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Written submission

1. It is generally agreed that security of supply, affordability and environmental friendliness are the most important factors in assessing the performance of the electricity sector in any country. This is especially true for Hong Kong.

Hong Kong is essentially a large city, in which people live and work in tall buildings, and the electrified modes of transport like the MTR also play an important role in moving people and goods around. Any interruption in power supply will immediately lead to a halt and serious disruption in the normal functioning of the city. Hence security of supply should be the paramount consideration.

Next, the price of power is also important. A reasonable price allows the citizens to enjoy a high standard of living and business to function smoothly and profitably. Further, we are all concerned about the environment, especially air quality and the problems associated with global warming. It is fair that we ask the power sector to give us a stable and reliable supply of power at reasonable prices, and taking care of the environment at the same time.

On the whole, the power sector has been doing that quite successfully in the past years.

2. Many people have been promoting the use of cleaner fuels and more environmental sources of energy in the past years, yet such developments entail higher costs, e.g. power generated by natural gas is more expensive than coal generation; renewable electricity like wind and solar is more costly than conventional electricity. How the higher costs should be borne is a thorny issue. The government has to work out some kind of consensus with the general public and the power companies as to how to resolve the problem. This has to be balanced with the need to keep the cost of power reasonable.

3. If we really want to reduce carbon emissions by a big margin, we have to use more nuclear power. Hong Kong is not the best place to tap the potential of renewable energy because of our dense urban environment. Again the Hong Kong community has to arrive at some kind of agreement as to how much nuclear power we would like to use. China has said that it would continue with its nuclear power program.

4. Many people are not cognizant of the important fact that the power sector always needs a considerable amount of lead time to plan and build its facilities. Hence to ensure reliable supply of electricity, it is important that the government and community arrived at some workable consensus regarding the future fuel mix, the expected level of environmental control and a host of other factors impacting the power sector. This interim review will inevitably merge into the larger issue of how the power sector will be monitored or controlled after 2018 when the present SOC expires. The Hong Kong community, the government and the power companies will have to work hand in hand to ensure that we have a stable energy future.