

Cheong Hing Store Ltd.

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Clerk to Panel on Economic Development
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

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Dear Sir/Madam,

Public Consultation on the Future Development of the Electricity Market

Hong Kong is an international world city with service industry serving as the main vein of its economy. Over the years, the city's competitiveness is built on free economy, stable business environment, availability of professional services, effective systems and not to forget the availability of the highly reliable electricity supply.

Being a merchant that has operated in Hong Kong for over a century, we attach great importance to a stable and sufficient electricity supply as it is critical to our daily life and almost a pre-requisite to drive everything relating to our economy.

Electricity supply should fulfil the following basic points:

- Highly reliable and non-interrupting to keep all electrical devices including lighting, heating, cooling transport, electrical and electronic systems and devices running;
- Safe for everyone use
- Electricity price maintained at reasonable level for industry, trade and home use;
- Sustainable in a way that power companies are able to gain access to resources required for ensuring electricity supply to be adequate for now and for future;
- Environmental meaning that generation of electricity must be clean and safe without damaging public health and the environment.

According to the Consultation Document, Hong Kong's electricity supply has so far fulfilled the above requirements and met the changing needs of the society, which has also achieved the energy policy objectives set by the Government. As compared with other major cities in the world, performance of electricity supply in Hong Kong is in the leading band.

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I noted that the Government is considering introducing competition to the power market as the long-term goal. I urge the Government to provide concrete proposals with clear time table for any changes to the existing system which has proven an effective one. Should the Government plan for any drastic changes to the current system of the power industry, it better ensures that no adverse impact on supply reliability will be resulted, not to mention about the price level. Reliable power supply is essential to the basic operations of Hong Kong and it is critical for up keeping the competitiveness of the city. Doing business in Hong Kong is getting increasingly difficult. Adding any uncertainties to the commercial sector would further complicate the challenging business environment and expose Hong Kong's community to unnecessary risks.

To achieve sustainable development for Hong Kong, I support building on the current regulatory framework and seek continuous improvement out of it. Changing the fuel sources to a cleaner mix is an aspect I expect Government to put forward. Apart from increasing local gas-fired generation, I would like to see use of more nuclear in the future. Despite the Fukushima incident, nuclear energy is a clean option. It is carbon free and the cost is relatively stable. As Hong Kong has been enjoying nuclear import from Daya Bay over the past twenty years, and with all technology and transmission facilities readily available, it is worth considering increasing usage in future.

Lastly, I hope the Government could collaborate with the two power companies to offer assistance to the business sector in achieving energy saving through technology advancement. For instance:

1. Installing smart meters could provide users with timely information of energy usage which will help shape smarter energy consumption.
2. Tesla style solar panel and battery system for electric car recharge.
3. Energy regenerated from breaking of the elevators in smart buildings back to the building's electrical grid.

I believe only concerted efforts from Government, power industry and the community could help upkeep Hong Kong a sustainable and competitive city.

Cheong Hing Store Ltd
Homer Yu
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The Hon WONG Kam-sing, Secretary for the Environment in response to public consultation on the future development of the electricity market