

**For discussion
on 23 January 2019**

EC(2018-19)27

ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE

**HEAD 137 – GOVERNMENT SECRETARIAT :
ENVIRONMENT BUREAU
Subhead 000 Operational expenses**

Members are invited to recommend to Finance Committee the creation of the following permanent post in the Environment Bureau with effect from 29 April 2019 or with immediate effect upon approval of Finance Committee, whichever is later –

1 Administrative Officer Staff Grade C
(D2) (\$171,200 - \$187,150)

PROBLEM

The supernumerary post of one Administrative Officer Staff Grade C (AOSGC) (D2) under the Environment Bureau (ENB) will lapse on 29 April 2019. In view of the long-term work demand, we need continued staffing support at the directorate level to take forward tasks in relation to the promotion of renewable energy (RE) and long term development of the electricity market.

PROPOSAL

2. We propose to regularise one supernumerary post of AOSGC (D2) with effect from 29 April 2019 or with immediate effect upon approval of Finance Committee (FC), whichever is later.

/JUSTIFICATION

JUSTIFICATION*Promoting the Development of RE and Revamping the Fuel Mix for Electricity Generation*

3. In December 2015, 195 countries including China adopted the first-ever universal, legally binding global deal to combat climate change in Paris (the Paris Agreement). The Paris Agreement, already came into force in November 2016, applies to Hong Kong as well. In light of this latest development, the Government announced in the Policy Address of January 2017 and the Hong Kong's Climate Action Plan 2030+ the carbon intensity reduction target for 2030, i.e. to reduce Hong Kong's carbon intensity by 65% - 70% by 2030 as compared with the 2005 level.

4. In addition, pursuant to the Paris Agreement, all Parties should strive to formulate and communicate long-term low greenhouse gas emission development strategies by 2020. As part of China as well as a responsible member of the global community, the Hong Kong Special Administrative Region needs to draw up its own long-term decarbonisation strategy up to 2050 by 2020. To this end, the Council for Sustainable Development (SDC) is preparing for launching a public engagement (PE) exercise in the first half of this year. Through a bottom-up approach with active participation by stakeholders, the PE exercise could help enhance public awareness of the impact of carbon emissions and gauge the views of the community with a view to facilitating and supporting the development of Hong Kong's long-term decarbonisation strategy.

5. As electricity generation accounts for about two-thirds of Hong Kong's carbon emissions, the most important vehicle to reduce carbon emissions will be changing local fuel mix for electricity generation. To achieve the carbon reduction target for 2030, we will replace the coal-fired generating plants due to retire gradually in the coming decade mainly with more natural gas generation. However, burning natural gas will still continue to generate carbon emissions. If we are to achieve a more aggressive carbon reduction target beyond 2030, we would need to significantly increase the proportion of zero-carbon energy (including RE) in the overall fuel mix for electricity generation.

6. To facilitate development of our strategies in promoting RE, we need to regularly review the RE potential in Hong Kong. When we drew up the Hong Kong's Climate Action Plan 2030+ in early 2017, we estimated that Hong Kong has about 3% - 4% of realisable RE potential arising from wind, solar and waste-to-energy that can be exploited between then and 2030. With a view to better realising the solar photovoltaic (PV) potential in Hong Kong, we are

at an advance stage in completing a review of the solar PV potential on building rooftops in Hong Kong. Having regard to the outcome of the study on the solar PV potential on building rooftops and the RE development in the past two years, in particular our enhanced efforts in promoting the adoption of RE in both the public and private sectors, we are also reviewing the realisable RE potential in Hong Kong as previously set out in the Hong Kong's Climate Action Plan 2030+. We will continue to monitor the development of RE technologies (for example, the feasibility of adoption of floating PV technology in reservoirs can definitively contribute to the increase in the estimated RE potential) and review the aforementioned potential from time to time such that policies and facilitation and support measures are formulated having regard to appropriate benchmarks.

7. We are committed to creating the conditions that are conducive to encouraging the private sector to consider adopting RE. Over the past few years, we have been actively gauging stakeholders' views on the limitations of developing RE in Hong Kong. Feedback from our stakeholders points out that the long payback of typical RE systems has posed significant hindrances to investment in RE by the private sector. In view of this concern, we have introduced the Feed-in Tariff (FiT) under the post-2018 Scheme of Control Agreements (SCAs) to provide incentives for individuals and organisations (excluding the Government) to encourage them to invest in RE. The two power companies introduced their FiT Schemes in October 2018 and January this year respectively and have been receiving applications for the schemes. The response from the community has been overwhelming with around 1 500 applications received by the two power companies in total by end December 2018, demonstrating the effectiveness of FiT in spurring the development of RE. The FiT Scheme will be in place until 2033 under the post-2018 SCAs. We will need to review the FiT rates with the power companies annually and the relevant arrangements from time to time to ensure that FiT remains an effective tool in promoting RE. Having regard to market development and response, the arrangements to be reviewed may include types of RE and capacity of the RE systems to be covered. In the longer term, we may also need to review whether there are more effective mechanisms to further promote RE.

8. Apart from providing financial incentives, we also provide further support and facilitation to individuals and organisations who/which wish to develop RE. Taking into consideration the views and concerns raised by stakeholders, we have recently introduced new measures including suitably relaxing the restrictions in relation to installation of PV systems at the rooftop of buildings (in particular low-rise ones), pursuing legislative amendments to provide exemption from the requirements to apply for business registration and pay profits tax in respect of participation in and the payments received under the FiT Scheme, introducing

a programme to assist schools (except government and profit-making schools) and non-governmental welfare organisations in installing small-scale RE systems, revamping the HK RE Net and setting up an enquiry hotline, etc. Going forward, we will continue to engage and liaise with stakeholders to understand the concerns of different sectors and formulate further facilitation and support measures to address these concerns such that we may better encourage the realisation of RE potential in different sectors of the community.

9. For the public sector, the Government will continue to take the lead in developing RE. We have set targets of use of RE in different government buildings with the latest update to the targets made in 2017. We will continue to review and upgrade the targets from time to time in light of experience. We will also continue to follow up and explore with different Government departments the feasibility of installing RE systems at their premises and address their concerns, if any. To promote the installation of small-scale RE facilities at government buildings, venues and facilities, we have earmarked \$1 billion to support the development of such projects by bureaux and departments (B&Ds). Having regard to concerns raised by some B&Ds, we have recently extended such funding support to cover not only capital costs but also maintenance costs of the RE systems such that we may enhance the adoption of RE in government premises. We have also been actively exploring the development of large-scale RE projects and, in the near future, working with the Water Supplies Department and the Environmental Protection Department to take forward installation of large-scale floating PV systems at suitable locations in reservoirs and installation of solar PV systems at suitable landfills respectively. We will continue to work with different B&Ds with a view to implementing more RE projects of various scales at different government premises.

10. In the context of Hong Kong's long-term decarbonisation strategy, of which promotion of RE will form an integral and important part, such strategy is expected to involve actions and deliverables covering the coming decades, at least up till 2050. We envisage that, with enhanced public awareness of RE and advancement of the relevant technologies, there would be more opportunities to tap into the potential for further adoption of RE by the community. We will need to, on an on-going basis, monitor the relevant developments, engage stakeholders to better understand possible areas of facilitation and support, formulate new support measures, monitor the implementation effectiveness of measures put in place and review and refine such measures as necessary. Such work will be on-going rather than time-limited and is most likely to get increasingly complicated over time as we explore further ways to enhance the adoption of RE so as to continuously reduce carbon emissions to combat climate change.

11. Apart from promoting the development of RE proactively, we will also review our fuel mix for electricity generation holistically and substantially increase the proportion of zero-carbon energy thereof in order to further reduce carbon emissions. As mentioned in paragraph 4 above, the SDC will conduct a PE exercise to help formulate the Hong Kong's long-term decarbonisation strategy, including how to decarbonise the electricity generation sector. In respect of decarbonising the electricity generation sector, in the short term, we need to support the PE exercise by providing relevant background information to the SDC and thoroughly gauging the views of different sectors of the community during the PE exercise. Taking into consideration our four energy policy objectives (i.e. safety, reliability, affordability and environmental protection), we will then need to formulate the future fuel mix for electricity generation in both the medium and longer terms. The review of fuel mix for electricity generation will also need to tie in well with the retirement schedule of the existing power plants. To achieve the carbon reduction target for 2030, we are replacing the first generation coal-fired generating plants mainly with more natural gas generation in the coming decade. If we are to achieve more aggressive carbon reduction in the long term, zero-carbon energy source(s) will need to be the dominant energy source and replace the remaining coal plants due to retire in the 2030s and even the gas plants towards 2050. As such, the work involved in decarbonising the electricity generation sector will involve not only determining the fuel types to be used in electricity generation but also the relevant infrastructure that needs to be put in place in a timely fashion to implement the fuel mix. In the process, a proper balance has to be struck between minimising the environmental impact of electricity generation and ensuring that the future demand for electricity can be met reliably, safely and at reasonable prices. Extensive and on-going engagement with relevant stakeholders, including the power companies, is therefore necessary. Such work is also expected to be intertwined with that associated with the future development of the electricity market (to be covered in the next section), making it complex and intensive as there are likely to be far-reaching implications for the power companies.

Future Development of the Electricity Market

12. Having regard to the views received during the Public Consultation on the Future Fuel Mix for Electricity Generation in 2014 and the Public Consultation on the Future Development of the Electricity Market in 2015 (the Public Consultation), and taking into consideration the fact that there will not be a substantial new source of supply either from the Mainland or locally in the near

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term¹, we maintained the existing regulatory arrangement for the power companies through SCAs and signed the post-2018 SCAs with the power companies in 2017. Under the post-2018 SCAs, we have reduced the permitted rate of return of the power companies, improved their fuel cost charging arrangement, and revamped the incentives and penalties schemes in order to further encourage the power companies' performance in various aspects. We have also introduced different schemes and measures to promote energy efficiency and conservation as well as the development of RE. We need to continuously and closely monitor the implementation of the various measures under the post-2018 SCAs, liaise and review the relevant arrangements with the power companies from time to time, and refine the implementation details when necessary.

13. Under the post-2018 SCAs, we will conduct interim reviews with the power companies every five years to consider all matters under the SCAs. To prepare for the Mid-Term Review conducted in 2013 in respect of the previous set of SCAs, we engaged experts, academics, green groups and other stakeholders to solicit their comments. We also consulted the Legislative Council (LegCo) Panel on Economic Development and the Energy Advisory Committee in respect of the review. Having regard to the views received and our experience in operating the SCAs, we put forward various proposals for modifying the SCAs to the two power companies, with a view to seeking improvements on the terms and conditions of the SCAs. The experience in 2013 demonstrates that, given the wide range of complicated issues involved and their interconnectedness which called for detailed analyses of various options from the financial, technical and regulatory perspectives, the negotiation process was very complex involving very heavy workload. In addition, when an agreement on the relevant revised terms and conditions is reached with the power companies, we would need to prepare a new legal document to amend the SCAs to put them into effect. Taking into consideration the contents of the post-2018 SCAs and the power companies' important role in reducing carbon emissions, the interim reviews to be conducted under these SCAs every five years (i.e. in 2023 and 2028) may involve important and extensive discussions with the power companies on introducing more relevant measures (such as those to promote energy efficiency and conservation as well as the development of RE). Hence, we anticipate that the interim reviews will be much more complex and the workload involved will be much heavier than that during the aforementioned Mid-Term Review in 2013, which already took almost two years to complete.

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¹ The majority of respondents to the Public Consultation on the Future Fuel Mix for Electricity Generation in 2014 supported local electricity generation by natural gas and expressed reservation about importing electricity from the Mainland at that stage. On new local supplies, given the very limited land supply in Hong Kong, the potential environmental impact of new generating units and the likely opposition from residents in the vicinity, it would be very difficult to identify a suitable location for the construction of new generating units by new supplier(s). As such, it is very unlikely that there would be a new, sizable electricity supplier locally in the near term.

14. On preparing for opening up of the electricity market beyond 2033, we are dedicated to undertaking the necessary preparatory work to pave the way for introducing potential new supplier(s) in future when the requisite market conditions are present in Hong Kong. In accordance with the post-2018 SCAs, the key preparatory work we will undertake with the two power companies during that regulatory period (i.e. 2018/2019 to 2033)² include –

- (a) Enhanced Interconnection – ENB will commission a study with the power companies to look into the detailed arrangements for strengthening the interconnection between the Mainland and Hong Kong, as well as that between the existing grids in Hong Kong; and
- (b) Grid Access – Allowing third party access to the existing power grids is a critical enabler for introducing new supplier(s) to the local market as construction of a parallel power grid would be highly uneconomical. ENB will discuss with the power companies with a view to opening up their power grids for access by new player(s), preferably on a voluntary basis. ENB will also conduct a joint study with the power companies to work out the detailed arrangements for such grid access.

The aforementioned studies on enhancing interconnection and grid access will be very complex, concerning issues in relation to financial, technical, legal and regulatory arrangements, etc. We will need to discuss with the power companies the scope and details of the studies before commencing them and complete the studies within the said regulatory period. Extensive work over an extended period of time will also be required for implementing the recommendations of the said studies. For example, subject to the outcome of the interconnection study, it will take considerable work and time to plan, design and construct the enhanced cross-boundary and cross-harbour transmission infrastructures. Subject to the outcome of the grid connection study, we may also need to work on the legal tool to enable and govern third-party access to the power companies' grids. As such, we expect very heavy workload will be involved such that we may be in a position to consider introducing competition to the electricity market after the end of the current 15-year regulatory period in 2033.

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² The SCA signed with CLP Power Hong Kong Limited and Castle Peak Power Company Limited took effect on 1 October 2018 while the one with The Hongkong Electric Company, Limited and HK Electric Investments Limited did so on 1 January 2019. The term of both SCAs will last until 31 December 2033.

15. Towards the end of the 15-year regulatory period, we are likely to need to conduct another review of the electricity market, taking into consideration the outcome of the two studies mentioned in paragraph 14, so as to determine, inter alia, the future regulatory arrangement beyond 2033. In fact, the directorate post proposed to be regularised was first created in 2014 for two years and then extended for three years to 2019 to undertake a review of the electricity market, conduct a public consultation on the future development of the electricity market and, having regard to the outcome of the public consultation, negotiate with the power companies the post-2018 SCAs with improved terms. While we have yet to decide on the future regulatory arrangement, the above is likely to entail very extensive work during the last five years of the current regulatory period (meaning that, in addition to the interim reviews of the SCAs in 2023 and 2028, and the preparatory work for opening up the electricity market, there will be substantial work that needs to be continuously undertaken in relation to the development of the electricity market during the whole of the current 15-year regulatory period ending in 2033).

Need for Continued Directorate Support

16. The supernumerary post of Principal Assistant Secretary (Energy Review) (PAS(ER)) proposed to be regularised has been created since 10 February 2014 to head a dedicated team in ENB to undertake a review of the electricity market and to conduct the Public Consultation in 2015 having regard to the review. The LegCo FC approved the extension of this supernumerary post for a period of three years on 29 April 2016 to take forward the outcome of the Public Consultation, including conducting negotiation with the power companies in respect of the post-2018 SCAs, preparing the new contractual agreements, and implementing the relevant arrangements.

17. Work in relation to the promotion of RE was previously taken up by the Energy Division (EGD) of the ENB. EGD was headed by one AOSGC (D2) (designated as Principal Assistant Secretary (Energy) (PAS(EG)) who oversaw all energy policy matters in Hong Kong. While the work relating to the future development of the electricity market has been subsequently taken up by the dedicated team headed by PAS(ER), EGD has been responsible for the formulation and implementation of a number of policy initiatives in relation to energy efficiency and conservation, external lighting, electrical safety and gas safety, the supply of electricity, gas and oil, and related matters. Having regard to the increasingly complex work involved in the above policy areas which are not related to the future development of the electricity market (details in paragraphs 20 and 21) and the synergy required between the FiT Scheme implemented under the post-2018 SCAs and the other facilitation measures to promote the development of RE in the private sector (details in paragraphs 7 and 8), ENB has transferred the duties in relation to the formulation of the said facilitation measures for the launch of the FiT Scheme as well as the duties and responsibilities in relation to the promotion of RE to the post holder of PAS(ER) with effect from mid-2018.

18. Since electricity generation is a significant source of carbon emissions in Hong Kong, promotion of the development of RE and revamping of the fuel mix for electricity generation are pivotal to whether we can achieve the target in relation to carbon reduction in order to mitigate climate change, which requires on-going efforts. On the promotion of RE, having regard to technological advancement and response from the community, we will need to continuously explore further suitable support measures to facilitate the development of RE and review and refine them as and when necessary. On revamping the fuel mix for electricity generation, taking into consideration the electricity demand of the community, our carbon reduction targets, as well as the retirement schedule of the existing generation plants, we will need to formulate, in the medium and longer terms, the fuel mix for electricity generation and work out the corresponding requirements in respect of electricity supply infrastructure with the power companies. On the future development of the electricity market, apart from closely monitoring the implementation of the post-2018 SCAs including conducting the two interim reviews with the power companies in 2023 and 2028, we will also need to undertake preparatory work for the opening up of the electricity market and decide on the regulatory arrangement for the market beyond 2033. In addition, much of the work involved, in particular the formulation of the future fuel mix for electricity generation and the preparation for introducing competition to the electricity market may entail significant implications to the power companies' long term operation. Based on our previous experience in negotiation with the power companies on the SCAs, discussion of issues concerning their long term operation will be a lengthy and very intensive process. As such, the relevant team needs to continue to be led by a permanent directorate officer to ensure that there are adequate manpower resources to undertake the highly-demanding and complicated tasks involved.

Encl. 1 19. The job descriptions of the proposed AOSGC post is at Enclosure 1. It is proposed that the AOSGC in ENB would be underpinned by a team of six non-directorate posts³. The team will continue to work closely with the Financial Monitoring Division (FMD) and the Electricity Team (ET) in ENB in undertaking the necessary work. Headed respectively by an Assistant Director of Accounting Services (D2) and a Chief Electrical and Mechanical Engineer (D1), FMD and ET are responsible for monitoring the power companies from the financial and technical aspects respectively.

/ALTERNATIVES

³ The six non-directorate posts include (a) one Senior Administrative Officer, one Senior Executive Officer and one Personal Secretary I posts which are supernumerary ones to be regularised; (b) one Senior Administrative Officer and one Personal Secretary II posts redeployed from the EGD; and (c) one Executive Officer I post to be created.

ALTERNATIVES CONSIDERED

20. Under the current establishment, the EGD is headed by PAS(EG) to oversee all energy policy matters (except those in relation to the promotion of RE) in Hong Kong. EGD has been responsible for the formulation and implementation of a number of policy initiatives, including setting the Government's energy saving targets and formulation of strategies for achieving the target set in the implementation of the Energy Saving Plan for Hong Kong's Built Environment 2015~2025+; implementation of the Buildings Energy Efficiency Ordinance (Cap. 610) and coordinating the promotion of green building; implementation of the District Cooling System (DCSs) in the Kai Tak Development and other new development areas (NDAs); reviewing the scope and the grading system of the Mandatory Energy Efficiency Labelling Scheme (MEELS); implementation of measures to address the issues of external lighting; overseeing the policies on electrical safety and gas safety; and handling issues relating to the supply of electricity, gas and oil including land matters. The job description of PAS(EG) is at Enclosure 2.

Encl. 2

21. Looking ahead, EGD will continue to promote energy efficiency and energy saving in new and existing buildings. For government buildings, the Government is leading by example by setting a five-year target of 5% saving in the electricity consumption of government buildings from 2015-16 to 2019-20 under comparable operating conditions in 2013-14, and has earmarked about \$900 million to assist B&Ds to implement electricity saving projects. ENB is also developing the energy saving targets and implementation strategies for the next phase. We will endeavor to promote retro-commissioning (RCx) as a systematic and cost-effective energy saving method to enhance the operating energy efficiency of electrical equipment in existing buildings. In the 2018 Policy Address, the Government has announced that we are gearing up to conduct RCx progressively in suitable major government buildings to improve their energy efficiency, and will continue to work with the private sector (e.g. the Hong Kong Green Building Council) to promote RCx. Promoting RCx can help government buildings save further energy. Meanwhile, we will encourage B&Ds to apply for green building certification for existing buildings under their management. On the regulatory front, we will continue to review the Building Energy Code (the Code) every three years to tighten the energy efficiency standards and promote energy conservation in the industry. The latest edition of the Code was gazetted in November 2018. Both power companies will also progressively replace their electromechanical meters with smart meters. By providing customers with their energy consumption information, smart meters will facilitate energy saving and help Hong Kong develop into a smart city. The Government will discuss with the two power companies on providing more power consumption data and formulating

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the necessary strategies, having regard to relevant factors including the need to ensure protection of customers' privacy and compliance with legislation. On the promotion of green building, the Steering Committee on the Promotion of Green Building (SCGB) led by the Secretary for the Environment was set up in 2013 to coordinate efforts by various B&Ds in promoting green buildings. The SCGB has expanded its scope of work and revamped into the Steering Committee on the Promotion of Green Building and Renewable Energy to take forward green building and RE development in Hong Kong. In promoting energy conservation, the Government is preparing the Phase IV of the MEELS. To this end, we will need to conduct consultation and formulate standards and relevant legislation. In line with the Government's commitment to low-carbon development, apart from the existing and the proposed additional DCSs in the Kai Tak Development Area, we will consider the provision of DCSs in NDAs, e.g. Tung Chung New Town Extension (East) and Hung Shui Kiu NDAs. Regarding external lighting, the Government appointed the Working Group on External Lighting (WGEL) in August 2018 to review the effectiveness of the Charter on External Lighting. To commence the review, two consultancies will be engaged in the near future by the ENB to conduct an opinion survey to gauge the views of various sectors towards the current situation and regulation of external lighting, and to look into regulatory arrangements adopted by other economies and cities for external lighting installations. Having regard to the WGEL's review findings and recommendations, we will consider the next step, including whether legislation should be introduced to control nuisance caused by external lighting. EGD would be heavily involved in taking forward the above initiatives (including research, engagement with stakeholders and formulation of proposed measures). As seen from the development, the post of PAS(EG) is fully stretched and has no capacity to absorb additional duties related to the promotion of RE, not to mention the future development of the electricity market as well as the monitoring of the implementation of the SCAs and the interim reviews.

22. We have also considered the possibility of redeploying other directorate officers in ENB to undertake the necessary tasks but found it not feasible. FMD and ET, headed respectively by an Assistant Director of Accounting Services (D2) and a Chief Electrical and Mechanical Engineer (D1), have already been fully engaged with the ongoing tasks of monitoring the power companies in the financial and technical aspects. In addition to their regular duties, they will continue to provide support to the necessary preparatory work in relation to introducing competition to the electricity market and formulating the future fuel mix for electricity generation. The Sustainable Development Division of ENB, headed by an AOSGC, is responsible for handling policy matters relating to sustainable development (including policy matters on Government sustainability assessment system) and providing secretariat support to the SDC. The latter includes supporting the SDC's territory-wide PE process on key sustainability

issues (including the upcoming PE exercise on Hong Kong's long-term decarbonisation strategy), and arranging publicity and education programmes relating to sustainable development. All these ongoing work requires full-time attention of the directorate officers in ENB, and they cannot be redeployed to undertake duties of the proposed PAS(ER) post. The existing and proposed organisation charts of ENB showing the post of AOSGC proposed to be regularised is at Enclosure 3.

23. We also considered the option of pursuing extension of the current supernumerary post. However, as set out in paragraph 15, the directorate post proposed to be regularised has been created for five years and we already envisage that it would need to be retained at least for the whole of the current 15-year regulatory period in order to take forward tasks in relation to the future development of the electricity market amongst other issues. In addition, work in relation to the promotion of RE is expected to be on-going as part of Hong Kong's long-term decarbonisation strategy up to 2050. As such, we do not consider it feasible to pursue merely maintaining the supernumerary post as such arrangement does not match the long-term nature of work to be undertaken.

FINANCIAL IMPLICATIONS

24. The proposed regularisation of the one supernumerary directorate post will bring about an additional notional annual salary cost at mid-point of \$2,179,800. The additional full annual average staff cost, including salaries and staff on-cost, is \$3,074,200. For the six non-directorate civil service posts mentioned in paragraph 19 above, the notional annual salary cost at mid-point is \$5,446,900 and the full annual average staff cost, including salaries and staff on-cost, is \$8,104,800. Subject to the FC's approval of the proposed regularisation of the directorate post, we will include sufficient provision in the draft Estimates of 2019-20 and subsequent years to meet the cost of the proposal.

PUBLIC CONSULTATION

25. The LegCo Panel on Environmental Affairs⁴ was consulted on the staffing proposal at its meeting on 26 November 2018. Members were generally supportive of the staffing proposal while some Members expressed concern about the need for a permanent post to take forward the relevant tasks. In view of Members' comments, details and nature of the work involved have been elaborated in this paper to facilitate Members' consideration.

/ESTABLISHMENT

⁴ While all other LegCo Members were invited to join the discussion as it involved an establishment proposal, Members of the Panel on Economic Development, at which matters in relation to development of the electricity market are usually discussed, were specifically invited to join the discussion.

ESTABLISHMENT CHANGES

26. The establishment changes of Head 137 Government Secretariat: ENB for the past two years are as follows –

Establishment (Note)	Number of posts			
	Existing (as at 1 December 2018)	As at 1 April 2018	As at 1 April 2017	As at 1 April 2016
ENB				
A*	6 + (1) #	6 + (1)	6 + (1)	6
B	18	18	18	18
C	28	28	26	25
Total	52 + (1)	52 + (1)	50 + (1)	49

Note:

- A – ranks in the directorate pay scale or equivalent
- B – non-directorate ranks, the maximum pay point of which is above MPS point 33 or equivalent
- C – non-directorate ranks, the maximum pay point of which is at or below MPS point 33 or equivalent
- () – number of supernumerary directorate posts
- * – excluding supernumerary post created under delegated authority
- # – as at 1 December 2018, there was no unfilled directorate post in ENB

CIVIL SERVICE BUREAU COMMENTS

27. The Civil Service Bureau supports the proposed regularisation of the directorate post to take forward tasks in relation to the promotion of RE and long term development of the electricity market. The grading and ranking of the post are considered appropriate having regard to the level and scope of responsibilities required.

ADVICE OF THE STANDING COMMITTEE ON DIRECTORATE SALARIES AND CONDITIONS OF SERVICE

28. The Standing Committee on Directorate Salaries and Conditions of Service has advised that the grading proposed for the post to be regularised as mentioned above is appropriate.

Job Description
Principal Assistant Secretary for the Environment
(Electricity Reviews)

Rank : Administrative Officer Staff Grade C (D2)

Responsible to : Deputy Secretary for the Environment

Main Duties and Responsibilities –

- (a) To formulate strategies and measures to promote the development of renewable energy and to monitor and review from time to time the implementation of these measures.
- (b) To formulate the future fuel mix for electricity generation having regard to relevant considerations, including the energy policy objectives, public views, etc., and follow up with the power companies and relevant stakeholders on the relevant arrangements.
- (c) To monitor the implementation of the post-2018 Scheme of Control Agreements and to conduct the relevant interim reviews.
- (d) To undertake tasks in relation to the development of the electricity market, including discussing with the power companies and undertaking the necessary preparatory work to pave the way for introducing competition (including conducting the studies on grid access and enhancing interconnection).

Job Description
Principal Assistant Secretary for the Environment
(Energy)

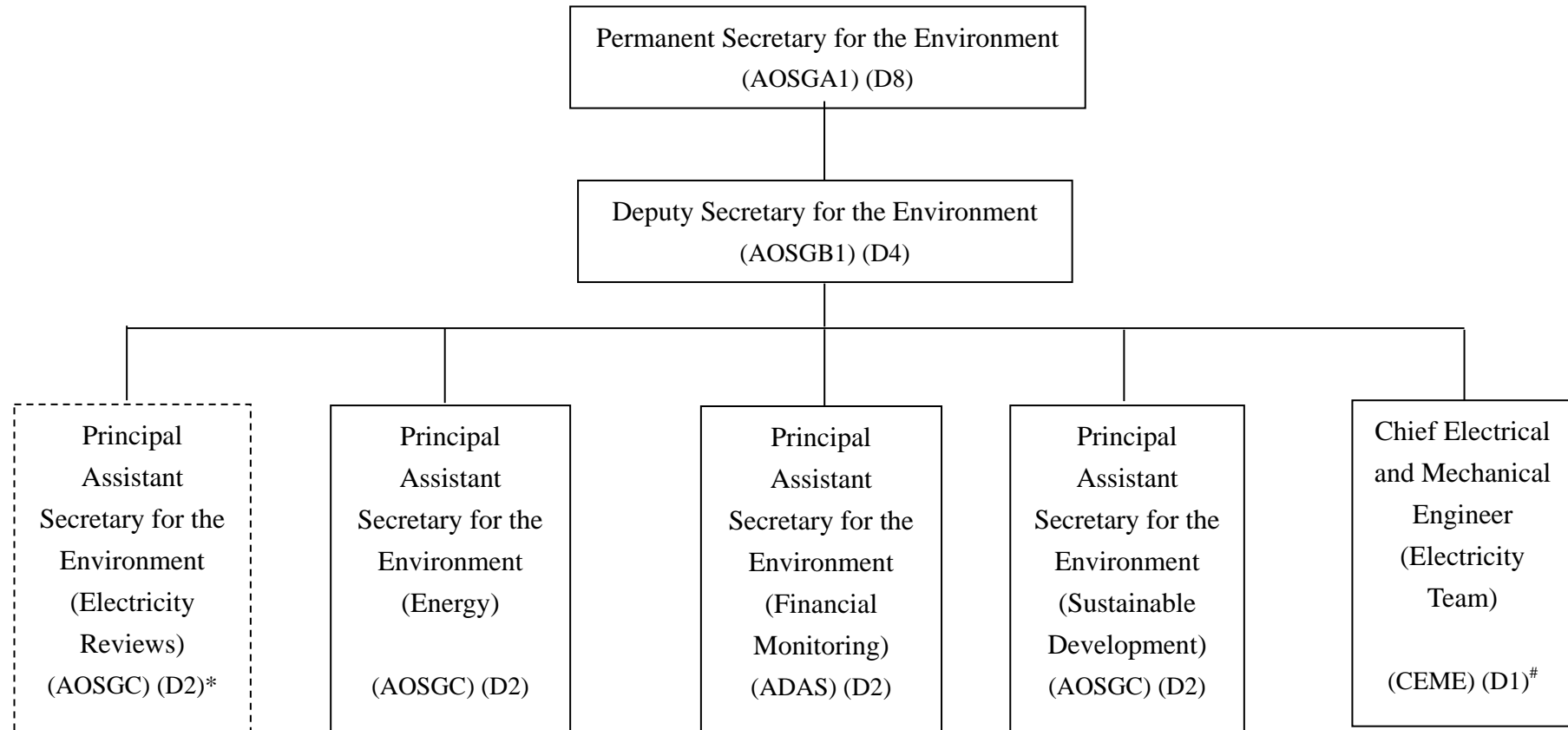
Rank : Administrative Officer Staff Grade C (D2)

Responsible to : Deputy Secretary for the Environment

Main Duties and Responsibilities –

- (a) To take forward policies and initiatives relating to energy efficiency and energy saving, including opening electricity data, the implementation of the Mandatory Energy Efficiency Labelling Scheme and related public education activities.
- (b) To set the Government's energy saving targets, formulate strategies in achieving the targets and monitor the implementation progress.
- (c) To develop measures to enhance building energy efficiency, including promotion of retro-commissioning, co-ordination of the Government's efforts in promoting green buildings and implementation of relevant initiatives as well as supporting the Steering Committee on the Promotion of Green Building and Renewable Energy, etc.
- (d) To handle policy matters in tackling light nuisance and energy wastage arising from external lighting, including supporting the Working Group on External Lighting in reviewing the effectiveness of the Charter on External Lighting and related follow-up work.
- (e) Policy matters relating to electricity supply and electrical safety.
- (f) Policy matters relating to gas and oil supply and gas safety.

Existing and Proposed Organisation chart of Environment Bureau



Legend:

ADAS - Assistant Director of Accounting Services

AOSGC - Administrative Officer Staff Grade C

AOSGA1 - Administrative Officer Staff Grade A1

CEME - Chief Electrical and Mechanical Engineer

AOSGB1 - Administrative Officer Staff Grade B1

* This supernumerary post will lapse on 29 April 2019 and is proposed to be regularised

This post was created under Head 42 - Electrical and Mechanical Services Department

In addition, a Principal Assistant Secretary is on loan to Environmental Protection Department.