

**立法會**  
**Legislative Council**

LC Paper No. CB(4)1514/14-15  
(These minutes have been seen by  
the Administration)

Ref : CB4/PL/EDEV

**Panel on Economic Development**

**Minutes of special meeting**  
**held on Saturday, 6 June 2015, at 9:00 am**  
**in Conference Room 1 of the Legislative Council Complex**

**Members present** : Hon Jeffrey LAM Kin-fung, GBS, JP (Chairman)  
Hon CHUNG Kwok-pan (Deputy Chairman)  
Hon CHAN Kam-lam, SBS, JP  
Hon Andrew LEUNG Kwan-yuen, GBS, JP  
Hon CHAN Kin-por, BBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon Albert CHAN Wai-yip  
Hon James TIEN Pei-chun, GBS, JP  
Hon Steven HO Chun-yin  
Hon Frankie YICK Chi-ming  
Hon YIU Si-wing  
Hon Charles Peter MOK, JP  
Hon Kenneth LEUNG  
Hon Dennis KWOK  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Dr Hon Fernando CHEUNG Chiu-hung  
Hon SIN Chung-kai, SBS, JP  
Dr Hon Elizabeth QUAT, JP

**Members attending:** Hon Alan LEONG Kah-kit, SC  
Dr Hon Kenneth CHAN Ka-lok

**Members absent** : Hon WONG Ting-kwong, SBS, JP  
Hon Ronny TONG Ka-wah, SC  
Dr Hon LAM Tai-fai, SBS, JP

Dr Hon LEUNG Ka-lau  
Hon CHAN Han-pan, JP  
Hon TANG Ka-piu, JP  
Dr Hon CHIANG Lai-wan, JP

**Public Officers  
attending**

: Agenda item I

Mr Wong Kam-sing, JP  
Secretary for the Environment

Mr Vincent LIU, JP  
Deputy Secretary for the Environment

Mr Donald NG  
Principal Assistant Secretary for the Environment  
(Electricity Reviews)

Mrs Dorothy MA  
Principal Assistant Secretary for the Environment  
(Energy)

Ms Esther WANG  
Principal Assistant Secretary for the Environment  
(Financial Monitoring)

Mr Alan CHOW  
Chief Electrical and Mechanical Engineer  
(Electricity Team)  
Environment Bureau

**Attendance by  
invitation**

: Agenda item I

Session I

Mr YIP Hing-kwok  
Chairman  
Amoy Gardens Joint Owners Committee

Mr NGAN Man-yu  
Kwun Tong District Council member

Dr Victor HUNG  
Acting Head, Planning and Trade Practices Division  
Consumer Council

Mr YAU Kin-wo  
Member of Young DAB  
Democratic Alliance for the Betterment and Progress  
of Hong Kong

Ms Luciana WONG  
Member of 環境及基建專責小組  
Hong Kong Professionals and Senior Executives  
Association

Mr Prentice KOO  
Assistant Manager  
WWF-Hong Kong

Dr William YU  
Chief Executive Officer  
World Green Organisation

Mr TANG Kwok-sun  
Deputy Chairman  
The Yuen Long Merchants Association

Mr Andrew SHUEN  
Interim Executive Director  
The Lion Rock Institute

Mr Peter SHIU  
Vice Party Chair  
Liberal Party

Mr Michael LEE  
Eastern District Council member

Mr WONG Chor-fung  
Central Committee member  
New People's Party

Miss Frances YEUNG  
Senior Campaigner  
Greenpeace

Mr Luther WONG  
Vice-Chairman of Environmental Industries Group  
Federation of Hong Kong Industries

Mr CHENG Kwok-kee  
Vice-Chairman  
Kwai Chung South Resident Association

Mr Timothy CHAN

Mr Fun CHEUNG

Miss Mandy KWOK

Mr Conrad MO

Dr TSO Che-wah  
Adjunct Professor  
School of Energy and Environment  
City University of Hong Kong

Mr Albert LAU  
Vice-Chairman  
Hong Kong Small and Medium Enterprises General  
Association

Session II

Professor Larry CHOW  
President  
Hong Kong Association for Energy Economics

Mr WAN Koon-sun  
Managing Director  
Safety Electrical Consulting Limited

Mr Raymond HO  
Convener  
Momentum 107

Mr CHOI Chun-pang  
Project Manager  
Green Council

Mr WONG Kuen-wai  
Chairman  
Cheung Sha Wan Kai Fong Welfare Association  
Limited

Mr KWONG Kwok-wai  
Chairman  
Cheung Chau Chinese Chamber of Commerce

Mr WONG Yue-hon  
Member  
Shatin District Council

Mr Ramon YUEN  
Vice-Spokesperson for Economic Affairs  
Democratic Party

Ms CHEUK Fung-ting  
Vice Chairman  
Chamber of Food and Beverage Industry of Hong  
Kong

Mr Cyrus HO

Mr LAW Kwan-ping

Mr CHEUNG Ching-to  
Deputy Chairman  
Hong Kong Shatin Industries and Commerce  
Association

Mr LOONG Tsz-wai  
Community Relations Manager  
Clean Air Network

Mr Marco LO  
Vice-Chairman  
Institution of Dining Art

Mr Jackal CHAN  
Vice-Chairman  
Civic Party - Environment and Sustainable  
Development Branch

Mr LEUNG Shing-hin  
Representative  
Tung Chung Youth Association

Mr CHENG Keng-ieong  
Spokesman  
翠樂陽光居民協會

Dr CHAN King-ming  
Deputy Convener  
Neo Democrats

**Clerk in attendance :** Ms Debbie YAU  
Chief Council Secretary (4)5

**Staff in attendance :** Ms Shirley TAM  
Senior Council Secretary (4)5

Ms Zoe TONG  
Legislative Assistant (4)5

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Action

**I. Public consultation on the future development of the electricity market in Hong Kong**

(LC Paper No. CB(4)727/14-15(01) -- Administration's paper on public consultation on the future development of the electricity market

LC Paper No. IN10/14-15 -- Information note on "Electricity markets in selected places" prepared by the Research Office of the Legislative Council Secretariat

LC Paper No. CB(4)1034/14-15(03) -- Paper on the future development of the electricity market prepared by the Legislative Council Secretariat (background brief)

- LC Paper No. CB(4)231/14-15(02) -- Consumer Councils' report on "Searching for New Directions – A Study of Hong Kong Electricity Market" (English version only)
- LC Paper No. CB(4)1074/14-15(01) -- Letter dated 27 May 2015 from Dr Hon Kenneth CHAN to the Administration on "Future development of the electricity market in Hong Kong" (Chinese version only))

### Presentation of views by deputations

At the invitation of the Chairman, a total of 38 deputations/individuals presented their views on the public consultation on the future development of the electricity market ("2015 Consultation") which would last until the end of June 2015. A summary of the views of these deputations/individuals was in the **Annex**.

### Response by the Administration

2. At the invitation of the Chairman, Secretary for the Environment ("SEN") said he welcomed all the views and comments on the 2015 Consultation and gave a consolidated response as follows –

- (a) the public was generally supportive that reliability and safety of electricity supply were of utmost importance among the four energy policy objectives in Hong Kong. There was also a general consensus on the need to improve the environment by reducing the environmental impact of electricity generation, although some had diverse views in respect of the measures to be adopted to improve the environmental performance, such as whether to use more renewable energy ("RE");
- (b) having regard to the views received in the consultation on two fuel mix options held during March to June 2014 ("the 2014 Fuel Mix Consultation"), the 2015 Consultation laid out the new plan to implement the fuel mix for electricity generation in 2020, which was to increase the percentage of local gas generation to around 50%, and maintain the current interim measure to import 80% of the nuclear output from the Daya Bay Nuclear Power Station

("DBNPS") so that nuclear import would account for around 25% of the total fuel mix. The new fuel mix would be able to help meet the pledged environmental targets for 2020, i.e. reducing carbon intensity by 50% to 60% when compared to 2005; and reducing the emissions of sulphur dioxide by 35% to 75%, nitrogen oxide by 20% to 30% and respirable suspended particulates by 15% to 40% when compared to 2010;

- (c) the use of more natural gas would inevitably lead to a higher electricity tariff. The Administration was concerned about the affordability of low income customers, and low consumption users had been paying the same level of tariff since 2012. However, it was also mindful of the need to strike a balance between maintaining the electricity tariff at a reasonable level and enhancing environmental performance;
- (d) the 2015 Consultation set out some possible way forward for the future development of the electricity market given the expiry of the current Scheme of Control agreements ("SCAs")<sup>1</sup> of the power companies in 2018, including possible measures to promote RE development and energy savings. The Administration had also planned to conduct a study to look into the detailed arrangements for strengthening the interconnection of the power grids between the Mainland and Hong Kong, as well as that between the existing grids in Hong Kong to pave way for the introduction of competition to the electricity market. It was open to suggestions of further developing small-scale distributed power generation, including turning waste to energy; and
- (e) according to the Administration's understanding, there was no cross-subsidization of electricity charges between the residential customers and business customers of the two power companies although their tariff structures were different.

## Discussion

### *Future regulatory framework*

3. Mr James TIEN recalled that the permitted rate of return ("RoR") under the SCAs entered between the Government and the power companies in the

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<sup>1</sup> Given that the current SCAs entered into between the Government and the two power companies will expire in 2018, the Administration is conducting the 2015 Consultation to invite public views on, inter alia, improvements to the future regulatory framework.



1990s was set at 15% which was not rather high as compared to the then interest rate. Since 2009, the permitted RoR had been reduced to 9.99%. As the global economy had become sluggish recently with a decreasing investment return, in his opinion, this RoR was among the highest in the current economic environment. In light of this, he suggested that the permitted RoR in the new SCAs should be reduced to 4%-5% and reviewed every five years with considerations given to a host of factors including the global economy and bank interest rates.

4. SEN explained that the duration of the current SCAs was shortened from 15 years to ten years, with an option exercisable by the Government to extend the term for five more years to provide flexibility for making changes as necessary. That said, the Administration also recognized the investment made by power companies was for a long period of time, viz, about 30 years for the generating units and 50 years for the grids respectively. He added that the consultant engaged by the Administration in conducting the mid-term review of SCAs in 2013 suggested that consideration could be given to reducing the permitted RoR to the range of about 6% to 8%, after reviewing the return levels of electricity utilities in other jurisdictions.

5. In this connection, Dr Kenneth CHAN referred to the Administration's response (LC Paper No. CB(4)1127/14-15(01)) rejecting his earlier request for disclosure of information leading to the consultant's suggestion. He requested the Administration to provide some useful and relevant information of the consultancy study to facilitate Members' consideration and discussion of the future regulatory framework for the post-2018 electricity market. He considered that the coming negotiation between the Government and the power companies was critical in determining the future electricity tariffs, and the Legislative Council should consider engaging an energy consultant to study the matter together. SEN undertook to consider Dr CHAN's new request.

6. SEN pointed out that the 2015 Consultation had set out a wide range of information with detailed elaboration and examples. Noting that some issues were rather technical, the Administration encouraged Panel members and the public to attend the discussion forum to be held on 23 June 2015 and to exchange views with interested parties.

7. Mr CHAN Kam-lam noted that the reserve margin of the power companies would drop to 20% to 30% by around 2018. While he considered such level was still too high as unexpected high electricity demand would unlikely happen following the migration of the industrial sector to the Mainland, he asked the deputations to suggest a reasonable level of reserve margin. He also enquired whether an incentive and penalty scheme should be implemented

to monitor the power companies' performance in respect of energy efficiency and environmental performance. Mr Andrew SHUEN considered that effective energy savings could be achieved by increasing the electricity tariff.

8. The Chairman pointed out that there were diverse views about the future fuel mix for electricity generation. He noted that some of the public had safety concerns over using nuclear power following the nuclear incident in Fukushima Prefecture, but some others supported using more nuclear power, especially when many new nuclear plants were being developed/planned in South China. There were also suggestions for using more RE which was, in his opinion, quite expensive in terms of land resources for accommodating relevant facilities. He urged the Administration to draw up an optimal fuel mix to strike a proper balance among the four energy policy objectives of safety, reliability, affordability and environmental protection.

9. SEN pointed out that all electricity markets worldwide were facing the same big challenge on the need to strike a proper balance among the four policy objectives. The Administration planned to implement the new fuel mix set out in the 2015 Consultation paper and would formulate the future regulatory framework having regard to the public views on the permitted RoR, incentive and penalty scheme and ways to promote energy saving, etc.

#### *Promotion of renewable energy*

10. Mr Albert CHAN considered that matters of safety, affordability and environmental performance of electricity supply were inter-related and impact on one another. For example, the use of nuclear power might be more affordable but the storage and disposal of nuclear waste arouse environmental protection concerns. In addition, RE utilization could enhance environmental performance but it required technical input and led to high generation costs. He understood that there was a large scale of installation of solar photovoltaic systems in Seoul, the Republic of Korea, including solar panels on some public roads. As such, he enquired the deputations about the edge of Hong Kong in developing RE among the various RE technologies, for example, solar, tidal, and/or wind, having regard to technical considerations and geographical constraints of Hong Kong. Mr CHAN Kam-lam also asked deputations' views about the proposed share of RE in the fuel mix given its high generation costs.

11. Dr TSO Che-wah pointed out that the adoption of wind power systems in Hong Kong was not cost-effective as it had limited wind power resources due to its close proximity to the Equator. According to his analysis, the investment of over \$10 billion in offshore wind farm could only generate about 600 million kWh of electricity and contribute to merely 1.4% of current local

consumption, while the tariff increase would be about 2%. He considered that it was feasible to use solar energy in Hong Kong but it would involve substantial land resources for accommodating relevant facilities.

12. Mr Andrew SHUEN considered that no financially viable RE technologies could be deployed in Hong Kong without the provision of government incentives. In addition, the arrangement of grid connection would increase the loading of the power grids and lead to power companies' further investments and ultimately a higher electricity tariff. Moreover, back-up supply should be made available for the use of RE to cater for breakdown situations.

13. Professor Larry CHOW considered that Hong Kong might draw on overseas experiences to install solar water heaters in small houses but a wide adoption of solar systems in Hong Kong would be hindered by the lack of land. He added that if RE producers were to be paid for the electricity they generated and exported to the grid, they should also share the cost for providing back-up power supply currently arranged by the power companies.

14. Dr CHAN King-ming said that RE had been widely used and developed in Europe for decades and it accounted for about 40% to 50% of gross electricity generation in some of the European countries. The European Union had also established a target requiring its members to fulfill at least 20% of its total needs with RE by 2020. He urged the Administration to formulate the policy with a view to enhancing the RE development and providing incentives including land allocation. He shared that the Chinese University of Hong Kong had in fact developed a RE technology which could be used on glass walls of commercial buildings to generate electricity. While this technology would be sold to Europe and the United States for utilization, he regretted to note that no favourable policy was available to support its adoption in Hong Kong.

15. Dr Victor HUNG pointed out that the Administration had long been relying on the power companies to promote RE in Hong Kong, mainly through providing incentives under SCAs in terms of a higher permitted return plus a bonus. He suggested that Hong Kong could draw on experiences from other jurisdictions, including Taiwan, South Korea and Singapore, which provided a guaranteed price support (like adopting a feed-in tariff) so that RE producers shouldered the risks by themselves in running financially viable projects.

16. SEN pointed out that apart from the use of solar and wind energy, the Administration had planned to make the best use of waste-management facilities to turn waste into RE, such as turning food waste into RE and making use of landfill gas for electricity generation. For example, in a recent joint project

between the Hospital Authority and Towngas, a small-scale generator was being planned for construction in a hospital in Tai Po that would use landfill gas from the North East New Territories Landfill to generate part of the electricity for the hospital. The Administration would explore the options to encourage the development of distributed RE as set out in the 2015 Consultation having regard to public views.

17. Mr Albert CHAN was concerned that the matter of promoting RE had been discussed in Hong Kong since the 1990s but little had been achieved in the past decades. Currently, Hong Kong had largely been lagging behind other countries in RE development as a result of inadequate Government support. He urged the Administration to, instead of relying on the power companies' efforts, take the lead to formulate a favourable policy and supporting measures for RE development, such as providing financial incentives and land resources. He hoped that the Administration might, for example, require the owner of small houses to install solar water heaters to enhance RE development.

18. Dr Kenneth CHAN noted that the power companies had been working on RE promotion, such as installing RE systems in the local community and providing solar energy assessment service to explore the potential of RE opportunities in the local community. He considered that RE could be developed further on this foundation so that the RE share in the fuel mix could be increased further from the current 1% in future.

19. Mr SIN Chung-kai enquired about the grid connection arrangement for distributed RE to access the grids of the power companies, and whether the new regulatory regime would set out the price structure and/or return for exporting electricity to the grids by adoption of net metering.

20. SEN advised that the Administration would explore ways to facilitate the adoption and development of RE in Hong Kong and had thus set out the options and measures adopted overseas in this regard in the 2015 Consultation paper. Under the current SCAs, there were provisions to enable private building owners to connect their RE systems to the grids of power companies. Such grid connection arrangements had been made for over 200 RE projects conducted by the Government, the power companies or the community. He further advised that the Administration was also examining related matters, such as the feasibility of increasing installation of solar water heaters, whether the requirements for grid connection could be relaxed, general customers or only customers using RE should be responsible for paying the extra cost for using RE, the price structure for exporting surplus RE power to the grids, and the potential of using waste-to-energy as well as new technologies such as co-generation of heat/cooling and power, and tri-generation of power, cooling

and dehumidification in Hong Kong. To show its determination to promote RE, the Administration had revised the internal circular on Green Government Buildings to further promote RE installations at new government buildings and facilities. Nevertheless, unlike some European countries where a majority of RE was generated by wind and hydro power, Hong Kong could not increase the share of RE in the fuel mix to a comparable extent in the short or medium term due to its geographical constraints.

21. Noting that the sludge treatment facility in Tuen Mun was partly operated by RE, the Chairman urged the Administration to step up the publicity and education about its work on promoting the use of RE. SEN responded that as set out in the "Energy Saving Plan for Hong Kong 2015 ~ 2025+" promulgated earlier, the Administration would step up the publicity and education efforts on the need to save energy and combat climate change. He added that the Administration would further invite public views on ways to promote RE at the public forum on the 2015 Consultation to be held on 23 June 2015.

*Adoption of nuclear power*

22. Mr Kenneth LEUNG noted that although there were much public concern about the safety of nuclear power plant and disposal of nuclear waste, using nuclear power was cheaper with zero emission. He shared that Germany had adopted a denuclearization policy to abolish all nuclear power by 2020, whereas Japan was also considering this matter, as a result of the Fukushima nuclear accident in 2011. In contrast, France derived about 75% of its electricity from nuclear energy based on a long-standing policy, and used to dispose of the nuclear waste satisfactorily not just for itself but also for other countries. He invited views from the deputations about the use of nuclear power in Hong Kong.

23. Mr Peter SHIU opined that, as the Mainland had already decided to develop more nuclear plants in South China, Hong Kong would share the associated risk even if it decided not to use more nuclear power. He considered that Hong Kong should take the advantage of using nuclear power and share the successful experience of France in operating nuclear plants and treating the nuclear waste with relevant operators in South China.

24. SEN clarified that the cost of CLP to import the first 70% of the electricity output of DBNPS was relatively low given that the relevant contract had first been entered a long time ago. However, the cost of the additional import of about 10% of output of DBNPS for 2014-2018 was much higher, and cost differential between the 10% additional nuclear power and that of natural gas was not significant. He cautioned that the future cost of nuclear power should not be assumed to be as low as the current one.

*Sources of natural gas*

25. Mr Kenneth LEUNG supported the use of floating liquefied natural gas ("LNG") storage and re-gasification unit, which resembled a LNG terminal on a tanker, in Hong Kong. He added that the Administration could draw on experiences from Singapore on this matter and explore the feasibility to build an artificial island to accommodate such installations. The Chairman also asked about the feasibility of land allocation for LNG installations and its pros and cons vis-à-vis purchasing natural gas from the Mainland.

26. SEN advised that the power companies could import natural gas from various sources, including the piped gas through the Mainland's Second West-East Natural Gas Pipeline. The Administration would give careful consideration to the technological viability and tariff implications when examining proposals on LNG storage and re-gasification unit.

Conclusion

27. The Chairman requested the Administration to take into consideration the views of members and deputations expressed at the meeting and in the submissions.

**II. Any other business**

28. There being no other business, the meeting ended at 12:46 pm.

**Panel on Economic Development**

**Special meeting on Saturday, 6 June 2015, at 9:00 am**  
**Meeting to receive views on "Public consultation on the future development of the**  
**electricity market in Hong Kong"**

**Summary of views and concerns expressed by deputations/individuals**

No.	Name of deputation/individual	Submission / Major views and concerns
<i>Session 1</i>		
1.	Amoy Gardens Joint Owners Committee	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1074/14-15(02) (Chinese version only)</li> </ul>
2.	Mr NGAN Man-yu	<ul style="list-style-type: none"> <li>● Expressed concern that liberalization of electricity market might not bring down the electricity tariff but might compromise the supply reliability having regard to overseas experiences.</li> <li>● The Administration should reduce the permitted rate of return ("RoR") and reserve margin of the power companies, require the power companies to bear part of the fuel cost fluctuation and enhance their information transparency.</li> <li>● The Administration should press ahead to reduce coal utilization and develop renewable energy ("RE"), including waste-to-energy.</li> </ul>
3.	Consumer Council	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1121/14-15(08)</li> <li>● LC Paper No. CB(4)1259/14-15(06) (Chinese version only)</li> </ul>
4.	Democratic Alliance for the Betterment and Progress of Hong Kong	<ul style="list-style-type: none"> <li>● Expressed concern about the impact of liberalization of electricity market in Hong Kong and suggested conducting a detailed study on relevant matters, such as the local legislation, the ownership of infrastructure and overall benefits, taking into account overseas experiences.</li> <li>● The Executive Council's power on tariff approval should be extended to cover not only the Basic Tariff Rate but also the net tariff which also included fuel cost.</li> <li>● The Administration should explore and provide a detailed analysis about reducing the reserve margin of the power companies from the existing level of 20% - 30% to various levels below 20% vis-à-vis the impact on generation capacity, investment cost and supply reliability.</li> <li>● The Administration should press ahead to develop RE, including waste-to-energy.</li> </ul>
5.	Hong Kong Professionals and Senior Executives Association	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1127/14-15(07)</li> </ul>
6.	WWF - Hong Kong	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1058/14-15(01) (Joint-submission)(Chinese version only)</li> <li>● LC Paper No. CB(4)1074/14-15(10) (Chinese version only)</li> </ul>

No.	Name of deputation/individual	Submission / Major views and concerns
7.	World Green Organisation	<ul style="list-style-type: none"> <li>● Hong Kong could introduce a partial liberalization into the electricity market in a progressive process, i.e., liberalizing initially only the anticipated increase in electricity demand of about 15% by 2024 by allowing new transmission companies to connect to the grids of the existing power companies for the purpose of segregating generation and transmission/distribution businesses. New power generation companies could supply electricity to the transmission companies upon bidding arrangement.</li> <li>● The Administration should require the power companies to publish segregated annual cost data pertaining to their generation, and transmission and distribution systems to pave the way for future business separation.</li> <li>● Under the new electricity market, the energy policy should be formulated with a view to achieving energy security, i.e. electricity supply should be reliable, safe and meeting the environmental targets, while the electricity tariff would be maintained at a reasonable level to sustain the investment incentives.</li> <li>● The power companies could jointly purchase natural gas, say, 10% of the total consumption, from the international market by way of hedging to reduce the possible impact brought by volatility of the rising fuel costs.</li> </ul>
8.	The Lion Rock Institute	<ul style="list-style-type: none"> <li>● The power companies should purchase some natural gas from the international market instead of relying mainly on the supply via the Second West-East Natural Gas Pipeline ("WEPII").</li> <li>● There should be a liquefied natural gas ("LNG") storage and re-gasification unit constructed in Hong Kong.</li> <li>● The permitted RoR should be maintained at a reasonable level to ensure sufficient investment incentives and hence a reliable electricity supply in Hong Kong.</li> </ul>
9.	Liberal Party	<ul style="list-style-type: none"> <li>● The permitted RoR should be reduced as far as practicable given that the recent global interest rate was low.</li> <li>● The power companies should purchase some natural gas from other sources instead of relying mainly on the supply via WEPII.</li> <li>● The Administration should consider importing more nuclear power to alleviate the burden of tariff increase, given that there would be over 50 nuclear reactors in South China by 2020 and hence Hong Kong would share the associated risk anyway.</li> <li>● Disagreed with the suggestion to introduce progressive tariffs for non-domestic consumers.</li> </ul>
10.	Mr Michael LEE	<ul style="list-style-type: none"> <li>● Instead of pegging the RoR at the average net fixed assets ("ANFA") of the power companies, an adjustment system should be introduced for the new permitted RoR which could go upwards and downwards according to a host of factors, such as interest rates.</li> </ul>



No.	Name of deputation/individual	Submission / Major views and concerns
		<ul style="list-style-type: none"> <li>● Hong Kong could build an artificial island for constructing a nuclear power plant for supplying nuclear power with zero emission for electricity generation.</li> <li>● Market liberalization could be pursued in Hong Kong but the operational differences of the power companies might be addressed first.</li> </ul>
11.	New People's Party	<ul style="list-style-type: none"> <li>● Expressed doubts about the readiness of Hong Kong to introduce competition to its electricity market and the claim that market liberalization would lead to a reduction of electricity tariff.</li> <li>● The Administration should implement the fuel mix according to public views, explore further RE development options and increase publicity about the pros and cons of using nuclear power.</li> <li>● The Administration should improve the current regulatory regime under Scheme of control agreements ("SCAs"), such as improving the incentive and penalty scheme to enhance the performance of power companies and reducing the permitted RoR to 6% to 8%.</li> </ul>
12.	Greenpeace	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1058/14-15(01) (Joint-submission)(Chinese version only)</li> </ul>
13.	Federation of Hong Kong Industries	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1259/14-15(08)</li> </ul>
14.	Kwai Chung South Resident Association	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1074/14-15(11) (Chinese version only)</li> <li>● LC Paper No. CB(4)1127/14-15(09) (Chinese version only)</li> </ul>
15.	Mr Timothy CHAN	<ul style="list-style-type: none"> <li>● Hong Kong should adopt a progressive change to its electricity market in a period of about 10 to 20 years with regular reviews.</li> <li>● The Administration should enhance the RE development in Hong Kong, facilitate the entrance of new players to the electricity market as well as explore new sources of energy supply.</li> </ul>
16.	Mr Fun CHEUNG	<ul style="list-style-type: none"> <li>● The cost of nuclear power from Daya Bay Nuclear Power Station was much lower than that of natural gas from WEPII and hence increasing use of nuclear power could alleviate the burden of tariff increase.</li> <li>● The Administration should consider importing more nuclear power, given that there would be over 50 nuclear reactors in South China by 2020 and hence Hong Kong would share the associated risk anyway.</li> </ul>
17.	Miss Mandy KWOK	<ul style="list-style-type: none"> <li>● Shared that Finland had produced a cooling and dehumidification system which could reduce energy consumption on air-conditioning by 80%, and the Administration should conduct a study of a similar system to enhance energy savings in the long run. .</li> </ul>

No.	Name of deputation/individual	Submission / Major views and concerns
18.	Mr Conrad MO	<ul style="list-style-type: none"> <li>● The Administration should step up publicity about energy savings among general consumers and explore different incentives, such as the use of the Advanced Metering Infrastructure, to enhance promotion.</li> </ul>
19.	School of Energy and Environment, City University of Hong Kong	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1074/14-15 (15) (English version only)</li> </ul>
20.	Hong Kong Small and Medium Enterprises General Association	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1074/14-15(06) (Chinese version only)</li> </ul>
<i>Session 2</i>		
21.	Hong Kong Association for Energy Economics	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1259/14-15(01)</li> </ul>
22.	Safety Electrical Consulting Limited	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1058/14-15(10) (Chinese version only)</li> </ul>
23.	Momentum 107	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1074/14-15(05) (Chinese version only)</li> </ul>
24.	Green Council	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1074/14-15(13) (Chinese version only)</li> </ul>
25.	Cheung Sha Wan Kai Fong Welfare Association Limited	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1074/14-15(04) (Chinese version only)</li> </ul>
26.	Cheung Chau Chinese Chamber of Commerce	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1058/14-15(14) (Chinese version only)</li> </ul>
27.	Shatin District Council	<ul style="list-style-type: none"> <li>● Expressed doubts about the readiness of Hong Kong to introduce competition to its electricity market and the feasibility of lowering the electricity tariff by market liberalization, given that the supply reliability might be compromised.</li> <li>● Supported using more nuclear power which was cleaner and lower in cost, and urged the Administration to step up public education about the performance of difference fuels in terms of environmental performance and cost.</li> <li>● The Administration should set out clearly in the fuel mix the share of coal and RE separately with justifications which were largely different in terms of environmental performance and cost implications.</li> </ul>
28.	Democratic Party	<ul style="list-style-type: none"> <li>● The Administration should formulate a long-term energy policy to pave the way for introducing competition into the electricity market, with a view to achieving a safe, reliable and affordable electricity supply.</li> </ul>

No.	Name of deputation/individual	Submission / Major views and concerns
		<ul style="list-style-type: none"> <li>● The power companies should explore more natural gas supplies instead of relying mainly on the gas supply through WEPII the cost of which was rather high.</li> <li>● The Administration could also construct local floating LNG storage and re-gasification units and lease the facilities to the power companies.</li> <li>● An Energy Management Board should be set up for formulation of energy policy and monitoring of the power companies.</li> </ul>
29.	Chamber of Food and Beverage Industry of Hong Kong	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1074/14-15(07) (Chinese version only)</li> </ul>
30.	Mr Cyrus HO	<ul style="list-style-type: none"> <li>● Expressed that the two power companies had de facto monopolized the electricity supply market and the current SCAs were unfair to consumers.</li> <li>● Suggested lowering the permitted RoR to below 8% given the general low interest rate environment.</li> <li>● The Administration should consider importing more nuclear power to alleviate the burden of tariff increase, given that there would be over 50 nuclear reactors in the Mainland areas closed to Hong Kong by 2020 and hence Hong Kong would share the associated risk anyway.</li> </ul>
31.	Mr LAW Kwan-ping	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1074/14-15(89) (English version only)</li> </ul>
32.	Hong Kong Shatin Industries and Commerce Association	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1074/14-15(08) (Chinese version only)</li> </ul>
33.	Clean Air Network	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1058/14-15(01) (Joint-submission)(Chinese version only)</li> <li>● LC Paper No. CB(4)1074/14-15(09) (Chinese version only)</li> </ul>
34.	Institution of Dining Art	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1074/14-15(90) (Chinese version only)</li> </ul>
35.	Civic Party - Environment and Sustainable Development Branch	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1127/14-15(05) (Chinese version only)</li> </ul>
36.	Tung Chung Youth Association	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1074/14-15(12) (Chinese version only)</li> </ul>
37.	翠樂陽光居民協會	<ul style="list-style-type: none"> <li>● The new RoR should no longer be pegged to ANFA of the power companies and a cap might be imposed on the maximum return.</li> <li>● The Administration should establish a specialized body comprising consumers to monitor the operational efficiency of the power companies and review the annual tariff adjustment.</li> </ul>

No.	Name of deputation/individual	Submission / Major views and concerns
		<ul style="list-style-type: none"> <li>● The Administration should also set up an Energy Management Board for formulating the energy policy in the long run.</li> <li>● The Administration should take the lead to promote RE development in Hong Kong, such as providing incentives and making legislation to enhance the connection of RE facilities to the power grids.</li> </ul>
38.	Neo Democrats	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1074/14-15(14) (Chinese version only)</li> </ul>

**Submissions from parties registered but not attending the meeting**

No.	Name of deputation/individual	Submission
39.	The Yuen Long Merchants Association	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1121/14-15(03)</li> </ul>
40.	Sai Kung Rural Committee	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1074/14-15(03) (Chinese version only)</li> </ul>
41.	Hong Kong Commerce & Industry Association Limited	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1127/14-15(08) (Chinese version only)</li> </ul>

**Submissions from deputations/individuals not attending the meeting**

No.	Name of deputation/individual	Submission
42.	Tuen Mun District (S&E) Commercial Association	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1058/14-15(12) (Chinese version only)</li> </ul>
43.	Mr SO Koon-chung, Kwun Tong District Council member	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1058/14-15(02) (Chinese version only)</li> </ul>
44.	King Bakery Holding Limited	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1058/14-15(03) (Chinese version only)</li> </ul>
45.	Maryknoll Secondary School	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1058/14-15(04) (Chinese version only)</li> </ul>
46.	Nice Quality Packaging Limited	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1058/14-15(05) (Chinese version only)</li> </ul>
47.	Avantec Manufacturing Limited	<ul style="list-style-type: none"> <li>● LC Paper No. CB(4)1058/14-15(06) (Chinese version only)</li> </ul>

No.	Name of deputation/individual	Submission
48.	鴻昌工業中心業主立案法團	● LC Paper No. CB(4)1058/14-15(07) (Chinese version only)
49.	Sham Tseng Trade Association Limited	● LC Paper No. CB(4)1058/14-15(08) (Chinese version only)
50.	長安婦女會	● LC Paper No. CB(4)1058/14-15(09) (Chinese version only)
51.	馬義實先生	● LC Paper No. CB(4)1058/14-15(11) (Chinese version only)
52.	Mr Alan LEE, MH, Kwai Tsing District Council member	● LC Paper No. CB(4)1058/14-15(13) (Chinese version only)
53.	Mr TANG Hing-yip, Yuen Long District Council member	● LC Paper No. CB(4)1058/14-15(15) (Chinese version only)
54.	Ms LEE Kwai-chun, MH, Islands District Council member	● LC Paper No. CB(4)1074/14-15(16) (Chinese version only)
55.	Mr NG Koon-hung, Tuen Mun District Council member	● LC Paper No. CB(4)1074/14-15(17) (Chinese version only)
56.	陳平	● LC Paper No. CB(4)1074/14-15(18) (Chinese version only)
57.	Mrs POON YAM Wai-chun, Winnie, MH, Kwun Tong District Council member	● LC Paper No. CB(4)1074/14-15(19) (Chinese version only)
58.	Federation of Parent-Teacher Associations Wongtaisin District Limited	● LC Paper No. CB(4)1074/14-15(20) (Chinese version only)
59.	Hong Yip Service Company Limited	● LC Paper No. CB(4)1074/14-15(21) (Chinese version only)
60.	Joint Wise Women's Association	● LC Paper No. CB(4)1074/14-15(22) (Chinese version only)
61.	Wang Toi Shan Village Office, Pat Heung, Yuen Long, New Territories	● LC Paper No. CB(4)1074/14-15(23) (Chinese version only)

No.	Name of deputation/individual	Submission
62.	盧炳生	● LC Paper No. CB(4)1074/14-15(24) (Chinese version only)
63.	Whampoa Property Management Limited	● LC Paper No. CB(4)1074/14-15(25) (Chinese version only)
64.	Tsuen Wan Kwai Ching District Women's Association	● LC Paper No. CB(4)1074/14-15(26) (Chinese version only)
65.	Eco Industry Labour Union	● LC Paper No. CB(4)1074/14-15(27) (Chinese version only)
66.	Sai Kung Chamber Of Commerce	● LC Paper No. CB(4)1074/14-15(28) (Chinese version only)
67.	Mr CHAN Kuen-kwan, MH, Sai Kung District Council members	● LC Paper No. CB(4)1074/14-15(29) (Chinese version only)
68.	Tuen Mun District Women's Association Limited	● LC Paper No. CB(4)1074/14-15(30) (Chinese version only)
69.	Operation Dawn Ltd.	● LC Paper No. CB(4)1074/14-15(31) (Chinese version only)
70.	Mr LI Kai-ming	● LC Paper No. CB(4)1074/14-15(32) (English version only)
71.	LEUNG Siu-ling	● LC Paper No. CB(4)1074/14-15(33) (Chinese version only)
72.	黎莆琳	● LC Paper No. CB(4)1074/14-15(34) (Chinese version only)
73.	中電觀塘地區客戶諮詢委員會	● LC Paper No. CB(4)1074/14-15(35) (Chinese version only)
74.	Sai Kung North Rural Committee	● LC Paper No. CB(4)1074/14-15(36) (Chinese version only)
75.	Resident Association of Tsui Chuk Garden	● LC Paper No. CB(4)1074/14-15(37) (Chinese version only)
76.	杜婉鈿	● LC Paper No. CB(4)1074/14-15(38) (Chinese version only)
77.	中華電力荃灣地區客戶諮詢委員會	● LC Paper No. CB(4)1074/14-15(39) (Chinese version only)
78.	Living Cheung Chau	● LC Paper No. CB(4)1074/14-15(40) (Chinese version only)

No.	Name of deputation/individual	Submission
79.	Savills Services Group	● LC Paper No. CB(4)1074/14-15(41) (Chinese version only)
80.	Kwun Tong Resident Association	● LC Paper No. CB(4)1074/14-15(42) (Chinese version only)
81.	Sha Tau Kok District Rural Committee, NT	● LC Paper No. CB(4)1074/14-15(43) (Chinese version only)
82.	Buddhist Hung Sean Chau Memorial College	● LC Paper No. CB(4)1074/14-15(44) (Chinese version only)
83.	Dr Corinna SIU	● LC Paper No. CB(4)1074/14-15(45) (Chinese version only)
84.	Cheong Hing Store Ltd.	● LC Paper No. CB(4)1074/14-15(46) (English version only)
85.	中華電力黃大仙地區客戶諮詢委員會	● LC Paper No. CB(4)1074/14-15(47) (Chinese version only)
86.	Truth Baptist Church Youth Enhancement Service Centre	● LC Paper No. CB(4)1074/14-15(48) (Chinese version only)
87.	Cheung Chau Tung Koon Association Ltd.	● LC Paper No. CB(4)1074/14-15(49) (Chinese version only)
88.	Living Cheung Chau	● LC Paper No. CB(4)1074/14-15(50) (Chinese version only)
89.	Lamma Island (South) Rural Committee	● LC Paper No. CB(4)1074/14-15(51) (Chinese version only)
90.	Lamma Island Fishing Promotion Association	● LC Paper No. CB(4)1074/14-15(52) (Chinese version only)
91.	梁雁群	● LC Paper No. CB(4)1074/14-15(53) (Chinese version only)
92.	Ms YAU Tai-tai, BBS, MH, Yuen Long District Council member	● LC Paper No. CB(4)1074/14-15(54) (Chinese version only)
93.	筲箕灣社團聯合會	● LC Paper No. CB(4)1074/14-15(55) (Chinese version only)
94.	Lamma Island (North) Rural Committee	● LC Paper No. CB(4)1074/14-15(56) (Chinese version only)
95.	Chai Wan Fishermen's Recreation Club	● LC Paper No. CB(4)1074/14-15(57) (Chinese version only)

No.	Name of deputation/individual	Submission
96.	新界總商會青年委員會	● LC Paper No. CB(4)1074/14-15(58) (Chinese version only)
97.	大埔黃宜坳村	● LC Paper No. CB(4)1074/14-15(59) (Chinese version only)
98.	Sheung Shui District Rural Committee	● LC Paper No. CB(4)1074/14-15(60) (Chinese version only)
99.	金銀灣業主立案法團	● LC Paper No. CB(4)1074/14-15(61) (Chinese version only)
100.	Associated Advisers Ltd.	● LC Paper No. CB(4)1074/14-15(62) (Chinese version only)
101.	Mr SUNG Wai-ching, MH	● LC Paper No. CB(4)1074/14-15(63) (Chinese version only)
102.	劉天生先生, BBS	● LC Paper No. CB(4)1074/14-15(64) (Chinese version only)
103.	Mr SO Sai-chi, SBS, MH, Chairman of North District Council	● LC Paper No. CB(4)1074/14-15(65) (Chinese version only)
104.	Mr Ivan PONG	● LC Paper No. CB(4)1074/14-15(66) (Chinese version only)
105.	Smartfield Limited	● LC Paper No. CB(4)1074/14-15(67) (Chinese version only)
106.	馬桂儀小姐	● LC Paper No. CB(4)1074/14-15(68) (Chinese version only)
107.	Larry SZE	● LC Paper No. CB(4)1074/14-15(69) (English version only)
108.	Hong Kong Fanling District Rural Committee	● LC Paper No. CB(4)1074/14-15(70) (Chinese version only)
109.	Sinly SIN	● LC Paper No. CB(4)1074/14-15(71) (Chinese version only)
110.	Hong Kong Greater China SME Alliance Association	● LC Paper No. CB(4)1074/14-15(72) (Chinese version only)
111.	New Territories West Residents	● LC Paper No. CB(4)1074/14-15(73) (Chinese version only)
112.	Thomas WONG	● LC Paper No. CB(4)1074/14-15(74) (Chinese version only)
113.	Boris KAM	● LC Paper No. CB(4)1074/14-15(75) (Chinese version only)
114.	Tai Po Youths Association	● LC Paper No. CB(4)1074/14-15(76) (Chinese version only)
115.	Frankie TANG	● LC Paper No. CB(4)1074/14-15(77) (Chinese version only)



No.	Name of deputation/individual	Submission
116.	WONG Kwok-wai	● LC Paper No. CB(4)1074/14-15(78) (English version only)
117.	衛尙	● LC Paper No. CB(4)1074/14-15(79) (Chinese version only)
118.	莊注緣	● LC Paper No. CB(4)1074/14-15(80) (Chinese version only)
119.	梁松愛	● LC Paper No. CB(4)1074/14-15(81) (Chinese version only)
120.	莊慧萍	● LC Paper No. CB(4)1074/14-15(82) (Chinese version only)
121.	莊守堃	● LC Paper No. CB(4)1074/14-15(83) (Chinese version only)
122.	莊巖	● LC Paper No. CB(4)1074/14-15(84) (Chinese version only)
123.	陳鳳雯	● LC Paper No. CB(4)1074/14-15(85) (Chinese version only)
124.	林漢光	● LC Paper No. CB(4)1074/14-15(86) (Chinese version only)
125.	太極會	● LC Paper No. CB(4)1074/14-15(87) (Chinese version only)
126.	Yuen Long Ping Shan District Residents Association	● LC Paper No. CB(4)1074/14-15(88) (Chinese version only)
127.	青泰苑業主立案法團	● LC Paper No. CB(4)1121/14-15(01) (Chinese version only)
128.	CHEUNG Yuk-ying	● LC Paper No. CB(4)1121/14-15(02) (Chinese version only)
129.	Mr SO Sik-kin, Wong Tai Sin District Council member	● LC Paper No. CB(4)1121/14-15(04) (Chinese version only)
130.	Trinseo (Hong Kong) Ltd.	● LC Paper No. CB(4)1121/14-15(05) (Chinese version only)
131.	Bebe Toys & Accessories Mfty. Ltd.	● LC Paper No. CB(4)1121/14-15(06) (Chinese version only)
132.	Ivan Ivan	● LC Paper No. CB(4)1121/14-15(07) (Chinese version only)
133.	The Hong Kong General Chamber of Small and Medium Business	● LC Paper No. CB(4)1121/14-15(09) (Chinese version only)
134.	Shatin Rural Committee	● LC Paper No. CB(4)1121/14-15(10) (Chinese version only)
135.	黃春平	● LC Paper No. CB(4)1127/14-15(02) (Chinese version only)

No.	Name of deputation/individual	Submission
136.	The Hong Kong Institution of Engineers	● LC Paper No. CB(4)1127/14-15(03) (English version only)
137.	Mr YEUNG Wai-sing, MH, Eastern District Council member	● LC Paper No. CB(4)1127/14-15(04) (Chinese version only)
138.	The Chinese General Chamber of Commerce	● LC Paper No. CB(4)1127/14-15(06) (Chinese version only)
139.	Hong Kong Association of Senior Citizens	● LC Paper No. CB(4)1259/14-15(02) (Chinese version only)
140.	The Association of Hong Kong Professionals	● LC Paper No. CB(4)1259/14-15(03) (Chinese version only)
141.	Mr Michele BINA	● LC Paper No. CB(4)1259/14-15(04) (English version only)
142.	The Association for Hong Kong Catering Services Management Ltd.	● LC Paper No. CB(4)1259/14-15(05) (Chinese version only)
143.	Federation of Hong Kong Guangdong Community Organisations	● LC Paper No. CB(4)1259/14-15(07) (Chinese version only)