigner, said that before approving the proposed provision of LNG Receiving Terminal at the South Soko Island, the Administration should release the consultancy report on the gas reserve at Yacheng. Consideration should also be given to using LNG from other sources within the region. CLP should consider investing in the development of RE as the long-term strategy to tackle air pollution and climatic changes.

Meeting with Clear The Air

(LC Paper No. CB(1) 2134/06-07(09))

25. Mr Christian MASSET, Chairman, said that the LNG Receiving Terminal at the South Soko Island was not necessary as LNG could be sourced in the Pearl

River Delta (PRD) Region and brought to Hong Kong by pipeline, as done by Hong Kong Electric Company, and recently by CLP from Hainan Island. The mandated installation of FGD equipment and electrostatic precipitators would greatly reduce emission of key pollutants. Other measures, such as promoting energy efficiency and conservation, reducing power supply to the Mainland and replacing coal-fired units with gas-fired turbines, should be implemented. The profit to be derived under SoC was the main drive behind the proposed provision of LNG Receiving Terminal rather than improving the air quality of Hong Kong. He said that Hong Kong should further integrate with the PRD Region in matters of energy use and emissions trading.

Meeting with Hong Kong Environmental Protection Association
(LC Paper No. CB(1) 2134/06-07(10))

26. Mr FAN Hai-tai, Chairman, said that there was a need to increase the share of LNG in the fuel mix for power generation in order to tackle the problem of air pollution. CAPCo should proactively provide simple and clear responses to public concerns raised during the consultation process regarding the environmental impacts arising from the proposed LNG Receiving Terminal. If the proposal was approved, CAPCo should maintain close liaison with all the green groups to implement the conservation programmes, including regular education activities for students to enhance their knowledge on the environment as well as measures to protect the Chinese White Dolphins. The Association would accept the proposal if there was no better alternative site and CAPCo could prove that impacts on the environment arising from the provision of LNG Receiving Terminal were minimal and could be compensated later.

Meeting with Civic Party
(LC Paper No. CB(1) 2134/06-07(11))

27. Miss Christine HUNG, Convener of Air Quality Group, said that the Administration should engage an independent professional to look into the LNG supply of CLP to ascertain the need for the proposed LNG Receiving Terminal. The study report should be released for public reference. The Administration should actively liaise with the Mainland authorities to explore the need and the manner in which the LNG Receiving Terminal should be built to ensure fair competition on the one hand and protect the interest of Hong Kong as well as the region on the other. There was a need for the Administration to map out a long-term energy strategy to encourage new comers which in turn would open up the market for fair competition. This would also help power companies to formulate their own long-term plan to create a win-win situation. Meanwhile, the Administration should grasp the opportunity provided by the impending renewal of SoCs for the two companies in 2008 to negotiate better terms for the general public, facilitate fair competition and reduce emissions to improve air quality. CLP should install FGD equipment now regardless whether the LNG Receiving Terminal would be constructed or not. Consideration should also be given to ceasing supply of electricity to the Mainland which would help to achieve the dual purposes of meeting the emission reduction targets and extending the LNG supply.

Meeting with Green Sense

(LC Paper No. CB(1) 2134/06-07(12))

28. Ms HO Ka-po, Project Officer, said that Green Sense was against the proposed construction of LNG Receiving Terminal at the South Soko Island given its adverse impacts on the marine ecology and the survival of the precious Chinese White Dolphins and Finless Porpoise. Furthermore, the investment of \$8 billion on a fossil fuel facility ran contrary to the need to address the serious problem of global warming. Consideration should be given to using a small part of the investment to launch a territory-wide competition to promote energy saving. The rest should be used to develop RE, particularly wind energy.

Meeting with Save Our Shorelines

(LC Paper No. CB(1) 2134/06-07(13))

29. Mr CHU Tak-chuen said that Save Our Shorelines had no objection to the provision of LNG Receiving Terminal at the South Soko Island from the shoreline aspect. The shoreline in South Soko Island would even be improved if CLP/CAPCo were willing to spend funds to improve the present shoreline which was in ruins. There were certain positive attributes to the proposed provision of LNG Receiving Terminal at the South Soko Island, which was considered a better choice than the Black Point option, given the heavy marine traffic and the number of human inhabitants at Black Point.

Meeting with WWF Hong Kong (WWF)

(LC Paper Nos. CB(1) 1910/06-07(01) and 2134/06-07(14))

30. Mr Eric BOHM, Chief Executive Officer, said that WWF was strongly against the proposed LNG Receiving Terminal at the South Soko Island which was of high conservation importance and should have been designated as a marine park. The LNG Receiving Terminal which was essentially an industrial facility would be incompatible with a sensitive marine area inhabited by the precious Chinese White Dolphins and other fishes. WWF was deeply concerned that Hong Kong's energy policy was being determined by power companies and motivated by their own economic interests. The United States (US) had recently rejected LNG Terminals because of impacts on marine resources. While supporting the use of cleaner fuels, CAPCo's need for a new LNG Receiving Terminal was not proven when there were other viable options.

Meeting with The Conservancy Association

(LC Paper No. CB(1) 2134/06-07(16))

31. Mr Peter LI, Campaign Manager, said that the installation of FGD to reduce emissions should be accorded with priority by CLP as this would meet the 2010 emission reduction targets. The Administration was responsible for mapping out a long-term sustainable energy policy taking into account the need for development of power infrastructure in the PRD Region. The waters near the Soko Islands were of high ecological value and the habitat of the Chinese White Dolphins and Finless Porpoise. The Association was dissatisfied with the delay in

demarcating the Soko Islands as a marine park which had been agreed by the Chief Executive in Council as early as 2002. Both the Administration and CAPCo had the responsibilities to identify other sites or options to avoid affecting the Soko Islands.

32. The Chairman also drew members' attention to the following submissions from deputations not attending the meeting -

- LC Paper No. CB(1) 2134/06-07(17) — Submission from The Hong Kong Institution of Engineers
- LC Paper No. CB(1) 2134/06-07(18) — Submission from Friends of the Earth (HK)
- LC Paper No. CB(1) 2134/06-07(19) — Submission from Hong Kong Outdoors
- LC Paper No. CB(1) 2134/06-07(20) — Submission from Mr SO Sik-kin, Member of Wong Tai Sin District Council
- LC Paper No. CB(1) 2134/06-07(21) — Submission from Mr CHOW Chun-fai, Member of Yau Tsim Mong District Council
- LC Paper No. CB(1) 2134/06-07(22) — Submission from Mr LAM Kit-sing, Member of Islands District Council
- LC Paper No. CB(1) 2134/06-07(23) — Submission from Mr CHAN Wing-lim of the Office of Kowloon City District Councillor
- LC Paper No. CB(1) 2134/06-07(24) — Submission from Mr FUNG Kam-chi, Member of Kwun Tong District Council
- LC Paper No. CB(1) 2163/06-07(01) — Submission from The Lion Rock Institute
- LC Paper No. CB(1) 2163/06-07(02) — Submission from Democratic Party

Meeting with the Administration

(LC Paper No. CB(1) 2134/06-07(25) — Paper provided by the Administration)

33. The Deputy Director of Environmental Protection (1) (DDEP(1)) said that CLP/CAPCo had considered about 30 locations for the provision of the LNG Receiving Terminal before concluding that the South Soko Island was a suitable site. To address the concern about compatibility of the marine park with the LNG Receiving Terminal, the EIA Report had recommended measures for the protection and conservation of the marine ecology in the area. A full package of stringent environmental requirements and mitigation measures had been set out in the relevant Environmental Permit. As regards the alleged rejection of the provision of LNG Receiving Terminals by the US Government, DDEP(1) held the view that a direct comparison between the two proposals was not appropriate given their differences in

terms of design and technology.

Admin

34. In response to the Chairman's enquiry on the outcome of the consultancy study on the LNG reserves of the Yacheng Gas Field, DDEP(1) said that the report was still under preparation. At members' request, he undertook to check the progress of the consultancy study, including the consultants engaged, expected date of completion of the report and whether the outcome could be disclosed to the public. Noting that the Government had signed an international agreement on the protection of the Lantau shoreline, Mr Albert CHAN requested the Administration to provide details of the agreement and explain whether the provision of a LNG Receiving Terminal at the South Soko Island would have any impact on the agreement.

Admin
& CLP

35. Owing to time constraints, the Chairman requested the Administration and CLP to provide written responses to the concerns raised by deputations. Members also agreed to hold another meeting to discuss the proposal with SEN.

IV. Any other business

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

Council Business Division 1
Legislative Council Secretariat
28 August 2007