

**Establishment Subcommittee  
Follow-ups to the Meeting on 14 July 2021**

**EC(2021-22)9: Proposed creation of one supernumerary post of Chief Building Services Engineer (D1) in the Electrical and Mechanical Services Department for five years with immediate effect upon approval of the Finance Committee to head a new division in order to strengthen the planning and implementation of district cooling system projects**

**Supplementary Information**

**Cost Effectiveness of the Existing District Cooling System at Kai Tak Development**

The existing District Cooling System (DCS) in the Kai Tak Development is the first of its kind in Hong Kong. In this regard, the Government decided to submit funding applications to the Finance Committee (FC) by phases for taking forward the works, having regard to the progress of the Kai Tak Development including the construction and operation programmes of the relevant buildings. The total funding approved for all phases of the Kai Tak DCS was \$4,945.5 million, which was the same as the estimate reported when the funding application for Phase IIIA of the Kai Tak DCS was submitted to the FC in 2013.

2. When building a DCS, the Government first invests resources in the construction works of the system. After the DCS is put into operation, we will recover all costs from the building owners or their authorised agents who use the system. The Government has committed to setting the tariff of DCS at a competitive level, comparable to the cost of using individual water-cooled air-conditioning systems using cooling towers, with a view to recovering the capital and operating costs of DCS through charges collected from its users over 30 years.

3. The Kai Tak DCS is still at its initial stage of operation. Only 11 buildings requiring central air-conditioning in the Kai Tak Development have been completed and are using DCS at the moment. Their cooling demand is only a fraction of the maximum design cooling capacity. Since the Kai Tak DCS is still not in full operation at this stage, operating data for the entire system is not

yet available. We conducted a review on the tariff level of the Kai Tak DCS in 2020, and the findings indicated that the prevailing tariff could be kept unchanged while the target payback period of 30 years could still be achieved.

4. Besides, the FC approved funding for the DCS projects in the Tung Chung New Town Extension (East) and Kwu Tung North New Development Area in February 2021. The relevant tenders are being finalised and will be invited soon. As the operating data of the Kai Tak DCS may affect the tender exercises, it is not appropriate to disclose further information at this stage.

**Environment Bureau**  
**Electrical and Mechanical Services Department**  
**July 2021**