立法會 Legislative Council

LC Paper No. LS41/2025

Paper for the House Committee Meeting on 25 April 2025

Legal Service Division Report on Gas Safety (Amendment) Bill 2025

I. SUMMARY

1. **The Bill** The Bill seeks to amend the Gas Safety Ordinance (Cap. 51) to:

- (a) establish a regulatory framework governing the importation, manufacture, storage, transport, supply and use of hydrogen that is used or intended to be used as fuel; and
- (b) provide for related amendments.
- 2. **Public Consultation** The Administration conducted a trade consultation from 20 February to 19 March 2024 in relation to the proposed amendments to Cap. 51. According to the Administration, stakeholders strongly supported the legislative proposal.
- 3. Consultation with LegCo Panel

 The Panel on Environmental Affairs was consulted at its meeting on 20 January 2025 on the proposed amendments to Cap. 51 for the regulation of hydrogen as fuel. Members in general supported the proposal.
- 4. **Conclusion**The Legal Service Division is scrutinizing the legal and drafting aspects of the Bill. Since the Bill seeks to amend Cap. 51 to establish a regulatory framework for the use of hydrogen as fuel, Members may consider forming a Bills Committee to study the Bill in detail.

II. REPORT

The date of First Reading of the Bill is 16 April 2025. Members may refer to the Legislative Council ("LegCo") Brief (File Ref.: EEB(EB) CR1/3231/25) issued by the Environment and Ecology Bureau and the Electrical and Mechanical Services Department in April 2025 for further details.

Object of the Bill

- 2. The Bill seeks to amend the Gas Safety Ordinance (Cap. 51) to:
 - (a) establish a regulatory framework governing the importation, manufacture, storage, transport, supply and use of hydrogen that is used or intended to be used as fuel; and
 - (b) provide for related amendments.

Background

3. At present, hydrogen is categorized as one of the Class 2 dangerous goods regulated under the Dangerous Goods Ordinance (Cap. 295). The Chief Executive announced in the 2024 Policy Address¹ the policy initiative to introduce a bill into LegCo within 2025 to regulate hydrogen used or intended to be used as fuel. According to paragraphs 2 and 5 of the LegCo Brief, a more comprehensive and holistic regulatory framework to regulate the use of hydrogen as fuel is necessary to address the potential safety risks arising from combustion of hydrogen. Given that Cap. 51 provides for a framework to regulate the importation, manufacture, storage, transport, supply and use of town gas, natural gas, liquefied petroleum gas ("LPG") and a mixture of them, the Administration considers that bringing the use of hydrogen as fuel under the regulation of Cap. 51 is proper, legislatively and administratively efficient, and it is supported by the industry which is familiar with the operation of Cap. 51. Key provisions of the Bill are summarized in the ensuing paragraphs.

Provisions of the Bill

Proposed amendments to the Gas Safety Ordinance (Cap. 51)

4. The Bill seeks to amend Cap. 51 to bring the use of hydrogen as fuel under the regulation of Cap. 51. Clause 3 of the Bill seeks to amend section 2 of Cap. 51, for example, to:

¹ See paragraph 24 of the Annex to the 2024 Policy Address.

- (a) add new definitions to section 2 of Cap. 51, e.g. "hydrogen container", "hydrogen conveyance vehicle"², "hydrogen fuel cell". In particular, "regulated hydrogen" is proposed to mean any gas that is primarily hydrogen, used or intended to be used, as fuel for (i) the propulsion of a vehicle or train; or (ii) the operation of any machinery (other than machinery of a vessel or aircraft); and
- (b) amend certain existing definitions under section 2 of Cap. 51 (such as "gas" and "gas appliance") to the effect that regulated hydrogen would be either included in or excluded from the scope of certain relevant existing provisions of Cap. 51.
- 5. The Bill proposes to amend certain provisions of Cap. 51 to the effect that they would apply to regulated hydrogen:
 - (a) section 12 of Cap. 51, which provides for the powers of authorized officers (i.e. a gas safety inspector appointed under section 11 of Cap. 51, or a police officer not below the rank of inspector), would be amended to the effect that the specified powers would be exercisable in relation to regulated hydrogen to, for example, enable an authorized officer to enter upon the site of and inspect any works in the vicinity of a gas pipe or hydrogen pipe (clause 5);
 - (b) section 13AA of Cap. 51 would be amended to the effect that an improvement notice issued by the Gas Authority³ ("Authority") pursuant to section 13 of Cap. 51 could include instructions as to repairs or alterations to be effected to a "notifiable gas installation"⁴, "hydrogen installation"⁵ or "hydrogen system"⁶ (whether constructed before, on or after the commencement of the Bill) which is e.g. the subject of a contravention of Cap. 51. The notice could include such instructions if it is stated by the Authority in the notice that the Authority is satisfied that the repairs or alterations are necessary for the proper maintenance and

The Director of Electrical and Mechanical Services is the Gas Authority appointed by the Chief Executive under section 5 of Cap. 51.

⁵ Under clause 3(36) of the Bill, the proposed definition of "hydrogen installation" would be added to section 2 of Cap. 51 to mean an installation that for instance, is a receiving terminal for the importation of regulated hydrogen.

² Under clause 3(36) of the Bill, the proposed definition of "hydrogen conveyance vehicle" would be added to section 2 of Cap. 51 to mean a motor vehicle designed and constructed, or adapted, primarily for the conveyance of regulated hydrogen on roads.

⁴ Under section 2 of Cap. 51, "notifiable gas installation" is defined to mean for instance, a gas installation, which is, or consists of, or uses terminals for the importation of LPG or natural gas in liquid form.

⁶ Under clause 3(36) of the Bill, the proposed definition of "hydrogen system" would be added to section 2 of Cap. 51. In relation to for instance a vehicle or train, it would mean a system that consists of for example, a hydrogen container, and is used or intended to be used for the propulsion of the vehicle or train.

- operation of the installation or system for the prevention of fire, explosion or other danger arising from the installation or system (clause 6);
- (c) section 14 of Cap. 51, which provides for the power of the Authority to obtain information, would be amended to empower the Authority (by service of notice) to require certain persons (including a "specified entity" of a hydrogen system, or an owner of a hydrogen installation or a hydrogen conveyance vehicle), to furnish to the Authority such information about such matters as specified in the notice, and in the form and manner within the period as specified in the notice (clause 7); and
- (d) section 17 of Cap. 51, which provides for the appointment of members of an appeal board panel by the Secretary for Environment and Ecology ("Secretary"), would be amended such that not less than three persons representing the interests of the business in relation to regulated hydrogen would be included as members of an appeal board panel appointed by the Secretary (clause 8).

The making of regulations relating to regulated hydrogen

6. Clause 4 of the Bill seeks to amend section 8 of Cap. 51 to empower the Chief Executive in Council to make regulations in relation to regulated hydrogen and related matters, which would be subsidiary legislation subject to the negative vetting procedure of LegCo under section 34 of the Interpretation and General Clauses Ordinance (Cap. 1). The proposed regulations to be made could cover, e.g. the quality of regulated hydrogen supplied, registration of companies that import, manufacture or supply regulated hydrogen.

Textual amendments to be made to Cap. 51 and other legislation

7. Clauses 9 to 13 of the Bill seek to make textual amendments to the Chinese text of Cap. 51, the Gas Safety (Gas Supply) Regulations (Cap. 51B), the Gas Safety (Installation and Use) Regulations (Cap. 51C), the Gas Safety (Registration of Gas Supply Companies) Regulations (Cap. 51E), and the Energy Efficiency (Labelling of Products) Ordinance (Cap. 598).

Proposed amendment to the Dangerous Goods Ordinance (Cap. 295)

8. To clarify the respective scopes of Cap. 51 and Cap. 295, clause 14 of the Bill seeks to amend section 6(2) of Cap. 295 to exclude all fuel gases which would be regulated under Cap. 51 (i.e. town gas, LPG, natural gas, any mixture of town gas/LPG/natural gas, and regulated hydrogen under clause 3(4) of the Bill) from the licensing requirements in section 6 of Cap. 295.

Under clause 3(36) of the Bill, the proposed definition of "specified entity" would be added to section 2 of Cap. 51. In relation to a hydrogen system, if for example the hydrogen system is used, or intended to be used, for the propulsion of a vehicle, the owner of the vehicle within the meaning of the Road Traffic Ordinance (Cap. 374) would be the "specified entity".

Commencement

9. The Bill, if passed, would come into operation on a day to be appointed by the Secretary by notice published in the Gazette.

Public Consultation

10. According to paragraph 14 of the LegCo Brief, the Administration published a trade consultation document and conducted a series of trade consultation from 20 February to 19 March 2024⁸ with key stakeholders (such as applicants of hydrogen trial projects and hydrogen supply companies). According to the Administration, the stakeholders strongly supported the legislative proposal for providing an appropriate legal framework and enhancing public confidence in hydrogen safety, which is an important element for the successful promotion of hydrogen development in Hong Kong.

Consultation with LegCo Panel

11. As advised by the Clerk to the Panel on Environmental Affairs, the Panel was consulted at its meeting on 20 January 2025 on the legislative proposal. Members in general supported the proposal and stressed that the regulatory provisions should allow flexibility to cater for the development in the technologies and applications of hydrogen energy. Major issues discussed include certification for hydrogen energy, training and registration of hydrogen vehicle mechanics, and planning for hydrogen refuelling stations.

Conclusion

12. The Legal Service Division is scrutinizing the legal and drafting aspects of the Bill. Since the Bill seeks to amend Cap. 51 to establish a regulatory framework for the use of hydrogen as fuel, Members may consider forming a Bills Committee to study the Bill in detail.

Prepared by Dorothy YUNG Assistant Legal Adviser Legislative Council Secretariat 24 April 2025

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This consultation period was not mentioned in the LegCo Brief. However, it is noted that it was stated in paragraph 19 of the paper submitted to the Panel on Environmental Affairs (LC Paper No. CB(1)47/2025(03)) for the meeting on 20 January 2025 as stated in paragraph 11 of this report. Upon enquiry by the Legal Service Division, the Administration has confirmed the dates of the consultation period.