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Legislative Council
Panel on Environmental Affairs
Follow-up to Meeting on 20 January 2025

At the meeting of the Panel on Environmental Affairs held on 20 January 2025, an in-depth discussion was made on Agenda item (V) "Fast Charger Incentive Scheme and the new round of Cleaner Production Partnership Programme". The Fast Charger Incentive Scheme (the Scheme) aims to leverage the market force to help significantly increase the number of fast chargers (FCs) installed, so that they can be commissioned as soon as possible to meet the fast growing charging demand. It also aims to promote competition in the market, enhance the convenience for electric vehicle (EV) users, strengthen Hong Kong's image as a new energy green city and encourage more people to switch to EVs, with a view to helping Hong Kong advance towards its carbon neutrality target. Our reply to the follow-up issues raised by the Panel is set out below.

(a) Advance the target time for installing an extra 3 000 FCs as proposed under the Scheme (originally proposed to be 2030)

2. Having carefully considered Members' views, we agree with the proposal to encourage the early installation of FCs by the applicants. In this connection, we will set a two-year application period for the Scheme, with the target to start accepting applications from mid-2025 until the closing date in mid-2027 or the exhaustion of the $300 million subsidy, whichever is the earlier. Since the subsidised FCs must be put into operation within 12 months upon receipt of an acknowledgement notice, we estimate that all FCs can be commissioned progressively from 2026 to the end of 2028, which is two years ahead of the original target of 2030. If there is any unused subsidy after the application deadline, we will make adjustments to optimise the arrangements of the Scheme to achieve the target of installing 3 000 FCs.

(b) Impose restrictions/conditions in the application or vetting mechanism to ensure a fair distribution of resources of the proposed Scheme among commercial establishments of different sizes, so as to avoid a small number of large business establishments (including those applying for the subsidy through their affiliates) from obtaining the bulk of the subsidy

3. We have already set a subsidy ceiling for the Scheme, with the maximum amount of subsidy capped at $20 million per applicant (i.e. a maximum of 200 FCs[1]). To enable more local commercial establishments to participate in the Scheme, we will fine-tune the eligibility criteria so that local commercial establishments with a track record of providing fast charging services (i.e. chargers with a rated power output of 100 kilowatts or above) or quick charging services (i.e. chargers with a rated power output of more than 20 kilowatts and less than 100 kilowatts) will all be eligible to apply for the subsidy. The applicant is required to provide at least five FCs or quick chargers in Hong Kong; or at least 20 FCs in places outside Hong Kong within the last two years before 20 January 2025[2], supplemented with proof. This will help address the concern raised by Members (a small number of organisations receiving the bulk of the subsidy). In other words, applicants who only started to install the above number of chargers in the next few months though their affiliates are not eligible to apply for the subsidy.

(c) Require the applicant to make an undertaking to operate and maintain the service of the subsidised FCs for public use for a longer period of time (originally proposed to be two years)

4. In response to Members' views and taking into account the fact that the sites identified by the applicants may only be available for short-term

[1] There are charging service providers that offer split-gun charging in the market. If the minimum power output of each charging gun can reach 100 kilowatts or above at the same time, each eligible charging gun will be qualified for a subsidy of $100,000. The subsidy ceiling for the applicant will still be $20 million.

[2] The date on which the public was aware of the discussion of the matter at the Legislative Council meeting.

tenancy (e.g. three years), we will require the subsidised organisations to operate and maintain the service of the FCs for public use for at least 30 months, which is six months longer than the original 24 months. In light of Members' views, we will also increase the minimum hours of the parking/charging spaces open for public use from 12 to 14 per day; and adjust the time for the disbursement of the remaining 50% of the subsidy of the Scheme from six months after their operation of the FCs to 15 months, so as to ensure that the subsidised organisations will operate the FCs in accordance with the requirements set under the Scheme.

5. As mentioned in our response at the Panel meeting, the $100,000 subsidy is intended to encourage the early installation of FCs by commercial establishments. However, the subsidy is only enough to cover part of the costs. It is understood that the costs of each FC are approximately $300,000, with the rent, electricity charges and costs for installation works being the most expensive parts of setting up and operating a FC. Depending on the scale of the works, electricity supply condition and complexity, the installation costs may even exceed $1 million. The committed operating period of 30 months is only the minimum requirement. In fact, based on commercial considerations, we believe that the subsidised organisations will have strong economic incentives to operate the FCs to provide charging services for a longer period of time as far as practicable in order to recoup their investment costs.

(d) Draw up requirements and guidelines for the subsidised FCs' charging and associated fee-charging mode

6. We recognise the need for clarity and transparency in the fee-charging of the FCs. Therefore, we have included conditions in the Scheme requiring subsidised organisations to provide the Environmental Protection Department (EPD) and other online platforms with information on charging, relevant fees and real-time availability, as well as information on fee-charging in-situ or at a nearby location of the FCs.

7. Upon consideration, we will also impose conditions requiring subsidised organisations to adopt an energy-based fee-charging mode. In fact, for FCs, an energy-based fee-charging mode is a common practice

amongst charging service providers in the market at present.

8. If there are unoccupied subsidised FCs available for public use during the relevant operating period (30 months) and time period (14 hours), such organisations shall not refuse the public to use the FCs without reasonable excuse.

(e) Formulate specific monitoring measures to ensure that the subsidised organisations will continue to operate and maintain the subsidised FCs for the provision of public service in accordance with the requirements of the Scheme after they have received the full amount of the subsidy

9. We will put in place a monitoring mechanism to check the subsidised organisations' compliance with the requirements of the charging services set under the Scheme. Through the provision of information on relevant fees and real-time availability with the EPD and other online platforms, EV owners' feedback will be the most effective means to monitor any non-compliance. Relevant follow-up actions will be taken upon receipt of complaints and proactive and regular inspections will also be conducted to ensure that the subsidised organisations are providing charging services in accordance with the requirements of the Scheme. From the commercial point of view, we believe that there are sufficient incentives for the subsidised organisations to maximise, rather than restrict, the use of the FCs.

10. The Government reserves the right to recover the disbursed subsidy from those subsidised organisations that fail to fulfil the conditions imposed under the Scheme for providing services to the public, and the amount involved should be determined by the actual circumstances.

Environment and Ecology Bureau
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