

立法會
Legislative Council

LC Paper No. CB(1) 2264/07-08
(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 thirteenth meeting
held on Monday, 16 June 2008, at 8:30 am
in Conference Room B of the Legislative Council Building**

Members present : Hon Audrey EU Yuet-mee, SC, JP (Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon Martin LEE Chu-ming, SC, JP
Hon SIN Chung-kai, SBS, JP
Hon Howard YOUNG, SBS, JP
Hon CHOY So-yuk, JP
Hon WONG Ting-kwong, BBS

Members absent : Hon Emily LAU Wai-hing, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon LEE Wing-tat
Hon Alan LEONG Kah-kit, SC
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

(LC Paper No. CB(1)1925/07-08(01) -- List of follow-up actions arising from discussion at the meeting on 13 June 2008; and

LC Paper No. CB(1)1925/07-08(02) -- Administration's response to LC Paper No. CB(1) 1925/07-08(01))

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

2. Members supported the Chairman to move a Committee Stage amendment (CSAs) on behalf of the Bills Committee to include regulation of carbon dioxide (CO₂) in the Bill. The Assistant Legal Adviser 7 was requested to prepare a draft CSA for members' consideration.

3. Members noted Miss CHOY So-yuk's intention to move CSAs to limit the validity of emission reduction projects under a recognized emission trading scheme to three years, and to include imprisonment of six months, in addition to a fine, for offence under new section 30B(2).

II Any other business

4. There being no other business, the meeting ended at 10:43 am.

**Proceedings of the
Bills Committee on Air Pollution Control (Amendment) Bill 2008
Meeting on Monday, 16 June 2008, at 8:30 am
in Conference Room B of the Legislative Council Building**

Time Marker	Speaker	Subject(s)	Action Required
000000 - 000615	Chairman Administration Mr WONG Ting-kwong	Discussion on the Administration's response to the list of follow-up actions arising from the discussion at the meeting on 13 June 2008 (LC Paper No. CB(1) 1925/07-08(02))	
000616 - 001258	Chairman Administration	Examination of the finalized Committee Stage amendments (CSAs) at the Annex to LC Paper No. CB(1) 1925/07-08(02)	
001259 - 001725	Mr SIN Chung-kai Chairman Administration	<p>Discussion on whether local power plants should be allowed to use the emission credits in respect of a project under a recognized emission trading scheme (ETS) to meet the emission caps for an indefinite period</p> <p>Administration's response -</p> <p>(a) proposed new Schedule 2C which provided that a local power plant could only acquire a total quantity of emission credits which was no more than 15% of the quantity of emission allowances allocated to it at the beginning of that emission year;</p> <p>(b) given the significant investment involved in taking forward additional emission reduction projects, local power plants would have no incentive to participate in recognized ETS if these projects would only be valid for a very limited period;</p> <p>(c) imposition of a limit on the validity of an emission reduction project was not acceptable lest this would affect the viability of recognized ETS; and</p> <p>(d) in any case, it was unlikely that these projects would yield emission credits for an indefinite period given that emission standards in both places would be progressively tightened over time</p>	
001726 - 002225	Mr SIN Chung-kai Chairman	<p>Mr SIN Chung-kai's concerns -</p> <p>(a) more effective measures, such as development of renewable energy,</p>	

Time Marker	Speaker	Subject(s)	Action Required
		<p>should be introduced to reduce carbon dioxide (CO₂) emissions; and</p> <p>(b) the Bill would be incomplete without the control on CO₂ emissions</p>	
002226 - 003910	<p>Chairman Mr SIN Chung-kai Mr WONG Ting-kwong Administration</p>	<p>Discussion on whether control on CO₂ emissions should be included in the Bill, and whether a limit should be imposed on the validity of emission reduction projects</p> <p>Mr SIN Chung-kai's support that CSA to include control on CO₂ emissions should be moved by the Chairman on behalf of the Bills Committee. It would be for the President to decide whether the CSA concerned was allowed</p> <p>Mr WONG Ting-kwong's enquiry on whether the Administration would consider setting a timeframe within which control of CO₂ emissions would be implemented. Consideration should also be given to implementing greening measures to reduce CO₂ emissions</p> <p>Administration's explanation on the difficulties and implications involved in controlling CO₂ emissions. Nevertheless, studies on Air Quality Objectives and climate change were being conducted and expected to be completed by late 2008 and late 2009 respectively</p>	
003911 - 004925	<p>Mr Martin LEE Administration Chairman</p>	<p>Mr Martin LEE's views -</p> <p>(a) there was a need to open up the electricity market and introduce competition to encourage power companies to adopt more environment-friendly means for electricity generation;</p> <p>(b) support for setting of a limit on the validity of emission reduction project under a recognized ETS; and</p> <p>(c) local power companies should be allowed to acquire emission credits through emission trading only after they had exercised due diligence to meet the emission caps</p>	

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		<p>Administration's explanation -</p> <p>(a) ETS aimed at providing a flexible and cost-effective means to achieve the emission reduction targets. As ETS was operated on a project basis, interested power plants had to plan and invest in the emission reduction projects well in advance in order to generate the emission credits for trading. Setting too many pre-conditions for participation in ETS would render it not operationally viable; and</p> <p>(b) the adoption of additional emission reduction projects by eligible power plants under a recognized ETS would help improve regional air quality</p>	
004926 - 005608	Miss CHOY So-yuk Administration	<p>Miss CHOY So-yuk's views -</p> <p>(a) local power plants would have no incentive to improve their emission performances if they were allowed an easier and cheaper alternative to increase their quantity of allocated allowances through acquisition of emission credits under a recognized ETS;</p> <p>(b) ETS as proposed would allow local power plants to use the emission credits in respect of a ETS project to meet the emission caps for an indefinite period;</p> <p>(c) emission trading should only be allowed on a short-term basis, and could not be taken as a total solution for local power plants to meet their emission caps. As such, a limit should be imposed on the validity of emission reduction projects</p> <p>Administration's reiteration on the benefits of ETS, and the reasons why it was not appropriate to set a limit on the validity of emission reduction projects</p>	
005609 - 010448	Ir Dr Raymond HO Administration	<p>Ir Dr Raymond HO's views -</p> <p>(a) emission reduction projects required significant investments and long lead time for implementation, and thus the imposition of a limit on the validity of these projects was not appropriate;</p>	

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		<p>(b) it was also not appropriate to impose an emission cap on CO₂ emission, given that there was at present no commercially viable means to reduce CO₂ emissions from power generation using fossil fuels; and</p> <p>(c) an initial emission reduction project should be tried out as a start to assess the viability of the recognized ETS</p>	
010449 - 013227	Miss CHOY So-yuk Chairman Administration	<p>Miss CHOY So-yuk's concerns -</p> <p>(a) the two local power companies had colluded with the Administration in formulating the proposed ETS;</p> <p>(b) the Administration had no intention to open up the electricity market, given that only 1% of the total emission allowances would be offered to new comers; and</p> <p>(c) the two local power companies were able to increase their allocated allowances through acquisition of emission credits under a recognized ETS, which was a cheaper and easier alternative to meet emission caps, for an indefinite period</p>	
013228 - 015700	Miss CHOY So-yuk Chairman Administration ALA7	<p>Discussion on Miss CHOY So-yuk's proposal to limit the validity of emission reduction projects under a recognized ETS for a period of three years</p> <p>Administration's disagreement to the setting of a specified time frame on the validity of an emission reduction project without taking into account the nature of the project</p> <p>Mr WONG Ting-kwong's views that there might not be a need to specify a fixed time frame for emission reduction projects, if the Administration would assure members that the validity of these projects would unlikely be extended for an indefinite period</p> <p>Mr SIN Chung-kai's concern that the setting of a time-frame for the projects would limit flexibility and would not be conducive to emission trading</p>	

Time Marker	Speaker	Subject(s)	Action Required
015701 - 015747	Chairman Miss CHOY So-yuk Mr SIN Chung-kai	Discussion on whether CSAs should be moved by the Bills Committee to include regulation of CO ₂ emission in the Bill Miss CHOY So-yuk and Mr SIN Chung-kai's support for CSAs to be moved by the Chairman on behalf of the Bills Committee to include regulation of CO ₂ emission in the Bill ALA7 was requested to prepare the draft CSAs for members' consideration	
015748 - 015940	ALA7 Administration Chairman	Examination of the finalized CSAs at the Annex to LC Paper No. CB(1)1925/07-08(02)	
015941 - 020927	Miss CHOY So-yuk Mr WONG Ting-kwong Chairman Administration	Discussion on the need for imprisonment in addition to a fine, for offence on provision of incorrect information under new section 30B(2) Mr WONG Ting-kwong and Mr SIN Chung-kai's query on the propriety of imposing imprisonment under proposed section 30B(2), which applied to power companies Miss CHOY So-yuk's views that imprisonment, in addition to a fine, was appropriate to keep it in line with the penalty provisions under section 30B(1)(b)(ii) for second or subsequent conviction for contravention of terms and conditions of specified licences	
020928 - 020954	ALA7 Administration Chairman Miss CHOY So-yuk	Discussion on the Chinese version of proposed section 30B(2)	
020955 - 021124	Chairman	Legislative time-table	