

立法會
Legislative Council

LC Paper No. CB(1) 2262/07-08
(These minutes have been seen
by the Administration)

Ref : CB1/BC/7/07/2

Bills Committee on Air Pollution Control (Amendment) Bill 2008

**Minutes of the eleventh meeting
held on Friday, 6 June 2008, at 1:00 pm
in Conference Room B of the Legislative Council Building**

- Members present** : Hon Audrey EU Yuet-mee, SC, JP (Chairman)
Hon Martin LEE Chu-ming, SC, JP
Hon SIN Chung-kai, SBS, JP
Hon Howard YOUNG, SBS, JP
Hon CHOY So-yuk, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon LEE Wing-tat
Hon Alan LEONG Kah-kit, SC
Hon WONG Ting-kwong, BBS
- Members absent** : Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon Emily LAU Wai-hing, JP
Hon Mrs Anson CHAN, GBM, JP
- Public officers attending** : Environmental Protection Department

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

Mr Benny WONG
Assistant Director of Environmental Protection
(Air Policy)

Mr PANG Sik-wing
Principal Environmental Protection Officer
(Air Policy)

Mr Gordon LEUNG
Environmental Protection Officer
(Cross-Boundary & International)31

Department of Justice

Ms Amy CHAN
Senior Government Counsel

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

Staff in attendance : Miss Winnie LO
Assistant Legal Adviser 7

Mrs Mary TANG
Senior Council Secretary (1)2

I Meeting with the Administration

Clause-by-clause examination

(LC Paper No. CB(3) 373/07-08 Ref: EP CR 9/150/21	-- The Bill -- The Legislative Council Brief
LC Paper No. CB(1) 1208/07-08(03)	-- Marked-up copy of the Bill
LC Paper No. CB(1) 1521/07-08(03)	-- Summary of deputations' views on individual subjects/clauses of the Bill
LC Paper No. CB(1) 1800/07-08(1)	-- Administration's response to the list of follow-up actions arising from the meeting on 3 June 2008
LC Paper No. CB(1) 1950/07-08(1)	-- Administration's response to the list of follow-up actions arising from the meeting on 5 June 2008)

The Committee deliberated (Index of proceedings attached at **Annex A**).

2. The Administration was requested to -

- (a) consider including in the proposed new penalty arrangement for non-compliance with the emission caps the requirement for the fine to be borne by the shareholders;
- (b) specify in the proposed Committee Stage amendments regarding consultation with the Advisory Council on the Environment (ACE) that the Authority should consult ACE within a reasonable time frame on the increase in quantity of allocated allowances further to acquisition of emission credits under a recognized emission trading scheme;

- (c) confirm that amendments to Schedules 2A and 2B to be made by the Secretary under proposed section 37D was subject to the negative vetting procedure; and
- (d) include the word "cancelled" as part of the amendments to section 42(1).

3. Members agreed to defer the next meeting originally scheduled for 10 June 2008 to Friday, 13 June 2008, at 8:30am to allow sufficient time for the Administration to work out all the proposed Committee Stage amendments to the Bill.

II Any other business

4. There being no other business, the meeting ended at 2:30 pm.

Council Business Division 1
Legislative Council Secretariat
15 August 2008

**Proceedings of the
Bills Committee on Air Pollution Control (Amendment) Bill 2008
Meeting on Friday, 6 June 2008, at 1:00 pm
in Conference Room B of the Legislative Council Building**

Time Marker	Speaker	Subject(s)	Action Required
000000 - 000917	Chairman	<p>Discussion on the Administration's response to the list of follow-up actions arising from the meeting on 3 June 2008 (LC Paper No. CB(1) 1800/07-08(01))</p> <p>Administration's explanation on item VII regarding the conditions in the specified licence governing the per MWh emission limits in terms of the maximum concentration level of the relevant pollutants</p>	
000918 - 002404	Miss CHOY So-yuk Administration Chairman	<p>Miss CHOY So-yuk's enquiry on the allocation of emission allowances to new power plant entering the local electricity market</p> <p>Administration's explanation -</p> <p>(a) since all new power generation units in Hong Kong must use gas or cleaner fuels, the quantity of emission allowances required was small. Hence, a small amount of emission allowances broadly equivalent to 1% of the total emission allowances for the power sector would be allocated to the new power plant; and</p> <p>(b) the allocation would be updated at least once every three years to cater for the change of market share in electricity generation for local consumption</p>	
002405 - 002929	Chairman Administration Mr Martin LEE Miss CHOY So-yuk Mr SIN Chung-kai	<p>Discussion on the Administration's response to the list of follow-up actions arising from the meeting on 5 June 2008 (LC Paper No. CB(1) 1950/07-08(01))</p> <p>Discussion on the means to ensure that the fine for non-compliance with the emission caps by a power company would be borne by its shareholders</p>	The Administration to consider including in the proposed new penalty arrangement for non-compliance with the emission caps the requirement for the

Time Marker	Speaker	Subject(s)	Action Required
		<p>rather than being passed on to electricity consumers</p> <p>Mr Martin LEE's request that the requirement for the fine for non-compliance with the emission caps to be borne by the shareholders should be spelt out in the new penalty provisions in the Bill</p>	<p>fine to be borne by the shareholder</p>
002930 - 003319	Chairman Administration	<p>Continuation of clause-by-clause examination of proposed section 26M</p> <p>Chairman's request that -</p> <p>(a) the Authority should consult the Advisory Council on the Environment (ACE) within a reasonable time frame upon receipt of an application for increase in quantity of allocated allowances further to acquisition of emission credits under a recognized emission trading scheme (ETS); and</p> <p>(b) the relevant discussion papers for ACE should be made available for public reference</p> <p>Administration's response -</p> <p>(a) it might be too restrictive to set a specific time frame for consultation taking into account the meeting schedule of ACE; and</p> <p>(b) discussion papers and the minutes of meetings for ACE and the Panel on Environmental Affairs had all along been made available for public reference</p>	<p>The Administration to specify in the proposed Committee Stage amendments regarding consultation with ACE that the Authority should consult ACE within a reasonable time frame on the increase in quantity of allocated allowances further to acquisition of emission credits under a recognized emission trading scheme</p>
003320 - 004140	Miss CHOY So-yuk Chairman Administration	<p>Miss CHOY So-yuk's request for setting a limit for the amount of emission credits to be acquired/transferred under a recognized ETS, above which the relevant application should be subject to negative vetting by the Legislative Council (LegCo)</p>	

Time Marker	Speaker	Subject(s)	Action Required
004141 - 004924	Mr SIN Chung-kai Mr Martin LEE Administration Chairman Miss CHOY So-yuk	Discussion on the need for the Authority to consult ACE within a reasonable time frame upon receipt of an application for increase in quantity of allocated allowances further to acquisition of emission credits under a recognized ETS	
004925 - 005028	Chairman Administration Mr Martin LEE	<p>Discussion on the setting of a limit on the quantity of emission credits to be acquired</p> <p>Administration's initial proposal -</p> <p>(a) the quantity of emission credits to be acquired would be capped at 20% of allocated allowances; and</p> <p>(b) the cap would be set out in a schedule to the Bill, the amendment of which would be subject to vetting by LegCo</p>	
005029 - 010401	Miss CHOY So-yuk Administration	<p>Miss CHOY So-yuk's concern -</p> <p>(a) the proposed 20% limit was too high; and</p> <p>(b) power plants should not be allowed to substantially increase their allocated allowances through acquisition of emission credits through a recognized ETS, particularly when the allocated allowances were provided to them free of charge</p> <p>Administration's explanation -</p> <p>(a) the limit had to be set at a reasonable level to provide incentives for local power plants to invest in ETS projects with eligible power plants in the Pearl River Delta Region; and</p> <p>(b) the impact of the limit would be diminished with the tightening of emission caps</p>	

Time Marker	Speaker	Subject(s)	Action Required
010402 - 010832	Mr Martin LEE Chairman Administration Miss CHOY So-yuk	Mr Martin LEE's concern that the proposed 20% limit was too high Administration's explanation on the benefits of ETS	
010833 - 011557	Chairman Administration	Examination of clauses 7 to 11	
011558 - 012423	Miss CHOY So-yuk Administration Chairman Mr Martin LEE	Examination of clauses 12 regarding section 37D - Amendment to Schedules	The Administration to confirm that amendments to Schedules 2A and 2B to be made by the Secretary under proposed section 37D was subject to the negative vetting procedure
012524 - 012722	Chairman Administration ALA7	Clause 13 - Protection of Government and public officers	The Administration to include the word "cancelled" as part of the amendments to section 42(1)
012723 - 012819	Chairman Administration	Schedules 2A and 2B	
012820 - 013154	Chairman Administration Mr SIN Chung-kai Ms CHOY So-yuk	Meeting arrangements	