

## Bills Committee on Air Pollution Control (Amendment) Bill 2008

Summary of deputations' views  
(as at 25 April 2008)

Subject/Clause	Organization/individual	Concern/View	Administration's responses/ proposed amendments
Capping the emissions of sulphur dioxide (SO <sub>2</sub> ), nitrogen oxides (NO <sub>x</sub> ) and respirable suspended particulates (RSP) of the power sector	Association of Engineering Professional in Society Ltd (AES) (LC Paper No. CB(1)1314/07-08(01))	Supports the emission caps.  Future revision of the emission caps should be based on the use of best practicable means (BPM), attainment and maintenance of the Hong Kong Air Quality Objective (HKAQO) and impact of emissions on public health. As BPM includes the use of cleaner fuel, such as natural gas, care has to be taken to ensure adequate fuel supply to ensure reliability of electricity supply. HKAQO should be formulated taking into account public health considerations, availability of proven emission control technologies, social and economic impacts. Extensive consultation with stakeholders should be conducted before setting the new HKAQO.	Noted.  In revising the future emission caps, the Secretary for Environment will comply with the requirements stipulated under the proposed section 26G(2) of the Air Pollution Control (Amendment) Bill 2008 (the Bill), viz.: - the use of BPM for the prevention of emissions; - the need to attain and maintain the relevant air quality objectives; and - whether the emissions would be, or likely to be, prejudicial to health.
	Civic Party (CP) (LC Paper No. CB(1)1314/07-08(03))	Supports the emission caps, which can serve as a driver for better practices and innovative technology to achieve continuous emission reduction. However, public participation is essential in determining the emission caps beyond 2010.	Noted. The Environmental Protection Department (EPD) will consult the relevant stakeholders, including the power companies, the Advisory Council on the Environment and the Panel on Environmental Affairs of the Legislative Council (the EA Panel), before tabling the technical memorandum to the Legislative Council.
	Hongkong Electric Co Ltd (HKE) (LC Paper No. CB(1)1341/07-08(01))	Supports the emission caps. Efforts, including enhancing energy production	Noted.

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		<p>efficiency, installing flue gas desulphurization (FGD) equipment and low NO<sub>x</sub> burners as well as increasing the use of natural gas for electricity generation, are being made to meet the emission caps.</p> <p>A progressive approach should be adopted in formulating HKAQO, which is one of the factors to be considered in setting future emission caps. Apart from public health, other factors, such as the availability of proven emission reduction technology, and recommendations of the World Health Organization (WHO) should also taken into account in working out the relevant policy and targets.</p> <p>As further revision of emission caps will involve changes in fuel mix, technology and supply, sufficient time has to be allowed for power companies to adapt to the changes.</p>	<p>EPD commenced a study in June 2007 to review HKAQO and develop a long-term air quality management strategy, taking into account the latest research results of WHO, the European Union and the United States. In the course of the study, we will carefully consider the relevant issues, such as the impact of pollutants on public health, the necessary technology required for achieving HKAQO, other related policies such as transport and planning, the implementation method and timing, cross boundary pollution etc. We will also engage the public in the process.</p> <p>In the Bill, a lead time of at least four years is proposed for the power companies to adapt to the new emission caps.</p>
	<p>Hong Kong Institution of Engineers (HKIE) (LC Paper No. CB(1)1314/07-08(04))</p>	<p>Supports the emission caps and the need for further revision, but steps have to be taken to ensure that these caps are practical and reasonable.</p>	<p>Noted.</p>

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		<p>If HKAQO is a factor to be considered in setting future emission caps, a progressive approach should be adopted in formulating a new set of HKAQO taking into account health benefits, availability of emission control technologies as well as social and economic impacts. Extensive consultation with stakeholders should also be conducted.</p> <p>Consideration should be given to controlling vehicular emissions.</p>	<p>EPD commenced a study in June 2007 to review HKAQO and develop a long-term air quality management strategy, taking into account the latest research results of WHO, the European Union and the United States. In the course of the study, we will carefully consider the relevant issues, such as the impact of pollutants on public health, the necessary technology required for achieving HKAQO, other related policies such as transport and planning, the implementation method and timing, cross boundary pollution etc. We will also engage the public in the process.</p> <p>The Government has been implementing a comprehensive emission control programme to reduce emissions from vehicles. To further improve roadside air quality, the Government has also introduced the following additional control measures:</p> <ul style="list-style-type: none"> <li>- implementing a \$3.2 billion one-off grant scheme to encourage the replacement of pre-Euro and Euro I commercial diesel vehicles with Euro IV models;</li> <li>- reducing First Registration Tax to encourage the use of environment-friendly private vehicles;</li> </ul>

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			<ul style="list-style-type: none"> <li>- providing tax incentive to encourage the use of Euro V commercial diesel vehicles;</li> <li>- providing tax incentive to encourage the use of Euro V diesel; and</li> <li>- planning to introduce a statutory ban on idling vehicles with running engines and further strengthen the control of emissions from petrol and liquefied petroleum gas vehicles.</li> </ul>
	<p>Clear The Air (LC Paper No. CB(1)1314/07-08(05))</p>	<p>Need to monitor the progress of installation of FGD equipment by power plants to reduce SO<sub>2</sub> emission.</p> <p>Demand side management and energy conservation measures should be adopted to reduce energy consumption.</p>	<p>EPD has constantly monitored the progress of the retrofitting programmes and require the power companies to submit progress reports periodically. EPD will continue to update the EA Panel regularly on this matter.</p> <p>In the new post-2008 Scheme of Control Agreement, the power companies agree to set up a total loan fund of \$37.5 million per annum over a five-year period to provide loans to non-Government customers to implement energy saving initiatives identified in energy audits to promote energy efficiency.</p> <p>For the Government's measures, please refer to Item V of LC Paper No. CB(1)1314/07-08(10).</p>

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		<p>Consideration should be given to controlling emissions from vehicles and vessels. Measures, such as phasing out old diesel trucks and setting up a clean port policy, should be contemplated. New HKAQO in line with WHO standards should also be mapped out.</p>	<p>The Government has been implementing a comprehensive emission control programme to reduce emissions from the transport sector. In particular, to reduce diesel vehicle emissions, the Government has introduced the following measures:</p> <ul style="list-style-type: none"> <li>- requiring all pre-Euro diesel vehicles to retrofit with emission control devices to reduce particulate emissions;</li> <li>- implementing a \$3.2 billion one-off grant scheme to encourage the replacement of pre-Euro and Euro I commercial diesel vehicles with Euro IV models; and</li> <li>- providing tax incentive to encourage the use of Euro V commercial diesel vehicles.</li> </ul> <p>To reduce marine emissions, the Government has set up a special task force to study the feasibility for ferries to switch to cleaner fuel and explore measures to reduce emissions from both local and ocean-going vessels.</p> <p>The Government has also commissioned a study to review HKAQO in June 2007. The WHO air quality guidelines will be carefully considered.</p>

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	Advisory Council on the Environment (ACE) (LC Paper No. CB(1)1314/07-08(07))	Supports the Bill to ensure a smooth, timely and transparent implementation of the emission caps for the power sector which is crucial for the achievement of the 2010 emission reduction targets.	Noted.
	CLP Power Castle Peak Power Co Ltd ExxonMobil Energy Ltd (LC Paper No. CB(1)1314/07-08(08))	<p>Concern about the stringency of the emission caps.</p> <p>Consideration should be given to allowing reasonable limit on “banking” of unused emission allowances or credits.</p> <p>Efforts, such as sourcing and maximizing the use of ultra-low sulphur coal, refurbishing the coal burners to reduce NOx emissions and installing FGD equipment at Castle Peak Power Station as well as developing a liquefied natural gas receiving terminal to enable greater use of cleaner fuel, are being made with a view to improving air quality.</p>	<p>A set of stringent emission caps is required for meeting the 2010 emission reduction targets agreed with the Guangdong Provincial Government for improving the air quality of Hong Kong and its neighbouring regions.</p> <p>To provide flexibility for the power companies to plan their operation, the Bill has already proposed to allow the use of “unspent” emission allowances up to 2% in the following emission year.</p> <p>Noted.</p>
Facilitating emissions trading	AES	Uncertain if emissions trading can bring significant improvement to the air quality in Hong Kong.	The Pilot Scheme is operated on a project-basis. The participating power plants have to further reduce their emissions on top of their statutory baseline emission

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		<p>Need to develop a fair, equitable and transparent Pilot Scheme to ensure a level playing field for power plants in both sides.</p> <p>Success of the Pilot Scheme will depend on effective enforcement by the environmental protection agencies in both sides.</p> <p>A more reliable and effective technical approach should be adopted to implement direct emission reduction measures, such as expediting emission reduction projects, increasing the use of clean fuel, development of renewable energy, reducing emissions from vehicles and ships, controlling idling engines etc.</p>	<p>performances in order to generate emission credits. The Pilot Scheme provides a more flexible and cost-effective alternative for power plants in the Pearl River Delta (PRD) region to meet the emission caps imposed by the two governments, thereby helping to improve the air quality of the PRD region.</p> <p>Details of the Pilot Scheme have been released to the EA Panel in February 2007 (LC Paper No. CB(1)972/06-07(05)). To ensure a fair, equitable and smooth operation, an Emission Trading Management Panel, with members from the Hong Kong Special Administrative Region Government (HKSARG) and the Guangdong Provincial Government, has been set up in May 2007 to manage the conduct of the emissions trading.</p> <p>Agreed.</p> <p>Noted. The Government will continue to implement stringent control measures to further reduce emissions.</p>

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	Greenpeace (LC Paper No. CB(1)1314/07-08(02))	Emissions trading should be extended to cover carbon dioxide (CO <sub>2</sub> ).	The Pilot Scheme aims to provide an alternative mechanism for achieving the 2010 emission reduction targets agreed with the Guangdong Provincial Government. The scheme does not cover CO <sub>2</sub> as it is not one of the air pollutants specified in the concerned emission reduction targets.
	CP	Free allocation of emission allowance is not cost-effective as it will affect investment and operational decisions. Market-based instruments, such as auctioning, should be introduced. The Administration should set out all the different options of allocation, including market-based instruments, for public scrutiny before passage of the Bill.	Please refer to Item III of LC Paper No. CB(1)1457/07-08(01).
	HKE	Supports emissions trading as an alternative means to achieve the emission caps.	Noted.
	HKIE	While emissions trading can be an effective means to reduce pollution, an untested Pilot Scheme could become a license to pollute, particularly when the circumstances within the Pearl River Delta (PRD) Region are not mature enough for the introduction of emissions trading	To ensure a fair, equitable and smooth operation, an Emission Trading Management Panel, with members from HKSARG and the Guangdong Provincial Government, has been set up in May 2007 to manage the conduct of the emissions trading.
	ACE	Supports emission trading as a cost-effective alternative for power plants to achieve the emission caps	Noted.



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	CLP Power Castle Peak Power Co Ltd ExxonMobil Energy Ltd (LC Paper No. CB(1)1314/07-08(08))	While welcoming the flexibility of using emissions trading as an option to comply with the emission caps, emissions trading by itself would not reduce the overall regional pollution levels. PRD Region needs to use energy efficiently, increase clean fuel usage and equip generation plants with the technologically sound and cost-effective emission control facilities.	Noted.
Amending the Appeal Board provisions	AES, HKIE, ACE	Support the proposed amendments.	Noted.
Reducing greenhouse gas (GHG), including CO <sub>2</sub>	AES	Against the setting of an arbitrary and imprudent GHG emission reduction target. Hence, the Administration should expedite the study on climate change so as to provide scientific information and recommendations to facilitate meaningful debate on the setting of the GHG emission reduction targets. Extensive consultation with stakeholders should also be conducted.	CO <sub>2</sub> is not included in the Bill as its objective is to ensure a smooth, timely and transparent implementation of the emission caps for the power sector with a view to meeting the 2010 emission reduction targets agreed with the Guangdong Provincial Government. CO <sub>2</sub> is not one of the air pollutants specified in the concerned emission reduction targets.  The Government is very concerned about the global warming issue and has launched an 18-month consultancy study in March 2008 to formulate a long term control strategy on GHG emissions. The feasibility of reducing CO <sub>2</sub> emissions from the power sector will be duly examined.
	Greenpeace	The scope of control of the Bill should be extended to cover CO <sub>2</sub> emission.  A clear reduction target for CO <sub>2</sub> emission should be set for the power sector.	
	CP	Supports including CO <sub>2</sub> as a pollutant under the control of the Bill.	
	Clear The Air	The scope of the Bill should be extended to cover CO <sub>2</sub> emission.	

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	Greeners Action (GA) (LC Paper No. CB(1)1341/07-08(02))	The Administration has failed to implement the Kyoto Protocol.  Inclusion of a reduction target for CO <sub>2</sub> emission in the Bill is appropriate and in line with international trend.	
	Green Sense (LC Paper No. CB(1)1314/07-08(06))	The scope of the Bill should be extended to cover CO <sub>2</sub> emission. If CO <sub>2</sub> cannot be regarded as a pollutant, consideration should be given to introducing a new legislation to control GHG with a view to reducing CO <sub>2</sub> emission.	
	ACE	It is not opportune to impose a cap on CO <sub>2</sub> emission on power plants given the technical constraints and fuel mix considerations. Nonetheless, the setting of an emission reduction target on CO <sub>2</sub> should be pursued in the long run, with regard to international development. A multi-pronged approach should also be pursued to reduce GHG in the long run.	
	CLP Power Castle Peak Power Co Ltd ExxonMobil Energy Ltd (LC Paper No. CB(1)1314/07-08(08))	It is believed that enabling more gas generation will help achieve sustainable local environmental improvement and simultaneously manage CO <sub>2</sub> emission.	