

Suggestions for Promoting Renewable Energy Applications in Hong Kong

1. Legal Compulsory Measures adopted in the world

There are mainly three types of legal compulsory means to promote renewable energy development, namely compulsory quota policy, compulsory purchase policy and voluntary purchase policy. In terms of renewable energy development speed, the compulsory purchase policy is the most effective measure.

1) Compulsory quota policy:

This policy relies heavily on the energy market to promote the use of renewable energy. Britain, Australia, French and some states in the United States adopt this policy.

2) Compulsory purchase policy

This policy functions from both energy market and the Government promotion. Germany, Spain, Denmark and Austria adopt this policy. The working principles of the compulsory purchase policy:

- Compulsory grid access for all generating facilities using RE: Power companies have the obligation to provide all RE users connection/access to their power grid.
- Preferential purchase: Power companies have the obligation to purchase all the electricity generated by consumers with electricity generating systems using RE.
- Fixed purchase price: Power companies have the obligation to purchase electricity generated by RE resource at fixed price that regulated in the law.
- Allocation of expenses: The expenses of grid connection are apportioned by all the end users of the power grid.

3) Voluntary purchase policy

This policy relies on the public awareness of energy and environment protection. Netherlands and China shanghai adopt this policy.

2. Economic Incentive Measures adopted in the world

- Legislate the “Hong Kong Renewable Energy Law” for promoting renewable energy application with legislation basis;
- Set up clear energy policy and future renewable energy targets;
- Subsidize investors, producers and users of renewable energy resources;
- Set up a “1 billion HK\$ fund” to initiate a “Ten-Thousand Photovoltaic Roof” programme for five years;
- Impose environmental protection tariff on non-RE resource users or producers and introduce levies on pollutant emissions;
- Introduce preferential price to RE products;
- Low interest loan for facilitating the growth of companies or groups in RE field;
- Reduce or remove tax burden for public and private investors on renewable energy applications, and
- Increase the amount of funding for R&D in RE and develop technical guidelines and codes on renewable energy applications.