

立法會
Legislative Council

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Date : 2 December 2010

From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 8 December 2010

**Proposed resolution under the
Air Pollution Control Ordinance**

I forward for Members' consideration a proposed resolution which the Secretary for the Environment will move at the Council meeting of 8 December 2010 under section 37B(2) of the Air Pollution Control Ordinance relating to the Second Technical Memorandum for Allocation of Emission Allowances in Respect of Specified Licences. The President has directed that "it be printed in the terms in which it was handed in" on the Agenda of the Council.

2. The speech, in both English and Chinese versions, which the Secretary will deliver when moving the proposed resolution is also attached.

(Mrs Justina LAM)
for Clerk to the Legislative Council

Encl.

AIR POLLUTION CONTROL ORDINANCE

RESOLUTION

(Under section 37B(2) of the Air Pollution Control Ordinance (Cap. 311))

SECOND TECHNICAL MEMORANDUM FOR ALLOCATION OF EMISSION ALLOWANCES IN RESPECT OF SPECIFIED LICENCES

Resolved that the Second Technical Memorandum for Allocation of Emission Allowances in Respect of Specified Licences, published in the Gazette as Special Supplement No. 5 to Gazette No. 41/2010 and laid on the table of the Legislative Council on 20 October 2010, be amended -

- (a) in the Chinese text of section 2.1, by adding "分" after "獲"; and
- (b) in section 2.5, by substituting "three" by "two".

Legislative Council
Meeting of 8 December 2010

Secretary for the Environment
Moves the Motion According to the Resolution
made under the Air Pollution Control Ordinance
to Amend
The "Second Technical Memorandum for Allocation of Emission
Allowances in Respect of Specified Licences"

Speech (Draft)

President,

I rise to move the motion, as set out under my name, to amend the "Second Technical Memorandum for Allocation of Emission Allowances in Respect of Specified Licences" (the Second Technical Memorandum). The proposed amendment has been set out in the Agenda distributed to Members.

The Technical Memorandum is made under the provision of section 26G of the Air Pollution Control Ordinance for stipulating the emission caps of the power sector. During the scrutiny of the Legislative Council of the First Technical Memorandum in 2008, we undertook to review it within two years. The review has found that the two power companies can further reduce their emissions by taking best practicable control measures so as to improve the air quality in Hong Kong and the Pearl River Delta. These measures include taking advantage of the additional natural gas supply under the Memorandum of Understanding on Energy Co-operation signed with the National Energy Administration to maximize the use of the existing gas-fired generation units; and prioritise the use of the coal-fired generation units retrofitted with emission abatement equipment for achieving the 2010 emission reduction targets to reduce the emissions from coal-fired electricity generation. As compared to the First Technical Memorandum, the emission caps of sulphur dioxide, nitrogen oxides and respirable suspended particulates would be tightened by 50%, 35% and 34%, respectively. These maximum emission allowances will take effect from 2015.

To enable us to have an earlier review on whether the two power companies could further curtail their emissions, we accept the suggestion of the Subcommittee made during the scrutiny of the Second Technical Memorandum on the review frequency, and propose to amend the Technical Memorandum to conduct a review from not less than once every three years to not less than once

every two years. We also agree to report the review findings to the Panel on Environmental Affairs of this Council. In addition, we propose to amend the Chinese text of section 2.1 of the Second Technical Memorandum for consistency in terminology.

To comply with the emission caps requirements in the First Technical Memorandum, the two power companies have already increased the use of natural gas for power generation and retrofitted their coal-fired units with emission abatement equipment. The emission data for the first three quarters of this year showed that the two power companies should be able to comply with the 2010 emission caps. When determining the yearly emission allowances in the Second Technical Memorandum on this basis, we have also considered, in addition to the best practicable measures mentioned earlier, emission increases as a result of the ageing of the newly retrofitted emission abatement equipment and the growth of electricity demand that needs to be taken up by the coal-fired generation units without additional emission reduction retrofits. We, therefore, trust that the new yearly emission caps are stringent and yet practicable.

To further reduce emissions from the power sector, there have to be, as proposed in the "Hong Kong's Climate Change Strategy and Action Agenda – Consultation Document", a significant change in the fuel mix for electricity generation, development of low-carbon economy, and more utilization of clean energy, renewable and nuclear energy, etc. The public consultation of the proposal will end on 10 December 2010. We will collate and consider carefully the opinions collected for formulating the future direction and pace of reducing the emissions of the power sector and introducing timely new technical memorandum to further reduce power plant emissions.

Mr. President, the amendment has the support of the Subcommittee. I appeal to Members for support of the motion.

Thank you, Mr. President.