

**For discussion on
13 January 2015**

Bills Committee on District Cooling Services Bill

**The Administration's response to follow-up issues arising from
discussion at previous meeting on 5 January 2015**

Purpose

This paper sets out the Administration's response to the major concerns raised by Members at the meeting of 5 January 2015.

Part 1 – Clause 2

(a) In respect of the definition of “estimated maximum cooling capacity” (估計最高製冷量), consider amending the Chinese rendition “就獲區域供冷系統提供區域供冷服務的建築物而言，...” of the English text of the definition to reflect the legislative intent, which, according to clause 4 of the District Cooling Services Bill (“the Bill”), the capacity is furnished for the purpose of making an application to be an approved consumer of the district cooling services for a building under the proposed section 4(1) and it appears that the building should not have received the cooling services before the relevant approval is granted under the proposed section 4(4);

2. For the definition of “estimated maximum cooling capacity” (估計最高製冷量) provided in clause 2 of the Bill, it is a correct observation that when the capacity is furnished for an application for becoming the approved consumer of a building under clause 4, the building would not be receiving the district cooling services in respect of which the application is made. We will consider whether to amend the definition by committee stage amendment.

Part 2 – Clause 4

- (b) Given that clause 4 of the Bill does not seem to preclude two or more persons who satisfy the requirements (which are stated in the proposed sections 4(1), 4(2) and 4(3)) to make their respective applications, provide the considerations of the Director of Electrical and Mechanical Services (“DEMS”) in deciding whether to grant the approval under the proposed section 4(4) in respect of the applications concerned; and**
- (c) Provide DEMS’s considerations in deciding whether to grant an approval under the proposed section 4(4) in case where an owners’ corporation of a building and another party that claims to be responsible for the management of the same building have made their respective applications.**

3. It is correct that the Bill does not preclude two or more persons who satisfy the requirements (as stated in clause 4(1), (2) and (3)) to make their respective applications for DEMS’s consideration. However, as provided in clause 4(3) of the Bill, an applicant has to provide an undertaking to the following –

- (a) to pay any charge, fee or deposit payable in respect of the district cooling services provided to the building in accordance with the Ordinance;
- (b) to be responsible for, and to bear the cost of, the design, provision, construction, installation and maintenance of the facilities for the building to receive district cooling services as specified by DEMS; and
- (c) to comply with any other conditions imposed by DEMS relating to the provision or use of district cooling services.

4. For clause 4(3)(b) of the Bill, we would like to clarify that an approved consumer would have to provide suitable accommodation (i.e. the substations) in their building to house the equipment required for the purposes of providing and metering the district cooling services. The accommodation may include, but not be limited to, substations together with associated pipe trenches and structural provisions, as well as electrical and mechanical services during the first connection or subsequent maintenance of the district cooling services. The approved consumer would also have to be responsible for maintaining such accommodation in good order.

5. In view of the above, practically, we consider that the possibility that two or more persons could be able to provide the undertaking as requested in clause 4(3) of the Bill should be very slim.

6. If in the unlikely circumstances that there are more than one applications for becoming the approved consumer of a building, DEMS would consider and assess the capability of the applicants to comply with the undertaking, including the payment of the relevant fees and charges, and the installation and maintenance of the facilities for the building to receive district cooling services. Where necessary, EMSD would seek clarifications with the relevant parties, including the applicants, the building owners and the management of the building, etc.

Advice Sought

7. Members are invited to note the content of this paper.

Environment Bureau
January 2015