立法會 Legislative Council

LC Paper No. CB(1)636/19-20 (These minutes have been seen by the Administration)

Ref : CB1/PL/EA

Panel on Environmental Affairs

Minutes of meeting held on Wednesday, 22 January 2020, at 2:30 pm in Conference Room 1 of the Legislative Council Complex

Members present	:	Dr Hon Junius HO Kwan-yiu, JP (Chairman)
-		Hon Steven HO Chun-yin, BBS (Deputy Chairman)
		Hon CHAN Hak-kan, BBS, JP
		Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
		Hon Frankie YICK Chi-ming, SBS, JP
		Hon WU Chi-wai, MH
		Hon CHAN Chi-chuen
		Hon Kenneth LEUNG
		Hon KWOK Wai-keung, JP
		Hon Dennis KWOK Wing-hang
		Hon Elizabeth QUAT, BBS, JP
		Ir Dr Hon LO Wai-kwok, SBS, MH, JP
		Hon CHU Hoi-dick
		Hon SHIU Ka-fai, JP
		Hon Tanya CHAN
		Hon HUI Chi-fung
		Hon Kenneth LAU Ip-keung, BBS, MH, JP
		Hon Tony TSE Wai-chuen, BBS
		-

Member attending : Hon Charles Peter MOK, JP

Public Officers attending

: For item IV

Mr Paul WONG Principal Assistant Secretary for the Environment (Energy)

Mr Alfred SIT, JP Director of Electrical and Mechanical Services Electrical and Mechanical Services Department

Mr VY Ek-Chin Assistant Director/Electricity and Energy Efficiency Electrical and Mechanical Services Department

For item V

Mr TSE Chin-wan, BBS, JP Under Secretary for the Environment

Mr Owin FUNG Deputy Director of Environmental Protection (3) Environmental Protection Department

Mr Elvis AU, JP Deputy Director of Environmental Protection (1) Environmental Protection Department

Mr Dave HO, JP Assistant Director (Air Policy) Environmental Protection Department

Mr Brian LAU Principal Environmental Protection Officer (Air Policy) Environmental Protection Department

Dr Kenneth LEUNG Principal Environmental Protection Officer (Air Science) Environmental Protection Department Dr MAK Shing-tat Principal Environmental Protection Officer (Mobile Source) Environmental Protection Department

Mr Ray LEUNG Senior Environmental Protection Officer (Crossboundary and International)5 Environmental Protection Department

For item VI

Mr TSE Chin-wan, BBS, JP Under Secretary for the Environment

Mr Owin FUNG Deputy Director of Environmental Protection (3) Environmental Protection Department

Mr Dave HO, JP Assistant Director (Air Policy) Environmental Protection Department

Mr Brian LAU Principal Environmental Protection Officer (Air Policy) Environmental Protection Department

Dr Kenneth LEUNG Principal Environmental Protection Officer (Air Science) Environmental Protection Department

Dr MAK Shing-tat Principal Environmental Protection Officer (Mobile Source) Environmental Protection Department Attendance by invitation

: For item VI

Democratic Alliance for the Betterment and Progress of Hong Kong Deputy Spokesperson of Environmental Affairs Mr LAU Chun-hoi

<u>Grid-Tech Auto Services Co. Limited</u> General Manager Miss Rachel CHU

Hong Kong New Emerging Technology Education Association Chairman Mr Alex HUNG

<u>Tesla</u> Government Relations Manager Mr Thomas YU

Individual Mr CHOY Kwan-ho

Office of Leslie Chan Ka Long, District Councillor, Yau Tsim Mong District Council Mr Leslie CHAN

<u>The Lion Rock Institute</u> Executive Director Mr Michael KO

<u>Liberal Party</u> Vice Party Chair Mr LEE Chun-keung

<u>The Hong Kong Information Technology Federation</u> Honorary President Mr FONG Po-kiu

<u>Clean Air Network</u> Senior Community Relations Manager Mr LOONG Tsz-wai Hong Kong Commercial Vehicle Maintenance Association Limited Vice Chairman Mr MA Sing-wai

Individual Mr WONG Wai-lung

<u>Right Hand Drive Motors Association (Hong Kong)</u> <u>Limited</u> Chairman Mr LOR Chi-kan

Hong Kong E-Vehicles Business General Association Limited Committee Member and Innovation Technology Dr Stephen CHEN

Hong Kong Bus Suppliers Association Chairman Mr HO Kin-ping

<u>Public Affairs Committee of Hong Kong Institute of</u> <u>Urban Design</u> Chairman Mr TAM Po-yiu

<u>Individual</u> Mr MA Nam-kam

<u>Committee of New Energy Automobile (A member of</u> <u>HKLHD Motors Association)</u> Chairman Mr Andrew CHAN

Individual Mr Ronnie WU

Hong Kong Blind Union Committee member Mr Alex CHAN Individual Mr CHOW Kam-kei

<u>Charged Hong Kong</u> Chairman Mr Mark WEBB-JOHNSON

Individual Mr Sam YIP

Individual Mr Dennis LEUNG

<u>The Democratic Party</u> Secretary General Mr CHEUNG Yin-tung

<u>WWF-Hong Kong</u> Senior Conservation Officer Ms Kitty TAM

<u>Hotel ICON</u> Director of Engineering and Environmental Management Mr CHAN Kai-kwan

<u>Civic Exchange</u> Programme Manager Ms Yvonne LAW

<u>Hong Kong Institute of Qualified Environmental</u> <u>Professionals</u> Vice Chairman Prof Alexis LAU

KPMG Advisory (Hong Kong) Limited Director Mr Steven LEWIS

	The Motor Traders Association of Hong Kong – Electric and Alternative Energy Vehicle Development Sub-CommitteeVice Chairman Mr CHEUNG Wai-man
	<u>Greenpeace</u> Campaigner Mr NG Hon-lam
	evMega Technology Limited Director Mr LAU Kwok-tung
	<u>Kowloon District Tourists and Passengers Omnibus</u> <u>Operators Association Limited</u> Committee Member Mr LAW Wing-hoi
	<u>Public Omnibus Operators Association Limited</u> Officer Mr Ben WONG
	<u>The Hong Kong Society for the Blind</u> Senior Orientation and Mobility Instructor Mr Wallace WU
Clerk in attendance:	Ms Angel SHEK Chief Council Secretary (1)1
Staff in attendance:	Mr Jason KONG Senior Council Secretary (1)1
	Miss Bowie LAM Council Secretary (1)1
	Miss Mandy POON Legislative Assistant (1)1

I. Confirmation of minutes

(LC Paper No. CB(1)317 — Minutes of the meeting held on 25 November 2019)

The minutes of the meeting held on 25 November 2019 were confirmed.

II. Information papers issued since last meeting

2. <u>Members</u> noted that no information paper had been issued since the last meeting.

III. Items for discussion at the next meeting

(LC Paper No. CB(1)336 — List of outstanding items for /19-20(01) discussion)

3. <u>Members</u> agreed to discuss the following items at the next regular meeting scheduled for Monday, 24 February 2020, at 2:30 pm:

- (a) sewerage for Ma Yau Tong Village, Tseung Kwan O; and
- (b) food waste collection and delivery arrangements.

(*Post-meeting note*: On consideration of the then situation of the COVID-19 outbreak, the Chairman subsequently directed that the meeting on 24 February 2020 be rescheduled.)

IV. Creation of a permanent directorate post (Chief Building Services Engineer) to oversee district cooling system projects

(LC	Paper	No.	CB(1)336/	 Administ	tratio	n's pa	per on "Prop	osed
19-20)(02)			Creation	of C	ne P	ermanent Po	st of
				Chief Bu	uildin	g Ser	vices Engine	er in
				the Elect	ricity	and H	Energy Effici	iency
				Branch	of	the	Electrical	and
				Mechani	cal Se	ervice	s Departmen	t"

LC	Paper	No.	CB(1)336/ —	Background	brief	on	"Dev	elopment	t
19-2	0(03)			of district co	oling	syst	tems"	prepared	l

by the Legislative Council Secretariat)

Briefing by the Administration

4. The <u>Director of Electrical and Mechanical Services</u> ("DEMS") briefed members on the proposal to create one permanent Chief Building Services Engineer ("CBSE") (D1) post in the Electricity and Energy Efficiency Branch of the Electrical and Mechanical Services Department ("EMSD") to support and strengthen the planning, implementation and management of district cooling system ("DCS") projects and related matters, as well as to provide support for other energy efficiency and conservation ("EE&C") and renewable energy ("RE") initiatives.

5. <u>DEMS</u> advised that DCS was an energy-efficient air-conditioning system, consuming less electricity compared to traditional air-cooled air-conditioning systems and individual water-cooled air-conditioning systems using cooling towers. As such, the Administration would continue to promote the wider use of DCSs, among other initiatives, to help reduce carbon emissions. As set out in the Chief Executive's 2018 Policy Address, the Government would study the provision of DCSs in new development areas ("NDAs") (such as Tung Chung New Town Extension ("TCNTE"), Kwu Tung North ("KTN") and Hung Shui Kiu ("HSK")) and redevelopment areas.

6. <u>DEMS</u> said that the Energy Efficiency Office ("EEO"), an office in the Electricity and Energy Efficiency Branch of EMSD, had taken up new EE&C and RE initiatives over the years and the scope of ongoing initiatives had expanded, which had resulted in a substantial increase in EEO's workload. Apart from DCS projects, there were other new initiatives announced in the Chief Executive's 2019 Policy Address to be taken forward by EEO, including the "Green Energy Target" and "Green School 2.0". It was expected that EEO's workload would continue to increase in the coming years.

7. Given that there were multiple large-scale DCS infrastructure projects involving complex works, relatively long implementation time frames and subsequent facilities management, <u>DEMS</u> considered that a dedicated Chief Engineer was essential to lead and supervise the DCS projects and other related matters. It was infeasible for the two existing Chief Engineers in EEO and other existing Chief Engineers within EMSD, whose workloads were already extremely heavy, to take up the duties of the proposed CBSE post. The proposed CBSE post would be designated as Chief Engineer/Energy Efficiency C and dedicated for the planning and implementation of subjects relating to DCSs at the Kai Tak Development ("KTD") and other NDAs. If the staffing

proposal was approved, EMSD planned to take this opportunity to reorganize EEO to enhance coordination, streamline operations and optimize the use of limited manpower resources to cope with the increasing workload from the new and ongoing EE&C and RE initiatives.

Discussion

Justifications for creating the new post on a permanent basis

Ir Dr LO Wai-kwok expressed support for the creation of the proposed 8. CBSE post. While agreeing that there should be additional manpower to support DCS projects, Mr WU Chi-wai queried whether it was justified to create the CBSE post on a permanent instead of time-limited basis when the long-term operational needs arising from DCSs had yet to be established. For instance, it might not be necessary to retain the same level of dedicated manpower after delivery of the DCS projects and implementation of the NDAs in question. Moreover, the operation and management of the commissioned DCS facilities would/could be undertaken by the contractors concerned. Mr WU suggested that the CBSE post should be created on a time-limited basis at this stage while the Administration could review the need for converting it to a permanent post in the light of the experience with the DCS projects. He indicated that he would vote against the staffing proposal at the relevant meeting of the Establishment Subcommittee ("ESC") if the CBSE post was to be created on a permanent basis without convincing justifications.

9. <u>Mr WU Chi-wai</u> expressed concern about the effectiveness of the work of EEO. He considered that the Administration's efforts in promoting EE&C, such as in the adoption of light emitting diode lighting systems, had lagged behind those of the private sector. <u>Mr WU</u> suggested the Administration comprehensively review the effectiveness of EEO's work and formulate a clearer road map for promotion of EE&C. The findings of the suggested review should be taken into account whether to convert the CBSE post to a permanent one in the longer run.

10. <u>DEMS</u> responded that DCS projects in TCNTE, KTN and HSK NDAs had to be implemented in phases to tie in with the related development programmes of individual NDAs. The development of TCNTE NDA was expected to be completed in 2030 while that of KTN NDA in 2034 and HSK NDA in 2038. As the various stages from planning to construction of the multiple DCS projects together with the operation of the commissioned DCS plants could span over 30 years, it would become a long-term and regular duty of EMSD to steer and oversee such projects, in particular to ensure the reliability and quality of district cooling services and monitor the charging arrangements for DCSs. In view of the above, the Administration considered it

more appropriate to create a permanent post to support and strengthen the planning, implementation and management of DCS projects and related matters.

11. <u>DEMS</u> advised that since its establishment in 1994, EEO had made achievements in enhancing EE&C and creating synergy effects through publicity and promotion, as well as taking forward and implementing relevant laws such as the Energy Efficiency (Labelling of Products) Ordinance (Cap. 598) ("EE(LP)O") and the Buildings Energy Efficiency Ordinance (Cap. 610) ("BEEO"). It was notable that the energy intensity in Hong Kong had been reduced substantially by 31% in 2017 compared with that in 2005. <u>DEMS</u> said that the Administration would keep in view the latest innovation and technology development, with a view to pursuing suitable technologies to further promote EE&C. It would also continue to encourage government departments and the private sector to adopt suitable energy management tools to achieve energy saving.

12. Referring to the Administration's paper (LC Paper No. CB(1)336/ 19-20(02)), the Chairman noted that apart from the proposed CBSE post in EEO, five permanent non-directorate posts would be created to cope with the increasing workload arising from DCS-related initiatives from 2020-2021 onwards. The additional full average staff cost, including salaries and staff on-cost, given rise by the proposed creation of the CBSE post and the five non-directorate posts would amount to over \$9 million per annum, and over \$270 million for 30 years in relation to the estimated service life of the commissioned DCS facilities. With such a high staffing cost, the Chairman doubted whether the current proposal was cost-effective and enquired whether, as an alternative, staff from the existing Energy Efficiency Division A ("EEDA") and Energy Efficiency Division B ("EEDB") could be redeployed to the newly established Energy Efficiency Division C ("EEDC") in EEO to share out the workload arising from DCS projects. For example, since EE(LP)O and BEEO had come into operation for years, the relevant work should be well on track, which might spare some capacity for EEDA and EEDB to take up additional duties.

13. In response, <u>DEMS</u> said that the Administration adopted a multipronged strategy for enhancing EE&C. Apart from DCS projects, the Administration had been taking forward the Mandatory Energy Efficiency Labelling Schemes ("MEELS") under EE(LP)O, which provided useful information to the public for choosing energy-efficient electrical appliances. BEEO set mandatory standards on building energy efficiency standards for compliance by prescribed buildings. He pointed out the needs for EEO to review the scope and relevant standards of MEELS and Building Energy Codes regularly and implement new initiatives as appropriate. For instance, in view of the market and technological developments, the Administration planned to tighten the energy efficiency grading standards of air conditioners under MEELS.

Reorganization of the Energy Efficiency Office

14. The <u>Chairman</u> asked about (a) the current numbers of directorate and non-directorate staff in EEDA and EEDB respectively of EEO; and (b) the projected numbers of staff in EEDA, EEDB and the proposed EEDC respectively after reorganization of EEO and creation of the proposed post of CBSE.

Admin 15. The <u>Assistant Director/Electricity and Energy Efficiency, EMSD</u> responded that EEDA and EEDB comprised about 120 staff. After reorganization of EEO, certain subdivisions under EEDA and EEDB might be swapped to achieve more effective coordination. Staff of EEDA and EEDB might also be deployed to EEDC. He undertook to provide further information after the meeting.

16. Referring to the duties and responsibilities of the Chief Engineer of EEDA set out in paragraphs 5 and 6 of Annex 6 to the Administration's paper (i.e. publicizing the energy end-use data for Hong Kong, monitoring the energy consumption of government facilities, carrying out energy audits, assisting in setting energy saving targets and implementing energy saving projects), the <u>Chairman</u> requested the Administration to provide statistics (such as the total manpower costs of EEO since its establishment, and reductions in Hong Kong's energy intensity and carbon intensity in the past years and the corresponding cost savings) to demonstrate whether EEO was value for money.

17. <u>DEMS</u> responded that the target for reduction of energy consumption in government buildings was reviewed once every few years. The Administration had set three rounds of energy consumption reduction targets for government buildings under comparable operating conditions: 6% to be met from 2003-2007 (using 2002-2003 as the base); a further 5% from 2009-2014 (using 2007-2008 as the base), and another 5% from 2015-2020 (using 2013-2014 as the base). The actual reductions in energy consumption were 7% (by 2006-2007), 9.2% (by 2013-2014) and 5% (by 2018-2019) respectively. In the past 17 years, a total of more than 20% reduction in energy consumption was achieved, which demonstrated that Hong Kong was at the forefront of the world in energy saving. Looking forward, a new "Green Energy Target" of 6% would be adopted for government buildings and infrastructure.

Admin 18. <u>DEMS</u> supplemented that apart from government buildings, the Administration had spared no effort to mobilize the entire community to

promote energy saving practices, with a view to achieving an energy intensity reduction target of 40% by 2025 using 2005 as the base. As at 2017, the energy intensity had reduced by more than 31%. As regards carbon intensity, the Administration had set a reduction target of 65% to 70% by 2030 compared with the 2005 level. <u>DEMS</u> undertook to provide related supplementary information after the meeting.

Implementation of district cooling system projects in new development areas

19. <u>Ir Dr LO Wai-kwok</u> observed that DCSs had been widely adopted in other parts of the world and users could enjoy benefits of mitigating urban heat island effect in the areas concerned and saving space for installing alternative cooling systems. Apart from environmental benefits, adoption of DCS could also help strengthen education and publicity on environmental protection. He noted that the administrators of a school at KTD using the district cooling services had indicated satisfaction with the energy saving performance of DCS.

20. According to the Administration, an annual saving of up to about 35% in electricity consumption compared with traditional air-cooled air-conditioning systems could be achieved upon full utilization of the DCS at KTD. <u>Ir Dr LO</u> enquired how far the said energy saving target had been achieved and whether there were clear policy objectives for the relevant bureaux/departments ("B/Ds") to study the feasibility of implementing DCS projects in other NDAs.

21. <u>DEMS</u> advised that since commissioning of the DCS at KTD in 2013, its energy saving performance was satisfactory, with total electricity saving of about 19 million kWh. In view of the successful implementation of the first DCS at KTD, the Administration had been studying the provision of DCSs in other NDAs taking into account factors including long-term economic benefits and planning of the individual NDAs.

Admin 22. At the request of the Chairman, <u>DEMS</u> undertook to provide information on the estimated annual operation and maintenance costs of DCSs, and the adjustment factor(s), if any, applicable to the estimated costs.

23. <u>Mr Tony TSE</u> enquired about the relationship between the payback period and the service life of a DCS. <u>DEMS</u> explained that with proper maintenance, the life span of a DCS could be over 30 years. For electrical and mechanical facilities such as major air-conditioning equipment, replacement works should be carried out when such facilities had been in use for 20 to 30 years in order to ensure that the facilities met the latest energy efficiency requirements and obtain the best value for money.

Action

Other issues

24. Regarding the "Green Energy Target" announced in the Chief Executive's 2019 Policy Address, <u>Mr Tony TSE</u> asked about reduction in energy consumption achieved in government buildings by 2019 and the further energy reduction target for the coming five years.

25. <u>DEMS</u> advised that the Administration had set a target to reduce electricity consumption in government buildings by 5% from 2015-2016 to 2019-2020. Up to 2018-2019, the said target had been largely achieved and it was expected that the actual energy saving by 2019-2020 would exceed the target. For the coming five years, the Administration had set a "Green Energy Target" of 6%, covering not only government buildings but also all government infrastructure including bridges, roads, water supply facilities and sewerage systems, etc. Apart from electricity saving, the "Green Energy Target" would require saving in the consumption of other forms of energy such as town gas and liquefied petroleum gas.

26. <u>Mr Tony TSE</u> further enquired about the details of the three-year energy-cum-carbon audit programme targeting at about 260 major government buildings. He urged the Administration to render assistance to private buildings in improving building energy efficiency.

27. <u>DEMS</u> advised that the energy-cum-carbon audits would, among others, help managers of government buildings concerned assess the energy efficiency performance of their facilities such as lifts, escalators and lighting systems. Advice would be given to enable them to make informed choices through the audits.

28. <u>DEMS</u> further said that at present, there were over 40 000 private buildings in Hong Kong. Under BEEO, owners of commercial buildings and commercial portion of composite buildings were required to conduct energy audits every 10 years to review the performance of central building services equipment and systems, with a view to identifying energy management opportunities for implementation. The Administration would continue to promote retro-commissioning in existing buildings and engage owners of new buildings to adopt energy saving installations.

Conclusion

29. The <u>Chairman</u> concluded that members raised no objection to the Administration's submission of the proposal to create the CBSE post to ESC.

<u>Mr WU Chi-wai</u> reiterated that he agreed on the need for additional manpower to strengthen the planning and implementation of DCS-related matters but considered it more appropriate that the proposed CBSE post be created on a time-limited basis. He requested the Administration to take his views into account and consider revising the proposal before submission to ESC.

V. Further measures to improve air quality (part 2)

(LC 19-20	Paper (04)	No.	CB(1)336/	—	Administration's paper on "A Series of Measures to Improve Environment and Air Quality"
(LC 19-20	Paper)(01)	No.	CB(1)357/		Submission from Hong Kong Vehicles and Transport Concern Group (Chinese version only))
<u>Relev</u>	<u>ant pap</u>	<u>er</u>			
(LC 19-20	Paper)(06)	No.	CB(1)233/		Background brief on "Measures to improve air quality" prepared by the

Legislative Council Secretariat)

Briefing by the Administration

Action

30. With the aid of a PowerPoint presentation, the <u>Under Secretary for the Environment</u> ("USEN") briefed the Panel on the following proposed measures for improving air quality: (a) an incentive-cum-regulatory programme to phase out Euro IV diesel commercial vehicles ("DCVs") ("the proposed Euro IV programme"), (b) a pilot scheme for electric ferries, (c) a pilot scheme for electric public light buses ("e-PLBs"), and (d) extending the scope of the Pilot Green Transport Fund ("PGTF") and renaming it as New Energy Transport Fund. He also briefed members on the proposal of establishing a Green Tech Fund to further promote research and development ("R&D") of decarbonization and other green technologies.

(*Post-meeting note*: The PowerPoint presentation materials were circulated to members on 23 January 2020, vide LC Paper No. CB(1)367/19-20(01).)

Discussion

Road map for further reducing emissions from public transport

31. The <u>Chairman</u> opined that performance targets should be set for the pilot schemes for e-PLBs and electric ferries in order to ensure prudent use of public resources. He asked whether the Administration had formulated a road map and relevant targets for further reducing air pollutant emissions from public transport through the adoption of green transport technologies. He was especially concerned that Hong Kong lagged far behind Shenzhen in the use of electric buses.

32. USEN responded that the Administration's overall strategy for improving air quality was embodied by the periodic reviews of the Air Quality Objectives ("AQOs") and the implementation of measures with a view to achieving AQOs. Broadly speaking, such measures could be divided into two categories, namely practicable measures that were likely to produce results by the assessment year of the prevailing AQO review cycle (which was the year of 2025 in the current cycle), and measures of an experimental nature. The proposed Euro IV programme was a practicable measure and hence specific targets could be set for the programme. On the other hand, e-PLBs and electric ferries should be put on trial first as these transport modes were not commonly found in other places. If it was confirmed under the pilot schemes that wide adoption of e-PLBs and electric ferries in Hong Kong was practicable, the Administration would seek to foster the development through other measures in future, and the expected emission reductions arising from such measures would be taken into account in the relevant review(s) of AQOs.

33. On the local use of electric buses, USEN advised that the single-deck models tested out under a trial scheme were found to be unable to fully meet the operating requirements of conventional diesel franchised buses. One of the major factors of Shenzhen's success in fully electrifying its public buses was that over 200 charging depots at a typical size of half a football pitch each had been established across the city. Due to land constraints, Hong Kong could not emulate this approach. Moreover, the driving ranges of the models tested out were reduced by Hong Kong's rather unique topography and operating conditions, including the hilly terrain and an operational mode consisting of frequent stop-and-go movements. As the single-deck electric bus technologies were becoming more and more mature, it should become feasible to identify models suiting the local operational mode in future. As regards double-deck electric buses, the Administration considered that there was a need to directly approach electric bus manufacturers for the development of customized models. In this regard, the Administration had been working with franchised bus companies to explore with bus manufacturers the technical specifications of such buses.

Phasing out Euro IV diesel commercial vehicles

34. <u>Mr SHIU Ka-fai</u> said that he was supportive of the general direction of the proposed Euro IV programme, and relevant trade associations were agreeable to the proposed implementation details of the programme. He called on the Administration to ensure a seamless transition from the existing incentive-cum-regulatory programme to phase out pre-Euro IV DCVs ("the pre-Euro IV programme") to the proposed Euro IV programme, so as to minimize the impact of the expiry of the pre-Euro IV programme on the automotive trade.

35. <u>Mr Frankie YICK</u> pointed out that since the announcement in the Chief Executive's 2018 Policy Address of the plan to launch the proposed Euro IV programme, many Euro IV DCV owners had decided to postpone the replacement of their vehicles until the implementation of the programme to avoid missing out on the ex-gratia payments. This had led to a downturn in the DCV market as well as the vehicle body building business. To expedite the implementation of the programme, he suggested that the required funding be sought in the context of the Appropriation Bill 2020 soon to be introduced. In addition, he suggested that the Administration review the proposed ex-gratia payment levels for Euro IV heavy-duty lorry cranes, which the relevant trades considered insufficient.

36. <u>USEN</u> took note of the above suggestions and advised that the Environment Bureau ("ENB")/Environmental Protection Department ("EPD") would explore whether the proposed ex-gratia payment levels for Euro IV heavy-duty lorry cranes should be adjusted.

37. <u>Mr Frankie YICK, Ir Dr LO Wai-kwok</u> and <u>Mr SHIU Ka-fai</u> pointed out that some diesel four-wheel drives ("4WDs") purchased for personal uses were registered as diesel light goods vehicles ("LGVs"), which were one of the categories of DCVs, as they were not in compliance with the then emission standards for diesel private cars ("PCs"). Some owners of these diesel 4WDs had expressed concern that if the proposed Euro IV programme was implemented, they could not renew the licences of their diesel vehicles beyond the retirement deadline under the programme as they anticipated that their diesel vehicles could not meet the prevailing emission standard for diesel LGVs. To enable the retention of some affected diesel 4WDs (especially those of discontinued models, which were considered precious internationally) for leisure purposes, <u>Mr YICK</u> suggested and <u>Ir Dr LO</u> agreed that the Administration should consider updating the regulatory regime for classic vehicles, such as (a) aligning the vehicle age criteria for the applications for

movement permits, exemption from emission requirements, etc. with the prevailing service life limit of DCVs, and (b) relaxing the conditions of operation applicable to classic vehicles. <u>Mr SHIU</u> suggested that the Administration should allow the registration of affected diesel 4WDs as special purpose vehicles, so that they could be exempted from complying with the relevant emission requirements and the proposed Euro IV programme.

38. <u>USEN</u> responded that the objective of the proposed Euro IV programme was to progressively discontinue the use of Euro IV DCVs, which emitted much more air pollutants compared to Euro VI DCVs. The Administration understood that some owners of classic Euro IV 4WDs that were registered as DCVs hoped to retain their vehicles after the implementation of the programme. ENB/EPD would explore with the Transport Department and other relevant B/Ds whether the matter could be dealt with under the existing regulatory regimes or legislative amendments would be required. That said, it would not be appropriate to allow the continued use of such vehicles on a daily basis, as this would be unfair to compliant vehicle owners.

39. In response to the Chairman's enquiry, <u>USEN</u> advised that some 700 diesel 4WDs were currently registered as Euro IV diesel LGVs.

Pilot Green Transport Fund/New Energy Transport Fund

40. <u>Mr HUI Chi-fung</u> welcomed the proposed enhancements to PGTF, which he considered overdue as there were only 183 approved trials since the fund's establishment in 2011. He noted that under the current proposal, while the subsidy limit per application under the "Applications for Trial" section (i.e. the original scope of PGTF) of the New Energy Transport Fund would be increased from the current \$9 million to \$10 million, there was no mention of adjustments to the limits on the number of applications for each type of transport and the number of products being tested. He suggested that such limits, especially those applicable to trials of electric taxis, should also be raised to promote utilization of the New Energy Transport Fund.

41. The <u>Assistant Director (Air Policy)</u> ("AD(AP)") advised that the "Applications for Trial" section would subsidize the trials of innovative transport technologies of which the suitability for large-scale adoption in Hong Kong had yet to be proven. The Administration considered it appropriate to maintain the limits on the number of applications for each type of transport and the number of products being tested, as such limits could help diversify risk and encourage applicants to cast wider nets in testing different vehicle models or technologies.

42. <u>Ir Dr LO Wai-kwok</u> noted that the Administration proposed creating an "Applications for Use" section under the New Energy Transport Fund, through which successful applicants would be subsidized to directly procure products of technologies that had been proved under the fund to be relatively mature and suitable for local use. He sought elaboration on the justification of this proposal with examples of technologies already proved to be suitable for local use under the existing PGTF.

43. <u>USEN</u> responded that at present, no technology or product had been confirmed to be suitable for inclusion in the proposed "Applications for Use" section of the New Energy Transport Fund. Nevertheless, with the continued advancement of electric vehicle ("EV") technologies, electric light buses and electric LGVs were likely to be suitable for certain transport service providers in the near future. The Administration therefore considered it opportune to create the "Applications for Use" section at this moment, so that when some technologies or products became mature in future, they could be promoted to the trades more efficiently.

Pilot scheme for electric public light buses

44. <u>Mr Frankie YICK</u> considered that the time was ripe for the adoption of e-PLBs in Hong Kong. He urged the Administration to implement the pilot scheme for e-PLBs expeditiously.

45. <u>Mr Kenneth LEUNG</u> sought information on (a) the current supply situation of e-PLBs; (b) the major factors constraining the adoption of e-PLBs in the past, and how the Administration would overcome these challenges in future; and (c) the criteria for evaluating the performance of e-PLBs to be tested out under the pilot scheme, and the timetable for replacing conventional PLBs with e-PLBs on a large scale if the outcomes of the pilot scheme were favourable.

- 46. <u>USEN</u> and $\underline{AD}(\underline{AP})$ responded that:
 - (a) the major reason that e-PLBs had not been adopted in Hong Kong yet was that there was no suitable model in the local market. There were a few manufacturers of electric light buses in the Mainland and Europe. However, the driving ranges of the developed models were less than 200 km after a full charge, which fell short of the usual daily mileage of over 300 km of Hong Kong's PLBs. Moreover, those models only supported standard charging (commonly known as "slow charging"), but most PLBs did not have dedicated parking spaces for overnight charging. In other

words, only models that supported quick charging could cope with the operational pattern of PLBs;

- (b) to tackle the above issues, EPD had engaged the Hong Kong Productivity Council for a study to develop the specifications and requirements for e-PLBs and associated quick charging facilities. Upon completion of the study, the Administration would invite manufacturers to develop e-PLBs and associated charging facilities according to the proposed specifications and put them on trial. It was expected that the trials could provide indication on the choice of locations and specifications of charging facilities for a largescale adoption of e-PLBs;
- (c) the Administration endeavoured to conduct the trials of e-PLBs as early as possible. Taking into account the time needed for developing and manufacturing e-PLBs, it was estimated that the first trial could start in 2023; and
- (d) it was noted that a local e-PLB manufacturer had been developing e-PLBs that could support quick charging. The Administration would discuss with the manufacturer as well as other vehicle manufacturers whether e-PLBs meeting the relevant specifications could be provided to the market more quickly, with a view to commencing the first trial earlier.

47. <u>Ir Dr LO Wai-kwok</u> said that PLB operators were generally interested in trying out e-PLBs, but they were discouraged from doing so in the past by the difficulties encountered relating to the installation of charging facilities at PLB termini or other public places. He opined that relevant government departments should join hands to cut red tape in order to facilitate the installation of e-PLB charging facilities. <u>Mr Kenneth LEUNG</u> expressed similar views and asked whether the technologies for power supply equipment relating to e-PLB quick charging were already mature.

48. <u>AD(AP)</u> advised that there were companies around the world that had been providing similar charging facilities. As regards the Kwun Tong Town Centre redevelopment project, the Administration had already earmarked three parking spaces therein to set up e-PLB quick charging facilities, and sufficient power would be provided for quick charging.

Pilot scheme for electric ferries

49. <u>Mr Frankie YICK</u> relayed the trade's suggestion that the designs and specifications of electric ferries under the pilot scheme should be standardized

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as far as practicable, so that the electric ferries could be redeployed more easily when necessary. He called on the Administration to continue to discuss the above matter with ferry operators, with a view to ensuring prudent use of public resources.

50. <u>USEN</u> responded that the Administration would maintain close communication with the ferry operators concerned, so as to ensure that the designs and specifications of electric ferries under the pilot scheme would meet their operational needs.

Electric taxis

51. <u>Mr Frankie YICK</u> and <u>Ir Dr LO Wai-kwok</u> said that electric taxi technologies had become quite mature and some members of the taxi trade had shown interest in trying them out. The successful reintroduction of electric taxis into Hong Kong would hinge on the availability of charging facilities that could meet the taxi trade's operational needs. <u>Ir Dr LO</u> sought further information on how the Administration would facilitate the installation of such charging facilities.

52. <u>USEN</u> advised that the daily charging time of the electric taxis formerly on trial under PGTF could not cope with the operational mode of local taxis. As the quick charging technology for EVs had become relatively mature, the Administration agreed that it might be technically feasible to conduct a further trial of electric taxis in Hong Kong, and had been discussing related matters with the taxi trade. Should feasible proposals for the trial of electric taxis be formulated, the Administration would report them to the Legislative Council.

Green Tech Fund

53. The <u>Chairman</u> asked about the estimated amount of funding to be sought for setting up the proposed Green Tech Fund; and how the Administration would avoid duplication of resources, given that the funding scope of Green Tech Fund might overlap with those of other funds, such as the Innovation and Technology Fund ("ITF"). In connection with the above, he suggested that the Administration give members an overview of all active funds that supported R&D activities relating to green technologies, and how such funds differed from each other in terms of positioning.

54. <u>USEN</u> and the <u>Deputy Director of Environmental Protection (1)</u> responded that the Administration was consulting stakeholders on the implementation details of the Green Tech Fund, and the size of the fund would be determined later having regard to the views of different sectors. When formulating the initial proposal for setting up the Green Tech Fund, ENB/EPD

had examined the funding scopes of some existing funds, including the Environment and Conservation Fund ("ECF") and ITF, and discussed with relevant B/Ds. As those existing funds had relatively wider funding scopes covering many different environmental areas, only portions of the funds could be allocated to R&D projects relating to green technologies. The R&D sector would like to have more focused funding support for the development and application of green technologies. The Administration therefore proposed setting up the Green Tech Fund with a focused funding scope to fill the gap in the existing funds. EPD was currently a member of an interdepartmental platform that was set up for coordination among various related funds, including ECF and ITF. If the Green Tech Fund was set up, the Administration would, through interdepartmental coordination, ensure that there would be no duplication of resources.

VI. Receiving public views on promoting the use of electric vehicles

(LC Pape 19-20(05)	er No.	CB(1)336/ —	Updated background brief on "Measures to promote the use of electric vehicles" prepared by the Legislative Council Secretariat)
<u>Relevant p</u>	apers		
(LC Pape 18-19(03)	er No.	CB(1)487/ —	Administration's paper on "Promoting the Use of Electric Vehicles"
LC Paper 19-20(05)	r No.	CB(1)233/ —	Administration's paper on "Further Measures to Improve Air Quality (Part 1)")

Submissions from deputations/individuals not attending the meeting

(LC Paper No. CB(1)336/ — Mr IP Pak-lun (English version only) 19-20(20)

LC Paper No. CB(1)336/ — Mr Fritz CHEN (Chinese version 19-20(21) only)

LC Paper No. CB(1)336/ — Mr FUNG L (English version only) 19-20(22)

LC Paper 19-20(24)	No.	CB(1)336/ —	YN LEE (English version only)
LC Paper 19-20(25)	No.	CB(1)336/ —	Hong Kong General Chamber of Commerce (English version only)
LC Paper 19-20(26)	No.	CB(1)336/ —	Smart Charge (HK) Limited (English version only)
LC Paper 19-20(27)	No.	CB(1)336/ —	EV Policy Study Group (Chinese version only)
LC Paper 19-20(28)	No.	CB(1)336/ —	A member of the public (Chinese version only)
LC Paper 19-20(29)	No.	CB(1)336/ —	The American Chamber of Commerce in Hong Kong (English version only)
LC Paper 19-20(31)	No.	CB(1)336/ —	Inchcape Hong Kong Limited (English version only)
LC Paper 19-20(01)	No.	CB(1)352/ —	Civic Party (Chinese version only)
LC Paper 19-20(02)	No.	CB(1)352/ —	A member of the public (Chinese version only)

(*Post-meeting note*: A joint submission tabled at the meeting from The Hong Kong Joint Council for People with Disabilities and The Hong Kong Council of Social Service was circulated to members on 23 January 2020, vide LC Paper No. CB(1)369/19-20(02).)

Presentation of views by deputations/individuals

55. At the invitation of the Chairman, a total of 34 deputations and individuals presented their views and concerns on measures to promote the use of EVs. A summary of their views and concerns is in the **Annex**.

56. The <u>Chairman</u> said that the major issues raised by the deputations and individuals covered the following areas: (a) setting a target for phasing out conventional vehicles powered by fossil fuels; (b) enhancing the charging facilities and other ancillary facilities for EVs; (c) support for the recycling of waste EV batteries; (d) promoting R&D of EV technologies so that there would

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be more choices of relevant products that could meet local needs; and (e) the standards for artificial sound alerting systems to be installed on EVs to ensure the safety of visually-impaired pedestrians.

Administration's response to the major issues raised

57. <u>USEN</u> said that a wide range of issues and views were expressed by the deputations and individuals. Some of the issues would need more thoughts before the Government could respond to. His immediate responses were as follows:

Policy direction

- (a) there was a need to strike a balance between promoting the use of EVs and containing vehicle growth. In respect of electric private cars ("e-PCs"), the Administration's standing policy was to encourage the public to use public transport as far as possible, and should they need to acquire PCs, choose e-PCs. With over 2% of PCs being EVs, the penetration rate of e-PCs in Hong Kong ranked the second among major Asian cities;
- (b) the question of whether conventional vehicles powered by fossil fuels should be banned in Hong Kong in future was being considered in the context of the Long-term Decarbonisation Strategy ("LTDS"). Views of stakeholders, including vehicle suppliers, on this matter had been solicited through the public engagement on LTDS conducted by the Council for Sustainable Development in 2019;

First registration tax concessions

(c) providing concessions on the first registration tax ("FRT") for e-PCs could help promote the popularization of mass-market e-PC models. There were currently 10 brands that supplied e-PCs in the local market. Nine of them were offering a total of 18 models of which the FRTs could be fully waived under the existing concession arrangements. The monthly number of newly registered e-PCs had increased significantly from 30 in March 2018 (i.e. the first month after the launch of the "One-for-One Replacement" Scheme) to about 420 in recent months;

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Electric vehicle charging network

- (d) \$120 million had been allocated for the installation of over 1 000 additional public EV chargers at government car parks in the coming three years. All newly installed chargers would be medium chargers to better meet users' needs;
- (e) to encourage the installation of EV charging facilities in private premises, the Administration allowed that underground car parks in new private buildings with EV charging-enabling infrastructure covering each parking space could be fully exempted from the gross floor area ("GFA") calculation;
- (f) with the advancement of technologies for new energy vehicles ("NEVs"), including EVs, it was expected that NEVs would become mainstream products in the next decade or so. To prepare for this transformation, there was a need to upgrade the infrastructure of some existing private residential buildings to make them EV charging enabled, so that EV owners could install chargers at their parking spaces in those buildings in future. The \$2 billion pilot subsidy scheme announced in the Chief Executive's 2019 Policy Address for installation of EV charging-enabling infrastructure in car parks of existing private residential buildings ("the pilot subsidy scheme") aimed at facilitating such upgrades. It was estimated that the pilot subsidy scheme would run for about three years to cover roughly 60 000 private parking spaces;

Recycling and proper disposal of waste electric vehicle batteries

(g) waste EV batteries were regulated as chemical waste by the Waste Disposal Ordinance (Cap. 354) ("WDO"), and the Administration had reminded local EV suppliers to handle waste EV batteries according to the regulations. As the amount of waste NEV batteries was expected to increase in future, the Administration was conducting a study on the recycling and proper disposal of those batteries;

Pilot Green Transport Fund/New Energy Transport Fund

(h) the introduction and trials of green and innovative transport technologies would continue to be promoted through the New Energy Transport Fund. To address the concern of some deputations/individuals about the administrative burdens involved in applying for PGTF, the Administration would study whether the New Energy Transport Fund's application procedure could be further streamlined;

 (i) in anticipation of the emergence of innovative transport technologies that would be mature and suitable for use by local transport operators, the Administration proposed creating an "Applications for Use" section under the New Energy Transport Fund. It would subsidize direct procurement of products using the innovative technologies, so as to bridge the price gaps between such products and conventional products; and

Artificial sound alerting systems

- (j) the Administration would keep in view the development of artificial sound alerting systems for NEVs in the international arena and continue to cooperate with representative bodies of visuallyimpaired people, with a view to formulating a standard that was suitable for local needs.
- Admin 58. At the request of Ms Tanya CHAN, <u>USEN</u> undertook to include the input from the Transport and Housing Bureau/Transport Department on matters within its purview in the Administration's written response to the issues and views raised by the deputations and individuals.

Discussion

Long-term targets for adoption of new energy vehicles

59. <u>Mr Charles MOK</u> and <u>Ms Elizabeth QUAT</u> opined that it was imperative that the Administration set a target year for phasing out conventional vehicles powered by fossil fuels to guide policy measures on promoting the adoption of NEVs. <u>Mr MOK</u> and <u>Ms Tanya CHAN</u> expressed concern that the Administration had been taking a passive attitude to the issue, as the Secretary for the Environment had once said that the pace of popularization of NEVs in Hong Kong depended largely on the supply of NEVs by overseas car manufacturers.

60. <u>Ms Elizabeth QUAT</u> further commented that the Administration's policy on promoting the use of EVs had been inconsistent. To bolster business confidence in the local EV market and enhance transparency, she suggested that the Administration should formulate a long-term action plan with specific targets covering various aspects, such as the FRT concessions for EVs, charging facilities and electric public transport. 61. <u>Mr HUI Chi-fung</u> criticized that there had been a lack of substantial progress on the part of the Administration in setting a target for phasing out conventional vehicles, and that the forecast e-PC penetration rate of 30% by 2020 under the scenario set out in the Hong Kong Planning Standards and Guidelines had failed to materialize. He asked whether the Administration would pledge to set a target year for phasing out conventional vehicles in the public engagement report of LTDS. He also said that, as a user of EV and plug-in hybrid car, he shared the concerns of some deputations and individuals regarding the inadequate support from the Administration for public use of EVs.

62. The <u>Chairman</u> said that the number of newly registered e-PCs after the launch of the "One-for-One Replacement" Scheme had remained relatively insignificant compared with the total number of PCs in Hong Kong. If a target for phasing out conventional vehicles would be set for, say, 2040, much more work would need to be done to promote the adoption of EVs. He enquired how the Administration would boost public confidence with a view to achieving much wider use of EVs.

63. In response to the views and questions above, <u>USEN</u> said that:

- (a) when the full waiver of FRT for EVs (including both e-PCs and electric commercial vehicles ("e-CVs")) was introduced in 1994, there was no EV in the local market. The purpose of the waiver was to encourage the introduction and trial of first-generation EVs products by narrowing the price gaps between the EVs and conventional vehicles;
- (b) as it was observed that some EV technologies had become more and more mature, the Administration adjusted the GFA concession mechanism in 2011 to encourage developers to provide EV charging-enabling infrastructure in car parks of new buildings, so as to prepare for a wider take-up of EVs in future;
- (c) with the full FRT waiver for e-PCs still in force a few years ago, there was a surge in the number of newly registered e-PCs. But such e-PCs were mostly of expensive models. To promote a healthier development of the local EV market and to contain the number of PCs, the Administration subsequently decided to cap the FRT concessions for e-PCs and implement the "One-for-One Replacement" Scheme. Thereafter, the number of mass-market e-PC models had significantly increased, and most of them had a driving range of over 300 km, with a few even beyond 400 km. In view of the above, the Administration expected that there would be

a steady supply of affordable e-PCs under the current FRT concession arrangements;

- (d) another key issue concerning the wider adoption of e-PCs was to enhance the infrastructure of existing private car parks, so that they would become EV charging enabled and EV users could install chargers at individual parking spaces in future. The Administration would consider setting a long-term implementation timetable for upgrading car park infrastructure; and
- (e) the Administration would explain its position on phasing out conventional vehicles in the public engagement report of LTDS. Meanwhile, the Administration would update the Clean Air Plan for Hong Kong and release it in 2021 to set out in detail the various measures, including those on land transport, to tackle air pollution.

Electric vehicle charging facilities

64. <u>Ms Tanya CHAN</u> noted that only a very small percentage of parking spaces in car parks owned/managed by the Hong Kong Housing Authority ("HA") and the Hong Kong Housing Society ("HKHS") were equipped with EV charging facilities, and the majority of such charging facilities only supported standard charging. She enquired whether the Administration would consider providing subsidies and/or technical assistance to HA and HKHS for increasing the number of EV charging facilities in their car parks and upgrading the existing charging facilities to medium chargers.

65. <u>Mr SHIU Ka-fai</u> relayed the views of automotive trade associations that one of the most important factors affecting the adoption of EVs was the supply of charging facilities. He enquired about the target in respect of the installation of EV charging facilities in private buildings, and whether the Administration had requested Link Real Estate Investment Trust ("Link REIT") to enhance the provision of EV charging facilities in its car parks.

66. The Deputy Director of Environmental Protection (3) ("DDEP(3)") responded that in tandem with the preparatory work on the pilot subsidy scheme, the Administration had been discussing with HA, HKHS and Link REIT (which would not be covered by the scheme) with a view to enhancing the provision of EV charging facilities in their car parks. They were supportive of the Government's general direction of enhancing the availability of public charging facilities. The Administration expected that with the existing GFA concession mechanism and the launch of the pilot subsidy scheme, some 80 000 parking spaces in private buildings (i.e. about a quarter of all parking spaces in private buildings) would be EV charging enabled in about three to four years.

Admin 67. At the request of Mr SHIU Ka-fai, <u>USEN</u> undertook to provide supplementary information on the total numbers of parking spaces in the car parks owned/managed by HA and HKHS, and the percentages of parking spaces installed with EV charging facilities.

Recycling and proper disposal of waste electric vehicle batteries

68. As a large number of EV batteries were expected to retire in the coming few years, <u>Mr HUI Chi-fung</u> enquired whether the Administration would study legislating for a new regulatory regime akin to the existing producer responsibility schemes ("PRSs") to promote the recycling and proper disposal of waste EV batteries. The <u>Chairman</u> also sought elaboration on measures being considered by the Administration for enhancing the management of waste EV batteries.

69. <u>USEN</u> responded that as waste EV batteries were already regulated by WDO, it might be possible to implement measures to enhance their management and achieve the effect of a PRS by administrative means. The Administration was exploring with vehicle suppliers and other stakeholders how such enhanced measures could be implemented in an efficient and effective manner.

Other issue

70. <u>Ms Elizabeth QUAT</u> asked about the manpower arrangements in EPD for handling EV-related duties. <u>AD(AP)</u> advised that EPD had several dedicated teams to work on EV policy, support for installation of EV charging facilities, administration of PGTF, and different trial schemes on electric public transport respectively.

Further questions from deputations/individuals

71. After the discussion between Members and the Administration, the <u>Chairman</u> invited deputation and individuals to raise further questions.

(At 6:24 pm, the Chairman directed that the meeting be extended for 10 minutes beyond the appointed ending time.)

72. Mr CHEUNG Yin-tung of <u>The Democratic Party</u> said that many users or prospective users of EVs had faced difficulties in getting the consent of owners' corporations or property management companies for installation of EV chargers at their parking spaces. Even if the pilot subsidy scheme would be implemented, it remained uncertain how many EV chargers would be installed

in charging-enabled car parks eventually. He queried the Administration's determination to promote the use of EVs, given that only a small percentage of vehicles in the government vehicle fleet were EVs. In addition, he considered that the FRT concession cap had seriously hindered the wider adoption of e-PCs, and asked whether the Administration would set annual targets for the percentage of EVs in newly registered vehicles.

73. <u>Mr CHOY Kwan-ho</u> asked whether the Administration had been monitoring the usage of EV chargers installed in HA's car parks.

74. <u>USEN</u> and <u>DDEP(3)</u> reiterated that there had been a significant growth in the monthly number of newly registered e-PCs from March 2018 to recent months. In view of the continued advancement of EV technologies and the increasing supply of more affordable e-PCs, the Administration considered that a key issue concerning the wider adoption of e-PCs was the expansion of the EV charging network, including enhancing the infrastructure of car parks so that they would become EV charging enabled.

75. Dr Stephen CHEN of <u>Hong Kong E-Vehicles Business General</u> <u>Association Limited</u> considered that the Administration should formulate a comprehensive blueprint for promoting the use of EVs, which should include measures to expand the charging network for e-CVs.

76. <u>Mr MA Nam-kam</u> said that some electric LGV models had become suitable for some local operators. To promote quicker adoption of e-CVs, he suggested that the Administration should allocate more resources to the New Energy Transport Fund, increase subsidy levels and provide greater flexibility in respect of applications for subsidies. He enquired whether the Administration had plans to enhance its support for the installation of medium, quick or even ultra-fast chargers for e-CVs, with a view to bolstering investor confidence in the e-CV market.

77. <u>USEN</u> and <u>DDEP(3)</u> responded that the Administration had commenced a consultancy study on suitable locations to set up EV charging stations, including the feasibility of setting up quick charging facilities for e-CVs in those stations. It was envisaged that the consultancy study and trials of various types of e-CVs would provide insights into how to expand the charging network for e-CVs. The Administration would update the Clean Air Plan covering measures, among others, to promote wider use of EVs in HK.

78. Ms Kitty TAM of <u>WWF-Hong Kong</u> relayed the concerns of biodiesel producers that the Administration had not provided sufficient incentive for the use of biodiesel. She enquired whether the Administration would consider increasing the use of biodiesel by the government vehicle fleet, and provide

subsidies for the purchase of biodiesel.

79. <u>USEN</u> explained that from the perspective of reducing air pollution, the conversion to NEVs could achieve a better result than the use of biodiesel on vehicles equipped with internal combustion engines. That said, the Administration concurred that the production and use of biodiesel should be encouraged, as it was an important recycling outlet for locally generated waste oils. Under the Administration's procurement policy, government departments were encouraged to use biodiesel in place of conventional diesel as far as practicable. At present, only about 50% of biodiesel produced in Hong Kong was consumed locally, and some of the rest was exported. The Administration was exploring ways to boost the local demand for biodiesel to help better achieve sustainable use of resources.

VII. Any other business

80. There being no other business, the meeting ended at 6:31 pm.

Council Business Division 1 Legislative Council Secretariat 20 May 2020

Annex

Panel on Environmental Affairs

Meeting on Wednesday, 22 January 2020, at 2:30 pm in Conference Room 1 of the Legislative Council Complex

Agenda item VI – Receiving public views on promoting the use of electric vehicles

Summary of views and concerns expressed by deputations/individuals

No.	Name of deputation/individual	Submission / Major views and concerns
1.	Grid-Tech Auto Services Co. Limited	 The Administration should announce as soon as possible the details of the pilot subsidy scheme for installation of electric vehicle ("EV") charging-enabling infrastructure in car parks of private residential buildings ("the pilot subsidy scheme"), including the implementation timetable, scope of works covered and subsidy levels. The Administration should maintain a consistent and forward-looking policy on promoting the use of EVs to bolster business confidence in the local EV market; and provide the public with information on relevant policy measures in a timely manner so that business operators could plan ahead.
2.	Hong Kong New Emerging Technology Education Association	 Suggested that a target be set for the year of 2030 or 2035 that all newly registered vehicles would be EVs. The Administration should take the lead in the use of EVs by increasing the proportion of EVs in the government vehicle fleet; and consider updating the regulatory requirements of various types of hire car services to require service providers to include certain numbers of EVs in their vehicle fleets. Efforts should be made to facilitate the adoption of EV chargers in the car parks designated for the Park and Ride Scheme of MTR Corporation Limited.
3.	Tesla	 Hong Kong's urban setting was favourable to the adoption of EVs. Suggested that the Administration formulate policies to promote the popularization of autonomous driving and onboard infotainment systems.
4.	Mr CHOY Kwan-ho	• While some monthly parking spaces in car parks of the Hong Kong Housing Authority had been installed with EV charging-enabling infrastructure, users had to set up individual EV chargers at their own expenses should they have the need. However, the allocation priority of such

No.	Name of deputation/individual	Submission / Major views and concerns
		parking spaces was decided by ballot annually as the demand exceeded supply. Therefore, there was no guarantee that a user could continue to use his/her EV charger after a year. This allocation mechanism had discouraged the installation of EV chargers in the car parks concerned.
5.	Office of Leslie Chan Ka Long, District Councillor, Yau Tsim Mong District Council	 The Administration should review the regulatory regime for electric mobility devices such as electric bicycles, so that suitable devices could be used at public places for short-distance commuting in place of conventional vehicles. As it was very difficult to develop large-scale charging
		depots for electric buses due to land constraints, a full conversion from conventional franchised buses into electric buses was not practicable.
6.	The Lion Rock Institute	• The inadequacy of parking spaces had led to an increase in the volume of vehicular traffic and exacerbated roadside air pollution.
7.	Liberal Party	• The prevailing limit on the first registration tax concessions for electric private cars ("e-PCs") discouraged the purchase of higher-end e-PC models, which could better meet the needs of some drivers compared with mass-market models.
		• The small ratio of public EV chargers to EVs and the inadequate supply of quick EV chargers also dented the adoption of EVs.
		• The Administration should mandate the installation of EV charging facilities in all parking spaces of new residential and commercial developments.
8.	The Hong Kong Information Technology Federation	LC Paper No. CB(1)336/19-20(06) (English version only) LC Paper No. CB(1)369/19-20(04) (Chinese version only)
9.	Mr WONG Wai-lung	• The Administration should enhance the provision of ancillary facilities for EVs, especially public EV chargers.
10.	HongKongE-VehiclesBusinessGeneralAssociation Limited	LC Paper No. CB(1)336/19-20(30) (Chinese version only)

No.	Name of deputation/individual	Submission / Major views and concerns
11.	Hong Kong Bus Suppliers Association	LC Paper No. CB(1)336/19-20(08) (Chinese version only)
12.	Public Affairs Committee of Hong Kong Institute of Urban Design	LC Paper No. CB(1)366/19-20(01)
13.	Mr MA Nam-kam	LC Paper No. CB(1)352/19-20(03) (Chinese version only)
14.	Committee of New Energy Automobile (A member of HKLHD Motors Association)	LC Paper No. CB(1)336/19-20(09) (Chinese version only)
15.	Mr Ronnie WU	LC Paper No. CB(1)336/19-20(10) (English version only) (Restricted to members only)
		• Given that EVs were competitive products, their pricing should be determined by market force and the Administration should not offer tax incentives for the purchase of EVs.
		• However, it was imperative that the Administration should step up efforts to promote the development of ancillary facilities for EVs.
16.	Hong Kong Blind Union	LC Paper No. CB(1)336/19-20(14) (Chinese version only)
17.	Mr CHOW Kam-kei	LC Paper No. CB(1)336/19-20(12) (Chinese version only)
18.	Democratic Alliance for the Betterment and Progress of Hong Kong	• Ancillary facilities for EVs were inadequate. The Administration should consider installing public EV charging facilities at on-street parking spaces, or mandating the installation of EV charging facilities in all parking spaces of new residential and commercial developments.
		• The Administration should study ways to promote the recycling of waste EV batteries.
		• More resources should be allocated to the electrification of public transport systems.
19.	Clean Air Network	LC Paper No. CB(1)336/19-20(07) (Chinese version only)
20.	Charged Hong Kong	LC Paper No. CB(1)336/19-20(13) (English version only)

No.	Name of deputation/individual	Submission / Major views and concerns
21.	Mr Sam YIP	• There were not enough charging facilities for e-PCs. The Administration should study how it could better encourage owners' corporations ("OCs") and property developers to install EV charging facilities in existing and new buildings.
		• As the performance of the electric buses tested out under a trial scheme, which were manufactured in the Mainland, was unsatisfactory, the Administration should consider sponsoring the trial of electric bus models from overseas vehicle manufacturers.
		• The Administration should promote the local research and development of EV technologies, and foster the development of a local EV industry.
22.	Mr Dennis LEUNG	• Welcomed the implementation of the pilot subsidy scheme, and considered that the Administration should assist OCs in submitting applications for subsidies and resolving difficulties in carrying out modification works in their car parks.
		• As the pilot subsidy scheme would not benefit property owners who did not own any parking spaces and those who did not use EVs, the Administration should explore ways to encourage these people to support the modification works proposed to be carried out in the car parks of their residential buildings/housing estates.
		• For more efficient use of land resources, the Administration should promote the installation of quick EV chargers.
23.	The Democratic Party	• The Administration should consider setting a target for phasing out conventional private cars ("PCs") powered by fossil fuels, so that by 2030 all newly registered PCs would be EVs or other new energy vehicles.
		• Tax incentive remained an effective tool to promote the adoption of EVs. If a target year was set for phasing out conventional PCs, the tax incentive for EVs could be reduced annually.

No.	Name of deputation/individual	Submission / Major views and concerns
24.	Hotel ICON	LC Paper No. CB(1)336/19-20(16) (English version only) (Restricted to members only)
		• To promote hotels' adoption of electric buses or light buses for their shuttle bus services, the Administration should streamline the application procedure for and increase the quota(s) of relevant service licence(s).
25.	Civic Exchange	LC Paper No. CB(1)336/19-20(18) (English version only)
26.	Hong Kong Institute of Qualified Environmental Professionals	LC Paper No. CB(1)336/19-20(23) (English version only)
27.	KPMG Advisory (Hong Kong) Limited	LC Paper No. CB(1)336/19-20(19) (English version only) (Restricted to members only)
		• The Administration should (a) promote the development and adoption of new mobility options, including EVs, through legislative means; (b) develop infrastructure that was capable of promoting and sustaining new mobility options; (c) foster partnerships to bridge the gap between private and public interests; and (d) aggregate and analyse data to drive strategic insights into related matters.
28.	TheMotorTradersAssociation of Hong Kong– Electric and AlternativeEnergyVehicleDevelopmentSub-Committee	LC Paper No. CB(1)369/19-20(03) (Chinese version only)
29.	Greenpeace	LC Paper No. CB(1)346/19-20(02) (Chinese version only)
30.	evMega Technology Limited	LC Paper No. CB(1)346/19-20(03) (Chinese version only)
31.	Kowloon District Tourists and Passengers Omnibus Operators Association Limited	 The cost of installing charging facilities for electric buses was prohibitive to some non-franchised bus operators. To promote the trials of electric buses by the transport trades, the Administration should consider issuing provisional passenger service licences to electric non-franchised buses, which would remain valid until the vehicles concerned were scrapped.
32.	Public Omnibus Operators Association Limited	• The Administration should consider including requirements on the use of electric buses in the franchise terms of bus franchises.

No.	Name of deputation/individual	Submission / Major views and concerns
		• As there were limited choices of electric bus models in the local market, the Administration should explore ways to promote the introduction of more models into Hong Kong.
33.	The Hong Kong Society for the Blind	LC Paper No. CB(1)369/19-20(01) (Chinese version only)
34.	WWF-Hong Kong	LC Paper No. CB(1)336/19-20(15)

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