NOTE FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

Supplementary Information on 45CG – District Cooling System at the Kai Tak Development

INTRODUCTION

In considering **PWSC(2009-10)24** on the above project at the Public Works Subcommittee meeting on 7 May 2009, Members requested the Administration to provide the following supplementary information –

- (a) estimated fee level for private non-domestic developments at the Kai Tak Development (KTD) to make connection to and subscribe for the service of the proposed district cooling system (DCS) as compared with those under traditional air-cooled air-conditioning systems and individual water-cooled air-conditioning systems using cooling towers; and where available, the tentative financial analysis in the future implementation of DCS; and
- (b) further layout plans to show the direction of water flow during pumping and discharge of seawater to and from the proposed DCS at KTD.
- 2. On Members' concern about the cost-effectiveness of removing non-important trees from the project site and replanting them back to the site thereafter and the adverse impact on the trees due to repeated removal, the Administration undertook to reconsider the replanting proposal.

/THE

THE ADMINISTRATION'S RESPONSE

Paragraph 1(a) above

- 3. Connection to the DCS for private non-domestic developments in KTD would be on a voluntary basis. The provision of DCS service will be subject to payment of a tariff, which will be set at a level to ensure that the Administration can recover the capital and operating costs over the project life. To encourage the subscription to the DCS service, its tariff rate will be set at a level that is competitive with the charge of other forms of air-conditioning, including that of self-installed water-cooled air-conditioning systems using cooling towers, which is currently one of the most cost-effective air-conditioning systems available in the market.
- 4. We will introduce a new legislation into the Legislative Council for the Administration to charge tariff for the provision of the DCS service. We are also conducting a consultancy study to take stock of overseas experience and work out the suitable charging structure, tariff levels and adjustment mechanism. The actual tariff levels will have to take into account the actual outturn price of the tender for the DCS project.

Paragraph 1(b) above

5. A further layout plan showing the direction of seawater flow during pumping and discharge of the DCS at KTD is at the Enclosure.

Paragraph 2 above

The Administration would like to clarify that the current replanting proposal does not involve removal of the two concerned trees to locations outside the project site and their replanting back to the site after the completion of the DCS project. Under our current proposal, the concerned trees will only be moved once within the project site. Repeated removal is not required.

._____

Environment Bureau May 2009

