



Clerk to Panel on Environmental Affairs
Legislative Council Secretariat
3rd floor Citibank Tower
3 Garden Road
Central, Hong Kong

Panel on Environmental Affairs Special Meeting on 26 November 2010

Submission from the Canadian Chamber of Commerce in Hong Kong to the Legco Panel on Environment Affairs on Hong Kong's Climate Change Strategy and Action Agenda

The Canadian Chamber of Commerce in Hong Kong welcomes the release of the government's consultation paper: 'Hong Kong's Climate Strategy and Action Agenda'. We consider it a positive first step and a strategy that we are in essence supportive of as we believe that given the urgency of mitigating and adapting to climate change, Hong Kong must swiftly shift to become a low carbon society and thus faces an inevitable choice but to revamp its energy mix to less coal, more natural gas and nuclear.

However, we believe greater emphasis should have been extended to energy efficiency measures and a stringent energy efficient target set, as well as further consideration given to decentralised renewable energy applications supported by financial incentives suitable for Hong Kong. We are concerned that the proposed fuel mix will make Hong Kong very dependent on nuclear and natural gas sourced from the Mainland and think that the Government should conduct a risk analysis on this dependency and associated vulnerabilities. More information on the cost calculations for various energy options should be made available.

Finally, While we applaud the government for choosing the more 'aggressive scenario' i.e. a carbon intensity reduction of 50-60% by 2020, this range is wide and equals a difference of approximately 6 million tonnes which is significant. Setting a carbon intensity reduction target is misleading as Hong Kong is not a carbon intensive society and at the end of the day it is the absolute reduction of GHG emissions that will determine the severity of the climate crisis – particularly if GDP grows faster than intensity declines. We also think that all targets should be reviewed every 5 years in view of the changing landscape of challenges and the formulation of a vision of a low carbon Hong Kong beyond 2020 is essential.

We are also mindful of the fact that the consultation document only contains a subset of the information provided by Environmental Resource Management (ERM) in its consulting report to the Environment Bureau. We urge that this report be released, in its entirety, without further delay in order to facilitate a better understanding and debate about Hong Kong's options.

Suggestions:

1. A whole-economy low carbon vision and a blue print for action

- We believe that Hong Kong's Climate Change Strategy and Action Agenda needs to be framed by an overarching whole-economy vision of a low carbon society that goes beyond 2020.
- This vision would be an inspirational look at how Hong Kong might operate in the future, taking into account factors like energy supply and how we will live, work and travel.
- This vision should also include greater consideration to economic and social indicators such as an improvement in economic productivity through increased resource efficiency, innovation, business creation, social enterprise and tackling long-term unemployment.
- We believe that once Hong Kong's low carbon vision is defined it should then be broken down into a roadmap or a blueprint for action that includes the necessary social, economic and technological transitions, as well as outlines interim milestones.
- To further visualise Hong Kong as a low carbon city it is suggested that the government works with advertising and design agencies to help people imagine and 'buy into' a desirable low carbon future that Hong Kong can and must be.
- The action plan/vision for Hong Kong should then be well communicated with stakeholders (including chambers of commerce and business, civil society representatives, community groups and other relevant stakeholders) so that a sphere of certainty is set to aid its implementation.

2. Making the grid smarter via broadband infrastructure

We believe that making the grid smarter and more efficient by linking it to Hong Kong's excellent broadband internet infrastructure will give the utilities a substantial opportunity to better manage its energy resources and give Hong Kong an opportunity to have smarter buildings. In the USA, the Federal Communication Commission has proposed a

National Broadband Plan for a Smart Grid¹ designed to integrate broadband into the Smart Grid, unleash innovation in smart homes and smart buildings, and accelerate sustainable information and communications technologies. Since most buildings and homes in Hong Kong can get broadband internet access, making Hong Kong's grid smarter and buildings smarter via broadband infrastructure is an exciting opportunity that should be researched further.

3. Co-ordination. Establish a Climate Change Authority

While we welcome the establishment of the Inter-departmental Working Group on Climate Change, we believe that there is a need for an executive environment team or 'Climate Change Authority' to be established to commit to coordinating climate change mitigation and adaptation planning and implementation across the city's commissions, government departments, corporations, associations and civil society groups.

¹ <http://www.broadband.gov/plan/>