

**Bills Committee on
Air Pollution Control (Amendment) Bill 2008**

**List of Follow-up Actions Arising from
the Discussion at the Meeting on 3 June 2008**

Administration's Response

- II. To consider setting a timeframe within which the "practicable measures" under the proposed new section 26K(2)(d) should be carried out. To also advise the effects if the term "due diligence" is to be included or to replace "practicable measures" in the proposed new section 26K(2)(d).**
1. Regarding the proposed section 26K(2)(d), we consider that it is inappropriate to set a timeframe within which all due diligence should be exercised to minimize the quantity of pollutant being emitted as a result of the occurrence of a special event. This is because the suggested approach would require all due diligence to have been exercised by a particular point of time, whereas such obligation should continue throughout the emission year concerned.
 2. We agree that the phrase "taken all practicable measures" in the proposed section 26K(2)(d) should be replaced by the phrase "exercised all due diligence". We are drafting the relevant CSA and will provide it to the Bills Committee as soon as possible.
- III. To advise whether the fine for non-compliance with the emission caps by a power company would be paid out from the company's profit and loss account rather than the recurrent operational account. To also advise whether the cost for acquisition of allocated allowances would be paid out from its recurrent operational account, the cost of which will eventually be passed on to the consumers.**
1. A fine for non-compliance with the emission caps by a power company should be borne by its shareholders rather than being passed through to its electricity customers.
 2. To facilitate the use of emission trading as an alternative means for a power company to comply with the emission caps, we would accept that the cost of purchasing allocated allowances/emission credits to enable the company to meet such statutory requirement each year could be treated as its operating cost. By the same token, in case a power company fails to acquire allocated allowances/emission credits from its emission trading partner for reasons beyond the company's control albeit that it has exercised all due diligence to prevent such failure, the fee to be paid for acquiring additional allocated allowances from the Authority could also be treated the same.
- V. To consider rephrasing the title of the proposed section 26M to make it clear that the section is related to the emission trading scheme entered into with the Guangdong Province.**
1. We propose to add the phrase "under recognized emission trading scheme" at the end of the title of the proposed section 26M so as to state more clearly that the section is related to

those emission trading schemes entered into with power plants in the Pearl River Delta Region, and other schemes of a similar nature that may be recognized by the Authority. We are drafting the relevant CSA and will provide it to the Bills Committee as soon as possible.

VII. To provide the conditions in the specified licence governing the intensity of specified pollutants in every unit of electricity generated.

1. The emission concentration limits for coal-fired power plants [Note 1] commissioned before 1992 are as follows –

	Concentration of Air Pollutant in Exhaust Gas not to be Exceeded (milligramme per cubic metre)	Equivalent Maximum Emission Rate per MWh (kg/MWh)
Sulphur Dioxide (“SO ₂ ”)	2,100	8.0
Nitrogen Oxides (“NO _x ”)	1,500	5.7
Respirable Suspended Particulates (“RSP”)	84	0.3

[Note 1: Upon the retrofitting of emission reduction equipment by phases from 2009 onwards the emission concentration limits of the concerned power plant would be tightened up to the limits similar to those mentioned in paragraph 2 below. These new emission concentration limits will be imposed on the retrofitted units in the licence and will be effective upon the completion of the retrofit.]

2. The emission concentration limit for coal-fired power plants [Note 2] commissioned after 1992 are as follows –

	Concentration of Air Pollutant in Exhaust Gas not to be Exceeded (milligramme per cubic metre)	Equivalent Maximum Emission Rate per MWh (kg/MWh)
SO ₂	200	0.73
NO _x	411	1.41
RSP	34	0.12

[Note 2: No installation of any new coal-fired power plant is allowed from 1997.]

3. The emission concentration limits for gas-fired power plants are as follows –

	Concentration of Air Pollutant in Exhaust Gas not to be Exceeded (milligramme per cubic metre)	Equivalent Maximum Emission Rate per MWh (kg/MWh)
SO ₂	10	0.06
NO _x	90	0.54
RSP	5	0.03