

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

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122.9 Lefor

29 March 2006

Government of the Hong Kong Special Administrative Region Economic Development and Labour Bureau 2/F., Central Government Offices Main & East Wings Lower Albert Road Central Hong Kong

2:95

Dear Sirs

## Future Development of the Electricity Market in Hong Kong Stage II Consultation

In relation to the Consultation Paper on Future Development of the Electricity Market in Hong Kong - Stage II Consultation, I have some views on your proposal relating to rate of return.

Reliability of electricity supply and safety are of great importance. It can be foreseen that if insufficient rate of return is given to the power companies, they may not be attracted to continue to make the large and long-term investments required to maintain in Hong Kong a world-class electric network.

If the rate of return is reduced, that will lead to insufficient investment and the Government's policy objective for maintaining high reliability and safety of electricity supply in Hong Kong will not be achieved. I believe consumers would be willing to pay for high reliability and safety of electricity supply.

Yours sincerely,

F K F Yuen



"Fei Fei Barnes"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Future of Electricity in Hong Kong
Urgent Return Receipt

25/03/2006 12:13

I fully support the paper put out by WWF and the Civic Exchange on the need to change the way electricity is managed. I am only one voice but believe me, when I say that everybody in Hong Kong feels strongly about what is happening to our air through wasteful electricity generation. I write on behalf of all those people who think that it cannot be changed. It can as long as there is the political will to do so. We do not need to pay the electricity companies based on the amount they invest - in today's situation, this is irresponsible. They should be rewarded for generating electricity in the most efficient and sustainable ammner possible.

I urge you to adequately address the all-important issue of energy supply and usage. A sound energy policy for Hong Kong is crucial.

F M Barnes



To: <electricitycommentstage2@edlb.gov.hk>
cc: "F.M. Li"

Subject: My views to stage 2 consultation paper

Urgent Return Receipt

As a citizen in Hong Kong, I support the objective as stated in the Stage II Consultation paper that continue reliable, safe and efficient energy supplies with minimum environmental impact at reasonable price is the must.

I would like to express my point of view on below items:

### a. Scheme of Control Agreement

It shows that the existing scheme of control agreement can provide highly reliable electricity supply in Hong Kong in the past years. I support the continuation of the existing scheme of control agreement.

### b. Variable Rate of Return

I consider electric power company should be operated as one entire unit, even there are different types of assets involved. It seems to me that different rate of return for different type of assets would induced confusion and non-efficient of operation. It might probably induce more operation costs. We will then suffer from paying higher electricity bill.

#### c. Reduced Rate of Return

I consider the proposed 7-11% is too low and not realistic. With this level of rate of return, continuous re-investment or high standard maintenance efforts to our electricity infrastructure would be reduced or even stopped. I fear this would affect our electricity supply reliability.

#### d. Permitted Return linked to Emission Cap

I strongly support to reduce emission cap to let us have a better life condition. However, as there are already penalty for air pollution, to get rid of double penalty, I consider the link of rate of return to emission cap is not needed.

## **ELECTRICITY STAGE II CONSULTATION**

Dear Sir,

After reviewing the proposal in Stage II Consultation, I want to express my point of view as following:

- 1. If government decides to open the electricity market, selection of new power company must be careful. Stability, safe and reliable electricity supply must be the first priority of criteria of selection. New competitor besides providing lower prices, it also needs to provide high quality of services like HK Electric and CLP.
- 2. Introduce the third party to access the existing grid is difficult. It may endanger certainty of supply. Huge set up and ongoing costs for a separate regulatory and operating authority.

Government should take sufficient time to study this suggestion before making the decision.

Thank you for your attention.

Regards,

F. Y. Yeung

P.01

#### "fabian pedrazzini"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

24/03/2006 22:49

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
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Sign:			_					

#### Fabian Pedrazzini

29/03/2006 22:22

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: Consultation Paper on Future Development of the Electricity
Market in Hong Kong

☐ Urgent ☐ Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong. Fabian Pedrazzini

# "fabien" 24/03/2006 17:19

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## "fabien calloud" 23/03/2006 18:25

To: <electricitycommentstage2@edlb.gov.hk></electricitycommentstage2@edlb.gov.hk>	
CC:	
Subject: Response to Consultation Paper on Future Develope	m

ct: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: F.Calloud

**Fabio Corona** 

30/03/2006 20:49

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: Consultation Paper on Future Development of the Electricity Market in Hong Kong

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I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong. Fabio Corona

#### "Fabio Lavarone"

To: <electricitycommentstage2@edlb.gov.hk>

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25/03/2006 20:57

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Fai

30/03/2006 19:41

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I urge the Government to take a far more active role in devising an integrated energy policy for  ${\tt Hong}$  Kong.

Fai

"Family Offringa"

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the **Electricity Market in Hong Kong** 

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24/03/2006 09:37

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# Fan Chung Wai 29/03/2006 20:22

To: el	ectricitycon	nmentstage2@edlb.gov.hk
cc:		
Subject: Co	onsultation	Paper on Future Development of the Electricity
M	larket in Ho	ng Kong
	] Urgent	Return Receipt

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I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong.

Fan Chung Wai

#### "Fan Ka Man Carmen"



To: electricitycommentstage2@edlb.gov.hk cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

22/03/2006 21:52

## 致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Fan Ka Man Carmen

# "Fan Mui Ying" 31/03/2006 11:07

To: <elec< th=""><th>tricitycommentstage2@edlb.gov.hk&gt;</th></elec<>	tricitycommentstage2@edlb.gov.hk>
cc:	
Subject: Resp	onse to Consultation Paper on Future Development of the

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Sign:			_				

# "Fan Pui Shan" 30/03/2006 12:36

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

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(insulation to electricity merket Please do not Change for the current soc My connent 25 attached for you referre Jour sincerely, Soften TAN SAI CHOONES.

Fan Sa Cheong (1) According to recent IEEE journal for Power System, one of the system Operator's concern is the design of the power system in US is too paythe and for open werket speratron. The existing Powe system is not design for that purpose. (2) As Hong Kong 75 a Small place that has limited resources, renewable energy are mostly sourced from marnland Chiras. The Intral westment is higher then Convientional power plant and after Country the lorses through the long distance definery the effection is a question The cextra import from manuland Chine will Cause many Kechnical Contrarots to solve. This would involve additional investment to Support its function and consume high Challotty of the power system After untry the actor meetinent modered, 9 Just wonder whatther there will be a real traiff reduction the government think that it is an aguillarium point for the coxisting market in Hulf Kong, 9 wonder significant Manger would Arsturb this equillibrain and cause a series unexpected diff from the unent situalion. lower faith rite of neturn would surely lower the incentive for investor to Stay in Hong King St least they may seek other opportunities outside affectly the employees the Public and other

#### Fan Sheung Moon

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: Consultation Paper on Future Development of the Electricity
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30/03/2006 09:31

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I urge the Government to take a far more active role in devising an integrated energy policy for  ${\tt Hong}$  Kong.

Fan Sheung Moon

Economic Development and Labour Bureau, 2/F., Central Government Offices, Main & East Wings, Lower Albert Road, Central, Hong Kong.

Dear Mr. Ip,

## Stage II Consultation on Hong Kong's Future Electricity Market

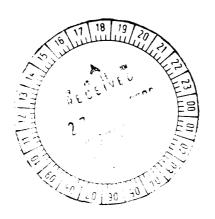
In response to your consultation on the development of the electricity market in Hong Kong after 2008, I have the following comments:

As most of the power companies' assets have long asset life and it takes a long time for the power companies to earn their permitted returns, the government's proposals in reducing the power companies' rate of return to 7-11% and shortening the regulatory period to 10 years increase the power companies' investment risks enormously. The power companies may not be interested in investing in their power supply facilities anymore. This in turn will decrease the highly reliable power supply which Hong Kong people are enjoying nowadays.

I expect to continue to enjoy the high standard of power supply reliability after 2008. As the current regulatory framework for the electricity market is effective in doing so, let's keep on using it in the post-2008 regime.

Yours faithfully,

Fan Wa Man



## 22 Mar 2006

Economic Development and Labour Bureau 2/F., Central Government Offices
Main & East Wings
Lower Albert Road, Central
Hong Kong



Fan Yiu Chuen

Dear Sir,

# Stage II Consultation on Future Development of the Electricity Market in Hong Kong

I would like to respond to the above consultation and my points are:

1. The Proposed Rate of Return of 7–11% is Unreasonable

This is low even compared to the newly established rate for the bus companies. For this type of long term investments which require a 30-35 years of return, the reasonable rate should be much higher than that for the bus companies.

The Govt should give sufficient reasons and back up figures to justify this proposed rate such as how does this compare with other similar utilities such as town gas and water authority both in HK and in nearby similar cities such as Taipei and Singapore.

Why do people like to do business? Of course people is looking for return and if the proposed return is comparable to one putting the sum of money into buying bonds, I do not see there to be any incentive for them to invest at all. If the incentive is not enough, the reliability that we have enjoyed for so long would be jeopardized.

I think the electricity tariff in HK is affordable and I do not want to see a small percentage cut of tariff in return of a lot of bad consequences.

## 2. New Supply Sources

Let's be realistic about the situation. There would not be sufficient buffer power supply in the Guangdong province for the use of HK in the near future. Introducing a third company would take at least 10 years taking into account all the complex issues that need to be resolved such as the environmental impact, location of the generation facilities and the access to the grid system etc. Unless the Govt bring in a lot of incentives such as increasing the ROR, I do not see how this new supply sources can be materialized.

## 3. Proposed duration of the Economic Regulation Instrument

A 10 year term is again another deterring factor against investment by the power companies. For such a long term return business, the original 15-year term is more reasonable. This would ensure that generation facilities are put in place whenever they are needed.

Thank you for your attention.

Yours faithfully,

14

## "Fang Hui Si"



30/03/2006 09:31

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breath	of	clean	air.				
Sign: _			_				

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- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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breath	OI	clean	aır.					
Sign:			_					

"Fang Yin Wen"

30/03/2006 09:31

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the

Electricity Market in Hong Kong
☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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Sign:			_					

# "Fani Lam"

17/03/2006 21:55

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

## 致經濟發展與勞工局:

身為香港的一份子, 我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排 放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與 成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、 環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂 立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Fani Lam

## "Fanice" 27/03/2006 09:23

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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Sign:			_					

# "FANJAUD Xavier" 27/03/2006 10:10

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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breati	1 01	crean	air.					
Sign:			_					

"Fann Lee"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

30/03/2006 10:28

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Fann Lee

# "Fannie Lai" 27/03/2006 11:09

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

DICACII	OI CIC	an arr.			
Sign:	Fann	ie Lai	_		

29/03/2006 10:23

"Fanny"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	fanny
DIGII.	Lailly



To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: 香港電力市場未來的發展第二階段諮詢文件的意見 Urgent Return Receipt

致經濟發展及勞工局局長,

本人在第一階段對電力供應的穩定性已經發表過意見。現對第二階段諮詢文件有以下看法:

- 1. 政府提出7%-11%的回報率過於空泛,有需要清楚解釋計算淮許利潤回報率的方程式,否則難以令人信服和接受。不合理的回報率很難叫電力公司有長線的機建投資或在環保的課題上積極推行,況且巴士公司的利潤也有9.5%。
- 2. 據了解電力公司投資的機組壽命長達30-35年。電纜鋪設是100年壽命。若將協議書年期縮短至十年,投資風險過大,是很難叫電力公司接受!

這樣雙方難以在管制協議上達成共識,請政府詳加考慮!

Fanny Fung

"Fanny Lam"

30/03/2006 23:14

 $To:\ electricity comment stage 2@edlb.gov.hk$ 

CC:

Subject: STAGE II PUBLIC CONSULTATION ON FUTURE DEVELOPMENT OF THE ELECTRICITY MARKET

☐ Urgent ☐ Return Receipt

I was born in HK and has been enjoying the stable electricity supply in Hong Kong for the past almost 40 years. The electricity tariff, particularly in Kowloon side, is afordable and reasonable.

I have strong reservations on the Government policy on the new Scheme of Control on the electricity companies after 2008. Although I welcome for a competive market which can benefit the consumers, like me, most, the Government has to have a clear plan to migrate the competitive market, long-term realistic use of energy strategy & environmental disincentives, and the duration of the regime can't be too short for entrepretur to invest. Before a reasonable and full study of the future electricity strategy, the Government is better to retain the current regime for another 8-10 years rather than to rush to conclusion which will affect every citizen in Hong Kong.

All in all, I would support the current Scheme of Control for the time being and opt for opening the market for competition for the time being.

Rgds,

Fanny Lam

# "Fanny Mark"

22/03/2006 17:37

To: electricitycommentstage2@edlb.gov.l	IIK
CC:	

Subject: 我要清新空氣\_

☐ Urgent ☐ Return Receipt

### 致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Fanny Mark

## "Fanny Ng"



19/03/2006 18:14

To: electricitycommentstage2@edlb.gov.hk cc:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Fanny Ng

"Fanny Shew"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

28/03/2006 19:53

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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Dreati	1 01	Clean	air.				
Sign:			_				

#### "Fanny Tung"



18/03/2006 11:05

To: electricitycommentstage2@edlb.gov.hk cc:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

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- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Fanny Tung



To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: Web Enquiry

Urgent

realname: Fanny Wong

subject: Future Development of Electricity Market in HK Stg 2

Enquiry: Reliability of electricity supply is only an excuse for the power companies to increase tariff. Electricity cost is more than 4% of HK\'s GDP, it should be reduced. The rate of return of the power companies must be reduced.

# "Fanny Wong" 30/03/2006 17:13

To:	<pre><electricitycommentstage2@edlb.gov.hk< pre=""></electricitycommentstage2@edlb.gov.hk<></pre>

Subject:網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來 電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承 擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減 其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能 源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良 方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社 會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

親生性向心应此为禾洪类本二世群工 公士兄二口注至穴与

<b>愁萌特區以析能為省港市米一片監大,給中氏一口消新至氣。</b>
(署名) 啟

# "Fanny Wong" 27/03/2006 05:19

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

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- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

您明行四以们能为首尼市术一片盖大,和中氏一口月利至来。
(署名) 啟



 $To:\ electricity comment stage 2@edlb.gov.hk$ 

CC:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

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- I look forward to hearing from you.

Yours sincerely,

Fanny Yip

### 中小企通常關注的問題

#### 1. 訂立公平競爭法,對中小企有甚麽好處?

公平競爭法對大小企業都有好處。它持別能保障中小企,因爲它能令大企業難以濫用其市場力量或者採用其他種種反競爭的手段。具體來說,競爭法會令大企業難以設置市場進入屏障,使中小企可更自由地進入市場營商。而且,一個更佳的競爭環境,也會令生產要素的價格下降,從而惠及中小企。

## 2. 訂立競爭法,會否對企業(特別是中小企)的經營模式及手法作出無謂限制, 從而影響它們的靈活性?

就算有了競爭法,企業仍然可以各出其謀,以價格、品質及服務和貨物種類進行 競爭。它對中小企的限制更少。由於中小企一般都缺乏市場力量,它們的正常商 業行爲如資料交換等,都不大可能有着防止、限制或扭曲市場的效果。

# 3. 在我們的行業裏反競爭行爲並不普遍。政府爲何要訂立跨行業的競爭法,而不是只規管反競爭情況嚴重的行業?

我們在討論文件中也有指出,由於各行各業都有機會出現反競爭行為,並無充分理據支持只規管某些行業或界別。儘管社會可能普遍認為,某些行業會特別容易出現反競爭行為,但近年競爭政策諮詢委員會(競諮會)處理投訴個案的資料顯示,反競爭行為似乎在多個行業都有出現。再者,競諮會政策綱領陳述的現行競爭政策,其實亦適用於不同行業,而不會對個別行業有所歧視。

另外,若政府把對競爭的規管局限於某些行業,由於往往不容易準確界定不同行業的範疇,以此爲基礎的規管機制亦因而難以確立。

最後,針對特定行業的法例難以對付某些跨行業的反競爭行爲,例如跨行業的「綑綁式」服務。

#### 4. 中小企會否誤隨法網,在不自知的情況下違反競爭法?

我們相信中小企誤墮法網的機會不大。由於中小企個別來說並不擁有市場力量,它們的行爲不大可能會導致明顯防止、限制或扭曲競爭的效果。外地的競爭規管

機關一般不會把規管中小企營商手法視作重點工作。舉個例子,美國的聯邦貿易委員會與司法部共同發布的「競爭者之間協同行為的反壟斷指南」訂明,除特殊情況外,若果競爭者之間存在協同行為,只要參與者及有關協同行為在相關市場所佔的份額合計不多於 20%,當局便不會提出質疑。

在資源允許的情況下,競爭規管機構或可提供某些合適的顧問服務,以協助中小企面對在遵循法例要求時可能遇到的挑戰。

5. 既然中小企沒有市場力量,而它們的行爲又不大可能會導致明顯防止、限制或扭曲競爭的效果,政府爲何不索性把中小企行爲豁除於競爭法之外?

在處理豁除和豁免時,我們需要考慮許多因素。太多豁除和豁免可能會削弱法例的效力。然而,在某些情况下我們的確可基於公眾利益而容許豁免。

政府在決定如何給予中小企豁除或豁免時,會仔細研究香港的實際情況,並小心聆聽社會各界的意見。

6. 一些中小企擔心,在引入競爭法後,大企業可能會對它們作出無理投訴,甚 致提出訴訟,以騷擾它們的正常運作。政府有何方法防止這些事情發生?

根據競爭政策檢討委員會(檢討委員會)的建議,只有競爭規管機構才有正式調查權力。性質輕微、瑣屑無聊或是出於惡意的投訴,在處理過程的初期已會被規管當局濾除。

外國的經驗一般顯示,與競爭法有關的私人訴訟不多。確證某一行爲已違反競爭 法是這類訴訟的一個重要依據。如果有關當局並未裁定某一行爲已經違反競爭 法,個別人士在要求法庭判定某一行爲違法時,往往難以充分履行相關的舉證責 任。

諮詢文件也提到,爲釋除中小企的疑慮,一個可以考慮的做法是對私人提出訴訟的權利加以限制,規定各方只有在競爭規管當局已經裁定有關行爲違反了競爭法後,方可提出私人訴訟。而如有上訴的話,則須待上訴期屆滿後,或者上訴的結果已確認競爭規管當局早前的裁決後,各方才可以提出私人民事訴訟。

7. 如中小企被人無理投訴時,會否需要付出巨額的律師費和訴訟費,來證明自己清白?

企業在被投訴後所面對的程序,不一定如人們想像中的一般法律程序一樣。首

先,規管當局在最初的處理階段,已會濾除一些性質輕微、瑣屑無聊或是出於惡 意的投訴。

如規管當局認爲需要跟進,也先會進行非正式查詢,在這前期階段,被投訴的公司在回應有關查詢時,一般無需尋求法律意見(該公司當然亦可尋求法律意見)。如發覺投訴是無理的話,規管當局便會馬上停止調查。

即使規管機構相信反競爭行爲確實存在,也不一定要告上法庭或令各方付出高昂的法律費用。如果事件對經濟影響不是很大,除了展開並完成整套司法程序外,規管機構也可與被投訴的公司達成適當和解。而和解的方案可以包括受查一方承諾停止相關行爲或作出付款,又或是兩者並行。

# 8. 爲了爭取大量購買的折扣(volume discount),中小企有時會進行集體採購,這樣做會否觸犯競爭法?

一般來說,中小企集體採購都不大可能有明顯防止、限制或扭曲競爭的效果。海外的競爭規管當局一般都認同,集體採購活動往往可帶來經濟效益,如令參與者能集中訂貨,以及更有效地共用倉儲和分銷效能等,雖然它們也可能存在着反競爭的元素。故此,在許多情況下,海外規管當局都會有適當安排或豁免,來處理此等事官。

海外規管機構在處理此類個案時,會考慮的因素包括:該協議是否容許各參與者繼續與其他參與者競爭;各參與者在該聯盟的財務利益;該聯盟能否作出獨立決定(即不受其成員影響);該聯盟會否令其成員得知其他成員商業運作的敏感資料等等。

## 9. 如幾家中小企聯合訂價,會否觸犯競爭法?

在判定一種行爲是否反競爭時,要考慮該行爲有沒有防止、限制或扭曲競爭。在 海外司法區,合謀訂價一般都被認爲會防止、限制或扭曲競爭。但在某些地區, 商會提出建議價格可能會被允許,特別是當這些建議價格能帶來淨社會利益(如 增加資訊流通和營運效率)的時候。

當中小企聯合訂價不會防止、限制或扭曲競爭時,亦意味着該協議根本無法執行,又或該協議根本不能防止其他沒有訂定協議的企業降價競爭。

# **10.** 中小企被大企業以反競爭手段欺壓時,聯同一起以聯合定價或分配市場等方法和大企業抗衡,會否觸犯競爭法?

如中小企被大企業以反競爭手段欺壓,應向競爭規管當局投訴,而不應以反競爭 行為與大企業抗爭。

## 11. 若果中小企被裁定違反競爭法,有關商人和職員會否需要坐牢?

根據檢討委員會的建議,違反競爭法只會帶來民事後果,其中可能包括罰款或禁止犯事的個人在一定期間內不能擔任公司董事。因此,在目前的構思下違反競爭法並不會被判監禁。

香港的商人一般都是奉公守法,因此我們相信民事罰則應該已具有足够的阻嚇作用。

# 12. 競爭法是否「冇牙老虎」?在引入競爭法後,一些被一家或數家大企業壟斷的行業會否有更多競爭者加入經營?

競爭法並不是萬應靈丹,它不能解決所有與競爭有關的問題,但法例也非「冇牙老虎」。透過引入競爭法,規管機構可被賦予適當權力,對涉嫌反競爭行爲作出調查,及對被證實違法的企業和個人作出懲處。競爭法也能對何爲可接受的營商手法提供指引。

很多市民非常關心一些行業被三數家大企業支配的問題。檢討委員會認為,立法的目的是要透過遏止反競爭行為,提高經濟效益,而不是要人為地刺激或引進競爭。一些企業能够做大做強,可能是因為它們經營有道,所以檢討委員會並不建議政府規管市場結構。政府也不是要以競爭法來幫助中小企抗衡大企業。因此,引入競爭法不一定能令更多公司進入一些被三數大企業支配的行業。但是,在訂立競爭法後,如果大企業濫用其市場支配地位,扭曲市場競爭,規管當局則可依法進行調查。如證實確有其事,規管機構自然可採取適當行動。

另外,也有市民對一些公共事業(如電力、公共巴士)的競爭情況表示關注。由於香港市場細小,一些具規模效益的行業可能只能容許一個或數個經營者有效經營。從生產效率來看,這些「自然壟斷」情況可能已是最有效益的安排。誠然,如果完全沒有規管的話,這些「自然壟斷」者很有可能把價格定得過高(即高於邊際成本),產量定得過低,從而損害消費者及整體經濟利益。對於這些行業,就算在引入了跨行業的競爭法後,仍需依賴針對該行業的管制計劃(scheme of control),對經營者的利潤、經營規模或其他表現指標作出規管。

"Farida N Shroff"

24/03/2006 07:38

To: <electricitycommentstage2@edlb.gov.hk>
cc:
Subject: Response to Consultation Paper on Future Development of the

Electricity Market in Hong Kong
☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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# "Faride Shroff" 28/03/2006 23:57

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the **Electricity Market in Hong Kong** ☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Faride

# "FAS Ltd" 28/03/2006 07:43

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the

Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

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Sign:			_				

"fatchiu ho"

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

31/03/2006 17:00

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

\_\_\_\_\_(署名) 啟



## "Fattedad Wai Yee Sandra"

31/03/2006 21:31

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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#### "Faure Aurelie-Diane"



24/03/2006 14:03

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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Ι	cordially	demand	the	SAR	government	to	bring	us	back	the	blue	sky	and	6
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# "fay loui" 28/03/2006 22:12

To: <electricitycommentstage2@edlb.gov.hk>
cc:
Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	fav	loui
21911.	тау	10u1

"fay" 17/03/2006 14:31 To: electricitycommentstage2@edlb.gov.hk cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

#### 致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

fay

"Faye Worthy"

28/03/2006 23:06

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

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Sign:		Faye	Worthy			



Stephen

Mr Stephen Ip, GBS, JP
Secretary for Economic Development and Labour
Government Secretariat
Room 815, West Wing, Central Government Offices
Lower Albert Road
Central
Hong Kong

香港工業總會

Federation of Hong Kong Industries

香港九龍尖沙咀 濱口道 5+15號

漢口中心4槽

4/F. Hankow Centre 5-15 Hankow Road Tsimshatsul Kowloon, Hong Kong

電話 Tel +862 2732 3188 傳真 Fax +852 2721 3494

■ Email thki@thki.org hk

28 March 2006

2.9 MAR RECT

Dear

Stage II Consultation on Future Development of the Electricity Market in Hong Kong

On behalf of the Federation of Hong Kong Industries, I would like to submit the following views on the second stage consultation regarding the future development of Hong Kong's electricity market.

#### Preamble

First of all, we are pleased to note that the Government has accepted a number of our key recommendations made during the last round of consultation. These include reducing the rates of permitted return for the two power companies in the new Scheme of Control Agreements (SCAs), linking their return levels to performance in environmental protection and efficiency improvement, reviewing the permitted rate of return every five years, excluding any excessive investment of the power companies from the calculation of permitted return, and others.

On the whole, we are in support of the proposals put forward by the Government in the consultation document, which, we believe, have carefully balanced the interests of the power companies and electricity users and will enable Hong Kong to continue to enjoy high security of electricity supply. The proposed incentives are also considered effective in encouraging the utilities to reduce pollution and to enhance operational efficiency.

## Future Development of the Electricity Market

While we appreciate the great effort that the Government has put in to draw up a new regulatory framework for the future control of CLP and HEC upon the expiry of the existing SCAs in 2008, it appears to us that some of the recommendations in the consultation

document are not specific enough to present a clear direction for the future development of the electricity market.

In order to remove any uncertainties, it is necessary for the Government to map out a concrete roadmap and a definite timetable for the development of the local electricity market in the longer term, particularly on how the systems between Hong Kong and the Mainland could be further integrated to facilitate supply sources from the Mainland to sell electricity in Hong Kong. With a clear market opening schedule, power companies in Hong Kong and elsewhere in China would have a better idea of how our electricity market will evolve. Such information is crucial for them to set and decide their future investment strategies.

We understand that CLP and HEC are not operating under a franchise, and any other companies may enter Hong Kong's electricity market if they meet the relevant requirements. However, given that the grid lines are owned by CLP and HEC and a low interconnectivity exists between Kowloon and Hong Kong Island, the current market structure is highly unfavourable to new power companies seeking to supply in Hong Kong. It is necessary for the Government to gradually restructure the market with a view to facilitating the importation of electricity from Mainland and allowing consumers to have a choice of suppliers. Specifically, we feel the following three targets should be completed before the expiry of the new SCAs with CLP and HEC in 2018.

- Establishing an independent regulatory authority (IRA);
- Beefing up the inter-connector between Hong Kong Island and Kowloon; and
- Allowing third party access to the grid owned by CLP and HEC (on this, there are several models, not limited to unbundling, that the Government may consider adopting).

We believe that 12 years are sufficiently long for the Government (and later the IRA after its establishment) to prepare and complete the restructuring, and for CLP and HEC to adjust to the changes.

With regard to importing electricity from the Mainland, since maintaining a high security of electricity supply is of paramount importance to Hong Kong, a mechanism should be developed to screen any new supply sources before they are allowed to enter the local electricity market. Essentially, approval to supply in Hong Kong should only be given to those with sufficient financial strength and meeting the relevant safety, reliability and environmental standards. Moreover, the number of these approved suppliers should be strictly controlled in order to avoid any system instability and insufficient investment in new capacity that may arise from over-competition. The number of these new suppliers should ideally be no more than a handful.

#### Independent Regulatory Authority

In the consultation paper, the Government states that it will keep under review the need to set up a separate regulatory authority and prepare the groundwork for such a new setup in

the future. In considering the crucial role the IRA will have to play in the market reform, we recommend that this body be set up as soon as possible after the signing of the new SCAs with the power utilities.

Once established, the IRA should assume the responsibility of regulating the technical, economic and environmental aspects of the electricity market currently undertaken by various government bureaux and departments. This arrangement would enhance the overall regulation efficiency as at present different bureaux and departments may have different priority in their regulatory work.

Aside from regulation, the future IRA should be tasked to decide on the best way to increase the transfer capacity of the inter-connector, and to prepare relevant rules and regulations and get the necessary legislations passed for enabling third party access to the grid owned by CLP and HEC.

In determining the composition and operation of the future IRA, the Government should draw on the experience of similar bodies that have been established in overseas countries. A few examples are Britain's Office of Gas and Electricity Markets, Western Australia's Economic Regulation Authority, and New Zealand's Electricity Commission.

#### Post-2008 Scheme of Control Agreements

In general, we are agreeable to the proposed framework of the new SCAs with CLP and HEC outlined in the consultation document. Below are our comments on some specific areas.

#### 1. Permitted rates of return

We are concerned that applying different permitted rates of return to different types of assets might add complexity to the regulatory work. If the Government finds it absolutely necessary to so do, justifications should be provided for such an arrangement.

We believe that using a uniform rate of permitted return on all types of fixed assets would be a better alternative. In our previous submission, we recommended setting the permitted rate of return at 8% on average fixed assets. We maintain that this is a fair and reasonable figure, having regard to the prevailing risk levels of conducting electricity business in Hong Kong.

We agree that an incentive/penalty system should be introduced to encourage the power companies to improve efficiency, enhance reliability and reduce pollution. We propose that incentives up to a maximum of 2% be added to the permitted return if the power companies perform well against the relevant efficiency, environmental and reliability benchmarks, and a maximum of 2% penalty be deducted from the permitted return if they fail to meet the targets. In other words, the power companies may earn a maximum of 10% return and a minimum of 6% on their average fixed assets, depending on how best they perform in the promotion of efficiency and environmental protection.

#### 2. Emission benchmarks

In setting the emission benchmarks, a balance should be struck between improving air quality and maintaining the reliability of electricity supply. The manner in which such benchmarks are determined should avoid overly restricting the power companies to using only one fuel, such as natural gas. It is our view that the power companies use an optimal mix of different fuels, together with the use of high quality coal and advanced emission reduction equipment, can serve the dual purposes of ensuring the security of electricity supply and protecting the environment in Hong Kong.

Besides, the pollution benchmarks to be used should be practical and pragmatic in terms of compliance, so that the power companies will not be forced to replace their existing coal-fired plants before the expiry of their normal working life with new generating units in meeting the benchmarks. We are afraid that should such a drastic change happen, it would lead to hefty increases in electricity tariffs.

### 3. Flexibility to introduce new measures

Given that the future IRA may need, from time to time, to introduce new measures to promote competition in the electricity market (e.g. enabling third party access to the network owned by CLP and HEC), a specific clause should be provided in the post-2008 SCAs to allow the introduction of such measures in the interim review. This will enable the market to evolve in a timely and flexible manner, while ensuring that the power companies will have sufficient time to cope with any change.

We appreciate the opportunity to express our views in this important consultation, and hope you will give due consideration to our views when formulating a strategy for developing Hong Kong's electricity market.

Yours sincerely,

Clement Chen

Chairman

Ad Hoc Committee to Study HK's Power Supply Market

#### "Federico Galimberti"



24/03/2006 14:49

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	demand	the	SAR	government	to	bring	us	back	the	blue	sky	and	6
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Dreati	IOL	Clean	air.				
Sign:			_				

P.01

15/03/2006

Dear Sirs,

I would like to present my comments for the consultation Paper on Future Development of the Electricity Markets in Hong Kong.

I was living in south district over twenty years, previous, a power station just beside me. I felt that the air considered acceptable. No significant air pollution being found.

## 1. Regulatory Regulation (i)

You suggested that 10 years with option 5 another years looks too short for the investor. As we aware that the huge amount of money for establishment the power grids and power station, more than 30 years for returning. In case 10 years and the option is uncertainty, I can't believe the power company could provide stable electricity supply.

## 2. Regulatory Regulation (ii)

You suggested 7~11% to different type of return is not made sense. I'll recommend to remain unchanging of the previous rate of return at 13.5% or more.

#### 3. Tariff:

All tariff adjustment should approve by the Government, including operating and fuel charges. I am totally disagreed Government involve into the matter of a private enterprises.

If you want more details, please contact me at tel:

Fei Siu Chu Fei Sin Chu

20-MAR-2006 15:27 95%

# "Felicia Lee" 26/03/2006 14:58

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject:網上行動回應《香港電力市場未來的發展》

Urgent Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

心明行些以们的勿自他市人	万盖人, 淌巾以	ᆸᄸᆐᆂᅑᇮ
(署名) 啟		

"Felicia Sallay"

28/03/2006 13:36

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Sign:			_				

# "Felicia Samahon" 28/03/2006 13:37

To: <electricitycommentstage2@edlb.gov.hk>

CC:

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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Sign:			_					

#### "Felicity Ng"

26/03/2006 14:27

10

To: <electricitycommentstage2@edlb.gov.hk>

CC

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of fresh air.

Sign: Felicity

# "Felicity Henchman"

24/03/2006 18:50

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

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Sign:			_				

#### "Felicity J. McClellan"



17/03/2006 08:28

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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I cordially demand the SAR government to bring us back the blue  $\operatorname{sky}$  and a breath of clean  $\operatorname{air}$ .

Sign:		
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"Felinda Ong"

27/03/2006 09:16

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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Sign:			_				

#### Felix Cheng

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: Consultation Paper on Future Development of the Electricity
Market in Hong Kong

☐ Urgent ☐ Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single

biggest threat to our planet.

30/03/2006 14:00

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong. Felix Cheng

"Felix Grimm"

24/03/2006 12:31

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Felix Grimm

# "Felix Wong"

21/03/2006 18:41

To:	electricitycommentstage2@edlb.gov.hk
cc:	
	我要清新空氣
-	☐ Urgent ☐ Return Receipt

## 致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Felix Wong

#### "FERA Asia Pacific Ltd."



To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the **Electricity Market in Hong Kong** 

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: FERA Asia Pacific Ltd.

"Ferdinando Capelvenere"

To: <electricitycommentstage2@edlb.gov.hk>

cc:

29/03/2006 14:26

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	_f.cape	lvenere
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"fernando viseu"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

30/03/2006 12:10

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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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breath	of	clean	air.				
Sign:			_				



Sum Clas · Dalla · Hongkong · Belling · Shanghal · Shunchm · Changelo

Economic Development and Labour Bureau
2/F Central Government Offices

2/F., Central Government Offices Main & East Wings, Lower Albert Road, Central, Hong Kong

Fax::2523 1973

**Dear Sirs** 

Response to Consultation Paper on the Future Development of the Electricity Market in Hongkong

Concerning the Power market in HK, we want HKSAR to consider the following factors:

1) Open market

We think open market is not suitable for HK case since our customers base is very small. Consequently, suppliers will increase raw materials price due to reduce in purchasing by HEC and CLP.

2) Reliability

HK has so many tall buildings such as International Finance Buildings and Central Plaza etc. They are the landmark of HK and we shall continuous to ask HEC and CLP to provide high quality of power to them instead of only asking to lower the tariff.

3) Scheme of Control

We think the Scheme of Control is a simple and effective agreement to regulate HEC and CLP in a proper way. By adopting more complicated system will only waste of government and tax payers resources.

無性の (非後) 有限公司 (注例 (非後) 有限公司 FIBERXON (HONG KO)(G) LIMITED Authorized Signature(1)

## "Ficep Hong Kong" 25/03/2006 23:12

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: FICEP Hong Kong

### "fidelma woodley"



26/03/2006 15:53

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

DICACI	· OI	CICan	all.				
Sign:			-				

## "fieldofdreamsasia"



30/03/2006 11:32

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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breati	IOI	Clean	air.				
Sign:			_				

## "Fieoner CHEUNG"

27/03/2006 20:36

 $To:\ electricity comment stage 2@edlb.gov.hk$ 

CC:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

### 致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、 環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Fieoner CHEUNG



To: electricitycommentstage2@edlb.gov.hk cc: "Fievel Kan"

Subject: Comment on Consultation Paper On Future Development Of The

Electricity Market In HK Stage 2

Urgent Return Receipt

Economic Development Branch
Economic Development and Labour Bureau

Dear Sirs,

I would like to comment on the New Supply Sources in response to the Consultation Paper On Future Development Of The Electricity Market In HK Stage 2 Consultation.

### Supply From The Mainland

Demand for electricity has been increasing rapidly and continuously due to the fast expansion of different types of industries in the Mainland. According to an economic magazine, the growth rate in the electricity market is over 7% per annum and some places in Guangdong don't have electricity due to supply shortage. In view of the above reporting, how reliable, stable and sufficient electricity supply can be imported from the Mainland to HK.

### Grid Access To Other Power Suppliers

Any unreliable electricity supply connected from other Power Suppliers will cause the whole grid network to become unstable. Consequently, the supply reliability of the grid network is jeopardized. The existing two Power Suppliers in HK both have good past records in supply reliability. Therefore, they are the only trusted reliable Power Suppliers to HK.

Moreover, arguments are expected among the different Power Suppliers about who should be responsible for providing sufficient capacity to meet the load growth, causing fluctuation of supply, supervision on selection of the power source and amount of capacity for the distribution of electricity supply to the users.

In view of the above shortcomings, I do not agree to the proposal of supply from the Mainland and Grid access to other Power Suppliers in the Consultation Paper. As the existing Power Suppliers in HK can provide reliable power supply and good customer services, the period of their Permitted Return should be extended to continue their service in HK.

Fievel Kan University student

# "Fina Cheng" 23/03/2006 16:27

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

I was born and brought up in Hong Kong. She is a place I love, a home treasure and I am saddened seeing her crowded with polluted air.

My heart sinks when I hear my friends from overseas saying their children coughing and have running nose when they are back. What does it show? It can't be clearer anymore that this is not a place people should live. It's rather stupid that HK Tourist Association denied complaints from the tourists. Let me tell you, 10 out of 10 who visit us from overseas talk about the air. One visitor asked me two days ago that why the weather in HK was bad everytime he visited and I joked that the almighty was angry with him.

What's wrong with us? We have been talking about environment protection and no further actions have been taken. I am happy having this chance to voice out. I LOVE HONG KONG!

Fina Cheng

### "Fina Hung"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

24/03/2006 17:40

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Fina Hung

## "Fini Wu" 31/03/2006 13:26

To:	<pre><electricitycommentstage2@edlb.gov.hk></electricitycommentstage2@edlb.gov.hk></pre>

CC:

Subject:網上行動回應《香港電力市場未來的發展》

Urgent Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

<b>怨萌符區以析能為省港市米一片監大,給巾氏一口消新至氣。</b>	
(署名) 啟	

"Finley Bennett"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

24/03/2006 17:15

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Sign:			_				

"Finn Miles"

25/03/2006 10:02

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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breati	1 01	Clean	air.				
Sign:			_				

### "Finula Reynolds"



20/03/2006 10:10

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

Highly qualified people are leaving Hong Kong because they cannot live in the polluted atmosphere and the do not want to subject their families to this unhealthy environment.

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sian:	Tri 2011 10	Reynolds	
Sidn.	rinula	REVIIOTOS	

# Fion Au 31/03/2006 00:14

To: electricitycommentstage2@edlb.gov.hk
cc:
Subject: Consultation Paper on Future Development of the Electricity
Market in Hong Kong
Urgent Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong.

Fion Au

# "Fion Wong" 27/03/2006 16:49

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

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- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
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- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

芯明行些以的比为自己市人	八量人, 和中氏	口用机工制。
(署名) 啟		

# "Fion Yuen" 24/03/2006 14:22

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Fion Yuen

"Fiona Chan"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

31/03/2006 09:57

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Fiona Chan

"Fiona Chan"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

28/03/2006 14:37

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Fiona Chan

"fiona chiew"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

27/03/2006 09:31

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

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Sign:			_				

## "Fiona Clark" 26/03/2006 18:14

To: <electricitycommentstage2@edlb.gov.hk> cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hт	reath of cl	lean air	<u></u>											

breati	1 01	crean	air.					
Sign:			_					

## "Fiona Collins"

25/03/2006 22:20

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sian:	Fiona	Collins
PIGII.	riona	COLLINS



To: electricitycommentstage2@edlb.gov.hk cc:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Fiona Farnham

Fiona Farnham

## "Fiona Faure" 25/03/2006 17:36

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

~ '		_	
Sian:	F'iona	Faure	

## "Fiona Fung"

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject:網上行動回應《香港電力市場未來的發展》

Urgent Return Receipt

28/03/2006 00:02

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

\_\_\_\_\_(署名) 啟

# "Fiona Hau" 24/03/2006 12:20

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To the Economic Development and Labour Bureau,

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air. My office is in Pacific Place and it is getting increasingly difficult to see across the harbour and be able to see the Peninsula / TST buildings!

Signed: Fiona Hau

## "Fiona lp"

27/03/2006 22:33

To:	<electricitycomme< th=""><th>ntstage2@edl</th><th>b.gov.hk</th></electricitycomme<>	ntstage2@edl	b.gov.hk
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cc:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經	濟發	展	及勞	工局	

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懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

CONTRACTOR	/ 1 mm / / / // / / / / / / / / / / / /	口内加工水
(署名) 啟		

# "fiona Jaffe" 23/03/2006 19:13

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Fiona Jaffe and my entire family - let us breath!!!!!

### "Fiona Kwok"



29/03/2006 21:11

To: electricitycommentstage2@edlb.gov.hk

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

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- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.

HK should not become "collateral damage" just because China seeks progress and modernization at the expense of human health and lives; we need to sustain life with ecologically friendly renewable resources and manage it in a more responsible and forward-looking attitude.

I look forward to hearing from you.

Yours sincerely,

Fiona Kwok

"Fiona Lee"

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

24/03/2006 15:57

To Economic Development and Labour Bureau,

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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hт	reath of cl	lean air	<u></u>											

breati	1 01	Clean	air.				
Sign:			_				

Economic Development and Labour Bureau 2/F., Central Government Offices

Main & East Wings

Lower Albert Road, Central

Hong Kong

Dear Sir.

### Stage II Consultation

I would like to comment on the increased interconnection between CLP Power and HEC of your Stage II Consultation proposal

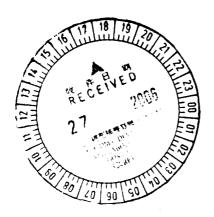
It is stated in your consultation paper that increased interconnection cannot provide customer choice and would not displace the need for new generation capacity to meet growth in demand. However, the consumers need to pay the huge investment cost (about 2.1 billion at 2002 price) and the related administrative and operating cost for the third party for developing and directing the use of increased interconnection, but the associated benefits of the increased interconnection over the existing arrangement are unclear and limited.

As the two companies have already been making use the existing interconnection for reducing their reserve capacities and gradually replacing their coal-fired generation by less polluting gas-fired generation, I don't think further increasing interconnection would bring higher benefits to us, but instead we have to pay higher electricity tariff for its large investment and operating costs.

Yours faithfully,

Liona.

Fiona Leung



26<sup>th</sup> March 2006

The Secretary,
Economic Development and Labour Bureau,
2/F, Central Government Offices,
Main & East Wings,
Lower Albert Road, Central
Hong Kong.

Dear Mr. Ip,

## Stage II Consultation Future Development of the Electricity Market in Hong Kong

I understand the Hong Kong SAR Government has launched the captioned Consultation Paper. I would like to express my views on the proposed arrangements as follows.

First of all, I agree that the current institutional setup with economic, safety and environmental regulation by various Government bureaux and departments should be continued and that the economic regulation should be most effectively carried out by a bilateral agreement signed between the Government and power companies.

However, I do not agree with the proposed shorter 10-year regulatory framework. The short regulatory period of 10 years is the first barrier to investment. Electricity infrastructure is capital intensive and has long life. How would one invest in it if it has only 10 years of certainty to earn a return, and a big uncertainty in the subsequent 20+ years. Investors of the power companies must be provided with a sufficiently long regulatory period so that they are willing to continue to invest. In order to attract new capital, I strongly urge that the regulatory period be maintained at the current 15 years.

The Consultation Paper proposes a 4-tiered rate of return (ROR) in the range of 7%-11% for different asset types. My view is that the proposed ROR is too low to attract the huge and long-term investment required by the power industry. Given the industry-specific risks faced by the power companies, a higher ROR is required to cover the challenges and non-diversifiable risks in the electricity market. As learnt from news that some blackout incidents happened in other countries, like Australia, are due to lack of investment. Low ROR resulted in insufficient investment and hence subsequently undermine the reliable, stable and safety supply of electricity.

In addition, I do not see any justification in the proposed 4-tiered ROR arrangement which I believe should not be adopted. Multiple tiers complicate the regime unnecessarily. Instead, the existing arrangement of a single ROR for all asset types should be maintained as it is straightforward and simple. If the costs of raising capital for different assets are the same, the ROR should also be the same.

Yours sincerely,

/ Fiona L Economic Development and Labour Bureau 2/F, Central Government Offices
Main & East Wings
Lower Albert Road, Central
Hong Kong

Dear Mr Ip,

### Comments on Consultation Paper

From the Stage II Consultation Paper, I would like to comment on the following two proposals: applying different rate of returns on different asset types and enhanced interconnection with Guangdong.

### A. Different returns on different assets

Is it a common practice to be adopted overseas? If not, can you sure that such approach will deliver the benefit you want without any precedent reference? As you mentioned in the paper, such approach can increase administration cost which shall be borne by our taxpayers. I don't think such approach will be cost-effective for both consumers and taxpayers. Why should we take this proposal for setting such complicated regime that is not easy to understand for general public?

## B. Enhanced interconnection with Guangdong

I think the government is preparing to introduce the Mainland's suppliers as new sources in the long run. A simple question on this is "relying on China supply is good to us?" At this moment or the foreseeable future, the answer is "No". Supply reliability record is so poor in China, especially Guangdong, that we cannot trust their power quality at least in the mid to long term.

I hope my above concerns can be seriously considered by the government. Please do not compromise what we have gained with the undue political pressures.

Yours faithfully,

Fiona Liu

"Fiona Lui"

29/03/2006 10:29

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: F. Lui

## "Fiona McKeand" 30/03/2006 16:56

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

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Sign: FIONA MCKEAND

### "Fiona Mowbray"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

26/03/2006 18:46

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Sign: Fiona Mowbray

"Fiona Overton"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

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24/03/2006 09:36

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Dieaci	1 01	Clean	air.				
Sign:			_				

## **Fiona Overton**

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

30/03/2006 09:28

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong. Fiona Overton

"Fiona Pratt"

24/03/2006 08:03

To: <electricitycommentstage2@edlb.gov.hk>

CC:

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hт	reath of cl	lean air	<u></u>											

Dreati	1 01	Clean	air.				
Sign:			_				

"Fiona Redman"

To: <electricitycommentstage2@edlb.gov.hk>

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24/03/2006 17:11

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Dreati	1 01	Clean	air.				
Sign:			_				

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- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	demand	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Sign: _		_Fiona	SArode				

## "Fiona Shirra"

29/03/2006 19:21

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen currently living in the UK, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Fiona Shirra

"Fiona Somerville"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

24/03/2006 09:03

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Dreati	IOL	Clean	air.				
Sign:			_				

## "Fiona Stewart"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

24/03/2006 16:01

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

breati	1 01	Clean	air.				
Sign:			_				



To: electricitycommentstage2@edlb.gov.hk cc:
Subject: We want clean air!
Urgent Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Fiona Tsui

# "Fiona Watts" 28/03/2006 17:11

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
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- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

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breath	ΟÍ	clean	aır.				
Sign:			_				

"Fiona Webster"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

25/03/2006 08:41

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: F	iona We	bster	
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# "Fiona Wightman" 25/03/2006 12:07

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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Sign:			_					

## "Fiona Woo" 26/03/2006 15:46

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Fiona Woo

"fiona y"



28/03/2006 08:59

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

fiona y

Economic Development and Labour Bureau, 2/F., Central Government Offices, Main & East Wings, Lower Albert Road, Central, Hong Kong.

Dear Sir,

## Stage II Consultation on Hong Kong's Future Electricity Market

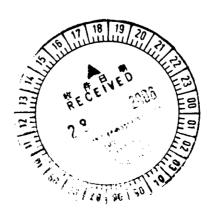
I understand that you are consulting the public on the development of the electricity market in Hong Kong after 2008. I would like to make the following comments:

Assets of the power companies usually have long asset life and the power companies take a long time to get back their permitted returns. The government's proposals in shortening the regulatory period to 10 years and reducing the power companies' rate of return to 7-11% greatly increase the power companies' risk of investments. The power companies may reduce their investments in their power supply infrastructures. This will decrease the reliability of power supply in Hong Kong and affect Hong Kong's image as a metropolitan city.

People in Hong Kong would expect the same high standard of power supply reliability as of today after 2008. As the existing framework for regulating the electricity market has been proven to be effective, let's continue with it after 2008.

Yours faithfully,

Fiona Yeung



"fiona"



21/03/2006 18:43

To: electricitycommentstage2@edlb.gov.hk cc:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

fiona

# "Fiona" 30/03/2006 16:14

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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# "Fione Kew"

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

## 致經濟發展與勞工局:

17/03/2006 19:07

身為香港的一份子, 我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排 放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與 成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、 環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂 立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Fione Kew

## "Phiroza Kawas Pavri"



25/03/2006 12:12

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
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Sign: _		fiz						

# Flavia Lee 31/03/2006 09:22

To: electricitycommentstage2@edlb.gov.hk
cc:
Subject: Consultation Paper on Future Development of the Electricity
Market in Hong Kong

☐ Urgent ☐ Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong.

Flavia Lee

香港中環 下間厘畢道 中區政府合署中及東座2樓 經濟發展及勞工局

敬磨者:

## 回應第二階段諮詢文件 - 可靠供電不可或缺

本公司從事花卉服務。近年經濟復甦,我們的生意額亦隨之增加。可惜的是我們的營運成本,如差餉、舖租等開支也相繼大幅上調。雖然電費在這幾年間也略有調整,但相比其他營運開支的升幅,現時的電價仍在合理及可接受的水平。

可是,政府在文件中,提出縮短協議年期至10年及大幅調低兩電的進許回報率至7-11%,電力公司已表明不能接受這些建議,我們擔心的是電力公司因此會減少投資電力基建,影響長遠供電可靠性之餘,又會令電價有所波動,到頭來又是苦了香港的各行各業。

請政府以本地企業立場出灣,放棄這些不利香港長遠發展的建議。

For and on behalf of FLEURS 花店

100次年 7月 1十八日

## "FLEURY Marie-Laure"



24/03/2006 17:18

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
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Tel: (852) 3145 1466 Fax: (852) 3145 1566 Web: www.flexkitchen.com E-mail: info@flexkitchen.com



ISO 9001 : 2000 Certificate No.: CC 2619

20<sup>th</sup> March, 2006

Economic Development and Labour Bureau 2/F., Central Government Offices
Main & East Wings
Lower Albert Road, Central
Hong Kong

Dear Sir.

## Comments on Stage II Consultation on Future Development of the Electricity Market in Hong Kong

We have certain points of view for the captioned consultation paper.

- 1. The proposal of new regulatory period of 10 years instead of 15 years, affect the long term investment from power companies due to the unsecured investing environment.
- 2. Based on the proposed post-2008 permitted rate of return of 7-11%, it is dramatically decreased from the original permitted rate 13.5%. The lowered rate of return is no longer sufficient for power companies to keep investing on comprehensive event and also affect the stability of power supply.
- 3. Maintain the current reliable power supply and balance the interest of shareholders and the public is the most and essential duty for power companies and they have done the very best job. Therefore, to set the rate of return in an reasonable rate and prolong the regulatory period can enable the power companies to invest more long-term event.

Thank you.

Yours faithfully,

Flex-Kitchen Ltd

## Flora Chan Pui Ching



30/03/2006 09:10

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: Consultation Paper on Future Development of the Electricity

Market in Hong Kong

☐ Urgent ☐ Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong.

Flora Chan Pui Ching

"flora pong"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

27/03/2006 11:00

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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breati	IOI	Clean	air.				
Sign:			_				

"Flora Wong"

27/03/2006 14:52

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the **Electricity Market in Hong Kong** 

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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hт	reath of cl	lean air	<u></u>											

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Sign:			_				

"Flora Wong"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

24/03/2006 09:54

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hт	reath of cl	lean air	<u></u>											

Dreati	1 01	Clean	air.				
Sign:			_				

## "Florence Ting"

27/03/2006 09:41

To: <electricitycommentstage2@edlb.gov.hk> cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Florence

"Florence Au"

To: <electricitycommentstage2@edlb.gov.hk>

Subject:網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

30/03/2006 19:24

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來 電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承 擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減 其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良 方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社 會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

\_\_\_\_\_(署名) 啟

"Florence Au"

27/03/2006 10:21

To: <electricitycommentstage2@edlb.gov.hk>

Subject:網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

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懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

\_\_Florence Au (署名) 啟

## "Florence Barlafante"



23/03/2006 15:05

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Dieati	.1 01	Clean	aii.				
Sign:			_				

# "Florence Cheung" 31/03/2006 12:00

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject:網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

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- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

愁萌行區以府能為省沧市水一片監大,給巾氏—山洧新仝氣。	
(署名) 啟	



"Ms. Y. K. Ho"

30/03/2006 09:59

To: <electricitycommentstage2@edlb.gov.hk>

Subject:網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

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懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

Florence	Но	(署名)	啟
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Mr. IP Shu Kwan, Stephen
Secretary for Economic Development and Labour Bureau
Economic Development and Labour Bureau
2/F., Central Government Offices, Main & East Wings
Lower Albert Road, Central
Hong Kong

Dear Mr Ip,

## Stage II Consultation on Future Development of the Electricity Market in Hong Kong

I consider "users-pay" principle should be adopted in handling the issued of reducing generating plants' emissions. Electricity consumers should be responsible for paying the cost to reduce pollution coming from the production of electricity. As a responsible citizen, I don't mind pay a few more dollars a week for cleaner electricity.

I wonder why the Government proposed lower return to the power companies for emissions reduction facilities as compared with that for renewable energy sources as both of them are for environmental protection. I am worry, with such a proposal, there will not be sufficient incentives for power companies to reduce emissions. I therefore suggest the Government to stick to the "users-pay" principle in handling the emission issue and formulate a reasonable incentive mechanism to encourage the power companies to install sufficient emissions reduction facilities.

Yours sincerely,

Florence Hsu

## 27 Mar 2006

Economic Development and Labour Bureau 2/F., Central Government Offices Main & East Wings Lower Albert Road, Central Hong Kong

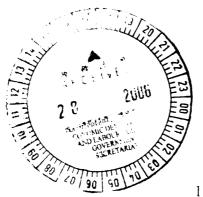
Dear Sir,

## Stage II Consultation on Future Development of the Electricity Market in Hong Kong

I would like to response to the Govt's proposals as listed out in the above consultation paper as follows:

Sect.	Proposal	Response
2.2	Regulatory arrangement for the future electricity market should aim to achieve the Govt's energy policy objective	Agree and also agree that paramount importance should be put on the reliability and safety of electricity supply. We should not diminish our existing reliability figures.
2.8, 2.10 & 2.26	Prepare ground for possible new supply sources from the Mainland.	As rightly said in the previous paragraphs, there is no surplus supply in the near future, this is not of immediate importance and if need be, the Govt should concentrate on other issues first. This should also be studied very carefully so that the connection for new supply would not compromise the reliability.
2.21	Grid connection for RE users	Welcome the promotion of RE but again the new supply should not compromise the reliability.
2.25	Increased interconnection	As the construction of new generation facilities is based on the assessed need of the customers of each company, theoretically both power companies have no spare capacity for the supply to customers other than their existing territories. I do not see the benefit of increase interconnection. This mis-investment would put immediate pressure on the increase of tariff and may jeopardize the reliability.





2.32, 2.53 & 2.54	Propose to adopt measures to minimise the costs to consumers in meeting the emission reduction targets	This is contradictory to the fact that the govt want to achieve a reduction in the emissions. On the one hand, the govt acknowledges that there is limitation on the use of RE in HK due to topographical constraints i.e. fossil fuels must be used to produce electricity in HK, yet it discourage the use of emission reduction technologies by reducing the ROR or this type of facilities. What a contradictory argument!! The
2.34	Proposa to continue	emission reduction is part of the electricity generation package and cannot be isolated.  Agree.
2.34	Propose to continue economic regulation by means of a bilateral agreement arrangement	Agree.
2.38	The future agreement be on 10-year term with an option.	The condition to extend 5 year is unclear and is subject to different interpretation.
2.40	a. All development plans to be approved by the Govt.	Agree.
2.43	To continue a fixed asset approach.	Agree.
2.51	To tighten the existing excess capacity mechanism to 100%	Disagree. As stated in 2.40, the Govt has to approve all development plans. As this approval is based on an estimated growth in electricity demand which is a prediction for future, no one can be 100% sure. If the Govt has the right to approve it, it would only be unfair that the burden is wholly put on the electricity companies. To this effect, I think maintaining a 50% portion exclusion is a better option.
2.58	To apply different ROR to different type of assets	This arrangement would be complicated and the argument as to why certain facilities can have a higher ROR would be subject to a lot of challenges. There will be tremendous administrative work in calculating and checking by the govt. I think the benefit we can obtain from this proposal would be far less than keeping a single level of ROR.
2.59	Tariffs to include cost for making available the supply.	Agree.
2.60	Govt approval required for tariff adjustment.	Duplicated. The "approval" if any required should be limited to a review as stated in 2.67 according to the bilateral agreement.
2.62	Not to link ROR to CPI	Agree.

....con't

2.64 & 2.65	Retain fuel clause account mechanism.	Agree.
2.68 & 2.69	Maintain tariff stabilisation fund and a lower cap.	Agree.
2.71	Maintain existing institutional set up.	Agree.

Thank you for your attention.

Yours faithfully,

Florence Kan

## "Kennish"

28/03/2006 17:04

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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Sign:	Florence_	Kennish

#### "leddet cheung"

To: <electricitycommentstage2@edlb.gov.hk> cc:

23/03/2006 18:38

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

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As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: \_florence leddet cheung

Economic Development and Labour Bureau 2/F., Central Government Offices,
Main & East Wings,
Lower Albert Road,
Central, Hong Kong.

## Consultation Paper On Future Development of The Electricity Market in Hong Kong

Dear Sir,

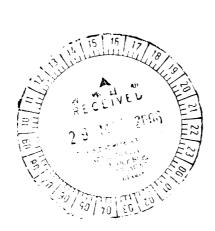
With reference to your consultation paper, I would like to express my views on the above subject.

I understand that a 7-11% rate of return is proposed in the consultation paper. However, the proposed rate of return is too low to attract investment incentive in the electricity industry. Without sufficient incentive for continuous investment in the industry, our electricity supply performance will deteriorate. Consequently, we cannot enjoy the world-class supply reliability in Hong Kong. In addition, the business condition as well as the economic environment may be changed after 2008. Such uncertainties will create additional risks to the investors and hinder continuous investment in the industry.

To ensure there is adequate electricity supply in Hong Kong after 2008, the Government should assure the investors with sufficient incentives for continuous investment in the electricity infrastructure for maintaining the world-class electricity supply reliability.

Yours sincerely,

Florence Lee



## "Florence Saunier"



25/03/2006 14:14

To: <electricitycommentstage2@edlb.gov.hk>

CC:

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☐ Urgent ☐ Return Receipt

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hт	reath of cl	lean air	<u></u>											

breati	1 01	crean	air.					
Sign:			_					

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To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject:網上行動回應《香港電力市場未來的發展》

Urgent Return Receipt

01/04/2006 00:15

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懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

\_\_\_\_\_(署名) 啟

SO HAR LAM

 $To:\ electricity comment stage 2@edlb.gov.hk$ 

CC:

Subject: Future Development of Electricity Market in Hong Kong

Urgent Return Receipt

30/03/2006 22:28

Dear Sirs,

I support to maintain the 13.5 - 15% permitted return for 20 years.

Yours faithfully, Florence

## "Florent COSTE" 31/03/2006 11:43

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

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hт	reath of cl	lean air	<u></u>											

breati	1 01	crean	air.					
Sign:			_					

## floria woo 30/03/2006 10:25

To: electricitycommentstage2@edlb.gov.hk
cc:
Subject: Consultation Paper on Future Development of the Electricity
Market in Hong Kong
Urgent Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong.

floria woo

## "Florian Gimbel" 23/03/2006 16:22

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Sian:	Florian	Cimbel	
Sign.	Fiorian	GIMBEI	

## "Florian Sander" 24/03/2006 12:21

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Dicacii	OL	cican air.
Sign:		_Signed

## "YanFook Mou" 25/03/2006 20:59

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Sign:	FMYan	

Economic Development and Labour Bureau 2/F., Central Government Offices
Main & East Wings
Lower Albert Road, Central, Hong Kong

3<sup>rd</sup> March 2006

Dear Sirs,

### Subject: Stage II Consultation

Please find below my comments on the consultation paper of Stage II Consultation.

#### 1. Purchase of electricity from Mainland China

I strongly oppose to the purchase of electricity from Mainland China. The reliability of electricity supply will be jeopardized in case of connecting the electrical network with China. Also, it will take years before Canton province can catch up the demand of electricity due to the rising trend of economic activities. There has been already serious pollution in Canton out of diesel generators used by the factories of Mainland China. I decline to see this pollution problem aggravate, posing greater threat to the health of residents of Canton province and our Hong Kong.

### 2. Reduced rate of return (ROR)

I think the proposed reduction on ROR from 13.5% to 7 - 11% not only has no solid grounds but also misleads the public at the expense of reliable supply of electricity and environment protection. I would support a milder or even little reduction in ROR if the government successfully encourages the power companies to invest more on emission reduction facilities and use less polluting gas generators. The reasons are obvious. Public health standards will be boosted, thus relieving financial burden on public hospitalization. The image of 'clean' Hong Kong will also be boosted, thus attracting more foreign investors and tourists.

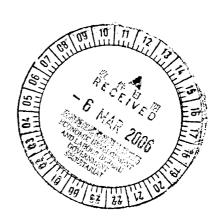
### 3. 10-year regulatory period

I oppose to the proposal of reducing the regulatory period to 10 years with 5 years extension. This will surely reduce the investment incentive for the electricity infrastructure, which may render the power companies unable to cope with the future growth of electricity demand.

Thanks for your attention.

Yours faithfully,

Fok Bit Yin Michael



# Fok Chin Ting 30/03/2006 00:53

To: electricitycommentstage2@edlb.gov.hk
cc:
Subject: Consultation Paper on Future Development of the Electricity
Market in Hong Kong
Urgent Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong.

Fok Chin Ting

Mr. IP Shu Kwan, Stephen
Secretary for Economic Development and Labour Bureau
Economic Development and Labour Bureau
2/F., Central Government Offices, Main & East Wings
Lower Albert Road, Central
Hong Kong

Dear Mr Ip,

## Stage II Consultation on Future Development of the Electricity Market in Hong Kong

I fully appreciate the Government's effort in formulating a comprehensive proposal for the future electricity market development.

It seems to me that the Government has drastically amended the current regulatory framework. However, I found some of the changes unnecessary. For example, the paper proposed different rates of returns for different type of assets. As a practitioner in finance sector, I don't think it is reasonable as the different type of assets mentioned are actually owned by the same company and the same cost of capital (i.e. the company's cost of capital) apply to all type of assets. There is no differentiation between one type of assets and the others from investors' point of view.

As noted in the consultation paper, the proposed different rates of returns do come with problems like difficulty in asset classification and increase in administrative costs. I seriously doubt if such arrangement is the most cost-efficient and effective one. As a taxpayer, who pays the Government tens of thousand dollars a year, I disagree with this unnecessarily complicated and costly proposal of different rates of returns. I suggest the Government to revert to the simple and effective arrangement (i.e. a single rate for all assets) to save taxpayers' money.

A A CELVE 2006

Yours sincerely,

Fok kato

Fok Ka Po

March 17, 2006

Economic Development & Labour Bureau, 2/F., Central Government Offices, Main & East Wings, Lower Albert Road, Central, Hong Kong.

Dear Sir/Madam,

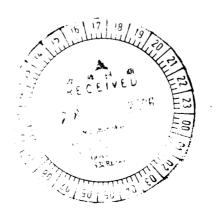
#### Public Consultation on Future Electricity Market Reform

The impression I gathered about the whole consultation process is that there is little coordination between the two government bureaux - EDLB and ETWB. While EDLB has trying hard to reduce electricity tariff, ETWB has been trying to reduce emissions whose costs will eventually come back to haunt the consumers. Have you guys ever talked to each other? Make up your mind! If it is emissions reduction that you want, it is higher electricity price that you have to pay. It will be unfair to the power companies if they are to please two antagonistic masters at the same time. It will also be unfair to the people in Hong Kong if they are eventually faced with inadequate electricity supply and unachievable emission reduction targets.

I hope you every success in your consultation.

Yours truly,

Fok King Fung



## "Fok Kwong Kit" 24/03/2006 17:55

 $To:\ electricity comment stage 2@edlb.gov.hk$ 

CC:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

## 致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

#### 祝好

Fok Kwong Kit

## "Folin" 26/03/2006 20:43

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hт	reath of cl	lean air	<u></u>											

Dreati	IOL	Clean	air.				
Sign:			_				

## "fong ming sang" 24/03/2006 10:13

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: \_fong\_\_



To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Fong Chi Wai

致:經濟發展及勞工局經濟發展科 (A部)

傅真: 2868 4679

## 回應 香港競爭政策未來路向公眾討論文件

本人支持引入全面性的公平競爭法,並建議立法授權一個獨立的公平競爭委員會,調查違反公平競爭法的個案,藉以促進香港整體的競爭力及保障消費者權益。

簽署:	
姓名:	元 FONG FASTI
聯絡電	話:
日期:	6-2-200)

# "Fong Foo Fai" 24/03/2006 15:12

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

Fong Foo Fai (署名) 啟

Economic Development and Labour Bureau, 2/F., Central Government Offices, Main & East Wings, Lower Albert Road, Central, Hong Kong.

Dear Mr. Ip,

Re: Consultation Paper on Future Development of the Electricity Market in Hong Kong – Stage II Consultation

Having read the "Consultation Paper on Future Development of the Electricity Market in Hong Kong – Stage II Consultation" from your Department, I have the following comments:

- 1. I agree on your policy objective in ensuring that the public can continue to enjoy reliable, safe and efficient energy supplies at reasonable prices, and to minimize the environmental impact caused by the production and use of energy.
- 2. However, I am very conservative about the issue on supply from Mainland. As we all know, the electricity supply in Guangdong is very tight. If Hong Kong has to rely on import from the Mainland, it would definitely jeopardize the reliability of electricity supply in Hong Kong. Besides, the generating units in the Mainland give more pollutants than those in Hong Kong. If Hong Kong imported electricity from the Mainland, this would increase pollutants in the region of Pearl River Delta. So how can supply from Mainland help to achieve your policy objective in ensuring reliable energy supplies and minimize the environmental impact caused by the production and use of energy as mentioned in point 1?
- 3. I think we should continue to enjoy the high standard of supply reliability from the two power companies in Hong Kong (exceeding 99.99%), instead of planning for new supply sources from the Mainland.

Yours sincerely,

Fong Fook Cheung

## "Fong Hoi Yan"

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject:網上行動回應《香港電力市場未來的發展》

Urgent Return Receipt

30/03/2006 18:25

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

(署名) 啟	

Economic Development & Labour Bureau 2/F., Central Government Offices Main & East Wings, Lower Albert Road, Central Hong Kong

Dear Dir.

## Stage II Consultation on Electricity Market

I have the following concerns about the proposals related to emissions reduction and new supply sources from the Mainland.

It is proposed to assign the lowest permitted return rate for emissions reduction facilities. I worry that it may in fact discourage power companies to invest in emissions reduction facilities, which will ultimately lead to worsening air quality. I therefore oppose to this proposal.

Besides, the power plants in the Mainland are much more polluting than those in Hong Kong and the electricity supply in Mainland is far less reliable than that in Hong Kong. If we rely on Mainland's electricity supply, we actually promote the use of more polluting power plants and less reliable electricity. Thus, I strongly disagree with this proposal.

I strongly request the bureau to consider my views.

Yours failthfully,

Fong Kam Chiu

P.24

Mr Stephen Ip Economic Development & Labour Bureau 2/F., Central Government Offices Main & East Wings, Lower Albert Road, Central Hong Kong

Dear Mr Ip,

Re: Electricity Market Future Development Stage II Consultation

I have the following concerns about the proposals listed in the Government's Stage II consultation paper:

#### New supply from the Mainland

I have a concern that if we import electricity from the Mainland, the Pearl River Delta air quality will get worse and our electricity supply will become unstable.

As reported by newspapers and TV, the power plants in PRD are operating with not much anti-pollution measures. They are one of the main drivers for the worsening air quality in PRD in recent years. It is also reported that the electricity supply in PRD is very tight and factories there frequently suffer from power shortages and interruptions.

Based on the above facts, if we rely on electricity supply from the Mainland, I believe the PRD air quality will be even worse and our electricity supply reliability will be downgraded.

#### Open grid access

If the electricity network is opened, there will be more than one party operate on the network. I worry that operation will become too complicated and the original clear accountability will become blurred, and result in poor electricity supply service quality.

Hence, in my opinion, the above two proposals are not the ways to go for electricity market development in future.

Please take my views into account.

Yours sincerely,

Fong Kam Chuen

P. 22

# Fong Kan Fung 30/03/2006 11:42

To: electricitycommentstage2@edlb.gov.hk
cc:
Subject: Consultation Paper on Future Development of the Electricity
Market in Hong Kong
Urgent Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong.

Fong Kan Fung

# "Fong Ki" 30/03/2006 09:32

To: <electricitycommentstage2@edlb.gov.hk< th=""></electricitycommentstage2@edlb.gov.hk<>				
cc:				

Subject:網上行動回應《香港電力市場未來的發展》
Urgent Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

 (署名)	啟

Economic Development and Labour Bureau 2/F., Central Government Offices, Main & East Wings Lower Albert Road, Central Hong Kong

Dear Sir,

## RE: Stage II Consultation on Electricity Market Development

Since electricity is vital to Hong Kong, as an international financial centre, I consider Hong Kong should have its own generation capacity rather than rely on the supply from Mainland.

Besides, the performance in both environmental protection and supply reliability of power plants in the Mainland is lower than that of Hong Kong power companies. I really doubt if we import electricity from the Mainland, we actually encourage more pollution and lower reliability.

Hence, I disagree with the proposal of introducing new supply sources from the Mainland.

Yours faithfully,

Fong Mo Ching

30-MAR-2006 14:51 96% P.23

## "fong pui shan"

19/03/2006 19:48

To:	electricitycommentstage2@edlb.gov.hk
cc:	
Subject:	我要清新空氣

☐ Urgent ☐ Return Receipt

## 致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

fong pui shan

#### "FONG SHEK SHING"



To: electricitycommentstage2@edlb.gov.hk cc:

Subject: 我要清新空氣

Urgent Return Receipt

17/03/2006 23:45

#### 致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

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懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

FONG SHEK SHING

Mr Stephen Ip Economic Development & Labour Bureau 2/F., Central Government Offices Main & East Wings, Lower Albert Road, Central Hong Kong

Dear Mr Ip,

### Electricity Market Future Development Stage II Consultation

I would like to express my concerns about the proposals related to new supply from the Mainland and open grid access.

Learned from newspapers, I found that the power plants in Pearl River Delta are very polluting and the environmental performance is not as good as that in Hong Kong. I concern that if we import electricity from the Mainland, the air quality in the Pearl River Delta will get worse. Besides, the supply reliability in the Mainland is also not good as that in Hong Kong. If we rely on electricity supply from the Mainland, I worry that the overall electricity supply reliability in Hong Kong will be degraded.

Moreover, if the electricity grid access is opened, I worry that present clear accountability will blur and ultimately affect the service quality.

Hence, I consider the above two proposals should be abandoned.

Yours sincerely,

Fong Suk China

30-MAR-2006 14:52 96% P.05

Economic Development and Labour Bureau 2/F., Central Government Offices
Main & East Wings
Lower Albert Road, Central
Hong Kong

Dear Sir/Madam.

## Re: Stage II Consultation on the Future Development of the Electricity Market

I have the following comments on the Stage II Consultation on the Future Development of the Electricity Market in Hong Kong,

Regarding the return for the power companies, I think the existing fixed asset approach using average net fixed asset (ANFA) as the base to provide the necessary incentives for the power companies to continue to invest in essential electricity supply infrastructure to ensure reliable and adequate power supply is a good decision. However, the proposal on applying different rates of return to different types of assets in the new economic regulatory regime is not that reasonable. As the costs of raising capital for the different assets by the power companies are the same, the rates of return for those assets should also be the same. So there should be only one rate of return for all assets, as present. The proposal in varying the returns for different types of assets would lead to unnecessary efforts in defining asset types and may lead to less efficient planning by the power companies.

To keep it simple and easy to monitor, the rate of return for the power companies should be calculated using the existing ANFA approach with one rate of return for all assets.

I hope you can consider the above comments.

Yours sincerely,

Fong Yau Choi

## 03/03/2006 11:46

"Fong, Yick Chung"

Subject: Reply to Future Development of the Electricity Market in Hong Kong

Stage II Consultation

☐ Urgent ☐ Return Receipt

To: electricitycommentstage2@edlb.gov.hk

Dear Sir/Madam,

In this Stage II consultation, I would like to give my opinion as follows:

- (1) Disagree on shortening the SOC duration from 15 years to 10 years. A Reliable supply of electricity is an important infrastructure to Hong Kong for continuous growth and development. Without long term plan and commitment, the electricity reliability will not be as good as present and decrease the attraction to foreign investor.
- (2) Disagree on reducing the permit return percentage. The establishment and development of power infrastructure requires a huge amount of investment. Without reasonable and attractive return, the investor will spend the money in other industry instead of power industry. Around the world, a double digit return on investment is a reasonable expectation.
- (3) Disagree on introducing penalty on meeting environmental protecti! on requirement. It should give incentive to the investor to improve the environment. There is no free lunch on asking more but not paying the price
- (4) Government shall provide a clear and long term strategy on Hong Kong Energy market and fuel supply portfolio. If the officials of the government and EPD have the believe that fossil fuel is not the desirable fuel, please state clearly fossil fuel (coal) is not allowed in HK with a deadline

Regards,

Fong Yick Chung 2006-03-03

## "Fong Yim"



24/03/2006 18:05

 $To:\ electricity comment stage 2@edlb.gov.hk$ 

CC:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

### 致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與 成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Fong Yim

Economic Development and Labour Bureau
2/F., Central Government Offices, Main & East Wings
Lower Albert Road, Central
Hong Kong

Dear Sir.

#### Electricity Market Stage II Consultation Paper

In the Stage II Consultation on Future Development of the Electricity Market in Hong Kong, there are proposals to open grid access and increase interconnections to pave the way for open market competition. I have serious concerns about this proposal.

As far as I know, power interruptions are common in overseas open markets. Hong Kong, as a financial centre, can ill afford any electricity supply interruptions. Besides, Hong Kong's electricity market is rather small compared with overseas markets. I do not see there will be any meaningful competition (just like the petrol market). Thus, open market competition should not be the way to go for Hong Kong.

Given that open market does not work in Hong Kong, the proposals to open the grid and increase interconnection, which involves huge costs, are certainly not realistic options. As a consumer and taxpayer, I do not want to bear such costs. I suggest the Government taking a realistic approach in forming the future framework.

Best regards,

Fong Yuen Ting

# "FONG Yuen-wah"

25/03/2006 00:52

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: FONG Yuen-wah

Secretary for Economic Development and Labour Bureau Economic Development and Labour Bureau 2/F., Central Government Offices, Main & East Wings Lower Albert Road, Central Hong Kong

Dear Sir,

## **Electricity Market Stage 2 Consultation Paper**

I have some comments on the Electricity Market Stage 2 Consultation Paper.

I have serious doubt about approval of tariff by the Government in the prevailing political environment. I worry the Government would distort any reasonable tariff adjustment decision under political pressure. If such happened, Hong Kong's reputation as a free trade port would be tarnished. It may also dampen the necessary investment for adequate and reliable electricity supply.

In my view, a sound and objective mechanism, like the current investment plan approval process, shall be adopted in determining tariff. I therefore request the Government to withdraw the proposal related to tariff approval.

Best regards,

Fong Yuen Yan

## "Fong Yuk Ling" 29/03/2006 17:31

To:	<pre><electricitycommentstage2@edlb.gov.hk< pre=""></electricitycommentstage2@edlb.gov.hk<></pre>	(>
~~.		

CC:

Subject:網上行動回應《香港電力市場未來的發展》
Urgent Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

<b>怨萌符區以析能為省港市米一片監大,給巾氏一口消新至氣。</b>	
(署名) 啟	

# "fo

"fong yun mui"

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

16/03/2006 10:45

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

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懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

(S.H.)   3 == 20013   130 0.0 = 7 & 110	-1- / 1	( ) MH - 1- 2-0	
(署名)	啟		

## "footmo2001"



23/03/2006 23:30

To:	electricitycommentstage2@edlb.gov.hk
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CC:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

## 致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

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懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

footmo2001



"Edna Chan"

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Consultation Paper
Urgent Return Receipt

27/03/2006 18:49

Dear Sir

Attached is our views on the Stage II consultation on the future development of the electricity market in Hong Kong. We hope you will consider it.

Edna Chan Format Limited



27<sup>th</sup> March 2006

2/F Central Government Offices Lower Albert Road Central

Economic Development and Labour Bureau

### FORMAT LIMITED

TONG KONG • CHANGHAI

22/F EASTERN COMM CENTRE 83 NAM ON STREET SHAUKEIWAN HONG KONG

T (852) 2521 0515 F (852) 2810 0726

www.format.com.hk



Dear Sir

Re Stage II Consultation on the future development of the electricity market in Hong Kong

We are an SME with about 30 people and had a history of doing business in Hong Kong for 34 years.

What urges us to write this letter is that we are aware about the Government's proposals in the Consultation Paper and worry that things will turn out into another chaos for Hong Kong and in the end, we, as one of the SMEs in Hong Kong, will be suffered the most.

We are perfectly satisfied with the existing electricity supply and the reliability and safety we're enjoying now. If by all means another cheap China-run electricity company steps in, although we may not be affected immediately, sooner or later our existing two suppliers may have to adapt to the mode of supply and operation in order to keep their competitiveness, then what leaves us to choose?

We also think the more the government is involved in the public utility business, the more bureaucratic the system will become and the less efficient service people will enjoy (forgive us to be so frank!). We have no clue why thing's been so smooth and well-going in the past decades and the government would like to hamper the system, putting the benefits of the people of Hong Kong at risk.

Regarding the emission issue, the government should work harder with the counterpart in the PRD region. It is so obvious that the pollution is coming from the booming of the factories in that region. The pollution of our environment today is definitely not just the emission from our electricity plants.

All in all, we are more than happy to pay a reasonable amount for high and guaranteed quality of electricity supply as we cannot afford the consequences for unstable power supply in order to keep our business running.

We hope you would consider our views.

Edna Chan Managing Director

"Forrest Cannon"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

28/03/2006 10:14

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Sign:			_				

30<sup>th</sup> March, 2006

Secretary of Economic Development and Labour Bureau 2/F., Central Government Offices, Main & East Wings Lower Albert Road, Central, Hong Kong

Dear Mr. Ip,

## Future Development of Electricity Market in Hong Kong

After reading the Stage II Consultation Paper and watching a TV show on Jade tonight concerning the above subject, I would like to express my opinions for your consideration.

I agree on the Government's objective that the public could enjoy reliable, safe and efficient energy supplies at reasonable prices, and to minimize the environmental impact caused by the production and use of energy. From the TV show on Jade, it seems to me that the Government is forcing the two companies to agree on the Government's proposals. I appreciate that the Government is trying to do a lot for the citizens, but from my point of view, I am not sure that the Government is doing the right thing.

In the Paper, there are a lot of proposed provisions which are not favorable to incentivise businessman to invest in the future electricity market in Hong Kong. Greatly lowering the permitted rates of return with different rates of return for different types of assets, shortening the duration of future agreement to only ten years, lack of well-defined mechanism on tariff adjustments and inconsistency in policy for a better environment are only a few of them. With so many irrational ordinances, will a reliable and safe power supply still be available in the future?

From my point of view, the Government should reconsider these provisions and seek for the consent from the power companies.

Yours faithfully,

Forrest Choy

# "Forrest Morr" 28/03/2006 07:04

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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Sign:			_					



Fortress

A division of A.S. Watson Group (HK) Limited 6/F. Watson House 1-5 Wo Liu Hang Road

Fo Tan. Shatin

New Territories, Hong Kong. Tel: (852) 2555-5111 Fax: (852) 2555-8522 www.fortress.com.hk

Date: 30/3/2006

Economic Development and Labour Bureau, 2/F., Central Government Offices, Main & East Wings, Lower Albert Road, Central, Hong Kong

Dear Sirs,

## <u>Views on Stage II Consultation</u> for the Future Development of the Hong Kong Electricity Market

As a major retailer of electrical appliances in Hong Kong with around 60 outlets and 1,000 employees, we have witnessed how the growing demand for electrical appliances has vigorously spurred the local economy and living standard in the past few decades. Given that our core business is primarily electricity-related, we have naturally serious concerns about the implications of some of the proposals contained in the Stage II Consultation Paper.

First of all, we would like to point out that the prevailing success of our local electricity supply industry does not happen by chance. The Government's "light-handed" policy in regulating public utilities, particularly in the form of bilateral agreement instead of legislation, has provided an operating environment that is conducive to the development of the electricity market. We are concerned about the dire consequences that may result from overregulation if some of the proposals contained in the Consultation Paper are implemented. In addition, we are also concerned that the proposals will increase the operating risks of the power companies and eventually jeopardize the overall well-being of Hong Kong.

## Regulatory Period Shortened to 10 Years

It is fully legitimate for an investor to demand reasonable return on his investment, particularly when he is investing in the long-term and capital-intensive electricity supply industry. As such, we have grave concern about the proposed shortening of the regulatory period from the present 15-year term to a much-reduced 10-year term. We are worried that the regulatory term will be too short for investors to recoup their costs including reasonable profits as this would very possibly lead to insufficient investment in the required power infrastructure thereby threatening power supply reliability.

1









### Fortress

A division of A.S. Watson Group (HK) Limited 6.F. Watson House 1-5 Wo Liu Hang Road Fo Tan, Shatin New Territories, Hong Kong

Tel: (852) 2555 5111 Fax: (852) 2555 8522 www.fortress.com.nk

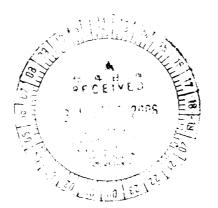
## Rate of Return (ROR) Reduced to 7% - 11%

Determining what a reasonable rate of return should be for a business is never an exact science. Nevertheless, to ensure adequate investment, the return should in principle be commensurate with the associated business risks. Given that the electricity supply industry is characterized by its huge investment in long-life sunk assets with little resale values, the business risks faced by the power companies are much higher than those by other industries and should hence be entitled to a higher rate of return. This is particularly the case given the vital importance of electricity in a high-rise economy like Hong Kong. While we believe that the rate of return shall eventually be determined by negotiation between the Government and the power companies, we do not think that the proposed 7% - 11% return shall suffice in view of the prevailing economic situation in Hong Kong. And a range of permitted of asset of different nature also over-complicates regulation and lack justification when the business, using all its different assets, function as a whole.

As an electricity consumer, we would always welcome a price cut, however, we surely do not want the cut to come at the expense of a compromised electricity supply system. We sincerely hope that the Government, in mapping out the future development of the local electricity market, would take a more balanced view to cater for the needs of all stakeholders.

Yours faithfully,

**Fortress** 











To: <ele< th=""><th>ctricitycommentstage2@edlb.gov.hk&gt;</th></ele<>	ctricitycommentstage2@edlb.gov.hk>
cc:	
Subject: Cons	sultation Paper on Future Development of the Electricity Mark
in H	ong Kong - Stage II Consultation
□ L	Irgent

To: Economic Development and Labour Bureau

Dear Sir,

We, Forture Technologies Limited, would like to share our viewpoints/comments on the Future Development of the Electricity Market in Hong Kong as follows:

As a business sector, we support a fair and open business environment. That is, a Company performs his best, in terms of investment, resources enhancement, customer services, responsibilities and commitments, etc. in order to increase his competitive edge. This is a win-win situation and promotes the growth of the society. However, we must bear in mind the rules of `Supply and Demand' that excessive supply will probably invite negative competition and downgrade the quality of services/products. This is not the customers want to see. For electricity market de-regulation, the issue is more complicate and seems different from other business modes.

Utility has the social responsibility to provide and maintain reliable and sufficient electricity supply to meet the demand of the customers. Therefore, huge investment was to be made to construct the generation facilities as well as the transmission and distribution networks in order to deliver the electricity to every customer, not to mention the necessary operation cost to maintain the electricity system in order to achieve stable electricity supply. Therefore, we must be prudent on the future development of the electricity market with due consideration of the impacts on the changes.

Under the stage II consultation paper, we consider that :

- 1. The proposed new Scheme of Control (SOC) period, i.e. 10 years, may not be sufficient for the utilities to continue their investment to enhance the electricity system. Reduced investment or investment made with reduced return period will probably deteriorate the supply system reliability or impose pressure on the increase of electricity tariff which is not benefit to the customer.
- 2. Allowable returns based on different asset type are theoretically workable but will probably create grey areas on the asset type classification/differentiation. It also imposes extra administration costs which may reflect on the electricity tariff as a result.
- 3. Reasonable returns must be maintained to attract investment from the business point of view. Low returns will probably jeopardize the intention of investment. The consequence is same as clause 1 above. The consultation paper seems not providing an objective explanation on determining the returns mechanism.
- 4. We support a monitoring system provided that it is fair, objective, consistent and beneficial to all parties. The monitoring system should consist of penalty and rewarding mechanisms to reflect the performance. The consultation paper only proposes a penalty mechanism without a rewarding mechanism is not a fair and consistent approach.

General Manager Forture Technologies Limited Economic Development and Labour Bureau 2/F., Central Government Offices, Main & East Wings Lower Albert Road, Central Hong Kong

Dear Mr. Ip,

## Electricity Market Development in Hong Kong Stage II Consultation

Electricity supply service in Hong Kong is one of the best in the world. Thanks for the current regulatory regime; I am enjoying high quality of electricity supply service at reasonable prices. I am happy with the current level of electricity supply reliability.

As stated by the government, reliability of electricity supply is very important and the focus of the future electricity market development should be focused on maintaining reliability. But, some proposals in the consultation paper such as shortening the regulatory period and reducing permitted return may have some negative impacts on the reliability of electricity supply because such proposals will deter investment in electricity infrastructure and thus affect electricity supply reliability.

I suggest the Government to evaluate the proposals in the consultation paper with caution, so that Hong Kong will continue to have adequate and reliable electricity supply.

Yours sincerely,

Fouk Wai Yi



葉局長:

## 回應第二階段電力市場檢討諮詢文件

就政府現正進行的電力市場檢討,本人希望表達作爲中小企廠商的 意見,供當局考慮。

電力是每個社會的重要基建設施,本人認為電力供應最重要的 是供應可靠和安全,並不是愈便宜愈好,應以合理為原則,現時香港的供 電的可靠性在全球名列前茅。因此本人贊成政府延續現行電力市場的運作 模式,不要隨便作出改變。

穩定的電力供應對工業的重要性,不下於對商業金融。現時廣東一帶的電力供應不穩定,常出現缺電,停電,尤其是在旺季(夏季),當地政府經常以短時間通知暫停電力供應,所有生產工序需臨時再作另外安排,嚴重影響運作及效率。同時亦不便宜,因此有廠商考慮將廠房遷至其他電力供應較穩定的地方。因爲若電力供應不可靠,會影響生產進度,可能影響廠家接訂單的計劃,甚至導致未能如期交貨,對廠家會造成重大損失。若要自行裝置後備發電設施,同樣會對廠家造成麻煩,而且設施亦十分昂貴。因此穩定的電力供應是廠商考慮設廠的重要因素之一。電費反而並非首要考慮。

隨著 CEPA 的實行,政府希望吸引北移的廠商回流,就應該繼續確保電力供應穩定可靠。以外國的經驗而言,開放電力市場,實行大型聯網往往帶來電力供應不穩,甚至大停電的問題,所以希望政府維持現有電力市場狀況,不要作出不必要的改變,引入其他地區的供應商,爲電力市場添上不明朗因素,令市民及經濟蒙受停電的風險。

在商言商,私人企業從提供優質的產品而賺取合理利潤是合理的,而現時香港的電費並非不能負擔,若政府削減電力行業回報率,影響電力公司的投資意欲,導致供電穩定性受損,反而是因小失大的做法,希望政府權衡利害,不要爲「有爲」而改變行之有效的制度。

此致

Fountain Food Products Limited

. 5th Floor, 6 Dai Li Street, Tai Po Industrial Estate, New Territories, Hong Kong. - 可 - - 香港新界大埔工業部大利街六號五字樓

line 訂 購 熱 線: 2665 3939 Fax No. 傳 真 號 碼: 2665 8686

# "Fran Beck" 27/03/2006 10:02

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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breati	1 01	crean	air.					
Sign:			_					

## "frances"

26/03/2006 14:32

To:	electricitycomme	ntstage2@ec	llb.gov.hk
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CC:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

## 致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排 放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與 成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、 環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂 立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

frances

# Frances Chan 30/03/2006 09:33

To: electricitycommentstage2@edlb.gov.hk

Subject: Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for  ${\tt Hong}$  Kong.

Frances Chan

## "Frances Chan" 28/03/2006 09:41

To: <electricitycommentstage2@edlb.gov.hk>
cc:
piect: Response to Consultation Paper on Future Developme

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

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Sign:								

"Frances Chan"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

23/03/2006 17:43

To Economic Development and Labour Bureau,

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Frances Chan	
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## Frances Gairns



30/03/2006 14:33

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: Consultation Paper on Future Development of the Electricity
Market in Hong Kong

☐ Urgent ☐ Return Receipt

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The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

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- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong. Frances Gairns

"Frances Gordon"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

26/03/2006 22:05

To Economic Development and Labour Bureau,

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# "Frances Ip" 30/03/2006 14:34

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

"Frances Mak"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

24/03/2006 15:10

To Economic Development and Labour Bureau,

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: \_Frances Mak

"Frances Wong"

29/03/2006 17:36

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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Sign:			_					

# "Frances Yeung"

To: electricitycommentstage2@edlb.gov.hk cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

## 致經濟發展與勞工局:

17/03/2006 17:58

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

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- 3. 可再生能源的投資可享有較高的准許回報率;
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- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Frances Yeung

## "Francesca Ebrahimi"



25/03/2006 11:53

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Dieacii	or cream arr.			
Sign: _	Francesca	Ebrahimi		

## "Francesca Halsby"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

30/03/2006 10:14

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	Francesca	Halsby_
01911.	r rancebea	TIGINDY_

### "Francesca MAY"

28/03/2006 16:00

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hi	reath of cl	lean air	^											

Dreati	1 01	Clean	air.				
Sign:			_				

### "francesca pratt"

28/03/2006 09:34

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Gian.	francesca	nratt	
Sign.	irancesca	pratt	

## "Francesco Suarez"



27/03/2006 17:52

To: electricitycommentstage2@edlb.gov.hk

CC

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Francesco Suarez

## "Francine Holden"

25/03/2006 08:29

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sian:	Francine	Holden
~ = 5		

# Francis Au-Yeung

CC:

Subject: 第二階段諮詢意見

05/03/2006 23:08

To: electricitycommentstage2@edlb.gov.hk

## 第二階段諮詢意見

本人曾於第一階段諮詢文件中提出意見,現樂見政府在第二階段諮詢文件中建議繼續沿用目前的管制協議以確保供電的可靠性及安全性。但對該文件中所提及的一些建議 有以下回應:

- 1. 在諮詢文件中,政府建議2008年後把兩間電力公司的准許回報率下調至7-11%,但並沒有詳細解釋訂立新回報率的依據。我認為在沒有充分理據的情況下降低電力公司的准許回報率到7-11%會令電力公司減少投資,危害香港可靠和充足的電力供應。
- 2. 政府在諮詢文件中又建議兩間電力公司與政府的協議年期將由現在的十五年縮短至十年,期滿時可續期多五年,這建議是不合理的。電力公司裝置供電設施的投資非常龐大,資產壽命往往遠超過二十甚至三十年。如果協議年期縮短至十年,電力公司在不願冒額外風險下,只會減少投資,香港的供電可靠性亦或會因此而受影響,這是本人最擔心的。
- 3. 政府建議將兩間電力公司的回報按不同資產分類而有所不同,把減排設備的回報訂為最低,而可再生能源則最高,這建議變相鼓勵電力公司捨易取難。其實,可再生能源在港廣泛應用之可能著實不大,要電力公司"取難",勢必減慢改善本港空氣質素的進度。本人建議應劃一資產回報率,這做法簡單清沂,易於了解,為何需要作出改變呢?
- 4. 對於引入內地電力,我擔心內地未必有足夠的電力供應來港。此外,內地電力供應的可靠性及環保水平是否及得上本地的水準是一大疑問。會否因此而降低本地供電的可靠性?因為可靠電力對於我們的日常生活甚至經濟發展都是十分重要的,所以香港自己應該有足夠的電力設施去滿足本地的需求。因此,我不同意香港依賴從內地輸入電力。

Francis Au-Yeung

5/3/2006

### Francis Choi Tsz Ping

 $To:\ electricity comment stage 2@edlb.gov.hk$ 

CC:

Subject: Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

30/03/2006 18:37

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for  ${\tt Hong}$  Kong.

Francis Choi Tsz Ping



"Chung Francis"

04/03/2006 19:15

 $To:\ electricity comment stage 2@edlb.gov.hk$ 

CC:

Subject: Deregulation of electricity market in Hong Kong

☐ Urgent ☐ Return Receipt

Dear All,

Stable supply of electricity is the most important issue to Hong Kong. So, i don't agree deregulation of electricity market in Hong Kong.

Francis Chung

"Francis Li"

24/03/2006 12:59

Subject: Response to Consultation Paper on Future Development of the **Electricity Market in Hong Kong** 

☐ Urgent ☐ Return Receipt

To: <electricitycommentstage2@edlb.gov.hk>

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Francis Li Chun Wa

### 28 March 2006

Secretary for Economic Development and Labour Economic Development and Labour Bureau, 2/F., Central Government Offices, Main & East Wings, Lower Albert Road, Central, Hong Kong.

Dear Mr. Ip,

## Future Development of the Electricity Market in Hong Kong

With reference to the above consultation paper in December 2005, I am delighted to submit my views as follows:-

## **Shorten The Present Regulatory Period To 10 Years**

Shortening the regulatory period creates additional risks and deters necessary investment for adequate and reliable electricity supply. To attract continuous investment in the electricity supply industry, I would suggest the Government to maintain the current regulatory period of 15 years in the post-2008 regulatory period.

### Reduce The Rate Of Return To 7-11%

Reducing the rate of return to 7-11% is not enough to attract continuous investment for maintaining a reliable power supply. I therefore urge the Government to maintain the current rate of return to ensure the electricity supply reliability in the future.

I hope my views are constructive and can help you to formulate the future policy on the captioned subject.

Yours faithfully,

Francis Lo



Economic Development and Labour Bureau, 2/F., Central Government Offices, Main & East Wings, Lower Albert Road, Central, Hong Kong.

8/3/2006

(Fax address: (852) 2868 4679)

Dear Sirs,

Comment On
Future Development Of The Electricity Market In Hong Hong
--- Stage II Consultation Paper

Although I concur with the policy objective made in the Stage II of the above Consultation Paper that local power utilities should continue to provide safe and reliable electricity supply to Hong Kong consumers cost-effectively and environmentally, I am afraid I cannot accept the proposal of exploring the feasibility of importing electricity from the Mainland. The proposal needs to be seriously re-visited because of the following reasons:

- (a) Hong Kong is a world-renowned financial centre and cannot afford to have low supply reliability.
- (b) The Mainland cannot be relied on due to its very poor track record in supply reliability and adequacy.
- (c) The Mainland electricity generating facilities are not under Hong Kong's jurisdication. As such, we have no control of the supply reliability and adequacy.

Yours Faithfully,

Francis Mak

"Francis Tjia"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

27/03/2006 11:37

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hi	reath of cl	lean air	^											

breati	1 01	Clean	air.				
Sign:			_				

"Francis Wong"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

25/03/2006 14:51

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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hı	reath of cl	lean air	^											

breati	IOI	Clean	air.				
Sign:			_				

# "Francis Wu"

To: electricitycommentstage2@edlb.gov.hk

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

20/03/2006 10:02

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排 放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與 成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、 環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂 立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Francis Wu

"franck bessoles"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

24/03/2006 13:22

To Economic Development and Labour Bureau,

As a Hong Kong resident, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hт	reath of cl	lean air	<u></u>											

breati	1 01	Clean	air.				
Sign:			_				

### "Franck LAMBERT"



25/03/2006 10:03

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

DICACI	· OI	CICAII	all.				
Sign:			-				

# "franco poon" 29/03/2006 15:18

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	franco
21911.	



To: electricitycommentstage2@edlb.gov.hk cc:
Subject: My view on Consultation Paper Stage II
Urgent Receipt

Franco Opinion.doc

My View on the Future development of the Electricity Market in Hong Kong

I have living in Hong Kong for over 30 year and quite appreciate for the existing high standard of supply reliability by Hongkong Electric. I have read through the Stage II Consultation Paper and my concerns will be mainly the future environment protection

As I think Hong Kong is enjoying high quality of electricity supply among all the other countries in the world. Beside of considering the future policy and regulation or how to lower down the tariff for the consumer market, reliable electricity supply will also be a key foundation for the continuous success of Hong Kong as a financial hub in AP.

I will not disagree to evaluate the possibility of using new supply source such as China, but please have the above considerations in mind as I do not mind to pay a premium for a better service.

Yours sincerely,

Franco Lan

### "francois de Supervielle"

To: <electricitycommentstage2@edlb.gov.hk>

cc:

24/03/2006 17:54

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hт	reath of cl	lean air	<u></u>											

breath	of	clean	air.
Sign: _			_

### "François Paillard"



To: electricitycommentstage2@edlb.gov.hk

CC

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

17/03/2006 15:38

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Francois Paillard

### "Fran癟oise THURIERE"



27/03/2006 22:28

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	Francoise	TUIIDTFDF	
STAIL	Francoise	THUKTEKE	

# "Frank Au" 26/03/2006 22:10

To: <electricitycommentstage2@edlb.gov.hk></electricitycommentstage2@edlb.gov.hk>
cc:
pject: Response to Consultation Paper on Future Developmen

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

a :	TI 1-	70	T	D	
Sian:	Frank	Au	ĸam	Pang	

"Frank Bruwer"

27/03/2006 20:02

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Frank Bruwer

# "Frank Ching" 20/03/2006 19:06

To: electricitycommentstage2@edlb.gov.hk cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

### 致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Frank Ching

"Frank Correa"

27/03/2006 21:42

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Dreati	1 01	Clean	air.				
Sign:			_				



To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Public Consultation (Stage II) on the Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

Dear Sirs,

I would like to submit my comments as follows:

- (1) The government has the role to explain to the citizen of Hong Kong the real sources of emission/pollution. HK electricity generation accounts for less than 5% of the emission/pollution of the Pearl River Delta. No matter how hard we work on it in HK, the impact relies very much on the weather (the direction of wind) and the contribution from the other 95%. We need to consider the effectiveness and cost to obtain the "improvement in HK". We should not look at HK as an isolated body and location.
- (2) I do not mean to disagree with the improvement in emission control. As a citizen in HK, we certainly like to breath the fresh air and have clean environment, and we should try our best to improve our environment But there is a limit on the effort, exceeding which will not be cost effective and will be at a very high cost in havin it. We need a balanced approach with proper justification and explanation.
- (3) I support having a long term energy policy in HK. Security of supply of electricity is also very important to the people in HK and it cannot be taken for granted. It is at a cost and we need a balance between security and tariff of electricity, which requires a clear government's long term strategy and policy.
- (4) There are always saying that there are rooms for reduction of electricity tariff. Does it compare with the tariff of HEC or CLP? We can see a difference in tariff of more than 20% between that of CLP and HEC. CLP has a much better management and control on operating costs and emission, giving a lower electricity tariff. Does it imply that CLP can enjoy a higher return? When there are controls, they must be fair to all involved parties, on emission, electricity tariff and returns.

Best Regards Frank K F Lam

"Frank Leung"

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

15/03/2006 23:45

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承 擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛鉤,未能達標須扣 減其准許回報率;
- 2. 可再生能源的投資可能享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能 源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良 方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社 會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

\_Frank Leung\_\_ (署名) 啟

### Frank Leung

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: Consultation Paper on Future Development of the Electricity
Market in Hong Kong

☐ Urgent ☐ Return Receipt

29/03/2006 23:49

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong.

Frank Leung

# "FRANK LIEU" 27/03/2006 19:10

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject:網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

FRANK LIEU(署名) 啟

# "Frank Thong" 26/03/2006 12:29

To: <electricitycommentstage2@edlb.gov.hk></electricitycommentstage2@edlb.gov.hk>
CC:
Subject: Response to Consultation Paper on Future Development of the
Floatricity Market in Hong Kong

Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong permanent resident, I am very much concerned about the air pollution for my family. I strongly demand the government to enhance controls so as to reduce overall polution and air polutants. While restriction of polutants from electricity companies is one method, investing in renewable energy is a better way to go. For example, as a car owner, I have often wondered why I could not convert my petrol-energy car to LPG -- perhaps the government would consider this as a viable option.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Thank you. Frank Thong

# "Frank" 28/03/2006 09:20

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

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- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

芯明行些以心能为自己市人	八型人,和中氏	口用机工制。	
(署名) 啟			



To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Fra	nk

## "Franka T. LIEU" 23/03/2006 01:15

 $To:\ electricity comment stage 2@edlb.gov.hk$ 

CC:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

### 致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、 環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Franka T. LIEU

# "franki"

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

17/03/2006 20:41

致經濟發展與勞工局:

身為香港的一份子, 我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

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懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

franki

## "Frankie Cheung" 22/03/2006 12:22

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

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特區政府能為香港帶來一戶	片藍天,給市民一口清新空氣。
(署名)	啟

# "Frankie Ha" 27/03/2006 09:46

 $To:\ electricity comment stage 2@edlb.gov.hk$ 

CC:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

### 致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

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懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Frankie Ha

ng frankie

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: 香港電力市場的未來發展 - 第二階段咨詢

☐ Urgent ☐ Return Receipt

15/03/2006 23:32

開放電力市場是否真的可以令電費下調尚是言知過早。但不會影響供電的穩定性就是一個很大的疑問? 眾所周知內地的電力供應無論在穩定性,可靠性以致環保各方面,均不可以給我們信心,試問香港人又怎能忍受無時無刻的停電?大熱天時無冷氣,各行各業可能因為停電而損失慘重,更有可能影響了香港的經濟及國際聲譽。況且香港是一個國際金融中心,維持穩定及可靠的電力是必要的。

至於環保問題,不只是兩電的責任,香港政府、廣大市民及珠三角都要負上責任。若空氣污染的懸凶是兩電,而兩電在港服務了一個世紀,那為甚麼十多二十年前或我爸媽年代的空氣仍是清新的?

希望香港政府能慎重考慮電力市場是否真的要開放。

Frankie Ng 15/3/2006

# "Frankie Ng"

 $To: <\! electricity comment stage 2@edlb.gov.hk \!\!>$ 

cc:

Subject:網上行動回應《香港電力市場未來的發展》

Urgent Return Receipt

24/03/2006 14:46

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

 (署名)	啟	

"frankie suen"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

27/03/2006 09:36

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懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

\_\_\_\_\_(署名) 啟

"Frankie Wong"

29/03/2006 08:19

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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# My comment on the Stage II Consultation Paper on the Future Development of the Electricity Market in Hong Kong

The level of electricity supply affects directly to the economic development of a city. It is also a basic need in people's daily life. You may imagine if one day there is no electricity or only in limited supply, what would be the devastating impact to both daily domestic and commercial activities in our society.

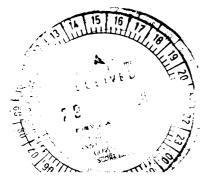
To my understanding, back out cases in the mainland China are very common even in big commercial cities like Guangzhou and Shanghai. It is apparent that electricity supply condition in China is so tight and unreliable. As a matter of fact, in many remote areas, they have even no electricity to be provided. It comes to me a query as to how some electricity companies in Mainland China are so ambitious to invade Hong Kong market without well sufficient equipped themselves in capital and electricity cable network. They even cannot manage their internal market well.

On the contrary, though Hong Kong is a small area, the electricity supply system is excellent and well developed. It can provide people and society with a safe, efficient and reliable energy supplies at acceptable prices. In fact, electricity industry entirely requires huge amount and long term investments to establish a stable and tremendous network.

Unfortunately, Hong Kong recently advocates to open or to deregulate her electricity market, more oversea companies are trying to make this opportunities to enter the market. Even those some of less favorable background are trying to apply for the market. I believe it would to great extend ruin the long term benefit of people in Hong Kong. We may see disadvantages as below:

- a. HKSAR Government is difficult to monitor oversea companies infrastructure if electricity is supplied from outside.
- b. No government rules to govern or no commitment of those outside companies on HK environment protection.
- c. It is unfair for people in Mainland China who suffered from unstable and insufficient electricity supply that undermine activities in their daily life, whereas Hong Kong people enjoy overwhelming electricity supply.
- d. The tariff is hard to be lowered than the expected amount because the power industry investments are huge, long term and immobile. It is difficult for the electricity company to leverage their cost in short period.
- e. Air pollution would be getting worse between Shenzhen and Hong Kong as more and more power stations would be built inside the boundary.

As a Hong Kong citizen, I would of course prefer our electricity suppliers to be able to provide us a reliable and secure electricity supply with reasonable tariffs. However their quality and commitment in social liability are also the prerequisites for their market entry. Our two existing electricity suppliers have provided track record in their stable and reliable electricity supply. If they are willing to spend greater effort and investment in our environmental protection, why don't we continue to keep our existing electricity market structure instead of taking risk on Hong Kong people?



Frankie Wu Hoi Fai 26 March, 2006

# "frankie"

27/03/2006 12:47

To: electricitycommentstage2@edlb.gov.hk

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

## 致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排 放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與 成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、 環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂 立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

frankie

### "Mak Wai Hung"

To: <electricitycommentstage2@edlb.gov.hk> cc:

29/03/2006 09:24

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Frankie

# "frankiewu" 24/03/2006 18:28

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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### "Franky Cheung"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

29/03/2006 10:27

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

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Sign:			_					

"Franky Fung"

29/03/2006 11:30

To: <electricitycommentstage2@edlb.gov.hk>

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28<sup>th</sup> March, 2006. Economic Development and Labour Bureau 2/F., Central Government Offices, Main & East Wings Lower Albert Road, Central Hong Kong

Dear Sir,

# Future Development of the Electricity Market Development in Hong Kong Stage II Consultation

Our company is a provider of innovative IT and telecommunication network infrastructure and value-added business solutions and is headquartered in Hong Kong. We have a team of multi-disciplined and technology-savvy professionals with experience and expertise in commercial operations of the latest state of information technologies. In conjunction with our parent company, we currently have sales and support capabilities for major cities in the Greater China region. Since reliable electricity supply is vital to the success of our business, we would like to express our views on the future development of electricity market in Hong Kong.

First of all, we would like to take this opportunity to thank the Government in preparing this consultation paper. We agree with the Government that reliability of electricity supply is very important and the future electricity reform should focus on maintaining reliability. Electricity supply in Hong Kong is one of the most adequate and reliable electricity supply systems in the world; we have seldom experienced any power

interruptions since our establishment.

We are solution provider with achievements being reflected by the quality of our solution portfolio of highly fault tolerant and mission critical solutions that is capable of satisfying diverse network requirements and handling high transaction volumes. Therefore, a highly reliable electricity supply is critical to the success of our business. Any power interruption will cause a lot of inconvenience to our customers and ruin our reputation as a respectable solution provider.

We need a self-sufficient electricity supply system in Hong Kong to ensure that business in Hong Kong will have a reliable source of supply to meet our demand rather than relying on electricity imported from the Mainland. Otherwise, any prolonged interruption of electricity importation would have a disastrous impact on our mission critical solutions. This explains why we have reservations about some of the proposed changes in the consultation paper. We are also afraid that the reduced financial incentive to the power companies and the tightened regulatory requirements might lead to insufficient investment in electricity infrastructure, and thus affect supply reliability.

Under the existing regulatory regime, we have been enjoying reliable electricity supply. We request the Government to evaluate the proposals in the consultation paper with caution, and to ensure that all businesses in Hong Kong will continue to have reliable electricity supply.

Yours faithfully,

Franky Lai

#### "Franz Pierre Nel"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

28/03/2006 12:15

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Sign:			_				

"Fraser Lee"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

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30/03/2006 14:46

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Sign: _	Fr	aser	Lee			

# "Frauenfelder Rene"

23/03/2006 15:50

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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Sian.	Frauenfelder	Pana
PIGII.	rrauenreider	Rene

# "Frazer Beggs" 25/03/2006 17:08

To: <electricitycommentstage2@edlb.gov.hk> cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

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Sign: Frazer Beggs

"TSUI Wai-hung"

24/03/2006 10:19

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the

Electricity Market in Hong Kong

Urgent Return Receipt

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Sian:	Fred	
51911		

# "G.F.Kinmonth"

29/03/2006 17:38

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

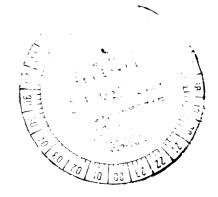
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Cian.	frod	Kinmonth	
Sign.	irea	KIIIIIIOIITII	

To Economic Development and Labour Bureau Hong Kong Government

Dear Sir,



## Subject: Electricity Market in Hong Kong - Stage II Consultation

Sara Liao has said to the media that if CLP Power ceases to export electricity to Guangdong, emissions in Hong Kong would drop immediately, thus helping the territory to meet the 2010 targets. SCMP reported her as saying that she "believed that there would not be any environmental impact on Hong Kong even if CLP Power's electricity supply to the mainland was replaced by that generated by plants in Guangdong". What nonsense – she seemed to have forgotten that last October, we had bright blue skies when the factories and other businesses in the Pearl River Delta closed down for a week or ten days. There was media coverage on that. This proves that the serious pollution that we suffer largely comes from the Guangdong area.

For goodness sake, if CLP Power does not have flue gas desulfurisation (FGD) units at its Castle Peak plant, tell them to install them. And what has Sara Liao done to make sure that CLP Power burn more gas – instead of whinging about pollution, she and her team should have devised a clear energy policy for the power companies, such as the proper fuel mix. And what about the LNG project and getting Governmental approvals for it, which is frequently reported in the paper? If CLP Power don't get the goahead, they will continue to burn more coal, bringing more pollution. It's frustrating to read about pollution everyday. Sara Liao should stop bitching about CLP Power and get on with doing her job properly.

## Regarding the Consultation Paper, we recommend:

- establishing an independent body to oversee the development of the electricity market. Just leave Sara Liao and EDLB out of this. We need a set of clear energy and policy, properly communicated to the power companies and the public.
- refining the current power market regulation might be more desirable than introducing competition, as the latter might bring more harm than benefits, as advocated by Professor Stephen Luk of Polytechnic University.
- lifting the permitted rate of return altogether if the Government wants to control the tariff levels that the companies can charge, then leave them to run their businesses. If the companies can still make pots of money from the revenue they receive, good for them. Why would the Government want to put a ceiling on their return? 7-11% is

- a big drop it is not fair to hit them in the pocket twice once with the tariff levels, and again on the maximum return that they can earn. stop thinking about importing electricity from China we will be "shooting ourselves in the foot" by doing that. Can you seriously trust the cowboys across the border? We can't. Hong Kong's pollution will definitely get worse. If Sara Liao says otherwise, ask her how she can ensure that it won't happen, and how the Government proposes to monitor the generation activities in the Guangdong area. If importing electricity would gain some brownie points from our beloved Li Peng, then that's a different consideration. In that case, bad pollution here is not the reason for importing from China.
- keeping the 15 year term. We are not in favour of bringing in the Chinese operators, now or in the distant future, so 15 years is fine. Howard Lee of EDLB had reportedly told the press that the power companies must be ready for change and that bringing in a third supplier is inevitable. We entirely disagree with him it is important that the Government does not mess up the electricity market by bringing in third-rate electricity suppliers.
- setting emission caps for the power plants, taking into account what the equipment can achieve. The costs involved in installing FGD and other emission reduction facilities should be shouldered by the consumers this is only fair and logical since the pollution that we now suffer results from the demands for electricity from the consumers who have over the years benefited not only from the relatively cheap electricity charges, but also the sale of electricity to China through rebates from CLP Power.
- Peace will tell you about this. The green groups talk incessantly about the use of renewable energy. We will not be surprised if they are also the first to scream if wind turbines are built extensively in scenic parts of Hong Kong. It is not realistic to expect renewable energy to be used widely in a small place like Hong Kong. And what about the massive cost involved in constructing the wind turbines (which generate almost next to nothing) and who's going to pay for it. And will some of the consumers be expected to subsidise the cost of those whose electricity is generated by use of wind? The Government clearly has not thought through these issues carefully.

Fred Li Eva Ng Alice Tang Sam Ho Mary Wong

# "Fred Lui" 29/03/2006 09:50

To: <electricitycommentstage2@edlb.gov.hk>
cc:
Subject: Response to Consultation Paper on Future Development of the

bject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong ☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

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Sign:			_				



To: electricitycommentstage2@edlb.gov.hk cc:

Subject: We want clean air!

Urgent Return Receipt

To: Economic Development and Labour Bureau

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- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Fred Seen

# "Fred W. Scholle" 23/03/2006 19:20

To: <electricitycommentstage2@edlb.gov.hk>
cc:
Subject: Response to Consultation Paper on Future Development of the

Electricity Market in Hong Kong
Urgent Return Receipt

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Fred W. Scholle

# "Freda Chan" 31/03/2006 13:28

To:	<pre><electricitycommentstage2@edlb.gov.hk< pre=""></electricitycommentstage2@edlb.gov.hk<></pre>
~~.	

CC:

Subject:網上行動回應《香港電力市場未來的發展》
Urgent Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

怒請特區政府能為省港帝來一片監大,給市氏一口有新全氣。	
(署名) 啟	

#### "Freddie Fawcett"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

23/03/2006 17:59

To Economic Development and Labour Bureau,

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Sign: _	Fred	die	Fawcett		

### "Frederic Lichtenstein"



25/03/2006 11:34

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Frederic Lichtenstein

#### "NOE FREDERIC"

To: <electricitycommentstage2@edlb.gov.hk>

30/03/2006 09:54

Subject: Response to Consultation Paper on Future Development of the **Electricity Market in Hong Kong** ☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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- I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Frederic Noe

"Frederic Rousson"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

27/03/2006 09:26

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Dieac	1 01	Clean	aii.				
Sign:			_				

"Frederic trcuhot"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

24/03/2006 20:08

To Economic Development and Labour Bureau,

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Sign:			-				

"frederik Balfour"

25/03/2006 22:22

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

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Sign:			_				

# "Frederique Schillern"

28/03/2006 18:59

To:	<pre><electricitycommentstage2@edlb.< pre=""></electricitycommentstage2@edlb.<></pre>	gov.hl	<b>K</b> :
To:	<pre><electricitycommentstage2@edlb.< pre=""></electricitycommentstage2@edlb.<></pre>	gov.hl	<

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

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Cian.	Frederique	Sahillorn	
Sign:	Frederique	Schillern	

# "fredie chan"

cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

To: electricitycommentstage2@edlb.gov.hk

17/03/2006 17:56

### 致經濟發展與勞工局:

身為香港的一份子, 我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排 放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與 成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、 環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂 立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

fredie chan

# "freeman yiu"

25/03/2006 23:55

To:	electricitycommentstage2@edlb.gov.hk
-----	--------------------------------------

cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

## 致經濟發展與勞工局:

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懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

freeman yiu

By Hand

Economic Development and Labour Bureau 2/F Central Government Offices, Main & East Wings Lower Albert Road Central Hong Kong

Our ref: DB/RC/APSH

HONG KONG 11th floor Two Exchange Square Hong Kong T+ 852 2846 3400 Direct T+ 852 2913 2601 F+ 852 2810 6192 Direct F+ 852 2810 6192

> 富而德律師事務所 香港中環交易廣場 第2座11樓

E aps.hart@freshfields.com

W freshfields.com

電話+852 2846 3400 圖文傳真+852 2810 6192

DOC ID HK331079/1 OUR REF APSH YOUR REF

31 March 2006

Dear Sirs

## Consultation on the Future Development of the Electricity Market in Hong Kong

We welcome the opportunity to comment on the Stage II Consultation Paper on the Future Development of the Electricity Market in Hong Kong. Through its international network, Freshfields Bruckhaus Deringer has gained significant experience of developing electricity markets in many countries world-wide. Structuring a framework for successful market development is inherently a difficult exercise, which involves determining the appropriate balance between affordable electricity prices, security of supply and sufficient investment incentives. However, we would like to draw on our experience to make the following observations in relation to the proposed reforms.

Fundamentally, the long-term investment cycle for electricity generation and transmission infrastructure necessitates a sufficiently long regulatory period in order to incentivise investment. This has been recognized in a number of countries which have, either as part of deregulation or subsequently, legislated for regulatory periods which are flexible enough to provide for the type of stable long-term investment climate required to finance infrastructure development and expansion. Accordingly, we would caution against the adoption of a regulatory period which is either inflexible or of an insufficient duration to support such investment.

#### PARTNERS

Thomas E Jones Clive Rough Teresa Ko Nic Johnston Richard Chalk Perry Noble Robert Ashworth Patrick Lines Connie Carnabuci Andrew P S Hart Timothy A Steinert Patrick Swain Ng Kay Ian

REGISTERED FOREIGN LAWYERS Lucille A Barale (USA) Joseph A Sevack (USA)

Amsterdam Barcelona Beijing Berlin Bratislava Brussels Budapest Cologne Dubai Düsseldorf Frankfurt am Main Hamburg Hanoi Ho Chi Minh City Hong Kong London Madrid Milan Moscow Munich New York Paris Rome Shanghai Singapore Tokyo Vienna Washington

2 2

Closely related to this is the need to allow for a sufficient rate of return over the regulatory period in order to ensure that the necessary infrastructure investments are made and to avoid compromising security of electricity supply.

In this regard, and although we fully support the environmental objectives of the proposed reforms, we believe that further consideration should be given to the disincentive to invest which may result from rigidly linking the permitted rate of return to environmental performance, and consequent risks that the high degree of security of supply Hong Kong enjoys under the current Scheme of Control might inadvertently be undermined. Environmental and health protection goals may better be served by the use of appropriate, separate, monitoring and enforcement measures.

Experience has also shown that the rate of return should be determined in the simplest way possible, avoiding multiple categorizations of assets or equity. In our experience, such categorizations tend to impose constraints on electricity operators that soon prove unworkable in the light of actual business needs and economic realities. In addition, they increase bureaucracy and the costs born by the electricity operators, which are eventually reflected in the price of electricity. The proposed introduction of a four-tiered rate of return based on the nature of the assets concerned should be further considered against this background.

We hope that our comments are a helpful contribution to the current debate and would be pleased to comment further on the reform proposals as they develop.

Yours faithfully,

Freshfields Bruckhaus Deringer

, Deru



"frieda"



31/03/2006 15:31

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

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- I look forward to hearing from you.

Yours sincerely,

frieda

#### "friends of the earth"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

30/03/2006 17:30

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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breati	1 01	crean	air.					
Sign:			_					



# "Agnes" <agnes@foe.org.hk>

2005/12/31 12:54 PM

To: <edlb@edlb.gov.hk>

CC:

Subject: Friends of the Earth (HK)'s Response to the Consultation Paper

☐ Urgent ☐ Return Receipt

Dear Mr Ip,

Friends of the Earth (HK) is deeply dissappointed with the Economic Development and Labour Bureau's performance as Hong Kong's energy policy maker.

Scheme of Control agreements with the power plants and the content of consultation paper have proved the incompetence of the EDLB who not only cannot manage the economic aspect of the electricity market but also lacks the capability to see the issue in its full dimension.

Electricity generation in Hong Kong is a profitable business with great rate of return. It is ironic to find the EDLB still feeling unsecured with local electricity supply when the CLP, the biggest electricity provider in town, is making a windfall by selling surplus electricity to the mainland.

There are other important dimensions about energy which have great impact on the stability of tariff but are shunned for serious consideration by the EDLB: diversification of energy sources, demand side management, solid plan for renewables application etc.

Attached is FoE(HK)'s response to the consulation paper on the electricity market review, which illustrates our concern.

I am writing to solicit your support for our concern about Hong Kong's energy future which is in peril with an unhealthy generation portfolio and unstable tariff future.

Sincerely,

Agnes Chen
Environmental Affairs Officer
Friends of the Earth (HK)
2/F,53-55 Lockhart Road
Wanchai, Hong Kong
Tel: (852)25285588
email: agnes@foe.org.hk

web: http://www.foe.org.hk(See attached file: socresponse.doc)

socresponse, doc



## Response to the Consultation on the Electricity Market

Lack of an Energy Policy

Friends of the Earth (HK) is disappointed to see the Economic Development and Labour Bureau (EDLB), the Hong Kong's sole energy policy maker, to continue to shy away from its job.

It would be a mistake to take the consultation papers as an energy policy which should at least include: solid plans for renewables application, management of energy consumption and diversification of energy sources.

But the EDLB has failed to deliver any thing that allows us to see it differently other than the power plants' guardian. FoE (HK) doubts if the EDLB can insure the reliability of Hong Kong's energy supply including the stability of tariff with such an astonishing lack of awareness of energy crisis and its inherent structural incompetence related to current fragmented regulation.

Definition of Reliability

Friends of the Earth (HK) questions the EDLB's definition of reliability when it succumbs the public to the duopoly of CLP and Hongkong Electric Co. Ltd (HEC). Such duopoly has allowed the power plants to hold public health hostage to its profit making.

Reliance on coal makes CLP the biggest SO2 emitter in town but its voluminous emissions of air pollutants have remain unchecked until the recent introduction of emission caps. FoE (HK) would like the EDLB to explain how the dependence on coal insures a reliable energy supply.

Renewable Energy Law

A renewable energy law would be enacted in a couple of days across the border. The mainland has been proactive with its promotion of renewable energy in words and actions.

The Consultation Paper fails to deliver a solid plan for renewables application for public deliberation. Neither a law nor targets are proposed on the table.

香港地球之友慈善有限公司 Friends of the Earth (HK) Charity Ltd.



Why are we in desperate need of an energy policy?

The energy market of fossil fuels is growing more and more volatile. The price of oil is unprecedentedly high and the rising coal price has been reducing the profits of a lot of coal-fired plants. This would only increase the instability of the tariff.

The burning of fossil fuels like coal is not only unsustainable but also exacerbates global warming. The EDLB's business-as-usual approach with Hong Kong's heavy consumption of fossil fuels is no different from making a statement about the nonexistence of global warming, which is irresponsible behaviour.

#### Recommendations:

1 Renewables Portfolio Standard

A minimum percentage of electricity generated from renewable energy sources should be set. It is only fair to mandate a percentage of renewables in the two power plants electricity generation portfolio for them to shoulder a fair share of their environmental obligations.

This gives the power plants flexibility with its application of renewables. The CLP and HEC can choose to invest in renewables in Guangdong capitalizing on the burgeoning renewables market there or purchase from other renewables producers. It also gives the power plants the freedom to select the type of renewables for meeting the targets.

2 Transparency

Friends of the Earth (HK) demands a greater degree of transparency of policy-making.

The financial plans of two power plants were approved by the Executive Council earlier this summer who sees no need of consulting the public for the approval.

The fate of Scheme of Control affects every citizen. It is the government's duty to provide transparency in its dealing with the power plants.

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## 3 Independent Regulator

The current regulatory framework for electricity generation is fragmented with an EDLB concerning only about financial control and an Environmental Protection Department about emissions.

To prepare the electricity industry for a future of greater integration with Guangdong and to balance interests of various stakeholders. Hong Kong needs an independent regulatory body for the administration, monitoring and development of broad energy policy for the electricity sector.

## 4 Energy Consumption Management

Friends of the Earth (HK) deems it foolhardy to dismiss the importance of energy consumption management. Unchecked growing consumption of energy is not sustainable. Measures for management of peak time electricity consumption (so-called demand side management) like real time pricing-a varied electricity charging scheme for peak-time and off-peak electricity consumption, should be a component in the government's energy policy.



To: <electricitycommentstage2@edlb.gov.hk> cc:
Subject: 香港地球之友就SoC之回應
Urgent 区 Return Receipt

FoE response to SoC (20060330).doc



Friends of the Earth (HK)'s Response to the Government Consultation on Future

**Development of the Electricity Market** 

"Be Power-wise"

Mar 30, 3006

Introduction

The response paper seeks to address the inadequacies of the Scheme of Control (SoC)

in the power sector and recommends the inclusion of demand side management in the

electric utilities. Renewables portfolio standard is proposed here as a market option

worthy of consideration. For the details on Friends of the Earth (HK)'s position on

renewable energy please revert to FoE (HK)'s response paper to the first stage

consultation.1

The inadequacies of current power sector regulation are:

-absence of an energy policy

-the encouragement for expansion under the SoC

-omission of demand side management by the electric utilities

-want of policy support for the introduction of renewable energy

<sup>1</sup>30 Apr 2005 - Response to Future Development of Electricity in Hong Kong Stage I Consultation: http://www.foe.org.hk/welcome/gettc.asp?language=tc&id\_path=1,%207,%2028,%20152,%202908,%202942

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Actions needed for demand side management (DSM) are:

-innovative pricing to balance the peak and off-peak electricity demand

-scrapping of SoC, which is counter-productive to the introduction of DSM

-provision of financial incentives for the implementation of DSM measures

-enhancement of current energy conservation work

One of the badly needed pieces of information is the study on comparison of different

energy futures on a detailed social, economic and environmental level that can be used

as a rational basis for making decisions on energy policy. It is the government's

responsibility to value, forecast and compare the benefits, externalities and risks of

different energy futures.

Section 1 Deficiencies with current regulation of the power sector

1.1 Lack of an Energy Policy

Friends of the Earth (HK) would like to seize the opportunity of current consultation on

Future Development of the Electricity Market to urge the need for a shift in the

government's attitude towards policy-making. We are disappointed to see the

Economic Development and Labour Bureau (EDLB), Hong Kong's sole energy policy

maker, sacrificing public health in the name of electricity reliability and dithering from

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formulating a clear energy policy.

Equating the energy policy with financial agreements, one that sacrifices public interest,

is unacceptable. The exclusion of environmental concerns relating to power generation

in the Scheme of Control is irresponsible. And the lack of a holistic approach to the

regulation of the power sector has led to a fragmented monitoring by the three

government departments: EDLB, EMSD and EPD. The focus of current regulation is

skewed heavily towards profit guarantees to secure supply while neglecting the demand

side management of the electric utilities.

FoE (HK) believes the application of renewable energy and implementation of energy

conservation measures are effective tools for improving the deteriorating air quality,

which should form a central part of any responsible energy policy. The International

Energy Agency, an intergovernmental body consisting of 26 industrialized member

countries which advises issues in energy policy, says:

"Demand side activities should be active elements and the first choice in all

energy policy decisions designed to create more reliable and more sustainable

energy systems."

The consultation paper has failed to deliver details on the realization of the target set for

renewable energy, neither does it provide content for the demand side management

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(DSM) by the electric utility.

Lack of definition on the objectives and a timetable for grid opening are indications of the

government's short-term mentality towards future electricity market development. It

would be unfortunate if the administration allows its categorically paranoid vision and

unbalanced commitment to continue.

1.2 Absurdities of the Scheme of Control

1.2.1 Reliability at the Cost of Customer Interest

The Scheme of Control Agreements (SCAs) stipulate a specific rate of return entitled to

both power companies. But the numerical mind ceases to function in the tariff

adjustment section where neither formulas nor figures were put forth for considerations.

The existing tariff negotiation is highly secretive, and was reached behind closed doors

between the government and the power companies.

The public's belief in a higher profit for lower tariff is a misconception. For the

agreements say "the main purpose of the Development Fund is to assist in the

acquisition of Fixed Assets."

So the HEC is justified to demand a higher tariff for a lower than expected growth of

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electricity demand and the CLP is merely complying with the agreement not to share the

profit with the customers.

The agreements are designed to guarantee the power sector's profits and encourage

over-expansion, not to provide effective pricing and emission control for the welfare of

the customers. This policy should not be repeated.

As the only political power between millions of electricity end-users and the two power

companies, it is the government's responsibility to prevent the population from being

held hostage to CLP and HEC.

1.2.2 Omission of the Demand Side Management and Emission Control

The Stage II Consultation Paper has highlighted the fragmented thinking of the existing

regulatory structure showering attention on economics while relinquishing environmental

reasoning. FoE (HK) hopes this does not herald a similar lopsided attention in the

policy formulation regarding future electricity market development.

The technical positioning of the EMSD has prevented the department from thinking

beyond the technical aspect of renewable energy application; and the lack of expertise in

renewable energy market policies in the EDLB has led to the consideration of RE rests

disproportionately on technical facilitation without realizing the need for complementary

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policy support to catalyze the adoption and market for alternative energies.

The EPD's role as an environment caretaker is diminished by the emphasis of economic

priorities apparent in the government's power philosophy, as exemplified by SCAs.

Even with the set-up of an independent regulatory body, the government still needs to

have a holistic policy approach with clearly defined objectives and staff capable of

achieving the envisaged mission. FoE (HK) believes the integration of environmental

consideration in the government's economic planning is badly needed, so is the

shaping-up works for energy regulation.

1.2.3 Lack of a Pricing Mechanism

There is no mechanism in the existing Scheme of Control to reward correct estimates or

to penalize any over-estimates of future demand. There has been evidence suggesting

the expansion in capacity by the two power companies is often many years ahead of the

system's demand level, as the main objective of SOC is to encourage investments,

which rewards excessive investments. The permitted returns are based on fixed assets

that allow the two power companies to raise prices to meet capacity expansion.

CLP has taken the advantage by expanding more than necessary to meet the higher

maximum demand due to the export of electricity to China. For example the capacity of

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CLP in 1994 was 7540 MW while the maximum demand was 4730 MW for Hong Kong,

5948 MW to include demand from China.

The asset based returns promote more power expansions rather than management of

peak loads or energy efficiency. If customers were successfully encouraged to shift

their demand for electricity to off-peak hours, the demand of additional generating

facilities would decrease. Consequently, the asset base would become smaller and this

would lower the permitted rate of return. The declining-block price structures adopted

by the two power plants encourage wasteful use of electricity. For the commercial

end-users, the more electricity they use, the smaller the tariffs for an electricity unit.

Section 2 **Renewable Energy** 

2.1 A Tongue-in-cheek Proposal for Renewable Energy

2.1.1 Lack of policy support for RE

The current electricity grid is the private properties of the CLP and HEC respectively.

Leaving the grid connection and access for renewable energy sources to negotiations

between the renewable energy source and CLP and HEC is irresponsible, not to

mention the inclusion of waste to energy as a form of renewables.

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"The Government will assist where necessary and when requested by either party,

including assisting in arriving at mutually agreed access charges." (Consultation Paper

2.22)

The uncertainty of grid access would deter the investment in renewables by a third party

for the fear of not being able to get paid-back from their investments.

FoE (HK) does not see any reason for CLP and HEC to welcome entrance of a

renewables producer to their grid unless it is stipulated by law.

FoE (HK) is more interested in knowing what kind of a regulatory structure would be

designed for the use of renewable energy to happen in Hong Kong. Targets could be

set but the means for realizing targets should precede the target setting. Otherwise, the

proposal for renewable energy use is mere public relations. Lama Wind Power Station

is an excellent public relations feat, made possible with huge capital to waste, that

elevates the art of meaning no by saying yes, in monetary terms.

2.1.2 What to consider for RE policies?

Measures to promote RE should not be tied to specific revisions of the SCAs but rather

should be compatible with any future regulatory scheme as competition and market

restructuring do not inherently promote renewable energy. A lot has to be done by the

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government to garner policy support for renewable energy.

With all its shortcomings, SCAs have been effective at providing confidence to the

electric utility for investments with its permitted returns and long contract duration. This

is an example of how policies can be shaped to generate major investments. Failure to

provide similar confidence for RE investments could create a huge barrier for the entry of

RE.

If there are no policy directives or legislations for mandatory renewables take-up, the

inherent inertia will prevent the shift from a fossil fuel electricity generation to a

non-fossil-fuel one undermined with the lack of financial incentives.

One of the strongest advocate in RE is the European Union. The experiences there

has shown that without additional policy measures or intensification of those currently

used, many EU member countries are likely to fail to reach the national targets for the

contribution of renewables in the year 2010 as indicated by the EU. These policies do

one or more of the following:

a) Shift some of the investment costs away from the investor

b) Guarantee access to a market

c) Guarantee a certain market size

d) Guarantee a certain price on any quantity delivered.

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FoE (HK) recognizes the topographic constraints in Hong Kong. But such constraints

are not exclusive of Hong Kong, as are concerns about land cost, visual impact and wind

potential for the application RE. EU member countries' governments and citizens share

similar concerns, which did not stop them from aiming for ambitious RE targets.

The European Union is aiming at 10% of electricity, or about 40 GW of installed power,

from wind by the year 2010 and 100GW by 2020. In order to meet the October 2001

legal requirement to generate 10% of the country's electricity coming from renewables

by the year 2010, British plans call for 18 offshore sites, with total installed power of up

to 1.5 GW. The regional target for Western Europe is 66 GW by 2010 and 220 GW by

the year 2020, with about one-third of that capacity placed offshore.

Section 3 Recommendations

Recommendation 1: Renewables Portfolio Standard

3.1.1 Renewables Portfolio Standard (RPS)

The Renewables Portfolio Standard (RPS) is a flexible market-based policy for

increasing the amount of renewable energy. The policy ensures that a minimum

amount of renewable energy is included in the portfolio of electricity resources, and by

increasing the required amount over time the RPS can put the electricity industry on a

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path toward increasing sustainability. Because it is a market standard, the RPS relies

almost entirely on the private market for its implementation. Market implementation will

result in competition, efficiency and innovation that will deliver renewable energy at the

lowest possible cost.

Renewable Energy Credits, or "Credits," are central to the RPS. A Credit is a tradable

certificate of proof that one kWh of electricity has been generated by a renewable-fueled

source. Credits are denominated in kilowatt-hours (kWh) and are a separate commodity

from the power itself. The RPS requires all electricity generators (or electricity retailers,

depending on policy design) to demonstrate, through ownership of Credits, that they

have supported an amount of renewable energy generation equivalent to some

percentage of their total annual kWh sales. For example, if the RPS is set at 5%, and a

generator sells 100,000 kWhs in a given year, the generator would need to possess

5,000 Credits at the end of that year.

A primary advantage of the RPS for promoting the commercial development of

renewables is that it does not require the centralized collection and dissemination of

funds or require government agencies to make decisions about winners and losers.

The market makes all decisions regarding which renewable plants to build, where, and

for what price. The bottom line is results: the generation of renewable power by a date

certain. We can expect the market to deliver these results at the lowest possible cost.

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3.1.2 Factors for successful RPS policies

RPS policies have been established by legislation or regulation in over 10 US states,

and in the countries of Australia, UK, Japan, Austria, Belgium and Italy. Texas

implemented an RPS in 2000 that required the installation of 2000 MW of new

renewable capacity by 2009. A combination of factors put Texas substantially ahead of

schedule, with half of the targeted

capacity already in place by 2002. These factors include strong political support and

regulatory commitment, predictable long-term purchase obligations, strong enforcement,

production tax credit and favorable transmission access rules.

There is not a universal formula for crafting a working RPS. Differences exist with

respect to the duration of the policies, the targets, enforcement methods and flexibility

mechanisms. But when designed properly, as in Texas, the delivery of RE could

exceed the targets in a least-cost way. The lesson to learn is the need for policy

stability and long-term contracting.

Elements of an effective RPS policy:

a strong political support and regulatory commitment, and that support is

expected to continue over the duration of the policy

b predictable long-term purchase obligations

credible and automatic enforcement ensures that the penalties exceed

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the cost of compliance

d clear and well-thought-out renewable energy eligibility rules are applied

e standards are achievable given permitting challenges

f the standard is applied to electricity suppliers that are credit-worthy and

are in a position to enter into long-term contracts

g favorable transmission access rules

h certificate trading, a renewable energy certificate (REC) system to

validate compliance and lower the overall cost of policy compliance

3.1.3 Integrating Hong Kong's RE portfolio with Guangdong

China's Renewable Energy Law went into effect on Jan 1 2006, which stipulates that the

power grid enterprises must buy electricity from renewable energy generators. It is

opportune timing to consider Hong Kong's renewable energy application in the context of

Guangdong's RE development.

RPS policy could be integrated in the pilot emission trading scheme with Pearl River

Delta, which would help contribute to the RE targets realization in Guangdong.

Mandatory Market Share, similar to RPS, which requires utilities to serve a certain

amount of their electricity load with eligible renewable energy sources, is being

considered in China.

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Credit trading will allow projects to be grid connected in Hong Kong or financed in

Guangdong where connection to Hong Kong is optional while still offsetting coal use and

improving regional air quality. Hong Kong benefits by overcoming wind siting

restrictions and complications over grid access while Guangdong benefits from

increased wind power economies of scale and piloting of renewable energy certificate

China has been a favorable destination for the investment in Clean Development

Mechanism (CDM) projects by the Kyoto Protocol binding signatories to achieve their

greenhouse gas reduction targets. The mainland has approved 22 CDM projects so far,

which would reduce 46,121,632 tonnes of CO2 emission, one of them is a 45MW wind

farm in Nan Ao in Guangdong.

The government could consider extending the permitted returns for the investments in

the Pearl River Delta by CLP and HEC or include CDM in the future emission trading

pilot scheme.

Recommendation 2: Curbing Power Growth – Demand Side Management

3.2.1 Demand side management

The demand side management activities involve a deliberate intervention by the utility in

the marketplace so as to change the configuration or magnitude of the load shape like

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load management, the shifting of load from high cost to lower cost periods; strategic

conservation, reductions in usage regardless of the time of use etc. DSM programs

can be run by a state agency, by an independent agency operating with state funds, by

private firms known as energy service companies, or by individual utilities.

DSM can be seen as a load management tool in a least-cost planning framework, in

which a utility integrates planning and operation of power production facilities with the

concept of actively influencing the demand for electricity. This would require that

utilities develop a much closer working relationship with their customers.

There are numerous DSM programmes, innovative tariff designs and load management

are two common categories:

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Innovative tariff designs:

time-of-use tariffs: involve charging higher prices for peak а

electricity as a way to shift demand to off-peak periods

b interruptible tariffs: offer discounts in exchange for a user

commitment to reduce demand when requested by the utility

real-time pricing: the electricity price varies continuously (or hour

by hour) based on the utility's load and the different types of power

plants that have to be operated to satisfy that demand

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Load management: peak shaving and valley filling

a promotion of energy efficient appliances, eg, New York State, USA,

provides incentives for the installation of permanent

energy-efficient equipment that will reduce a facility's peak

demand

b energy storage devices located on the customer's side of the

meter can be used to shift the timing of energy consumption

c Energy management control systems (EMCSs) can be used to

switch electrical equipment on or off for load leveling purposes.

Some EMCSs enable direct off-site control (by the utility) of user

equipment. Typically applied to heating, cooling, ventilation, and

lighting loads, EMCSs can also be used to invoke on-site

generators, thereby reducing peak demand for grid electricity

3.2.2 Why promote DSM?

Unchecked growing consumption of energy is expensive to keep up especially when

most of the energy resources are imported in Hong Kong. Measures for demand side

management like energy conservation should not be overlooked especially when Hong

Kong's energy consumption has shown a steady growth, 1.4% in the last decade.

The EMSD says that the implementation of mandatory Energy Efficiency Labelling

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Scheme to refrigerators, room coolers and compact fluorescent lamps could achieve an

electricity saving 150Gwh per year, that is \$135 million in monetary terms.

One of he IEA's 2004 publications, "30 Years of Energy Use in IEA Countries", shows

that our development to our present standard of living, since the first oil-crisis in the early

70's, is mostly depending on energy efficiency improvements. Without the more effective

use we would have to

use 50% more energy than we actually do today.

Many electric utilities in the United States, with the encouragement of their state

regulatory agencies, are investing directly in end-use efficiency measures that will be

installed by their customers. The investments that utilities have made in DSM have been

typically well below the cost of equivalent supply investments per unit of electricity saved

or supplied. The utilities are often assured a profit on these investments and recovery of

earnings from lost sales.

The leading efforts to date have been in New England and California, where utilities

typically invest 2 to 4% of operating revenues, receive financial incentives for the pursuit

of DSM, and expect to reduce electricity growth considerably. For the United States as a

whole, utilities spend about \$2 billion per year (1% of total operating revenues) on DSM

programs.

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Energy Savings for the 516 large electric utilities of the US increased to 53.7 billion kilowatt hours (kWh), 3.1 billion kWh more than in 1999. These energy savings represent 1.6 percent of annual electric sales of 3,413 billion kWh of reported sales to ultimate consumers in 2000.

# US Demand-Side Management Program Energy Savings, 1993 through 2004 (Thousand megawatthours)

Item	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Total												
Energy	54,710	50,265	54,075	53,936	53,701	50,563	49,167	56,406	61,842	57,421	52,483	45,294
Savings[1]												
Energy Efficiency	52,662	48,245	52,285	52,946	52,827	49,691	48,775	55,453	59,853	55,328	49,720	41,119
Load Management		2,020	1,790	990 <sup>[R]</sup>	875	872	392	953	1,989	2,093	2,763	4,175

[1] Refers to electric utilities with annual sales to ultimate customers or sales for resale greater than or equal to 150 million kilowatthours in 1998-2004 and 120 million kilowatthours in 1993-1997.

R = Revised.

Note: Totals may not equal sum of components because of independent rounding.

Source: Energy Information Administration, Form EIA-861, "Annual Electric Power Industry Report."

Source: Department of Energy, USA, <a href="http://www.eia.doe.gov/cneaf/electricity/epa/epat9p6.html">http://www.eia.doe.gov/cneaf/electricity/epa/epat9p6.html</a>

## 3.2.3 DSM status in Hong Kong

Scheme of Control has made it unnecessary for CLP and HEC to invest in DSM

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programmes to manage electricity growth since expansion would do the job with a

guaranteed profit. The declining-block tariff scheme for commercial end-users does

nothing to ease the peak demand, and the tariffs of the domestic sector show the same

indiscrimination of seasonal and daily difference in electricity demand.

The Burns and Roe Company was commissioned by the government to conduct a study

on DSM in 1997, which proposed time-of-use tariffs, introduction of energy service

companies, promotion of energy-saving products, and penalizing excess capacity. The

estimated electricity capacity saving was 700MW.

But government remains decidedly indifferent to the proposal on DSM. The EDLB

dismissed it as unrealistic for meeting electricity growth to the enquiry by the Legco on

Dec 2, 1998 and was evasive about its plan for curbing electricity demand.<sup>2</sup>

A three-year DSM trial programme was launched in 2000 with a budget of \$175,100,000

provided by CLP and HEC to promote energy efficiency in the non-domestic sector.

Rebates were given for the use of energy efficient lighting and air conditioning

equipment. Time-of-use tariffs were introduced to bulk users and got 5,747 participants.

The EMSD organized education and information programmes. An extra \$0.2 for every

electricity unit was charged to the end-users to recover the cost for the DSM

programme.

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A total of 4259 applications were received mostly from small- and medium-size

enterprises. And the electricity capacity saving was 24.8MW and 121,788 kwh of

electricity. About 1,400,000 units of energy saving equipment were installed. Only

83.7% of the budget was spent.

The government then decided in 2002 that the progress of the trial DSM programme was

satisfactory in the non-residential sector and felt no need of extending the programme to

the residential sector according to CLP's appraisal report at the end of the programme<sup>3</sup>.

The need for consistent financial support for DSM has probably nipped the programme

in the bud.

The main energy efficient promulgator in Hong Kong has to be the Electrical and

Mechanical Services Department. A Decade of Energy Efficiency & Conservation,

published by the EMSD in 2004 to celebrate its achievements, listed one new scheme

after another, one new technology study after another, as milestones.

The technical/technology guidelines handbooks did little to address the root of the

problem, namely the low awareness of energy conservation in the business sector,

domestic sector and even the government institutions due to ignorance, habits, and

<sup>2</sup> http://www.info.gov.hk/gia/general/199812/02/1202pwrc.htm (Chinese only)

<sup>3</sup> CLP Power Demand Side Management (DSM) Programme 1 Summary Accomplishments Report (July 2000 June

2003)

網址website: http://www.foe.org.hk

pursuit of short-term interest have contributed to.

The EMSD's predisposition to technical reasoning could explain the department's

deficiency of creativity with its public promotion of energy conservation. FoE (HK)'s

experiences in public education of energy efficiency and conservation, tell us the

problems with pitiful infiltration of various energy efficiency schemes in the private

markets are: first of all, want of need, they are not required by law; second, want of

incentives, old habits die hard; third, ignorance.

Nevertheless it is encouraging to note the proposal for mandatory labeling of three

designated electrical appliances last summer from the EMSD, which should be in place

in 2006.

3.2.4 Case Study-DSM in Thailand

In 1993, Thailand initiated a five-year (1993-1997) Demand-side Management Plan with

a total budget of US\$ 189 million to help curb electricity demand growth and promote

more energy-efficiency equipment and cost-effective energy services within the country.

By the end of October 1997, the DSM programmes were saving 295 MW of peak

demand and 1564 GWh a year of electrical energy. The reduction in carbon dioxide

emissions through implementing the DSM programmes was estimated at more than 1

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million tonnes a year while investment requirement in power generation was reduced by US\$295 million. The programmes also resulted in consumer savings of US\$100 million a year in terms of electricity bills.

The DSM programs include:

a switching lamp production from fat tubes (40 W and 20 W) to slim tubes

(36 W and 18 W) and promotion, by the Electricity Generating Authority of

Thailand (EGAT), of compact fluorescent lamps instead of incandescent

lamps through price differentials;

b Green Building Program: For existing buildings, EGAT carries out an

energy audit, design and retrofitting of electrical systems to comply with

the energy efficiency requirements set by the government. A commercial

building with demand over 1MW is required to conduct compulsory

energy audits. EGAT also provides interest-free loans to building owners

for energy-saving modifications; through which commercial buildings can

obtain compact fluorescent lamps at a subsidized price

c financial support (1996-1999): interest-free loans to purchase the level 5

(models with greater than 25% below the mean), the most efficient,

air-conditioners; offered 500 Bht rebates during summer periods to shop

owners selling level 5 air-cons, The number of products with

energy-efficiency labels in the marketplace increased from a modest start

of 46,545 in early 1995 to nearly ten times higher by the end of the year.

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Most of those products were of higher energy-efficiency levels.

- d innovative tariffs: voluntary load reduction programmes to encourage load management through stand-by generation, interruptible load and time-of-use tariff schemes
- e creation of Energy Conservation Promotion Fund to provide working capital, grants and subsidies to promote and facilitate energy conservation measures

Thailand's compulsory energy audit programmes, 1995-2003

Programme	Number	Investment	Annual	Annual	Demand	Simple
Area	of	(Million	Savings	Energy	Savings	Payback
	facilities	US\$)	(Million	Savings	(MW)	(years)
			US\$/yr)	(toe/yr)		
Government	1,215	100.4	15.0	297	112	6.7
buildings		(2.8 audit)				
Designated	1,234	154.5	56.3	1,165	403	2.7
buildings*		(9.9 audit)				
Factories	3,626	263.7	185.3	3,832	547	1.4
		(8.8 audit)				
Total	6,075	518.6	256.6	5,294	1,062	2
		(21.5				
		audit)				

<sup>\*</sup>A designated building: a commercial building with demand over 1MW

\*toe: tonne of oil equivalent

source: World Energy Council,

http://www.worldenergy.org/wec-geis/publications/reports/eepi/a1\_energyaudits/thailanddata.asp

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3.2.5 Case Study-DSM in Japan

Japan has been applauded worldwide for its performance in energy efficiency. Energy

audits are widespread. Tax incentives for new energy efficiency which allow a 30

percent additional first year depreciation as a sweetener to make those investments.

Low rate loans are available for energy efficiency investments.

Events like the Energy Conservation Day, Dec 1 of every year, help keep energy

efficiency in the public limelight.

One of the reasons for its high energy efficiency is the price of energy itself. Respective

utility companies have designed various forms of special contract arrangements for

customers to balance power demands with supply capabilities. These have been

effective for load management.

Tokyo Electric Power Company (TEPCO), the main electricity supplier in Tokyo, offers

various ampere contracts to the residential end-users according to the size of electric

current (ampere) used by a customer. An ampere breaker would be installed in a

customer's home so that the current would be cut off automatically if electricity is used

beyond the contract ampere. The higher the ampere the more the basic charge. On

top of this basic charge (varies from 260 yen to 1560 yen) is the energy charge that

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decides the monthly bills. For the first 120 kwh for the residential customers the tariff is 15.58 yen/kwh, about HK \$1.

Types of contracts set by various utilities also include special time-of-use contract, special summer peak day/week/hour contracts, interruptible service contracts and load shift contracts.

## Japan's Energy Conservation Measures and Achievements

Measures	Details of programmes	Effect
Energy Conservation Law	- Mandates appointment of	- Japan has a low rate
enacted in 1979	an licensed energy	of unit energy
	manager for high	consumption per GDP
	consumption- (the one	compared to other
	with a minimum annual	industrialized nations,
	electricity consumption of	and its per-capita
	12 million kwh), factory	energy consumption
	and business buildings;	in the
	- Mandates appointment of	commercial/residentia
	trained energy manager	I sector is relatively
	for and medium energy	low compared to
	consumption- (the one	other major countries,
	with a minimum annual	though the difference
	electricity consumption of	is narrowing down.
	6 million kwh) factory and	
	business buildings	- The savings brought
	- Mandates submission of	about by standards
	periodic energy	for refrigerators in
	performance reports	Japan is 63%

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	<ul> <li>Mandates formulation of</li> </ul>	between 1976 and
	mid- and long-term plans	1983, and annual
	on energy management	power consumption
	for high consumption	for refrigerators has
	buildings	dropped over 70%
	- Mandates rational use of	with an 87% increase
	energy for new buildings	in size in the two
	- Mandates energy	decades between
	conservation measures	1981 and 2001.
	by non-residential	
	buildings with an area	
	over 2000 m <sup>2</sup>	
	For machinery and	
	equipment:	
	- Provision of information	
	about energy	
	performance of the	
	product	
	<ul> <li>Labeling of designated</li> </ul>	
	machinery	
	And the government has	
	drawn up a law that would	
	require manufacturers of	
	air-conditioners, the heaviest	
	drain on household electricity,	
	to design units that consume	
	20% less power by 2010.	
	Penalties for violations:	
	either fine or imprisonment	
Energy Conservation and	It included a variety of fiscal	These special
Recycling Assistance Law, 1993	incentives such as tax	taxation measures
	exemptions, special depreciation	boosted investment in

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友		
	allowances and soft loans, to	energy efficient
	promote energy conservation by	products by 500
	industry in Japan.	billion yen (US\$ 4
	A reduction of - 1 percent per year	billion). Investment
	in energy consumption levels by	rose from 300 billion
	all factories was one of the goals	yen in 1990 to 800
	of the new law.	million yen in 1993.
	The new equipment has to	Purchases fell back to
	guarantee a 5% reduction in	the 300 billion yen
	energy use to qualify for the	level by 1999.
	special depreciation allowance.	
Market incentive for Energy	Energy Efficient Product Retailer	
Efficiency Promotion	System-2003	
	-Efforts on energy efficiency	
	promotion of stores are ranked	
	and publicized annually, with the	
	top ones awarded a logo	
Financial support to Energy	Subsidies or low-interest loans	Markets for energy
Service Company	are provided to private companies	service have grown three
	to hire energy service companies	times from 170 million yen
	for energy conservation measures	in 1998 to 515 million yen
		in 2002.
Revolution in Office Fashion	Cool-biz, initiated by Prime	In metropolitan Tokyo
	Minister in the summer of 2005 to	alone, the campaign
	dress down and turn up the	saved 70 million kilowatts
	thermostat of air-cons at 28C.	of power from June
	Companies including Toyota,	through August enough
	Hitachi, Isuzu and Sharp asked	to power a city of a
	everyone from chairmen down to	quarter-million people for
	salarymen to strip off their	one month, according to
	much-loved ties and jackets as	Tokyo Electric Power Co.
	office air conditioners were set no	
	cooler than 28 C degrees.	
<u> </u>	1	

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Warm-biz, set in motion in 2005 winter to work in unheated offices with down coats and blankets

Source: The Energy Conservation Centre, Japan

3.2.6 What could be learned in DSM implementations for Hong Kong?

The examples above illustrate the importance of political will, financial incentives and legislation for effective DSM. FoE (HK) believes the success of energy efficiency relies on strong government initiatives and provision of both economic and public relations incentives. Implementation of DSM would enhance electricity security and energy sustainability.

Both the government and the legislature have the responsibilities to safeguard the public interest in tariff adjustments by taking into account of the performance of DSM by the electric utilities. DSM appraisal should be included when reviewing the power companies' prediction of electricity growth.

IEA says, "Demand side activities should be active elements and the first choice in all energy policy decisions designed to create more reliable and more sustainable energy systems."

Governments have a range of tools available to encourage energy conservation and

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efficiency, including adjusting energy prices, establishing financial instruments to

encourage the use of efficient products and practices, mandatory minimum efficiency

levels, creating voluntary programmes and energy rationing.

Some of these have been adopted in Hong Kong with the establishment of Energy

Efficiency Office within the EMSD in 1994, including various energy efficiency

registration schemes and voluntary labeling.

Innovative pricing like time-of-use tariffs could be introduced to bring about long term

reduction in peak electricity demand. This would translate directly into reduction of

overall capacity requirements, which are based on the need to supply sufficient

electricity peak demand.

A standard flat rate electricity pricing exaggerates the difference between peak and

off-peak demand, resulting in unnecessary expansion of capacity as well as the use of

economically and environmental inefficient generation sources like coal during times of

peak usage.

But as mentioned earlier, absence of political will stand in the way of DSM adoption.

And lack of financial support is also detrimental to the promotion of energy efficiency.

The results of the three-year DSM programme is an example of how financial support

and government initiatives are essential for the success of DSM measures. The cost of

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the programme was borne by all consumers as a monthly or bimonthly DSM charge,

separately identified on electricity bills, starting in Jan 2000.

Notwithstanding the insignificant savings provide insufficient incentive for the utilities to

promote DSM. The annual electricity savings were less than 0.1% of total electricity

sales in 2001 and the budget savings equated to less than 0.6% of CLP's and HEC's

combined 2001 revenue from total electricity sales.

Utilities have an incentive to sell more electricity and a disincentive to sell less whenever

the marginal revenue from a sale exceeds the marginal cost of production. Current

rate-of-return regulation discourages utilities from pursuing energy-efficiency DSM

programs because: (1) utilities might not recover DSM program expenses when these

expenses were not anticipated in the rate-setting process; (2) utilities lost revenue from

sales not made because of the success of energy-efficiency DSM programs; and (3)

utilities forego other earnings opportunities because resources are devoted to DSM

programs instead.

Two regulatory strategies have been developed in the United States to overcome these

rate-of-return obstacles. The first compensates utilities for the margin foregone from

sales "lost" as a result of cost-effective DSM programs. The second "decouples"

revenue from sales. Decoupling requires establishing a revenue target that is

independent of sales and creating a balancing account for the difference between

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revenues actually collected and the revenue target. The balance is cleared annually

through either an increase or decrease in the subsequent year's revenue target. As a

result, the utility has no incentive to increase loads and no disincentive to reduce loads

because total revenues are independent of actual sales volumes in the short run.

Conclusion

Electricity market reform is not a mere economic issue but also has significant impact on

public health and the environment. The heavy reliance on fossil fuel for electricity is

exacerbating regional climate warming and air pollution. The government should seize

the chance of the current electricity market review to plan for a sustainable energy future

to improve public's health and life quality. An eco-centric energy policy which balances

the pursuit for economic growth and the preservation of the environment would not only

scour the filthy skies but also sustain the economic growth.

China is a vivid example to demonstrate how detrimental it is to the economy by

forsaking environmental considerations. It is estimated that between eight and ten

percent of China's GDP is offset by environmental damages. Some even go further to

suggest that China's economic growth over the past 25 years has been cancelled out by

the heavy cost to the environment and uncontrolled waste of resources.

Therefore, when deciding the objectives for future development of the electricity market,

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it would help to estimate the cost of environmental damage and medical care from a

reliability-centred, which means coal-dependent, energy policy. Demand side

management should be included in the new regulatory regime and the inadequacy of the

current Scheme of Control for the promotion of demand side management should be

redressed whatever form future restructuring may take.

The jurisdiction of a new independent regulatory body should be defined to ensure

effective control.

There is a need for increased public discussion and citizen participation in the

policy-making process. The government could consider open the meetings of the

Energy Advisory Committee to the public or distribute meeting minutes afterwards. And

information relating to the negotiations between the government and the two power

companies regarding future electricity development should be made public.

Transparency should also be introduced in tariff adjustments. The terms for tariff

adjustments in the SCAs are too ambiguous for the public to decipher their respective

relevance to the numerical adjustments in tariff.

The advanced economic development we have in Hong Kong should oblige us a bigger

proportion of responsibilities for improving regional air pollution and handling the

challenges of climate change. Our lifestyles are of a developed economy but the style

of our government has been one of a timid and parochial bureaucracy. The worsening

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air quality has worried a wide spectrum of community groups including the business community and the tourism industry. For a government promising strong governance, the formation of an environmental friendly energy policy is where it is most needed now.

# "Fritz Gross" 28/03/2006 07:29

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

"Fritz Horlacher"

29/03/2006 15:02

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hi	reath of cl	lean air	_											

Dreati	1 01	Clean	air.				
Sign:			_				

### "Fritz von Klein"

To: <electricitycommentstage2@edlb.gov.hk>

Sı

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

24/03/2006 06:59

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: \_Fritz von Klein

# "FU KMA HING" 27/03/2006 08:51

To:	<electricitycommentstage2@edlb.gov.hk></electricitycommentstage2@edlb.gov.hk>
~~.	

CC:

Subject:網上行動回應《香港電力市場未來的發展》

Urgent Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

必明行些以心能勿自心市人	八 盖人, 和 巾 凡	ᆸᄸᆐᆂᅑᅝ
(署名) 啟		

"Fu Man Sing"

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

16/03/2006 16:03

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

		-	
(署名	3) 啟		

Economic Development and Labour Bureau 2/F, Central Government Offices
Main & East Wings
Lower Albert Road, Central
Hong Kong

Dear Mr S. Ip,

#### Re: Stage II Consultation

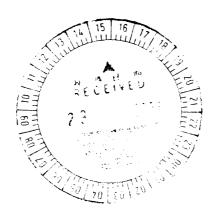
For Stage II Consultation, I appreciate that the importance of electricity and supply reliability is fully recognized in the paper. However, I would like to point out the following issue that you should pay attention before finalizing the post-2008 framework with the two power companies:-

• It is well-known that the use of renewable energy in Hong Kong is very restricted to domestic use or small scale commercial applications. I am not saying that we should not promote the use of RE but we should have to maintain an adequate local generating capacity for backup purpose. The key issue is to provide a sufficient & adequate return to the power companies to attract their continuous investment on local generating capacities.

I hope the above key issue can be thoroughly considered by the government before proceeding further negotiation with the two power companies.

Yours sincerely,

Fu Man Yuk, Carol



# "Fuhua Wang" 24/03/2006 08:22

To: <electricitycommentstage2@edlb.gov.hk> cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Dieaci	1 01	Clean	air.				
Sign:			_				

**Fun Kwok** 

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: Future Development of the Electricity Market in HK: Stage II

Consultation - comments

☐ Urgent ☐ Return Receipt

31/03/2006 10:48

#### 致經濟發展及勞工局長:

本人非常支持政府要求兩間電力公司增加使用天然氣發電,因為天然氣較燃煤潔淨及環保,但政府必須兼顧不同燃料的均衡應用,不應將貨就價,以免過於依賴某些燃料,一旦這燃料供應出現間題,會造成電力不足及可靠度的問題,由於可再生能源的可靠度低及每度電的成本高昂,香港需小心設定可再生能源應佔的比例,以免大幅增加供電成本因此而拖低整體供電可靠度,最終會影響大眾市民日常的生活。政府應確保所有競爭者能在公平的環境下競爭,電力行業投資大而且回本期長,資產壽命往往長達三十年或以上,而國際燃料供應商通常要求簽訂某一定年期的採購合約,因此贊成給予15年合約年期,令電費及可靠度得以保持穩定,由於不同功能的電力設施對維持供電的可靠度同等重要,所以不贊同政府讓不同類型的電力設施賺取不同的利潤。

市民

Fun 上

Economic Development and Labour Bureau 2/F., Central Government Offices, Main & East Wings Lower Albert Road, Central Hong Kong

Fung Ah Kam

Dear Sir,

#### Electricity Market Stage II Consultation

I work for a construction contractor. I have some comments on the Electricity Market Stage II Consultation Paper.

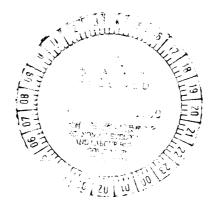
I recall that highway projects, in which I have been involved, cost billions of dollars. The developers usually have signed some sort of agreements with the Government such that they invest in the projects in return for a long-term, stable and reasonable return. I think this is a win-win situation. The developers provide the money the projects require such that we can have high-standard highways, while they can earn a reasonable return from the projects.

The same win-win situation is also found in the electricity industry - power companies invest in the electricity supply system such that we can enjoy reliable electricity supply, while they can get a reasonable return. However, the Government seems proposing to damage this win-win situation in the Stage II Consultation. In the consultation paper, the Government proposed to lower the rate of return and shorten the regulatory period. These proposed changes would adversely affect the current proven win-win situation, which may eventually turn to a lose-lose situation.

The Government's proposal seriously violates the well-functioning commercial principle adopted in infrastructure projects. I would therefore call upon the Government to withdraw the above-mentioned proposal and keep the current win-win situation intact.

Yours faithfully,

Fung Ah Kam



# "F

"Fung Chak Wai"

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject:網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

27/03/2006 19:07

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

Secretary for Economic Development and Labour Economic Development and Labour Bureau, 2/F., Central Government Offices, Main & East Wings, Lower Albert Road, Central, Hong Kong.

### Future Development of the Electricity Market in Hong Kong (Consultation Stage II)

Dear Sir,

With reference to your consultation paper on the captioned subject, I would like to express my views.

Under the present prime interest rate in Hong Kong, your offer of 7-11% rate of return is insufficient to attract investment for constructing a reliable electricity system in Hong Kong. Besides, the 4-tiered rate of return arrangement is a complicated proposal. From the investor perspective, there is no differentiation between one type of assets and the others. All the assets within the same power company are equal and should earn the same return.

As electricity infrastructure is so important to the people in Hong Kong, I hope the Government could provide adequate incentives to the power company to ensure that good electricity service can be delivered in the future.

Yours faithfully,

Fung Chi Wai



Economic Development & Labour Bureau 2/F., Central Government Offices Main & East Wings,
Lower Albert Road, Central Hong Kong

Fung Fook Shun

#### Stage II Consultation on Electricity Market

Dear Mr Yip,

After reading your Stage II Consultation Paper, I have some comments on the way you regulate the return of power companies. I doubt very much whether power companies would have incentive to continue investing in Hong Kong.

The 7-11% returns are much lower than the returns of the current system. Although the current return of 13.5% may be high in the period of deflation, however, now the situation has changed with inflation coming back and best lending rate ncreasing to some 8%, the 7-11% becomes return in real terms. If I am the power company, I will not invest in a business with such low margins of -1% to 3% relative to the best lending rate. Besides, I see the risk of my investment subject to competition from China 10 years later and I may lose all my investment.

Yours sincerely,



Furit Took Show

# "fung ka chui"

To: electricitycommentstage2@edlb.gov.hk cc: Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

17/03/2006 22:09

#### 致經濟發展與勞工局:

身為香港的一份子, 我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排 放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與 成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、 環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂 立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

fung ka chui

### "Fung Ka Keung"

16/03/2006 23:50

To:	electricitycommentstage2@edlb.gov.hk
cc:	
	我要清新空氣
-	☐ Urgent ☐ Return Receipt

#### 致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Fung Ka Keung

Fung Ka Keung



To: electricitycommentstage2@edlb.gov.hk cc:
Subject: Comments
Urgent Return Receipt

 $\ensuremath{\mathsf{My}}$  submission as a citizen and electrical engineer. Regards.



Submission to the Stage II consultation on Future Development of the Electricity Market in Hong Kong.doc

### Submission to the Stage II Consultation on Future Development of the Electricity Market in Hong Kong

I appreciate the Government had done a lot of homework on the subject and boldly departed from the past practice of close collaboration with the two power utilities, nevertheless the Consultation Paper still lacks strong governance and leadership.

Whilst no new coal fired generation had been permitted in recent years, there is no clear fuel policy on gas, coal, nuclear, etc. This is not conducive to long term planning of associated infrastructure for stable fuel supply.

On emission, more co-ordination among different bureaus is essential for clear policy. Government should be more forthcoming on emission requirements (projected) rather than leaving the operators second guessing the hidden agenda, if any. This will have important impact on fuel mix (& type of generation plant) and expensive emission reduction equipment.

On permitted rate(s) of return, I submit single rate of return should be adopted. It will be simple to implement. It would not distort investment decisions or confuse priorities, e.g. emission reduction is not less important than renewable energy.

On fuel clause account, I do not fully agree that fuel cost fluctuations are largely beyond the control of the power companies and therefore fully borne by consumers with no initiative by the power companies. Most manufacturers hedge their materials to mitigate material cost fluctuation and bear the risk, unable to pass on to purchasers. Power companies must know the fuel market well, like airlines (which usually enter into hedge contracts and cannot fully pass the cost increases onto passengers on a back-to-back basis). There should be room for hedging of fuel with gains to be equitably shared between the power company and consumers with losses wholly borne by the power company.

FUNG Kwai Kin (mobile )

#### "Fung Kwan-Mui"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

24/03/2006 14:05

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hт	reath of cl	lean air	<u></u>											

Dreati	1 01	Clean	air.				
Sign:			_				

#### "Fung Oi Ling"



17/03/2006 13:48

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Fung Oi Ling

Economic Development and Labour Bureau 2/F., Central Government Offices, Main & East Wings Lower Albert Road, Central Hong Kong

Dear Sir,

### Views on Stage II Consultation on Future Development of the Electricity Market Development

I am a Hong Kong citizen and would like to express my views on the Government's proposals in the Stage II Consultation Paper.

Government's proposal of a shorter 10-year regulatory period in the Stage II Consultation Paper is unreasonable. This proposal ignores the long-term nature of the power industry. In addition, there is a high probability for the long-life assets to become stranded after the 10-year regulatory period if there is no chance for the extension of the regulatory period. Then, power companies will definitely have increased investment risk.

The proposal of Government approval for all tariff adjustments is also unfair. After the investments of electricity infrastructure have been approved by the Government, power companies should be allowed to earn their permitted return on investments. With the Government's proposal implemented after 2008, it is likely that the Government's decision may be distorted by political pressure. Power companies will be forced to accept the lower-thannecessary tariff revenues with the compromise of their service quality.

I hope that my views will be considered and reflected in this Stage II Consultation.

Yours faithfully,

Fung Tat \Lai

## "Fung Wai Leung"

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject:網上行動回應《香港電力市場未來的發展》

Urgent Return Receipt

30/03/2006 22:13

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

(署名) 啟	

Economic Development and Labour Bureau, 2/F., Central Government Offices, Main & East Wings, Lower Albert Road, Central, Hong Kong.

Dear Sir.

#### Stage II Consultation on the Future Electricity Market

Please find my views on the future development of the electricity market in Hong Kong as follows:

The existing framework is effective in regulating the power companies to provide a safe and reliable electricity supply in Hong Kong. In fact, the service we are enjoying is one of the best in the world. Nobody would like to see this to change after 2008. We all want to continue to enjoy such standard of electricity supply in the future.

The government's proposals in reducing the power companies' rate of return and shortening the regulatory period for the bilateral agreements would increase the investment risks of the power companies and the power companies may reduce their future investments in their facilities. This in turn will decrease the reliability of power supply in Hong Kong and should not be adopted.

Yours faithfully,

Fung Wai Ying



#### "FUNG YEE WAN"



24/03/2006 11:18

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

DICACI	· OI	CICAII	all.				
Sign:			-				

## "Fung Yiu Chung"

31/03/2006 14:10

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject:網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

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- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

## "Fo

"Fung"

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

27/03/2006 10:21

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

## "Fung"

27/03/2006 10:20

To: <electricitycommentstage2@edlb.gov.hk>

Subject:網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

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懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

Futac Technologies Limited Unit 1-3, 7/F., Peninsula Tower 538 Cästle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong March 22, 2006

Economic Development and Labour Bureau 2/F, Central Government Offices,
Main & East Wings,
Lower Albert Road, Central,
Hong Kong

Dear sir.

#### Views on Stage II Consultation Paper

Nowadays, IT networking is an essential infrastructure for business survival and development. As an IT service provider, we provide a wide range of broadband products and integrated IT solutions for our customers. Having a robust and efficient data transmission network relies on not only a sophisticated network design but also a highly reliable power supply:

In Hong Kong, we are fortunate to have such electricity supply networks provided by the two power companies. We opine that such highly reliable electricity supply should be maintained at all costs disregard of any change in regulatory regime after 2008. Based on its well-proven track record, the existing regulatory regime can achieve the above supply security target by inducing the power companies to make their timely and adequate investment in the power infrastructure.

We consider that the whole consultation paper is drafted on a piece-meal basis. Without defining a clear picture for the future market, it will certainly discentivize any investment in the power industry. Our supply reliability will hence be endangered in the long run. Therefore, we urge the Government to give up the following controversial proposals:=

Shorten regulatory period from 15 years to 10 years

This will increase business risks since the power industry has a long payback period.

Lowering of rate of return to 7-11% without justification

The proposal is premature and not appropriate to determine the return rate based on current conditions, which may be very different in the post-2008 regime.

 Mandate grid access for new power supply sources, especially for the suppliers in the Mainland It cannot assume the availability of surplus supply in the Mainland in the near term. A degraded reliability for a highly interconnected network is well documented. One example is the 2003 massive blackout in North US and Canada.

Yours faithfully,

WIT



Futac Technologies Limited
Unit 1-3, 7/F., Peninsula Tower
538 Castle Peak Road
Cheung Sha Wan, Kowloon

22 March 2006

Economic Development and Labour Bureau 2/F., Central Government Offices, Main & East Wings Lower Albert Road, Central Hong Kong

Dear Sir.

#### Electricity Market Stage II Consultation

We are a broadband products and integration solutions provider for telecommunication companies to deliver state-of-the-art voice, video and data over wireless and fixed line networks. We are based in Hong Kong and have played a key role in the local development of telecommunication infrastructures both in scale and depth in Hong Kong. As reliable electricity supply is crucial to proper functioning of telecommunication infrastructure, we would like to take the opportunity of Stage II Consultation to express our views on the electricity market future development.

Since our founding in 1987, we have never experienced any power shortages and interruptions. On this, we congratulate the Government on successfully creating a stable to allow timely and sufficient investments in electricity infrastructure such that we have a highly reliable electricity supply for the past decades. In formulating the future electricity market framework, we opine that a stable and certain environment shall be established such that investments in electricity infrastructure are adequately encouraged. Any proposals that create uncertainties on the present environment, which is sound and stable under the Scheme of Control Agreements, should be avoided. In our views, the Stage II proposals that create uncertainties include shortening of agreement period, lowering of rates of return, and introduction of new supply sources.

Since electricity supply is the fundamental for almost all developments including telecommunication infrastructure development, we request the Government to take a

well-balanced approach in dealing with electricity market development issues such that the present outstanding reliability of electricity supply can be maintained in future.

Yours faithfully,

in tem

Mr. Wayne Tsoi
Futac Technologies Limited
Unit 1-3, 7/F
Peninsula Tower
538 Castle Peak Road
Cheung Sha Wan
Kowloon
Hong Kong

22 Márch 2006

Economic Development and Labour Bureau 2/F., Central Government Offices, Main & East Wings Lower Albert Road, Central Hong Kong

Dear Sir,



### Future Development of the Electricity Market in Hong Kong Stage II Consultation

The Futac Technologies Limited provides a full suite of proprietary broadband products and integration solutions for Telcom Providers. With reference to the Stage II Consultation Paper, I would like to express my views on the proposals for the Future Development of Electricity Market in Hong Kong.

In order to have a successful running of our business, high level of reliability of electricity supply is of paramount importance to us. Our company has rarely experienced any power interruptions since our establishment in Hong Kong. Hence, we are satisfied with the current level of supply reliability and services under the existing regulatory regime. I support your policy objectives, which will ensure reliability of electricity supply in the post-2008 period.

However, you should be very careful about the setting of the rate of return and the shorter 10-year regulatory period. I think the proposed permitted rates of return of 7-11% is too low to attract investment required for building a reliable electricity system. Government should explain how the proposed rate of return is determined. Electricity infrastructure is capital intensive and has long life. The proposed 10-year regulatory period is considered too short because it has only 10 years of certainty to earn a return. Investors must be given with a sufficient long regulatory period and I think the existing 15-year regulatory period should be maintained to encourage investment in the electricity infrastructure.

I urge the Government that sufficient incentives and 15-year regulatory period must be granted to the power companies so that we can continue to enjoy reliable and adequate electricity supply in the post-2008 period.

Yours faithfully,

いいてい

# "Fuzzy Lam" 30/03/2006 12:52

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

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懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

### "FY Leung"

29/03/2006 09:23

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

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Sign:			_				