

LC Paper No. CB(1)110/07-08 (These minutes have been seen by the Administration)

Ref: CB1/BC/4/06/2

Bills Committee on Energy Efficiency (Labelling of Products) Bill

Minutes of the seventh meeting held on Thursday, 4 October 2007, at 10:45 am in Conference Room A of the Legislative Council Building

Members present	:	Hon Audrey EU Yuet-mee, SC, JP (Chairman) Hon Fred LI Wah-ming, JP Hon SIN Chung-kai, SBS, JP Hon Emily LAU Wai-hing, JP Hon Vincent FANG Kang, JP Hon WONG Ting-kwong, BBS
Members absent	:	Dr Hon LUI Ming-wah, SBS, JP Hon CHOY So-yuk, JP Hon Abraham SHEK Lai-him, SBS, JP
Public officers	:	Environment Bureau
attending		Miss Emmy WONG Principal Assistant Secretary for the Environment (Energy) 1
		Miss Joceline CHUI Assistant Secretary for the Environment (Energy) 3
		Electrical and Mechanical Services Department
		Mr Stephen CHAN, JP Deputy Director/Regulatory Services (Acting)
		Mr Michael CHEUNG Assistant Director/Energy Efficiency (Acting)
		Department of Justice
		Ms Phyllis POON Senior Government Counsel (Acting)

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	Environmental Protection Department
	Mr Patrick LEI Principal Environmental Protection Officer (Waste Management Policy)
	Mr FUNG Sang Senior Environmental Protection Officer (Special Waste & Landfill Restoration) 1
Clerk in attendance :	Miss Becky YU Chief Council Secretary (1)1
Staff in attendance :	Mr Timothy TSO Assistant Legal Adviser 2
	Ms Debbie YAU Senior Council Secretary (1)1

I Confirmation of minutes

(LC Paper No. CB(1) 2416/06-07

-- Minutes of the meeting held on 20 September 2007)

The minutes of the meeting held on 20 September 2007 were confirmed.

II Meeting with the Administration

(LC Paper No. CB(1) 2423/06-07(01)	List of follow-up actions arising from the discussion on 20 September 2007
LC Paper No. CB(1) 2423/06-07(02)	Administration's response to items 4 and 5 of LC Paper No CB(1) 2423/06-07(01)
LC Paper No. CB(1) 2423/06-07(03)	Summary of deputations' views or individual clauses of the Bill
LC Paper No. CB(1) 2425/06-07(01)	Administration's response to items 1 to 3 of LC Paper No CB(1) 2423/06-07(01)
LC Paper No. CB(3) 457/06-07	The Bill
Ref: EP 86/08/70 (07)	The Legislative Council Brief
LC Paper No. CB(1) 1913/06-07(03)	A list of questions raised by Hon CHOY So-yuk
LC Paper No. CB(1) 2065/06-07(01)	Administration's response to LC Paper No. CB(1) 1913/06-07(03))

2. The Committee deliberated (Index of proceedings attached at **Annex A**).

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- 3. The Administration was requested to
 - (a) Consider proposing to the industry introduction of a "deposit" system for compact fluorescent lamps (CFLs) such that consumers could get a refund when they returned their used CFLs, or imposing an additional levy on incandescent lamps with a view to narrowing down the price disparity between CFLs and incandescent lamps in order to encourage the switch from incandescent lamps to CFLs;
 - (b) Re-consider waiving the disposal fee for treatment of used CFLs by the Chemical Waste Treatment Centre to encourage the setting up of voluntary collection schemes for used CFLs in residential developments, particularly when disposal of used CFLs as domestic waste in landfills was currently free of charge. To also advise whether the proposed waiver was permissible under the Waste Disposal (Charges for Disposal of Chemical Waste) Regulation;
 - (c) Provide, before the resumption of Second Reading debate on the Bill, a paper setting out details of the Administration's comprehensive plan to encourage the setting up of voluntary collection schemes in residential developments taking into account members' suggestions as set out above and the outcome of discussion with the trade; and
 - (d) Advise whether an importer of a prescribed product who had committed an offence under clause 4 would not be eligible for the defence of due diligence under clause 45 if the energy label for the product was provided by the manufacturer.
- 4. The next three meetings would be held as follows -
 - (a) Tuesday, 30 October 2007, at 10:45 am;
 - (b) Tuesday, 13 November 2007, at 10:45 am; and
 - (c) Tuesday, 27 November 2007, at 10:45 am;

III Any other business

5. There being no other business, the meeting ended at 12:45 pm.

Council Business Division 1 Legislative Council Secretariat 25 October 2007

Proceedings of the meeting of the Bills Committee on Energy Efficiency (Labelling of Products) Bill Meeting on Thursday, 4 October 2007, at 10:45 am in Conference Room A of the Legislative Council Building

Time Marker	Speaker	Subject(s)	Action Required
000000 - 000249	Chairman	Confirmation of minutes of the meeting held on 20 September 2007 (LC Paper No. CB(1) 2416/06-07)	
000250 - 001512	Chairman Administration	Briefing by the Administration on its response to members' views raised at the meeting on 20 September 2007 (LC Paper Nos. CB(1) 2423/06-07(02) and 2425/06-07(01))	
001513 - 002411	Ms Emily LAU Administration Chairman	 Ms LAU's enquiry on the basis upon which the estimated number of incandescent lamps to be replaced by compact fluorescent lamps (CFLs) after passage of the Bill was made and her concerns about the capacity of the Chemical Waste Treatment Centre (CWTC) to treat the anticipated surge in mercury waste as a result of the increased use of CFLs, the cost involved and the time taken to increase the facility Administration's advice – (a) The estimate was made according to the market survey commissioned by the Electrical and Mechanical Services Department (EMSD). Cost consideration and compatibility of CFLs with existing installations were the main concerns in considering the switch from incandescent lamps to CFLs (b) Currently, the mercury waste treatment facility at CWTC comprised a crusher and a distiller which had an annual maximum capacity of 2.3 million and 850 000 lamps respectively. If there was a need to increase the treatment capacity, the 	

Time Marker	Speaker	- 2 - Subject (s)	Action Required
		Administration could acquire additional distillers and crushers, which could be delivered within a few months and would cost about 3 million	
002412 - 003023	Mr SIN Chung-kai Administration	 about 3 million Enquiry on the use of CFLs in Government premises Enquiry about the use of CFLs or light-emitting diodes (LEDs) as street lamps Administration's advice – (a) Incandescent lamps in all government premises were being replaced with CFLs as far as possible over the past years; (b) At present, high pressure sodium lamps were used for street lighting purpose. These were high power lamps which already had higher efficacy than ordinary lamps and could not be replaced by CFLs; and (c) LEDs were used as traffic lights, lighting for exit signs and in a MTR cabin for trial purpose, etc. LEDs were energy efficient, had a much longer life span but also more expensive. LED technology had to be further developed before this could be put to use in large scale for general lighting purpose Mr SIN's comment that as LEDs had a very low heat emission, the wider use of LEDs could help reduce the global warming effect. Government departments responsible for managing public premises, such as the Housing Department, Leisure and Culture Services Department and Highways Department, should take the lead in using LEDs 	

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Time Marker	Speaker	Subject(s)	Action Required
003024 - 003302	Mr WONG Ting-kwong Administration	Discussion on whether the Bill could cater for inclusion of other energy efficient products as a result of future technological development. Administration's advice that this could be done by amending Schedule 1 to the Bill	
003303 - 004536	Chairman Administration Mr WONG Ting-kwong	Discussion on the disposal fee charged by CWTC for used CFLs Chairman's repeated concern that the proposal of disposing of used CFLs through a fee-charging voluntary collection schemes would serve as a disincentive given the fact that used CFLs disposed of in landfills as domestic waste were currently free of charge. Besides, who would be responsible to pay for the disposal fee Administration's advice that CFL trade responded positively to join a working group (WG) to discuss the proposal of setting up voluntary collection scheme(s) because proper and safe disposal of CFLs might help boost sales of CFLs. The Environmental Protection Department (EPD) would continue discussion with the trade at the WG meetings on details of the schemes Mr WONG's urge for the Administration to step up effort in encouraging the CFL trade, in particular retailers, to set up collection schemes to protect the environment	
004537 - 004807	Chairman Administration Mr WONG Ting-kwong	Chairman's suggestion of introducing a "deposit system" for CFLs such that consumers could get a refund when they returned their used CFLs Mr WONG's support for the proposed "deposit" system as it was commercially viable	The Administration to consider proposing to the industry introduction of a "deposit system" for CFLs such that consumers could get a refund when they returned their used

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Time Marker	Speaker	Subject(s)	Action Required
		Administration's advice –	CFLs
		 (a) EPD had encouraged the CFL trade to draw on the successful experience of the voluntary recovery scheme for used rechargeable batteries to set up collection points for used CFLs at housing estates and other locations; and 	
		 (b) A CFL supplier was discussing with two property management companies on details to put in place a pilot collection scheme by the end of 2007 at some housing estates. Consideration had been given to offering the participating residents a coupon for each used CFL returned such that they could buy a specified brand of CFL at a discount 	
004808 - 005817	Ms Emily LAU Administration Chairman	 Concern about – (a) the small percentage of used CFLs being treated by CWTC in 2006; and (b) the poor response rate to EPD's invitation for setting up voluntary collection schemes; and (c) feasibility to mandating public and subvented bodies to collect and send used CFLs to CWTC for treatment Administration's response – (a) It would step up publicity on the safe disposal of used CFLs and encourage the trade to set up voluntary collection schemes; and 	The Administration to provide, before the resumption of Second Reading debate on the Bill, a paper setting out details of the Administration's comprehensive plan to encourage the setting up of voluntary collection schemes in residential developments taking into account members' suggestions raised at the meeting and the outcome of discussion with the trades
		(b) A progressive approach had been adopted in promoting the setting up of collection schemes, starting with the Government and then other public and private	

Time Marker	Speaker	- 5 - Subject(s)	Action Required
		organizations Chairman's request for further information regarding the setting up of collection schemes	
005818 - 010046	Mr SIN Chung-kai Chairman	 Mr SIN's suggestion/view – (a) To encourage the switch from incandescent lamps to CFLs, consideration should be given to imposing an additional levy on incandescent lamps with a view to narrowing down the price disparity between CFLs and incandescent lamps; and (b) EPD's programme on Source Separation of Domestic Waste might also include used CFLs and rechargeable batteries 	The Administration to consider imposing an additional levy on incandescent lamps with a view to narrowing down the price disparity between CFLs and incandescent lamps
010047 - 010658	Ms Emily LAU Administration Chairman	 Ms LAU's repeated urge for the Administration to waive the disposal fee for treatment of used CFLs by CWTC, particularly when the Government was exempted from such payment Administration's explanation – (a) The fee exemption for the Government was provided under the Waste Disposal Ordinance (Cap. 354); (b) The Waste Disposal (Charges for Disposal of Chemical Waste) Regulation (Cap 354J) provided other waivers as appropriate. For instance, schools and educational institutions funded by the Government were exempted from payment of charges for disposing of chemical waste at CWTC; and (c) The disposal fee of HK\$1,027 per tenno only recovered about 	The Administration to re-consider waiving the disposal fee for treatment of used CFLs to encourage the setting up of voluntary collection schemes for used CFLs
		per tonne only recovered about 31% of the variable operating	

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Time Marker	Speaker	Subject(s)	Action Required
		cost and the Government still had to subsidize the remaining 69%	
010659 - 011549	Mr WONG Ting-kwong Chairman Administration	Mr WONG's view that it would be more viable and cost-effective to set up collection points for used CFLs at retail outlets as he observed that the collection points set up for used rechargeable batteries at residential developments only received lukewarm response. He also supported that the Administration should waive the disposal fee	
011550 - 012304	Mr Vincent FANG Administration	 Mr FANG's view – (a) The Administration should waive the disposal fee given that the operating cost of the collection schemes, in particular the transportation cost, would be quite high. In view of the Government's existing healthy fiscal position, waiving of the disposal fee would encourage public participation in environmental protection, particularly when disposal of used CFLs in landfills as domestic waste was currently free of charge; and (b) The Administration should step up publicity on the economic benefits from switching to CFLs Administration's response – (a) The \$1,027 disposal fee already included transportation of used CFLs by the CWTC contractor; (b) The trades were prepared to pay the disposal fee because the collection schemes might help boost the sales of CFLs; and It would reflect members' views to the relevant task force 	The Administration to re-consider waiving the disposal fee for treatment of used CFLs to encourage the setting up of voluntary collection schemes, particularly when disposal of used CFLs as domestic waste in landfills was currently free of charge

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Time Marker	Speaker	Subject(s)	Action Required
012305 - 012604	Mr SIN Chung-kai	Concern that the proposed "deposit" system for CFLs might aggravate the problem of price disparity between CFLs and incandescent lamps Suggestion to step up effort in collecting used CFLs for public lighting, such as in shopping malls or common area of housing estates	
012605 - 013028	Ms Emily LAU Administration Chairman	Ms LAU's urge for the Administration to re-consider waiving the disposal fee for treatment of used CFLs by CWTC. Enquiry on whether the proposed waiver was permissible under the Waste Disposal (Charges for Disposal of Chemical Waste) Regulation	The Administration to advise whether the proposed waiver was permissible under the Waste Disposal (Charges for Disposal of Chemical Waste) Regulation
		Administration's response that the disposal of different types of chemical waste at CWTC was currently subject to charges. It might not be justified to waive the charges of a specific type of waste	
013029 - 013224	Mr Vincent FANG	Consideration could be given for the a specific government department to collect all used CFLs under the voluntary schemes to CWTC for treatment so that the disposal fee could be waived	
013225 - 013539	Chairman Administration	Continuationofclause-by-clauseexaminationoftheBill(LC PaperNos.CB(1)1913/06-07(03),2065/06-07(01)and2423/06-07(03))Clause 5Briefing by the Administration	
010540 014015			
013540 - 014015	Administration	<u>Clause 6</u> Briefing by the Administration	
014016 - 014915	Ms Emily LAU Administration Chairman	Ms LAU's support for the Business Facilitation Advisory Committee's view that to ease the burden of small and medium-sized enterprises	

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Time Marker	Speaker	Subject(s)	Action Required
		(SMEs), consideration should be given to waiving the requirement for test report for a particular appliance from other suppliers once a test report on the appliance had been submitted	
		Administration's advice that at EMSD's task force meetings, trade members had specifically requested that the names of the information providers should be added to the energy labels to facilitate enforcement and tracing by consumers. Moreover, the energy performance of different batches of products of the same models might sometimes vary. As such, it was necessary that each importer submit the test reports separately, and be responsible for ensuring that the energy performance of the products complied with the information submitted. Moreover, most importers could obtain the test reports from overseas manufacturers.	
014916 - 015120	Mr WONG Ting-kwong Administration	Administration's confirmation that the person who submitted specified information for a product model under proposed section 6 of the Bill was required to notify the Director of Electrical and Mechanical Services if there was subsequent change to the business address	
015121 - 020124	Mr Vincent FANG Administration Chairman Mr WONG Ting-kwong	Discussion on the responsibilities of manufacturer, importer, wholesalers, agents and retailers on the supply of prescribed products	
020125 - 020218	Assistant Legal Adviser 2	Enquiry whether an importer of a prescribed product who had committed an offence under clause 4 would not be eligible for the defence of due diligence under clause 45 if the energy label for the product was provided by the manufacturer	To advise whether an importer of a prescribed product who had committed an offence under clause 4 would not be eligible for the defence of due diligence under clause 45 if the

Time Marker	Speaker	Subject(s)	Action Required
			energy label for the product was provided by the manufacturer
020219 - 020340	Chairman	Dates of next meetings	

Council Business Division 1 Legislative Council Secretariat 25 October 2007