

立法會
Legislative Council

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Panel on Environmental Affairs

**Minutes of special meeting
held on Thursday, 21 January 2010, at 2:30 pm
in the Chamber of the Legislative Council Building**

- Members present** : Hon Audrey EU Yuet-mee, SC, JP (Chairman)
Hon CHAN Hak-kan (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon James TO Kun-sun
Hon Miriam LAU Kin-ye, GBS, JP
Hon Andrew CHENG Kar-foo
Hon Albert CHAN Wai-yip
Hon LEE Wing-tat
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon CHEUNG Hok-ming, GBS, JP
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon KAM Nai-wai, MH
Hon CHAN Kin-por, JP
Hon Tanya CHAN
- Members absent** : Hon WONG Yung-kan, SBS, JP
Hon Cyd HO Sau-lan
- Public officers attending** : **For item I**
- Mr Edward YAU
Secretary for the Environment
- Mr Roy TANG
Deputy Secretary for the Environment
- Ms Linda CHOY
Political Assistant to Secretary for the Environment

Dr Shermann FONG
Senior Environmental Protection Officer
(Cross-Boundary & International) 5
Environmental Protection Department

For item II

Mr Edward YAU
Secretary for the Environment

Mr Roy TANG
Deputy Secretary for the Environment

Ms Linda CHOY
Political Assistant to Secretary for the Environment

Dr Shermann FONG
Senior Environmental Protection Officer
(Cross-Boundary & International) 5
Environmental Protection Department

For item III

Mr Edward YAU
Secretary for the Environment

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

Ms Mary TSANG
Assistant Director (Cross-Boundary &
International)
Environmental Protection Department

Ms Linda CHOY
Political Assistant to Secretary for the Environment

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

Action

I. The United Nations Climate Change Conference 2009

(LC Paper No. CB(1) 896/09-10(01) — Administration's paper on the United Nations Climate Change Conference 2009)

Relevant papers

(LC Paper No. CB(1) 196/09-10(03) — Administration's paper on Hong Kong Government's preparation for the United Nations Climate Change Conference 2009

FS03/09-10 — Paper on United Nations Climate Conference 2009 prepared by the Legislative Council Secretariat (fact sheet))

The Secretary for the Environment (SEN) said that he and five other government officials, as members of the Chinese delegation, had attended the United Nations Climate Change Conference 2009 (the Conference) held in Copenhagen in December 2009. Apart from attending the Conference, he had also taken the opportunity to attend some other meetings, including the C40 meeting on climate change. The Conference took note of the legally non-binding "Copenhagen Accord" (the Accord) submitted by China, USA, Brazil, South Africa and India to limit the increase in surface temperature of the earth to below 2°C, and to raise finance to kick-start action in the developing world to deal with climate change. While the Conference had not been able to reach a legally binding agreement on the greenhouse gas (GHG) reduction targets for Annex I Parties, the Accord was vital to the next phase of work and had laid the foundation for future international action in tackling the challenge of climate change. It was also worth noting that China had played an active role in the Conference. The Political Assistant to SEN gave a power-point presentation on the background to the Conference, the Copenhagen Accord, Hong Kong's carbon footprint, and the steps taken in tackling the challenge of climate change.

(Post-meeting note: A set of the power-point presentation materials was circulated to members under LC Paper No. CB(1) 959/09-10(01)) on 22 January 2010.)

2. Mr CHAN Hak-kan said that he did not have high expectations on the achievements of the Conference, but was pleased to note that the Central People's Government (CPG) had announced a voluntary national target to reduce carbon intensity by 40% to 45% by 2020 as compared to 2005 level. He enquired about the

actions to be taken by Hong Kong to jointly tackle the problem of climate change. Mr LEE Wing-tat also asked if the Administration had any difficulties to adopt the same reduction target on carbon intensity. SEN said that China, being a non-Annex I Party, was not obliged to set GHG reduction targets. CPG had nevertheless announced a very challenging voluntary national target to reduce carbon intensity. He said Hong Kong would endeavour to adopt emission reduction measures to contribute to the Mainland's efforts in achieving the target. These measures would include changing the fuel mix for power generation, improving energy efficiency and putting in place the necessary infrastructure (e.g. Integrated Waste Management Facilities). Members urged the Administration to set a more aggressive target in combating climate change, in line with the voluntary national target adopted by the Mainland. To facilitate monitoring, Mr LEE requested the Administration to provide regular reports on the progress of mitigation measures.

3. Mr Albert CHAN noted that there had been concerns that Hong Kong, as part of the Chinese delegation to the Conference, could be absolved from its international obligations in taking vigorous measures to protect the environment. SEN said that Hong Kong was unique in having its own representatives in the Chinese delegation to the Conference, as no other cities in China were so represented. He also reaffirmed Hong Kong's commitment in fulfilling its international obligations.

4. Referring to the Copenhagen Green Climate Fund (the Fund) to support actions on mitigation, adaption, technology, reducing emissions from deforestation in developing countries and capacity building, the Chairman asked if Hong Kong was required to contribute to the Fund. SEN said that the Fund was set up by Annex I Parties to address the needs of developing countries in tackling the challenge of climate change. As a non-Annex I Party, China was not obliged to contribute to the fund. The same also applied to Hong Kong which was indeed a part of China. Given that Hong Kong was more developed than most of its non-Annex I counterparts, the Chairman held the view that Hong Kong should contribute more to the protection of the environment.

5. Mr LEE Wing-tat enquired whether the Administration had met with environmental groups to gauge their views before attending the Copenhagen Conference. SEN said that he had met with different organizations both before and during the Conference to exchange views on climate change. In fact, he met with interested parties from both Hong Kong and Denmark at a briefing-cum-reception held during his stay in Copenhagen.

6. Noting that the Climate Change Consultancy Study commissioned in March 2008 was about to complete, Mr CHAN Kin-por asked if the Administration would require the consultant to conduct additional modeling study in the wake of the voluntary national target announced by CPG in November 2009. SEN agreed that some fine tunings to the Consultancy Study might be necessary to take account of the implications of the voluntary national target. Public consultation on the initial findings of the Consultation Study would be held some time in April or May 2010.

Next steps in tackling the challenge of climate change*Energy supply*

7. Given that electricity generation accounted for over 60% of Hong Kong's GHG emissions, Mr CHAN Kin-bor opined that there was an imminent need to expedite the change in fuel mix from coal to gas without having to await the outcome of the Review of Air Quality Objectives. Mr CHAN Hak-kan also enquired if there would be a sufficient supply of natural gas for power generation to facilitate the early retirement of coal-fired power generating units by 2020. They were concerned that the additional cost incurred from using cleaner fuels for power generation would likely pass onto the consumers through increase in electricity tariff. They pointed out that the Government should bear part of the cost on account of the savings in health expenditure as a result of improvement to air quality. SEN explained that to tackle the challenge of climate change, Hong Kong would need to formulate a more aggressive climate change strategy. The increase in the use of natural gas for local power generation to 50% of the fuel mix was one of the possible options to meet the World Health Organization Air Quality Guidelines. As part of the Memorandum of Understanding on Energy Cooperation signed between Hong Kong and the National Energy Administration in August 2008, Hong Kong would be able to receive an increased supply of natural gas for power generation via the West-East Gas Pipeline project. On the other hand, local power companies were encouraged to develop renewable energy, including off-shore wind farms. He acknowledged that there was a price to pay for cleaner air which should be a shared responsibility subject to further discussion. The Government would continue taking the lead to initiate changes conducive to achieving a low carbon economy.

8. Mr Jeffrey LAM said that the commercial sector had been making strenuous efforts to reduce carbon emissions. Referring to a recent LegCo question regarding the impending application from the CLP Power Company for developing a wind farm in Hong Kong, he enquired about the lead time required to approve the application. He stressed that the Administration should balance the cost of cleaner energy with the need for environmental protection, given the high cost in developing wind energy. SEN advised that the two power companies had conducted preliminary studies on the development of wind farms in Hong Kong. In fact, the CLP Power Company intended to set up its first wind farm in Sai Kung and had conducted an environmental impact assessment (EIA) study for the purpose. The application would be assessed taking into account the outcome of EIA study, details of implementation and public views on the project. He added that carbon audits could help the commercial sector to achieve greater reduction in carbon intensity.

9. Mr Andrew CHENG enquired if the Administration was confident that the two power companies would phase out their coal-fired generators within the current term of Government. He also considered it necessary for the Administration to set a time table to achieve a low carbon economy, and consult the public on the related environmental initiatives. SEN said that the emission performance of the two power companies had improved after the linking of the emission performance with the permitted rate of return in the new Scheme of Control Agreement. The level of sulphur dioxide emissions had been reduced by a significant percentage as compared

to that of 2008. It was expected that the supply of natural gas in Hong Kong could increase to meet the need of about 50% of the local power generation following the completion of the West-East Natural Gas Pipeline in 2013.

10. Mr Albert CHAN said that to tackle the problem of climate change and to reduce carbon emissions, consideration should be given to opening up the electricity market. This would enable the supply and use of surplus nuclear energy from the Mainland, thereby reducing the scale of power generation in Hong Kong and hence its carbon emissions. He also supported the use of solar-powered water heaters, similar to those used in South East Asian countries, and greening in Hong Kong. SEN said that while the power generation capacity in the Mainland had been significantly improved, its demand for electricity was also on a rise. He nevertheless agreed to the need to develop renewable energy and promote greening.

Energy efficiency

11. Mr LEE Wing-tat enquired about the progress of the \$450 million Buildings Energy Efficiency Funding Schemes set up under the Environment and Conservation Fund. The Deputy Secretary for the Environment said that of the 1 020 applications received to date, 200 were related to energy-cum-carbon audits and one-third of which had been approved, amounting to \$4.10 million. The remainder applications were related to energy efficiency projects and one-fifth of which had been approved, involving \$41 million. In other words, the total funding of \$45 million had been earmarked. SEN added that about one-sixth of the buildings in Hong Kong had applied for funding under the two schemes with an even distribution between residential and non-residential buildings. While most applications for energy efficiency projects involved improvements in the lighting systems, applications of a more varied nature were expected in future.

Infrastructure

12. Mr Jeffrey LAM said that assistance should be provided to the transport trades in the switch to cleaner vehicle fuels, such as biodiesel. Ms Miriam LAU echoed that the transport trades had been cooperating with the Environmental Protection Department to take forward environment friendly measures, including the switch to cleaner vehicles and fuels. While the diesel used in Hong Kong was of the highest available standards, the needed improvements in air quality had yet to be achieved. She was also disappointed at the slow progress of measures to achieve a low carbon economy, which included increasing the coverage of green transport systems such as railways and energy efficient public buses running on cleaner fuels, replacement of petrol vehicles by electric vehicles, wider adoption of biofuels as motor fuels, building of waste cooking oil collection network to allow more efficient production of biodiesels etc. She questioned whether the efforts made so far were effective in improving air quality and mitigating climate change. SEN said that the problem of climate change would need to be tackled with the concerted efforts of different sectors in the community. Emissions from the transport sector, comprising about 16% of total emissions, were in fact much less than that from power generation given that the vast majority of people in Hong Kong used mass transport. Notwithstanding, efforts would be stepped up to promote the use of

environment-friendly vehicles, such as hybrid and electric vehicles which would be the way forward. The Administration would also promulgate the specifications for biodiesel through legislation to enhance public confidence on the quality of biodiesel.

Admin

13. Ms Miriam LAU however pointed out that only a limited choice of hybrid vehicles were available in Hong Kong for consumers to choose from. She enquired if incentives would be given to encourage the switch to hybrid vehicles. SEN said that according to his understanding, there were quite a number of hybrid vehicles available in the market and one out of seven to nine newly registered vehicles were hybrid or environment-friendly vehicles. In response to Mr Andrew CHENG's question on the need for more researches to enable the early introduction of electric vehicles, SEN said that studies on the development of electric vehicles were being conducted by local universities. At members' request, the Administration undertook to provide information on the availability of environment-friendly vehicles in Hong Kong.

14. Mr Jeffrey LAM noted that despite calls for the development of green transport policies, not much progress had been made in the rationalization of bus routes. He stressed the need for community consensus in taking forward environmental initiatives. SEN said that support from political parties was needed to take forward rationalization of bus routes, the subject of which would be further discussed at the joint meeting of the Panel on Transport and Panel on Environmental Affairs on 22 January 2010.

Government taking the lead

15. Mr Andrew CHENG opined that apart from taking the lead in improving energy efficiency, the Administration should also encourage the private sector to follow suit, such as adopting the dress down code at work during summer months when the temperature was 26 °C or above which would help save much electricity cost in air-conditioning during summer months. Ms Miriam LAU echoed that while most Government offices, including the Central Government Offices where she attended regular meetings, had maintained the room temperature at 25.5°C, many commercial buildings had kept the indoor temperature very low. SEN said that the Administration had been taking measures, such as maintaining the room temperature at 25.5°C, to reduce energy use by Government buildings. The commercial sector had been encouraged to conduct energy-cum-carbon audits to identify ways to improve energy efficiency. He cited the example of a newspaper in Hong Kong, which had responded to the Government's call to enhance energy efficiency at its five-storey office. Based on the recommendations made by a carbon audit costing \$30,000, the newspaper was able to achieve electricity savings of \$0.5 million in six months. Over the years, he had also issued letters to commercial firms encouraging them to adopt the dress down code at work. In response to Mr Andrew CHENG's question, SEN said that he had chosen to wear a coat and tie to the meeting out of respect for members.

II. C40 workshop to be held in Hong Kong in 2010

(LC Paper No. CB(1) 896/09-10(02) — Administration's paper on C40 workshop to be held in Hong Kong in 2010

IN14/09-10 — Paper on C40 workshop prepared by the Legislative Council Secretariat (information note))

16. SEN briefed members on the background to the C40 Cities Climate Leadership Group (C40), and the arrangements for a C40 workshop on low carbon living and climate change to be held in Hong Kong from 5 to 6 November 2010.

17. Noting that the C40 workshop in Hong Kong would be jointly organized by the Environmental Campaign Committee (ECC) and the Civic Exchange, the Chairman enquired about the objective, source of funding as well as costs for the event, and whether participation in the workshop was on a self-financing basis. She also enquired about the kind of experience which would be drawn from the participating cities. SEN advised that ECC and the Civic Exchange had secured a funding support of \$5.42 million from the Environment and Conservation Fund (ECF) to organize the workshop. Detailed arrangements for the workshop would be worked out by the organizing committee and as far as he knew, no admission fee was required for the workshop. On the objective of the workshop, SEN explained that the C40 workshop would provide a forum for discussion among stakeholders from the local community and the C40 cities to exchange information and experience on the latest developments in low carbon living and climate change. It was worth noting that the strategy for expediting the use of electric vehicles among the C40 cities was worked out at the C40 Seoul Summit held in May 2009.

18. Given that the workshop had already received \$5.42 million from ECF and \$5.9 million from the Hong Kong Jockey Club, Ir Dr Raymond HO enquired if additional Government funding would be required. He also asked if participation in the workshop was voluntary or by invitation. In response, SEN confirmed that no additional funding would be required from the Government. He added that apart from representatives from the C40 cities, it was hoped that representatives from the Pearl River Delta (PRD) Region could also attend the workshop to facilitate exchanges on regional cooperation to tackle climate change. The Chairman requested that the Panel on Environmental Affairs should also be invited to the workshop.

19. Ms Miriam LAU agreed that apart from Shenzhen and Guangzhou, representatives from other cities within the PRD Region should be invited to attend the workshop as collaboration within the PRD Region was necessary to combat cross-boundary pollution. By way of illustration, the use of ultra low sulphur diesel by vessels in Hong Kong advocated by the Civic Exchange could not achieve the intended purpose unless the same measure was adopted throughout the PRD Region. SEN took note of Ms LAU's view. He said that Hong Kong, being the organizing city for the workshop, would extend invitations to the C40 cities as well as cities in the PRD Region. The focus of the workshop would be on two key strategic measures to combat climate change, namely the built environment and transportation/electric vehicles. According to the experience in organizing the Environment Expo in Hong

Kong last year, over a hundred representatives from the PRD Region had participated in the event.

20. While expressing support for the holding of the C40 workshop in Hong Kong, Mr LEE Wing-tat stressed the need for public engagement to gather views from different sectors of the community on low carbon living and climate change, including the increased percentage use of natural gas for power generation and their willingness to pay for cleaner air. SEN said that focused groups had been invited to express their views on increasing the use of natural gas for power generation in the context of review of Air Quality Objectives. He nevertheless agreed to relay Mr LEE's suggestion to the organizing committee of C40. The Chairman also requested that details of the programme should be made available to the public once available.

III Cleaner Production Partnership Programme – Support of effluent reduction and control

(LC Paper No. CB(1) 896/09-10(03) — Administration's paper on Cleaner Production Partnership Programme – Support of effluent reduction and control

LC Paper No. CB(1) 896/09-10(04) — Paper on Cleaner Production Partnership Programme prepared by the Legislative Council Secretariat (background brief))

21. SEN briefed members on the progress of the Cleaner Production Partnership Programme (CPPP), and the Administration's proposal to revise the coverage of CPPP to also provide professional advice and technical support in the treatment and reduction of effluent discharges to Hong Kong-owned factories in the PRD region.

22. Mr LEE Wing-tat said that Members belonging to the Democratic Party (DP) had all along been advocating the provision of matching grants to assist factories in the PRD Region to implement CP technologies and practices to reduce pollution which had no boundary. Hence, DP Members supported the proposed revised coverage of CPPP to facilitate further improvements. SEN thanked members for their support. He was pleased to inform the Panel that the environmental benefits from the awareness promotion activities, on-site improvements projects, demonstration projects and verification of improvement projects under CPPP had far-outweighed the cost incurred. While funding for on-site improvement projects and demonstration projects was granted on a matching basis, subject to a prescribed ceiling, participating factories had in effect contributed more to improve CP technologies and practices. By way of illustration, the committed expenditure for the 50 demonstration projects as at 31 December 2009 was \$7.26 million, but the total project sum (including contributions from the participating factories) was \$23.71 million. SEN supplemented that while the target group of CPPP was Hong Kong-owned factories operating in the PRD Region, it did have a positive effect on Mainland enterprises, many of which had since implemented similar projects to reduce emissions. The improvements had encouraged the application of a uniform cleaner production standard recognized by both sides. CPPP also had the added advantage of vitalizing

the business opportunities of CP technology companies as well as other green industries in the PRD Region.

23. Noting that priority for participation in CPPP would be given to small and medium enterprises (SMEs) which might not have adequate technical expertise or resources to identify or implement cleaner production (CP) technologies and practices, the Chairman enquired about the definition of SMEs and whether their participation was voluntary or by invitation. The Deputy Director of Environmental Protection (3) (DDEP(3)) explained that the definition of SMEs under CPPP was modelled after that of the SMEs loan schemes in respect of the size of the enterprises and number of staff employed in Hong Kong. Through the awareness promotion activities, the Hong Kong-owned factories in the PRD Region were encouraged to take part in CPPP and practise cleaner production.

24. In reply to the Chairman's further enquiry about objective standard to be applied to assess the effectiveness of CPPP, DDEP(3) said that the Administration was pleased with the progress of CPPP under which over 200 on-site improvements projects and about 50 demonstration projects had been approved. When applying for funding for demonstration projects, project proponents would need to demonstrate the effectiveness, environmental benefits, actual costs and potential financial returns of CP technology and practices through installation of equipment and modification of production processes. The Hong Kong Productivity Council would provide an independent third-party service to verify the effectiveness of the improvement projects. It was expected that at least 30 additional demonstration projects in relation to treatment and reduction of effluent discharge projects would be funded under the programme following the proposed revised coverage of CPPP.

25. Mr LEE Wing-tat enquired if there was a mid-term progress report on CPPP and whether milestones were being set. The Deputy Director of Environmental Protection (3) (DDEP(3)) said that when funding was sought for the launching of CPPP, the Administration had undertaken to provide regular reports on the progress of implementation of CPPP. Since the launching of CPPP in April 2008, the Administration had released the first progress report in August 2009 and would release the second progress report in July/August 2010. The Administration would also follow up with the participating factories on the progress of their improvement works. In this connection, factories could apply for funding support for independent third-party services to verify the effectiveness of their improvement projects. The Administration would fully fund the cost of the verification services, subject to a prescribed ceiling. The funding incurred so far was about \$2 million. The Chairman asked if the third-party verification services could be applied to the six industries identified by the Task Force on Economic Challenges. SEN advised that CPPP was intended to encourage and facilitate Hong Kong-owned factories in the PRD Region in the eight specified industrial sectors to adopt CP technologies and practices to reduce pollutant emissions (such as respirable suspended particulates and volatile organic compounds (VOCs)) and energy consumption, thereby making a positive contribution to improving the regional air quality. Much progress had since been made as evidenced by, for example, the use of paints containing less VOCs by some of the printing factories.

IV. Any other business

26. There being no other business, the meeting ended at 4:25 pm.

Council Business Division 1
Legislative Council Secretariat
17 March 2010