

財經事務及庫務局

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By Email (dwylo@legco.gov.hk)

13 March 2018

Ms Doris LO
Chief Council Secretary (1)2
Council Business Division 1
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road, Central
Hong Kong

Dear Ms LO,

Public Works Subcommittee

Inland Revenue Tower in Kai Tak Development

During the discussion of the item “122KA - Inland Revenue Tower in Kai Tak Development” at the Public Works Sub-committee meeting held on 12 February 2018, the Government was requested to provide supplementary information on the payback period of the project’s photovoltaic system. Our reply in consultation with the Architectural Services Department is set out at Annex.

Yours sincerely,



(Lawrence Li)

for Secretary for Financial Services and the Treasury

c.c. W Division (Attn: Ms Terri Kwong)

Annex

Inland Revenue Tower in Kai Tak Development

Payback Period of the Photovoltaic System

In line with the government's policy on green buildings and combating climate change, government buildings, premises and community facilities will be installed with renewable energy (RE) systems where practicable. At the same time, the government's policy on green buildings sets a project's expenditure on RE and energy efficient (EE) features not exceeding two percent of the total project cost. This ensures that the expenditure in this regard is kept within a reasonable level.

2. RE facilities are still in a developmental stage. Unlike a typical EE feature, the payback period for an RE system is not an important benchmark for assessing its effectiveness. In fact, some values are difficult to quantify and hence cannot be accounted for in the payback period. These values include reduced reliance on electricity generated from fossil fuels, reduced environmental pollution due to fossil fuels and reduced social costs arising from pollution. An RE system also sets an example for the community and raises environmental awareness of the general public. Thus, the payback period cannot accurately reflect the true benefits of an RE system.

3. Moreover, the energy generated by a photovoltaic system will vary depending on the weather, solar irradiance level, installation details (such as panel inclination angle, etc.), whereas the savings in electricity charges will hinge on the exact mode of use and operation of the building. All these factors affect the estimation of the payback period. Nonetheless, the Government believes that the installation of RE and EE features will promote low-carbon development. As the Government considers promoting the adoption of RE and EE features by different sectors of the community as one of its key tasks in mitigating climate change, it will lead by example to encourage the community and private organisations to install RE facilities.

Financial Services and the Treasury Bureau
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