Legislative Council

LC Paper No. CB(1)951/19-20 (These minutes have been seen by the Administration)

Ref: CB1/PS/1/19

Panel on Environmental Affairs

Subcommittee to Study Issues Relating to the Development of Electric Vehicles

Minutes of the meeting on Friday, 12 June 2020, 10:45 am in Conference Room 1 of the Legislative Council Complex

Hon CHAN Hak-kan, BBS, JP (Chairman) **Members present**

Hon Kenneth LEUNG

Hon Elizabeth QUAT, BBS, JP

Hon SHIU Ka-fai, JP Hon Tanya CHAN Hon HUI Chi-fung

Member attending : Hon Holden CHOW Ho-ding

Members absent Hon Frankie YICK Chi-ming, SBS, JP

Ir Dr Hon LO Wai-kwok, SBS, MH, JP

Dr Hon Junius HO Kwan-yiu, JP

Public Officers attending

Agenda items III & IV

Mr TSE Chin-wan, BBS, JP

Under Secretary for the Environment

Mr Owin FUNG

Deputy Director of Environmental Protection (3)

Mr Dave HO, JP

Assistant Director (Air Policy)

Environmental Protection Department

Mr Jemuel NG

Principal Environmental Protection Officer

(Corporate Affairs)

Environmental Protection Department

Dr MAK Shing-tat

Principal Environmental Protection Officer

(Mobile Source)

Environmental Protection Department

Clerk in attendance: Mr Derek LO

Chief Council Secretary (1)5

Staff in attendance: Miss Tiffany NG

Chief Council Researcher 3

Mr Kent CHUNG Council Researcher 7

Ms Anki NG

Council Secretary (1)5

Ms Michelle NIEN

Legislative Assistant (1)5

Action

I. Matters arising from previous meeting

(LC Paper No. CB(1)721/19-20(01) — Follow-up action arising from

the discussion at the meeting on

11 May 2020

LC Paper No. CB(1)606/19-20(01) — Submission dated 7 May 2020

from EV Policy Study Group on policies relating to the development of electric

vehicles (Chinese version only)

LC Paper No. CB(1)721/19-20(02)

— Administration's response to the follow-up action arising from the discussion at the meeting on 11 May 2020 (as set out in LC Paper No. CB(1)721/19-20(01)) and submission from EV Policy Study Group dated 7 May 2020 relating to the development of electric vehicles(as set out in LC Paper

Written submissions

LC Paper No. CB(1)664/19-20(01) — Submission from Mr LEUNG Pak-ho (Chinese version only)

No. CB(1)606/19-20(01))

LC Paper No. CB(1)664/19-20(02) — Submission from Mr Alex KC SIU (Chinese version only)

LC Paper No. CB(1)664/19-20(03) — Submission from Kwai Tsing
District Councillor
Miss WONG Pit-man (Chinese version only)

LC Paper No. CB(1)726/19-20(01) — Submission from Kowloon City
District Councillor Mr Joshua
FUNG Man-tao (Chinese version only)

LC Paper No. CB(1)726/19-20(02) — Submission from Hong Kong New Emerging Technology Education Association (English version only)

LC Paper No. CB(1)726/19-20(03) — Submission from Greenpeace (Chinese version only)

LC Paper No. CB(1)726/19-20(04) — Submission from Public Transport Research (Chinese version only)

- LC Paper No. CB(1)726/19-20(05) Submission from Liberal Party (Chinese version only)
- LC Paper No. CB(1)726/19-20(06) Submission from Hong Kong Professionals and Senior Executives Association (Chinese version only)
- LC Paper No. CB(1)726/19-20(07) Submission from Yau Tsim Mong District Councillor Mr Leslie CHAN Ka-long (Chinese version only)
- LC Paper No. CB(1)732/19-20(01) Submission from The Hong Kong Institution of Engineers (English version only))

II. Date of next meeting and items for discussion

Members agreed to discuss the following item at the next meeting scheduled for Wednesday, 8 July 2020, at 9:00 am –

To study and formulate support measures relating to electric vehicles, including recovery of used batteries, manpower training, etc.

(Post-meeting note: The notice of meeting and agenda were issued to members vide LC Paper No. CB(1)778/19-20 on 18 June 2020).

- III. To study and set the targets and timetable in respect of the proportions of electric vehicles and electric public transport vehicles to the vehicle fleets
- IV. To study and make reference to the policies of overseas cities on promoting the use of electric vehicles for formulating policy measures suitable for Hong Kong

Relevant papers

(LC Paper No. CB(1)589/19-20(01) — Administration's paper on promoting the use of electric vehicles

LC Paper No. CB(1)546/19-20(01) — Background brief prepared by the Legislative Council Secretariat)

LC Paper No. FS01/19-20

 Fact sheet on "Policies and measures on promoting the use of electric vehicles in selected places" prepared by the Research Office of the Legislative Council Secretariat)

Discussion

- 2. <u>Members</u> agreed that agenda items III and IV be discussed together as they were closely related.
- 3. <u>The Subcommittee</u> deliberated (Index of proceedings attached at **Appendix**).

(Post-meeting note: A submission from Clean Air Network, which was tabled at the meeting, was issued to members vide LC Paper No. CB(1)757/19-20(01) on 12 June 2020.)

Follow-up actions to be taken by the Administration

- 4. The Administration was requested to provide information as follows:
 - (a) since the launch of the "One-for-One Replacement" Scheme by the Administration, the distribution of the prices of newly registered electric private cars ("e-PCs") which have enjoyed the applicable First Registration Tax concession under the Scheme; and
 - (b) the number of all registered e-PCs grouped into high, medium and low price ranges.

(*Post-meeting note*: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)832/19-20(02) on 7 July 2020.)

V. Any other business

5. There being no other business, the meeting ended at 12:05 pm.

Council Business Division 1
Legislative Council Secretariat
1 September 2020

Panel on Environmental Affairs

Subcommittee to Study Issues Relating to the Development of Electric Vehicles

Proceedings of the meeting on Friday, 12 June 2020, at 10:45 am in Conference Room 1 of the Legislative Council Complex

Time	Speaker	Subject(s)	Action		
Marker			Required		
	Agenda item I — Matters arising from previous meeting				
000222 - 000323	Chairman	Follow-up to meeting on 11 May 2020 and written submissions received			
A gonda ita	om II Data of novt mad	eting and items for discussion			
000324 –	Chairman	Date of next meeting			
000324 =	Chairman	Date of flext fileeting			
vehicles ar Agenda ite	nd electric public transpo em IV — To study and ma	t the targets and timetable in respect of the propert vehicles to the vehicle fleets			
		policy measures suitable for Hong Kong			
000425 – 000844	Chairman Chief Council Researcher 3	Presentation of fact sheet on "Policies and measures on promoting the use of electric vehicles in selected places" prepared by the Research Division of the Legislative Council Secretariat (LC Paper No. FS01/19-20).			
000845 – 001457	Chairman Mr HUI Chi-fung Administration	Noting that unlike the other places studied in LC Paper No. FS01/19-20, Hong Kong did not have a long-term action plan with specific targets for popularizing the use of electric vehicles ("EVs"), Mr HUI Chi-fung enquired about whether there was a proposed target percentage of electric private cars ("e-PCs") out of the total number of private cars ("PCs") in Hong Kong by a certain date, and if not, the reasons for not setting such a target. The Administration advised that —			
		(a) the Government was formulating the roadmap on the popularization of EVs, in which the Administration would set out various targets and further examine the policy objectives and plans to promote the use of EVs and their associated supporting measures. The relevant work was tentatively scheduled for completion in the first half of 2021; and			

Time Marker	Speaker	Subject(s)	Action Required
		(b) when comparing the number and percentage of EVs with other places in the world, it was necessary to take into account different factors among these places, including the differences in the total numbers of PCs. For example, the number of e-PCs in Hong Kong had increased by over 210 times in 10 years (from only 70 in 2010 to over 14 800 in May 2020), currently accounting for about 2.3% of the total number of PCs in Hong Kong. Such penetration rate brought Hong Kong to be one of the leading cities in the region with regard to EV adoption. Out of all the first registered PCs in the period between January and May 2020, about 10% were e-PCs. Mr HUI opined that the Administration was far lagging behind other countries in adopting environmental measures which were adopted elsewhere on a worldwide basis, and was porticularly so in formulating policies to	
001458 - 001905	Chairman Ms Tanya CHAN Administration	particularly so in formulating policies to promote the use of EVs in Hong Kong. Ms Tanya CHAN enquired about — (a) whether the Administration would set a long-term action plan with specific targets for promoting the adoption of EVs, such as banning the sale of diesel vehicles and all fuel-propelled vehicles, and requiring the sale of 100% zero emission vehicles ("ZEVs") to bring the EV policies in line with international standard; and (b) the timetable for banning the sale of all fuel-propelled vehicles. The Administration advised that — (a) as the current emission standard of diesel PCs was already set at the most stringent level among other leading places around	
		PCs was already set at the most stringent	

Time Marker	Speaker	Subject(s)	Action Required
		(b) as the Government was formulating the roadmap on the popularization of EVs, the Administration would consider as to whether and how the Government should formulate any ban of the sale of fuel-propelled vehicles in future. The relevant work on the roadmap was in progress and was anticipated to be completed in the first half of 2021.	
001906 - 003004	Chairman Mr Kenneth LEUNG Administration	 (a) whether the Administration would introduce legislation or other measures (such as charging higher parking fees) to prohibit parking spaces installed with EV chargers in government car parks from being occupied by non-EVs; and (b) whether the Administration had information on conflicts between EV owners and non-EV owners in using parking spaces installed with EV chargers in government car parks, and any method to resolve such conflicts. The Administration advised that – (a) parking spaces with charging facilities in government car parks would not be designated for the exclusive use of EVs on the principle of taking full utilization of parking space resources. That said, the contractors engaged by the Transport Department or the Government Property Agency would reserve parking spaces with charging facilities for priority EV charging by arranging for traffic cones to be placed and notices to be displayed at such spaces whenever practicable during non-peak hours; (b) for the new EV chargers installed at government public car parks, they would be medium chargers and the location of the parking spaces concerned would be 	

Time Marker	Speaker	Subject(s)	Action Required
		targeted at higher floors and at less convenient spots of the car parks so as to avoid the non-EV users to occupy the spaces with charging facilities when there were other vacant spaces available;	•
		(c) the Administration might have difficulties to charge different parking fees for different parking spaces in the same government car park. However, as the number of EVs continued to increase, other measures could be implemented in the government car parks to facilitate EVs owners to use parking spaces installed with EV chargers;	
		(d) charging facilities furnished at the government car parks were supplementary in nature in the longer run, and it was a common practice in places with a relatively high percentage of EVs such as Norway that EVs owners were encouraged to charge their EVs at home rather than at public car parks. The Government was preparing for the \$2 billion pilot scheme which aimed to subsidize installation of EV charging-enabling infrastructure in the car parks of existing private residential buildings to facilitate owners of individual parking spaces to install chargers according to their own needs in future; and	
		(e) the Administration had no information on the number of conflicts between EVs owners and non-EVs owners in using parking spaces installed with EV chargers in government car parks, but had received views and complaints that parking spaces installed with EV chargers in the government car parks were occupied by non-EVs.	
		The Chairman said that some car parks managed by the Housing Authority had displayed relevant telephone numbers for vehicle owners to contact their staff when	

Time Marker	Speaker	Subject(s)	Action Required
		parking spaces equipped with EV chargers were occupied by non-EVs with a view to assisting in resolving the conflicts.	
003005 - 005530	Chairman Administration	The Chairman enquired about — (a) whether it was feasible for Hong Kong to set a target for car dealers to import a certain proportion of ZEVs out of the total number of imported vehicles, by making reference to places such as California which had a policy requiring car manufacturers there to produce a certain proportion of ZEVs based on the total number of cars sold; (b) whether there would be a target percentage of EVs for the government fleet under the government procurement policy; (c) what specific content would be included in the roadmap on the popularization of EVs, and the relevant criteria and elements to be considered in formulating the roadmap; (d) apart from financial incentives such as First Registration Tax ("FRT") concession, whether the Administration would consider implementing other pro-EV measures on roads, tunnels and bridges in view of the pro-EV practices adopted by certain overseas countries/places in terms of road use (e.g. priority road use or reduced tolls); and details of the \$2 billion pilot scheme to subsidize the installation of EV charging facilities in private buildings, including whether there would be a requirement on the type of chargers to be installed, the respective percentages of standard, medium and quick chargers to be installed, and measures to prevent private building developers or owners' incorporations from abusing the use of such scheme.	

	Subject(s)	Action Required
	The Administration advised that –	
	 (a) when California's policy requiring car manufacturers to produce a certain proportion of ZEVs based on the total number of cars sold was implemented some time ago, its main purpose was to press for technological advancement in low emission vehicles or ZEVs during the initial stage of their development. In many overseas countries and cities, the development of EVs was tied to the maturity in their car manufacturing technology. As Hong Kong had no EV manufacturers, suitable EV models which enhanced environmental protection and of good quality had to be imported for sale in Hong Kong. Adequate EV models had to be available in the overall market before a target could be set for car dealers to import certain proportion of ZEVs; (b) in recent years, e-PCs that were more technically mature with longer driving range had become gradually available in the market. The Administration believed that if a target time for phasing out all fuel-propelled vehicles was set in the roadmap on the popularization of EVs, it would encourage car dealers to import more EVs and conventional vehicles were expected to be phased out in a period of time, say about 10 years, after the implementation of the ban of the sale of fuel-propelled vehicles; (c) in formulating the roadmap on the popularization of EVs, the Administration aimed to take a leading role with regard to the adoption of EVs in the government fleet. At present, there were not sufficient suitable EV models available in the market, particularly for special purposes vehicles, including ambulances and fire services vehicles; 	

Time Marker	Speaker	Subject(s)	Action Required
Marker		(d) on financial incentives, EV owners would be entitled to FRT concessions. For corporations purchasing electric commercial vehicles ("e-CVs"), they could earn full profits tax deduction in the first year of procurement. On the other hand, the Government was also preparing for a \$2 billion pilot scheme which aimed to subsidize installation of EV charging-enabling infrastructure in the car parks of existing private residential buildings to facilitate individual car park owners to install chargers according to their own needs in future. It was planned that the infrastructure installed under the pilot scheme would support medium-speed charging at the parking spaces as quick charging facility was not economical and required high electrical load; and (e) the transport policy of Hong Kong was to promote the use of public transport which was convenient, with an extensive network. To promote the use of EVs with a view to enhancing air quality, the Government had introduced a series of measures, including the offer of FRT concession and the "Onefor-One Replacement" Scheme to e-PCs. As regards tolls for tunnels and bridges, they were implemented based on traffic management considerations with a view to adjusting the traffic flow and alleviating traffic congestion for public convenience. In line with such principle, the Government currently had no plan to offer concessions in tolls for tunnels and bridges or to introduce specific traffic management measures for EVs. The Chairman urged the Administration to consider implementing other pro-EV measures on roads, tunnels and bridges in view of the benefits brought about by the wider use of EVs in terms of improved air quality and reduced medical cost to society.	Required

Time Speaker Marker	Subject(s)	Action Required
005531 – Chairman Ms Elizabeth QUAT Administration	Ms Elizabeth QUAT enquired about — (a) the Administration's plan or timetable, if any, to replace all fuel-propelled taxis by electric taxis ("e-taxis") and whether it was the Government or the taxi trade to find suitable e-taxis models for their operation; and (b) how the Administration would facilitate the installation of e-taxis charging facilities, given that technologies on e-PCs had become quite mature and the successful reintroduction of e-taxis into Hong Kong would hinge, among other factors, on the availability of charging facilities that could meet the taxi trade's operational needs. The Administration advised that — (a) some members of the taxi trade had shown interest in trying out e-taxis, and taxioperators were looking for suitable e-taxi models that fit the operation needs of the market and could be used in the trial programme of e-taxis in the future. The Administration had exchanged views with the trade to set up a small-scale trial scheme for e-taxis and encouraged vehicle suppliers to introduce more EV models that would suit the local taxi use. Given that time was needed to identify suitable e-taxi models and develop a comprehensive charging network, the Administration did not have any concrete timetable to replace liquefied petroleum gas ("LPG") taxis by e-taxis; and (b) the Government had commissioned a consultant in October 2019 to look for suitable sites across the territory with a view to setting up quick charging facilities thereon, and invited the taxi trade to suggest potential charging sites that could meet their operational needs.	

Time Marker	Speaker	Subject(s)	Action Required
010037 – 010348	Chairman Administration	The Chairman enquired about — (a) whether the Administration had reviewed the unsuccessful experience of the taxi trade in using e-taxis and would learn from such experience with a view to improving the new trial scheme for e-taxis; and (b) whether the Administration would consider introducing financial incentives, such as subsidizing the taxi trade to replace all LPG taxis with e-taxis by, for example, a one-for-one replacement as in the Mainland. The Administration advised that — (a) the Administration was liaising with the trade to identify suitable e-taxi models for their operational needs, and had commissioned a consultant to look for suitable sites for setting up a quick charging network. The Administration would continue to work closely with the taxi trade with a view to commencing the e-taxis trial scheme as soon as practicable; and (b) the Government would consider different options in introducing financial incentives to encourage the taxi trade to switch to use e-taxis when the technology became mature and the operational requirements of the taxi trade could be met.	кеципец
010349 - 010730	Chairman Ms Elizabeth QUAT Administration	Ms Elizabeth QUAT enquired about the Administration's plan or timetable, if any, to introduce electric motorcycles ("e-motorcycles") in Hong Kong, given that some overseas countries/cities had already set down international standards for and had been using these electric vehicles. The Administration advised that the Hong Kong Police Force had purchased a number of e-motorcycles but their performance could not meet their operational needs, and two of them even caught fire spontaneously. In addition, the Administration noticed that some	

Time Marker	Speaker	Subject(s)	Action Required
		manufacturers had stopped producing e-motorcycles due to different reasons. Hence, the market of e-motorcycles was quite lukewarm at the moment.	•
010731 – 011810	Chairman Mr HUI Chi-fung Administration	Mr HUI Chi-fung considered that the appeal of e-PCs depended to a significant extent on the amount of tax concessions granted upon purchase. The reduction of the FRT concession for e-PCs from full exemption in the past to its being capped at \$97,500 since 1 April 2017 was counter-productive to promoting the use of e-PCs. He questioned the basis for setting the cap at \$97,500 and whether such policy was conducive to popularizing e-PCs, particularly those in low to medium price range, in the long run. In addition, as current registered e-PCs were mostly priced between \$800,000 to \$1 million, the amount of FRT concession was insufficient and should be adjusted upwards for greater effectiveness.	
		Mr HUI enquired about — (a) whether any study had been conducted on setting the current FRT concession to be capped at \$97,500, and if not, the reasons; and	
		(b) whether the e-PCs available for purchase under the "One-for-One Replacement" Scheme were models at affordable prices. The Administration advised that —	
		(a) the Government policy was to encourage the public to use public transport. When drawing up the FRT concessions for e-PCs, the Government considered that while refraining from promoting the overall growth of PCs causing traffic congestion and aggravating roadside air pollution, vehicle buyers could be encouraged to purchase EVs instead of conventional fuel-propelled vehicles. Taking into account the above consideration, technological	

Time Marker	Speaker	Subject(s)	Action Required
		development and market supply of EVs, vehicular growth and views of different stakeholders, the Administration had decided to continue with the FRT concessions of up to \$97,500 for e-PCs from 28 February 2018 to 31 March 2021. For the same period, the Administration had introduced the "One-for-One Replacement" Scheme to allow eligible existing vehicle owners who bought a new e-PC and scrapped their own eligible old PC to enjoy a higher FRT concession of up to \$250,000;	
		(b) most of the first registered e-PCs purchased under the "One-for-One Replacement" Scheme were models at affordable prices (between \$200,000 and \$400,000);	
		(c) in recent months, the number of e-PCs purchased under the "One-for-One Replacement" Scheme each month was over 90% of all first registered PCs. The Administration would consider whether to extend the deadline of the existing Scheme scheduled for 31 March 2021; and	
		(d) the Administration would take into account members' views in drawing up Hong Kong's first roadmap on the popularization of EVs, tentatively scheduled for completion in the first half of 2021.	
		The Administration was requested to provide information as follows –	Paragraph 4 of the minutes
		(a) since the launch of the "One-for-One Replacement" Scheme by the Administration, the distribution of the prices of newly registered e-PCs which had enjoyed the applicable FRT concession under the Scheme; and	
		(b) the number of all registered e-PCs grouped into high, medium and low price ranges.	

Time Marker	Speaker	Subject(s)	Action Required		
Agenda it	Agenda item V — Any other business				
011811 -	Chairman	Closing remarks			
011825					

Council Business Division 1
<u>Legislative Council Secretariat</u>
1 September 2020