

Views of CLP Power and Castle Peak Power Company Limited
Bills Committee on Air Pollution Control (Amendment) Bill 2008
Legislative Council Meeting on 22 April 2008

1. We welcome Government's effort to establish a clear and long-term framework for the emissions regulatory process and clarification on anticipated changes to the existing framework. This reduces some of the uncertainties that the electricity industry has faced in this area over the past few years.
2. The Companies appreciate that we have had the opportunities to comment on the draft Air Pollution Control (Amendment) Bill 2008. To ensure that the amendments can be practically applied to the industry balancing the need for reliable and efficient electricity supply and environmental improvement, we have recommended discretion be given to the Authority to allow reasonable limit on banking of unused allowance or credits, and expressed our concern on the stringency of the emissions caps.
3. The Companies recognize the urgent need for Hong Kong to improve on regional air quality. While we welcome Government's effort to enable the flexibility of using emissions trading as an option to satisfy compliance requirement, emissions trading by itself would not reduce the region's overall pollution levels. The region as a whole needs to use energy efficiently, increase clean fuel usage and to equip generating plants with the technologically sound and cost effective emissions control facilities.
4. We have been keeping up our work on air quality improvement. We continue to source and maximize the use of ultra-low sulphur coal at Castle Peak Power Station, we are progressively refurbishing the coal burners to reduce emissions of nitrogen oxides, we are installing flue-gas desulphurization (FGD) and nitrogen oxides reduction equipment on all our Castle Peak "B" units and we are developing an LNG receiving terminal to enable greater use of cleaner fuel by early next decade. As a responsible power generator, we believe that enabling more gas generation will help achieve sustainable local environmental improvement and simultaneously manage emissions of carbon dioxide. These initiatives are complementary to control measures introduced to the transport and other commercial sectors.
5. Environmental improvement is a continual and critical challenge facing the power industry worldwide. Exploring efficient and practicable options to meet such challenge will continue be our priority in striking a good balance in meeting electricity demand and environmental needs.