

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

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This Technical Memorandum is published under Section 37B(1) of the Air Pollution Control Ordinance (Cap. 311) and shall commence to have effect in accordance with Section 37C of that Ordinance.

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1. PRELIMINARY

1.1 *Citation and Commencement*

This Technical Memorandum is the second technical memorandum issued pursuant to Section 26G of the Ordinance and may be cited as the "Second Technical Memorandum for Allocation of Emission Allowances in Respect of Specified Licences". This Technical Memorandum shall come into operation in accordance with Section 37C of the Ordinance.

1.2 *Application and Scope*

This Technical Memorandum sets out the quantity of emission allowances for each type of specified pollutant allocated in respect of each specified licence for each and every emission year from 1 January 2015. The allocation of emission allowances set out or determined under the First Technical Memorandum for each and every emission year from 1 January 2015 is superseded by this Technical Memorandum.

1.3 *Interpretation*

In this Technical Memorandum, unless the context otherwise requires, the following definitions apply-

"Authority" (監督) has the same meaning as in the Ordinance.

"Electricity Works" (電力工程) means the process of Electricity Works specified in item 7 of Schedule 1 to the Ordinance.

"Emission allowance" (排放限額) has the same meaning as in the Ordinance.

"Emission year" (排放年度) has the same meaning as in the Ordinance.

"Existing Electricity Works" (現有電力工程) means the Electricity Works conducted in any of the following power stations in respect of which a valid specified licence is in force on the commencement date of this Technical Memorandum-

- (a) Black Point Power Station at Yung Long Road, Lung Kwu Tan, Tuen Mun, New Territories;
- (b) Castle Peak Power Station at Lung Yiu Street, Tuen Mun, New Territories;
- (c) Lamma Power Station and Lamma Power Station Extension at Lot 1934 and Lot 2200, DD 3, Po Lo Tsui, Lamma Island; and
- (d) Penny's Bay Gas Turbine Power Station at Lot 23, DD 256, Penny's Bay, Lantau Island, New Territories.

"First Technical Memorandum" (首份技術備忘錄) means the "Technical Memorandum for Allocation of Emission Allowances in Respect of Specified Licences" published under Section 37B(1) of the Ordinance on 7 November 2008 which came into operation in accordance with Section 37C of the Ordinance.

"New Electricity Works" (新電力工程) means any Electricity Works, other than the Existing Electricity Works, which comes into existence after the commencement of this Technical Memorandum.

"Ordinance" (條例) means the Air Pollution Control Ordinance (Cap. 311).

"Electricity generation for local consumption" (供本港使用電力) means the gross electricity generation of the Electricity Works concerned minus the electricity sales for export outside the Hong Kong Special Administrative Region irrespective of whether the export sales are directly conducted by the subject specified licence holder or indirectly dealt with by other dealers.

"Secretary" (局長) has the same meaning as in the Ordinance.

"specified licence" (指明牌照) has the same meaning as in the Ordinance.

"specified licence holder" (指明牌照持有人) has the same meaning as in the Ordinance.

"specified pollutant" (指明污染物) has the same meaning as in the Ordinance.

2. ALLOCATION OF EMISSION ALLOWANCES

2.1 The quantity of emission allowances for each type of specified pollutant allocated to each specified licence of Existing Electricity Works for each and every emission year from 1 January 2015 shall be as follows –

(a) Black Point Power Station

	2015 and thereafter
Sulphur dioxide	1,440
Nitrogen oxides ⁽ⁱ⁾	4,140
Respirable suspended particulates	110

(b) Castle Peak Power Station

	2015 and thereafter
Sulphur dioxide	4,260
Nitrogen oxides ⁽ⁱ⁾	13,390
Respirable suspended particulates	420

(c) Lamma Power Station and Lamma Power Station Extension

	2015 and thereafter
Sulphur dioxide	6,780
Nitrogen oxides ⁽ⁱ⁾	10,020
Respirable suspended particulates	300

(d) Penny's Bay Gas Turbine Power Station

	2015 and thereafter
Sulphur dioxide	2
Nitrogen oxides ⁽ⁱ⁾	2
Respirable suspended particulates	1

(i) Expressed as nitrogen dioxide

2.2 The quantity of emission allowances for each type of specified pollutant allocated to each specified licence of New Electricity Works for each and every emission year from 1 January 2015 shall be determined in accordance with the respective quantity set out in Annex.

2.3 The Authority shall make the allocation of emission allowances for each type of specified pollutant in relation to each specified licence in respect of electricity generation for local consumption.

2.4 Unless otherwise provided or required in the Ordinance or its subsidiary legislation, the Authority shall allocate to each specified licence the respective quantity of emission allowances set out or determined in accordance with this Technical Memorandum for each and every emission year from 1 January 2015.

2.5 The Secretary shall review the quantity of emission allowances for each type of specified pollutant for each specified licence set out or determined in accordance with this Technical Memorandum not less than once every three years after the commencement of this Technical Memorandum.

Annex**Quantity of Emission Allowances for a Specified Licence of
New Electricity Works referred to in Section 2.2**

A.1 The quantity of emission allowances for a specified licence of New Electricity Works for a full emission year shall be as follows-

Total Installed Capacity of the New Electricity Works	Sulphur dioxide	Nitrogen oxides ⁽ⁱⁱ⁾	Respirable suspended particulates
Less than 300 MW	$12/30 \times$ Total installed capacity in MW	$27/30 \times$ Total installed capacity in MW	$8/300 \times$ Total installed capacity in MW
Equal to or more than 300 MW	120	270	8

(ii) Expressed as nitrogen dioxide

A.2 Where the specified licence of a New Electricity Works does not commence in January of an emission year, the quantity of emission allowances for that specified licence for the remaining months of that emission year shall be allocated on a pro-rata monthly basis and part of a month is taken as a full month in the determination.

A.3 The quantity of emission allowances determined in this Annex for allocation to a specified licence of New Electricity Works shall be rounded up to the next whole number.