

**Motion on “Actively responding to the United Nations
Climate Change Conference 2009” at the
Legislative Council Meeting on 2 December 2009**

Progress Report

Purpose

At the Legislative Council meeting on 2 December 2009, the motion on “Actively responding to the United Nations Climate Change Conference 2009” moved by the Hon Audrey EU Yuet-mee, as amended by Hon CHAN Hak-kan, Hon Cyd HO Sau-lan, Hon Tanya CHAN, Dr Hon PAN Pey-chyou and Hon KAM Nai-wai, was carried. Wording of the motion is at **Annex**. This note updates Members on the follow-up actions taken in respect of the suggestions put forward by Members in the motion.

Promoting Green Economy and Green Lifestyle

2. The Government is committed to make early preparations to meet the global challenge of climate change. In his 2008/09 Policy Address, the Chief Executive set out the policy objective of promoting a low carbon economy based on low energy consumption and low pollution. To meet the challenge, measures and actions are being undertaken to control greenhouse gas (GHG) emissions as much as possible.

3. Being an international financial centre and a service-based economy, Hong Kong does not have energy-intensive industries. Electricity generation accounts for over 62% of the total local GHG emissions, followed by the transport sector (16%) and other sources. The Government has therefore been focusing on these two emission sources to reduce our level of GHG emissions. Through the switch to cleaner fuels (e.g. natural gas) for power generation, raising building energy efficiency, exploring potential of renewable energy and waste-to-energy, as well as developing efficient and environment-friendly public transportation system, actions have already been set in train to lower our carbon footprint. Furthermore, vigorous public education efforts, e.g. “I Love Hong Kong! I love Green!” and “Green Hong Kong • Carbon Audit” campaigns are being carried out to promote green lifestyle. The overall strategy and measures that have been adopted by the Administration to combat climate change had been set out in our submissions to the Legislative Council and its Panel of Environmental

Affairs on 28 May 2007, 28 January 2008, 13 January 2009, 11 February 2009, 2 November 2009, and 21 January 2010¹.

Carbon Trading Platform and Clean Development Mechanism (CDM)

4. On possible development of carbon trading platform in Hong Kong, on 26 June 2009, Hong Kong Exchanges and Clearing Limited (HKEx) published a consultation paper on Certified Emission Reduction (CER) futures to seek market comments on the product concept of CER futures and the feasibility of development of a carbon emission trading platform in Hong Kong. HKEx published its Consultation Conclusions on 29 December 2009. Having considered the market responses and analysed the current facts and circumstances, HKEx considers that there is no imminent need for a CER futures market in Hong Kong. Nevertheless, HKEx reckons the carbon emission markets may become more important in the long run. It will therefore continue to monitor the development of emission policies on the Mainland and in other markets and will consider revisiting the product concept of CER futures if circumstances change.

5. In respect of promoting development of CDM projects, the Administration announced in June 2008 the “Arrangements for the Implementation of CDM Projects in Hong Kong Special Administrative Region” to facilitate development of CDM projects in Hong Kong, which will help further reduce Hong Kong’s GHG emissions. As a further step, on 1 December 2009, the Administration announced the “Supplementary Notes on the Implementation of Projects under the CDM by Hong Kong enterprises on the Mainland” which allow qualified Hong Kong enterprises to develop CDM projects on the Mainland. The Environmental Protection Department will issue the Letter of Certification for Hong Kong enterprises under the ‘Measures for Operation and Management of CDM Projects in China’ to those Hong Kong enterprises meeting the necessary requirements. At present, about one third of all CDM projects are being carried out on the Mainland, involving substantial capital and major technology transfer. The Government has been facilitating enterprises in participating in CDM projects, under which they can make investment in participating in appropriate energy efficiency projects, participate in development of new energy or renewable energy and explore opportunities in green business.

¹ Paper No. CB(1) 1666/06-07(15), CB(1) 647/07-08(18), CB(1) 531/08-09(02), CB(1) 896/09-10(01), CB(1) 196/09-10(03), and CB(1) 896/09-10(01).

Promoting Green Information Technology (IT)

6. The Administration recognises the benefits of green information and communication technologies (ICT), as well as its positive impact on other industries and activities in the community. The following green ICT initiatives are also being pursued by the Administration:

- promoting mobile, video-conferencing and telepresence technologies and remote collaboration tools to reduce the need for physical business travels;
- facilitating the development of intelligent transport systems, fleet management systems, car navigation systems for transportation optimization to reduce fuel consumption and emissions;
- encouraging wider use of electronic planning and resource management systems to optimize waste collection and disposal, e.g. location based technologies and image processing applications;
- promulgating the Practice Guide on Green Management to government bureaux/departments for their reference and adoption;
- adopting the relevant green procurement guidelines to include energy efficiency requirements and relevant environmental considerations in procuring IT products and services;
- undertaking e-learning and e-book initiatives, which help to reduce paper usage and provide opportunities for industry development; and
- conducting public awareness programmes on the need to reuse and recycle waste computers and other electrical appliances.

7. To promote wider application of green ICT, the Administration is also working with the relevant industry partners in organizing public seminars and sharing best practices and procedures that have been adopted by other countries leading in such areas.

Product Energy Efficiency

8. To facilitate consumers in choosing energy-efficient products and to raise public awareness on energy efficiency, the Administration introduced the Mandatory Energy Efficiency Labelling Scheme (MEELS) through the Energy Efficiency (Labelling of Products) Ordinance (Cap. 598). The Scheme is being implemented in phases. The initial phase, which covers room air conditioner, refrigerating appliance and compact

fluorescent lamp, has come in full operation since 9 November 2009. The three specified products under the initial phase account for about 60% of electricity consumption in the residential sector of Hong Kong. The implementation of the initial phase is estimated to bring about an annual reduction in carbon emissions of some 110,000 tonnes.

9. The Legislative Council has also passed the legislative amendments required for introducing the second phase of the Scheme, under which two more electrical appliances, i.e. washing machine and dehumidifier will be included. The second phase of the Scheme will take effect from 19 March 2010. These two products together account for about 7% of electricity consumption in our residential sector. Upon full implementation of the second phase, it will bring about an additional reduction in carbon emissions of 18,000 tonnes.

Mandatory Implementation of the Building Energy Codes

10. The Administration introduced the Buildings Energy Efficiency Bill into the Legislative Council on 9 December 2009. The Bill aims to specify the minimum energy efficiency standards for buildings in Hong Kong by mandating compliance with the Building Energy Codes. It is estimated that for new buildings, the implementation of the proposal will result in energy saving of 2.8 billion kWh in the first decade, which will help reduce carbon emissions by 1.96 million tonnes every year.

Providing an Account of United Nations Climate Change Conference 2009

11. On 2 November 2009, the Administration informed the Panel on Environmental Affairs of the Legislative Council of the latest initiatives and efforts made in addressing climate change with a view to, *inter alia*, preparing for the United Nations Climate Change Conference (the Conference) which was held in Copenhagen in December 2009². Hong Kong is committed to working closely with the international community to combat climate change. The Secretary for the Environment and five other HKSAR government officials attended as members of the Chinese delegation to the Conference. A submission that set out the outcome of the Conference was considered by the Panel on 21 January 2010³. The Secretary for the Environment had also taken the opportunity to make a powerpoint presentation and debrief Members on the implications of the

² Paper No. CB(1) 196/09-10(03)

³ Paper No. CB(1) 896/09-10(01)

Conference on Hong Kong at the same meeting.

Reducing Emissions from Power Plants and Bill on Climate Change

12. In respect of Members' suggestions to regulate the emissions of carbon dioxide from power plants, and to formulate a bill on climate change; the Administration in its submission on 21 January 2010³ to the Environmental Affairs Panel detailed the directions that would be taken to further strengthen our climate change mitigation strategy.

Energy Supply

13. As electricity generation accounts for over 60% of Hong Kong's GHG emissions, there is no way Hong Kong could substantially bring down its carbon footprint without changing the fuel mix for power generation. In addition to increasing the level of natural gas in the fuel mix for power generation, there is a need for the portion of non-fossil fuel, such as renewable and/or nuclear, in our fuel mix to be increased such that nuclear electricity and natural gas combined will meet a significant majority proportion of the domestic electricity need.

Energy Efficiency

14. Energy demands will need to be cut through more aggressive energy efficiency programmes, including mandatory energy efficiency requirements for new buildings and buildings with major retrofitting. In addition to the Buildings Energy Efficiency Bill currently being examined by the Legislative Council and the Buildings Energy Efficiency Funding Schemes which provide up to \$450 million of subsidies to private building owners to conduct energy-cum-carbon audits and energy efficiency projects, consideration will also be given to introducing mandatory energy efficiency standards / labeling for electrical appliances and other products (e.g. motor vehicles), as well as related incentives. The Administration will also work closely with the newly constituted Hong Kong Green Building Council in refining and promoting Hong Kong's own standards of green buildings.

Government Taking the Lead

15. While efforts to combat climate change would require the participation of the community at large, the Administration shall continue to take the lead to initiate changes. We shall consider conducting

measurement, reporting and verification of GHG performance on a regular and transparent basis in the public sector and will encourage private sector participation. As a major procurer of services and goods, the Administration should also seek to introduce carbon performance requirements in the procurement, operation and delivery of services. For example, the Administration is introducing electric vehicles into its fleet. It has been requiring new and major retrofit Government building projects to meet the Building Energy Codes since 2005. Moreover, a comprehensive target-based environmental performance framework was introduced for new and existing Government buildings since April 2009.

Environment Bureau
February 2010

Motion on “Actively responding to the United Nations Climate Change Conference 2009” moved by Hon Audrey EU Yuet-mee at the Legislative Council Meeting on 2 December 2009

Motion as amended by Hon CHAN Hak-kan, Hon Cyd HO Sau-lan, Hon Tanya CHAN, Dr Hon PAN Pey-chyou and Hon KAM Nai-wai

That the United Nations Climate Change Conference 2007 adopted a resolution to launch a negotiation process on the new greenhouse gas emissions reduction plan after the expiry of the Kyoto Protocol in 2012 and expressly require that the negotiations should be completed by the end of 2009; as such, this Council appeals to the governments of various countries to strive to reach a new agreement on addressing climate change at the United Nations Climate Change Conference 2009, and urges the Hong Kong Government to grasp this critical moment to shoulder responsibility and put forward comprehensive policies and plans to address climate change, the reduction targets for total greenhouse gas emissions as well as the relevant legislative programme and financing preparation, and study how to assist developing countries in implementing the measures and financing arrangements for reducing emissions and adapting to climate change; at the same time, the Hong Kong Government must formulate more measures, including:

- (a) to actively promote green economy and green lifestyle;
- (b) to implement the establishment of a carbon trading platform and enact relevant legislation, so as to further promote carbon emissions trading between Hong Kong and the Mainland as well as the whole world, and encourage professionals in Hong Kong to participate in the work relating to the Mainland’s Clean Development Mechanism;
- (c) to actively promote the development of green information technology (‘IT’), study the energy consumption of IT systems, require all government departments to implement green IT procurement, and support the research and development of green IT in the territory;
- (d) to study the establishment of mandatory minimum energy efficiency standards for products, so as to ensure that

energy-consuming products such as motor vehicles and electrical appliances are in compliance with the energy efficiency requirements; and

- (e) to expeditiously introduce to this Council legislation for the mandatory implementation of the Building Energy Codes; and
- (f) to give a detailed account of its preparatory work before attending the Climate Change Conference and report the outcome of the Conference afterwards; and
- (g) the representatives of the Hong Kong Government participating in the Conference to give the Legislative Council and Hong Kong people an account of the Hong Kong Government's participation in the Conference and how the implementation of the relevant agreement will be specifically promoted in Hong Kong; and
- (h) to follow the paper on 'Implementation of the Bali Roadmap – China's position on the Copenhagen Climate Change Conference' released by the National Development and Reform Commission and appeal to various countries to ensure the full, effective and sustained implementation of the United Nations Framework Convention on Climate Change and, in upholding the principle of 'common but differentiated responsibilities', make corresponding arrangements in terms of mitigation, adaption, technology transfer and financial support, etc, so as to enhance the role of developing countries in the domain of climate change;
- (i) to regulate the emission of carbon dioxide from power plants; and
- (j) to formulate a bill on climate change.