

立法會
Legislative Council

LC Paper No. CB(1)1270/14-15
(These minutes have been seen
by the Administration)

Ref : CB1/PL/EA

Panel on Environmental Affairs

Minutes of meeting
held on Tuesday, 21 July 2015, at 10:45 am
in Conference Room 3 of the Legislative Council Complex

Members present : Hon CHAN Hak-kan, JP (Chairman)
Dr Hon Kenneth CHAN Ka-lok (Deputy Chairman)
Hon James TO Kun-sun
Hon TAM Yiu-chung, GBS, JP
Hon Cyd HO Sau-lan, JP
Hon CHAN Kin-por, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon Paul TSE Wai-chun, JP
Hon Frankie YICK Chi-ming, JP
Hon WU Chi-wai, MH
Hon Charles Peter MOK, JP
Hon CHAN Han-pan, JP
Hon KWOK Wai-keung
Hon Dennis KWOK
Dr Hon Elizabeth QUAT, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon Tony TSE Wai-chuen, BBS

Members absent : Hon Vincent FANG Kang, SBS, JP
Hon WONG Ting-kwong, SBS, JP
Hon Albert CHAN Wai-yip
Hon Michael TIEN Puk-sun, BBS, JP
Hon Steven HO Chun-yin, BBS
Hon Kenneth LEUNG
Hon Christopher CHUNG Shu-kun, BBS, MH, JP

Public Officers attending : For item III

Ms Christine LOH, JP
Under Secretary for the Environment

Mr Andrew LAI, JP
Deputy Director of Environmental Protection (3)
Environmental Protection Department

Ms Vivian WONG
Senior Environmental Protection Officer (Mobile Source)2
Environmental Protection Department

For item IV

Ms Christine LOH, JP
Under Secretary for the Environment

Mr Howard CHAN, JP
Deputy Director of Environmental Protection (2)
Environmental Protection Department

Mr WONG Hon-meng
Assistant Director (Waste Reduction & Recycling)
Environmental Protection Department

Clerk in attendance : Ms Angel SHEK
Chief Council Secretary (1)1

Staff in attendance : Miss Lilian MOK
Senior Council Secretary (1)1

Ms Mandy LI
Council Secretary (1)1

Miss Mandy POON
Legislative Assistant (1)1

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I. Confirmation of minutes

(LC Paper No. CB(1)1110/14-15 — Minutes of the meeting held on 2 June 2015)

The minutes of the meeting held on 2 June 2015 were confirmed.

II. Information papers issued since last meeting

2. Members noted that the following papers had been issued since the last meeting –

(LC Paper No. CB(1)1116/14-15(01) — Administration's paper on "Report on the Cleaner Production Partnership Programme"

LC Paper No. CB(1)1126/14-15(01) — Administration's paper on "Sewage Services Operating Accounts Actual Outturn in 2013-14 and Projected Outturn in 2014-15")

Item proposed for discussion at a future meeting

3. Referring to the submission from Greenpeace East Asia (LC Paper No. CB(1)965/14-15(01)) circulated to members on 8 June 2015, the Deputy Chairman proposed the Panel discuss the latest development of the nature conservation policy, including the protection of incense trees, the prohibition of illegal ivory trade, the smuggling of totoaba fish bladders (commonly known as "fish maws"), etc., as early as possible in the 2015-2016 legislative session. The Chairman agreed to the proposal and requested the Administration to co-ordinate with relevant government bureaux/departments ("B/Ds") to brief members on the subject early in the next session.

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III. Progress report on the Pilot Green Transport Fund

(LC Paper No. CB(1)1113/14-15(01) — Administration's paper on "Progress report on the Pilot Green Transport Fund"

LC Paper No. CB(1)1113/14-15(02) — Updated background brief on "Pilot Green Transport Fund" prepared by the Legislative Council Secretariat)

Briefing by the Administration

4. The Deputy Director of Environmental Protection (3) ("DDEP(3)") briefed members on the latest progress of the Pilot Green Transport Fund ("the Fund") which was set up in 2011 with \$300 million to support the public transport sector and non-profit organizations ("NPOs") to test out green and innovative technologies in respect of reducing air pollutant emissions and/or carbon footprint.

Discussion

Use of environmentally-friendly taxis

5. Pointing out that the taxi trade was facing the problem of insufficient liquefied petroleum gas ("LPG") filling stations, Ir Dr LO Wai-kwok urged the Administration to enhance the provision of LPG filling facilities and extend the coverage of the filling network. He also sought elaboration on how the Fund would encourage the taxi trade to test out new types of environmentally-friendly taxis.

6. DDEP(3) advised that the Fund was set up to promote green and innovative transport technologies including electric taxis. As at end of June 2015, the Fund had approved 92 projects involving eight electric taxis, three of which were under trial. While the use of electric taxis would bring about environmental benefits, there were practical limitations to their wider use in Hong Kong as the current technology stood, which included in particular the long charging time to support their daily operation.

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7. In view of the present shortage of LPG filling stations, Mr Frankie YICK considered that the introduction of new types of environmentally-friendly taxis, including hybrid taxis and electric taxis, would give drivers additional choices. Nonetheless, a comprehensive switch of all LPG taxis to electric ones would largely depend on the technology available, the network of charging facilities, and the operational efficiency and capital costs of electric taxis. He enquired whether the Administration would conduct a study to compare the levels of nitrogen oxides ("NO_x") emitted by LPG taxis and diesel taxis in compliance with Euro VI emission standards that used biodiesel, and consider afresh the introduction of diesel taxis in Hong Kong if their environmental performance were acceptable. Ir Dr LO Wai-kwok shared Mr YICK's views, and urged the Administration to proactively conduct feasibility studies on different types of green vehicles.

8. DDEP(3) responded that the Administration had reservation on the use of diesel taxis as diesel vehicles emitted larger quantities of respirable suspended particulates and NO_x as compared with their petrol and LPG counterparts. According to the World Health Organization, exposure to diesel particulates exhaust was carcinogenic. The Administration had therefore adopted an incentive-cum-regulatory approach to phase out some 82 000 pre-Euro IV diesel commercial vehicles before 2020 to improve roadside air quality and better protect public health. Nevertheless, the Administration would be willing to provide the necessary assistance if the taxi trade wished to conduct the proposed study.

9. Mr WU Chi-wai doubted why only one electric taxi model had so far been type-approved by the Transport Department if it was the Government's policy to promote green transport in Hong Kong. DDEP(3) stressed that the Administration welcomed commercial vehicle manufacturers worldwide to put on the local market their electric and hybrid vehicles. As set out in Annex F to the Administration's paper, 19 commercial models of electric and hybrid vehicles had been type-approved as at end of June 2015. However, whether or not commercial vehicle manufacturers would be eager to introduce different models of electric or hybrid vehicles to the local market was solely a commercial decision.

Promotion of electric vehicles ("EVs")

10. Mr WU Chi-wai enquired whether and how the Administration would install more quick chargers in government car parks to promote the use of EVs on a wider scale. DDEP(3) advised that the green and innovative technologies supported under the Fund could be a new vehicle type, equipment or machinery related to transport activities, or a new retrofit

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system. In general, the Fund would subsidize the capital cost of the hardware of the green and innovative technology product and its support system (e.g. charging or refilling facilities) proposed for trial. To meet the charging demand of EVs under trial, the Fund had subsidized the installation of chargers, including medium or quick chargers. The Under Secretary for the Environment ("USEN") supplemented that while quick chargers could charge up an EV in a relatively short time, it might affect the battery performance if they were used on a long-term basis as compared with charging with standard/medium chargers.

11. The Deputy Chairman enquired about the work of the Steering Committee on the Promotion of EVs ("the Steering Committee") chaired by the Financial Secretary and its major achievements so far in formulating strategies and measures to promote the use of EVs in Hong Kong. Citing the EVs manufactured by the Hong Kong Polytechnic University under the brand name of "My Car" as an example, he urged the Administration to encourage scientific and research personnel to develop new technology for EV structures and batteries with a view to enhancing the performance and economic efficiency of EVs.

12. USEN advised that the establishment of the Steering Committee and the Fund had clearly reflected the Administration's resolve to promote the use of EVs in Hong Kong. Given the improving technology, lower capital costs and emergence of new models of EVs in recent years, EVs had steadily made their way to the local market. The charging network for EVs had also been expanded to cover all 18 districts in Hong Kong to support the rising number of EVs. As a huge number of people were commuting by public transport every day, the introduction of EVs in the public transport sector would be more conducive to improving roadside air quality. While the public transport trades had hesitation in using green vehicles, the Fund could help overcome their worries through trying out EVs and hybrid vehicles.

Cost-effectiveness of the Fund

13. Noting that the transport trades and NPOs receiving subsidies from the Fund were not required to undertake to procure green transport technologies after successful trial, the Chairman and Mr Paul TSE expressed concern that the Fund might not be an effective means to promote green transport, and doubted the Administration's determination in phasing out heavily polluting vehicles within a specified timeframe to achieve the ultimate objective that only zero emission vehicles would be running in Hong Kong. Ms Cyd HO called upon the Administration to consider whether a legislative approach should be adopted to mandate the use of green vehicles in order to reduce vehicular emissions. Mr CHAN Kin-por enquired whether

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the Administration would adopt objective criteria to assess and evaluate the operational performance of different green transport technologies.

14. USEN advised that since the launch of the Fund, 14 projects had been completed. As the trial findings had shown that the use of EVs and hybrid vehicles would give rise to energy efficiency improvement, environmental benefits as well as new business opportunities, the Administration expected that more and more transport operators and NPOs would be willing to try out green transport technologies. The Administration would also continue to procure more EVs and liaise with vehicle suppliers and manufacturers to encourage them to introduce more EV models to Hong Kong. USEN stressed that the use of zero emission buses was the Government's long-term goal to ease roadside air pollution and improve overall air quality. However, the technology for zero emission buses had yet to be fully proved and double-decker electric buses were still not yet available in the market. The Administration would conduct trials before deciding on a comprehensive switch of a vehicle type to electric one and keep in view international developments. The Administration would consider having a more comprehensive evaluation on the environmental performance of trial vehicles, including their carbon emissions.

15. USEN further advised that the development of green vehicles was still at an early stage. At present, green transport technologies might not attain the range required of public transport vehicles and the number of green vehicle models available could not be compared with that of their conventional counterparts. As such, green vehicles might not be able to proceed to the stage of full implementation in Hong Kong for the time being. The Administration would review the need for legislation to mandate the use of green vehicles when the relevant technologies were mature and a business case emerged for commercial deployment.

16. DDEP(3) then explained the levels of subsidy for various green transport technologies. He advised that all fund recipients were required to provide data regularly to the independent third-party assessors appointed by the Environmental Protection Department ("EPD"), and the assessors would submit progress reports on a six-month interval and final reports after the two-year trial was completed for uploading to EPD's webpage for public reference. While most of the applications received were for trials of EVs and hybrid vehicles, the transport trades could consider extending the trial to solar-powered vehicles when the relevant technology was available in future.

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Subsidies for the marine transport sector

17. The Chairman expressed concern whether the levels of subsidy under the Fund were far from adequate to assist the marine transport sector to test out new green technologies. Ms Cyd HO also enquired whether the Administration had proactively encouraged other ferry operators to apply for the Fund. DDEP(3) reiterated that the Fund was applicable to different types of transport, including ferries. Briefing sessions had been organized to encourage both land and marine transport sectors to apply for the Fund. For example, two applications from The "Star" Ferry Company Limited were approved in 2014. Under the Fund, the subsidy cap in respect of engine retrofit or testing of alternative-fuelled engine for ferries was \$3 million per engine or device, and \$9 million per application.

IV. Green procurement

(LC Paper No. CB(1)1113/14-15(03) — Administration's paper on "Promoting green procurement"

LC Paper No. CB(1)1113/14-15(04) — Background brief on "Green procurement" prepared by the Legislative Council Secretariat)

Briefing by the Administration

18. With the aid of a power-point presentation, the Assistant Director of Environmental Protection (Waste Reduction & Recycling) ("ADEP(WR&R)") briefed members on the Government's initiatives in promoting green procurement.

(*Post-meeting note:* A set of the power-point presentation materials was circulated to members vide LC Paper No. CB(1)1135/14-15(01) on 21 July 2015.)

Discussion

Promoting biodiesel

19. Mr Paul TSE sought elaboration on the use of B5 diesel in government operations, and enquired how the Administration would promote a wider use of B5 diesel within the Government. Mr Frankie YICK enquired

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about promoting biodiesel to the general public at the local retail level.

20. ADEP(WR&R) responded that B5 diesel was a blend of 5% biofuel and 95% ordinary diesel, and its retail price was comparable to that of ordinary diesel. In 2014, about 40 million litres of ordinary diesel was consumed by the Government. It was estimated that the total consumption of B5 diesel by the non-government sector would be about 17 million litres in the coming three years, representing about 15% of the total diesel consumption by the Government annually. The Deputy Director of Environmental Protection (2) ("DDEP(2)") assured members that the Administration was committed to promoting a wider use of B5 diesel in Hong Kong. Although B5 diesel might not be suitable for some machineries, vehicles and vessels, more and more B/Ds had demonstrated interest in using B5 diesel in their operation where feasible and appropriate. The Administration would continue to encourage B/Ds to use or boost consumption of B5 diesel in the next available occasion, and promote the B5 diesel to the general public.

Expanding green procurement

21. While supporting the Government's initiatives in promoting green procurement, Dr Elizabeth QUAT expressed concern that there might be a premium in the prices of green products as compared with that of conventional products. She enquired how the Administration would encourage B/Ds to give priority to procuring green products. Mr Tony TSE also expressed concern how the Administration would ensure that the green products procured by different B/Ds were of high quality and available at competitive prices. The Chairman opined that the Administration should consider giving priority to procuring local green products in order to develop green economy.

22. DDEP(2) advised that the Government had amended its procurement policy in 2000 to require B/Ds to adopt the green specifications promulgated by EPD in their purchases as far as practicable. In line with the consideration of value for money, the use of green products as replacement or alternative to conventional products should be accepted if there was adequate market supply. For example, for the purchase of common user items, the Administration had adopted green specifications as "mandatory" requirements in tender specifications if the green products concerned were available in the market with adequate supply in terms of models and quantities. For new green products with limited market availability, green specifications would be included as "desirable" features in tender specifications, and tenderers would be invited to indicate whether their green products complied with the respective green specifications. If there were two

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or more lowest conforming offers which were identical in all respects, the one meeting the desirable green specification(s) would be given the preference.

23. As regards the procurement of local green products, USEN advised that as Hong Kong had acceded to the Agreement on Government Procurement of the World Trade Organization ("WTO GPA"), the Government had to open its procurement activities to international competition and comply with a set of requirements regarding non-discriminatory treatment of goods, services and service suppliers, qualification of suppliers, tender procedures, tender specifications and challenge procedures. While strictly observing the requirements of WTO GPA, DDEP(2) said that based on past observations the suppliers of local green products performed very well in terms of their comparatively low operating costs and well-developed logistics and supply chains. The Government also adopted different measures to help local suppliers expand the market of green products outside the tendering context.

24. Ir Dr LO Wai-kwok sought elaboration on how the Administration would promote green procurement within the Government, and urged the Administration to adopt light-emitting diode (commonly known as "LED") road lights on a wider scale to enhance energy efficiency. DDEP(2) advised that an inter-departmental working group comprising representatives from various related B/Ds including the works departments and the Government Logistics Department, to name a few, had been set up to promote green procurement in the Government. Two circulars which set out a comprehensive framework for the procurement of recycled and other green materials in public works projects and additional measures to expand green procurement in the Government had been issued to all B/Ds. B/Ds were required to adopt respective green specifications whenever they purchased items which were available on the market with adequate models and quantities in supply.

25. In response to Dr Elizabeth QUAT's enquiry about small amount purchase in government procurement, DDEP(2) explained that small amount purchase referred to purchase at a maximum of \$50,000 per order, regardless of the quantity of purchase items. To facilitate small amount purchase by B/Ds, the Administration had developed streamlined green purchase tips and associated verification methods for frontline procuring staff to carry out the purchases. If the purchase amount per order exceeded \$50,000, B/Ds should adopt the full green specifications applicable for bulk purchase.

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26. Having regard that the costs of the products and services with green specifications might in some cases be higher than those without green features, Mr Tony TSE and Ms Cyd HO enquired how the Administration would promote green procurement to the business sector, and whether the Government's green procurement practice would help lower the market price of green products. They held the view that the Government's initiative of taking the lead on green procurement would facilitate the development of markets for green products. If the Administration could illustrate the environmental benefits of green procurement to the private sector, the latter would be more willing to consider similar practices. In the meantime, labelling and certification schemes could help arouse the awareness of green purchasing among the general public. The Chairman urged the Administration to encourage the private sector to sign up to the Hong Kong Green Purchasing Charter established by the Green Council in 2005 to practise green purchasing.

27. DDEP(2) advised that the Administration would appeal to the business sector through various channels to adopt green procurement practices as far as possible. For example, it would encourage the business sector to make reference to the resources in the information portal on green government procurement to develop their green procurement practices. The information portal also provided hyperlinks to local and overseas green procurement practices, green product labelling/certification schemes, etc. Besides, works related B/Ds had started to prompt the construction industry to incorporate green specifications and features as tender requirements for works contracts. EPD would continue to review from time to time the Government's green procurement list with a view to including more green products as appropriate. In response to Members' request, DDEP(2) undertook to check if information on the price changes of waste cooking oil ("WCO") in recent years following the Government's increase in its procurement and consumption of B5 diesel that contained 5% biofuel which mainly came from WCO could be provided.

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(Post-meeting note: The Administration's response was circulated to members vide LC Paper No. CB(1)1186/14-15(01) on 17 August 2015.)

28. Rounding up the discussion, the Chairman remarked that the Administration should take the lead to adopt a green procurement policy, thereby setting an example for the business sector to follow. Having regard that local recyclable materials did not have sufficient market outlets, he considered that the Government's initiatives in promoting green procurement would boost the demand for recyclables at source, create more business for

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the local recycling trade and generate more opportunities for the environmental sector as a whole.

V. Any other business

29. There being no other business, the meeting ended at 12:25 pm.

Council Business Division 1
Legislative Council Secretariat
30 September 2015