

For information

**Legislative Council
Panel on Environmental Affairs**

**Distribution of Cash Coupons
for Compact Fluorescent Lamps Scheme**

Purpose

This paper sets out the considerations and decision of the Administration on the Distribution of Cash Coupons for Compact Fluorescent Lamps Scheme (the Scheme).

Background

2. In his 2009-10 Policy Address, the Chief Executive announced a series of measures to promote low carbon economy. Among the proposed measures for enhancing energy efficiency was the distribution of cash coupons for compact fluorescent lamps (CFLs) to residential electricity account holders by the two power companies, which aimed to encourage the general public to replace incandescent light bulbs (ILBs) with CFLs.

3. We noted that the community had different views on the proposed Scheme. In particular, the public had expressed concern over the impact on electricity tariff brought about by the Scheme. On 2 November 2009, the Administration briefed Members on the details of the Scheme. In the light of Members' views and feedback from the public, the Administration agreed to study the feasibility of implementing the Scheme without the need to increase the electricity tariff.

Policy Considerations

4. In the past few months, a detailed study was conducted internally within the Government and different options had been considered. It is considered that to avoid any impact on electricity tariff, the Scheme would have to be financed by public funding. This

approach, however, is not in line with the “user pays” principle. Having balanced various considerations, the Government decided to shelve the Scheme.

Way Forward

5. The Government will continue to encourage various sectors of the community to conserve energy, improve energy efficiency and reduce carbon emissions, while at the same time promoting low carbon economy. We have started a three-month public consultation on Hong Kong’s climate change strategy and action agenda. Enhancing energy efficiency is one of the important measures to mitigate carbon emissions.

6. Furthermore, the Government has taken forward a low carbon policy and various measures to help promote the use of energy efficient lamps. The initial phase of the Mandatory Energy Efficiency Labelling Scheme has been fully implemented since November last year. Energy labels are required to be shown on CFLs currently on sale in the market to inform consumers of their energy efficiency performance. The Legislative Council is now scrutinizing the Buildings Energy Efficiency Bill, which seeks to specify energy efficiency standards for major electrical installations (including lighting installations, etc.). In addition, around \$190 million has been approved under the Buildings Energy Efficiency Funding Schemes since commencement in April last year. Around 80% of the funded projects cover works to improve energy efficiency of lighting installations. These measures and legislation have helped promote the wider use of energy efficient lamps.

7. The Environment and Conservation Fund will continue to provide funding support for educational, research, technology demonstration and other projects and activities relating to environmental protection and nature conservation, including energy efficiency.

Environment Bureau
September 2010