

立法會
Legislative Council

LC Paper No. CB(1) 2235/07-08
(These minutes have been seen
by the Administration)

Ref : CB1/BC/7/07/2

Bills Committee on Air Pollution Control (Amendment) Bill 2008

**Minutes of the ninth meeting
held on Tuesday, 3 June 2008, at 1:00 pm
in Conference Room B of the Legislative Council Building**

- Members present** : Hon Audrey EU Yuet-mee, SC, JP (Chairman)
Hon Martin LEE Chu-ming, SC, JP
Hon SIN Chung-kai, SBS, JP
Hon Howard YOUNG, SBS, JP
Hon Emily LAU Wai-hing, JP
Hon CHOY So-yuk, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon Alan LEONG Kah-kit, SC
Hon Mrs Anson CHAN, GBM, JP
- Members absent** : Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon LEE Wing-tat
Hon WONG Ting-kwong, BBS
- Public officers attending** : Environmental Protection Department

Mr Carlson K S CHAN
Deputy Director of Environmental Protection (3)

Mr Benny WONG
Assistant Director of Environmental Protection (Air Policy)

Mr PANG Sik-wing
Principal Environmental Protection Officer (Air Policy)

Mr Gordon LEUNG
Environmental Protection Officer (Cross-Boundary & International)31

Department of Justice

Ms Amy CHAN
Senior Government Counsel

Clerk in attendance : Miss Becky YU
Chief Council Secretary (1)1

Staff in attendance : Miss Winnie LO
Assistant Legal Adviser 7

Mrs Mary TANG
Senior Council Secretary (1)2

I Meeting with the Administration

Clause-by-clause examination

(LC Paper No. CB(3) 373/07-08 Ref: EP CR 9/150/21	-- The Bill
LC Paper No. CB(1) 1208/07-08(03)	-- The Legislative Council Brief
LC Paper No. CB(1) 1521/07-08(03)	-- Marked-up copy of the Bill
	-- Summary of deputations' views on individual subjects/clauses of the Bill
LC Paper No. CB(1) 1554/07-08(01)	-- Submission from Mr David RENTON of Baker Botts L.L.P
LC Paper No. CB(1) 1671/07-08(01)	-- Administration's response to the submission from Mr David RENTON of Baker Botts L.L.P.
LC Paper No. CB(1) 1726/07-08(01)	-- List of follow-up actions arising from the discussion on 26 May 2008

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

2. The Administration was requested to -

- (a) consider allowing local power companies to acquire emission credits only if they failed to meet the emission caps with all due diligence. To also consider limiting the amount of emission credits to be acquired by local power companies to a certain percentage of their allocated allowances; and
- (b) provide the conditions in the specified licence governing the intensity of specified pollutants in every unit of electricity generated

3. Members agreed to continue discussion at the next meeting scheduled for Thursday, 5 June 2008, at 8:30 am.

II Any other business

4. There being no other business, the meeting ended at 2:30 pm.

Council Business Division 1
Legislative Council Secretariat
1 August 2008

**Proceedings of the
Bills Committee on Air Pollution Control (Amendment) Bill 2008
Meeting on Tuesday, 3 June 2008, at 1:00 pm
in Conference Room B of the Legislative Council Building**

Time Marker	Speaker	Subject(s)	Action Required
000000 - 000521	Chairman	Chairman's recap on the discussion at the last meeting held on the same day at 8:30 am	
000522 - 001242	Ms Emily LAU Administration Chairman	<p>Ms Emily LAU's view that local power plants should only be allowed to acquire emission credits if they failed to meet the emission caps with all due diligence</p> <p>Administration's explanation -</p> <p>(a) apart from the emission caps, local power plants were also required to meet the per MWh emission limits in terms of the maximum concentration levels of the relevant pollutants set out in their specified licences; and</p> <p>(b) local power plants should endeavour to use the best practicable means to reduce emissions rather than relying solely on emission trading to meet the emission caps</p>	<p>The Administration to -</p> <p>(a) consider allowing local power companies to acquire emission credits only if they failed to meet the emission caps with all due diligence; and</p> <p>(b) provide the conditions in the specified licence governing the intensity of specified pollutants in every unit of electricity generated</p>
001243 - 001906	Miss CHOY So-yuk Administration	<p>Miss CHOY So-yuk's concern that the sale of electricity to the Mainland by local power plants had already increased localized pollution. The emission trading schemes (ETS) would further aggravate the situation as local power plants would have no incentive to improve their emission performance when they would be allowed to acquire emission credits from their Mainland counterparts</p> <p>Administration's explanation -</p> <p>(a) the MWh emission limits in terms of the maximum concentration levels of the relevant pollutants would remain the same irrespective of the amount of electricity generated,; and</p>	

Time Marker	Speaker	Subject(s)	Action Required
		<p>(b) eligible power plants on both sides were required to undertake additional emission reduction projects if they wanted to participate in ETS. Emissions trading under the cross-boundary scheme would facilitate power plants to meet their emission caps and would not have adverse effect on regional air quality.</p>	
001907 - 002500	Mr Martin LEE Administration	<p>Mr Martin LEE's concerns -</p> <p>(a) how to ensure power plants would use best practicable means to reduce emissions; and</p> <p>(b) local power plants would not have the incentive to improve emission performance if they were allowed an easier and cheaper alternative to acquire emission credits from their Mainland partners to meet the emission caps</p> <p>Administration's explanation -</p> <p>(a) as emission caps on power plants would be further tightened with reference to, inter alia, the prevailing best practical means to abate emissions, power plants had to apply best practicable means to reduce emissions if they were to meet the caps; and</p> <p>(b) regional cooperation in the form of emission trading would provide a cost-effective alternative to meet the emission caps on both sides, thereby improving the air quality of the region as a whole</p>	
002501 -003553	Miss CHOY So-yuk Administration Mr Abraham SHEK	Discussion on the allocation of emission allowances to power plants	
003554 - 004026	Mrs Anson CHAN Administration	Discussion on the emission performance of local power plants and how this compared with their Mainland counterparts	

Time Marker	Speaker	Subject(s)	Action Required
004027 - 004735	Mr Martin LEE Administration	<p>Mr Martin LEE's concern about the possible increase in localized pollution as a result of acquisition of emission credits from power plants in Guangdong Province</p> <p>Administration's explanation that the proposed ETS was meant to deal with the regional air pollution problem in a strategic manner. As eligible power plants on both sides were required to undertake additional emission reduction projects for participation in ETS, emissions trading so taken place under the scheme would facilitate power plants to meet their emission caps and would not have adverse effect on regional air quality.</p>	
004736 - 005734	Mr Alan LEONG Administration Chairman	Discussion on the operation and effects of ETS	
005735 - 005803	Mrs Anson CHAN	Mrs Anson CHAN's concern about the increase in the quantity of allocated allowances by local power plants through acquisition of emission credits from their Mainland partners	
005804 - 010400	Ms Emily LAU Administration	<p>Ms Emily LAU's enquiry on the improvement in air quality as a result of ETS</p> <p>Administration's explanation that the 2010 emission reduction targets would be progressively tightened, and that the proposed ETS would provide incentives for power plants to undertake additional emission reduction projects which would not be taken otherwise</p>	
010401 - 010817	Chairman Mrs Anson CHAN Administration	Discussion on the need to limit the amount of emission credits to be acquired by local power companies to a certain percentage of their allocated allowances	The Administration to consider limiting the amount of emission credits to be acquired by local power companies to a certain percentage of their allocated allowances

Time Marker	Speaker	Subject(s)	Action Required
010818 - 011439	Mr Alan LEONG Chairman Administration	Discussion on the setting of emission caps under section 26G and the increase in quantity of allocated allowances through acquisition of emission credits under section 26M	
011440 - 012026	Mr Martin LEE Administration	Mr Martin LEE's concerns about the impact of ETS on local air quality and the need to adopt cleaner practices in power generation	
012027 - 012523	Ms Emily LAU Administration Chairman	Discussion on - (a) increase in quantity of allocated allowances through acquisition of emission credits under section 26M; and (b) application for acquisition of emission credits under section 26M to be included in the technical memorandum under section 26G, which would be subject to the negative vetting procedure	
012524 - 013055	Mr Alan LEONG Administration Chairman	Discussion on the effects of ETS	
013056 - 013300	Chairman Administration	Chairman's request for the Administration to address members' concern about the increase in quantity of allocated allowances arising from the acquisition of emission credits under section 26M	