

立法會
Legislative Council

LC Paper No. CB(1) 1663/09-10(05)

Ref. : CB1/PL/EA

Panel on Environmental Affairs

Meeting on 26 April 2010

Background brief on the Buildings Energy Efficiency Funding Schemes

Purpose

This paper sets out the progress of the Buildings Energy Efficiency Funding Schemes (BEEFS), and gives a brief account of the views and concerns expressed by the Panel on Environmental Affairs (the Panel).

Buildings Energy Efficiency Funding Schemes

2. Energy consumption is closely related to greenhouse gas (GHG) emissions. In Hong Kong, buildings account for 80% of the total electricity consumption. Therefore, reducing electricity consumption of buildings is instrumental in bringing down the GHG emissions and improving air quality. To encourage the public to take concrete actions to enhance energy efficiency, the Government has launched two BEEFS in April 2009 with the support of the Environment and Conservation Fund (ECF). The first scheme with allocation of \$150 million, aims to subsidize building owners to carry out energy-cum-carbon audits, while the second scheme with allocation of \$300 million, serves as an incentive for building owners to conduct energy efficiency projects by subsidizing part of the expenditure. The schemes will be opened for applications for three years or until the allocated \$450 million is fully utilized, whichever is the earlier.

Energy-cum-carbon audit projects

3. The objective of the scheme is to encourage building owners to carry out energy-cum-carbon audits with a view to systematically reviewing the use of energy and quantifying the GHG emissions associated with their buildings. It also provides opportunities to identify enhancement of energy efficiency/conservation and reduction in the level of GHG emissions arising from building operations. The scheme will cover energy-cum-carbon audits to be carried out in communal areas of residential, commercial and industrial buildings.

4. Owners' corporations, owners' organizations or residents' organizations of residential, commercial and industrial buildings are eligible to apply. Energy-cum-carbon audits should be carried out according to the latest edition of the "Guidelines to account for and report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential and Institutional purposes) in Hong Kong" and "Guidelines on Energy Audit". The projects shall be certified by qualified service providers who have attended seminar/training related to BEEFS. Successful applicants are required to submit energy-cum-carbon audit reports after completion of the audits, which should include recommendations or programmes to improve GHG emission and energy efficiency/conservation of the buildings. They are also required to submit progress reports once every year for three immediate subsequent years after the first audit. The audit report and subsequent progress reports should include major follow-up actions taken and any improvements attained, and should be certified by qualified service providers.

5. Funds will be granted on a matching basis not exceeding 50% of the payment made for the carbon audit and subsequent reporting, subject to a cap of \$150,000 for application involving a single building and no maximum cap for application involving more than one building. The funding support will only cover expenditures on procurement of service to be used in the project. The applicant should absorb or seek alternative funding for any capital or recurrent costs arising from the recommendations of the audit reports or subsequent progress reports.

Energy efficiency projects

6. The objective of the scheme is to encourage building owners to carry out alteration, addition or improvement works to upgrade the energy efficiency performance of building services installations for communal use in residential, commercial or industrial buildings. Building services installations cover under the scheme includes lighting, electrical, air-conditioning as well as lift and escalator installations.

7. Owners' corporations, owners' organizations or residents' organizations of residential, commercial and industrial buildings are eligible to apply. Applicants should engage qualified service providers in certifying the detailed scope of the project, including justifications on the cost-effectiveness, supervising the project, as well as certifying the progress reports and completion reports of the projects. The building services installations covered under a project shall comply with or be more energy-efficient than the relevant energy efficiency standards stipulated in the respective Building Energy Codes issued by the Electrical and Mechanical Services Department upon completion of the project.

8. Funds will be granted on a matching basis not exceeding 50% of the payment made for the works, subject to a cap of \$500,000 for application involving a single building and no maximum cap for application involving more than one building. The funding support will only cover expenditures on procurement, delivery or installation of the building services installations under the project. The applicant

should absorb the recurrent maintenance costs and running costs of the building services installations.

Major concerns raised by the Panel

9. The setting up of BEEFS was discussed at the Panel meeting on 27 April 2009.

10. While supporting the setting up of BEEFS, some members opined that the requirement to engage a qualified service provider in certifying the detailed scope of the energy efficiency project might deter participation of small-scale residential developments in view of the additional cost incurred from engaging these qualified service providers. They also expressed concern that owners' corporations and property management companies of large-scale development would likely apply for the scheme given the benefits to be achieved through economy of scale. This would leave little chance for small-scale developments to compete for the fund. As such, a mechanism should be worked out to ensure fair allocation of the fund to developments of different scales. Consideration should also be given to amalgamating the two funding schemes such that funding could be provided for both energy-cum-carbon audits and energy efficiency projects at the same time.

Latest development

11. The Administration proposes to brief members on the latest progress of BEEFS at the Panel meeting on 26 April 2010.

Relevant papers

Information paper provided by the Administration for the EA Panel meeting on 27 April 2009

<http://www.legco.gov.hk/yr08-09/english/panels/ea/papers/ea0427cb1-1357-7-e.pdf>

Minutes of the EA Panel meeting on 27 April 2009

<http://www.legco.gov.hk/yr08-09/english/panels/ea/minutes/ea20090427.pdf>

Council Business Division 1
Legislative Council Secretariat
20 April 2010