

President

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## Bills Committee on District Cooling Services Bill

Our Association (HKAEE) supports the implementation of District Cooling System at Kai Tak Development and other areas in Hong Kong in which overall energy efficiency can be improved and carbon dioxide emission will be reduced.

The success of the DCS at Kai Tak Development depends on the return on investment (ROI), diversification of the building usage and the reliability of the DCS. For the ROI, the income comes from the users within the region. To make sure all users within the region will purchase the chilled water from the DCS, we would like to purpose as follows:

## 1. Charging System

- A simple charging system for all customers
- Must cover the capital and operating costs over the project life
- Similar or lower than the conventional individual water cooled air-conditioning system using cooling towers

## 2. Charging Proposal

- Capacity charge
- Consumption charge

## 3. Annual Tariff Adjustment Mechanism

- Capacity charge
  - Based on the Composite Consumer Price Index
- Consumption charge
  - Based on the change in electricity tariff rate

For diversification of the building usage at Kai Tak Development, except the Government Office Buildings, the Government should plan for buildings or development with different nature, e.g. hotel, Stadium, etc. so that peak demand of the building load of all buildings will not happened at the same time and will be shifted to different periods.

To ensure the reliability of the DCS, we recommend recruiting local Operation and Maintenance (O&M) specialist to carry out the daily O&M of the DCS. Since complaints from the customers will be received, the authorized inspectors must be empowered to enter the buildings for checking, inspection and maintenance.

Ir Dr. Raymond K.L. Chan President (2014 – 16) HKAEE

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